



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 19 July, 2005

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1. The House met at 10.40 a.m. Mr Speaker read Prayers.
 2. **Votes and Proceedings:**
Mr Speaker announced that he had examined and approved the Second Votes and Proceedings of Thursday, 2 June, 2005.

By unanimous consent, the Votes and Proceedings was adopted.

3. **Beginning of third Session Address by Mr Speaker:**
Mr Speaker addressed the House as follows:

**ADDRESS BY RT. HON. AMINU BELLO MASARI, SPEAKER, HOUSE OF
REPRESENTATIVES AT THE COMMENCEMENT OF THE THIRD LEGISLATIVE
SESSION OF THE SECOND ASSEMBLY, FOURTH REPUBLIC**

Hon. Members, it is with utmost joy and gratitude to the Almighty God that I welcome you from your well-deserved recess. I have no doubt that you utilised the opportunity of the recess to interact and consult with your constituents. We must pay tribute to God and acknowledge His protection and guidance throughout the period of our recess.

It is incumbent on me to make some remarks, on the task ahead of us as we begin a new session. Before then, permit me to quickly point out that we are commencing a more critical session, given the challenges ahead of us. However, knowing the caliber of Hon. Members and their dedication to hard work, I am confident that we are equal to the task.

The last legislative year ended on the 2nd of June 2005, during which, in my end of session address, I dwelt at modest length on our achievements and challenges. I still wish to thank and appreciate you for your tireless and assiduous strive, across various spheres of legislative endeavour, all in our quest to make indelible imprints in the service of our country.

With the many Bills introduced in the last two years, and a good number of them at various stages of Legislative process, it behooves me to appeal that we settle down to our bounden duty of enacting laws for the order and good governance of our people, such that will soundly and markedly impact positively on their lives. I wish to draw your attention to some pending measures which require urgent legislative attention, particularly as we lay foundation for future democratic processes in this country, to wit:

- (a) *The Constitution Review which the National Assembly set up a Joint Committee. We expect the Report in the next few weeks for consideration and forwarding of our approved amendments to the States Houses of Assembly for their constitutional action.*
- (b) *The Electoral Reform Bill, 2005.*

- (c) *Revenue allocation (Federation Account) Bill, 2005.*
- (d) *The Nigeria Extractive Industry Transparency Initiative.*
- (e) *Finance, Taxation and Revenue Generation Bills.*
- (f) *Bilateral and Multi-Lateral Treaties, Conventions and Protocols on our International obligations.*
- (g) *The Build, Operate and Transfer Commission Bill.*
- (h) *The Water Supply Regulatory Commission, Federal Highways Authority and Other Bills on National Infrastructure, among others.*

For avoidance of doubt these are not the only Bills of national priority, but these are the ones we will set target dates for ourselves in view of their national importance.

We look forward to our urgent conclusion of action on all the pending items even as we introduce new and meaningful ones, such that will have impact and significance on the lives of our people.

In the course of the session we will endeavour to drive our activities within a target and goal-oriented framework. The House Leadership shall try to marshal out a programme of activities, including other relevant details, such as target dates etc. We expect all other hierarchy of leadership, particularly at the level of the Committees and other organs to imbibe the same pattern. This new approach will put emphasis on achievement of set objectives, in addition to proper implementation.

May I solicit that all Honourable Members put on the much needed democratic temper and phlegm, a spirit of fair-play, calmness and tolerance of other people's interest and opinions. This also demands of us, as leaders to comprehend, and to willingly accept that the power we exercise, belongs to the people and that the same people possess a right to choose who governs them, a right which should be free and respected. The absence of democratic spirit has perverted democratic processes in many developing countries. The multiplier effect of this phenomenon has meant a number of political and social ills that many of such countries are still grappling with. A democratic temper is therefore, a direly needed resource, as we cooperate with one another and the other arms of government.

As we settle down to business, I am sure we should be elated at seeing the gains of some of our past and recent efforts already bearing fruits. The most recent is the decision of some of Nigeria's creditors under the Paris Club to write off over \$18 billion, of our foreign debt, amounting to 60% with a further promise to increase the stake to 67%. Hon. Members will recall that during the last session, this House vigorously campaigned for debt repudiation. We unanimously passed a resolution to that effect, which was promptly conveyed to Mr. President. May I congratulate the National Assembly for this achievement, while thanking the International Community for their kind gesture. Let me also convey your congratulations to Mr President, Chief Olusegun Obasanjo, for this achievement and submit that this is a vote of confidence by the international finance community on the Federal Government of Nigeria.

Hon. Members, permit me to observe that with the count down to the year 2007, the temptation to veer from our responsibilities in this chamber may manifest. I however urge you to resist such temptation since the same attention is needed here, given the enormity of our responsibilities. I expect excellent chamber attendance record - a tradition that has been associated with this House.

The novel programme of 'meet the people' tour, commenced during the last session, which has so far taken us to at least five states, shall be continued, and will hopefully spread across more states. This will afford us ample privilege of feeling the pulse of our people, as we interact, to assess the weight and impact of our assignments on their lives.

Hon. Members, I need not remind you of my opinion that this House is a collection and plethora of assets. We must therefore continue to tread the path of honour, dignity, integrity, and patriotism, laden with decency, for, these are hallmarks of a sound and healthy democratic culture. As we commence the second half of our mandate we have yet another opportunity to make history. This, we can best achieve by going ahead to build upon our track record of an active legislative assembly.

At the end of my address to mark the end of the Second Session of the second Assembly of the Fourth Republic on June, 2, 2005, I announced the dissolution of the leadership of all the Special and Standing Committees of the House with effect from that date.

The erstwhile Committee leaders served with distinction for two years and they would be remembered for their diligence, industry, selfless and exemplary service to the Nation. May I, therefore, on behalf of the Leadership of the House, thank them for the selfless service they rendered to our Committees. The leadership of the House will meet soonest to determine the new leadership of all Committees of the House.

I wish to seize this opportunity to renew the pledge of the leadership of this House towards a rededication and recommitment to the cause and service of democracy and our dear nation, Nigeria. Our goal is the development of a powerful and active legislature that will be the pride of our nation and Africa at large.

During the recess, the leadership of House received the unfortunate news of the death of the wife of our colleague—Hon. Koshoedo. While we absolutely submit to the will of God in this regard, we sympathise with the Hon. Member for that great loss (Will Members please rise to observe a minute's silence in her memory and honour).

Hon. Members, once again, I welcome you back and wish you all an eventful and successful third session in the service of our fatherland!

I thank you and God bless Nigeria!

19th July, 2005.

4. Messages:

Mr Speaker read the following Messages from the President, Commander-in-Chief of the Armed Forces of Nigeria:

(i)



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

PRES/134

June 26, 2005

*Hon. (Alhaji) Aminu Bello Masari,
Speaker, House of Representatives,
National Assembly,
Abuja.*

Dear Hon. Speaker,

***A BILL FOR AN ACT TO ESTABLISH THE FINANCIAL INTELLIGENCE UNIT
FOR RECEIVING, ANALYSING AND DISSEMINATING FINANCIAL INTELLIGENCE
AND OTHER INFORMATION AND FOR OTHER MATTERS CONNECTED THEREWITH***

I refer to my letter PRES/134 of 8th November 2004 under cover of which I transmitted a Bill for an Act to Amend the Economic and Financial Crimes Commission (Establishment) Act, 2004, which has now been turned down by both Chambers of the National Assembly, and to transmit herewith a substitute Bill for consideration.

You will recall that I have, through various correspondences with the leadership of the National Assembly, kept Honourable Members informed on the progress being made in getting Nigeria de-listed by the Financial Action Task Force (FATF). The Inter-Agency Committee that is spearheading that effort has made significant progress with the submission of a consolidated and revised Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Implementation Plan and Strategy for Nigeria to the FATF on 29th April, 2005.

It is important that we prepare adequately for the next phase of the de-listing process, namely, the on-site visit by officials of the FATF to carry out an on-the-spot assessment of the implementation of the corpus of laws and regulations against money laundering, terrorist financing and other financial crimes by the relevant government agencies. One area the FATF team will focus on during the on-site visit is the existence and functioning of an autonomous Financial Intelligence Unit (FIU).

The establishment of a functioning Financial Intelligence Unit (FIU) by a country is a very important component of effective Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. It is a requirement of the Financial Action Task Force (FAT F), a body affiliated to the Organisation for Economic Cooperation and Development (OECD) by its recommendation 26. It is also a prescription of the United Nations by virtue of Article 7 (1) (b) of the, UN Convention Against Transnational Organized Crime (The Palermo Convention).

It is important to note that the absence of an FIU is one of the deficiencies highlighted in Nigeria's AML Strategy by the FATF in 2001 and remains one of the conditions which we must fulfill in order to be removed from the List of Non-Cooperative Countries and Territories (NCCTs), on which Nigeria was included in July 2001.

Given the significance of the object of this Bill, I thought I should give some background information on the nature, objectives and comparative international approaches in dealing with the issue of FIU.

The nature and core objective of an FIU is to serve as a Central National Agency responsible for receiving, analyzing and disseminating disclosures of financial information to competent authorities:

- (i) Concerning suspected. proceeds of crime or*
- (ii) As required by national legislation or regulation in order to ensure effective anti-money laundering regime.*

The FIU must, therefore, be established by legislation to:

- (i) receive information from various sources and develop a data depository;*
- (ii) analyse that information;*
- (iii) develop that information, into useable intelligence;*
- (iv) disseminate that intelligence to authorized national and local agencies;*
- (v) support investigations into money 'laundering and, sometimes research (strategic analyses) and serve as main liaison with similar units in other parts of the world.*

There are different models of FIUs which may be classified as administrative, law enforcement, judicial prosecution or a hybrid of any of the foregoing.

Countries adopt any model which ,they determine to be best suited to them. However, which ever model a country adopts, there must be an assurance that the FIU carries out its primary functions without let or hindrance. In other words, the autonomy of an FIU under any circumstances must be guaranteed. So important is the issue of autonomy that the FATF will not recognize an FIU which is not structured to exercise its functions in an unfettered manner.

The ingredients of autonomy principally include:

- (i) Ability to disseminate information to competent authorities or other FIUs around the world without any let or hindrance.*
- (ii) Ability of the staff of the FIU to operate unencumbered.*
- (iii) Freedom from external control of the resources/finances of the FIU.*

The Administrative type FIUs are usually established under a Ministry or Administration but as a separate agency. They serve as a 'buffer' between the financial sector and law enforcement authorities. This type usually provides an atmosphere of mutual trust between the financial subsector and the law enforcement authorities. Examples include those of Australia, Canada, France, Russia, Israel" Netherlands, Spain, Venezuela and the USA, etc.

Law enforcement type FIUs on the other hand, are those established within existing law enforcement Agencies as specialized units in those Agencies focused mainly on investigation rather than prevention. In this

type of FIUs, gaining access to financial information would almost always involve launching a full investigation. Accountable institutions are usually reluctant to furnish financial information if they suspect such information may be used other than for AML/CFT purposes. Examples include FIUs in Austria, Iceland, Hungary, Germany and the UK.

The third are those FIUs established within the judicial arm of Government and most frequently under the prosecutor's jurisdiction. This arrangement is common in countries with a European Continental law tradition where public prosecutors are part of the judicial system.

The fourth is a structure which combines any of the features described above in order to enjoy the advantage(s) inherent in all of them. This type can be found in Denmark, Jersey (UK), Norway, etc.

The Nigeria Financial Intelligence Unit (NFIU), as conceived under the EFCC Act, 2004, is a law enforcement type FIU. As currently structured, it cannot be guaranteed the desired autonomy. The initial choice of a law enforcement type FIU was informed by the unsatisfactory level of obedience to law in our society. However, Section 1 (2) (c) of the EFCC Act, 2004 which makes the FIU synonymous with the EFCC does not confer on the latter the required autonomy consistent with international best practices, which will enable it relate and share information with other competent authorities and FIUs worldwide. This necessitated the amendment which was proposed to the EFCC Act but has been turned down by the National Assembly. Consequently, it is impossible to achieve an autonomous law enforcement type FIU, as initially conceived.

It must, however, be emphasized that while autonomy for an FIU is a condition precedent to its wide., acceptability and consistent with international best practice, an FIU needs not necessarily have coercive powers.

Consequently, the available option for Nigeria is a hybrid type FIU with administrative and law enforcement capabilities. This is what is now being proposed. It has been established that administrative type FIUs, which are buffers between financial institutions and Law Enforcement Authorities (LEAs), create an atmosphere of mutual trust between LEAs and financial institutions. Financial institutions are more cooperative in dealing with such FIUs as regards volunteering information. Nevertheless, given the unsatisfactory level of obedience to law in Nigeria, it is expedient to give the administrative type FIU some law enforcement capability in order to enhance its effectiveness. It is for the foregoing reason that an administrative type FIU with limited coercive powers is being proposed as contained in the proposed Bill.

I trust that Honourable Members would consider this Bill carefully and expeditiously and pass it into an Act so as to facilitate the removal of our country from the list of NCCTs. An electronic version of the Bill is enclosed herewith.

Accept, Dear Honourable Speaker, the assurances of my highest consideration and esteem.

Yours sincerely.

(Signed)
OLUSEGUN OBASANJO

(ii)



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

June 30, 2005

Hon. (Alhaji) Aminu Bello Masari,
Speaker, House of Representatives,
National Assembly,
Abuja.

Dear Hon. Speaker,

**A BILL FOR AN ACT TO AMEND THE ECONOMIC AND FINANCIAL
CRIMES COMMISSION (ESTABLISHMENT, ETC.) ACT, 2004**

Further to my letter PRES/134 of 28th June 2005 under cover of which I transmitted the Bill for an Act to Establish the Financial Intelligence Unit, etc. please find attached herewith the above captioned Bill which seeks to amend the Economic and Financial Commission (Establishment, etc.) Act, 2004.

The amendment of the said Act is a direct consequence of the decision to establish the Nigeria Financial Intelligence Unit (NFIU), hitherto domiciled in the Economic and Financial Crimes Commission (EFCC), as a separate body corporate with perpetual succession and a common seal. This move is consistent with international best practice as I indicated in my earlier communication referred to herein.

I trust that Honourable Members would consider this Bill carefully and expeditiously. An electronic version of the Bill is enclosed herewith.

Accept, Honourable Speaker, the assurances of my highest consideration and esteem.

Yours sincerely.

(Signed)
OLUSEGUN OBASANJO

(iii)



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

PRES/134

June 30, 2005

*Hon. (Alhaji) Aminu Bello Masari,
Speaker, House of Representatives,
National Assembly,
Abuja.*

Dear Hon. Speaker,

**A BILL FOR AN ACT TO AMEND THE MONEY
LAUNDERING (PROHIBITION) ACT 2004**

Further to my letter PRES/134 of 28th June, 2005 under cover of which I transmitted the Bill for an Act to Establish the Financial Intelligence Unit etc, please find attached herewith the above-captioned Bill which seeks to amend the Money Laundering (Prohibition) Act, 2004.

The amendment of the said Act is a direct consequence of the decision to establish the Nigeria Financial Intelligence Unit (NFIU) as a separate body corporate with perpetual succession and a common seal.

This Bill seeks to amend the Money Laundering (Prohibition) Act, 2004 to provide for the submission of financial reports under the Act to the Nigeria Financial Intelligence Unit (NFIU) established by the Nigeria Financial Intelligence Unit Act, 2005. This move is consistent with international best practice as I indicated in my earlier communication referred to herein.

I trust that Honourable Members would consider this Bill carefully and expeditiously. An electronic version of the Bill is enclosed herewith.

Accept, Honourable Speaker, the assurances of my highest consideration and esteem.

Yours sincerely.

(Signed)
OLUSEGUN OBASANJO

4. London Suicide Bombings:

Mr Speaker expressed regret at the unfortunate Suicide Bombings of July 7, 2005, in London, in which many people died including two Nigerians. He called for a minute in silence in honour of the dead victims and prayers for the repose of their souls.

(A minute in silence observed in their honour; Mr Deputy Speaker prayed for the repose of the souls of both the victims of the London Suicide bombings and the six persons reportedly killed by some policemen on June 8, 2005, in Apo, Abuja).

5. Announcement:

Bereavement:

Mr Speaker announced the death of the father of Hon. Jazuli Imam Galadanchi; he called for a minute in silence in honour of the deceased and prayers for the repose of his soul.

(One minute in silence observed in honour of the departed; Hon. Bawa Bwari rendered prayers for the repose of the soul of the deceased).

7. Petition:

A petition was received and referred to the Committee on Public Petitions:

Hon. Halims Agoda, from Mr L.O. Opiti, praying the House to intervene in the alleged wrongful termination of his appointment by the Nigerian National Petroleum Corporation (NNPC) and to grant the reliefs sought in the petition.

8. Presentation of Report:

Conference Report on the Advanced Fee Fraud and Other Related Offences:

Motion made and Question proposed, "That this House do receive the Conference Report on the Advanced Fee Fraud and Other Related Offences (Amendment) Bill, 2005 (Hon. Bala Ibn Na'Allah).

Question put and agreed to.

Report Laid.

9. A Bill for an Act to Prohibit the Use or Operation of Mobile Phones while Driving a Vehicle; for the Purpose of securing and Maintaining General Safety on Nigeria Roads; and for Related Matters, (HB.120) 2004—Second Reading:

Order read, deferred to the next Legislative day.

10. A Bill for an Act to Provide for the Establishment of the Nigeria Extractive Industry Transparency Initiative (NEITI); and Other Matters Connected Therewith, 2005 (HB. 137)—Second Reading:

Order read, deferred to the next Legislative day.

11. A Bill for an Act to Amend the Petroleum Production and Distribution (Anti-Sabotage) Act, Cap. 353 LFN to Vest Regular Courts with Jurisdiction to try Offenders and Offences Under the Act; and for Matters Connected Therewith, 2005 (HB. 141)—Second Reading:

Order read, deferred to the next Legislative day.

12. A Bill for an Act to Establish the Chartered Institute of Shipping of Nigeria and Regulate the Profession of Shipping; and for Related Matters, 2004 (HB. 132)—Second Reading:

Order read, deferred to the next Legislative day.

13. Motion on Adjournment:

Speaking on the Motion for Adjournment, Hon. Abdul Ningi recalled with pride, House Resolution 10/2005 of March, 2005 which culminated in the recent Debt relief granted Nigeria by the Paris Club. He commended the House and Mr. President for this landmark achievement. He further commended the House for its restraint on the just concluded National Political Reform Conference, and expressed the hope that its outcome would be dispassionately considered on their merit.

14. Adjournment:

That this House do now adjourn till Wednesday, 20 July, 2005 at 2.00 p.m. (*Hon. Abdul Ningi*).

Adjourned accordingly at 11.15 a.m.

Aminu Bello Masari
Speaker