

A BILL

FOR

AN ACT TO REPEAL THE NIGERIAN INSURANCE CORPORATION ACT AND
RE-ENACT NIGERIA DEPOSIT INSURANCE CORPORATION ACT, 2016

Sponsored by Hon. Jones Chukwudi Onyereri

[] Commencement

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

1 PART 1 - ESTABLISHMENT AND FUNCTIONS OF THE CORPORATION

2 1. -(1) There shall be a body known as the Nigeria Deposit
3 Insurance Corporation (hereinafter in this Act referred to as “the
4 Corporation”).

5 (2) The Corporation:

6 (a) shall be a body corporate with perpetual succession and a
7 common seal;

8 (b) may sue or be sued in its corporate name;

9 (c) may, for the purposes of its functions under this Act and subject
10 to the Land Use Act, hold, acquire and dispose of any property movable or
11 immovable.

12 2. The Corporation shall have the following Public Policy
13 objectives:

Public Policy
Objectives

14 (1) Protecting small, uninformed and less financially sophisticated
15 depositors by providing an orderly means of compensation in the event of
16 either failure of their insured financial institutions or the inability of such
17 insured institutions to make payment to depositors.

18 (2) Contributing to the financial system stability by making
19 incidences of bank runs less likely;

20 (3) Enhancing public confidence and systemic stability by

1 providing a framework for the resolution and orderly exit mechanism for
2 failing and failed insured institutions.

Mandate

3 3. The mandate of the Corporation is Deposit payment Guarantee to
4 depositors of all insured institutions pursuant to the provisions of this Act, the
5 effective supervision of Insured Institutions to reduce the risk of failure and
6 ensure that unsafe and unsound practices are minimized, the prompt resolution
7 of all distressed Insured Institutions, and the efficient liquidation of failed
8 Insured Institutions.

Functions of
the Corporation

9 4. -(1) The Corporation shall have responsibility for:

10 (a) Insuring all deposit liabilities of licensed banks and such other
11 deposit taking financial institutions (hereinafter referred to as "insured
12 institutions") operating in Nigeria within the meaning of sections 16 and 20 of
13 this Act so as to engender confidence in the Nigerian banking system;

14 (b) Giving assistance to insured institutions in the interest of
15 depositors, in case of imminent or actual financial difficulties particularly
16 where suspension of payments is threatened to avoid damage to public
17 confidence in the banking system;

18 (c) Guaranteeing payments to depositors in the event of revocation of
19 operating licence of insured institutions or in the case of actual suspension of
20 payments by insured institutions up to the maximum amount as provided for in
21 section 20 of this Act;

22 (d) Assisting monetary authorities in the formulation and
23 implementation of banking policy so as to ensure sound banking practice and
24 fair competition among banks in the country;

25 (e) Pursuing any other measures necessary to achieve the functions of
26 the Corporation provided such measures and actions are not repugnant to the
27 functions of the Corporation.

28 5. -(1) Notwithstanding any provision contained in any other law, no
29 person other than the Corporation shall insure deposit liabilities or guarantee
30 payments to depositors of insured banks or such other insured deposit taking

1 financial institutions operating in Nigeria.

2 (2) Any person who contravenes the provisions of this section
3 commits an offence and is liable on conviction to:

4 (a) in the case of an individual, a fine of N100,000.00 or
5 imprisonment for a term not exceeding 5 years or to both such fine and
6 imprisonment;

7 (b) in the case of a corporate body, a fine of N500,000.00 for each
8 day the contravention continues.

9 6. The Corporation shall have its Head Office in the capital of the
10 Federal Republic of Nigeria and may open offices in any part of Nigeria and
11 appoint agents and correspondents as may be approved by the Board.

Head Office

12 PART II - ADMINISTRATION

13 7. -(1) The governing body of the Corporation shall be a Board of
14 Directors (hereinafter in this Act referred to as "the Board").

Composition of
the Board

15 (2) The Board shall consist of the following members, that is:

16 (a) a Chairman;

17 (b) the Managing Director;

18 (c) two Executive Directors;

19 (d) a representative of the Central Bank of Nigeria not below the
20 rank of Deputy Governor;

21 (e) the Permanent Secretary, Federal Ministry of Finance;

22 (f) Six other members, one from each of the geo-political zones in
23 the country.

24 (3) The Chairman and Board members referred to above must not
25 be persons who own or control significant interests in any insured institution
26 in Nigeria.

27 (4) The President of the Federal Republic of Nigeria shall appoint
28 the Chairman and members of the Board referred to in paragraph (a), (b), (c)
29 and (f) subject to the confirmation of the Senate.

30 (5) The Chairman and the six members of the Board appointed

1 under sub-section (2)(f) of this Section shall be part-time members.

2 (6) The members of the Board who shall be citizens of Nigeria, shall
3 possess relevant skills, experience and qualifications.

4 (7) All members of the Board shall within one month of appointment
5 into the Board declare in writing to the Board their personal share holdings and
6 all significant interests as well as those of their family members or close
7 associates known to them in any insured institution in Nigeria.

8 (8) The supplementary provisions contained in the Schedule to this
9 Act shall have effect with respect to matters therein mentioned.

Tenure of Part-
Time Members

10 8. The part-time members of the Board shall hold office for a period
11 of four years which is renewable for another period of four years only.

Disqualification
of Members of
the Board

12 9. -(1) Notwithstanding the provisions of this Act a person shall cease
13 to hold office as a member of the Board if:

14 (a) he becomes bankrupt, suspends payment or compounds with his
15 creditors;

16 (b) he is convicted of a felony or any offence involving dishonesty or
17 fraud;

18 (c) he becomes of unsound mind, incapable of carrying out his duties;

19 (d) he is guilty of a serious misconduct in relation to his duties;

20 (e) in the case of a person possessing professional qualifications, he is
21 disqualified or suspended other than at his own request from practicing his
22 profession in any part of the world by an order of a competent authority made in
23 that respect;

24 (f) he resigns his appointment by a letter addressed to the President of
25 the Federal Republic of Nigeria, through the Minister of Finance;

26 (g) he is discovered to have significant interest in any insured
27 institution in Nigeria;

28 (h) he is found to have failed to disclose to the Board his interest or the
29 significant interest of any family member or close associate, known to him in
30 any insured institution at the time of his appointment.

1 (2) No director or employee of an insured institution under this Act
2 shall, whilst in office be appointed a Director of the Corporation.

3 (3) No member of the Board shall be removed for any reasons
4 other than those specified in Subsection (1) and (2) of this Section.

5 (4) If for any reason whatsoever the tenure of the Board expires,
6 and a new Board is appointed, the Minister of Finance shall in consultation
7 with the Governor of Central Bank of Nigeria constitute an Interim
8 Management Board for the Corporation to be made up of the following
9 members:

Composition
of Interim
Management
Board

10 (a) the Managing Director;

11 (b) the Executive Directors;

12 (c) a representative of CBN not below the rank of Deputy
13 Governor;

14 (d) the Permanent Secretary, Federal Ministry of Finance, to
15 perform the functions of the Board until a new Board is constituted.

16 (5) One of the members of the Interim Management Board other
17 than the Managing Director and the Executive Directors shall be appointed
18 as the Chairman.

19 (6) If a part-time member of the Board is disqualified, deceased,
20 resigns or otherwise vacates office before the expiration of his term, the
21 President shall in accordance with section 5(4) appoint another person from
22 the same geographical zone to fill the vacancy:

Vacancy of Board
Membership

23 (i) No member of the Board appointed under this Act shall act as a
24 representative of any commercial, financial, agricultural, industrial or other
25 interests, or receive or accept directions there from in respect of duties to be
26 performed under this Act.

Conflicts of
Interest

27 (ii) Every member of the Board shall fully and promptly disclose to
28 the Board any interest, whether personal, commercial, financial, industrial,
29 or other, which he may directly or indirectly hold or be connected with and
30 which becomes the subject of consideration by the Board, and shall excuse

1 himself from any Board deliberations and voting related thereto:

2 Provided that such an interest, if so disclosed, shall not disqualify such member
3 for the purpose of constituting a quorum.

4 (iii) Every officer and employee of the Corporation shall fully and
5 promptly disclose to the Corporation any material indebtedness or interest,
6 whether personal, commercial, financial, industrial, or otherwise, which he or
7 any dependent member of his family may directly or indirectly incur, hold or be
8 connected with, and any changes related thereto in an insured institution.

9 (iv) No member of the Board, officer or employee of the Corporation
10 shall accept any gift or advantage for himself or on behalf of any person with
11 whom he may have family, business or financial relationship if the acceptance
12 thereof would result in a diminishment of his impartial devotion to his duties
13 under this Act.

14 (v) Without prejudice to other disciplinary measures under Staff
15 Conditions of Service, any person who contravenes any of the provisions of
16 this section shall be guilty of an offence and shall be liable on conviction to a
17 fine not exceeding N5, 000, 000.00 (five million naira only) or to imprisonment
18 for a term not exceeding five years, or to both.

The Powers of
the Board

19 **10.** -(1) The Board shall have power:

20 (a) to superintend over the affairs of the Corporation;

21 (b) be responsible for the overall policy and administration of the
22 Corporation;

23 (c) to act in the name of the Corporation;

24 (d) to acquire offices and other premises for the use of the
25 Corporation;

26 (e) to make, alter and revoke rules and regulations for carrying on the
27 business of the Corporation under this Act;

28 (f) to appoint officers who in the opinion of the Board are required for
29 carrying out the functions of the Corporation including the examination of
30 insured institutions;

1 (g) to fix terms and conditions of service including remuneration of
2 the employees of the Corporation;

3 (h) to advise the Central Bank of Nigeria on the need to close an
4 insured institution if in the opinion of the Board its continued operation will
5 jeopardize the interests of depositors;

6 (i) to serve notice on an insured institution of its intention to
7 remove the institution from its record of insured institutions;

8 (j) to assume, with the prior concurrence of the Central Bank of
9 Nigeria, the management of a failing insured institution;

10 (k) with the concurrence of the Central of Bank of Nigeria, to serve
11 Notice of removal from office on any officer or director who has committed
12 any violation of the law, rules or regulation of the Corporation or has
13 engaged in an unsound practice that may lead to dissipation of assets of, or
14 financial loss to his or her insured institution;

15 (l) to perform the functions of a liquidator or receiver for all failed
16 insured institutions;

17 (m) to extend from time to time the period within which a depositor
18 is required under this Act to file his claim or receive payment of insured
19 deposit in a failed insured institution;

20 (n) to prosecute any officer or director of an insured institution who
21 has committed any serious violation of the provisions of this Act;

22 (o) to do such other things and enter into such other transactions
23 which in the opinion of the Board are reasonably incidental, supplementary
24 or conducive to the exercise of the powers and performance of the
25 Corporation's functions.

26 11. -(1) There shall be appointed for the Corporation:

27 (a) a Managing Director, who shall be the Chief Executive of the
28 Corporation and shall be responsible for the day-to-day management of the
29 Corporation;

30 (b) two Executive Directors who shall perform such duties as may

Appointment of
the Managing
Director and
Executive
Directors, etc.

1 be assigned to them from time to time by the Board or the Managing Director.

2 (2) Any person appointed as the Managing Director or an Executive
3 Director shall not, while holding that office, hold any other office or be a
4 director in any Corporation, Company or any other establishment without the
5 prior approval of the Board.

6 (3) The Managing Director and Executive Directors appointed
7 pursuant to the provisions of this section shall hold office for a period of five
8 years and shall be eligible for re appointment for a further period of five years
9 only.

10 (4) Subject to sub-section (3) of this section, the Managing Director
11 and Executive Directors shall each hold office on such terms and conditions as
12 may be specified in their letters of appointment.

Employment
of Staff, etc.

13 12. -(1) The Board shall appoint a Secretary who shall:

14 (a) be responsible to the Managing Director;

15 (b) keep the Board's records;

16 (c) conduct its correspondence;

17 (d) perform such other duties as the Board or the Managing Director
18 may from time to time determine.

19 (2) The Board shall appoint such number of officers and staff as may
20 appear expedient and necessary to the Board for the proper and efficient
21 conduct of the business and functions of the Corporation.

22 (3) The terms and conditions of service (including remuneration,
23 allowances and pension benefits in accordance with the Pension Reform Act]
24 of the Secretary and other staff of the Corporation shall be as may be
25 determined by the Board.

26 PART III - CAPITAL AND FUNDS OF THE CORPORATION

Fund of the
Corporation

27 13. -(1) The funds of the Corporation shall consist of:

28 (a) assessed premiums paid by insured institutions in accordance with
29 this Act;

30 (b) income from the investments of the Corporation;

1 (c) monies borrowed from any source with the approval of the
2 Board;

3 (d) monies from any other source as may be approved by the
4 Corporation.

5 (2) The Corporation shall have power to establish a separate
6 Deposit Insurance Fund [DIF] for each category of insured institutions in
7 which all assessed premiums paid shall be deposited and which fund the
8 Corporation shall utilize for the respective insured institutions.

9 14. -(1) The authorized capital of the Corporation shall be five Capital
10 billion Naira.

11 (2) On a resolution of the Board, there shall be paid up such amount
12 as shall be subscribed by and paid-up at par in a proportion of 60 per cent and
13 40 per cent by the Central Bank of Nigeria and the Federal Ministry of
14 Finance.

15 (3) Notwithstanding the provision of subsection [1] of this section,
16 the authorized capital of the Corporation may be increased by such amount
17 as the Board may by resolution determine from time to time.

18 15. -(1) Notwithstanding the provisions of any Act or Law, the General
19 Corporation shall establish a General Reserve Fund and shall transfer Reserve Fund
20 thereto at the end of each fiscal year its operating surplus for the year in order
21 to cushion the threat posed to its Deposit Insurance Funds by incidence of
22 systemic distress.

23 (2) Shall continue to apply until such a time that the General
24 Reserve Fund is up to 60 percent of the total insured deposit liabilities of
25 institutions insured by the Corporation, in which case the Corporation shall
26 transfer to the general reserve at the end of each financial year, one fifth of
27 the operating surplus for the year.

28 (3) The balance shall be applied to reduce the annual premium
29 payable by insured institutions.

30 (4) The net operational surplus of the Corporation for each year

1 shall be determined after meeting all the current expenditure for that year,
 2 including budgetary provisions stipulated under the Act and after making such
 3 other provisions as the Board may deem fit including depreciation of assets,
 4 contribution to staff pension and superannuation funds and all other
 5 contingencies.

Bank Account
 and Investment
 of Funds of the
 Corporation

6 16. -(1) The Corporation shall have power to invest money not
 7 immediately required in Federal Government Securities or in such other
 8 securities as the Board may from time to time determine.

9 (2) The incomes from the money invested as prescribed by subsection
 10 (1) of this section shall be credited to the account of the Corporation.

11 (3) All administrative expenses shall be defrayed out of the income of
 12 the Corporation.

Expenditure

13 17. There shall be chargeable to the Corporation:

14 (a) all expenses incurred on behalf of the Corporation;

15 (b) all refunds of excess assessment;

16 (c) monies required for the payment of funds borrowed by the
 17 Corporation;

18 (d) payment to an insured institution which assumes the deposit
 19 liability of another insured institution;

20 (e) Payment to depositors when the licence of an insured institution is
 21 revoked.

22 PART IV - DEPOSIT INSURANCE SCHEME

Participating
 Institutions

23 18. -(1) All licensed banks and such other financial institutions in
 24 Nigeria engaged in the business of receiving deposits shall be required to
 25 insure their deposit liabilities with the Corporation.

26 (2) Any licensed bank or such other deposit taking financial
 27 institution which contravenes the provisions of subsection (1) of this section
 28 shall be guilty of an offence and be liable to a maximum fine of N500, 000.00
 29 (five hundred thousand naira) for each day the offence is committed.

30 (3) All principal officers of such a licensed bank or deposit-taking to

1 financial institution which contravenes subsection (1) of this section shall be
2 guilty of an offence and be liable to 3 year imprisonment or a fine of not
3 more than N5,000,000.00 (five million naira) or to both such fine and
4 imprisonment.

5 **19.** All deposits of a licensed bank or any other financial institution Insurable Deposit
6 shall be insured with the Corporation with the exception of the following,
7 that is:

8 (a) Insider deposits, that is, deposits of staff including directors of
9 the insured institutions;

10 (b) Counter-claims from a person who maintains both deposit and
11 loan account, the former serving as a collateral for the loan;

12 (c) Such other deposits as may be specified from time to time by the
13 Board.

14 **20.** -(1) Every insured institution being a licensed bank or deposit Assessment of
Insured Institutions
and Special
Contribution
15 taking financial institution to which this Act relates, shall be obliged to pay
16 to the Corporation, a premium which shall not exceed (15/16) fifteen
17 sixteenth of one per cent per annum for licensed banks and eight-sixteenth
18 (8/16) of one per cent per annum for other deposit-taking financial
19 institutions of the total deposit liabilities standing in its books as at 31st
20 December of the preceding year in the following manner:

21 (a) the deposit liabilities shall be as certified by the approved
22 auditor of the licensed bank or such other deposit-taking financial
23 institution;

24 (b) the certified deposit liabilities shall be forwarded to the
25 Corporation on or before 31st January of every year;

26 (c) the annual premium shall be payable not later than 2 months
27 from the date of the demand notice.

28 (2) Notwithstanding the provisions of sub-section 1 of this section,
29 and subject to the approval of the Board, the Corporation shall have the
30 power to vary the rate or basis of assessment of the premium payable to the

1 Corporation by insured institutions or to charge an insured institution or any
2 class of insured institutions premium at a rate or rates which reasonably reflect
3 the risk posed to the Corporation's Deposit Insurance Fund.

4 (3) The premiums payable under subsection (1) and (2) of this section
5 shall not be chargeable to depositors in any form.

6 (4) The Corporation shall have power to establish a separate Deposit
7 Insurance Fund (DIF) for each category of insured institution in which all
8 assessed premiums paid shall be deposited and which fund the Corporation
9 shall utilize for the respective insured institutions.

10 (5) Where the funds of the Corporation are not sufficient for giving
11 assistance to insured institutions within the meaning of section 2 1(b) of this
12 Act or otherwise insufficient for implementation of the objects of the
13 Corporation, every participating insured institution or category of insured
14 institution may be obliged without prejudice to subsection (1) and (2) of this
15 section to pay as special contribution out of its profits before tax, a sum equal to
16 its annual premium or such other sum as the Board may require not exceeding
17 200% of its annual premium on such terms and conditions as the Board may
18 from time to time determine.

19 (6) Where an insured institution has assumed the deposit liabilities of
20 another insured institution, such deposit liabilities of the other institution shall
21 be added to its own total deposit liability for purpose of assessing its premium
22 payable to the Corporation.

23 (7) Any premium payable by an insured institution and which remains
24 unpaid for more than three months after a demand notice had been served on
25 such institution, shall attract interest at a rate equivalent to the prevailing
26 Minimum Rediscount Rate (MRR) of the Central Bank of Nigeria.

27 **21. -(1)** Without prejudice to the provisions of the Banks and Other
28 Financial Institutions Act 1991 (as amended) no insured bank shall pay any
29 dividend on its capital stock or on profit declared while it remains in default in
30 the payment of any premium or special contribution obligation due to the

1 Corporation.

2 (2) The Corporation in Consultation with CBN may remove from
3 office any director, manager, or officer of any insured institution who is
4 responsible for the declaration or payment of any such dividend and the
5 insured institution shall be liable to a fine of 5% of total dividend so declared
6 or paid.

7 (3) Any insured institution in default of assessment shall not have
8 its annual financial statement approved for publication by the CBN.

9 22. No premium due from an insured institution to the Corporation
10 shall be reduced, adjusted or withheld on the basis of any set off or claim that
11 an insured institution may have against the Corporation. Prohibition of
Set Off

12 23. -(1) A depositor shall receive from the Corporation as provided Maximum Claim
13 under section 2 (1) (c) of this Act, a maximum amount of N200,000.00 (two
14 hundred thousand naira) from the Deposit Insurance Fund of licensed banks
15 or N100,000.00 (one hundred thousand naira) from the Deposit Insurance
16 Fund of other licensed deposit-taking financial institutions in the event of
17 the revocation of operating license of that bank or other deposit taking
18 financial institution.

19 (2) Notwithstanding the provisions of sub-section (1) of this
20 Section and subject to the approval of the Board, the Corporation shall have
21 power from time to time to vary upwards the maximum amount which a
22 depositor shall receive from the Corporation as provided under sub-section
23 (1) of this Act in respect of deposits of insured institutions.

24 (3) For the purpose of subsection (1) of this section, all accounts
25 held in the same right and capacity in one insured institution shall be merged
26 as one account.

27 (4) The payment of the insured sum as provided for under this
28 section shall be without prejudice to the liquidation dividends to be paid to
29 the depositor once the assets of the failed insured institution has been
30 realized.

Right to set-off
Guarantor's
Deposit

1 24. The Corporation shall have the power to set-off a loan owed by a
2 debtor of a failed or failing insured institution against the deposit of such debtor
3 or his guarantor held in the same bank in respect of all proven liabilities due
4 from the debtor to the insured institution.

Payment of
Insured Deposit

5 25. -(1) Where the licence of an insured institution is revoked, or
6 where due to its insolvent status, the insured institution has suspended
7 payment, or is otherwise unable to meet its obligation to depositors, payment
8 of the insured deposit in such institution shall be made by the Corporation
9 within 30 days of the Corporation becoming the liquidator of such insured
10 institution, either by:

11 (a) cash, negotiable instrument;

12 (b) making available to each depositor a transferred deposit in
13 another insured institution in an amount equal to the insured deposit of such
14 depositor, Provided that where the Corporation is:

15 (i) liable to make payment in pursuance of this section, it shall, at its
16 discretion, require proof of claim from all depositors with the insured
17 institution;

18 (ii) not satisfied as to the validity of a claim for an insured deposit, it
19 may require the final determination by a court of competent jurisdiction before
20 paying such claim.

21 (2) The Corporation upon the payment of any depositor as provided in
22 subsection (1) of this section shall be subrogated to all rights of the depositor
23 against the failed insured institution to the extent of such payment; and such
24 subrogation shall include the right on the part of the Corporation to receive the
25 same dividends from the proceeds of the assets of such failed insured
26 institution and recoveries on account of shareholder's liabilities as would have
27 been payable to the depositor for any uninsured portion of his deposit.

28 (3) Not later than 90 days after the failure of an insured institution, the
29 Corporation, if it finds that it is advisable in the interest of the depositors or the
30 public, shall appoint another insured institution to assume the insured deposits

1 of the failed insured institution.

2 26. -(1) The Corporation shall have power to withhold pending the
3 determination of culpability or otherwise by a tribunal or court of competent
4 jurisdiction, the payment of insured and excess uninsured deposit claims
5 obtained through or being used in connection with or held in furtherance of
6 criminal activities or where it is satisfied that the depositor had connived
7 with the failed insured institution's officials or had been a party to or had
8 knowingly benefited from the circumstances which gave rise to the failure
9 of an insured institution.

Power to withhold
Deposit/Discharge
of Corporation

10 (2) The Corporation may withhold payment of such portion of the
11 insured deposit of any depositor in a failed insured institution as may be
12 required to provide for the payment of any liability of such depositor to the
13 failed insured institution or its liquidator/receiver, pending the
14 determination and payment of such liability by such depositor or any other
15 person liable thereof.

16 (3) Payment of an insured deposit to any person by the Corporation
17 shall discharge the Corporation, and payment of a transferred deposit to any
18 person by an insured institution in which a transferred deposit has been
19 made available shall discharge the Corporation and such other insured
20 institution, to the same extent that payment to such person by the failed
21 institution would have discharged it from liability from the insured
22 institution.

23 (4) If, after the Corporation shall have given at least three months
24 notice to pay to every depositor by mailing a copy thereof to his last known
25 address appearing in the records of the failed insured institution, and publish
26 a general notice in at least two National Dailies and two electronic media
27 houses with national coverage, notifying insured depositors of the particular
28 failed insured institution of the dates and venue for payment any depositor of
29 the failed insured institution who:

30 (a) fails to claim his insured deposit from the Corporation within he

1 six years after the Notice of the corporation has been sent to the depositor and
2 the notice of payment to depositors is published in two National Dailies and
3 electronic media houses, shall forfeit such sums to the Corporation;
4 fails within such period to claim or arrange to continue the transferred deposit
5 with the new insured institution, all the rights of the depositor against the failed
6 insured institution or its shareholders or the receivership estate to which the
7 corporation may have become subrogated shall thereupon revert to the
8 Corporation.

9 (5) The amount of any transferred deposits not claimed within the
10 period stated in subsection (4) (b) of this section shall be refunded to the
11 Corporation.

12 (6) No Court proceedings shall be commenced against the
13 Corporation in respect of the obligation of the Corporation to make any
14 payment in relation to any deposit held by any person in any failed insured bank
15 or financial institution after the expiration of the period stipulated in subsection
16 4 of this section or any extension that may be granted under Section 10 (m) of
17 this Act.

Interim Dividend
Payment

18 27. The Corporation may after payment of insured deposits make
19 interim deposit payments in regard to claim of depositors of closed insured
20 institutions that comply with the following conditions:

21 (a) The net Realizable value of the assets of the closed insured
22 institution can be reasonably estimated;

23 (b) The estimated amount of the interim dividends and the interest at a
24 rate to be determined by the Corporation but in any event not more than the
25 prevailing interbank rate can be fully reimbursed by the estimated net
26 realizable value of the assets;

27 (c) The closed insured institution has no severe embezzlements or
28 other significant fraud or other abuses whose losses are difficult to determine;

29 (d) The amount of the interim dividend payment to be made by the Corporation
30 shall not exceed 30% of the total excess uninsured deposit claim of any closed

1 insured institution.

2 PART V - NOTICE OF TERMINATION OF INSURED STATUS

3 28. -(1) Whenever it appears to the Corporation that an insured
4 institution or its directors or officers have committed a grievous violation of
5 its obligation under this Act or have continued to conduct the business of the
6 insured institution:

Grievous Violation
of Obligations

7 (a) in an unsound manner;

8 (b) intentionally or negligently permit any of the officers or agents
9 of the insured institution to violate any provisions of any law or regulation to
10 which an insured institution is subject, the Corporation shall serve on the
11 Board of the insured institution a warning notice stating that where the
12 unsound practice continues, the name of the insured institution shall be
13 removed from the register of the insured institutions and a copy of such
14 warning notice forwarded to the Central Bank of Nigeria.

15 (2) It shall be deemed a grievous violation of obligation under this
16 Act where an insured institution:

17 (a) persistently suffers liquidity deficiency;

18 (b) Persistently contravenes the provisions of any legislation or
19 regulation relating to banking, economic and financial crimes;

20 (c) makes incomplete or incorrect statements to the Corporation;

21 (d) is in default with the payment of its annual premium or special
22 contribution as provided in section 20 of this Act;

23 (e) habitually fails to render returns to the Corporation or does not
24 submit upon request such other information for the efficient performance of
25 the function of the Corporation;

26 (f) makes incorrect statement to the Corporation as regards
27 customers deposits it has insured;

28 (g) fails to make adequate provisions for bad and doubtful debts up
29 to the amount recommended by the supervisory authorities or pays
30 dividends in defiance of this provision;

1 (h) fails to write off bad debts as may be recommended by the
2 supervisory authorities.

3 The Corporation shall before terminating the insured status of any insured
4 institution, consider and apply corrective measure in accordance with the
5 provisions of Section 32 of this Act.

Conditions for
Termination

6 29. -(1) Where the insured institution fails within reasonable time to
7 make amends, the Board shall:

8 (a) give to the institution not less than 30 days written notice of its
9 intention to terminate the insured status of the institution;

10 (b) fix a time and place of hearing before a person designated by the
11 Board to conduct the hearing at which evidence may be produced and upon
12 such evidence the Board shall make its findings which shall be final.

13 (2) Where the insured institution is not represented or does not make
14 any representation to the Corporation pursuant to subsection [1] [b] of this
15 section or if the Corporation does not favourably consider such representation
16 made, the Corporation may proceed to terminate the insured status of the
17 institution and shall inform the Central Bank of Nigeria accordingly.

Procedure for
Termination of
Insured Status

18 30. -(1) Where the Board is satisfied that an insured institution is in
19 grievous violation of its obligation under this Act the Corporation shall
20 terminate the insured status of the institution and inform the Central Bank of
21 Nigeria of the termination.

22 (2) The Corporation shall cause a notice of termination to be
23 published in at least three National Dailies.

24 (3) Where the participation of an insured institution in the Deposit
25 insurance scheme is terminated, the Corporation shall immediately cause a
26 notice of such termination to be published in not less than three National
27 Newspapers, to the depositors and other creditors to whom liabilities are owed
28 and in furtherance thereto, bring the consequences of such termination to their
29 notice.

30 (4) After the termination of the status of an insured institution under is

1 this Act, the insured deposit of each depositor in the institution on the date of
 2 its termination, less all subsequent withdrawals from the deposits of such
 3 depositor, shall continue to be covered for another period of one year, and
 4 thereafter, such deposits shall cease to be covered.

5 (5) The Corporation shall not insure any additions to any deposits
 6 specified in subsection (4) of this section or any new deposits in the
 7 institution made after the date of termination of its status as an insured
 8 institution and the institution shall not advertise for deposits or hold itself
 9 out as having its deposits insured by the Corporation.

10 (6) The Central Bank of Nigeria may revoke the licence of any
 11 insured institution whose insured status has been terminated by the
 12 Corporation.

13 31. -(1) An insured institution whose insured status is terminated in
 14 accordance with this Act may re-apply to participate in the scheme after it
 15 has satisfied all the conditions required of it by the Board particularly after
 16 the Board had given consideration to the following:

Conditions for
 participation
 after Termination

17 (a) the institution's financial position and its general operational
 18 practice had improved satisfactorily since the termination order became
 19 effective;

20 (b) the grounds for which the institution's participation in the
 21 Deposit insurance scheme was terminated have been remedied;

22 (c) the future earnings prospects and general character of its
 23 management are satisfactory.

24 PART VI - SUPERVISION OF INSURED INSTITUTIONS

25 32. -(1) Every insured institution shall submit to the Corporation
 26 such returns and information as may be required from time to time within the
 27 stipulated period.

Power of the
 Corporation
 to require
 information

28 (2) Any insured institution which fails to comply with the
 29 provisions of subsection (1) of this section shall be guilty of an offence
 30 under this Act and shall be liable to a fine of N500, 000.00 and thereafter

1 N100,000.00 for each day during which the offence continues, counting from
2 the day immediately after the date of failure to make such return.

3 (3) In addition to the powers conferred on it under this Act, the
4 Corporation may require persons having access thereto, at all reasonable times
5 to supply to it information, in such form as the Corporation may from time to
6 time direct, relating to, or touching on or concerning matters affecting the
7 interest of depositors of insured institutions.

8 (4) Where any person lawfully required to supply information
9 necessary to achieve the objective and purpose of the Corporation:

10 (a) supplies any information which he knows to be false or supplies it
11 recklessly as to its truth or falsity;

12 (b) without reasonable excuse, fails to supply any information
13 required by the Corporation, commits an offence, and is liable on conviction to
14 a fine not exceeding N500,000.00 for every such report.

15 (5) The Corporation may require holding companies of insured
16 institutions, or the subsidiaries or affiliates or associated companies of
17 insured institutions to render such returns and provide such information
18 relating to transactions with the insured institution on their businesses and
19 activities, in such format, for such periods and within such time frame as the
20 Corporation may from time to time determine and such holding companies,
21 subsidiaries, affiliates or associated companies shall comply.

22 (6) Any holding company of any insured institution, any subsidiary,
23 or affiliate or associated company of any insured institution, or any directors
24 or officers of any such holding company, subsidiary, affiliate or associated
25 company, that provide information that is false, misleading, inaccurate, or
26 incomplete or that fail to comply with any requirement to provide information
27 under this Act shall be guilty of an offence and on conviction liable to
28 imprisonment for a term of not less than 5 years or to a fine of N5million or to
29 both such fine and imprisonment.

30 (7) Where an insured institution is deemed to be threatened with

1 insolvency, the Corporation may on the basis of data submitted under (5)
2 investigate the business and the financial status of the insured institution, the
3 holding companies of the insured institution, subsidiaries, affiliates and
4 associated companies of the insured institution.

5 (8) The Corporation may require any person, depositor, customer,
6 creditor or organization which had transaction with or related to a failing or
7 failed insured institution to provide information on such transaction to
8 determine whether or not such transaction contributed to the insolvency or
9 failure of the insured institution.

10 33. The Board shall have power to appoint on the recommendation
11 of the Managing Director such number of examiners who shall:

Appointment of
Examiners

12 (a) be officers of the Corporation with powers to examine
13 periodically, and under conditions of secrecy, the books and affairs of every
14 insured institution;

15 (b) have a right of access at all times to the books, accounts and
16 vouchers of the insured institution including its management information
17 system;

18 (c) be entitled to require and obtain information and explanations
19 from the officers and directors of an insured institution as may be deemed
20 necessary in the performance of their duties;

21 (d) have access to any accounts, returns and information with
22 respect to any insured institution under the provisions of this Act, which are
23 in the possession of the Central Bank of Nigeria.

24 34. -(1) In the exercise of the functions of an examiner appointed
25 pursuant to section 33 of this Act, the examiner shall exercise reasonable
26 care to prevent unreasonable hindrance to the day-to-day activities of an
27 insured institution and confine the investigation to matters of fact and data
28 deemed necessary for the examination.

Functions of
Examiners

29 (2) An insured institution shall produce to the examiner as and
30 when required, all books, accounts, documents, and such other information

1 as the examiner may deem necessary or request in the exercise of his functions.

2 (3) It shall be an offence under this Act for an insured institution, its
3 directors and officers to:

4 (a) willfully refuse to produce any book, account, document or such
5 other information;

6 (b) negligently, willfully or with intent to defraud gives information
7 which is false in any material particular.

8 (4) A person who commits an offence under this section shall be liable
9 on conviction:

10 (a) in the case of an offence against subsection (3) [a] of this section,
11 to a fine of N20,000 (twenty thousand naira) per day that he withholds the
12 information, document, book or account and the insured institution to a fine
13 of not more than N500,000 for every day that the said information, document or
14 book of account was withheld;

15 (b) in the case of an offence against subsection (3) [b] of this section,
16 the director or officer involved to a maximum imprisonment of 3 years or a
17 maximum fine not exceeding N1,000,000.00 or to both such fine and
18 imprisonment.

19 (5) An examiner shall forward a report of his findings to the Managing
20 Director of the Corporation who shall thereon present the report to the Board
21 and advise it of any circumstances in which the Board may exercise any of its
22 powers under the provisions of Sections 7 or 30 of this Act.

23 **35. -(1)** The Management of the Corporation may at any time appoint
24 two or more qualified persons to conduct a special examination of the books
25 and affairs of an insured institution under conditions of secrecy where the
26 Management is of the opinion that an insured institution may:

27 (a) be carrying on business in a manner detrimental to the interest of
28 its depositors and creditors;

29 (b) have insufficient assets to cover its liabilities to the public;

30 (c) be contravening the provisions of this Act.

1 (2) Where an insured institution deems that it is:

2 (a) likely to become unable to meet its obligations;

3 (b) about to suspend payments the insured institution shall cause
4 the Corporation to be informed accordingly of its intention to do so.

5 (3) Any insured institution which contravenes the provisions of
6 subsection (2) of this section commits an offence and is liable on conviction
7 to a maximum fine of N1,000,000.00 and any director whose responsibility
8 it was to inform the Corporation commits an offence and is liable on
9 conviction to a maximum fine of N200,000.

10 36. -(1) After the conclusion of any examination under the
11 provisions of this Act, the Corporation shall forward a copy of the report
12 arising there from together with its recommendations to the insured
13 institution concerned with instruction that it be presented by the Corporation
14 to the Board of Directors of the institution at a meeting specially convened
15 within one month of receiving the report for the purpose of considering the
16 report and recommendations thereon.

Report of
Examination

17 (2) The Insured Institution shall within two weeks of the
18 presentation to its Board of Directors convey to the Corporation the Board of
19 Director's reaction to the report and proposals for implementation of the
20 recommendations.

21 (3) Without prejudice to the provisions of Section 23 and 56 of this
22 Act, where an insured institution fails to implement the recommendations
23 contained in the report of examination after it had been warned by the
24 Corporation, or where circumstances exist where the Corporation should
25 impose further prompt corrective actions pursuant to the provisions of
26 Section 32 of this Act, the Corporation shall have power, in consultation
27 with CBN, to:

28 (i) remove or suspend from office, any director, officer or
29 employee found liable by the Corporation for non-implementation of
30 Examiners' recommendation or the circumstances that necessitated

1 imposition of corrective action;

2 (ii) Issue an order blacklisting any director, officer or employee found
3 liable under paragraph (i) above and the director, officer or employee
4 blacklisted shall not be qualified for employment in any capacity in an insured
5 institution until the Corporation withdraws the order.

Prompt
corrective action

6 37. -(1) Without prejudice to the provisions of this Act, whereupon the
7 examination by the Corporation as to the condition of any insured institution, it
8 shall be disclosed that:

9 (a) an insured institution or its directors or staff have engaged, are
10 engaging or are about to engage in unsafe and unsound practices in conducting
11 the business of the institution;

12 (b) or have violated or are violating any provision of any law or
13 regulation to which the insured institution is subject;

14 (c) where such violation may lead to insolvency or dissipation of the
15 assets of the insured institution, the Corporation shall submit the report of the
16 examination to the management of the bank with specific directives to address
17 the situation by taking corrective measures.

18 (2) If such corrective action is not fully implemented within (30) days
19 from the submission of the report, or any other time given, the Corporation
20 shall in consultation with the Central Bank of Nigeria initiate such further
21 corrective actions as it may deem necessary to redress the situation.

22 PART VII - DUTIES OF INSURED INSTITUTIONS:

23 FIDELITY INSURANCE

Sound Credit
Administration

24 38. -(1) Insured institutions shall make efforts to prevent non-
25 performing loans, upgrade their managerial soundness by strengthening the
26 control of their credit and promptly dispose their non-performing loans and
27 assets.

Obligations in
respect of
unauthorized
disclosure

28 39. -(1) The members of Board, staff and agents of an insured
29 institution shall keep strictly confidential and make no unauthorized disclosure
30 or use of any information which they may either directly or indirectly receive in

1 such capacity of the activities of an insured institution and the result thereof
2 of the Corporation and of the circumstance of the participating insured
3 institution and their customers, even after they cease to be members or staff
4 or agents of that insured institution.

5 (2) The obligation specified in subsection (1) of this section is also
6 hereby imposed upon directors, employees of and any agent or other persons
7 engaged by the Corporation.

8 (3) The provisions of subsection (1) of this section shall not apply
9 to communications made to the Corporation, the Central Bank of Nigeria,
10 external auditors of the insured institution the Bankers Committee or the
11 Federal Ministry of Finance in connection with the purposes of the
12 Corporation.

13 (4) The provisions of subsection (1) of this section shall not apply
14 to communications in connection with the admission or exclusion of an
15 insured institution from the Deposit Insurance Fund [DIF].

16 40. -(1) An insured institution shall render to the Corporation,
17 monthly returns of frauds, forgeries or outright theft occurring during such
18 month and shall include a detailed report of such events.

Returns on Frauds
and Forgeries

19 41. -(1) An insured institution shall notify the Corporation of any
20 staff dismissed, terminated or advised to retire on the ground of fraud or
21 financial malpractice.

Notification to the
Corporation of
Dismissed Staff
and Employment
of Dismissed Staff

22 (2) the persons affected under subsection (1) of this section shall
23 not be employed in an insured institution without the insured institution first
24 notifying the Corporation.

25 (3) Any insured institution, which acts in contravention of any of
26 the provisions of subsection (1) and (2) of this section shall be guilty of an
27 offence under this Act and liable to a fine of N100,000.00.

28 42. -(1) No failing or failed insured institution shall mortgage
29 pledge, sell or dispose of any land, building or interest in any real property
30 belonging to the Insured Institution without first obtaining the consent of the

Restriction on
Mortgage of
Assets

1 Corporation.

2 (2) Any mortgage, pledge, sale or disposal in contravention of sub-
3 section (1) of this section shall be void without any discretion and in addition
4 any Director or Officer of such institution who approved, is involved or in any
5 way participated in such contravention shall be guilty of an offence and on
6 conviction liable to pay a fine of not less than N5 million or 3 years
7 imprisonment or both such fine and imprisonment.

Foreclosure of
Mortgages

8 **43.** -(1) With respect to loan facilities secured by legal or equitable
9 mortgages on real property coming into existence after the coming into force of
10 this section, every insured institution shall before disbursement of such
11 facilities to the customer, and with respect to pre-existing loan facilities
12 secured by legal or equitable mortgage on real property, within such period as
13 the Corporation may direct, register the mortgage with the Registrar of the
14 Federal High Court within the jurisdiction where the property is located and a
15 certificate evidencing such registration shall be filed with the Corporation.

16 (2) Any Director or Officer of any insured institution who failed,
17 refused or neglected to register any mortgage in contravention of section 43 of
18 this section shall be guilty of an offence and on conviction liable to pay a fine of
19 not less than N5 million or 3 years imprisonment or both such fine and
20 imprisonment.

21 (3) Notwithstanding the provisions of any law or contract or deed to
22 the contrary where the Corporation or the Central Bank of Nigeria has
23 classified the loan facility secured by such registered Mortgage as Past Due or
24 Lost under the Prudential Guidelines issued for licenced banks and the
25 mortgagor who has been served a 14 [fourteen] days' Notice to Redeem the
26 mortgage by the insured institution or the Corporation where the Insured
27 institution is failing or has failed, has neglected, refused or failed to redeem
28 the mortgage by payment of all sums outstanding on the mortgage including
29 principal and interest before the expiry of the Notice to Redeem the insured
30 institution or where the Insured institution is failing or has failed the

1 Corporation, may foreclose on the mortgage as follows:

2 (a) The insured institution or the Corporation where the Insured
3 institution is failing or has failed shall file in the Federal High Court where
4 the mortgage is registered, a Motion to Foreclose supported by an affidavit
5 stating forth the grounds upon which the Order for foreclosure Is sought
6 and stating that the Loan facility has been classified past due or lost, as the
7 case may be, by the relevant regulatory authority and that the Mortgagor has
8 failed, refused or neglected to redeem the mortgage despite being served
9 with the 7 days notice to redeem which has expired and attaching thereto
10 the certificate of registration of the Mortgage and a Report of Valuation on
11 the property by an Estate Surveyor registered with the Nigeria Institute of
12 Estate Surveyors and Values [NIESV] and the judge shall enter the action
13 for hearing in what shall be called the “Foreclosure List”;

14 (b) Except where a Motion to Foreclose is filed pursuant to a
15 counter claim by the insured institution or the Corporation where the
16 Insured institution is failing or has failed, every Motion to Foreclose
17 originating the action shall contain the return date and shall be delivered to
18 the Register for service in as many copies as shall be required by the
19 registrar;

20 (c) the Mortgagor upon personal service on him of the Motion to
21 Foreclose or through counsel or by substituted service with the leave of the
22 court, shall within 5 days of such service, file a counter affidavit
23 admitting the debt or a part thereof or denying the debt outstanding and
24 stating the facts upon which he seeks a decision of the Court on the matter;

25 (d) on the return date, the Court shall where the Mortgagor neglects
26 to file a counter affidavit after reviewing the affidavit evidence or where
27 the Mortgagor files a counter affidavit, after reviewing the affidavit and
28 counter affidavit evidence, give judgment by an order of foreclosure of
29 the Mortgage and directing disposal of the Mortgage property by public
30 auction or private treaty at a price not below the Forced Sale Value disclosed

1 in the Valuation Report to liquidate the judgment sum, where the Court is
2 satisfied that the Mortgage was duly registered and has not been redeemed or
3 the Court may make any other orders including judgment for a part only of the
4 outstanding sum on the mortgage and admitting the balance to proof by any
5 other evidence with or without an order to foreclose on the mortgage, or
6 decline to make an order of foreclosure of the Mortgage or strike out or dismiss
7 the Motion to Foreclose or make any other order as the court deems fit in the
8 circumstances;

9 (e) the Court may call for oral evidence and or address by counsel
10 where it feels so compelled but shall not make any interlocutory orders relating
11 or touching upon the loan facility or the Mortgage at any stage of the
12 proceeding until judgment;

13 (f) An appeal against the judgment of the court shall lie as of right to
14 the Court of Appeal and where the judgment of the Court is for an order to
15 Foreclose, the right to appeal shall not be exercisable except upon payment into
16 court by the Mortgagor /Appellant of the total judgment sum premised on the
17 order of foreclosure including interest thereof and no court of law shall have
18 jurisdiction to order stay of execution of any order to Fore close issued by the
19 Court under this Act;

20 (g) in case of any conflict between the above provisions and the rules
21 of the Federal High court, or any other Court, or of any law, the above
22 provisions shall apply.

23 PART VIII - FAILURE RESOLUTION OF INSURED INSTITUTIONS

24 44. The failure resolution mechanism to be adopted by the
25 Corporation to address the problems of a failing or failed insured institution
26 shall be any or a combination of any of the options listed hereunder without
27 prejudice to any other options that the Corporation may adopt pursuant to any
28 other law enabling it on that behalf and the Corporation may be guided by the
29 following factors, amongst some other factors which the Corporation may
30 determine from time to time, when adopting a failure resolution mechanism:

1 (a) Minimization of financial and economic costs as well as
2 contagion risks;

3 (b) Ensure a minimum level of protection to depositors, in
4 particular the small uninformed and less sophisticated depositors;

5 (c) No bail out of shareholders;

6 (d) The size of the bank, extent of the distress, policy of
7 Government and whether the problem is Systemic or localized;

8 (e) Implementation in a timely and transparent manner.

9 45. -(1) Pursuant to Section 2(1)(b) of this Act, the Corporation
10 shall at the request of an insured institution and under such conditions as
11 may be specified by the Corporation assist the insured institution if the
12 Corporation determines:

Financial
Assistance

13 (a) The insured institution has difficulty to meet its obligations to
14 its depositors and other creditors;

15 (b) The insured institution persistently suffers liquidity deficiency;

16 (c) The insured institution has accumulated losses which have
17 nearly or completely eroded the shareholders fund;

18 (d) That such assistance is required to resolve the failure of an
19 insured institution.

20 (2) The Corporation may take one or a combination of any of the
21 following action to provide liquidity support to assist an insured institution:

22 (a) Grant loans on such terms as may be agreed upon by the
23 Corporation and the insured institution;

24 (b) Give guarantee for a loan taken by the insured institution;

25 (c) Accept an accommodation bill with interest for a period not
26 exceeding 90 day days maturity exclusive of days of a grace and subject to
27 renewal of not more than seven time;

28 (d) Purchase the equity and or such assets and or assume any such
29 liabilities of the insured institution;

30 (e) Issue bonds, certificates, debentures, debt instruments and

1 other securities to purchase or assume such assets, equity or liabilities of the
2 insured institution;

3 (f) Take or carry out any other measure to provide financial assistance
4 to the insured institutions;

5 Provided that interest rates applicable to facilities extended to the
6 insured institution shall not exceed the Minimum Rediscount Rate of the
7 Central Bank of Nigeria.

Insured
Institutions
Resolution Fund

8 (3) The Corporation shall establish a Fund to be referred to as Insured
9 Institution Resolution Fund [IIRF] which shall be funded through annual
10 budgetary provision of not more than 25% of the budgeted income for each
11 year for the purpose of implementing the provision of Section 45 to Section 50
12 of this Act.

Technical
Assistance

13 46. -(1) The Corporation in consultation with the CBN may:

14 (a) Assume Control of the insured institution as Conservator and
15 take over its management;

16 (b) Change Management of the insured institution by directing
17 specific changes to be made to the Management, appointing new Management,
18 removal of management within such time and in such manner as the
19 Corporation may direct from time to time;

20 (c) Replace Management with supervisory officials;

21 (d) impose Holding Actions, cease and desist orders, direct the
22 insured institution and its;

23 (e) carry out organizational and operational changes including
24 dismissal of employees, requiring shareholders to recapitalize the bank,
25 shutting down of some branches, sale of subsidiaries or other business units,
26 downsizing, rightsizing, appointment of consultants, writing off certain assets,
27 applying debt to equity swaps, consideration of certain securities and
28 instruments as capital;

29 (f) take any other measures to restructure the insured institution.

- 1 (2) The Corporation may: Mergers and
Acquisitions
- 2 (a) merge, facilitate or induce a merger of a failing or failed
- 3 insured institution with another healthy insured institution;
- 4 (b) facilitate or induce the Acquisition of a failing or failed insured
- 5 institution by another healthy insured institution;
- 6 (c) restructure an insured institution through acquisition,
- 7 management and disposal of the equity or the assets or the liabilities of the
- 8 failing or failed insured institution either directly, indirectly through or by
- 9 another insured institution or an asset management firm.
- 10 (3) The Corporation may undertake a purchase of assets and Purchase and
Assumption
- 11 liabilities transaction of a failing or failed insured institution as follows:
- 12 (a) The Corporation shall have power to charge, dispose, transfer
- 13 or alienate all or some of the assets of a failing or failed institutions to a
- 14 healthy insured institution;
- 15 (b) the Corporation may advance to or receive from the assuming
- 16 institution an amount equal to the difference between the assumed liabilities
- 17 and the transferred or purchased assets;
- 18 (c) the assets of the failing or failed insured institution shall be
- 19 transferred or purchased by a healthy insured institution in consideration of
- 20 the assumption of all or some of the liabilities of the failing or failed insured
- 21 institution;
- 22 (d) the Corporation may receive such assets from the failing or
- 23 failed insured institution as collateral for any advance to the assuming
- 24 institution or purchase the assets from the failing or failed insured institution
- 25 and any asset [including land] of the failing or failed institution shall be
- 26 transferred or be vested in the assuming institution or the Corporation.
- 27 (4) (i) The Corporation shall have power to acquire a failing or Acquisition of
Insured Institution
whose Capital
is Lost
- 28 failed insured institution whose paid up capital is lost or unrepresented by
- 29 available assets for a nominal consideration of one naira only by an Order
- 30 published in the Official Gazette;

1 (i)] the acquired insured institution shall from the date stated in the
2 Official Gazette belong to the Corporation which shall hold same in trust for
3 the depositors and other creditors of the insured institution;

4 (iii) the Corporation may restructure the acquired institution for sale
5 to suitable investors and or wind up and liquidate the insured institution;

6 (iv) no court of law shall exercise jurisdiction to hear or continue to
7 hear, any matter, suit or action or entertain any proceedings instituted by any
8 person against the Corporation,, concerning, relating to or touching upon the
9 actions and activities of the Corporation's acquisition of an insured institution
10 pursuant to this section or issue any injunction or order to restrain the
11 Corporation from acquisition of an insured institution or performing its
12 statutory functions as conferred on it under this Act or any other law save and
13 except actions for damages as provided in this Act.

14 (5) the Corporation may take such other measures that are reasonably
15 necessary for resolution of a failing or failed insured institution.

The Corporation
as Conservator

16 47. -(1) Notwithstanding the provisions of the Companies and Allied
17 Matters Act or any other enactment, where the Corporation has assumed the
18 management and control of a failing or undercapitalized insured institution
19 pursuant to the provisions of this Act or the BOFIA, the Corporation shall:

20 (i) exercise all the powers and privileges conferred on the Corporation
21 under this Act and any other legislation as may be considered appropriate by
22 the Corporation;

23 (ii) have power to inject equity into the insured institution or invite
24 eligible investors to inject equity on such terms as the Corporation may
25 determine;

26 (iii) merge the failing or undercapitalized insured institution with
27 another insured institution or transfer all or part of the assets or all or part of the
28 liability of such failing or undercapitalized insured institution with another
29 insured institution;

30 (iv) take such action as may be:

1 (a) necessary to put the insured institution in a sound and solvent
2 condition;

3 (b) appropriate to carry on the business of the institution and
4 preserve and conserve its assets and properties.

5 (v) the Corporation as conservator may place the insured
6 institution in Liquidation and proceed to realize upon the assets of the
7 institution as liquidator under this Act.

8 (2) No Court shall issue through an *ex parte* application, an
9 injunction or any written or interlocutory injunction against the Corporation
10 in respect of any action taken by the Corporation pursuant to the provisions
11 of this Act for the purpose of resolving the problem of a failing or failed
12 insured institution.

13 (3) Where the Corporation has assumed control of an insured
14 institution pursuant to the provision of this Act or BOFIA, no action, suit or
15 proceedings shall be proceeded with or commenced against such insured
16 institution or the Corporation except by the leave of Court given on such
17 terms as the Court may impose.

18 (4) No garnishee order *Nisi* or Absolute or attachment,
19 sequestration, distress or execution shall be put in force against the bank
20 account or estate or effects of any insured institution or the Corporation in
21 respect of any judgment debt or other liabilities owed by such insured
22 institution or any other judgment debtor after commencement of assumption
23 of the control of the insured institution by the Corporation.

24 (5) Any order *Nisi* or Absolute or attachment, sequestration,
25 distress or execution put in force against the bank account, assets, or effects
26 of any such insured institution or the Corporation shall be void, null and of
27 no effect whatsoever.

28 (6) The Corporation when acting as Conservator of an insured
29 institution shall have and exercise all the powers and privileges conferred on
30 it as Liquidator.

Bridge Bank

1 48. -(1) The Corporation in consultation with the Central Bank of
2 Nigeria, may organize and incorporate, and the Central Bank shall issue
3 banking license to one or more banks, to be referred to as bridge banks which
4 shall be insured institutions to assume such deposits and or liabilities, and shall
5 purchase such assets of a failing or failed institution and perform any other
6 function or business as the Corporation may, determine.

7 (2) The Corporation shall appoint, remove and fix the remuneration
8 of the Board of Directors and Management of the bridge bank.

9 (3) Notwithstanding the provisions of the Companies and Allied
10 Matters Act, the Central Bank of Nigeria Act, the Banks and Other Financial
11 Institutions Act or any other law, the bridge bank shall not be subject to any
12 requirement relating to issued or paid up capital, and the Corporation may
13 make available to the bridge bank, upon such terms and condition, and in such
14 form and amounts, as the Corporation may determine, funds for the operation
15 of the bridge bank.

16 (4) The Central Bank of Nigeria, the Corporate Affairs Commission,
17 the Securities and Exchange Commission, the Nigerian Stock Exchange and
18 any other Regulatory/Supervisory Authorities may, at the request of the
19 Corporation, grant forbearance, exemptions and waivers to the bridge bank in
20 respect of its operations.

21 (5) The operation of a bridge bank shall unless extended as provide
22 herein, terminate at the end of two (2) years from the date it was issued licence
23 and the Corporation may in its discretion extend the period of operation of a
24 bridge bank for maximum of three additional one year periods.

25 (6) The status of a bridge bank shall terminate upon the earliest of:

26 (a) the merger or consolidation of the bridge bank with an insured
27 institution that is not a bridge bank;

28 (b) the sale of a majority of the equity of the bridge bank to any
29 persons, other than the Corporation and another bridge bank;

30 (c) the assumption of all or substantially all deposits and other

1 liabilities or the acquisition of all or substantially all of the assets of the
2 bridge bank by an insured institution that is not a bridge bank;

3 (d) the expiration of the period provided in subsection (5) of this
4 Section or the earlier dissolution of the bridge bank by the Corporation at
5 any time.

6 (7) The Corporation shall be appointed liquidator of a bridge bank
7 whose status has been terminated.

8 (8) Following the merger or consolidation or sale of the equity or
9 assumption of the deposits or acquisition of the assets of the bridge bank as
10 provided in subsection (6) of this Section, the resulting entity shall for all
11 purposes be an insured institution.

12 PART IX - LIQUIDATION OF FAILED INSURED INSTITUTIONS

13 49. -(1) Whenever the licence of an insured institution is revoked
14 by the Central Bank of Nigeria, the Corporation shall by notice published in
15 the Gazette appoint itself as the Liquidator of such failed institution with
16 powers specified under this Act and in addition to and not in derogation of
17 the powers conferred and the duties imposed by this Act on the Corporation
18 as Liquidator, Conservator or Supervisor, the Corporation to the extent not
19 inconsistent with such powers and duties shall have any other power
20 conferred and any duty [which is related to the exercise of such power]
21 imposed on a Liquidator under the Companies and Allied Matters Act
22 provided that in the case of:

Power of the
Corporation to
act as Liquidator

23 (a) such power being exercised subject to the sanction of the court,
24 or committee of inspection or any other authority, the Corporation shall have
25 power to exercise such power absolutely without such limitation;

26 (b) any conflict, the powers conferred herein shall prevail.

27 (2) Notwithstanding the fact that the license of an insured
28 institution has not been revoked, the Corporation may by notice published
29 in the Gazette and after consultation with CBN, appoint itself Liquidator of
30 an insured institution whenever the Corporation determines that 1 or more of

1 the following grounds exist with respect to that insured institution:

2 (a) insolvency in that the assets of the institution are less than the
3 institution's obligations to its depositors and other creditors;

4 (b) an unsafe and unsound condition to transact business including
5 substantial insufficient capital or otherwise;

6 (c) the likelihood that the institution will not be able to meet the
7 demands of its depositors or pay its obligations in the normal course of
8 business;

9 (d) the institution has actually suspended payment to its depositors;

10 (e) termination of the insured status of the institution;

11 (f) the institution has close its doors or any of its branches to the
12 public or has ceased to operate, without adequate provision being made for
13 payment of its depositors;

14 (g) the insured institution or its directors or officers have been found
15 to conceal information or conceal records or render false or inaccurate returns
16 to the Corporation;

17 (h) insured institution has been found to have violated banking laws
18 or regulations relating to money laundering or whose effect is likely to result in
19 its insolvency.

90 Day Notice

20 (3) (i) without prejudice to subsection (1) and (2) of this section,
21 where the Corporation or the CBN determines that an insured institution is
22 Critically Undercapitalized i.e its capital to risk weighted assets ratio is
23 above two percent but below five percent, the CBN shall serve on such
24 insured institution Notice to recapitalize to the prescribed minimum regulatory
25 capital within 90 days failing which such institution shall have its banking
26 licence revoked by the CBN and be under liquidation by the Corporation;

27 (ii) where the insured institution does not recapitalize to the
28 prescribed minimum regulatory capital within 90 days as required, to the
29 satisfaction of the Corporation or the CBN, the CBN shall revoke the banking
30 licence of the institution and the Corporation shall assume capacity as

1 liquidator of the insured institution in accordance with this Act;

2 (iii) Notwithstanding the issuance of a 90 day Notice to an insured
3 institution pursuant to the provisions of this Act, the CBN or the Corporation
4 shall have power to carry out Prompt Corrective Action in respect of such
5 insured institution including the authority to exercise any of the powers
6 conferred under this Act or any other law.

7 (4) No court of Law shall have jurisdiction to:

8 (a) issue an injunction restraining the CBN from issuing, or setting
9 aside, or staying execution of, or declaring as null and void or issuing any
10 order that will have the effect of reversing or rendering ineffective, a
11 banking licence revoked or a 90 Day Notice issued by the CBN;

12 (b) issue an injunction restraining the Corporation from appointing
13 itself liquidator or having appointed itself, from so acting or declaring such
14 appointment unlawful, illegal, null or void or issuing any order whose effect
15 is to render such appointment ineffective;

16 Provided that a court of law shall have jurisdiction to issue special
17 damages against the Corporation or any other person limited to the amount
18 of actual loss suffered where the court holds that the self-appointment of the
19 Corporation as Liquidator or revocation of banking licence by CBN was
20 done in bad faith or that the 90 Day Notice was issued in error.

21 (5) The Corporation shall have power to prescribe and publish In
22 the Official Gazette of the Federal Republic of Nigeria, the Regulations,
23 Guidelines and Rules as the Corporation determines to be appropriate to
24 govern the conduct of its winding up and liquidation of insured institutions
25 and the provisions of Part XV Winding Up of Companies under the
26 Companies and Allied Matters Act 1990 or any amendment thereto and the
27 Companies Winding up Rules made pursuant thereto shall not apply to the
28 liquidation of or govern the winding up of insured institutions by the
29 Corporation and the self-appointment of the Corporation as liquidator as
30 stated in this Act, provided that the Corporation shall have and exercise all

1 the powers, benefits and authority conferred on a Liquidator or any company
2 in liquidation and shall have power to apply to the court for any relief or order
3 which a Liquidator or any company in Liquidation may obtain under the said
4 Part XV of Companies and Allied Matters Act 1990 with such modifications
5 as are stipulated under this Act and the guidelines issued pursuant thereto,
6 provided that where there is any inconsistency between the provisions of the
7 Companies and Allied Matters Act 1990 or any amendment thereto and this Act
8 or the Regulations made there under, this Act or the Regulations made there
9 under shall prevail and the provisions of the Companies and Allied Matters Act
10 1990 or any amendment thereto shall be null and void to the extent of such
11 inconsistency.

12 (6) The Corporation as Liquidator of an insured institution shall have
13 power to:

14 (a) wind up and liquidate the insured institution in an orderly manner;

15 (b) bring or defend any action or other legal proceedings in the name
16 of such insured institution with the addition of the phrase "in-Liquidation" after
17 the name of such insured institution;

18 (c) carry on the business of such insured institution so far as may be
19 necessary for its beneficial winding up;

20 (d) sell the property of the insured institution of whatever nature by
21 public auction or private contract with power to transfer the whole thereof to
22 any person or to sell same in parcels;

23 (e) enter into any agreement for the purchase of all or some of the
24 assets and the assumption of all or some of the liabilities of the insured
25 institution;

26 (f) exercise any of the powers and authorities conferred on the
27 Corporation and perform any of the obligations to be performed, under this
28 Act;

29 (g) make such other dispositions of any matter concerning such
30 institution as the corporation determines is in the best interest of the institution

1 the depositors of such institution and the Corporation;

2 (h) by operation of law succeed to all rights, titles, powers and
3 privileges of the insured institution, and of any shareholder, depositor,
4 officer, account holder or director of such institution with respect to the
5 institution and the assets of the institution but shall not be held personally
6 liable for the debts or liabilities of such institution;

7 (i) Compromise debts and liabilities capable of resulting in debts,
8 all claims, present or future, certain or contingent and in particular grant
9 concession, interest waiver to a debtor of a failing or failed insured
10 institution on such terms as may be agreed, and take any security for the
11 discharge of any such call, debt, liability or claims and give a complete
12 discharge in respect thereof;

13 (j) take over the assets of and operate the insured institution with all
14 the powers of the members or shareholders, the directors and the officers of
15 the institution and conduct all business of the institution; collect all
16 obligations and money due the institution, perform all functions of the
17 institution in the name of the institution which is consistent with the
18 appointment as Liquidator;

19 (k) with the consent of the CBN to organize a new insured
20 institution to take over such assets or such liabilities as the Corporation may
21 determine to be appropriate or merge the insured institution with another
22 insured institution or transfer any asset or liabilities of the institution in
23 default without any approval, assignment or consent with respect to such
24 transfer;

25 (l) pay all valid obligations of the insured institution in accordance
26 with the provisions of this Act and any guidelines and prescriptions issued
27 by the Corporation regulating procedures for filing, settling,
28 determination, disallowance, proof, priority, and payment of claims
29 including administrative review;

30 (m) act as or appoint a Receiver for a company that is indebted to

1 the insured institution and the Guarantor of such debtor with respect to loans,
2 advances or other credit facility granted by the insured institution whether or
3 not the assets of the debtor or that of the Guarantor have been charged,
4 mortgaged or pledged as security for such credit facility and the Receiver shall
5 have all the powers of a Receiver as stipulated in the Companies and Allied
6 matters Act;

7 (n) Offer for sale to Asset Management firm or any other persons the
8 loans and other risk assets of a failed insured institution and may accept any
9 bond or other instruments as consideration for the sale of any such assets.

10 (7) The Corporation as Liquidator may, where it has reasonable cause
11 to believe that:

12 (1) (a) a debtor or Guarantor of a debtor is the bonafide owner of any
13 moveable or immovable property, by notice served on the Inspector General
14 of Police, take interim custody of such property with the assistance of law
15 enforcement agencies;

16 (b) a debtor or Guarantor of a debtor has deposits or other funds in any
17 account with any other insured institution, by Notice served on the Institution,
18 require the institution to freeze the account, stop further transactions on the
19 account and furnish the Corporation with any information on the account as
20 may be directed by the Corporation.

21 (ii) (a) the Corporation shall within seven days of taking custody of
22 such property or within 3 days of issuing the notice freezing the account, apply
23 to the court by way of motion ex-parte for an order granting possession of the
24 property to the Corporation or freezing the account and the Court shall issue the
25 required order except it determines that the application is made in bad faith;

26 (b) the Corporation shall serve a certified true copy of the order where
27 granted on the debtor or Guarantor and where applicable, the insured
28 institution within 7 days of the date of the order and commence debt recovery
29 proceedings against such debtor [if none is already pending] within 21 days of
30 the service of the order failing which the order shall lapse;

1 (c) the court may on the application of the Corporation make an
2 order for the disposal of the property and payment of the proceeds to the
3 Corporation or payment of the proceeds of the account into the failed
4 Insured institution's liquidation account secured by a guarantee given by the
5 Corporation while the debt recovery case is still pending in the interest of
6 depositors of the insured institution and on the merits of the application;

7 (d) where any director or officer of any insured institution fails to
8 comply with any Notice for freezing of account the Corporation may issue
9 an order suspending such director or officer from office for a specified
10 period or may in consultation with CBN remove such director or officer
11 from office and he shall be personally liable to payment of penalty not
12 exceeding ten thousand Naira for every day during which he failed to
13 comply and the insured institution shall be liable to payment of penalty of 4
14 [four] times the amount, in the account or withdrawn from the account as a
15 result of failure to comply with the Notice, whichever is higher.

16 (iii)(a) Where a debtor has defaulted in making payment of any
17 sums adjudged against him within one month of the date of the judgment
18 whether or not an appeal had been filed against the judgment or an order for
19 stay of execution granted in respect of such judgment, the Corporation may
20 apply to the Court to issue a receiving order against such debtor and it shall
21 not be necessary for the debtor to commit an act of bankruptcy or for the
22 Corporation to file a bankruptcy petition or for any of the conditions
23 precedent for the grant of a receiving order specified under the Bankruptcy
24 Act to be satisfied before the court shall grant the receiving order against the
25 debtor and where a receiving order is made against a debtor under this Act
26 the court may adjudge the debtor bankrupt;

27 (b) the court may on the application of the Corporation appoint the
28 official receiver or authorize the Corporation to assume the office of trustee
29 of the property of the debtor and the Corporation shall have all the powers of
30 a trustee under the bankruptcy act;

1 (c) any debtor adjudged bankrupt under this Act shall be deemed to
2 have been adjudged bankrupt under the Bankruptcy Act which shall have
3 effect as modified under this Act and the trustee appointed herein shall have
4 power to seek the directive of the court in respect of anything or act to be done
5 under the Bankruptcy Act.

6 (iv) Where a judgment debtor is unwilling to pay its debt owed to a
7 failed insured institution and has filed application for stay of execution pending
8 appeal the Court shall not grant an order to stay execution of the judgment
9 pending the appeal except the Judgment debtor pays into court the judgment
10 sum.

11 (8) Where the Corporation has commenced acting as Liquidator
12 [provisional or otherwise] of an insured institution pursuant to the provisions
13 of this Act:

14 (i) no action, suit or proceedings shall be proceeded with or
15 commenced against such insured institution or the Corporation except by the
16 leave of Court given on such terms as the Court may impose;

17 (ii) No garnishee order, Nisi or Absolute or attachment, sequestration,
18 distress or execution shall be put in force against the bank account or estate or
19 effects of such insured institution or the Corporation in respect of any judgment
20 debt or other liabilities owed by such insured institution or any other judgment
21 debtor;

22 (iii) Any order Nisi or Absolute or attachment, sequestration, distress
23 or execution put in force against the bank account, assets, or effects of any such
24 insured institution or the Corporation shall be void, null and of no effect
25 whatsoever;

26 (iv) a creditor who had issued execution against any goods or land of
27 the insured institution or attached any debt due to the institution shall not be
28 entitled to retain the benefit of the execution or attachment against the
29 Corporation unless he had completed the execution or attachment before the
30 date of appointment;

1 (v) For the purpose of this section an execution against the goods
2 shall be taken to be completed by seizure and sale and an attachment of debt
3 shall be deemed to be completed by receipt of the debt and an execution
4 against land shall be deemed to be completed by seizure and in case of an
5 equitable interest, by the appointment of a Receiver;

6 (vi) A purchaser in good faith under a sale by the court in the course
7 of execution being levied on any property of the insured institution before
8 the date of appointment shall acquire good title against the Corporation;

9 (vii) where any goods of an insured institution are taken in
10 execution and before the sale thereof or the completion of the execution by
11 receipt or recovery of the full amount of levy, notice is served on the sheriff
12 of court by the Corporation that it has been appointed liquidator of the
13 insured institution, the sheriff shall deliver the goods and any money seized
14 or received in part satisfaction of the execution to the Corporation provided
15 the Corporation satisfies the charge for costs of execution;

16 (viii) No Organ, Office, Ministry, Department or Agency of
17 Government shall exercise jurisdiction or exercise any supervisory power
18 over the Corporation which shall have power to act independently in the
19 interest of the depositors, other creditors and the shareholders of such
20 insured institution;

21 (ix)(a) no court of law shall exercise jurisdiction to hear or
22 continue to, hear any matter, suit or action to restrain or affect the exercise
23 of power, privileges or functions conferred on the Corporation as
24 Conservator or liquidator or entertain any proceedings instituted by any
25 person against the Corporation, concerning, relating to or touching upon the
26 actions and activities of the Corporation or an insured institution under its
27 liquidation or issue any injunction or order to restrain the Corporation from
28 performing its statutory functions as conferred on it under this Act or any
29 other law or from acting as Liquidator save and except such actions for
30 damages as provided herein;

1 (b) any such action, injunction or order instituted in or that is
2 proceeded with or issued by any court of law shall be null, void and of no effect
3 and it shall not be necessary for the court to make an order to that effect but
4 shall on the filing of an application by the Corporation to the Court to that
5 effect, abate, cease and be discontinued forth with without further assurance
6 other than this provision save and except action for damages which may be
7 allowed by the Court as provided in this Act.

8 (x) the Corporation shall have power to avoid the transfer of an
9 interest in any property or asset of an insured institution that was fraudulently
10 transferred by such insured institution within five years of the commencement
11 of the liquidation of that insured institution and shall have power to trace and
12 recover from subsequent transferees provided that such transferees are not
13 purchasers in good faith;

14 (xi) the Corporation shall have power to enforce any contract
15 agreement or deed entered into by the insured institution facing liquidation
16 with any person notwithstanding that such contract, agreement or deed
17 provides for termination in the event of insolvency or liquidation of such
18 insured institution;

19 (xii) no person without the consent of the Corporation shall:

20 (a) exercise the right or have power to terminate any contract,
21 agreement or deed or declare a default in any such contract, agreement or deed
22 to which the insured institution is a party nor;

23 (b) obtain possession of or exercise control over any asset or property
24 of such insured institution nor;

25 (c) affect any contractual rights of the insured institution Within 90
26 days of the commencement of liquidation of such insured institution;

27 (xiii) the Corporation shall have power to repudiate contracts ,
28 agreements or deeds to which the insured institution is a party which the
29 Corporation determines to be burdensome and that repudiation of such
30 contracts, agreements or deeds would promote the orderly administration of

1 the insured institutions affairs, provided that any person aggrieved by the
2 exercise of such power shall have the right to file action in court for special
3 damages limited to actual loss suffered as a result of such repudiation from
4 the date of commencement of liquidation to the date of repudiation of such
5 contract, deed or agreement, against the Corporation as liquidator thereof;

6 (xiv) the Corporation shall not have power to avoid legally
7 enforceable security interests created over the property and assets of the
8 insured institution including legal mortgages and other charges except the
9 Corporation determines that such interests were created:

10 (a) in contemplation of insolvency of the insured institution;

11 (b) with intent to hinder or defraud the insured institution or its
12 depositors, other creditors or shareholders.

13 (xv) No agreement which diminishes the Corporation's interest in
14 any asset of an insured institution shall be valid in law unless it is in writing,
15 was executed contemporaneously by the insured institution and the counter
16 party, was approved by the Board of Directors of the Insured institution and
17 has been continuously a record of the insured institution;

18 (xvi) the Corporation and the insured institution shall be exempt
19 from federal, state and local Government taxes, rates, and levies except real
20 property taxes;

21 (xvi) the Corporation shall not be liable to payment of penalties,
22 interest or fines imposed by any court, authority, government department,
23 agency, office, contract or agreement except special damages awarded by a
24 court of law as provided herein.

25 (9) (i) The Corporation shall conclude winding up of an insured
26 institution which it is liquidating within 7 years of its appointment and may
27 issue guidelines governing procedures for terminating liquidation activities;

28 (ii) The Corporation may establish a subsidiary that will take
29 custody of the residue of assets, if any, of failed insured institutions whose
30 liquidation has been terminated pursuant to this Act.

1 (10) The Corporation as Liquidator shall not be under any duty to
2 make any returns to the Corporate Affairs Commission as provided by the
3 Companies and Allied Matters Act but may provide such information as may
4 be requested by the Commission if it determines it is expedient to do so in the
5 interest of depositors of the insured institution.

6 (11) The failure resolution mechanism to be adopted by the
7 Corporation to address the problems of a failing or failed insured institution
8 shall be any or a combination of any of the options listed hereunder without
9 prejudice to any other options that the Corporation may adopt pursuant to any
10 other law enabling it on that behalf and the Corporation may be guided by the
11 following factors amongst some other factors which the Corporation may
12 determine from time to time when considering a failure resolution mechanism:

13 (a) Minimization of financial and economic costs as well as
14 contagion risks;

15 (b) ensure a minimum level of protection to depositors, in particular
16 the small uninformed and less sophisticated depositors (orphans and widows);

17 (c) No bail out of shareholders;

18 (d) the size of the bank extent of the distress, policy of Government
19 and whether the problem is systemic or localized;

20 (e) Implementation in a timely and transparent manner.

Stay of
Pending Suits

21 (12) Where the Corporation has commenced liquidation of an insured
22 institution, or has assumed control of any insured institution as conservator,
23 and applies to the court for stay of any suit, application, proceedings,
24 execution, attachment, or action pending or instituted in any court by or
25 against such insured institution or the Corporation the Court shall, whether or
26 not leave had earlier been granted to commence or proceed with such action or
27 matter pursuant to this Act or any other law, grant such stay as to all parties:

Judgment Debt

28 (a) Where an insured institution is in Liquidation any judgment sum
29 obtained against the insured institution by a judgment creditor that has not been
30 satisfied prior to commencement of liquidation or that is obtained after

1 commencement of Liquidation shall not be enforceable against the estate of
2 the insured institution facing liquidation or the Corporation;

3 (b) every judgment debt against an insured institution under
4 liquidation or the Corporation as Liquidator of an insured institution which
5 is not subject to an appeal shall be filed with the Liquidator as an unsecured
6 creditor claim which shall be admitted to proof in accordance with the rules
7 and regulations governing administration of claims payment issued by the
8 Corporation;

9 (c) where a depositor of an insured institution is also a judgment
10 creditor in respect of that deposit, such depositor shall elect to file his claim
11 either as a depositor or as a creditor but where he submits a certified true
12 copy of the judgment evidencing the judgment debt, he shall be deemed to
13 have elected to file his claim as a judgment debtor and not a depositor;

14 (d) the interest applicable on any judgment debt against an insured
15 institution under liquidation as stated in the judgment which is filed as
16 proof of claim with the Corporation as Liquidator of such institution shall
17 cease to be applicable from the date the Corporation commenced liquidation
18 of such insured institution.

19 (13) Except as provided in this Act, no Court may take any action to
20 restrain or affect the exercise of powers or functions of the Corporation as a
21 conservator or liquidator.

22 50. -(1) It shall be the duty of the Corporation to cause notice to be
23 given by advertisement in such national newspapers or other news media
24 requiring all depositors of the insured institution facing liquidation to
25 forward their claims to the Corporation.

Action following
a failure

26 (2) The Corporation acting as liquidator of the failed institution
27 shall have power to:

28 (a) realize the assets of the failed insured institution;

29 (b) enforce the individual liability of the shareholders and directors
30 thereof;

1 (c) wind up the affairs of such failed institution as herein otherwise
2 provided.

3 (3) The Corporation acting as liquidator shall:

4 (a) pay to the Corporation such portion of the amount realized from
5 such liquidation as it shall be entitled to receive on account of its subrogation to
6 the claims of depositors and shall pay to depositors and other creditors the net
7 amount available for distribution to them;

8 (b) may pay dividends on proved claims at any time after the
9 expiration of the period of advertisement made pursuant to subsection (1) of
10 this section and no liability shall attach to the Corporation itself by reason of
11 any such payment or for failure to pay dividend to a claimant whose claim is
12 not proved.

Payment of
Insured Deposit
pending action
in Court

13 (4) Where the operating licence of an insured institution is revoked or
14 where the insured Institution has suspended payment or is otherwise unable to
15 meet its obligation to depositors, the Corporation shall have power to pay
16 insured deposit to depositors from the Deposit Insurance Fund [DIF] or the
17 Special insured institutions fund [SIIF] in accordance with Section 25 of this
18 Act.

19 (5) No pending action, suit, proceedings, application or order of court
20 shall prevent or restrain the payment by the Corporation of the insured deposits
21 to depositors of an insured institution or acting as conservator or liquidator
22 pursuant to the provisions of this Act.

23 (6) The right of Subrogation conferred on the Corporation under
24 Sections 25 (2) and 50 (3) (a) of the Act shall be exercisable against the insured
25 institution notwithstanding the restoration of the insured institutions operating
26 licence, or upon its returning to solvency and such insured institution shall be
27 liable to refund to the Corporation the amount of insured deposits of the
28 institution paid by the Corporation to the depositors prior to the restoration of
29 the insured institution's operating licence when it suspended payment or was
30 otherwise unable to meet its obligation to its depositors as a result of

1 insolvency.

2 (7) Any person aggrieved by the payment of insured deposit to
3 depositors of an insured institution pursuant to Section 21 of this Act shall
4 claim remedy in damages only which shall be limited to the amount of
5 insured deposit paid.

6 51. The Corporation may when acting as Liquidator of a failed
7 insured institution appoint an agent or agents to assist it in the performance
8 of its duties, and all fees, compensation and expenses of liquidation and
9 administration thereof shall be fixed and paid by the Corporation from the
10 realized assets of the failed institution.

Power to appoint
Agents

11 (2) The Corporation shall have a right of lien over any collateral or
12 security in its custody whether or not pledged as security for a loan by a
13 debtor customer of a failed insured institution who has repaid the loan
14 facility but is also indebted to another failed insured institution being
15 liquidated by the Corporation.

Right of Disposal
of Lien

16 (3) The Corporation shall have the right to dispose of such
17 collateral or security and apply the proceeds of the sale for the repayment of
18 such other loan facility owed the other failed insured institution where the
19 debtor fails to repay such other loan facility after having been served a letter
20 of demand to repay the facility within a period of not less than 21 days by the
21 Corporation.

22 (4) No court of law may review the Corporation's right to dispose
23 such collateral or security provided the court may award damages against
24 the Corporation limited to the value obtained from sale of such collateral or
25 security where it determines that such disposal was in error.

26 52. -(1) Except as provided in this Act, where the Corporation has
27 pursuant to the provision of this Act, assumed responsibility as Liquidator or
28 Conservator of any Insured Institution, no court shall take any action,
29 exercise any jurisdiction, conduct any proceedings, or make an order, to
30 restrain or affect the exercise of powers or functions of the Corporation as

Challenging the
Liquidation of
an Insured
Institution

1 Liquidator or Conservator, including restoration of the operating license of
2 such insured institution after it has been revoked by the relevant authority.
3 Provided however that the court shall have and exercise jurisdiction limited
4 only to the determination as to whether the operating license of such insured
5 institution was revoked in bad faith or that the Corporation's appointment as
6 liquidator or Conservator, was in error and where the court so determines, the
7 court shall have and exercise jurisdiction limited to the issuance of an order for
8 payment of special damages resulting there from.

Limitation Law
not Applicable

9 53. -(1) The provisions of the Limitation Law of a State or the
10 Limitation Act of the Federal Capital Territory shall not apply to any debt owed
11 to a failing or a failed insured institution.

Liability of
Directors,
Shareholders
and Officers

12 2. -(1) A director, majority shareholder, officer, employee, agent,
13 attorney, accountant or auditor, appraiser or any other party engaged by or
14 providing services to an insured institution shall be held personally liable in
15 monetary damages in any civil action by, on behalf of, or at the request or
16 direction of the Corporation, which action is prosecuted wholly or partially for
17 the benefit of the Corporation and insured depositors acting as Liquidator,
18 conservator, supervisor or insurer for:

19 (a) negligence causing loss to the insured institution;

20 (b) dereliction of duties of Annual General Meeting Board and
21 Management;

22 (c) conflicts of interest;

23 (d) breach of duty of care and skill;

24 (e) negligence resulting in failure of the bank;

25 (f) breach of duties as trustees of bank's assets;

26 (g) breach of provisions against secret benefits;

27 (h) non-compliance with Banking legislation, Regulations and
28 Guidelines:

29 (i) Nothing in this section shall impair or affect any right of the
30 Corporation under other applicable law;

1 (ii) the liability of directors of an insured institution for grant of
2 unauthorized credit facilities in violation of the provisions of any law shall
3 be unlimited and personal;

4 (iii) In any proceedings related to any claim against a director,
5 majority shareholder, officer, employee, agent, attorney, accountant or
6 auditor, appraiser or other party engaged by or providing services to an
7 insured institution, recoverable damages determined to result from the
8 improvident or otherwise improper use or investment of any insured
9 institutions assets shall include principal losses and appropriate interest,
10 profit or dividend.

11 PART X - CRIMINAL PROSECUTION AND OFFENCES

12 54. -(1) Any person who being a Director, an officer or staff of an
13 insured institution who:

Offences and
Penalties

14 (a) fails to take all reasonable care to secure compliance with the
15 provisions of this Act;

16 (b) fails to take all reasonable care to secure the authenticity of any
17 statement submitted pursuant to the provisions of this Act shall be guilty of
18 an offence and liable upon conviction to imprisonment not less than two
19 years or a fine not less than N5,000,000 (five million naira only) or to both
20 such fine and imprisonment.

21 (2) Any insured institution that reimburses or pays for a staff ,
22 officer or director directly or indirectly a fine imposed under this Act shall be
23 guilty of an offence and be punishable on conviction by a fine of not more
24 than N5,000,000 (five million naira) and also forfeit the amount repaid or
25 reimbursed to the staff.

26 (3) The Corporation shall have power to institute and undertake
27 criminal proceedings against Directors, officers majority shareholders and
28 customers of insured institutions before any court of law in Nigeria other
29 than a court martial and to discontinue at any stage before judgment is
30 delivered any such criminal proceeding, relating to, touching upon or

1 concerning:

2 (a) violations of the provisions specified in this Act;

3 (b) violations of the provisions specified in the Banks and Other
4 Financial Institutions Act, the Failed Banks Recovery of Debts and Financial
5 Malpractices in Banks Act, the Companies and Allied Matters Act, the Foreign
6 Exchange Act, the Money Laundering Act, the Criminal Code Act and the
7 Penal Code Act;

8 (c) violations of provisions relating to, touching upon or concerning
9 the business, operations or transactions of insured institutions under any
10 enactment.

11 (4) the Court may upon a civil suit filed by the Corporation as
12 liquidator or conservator hold personally liable for gross negligence or
13 conduct that demonstrates breach of duty of care any officer, director, majority
14 shareholder, agent, employee, customer, auditor, or legal practitioner of an
15 insured institution and award compensatory and punitive damages thereto
16 determined to have resulted from the improvident or otherwise improper use,
17 application or investment of the insured institution's assets, including principal
18 losses and appropriate interest.

19 (5) Any Director or officer of the insured institution who grants,
20 allows to be granted or is any way involved in the granting of a loan, a
21 guarantee or credit facility:

22 (i) without security as required by the insured institution's
23 regulations or policy;

24 (ii) in contravention of the insured institution's regulations or policy
25 or this Act or any other law or regulation shall be guilty of an offence and be
26 liable on conviction to the repayment of the unsecured loan, guarantee or
27 facility including interest and to 2 years imprisonment without the option of
28 fine.

29 (6) All principal officers of a licensed bank or other deposit taking
30 financial institution who contravene this Section shall be guilty of an offence

1 and be liable to 3 years imprisonment or a fine of not more than N5 million or
2 to both such fine and imprisonment.

3 (7) Without prejudice to criminal prosecution as provided in this
4 Section, any person found guilty of violating the provision of any law
5 referred to in this section shall in addition to imprisonment upon conviction
6 be:

7 (a) liable to forfeiture of all assets derived from commission of the
8 offence;

9 (b) Subject to penalty assessed as the loss suffered by the insured
10 institution as a result of the commission of such offence or which is related
11 directly to the amount involved in the offence committed.

12 (8)(a) A director or officer or majority shareholder or employee or Civil Penalty
13 customer or service provider or agent or Legal practitioner or accountant Damages
14 or external auditor or consultant of, or any other party employed by or
15 providing services to an insured institution may be held personally liable
16 for monetary damages in any civil action instituted, on behalf of, at the
17 request or direction of, or taken over, or by the Corporation acting as
18 Liquidator or conservator of such insured institution for mismanagement or
19 poor management of such insured institution or its assets or for breach of
20 trust, negligence, gross negligence or similar conduct that demonstrates
21 breach of or disregard of duty of care or other tortuous conduct as well as
22 under any statute whether or not resulting in the failure of such insured
23 institution;

24 (b) In any proceeding related to any claim for monetary damages
25 against an insured institution's director, officer, employee, majority
26 shareholder, customer, service provider, agent, Legal Practitioner,
27 accountant, external auditor, consultant, or any other party employed by or
28 providing services to an insured institution, recoverable damages
29 determined to result from the mismanagement or poor management of such
30 insured institution or its assets or the improvident or otherwise improper

1 use or investment of an insured institutions assets shall include principal
2 losses and appropriate interests.

Power to
compound
offences

3 55. -(1) Without prejudice to section 174 of the Constitution of the
4 Federal Republic of Nigeria, the Corporation may compound any offence
5 punishable under this Act by accepting an amount not exceeding two thirds of
6 such maximum fines provided for the offence by this Act.

7 (2) All monies received by the Corporation under the provisions of
8 subsection (1) of this section shall be paid into the consolidated Revenue Fund
9 of the Federation.

10 (3) All offences under this Act shall be tried by a Court of competent
11 jurisdiction.

Right to Appeal
in Court

12 56. -(1) Subject to the provision of Section 174 of the Constitution of
13 the Federal Republic of Nigeria (which relates to the power of the Attorney-
14 General of the Federation to institute, continue or discontinue criminal
15 proceedings against any person in any court of Law), any Legal Practitioner in
16 the employment of the Corporation may with the consent of the Managing
17 Director, prosecute or defend criminal or other proceedings in the name of and
18 on behalf of the Corporation in respect of matters relating to the business or
19 operations of any insured bank in the course of carrying out the objects and
20 objectives of this Act.

21 (2) Notwithstanding the provisions of any enactment to the contrary, a
22 person appointed under Section (56) (1) of this Act who is a legal practitioner
23 shall, while so appointed be entitled to represent the Corporation as legal
24 practitioner for the purpose and in the course of his employment, without
25 prejudice to the power of the Corporation to engage private legal practitioners
26 in any proceedings.

27 PART XI - ANNUAL ACCOUNTS

Accounts and
Audit

28 57. -(1) The Managing Director shall submit to the Board for approval
29 not later than 30th September of each year an estimate of its expenditure and
30 income during the succeeding year.

1 (2) The Corporation shall keep proper accounts in respect of each
2 financial year, and proper records in relation to those accounts and shall
3 cause the accounts to be audited within 6 months after the end of the
4 financial year.

5 (3) For the purpose of subsection (1) of this section the financial
6 year of the Corporation shall be from 1st January to 31st December of every
7 year or such other period as may be determined by the Board.

8 (4) The accounts of the Corporation shall be audited by auditors
9 appointed from time to time on such terms as may be determined by the
10 Board, subject to the provision of Section 85 of the Constitution of the
11 Federal Republic of Nigeria.

12 58. It shall be the duty of the management of the Corporation to Annual Report
13 prepare and submit to the Board, not later than three months after the end of
14 each financial year, a report which shall be in such form as the board may
15 direct and shall relate to the activities of the corporation during the
16 immediately preceding financial year and thereafter a copy each shall be
17 submitted to the Governor of the Central Bank of Nigeria and the Minister.

18 PART XII - GENERAL

19 59. An insured institution may advertise its insured status without Advertisement
20 prior approval from the Corporation.

21 60. The Corporation shall be exempted from provisions of the Exemption from
22 Insurance Act or any amendment thereof. Insurance Act

23 (1) The Corporation shall have power to borrow from the Central Power to borrow
24 Bank of Nigeria such moneys as it may deem fit for the discharge of its
25 functions under this Act.

26 (2) The Central Bank of Nigeria may guarantee in such manner and
27 upon such terms as it may deem fit the redemption and the repayment of any
28 interest on any debenture stocks raised by the Corporation.

29 61.-(1) The Corporation shall have access to reports of Relationship with
30 examination conducted by the Central Bank of Nigeria. the Central Bank
of Nigeria

1 (2) The Corporation shall make reports of its examination of insured
2 institutions and any other information essential to safe and sound banking
3 practice available to the Central Bank of Nigeria.

4 (3) The Central Bank of Nigeria shall make available to the
5 Corporation relevant information on the insured institutions licensed by it.

6 (4) The Central Bank of Nigeria shall be required to inform the
7 Corporation on all the contraventions committed by any insured institution
8 under the provisions of this Act.

9 (5) The Corporation shall cooperate with the Central Bank of Nigeria
10 on matters affecting any insured institution.

11 (6) The Corporation shall have power to enter into a memorandum of
12 understanding with any relevant agency in the discharge of its mandate. Such
13 agency shall include but is not limited to any member of the international
14 Association of Deposit Insurers (ADI)

External Auditors
of all Insured
Institutions and
reporting
requirements

15 62. -(1) No duty to which an auditor of an insured institution or a
16 person appointed pursuant to the provisions of Banks and Other Financial
17 Institutions Act 1991 or any amendment thereof is subject shall be contravened
18 by reason of his communicating in good faith to the Corporation whether or not
19 in response to a request made by it, any information or opinion on a matter to
20 which this section applies and which is relevant to safe and sound banking and
21 financial practice.

22 (2) An auditor of an insured institution shall recognize the
23 Corporation's responsibility for the protection of the interest of depositors and
24 shall bring to the notice of the Corporation:

25 (a) any adverse development such as possibility of imminent financial
26 collapse;

27 (b) evidence of an occurrence which has led or is likely to lead to a
28 material diminishing of the insured institutions net asset;

29 (c) evidence that there has been a significant weakness in the
30 accounting and other records or the internal control system of the insured

1 institution;

2 (d) evidence that the management of the insured institution has
3 reported financial information to the Corporation which is misleading in a
4 material particular;

5 (e) where he believes that a fraud or other misappropriation has
6 been committed by the directors, management or staff of the insured
7 institution or has evidence of the intention of directors or senior
8 management to commit such fraud or misappropriation;

9 (f) where there has been an occurrence which causes the auditor to
10 no longer have confidence in the competence of the directors or the senior
11 management to conduct the business of the insured bank in a prudent or safe
12 and sound manner so as to protect the interest of the depositors such as
13 acting in an irresponsible or reckless manner in respect of the affairs of the
14 insured bank.

15 (3) Any auditor of an insured institution who acts in contravention
16 of or fails deliberately or negligently to comply with any of the provisions of
17 subsection (2) of this section in any respect shall be guilty of an offence and
18 liable on conviction to a maximum fine of N5, 000,000.00.

19 63. -(1) The Corporation or any of its directors, officers or agents
20 shall not be subject to any action, claim or demand by or liability to any
21 person in respect of anything done or omitted to be done in good faith in
22 pursuance or in execution of or in connection with the execution of any
23 power conferred upon the Corporation, such director, officer or agent.

Indemnity of the
Corporation

24 (2) No suit shall be commenced against the Corporation before the
25 expiration of a period of one (1) month after written notice of intention to
26 commence the suit shall have been served upon the Corporation by the
27 intending plaintiff or his agent and the notice shall clearly and explicitly
28 state the cause of action and the place of abode for the intending plaintiff and
29 the relief which he claims.

Service of
Process

1 (3) Every originating process or other process intended for service on
2 the Corporation may be served by giving the process to the Board Secretary or
3 the Director of the Legal Department at the Corporation's Head Office, Abuja,
4 FCT.

5 (4) The Chief Judge of the Federal High Court may designate any
6 judge of the Federal High Court to hear matters for the recovery of debts owed
7 to insured financial institution under the control and management of the
8 Corporation or under liquidation and criminal offences related thereto or
9 arising from the provisions of this Act, the Banks and Other Financial
10 Institutions Act, the Failed Banks (Recovery of Debt) and Other Financial
11 Malpractices in Banks Act, or any legislation containing banking and related
12 offences, to the exclusion of any other matter for such period as may be
13 determined by the Chief Judge.

Regulations

14 64. -(1) The Board may make and publish in the Official Gazette of the
15 Federal Republic of Nigeria, Regulations, Rules or Orders to give full effect to
16 the objects and objectives of this Act.

17 (2) The power to make regulations, rules or orders conferred on the
18 Board by this Act shall include:

19 (a) power to make provisions for such incidentals and supplementary
20 matters as the authority making the instrument considers expedient for the
21 purpose of the instrument;

22 (b) power to make different provisions for different circumstances
23 guiding the operations of the Deposit Insurance Scheme;

24 (c) The Corporation may impose a penalty not exceeding N1,000,000
25 (one million naira) on an insured bank or other financial institution or its
26 directors or officials or recommend to the Governor of the Central Bank of
27 Nigeria to suspend the licence of the insured bank or financial institution if the
28 insured bank or financial institution fails to comply with any provisions of this
29 Act.

1 receiving it;

2 (g) "Excess Insured Deposit Claims" means deposits over and above
3 the insured amounts which are payable on realization of the assets of a failed
4 insured institution;

5 (h) "Failed insured institution" means an insured institution whose
6 operating licence has been revoked or which is critically undercapitalized i.e its
7 capital to risk weighted assets ratio is above 2 percent but below 5 percent or
8 that is declared a failed bank by the Corporation or the CBN in accordance with
9 the criteria stipulated in the Prudential Guidelines issued for licenced banks;

10 (i) "Failing bank" means an insured institution whose capital to risk
11 weighted assets ratio or regulatory capital is below the minimum prescribed by
12 CBN in accordance with the criteria stipulated in the Prudential Guidelines
13 issued for licenced banks;

14 (j) "Family Member" means Husband, Wife, Father, Mother, Brother,
15 Sister, Son, Daughter and their spouses;

16 (k) "Insured Institution" means a licensed bank or other deposit
17 taking financial institution, the deposits of which are insured in accordance
18 with the provisions of this Act;

19 (l) "Liquidator" means the Nigeria Deposit Insurance Corporation or
20 such other person appointed by the Corporation to act as Liquidator;

21 (m) "Minister" means the Minister charged with responsibility for
22 matters relating to finance;

23 (n) "Other deposit taking financial institutions" means and includes
24 licensed community banks and licensed primary mortgage institutions;

25 (o) "Partners" in Section 54(3) of this Act shall include directors of a
26 limited liability company carrying out audit functions in respect of an insured
27 institution;

28 (p) "Significant interest" means shares of an aggregate value of not
29 less than 5% (five percent) of the total shareholding, whether held directly by
30 the person or through other person or a company in which he has shareholding;

- 1 (q) "State" means any of the States of the Federation;
- 2 (r) "Supervisory Authorities" means the Corporation, Central
3 Bank of Nigeria and any other government body charged with regulation or
4 supervision of banks and other financial institutions;
- 5 (s) "Closed Insured Institution" has the same meaning with failed
6 insured institution";
- 7 (t) "Court" means any Court of competent jurisdiction including a
8 Federal or State High Court, Tribunal, or the National Industrial Court;
- 9 (u) "Failure of an Insured Institution" means a failing or failed
10 insured institution;
- 11 (v) "Majority Shareholder" means a shareholder who is having
12 controlling or the beneficial owner of an aggregate value of not less than 5%
13 [five percent] of the total shareholding in an insured institution, whether
14 held directly or through other persons or company in which the shareholder
15 has shareholding or other security interest.

16 68. This Act may be cited as the Nigeria Deposit Insurance Corporation Bill, 2016. Citation

18 SCHEDULE

19 PROCEEDINGS OF THE BOARD

20 The Board may make standing orders regulating the proceedings of the
21 Board or of any committee thereof and shall meet not less than four times in
22 every year.

23 The quorum of the Board shall be five which shall include the Managing
24 Director or one Executive Director, the representatives of the Central Bank
25 of Nigeria or the Ministry of Finance and three part-time members.

26 1. -(1) Subject to the provisions of any applicable standing orders,
27 the Board shall meet whenever summoned by the Chairman and if the
28 chairman is required to do so by notice given to him by not less than three
29 other members shall summon a meeting of the Board to be held within
30 twenty-one days from the date on which the notice is given.

1 (2) At any meeting of the Board, the Chairman shall preside or in his
2 absence, the members present at the meeting shall appoint one of their
3 members to preside at that meeting.

4 (3) Where the Board wishes to obtain the advice of any person on a
5 particular matter, the Board may invite for such period as it thinks fit; but a
6 person who is invited by virtue of this sub-paragraph shall not be entitled to
7 vote at any meeting of the Board and shall not count towards a quorum.

8 2.-(1) The Board may appoint one or more committees to carry out on
9 behalf of the Board, such of its functions as the Board may determine.

10 (2) A committee appointed under this paragraph shall consist of the
11 number of persons determined by the Board and not more than one-third of
12 those persons may be persons who are not members of the Board and a person
13 other than a member of the Board shall hold office on the committee in
14 accordance with the terms of the instrument by which he is appointed.

15 (3) A decision of a committee constituted under this Section shall be
16 of no effect until it is confirmed by the Board.

17 3.-(1) The fixing of the Seal of the Corporation shall be authenticated
18 by the signature of the Chairman or Managing Director and any other person
19 authorized by the Board.

20 (2) Any contract or instrument which if made or executed by a person
21 not being a body corporate, would not be required to be under seal may be made
22 or executed on behalf of the Board by any person generally or specially
23 authorized to act for that purpose by the Board.

EXPLANATORY NOTE

This Act amongst other things repeals the Nigeria Deposit Insurance Corporation Act 1988 and replaces it with a new Act that provides for the Nigeria Deposit Insurance Corporation as the insurer of all deposit liabilities of licensed banks and other financial institutions.