

A BILL

FOR

AN ACT TO AMEND THE FISCAL RESPONSIBILITY ACT 2004 AND FOR RELATED MATTERS

Sponsored by Hon. Simon D. Mwadkwon

[] Commencement

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

1	1. The Fiscal Responsibility Act is hereby amended as set out	Amendment of Fiscal Responsibility Act
2	hereunder.	

3	2. The principal Act is hereby amended by adding a new	Amendment of Section 41 (1)
4	subsection "c" after subsection "b" as follows:	

"The Federal Government shall only guarantee or permit any borrowing by State or Local Government where such is sought if all the Local Governments in such States are democratically constituted and there must be a supporting resolution of the House of Assembly together with the State Executive Council and all the elected Legislative Councils of the State".

10	3. The principal Act is hereby amended in Section 41 by adding a	Amendment of Section 41
11	new subsection 3 to read:	

"The States and Local Governments shall only be allowed to borrow from the capital market subject to the approval of the National Assembly which must be satisfied that the State has complied with Section 7 of the constitution and there are resolutions of the State House of Assembly, State Executive Councils and elected Local Government Chairmen in support".

17	4. The principal Act is hereby amended in Section 56 by inserting	Amendment of Section 56
18	"offence" after "Net debt" but before "President" as follows:	

"Offence wherever used in this law shall be punishable as appropriate with a minimum fine of N1 million or minimum imprisonment of two years and maximum imprisonment of ten years or both for Banks that are in

1 contravention, all the Directors who signed in support shall be liable while for
2 the State Commissioner of Finance, Permanent Secretary Ministry of Finance,
3 Accountant General of the State shall be liable while for the Federal
4 Government, the Minister and the Permanent Secretary, Federal Ministry of
5 Finance, and Accountant General of the Federation and the Chief Executive of
6 the Debt Management Office and the Director General of the Fiscal
7 Responsibility Commission shall be liable”.

Citation

8 5. This Bill may be cited as Fiscal Responsibility Commission Act
9 (Amendment) Bill, 2019.

EXPLANATORY MEMORANDUM

This Bill seeks to among other things amend the Fiscal Responsibility Commission Act, 2004 by making it mandatory for states to have democratically elected Local Government Councils before such states can access funds from the capital market and makes provisions for punishment for the offences in the Act.