

## UNCLAIMED DIVIDENDS TRUST FUND BILL, 2019

## ARRANGEMENT OF SECTIONS

*Section:*PART I - ESTABLISHMENT AND COMPOSITION, ETC. OF THE UNCLAIMED  
DIVIDENDS TRUST FUND

1. Establishment of the Unclaimed Dividends Trust Fund
2. Establishment of the Board
3. Appointment of the members of the Board
4. Tenure of office
5. Cessation of membership

## PART II - POWERS OF THE BOARD

6. Powers of the Board

## PART III - STAFF OF THE FUND

7. Appointment of the Secretary and other staff of the Fund
8. Staff regulations
9. Pensions provisions

## PART IV - FINANCIAL PROVISIONS

10. Monies of the Fund
11. Expenditure of the Fund
12. Power of the Board to make regulations
13. Budgetary provisions
14. Award to contract
15. Power to accept gift
16. Exemption from tax

## PART V - LOANS GUARANTEE SCHEME

17. Loans guarantee
18. Eligibility for loans
19. Participating banks
20. Returns on project, offences and penalty

## PART VI - MISCELLANEOUS PROVISIONS

21. Other enactments
22. Offences and penalties
23. Reports and accounts of public companies
24. Interpretation
25. Short title

00100

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

1964

# A BILL

## FOR

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE UNCLAIMED DIVIDENDS TRUST FUND AND FOR RELATED MATTERS -

*Sponsored by Hon. Benjamin O. Kalu*

[ ] Commencement

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

1 PART I - ESTABLISHMENT AND COMPOSITION, ETC. OF THE UNCLAIMED  
2 DIVIDENDS TRUST FUND

3 1.-(1) There is hereby established a Fund to be known as the  
4 Unclaimed Dividends Trust Fund (in this Bill referred to as "the Fund") into  
5 which shall be paid all unclaimed dividends and such other funds specified  
6 in this Bill.

Establishment of the Unclaimed Dividends Trust Fund

7 (2) The Fund shall be a body corporate with perpetual succession  
8 and a common seal and may:

- 9 (a) sue and be sued in its corporate name;
- 10 (b) hold and acquire property whether moveable or immovable.

11 2.-(1) There is hereby established for the Fund, a Board (in this Bill  
12 referred to as "the Board").

Establishment of the Board

13 (2) The Board shall consist of:

- 14 (a) a Chairman;
- 15 (b) a representative each of:
  - 16 (i) the registered shareholders association which shall represent
  - 17 each of the six geopolitical zones,
  - 18 (ii) the Nigerian Employers Consultative Association,
  - 19 (iii) registrars of public companies,
  - 20 (iv) the National Association of Small and Medium Scale
  - 21 Enterprises,

- 1 (v) the Corporate Affairs Commission,  
 2 (vi) the Chartered Institute of Stockbrokers,  
 3 (vii) the Federal Ministry of Finance, and  
 4 (viii) the Securities and Exchange Commission; and  
 5 (c) a Managing Director who shall be the Chief Executive of the Fund.

6 (3) The Chairman and members of the Board other than the Managing  
 7 Director shall serve on part-time basis.

8 (4) The provisions of the Schedule to this Bill shall have effect with  
 9 respect to the proceedings of the Board and other matters contained therein

Appointment  
of the members  
of the Board

10 3.-(1) The Chairman and the Managing Director shall be appointed by  
 11 the President on the recommendation of the Minister.

12 (2) Other members of the Board shall be nominated by the  
 13 organizations they represent and appointed by the President on the  
 14 recommendation of the Minister.

15 (3) The Chairman shall be a person with a minimum of first degree  
 16 and vast experience in the business and financial sectors.

17 (4) The Managing Director shall be a person with a minimum of 15  
 18 years managerial experience in the financial sector and the holder of a first  
 19 degree.

20 (5) The Chairman and members of the Board shall be persons of  
 21 proven integrity.

Tenure of office

22 4.-(1) The Chairman and members of the Board other than the  
 23 Managing Director shall each hold office for a term of 4 years and no more.

24 (2) The Managing Director shall hold office for a term of 5 years in the  
 25 first instance and may be reappointed for a further term of 3 years and no more.

26 (3) The members of the Board shall be paid such remuneration and  
 27 allowances as the Commission may, from time to time, determine.

28 (4) A member of the Board other than the Managing Director may  
 29 resign his appointment by a notice in writing under his hand, addressed to the  
 30 President and the resignation shall take effect only upon acknowledgement by.

1 the President.

2 (5) A member of the Board may at any time be removed by the  
3 President for inability to discharge the functions of this office (whether  
4 arising from infirmity of mind or body or any other cause) or for misconduct  
5 or if the President is satisfied that it is not in the interest of the Fund or the  
6 public for such member to continue in office.

7 5. A member of the Board shall cease to hold office if:

8 (a) he becomes of unsound mind;

9 (b) he becomes bankrupt or makes a compromise with his creditor;

10 (c) he is convicted of a felony or of any offence involving  
11 dishonesty;

12 (d) he is guilty of serious misconduct in relation to his duties; or

13 (e) he ceases to be a member of the institution that nominated him.

Cessation of  
membership

14 PART II - POWERS OF THE BOARD

15 6. The Board shall be responsible for:

16 (a) acting as trustees to the Fund;

17 (b) maintaining a database of unclaimed dividends, owners'  
18 addresses and other relevant information;

19 (c) registering and assisting small and medium scale enterprises  
20 who are applying for loan guarantee;

21 (d) promoting and developing capital trade points in the six geo-  
22 political zones of the Federation;

23 (e) carrying out public enlightenment programmes on unclaimed  
24 dividends;

25 (f) paying of unclaimed dividends recovered from public  
26 companies to the owners, provided the claimants who emerge five years  
27 after declaration of the dividends shall not be entitled to interest on the  
28 dividends;

29 (g) approving participating and other banks into which unclaimed  
30 dividends and monies of the Fund shall be paid and approving banks that

Powers of the  
Board

- 1 will participate in the loans guarantee scheme of the Fund;
- 2 (h) inspecting and examining books and records of all institutions and  
3 persons who are subject to the provisions of this Bill;
- 4 (i) managing the monies of the Fund including making investments as  
5 provided under this Bill;
- 6 (j) receiving information on all unclaimed dividends from public  
7 companies and their agents;
- 8 (k) paying and discharging all expenses incurred in connection with  
9 the aims and objectives of the Board;
- 10 (l) commencing, prosecuting, enforcing actions and legal  
11 proceedings which may affect the Board;
- 12 (m) formulating policies, rules and guidelines for the management of  
13 the Fund;
- 14 (n) carrying out any other functions and exercising any other power  
15 that may be necessary and incidental to this Bill; and
- 16 (o) carrying out any other functions that may be assigned to it by the  
17 President.

18 PART III - STAFF OF THE FUND

- 19 7.-(1) There shall be established for the Fund a Secretariat which shall  
20 be headed by a Secretary who shall be appointed by the Board.
- 21 (2) The Secretary shall be:
- 22 (a) the head of the Secretariat of the Fund;
- 23 (b) responsible for the administration of the Secretariat and keeping  
24 of the books and records of the Fund; and
- 25 (c) subject to the supervision and control of the Board.
- 26 (3) The Board shall have power to appoint or accept on transfer or on  
27 secondment from any public service of the Federation, such other staff as may  
28 in the opinion of the Board, be required to assist the Managing Director in the  
29 discharge of any of his functions under this Bill and shall have power to pay to  
30 persons so appointed such remuneration (including allowances) as the Board

Appointment  
of the Secretary  
and other staff  
of the Fund

1 may, from time to time, determine.

2 8.-(1) The Board may, subject to the provisions of this Bill, and Staff regulations  
3 with the approval of the Commission make regulations generally relating to  
4 the conditions of service of the staff of the Fund and without prejudice to the  
5 generality of the foregoing, such regulations may provide for:

6 (a) the appointment, promotion and discipline (including  
7 dismissal) of staff;

8 (b) appeals by such staff against dismissal or other disciplinary  
9 measures, and until such regulations are made, any instrument relating to the  
10 conditions of service of officers in the civil service of the Federation shall be  
11 applicable with such modifications as may be necessary.

12 (2) Staff regulations made under subsection (1) of this section shall  
13 not have effect until approved by the Minister and when so approved the  
14 Board shall cause them to be brought to the notice of all affected persons in  
15 such manner as it may, from time to time, determine.

16 9.-(1) It is hereby declared that service in the Fund shall be public Pensions  
17 service for the purposes of the Pensions Act. provisions

18 PART IV - FINANCIAL PROVISIONS

19 10.-(1) The Fund shall establish and maintain a Fund from which Monies of the  
20 shall be defrayed all expenditure incurred by the Fund. Fund

21 (2) There shall be paid and credited to the Fund established  
22 pursuant to subsection (1) of this section all outstanding unclaimed  
23 dividends held by public companies or former public companies and their  
24 agents declared within twelve years preceding the commencement of this  
25 Bill.

26 (3) Without prejudice to the future capital increases, the Fund shall  
27 commence operation with an initial funding derived from the following  
28 sources:

29 (a) all outstanding unclaimed dividends, which have been  
30 dissolved or liquidated or in the hands of any present or former liquidator at

1 the date of dissolution of such companies within 3 years from the  
2 commencement of this Bill;

3 (b) grants, gifts and donations from any person or institution on terms  
4 and conditions not contrary to the objective of the Fund;

5 (c) penalties and fines imposed by the Fund;

6 (d) unclaimed dividends to be paid regularly into the Fund directly by  
7 public companies and their agents as and when due;

8 (e) all subsequent dividends declared by public companies within six  
9 months from the commencement of this Bill;

10 (f) all subventions, fees and charges for services rendered by the  
11 Fund.

12 (4) Any payment made in relation to this section shall be made to the  
13 Fund not later than 6 months from the commencement of this Bill in the case of

14 (a) and (b) and not later than 12 months after declaration in this Bill in the case  
15 of (a) to (g) above.

16 (5) Notwithstanding any provisions in any other law any liquidator  
17 shall comply with subsection (3)(a) to (f) of this section and shall give priority  
18 to the payment of the unclaimed dividends declared by such companies to the  
19 Fund.

Expenditure  
of the Fund

20 11. The Board may, from time to time, apply the proceeds of the Fund  
21 for the following purposes:

22 (a) the cost of administration of the Fund;  
23 (b) the payment of salaries, fees and other remuneration, allowances,  
24 pensions and gratuities payable to employees of the Board and to experts or  
25 consultants appointed by the Board.

Power of the  
Board to make  
regulations

26 12. The Board may, with the approval of the Commission, make  
27 regulations for the operation of this Bill, the regulation shall in particular  
28 contain provisions:

29 (a) specifying the manner in which the asset of the Fund are to be held  
30 and regulating the making of payment into and out of the Fund; and



1 (b) requiring the keeping of proper accounts and records for the  
2 purposes of the Fund in such form as may be specified in the regulation.

3 13. The Board shall not later than 31st October submit to the  
4 Minister through the Commission an estimate of its expenditure and income  
5 during the next succeeding year.

Budgetary  
provisions

6 14. The Board shall award contracts up to N50,000,000 but shall  
7 be required to obtain the approval of the Minister for any contract in excess  
8 of that amount.

Award to contract

9 15.-(1) The Board may accept gift of land, money or other property  
10 upon such terms and conditions, if any, as may be specified by the person or  
11 organization making the gift.

Power to accept  
gift

12 (2) The Board shall not accept any gift if the conditions attached by  
13 the person or organization making the gift are inconsistent with the  
14 objectives of the Fund.

15 16. The Fund shall be exempted from the payment of income tax  
16 on any income accruing from investments made by the Fund or otherwise  
17 howsoever.

Exemption from  
tax

#### 18 PART V - LOANS GUARANTEE SCHEME

19 17.-(1) The Fund shall guarantee loans to Small and Medium Scale  
20 Enterprises in order to facilitate their listing on the Stock Exchange, Capital  
21 Trade Points or over-the-counter market.

Loans guarantee

22 (2) Loans guaranteed under subsection (1) of this section shall be  
23 used for the purpose of raising funds from the capital market.

24 (3) The value of the loan guaranteed an enterprise under this  
25 subsection (1) of this section shall act as a floating charge on its assets and  
26 the Schedule of such assets shall be an integral part of the loan guarantee  
27 agreement between the Fund and the applicant.

28 (4) In exercising its functions under subsection (1) of this section,  
29 the Board shall have regard to geographical spread of the enterprises in the 6  
30 geopolitical zones of the Federal Republic of Nigeria.

1 (5) Notwithstanding the provisions of subsection (1) and (2) of this  
 2 section, the Fund may facilitate the establishment of a Capital Trade Point or  
 3 venture capital by taking in ant such entity.

Eligibility for  
 loans

4 18.-(1) To be eligible for loans guarantee or equity participation by  
 5 the Fund:

6 (a) a Capital Trade Point shall be operated for profit and wholly  
 7 owned by Nigerians; and

8 (b) no enterprises in one area of the six geopolitical zones shall benefit  
 9 twice from the loans guarantee scheme.

Participating  
 banks

10 19.-(1) The Board may approve any bank licenced by the Central  
 11 Bank of Nigeria to be participating banks in the loans guarantee scheme of the  
 12 Fund.

13 (2) Participating banks shall:

14 (a) process applications for loans from Small and Medium Scale  
 15 Enterprises and Capital Trade Points in accordance with the guidelines  
 16 stipulated by the Fund;

17 (b) collect and receive for and on behalf of the Fund all unclaimed  
 18 dividends due to the Fund.

19 (3) To be eligible to act as participating bank, a bank shall:

20 (a) accept the rate of interest approved by the Fund on the guaranteed  
 21 loans;

22 (b) allow a maximum period of 2 years for the repayment of the loans  
 23 guaranteed by the Fund; and

24 (c) agree to pay to the Fund such nominal fees as may be prescribed by  
 25 the Board from time to time.

Returns on project,  
 offences and  
 penalty

26 20.-(1) Small and medium scale enterprises and capital trade points  
 27 who benefit from the loans guarantee scheme under this Bill, shall until the  
 28 loan is fully discharged, submit a biannual returns to the Fund, showing the  
 29 projects the guaranteed loans were used for.

30 (2) It is an offence under this section to:

- 1 (a) submit false or misleading returns to the Fund; or  
 2 (b) default in the repayment of loans guaranteed by the Fund.  
 3 (3) Save as otherwise specifically provided under this Bill, any  
 4 person who contravenes the provisions of this section or any regulations  
 5 made under this Bill, commits an offence and is liable on conviction to a fine  
 6 not exceeding N1,000,000 or to imprisonment for a term not exceeding three  
 7 years or to both such fine and imprisonment.

8 PART VI - MISCELLANEOUS PROVISIONS

9 21.-(1) Notwithstanding the provisions of this Bill, the relevant Other enactments  
 10 provisions of other existing enactments, including the following:

11 (a) Companies and Allied Matters Act, Cap C20, Laws of the  
 12 Federation of Nigeria, 2004;

13 (b) Insurance Act, Cap 117, Laws of the Federation of Nigeria,  
 14 2004;

15 (c) Banks and Other Financial Institutions Act, Cap B3, Laws of  
 16 the Federation of Nigeria, 2004;

17 (d) Nigerian Investment Promotion Act, Cap NI17, Laws of the  
 18 Federation of Nigeria, 2004;

19 (e) Trustee Investment Act, Cap T22, Laws of the Federation of  
 20 Nigeria, 2004, shall be read with such modification as to bring them into  
 21 conformity with the provisions of this Bill.

22 (2) Notwithstanding the provisions of any other enactment to the  
 23 contrary all unclaimed dividends shall be paid unto the Fund.

24 22.-(1) Any public company or any of its agent that:

25 (a) fails, refuses or neglects to make remittances of unclaimed  
 26 dividends to the Fund within the period specified in this Bill shall be liable to  
 27 a fine of 10 per cent of the amount involved or N100,000 for each day in  
 28 which such failure, refusal or neglect persists; and

29 (b) fails to render returns or pay a penalty shall have its moveable  
 30 property seized or sold by the Fund.

Offences and  
penalties

1 (2) For the purpose of exercising the powers in subsection (1) of this  
2 section, the Fund shall serve the defaulter a demand notice, and if payment is  
3 not made within the time specified in the notice, the Fund shall apply to the  
4 Federal High Court for a warrant to seize and sell any moveable property of the  
5 defaulting company.

6 (3) The authority to seize and sell property under this Bill shall be  
7 exercised after obtaining due warrant from a Federal High Court.

8 (4) No company or its agents shall make inaccurate returns or fail to  
9 remit unclaimed dividends to the Fund or otherwise make a false declaration to  
10 the Fund.

Reports and  
accounts of  
public companies

11 23.-(1) Every public company shall file with the Board annual returns  
12 if unclaimed dividends not later than 3 months after the end of each financial  
13 year.

14 (2) Any company which contravenes the provisions of subsection (1)  
15 of this section commits an offence and is liable on conviction to a fine of  
16 N500,000.

Interpretation

17 24. In this Bill, unless the context otherwise requires:  
18 "agent" includes Directors, Managers, Secretaries or Registrars of public  
19 companies;  
20 "capital trade point" has the meaning assigned to it under the Investment and  
21 Securities Act, Cap 124, Laws of the Federation of Nigeria, 2004;  
22 "former public companies" means public companies within the meaning of the  
23 Companies and Allied Matters Act, Cap C20, Laws of the Federation of  
24 Nigeria, 2004 who have reverted to private companies;  
25 "Fund" means the Unclaimed Dividends Trust Fund established under this Bill;  
26 "medium scale enterprises" means enterprises with total assets not less than  
27 five million Naira and not more than one hundred million Naira and employing  
28 persons between 26 and 100 persons;  
29 "Minister" means the Minister charges with the responsibility for matters  
30 relating to finance and economic development;

1 "participating bank" means commercial banks involved in granting loans to  
2 eligible enterprises and projects under this Bill;

3 "public companies" are public companies within the meaning of the  
4 Companies and Allied Matters Act, Cap C20, Laws of the Federation of  
5 Nigeria, 2004;

6 "securities exchange" has the meaning assigned to it under the Investment  
7 and Securities Act, Cap 124, Laws of the Federation of Nigeria, 2004;

8 "small scale enterprises" means projects with total assets of not less than five  
9 thousand Naira but less than five million Naira and having between 5 and 25  
10 employees;

11 "unclaimed dividends" are dividends which are unclaimed by any  
12 shareholder after 24 months of declaration by a public company; and

13 "venture capital" refer to fund meant for investment in usually high risk or  
14 new business that also has high potentials.

15 25. This Bill may be cited as the Unclaimed Dividends Trust Fund Short title  
16 (Establishment, etc.) Bill, 2019.

17 SCHEDULE  
18 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD, ETC.

19 *Proceedings of the Board*

20 1. Subject to this Act and section 27 of the Interpretation Act  
21 (which provides for decisions of a statutory body to be taken by a majority of  
22 its members and for the persons presiding at any meeting, to have a second  
23 or casting vote), the Board may make standing orders regulating its  
24 proceedings or that of its committees.

25 2. At every meeting of the Board, the Chairman shall preside and  
26 in his absence the members present at the meeting shall appoint one of their  
27 number to preside at the meeting.

28 3. The quorum at a meeting of the Board shall consist of the  
29 Chairman (or, in an appropriate case, the person presiding at the meeting  
30 pursuant to paragraph 2 of this Schedule and four other members.



1 generally or specifically authorised by the Board to act for that purpose.

2 9. Any document purporting to be a contract, instrument or other  
3 document duly signed or sealed on behalf of the Fund shall be received in  
4 evidence and shall, unless the contrary is proved, be presumed without  
5 further proof to have been so signed or sealed.

6 10. The validity of any proceedings of the Board or of any of its  
7 committees shall not be affected by:

8 (a) any vacancy in the membership of the Board, or committee;

9 (b) any defect in the appointment of a member of the Board or  
10 committee; or

11 (c) reason that any person not entitled to do so took part in the  
12 proceedings of the Board or committee.

13 11. A member of a committee who has a personal interest in any  
14 contract or arrangement entered into or proposed to be considered by the  
15 committee shall disclose his interest to the committee and shall not vote on  
16 any question relating to the contract or arrangement.

17 12. No member of the Board shall be personally liable for any act  
18 or omission done or made in good faith while engaged on the business of the  
19 Fund.

20 13. The members of the Board shall subscribe to and be bound by a  
21 code of ethics to be approved by the Commission.

#### EXPLANATORY MEMORANDUM

This Bill seeks to establish the Unclaimed Dividends Trust Fund for the management of unclaimed dividends in Nigeria.

The first part of the paper discusses the general theory of the firm, and the second part discusses the empirical evidence. The general theory of the firm is based on the assumption that the firm is a profit-maximizing entity. The firm's objective is to maximize its profit, which is defined as the difference between its total revenue and its total cost. The firm's total revenue is determined by the price of its output and the quantity of output it produces. The firm's total cost is determined by the prices of its inputs and the quantities of inputs it uses. The firm's profit function is therefore a function of the price of its output and the prices of its inputs. The firm's profit-maximizing output level is determined by the condition that its marginal revenue is equal to its marginal cost.

The empirical evidence on the firm's behavior is based on a sample of firms in the manufacturing sector. The data are obtained from the Census of Manufactures. The variables of interest are the firm's output, its total revenue, its total cost, and its profit. The data are analyzed using a variety of statistical techniques, including regression analysis and correlation analysis. The results show that the firm's output is positively correlated with the price of its output and negatively correlated with the prices of its inputs. The firm's total revenue is positively correlated with the price of its output and the quantity of output it produces. The firm's total cost is positively correlated with the prices of its inputs and the quantities of inputs it uses. The firm's profit is positively correlated with the price of its output and negatively correlated with the prices of its inputs.

The results also show that the firm's profit-maximizing output level is determined by the condition that its marginal revenue is equal to its marginal cost. This is consistent with the general theory of the firm. The empirical evidence also shows that the firm's profit function is a concave function of the price of its output and the prices of its inputs. This is also consistent with the general theory of the firm. The empirical evidence therefore supports the general theory of the firm.

The empirical evidence also shows that the firm's profit-maximizing output level is determined by the condition that its marginal revenue is equal to its marginal cost. This is consistent with the general theory of the firm. The empirical evidence also shows that the firm's profit function is a concave function of the price of its output and the prices of its inputs. This is also consistent with the general theory of the firm. The empirical evidence therefore supports the general theory of the firm.

The empirical evidence also shows that the firm's profit-maximizing output level is determined by the condition that its marginal revenue is equal to its marginal cost. This is consistent with the general theory of the firm. The empirical evidence also shows that the firm's profit function is a concave function of the price of its output and the prices of its inputs. This is also consistent with the general theory of the firm. The empirical evidence therefore supports the general theory of the firm.