



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 20 October, 2009

1. The House met at 10.28 a.m. Mr Speaker read Prayers.
2. **Votes and Proceedings:**
Mr Speaker announced that he had examined and approved the Votes and Proceedings of Thursday, 15 October, 2009.

By unanimous consent, the Votes and Proceedings was adopted.

3. **Message:**
Mr Speaker read the following Message from the President of the Federal Republic of Nigeria:



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

October 12, 2009

*Right Honourable Dimeji Bankole, CFR
Speaker of the House of Representatives,
National Assembly Complex,
Three Arms Zone,
Abuja.*

Dear brother,

**BILL FOR AN ACT TO PROVIDE FOR
MEASURES TO COMBAT TERRORISM**

I forward herewith, for, your kind consideration and passage into law, the attached Bill to provide for measures to Combat Terrorism.

It is my hope that the Honourable Members of the House of Representatives of the Federal Republic of Nigeria will consider and pass the Bill in your usual expeditious manner.

Please accept, Mr Speaker, the assurances of my highest consideration.

Yours Sincerely,

(Signed)

UMARU MUSA YAR'ADUA

4. Petition:

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

Hon. Bitrus Kaze (*Jos South/Jos East Federal Constituency*), from Mrs Marina Bala Clement, praying the House to intervene in her alleged wrongful dismissal by the Corporate Affairs Commission with a view to ensuring justice.

5. Matter of Urgent Public Importance:

Rising on Order VIII, Rule 4 of the Standing Orders of the House, Hon. Dino Malaye drew the attention of the House to the speed bumps erected along the roads within the Federal Capital Territory. He noted that the bumps did not conform with modern road construction standards and had contributed to many accidents. He therefore, urged the House to consider the matter as one of Urgent Public Importance.

Question that the matter be considered as one of Urgent Public Importance, put and agreed to.

Matter to stand-over till the next Legislative Day.

6. Presentation of Bills:

(i) Civil Forfeiture of Proceeds and Instrumentalities of Unlawful Activity Bill, 2009 — *Read the First Time.*

(ii) Nigerians in Diaspora (Establishment) Commission Bill, 2009 — *Read the First Time.*

(iii) Nigerian Free Trade Zone Commission (Establishment, etc.) Bill, 2009 — *Read the First Time.*

7. The Role of the Central Bank of Nigeria and Other Regulatory Authorities, if any, on the Financial Crises in the Banking Sector and the Stand of the Current Central Bank, Other Matters, and Issues Arising from the Current Bank Reforms.

Motion made and Question proposed,

The House:

Aware of the pivotal position of the Central Bank of any Country, as the life-wire of the financial system; acting as the Government Banks, Bankers' Bank, Microeconomic Manager, and partner in the entire government planning and financial processes and policies;

Further aware that the Central Bank of Nigeria, in recent times has been grappling with the issues of reforms in the Banking Industry, following years of bastardization and unethical practices;

Worried on the alleged brazen cases of corruption, money laundering, racketeering, reckless spending of banks funds, dishing out of non-performing loans and capital market manipulation by Chief Executive of some Banks;

Piqued by the understanding that this alleged rot had been on, even when the Central Bank was repeatedly assuring Nigerians that all was well with the nation's Banks, and conscious of the need to ascertain the roles of the leadership of the Central Bank at the time, and other regulatory authorities, including the Nigerian Deposit Insurance Corporation (NDIC);

Acknowledge the disposition of the present leadership of the Central Bank of Nigeria (CBN) in bringing to the knowledge of Nigerians the alleged decay in these Banks and even exposing the reported perpetrators, and subsequent prosecution;

Further worried by the claims and counter claims by Banks' major Stakeholders and other interest on the veracity or otherwise of these revelations on the operations of these Banks, as well as the honesty, sincerity and fairness of the Central Bank in its actions;

Concerned on the need for the exercise to be guided by extant laws, regulations and guidelines, in view of the due process mantra of the government and also on the basis of the action already taken by the Central Bank, and further plan for outright sale or take over of these Banks;

Disturbed that as mind burling as these revelations may be with widespread observations by those who are in the know in the operations of these Banks that the magnitude of non-performing loans in the Central Bank and other Banks is in the range of ₦900 billion to ₦1.7 trillion;

Further disturbed on the injection of ₦620 billion as bail-out funds or loans, as the case may be, to these Banks and sustainability of such action, in terms of its constitutionality or otherwise and the roles of the legislature, if any, in the authorization of such funds; and the propriety of Central Bank of Nigeria (CBN) or otherwise in issuing such funds;

Further concerned on the perception and implications which these revelations and subsequent actions taken by Central Bank of Nigeria (CBN), have on the Banking system and the nation economy rating by the International Community, and the understanding that there is a link between a lending boom, assets price cycles and financial crisis, and consequent need for a strong banking regulatory system.

Resolves to:

Mandate the relevant committees of the House to conduct immediate and in-depth investigations as they relate to:

- (i) the veracity or otherwise of the alleged rot and corruption in the banking sector with regard to the issue of non-performing loans, capital market manipulations, reckless spending of Banks' funds and allegations of money laundering;
- (ii) investigate and determine the roles played by the former leadership of the Central Bank of Nigeria and the leadership of other regulatory authorities and financial institutions, their level of complicity, as it relates to their actions and inaction in the alleged decay and rot in the banking system;
- (iii) ascertain whether the Central Bank of Nigeria (CBN) in taking its actions followed due process, including giving fair hearings to the alleged perpetrators of the said rot in the banks, as well as applying International best practices in the process;
- (iv) determine whether the accused, by their alleged conducts and actions, breached any existing laws;
- (v) determine whether the Central Bank of Nigeria (CBN) has the power or authority to take over the Banks or authorise an outright sale of same, just as the House also needs to verify the total indebtedness of the Federal Government of Nigeria to these bank and recovering such debts from the Federal Government;
- (vi) determine the credibility of the new Chief Executive of Commercial Banks recently appointed by the Central Bank of Nigeria (CBN) as to whether or not they are fit and proper persons by qualifications, professional skills and strength of character to occupy the offices;
- (vii) determine the propriety or otherwise of the Central Bank of Nigeria (CBN) to print and inject ₦620 billion into these banks or any other amount of money which may have been printed and injected into any bank in Nigeria without legislative authorization, and which has not been publicly disclosed up till date;
- (viii) ascertain the veracity or otherwise of the widely reported claims in local and international media that a Company "Securrency" is believed to have paid millions of dollars in bribe money to Nigerian officials to secure the contract to print Nigeria's new bank notes;
- (ix) verify the total cost spent by the Central Bank of Nigeria on the re-capitalization of banks, and ascertain whether such expenditure was approved by parliament including the genuineness of such expenditure;
- (x) determine the appropriateness or otherwise of the existing controls, procedures, process and accountability for contracting, printing, taking custody of, and disbursement/ circulation of such Banks notes in Nigeria;
- (xi) to consider other issues, facts and matters incidental to the matter, and report to the House within one month (*Hon. John Halims Agoda and 46 Others*).

Debate:

Amendments Proposed:

- (i) *Leave out* all the words in Prayers (iv), (vi) and (ix) (Hon. Jakada Kiru Ubale)

Question that the amendment be made, put and agreed to.

- (ii) *Leave out* all the words in Prayer (v) and *insert* the following instead thereof:
"Verify the total indebtedness of the Federal Government of Nigeria to these banks and recover such debts from the Federal Government" (Hon. Jakada Kiru Ubale)

Question that the amendment be made, put and agreed to.

- (iii) *Leave out* Prayer (vii) and (x) (Hon. Labaran Dambata).

Question that the amendment be made, put and negatived.

- (iv) *Insert* a new Prayer (viii) as follows:
"Commend the Governor of the Central Bank for bringing sanity to the Banking Sector through his recent actions" (Hon. Emmanuel Jime).

Question that the amendment be made, put and negatived.

- (v) *Insert* a new Prayer (viii) as follows:
"Mandate the Joint Committee on Banking and Currency and Justice to conduct an investigation on the Role of the CBN and other Regulatory Authorities" (Hon. C. I. D. Maduabum).

Question that the amendment be made, put and agreed to.

- (vi) *Insert* a new Prayer (ix) as follows:
"Also investigate the Banking Supervision Committee of the Central Bank of Nigeria" (Hon. Betty Apiafi).

Question that the amendment be made, put and negatived.

- (vii) *Insert* a new Prayer (ix) as follows:
"Urge the House on Banking and Currency to expedite action on the amendment of Banking and Other Financial Institution Act" (Hon. Betty Apiafi).

Question that the amendment be made, put and negatived.

Main Question as amended, put and agreed to.

The House:

Aware of the pivotal position of the Central Bank of any Country, as the life-wire of the financial system; acting as the Government Banks, Bankers' Bank, Microeconomic Manager, and partner in the entire government planning and financial processes and policies;

Further aware that the Central Bank of Nigeria, in recent times had been grappling with the issues of reforms in the Banking Industry, following years of bastardization and unethical practices;

Worried on the alleged brazen cases of corruption, money laundering, racketeering, reckless spending of banks funds, dishing out of non-performing loans and capital market manipulation by Chief Executive of some Banks;

Piqued by the understanding that this alleged rot had been on, even when the Central Bank was repeatedly assuring Nigerians that all was well with the nation's Banks, and conscious of the need to ascertain the roles of the leadership of the Central Bank at the time, and other regulatory authorities, including the Nigerian Deposit Insurance Corporation (NDIC);

Acknowledged the disposition of the present leadership of the Central Bank of Nigeria (CBN) in bringing to the knowledge of Nigerians the alleged decay in these Banks and even exposing the reported perpetrators, and subsequent prosecution;

Further worried by the claims and counter claims by Banks' major Stakeholders and other interest on the veracity or otherwise of these revelations on the operations of these Banks, as well as the honesty, sincerity and fairness of the Central Bank in its actions;

Concerned on the need for the exercise to be guided by extant laws, regulations and guidelines, in view of the due process mantra of the government and also on the basis of the action already taken by the Central Bank, and further plan for outright sale or take over of these Banks;

Disturbed that as mind burling as these revelations may be with widespread observations by those who are in the know in the operations of these Banks that the magnitude of non-performing loans in the Central Bank and other Banks is in the range of ₦900 billion to ₦1.7 trillion;

Further disturbed on the injection of ₦620 billion as bail-out funds or loans, as the case may be, to these Banks and sustainability of such action, in terms of its constitutionality or otherwise and the roles of the legislature, if any, in the authorization of such funds; and the propriety of Central Bank of Nigeria (CBN) or otherwise in issuing such funds;

Further concerned on the perception and implications which these revelations and subsequent actions taken by Central Bank of Nigeria (CBN), have on the Banking system and the nation economy rating by the International Community, and the understanding that there is a link between a lending boom, assets price cycles and financial crisis, and consequent need for a strong banking regulatory system.

Resolved to:

Mandate the relevant committees of the House to conduct immediate and in-depth investigations as they relate to:

- (i) the veracity or otherwise of the alleged rot and corruption in the banking sector with regard to the issue of non-performing loans, capital market manipulations, reckless spending of Banks' funds and allegations of money laundering;
- (ii) investigate and determine the roles played by the former leadership of the Central Bank of Nigeria and the leadership of other regulatory authorities and financial institutions, their level of complicity, as it relates to their actions and inaction in the alleged decay and rot in the banking system;
- (iii) ascertain whether the Central Bank of Nigeria (CBN) in taking its actions followed due process, including giving fair hearings to the alleged perpetrators of the said rot in the banks, as well as applying International best practices in the process;
- (iv) verify the total indebtedness of the Federal Government of Nigeria to these banks and recover such debts from the Federal Government;
- (v) determine the propriety or otherwise of the Central Bank of Nigeria (CBN) to print and inject N620 billion into these banks or any other amount of money which may have been printed and injected into any bank in Nigeria without legislative authorization, and which has not been publicly disclosed up till date;
- (vi) ascertain the veracity or otherwise of the widely reported claims in local and international media that a Company "Securrency" is believed to have paid millions of dollars in bribe money to Nigerian officials to secure the contract to print Nigeria's new bank notes;
- (vii) determine the appropriateness or otherwise of the existing controls, procedures, process and accountability for contracting, printing, taking custody of, and disbursement/circulation of such Banks notes in Nigeria;
- (viii) Mandate the Joint Committee on Banking and Currency and Justice to conduct an investigation on the Role of the CBN and other Regulatory Authorities and to consider other issues, facts and matters incidental to the matter, and report to the House within one month (HR. 60/2009).

8. A Bill for an Act to Establish the Nigeria Institute of Credit Administration and for Matters Connected Therewith, 2009 — Third Reading:

Motion made and Question proposed, "That a Bill for an Act to Establish the Nigeria Institute of Credit Administration and for Matters Connected Therewith, 2009 be read a Third Time" (*Hon. Baba Shehu Agaie*).

Question put and agreed to.

Bill read the Third Time and passed.

9. **A Bill for an Act to Provide for the Protection of the Privacy of Individuals and to Provide Individuals with a Right of Access to Personal Information about Themselves; and for Related Matters, 2009 — Second Reading:**

Motion made and Question proposed, "That a Bill for an Act to Provide for the Protection of the Privacy of Individuals and to Provide Individuals with a Right of Access to Personal Information about Themselves; and for Related Matters, 2009 be now read a Second Time" (Hon. Uzoma Nkem Abonta).

Debate:

Question that the Bill be now read a Second Time, put and negatived.

10. **A Bill for an Act to Regulate the Profession of Agriculture and to Make Provisions for the Establishment, Functions and Administration of Nigerian Institute of Agriculturists, and for Related Matters, 2009 — Second Reading:**

Motion made and Question proposed, "That a Bill for an Act to Regulate the Profession of Agriculture and to Make Provisions for the Establishment, Functions and Administration of Nigerian Institute of Agriculturists, and for Related Matters, 2009 be now read a Second Time" (Hon. Gbenga Makanjuola).

Debate:

Question that the Bill be now read a Second Time, put and agreed to.

Bill read a Second Time and referred to the Joint Committee on Agriculture and Commerce.

11. **A Bill for an Act to Amend the National Health Insurance Scheme Act, Cap. N42 Laws of the Federation, 2004, to Establish a Health Fund to Ensure Access to Good Healthcare for Every Nigerian and for Other Matters Connected Thereto, 2009 — Second Reading:**

Motion made and Question proposed, "That a Bill for an Act to Amend the National Health Insurance Scheme Act, Cap. N42 Laws of the Federation, 2004, to Establish a Health Fund to Ensure Access to Good Healthcare for Every Nigerian and for Other Matters Connected Thereto, 2009 be now read a Second Time" (Hon. Christopher Eta).

Debate:

Question that the Bill be now read a Second Time, put and agreed to.

Bill read a Second Time and referred to the Committee on Health.

12. **Adjournment:**

That this House do now adjourn till Wednesday, 21 October, 2009 at 2.00 p.m. (Hon. Baba Shehu Agaie).

Adjourned accordingly at 12.19 p.m.

Dimeji Sabur Bankole
Speaker

CORRIGENDUM

In the Votes and Proceedings of Thursday, 15 October, 2009m, item 8, *leave out* the "Bill" and *insert* the following instead thereof:

"A Bill for an Act to Make Provisions for the Creation of the National Office of Government Performance, Audit and Accountability and for Matters Connected Therewith, 2008 — *Second Reading*".