

A BILL

FOR

AN ACT TO AMEND THE INTERNAL LOANS (REHABILITATION, RECONSTRUCTION AND DEVELOPMENT) ACT, CAP 119 LAWS OF THE FEDERATION OF NIGERIA, 2004; AND FOR RELATED MATTERS

Sponsored by Hon. Benjamin Okezie Kalu

[] Commencement

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

1 **1.** The Internal Loans (Rehabilitation, Reconstruction and
2 Development) Act, Cap 119 Laws of the Federation of Nigeria, 2004 (herein
3 referred to as the "Principal Act") is amended as set out in this Bill. Amendment of
Cap. 119 LFN,
2004

4 **2.** Section 1 of the Principal Act is amended- Amendment of
Section 1

5 (a) in subsection (1)(b) by deleting the word "Minister" and
6 inserting the words "National Assembly" instead thereof;

7 (b) by inserting the following as new subsection (3) -

8 "(3) The Government of a State shall only be qualified to raise loan
9 pursuant to this Act if it is authorized to do so by-

10 (a) a resolution of the State Executive Council;

11 (b) a resolution of at least two-thirds of the elected Local
12 Government Chairmen of the State; and

13 (c) a resolution of the House of Assembly of the State."; and

14 (c) re-numbering the existing subsection (3) as new subsection (4)
15 thereof.

16 **3.** Section 2 of the Principal Act is amended by- Amendment of
Section 2

17 (a) inserting the following as new section 2-

18 "2.-(1) It shall be an offence to violate the provisions of this Act and
19 such offence shall be punishable by imprisonment for a term not less than 5
20 years for all Government officers involved and found liable.

1 (2) The Government official referred to in subsection (1) of this
2 section shall include the Minister or any official who acts in his stead who gives
3 the approval and the State Government official who process the loan."; and
4 (b) re-numbering the existing section 2 as new section 3.

Citation

5 4. This Bill may be cited as the Internal Loans (Rehabilitation,
6 Reconstruction, and Development) Act (Amendment) Bill, 2019.

EXPLANATORY MEMORANDUM

This Bill seeks to amend Internal Loans (Rehabilitation, Reconstruction and Development) Act, Cap 119 Laws of the Federation of Nigeria, 2004 to ensure that the democratic structures in the State support any loan procurement process and to punish any violation accordingly.