

A BILL

FOR

AN ACT TO REPEAL THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT 2004 AND TO RE-ENACT THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT 2017 AND FOR RELATED MATTERS

Sponsors: Hon. Jones Chukwudi Onyereri, Hon. Betty Apiafi

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

CHAPTER A - BANKS

PART I - ESTABLISHMENT OF BANKS, ETC.

1.-(1) The Central Bank of Nigeria (hereinafter referred to as "the Bank") shall have all the functions and powers conferred and the duties imposed on it by this Act.

Functions, Powers and Duties of the Central Bank of Nigeria

(2) The Bank shall in addition to the functions and powers conferred on it by this Act, have the functions and powers conferred and the duties imposed on the Bank by the Central Bank of Nigeria Act.

(3) The Bank may authorize or instruct any officer or employee of the Bank to perform any of the functions, exercise any powers, or discharge any of its duties under this act.

(4) The Bank may, either generally or in any particular case, appoint any person who is not an officer or employee of the Bank, to render such assistance as it may specify in the exercise of its powers, the performance of its functions, or the discharge of its duties under this Act, or the Central Bank of Nigeria Act, or to exercise, perform or discharge the functions and duties on behalf of and in the name of the Bank.

(5) For the purposes of this Act, a person shall be deemed to be receiving money as deposits-

(a) if the person accepts deposits from the general public as a

1 feature of its business or if it issues an advertisement or solicits for such
2 deposit; and

3 (b) notwithstanding that it receives moneys as deposits which are
4 limited to fixed amounts or that certificates or other instruments are issued in
5 respect of any such amounts providing for the repayment to the holder thereof
6 either conditionally or unconditionally of the amount of the deposits at
7 specified dates or for the payment of interest or dividend on the amounts
8 deposited at specified intervals or otherwise, or that such certificates are
9 transferable.

10 (6) Notwithstanding anything contained in this section to the
11 contrary, the receiving of moneys against any issue of shares and debentures
12 offered to the public in accordance with any enactment in force within the
13 Federation shall not be deemed to constitute receiving moneys as deposits for
14 the purpose of this Act.

Banking
Business

15 2.-(1) No person shall carry on any banking business in Nigeria
16 except if it is a company duly incorporated in Nigeria and holds a valid banking
17 license issued under this Act.

18 (2) Any person who transacts banking business without a valid license
19 under this Act is guilty of an offence and liable on conviction to imprisonment
20 for a term not less than 10 years or to a fine not less than N20,000,000 or to both
21 such imprisonment and fine.

Application for
Grant of Licence

22 3.-(1) Any person desiring to undertake banking business in Nigeria
23 shall apply in writing to the Governor for the grant of a license and shall
24 accompany the application with the following-

25 (a) a feasibility report of the proposed bank;

26 (b) a draft copy of the memorandum and articles of association of the
27 proposed bank;

28 (c) a list of the shareholders, directors and principal officers of the
29 proposed bank and their particulars;

30 (d) the prescribed application fee; and

1 (e) such other information, documents and reports as the Bank
2 may, from time to time, specify.

3 (2) After the applicant has provided all such information,
4 documents and reports as the Bank may require under subsection (1) of this
5 section, the shareholders of the proposed bank shall deposit with the Bank a
6 sum equal to the minimum share capital that may be applicable under
7 section 9 of this Act.

8 (3) Upon the payment of the sum referred to in subsection (2) of
9 this Section, the Bank may issue a license or refuse to issue a license and the
10 Bank shall give reasons for the refusal within three months of such refusal.

11 (4) Where an application for a licence is granted, the Bank shall
12 give written notice of the fact to the applicant and the licence fee shall be
13 paid.

14 (5) An application for a license shall be forwarded to the Governor
15 and all licenses to be issued shall be with the prior approval of the Minister.

16 4. The Bank may invest any amount deposited with it pursuant to
17 section 3(2) of this Act in treasury bills or such other securities until such a
18 time as the Bank shall decide whether or not to grant a licence, and where the
19 licence is not granted the bank shall repay the sum deposited to the applicant,
20 together with the investment income after documenting administrative
21 expenses and tax on the income.

Investment
and release
of prescribed
minimum share
capital

22 5.-(1) The Bank may vary or revoke any condition subject to which
23 a licence was granted or may impose fresh or additional conditions to the
24 grant of a licence.

Power to revoke
or vary conditions
of license

25 (2) Where the grant of a licence is subject to conditions, the bank
26 shall comply with those conditions to the satisfaction of the Bank within
27 such period as the Bank may deem appropriate in the circumstances.

28 (3) Any bank which fails to comply with any of the conditions of its
29 license is guilty of an offence under this section and shall be liable on
30 conviction to a fine not less than N1, 000,000.

1 (4) Any person who, being a director, manager or officer of a bank
2 fails to take reasonable steps to secure compliance with any of the conditions of
3 the licence of the bank is guilty of an offence and liable on conviction to a fine
4 not exceeding N1,000,000.00.

5 (5) Where the Governor proposes to vary, revoke or impose fresh or
6 additional conditions on a licence, he shall, before exercising such power, give
7 notice of his intention to the bank concerned and give the bank an opportunity
8 to make representation to him thereon.

9 (6) Any bank which fails to comply with any fresh or additional
10 condition imposed in relation to its licence is guilty of an offence and liable on
11 conviction to a fine not exceeding N2,000,000.00 and to an additional fine of
12 N5,000.00 for each day during which the offence continues.

Opening and
Closing of
Branches

13 6.-(1) No bank may open or close any branch office, cash centre or
14 representative office anywhere within or outside Nigeria except with the prior
15 consent in writing of the Bank.

16 (2) Any bank which contravenes the provisions of subsection (1) of
17 this section is guilty of an offence and liable to a fine not exceeding
18 N20,000,000 and the closure in case of the opening of a branch office and the
19 re-opening in the case of a closure of a branch office and in addition to fine of
20 N1,000,000 for each day during which the offence continues.

Restructuring,
reorganization,
merger and
disposal, etc.
of the Banks

21 7.-(1) Except with the prior consent of the Governor, no bank or
22 shareholder shall enter into an agreement or arrangement-

23 (a) which results in-

24 (i) a change in the control of the bank;

25 (ii) the transfer of a significant shareholding in the bank;

26 (b) for the sale, disposal or transfer howsoever of the whole or any
27 part of the business of the bank;

28 (c) for the amalgamation or merger of the bank with any other person;

29 (d) for the reconstruction of the bank;

30 (e) to employ a management agent or to be managed by or to transfer

1 its business to such agent.

2 (2) Where any bank proposes to enter into an agreement or
3 arrangement pursuant to subsection (1) of this section, the Bank may on the
4 application of any of the banks to be affected order separate meetings of the
5 banks to be summoned in such manner as the Bank may direct.

6 (3) The Bank may approve an agreement or an arrangement in
7 Subsection (1) if and only if the Bank is satisfied that-

8 (a) such agreement or arrangement is not likely to cause a
9 substantial restraint of competition, or tend to create a monopoly in the
10 banking industry; or

11 (b) the significant shareholders or Directors of the bank that results
12 from the said agreement or arrangement are not disqualified under Section
13 44 of this Act;

14 (c) the agreement or arrangement is consistent with public interest;
15 and

16 (d) the bank that results from the agreement or arrangement meets
17 the minimum total capital as prescribed in section 9 of this Act.

18 (4) For the purpose of paragraph (a) of subsection (1) of this
19 section, a transfer by a bank or shareholder or group of shareholders of an
20 aggregate of not less than 5 per cent of the share capital of the bank shall be
21 deemed to be the transfer of a significant shareholding; provided that the
22 Governor shall have the power by notice published in the gazette to vary
23 from time to time the percentage of the share capital of a bank which
24 constitutes significant shareholding.

25 (5) Upon the grant of a new banking license by the Bank to a bank
26 which results from the agreement or arrangement, all the assets and
27 liabilities of the banks that are parties to the said agreement or arrangement
28 shall, by virtue of the grant of the new banking license, be transferred to and
29 become the assets and liabilities of the new bank.

30 (6) The provisions of this Act shall apply without prejudice to the

1 provisions of the Investments and Securities Act in so far as they relate to a
2 compromise, arrangement or reconstruction between two or more banks.

3 (7) Where any of the provisions of the Investments and Securities Act
4 is inconsistent with the provisions of this Act, the provisions of this Act shall
5 prevail.

6 (8) Any person who contravenes the provisions of subsection (1) of
7 this section is guilty of an offence and liable to a fine not less than N20,000,000
8 and in the case of a continuing offence to an additional fine of N1,000,000 for
9 each day during which the offence continues.

Operations of
Foreign Banks
in Nigeria

10 8.-(1) Except with prior approval of the Bank, no foreign bank shall
11 operate branches or representative offices in Nigeria.

12 (2) The Bank may, subject to such conditions as it may impose, from
13 time to time, grant to any bank registered in Nigeria or a foreign bank a licence
14 to undertake off-shore banking business from or in Nigeria.

15 (3) Subject to the provisions of subsection (1) of this section, nothing
16 in the provisions of the Nigerian Investment Promotion Commission Act 1995
17 or any other law or enactment shall be construed as authorising any person who
18 is a citizen of Nigeria or a non-Nigerian to carry on any banking business in
19 Nigeria without a valid banking licence issued by the Bank under this Act.

20 (4) Any person who contravenes the provisions of subsection (1) or
21 (3) of this section is guilty of an offence and liable on conviction in the case of
22 subsection (1) to a fine not less than N20,000,000 and in the case of subsection
23 (3) to imprisonment for a term not less than three years or to a fine not less
24 N10,000,000 or to both such imprisonment and fine.

Minimum Capital
requirement for
Banks

25 9.-(1) The Bank shall from time to time, determine the minimum
26 capital requirement of banks licenced under this Act, the components of such
27 capital and the minimum of each component of the capital.

28 (2) Any failure to comply with the provisions of this section of this Act
29 within such period as may be determined by the Bank, from time to time shall
30 be a ground for the revocation of any licence issued pursuant to the provision of

1 this Act or any other Act repealed by it.

2 10. Notwithstanding the provisions of the Companies and Allied
3 Matters Act 1990 or any agreement or contract, the voting rights of every
4 shareholder of a bank shall be proportional to his contribution to the paid-up
5 share capital of the bank.

Shareholder's
voting rights to
be proportional
to shareholding

6 11. Except in cases of fraud, forgery or undue influence, no suit or
7 proceedings shall be maintained against any person registered as the holder
8 of a share in a bank on the ground that the title to said share vests in any
9 person other than the registered holder.

Restriction of
Legal Proceedings
in respect of Shares
held in the name
of another

10 12.-(1) A bank shall maintain, at all times, capital funds
11 unimpaired by losses in such ratio to all or any assets or any liabilities or to
12 both assets and liabilities of the bank and all its offices in and outside Nigeria
13 as may be specified by Bank.

Minimum
Capital Ratio

14 (2) Notwithstanding subsection (1) of this section the Bank may
15 prescribe a higher or lower capital adequacy ratio with respect to any
16 particular bank.

17 (3) The Bank may require a bank to maintain additional capital as
18 the Bank considers appropriate in respect of specific risks.

19 (4) The Bank may require a bank that has-

20 (i) a holding company;

21 (ii) a subsidiary; or

22 (iii) a holding company and a subsidiary to calculate and maintain
23 minimum capital adequacy ratio on a consolidated basis.

24 (5) Any bank which fails to observe any such specified ratios may
25 be prohibited by the Bank from-

26 (a) advertising for or accepting new deposits;

27 (b) granting credit and making investment; or

28 (c) paying cash dividend to shareholders.

29 Notwithstanding the provisions of subsection (5) of this section, the Bank
30 shall have power to impose such additional holding actions, prohibitions

1 and conditions as it may deem fit for failure to comply with the specified
2 Capital Adequacy Ratio.

3 (7) In addition, the bank may be required to draw up within a specified
4 time a capital reconstitution plan acceptable to the Bank.

minimum holding
of cash reserves,
specified liquid
assets, special
deposits and other
securities

5 13.-(1) Every bank shall maintain with Bank cash reserves, and
6 special deposits and hold specified liquid assets or any other securities, as the
7 case may be, not less in amount than as may, from time to time, be prescribed by
8 the Bank by virtue of section 45 of the Central Bank of Nigeria Act.

9 (2) Where both assets and liabilities are due from and to other banks,
10 they shall be offset accordingly, and any surplus of assets or liabilities shall be
11 included or deducted as the case may be, in computing specified liquid assets.

12 (3) In the case of the long-term advances to a bank or by an overseas
13 branch or office of a bank the advances may, with the approval of the Bank, be
14 excluded from demand liabilities of the bank.

15 (4) Every bank shall-

16 (a) furnish within a reasonable time any information required by the
17 Bank to satisfy the Bank that the bank is observing the requirements of
18 Subsection (1) of this section;

19 (b) not allow its holding of cash reserves, specified liquid assets
20 deposits and other securities to be less than the amount which may from time to
21 time, be prescribed by the Bank; and

22 (c) not during the period of any deficiency, grant or permit increases
23 in advances, loans or credit facilities to any person without the prior consent in
24 writing of the Bank.

25 (5) Any bank which fails to comply with any of the provisions of
26 Subsection (4) of this section is guilty of an offence and liable to a fine of-

27 (a) in the case of paragraph (a) N1,000,000 for every month during
28 which the default under that paragraph exists;

29 (b) in the case of paragraph (b) N1,000,000 for each month of the
30 offence;

(c) in the case of paragraph (c) N1,000,000 for each month of the offence, and the Bank may also, during the period when the bank fails to comply with any of the requirements of subsection (4) as aforesaid, withdraw any privileges or facilities that are normally accorded to the bank.

(6) For the purposes of this section, specified liquid assets provided they are freely transferable and free from any lien or charge of any kind shall, without prejudice to the provisions of section 45 of the Central Bank of Nigeria Act, consist of all or any of the following, that is-

(a) currency notes and coins which are legal tender in Nigeria

(b) balances at the Bank;

(c) net balances at any licensed bank (excluding uncleared effects) and collateralized money at call in Nigeria;

(d) treasury bills and treasury certificates issued by the Federal Government;

(e) collateralized inter-bank placement, inland bills of exchange and promissory notes re-discountable at the Bank;

(f) securities issued by the Federal Government with such dates of maturity as may be approved by the Bank;

(g) negotiable certificates of deposit approved by the Bank; and

(h) such other negotiable instruments as may, from time to time, be approved by the Bank for the purpose of this section.

PART II - DUTIES OF BANKS

14.-(1) Every bank shall maintain a reserve fund and shall, out of its net profits for each year (after due provision made for taxation) and before any dividend is declared, where the amount of the reserve funds is-

Maintenance of
reserve fund

(a) less than the paid-up share capital, transfer to the reserve fund a sum not less than thirty percent of the net profits; or

(b) equal to or in excess of the paid-up share capital, transfer to the reserve fund a sum not less than fifteen per cent of the net profit:

Provided that no transfer under this subsection shall be made until

1 all identifiable losses have been made good.

2 (2) Any bank which fails to comply with the provisions of subsection
3 (1) of this section is guilty of an offence and liable on conviction to a fine of
4 N10,000,000.

5 (3) Notwithstanding Paragraphs (a) and (b) of subsection (1) of this
6 section, the Bank may, from time to time, specify a different proportion of the
7 net profits of each year, being either lesser or greater than the proportion
8 specified in paragraphs (a) and (b) to be transferred to the reserve fund of a
9 bank for the purpose of ensuring that the amount of the reserve fund of bank is
10 sufficient for the purpose of its business and adequate in relation to its
11 liabilities.

Restriction on
Dividend

12 15.-(1) No bank shall pay dividend on its shares until-

13 (a) all its preliminary expenses, organizational expenses, shares
14 selling commission, brokerage, amount of losses incurred and other
15 capitalized expenses not represented by tangible assets have been completely
16 written off;

17 (b) adequate provisions have been made to the satisfaction of the
18 Bank for actual and contingent losses on risk assets, liabilities, off balance
19 sheet commitments and such unearned incomes as are derivable there from;
20 and

21 (c) it has complied with any capital ratio requirement as specified by
22 the Bank pursuant to section 12 of this Act.

23 (2) Any director, manager or officer who fails to comply with the
24 requirements of this section of this Act is guilty of an offence and liable on
25 conviction to a fine of 5 percent of the dividend paid or to imprisonment for a
26 term not exceeding 3 years or to both such fine and imprisonment.

Disclosure of
Interest by
Directors, Managers
and Officers

27 16.-(1) No manager or any other officer of a bank shall-

28 (a) in any manner whatsoever, whether directly or indirectly have
29 personal interest in any advance, loan or credit facility; and if he has any such
30 personal interest, he shall declare the nature of his interest to the bank;

(b) grant any advance, loan or credit facility to any person, unless authorised in accordance with the rules and regulations of the bank and where adequate security is required by such rules and regulations, such security shall, prior to the grant, be obtained for the advance, loan or credit facility and shall be deposited with the bank; or

(c) benefit as a result of any advance, loan or credit facility granted bank.

(2) Any manager or officer who contravenes or fails to comply with the provisions of subsection (1) of this section is guilty of an offence under this section and liable on conviction to a fine of N10,000,000 or to imprisonment for a term of 3 years; and in addition, any gains or benefits accruing to any person convicted under this section by reason of such contravention, shall be forfeited to the Federal Government, and the gains or benefit shall vest accordingly in that Government.

(3) It shall be the duty of a director of a bank who is in any way directly or indirectly, interested in the grant of an advance, loan or facility with the bank to declare the nature of his interest at a meeting of a board of directors of the bank.

(4) In case of a proposed advance, loan or credit facility, the declaration required by this section shall be made at the meeting of the board of directors of the bank at which the request for the advance, loan or credit facility is taken into consideration or if the director was not present on the date of the meeting at which the matter was discussed he shall state his interest in the proposed advance, loan or credit facility at the next meeting of the board of directors of the bank held after he becomes so interested, and in a case where the director becomes interested in any advance, loan or credit facility after it is granted, the declaration shall be made at the first meeting of the board of directors of the bank held after he becomes so interested.

(5) For the purpose of this section of this Act a general notice given to the board of directors of a bank by a director to the effect that he is a

1 member of a company or firm seeking an advance, loan or credit facility from
2 the bank shall be regarded as a declaration of his interest in the grant of the
3 advance, loan or credit facility which may after the date of the notice, be
4 granted to that company or firm, and shall be deemed to be sufficient
5 declaration of interest in relation to any such advance, loan or credit facility so
6 granted:

7 Provided that any such notice shall not have effect unless it is given at
8 a meeting of the board of directors of the bank which shall be required to do all
9 things reasonably necessary to ensure that it is brought up and read at the next
10 meeting of the board of directors of the bank after it is so given.

11 (6) The provisions of subsection (3) of this section shall not apply in
12 any case-

13 (a) where the interest of the director consists only of being a person
14 holding less than 5 percent of the shares of the company which is seeking an
15 advance, loan or credit facility from the bank or such percentage as the Bank
16 may from time to time prescribe;

17 (b) if the interest of the director may properly be regarded by the Bank
18 as immaterial.

19 (7) For the purpose of subsection (5) of this section, a general notice
20 given to the board of directors of a bank by a director shall be deemed to be a
21 sufficient declaration of interest in relation to any advance, loan or credit
22 facility, if-

23 (a) the notice specifies the nature and extent of his interest in the
24 company or firm;

25 (b) such interest is not different in nature from or greater in extent than
26 the nature and extent specified in the notice at the time any advance, loan or
27 credit facility is made; and

28 (c) the notice is given at the meeting of the board of directors of the
29 bank or the director takes reasonable steps to ensure that it is brought up and
30 read at the next meeting of the board of directors of the bank after it is given.

1 (8) Every director of a bank who holds any office or possesses any
2 property whereby, whether directly or indirectly, duties or interests might be
3 created in conflict with his duties or interests as a director of a bank, shall
4 declare a meeting of the board of directors of the bank the fact and the nature,
5 character and extent of the interest.

6 (9) The declaration referred to in subsection (8) of this section
7 shall be required to be made at the first meeting of the board of directors of
8 the bank held--

9 (a) after he becomes a director of the bank; or

10 (b) if already a director, after he came into possession of the
11 property.

12 (10) The secretary of the bank shall cause to be brought up and read
13 any declaration made under subsection (3) and (8) of this section at the next
14 meeting of the board of directors of the bank after it is made and shall record
15 any declaration made under this section of this Act in the minutes of the
16 meeting at which it was made or at the meeting at which it was brought up
17 and read.

18 (11) Any director who contravenes the provisions of subsection (3)
19 and (8) of this section is guilty of an offence and liable on conviction to be
20 fine of N50,000,000 or imprisonment for a term of 5 years or to both such
21 fine and imprisonment.

22 17.-(1) Except with the approval of the Bank, no bank shall have as
23 a director any person who is a director of-

Prohibition of
Inter-Locking
Directorship, etc.

24 (a) any other bank; or

25 (b) companies which among themselves are entitled to exercise
26 voting rights in excess of ten percent of the total voting rights of all the
27 shareholders of the bank.

28 (2) No bank shall be managed by a person who is-

29 (a) a director of any other company not being a subsidiary of the
30 bank; or

1 (b) engaged in any other business or vocation.

2 (3) Every director of a bank shall sign a code of conduct in such form
3 or manner as the Bank may, from time to time, prescribe.

4 (4) The chief executive of a bank shall cause all the officers of the
5 bank to sign a code of conduct as may be approved by the board of directors.

Restrictions on
certain Banking
activities

6 18.-(1) A bank shall not without the prior approval in writing of the
7 Bank, grant-

8 (a) to any person any advance, loan or credit facility or give financial
9 guarantee or incur any other liability on behalf of any person so that the total
10 value of the advance, loan, credit facility, financial guarantee or any other
11 liability in respect of the person is at any time more than twenty percent of paid-
12 up-capital or such percentage as the Bank may from time to time determine and
13 for the purpose of this paragraph all advances, loans or credit facilities
14 extended to any person shall be aggregated and shall include all advances,
15 loans or credit facilities extended to any subsidiaries or associates of a body
16 corporate or such other related party as the Bank may by regulation prescribe
17 from time to time;

18 (b) any advances, loans or credit facilities against the security of it
19 own shares; or

20 (c) any loan, advance or credit facility in excess of N5,000,000 or
21 such amount as may be prescribed by the bank, except such loan advance or
22 credit facility is secured in accordance with the bank's rules and regulations.

23 (2) A bank shall not, without the prior approval in writing of the bank-

24 (a) permit to be outstanding, unsecured advances, loans or unsecured
25 credit facilities, of an aggregate amount in excess of N500,000 or such amount
26 as may be prescribed from time to time by the Bank-

27 (i) to its directors, significant shareholders or any of them whether
28 such advances, loans or credit facilities are obtained by its directors or
29 significant shareholders jointly or severally;

30 (ii) to any firm, partnership or private company in which it or anyone

1 or more of its directors or significant shareholders is interested as director,
2 partner, manager or agent or any individual firm, partnership or private
3 company of which any of its directors or significant shareholders is a
guarantor, or

(iii) to any public company or private company in which it or
anyone or more of its directors or significant shareholders jointly or
severally maintains shareholding of not less than five percent or such
percentage as may be fixed from time to time by the Bank either directly or
indirectly.

(b) permit to be outstanding to its officers and employees,
advances, loans or unsecured credit facilities, which in the aggregate for
anyone officer or employee, exceeds such amount as may be fixed from time
to time by the Bank;

(c) engage, whether on its own account or on a commission basis,
in wholesale or retail trade, including the import or export trade, except in so
far as may exceptionally be necessary in the course of the banking
operations and services of that bank or in course of the satisfaction of debts
due it; so however that nothing in this paragraph shall be construed as
precluding a bank from undertaking equipment leasing business or debt
factoring provided that the foregoing provisions of this paragraph shall not
apply to a circumstances permitted under section 19 of this Act;

(d) without prejudice to the provisions of section 19 of this Act
acquire or hold any part of the share capital of any financial or commercial or
other undertaking, except-

(i) any shareholding approved by the bank in any company set up
for the purpose of promoting the development of the money market or
capital market in Nigeria or of improving the financial machinery for
economic development;

(ii) any shareholding approval by the bank pursuant to
subparagraph (i) of this paragraph, the aggregate value of which does not at

1 credit facilities granted in contravention of this section.

2 (8) Any director, manager or officer who fails to comply with the
3 requirements of the section of this Act is guilty of an offence and liable
4 conviction to a fine not less than N50,000,000 or to imprisonment for a term of
5 five years and shall in addition be required to repay the loan or forfeit his
6 known assets in lieu of the unpaid loan;

7 (9) Any bank which after the commencement of this Act enters into a
8 transaction which is inconsistent with the provision of this section shall be
9 liable to a fine of 100 percent of the amount involved.

Acquisition of
shares in Small
and Medium Scale
Industries, etc.

10 19.-(1) Every bank shall acquire and hold shares in any agricultural,
11 industrial or venture capital company, Subject to the following conditions, that
12 is-

13 (a) the venture capital is set up for the purpose of promoting the
14 development of indigenous technology or a new venture in Nigeria;

15 (b) the shareholding by the bank is in small or medium-scale
16 industries and agricultural enterprises as defined by the Bank;

17 (c) the shareholding by the bank in any medium scale industry,
18 agricultural enterprise or venture capital company or any business approved by
19 the Bank shall not be less than 20 per cent of the bank's shareholders fund
20 unimpaired by losses or such other increased percentage the Bank may
21 prescribe from time to time;

22 (d) the aggregate value of the equity participation of the bank in all
23 enterprises pursuant to this section does not, at any time, become less than
24 twenty per cent of its shareholders fund unimpaired by losses or such other
25 increased percentage the Bank may prescribe from time to time.

26 (2) Any bank which fails to comply with the provisions of this section
27 is guilty of an offence and liable on conviction to a fine not less than
28 N2,000,000 for each day during which the offence continues.

Restriction on
retention of Equity
interest by banks

29 20.-(1) A bank shall not hold for more than six month any equity
30 interest acquired in a company while managing an equity issue except as

1 stipulated in section 19 of this Act.

2 (2) Any bank which acts in contravention of or fails to comply with
3 any of the provision of this section is guilty of an offence and liable to a fine
4 not less than N2,000,000 for each day during which the offence continues

5 21.-(1) every bank shall display at its offices its lending and deposit
6 interest rates and shall render to the Bank information on such rates as may
7 be specified, from time to time, by the Bank:

Display of
Interest Rates

8 Provided that the provisions of this subsection shall not apply to
9 profit and loss sharing banks but such banks shall indicate conspicuously in
10 all their offices that they charge to interest.

11 (2) Any bank in breach of any of the provision of this section is
12 guilty of an offence and liable to a fine not exceeding N2,000,000.00 for
13 every day during which the offence continues.

14 PART III - BOOK AND RECORDS OF ACCOUNT

15 22.-(1) Every bank shall cause to be kept proper books of account
16 with respect to all the transactions of the bank.

Proper Books
and records of
account

17 (2) For the purpose of subsection(1) of this section, proper books of
18 account shall be deemed to be kept with respect to all transactions and give a
19 true and fair view of the state of affairs of a bank are kept by the bank and are
20 in compliance with the accounting standard as may be prescribe for banks.

21 (3) The books of account shall be kept at the principle
22 administrative office of a bank and at the branches of each bank in the
23 English Language.

24 (4) Where the book of account; kept by a bank with respect to all its
25 transactions, are prepared and kept, in such a manner that in the opinion of
26 the Bank have not been properly prepared and kept, or where a bank render
27 returns in accordance with the provisions of section 23 of this Act. which in
28 the opinion of the Bank are inaccurate, the Bank may appoint a firm of
29 qualified accountants to prepare proper books of account or render accurate
30 returns, as the case may be, for the bank and the cost of preparing the

1 accounts and rendering the returns shall be borne by the bank.

2 (5) If any person being a director, manager or officer of a bank-

3 (a) fails to take all reasonable steps to secure compliance with any of
4 the provision of this section;

5 (b) has by his willful act been the cause of any default thereof by the
6 bank, he is guilty of an offence and liable on conviction, in respect of paragraph
7 (a) of this subsection, to a fine of N10,000,000 or to imprisonment for a term of
8 one year and in respect of paragraph (b) of this section, to fine of N20,000,000
9 or to imprisonment for a term of three years.

Returns by
Banks

10 23.-(1) Every bank shall submit to the Bank not later than 10 days
11 after the last day of each month or such other interval as the bank may specify, a
12 Statement showing-

13 (a) the assets and liabilities of the bank; and

14 (b) an analysis of advances and other assets, at the head office and
15 branches in and outside Nigeria in such form as the Bank may specify, from
16 time to time.

17 (2) Every bank shall submit such other information, documents,
18 statistics or returns as the Bank may deem necessary for the proper
19 understanding of the statements supplied under subsection (1) of this section.

20 (3) Where a bank is affiliated to any other person, the Bank may
21 require such bank to prepare and furnish any return required to be made under this
22 Act or the Central Bank of Nigeria Act on a consolidated basis.

23 (4) The word "affiliated" as used in this section includes a subsidiary
24 or holding company or such other relationship as may be determined from time
25 to time by the Bank.

26 (5) Any bank which fails to comply with any of the requirements
27 subsection (1) or (2) of this section is in respect of each such failure, guilty of an
28 offence and liable to a fine not exceeding 10,000,00 for each day during which
29 the offence continues.

24.-(1) The statements and information submitted by each bank under Sections 23 of this Act shall be regarded as confidential:

Returns to be regarded as confidential

Provided that the bank shall furnished any such statement or information to any agency of Government as required by law.

(2) Notwithstanding anything in this section, the Bank may prepare published consolidated statements aggregating the statements furnished under section 23 of this Act.

25.-(1) A bank shall not later than three month after the end of its financial year, forward to the Bank for approval its financial statement and the same shall be prepared in according with the relevant accounting standards and books.

Publications of Financial Statements

(2) Every bank shall thereafter but not later than one month after approval by the Bank-

(a) cause to published in two daily newspapers printed and circulating in Nigeria;

(b) exhibit in a conspicuous position in each of its offices and branches and

(c) forward to the Bank, copies of the bank's balance sheet and profit and loss account duly signed and containing the full and correct names of the directors of the bank.

(3) Every published account of a bank under subsection (1) of this section shall disclose in detail penalties paid as a result of contravention of the provisions of this Act and provision of any policy guidelines in force during the financial year in question and the auditor's report shall reflect such contravention.

(4) The balance sheet and profit and loss account of a bank shall bear on their face the report of an approved audition and shall contain statement on such matters as may be specified by the bank, from time to time.

(5) For the purpose of subsection (4) of this section, an "approved

1 auditor" shall be an auditor approved for the purpose of section 27 of this act

2 (6) Any bank which fails to comply with any of the requirement of this
3 section is in respect of each such failure guilty of an offence and liable on
4 conviction to a fine of N2,000,000 for each day during which the offence
5 continues.

Contents and
Form of Accounts

6 26.-(1) Every balance sheet and every profit and loss account of a
7 bank shall give a true and fair view of the state of affairs of the bank as at the end
8 of the reporting period.

9 (2) Every balance sheet and every profit and loss account of a bank
10 forwarded to the bank in according with the provision of subsection (1) of this
11 section and section 25 (2) of this Act shall comply with the requirement of any
12 circular which has been issued by the Bank thereon.

13 (3) Any person being a director of any bank who fails to take all
14 reasonable steps to secure compliance with any of the provision of this section
15 in respect of any account is guilty of an offence and liable on conviction to a
16 fine not less than N20,000,000 or to a imprisonment for a term of three or to
17 both such fine and imprisonment

Appointment,
Power and Report
of approved
Auditor

18 27.-(1) Every bank shall appoint a firm of auditors approved by the
19 Bank, in this section referred to as "the approved auditors" whose duties shall
20 be to make to the shareholders a report upon the annual balance sheet and profit
21 and loss account of the bank and every such report shall contain statement as to
22 the matters and such other information as may be prescribed from time to time,
23 by the Bank:

24 Provided that the Bank shall have power to direct in appropriate cases
25 the appointment of more than one firm of auditors for any bank which shall act
26 jointly in auditing the bank's balance sheet and profit and loss accounts.

27 (2) For the purpose of this section, the approved auditor shall be an
28 auditor who is-

29 (a) a member of one of the professional bodies recognised in Nigeria;

30 (b) approved by the Bank;

1 (c) resident in Nigeria; and
2 (d) carrying on in the Nigeria professional practice as accountant
3 and auditor.

4 (3) Any person-

5 (a) having any interest in a bank otherwise than a depositor;

6 (b) who is a director, significant shareholder, officer or agent of a
7 bank;

8 (c) which is a firm in which a director or significant shareholder of
9 a bank has any interest as partner or director; or

10 (d) who is indebted to bank, shall not be eligible for appointment as
11 the approved auditor for that bank and a person appointed as such auditor
12 subsequently-

13 (i) acquires such interest;

14 (ii) becomes a director, significant shareholder, officer or agent of
15 the bank; or

16 (iii) becomes indebted to a partner in a firm in which a director or
17 significant shareholder of a bank is interested as partner or director shall
18 cease to be such auditor.

19 (4) A person shall not be eligible for appointment as an external
20 auditor of a bank or retain his appointment as such auditor unless that person
21 declares to the Bank the interest that he may have in the bank or maintain
22 with any of its directors or significant shareholders.

23 (5) An approved auditor shall be appointed for a period of 5 years
24 and shall not be eligible for reappointment until after a period of 10 years has
25 elapsed after each appointment

26 (6) If any bank-

27 (a) fails to appoint an approved auditor under subsection (1) of this
28 section or

29 (b) at any time, fails to fill a vacancy for such person, the Bank shall
30 appoint a suitable person for that purpose and shall fix the remuneration to

1 be paid by the bank to such auditor.

2 (7) Every auditor of a bank shall have a right of access at all times to
3 the books, accounts, vouchers and all records of the bank, and shall be entitled
4 to require from directors, managers and officers of the bank such information
5 and explanation as he thinks necessary for the performance of his duties under
6 this Act.

7 (8) The report of the approved auditor shall be read together with the
8 report of the board of directors at the annual general meeting of the
9 shareholders of the bank and two copies of each report together with the
10 auditor's analysis of bad and doubtful advances in a form specified, from time
11 to time, by the Bank shall be sent to the Bank.

12 (9) If an auditor appointed under this section, in the course of his
13 duties as an auditor of a bank, is satisfies that-

14 (a) there has been a contravention of this Act or that an offence under
15 any other law has been committed by the bank or any other person;

16 (b) losses have been incurred by the bank which substantially reduce
17 its capital funds;

18 (c) any irregularity which jeopardize the interest of depositors or
19 creditors of the bank, or any other irregularity has occurred; or

20 (d) he is unable to confirm that the claims of depositors or creditors
21 are covered by the assets of the bank;

22 he shall immediately report the matter to the Bank.

23 (10) The approved auditor shall forward to the Bank two copies of the
24 domestic reports on the bank's activities not later than 3 months after the end of
25 the bank's financial year.

26 (11) Any approved auditor under this section who acts in
27 contravention of or fails deliberately or negligently to comply with any of the
28 provisions of this section of this Act is guilty of an offence and liable on
29 conviction to a fine not exceeding N50,000,000 and where the approved
30 auditor is a firm, the individual partner of partners shall in addition be liable on

1 conviction to imprisonment for a term not exceeding 5 years and to the fine
2 required to be paid by the firm under this subsection.

3 (12) The appointment of an approved auditor shall not be
4 determined without the prior approval of the Bank.

5 PART IV - SUPERVISION

6 28.-(1) The Bank shall have the power to carry out supervisory
7 duties in respect of bank, other financial institutions and specialized banks
8 from time to time. Powers of
supervision and
control

9 (2) For the purpose of this Section the Governor shall have the
10 power to appoint examiners who shall-

11 (a) under condition of confidentiality examine periodically the
12 books and affairs of each bank, other financial institutions and specialized
13 banks;

14 (b) have a right of access at all times to the books, accounts and
15 vouchers of banks, other financial institutions and specialized banks; and

16 (c) have power to require from directors, managers and officers of
17 banks other financial institutions and specialized banks such information
18 and explanation as they deem necessary for the performance of their duties
19 under this section.

20 (3) In examining the affairs of any bank, other financial institution
21 or specialized bank under this Act, it shall be the duty of an examiner at all
22 times to avoid unreasonably hindrance to the daily business of the bank,
23 other financial institution or specialized bank.

24 (4) Every bank, other financial institution or specialized bank shall
25 produce to the examiners at such as the examiners may specify, all books,
26 accounts documents and information which they may require.

27 (5) If any book, document or information is not produced in
28 accordance with the requirement of an examiner under this section or what is
29 produced or furnished to an examiner is false, in any material particular, the
30 bank, other financial institution or specialized bank is guilty of an offence

1 and liable on conviction to a fine of not less than N20,000,000 and in addition,
2 to a fine of N2,000,000 for each day during which the offence continues.

Routine
Examination and
report thereon

3 29.-(1) The Governor shall, in the case of routine examination,
4 forward a copy of the report arising from the examination together with the
5 recommendations of the Bank, to the bank concerned with instruction that it
6 will be placed before the meeting of the board of directors of the bank specially
7 convened for the purpose of considering the report and the recommendations
8 thereon.

9 (2) The bank shall within 2 weeks convey to the Governor the board of
10 directors' reactions to the report and its proposals for implementing the
11 recommendations of the Bank

12 (3) Any bank which fails to comply with the provisions of subsection
13 (1) or (2) of this section is guilty of an offence and liable to a fine not less than
14 N2,000,000 for each day during which the offence continues and if the offence
15 continues for more than 30 days, the Bank may in addition to the fine withdraw
16 any privilege or facility granted to that bank by the Bank.

Special
Examination

17 30.-(1) The Governor shall have the power to order a special
18 examination or investigation of the books and affairs of a bank where he is
19 satisfied that-

20 (a) it is in the public interest so to do;

21 (b) the bank has been carrying on its business in a manner detrimental
22 to the interest of its depositors and creditors;

23 (c) the bank has insufficient assets to cover its liabilities to the public;

24 (d) the bank has been contravening the provisions of this Act, or

25 (e) an application is made therefore by-

26 (i) a director or shareholder of the bank, or

27 (ii) a depositor or creditor of the bank;

28 Provided that in the case of paragraph (e) of this subsection, the
29 Governor may not order a special examination or investigation of the books
30 and affairs of a bank if he is satisfied that it is not necessary to do so.

(2) For the purpose of subsection (1) of this section, the Governor shall have power to appoint one or more qualified persons other than the officers of the Bank to conduct special examination or investigation, under conditions of confidentiality, of the books and affairs of the bank.

(3) The Governor shall have power to order that all expenses of or incidental to an examination or investigation be paid by the bank examined or investigated.

31.-(1) Where a bank informs the Bank that-

Failing Bank

(a) it is likely to become unable to meet its obligations under this Act;

(b) it is about to suspend payment to any extent;

(c) it is insolvent; or

(d) where the Bank is satisfied that the bank is in grave situation as regards any of the matters referred to in this Act, the Governor may be order in writing exercise anyone or more of the powers specified in subsection (2) of this section.

(2) The Governor may be order in writing under subsection (1) of this section-

(a) prohibit the bank from extending any further credit facility for such period as may be set out in order, and make the prohibition subject to such exceptions, and impose such conditions in relation to the exceptions as may be set out in order, from time to time, by further order similarly made, extend the aforesaid period;

(b) require the bank to take any steps or any action or to do or not to do any act or thing whatsoever, in relation to the bank or its business or its directors or officers which the Bank may consider necessary and which is set out in the order, within such time as may be stipulated therein;

(c) remove the reasons to be recorded in writing with effect from such date as may be set out in the order, any manager or officer of the bank, notwithstanding anything in any limitations contained in the memorandum

1 and articles of association of the bank;

2 (d) in respect of a bank, notwithstanding anything in any written law
3 or any limitations contained in the memorandum and articles of association of
4 the bank, and in particular, notwithstanding any limitation therein as to the
5 minimum or maximum number of directors, for reasons to be recorded in
6 writing-

7 (i) remove from office, with effect from such date as may be set out in
8 the order, any director of the bank; or

9 ii) appoint any person or persons as a director or directors of the bank,
10 and provide in the order for the person or persons so appointed to be paid by the
11 bank such remuneration as may be set out in the order;

Power to take
control of failing
Bank

12 32.-(1) If after taking such steps stipulated in section 31 of this Act or
13 such other measures as in the opinion of the Bank may be appropriate in the
14 circumstance, the state of affairs of the bank concerned does not improve, or
15 where the capital to risk weighted assets ratio of the bank is below such
16 threshold as may be prescribed from time to time by the Bank, the Nigeria
17 Deposit Insurance Corporation hereinafter to as the Corporation may with the
18 approval of the Bank assume the supervision, control and management of the
19 bank on such terms and conditions as the Bank may stipulate from time to time.

Measures for
resolving distress

20 33.-(1) Where the Corporation has assumed control over a bank as
21 provided under this Act, the Corporation may-

22 (a) require the bank to submit a recapitalization plan acceptable to the
23 Corporation within a stipulated period;

24 (b) prohibit the bank from extending any further credit and incurring
25 any additional capital expenditure without the approval of the Corporation;

26 (c) notwithstanding the provisions of section 7 of this Act require the
27 bank to take such steps or to do or not to do any act or thing whatsoever in
28 relation to the business of the bank or its directors or officers, which the
29 Corporation may consider necessary within such time as the Corporation may
30 stipulate;

1 (d) with the approval of the Bank remove, for reasons to be
2 recorded in writing and with effect from any date as may be specified, any
3 director, manager, officer or employee of the bank;

4 (e) appoint with the approval of the Bank any person or persons as a
5 director or directors of the bank and cause their remuneration to be provided
6 by the bank;

7 (f) notwithstanding the provisions of the Companies and Allied
8 Matters Act, 1990 and subject to the approval of the Bank require the bank to
9 reduce its share capital; and

10 (g) subject to section 35 and with the approval of the Bank invite
11 investors to invest in the bank

12 (2) Notwithstanding the foregoing, the Bank shall have power to
13 arrange for-

14 (a) a merger of the bank with anyone or more banks;

15 (b) the acquisition of the bank by another bank; or

16 (c) the assumption of the deposit liability of the bank by another
17 bank on such terms and conditions as may be approved by the Bank

18 34.-(1) Where the Corporation has assumed control of the business
19 of a bank pursuant to section 32 of this Act, the Corporation shall remain in
20 control of and continue to carry on the business of the bank in the name and
21 on behalf of the bank until such a time as in the opinion of the Bank, it is no
22 longer necessary for the corporation to remain in control of the business of
23 the bank.

Cost of managing
failing Bank

24 (2) Accordingly, the cost and expenses of the Corporation or
25 remuneration of an appointed person of the bank shall be a first charge on the
26 assets of the bank.

27 35.-(1) Notwithstanding anything contained in any law or
28 Memorandum and Articles of Association of a bank, where the Corporation
29 has pursuant to Section 33 of this Act, assumed the supervision and control
30 of a bank whose paid up capital is lost or unrepresented by available assets,

Acquisition of a
Bank restructuring

Revocation of
Banking licence

1 the Corporation may with the approval of the Bank, apply to the Federal High
2 Court for an order for the Corporation to purchase or acquire the bank for a
3 nominal fee for the purpose of its restructuring and subsequent sale.

4 **36.-(1)** Notwithstanding the provisions of this Act or any other law the
5 Governor may with the approval of the Board of Director and by notice
6 published in the print and electronic media and in the Gazette revoke any
7 licence granted under this Act if a bank-

8 (a) ceases to carry on banking business for any continuous period of 6
9 months or any period aggregating 6 months during a continuous period of 12
10 months;

11 (b) goes into liquidation or is wound up or otherwise dissolved;

12 (c) fails to fulfill or comply with any condition subject to which the
13 licence was granted;

14 (d) has in opinion of the Bank insufficient assets to meet its liabilities;

15 (e) fails to comply with any obligation imposed upon it by or under
16 this Act or the Central Bank of Nigeria Act or any rules, regulations, guidelines
17 or directives made hereunder;

18 (f) has its insured status terminated by the Nigeria Deposit Insurance
19 Corporation;

20 (g) is in the opinion of the Bank critically under capitalized with a
21 Capital Adequacy Ratio of less than 2% or such threshold as the Bank may
22 prescribe from time to time;

23 (h) fails to comply with the provision of section 12 of this Act;

24 (i) over which the Corporation has assumed control cannot be
25 rehabilitated;

26 (j) is convicted of an offence under the Provisions of the Economic
27 and Financial Crimes Commission (Establishment) Act, the Money
28 Laundering Act, Advance Fee Fraud Act or any law dealing with economic or
29 financial crimes.

30 (2) Where the licence of a bank has been revoked pursuant to this Act,

1 and the Governor is satisfied that it is in the public interest to do so, he may,
2 subject to the approval of the Board of directors of the Bank and without
3 waiting for any period prescribed for doing anything under this Act or any
4 law to lapse, appoint the Nigeria Deposit Insurance Corporation or any other
5 person as a liquidator of the affected bank and the Corporation or such other
6 person shall have the power conferred by or under the Companies and Allied
7 Matters Act 1990.

8 (3) Notwithstanding the provisions of this Act, the Companies and
9 Allied Matters Act or any law, where the Bank has revoked any licence
10 granted under this Act, the Corporation or such other appointed person shall
11 immediately proceed with the liquidation of the bank whose licence has
12 been revoked and the payment of deposit liabilities

13 (4) Notwithstanding anything contained in any other law, where an
14 action is brought before any court challenging the revocation of the licence
15 of a bank on any ground whatsoever, such an action shall be heard and
16 determined within a maximum period of ninety days from the date of
17 revocation of the licence to which the action related. Where an appeal is filed
18 against the decision of the trial court, the appeal shall be heard and disposed
19 of by the Court of Appeal within a maximum period of thirty days from the
20 date the appeal is filed. In the event that a further appeal is made to the
21 Supreme Court, the Supreme Court shall hear and finally dispose of the
22 matter within a maximum period of sixty days from the date appeal is filed.

23 (5) No action in respect of the revocation of the licence of a bank
24 shall be maintainable unless such action is filed within a period of thirty days
25 from the date of the revocation of licence.

26 (6) Without prejudice to the provisions of subsection (1) of this
27 section, and notwithstanding any of the provisions of this Act or any other
28 law, the Governor may impose anyone or more of the following sanctions on
29 any bank for failure to comply with any of the provisions of this Act, the
30 Central Bank of Nigeria Act or any other law or any rules, regulations

1 guidelines or directives made there under-

2 (a) suspension of the authorized foreign exchange dealership licence
3 for any period of time as the Bank may prescribe;

4 (b) prohibition from participation in any medium for transactions in
5 foreign exchange;

6 (c) suspension from participation in bank clearing systems;

7 (d) forfeiture to the Bank of any pecuniary benefit obtained as a result
8 of the violation or breach;

9 (e) suspension of any licence issued or given to any bank, specialized
10 bank or other financial institution

Liquidators to
furnish returns

11 37. The Corporation shall, while acting as the liquidator of a licensed
12 bank, forward to the Bank copies of any returns which it is required to make,
13 from time to time, by the Bank.

Crisis Management
Committee

14 38.-(1) The Governor shall have power to constitute a Crisis
15 Management Committee whenever any two or all of the following conditions
16 arise-

17 (a) where banks that are critically distressed control 30% of the total
18 assets of all licensed banks ;

19 (b) when 15% or more of the deposit liabilities of all licenced banks is
20 threatened; and

21 (c) when 35% or more of the total loans and advances of all licensed
22 banks become non-performing

23 (2) The membership of the Committee shall consist of the following-

24 (a) the Governor of the Bank who shall be Chairman;

25 (b) the Minister of Finance or a representative not below the rank of a
26 director;

27 (c) the Managing Director, Nigeria Deposit Insurance Corporation;

28 (d) the Director General, Securities and Exchange Commission;

29 (e) the Commissioner for Insurance, National Insurance Commission

30 ; and

- 1 (f) the Chairman, Economic and Financial Crimes Commission
- 2 (3) The functions of the Committee shall be to-
- 3 (a) manage systemic distress by coordinating the actions of
- 4 regulatory and supervisory agencies of any sub-sector of the financial
- 5 services Industry;
- 6 (b) establish a single channel of communication and prepare
- 7 official statement to forestall misinformation;
- 8 (c) restore confidence in the banking industry; and
- 9 (d) take any other action that may be necessary for the attainment
- 10 of its objective.
- 11 (4) The Committee shall keep the President informed in writing
- 12 from time to time of all actions it intends to take or has taken under
- 13 subsection (3) of this section.
- 14 (5) The Federal Government together with the Bank shall take
- 15 measures to deal with systemic crisis.
- 16 (6) The Bank shall have power from time to time to alter, add,
- 17 delete or vary the conditions that will give rise to the constitution of the
- 18 Crises Management Committee.

19 PART V - GENERAL AND SUPPLEMENTAL

- 20 39.- (1) Except with the written consent of the Governor-
- 21 (a) no bank shall, as from the commencement of this Act be
- 22 registered or incorporated with a tribal or ethnic name or any name which
- 23 includes the words;
- 24 "Central" "Federal", Federation, "National", " Reserve", "State",
- 25 "Christian", Islamic", "Moslem" " Quranic", or " Biblical",
- 26 (b) no person other than a bank licensed under this Act shall use or
- 27 continue to use the word "bank" or any of its derivatives, either in English or
- 28 in any Other language in the description or title under which the person is
- 29 carrying on business in Nigeria.
- 30 (2) Every bank shall use as part of its description or title the word

Restriction on
the use of certain
names

1 "bank" or anyone or more of its derivatives, either in English or in some other
2 language.

3 (3) Subsection (1) of this section shall not apply to any registered
4 association of banks, bankers or bank employees formed for the protection of
5 their mutual interest or in furtherance or promotion of education and training of
6 personnel for financial institutions in Nigeria.

7 (4) Any person who acts in contravention of this section is guilty of an
8 offence and liable on conviction to a fine not exceeding N1,000,000 for each
9 day during which the act continues.

General restriction
on advertisement
for deposits

10 40.-(1) No person other than the bank or any other person authorized
11 to take deposits under this Act shall issue any advertisement inviting the public
12 to deposit money with in.

13 (2) Any person who issues an advertisement in contravention of the
14 provisions of subsection (1) of this section is guilty of an offence and liable on
15 conviction to a fine of N50,000,000 or to imprisonment for a term of 10 years or
16 to both such fine and imprisonment.

17 (3) Any bank proposing to issue an advertisement shall comply with
18 the guidelines which may be issued by the Bank from time to time.

19 (4) In this Act, "advertisement" includes any form of advertising
20 whether in publication or by the display of notice or by means of circular or
21 other documents or by any exhibition of photographs or cinematograph or by
22 way of sound broadcasting or television or loudspeakers or other public
23 address systems and references to the issuing of an advertisement shall be
24 construed accordingly; and for the purposes of this Act, an advertisement issued
25 by any person by way of display or exhibition in a public place shall be treated
26 as issued by him on every day on which he causes or permits it to be so
27 displayed or exhibited.

28 (5) An advertisement which contains information calculated to lead
29 directly or indirectly to the deposit of money by the public shall be treated as an
30 advertisement inviting the public to deposit money.

1 (6) An advertisement issued by any person on behalf of or to the
2 order of another person shall be treated as an advertisement issued by that
3 other person and for the purpose of any proceedings under this Act, an
4 advertisement inviting the public to deposit money with a person specified
5 in the advertisement shall be presumed, unless the contrary is proved, to
6 have been issued by the person.

7 41.-(1) If the president is satisfied that any trade union, the
8 members of which are employed in a bank, has been engaged in acts
9 calculated to disrupt the economy of Nigeria, he may by order, published in
10 the Gazette, proscribe that union (hereafter in this section referred to as a
11 "proscribed union") which shall, as from the date of the order, cease to exist.

Power of the
President to
proscribe Trade
Union

12 (2) A proscribed union shall, not later than 14 days from the date of
13 the order under subsection (1) of this section, surrender its certificate of
14 registration to the Registrar who shall take such steps in relation to the
15 distribution of the assets of the union as he deems necessary or in accordance
16 with the registered rules of the union.

17 (3) No person who immediately before the date of an order under
18 this section was an officer of a proscribed union shall at any time after that
19 date be an officer of any trade union any of the members of which are
20 employed by a bank.

21 (4) If the certificate of registration of a proscribed union is not
22 delivered to the Registrar as required under subsection (2) of this section,
23 every person who immediately before the proscription of the union was an
24 officer thereof is guilty of an offence and liable on conviction to a fine of
25 N5,00,000.00 or to imprisonment for 6 months or to both such fine and
26 imprisonment.

27 (5) Any person who contravenes subsection (3) of this section is
28 guilty of an offence and liable on conviction to imprisonment for a term of 5
29 years or to a fine of N10,000,000.

30 (6) In this section-

1 "officer" in relation to a union, means any person holding official position in
2 that trade union and accordingly, includes in particular, any president,
3 secretary or treasurer thereof and every member of the committee of
4 management however described;
5 "Registrar" means the Registrar of Trade Unions appointed under section 45 of
6 the Trade Union Act.

Closure of Bank
during a strike

7 42.-(1) No bank shall incur any liability to any of its customers by
8 reason only of failure on the part of the bank to open for business during a strike

9 (2) If as a result of a strike, a bank fails to open for business, the bank
10 shall, within 24 hours of the beginning of the closure, obtain the approval of the
11 Bank for any continued closure of the bank.

Prohibition of
the receipt of
Commissions,
etc. by Staff of
Banks

12 43.-(1) Any director, manager, officer or employee of a bank or any
13 other person receiving remuneration from the bank, who asks for, receives,
14 consents or agrees to receive any gift, commission, employment, service,
15 gratuity money, property or thing of value for his own personal benefit or
16 advantage for that of any of his relations, from any person-

17 (a) for procuring or endeavoring to procure for any person any
18 advances, loans or credit facility from the bank; or

19 (b) for the purpose of the purchase or discount of any draft, note,
20 cheque, bill of exchange or other obligation by that bank;

21 (c) for permitting any person to overdraw any account with that bank
22 without proper authority or compliance with rules and guidelines for that
23 purpose; is guilty of an offence and liable on conviction to pay to the Bank a
24 fine of N5,000,000,00 or imprisonment for a term of 5 years or to both such
25 fine and imprisonment and in addition any such gift or other commission shall
26 be forfeited to the Federal Government.

27 (2) The provisions of subsection (1) of this section shall not in any
28 manner derogate from, and shall be without prejudice to any other written law
29 relating to corruption or illegal gratification.

Disqualification
and exclusion of
certain individuals
from management
of banks

1 44.-(1) Every bank shall, before appointing any director, chief
2 executive or any management staff of such grade as may be specified from
3 time to time by the Bank seek and obtain the Bank's written approval for the
4 proposes appointment.

5 (2) No bank shall employ or continue the employment of any
6 person as a director, secretary or officer who-

7 (a) is of unsound mind or as a result of ill health is incapable of
8 carrying out his duties;

9 (b) is dismissed from the service of the Federal, State, or Local
10 Government or any of the agencies of such government;

11 (c) is declared bankrupt or suspends payments or compounds with
12 his creditors including his banker;

13 (d) is convicted of any offence involving dishonesty or fraud;

14 (e) is guilty of serious misconduct in relation to his duties, or

15 (f) in the case of a person possessed of professional qualification,
16 disqualified or suspended(otherwise than of his own request) from
17 practicing his profession by the order of any competent authority made in
18 respect of him personally.

19 (3) No person who has been a director of or directly concerned in
20 the management of a bank which has been wound up by the Federal High
21 Court shall without the express authority of the Bank, act or continue to act
22 as a director of, or be directly concerned in the management of any other
23 bank

24 (4) Any person to whom any of the provisions of subsection (2) of
25 this section applies shall not be employed or remain in the employment of
26 any bank, specialized bank or any other financial institution in Nigeria and
27 the Bank shall have the power to remove any such person from office:

28 Provided that in the case of paragraphs (b) to (f) the bank may also
29 ban any such person from serving on the board of, or from managing, or
30 from being employed by any such institution:

1 (5) Any bank which knowingly acts in contravention of subsections
2 (1), (2), (3) or (4) of this section is guilty of an offence and liable on conviction
3 to a fine not less than N50,000,000.

4 (6) Where an offence committed by a bank under this section is
5 proved to have been committed with the knowledge or connivance of any
6 director, manager or any other officer of the bank, he, as well as the bank is
7 guilty of an offence and the director, manager or any other officer of the bank
8 shall on conviction be liable to imprisonment for a term not less than 3 years or
9 to a fine of N50,000,000 or to both such imprisonment and fine

10 (7) It shall not be a defence for any director, manager or officer of a
11 bank to claim that he is not aware of the provisions of subsection (4) of this
12 section except he can prove that he had obtained prior clearance of such a
13 person from the secretary of the Bankers Committee who maintains a register
14 of terminated dismissed or convicted staff of banks on the ground of fraud or
15 dishonesty.

16 (8) For the purpose of subsection (7) hereof every institution
17 regulated and supervised under this Act shall be required to submit to the
18 secretary to Banker Committee not later than two weeks after the date of
19 termination or dismissal of any staff, the name, designation, reasons for
20 termination or dismissal and any other information that may be required by the
21 secretary to the Banker's Committee.

22 PART VI - MISCELLANEOUS MATTERS

Offence by
companies, etc.
and by servants
and agents

23 45.-(1) Where any offence against any provision of this Act has been
24 committed by a body corporate or firm, any person who was a director,
25 manager, secretary or other similar officer of the body corporate or firm
26 purporting to act in such capacity shall, in addition to the body corporate or
27 firm, be deemed to be guilty of that offence unless he proves that the offence
28 was committed without his consent or connivance and that he exercised all
29 such diligence to prevent the commission of the offence as he ought to have
30 exercised having regard to the nature of his functions in that capacity and to all

1 the circumstances.

2 (2) Where any person would be liable under this Act to any
3 punishment or penalty for any act, omission, neglect or default, he shall
4 liable to the same punishment or penalty for every such act, omission,
5 neglect or default of any clerk, servant or agent of the clerk or servant of such
6 agent:

7 Provided that such act, omission, neglect or default was committed
8 by the clerk or servant in the course of his employment or by the agent when
9 acting in the course of his employment in such circumstance that had the act,
10 omission, neglect or default been committed by the agent, his principal
11 would have been liable under this section

12 46. Any person, being a director or manager of a bank, who fails
13 to-

Offences by
Directors and
Officers of Bank

14 (a) take all reasonable steps to secure compliance by the bank with
15 the requirements of this act; or

16 (b) take all reasonable steps to secure the correctness of any
17 statement submitted under the provision of this act, is guilty of an offence
18 and liable on conviction to a fine not less than N5,000,000 or imprisonment
19 and in addition the governor may-

20 (i) suspend or remove from office any such officer, manager or
21 director

22 (ii) suspend the authorized foreign exchange dealership licence of
23 the bank concerned; and

24 (iii) ban the bank from the autonomous foreign exchange market or
25 any market or medium for transactions in foreign exchange.

26 47. Any bank which contravenes or fails to comply with any of the
27 provision of this Act or any regulation made there under for which an
28 offence or penalty is not expressly provided is guilty of an offence and liable
29 on conviction to a fine not less than N50,000,000,000.

Penalties for
offences not
otherwise provided
for

48.-(1) Notwithstanding the provision of this Act or of any law, the Federal High Court or tribunal constituted under any enactment shall have jurisdiction to try any offence under this Act and to impose the full penalty prescribe therefore.

5 49.-(1) Neither the Federal Government nor the Bank nor any officer
6 of the Government or Bank, shall be subject to any action, claim or demand by
7 or liability to any person in respect of anything done or omitted to be done in
8 good faith in pursuance or in execution of, or in connection with the execution
9 or intended execution of any power conferred upon the government, the bank
10 or such officer by this Act.

(2) For the purpose of this section the Minister or any officer duly acting on his behalf shall be deemed to be an officer of the Federal Government and the Governor, any Deputy Governor of the Bank or the Federal Government and the person holding any office therein or appointed by the Bank under subsection(2) of section 28 of this Act shall be deemed to be an officer of the Bank.

17 **50.** Where a bank is unable to meet its obligation or suspends
18 payment or where its management and control has been taken over or where its
19 license has been revoked pursuant to the provisions of this Act, the assets of the
20 bank shall be available to meet all deposit liabilities of the bank and such
21 deposit liabilities shall have priority over all other liabilities of the bank.

22 PART B - SPECIALISED BANKS AND OTHER FINANCIAL INSTITUTIONS

23 PART VII - ESTABLISHMENT OF SPECIALISED BANKS AND OTHER
24 FINANCIAL INSTITUTIONS

25 **51.-(1)** Without prejudice to the provisions of Part A of this Act, no
26 person shall carry on specialized banking or business of other financial
27 institution in Nigeria other than insurance, pension fund management,
28 collective investment schemes and capital market business as defined
29 respectively in the Insurance Act 2003, the pension Reform Act 2004 and the
30 Investment and Securities Act 1999 except it is a company duly incorporated in

1 Nigeria and holds a valid licence granted under the provisions of this Act.

2 (2) Any person or institution which before the coming into force of
3 this section was a specialized bank or carrying on business as other financial
4 institution shall apply in writing to the Bank for a licence within six months
5 from the date of commencement of this Act.

6 (3) Any person or institution which fails to apply as provided in
7 subsection (2) of this section shall cease to carry on such financial business.

8 (4) In this section-

9 "business of other financial institutions" include: business of a discount
10 house, bureau de change, finance company or money brokerage and whose
11 principal objects include factoring, project financing, equipment leasing,
12 debt administration, fund management, private ledger services, investment
13 management, local purchase order financing, export finance, and such other
14 business as the Bank may from time to time, designate.

15 52.-(1) Any person wishing to carry on business as specialized
16 bank or other financial institution other than insurance and capital market
17 business in Nigeria shall apply in writing to the bank for the grant of a
18 licence and shall accompany the application with the following-

Application for
licence

19 (a) Memorandum and Articles of Association in the case of a
20 company registered or proposed to be registered under the Companies and
21 Allied Matters Act and in the case of an institution established by an Act of
22 the National Assembly, a gazette copy of the act establishing the Institution;

23 (b) such other information, documents and reports as the Bank may
24 from time to time, specify; and

25 (c) the prescribed application fee.

26 (2) After the applicant has provided all such information,
27 documents and reports as the bank may require under subsection (1) of this
28 section, the Bank may grant the licence with or without conditions or refuse
29 to grant the licence and the bank shall give reasons for the refusal within
30 three months of such refusal.

1 (3) Where an application for a licence is granted, the Bank shall give
2 written notice of that fact to the applicant and the licence fee shall be paid.

3 (4) The Bank may vary or revoke any conditions subject to which a
4 licence was granted or may impose fresh or additional conditions to the grant of
5 a licence.

6 (5) Where the Bank proposes to vary, revoke or impose fresh or
7 additional conditions, the bank shall before exercising such power, give notice
8 of its intention to the person or institution concerned and give such a person or
9 institution an opportunity to make representation to Bank thereon.

10 (6) Any person who transacts a business without a valid licence
11 granted under section 51 of this Act whether an individual or a body corporate
12 is guilty of an offence and liable-

13 (a) in the case of a body corporate, to a fine of N50,000,000; and

14 (b) in any other case, to a fine not exceeding N20,000,000 or
15 imprisonment for a term not exceeding 10 years or to both such fine and
16 imprisonment.

Failure to comply
with conditions
of licence etc.

17 53.-(1) Any person who fails to comply with any of the conditions of
18 its licence is guilty of any offence and liable on conviction to a fine not
19 exceeding N2,000,000 for each day during which the condition is not complied
20 with.

21 (2) Every person or institution carrying on such financial business as
22 are referred to in section 51 of this Act shall-

23 (a) comply with the Monetary Policy Guidelines and other directives
24 as the Bank may, from time to time, specify;

25 (b) furnish within stipulated time any statistical and other return as the
26 Bank may, from time to time, require

27 (3) Any person who fails to comply with paragraph (a) or (b) of
28 subsection (2) of this section is guilty of an offence and liable on conviction to
29 imprisonment for a term not exceeding three years or a fine of N2,000,000 for
30 each day during which such failure occurs.

1 (4) Failure to comply with the guidelines or other directives of
2 Bank or refusal to supply returns in the prescribed form may be a ground for
3 the revocation of a licence.

4 PART VIII - SUPERVISION AND CONTROL OF SPECIALISED BANKS AND
5 OTHER FINANCIAL INSTITUTIONS

6 54.-(1) Notwithstanding the provisions of any other law or Supervisory
powers of the
Bank
7 enactment the Bank shall have the power to-

8 (a) supervise and regulate the activities of other financial
9 institutions and specialized banks;

10 (b) prescribe the minimum capital requirement of other financial
11 institutions and specialized banks;

12 (2) The Bank may appoint examiners and any other person to carry
13 out regular or routine examination of the books and affairs of specialized
14 banks and other financial institutions.

15 (3) Where the Governor is satisfied that it is in the public interest so
16 to do he may, in addition to the routine or regular examination, order a
17 special examination or investigation of the books and affairs of any
18 specialized bank and other financial institution and for that purpose, the
19 Governor shall have power to appoint one or more qualified persons other
20 than the officers of the Bank to conduct special examination or
21 investigation, under conditions of confidentiality, of the books and affairs of
22 such other financial institution or specialized bank.

23 (4) The cost and expenses of the Bank or the remuneration of the
24 person so appointed, as the case may be, shall be payable from the fund and
25 property of the other financial institution or specialized bank.

26 55.-(1) Notwithstanding the powers of the Bank specified in this Power to examine
Books and Records
27 Act, the Bank shall have power, from time to time, to examine the books and
28 affairs of-

29 (a) the Bank of Industry;

- 1 (b) the Nigerian Agricultural Cooperative and Rural Development
2 Bank;
3 (c) the Nigerian Export Import bank;
4 (d) the Urban Development Bank;
5 (e) the Federal Mortgage Bank of Nigeria and all primary mortgage
6 Institutions;
7 (f) Micro Finance Institutions;
8 (g) Bureaux de change;
9 (h) discount houses; and
10 (i) such other financial institutions and specialized banks as may be
11 specifies from time to time by the Bank

12 (2) For the purpose of implementation of this section, other financial
13 institutions and specialized banks shall be treated in the same manner as banks
14 with respect to the requirements of section 24 of this Act.

Application of
Part A

15 56. Without prejudice to the foregoing provisions of this part of the
16 Act, the provisions of Part A of this Act including all its offences, penalties and
17 the powers of the Bank shall apply with such necessary modifications to
18 specialized banks and other financial institutions and no other person or
19 authority shall as from the coming into force of this section exercise any
20 regulatory or supervisory authority over specialized banks and other financial
21 institutions.

Power to impose
sanctions

22 57. Notwithstanding any of the provisions of this Act or any other
23 law, the Governor may impose anyone or more of the following sanctions on
24 any specialized bank or financial institution for failure to comply with any of
25 the provisions of this Act, the Central bank of Nigeria Act or any other law or
26 rules, regulations, guidelines or directives made there under-

27 (a) suspension of any licence issued to any specialized bank or other
28 financial institution for any period of time as the bank may prescribe;

29 (b) forfeiture to the Bank of any pecuniary benefit obtained as a result
30 of the violation or breach; and

1 (c) revocation by notice published in the Print and Electronic
2 media and in the Gazette of any licence issued to a specialized bank or other
3 financial institution.

4 58.-(1) Where the Bank is satisfied that a specialized bank or other
5 financial institution is in a grave situation, the Governor may by order in
6 writing exercise any one or more of the powers specified in subsection (2) of
7 section 33 of this Act and if after taking such steps stipulated in section 33 of
8 this Act or such other measures as in the opinion of the Bank may be
9 appropriate in the circumstance, the state of affairs of the specialized bank
10 or other financial institution concerned does not improve, the Bank may turn
11 over the control and management of such specialized bank or other financial
12 institution to an appointed person on such terms and conditions as the Bank
13 may stipulate, from time to time.

14 (2) If after taking such steps as specified in subsection (1) of this
15 section as in the opinion of the Governor may be appropriate in the
16 circumstance, the state of affairs of the specialized bank or other financial
17 institution concerned does not improve the Bank shall have power to revoke
18 the license of such specialized bank or financial institution.

19 (3) Any specialized bank or other financial institution whose
20 licence is revoked pursuant to subsection (2) of this section shall be wound
21 up by a person appointed by the Bank.

22 (4) the cost and expenses of the Bank or the remuneration of the
23 person so appointed pursuant to subsection (1) of this section shall be
24 payable from the fund and property of the specialized bank or financial
25 institution concerned.

26 59. The Governor may, with the approval of the Board of directors
27 of the Bank by notice published in the Print and Electronic media and the
28 Gazette revoke any license granted under this Act if a specialized bank or
29 other financial Institutions-

30 (a) ceases to carry on the type of business for which the license was

Management and
control of failing
specialized Banks
and other Financial
Institutions

Revocation of
licence of
specialized Banks
and other Financial
Institutions

1 issued for any continuous period of 6 months or any period aggregating 6
2 months during a continuous period of 12 months;

3 (b) goes into liquidation or is wound up or otherwise dissolved;

4 (c) fails to fulfill or comply with any conditions subject to which the
5 license was granted;

6 (d) has insufficient assets to meet its liabilities; or

7 (e) fails to comply with any obligation imposed upon it by or under
8 this Act or the Central Bank of Nigeria Act.

9 PART C - MISCELLANEOUS AND SUPPLEMENTARY

Failure to comply
with rules

10 60.-(1) Notwithstanding any of the provisions of this Act, the
11 Governor may impose a penalty not exceeding N20,000,000.00 or suspension
12 of any licence issued on a bank, specialized bank or any other financial
13 institution for the bank's specialized bank or other financial institution's failure
14 to comply with any rules, regulations, guidelines or administrative directives
15 made, given or issued by the Bank under this Act.

16 (2) The Governor may suspend any licence issued or given to any
17 bank, specialized bank or any other financial institutions which fails to comply
18 with any rules, regulations, guidelines or administrative directives made, given
19 or issued to it by the Bank under this Act.

Power to
compound
offences

20 61.-(1) Notwithstanding the provisions of any law, the Governor may
21 compound any offence punishable under this Act. the Central Bank of Nigeria
22 Act, the Foreign Exchange Monitoring and Miscellaneous) Provisions Act or
23 any other law relating to banking by accepting such sums of money equivalent
24 to the amount of maximum fine to which the person would have been liable if
25 he or it had been convicted of the offence.

26 (2) Any moneys paid to the Governor pursuant to subsection (1) of
27 this section, shall be paid into the Bank's penalty account which shall be
28 established for that purpose.

29 (3) No prosecution in respect of any offence under this Act shall be

1 instituted without the consent in writing of the Attorney- General of the
2 Federation.

3 62.-(1) Notwithstanding anything contained in any other
4 enactment, where the Governor has reason to believe that transactions
5 undertaken in any bank account with any licensed bank are such as may
6 involve the commission of any criminal offence under any law, he may
7 direct or cause direction to be issued to the manager of the bank where the
8 account is situated or believe to be or in the alternative to the head office of
9 such bank directing the bank to freeze forthwith all transactions in the
10 account concerned for a period not exceeding three months.

Power to freeze
accounts

11 (2) The manager of a bank in which a direction has been issued on an
12 account under subsection(1) of this section shall, on receipt of such
13 direction, suspend all banking transactions whatsoever relative to such
14 account for such period as may be specified in the directive.

15 (3) Where an account has been frozen pursuant to this section, the
16 Governor shall refer the matter to the Economic and Financial Crimes
17 Commission or the Nigeria Police, the National Drug Law Enforcement
18 Agency or any other law enforcement agency as may be appropriate which
19 shall cause a detailed investigation of the transactions relating to the account
20 and any person connected therewith to be undertaken.

21 (4) Where it is not possible for the Economic and Financial Crimes
22 Commission, Nigeria Police, the National Drug Law Enforcement Agency
23 or any other appropriate law enforcement agency to conclude its
24 investigation within the period stipulated in the direction, the Bank shall
25 apply to the Federal High Court for the continued freezing of the account
26 concerned.

27 63. Notwithstanding any of the provisions of this Act or any other
28 law, the Governor shall have power to remove from office any manager,
29 officer or director of a bank, specialized bank or other financial institution
30 who has contravened any of the provisions of this Act or the Central Bank of

Power to remove
erring officials

1 Nigeria Act or any rules regulations, guidelines or directives made there under
2 or who has committed any violation of the rules and regulations of the bank,
3 specialized bank or other financial institution or who has engaged in any act or
4 conduct that may lead to financial loss by the bank , specialized bank or other
5 financial institution and in addition, any such officer, manager or director of a
6 bank, specialized bank or other financial institution shall be banned from
7 serving on the board of any institution or from managing or being employed by
8 any such institution.

Power to review
fines

9 64.-(1) Notwithstanding the provisions of this Act or of any law the
10 Governor may be notice published in the Print and Electronic media and in the
11 Gazette increase the monetary penalty payable for the contravention of any of
12 the provisions of this Act.

Power to make
regulations

13 65.-(1) The Bank may make regulations, published in the Gazette, to
14 give full effect to the objects and objectives of this Act.

15 (2) Without prejudice to the provisions of subsection (1) of this
16 section, the Bank may make rules and regulations for the operation and control
17 of all institutions under the supervision of the Bank

Companies and
allied Matters
Act, etc.

18 66.-(1) The provisions of this Act shall apply without prejudice to the
19 provisions of the Companies and Allied Matters Act 1990, the Nigeria Deposit
20 Insurance Corporation Act, Federal Mortgage Bank of Nigeria Act, Primary
21 Mortgage Institutions Act, Nigerian Agricultural Cooperative and Rural
22 Development Bank Act, Urban Development Bank Act, and Community
23 Banks Act in so far as they relate to banks, other financial institutions and
24 specialized banks and to winding-up of such institutions.

25 (2) Where any of the provisions of the Acts mentioned in subsection
26 (1) of this section is inconsistent with any of the provisions of this Act, the
27 provisions of this Act shall prevail.

Power to charge
fees

28 67. Notwithstanding the provisions of this Act or the Central Bank of
29 Nigeria Act, the Bank may charge such fees as the Board may consider
30 appropriate for any of its services.

1	68. In this act, unless the context otherwise requires -	Interpretation
2	"associate" means a company in which another company owns not less than	
3	twenty percent of the shares;	
4	"bank" means a bank licenced under this Act;	
5	"Bank" means the Central Bank of Nigeria;	
6	"banking business" means the business of receiving deposits on current	
7	account, savings account or other similar account, paying or collecting	
8	cheques, drawn by or paid in by customers; provision of finance or such	
9	other business as the Bank may, by order published in the Gazette, designate	
10	as banking business;	
11	"chief executive" means a person, by whatever name called, who either	
12	individually or jointly with one or more other person, is responsible, subject	
13	to the authority of the board of directors, for the conduct of the business and	
14	administration pf the bank; specialized bank or other financial institutions;	
15	"deposit" means money lodged with any person whether or not for the	
16	purpose of any interest or dividend and whether or not such money is	
17	repayable upon demand upon a given period of notice or upon a fixed date;	
18	"Deputy Governor" means a Deputy Governor of the Central bank of	
19	Nigeria;	
20	"director" includes any person by whatever name he may be refereed to	
21	carrying out or empowered to carry out substantially the same functions of a	
22	director in relation to the affairs of a company incorporated under the	
23	Companies and Allied matters Act, 1990;	
24	"factoring" means the business of acquiring debts due to any person;	
25	"Federation" means the Federal Republic of Nigeria;	
26	"Governor" means the Governor or any of the Deputy Governors of the	
27	Central Bank of Nigeria;	
28	"leasing" means the business of letting or sub-letting movable property on	
29	hire for the purpose of the use of such property by the hirer or any other	
30	person in any business whatsoever and where the lessor is the owner of the	

1 property regardless of whether the letting is with or without an option to
2 purchase the property;

3 "license" means a license issued under this Act;

4 "other financial institutions" means any individual, body, association or group
5 of persons; whether corporate or unincorporated, which carries on the business
6 of a discount house, bureau de change, finance company or money brokerage
7 and whose principal objects include factoring, project financing, equipment
8 leasing, debt administration, fund management, private ledger services,
9 investment management, local purchases order financing, and such other
10 business as the Bank may from time to time, designate;

11 "President" means the President, Commander-in-Chief of Armed Forces of the
12 Federal Republic of Nigeria;

13 "profit and loss sharing bank" means a bank which transacts banking and
14 business and maintains profit and loss sharing accounts;

15 "relation of person" includes father, mother, child, brother, sister, uncle, aunt
16 and cousins where applicable, and their spouses;

17 "shareholders funds" means the aggregate of paid-up share capital statutory
18 and all other reserves;

19 "specialized banks" include Nigeria Education Bank, Bank of Industry,
20 Nigerian Agricultural Cooperative and Rural Development Bank, Nigerian
21 Export Import Bank, the Urban Development Bank, Federal Mortgage Bank of
22 Nigeria, Primary Mortgage Institutions, Community Banks and such other
23 banks as may be designated from time to time by the Bank;

24 "State" means any of the States of the Federation.

Repeal

25 69.-(1) the Banks and Other Financial Institution Act, 1991 is hereby
26 repealed.

27 (2) The under mentioned amendment enactments are hereby
28 consequentially repealed, that is-

29 (a) the Banks and Other Financial Institutions (Amendment) Act
30 1997;

1 (b) the Banks and Other Financial Institutions (Amendment) Act
2 1998;
3 (c) the Bank and Other Financial Institutions (Amendment) Act
4 1999; and
5 (d) the Banks and Other Financial Institutions (Amendment) Act
6 2002.

7 70. This Bill may be cited as the Bank and Other Financial Citation
8 Institution Bill, 2017.

EXPLANATORY NOTE

*(This note does not form part of the above Act but is intended to
explain its purport)*

The Act, among other things, regulates banking and other financial institutions by prohibiting the carrying on of such businesses in Nigeria except under licence and by a company incorporated in Nigeria. Adequate provisions have been made regarding the proper supervision of such institutions by the Central Bank of Nigeria.

