

## NIGERIAN BANK OF INDUSTRY (ESTABLISHMENT) BILL, 2017

## ARRANGEMENT OF CLAUSES

*Clause:*

1. Establishment of the Nigerian Bank of Industry
2. Functions of the Bank
3. Establishment of the Governing Board
4. Tenure of Office
5. Proceedings of the Board
6. Functions of the Board
7. Managing Director
8. Staff of the Board
9. Share Capital of the Bank
10. General Reserve Fund
11. Borrowing powers
12. Rate of interest
13. Annual accounts of the Bank
14. Audit
15. Records and annual reports
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17. Duty to investigate
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19. Offices and branches
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24. Interpretation
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# A BILL

## FOR

AN ACT TO ESTABLISH THE NIGERIAN BANK OF INDUSTRY CHARGED WITH THE RESPONSIBILITY, AMONG OTHER THINGS, FOR PROVIDING CAPITAL TO INDIGENOUS ENTREPRENEURS, CORPORATE BODIES AND PERSON FOR MEDIUM AND LONG TERM INVESTMENTS FOR INDUSTRIALIZATION AND ECONOMIC GROWTH OF THE COUNTRY; AND FOR RELATED MATTERS

*Sponsored by Senator Sam .O. Egwu*

[ ] Commencement

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

- 1            1.-(1) There is established the Bank of Industry (in this Bill
- 2            Referred to as "the Bank").
- 3            (2) The Bank:
- 4            (a) is a corporate body with perpetual succession and a common
- 5            Seal; and
- 6            (b) may sue and be sued in its corporate name.
- 7            2. Notwithstanding the provisions of the Banks and other
- 8            Financial Institutions Act, the Bank shall be charged with the general duty,
- 9            and it is authorized without any other license than this Bill, to:
- 10           (a) Promote the growth and development of small and medium
- 11           Scale industries in the country;
- 12           (b) Provide equity capital and funds by way of loans to indigenous
- 13           Persons, institutions and organizations for medium and long term
- 14           Investments in industry at such rates and upon such terms as may be
- 15           Determined by the Board in accordance with the policy directed by the
- 16           Federal Executive Council;
- 17           (c) transform Nigeria's industrial sector and integrate it into the

Establishment of the Nigerian Ban of Industry

Functions of the Bank

- 1 global Economy;
- 2 (d) provide cheap financing and business support services to existing
- 3 and new industries in order to achieve the attainment of modern capabilities to
- 4 Produce goods that are attractive to both domestic and external markets;
- 5 (e) assist in resuscitating ailing industries and to promote new ones all
- 6 over the country; and
- 7 (f) empowering and collaborating with government institutions to
- 8 Fight the importation of cheap, substandard and fake manufactured goods into
- 9 Nigeria.

Establishment  
of the Board

10 3.-(1) There is established for the Bank a Governing Board of the

11 Bank (in this Bill referred to as "the Board").

12 (2) The Board shall:

13 (a) be responsible for the activities of the Bank and formulation of its

14 policies, and

15 (b) superintend generally the affairs of the Bank by promoting the

16 Interest, objects and purposes of the Bank.

17 (3) The Board shall consist of:

18 (a) a Chairman;

19 (b) the Managing Director of the Bank;

20 (c) two Executive Directors;

21 (d) a representative of the:

22 (i) Central Bank of Nigeria;

23 (ii) Federal Ministry of Finance;

24 (iii) Manufacturers Association of Nigeria;

25 (iv) Federal Ministry of Industry; and

26 (v) 6 other members, one each appointed from the 6 Geographical

27 zones, who by character and experience in matters relating to banking, finance,

28 economics, accountancy or law, in the opinion of the Minister, are suitable for

29 appointment as Members of the Board.

Tenure of Office

30 4. The Chairman and members of the Board shall be appointed by

1 The President and confirmed by the Senate.

2 (1) The Chairman, members of the Board shall hold office for 4  
3 years and may be eligible for re-appointment for one further term of 4 years  
4 and no more

5 (2) The Chairman and any other member appointed may resign his  
6 Appointment by a letter addressed to the Minister

7 5.-(1) The Board shall have powers to regulate its own proceedings  
8 and may make standing orders for that purpose and, subject to such standing  
9 orders, shall function notwithstanding any vacancy in its Membership or the  
10 absence of any member.

Proceedings of  
the Board

11 (2) The Chairman shall preside at every meeting of the Board and  
12 in his absence, the members present may elect one of them to Preside at that  
13 meeting.

14 (3) The quorum for meetings of the Board shall be 4.

15 (4) The Managing Director shall appoint an officer of the Bank to  
16 be the secretary to the Board.

17 6. The Board shall:

Functions of the  
Board

18 (a) approve the annual budget of the Bank;

19 (b) recommend to the Minister any changes in the policy of the  
20 Bank that it considers necessary;

21 (c) recommend to the Minister any variations in the rate of interest  
22 of the Bank that it considers necessary;

23 (d) give guidelines to the managing director for the conduct of the  
24 Business of the Bank;

25 (e) set out guidelines for the investment of the funds of the Bank;

26 (f) approve major projects of the Bank, such as the acquisition of  
27 Interests in land, building and equipment for the use of the Bank;

28 (g) appoint, promote and discipline the employees of the Bank and  
29 Delegate powers in relation thereto to the Managing Director or any  
30 Employee of the Bank;

1 (h) pay remuneration and allowances (including pensions and  
2 gratuities and other expenses) to employees of the Bank in accordance with  
3 scales approved by the Minister; and

4 (i) do anything which, in its opinion, is calculated to facilitate the  
5 Carrying out of the functions of the Bank.

Managing  
Director

6 7.-(1) The President shall on the recommendation of the Minister,  
7 Appoint the Managing Director of the Bank who shall be a person Having such  
8 qualification and experience as appropriate for a Person required to perform  
9 the functions of the office of the Managing Director under this Bill.

10 (2) The Managing Director shall hold office for 4 years and may be  
11 Eligible for re-appointment for one further term of 4 years and no more.

12 (3) The Managing Director shall be responsible for the:

13 (a) management of the business of the Bank and he may for that  
14 purpose, take such steps as directed by the board for the proper and efficient  
15 management of the affairs of the Bank, and generally for carrying out the  
16 purposes of the Bank under this Bill; and

17 (b) opening of new branches of the Bank, subject to the approval of  
18 The Board.

Staff of Office

19 8.-(1) The Board shall appoint such number of officers as may be  
20 Necessary and expedient for the proper and efficient conduct of the Business  
21 and functions of the Bank.

22 (2) The terms and conditions of service (including remuneration,  
23 Allowances and pension benefits) of the staff of the Bank shall be determined  
24 by the Board

Share Capital  
of the Bank

25 9.-(1) The capital of the Bank shall consist of equity and loan capital.

26 (2) The authorized capital of the Bank shall be 50 billion Naira.

27 (3) The share capital of the Bank shall be subscribed by the  
28 Government and the Central Bank.

29 (4) The Proportion of the share participation of the Government and  
30 the Central Bank shall be 60% and 40% respectively, or such other proportion

1 as the Federal Executive Council may direct.

2 (5) The loan capital of the Bank shall be provided by the Federal  
3 Government.

4 10. The Bank shall establish a General Reserve Fund to which shall  
5 be allocated from the net profits of the Bank at the end of each Financial year  
6 and before any dividend is declared: General Reserved  
Fund

7 (a) 25% of the net profits of the Bank where the amount of the  
8 General Reserve Fund is less than the paid up share capital of the Bank; or

9 (b) 12% of the net profits of the Bank, where the amount of the  
10 General Reserve Fund is equal to, or in excess of, the paid up share of the  
11 Bank.

12 11.-(1) The Bank may, with the approval of the Board, borrow from Borrowing  
Powers  
13 any source any moneys required by the Bank for discharging its Obligations  
14 and functions under this Bill.

15 (2) The Bank shall also have the power to secure the repayment of  
16 any money lent by the Bank in such manner as it deems fit.

17 (3) The Bank may receive grants, loans and advances and other  
18 Money from the Federal Government and the Central Bank.

19 (4) The net profits of the Bank for each financial year shall be  
20 determined by the Bank after meeting all current expenditure for that year  
21 and making all such provisions as it deems fit for:

22 (a) Bad and doubtful debts;

23 (b) Depreciation of assets;

24 (c) Contributions to staff;

25 (d) Superannuation fund; and

26 (e) all other contingencies.

27 12. Interest on the loans given by the Bank shall be paid at such Rate of interest  
28 rate as the Board may direct from time to time.

29 13. Annual account of the revenue and expenditure of the Bank Annual Accounts  
of the Bank  
30 and All loans disbursed by the Bank during the year from January to

1 December each year, together with a statement of the assets and Liabilities of  
2 the Bank, shall being audited and certified by the Auditor-General of the  
3 Federation, be submitted to the Board and thereafter be published in the  
4 Federal Gazette.

Audit

5 **14.**-(1) the Bank shall at the end of each financial year cause its  
6 Account to be audited by auditors from the list of auditors and in Accordance  
7 with the guidelines issued by the Auditor-General of the Federation.

8 (2) The Auditors shall prepare and submit to the Board its reports for  
9 each financial year setting out:

10 (a) General observations and recommendations of the financial  
11 Position of the Bank for the financial year in question and on any Matter the  
12 auditors deem fit to bring to the notice of the Board, and

13 (b) Detailed observations and recommendations of the auditors on all  
14 aspects of the operations of the business of the Bank for that year.

Records and  
Annual reports

15 **15.**-(1) The Bank shall prepare and keep records of accounts for each  
16 financial year.

17 (2) The Bank shall prepare and submit:

18 (a) in not later than 3 months after the end of each financial year  
19 Reports detailing the activities of the Bank to the Board which shall be  
20 submitted to the Minister;

21 (b) the Minister shall cause a copy of each report made to him under  
22 this section be laid before the Federal Executive Council and National  
23 Assembly soon after receipt thereof.

24 (3) The report shall include:

25 (a) report of audited accounts for that year; and

26 (b) a copy of the auditor's report on the accounts both of which shall be  
27 presented to the Board.

Loan seeker to  
furnish information

28 **16.** An industrialist or entrepreneur seeking to obtain loan from the  
29 Bank shall furnish all the relevant information and documents relating to his  
30 business.



1           17. The Bank shall investigate and verify the information furnished  
2 to it to determine if such loan can be given to the industrialist or  
3 entrepreneur.

Duty to  
investigate

4           18. Any industrialist, entrepreneur or loan seeker who:

Criminal  
Proceedings

5           (a) for the purpose of evading repayment of loan given to him,  
6 makes any false claim or representation or furnishes any document which he  
7 knows to be false;

8           (b) for the purpose of obtaining loan for himself or for any other  
9 Person knowingly makes a false statement or produces false documents;

10          (c) misrepresents or fails to disclose any material fact;

11          (d) obstructs or assaults any officer of the Bank in the discharge of  
12 his duties; and

13          (e) fails to comply with any regulations made under this Bill as  
14 result of which the Bank incurs loss, commits an offence under this Bill and  
15 is liable on conviction to a term of imprisonment for two year or a fine not  
16 less than N2 Million or to both such fine and imprisonment.

17          19. The Bank shall have its Head Office in Abuja and may subject  
18 to the approval of the Minister, open branches in other parts of Nigeria and  
19 appoint agents and correspondents in accordance with the decisions of the  
20 Board.

Offices and  
Branches

21          20. The Board may, with the approval of the Minister, make such  
22 Regulations as may be necessary for giving effect to the provisions of this  
23 Bill and, in particular, make regulations:

Regulations

24          (a) governing the granting of loans, advances and making of  
25 deposits;

26          (b) regulating the relationship between the Bank and other  
27 Financial institutions;

28          (c) for prescribing the terms, conditions, rates of interest, fee or  
29 Administrative charges in respect of advances, credits, guarantees and any  
30 other transaction which the Bank may undertake, from time to time;

1 (d) prescribing forms of applications, agreements and other materials  
2 necessary for the control of the grant of advances, credits. Guarantees and other  
3 transactions which the Bank may undertake, from time to time;

4 (e) determining and prescribing the provisions as to securities that  
5 may be required for loans and such collaterals which shall be made Available as  
6 securities for loans granted; and

7 (f) prescribing such other matters as may be incidental or  
8 supplemental to the functions of the Bank under this Bill.

Rules

9 21.-(1) Unless a contrary intention appears, anything required to be  
10 Prescribed under this Bill shall be prescribed by the Board with the approval of  
11 the Minister.

12 (2) Notwithstanding subsection (1) of this section, the Board may  
13 make such rules as are necessary for giving effect to the provisions of this Bill  
14 and, in particular for:

15 (a) regulating the terms and conditions of service of the officers and  
16 agents of the Bank and making provisions regarding their remuneration and  
17 allowances;

18 (b) determining pensions, gratuities, medical benefits and other  
19 Superannuation benefits payable to such officers and agents; and

20 (c) for the provision and maintenance of any superannuation scheme  
21 (whether contributory or not) and such other funds as the Bank may, at its  
22 discretion, determine.

Bye-Laws

23 22. The Board may, with the approval of the Minister, make bye-laws  
24 for the good order and management of the Bank, and the bye-laws shall be  
25 authenticated by the Bank's seal.

Restriction as  
to publications  
of instruments

26 23. An instrument made under this Bill shall be published in the  
27 Federal or any other State Gazette, but where the provisions of such instrument  
28 may affect the interest of any person, the Board shall bring any information  
29 contained thereunder to the notice of the affected in such manner (including  
30 publication thereof in the Federal or State Gazette) as the Board may direct.



