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FEDERAL REPUBLIC OF NIGERIA

NATIONAL ASSEMBLY DEBATES

FOURTH REPUBLIC

THIRD ASSEMBLY (SIXTH SENATE)

SECOND SESSION

THE SENATE OFFICIAL REPORT

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**SENATE OF THE FEDERAL
REPUBLIC OF NIGERIA**

Tuesday, 2nd June, 2009

The Senate met at 11.25 a.m.

PRAYERS

(The President in the Chair)

VOTES AND PROCEEDINGS

The President: Distinguished Senators, the Votes and Proceedings of Wednesday, 27th May, 2009 is before us for approval. We have pages 741, 742 and 743.

Senator Umar Abubakar Argungu (Kebbi North): Mr. President, I rise to move the Motion that the Votes and Proceedings of Wednesday, 27th May, 2009 be approved.

Senator Shabi Ya'u (Zamfara North): Mr. President, I rise to second the Motion that the Votes and Proceedings of Wednesday, 27th May, 2009 be approved.

Question put and agreed to.

Resolved: That the Votes and Proceedings of Wednesday, 27th May, 2009 be approved.

MESSAGES FROM MR. PRESIDENT

The President: We have messages from Mr. President, the first one reads:

Distinguished Senator David Mark,

Dear Brother,

**A BILL FOR AN ACT TO ALTER THE
PROVISIONS OF THE CONSTITUTION OF THE
FEDERAL REPUBLIC OF NIGERIA, 1999 AND
FOR OTHER MATTERS CONNECTED
THERE TO.**

I forward herewith for your kind consideration and passage into law, the attached Draft Bill for an Act to alter the 1999 Constitution of the Federal Republic of Nigeria Amendment No.3

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Pursuant to the above therefore, and in line with the powers vested in the National Assembly, I hereby present the said Bill for the kind consideration of the distinguished Senate of the Federal Republic of Nigeria. It is my hope that the distinguished Senate of the Federal Republic of Nigeria will consider and pass the Amendment Bill in their usual expeditious manner.

Please accept, Mr. Senate President, the assurance of my highest consideration.

Yours sincerely,

(Signed)

UMARU MUSA YAR'ADUA

PRESIDENT

The second letter from Mr. President reads:

Distinguished Senator David Mark,

Dear Brother,

RE-APPOINTMENT OF CBN GOVERNOR

In compliance with the provisions of the CBN Act 2007, I write to present the name of Mr. Lamido Aminu Sanusi for the kind consideration of the distinguished Members of the Senate of the Federal Republic of Nigeria as Governor of the Central Bank of Nigeria. It is my wish that in the usual tradition of the Senate of the Federal Republic of Nigeria, this will receive expeditious consideration. A copy of his CV is attached for ease of reference.

Please accept, distinguished Senate President, the assurance of my highest consideration.

Yours sincerely,

(Signed)

**UMARU MUSA YAR'ADUA
PRESIDENT**

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The third letter from Mr. President reads:

*Distinguished Senator David Mark,
Dear Brother,*

**RE: RENEWAL OF APPOINTMENT AS CBN
DEPUTY GOVERNOR**

In compliance with the provisions of the CBN Act, 2007, I write to present the name of Mr. Babatunde Lemo for the kind consideration of the distinguished Members of the Senate of the Federal Republic of Nigeria, of the renewal of his appointment as the Deputy Governor of the Central Bank of Nigeria. It is my wish that in the usual tradition of the Senate of the Federal Republic, this will receive expeditious consideration. A copy of his CV is attached for ease of reference.

Please accept, distinguished Senate President, the assurances of my highest consideration.

Yours sincerely,

(Signed)
UMARU MUSA YAR'ADUA
PRESIDENT

ANNOUNCEMENTS

The President: Distinguished Senators, we have a letter from Senator Munirudeen Adekunle Muse, Lagos Central Senatorial District, Vice Chairman, Senate Committee on Air Force. The letter reads:

*Senator (Dr) David A. B. Mark,
President of the Senate,*

Your Excellency and Boss,

Letter of Appreciation

Through this medium, I want to express my profound appreciation for the love and affection showered on me by the leadership and dear distinguished Colleagues of this hallowed Chamber before, during and after my 70th birth day celebration.

This expression of love and affection is indicative of the bond of togetherness and cooperation that make the Sixth Senate very solid.

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My prayer, therefore, in this auspicious moment, is that God, in His infinite mercy, shall give all of you a better health than hitherto.

Please accept the assurances of my highest regards.

Sincerely,

(Signed)
Senator Munirudeen A.

There is also a letter from distinguished Senator (Dr.) Iyabo Obasanjo-Bello, Ogun Central Senatorial District, Chairman, Senate Committee on Health. The letter reads:

Distinguished Colleagues,

Burial Announcement

I thank you for your condolences on the death of my grandmother whose burial comes up at Abeokuta on 5th June, 2009. There will be a bus leaving Lagos, Murtala Mohammed Airport, and Old Terminal at about 9.00 a.m. on Friday for Abeokuta. The bus will also be available to take Senators back to Lagos from 4.00 p.m. the same day. For Senators sleeping in Abeokuta, Thursday or Friday night, please be assured that accommodation is available. Interested Senators should please sign up either for the bus ride or accommodation as needed.

Please be assured of my highest esteem.

Yours sincerely,

(Signed)
Senator Iyabo Obasanjo-Bello

The grandmother was 96 years old.

There is a letter from distinguished Senator Hassan Mohammed Gusau and it reads:

Project Commissioning

This is to remind all distinguished Senators of the Project Commissioning Ceremony of Senator Hassan Mohammed Gusau coming up on Saturday, 6th June, 2009, at Tudun Wada in Gusau. You are all invited to attend.

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Birthday Wishes for Senators Anyim C. Ude and Uzamero Edebor Ehigie

The President: On behalf of all of us, I would like to congratulate distinguished Senator Anyim Chukwu Ude whose birthday was the 1st of June, 2009.

I would also like to congratulate, on behalf of all of us, distinguished Senator Uzamero Edebor Ehigie whose birthday was also on the 1st of June, 2009.

We wish the two of you happy birthday, longer life and prosperity.

PRESENTATION OF BILLS

Deoxyribonucleic Acid Tests for Human Identification Bill, 2009 (SB. 260)

Senator Victor Ndoma-Egba (Cross River Central): Mr. President, the first business of the day is the presentation of a Bill standing in the name of Senator Adegbo E. Eferakeya on the Deoxyribonucleic Acid Tests for Human Identification Bill, 2009.

You may wish to invite the Clerk of the Senate to read the Short Title of the Bill.

The President: Sorry what is the title of the Bill, Leader? (*Laughter*)

Senator Victor Ndoma-Egba: It is the DNA Bill, Mr. President.

Deoxyribonucleic Acid Tests for Human Identification Bill, 2009 – *read the First Time*.

The President: Where is Senator Eferakeya? Prof Jibril Aminu what is the correct pronunciation, please.

Senator Jibril Aminu (Adamawa Central): It is *Deoxyribonucleic Acid Tests* or *DNA*.

Fire Arms Act (Repeal and Re- Enactment) Bill, 2009 (SB. 284)

Senator Victor Ndoma-Egba: Mr. President, the second business of the day is the presentation of a Bill standing in the name of Senator Isiaka A.

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Adeleke on the Fire Arms Repeal and Re-enactment Bill, 2009.

You may wish to invite the Clerk of the Senate to read the Short Title of the Bill.

Fire Arms Act (Repeal and Re-enactment) Bill, 2009 – *read the First Time*.

Personal Income Tax Act (Amendment) Bill, 2009 (SB.270)

Senator Victor Ndoma-Egba: The third business of day is the presentation of a Bill standing in the name of Senator Enyinnaya H. Abaribe on Personal Income Tax Act (Amendment) Bill, 2009 (SB.270).

You may wish to invite the Clerk of the Senate to read the Short Title of the Bill.

Personal Income Tax Act (Amendment) Bill, 2009 (SB.270) – *read the First Time*.

Costal Erosion Control Commission Bill, 2009 (SB. 272)

Senator Victor Ndoma-Egba: The fourth business of the day is the presentation of a Bill standing in the name of Senator Nimi Barigha-Amange the owner of the first dry well, on the Costal Erosion Control Commission Bill, 2009 (SB. 272).

You may wish to invite the Clerk of the Senate to read the Short Title of the Bill.

Costal Erosion Control Commission Bill, 2009 (SB 272) – *read the First Time*.

PRESENTATION OF REPORTS

Reports of the Committee on Establishment and Public Service Matters

Senator Victor Ndoma-Egba: The fifth business of the day is the presentation of a Report by the Committee on Establishment and Public Service Matters. We have three Reports to be presented by the same Committee and by the same Chairman, so if you permit me, I will read out the three Reports at the same time for convenience.

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The President: We should take the three Reports together rather than calling you up and down.

Senator Victor Ndoma-Egba: The fifth business of the day is the presentation of Reports by the Committee on Establishment and Public Service Matters on:

1. The screening of Hon. Olabimtan Victor Adekanye (Edo, Ekiti and Ondo States) as a Member of the Federal Civil Service Commission;
2. The Corporate Social Responsibility (CSR) Bill, and
3. The Desertification Control Commission (DCC) Bill.

The three Reports are to be laid. You may, therefore, wish to invite Senator Mohammed Ahmed to move the Motion for the Senate to receive the three Reports aforementioned.

Senator Mohammed Ahmed (Kwara North): Mr. President, I wish to move that this distinguished Senate do receive the following three Reports:

1. The screening of Honorable Olabimtan Victor Adekanye as a Member of the Federal Civil Service Commission.
2. The Corporate Social Responsibility Bill, 2009.
3. The Desertification Control Commission Bill, 2009.

I so moved.

Senator Abubakar D. Sodangi (Nasarawa West): Mr. President, I rise to support the Motion ably moved by my brother and Colleague, distinguished Senator Mohammed Inuwa Ahmed of Kwara State to present the three Reports.

Question put and agreed to.

(The three Reports laid on the Table)

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ORDERS OF THE DAY

MOTION

Executive Communication: 2009 Budget Proposal for the Nigerian Communications Commission

Senator Victor Ndoma-Egba: Mr. President, the first Order of the Day is a Motion standing in the name of the Senate Leader on an Executive Communication from Mr. President, Commander-in-Chief on the 2009 Budget Proposal for the Nigerian Communications Commission (NCC). You will recall that the Executive Communication was read on this Floor on Wednesday, 27th May, 2009.

With your kind permission, I wish to move that the Budget Proposal be referred to the relevant Committee for further legislative action.

I so moved.

Senator Kabiru Ibrahim Gaya (Kano South): Mr. President, I second the Motion ably moved by the Leader, that the Budget Proposal be referred to the relevant Committee for further necessary legislative action.

Question Put and agreed to.

Resolved: That the Senate do consider the request of Mr. President, Commander-in-Chief on the 2009 Budget Proposal for the Nigerian Communications Commission (NCC) be referred to the Committee on Communications to be returned in two weeks.

Executive Communication: 2009 Budget Proposal for the Universal Service Provision Fund

Senator Victor Ndoma-Egba: Mr. President, the second Order of the day is a Motion standing in the name of the Senate Leader on an Executive Communication from Mr. President, Commander-in-Chief on the 2009 Budget Proposal for the Universal Service Provision Fund. You will recall that this Executive Communication was read on this Floor on Wednesday, 27th May, 2009.

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With your permission, I wish to move that the Budget Proposal be referred to the relevant Committee for further legislative action.

I so moved.

Senator Kabiru I. Gaya: Mr. President, I second the Motion moved by the Senate Leader that the 2009 Budget Proposal for the Universal Service Provision Fund be referred to the relevant Committee for further necessary legislative action.

Question put and agreed to.

Resolved: That the 2009 Budget Proposal for the Universal Service Provision Fund be referred to the Committee on Communications to be returned in two weeks time.

CONSIDERATION OF BILLS

Chartered Auctioneers Registration Council Bill, 2009.

A Bill for an Act to Establish the Auctioneers Registration Council of Nigeria to Regulate the Profession of Auctioneers and to make Provisions for Other Matters Connected Therewith, 2009 (SB.119)

Senator Victor Ndoma-Egba: Mr. President, the third Order of the day is the Second Reading of the Chartered Auctioneers Registration Council Bill, 2009. You will recall that the Bill was read the First Time in this Chamber on Thursday, 11th September, 2008.

You may wish to invite me to move the Motion for the Bill to be read the Second Time.

The President: The Leader of the Senate, you start the lead debate.

Order for Second Reading.

Senator Victor Ndoma-Egba: Mr. President, the Bill seeks to establish a corporate body to be known as the Council of Chartered Auctioneers of Nigeria. Under the Bill, the Council is mandated with the responsibility of offering to perform any service involving the auctioning or verification of goods, property or land for the purpose of public sale by competition. The Council also regulates the

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practice of auctioneering in the country; and promotes the professionalism of Auctioneers and auctions through education and technology. The Council is to promote, increase and build the trustworthiness of the competitive bidding method of marketing including live, internet and sealed bid auctions as well as enhancing the professionalism of its practitioners.

The Council would also make rules prescribing the form of licences to be issued annually or by endorsement on an existing licence as well as canvass for potential buyers through their experience with advertising, valuation and appraisal.

In addition, members are to be trained to efficiently conduct sales of a wide variety of commodities from real estate to manufacturing equipment and antiques.

The Bill contains the code of ethics for Auctioneers within the Council, to promote high ethical standards and best practices in the profession, thereby ensuring a positive and worry-free sales experience.

The Bill has six Parts and two Schedules. Part I deals with the establishment of the Council as a corporate body with powers to sue and be sued and the relevant structures of the Council include the Board of Council as well as membership and officers of the Council.

Part II deals with the financial provisions.

Part III regulates the Registry of the Council and specifies the duties of the Registrar.

Part IV deals with registration into the Council and the responsibilities of members. It also prescribes the qualifications of prospective members of the Council as well as regulations for training in auctioneering.

Part V regulates the professional ethics and discipline in the Council including setting up a disciplinary and investigating body and a tribunal for regulation of professional conduct of its members.

Part VI contains miscellaneous provisions including powers of the Council to make rules for

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the proper implementation of the Bill and for promoting the good ideals of the Council.

The First Schedule contains provisions relating to the qualifications and tenure of Council members and procedures for meetings.

The Second Schedule deals with provisions relating to the Disciplinary Tribunal and Investigating Panel.

It is expected that the Bill will institutionalise the practice of auctioneering as a veritable means of utilising the competitive bidding method as a method to sell all types of goods in all segments of the Nigerian economy.

In view of the laudable objectives of this Bill, I urge you all to support its passage into law.

The President: Are there any comments?

Senator Jibril M. Aminu: Mr. President. I am very obedient. I do not know anything about auctioneering but I praise the good judgment and patriotism of distinguished Senator Ndoma-Egba. I, therefore, heartily endorse this Bill.

The President: Distinguished Senator Ayogu Eze, do you know anything about auctioneering?

Senator Ayogu Eze (Enugu North): Mr. President, while not claiming to be a professional in the field, like the sponsor of the Motion, probably, I have witnessed and I know that the profession of auctioning of goods and effects in Nigeria is a deep-seated practice. It has existed over the years. I think that what my Colleague is trying to do by bringing about this Council, is to bring some discipline and order in the profession. Right now it is an all comers' game. Anybody who is able to have a connection to an agency of government or organisation that is auctioning, goes there to do the auctioning. There is no method to check if the person has cognate experience on auctioneering. In fact, the result has been that a lot of people have been defrauded by these quacks.

I know that the practice is that agents of Chief Executives of organisations go about canvassing for prospective buyers of items to be auctioned to pay the price behind the scene while the auction proper is just a ceremonial bidding where they mention

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very ridiculous figures, whereas the government or the organisation concerned is cheated out of the deal. But if we have a Council that regulates the practice of this profession, maybe, it would bring some order, discipline and honour to the profession. Right now people look at auctioneers as scoundrels and people who cheat people out of their means of livelihood. They do not look at them as respectable practitioners.

I believe that if there is a Council that issues a Code of Conduct, regulates the practice and make sure that it is standardised and organised we would, maybe, bring respect to the profession and build confidence of the people in items to be auctioned. With this law in place there is going to be a Council that would order for proper valuation and certification. The real value of items for auction would be known and people would bid for them in line with their values. With that the agencies involved, whether of government or private would get the real value for what they are auctioning. That is not the practice now.

I believe that we need to regulate all segments of practices in this country if our economy is to grow. Right now it may look ridiculous because we are talking about bicycles, motorcycles and cars but we are moving gradually into era of equipment leasing and high technology auctioning where real money and issues are involved. Then even expatriates would be involved. For them to be involved there must be order; there must be a Council that would regulate the activities so as to build confidence.

Therefore, on that score, I urge my Colleagues to support this Bill so that we can create this Council to regulate this profession and make it grow and build confidence. At the moment the cost of doing business in Nigeria is very high because for everything, you have to go lock, stock and barrel and buy it by yourself. In other countries they do leasing and auctioning which sustains businesses. So, I support it and I urge my Colleagues to do so.

Senator Bode Olajumoke (Ondo North): Mr. President, just like Senator Jibril Aminu, I have limited knowledge about auctioneering but let me congratulate the Leader for bringing up this Bill.

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Anything that supports orderliness in the society, I believe it is worth the while. In the country, we have a lot of touting virtually in most of the professions. Perhaps, the most organised profession in the country is the legal profession that still carries some degree of integrity. I believe what this Bill tends to do, is to have orderliness in the running of the body known as Body of Auctioneers. You have Estate Agents who have virtually no background in estate agency. I have met a lot of auctioneers and just by calling yourself an auctioneer is not enough.

I am quite fascinated by the fact that the Council when in place would train people in the concept of auctioneering. It would also set ethics and norms that would regulate the profession. Anything geared towards orderliness, as far as I am concerned, augurs well for the economy of this country.

Therefore, I urge my Colleagues to give the Bill maximum support.

Senator Effiong D. Bob (Akwa Ibom North-East): Mr. President, I am sorry I am not an auctioneer but apparently, the sponsor of the Bill believes in this Bill, maybe, out of experience in auctioneering or having interest in future auctioneering assignment.

The important thing is that, there must be a body to regulate auctioneers. The practice has been going on for a long time in this country. Somebody wakes up and says he is an auctioneer and puts up a signpost and start doing all sorts of things without any body to regulate what he does.

In any case, for the mere fact that a law would be made to guide and regulate the body and the members, maybe, indicate the qualifications for those who want to be auctioneers. That would help in a way to stem the effect of fraudsters. At the moment most of those who claim to be auctioneers are 419 people. They are neither registered nor regulated hence they cannot be identified. So, by passage of this Bill into law, we would be able to know those who are registered and licensed to be auctioneers and what they are supposed to do. Therefore, in the absence of any major opposition or obstacle to this Bill, it should be read the Second Time.

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The President: All right, but we have not put the Question yet. Let us have more comments from those who are conversant with the subject. Yes, Senator Omisore, let me invite you to comment because I know you know something about this. *(Laughter)*

Senator Iyiola Omisore (Osun East): Mr. President, I am not an auctioneer and I do not intend to be one. I was just having a chat with Senator Bukar Abba Ibrahim because he was a Governor for 12 years and he auctioned many things. He is also a Quantity Surveyor.

I want to support the establishment of this Council because it would bring about best practises in the act of auctioneering. As far as we I am concerned, it would entail no cost implication on the government. There is no budget provision for it and it would not cost us any money to establish.

Auctioneering is a generalissimo. I wonder what Senator Ndoma-Egba wants to know about the qualification, because auctioneering is for everybody. They auction engineering equipment, houses, buildings and so on. Maybe very soon, they will be auctioning human beings in the areas of Cross-River and Akwa-Ibom. *(Laughter)*

I want to support the Bill because it is going to establish incoming powers, enhance competitiveness, institute strictness and transparency in the act of auctioneering. You cannot waive auctioneering away because a lot of money is involved though it is not being made popular or put in high esteem. But, if there is a Council to register and regulate it, there will be an improvement in the profession. Basically, it is going to ensure best practises in the profession. It is going to allow for transparency and accountability and fair deal to prospective buyers. Above all, it will have no cost to the government.

Senator Mohammed Kabiru Jibril (Jigawa South-West): Mr. President, may I congratulate the sponsor of this Bill. It could not have come at a better time. Why everybody seems to be distancing himself from the profession of auctioneering is because there has not been standard set for the practise of auctioneering. Perhaps, the auctioneer

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has always been seen in our society as a meddlesome, an interloper and perhaps, a fraudulent dealer in other people's property.

This has, unfortunately, come about even though we have inherited several laws directing the practise of auctioneering from our colonial masters, nobody has taken any step to ensure that a body is set to establish professional ethics and ensure discipline and compliance and perhaps, enforce punishment for unprofessional conduct. This Bill would go a long way in ensuring that. Not only that, it would go a long way in bringing a lot of people out of unnecessary predicament which they were placed in pursuant to unprofessional conduct of practitioners in auctioneering business.

Naturally, an auctioneer is required to obtain licence but we know that because there has not been a body to check the practice, they have gone behind, particularly in collaboration with financial institutions and banks, to deal in properties in the most fraudulent manner such that they sell property meant for auction to themselves or their chosen friends at ridiculously low prices. This Bill would go a long way to check such practices, particularly when it also suggested the establishment of a body which would ensure discipline, investigate mal-practices, and a tribunal that would punish erring practitioners in the trade. I believe this is a commendable Bill.

So many people who have been put in very agonising situation because of unprofessional conduct in auctioneering, would feel a sense of relieve when this Bill comes to be. I urge my Colleagues to support this Bill so that standards could be set, discipline would be ensured and proper regulation of the practice of auctioneering could be achieved by the proper body when it is established.

Senator Eme Ufot-Ekaette (Akwa Ibom South): Mr. President, I rise to support the establishment of this Council, because it is going to check some of the mal-practices that are being perpetuated by people who have styled themselves as auctioneers.

It could be very disturbing for a lot of people especially when you are talking of property in real estate, to have pledged their property for something and they could not redeem it and that property is

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put up for auctioning and the price would be far below the expected price. This practice has sent a lot of people especially businessmen out of business because the value of their property is not what they get at auction sale.

Secondly, when we talk of antiques, we do not appreciate what we have in this country. If you watch what happens in the cable network, auctioneering is real business of its own, where people are proud to come out and auction very old properties and antiques and people make money out of it. Here in Nigeria, people take artefacts out of this country to abroad and make money out of them. With the establishment of this Council, these practices would be checked, standards would be set and we would know who the real auctioneers are. We would then have values for our property and we would be able to establish a proper institution that would help in the development of our country.

I urge distinguished Colleagues to support this Bill so that we would be part of the larger society, and do what is right.

Senator Wilson Asinobi Ake (Rivers West): Mr. President, I want to join my Colleagues to commend the effort of the sponsor of this Bill. I know that the intention is to check the chaotic nature in which this profession is being practised.

So much has been said about the usefulness of this Council and they have spoken on the qualification. To be registered by a chartered body means that you would not only be an auctioneer, you would also be a consultant. From what we know presently, there is no range within which somebody would qualify to be an auctioneer. There are so many touts in it and some of them have garnered experiences over the years.

I also understand that the auctioneers are registered in their States and sometimes in the Local Government. I do not know if that would not have been sufficient instead of registering them by a chartered body. Who becomes a member of the chartered body? What qualification would that person have in the Council? While all these things would be lingering, I know that the mover of this Bill would be able to help to address some of those areas we do not really understand at this present moment.

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On that note I would support that this Bill goes for Second Reading and be sent to the appropriate Committee to address some of these areas that are still doubtful.

Senator Enyinnanya H. Abaribe (Abia South): Mr. President, what I wanted to say had already been adequately addressed by Senator Wilson Ake. So, I yield the Floor to somebody else.

Senator Munirudeen Adekunle Muse (Lagos Central): Mr. President, I want to congratulate Senator Ndoma-Egba for bringing up this matter at the right time because having worked in the Ports, I know much about this matter on the Floor.

The President: I think you are the really person. I am surprised that we did not ask you to come so early in the debate.

Senator Munirudeen A. Muse: It is very important that this Bill be supported by all the Senators in the sense that what is being done on auction is not the right way in this country. At the moments the practice breeds corruption. Auctioneering of cargo in the Port, for instance, is supposed to be a joint practice by the Customs and Nigerian Ports Authority. But I am sure that for over two decades the Customs had taken it upon themselves instead of doing the auctioning in the correct way, goods are allocated to people to pay for. That is not the correct way of doing auction.

It is very important that on the second page of this lead debate, it states that: *It is expected that the Bill will institutionalised the practice of auctioneering as a veritable means of utilising the competitive bidding method to sell all types of goods in all segments of the Nigerian economy.* This is the most important part of this matter. Auction should not be a way of allocating properties and goods to intended buyers. It is supposed to be a competitive bidding where people would gather together and bid.

Most of us must have watched the method of auctioneering on television in developed nations. I believe if this is complied with, it would remove a lot of corruption on the method of auctioneering that is going on in this country. I would support that this Bill be expeditiously approved by this Senate. Auctioneers must see to it that the method of auctioneering is done in the correct way. It should be a competitive bidding instead of allocating

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cargoes to the top echelon of the society who do not even need the property for use but to make money. A lot has been going on in that respect and the correct thing should be done. Competitive bidding is the method of auctioneering in any part of this world and so it must be done in Nigeria as well.

The President: Senator Ehinlawo are you knowledgeable in auctioneering? Senator Bukar Abba Ibrahim, you are certainly knowledgeable in auctioneering.

Senator Bukar Abba Ibrahim (Yobe East): Mr. President, before I go further let me correct the impression that I am an Auctioneer. I have no dealing with auctioneering.

The President: No. I did not say you are an Auctioneer but that you are knowledgeable in the profession by virtue of your practising it.

Senator Bukar Ibrahim: I have never taken part in any auction neither as an Auctioneer or even a beneficiary or a seller in that respect except as a Governor. I was a State Governor for ten years. I have seen people in Nigeria who practice auctioneering. All the ills and evils in auctioneering as our Colleagues have said earlier are all true. I believe the introduction of this Auctioneering Council is the beginning of good things to happen so that they would tidy up and clean up this ordinarily very clean profession.

In Nigeria whatever is being auctioned, at the end of the day is auctioned by arrangement, which is a corrupt practice. If this Council is properly established, certainly in the long run, not in the short run will assist in cleaning up this profession, which is supposed to be a clean one.

I am in full support of the introduction of the Auctioneers Registration Council of Nigeria so that we would have normal auctioneering like everywhere else in the world. There would be orderliness, sanity and people would get value for money when it is practised properly.

The President: Distinguished Senator Hosea Oladipo Ehinlanwo and after that Senator Arise would round it up.

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Senator Hosea Oladipo Ehinlanwo (Ondo South): Mr. President, I want to lend my support to this Bill. Even though most of us have not been practitioners, I have to support it because it is a thing that is being practised without rules. It is an all comers' profession. When it is regulated, decent people would want to come into auctioneering profession. Also when we have this profession, it would really help our unemployment because good people would want to go into the profession. We have seen it that those who does auctioneering come into the open to show that they want to sell but most of the sales have been done through the back door. When it comes back in the open, people would develop confidence in that profession and many people also will want to enter and practice it and that will help to really provide work and business for our youths and for everybody also in the country.

So, I want to support this Bill and then congratulate distinguished Senator Ndoma-Egba for bringing this Bill forward for discussion. When we have it as a profession many Nigerians also would want to practice it. Why we do not know much about is because it has not been regulated. Now that it is going to be regulated, people will come into it and we would know more about it. So, I thank him for bringing out this as a Bill.

Senator Sylvester Ayodele Arise (Ekiti North): Mr. President, I want to lend my support to this Bill. In doing so, I would like to make a few suggestions as we move forward. In Nigeria, the problems we have particularly *vis-a-vis* auctioning through the Customs will not be addressed by this Commission. It has to be addressed under an Act that is embedded into, probably, what Senator Ndoma-Egba is putting together.

We know that auctioneering has become very big around the world. We know about e-base that we go there everyday to buy and sell things. Those people bringing items what rules are the terms of engagement and what should be the rules and the terms of engagement for somebody who has an auctioneering company.

For me, I am not to sure whether a Commission is what we need or a pure regulation of the practice and I think the distinguished Senator would take a second look at this when he is putting the papers together or whichever Committee the Senate President decides to send this to. The need

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to regulate auctioneers is very necessary in the country and the need to give terms to those government properties that need to be sold, under what conditions need to be regulated and so many other things. I believe this can be done through an Act. I wonder whether a whole Commission serving this particular aspect of business would be desirable at this time but I want the best way to determine that.

The President: It is better I put the Question now in favour of the Second Reading of this Bill.

Question put and agreed to.

Bill read a Second Time and referred to the Committee on Commerce to report back in four weeks.

Credit Bureau Services Bill, 2009

A Bill for an Act to Provide for Legal Framework for Credit Bureau Services, 2009.

Senator Victor Ndoma-Egba: Mr. President, the fourth Order of the day is a Bill for Second Reading entitled Credit Bureau Services Bill, 2009.

You would recall that the Bill was read the First Time in this Chamber on Thursday, 26th March, 2009. You may, therefore, wish to invite Senator Ayo Arise to move the Motion for the Bill to be read the Second Time.

Senator Ayodele Arise (Ekiti North): Mr. President, I move the Motion to lead the debate on the Second Reading of a Bill for an Act to Provide for Legal Framework for Credit Bureau Services, 2009.

The President: Senator Arise, you are to lead the debate. You do not need a Motion to do so. It appears somebody misled you. I have invited you already to start with the lead debate.

Order for Second Reading

Senator Ayodele Arise: I am most grateful for this unique opportunity to present before you a Bill for an Act to Provide a Legal Framework for Credit Bureau Services in Nigeria.

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The gauge for measuring the prosperity of a nation is anchored on the welfare of the consumers. Consumers' financial health determines the success of the productive sector of any economy. Consumers' financial health is predicated on their ability to earn income. Earning income depends largely on the availability of jobs and jobs are mostly driven by the entrepreneurial spirit.

Most countries of the world have built a very robust economy based on their Small and Medium Enterprises. The foundation for SMEs is the development of a very good credit system. The credit system that drives these great economics rests on the credit bureaus repositories. With credit ratings, emphasis has changed from dependence on security that can only be provided by established individuals or companies, to the character of the individuals and their dependability in terms of trust to honour agreements. This concept has driven the economies of most countries of the world to the enviable position they now occupy in the financial world.

The Bill under consideration today, seeks to establish a Credit Bureau system which will score individual's credit rating using state of the art credit reporting and evaluating system. The outcome of the credit history is made available upon request to financial and other institutions providing credit to individuals in the society.

Credit Bureau is defined as an institution that collects information from creditors and available public sources on a borrower's credit history. The Bureau compiles information on individuals and on firms such as information on credit repayment records, court judgments, bankruptcies and then creates a comprehensive credit report that is made available to the would-be creditors.

The establishment of Credit Bureau in Nigeria will enable Nigerians of all ages who hitherto have no access to banks and other financial institutions for financing due to over dependency on securitisation as against historical individual behaviour, to now have such access.

This Bill is divided into five major parts as discussed below.

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Part I is meant to:

- (a) Open up credit facilities to a larger population of Nigerians and non Nigerians alike, through consumer credit rating system.
- (b) Produce effective Credit Data-base to determine the credit worthiness of corporate entities and individuals accessing credit in our financial system.
- (c) Provide for the establishment of Credit Bureau Institutions, and
- (d) Provide credit reporting system that is free of manipulation.

Part II provides for guidelines for the operations of the Credit Bureaus. Such guidelines include incorporation of relevant companies as limited liability companies, application for and granting of licence based on fulfilment of some conditions by the applicants and minimum paid up initial capital. The Bill also provides for establishment of Credit Bureaus within state boundaries.

Part III outlines the functions of Credit Bureaus and Institutions where information can be sourced. The high point of the functions deal with the Credit Rating System which allows rating of customers credit in categories of A,B,C,D and E in line with commitment of customers, clients and relevant individuals in meeting their credit obligations.

Part IV specifies the category of persons, both corporate and natural persons covered by the operations in the Credit Bureaus. The Bureau operations shall only apply to persons and legal entities that have credit/employment issues. It is provided further in this part that usage of credit information in order to guide against abuses shall be limited to:

- a. Response to enquiries on credit transactions as it relates to request for loans, overdrafts and facilities from banks, other financial institutions and other credit granting institutions.
- b. Response to court order.

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- c. Enquiries from organisations that requires the usage of personal details of relevant individuals for purposes of employment.
- d. Response to organisation that requires details in respect of contract of insurance.

Part V specifies and empowers CBN (Central Bank of Nigeria) to amongst other things, supervise the operations of the Credit Bureaus Scheme, review and monitor the Credit Bureaus operations and issue licences upon application to deserving applicants.

Part VI deals with the issues such as rights of customers/clients, the relationship between the Credit Bureaus and users of the information, duration of validity of negative information, minimum amount of credit subject to credit Bureau Report and abolition of unfair debt collection practices.

Having summarised the Bill, over 90 countries already have Acts governing commercial credit transactions similar to this Bill.

Mr. President, distinguished Colleagues, I urge you to consider this Bill favourably as it will act as a catalyst towards the development of our Small and Medium Scale Enterprises. This Bill will also guide against abuse of the lending system by people who move from bank to bank to collect loans with the sole purpose of defaulting on such loans.

I am most grateful for your kind attention.

Senator Chris Blessing Ngozi Anyanwu (Imo East): Mr. President, thank you for giving me a chance to speak but I had hoped that I would speak later on by which time the supporters of this Bill would have created adequate grounds. I have just *(Interruptions)*

The President: If you are against the Bill, then I will call on another Senator to speak.

Senator Chris Anyanwu: I will not oppose Senator Arise.

Senator Sylvester Anyanwu (Imo North): Your Excellency, this is a well thought out Bill. It is important that we begin to address credit ratings

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through the framework that has been suggested in this Credit Bureau Service Bill.

In other countries of the world, people even at the age of seven or ten years while in school they start building up their credit ratings. What it does to us as human beings is that it gives us the discipline that one needs in life whether you are going into private or public sector. When you borrow money from bank or from any credit institution, you have the obligation and the responsibility to pay back. This Credit Bureau Services that is being thought of will go a long way in providing the framework to educate Nigerians and, indeed, all of us on the need to start building our credit ratings in life because at the end of the day, one may retire to seek for funds to establish businesses and services. This is the only way the economy can move a bit further than we have been experiencing.

I do not have any hesitation in supporting my friend on this Bill and I urge my Colleagues to thoroughly look at it and give their support to this Bill.

Senator Simon Ayogu Eze: Mr. President, I am in support of the intentions of this Bill but I want to suggest that because the Bill has just been distributed to us, and it seems to be coming at a very late hour in the day; and it is such a technical Bill. Even if you see some of the contributions coming in already, they are flying off target because what the Bill has intended to do is a bit technical and novel. I also hear whisperings from lawyers who ought to know that we need to also create a clear boundary between this Bill and the Money Lenders Law that is already in place.

I am suggesting that for us to do justice to this Bill and do it properly, this Bill should come at the next legislative day. We have taken the lead debate and few contributions; we can step it down and take it up the next day so that we can do justice to it.

The President: That is in addition to supporting it?

Senator Simon Ayogu Eze: Yes, Sir.

Senator Jibril Mohammed Aminu (Adamawa Central): Mr. President, this actually is a very important Bill which will greatly impact in

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the country if it is passed and applied successfully all over the country. It is very important. It is like the NYSC type of thing. It will affect everybody. In my opinion, Senators in larger number than this and with better preparation should be given time to read it. This is aimed at cleaning the banking system and introducing equity in making loans to be given more honestly and more rationally.

There would always be the everlasting worries about whether these ratings would be applied honestly and sincerely in favour of everybody regardless of their status and I am sure Senate will be very interested in this. There is also the protection of the poor people who have no real basis for establishing a credit rating, people who benefit from the people's bank or the micro finance schemes.

This is going to be a very important Bill if it is passed and distinguished Senator Arise's name will go down in history if he succeeds in altering the way people can access credit in this country. As a result of that, rather than any question on mood, I will like to say that I will appeal to Senator Arise that he should not mind if Senators who are here and those who are not here are given time to look at his own presentation and the Bill itself. That will be my suggestion. It is a very important Bill.

The Senate has a very acute sense of realising what is important. I noticed the great interest Senators showed in the Guest Bill because they knew and we spent a lot of time on it and nobody regretted it. I think we should spend a bit more time studying this very important system to be introduced and discuss it in a fuller House and when people are better prepared.

Senator Isiaka Adetunji Adeleke (Osun West): Mr. President, I want to support the two past speakers, that in view of the fact that we have just got the Bill, we should be given enough time to study it. I, therefore, suggest that the Bill be taken on another legislative day.

The President: Senator Arise, the tone that Senator Ayogu Eze had set unfortunately, would appear to be the tone that would run through the Chamber now. I honestly believe that this is an important Bill, there is no doubt in my mind about it, because Credit Bureau all over the world, regulate individuals and organisations alike. It is necessary that it is properly established in this

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country for individuals who want to access credit facilities in various financial institutions. To that extent, your Bill is a very worthy Bill.

However, I wonder why you said it is a framework. Instead of establishing a Credit Bureau Services, you said it is a legal framework, whatever that suppose to mean. This Bill should not be thrown away, that is my position. If the general mood is that people should go and study it and come back with it again, I do not know if you want to make a comment on that.

Senator Kabiru Ibrahim Gaya (Kano South): Mr. President, in line with the suggestions made by my Colleagues, I just want to add one point. The Bill raised by Senator Arise, is really an excellent Bill that needs to be looked into properly. I want to advise that his lead debate should be more detailed because of those of us who are analog to understand the system properly. There should be more definitions and information on the lead debate.

Senator Ayodele Arise: Mr. President, I am in total support of the suggestions made by distinguished Senators, that the Bill be taken on another legislative day, which if time permits, would be tomorrow.

The President: Tomorrow will not be possible. The argument they are advancing is that first, they want to weigh it properly and second, as it is an important Bill we need a fuller House to be able to discuss it. I agree with you that the Bill is important and speaker after speaker has emphasised that point. But to ask for tomorrow is being too optimistic.

Senator Victor Ndoma-Egba: Mr. President, in view of the mood which is clearly evident and in view of the concessions made by Senator Arise, may I move that the debate be deferred to another legislative day.

I so moved.

Senator Kabiru I. Gaya: Mr. President, I second the Motion that the debate on this Bill be deferred to another legislative day.

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Question put and agreed to.

Resolved: That the debate on the Bill for an Act to Provide for Legal Framework for Credit Bureau Services, 2009 be deferred to another legislative day.

CONSIDERATION OF A REPORT

The Report of the Committee on Interior on the Nigerian Congregational Medal of Honour Award Bill, 2009 (SB.48)

Senator Victor Ndoma-Egba: Mr. President, the fifth Order of the day is the presentation and consideration of the Report of the Committee on Interior on the Nigerian Congressional Medal of Honour Award Bill, 2009.

For the reasons already given as regards the mood of the Senators and the fact that so many Public Hearings are ongoing for which distinguished Senators would like to take part, may I move that this Report be stood down to another legislative day for further consideration.

Senator Kabiru I. Gaya: Mr. President, I second the Motion ably moved by the Leader that this Report be stood down to another legislative day.

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Question put and agreed to.

(Bill by leave of the Senate stood down to another legislative day)

ADJOURNMENT

Senator Victor Ndoma-Egba: Mr. President, having exhausted all the items on today's Order Paper, may I move that this Senate adjourn till Wednesday, 3rd June, 2009 at 10.00 a.m. prompt.

Senator Kabiru I. Gaya: Mr. President, I second the Motion moved by the Senate Leader that this Senate adjourn till Wednesday, 3rd June, 2009 at 10.00 a.m. prompt.

Question put and agreed to.

Resolved: That the Senate do stand adjourned till Wednesday, 3rd June, 2009 at 10.00 a.m. prompt.

Senate adjourned accordingly at 12.55 p.m.