

PAYMENT SYSTEMS MANAGEMENT BILL, 2017

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SCHEDULE

A BILL

FOR

AN ACT TO PROVIDE FOR THE MANAGEMENT, ADMINISTRATION,
OPERATION, REGULATION AND SUPERVISION OF PAYMENT, CLEARING
AND SETTLEMENT SYSTEMS IN NIGERIA AND FOR RELATED MATTERS

Sponsored by Senator John Owan Onoh

[] Commencement

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

PART I - OBJECTIVE

1. The objectives of this Act are to-

Objectives

(a) create a legal, institutional and regulatory framework that
would ensure transparency, effective and efficient management,
administration and operation of payments, clearing and settlement systems
in Nigeria;

(b) create certainty and predictability in payment systems
management;

(c) institutionalize best practices in payment systems management
in Nigeria;

(d) ensure nationally utilized and internationally recognized
payment systems encompassing the total payment processes from issuance
of instruction to final settlement;

(e) provide uniform, comprehensive and effective mechanism for
the settlement of disputes arising from payment systems management; and

(f) enable transacting parties to exchange values and to conduct
business transactions efficiently.

PART II - AUTHORISATION OF PAYMENT SYSTEMS

2.-(1) A person, other than Central Bank of Nigeria (in this Act
referred to as "the Bank"), shall not commence or operate a payment system

Authorisation to
operate Payment
Systems

1 except in accordance with an authorisation issued by the Bank under the
2 provisions of this Act.

3 (2) Nothing contained in this section shall apply to-

4 (a) the continued operation of an existing payment system provided
5 that the operator of such existing payment system shall apply to the Bank for
6 authorisation to continue with the payment system within a period not
7 exceeding six months from the date of commencement of this Act;.

8 (b) a company accepting payments either from its holding company
9 or any of its subsidiary companies, or from any other company which is also a
10 subsidiary of the same holding company; or

11 (c) any other person whom the Bank may, by notice published in the
12 federal gazette, exempt from the provisions of this section in the interests of
13 monetary policy, efficient operation of payment system, the size of any
14 payment system or for any other reason.

Application for
authorisation

15 3. -(1) Any person desirous of commencing or carrying on a payment
16 system shall apply to the Bank for an authorisation under this Act.

17 (2) Any person, who is not a system participant but is desirous of
18 providing payment system services, shall apply to the Agency to be registered
19 as a service provider in line with the provisions of this Act.

20 (3) An application under this section shall only be made by a company
21 duly incorporated in Nigeria.

22 (4) An application under subsections (1) and (2) of this section shall
23 be made in the prescribed form and manner and shall be accompanied by
24 documents and fees as may be prescribed by the Agency, from time to time

Inquiry by the
Agency

25 4. The Agency may, upon the receipt of an application for
26 authorisation under section 3 of this Act and before an authorisation is issued
27 under this Act, make such inquiries as it may consider necessary or authorise
28 any person on its behalf to conduct such inquiries for the purpose of satisfying
29 itself about the genuineness of the particulars furnished by the applicant, its
30 capacity to operate the payment system and the credentials of the applicant or

1 for any other reason it may consider necessary.

2 5.-(1) The Agency may, if satisfied after any inquiry under section
3 4 of this Act that the application conforms with the provisions of this Act,
4 guidelines, directives, regulations and other statutory instruments made
5 pursuant to this Act, recommend to the Bank to issue an authorisation to the
6 applicant.

Issuance of
authorisation

7 (2) The Bank shall issue an authorization to the Applicant to
8 operate a payment system having regard to the-

9 (a) need for the proposed payment system or the services proposed
10 to be undertaken by it;

11 (b) technical standards or the design of the proposed payment
12 system;

13 (c) terms and conditions of operation of the proposed payment
14 system including any procedure for securing the system;

15 (d) manner in which transfer of funds may be effected within the
16 payment system;

17 (e) procedure for the netting of payment instructions or of effecting
18 the payment obligations under the payment system;

19 (f) financial status, experience and integrity of the applicant;

20 (g) interests of consumers, including the terms and conditions
21 governing their relationship with payments system providers;

22 (h) monetary and credit policies; and

23 (i) any other factor as may be considered relevant by the Bank,
24 from time to time.

25 (3) An authorisation issued under subsection (2) of this section
26 shall be in such form as may be prescribed by the Bank and shall-

27 (a) state the date on which it takes effect;

28 (b) state the conditions subject to which the authorisation shall be
29 in force;

1 (c) indicate the fees, if any, to be paid for the authorisation to be in
2 force;

3 (d) where it is considered necessary, require the applicant to furnish a
4 risk management framework, including allocation of liability for the proper
5 conduct of the payments system under the provisions of this Act; and

6 (e) continue to be in force unless the authorisation expires or is
7 revoked.

8 (4) Every application for authorisation shall be processed by the
9 Agency within six months from the date of filing of such application.

Refusal of an
authorisation

10 6. Where the Agency considers that the application for authorisation
11 or registration should be refused, it shall give notice stating the reasons for its
12 refusal to the applicant and the applicant may within 30 days make
13 representation to the Bank in respect of the notice.

Revocation of
authorisation

14 7.-(1) Where a payment system participant-

15 (a) contravenes any of the provisions of this Act;

16 (b) fails to comply with any statutory instrument issued pursuant to
17 this Act;

18 (c) fails to comply with the orders or directions issued by the Bank;

19 (d) operates a payment system contrary to the conditions subject to
20 which the authorisation was issued, or

21 (e) has its operating licence revoked by the Bank pursuant to the
22 provisions of the Banks and Other Financial Institutions Act,

23 the Bank may on the recommendation of the Agency, by order, revoke the
24 authorisation or registration granted to the payment system participant under
25 this Act subject to the provisions of subsection (2) of this section.

26 (2) Where the Bank proposes to revoke the authorisation or
27 registration of a payment system participant under subsection (1) of this
28 section, the Bank shall give notice stating the reasons for the revocation to the
29 payment system participant and the payment system participant may within 30
30 days make representation to the Bank in respect of the notice.

1 (3) Without prejudice to the provisions of subsection (2) of this
2 section, the Bank may direct the system participant to refrain from the
3 operation of a payment system, until a final decision is taken by the Bank.

4 (4) Nothing contained in subsection (1) of this section shall apply
5 to a case where the Bank considers it necessary to revoke the authorisation
6 granted to a payment system in the interest of the monetary policy of the
7 country or for any other reasons to be specified by it in the order of
8 revocation.

9 (5) The order of revocation issued under subsection (1) shall
10 include necessary provisions to protect and safeguard the interests of
11 persons affected by such order of revocation.

12 (6) Where a payments system participant becomes insolvent,
13 dissolved or wound up, it shall immediately notify the Bank through the
14 Agency and thereupon the Bank shall take such steps as it deems necessary
15 to revoke the authorisation granted to such system participant to operate the
16 payments system.

17 (7) Where the Bank revokes the authorisation pursuant to
18 subsection (1) of this section, it shall communicate such revocation to all the
19 participants in the payments system by public notice published in the official
20 gazette.

21 8.-(1) A system participant shall not effect any change in its
22 payments system which would affect the structure or the operation of the
23 national payment systems without-

Change in the
payments system

24 (a) the prior approval of the Bank on the recommendation of the
25 Agency ; and

26 (b) giving not less than 30 days' notice of the approved change to
27 other system participants.

28 (2) Where the Agency has any objection to the proposed change for
29 any reason, it shall communicate such objection to the system participant

1 within 2 weeks of receipt of the notice of the proposed change from the
2 participant.

3 (3) Notwithstanding the provisions of subsections (1) and (2) of this
4 section, the Bank may on the recommendation of the Agency and in the interest
5 of monetary policy of the country or in the public interest, permit or direct a
6 system participant to make changes in a payments system and shall
7 immediately notify other system participants of such changes.

8 PART III - PAYMENTS AND SETTLEMENTS

Payment
provisions

9 9.-(1) A person shall not introduce a payment instrument unless the-

10 (a) person is a system participant;

11 (b) instrument is registered with the Payment Systems Management
12 Agency established under Part IV of this Act upon application made to it by the
13 person in a form prescribed by the Agency; or

14 (c) person is exempted by the Bank under subsection (2) of this
15 section.

16 (2) The Agency, in consultation with the Bank may, by notice exempt
17 any person or category of persons from the application of subsection (1) of this
18 section, where it is satisfied that such exemption is in the public interest and
19 will not cause undue risk to the national payments system and subject to such
20 other conditions as the Bank may approve.

21 (3) A person who contravenes subsection (1) of this section commits
22 an offence and is liable on conviction to a term of not less than one year
23 imprisonment or to a fine of not less than three million Naira or both.

Third party
payment

24 10.-(1) A person shall not accept payment instructions or money, as a
25 regular feature of business, from any other person for purposes of making
26 payment on behalf of that other person to a third party to whom that payment is
27 due, unless the person accepting payment instructions or money is-

28 (a) a system participant or its agent; or

29 (b) a person or one of a category of persons exempted by the Bank
30 under subsection (3) of this section.

(2) Subsection (1) of this section shall not be construed as prohibiting the acceptance of payment instructions or money by-

(a) a holding company from its subsidiary, or by a subsidiary from its holding company, or by a subsidiary from another subsidiary of the same holding company; or

(b) an agent of the holding company or subsidiary referred to in paragraph (a) of this subsection.

(3) The Agency in consultation with the Bank may, by notice exempt any person or category of persons from the application of subsection (1) of this section, where it is satisfied that such exemption is in the public interest and will not cause undue risk to the national payments system and subject to such other conditions as the Bank may approve.

(4) Subject to guidelines issued by the Bank, a payment instrument shall not be paid into any account other than the account of the beneficiary as stated on the face of the instrument.

(5) A system participant shall report any payment system related fraud to the Bank through the Agency within 7 days of becoming aware of the fraud.

(6) A person who contravenes the provisions of subsection (1) of this section commits an offence and shall on conviction be liable-

(a) in the case of an individual, to a term of not less than one year imprisonment or to a fine of not less than three million Naira or both, and

(b) in the case of a body corporate, to a fine of not less than fifteen million Naira.

(7) A person who contravenes subsections (4) and (5) of this section commits an offence and shall be liable to an administrative penalty to be imposed by the Bank under section 39 of this Act.

11.-(1) A person shall not clear payment instructions unless the person is an authorised system participant or its agent.

Clearing
provisions

(2) A person who contravenes the provisions of subsection (1) of

1 this section commits an offence and is liable on conviction-

2 (a) in the case of an individual, to a term of not less than one year
3 imprisonment or to a fine of not less than three million Naira or both; and

4 (b) in the case of a body corporate to a fine of not less than fifteen
5 million Naira.

6 (3) For the purposes of establishment and operation of clearing
7 houses for a sound and efficient operation of payment system, the provisions of
8 section 47 of the Central Bank of Nigeria Act and any amendments thereto shall
9 apply.

Designated
settlement
systems

10 12.-(1) The Bank may by Order, designate a settlement system to
11 ensure the effectiveness, efficiency or safety of the national payments system
12 and the designation Order shall be communicated to the designated settlement
13 system operator.

14 (2) Without prejudice to the provisions of subsection (1) of this
15 section, a settlement system operator may apply to the Bank through the
16 Agency to be designated as settlement system.

17 (3) In considering the designation of any settlement system, the Bank
18 may require from the settlement system-

19 (a) the rules of the settlement system; and

20 (b) any additional information it may deem appropriate from time to
21 time.

22 (4) In considering the designation of a settlement system, the Bank
23 may have regard to any or all of the following matters-

24 (a) the purpose and scope of the settlement system;

25 (b) the rules of the settlement system;

26 (c) any laws or regulatory requirements relating to the operation of
27 settlement system and the extent to which the settlement system complies with
28 those laws or regulatory requirements;

29 (d) the importance of the settlement system to the national financial
30 and payments system; and

1 (e) any other matter that the Bank may consider appropriate or
2 expedient.

3 (5) Upon the designation of a settlement system for purposes of this
4 Act, the Bank may by notice in the official gazette specify-

5 (a) the settlement system;

6 (b) the person who is the operator of the settlement system; and

7 (c) any terms and conditions to which the designation is subjected
8 to.

9 (6) The Bank may, by notice in the official gazette, vary the
10 conditions of or revoke any designation of the settlement system made under
11 subsection (1) of this section.

12 (7) In determining whether or not to vary the conditions of or
13 revoke a designation of the settlement system made under subsection (1) of
14 this section, the Bank may have regard to the matters mentioned in
15 subsection (4) or any of the following-

16 (a) any failure to comply with any condition to which the
17 designation is subjected to;

18 (b) whether the designated settlement system has ceased to
19 operate;

20 (c) whether the designated settlement system operator has
21 knowingly furnished information or documents which are false or
22 misleading in any material respect to the Bank in connection with the
23 designation of the system;

24 (d) whether it is in the public interest to revoke the designation; or

25 (e) any other matter that the Bank may consider appropriate.

26 (8) A variation of the conditions to which a designation is subject
27 to or revocation of designation, shall not have retroactive effect or affect the
28 validity or enforceability of the rules of the designated settlement system,
29 nor shall it affect any payment to or out of the account of a settlement system
30 participant, netting or settlement that took place, prior to the coming into

Finality of
settlement

1 effect of the variation or revocation.

2 **13.-(1)** A person shall not participate in the settlement systems unless
3 such person is the Bank or a system participant.

4 (2) A system participant shall discharge any payment or settlement
5 obligation in accordance with applicable settlement rules in money or by
6 means of an entry passed through the settlement system to the credit of the
7 settlement account of the beneficiary system participant.

8 (3) The timing for finality of settlement shall be as set out under the
9 applicable settlement rules referred to in subsection (2) of this section.

10 (4) A discharge of payment or settlement obligation that has been
11 effected in terms of subsection (2) of this section is final and irrevocable.

12 (5) Notwithstanding the provisions of any other law, a settlement
13 instruction that has been finally and irrevocably effected in terms of subsection
14 (2) of this section may not be revoked, reversed, netted, set-off or set aside.

15 (6) The Agency may in consultation with the Bank determine such
16 conditions, rules or procedures, as it considers necessary regarding the issuing
17 of settlement instructions and discharging of settlement obligations including
18 security in support of settlements.

19 (7) The conditions, rules or procedures issued pursuant to the
20 provisions of subsection (6) of this section shall be incorporated in settlement
21 contracts to be entered into between the Agency and system participants.

22 (8) In the event of winding up proceedings against a system
23 participant-

24 (a) the Registrar of the Federal High Court shall forward or cause to be
25 forwarded to the Agency, a copy of the petition for winding-up within fourteen
26 days of its filing and any consequential Order thereof within fourteen days of
27 its issuance;

28 (b) the Agency shall within two business days of the receipt of the
29 petition or consequential Order referred to in paragraph (a) of this subsection
30 advise the Bank.

1 (9) Notwithstanding the provisions of the Companies and Allied
2 Matters Act, a winding-up Order shall not affect any settlement that has
3 become final and irrevocable prior to the service of the Order on the Agency.

4 **14.-(1)** Notwithstanding anything to the contrary in the Companies
5 and Allied Matters Act, any other law, subsidiary legislation, rule,
6 procedure or practice, where the authorisation or the designation of a system
7 participant is revoked pursuant to section 7 or section 12(6) of this Act
8 respectively; or a system participant is wound up by an order of a court of
9 competent jurisdiction, or a receiver or liquidator is appointed for a system
10 participant; any provision contained in a written netting agreement to which
11 the system participant is a party or any netting rule or practice applicable to
12 the system participant shall be binding upon the liquidator or receiver in
13 respect of-

Settlement and
Insolvency

14 (a) any payment or settlement instruction which has been delivered
15 to another system participant, a service provider or to the Bank prior to the
16 revocation, winding up order, or appointment of the liquidator or receiver
17 and which instruction-

18 (i) is subject to calculation and determination through clearing or
19 netting; or

20 (ii) may result in a payment or settlement obligation, which
21 obligation is to be discharged on or after the date of the revocation, the
22 winding-up order, or appointment of the receiver or liquidator, or the
23 discharge of which was overdue on the date of the winding-up order, or
24 appointment of the receiver or liquidator, as the case may be.

25 (b) any payment or settlement obligation, which-

26 (i) has been determined through netting prior to the revocation, the
27 issue of the winding-up order or appointment of the receiver or liquidator; or

28 (ii) is to be discharged on or after the date of the revocation, the
29 winding-up order, appointment of the receiver or liquidator, or the discharge
30 of which was overdue on the date of the winding-up order, appointment of

1 the receiver or liquidator.

2 (2) Notwithstanding anything to the contrary in the Companies and
3 Allied Matters, any other law, subsidiary legislation, rule, procedure or
4 practice, any asset of a system participant which the system participant, prior to
5 the revocation or issue of its winding-up order, has provided-

6 (a) to the Bank or any other system participant as security in respect of
7 its settlement obligation, may be utilised by the Bank to the extent required for
8 the discharge of that settlement obligation; or

9 (b) in terms of a written agreement with a service provider, to the
10 service provider as security in respect of its payment obligation, may be
11 utilised by the service provider to the extent required for the discharge of that
12 payment obligation.

13 PART IV - PAYMENT SYSTEMS MANAGEMENT AGENCY

Establishment
of the Payment
Systems
Management
Agency

14 15.-(1) There is established the Payment Systems Management
15 Agency (in this Act referred to as "the Agency").

16 (2) The Agency-

17 (a) shall be a body corporate with perpetual succession and a common
18 seal;

19 (b) may sue and be sued in its corporate name;

20 (c) shall have powers to enter into contracts and incur obligations; and

21 (d) may, subject to the provisions of the Land Use Act, acquire, hold,
22 purchase, mortgage and deal howsoever with property, movable or
23 immovable, real or personal.

Establishment
of the Payment
Systems Strategy
Board

24 16.-(1) There is established for the Agency, the Payment Systems
25 Strategy Board (in this Act referred to as "the Board")

26 (2) The Board shall consist of the following members-

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

28 (b) the Deputy Governor in-charge of Payments Systems in the Bank,
29 who shall be the Vice-Chairman;

30 (c) the Deputy-Governor in charge of monetary policy;

- 1 (d) the Accountant - General of the Federation;
- 2 (e) the Director-General, National Identity Management
- 3 Commission;
- 4 (f) two members to be nominated by the Bankers' Committee;
- 5 (g) a representative of the Nigerian Communications Commission
- 6 not below the rank of a director or its equivalent;
- 7 (h) Chairmen of the Payment Scheme Boards;
- 8 (i) Chairman of Payment Initiatives Coordinating Committee;
- 9 (j) two Independent Directors appointed by the Bank to represent
- 10 the end-user community;
- 11 (k) the Solicitor- General of the Federation and Permanent
- 12 Secretary, Federal Ministry of Justice;
- 13 (l) the Permanent Secretary, Ministry of Communication
- 14 Technology;
- 15 (m) the Director-General, Securities and Exchange Commission;
- 16 (n) the Chairman in-charge of the National Central Switch; and
- 17 (o) the Executive - Secretary of the Agency who shall be the
- 18 Secretary to the Board.
- 19 (3) Members of the Board other than the ex - officio members shall
- 20 hold office for a term of four years and shall be eligible for re-appointment
- 21 for another term of four years and no more.
- 22 (4) The office of a member of the Board shall become vacant
- 23 where-
- 24 (a) he resigns his office by notice in writing under his hand
- 25 addressed to the Governor, Central Bank of Nigeria;
- 26 (b) he dies;
- 27 (c) he becomes of unsound mind or incapable of carrying out the
- 28 duties of his office;
- 29 (d) he becomes bankrupt;
- 30 (e) he is found guilty of gross misconduct relating to his duties;

1 (f) in the case of an ex-officio member, he ceases to hold the office on
2 the basis of which he became a member of the Board; or

3 (g) the Bank is satisfied that it is not in the interest of the Agency or of
4 the public for the person to continue in office.

5 (5) The Chairman and members of the Board shall be paid such
6 allowances or incidental expenses as the Bank, may from time to time approve.

7 (6) The provisions of the Schedule to this Act shall have effect with
8 respect to the proceedings of the Board and other matters mentioned therein.

Functions of
the Agency

9 17.-(1) The Agency shall be responsible for-

10 (a) the due administration and enforcement of the provisions of this
11 Act and other laws and regulations on payment systems;

12 (b) facilitating the implementation of measures for the effective
13 regulation of payment systems in Nigeria;

14 (c) the provision of secretariat functions to Payment Systems Strategy
15 Board;

16 (d) recommending to the Bank, the criteria for membership of
17 payments system including authorisation, continuation, termination and
18 rejection of membership;

19 (e) ensuring interoperability and promotion of wider participation
20 within set risk management parameters;

21 (f) setting the eligibility and participation criteria for clearing and
22 settlements in the payments system;

23 (g) ensuring that the rules of payment systems management are fair,
24 equitable and transparent; and

25 (h) carrying out such other activities and programmes as are
26 necessary for the efficient discharge of the functions conferred on it under this
27 Act.

28 (2) The Agency may, from time to time, and in consultation with the
29 Bank, prescribe the-

1 (a) format, mode, manner, value and the shape of payment
2 instructions;

3 (b) timings to be maintained by payment systems participants;

4 (c) manner of transfer of funds within the payments system, either
5 through paper, electronic means or in any other manner, between banks or
6 between banks and other system participants;

7 (d) conditions subject to which the system participants shall
8 participate in a payments system and the rights and obligations of the system
9 participants in the system; and

10 (e) specifications, modes and procedures for deployment of
11 payments system infrastructures.

12 (3) Without prejudice to the provisions of subsection (2) of this
13 section, the Agency may, from time to time, with the prior approval of the
14 Board, issue such guidelines, as it may consider necessary for the proper and
15 efficient management of the payments system generally or with reference to
16 any particular payment system.

17 (4) For the effective conduct of the functions of the Agency, there
18 shall be established for the Agency the following Departments-

19 (a) Operations and Monitoring Department;

20 (b) Legal and Enforcement Department; and

21 (c) Risks and Audit Department.

22 (5) The Agency may create such other Departments and Units as it
23 may deem appropriate, from time to time, for the effective discharge of its
24 functions under this Act.

25 (6) The common seal of the Agency shall be kept and used as may
26 be authorised by the Agency.

27 **18.-(1)** For the purpose of carrying out its functions under this Act,
28 the Agency shall have powers to-

General Powers
of the Agency

29 (a) advise on and implement national payment systems
30 management policies and strategies;

1 (b) impose charges and fees for approvals, services and facilities
2 provided by the Agency as deemed appropriate; and

3 (c) perform all other acts which are incidental or necessary for the
4 purpose of the due implementation of this Act.

5 (2) The Agency, shall have the right to access any information relating
6 to the operation of any payment system by a system participant and the system
7 participant shall provide access to such information.

8 (3) Any officer of the Agency duly authorised in writing may, for the
9 purpose of ensuring compliance with the provisions of this Act or any Statutory
10 Instrument, enter any premises where a payment system is being operated and
11 may inspect any equipment, including any computer system or other
12 documents in the premises and may call upon any employee of such system
13 participant or any other person working in such premises to furnish such
14 information or documents as may be required by such officer.

15 (4) The Agency may, for the purposes of carrying out its functions
16 under this Act, conduct or cause to be conducted such audits and inspections of
17 a payment system operated by a system participant and it shall be the duty of
18 the system participant to assist the Agency to carry out such audit or inspection.

Functions and
powers of the
Board

19 **19. -(1)** The Board shall be responsible for-

20 (a) ensuring the implementation of the overall National Payment
21 Systems Strategy;

22 (b) the determination of the overall policy of the Agency and for
23 ensuring compliance with the policy;

24 (c) setting standards and strategic objectives for national payment
25 systems management in Nigeria;

26 (d) determining priorities and guiding resource allocation across
27 payment schemes;

28 (e) resolving conflicts among the various payment schemes;

29 (f) ensuring the safety and efficiency of the payment systems for
30 system participants and end-users;

1 (g) approving the financial, audited financial statement,
2 commercial and regulatory programmes of the Agency;

3 (h) exercising oversight function over payment Scheme Boards;
4 and

5 (i) any other function relating to payments system as may be
6 assigned to it by the Bank pursuant to the provisions of this Act or any other
7 law.

8 (2) The Board shall have power to-

9 (a) prescribe the time and venue of its meetings, the procedure to be
10 followed at such meetings (including the quorum at such meetings) and
11 other matters incidental thereto provided that the Board shall meet at least
12 three times in a year; and

13 (b) constitute the payment scheme boards as are considered
14 necessary for the efficient management of the National Payment system in
15 Nigeria and set out the terms of reference for such scheme boards.

16 20.-(1) There shall be for the Agency, an Executive - Secretary who
17 shall be appointed by the Governor, Central Bank of Nigeria in consultation
18 with the Board.

Executive-
Secretary of the
Agency

19 (2) The Executive-Secretary shall be a person of proven integrity
20 with not less than 10 years cognate experience in payment systems
21 management.

22 (3) The Executive-Secretary shall hold office for a term of four
23 years and shall be eligible for re-appointment for another term of four years
24 and no more.

25 (4) The Executive-Secretary shall be the chief executive and
26 accounting officer of the Agency and shall be responsible for the-

27 (a) execution of the policies and decisions of the Board;

28 (b) organisation, control and management of the day-to-day affairs
29 of the Agency;

30 (c) implementation of the Agency's functions and ensuring that it

1 achieves its goals;

2 (d) direction, supervision and control of other employees of the
3 Agency, subject to any directions of the Board; and

4 (e) ensuring the maintenance of accounting records in accordance
5 with applicable laws governing corporate bodies and generally acceptable
6 international best practices.

7 (5) The Executive-Secretary shall cease to hold office if he-

8 (a) he resigns his office by a notice in writing under his hand
9 addressed to the Governor;

10 (b) dies;

11 (c) becomes of unsound mind;

12 (d) becomes bankrupt or makes a compromise with his creditors;

13 (e) is convicted of a felony or any offence involving dishonesty; or

14 (f) is guilty of gross misconduct in relation to his duties.

15 (6) The Executive-Secretary may be removed from office if the
16 Governor is satisfied that it is not in the interest of the Agency or the public that
17 the Executive - Secretary should remain in office; provided that such removal
18 shall be on the recommendation of the Board.

Directors and
other staff of
the Agency

19 21.-(1) There shall be appointed for the Agency such number of
20 Directors as the Board may approve from time to time.

21 (2) A Director shall be a person of proven integrity with not less than
22 10 years cognate experience in banking or payment systems management.

23 (3) A Director shall hold office for a term of four years and shall be
24 eligible for re-appointment for another term of four years and no more.

25 (4) A Director shall be in charge of a Department in the Agency as may
26 be approved by the Board.

27 (5) The Agency shall, subject to the approval of the Payment Systems
28 Strategy Board, employ, designate and deploy such number and category of
29 staff which in the opinion of the Agency, shall be required to assist it in the
30 effective discharge of its duties and functions under this Act and Statutory

1 Instruments made under this Act.

2 (6) The job title and description, qualifications, terms and
3 conditions, salaries and allowances of the employees of the Agency shall be
4 as may be approved by the Bank, from time to time.

5 (7) Service in the Agency shall be public service for the purpose of
6 the Pension Reform Act and accordingly, officers and other staff of the
7 Agency shall in respect of their service in the Agency, be entitled to such
8 pension and retirement benefits as are applicable in the Bank.

9 (8) Notwithstanding the provisions of subsection (7) of this
10 section, nothing in this Act shall prevent the appointment of a person to any
11 office on terms which preclude the grant of pension and retirement benefits
12 in respect of that office.

13 (9) For the purpose of the application of the provisions of the
14 Pension Reform Act, any powers exercisable by a Minister or other
15 authority of the Government of the Federation (not being the power to make
16 regulations are hereby vested in and shall be exercisable by the Bank.

17 PART V - FINANCIAL PROVISIONS

18 22.-(1) There shall be established for the Agency a fund from
19 which all expenses incurred by the Agency for the execution of its functions
20 under this Act shall be paid.

Fund of the
Agency

21 (2) The fund established pursuant to subsection (1) of this section
22 shall comprise of-

23 (a) take-off grants, annual subventions and other budgetary
24 allocations received from the Bank and system participants;

25 (b) all charges, dues, levies, fees and fines collected by the Agency
26 under this Act or Statutory Instruments made under this Act;

27 (c) gifts, grants, aids and testamentary dispositions; and

28 (d) other financial assets that may from time to time be vested in or
29 accrue to the Agency in the course of performing its functions under this Act.

30 23.-(1) The revenue of the Agency in any financial year shall be

Application of
the Fund

1 applied as approved by the Board.

2 (2) The Agency may operate account with any bank as may be
3 approved by the Board.

4 (3) Monies which are not immediately required to be expended in the
5 discharge of any of the functions of the Agency shall, with prior approval of the
6 Board, be invested in the securities of the Federal Government.

Budget and
expenditure of
the Agency

7 24.-(1) The Agency shall not later than 30th September in each
8 financial year prepare and present to the Bank through the Board for approval,
9 a statement of estimated income and expenditure of the Agency for the
10 following financial year.

11 (2) Notwithstanding the provisions of subsection (1) of this section,
12 the Agency may, where necessary due to unforeseen circumstances, submit
13 supplementary or adjusted statements of estimated income and expenditure to
14 the Bank through the Board for approval.

Accounts and
audit

15 25.-(1) The Agency shall keep proper records and accounts, of its -
16 (a) receipts, payments, assets and liabilities; and
17 (b) incomes and expenditure;
18 in a form which conforms with existing laws on accounts and audit.

19 (2) The Agency shall do all things necessary to ensure that all
20 payments out of its funds are correctly made and properly authorised and that
21 adequate control is maintained over the assets in its custody and over the
22 expenditures incurred by the Agency.

23 (3) The accounts of the Agency shall be audited annually by auditors
24 appointed by the Board and approved by the Bank.

25 (4) As soon as the accounts and the financial statements of the Agency
26 have been audited in accordance with the requirement of this Act, the Agency
27 shall forward a copy of the audited financial statements to the Board, together
28 with any report or observations made by the auditor.

29 (5) The remuneration of the auditor shall be paid out of the funds of
30 the Agency.

1 **26.**-(1) The financial year of the Agency shall begin on the first of Annual and other
2 January and end on 31st December of each year. reports

(2) The Agency shall, not later than 3 months after the end of each financial year, make a report (hereinafter referred to as "Annual Report") to the Board on its activities and performance during that year.

6 (3) The Annual Report referred to in subsection (2) of this section
7 shall contain-

(a) an assessment of the extent to which its main objectives and priorities for the year as set out in the annual plan has been achieved;

(b) a summary of the significant activities carried out by the Agency during the year;

(c) a summary of the allocation of its financial resources to its various activities during the year, including allowances and emoluments;

(d) an assessment of its performance and practices in relation to its functions in accordance with applicable internationally recognized performance indicators, including challenges and constraints; and

17 (e) its budget for the next financial year.

18 (4) The Agency may-

19 (a) Prepare such other reports in respect of matters relating to any
20 of its functions; and

21 (b) arrange for any such report to be published as may be approved
22 by the Board or the Bank as the case may be. 45

(5) The Agency shall cause its annual report to be published and made available to the public at the end of each financial year subject to the approval of the Board and the Bank.

26 PART VI - POWERS OF THE BANK.

27 27. The Bank shall have power to carry out supervisory duties in Power to
28 respect of payment systems and system participants. supervise

29 **28.**-(1) The Bank may, through the Agency, request from any Powers to call for
30 system participant such returns or documents as it may require or other returns, documents
or other information

1 information regarding the operation of its payments system at such intervals, in
2 such form and in such manner as the Bank may, from time to time, require or as
3 may be prescribed and the system participant shall comply with the request.

4 (2) Subject to the provisions of subsection (3) of this section, any
5 document or information obtained by the Bank or the Agency under this
6 section shall be kept confidential.

7 (3) Notwithstanding anything contained in subsection (2) of this
8 section, the Bank or the Agency may disclose any information or tender any
9 document obtained by it to any person or institution to whom the disclosure of
10 such information or tendering of such document is considered necessary for
11 protecting the integrity, effectiveness or safety of the national payments
12 system, or in the interest of banking or monetary policy or the operation of the
13 payments system generally or in the public interest or in compliance with any
14 legal requirement.

Power to issue
directions

15 29.-(1) Where the Bank is of the opinion that-

16 (a) a system participant is engaging in or is about to engage in any act,
17 omission or course of conduct that results in or is likely to result in systemic
18 risk being inadequately controlled; or

19 (b) any action under paragraph (a) is likely to affect the payments
20 system, the monetary policy or the credit policy of the country,
21 it may suspend the system participant or issue directions in writing to the
22 system participant within such time as the Bank may specify to-

23 (i) cease or desist from engaging in the act, omission or course of
24 conduct relating to the systemic risk; or

25 (ii) perform such acts as may be necessary, in the opinion of the Bank,
26 to remedy the situation.

27 (2) The Agency and every person to whom a direction has been issued
28 by the Bank under this section shall comply with such directive without any
29 delay and furnish a report of compliance to the Bank within the time allowed by
30 the directive.

1 (3) Without prejudice to the provisions of subsection (1) to this
2 section the Bank may, if satisfied that for the purpose of enabling it to
3 regulate the payments system or in the interest of management or operation
4 of any of the payments system or in the public interest it is necessary to do so,
5 lay down policies relating to the regulation of payments system including
6 electronic, non-electronic, cross - border, domestic and international
7 payments system affecting domestic transactions and give such directions in
8 writing as it may consider necessary to system participants or any other
9 person either generally or in particular, pertaining to the conduct of business
10 relating to the payments system.

11 (4) Notwithstanding the provisions of any other law or regulation,
12 the Bank may-

13 (a) prescribe the standards and technical specifications of payment
14 devices; and

15 (b) certify such payment devices or channels.

16 30.-(1) The Bank may, in writing and on such conditions as it
17 considers necessary-

Delegation of
power by the
Bank

18 (a) delegate to any officer of the Bank or to the Agency any power
19 conferred on the Bank by this Act; or

20 (b) authorise any officer of the Bank or the Agency to perform any
21 duty imposed on the Bank by this Act.

22 (2) Any delegation of a power or authorisation to perform a duty
23 under subsection (1) of this section does not prevent the Bank from
24 exercising that power or performing that duty.

25 (3) The Bank may at any time and in writing withdraw or revoke
26 any power delegated or duty assigned by it under subsection (1) of this
27 section.

28 31.-(1) The Bank may make Regulations in line with the provisions
29 of this Act relating to-

Power to make
regulations

30 (a) consumer protection;

1 (b) cross border payments and settlement;

2 (c) any matter which is required or permitted by this Act to be
3 determined by the Bank; and

4 (d) all other matters which the Bank considers necessary or expedient
5 for the efficient functioning of the national payments, clearing and settlement
6 systems.

7 (2) A person who contravenes any of the provisions of the Regulations
8 made pursuant to subsection (1) of this section shall be liable to such penalties
9 as may be prescribed under the Regulations.

Cooperation
with other
Authorities

10 **32.** The Bank may enter into agreement or arrangement with other
11 regulatory authorities in Nigeria or in other countries for mutual co-operation
12 and for the purpose of promoting the safety and efficiency of payment, clearing
13 and settlement systems.

14 **PART VII - INDEMNITY AND RESOLUTION OF DISPUTES, ETC**

Indemnity

15 **33.-(1)** An officer of the Bank, the Agency, the Board, or scheme
16 boards established under or pursuant to this Act shall not be personally liable
17 for any loss or damage arising out of any act done or omitted to be done in good
18 faith under this Act, unless such damage or loss is due to the officer's
19 negligence or failure to comply with the provisions of this Act.

20 (2) A member of the Board, Executive - Secretary, officer or employee
21 of the Agency shall be indemnified out of the assets of the Body against any
22 proceedings brought against him in his capacity as a member of the Board,
23 Executive - Secretary, officer or employee of the Agency where the act
24 complained of is not ultra vires his powers.

Resolution of
disputes

25 **34.-(1)** Where a dispute arises between the Agency and system
26 participants or service providers or between the participants themselves or
27 other service providers or between the participants, the Bank or service
28 providers and payers and beneficiaries, it shall be settled amicably by the
29 parties or through any Alternative Dispute Resolution mechanisms.

30 (2) Where the parties are unable to settle the dispute in accordance

1 with subsection (1) of this section, the parties may refer the dispute to the
2 Office of the Nigerian Financial Ombudsman for settlement.

3 35. Notwithstanding anything to the contrary in this Act or in any Retention of
4 law relating to the retention of records and for the purpose of this Act, the records
5 Bank, system participants and service providers shall retain all records
6 obtained or generated in the course of payments, clearings or settlements for
7 a minimum period of six years from the date of the conclusion of transaction.

8 36. All electronic transactions under the payment systems shall be Requirement for
9 digitally signed or encrypted in a manner that may be determined by the digital signature
10 Bank in accordance with international best practice.

11 PART VIII - OFFENCES AND PENALTIES

12 37.-(1) A person who contravenes the provisions of section 2 of this Offences and
13 Act or fails to comply with the terms and conditions subject to which the penalties
14 authorisation has been issued under section 5 of this Act, commits an offence
15 and liable on conviction to imprisonment for a term of not less than one year
16 but not exceeding ten years or to a fine of not less than ten million Naira or
17 both and for a further fine of one hundred thousand Naira for each day the
18 contravention or failure continues.

19 (2) Any person who in any application for authorisation or in any
20 return or other documents or in respect of any information required to be
21 furnished under any provision of this Act, wilfully makes a statement which
22 is false in any material particular, knowing it to be false or wilfully omits to
23 make a material statement commits an offence and shall be liable on
24 conviction to imprisonment for a term of not less than one year but not
25 exceeding three years or to a fine of not be less than one million Naira or
26 both.

27 (3) Any person who fails to produce or furnish any statement,
28 information, returns or other documents, which is the person's duty to
29 produce or furnish, or to answer any question relating to the operation of a
30 payments system which is required by an officer making inspection under

1 this Act, commits an offence and liable on conviction to a fine of not less than
2 one million Naira or to imprisonment for a term of not less than one year or
3 both.

4 (4) Any person who discloses any information, the disclosure of
5 which is prohibited under section 28 (2) of this Act, commits an offence and
6 liable on conviction to-

7 (a) imprisonment for a term of not less than two years, or to a fine of
8 not less than five hundred thousand Naira or both; and

9 (b) the payment of a compensation to the victim of the disclosure, of
10 an amount commensurate to the damage suffered as a result of the disclosure,
11 where damages resulted.

12 (5) The Bank may withdraw any authorization granted under this Act
13 where-

14 (a) direction issued under this Act is not complied with within the
15 period stipulated by the Bank and where no such period is stipulated, within a
16 reasonable time; or

17 (b) a penalty imposed by the Bank under this Act or regulation is not
18 settled within a period of thirty days from the date it was imposed.

19 (6) Where any provision of this Act is contravened, in respect of
20 which no penalty has been specified, the person shall on conviction be liable-

21 (a) in the case of an individual, to a fine of not less than five million
22 Naira and in the case of a continuing contravention or default, a further fine of
23 ten thousand Naira for each day, during which the contravention or default
24 continues; and.

25 (b) in the case of a body corporate, to a fine of not less than fifteen
26 million Naira and in the case of a continuing contravention or default, a further
27 fine of twenty thousand Naira for each day, during which the contravention or
28 default continues.

Offences by
bodies corporate

29 38.-(1) Where an offence under this Act is committed by a body
30 corporate-

1 (a) any person, who at the time of the contravention, was in-charge
2 of or responsible for the conduct of the business of the company, shall be
3 liable to be proceeded against and punished in accordance with the
4 provisions of the relevant sections of this Act; and

5 (b) the body corporate shall on conviction be liable to a fine of not
6 less than N20,000,000.

7 (2) Nothing contained in subsection (1) of this section shall render
8 any person liable to punishment if he proves that the contravention took
9 place without his knowledge or that he exercised all due diligence to prevent
10 the contravention.

11 39.-(1) The Bank may where necessary, impose an administrative
12 penalty of not less than three million Naira or twice the amount involved in
13 such contravention or default on any person contravening or committing a
14 default under this Act.

Administrative
penalties

15 (2) Where the contravention or default referred to in subsection (1)
16 of this section is a continuing one, the Bank may impose a further penalty of
17 twenty thousand Naira for each day the contravention or default continues.

18 PART IX - MISCELLANEOUS

19 40.-(1) A civil action may be commenced against the Agency or its
20 authorized officers at the expiration of a period of 30 days after a written
21 notice of intention to commence the action has been served on the Agency
22 by the intending plaintiff or his agent and the notice shall clearly and
23 explicitly state the-

Legal proceedings

24 (a) cause of action;

25 (b) particulars of the claim;

26 (c) relief which he claims; and

27 (d) name and place of abode of the intending plaintiff.

28 (2) The notice referred to in subsection (1) of this section and any
29 summons, or other documents required or authorized to be served on the
30 Agency under this Act or any other enactment or law, may be served by-

- 1 (a) delivering it to the Executive - Secretary of the Agency; or
2 (b) sending it by registered post addressed to the Executive -
3 Secretary of the Agency at the head office of the Agency.

Restriction on
execution against
property of the
Agency

- 4 **41.** In any action or suit against the Agency, no execution shall be
5 levied or attachment process issued against any property of the Agency unless
6 not less than three months' notice of the intention to execute or attach has been
7 given to the Agency.

Interpretation

- 8 **42.** In this Act, unless the context otherwise requires-
9 "bank" means a bank licensed under the Banks and other Financial Institutions
10 Act or under the repealed Banking Act or any other prior legislation;
11 "Banks and other Financial Institutions Act" means Banks and Other Financial
12 Institutions Act, Cap B3, Laws of the Federation of Nigeria, 2004;
13 "Beneficiary" means the person to whom payment is due;
14 "Board" means the Payment System Strategy Board established under section
15 10 of this Act;
16 "business day" means any day other than a Saturday, Sunday or public holiday
17 in Nigeria;
18 "Central Bank of Nigeria Act" means the Central Bank of Nigeria Act, (Act No.
19 7), 2007;
20 "clear" or "clearing" means the exchange of payment instructions between
21 system participants with a view to reconciling, confirming, perfecting or
22 honouring payment instructions;
23 "clearing system" means a system whereby system participants can exchange
24 data, documents and payment instruments and instructions relating to funds or
25 securities transfers to other system participants;
26 "Companies and Allied Matters Act" means the Companies and Allied Matters
27 Act, Cap C20, Laws of the Federation of Nigeria, 2004;
28 "digital certificate" means an electronic signature encrypted for giving the user
29 a unique identifier;
30 "electronic funds transfer" means any transfer of funds which is initiated by a

1 person by way of instruction, authorisation or order to a bank to debit or
2 credit an account maintained with that bank through electronic means and
3 includes point of sale transfers, automated teller machine transactions,
4 direct deposits or withdrawal of funds, transfers initiated by telephone,
5 internet and card payments;

6 "Governor" and "the Deputy Governor" means respectively the Governor
7 and Deputy Governors of the Bank appointed under the Central Bank of
8 Nigeria Act;

9 "holding company" means a holding company as provided in section 338(5)
10 (a) of the Companies and Allied Matters Act, 2004;

11 "member of the Board" includes the Chairman;

12 "money" means notes and coins issued in accordance with section 20 of the
13 Central Bank of Nigeria Act and any other currency being legal tender in
14 Nigeria;

15 "national payments system" means the combination of all payment systems
16 in Nigeria,

17 "netting" means the determination by the system participant of the amount
18 of money or securities due, payable or deliverable, as a result of setting off or
19 adjusting the payment obligations or delivery obligations among the system
20 participants, including the claims and obligations arising out of the
21 termination by the system participant, on the insolvency, dissolution or
22 winding up of any system participant or such other circumstances as the
23 system participant may specify in its rules, regulations or bye-laws of the
24 transactions admitted for settlement at a future date so that only a net claim
25 would be demanded or a net obligation be owned;

26 "Officer(s)" means officers and employees of the Central Bank of Nigeria
27 and the Agency established under section 15 of this Act;

28 "Payer" means the person making payment to a beneficiary;

29 "payment clearing house" means an arrangement between two or more
30 system participants governing the clearing of payment instructions between

- 1 those system participants;
- 2 "payment device" means any terminal used for payment and settlement
3 including Automated Teller Machine and Point of Sale terminals;
- 4 "payment instruction" means any instruction, authorisation or order in any
5 form, including electronic means, to effect a payment;
- 6 "payment instrument" means an instrument, authority or a process enabling a
7 payer to issue a payment instruction;
- 8 "payment obligation" means an indebtedness that is owned by one system
9 participant to another system participant as a result of clearing or settlement of
10 one or more payment instructions relating to funds, securities or foreign
11 exchange or derivatives or other transactions;
- 12 "payment scheme" means a set of interbank rules, practices and standards
13 necessary for the functioning of the payment services;
- 14 "payment systems arrangement" means procedures and services for the
15 processing of payment transactions;
- 16 "payment systems services" means all services involving interaction with the
17 payment, clearing and settlement systems, and payment system arrangements
18 as the Bank may designate from time to time;
- 19 "payment system" means a set of instruments, arrangements, banking
20 procedures and interbank funds transfer systems that ensure circulation of
21 money and includes mechanism for clearing and settlement of obligations to
22 make payment, but does not include-
- 23 (a) physical movement of cash;
- 24 (b) a system that does not make any provision for the transfer of funds
25 by payers or recipients of funds;
- 26 (c) a securities settlement system operated by persons licenced under
27 the Investments and Securities Act; or
- 28 (d) any other system whose primary purpose is not that of enabling
29 persons to transfer funds.
- 30 "person" means individuals and entities whether corporate or incorporate;

1 "person in charge of business of a body corporate" includes manager,
2 director, manager, secretary or other principal officers of the company;
3 "public key infrastructure (PKI)" means a set of hardware, software, people,
4 policies, and procedures needed to create, manage, distribute, use, store, and
5 revoke digital certificates;
6 "Scheme Board" means any group of persons charged with the
7 responsibility for the policy formulation in any payment or settlement
8 scheme;
9 "security" means any asset as may be determined by the Bank, pledged by a
10 system participant as collateral for meeting its settlement obligations;
11 "service provider" means a person who provides services involving
12 interaction with the payment systems, settlement systems, clearing systems
13 and payment system arrangements as the Bank may designate from time to
14 time;
15 "settlement" means payment or discharge of outstanding obligation that a
16 system participant owes to another system participant including security
17 settlement;
18 "settlement instruction" means an instruction given to the settlement system
19 by or on behalf of a system participant to effect settlement of a payment
20 obligation or to discharge any other obligation of one system participant to
21 another system participant;
22 "settlement obligation" means an indebtedness that is owed by a system
23 participant to another system participant as a result of a settlement
24 instruction;
25 "settlement system" means a system established, operated or designated by
26 the Bank to facilitate the transfer of funds for the discharge of payment and
27 settlement obligations between system participants;
28 "settlement system operator" means the Bank, Nigeria Inter-Bank
29 Settlement System (NIBSS) or any other settlement system operator as the
30 Bank may designate from time to time;.

1 "subsidiary" means a subsidiary company as defined in section 338(1) (a) of
2 the Companies and Allied Matters Act, and includes a subsidiary company of a
3 subsidiary;

4 "system participant" means a bank or any other person participating in the
5 payments system and includes the settlement system operators, system
6 providers and settlement system participants;

7 "system provider" means a company who operates an authorised payments
8 system; and

9 "the Bank" means the Central Bank of Nigeria.

Short title

10 43. This Bill may be cited as the Payment Systems Management Bill,
11 2017.

12 SCHEDULE

13 [Section 18 (6)]

14 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD

15 *Proceedings of the Board*

16 1. Subject to this Act and section 27 of the Interpretation Act, the
17 Board shall have power to regulate its proceedings and may make standing
18 orders with respect to the holding of its meetings and those of its committees,
19 notices to be given, the keeping of minutes of its proceedings, the custody and
20 production for inspection of such minutes and such other matters as the Board
21 may, from time to time determine.

22 2. There shall be at least three ordinary meetings of the Board in
23 every calendar year and subject thereto, the Board shall meet whenever it is
24 convened by the Chairman and if the Chairman is requested to do so by notice
25 given to him by not less than four other members, he shall convene a meeting of
26 the Board to be held within 30 days from the date on which the notice was
27 given.

28 3. Every meeting of the Board shall be presided over by the Chairman
29 and if the Chairman is unable to attend a particular meeting, the Deputy
30 Chairman shall preside; provided that in the absence of the Chairman and the

1 Deputy Chairman, the members present at the meeting shall elect one of
2 them to preside at the meeting.

3 4. A quorum at a meeting of the Board shall be eleven members.

4 5. The Board shall meet for the conduct of its business at such
5 places and on such days as the Chairman may appoint.

6 6. A question put before the Board at a meeting shall be decided by
7 consensus and where this is not possible, by a majority of the votes of the
8 members present and voting.

9 7. The Chairman shall, in the case of an equality of votes, have a
10 casting vote in addition to his deliberative vote.

11 8. Where the Board seeks the advice of any person on a particular
12 matter, the Board may invite that person to attend for such period as it deems
13 fit, but a person who is invited by virtue of this paragraph shall not be
14 entitled to vote at any meeting of the Board and shall not count towards the
15 quorum.

16 *Committees*

17 9. The Board may appoint one or more committees to carry out on
18 behalf of the Board such of its functions as the Board may determine and
19 report on any matter with which the Board is concerned.

20 10. A committee appointed under paragraph 9 of this Schedule
21 shall be presided over by a member of the Board and shall consist of such
22 number of persons (not necessarily all members of the Board) as, may be
23 determined by the Board. A person other than a member of the Board shall
24 hold office on the committee in accordance with the terms of his
25 appointment.

26 11. A decision of a committee of the Board shall be of no effect
27 until it is confirmed by the Board.

28 *Miscellaneous*

29 12. The fixing of the seal of the Body shall be authenticated by the
30 signature of the Chairman and the Secretary to the Board.

1 13. A contract or an instrument which, if made or executed by any
2 person not being a body corporate would not be required to be under seal, may
3 be made or executed on behalf of the Agency by the Executive Secretary or by
4 any person generally or specifically authorized to act for that purpose by the
5 Board.

6 14. A document purporting to be a contract, an instrument or other
7 document signed or sealed on behalf of the Agency shall be received in
8 evidence and unless the contrary is proved, be presumed without further proof
9 to have been properly signed or sealed.

10 15. The validity of any proceeding of the Board or its committees
11 shall not be affected by-

12 (a) any vacancy in the membership of the Board or its committees

13 (b) reason that a person not entitled to do so took part in the
14 proceedings; or

15 (c) any defect in the appointment of a member.

16 16. Any member of the Board or committee who has a personal
17 interest in any arrangement entered into or proposed to be considered by the
18 Board or any committee shall-

19 (a) disclose his interest to the Board or committee; and

20 (b) not vote on any question relating to the arrangement.

EXPLANATORY MEMORANDUM

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

This Bill seeks to create legal, institutional and regulatory framework to ensure transparency, effective and efficient management, administration and operation of payments, clearing and settlements systems in Nigeria; provide uniform, comprehensive and effective mechanism for settlement of disputes arising from payments system management; create certainty and predictability and institutionalize best practices in payments system management in Nigeria.