

A BILL

FOR

AN ACT TO AMEND THE INTERNAL LOANS ACT CAP 118, LFN, 2004 AND FOR RELATED MATTERS

Sponsored by Hon. Simon D. Mwakwun

[] Commencement

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

- 1 **1.** The internal loans Act, CAP 118, LFN 2004 is amended as set
2 out hereunder: Amendment of
the Principal Act
- 3 **2.** Section 1 (1) (b) is amended by deleting "the said Minister" and
4 substituting it with "the National Assembly". Amendment of
Section 1 (1)(b)
- 5 **3.** A new sub section 3 is provided for thus:
6 "The government of a State shall only be qualified to raise a loan
7 pursuant to this Act if it is authorized to do so by:
8 (a) Resolution of the State Executive Council;
9 (b) A resolution of at least two thirds of the elected Local
10 Government Chairmen of the State; and
11 (c) A resolution of the House of Assembly of the State.
- 12 **4.** The existing sub section 3 is amended by retaining it but
13 renumbering it as sub section 4
- 14 **5.** A new section 2 is provided for thus:
15 It shall be an offence to violate the provisions of this Act, which Offences
16 shall be punishable by:
17 (1) Imprisonment for not less than five years for all the
18 Government officials involved and found liable 2. The Government
19 officials referred to in sub section 1 above shall include the Minister or any
20 official who acts in his stead who gives the approval and the State
21 Government officials who process the loan.

Citation 1 **6.** This Bill may be cited as the Internal Loans Act (Amendment) Bill,
 2 2019 .

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Law to ensure that the Democratic structures in the State support the loan and to punish any violation.