

A BILL

FOR

AN ACT TO PROVIDE FOR PRUDENT MANAGEMENT OF THE NATION'S RESOURCES, ENSURE LONG TERM MACRO-ECONOMIC STABILITY OF THE NATIONAL ECONOMY, SECURE GREATER ACCOUNTABILITY AND TRANSPARENCY IN FISCAL OPERATIONS WITHIN THE MEDIUM TERM FISCAL POLICY FRAMEWORK AND THE ESTABLISHMENT OF THE FISCAL RESPONSIBILITY COMMISSION TO ENSURE THE PROMOTION AND ENFORCEMENT OF THE NATION'S ECONOMIC OBJECTIVES; AND FOR RELATED MATTERS

Sponsored by Senator Dahiru, Aishatu Ahmed

[] Commencement

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

1 PART 1- ESTABLISHMENT, FUNCTIONS AND POWERS OF THE FISCAL
2 RESPONSIBILITY COMMISSION

3 1.-(1) There is hereby established, a body to be known as the Fiscal Establishment
4 Responsibility Commission (in this Act referred to as "the Commission"). of the Commission

5 (2) The Commission shall be a body corporate with perpetual
6 succession and a common seal and may sue and be sued in its corporate
7 name; and shall have the power to acquire and own properties for the
8 performance of its functions under this Act.

9 RESPONSIBILITY, POWERS AND FUNCTIONS OF THE COMMISSION

10 2.-(1) For the purpose of performing its functions under the Act, the Powers of the
11 Commission shall have power to: Commission

12 (a) compel any person or government institution to disclose
13 information relating to public revenues and expenditure; and

14 (b) conduct investigations to ascertain whether any person has
15 violated any provisions of this Act;

1 (c) request for and obtain information relating to public revenue,
2 expenditure and related matters from any person, department, public
3 institution or body, or agency, or arm of the Federal Government;

4 (d) request and be permitted by all government ministries,
5 departments, extra-ministerial departments, agencies, public bodies,
6 institutions, corporations and arms of government to inspect all documents,
7 records, minutes, entries, electronic systems, machine and objects which the
8 Commission shall deem necessary for the performance of its functions under
9 this Act;

10 (e) interview any person it deems necessary with regard to
11 government revenue and expenditure;

12 (f) cause statements to be made on oath and have power to search,
13 enter premises, seize documentation and records required as evidence pursuant
14 to the ex-parte orders of a competent court;

15 (g) monitor and enforce the remittance of revenue by all Corporations
16 and government agencies into the Consolidated Revenue Fund as is herein
17 provided and publish same at the commencement of every fiscal year;

18 (h) collaborate and cooperate with all or any of the Nigerian Police,
19 Economic and Financial Crimes Commission, Independent Corrupt Practices
20 and other Related Offences Commission or any other agency, public body,
21 ministry or extra-ministerial department in the performance of any of its
22 functions under this Act;

23 (i) without prejudice to the powers of the Auditor General of the
24 Federation, review or verify the financial records of any government agency,
25 corporation, ministry, department, extra-ministerial department etc;

26 (j) Make rules and issue guidelines for implementation of this Act;
27 and

28 (k) do other things which, in its opinion, are necessary for the efficient
29 performance of its functions under this Act.

30 (2) If the Commission is satisfied that a person has committed any

1 punishable offence under this Act or violated any provisions of this Act, the
2 Commission shall undertake the prosecution of the alleged offender.

3 (3) Every prosecution of an offender under this Act by the
4 Commission or its appointed Legal Practitioner shall be deemed to have
5 been done with the consent of the Attorney General of the Federation.

6 3.-(1) The Commission shall perform the following functions:

Functions of
the Commission

7 (a) monitor and enforce the provisions of this Act and by so doing,
8 promote the economic objectives contained in section 16 of the
9 Constitution;

10 (b) disseminate such standard practices including international
11 good practice that will result in greater efficiency in the allocation and
12 management of public expenditure, revenue collection, debt control and
13 transparency in fiscal matters;

14 (c) undertake fiscal and financial studies, analysis and diagnosis
15 and disseminate the result to the general public;

16 (d) make rules for carrying out its functions under the Act;

17 (e) perform any other function consistent with the promotion of the
18 objectives of this Act;

19 (f) enforce the submission of periodic returns on revenue
20 performance showing estimates, actual collection and remittances to the
21 Consolidated Revenue Fund of the Federal Government by corporations
22 and agencies accompanied by accurate documentary evidence of collections
23 and remittances; including ensuring that all profits or dividend payments
24 due to the Federal Government from any privatized entity in which the
25 Federal Government is a shareholder are duly remitted into the CFR;

26 (g) attend and monitor monthly monitoring meeting of all revenue
27 collectors in collaboration with the office of the Accountant General of the
28 Federation;

29 (h) monitor the operation of the Excess Crude Account and the
30 various Funds created under the Nigerian Sovereign Investment Authority

- 1 (Establishment, Etc.) Act, 2011;
- 2 (i) appoint for the Commission, such numbers of employees as it may
3 deem expedient and necessary for the proper and efficient performance of its
4 functions under this Act;
- 5 (j) determine the terms and conditions of service in the Commission,
6 including disciplinary measures for the employees of the Commission;
- 7 (k) develop and implement appropriate staff conditions of service for
8 its staff including fixing of remuneration, pension scheme and other fringe
9 service benefits;
- 10 (l) from time to time, in consultation with the Salaries and Wages
11 Commission, review the remuneration payable to the employees of the
12 Commission;
- 13 (m) regulate its proceeding and make standing orders with respect to
14 the holding of its meetings, notices to be given, the keeping of minutes of its
15 proceedings and such other matters as the Commission may, from time to time
16 determine; and
- 17 (n) perform any other function consistent with the promotion of the
18 objectives of this Act.
- 19 (2) The Commission shall be independent in the performance of its
20 functions.
- 21 (3) The provisions of Public Officers Protection Act shall apply to the members
22 and staff of the Commission in the discharge of their functions under this Act.
- 23 4.-(1) The Commission shall establish and maintain a Fund from
24 which shall be defrayed all expenditure incurred by the Commission.
- 25 (2) There shall be credited to the Fund established pursuant to
26 subsection (1) of this section, the funds specified in subsection (3) of this
27 section and grants from other sources.
- 28 (3) The Commission shall be entitled on monthly basis to 5% of the
29 funds remitted into the Consolidated Revenue Fund of the Federal Government
30 as operating surplus pursuant to section 22 of this Act as cost of collection.

1	5.-(1) The Commission shall consist of:	Composition of the Commission
2	(a) a Chairman, who shall be the Chief Executive and accounting	
3	officer of the Commission;	
4	(b) one member representing:	
5	(i) The organised private sector,	
6	(ii) Civil Society engaged in causes relating to probity,	
7	transparency and good governance,	
8	(iii) Organised labour.	
9	(c) a representative of the Federal Ministry of Finance of a level not	
10	below the rank of a Director; and	
11	(d) one member to represent each of the following six geographical	
12	zones of the country, that is: North-Central, North-East, North-West, South-	
13	East, South-West, and South-South.	
14	(2) All members of the Commission shall be persons of proven	
15	integrity and must possess appropriate qualifications with not less than 10	
16	years cognate post qualification experience.	
17	(3) The Chairman and other members of the Commission other	
18	than ex-officio members shall be appointed by the President subject to	
19	confirmation by the Senate.	
20	(4) The Chairman and members of representing the six	
21	geographical zones shall be full time members.	
22	6. The Chairman, Secretary and ex-officio members of the	Tenure of Office
23	Commission shall hold office for a term of 5 years.	
24	7.-(1) Notwithstanding the provision of section 6 of this Act, a	Cessation of membership
25	member of the Commission shall cease to hold office if:	
26	(a) he becomes bankrupt or makes a compromise with his	
27	creditors;	
28	(b) he is convicted of a felony or any offence involving dishonesty,	
29	corruption or fraud by any court whether in Nigeria or elsewhere;	
30	(c) he becomes incapable of carrying out the functions of his office	

1 either by reason of infirmity of mind or body;

2 (d) the President is satisfied that it is not in the interest of the
3 Commission or the interest of the public that the member should continue in
4 office and the President removes him from office.;

5 (e) he has been found guilty of violation of the code of conduct or
6 serious misconduct in relation to his duties;

7 (f) he resigns his appointment by a notice under his hand, addressed to
8 the President; or

9 (g) in the case of a person who becomes a member by virtue of the
10 office he occupies, he ceases to hold such office for whatever reason.

11 (2) Where a vacancy occurs in the membership of the Commission, it
12 shall be filled by the appointment of a successor to hold office for the remainder
13 of the term of office of the predecessor, provided that the successor shall
14 represent the same interest as his predecessor.

Emoluments etc
of members

15 **8.**-(1) There shall be paid to the Chairman and Secretary of the
16 Commission such salaries, allowances and benefits as the Revenue
17 Mobilisation Allocation and Fiscal Commission may from time to time
18 approve.

19 (2) There shall be paid to the ex-officio (part time) members of the
20 Commission such sitting allowance and benefits as may be determined by the
21 Revenue Mobilisation and Fiscal Commission may, from time to time,
22 approve.

Submission of
annual report
to the National
Assembly

23 **9.** The Commission shall prepare and submit to the National
24 Assembly not later than 30th June in each financial year; a report of its
25 activities including all cases of contravention investigated during the
26 preceding financial year, and shall include in the report a copy of its audited
27 accounts for the preceding financial year.

28 PART II - THE MEDIUM TERM EXPENDITURE FRAMEWORK

Medium Term
Expenditure

29 **10.**-(1) The Federal Government after consultation with the states
30 shall-

1 (a) not later than six months from the commencement of this Act,
2 cause to be prepared and laid before the National Assembly, for their
3 consideration a Medium-Term Expenditure Framework for the next three
4 financial years; and

5 (b) thereafter, the Federal Government, through the Ministry of
6 Finance, not later than six months before commencement of the next
7 financial year, cause to be prepared a Medium - Term Expenditure
8 Framework for the next three financial years.

9 (2) The framework so prepared, shall be submitted to the Federal
10 Executive Council for consideration and Federal Executive Council shall
11 thereafter, through the Ministry of Finance, submit the framework to the
12 National Assembly for consideration and approval.

13 (3) The framework so laid shall be considered for approval with
14 such modifications, if any, as the National Assembly finds appropriate by a
15 resolution of each House of the National Assembly.

16 (4) The Ministry of Finance shall submit a copy of the framework
17 approved by the Federal Executive Council to the Commission not later than
18 3 working days from the date of its submission to the National Assembly.

19 (5) The Medium-Term Expenditure Framework shall contain:

20 (a) a Macro-Economic Framework setting out the macroeconomic
21 projections, for the next three financial years, the underlying assumptions
22 for those projections and an evaluation and analysis of the macroeconomic
23 projections for the preceding three financial years;

24 (b) a Fiscal Strategy Paper setting out:

25 (i) The Federal Government's medium term financial objectives,

26 (ii) The policies of the Federal Government for the medium term
27 relating to taxation, recurrent (non-debt) expenditure debt expenditure,
28 capital expenditure, borrowings and other liabilities, lending and
29 investment,

30 (iii) The strategic economic, social and developmental priorities of

- 1 the Federal Government for the next three financial years,
- 2 (iv) An explanation of how the financial objectives, strategic,
3 economic, social and developmental priorities and fiscal measures set out
4 pursuant to sub-paragraph (i), (ii) and (iii) of the paragraph relate to and
5 comply with the economic objectives set out in section 16 of the Constitution.
- 6 (c) an expenditure and revenue framework setting out:
- 7 (i) Estimates of aggregate revenues for the Federation for each
8 financial year, based on the predetermined Commodity Reference Price
9 adopted and tax revenue projection and the expected share of Federal
10 Government Revenue,
- 11 (ii) Aggregate expenditure projection for the Federal government for
12 each financial year in the next three financial years,
- 13 (iii) Aggregate tax expenditure floor for the Federation for each
14 financial year in the next three financial years, Provided that, the estimates and
15 expenditures provided under paragraph (d) of this subsection shall be:
- 16 (a) Based on reliable and consistent data certified in accordance with
17 section 13 (2) (b) of this Act;
- 18 (b) Targeted at achieving the macro-economic projection set out in
19 paragraph (a) of this subsection;
- 20 (c) Consistent with and derive from the underlying assumptions
21 contained in the Macro-economic framework, the objectives, policies,
22 strategic priorities and explanations in the Fiscal Strategy Paper;
- 23 (d) a consolidated Debt Statement setting out and describing the fiscal
24 significance of the debt liability of the Federal Government and measures to
25 reduce any such liability;
- 26 (e) a statement describing the nature and fiscal significance of
27 contingent liabilities and quasi fiscal activities and measures to offset the
28 crystallization of such liabilities; and
- 29 (f) consolidated debt profile and limit for the Federal, State and Local
30 Governments.

1 **11.** The estimates of:

Aggregate
expenditure ceiling

2 (1) Aggregate expenditure and the aggregate amount appropriated
3 by the National Assembly for each financial year shall not be more than the
4 estimated aggregate revenue plus a deficit, not exceeding three per cent of
5 the estimated Gross Domestic Product or any sustainable percentage as may
6 be determined by the National Assembly for each financial year.

7 (2) Aggregate expenditure for the financial year may exceed the
8 ceiling imposed by the provisions of subsection (1) of this section, if in the
9 opinion of the President there is a clear and present threat to national security
10 or sovereignty of the Federal Republic of Nigeria.

11 **12.**-(1) The Minister shall be responsible for the preparation of the
12 Medium Term Expenditure Framework.

Preparation of
the Medium Term
Expenditure
Framework

13 (2) In preparing the draft Medium-Term Expenditure Framework,
14 the Minister:

15 (a) shall hold public consultation, on the Macro-economic
16 Framework, the Fiscal Strategy Paper, the Revenue and Expenditure
17 Framework, the Strategic, economic, social and developmental priorities of
18 government, and such other matters as the Minister deems necessary:

19 Provided that such consultations shall be open to the public, the
20 press and any citizens or authorized representatives of any organization,
21 group of citizens, who may attend and be heard on any subject matter
22 properly in view;

23 (b) shall seek inputs from the following:

24 (i) National Economic Council;

25 (ii) National Planning Commission;

26 (iii) Joint Planning Commission;

27 (iv) National Council on Developmental Planning;

28 (v) National Assembly;

29 (v) Central Bank of Nigeria;

30 (vi) National Bureau of Statistics;

1 (vii) Revenue Mobilisation Allocation and Fiscal Commission;
2 (viii) Fiscal Responsibility Commission; and
3 (ix) Any other relevant statutory body as the Minister may determine;
4 (c) shall consider and reflect as may be deemed appropriate the input
5 of the bodies and persons referred to in paragraphs (a) and (b) of subsection (2)
6 of this section.

Time Limit for
presentation of
Medium Term
Expenditure
Framework to
Federal Executive
Council and
National
Assembly

7 **13.**-(1) The Minister shall before the end of the second quarter of each
8 financial year, present the Medium-Term Expenditure Framework to the
9 Federal Executive Council for consideration and approval.

10 (2) The Federal Executive Council shall, not later than the end of July
11 each financial year consider and approve the Medium-Term Expenditure
12 Framework for the next three years.

13 (3) The Medium-Term Expenditure Framework as approved by the
14 Federal Executive Council shall, not later than mid August of each financial
15 year, be presented by the Minister of Finance to the National Assembly for
16 consideration and adoption.

17 (4) The National Assembly shall, before the last day of August each
18 financial year, consider and approve the Medium-Term Expenditure
19 Framework:

20 Provided that where the National Assembly fails to consider and
21 approve the Medium-Term Expenditure Framework one week after the
22 deadline set by this subsection, its approval shall be dispensed with, and the
23 framework shall take effect as presented to the National Assembly.

24 (5) The Minister shall within the time set by the rules submit a copy of
25 the Medium-Term Expenditure Framework approved by the Federal Executive
26 Council to the Commission.

Publication of
Medium
Expenditure
Framework in
the Gazette etc.

27 **14.** Not later than 30 days of its approval by the National Assembly or
28 otherwise coming into effect, the Medium -Term Expenditure Framework as
29 approved shall be published in the Gazette, Ministry of Finance website and the
30 mass media by the Minister.

1	15. -(1) Subject to subsection (2) of this section, the President may	Adjustments to the Medium-Term Expenditure Framework
2	cause adjustments to be made to a medium term expenditure framework	
3	(2) Any adjustment to the approved Medium Term Expenditure	
4	Framework shall be limited to:	
5	(a) The correction of manifest error; and	
6	(b) Changes in the fiscal indicators, which in the opinion of the	
7	President are significant.	
8	16. States and Local Governments which so desire shall be	Assistance to States and Local Governments
9	assisted by the Federal Government to manage their fiscal affairs within the	
10	medium term framework.	
11	PART III - THE ANNUAL BUDGET	
12	17. Notwithstanding anything to the contrary contained in this Act	Annual Budget to be derived from Medium Term expenditure Framework
13	or any other written law, the Medium term Expenditure Framework shall:	
14	(1) Be the basis for the preparation of the estimates of revenue and	
15	expenditure required to be prepared and laid before the National Assembly	
16	under section 81 (1) of Constitution.	
17	(2) The sectoral and compositional distribution of the estimates of	
18	the expenditure referred to in subsection (1) of this section shall be	
19	consistent with the medium term developmental priorities set out in the	
20	Medium Term expenditure Framework.	
21	18. -(1) The Federal Ministry of Finance shall, not later than the end	Time limit for Budget preparation
22	of September each financial year, present the budget for the next financial	
23	year for the consideration and approval of the Federal Executive Council.	
24	(2) The Federal Executive Council shall, not later than the last day	
25	of October of each financial year, approve the budget presented to it under	
26	subsection (1) of this section.	
27	(3) The National Assembly shall give priority attention to the	
28	consideration of the budget upon presentation of same to it by the President.	
29	19. The estimates of revenue and expenditure (in the Act referred	Annual Budget to be accompanied by certain documents
30	to as the "Annual Budget") shall be accompanied by:	

1 (a) a copy of the underlying revenue and expenditure profile for the
2 next two years;

3 (b) a report setting out actual and budgeted revenue and expenditure
4 and detailed analysis of the performance of the budget for the 18 months up to
5 June of the current financial year;

6 (c) a revenue framework broken down into monthly collection targets
7 prepared on the basis of the predetermined Reference Commodity Price as
8 contained in Medium-Term Expenditure Framework, and other revenue
9 sources, including the net current revenue and the respective memorandum
10 items;

11 (d) measures on cost, cost control and evaluation of result of
12 programmes financed with previous budgetary resources;

13 (e) a Fiscal target appendix derived from the underlying Medium-
14 Term Expenditure Framework setting out the following targets for that
15 financial year:

16 (i) Target inflation rate,

17 (ii) Target fiscal account balances,

18 (iii) Any other development target deemed appropriate; and

19 (f) a Fiscal Risk Appendix evaluating the fiscal and other related risks
20 to the annual budget and specifying measures to be taken to offset the
21 occurrence such risks.

Application of
Part III to States
and Local
Governments

22 **20.** In preparing their annual budget, States and Local Governments
23 may adopt the provisions of this Part with such modification as may be
24 appropriate and necessary.

25 PART IV - BUDGETARY PLANNING OF CORPORATIONS AND OTHER

26 RELATED AGENCIES

Preparation of
estimates of
revenue and
expenditures by
corporations etc.

27 **21.**-(1) The Government corporations, agencies and government
28 owned companies listed in the Schedule to this Act or subsequently added
29 thereto pursuant to this Act (in this Act referred to as "the Corporations") shall,
30 not later than 6 months from the commencement of this Act and not later than

1 the end of the second quarter of every year, cause to be prepared and
2 submitted to the Minister their estimates of revenue and expenditure for the
3 next three financial years.

4 (2) Each of the bodies referred to in subsection (1) of this section
5 shall submit to the Minister not later than the end of August in each financial
6 year:

7 (a) an annual budget derived from the estimates submitted in
8 pursuance of subsection (1) of this section;

9 (b) projected operating surplus which shall be prepared in line with
10 accrual accounting practices; and

11 (c) estimated revenue shall be broken down by the corporations
12 into monthly collection targets, including, where applicable, a separate
13 description of measures to combat corruption, fraud, evasion of taxes or
14 diversion of government revenue.

15 (3) The Minister shall cause the estimates submitted in pursuance
16 of subsection (2) of this section to be attached as part of the Appropriation
17 Bill to be submitted to the National Assembly.

18 Provided that, where appropriate, the Minister shall in consultation
19 with the corporation revise such estimates.

20 **22.**-(1) Notwithstanding anything to the contrary contained in this
21 Act or any other written law governing a corporation, every corporation
22 (listed or added to the schedule to this Act) shall remit 80% of its Operating
23 Surplus into the Consolidated Revenue Fund of the Federal Government
24 within 30 days after the end of the statutory deadline for publishing its
25 audited financial Report. Provided that if the Minister at any time, by
26 appropriate circular, directs the payment of any amount by Agencies and
27 Corporations into the Consolidated Revenue Fund of the Federal
28 Government, compliance with such a circular by a Corporation shall be
29 taken into cognizance in determining the amount payable by it as operating
30 surplus as stipulated in this Act.

Remittance of
revenue by
Corporations

	1	(2) Each corporation shall, not later than three months after the end of
	2	its financial year, cause to be prepared and published its audited financial
	3	reports in accordance with such rules as may be prescribed from time to time.
Cessation of application	4	23. The provisions of sections 21 and 22 shall cease to apply to any of
	5	the corporations from the date of privatization, Provided Always that the
	6	Commission shall monitor and ensure that dividend payments due to the
	7	Federal Government by virtue of any shares held by it in the privatized
	8	corporation are duly remitted into the Consolidated Revenue Fund.
	9	(2) The Minister, shall, on the recommendation of the Commission,
	10	include any other corporation, agency or government-owned company in the
	11	schedule to this Act through appropriate circular or notice.
	12	PART V - BUDGETARY EXECUTION AND ACHIEVEMENT OF TARGETS
Annual cash plan	13	24. -(1) The Federal Government, through the Office of the
	14	Accountant General, shall cause to be drawn up, an Annual Cash Plan for each
	15	financial year.
	16	(2) The Annual Cash Plan shall be prepared in advance of the financial
	17	year setting out projected monthly cash flows and shall be revised quarterly to
	18	reflect actual cash flows.
	19	(3) A copy of the Annual Cash Plan shall be submitted to the
	20	Commission by the Office of the Accountant General within one week of its
	21	preparation or amendment.
Disbursement schedule	22	25. -(1) The Minister, shall within 30 days of the enactment of the
	23	Appropriation Act, prepare and publish a disbursement Schedule derived from
	24	the Annual Cash Plan for the purpose of implementing the Appropriation Act.
	25	(2) The Minister shall cause the disbursement schedule prepared
	26	pursuant to subsection (1) of this section to be published in the official gazette,
	27	the Ministry`s website and mass media.
	28	(3) The Minister shall cause a copy of the disbursement schedule to be
	29	submitted to the Commission in accordance with the rules.

- 1 **26.**-(1) The sums appropriated for a specific purpose shall be used Power of Minister
2 solely for the purpose specified in the Appropriation Act. to approve virement
- 3 (2) Without prejudice to subsection (1) of this section, the Minister
4 may in exceptional circumstances and in the overall public interest,
5 recommend for the approval of the National Assembly virements from sub-
6 heads of account, without exceeding the amount appropriated to such head
7 of account.
- 8 **27.**-(1) Where by the end of three months, after the enactment of Power to restrict
9 the Appropriation Act, the Minister determines that the targeted revenues further commitments
10 may be insufficient to fund the heads of expenditure in the Appropriation
11 Act, the Minister shall, within the next 30 days of such determination, take
12 appropriate measures to restrict further commitments and financial
13 operation according to the criteria set in the fiscal Risk Appendix.
- 14 (2) Where the target revenue are re-established, either in part or in
15 full, the appropriations for which further commitments were restricted shall
16 be restored proportionately .
- 17 (3) The provisions of the subsections (1) and (2) of this section
18 shall not apply to statutory or constitutional expenditures.
- 19 **28.**-(1) Any proposed tax relief shall be accompanied by an Restriction on
20 evaluation of its budgetary and financial implications in the year it becomes the grant of tax
21 effective and in the three subsequent years, and shall only be approved by relief
22 the Minister, if it does not adversely impair the revenue estimates in the
23 annual budget or if it is accompanied by countervailing measure during the
24 period mentioned in this subsection through revenue increasing measures
25 such as tax rate raises and expansion of the tax base.
- 26 (2) The provisions of this section shall not apply to:
- 27 (a) changes in the rates of the taxes mentioned in section 163 of the
28 Constitution; and
29 (b) debt cancellation in an amount lower than the cost of collection.

Responsibility
of the Budget
Office of the
Federation to
monitor and
report on
implementation

1 **29.**-(1) The Budget Office of the Federation, shall monitor and
2 evaluate the implementation of the Annual Budget, assess the attainment of
3 fiscal targets and report thereon on a quarterly basis to the Fiscal Responsibility
4 Commission and the Joint Finance Committee of the National Assembly.

5 (2) The Minister of the supervising Ministry responsible for The
6 Budget Office of the Federation shall cause the report prepared pursuant to
7 subsection (1) of this section to be published in the mass and electronic and on
8 its website, not later than 30 days after the end of each quarter.

Application of
Part V to states
and local
governments

9 **30.** In the implementing their annual budgets, States and Local
10 Governments may adopt the provisions of this part with such modifications as
11 may be appropriate and necessary.

12 PART VI - PUBLIC REVENUE

Forecast and
collection of
public revenue

13 **31.** Any fund due to the Federation from any tier of government may
14 be set off by the federation on or towards payment or remittance of any sum due
15 to that tier of government from the Federation.

Revenue forecast

16 **32.**-(1) The Minister shall, at least 30 days before the deadline for the
17 submission of its budget proposals place at the disposal of the National
18 Assembly, the revenue estimates for the following year, including the net
19 current revenue and the respective memorandum items,

20 (2) The Minister shall cause the documents mentioned in subsection
21 one of this section to be submitted to the Commission within seven days of its
22 submission to the National Assembly.

Executive to
breakdown
estimated
revenue

23 **33.** Estimated revenue shall be broken down by the Minister into
24 Monthly collection targets, including, where applicable, a separate description
25 of measures to combat tax fraud and evasion.

26 PART VII - SAVINGS AND ASSET MANAGEMENT

27 **34.**-(1) Where the reference commodity price rise above the
28 predetermined level, the resulting excess proceeds shall be saved in
29 accordance with the provisions of subsection (2) of this section.

30 (2) The saving of each Government in the Federation in pursuance to

1 sub section (1) of this section shall be deposited in a separate account which
2 shall form part of the respective Governments Consolidated Revenue Fund
3 to be maintained at the Central bank of Nigeria by each Government.

4 (3) The central Bank of Nigeria shall, in consultation with the
5 Minister of Finance, the State Commissioners of Finance, and Local
6 Government Treasurers, invest, for and on behalf of the Governments in the
7 Federation, the saving of each Government and such investment can be
8 undertaken in a consolidated manner, provided that, the shares of each
9 Government and income due to them from the investment are clearly
10 identified.

11 (4) The Central Bank of Nigeria in the discharge of its obligation
12 under subsection (3) of this section shall, observe the limits and conditions
13 imposed by safety and prudential considerations and the need to maintain
14 macro-economic stability and such safety and prudential conditions are to
15 be agreed upon with the Minister of Finance, State Commissioners of
16 Finance and Local Government Treasurers.

17 (5) No Government in the federation shall have access to the
18 savings made in pursuance to subsection (2) of this section, unless the
19 reference commodity price falls below the predetermined level for a period
20 of three consecutive months.

21 (6) The augmentation referred to in sub section (5) of this section
22 shall be limited to such sums that will bring the revenue of government to the
23 level contained in its budget estimates.

24 (7) Notwithstanding the provisions of subsections (5) and (6) of
25 this section and subject to agreement by Federal and State Governments in
26 the Federation, a proportion of the savings may be appropriated in the
27 following year for capital projects and programmes.

28 (8) The Central Bank shall on quarterly basis make available to the
29 Commission the amount standing to the credit of the account referred to in
30 subsection (2) of this section.

	1	PART VIII - PUBLIC EXPENDITURES
Cap on cost to revenue and conditions for increasing government expenditure	2	35. Every Agency, Corporation and government Parastatal shall limit
	3	and ensure that their annual budgetary expenditure from internally generated
	4	revenue does not exceed 75% of their gross revenue.
	5	(1) A proposal to create, expand or improve government action which
	6	will result in an expenditure increase shall be accompanied by:
	7	(a) an estimate of the budgetary or financial impact in the year it
	8	becomes effective and in the two subsequent years; and
	9	(b) a statement by the person requesting for the expenditure, stating
	10	how the increase or action is covered or relevant to the Appropriation Act and
	11	the Medium-term Expenditure Framework.
	12	(2) The provisions of this section shall not apply to expenditures
	13	deemed inconsequential and shall apply to State and Local Government only to
	14	the extent to which they have adopted these provisions.
Conditions for increasing personnel expenditure	15	36. The granting of any advantage or increase of remuneration, the
	16	creation of posts or allocation of career structures and employment of new
	17	personnel on any account by bodies and entities including foundations
	18	established and maintained by the Federal Government shall only be effected
	19	if, there is a prior budgetary allocation sufficient to cover the estimated
	20	expenditure.
All contracts to comply with rules and guidelines	21	37. All contracts with regard to the execution of annual budget; shall
	22	comply with the rules and guidelines on:
	23	(a) procurement and award of contracts; and
	24	(b) due process and certification of contract.
Application of Part VIII to States and Local Governments	25	38. In incurring public expenditures, States and Local Governments
	26	may adopt the provisions of this Part with such modifications as may be
	27	appropriate and necessary.
	28	PART IX - DEBT AND INDEBTEDNESS
Framework for debt management	29	39. -(1) The framework for debt management during the financial year
	30	shall be based on the following rules:

1 (a) Government at all tiers shall only borrow for capital
2 expenditure and human capital development, provided that, such borrowing
3 shall be on concessional terms with low interest rate and with a reasonable
4 long amortization period subject to the approval of the appropriate
5 legislative body where necessary; and

6 (b) Government shall ensure that the level of public debt as a
7 proportion of national income is held at a sustainable level as prescribed by
8 the national Assembly from time to time on the advice of the Minister.

9 (2) Notwithstanding the provisions of subsection 1 (a) of this
10 section and subject to the approval of the National Assembly, the Federal
11 Government may borrow from the capital market.

12 **40.**-(1) The President shall within 90 days from the
13 commencement of this Act and with advise from the Minister of Finance
14 subject to approval of National Assembly, set overall limits for the amounts
15 of consolidated debt of the Federal, State and Local Governments pursuant
16 to the provisions of items 7 and 50 of Part I of the Second Schedule of the
17 constitution and the limits and conditions approved by the National
18 Assembly, shall be consistent with the rules set in this Act and with the fiscal
19 policy objectives in the Medium term fiscal Framework.

Limits on
consolidated debt
of Federal, State
and Local
Governments

20 (2) Outstanding judgement debts not paid shall be considered part
21 of the consolidated debts for the purpose of application of the respective
22 limits set in pursuance of this section.

23 (3) For the purpose of verifying compliance with the limits
24 specified pursuant to this section, the Commission shall at the end of each
25 quarter, determine the amount of the Consolidated debt of each tier of
26 government.

27 (4) The Commission shall publish, on a quarterly basis, a list of the
28 Governments in the federation that have exceeded the limits of consolidated
29 debt, indicating the amount by which the limit was exceeded.

30 (5) Where at the end of any quarter, the consolidated debt of the

1 Federal, State or Local Government exceeds the respective limits, it shall be
2 brought within the limit, not later than the end of the three subsequent quarters
3 with a minimum of 25 per cent reduction in the first quarter.

4 (6) Violators of the limits specified pursuant to this section shall:

5 (a) be prohibited from borrowing from internal or external sources,
6 except for the refinancing of existing debts; and

7 (b) bring the debt within the established limit by restricting funding
8 commitments accordingly.

9 (7) Where non-compliance with the limit specified pursuant to this
10 section persist after the time limited by subsection (5) of this section, the
11 affected tier of Government shall also be prohibited from receiving grants from
12 any other Government in the Federation.

13 (8) Whenever the fundamentals of the proposals referred to in this
14 section are changed due to economic instability or change in monetary or
15 exchange policies, the President shall submit to the National Assembly a
16 request for a review of the current limits.

Servicing of
external debt

17 41.-(1) Servicing of external debts shall be the direct responsibility of
18 the Government that incurred the debt.

19 (2) The cost of servicing Federal Government guaranteed loans shall
20 be deducted at source from the share of the debtor Government from the
21 Federation Account.

22 PART X - BORROWING

Conditions of
borrowing and
verification of
compliance with
limits

23 42.-(1) Any Government in the Federation or its agencies and
24 corporations desirous of borrowing shall, specify the purpose for which the
25 borrowing is intended and present a cost-benefit analysis, detailing the
26 economic and social benefits of the purpose to which the intended borrowing is
27 to be applied and repayment programme.

28 (2) Without prejudice to subsection (1) of this section, each
29 borrowing shall comply with the following conditions:

30 (a) the existence of prior authorization in the Appropriation or other

1 Act or Law for the purpose for which the borrowing is to be utilized; and

2 (b) the proceeds of such borrowing shall solely be applied towards
3 long-term capital expenditures.

4 (3) Nothing in this section shall be construed to authorize
5 borrowing in excess of the limits set out in section 40 of this Act.

6 (4) The Commission shall verify on a quarterly basis, compliance
7 with the limits and conditions for borrowing by each Government in the
8 Federation.

9 (5) Without prejudice to the specific responsibilities of the
10 National Assembly and Central Bank of Nigeria, the Debt Management
11 Office shall maintain comprehensive, reliable and current electronic
12 database of internal and external public debts, guaranteeing public access to
13 the information.

14 **43.**-(1) All banks and financial institutions shall request and obtain
15 proof of compliance from the Commission with the provisions of this Part
16 before lending to any Government in the Federation.

Lending by
financial
institutions

17 (2) Lending by banks and financial institutions in contravention of
18 this Part shall be unlawful.

19 **44.** -(1) The Central Bank of Nigeria in its relation with
20 Government agencies and Parastatals shall be subject to the following
21 prohibitions:

Prohibition against
CBN in its relation
with government
agencies and
parastatals

22 (a) purchasing fresh issues of government securities on the date of
23 its primary issue in the market, except in the circumstances under subsection

24 (2) of this section;

25 (b) exchanging on a temporary basis, the debt securities of any
26 Government in the Federation for Federal public debt securities and forward
27 exchange; or

28 (c) granting guarantees on behalf of any Government in the
29 Federation.

30 (2) The Central Bank of Nigeria may only underwrite securities

1 issued by the Federal Government, which are rolled over to refinance maturing
2 securities.

3 (3) The underwriting permitted under subsection (2) of this section
4 shall be offset through a public auction at market determined rate.

Power of the
minister to grant
guarantees

5 45.-(1) Subject to the provisions of this Part, the Minister may with
6 the approval of the Federal Executive Council, grant guarantees on behalf of
7 any Government in the Federation.

8 (2) Any guarantee granted by the Minister shall be conditional upon
9 the provision of a counter guarantee in an amount equal to or higher than the
10 guarantee obligation, provided that there are no overdue obligations from the
11 requesting Government in the Federation to the guarantor and its controlled
12 corporations and such guarantee shall also be on compliance with the
13 following:

14 (a) Counter-guarantee shall only be accepted from State or Local
15 Governments; and

16 (b) The counter-guarantee required by the Federal Government from
17 State or Local Government or by State or Local Government, may consist in
18 the appropriation of tax revenue directly collected and resulting from statutory
19 transfers and the guarantor shall be authorised to retain such revenue and use
20 the respective amount to repay overdue debts.

21 (3) In the case of foreign currency borrowing, Federal Government
22 guarantee shall be a requirement and no State, Local Government or Federal
23 Agency shall, on its own borrow externally.

24 (4) Any guarantee provided in excess of the debts limits set pursuant
25 to section 43 of this Act shall be an offence.

26 PART XI - TRANSPARENCY AND ACCOUNTABILITY

Fiscal
transparency

27 46.-(1) The Federal Government shall ensure that its fiscal and
28 financial affairs are conducted in a transparent manner and accordingly ensure
29 full and timely disclosure and wide publication of all transactions and

1 decisions involving public revenues and expenditures and their implications
2 for its finances.

3 (2) The National Assembly shall ensure transparency and public
4 participation during the preparation and discussion of the Medium-Term
5 Expenditure Framework, Annual Budget and the Appropriation Bill.

6 47.-(1) The federal Government shall publish its audited accounts
7 not later than six months following the end of the preceding financial year. Publication of
audited accounts

8 (2) Federal Government shall, not later than two years following
9 the commencement of this Act and thereafter, not later than 7 months
10 following the end of each financial year, consolidate and publish in the mass
11 media and the Ministry of Finance website, its audited accounts for the
12 previous year.

13 (3) The publication of general standards for the consolidation of
14 public accounts shall be the responsibility of the office of the Accountant-
15 General of the Federation.

16 48. The Federal Government through its Budget Office within 30
17 days after the end of each quarter, publish a summarised report on budget
18 execution in such form as may be prescribed by the Fiscal Responsibility
19 Commission and not later than 6 months after the end of the financial year, a
20 consolidated budget execution report showing implementation against
21 physical and financial performance targets shall be published by the
22 Minister of Finance for submission to the National Assembly and
23 disseminate to the public. Publication of a
summarised report
on budget execution

24 PART XII - ENFORCEMENT

25 49.-(1) Any person who wilfully, whether directly or indirectly,
26 hinders or obstructs the Commission or its agent from performing the
27 functions or duties imposed by this Act commits an offence and shall upon
28 conviction be liable to a term of imprisonment of not less than three (3)
29 months or a fine not less than N500,000.00 (Five Hundred Thousand Naira)
30 or to both fine and imprisonment. Offences and
Penalties

1 (2) Any person who gives false information to another person,
2 authority or the Commission, in response to a request or in the performance of a
3 function imposed by this Act or falsifies any document commits an offence and
4 shall upon conviction be liable to a term of imprisonment of not less than Six
5 (6) months or fine not less than N1,000,000.00 (One Million Naira) or to both
6 fine and imprisonment.

7 (3) Any person who, with intent to deceive or mislead, makes a partial
8 (instead of full) disclosure of information to the Commission or its agent,
9 Federal Ministry of Finance, Budget Office of the Federation, Debt
10 Management Office or any other Government Institution, in response to a
11 request made in the performance of a function imposed by this Act commits an
12 offence and shall upon conviction be liable to a term of imprisonment of not
13 less than three (3) months or fine not less than N500,000.00 (Five Hundred
14 Thousand Naira) or to both fine and imprisonment.

15 (4) Any person who refuses or fails, without lawful excuse, to give
16 information to the Commission or Federal Ministry of Finance, Budget Office
17 of the Federation and the Debt Management Office of the Federation or any
18 other Government Institution, upon a request made in the performance of a
19 function imposed by this Act commits an offence and shall upon conviction be
20 liable to a term of imprisonment of not less than One year or a fine of not less
21 than N1,000,000.00 (One Million Naira) or both fine and imprisonment.

22 (5) Any person who, without lawful excuse, fails to perform a duty
23 imposed upon or assigned to him or the office which he occupies by this Act
24 commits an offence and shall upon conviction be liable to a term of
25 imprisonment not less than three (3) months or fine not less than N500,000.00
26 (Five Hundred Thousand Naira) or both fine and imprisonment.

27 (6) Any person(s) who borrows or lends or is responsible for
28 borrowing or lending in contravention of the provisions of Part (X) of this Act
29 commits an offence and shall upon conviction be liable to imprisonment for a
30 term not less than six (6) months or with a fine not less than N1,000,000.00

1 (One Million Naira) or with both fine and imprisonment.

2 (7) Any person who under-declares public revenue generated or
3 collected by any government institution, corporation, agency, or
4 government owned company commits an offence and shall upon conviction
5 be liable to refund the total amount under-declared, imprisonment for a term
6 not less than three years or with a fine not less than 10% of the total amount
7 under-declared, or with both fine and imprisonment.

8 (8) Any person who duplicates a project or item in the` budget, or
9 accepts and expends a grant regarding an item for which monies are
10 appropriated, released and spent from the budget, commits an offence and
11 shall upon conviction be liable to imprisonment for a term not less than one
12 year or with a fine not less than N1,000,000.00 (One Million Naira) or with
13 both fine and imprisonment.

14 (9) Subject, only, to the provisions of the Constitution, any person
15 who spends or authorises the spending of any money collected or generated
16 without appropriation by the National Assembly, commits an offence and
17 shall upon conviction be liable to imprisonment for a term not less than three
18 years or with a fine not less than 10% of the total amount spent or with both
19 fine and imprisonment.

20 (10) Any person who transfers or spends any sum allocated for a
21 particular project, or service in an Appropriation Act, on another project or
22 service without approval of the National Assembly, commits an offence and
23 shall upon conviction be liable to imprisonment for a term not less than three
24 (3) months or a fine not less than N500,000.00 or to both imprisonment and
25 fine.

26 (11) Any person who assaults an officer, staff or agent of the
27 Commission while performing a function under this Act commits an offence
28 and shall upon conviction be liable to imprisonment for a term of two years
29 without an option of fine.

30 Provided that, in addition to the punishment provided herein, the

1 court shall have the power to award appropriate compensation to the staff or
2 officer so assaulted.

3 (12) Any person who aids or abates the commission of an offence
4 under this Act commits an offence and shall upon conviction be liable to the
5 same sanction as the principal offender.

6 (13) Any person who fails to remit funds pursuant to section 23 of this
7 Act commits an offence and shall upon conviction be liable to imprisonment
8 for a term not less than one (1) year or a fine not less than N2,000,000.00 (Two
9 Million Naira) or to both imprisonment and fine, and shall in addition, remit the
10 full amount so outstanding.

11 (14) Any person who partially remits funds pursuant to section 23 of
12 this Act commits an offence and shall upon conviction be liable to
13 imprisonment for a term not less than six (6) months or a fine not less than
14 N1,000,000.00 (One Million Naira) or to both imprisonment and fine, and shall
15 in addition, remit the full amount so outstanding.

16 (15) Any person who contravenes any provision of this Act commits
17 an offence and shall where no other punishment has been provided be liable to
18 imprisonment for a term not less than three (3) months or a fine not less than
19 N500,000.00 (Five Hundred Thousand Naira).

Enforcement

20 **50.**-(1) Any person shall have legal capacity to enforce the provision
21 of this Act by obtaining prerogative orders or other remedies at the Federal
22 High Court, without having to prove any injury (personal or otherwise) or to
23 show any special or particular interest in the cause of action.

24 (2) The court shall have the power to, whether under a criminal or civil
25 action brought pursuant to the provisions of this Act, order the recovery of
26 every proceed of corrupt enrichment or wrongful benefit obtained by or
27 conferred on any person from any public revenue, fund or other opportunity
28 that belongs to government.

29 (3) Every public fund recovered under this Act shall be paid into the
30 Consolidated Revenue Fund of the Federation.

1 **51.** The Federal High Court shall have exclusive jurisdiction to
2 entertain and determine action relating to matters covered by this Act.

3 PART XIII - MISCELLANEOUS PROVISIONS

4 **52.** Government securities, provided that they are duly listed on
5 the Stock Exchange, may be offered as collateral to guarantee loans or other
6 financial transactions under this Act for their economic values as defined by
7 the Ministry.

8 **53.** The proceeds derived from the sale or transfer of public
9 properties and rights over public assets shall not be used to finance recurrent
10 or debt expenditure, provided that, such proceeds may be used to liquidate
11 existing liabilities directly charged against such properties or assets.

12 **54.** The Federal Government may provide technical and financial
13 assistance to States and Local Governments that adopt similar fiscal
14 responsibility legislation along the same line in this Act for the
15 modernization of their respective tax, financial and asset administration.

16 **55.** The Federal Government, through the Ministry of Finance,
17 may upon the recommendation of the Commission, offer such incentive and
18 positive recognition to any Agency of Government which is able to meet its
19 revenue target and compliance with the provisions of this Act.

20 **56.** There is hereby established a Fiscal Responsibility Council to
21 be constituted by the Chairman of the Commission and the Heads of Fiscal
22 Responsibility bodies at the State Level, which shall hold meetings to
23 deliberate on issues pertaining to fiscal policy framework and prudent
24 management of the nation's resources.

25 PART XIV - INTERPRETATION AND CITATION

26 **57.** In this Act-

Interpretation

27 "Appropriation Act" means an Act or law passed by the National or State
28 Assembly or Local Government authorizing spending from the Consolidate
29 Revenue Fund and includes a Supplementary Appropriation Act or Law;

30 "Appropriation Bill" means the Bill referred to in sections 59 of the

- 1 Constitution of the Federal Republic of Nigeria, 1999;
- 2 "Arms of Government" means the Executive, Legislature and Judiciary;
- 3 "Borrowing" means any financial obligation arising from:
- 4 (a) any loan including principal, interest, fees of such loans;
- 5 (b) the deferred payment for property, goods or services;
- 6 (c) bonds, debentures, notes or similar instruments;
- 7 (d) letters of credit and reimbursement obligations with respect
- 8 thereto;
- 9 (e) trade or bankers' acceptance;
- 10 (f) capitalised amount of obligations under leases entered into
- 11 primarily as a method of raising financing or of financing the acquisition of the
- 12 asset leased;
- 13 (g) agreements providing for swaps, selling rates, ceiling and floor
- 14 rates, contingent participation or other hedging mechanisms with respect to the
- 15 payment of interest or the convertibility of currency; and
- 16 (h) a conditional sale agreement, capital lease or other title retention
- 17 agreement.
- 18 "Budget Call Circular" means a circular:
- 19 (i) requesting the submissions in a prescribed form, of the revenue and
- 20 expenditure estimates of ministries, extra-ministerial departments, and other
- 21 executing agencies of Government for the next financial year; and
- 22 (ii) giving details, guidelines and instructions on the preparation of
- 23 the estimates and expenditure in a manner consistent with the medium term
- 24 developmental priorities set out in the Medium-Term Expenditure Framework;
- 25 "Capital Expenditure" means spending on an asset that last for more than one
- 26 financial year and expenses associated with the acquisition of such assets;
- 27 "Concessional terms" means the terms of the loan must be at an interest rate not
- 28 exceeding 3 percent;
- 29 "Consolidated debt" means the aggregate of the outstanding financial
- 30 obligations of Government including those of its Parastatals and agencies at

- 1 any point in time arising from:
- 2 (i) borrowing money including principal, interest, fees of such
- 3 borrowed money,
- 4 (ii) the deferred payment for property, goods or services,
- 5 (iii) bonds, debentures, note or similar instruments,
- 6 (iv) letters of credit and reimbursement obligations with respect
- 7 thereto,
- 8 (v) Guarantees,
- 9 (vi) Trade or bankers' acceptances,
- 10 (vii) Capitalised amounts of obligations under leases entered into
- 11 primarily as a method of raising financing or of financing the acquisition of
- 12 the asset leased';
- 13 (viii) Agreements providing for swaps, ceiling rates, ceiling and
- 14 floor rates, contingent participation or other hedging mechanisms with
- 15 respect to the payment of interest or the convertibility of currency and
- 16 (ix) A conditional sale agreement, capital lease or other title
- 17 retention agreement.
- 18 "Corporation" includes a government agency and a government owned
- 19 company.
- 20 "Cost-benefit-analysis" means an analysis that compares the cost
- 21 undertaking a service, project or programme with the benefits that citizens
- 22 are likely to derive from it;
- 23 "Financial Institution" means banks and every institution or organization
- 24 that lends money, gives credit facility or guarantees the repayment of loans
- 25 or credit facilities on a commercial basis.
- 26 "Fiscal Risk Appendix" An explanatory attachment that provides a set of
- 27 indicator that can be used to measure local fiscal risk;
- 28 "Fiscal Risk Target" provides numerical target for each risk indicator with
- 29 which a fiscal entity will be considered fiscally healthy;
- 30 "Fiscal year" has the meaning ascribed by the constitution;

- 1 "Fiscal Policy Objectives" means the goals set by Government for attainment
2 of set targets for a given period;
- 3 "Government or any reference to a Government" shall, where appropriate,
4 include the executive, legislature and judiciary;
- 5 "Government Owned Company" means a statutory corporation, Government
6 agency and a company in which Government has controlling interest;
- 7 "Gross Revenue" under Part IV of this Act, means all revenue earned by or
8 accruing to a corporation from all sources less subventions from government
9 and grants from donors;
- 10 "Lending Institution" means a bank or financial institution;
- 11 "Medium-Term Expenditure Framework" means the document referred to and
12 the content of which is prescribed in section 10 of this Act;
- 13 "Minister" means the Minister charged with the responsibility for finance;
- 14 "Net Debt" means the Consolidate Debt less what is owed to Government, its
15 Parastatals and agencies at any point in time;
- 16 "President" means the President of the Federal Republic of Nigeria;
- 17 "Public Debt Securities" means public debt represented by securities issued by
18 the Federal Government (including those of the Central Bank of Nigeria), the
19 State and Local Governments;
- 20 "Public Expenditure" means outlays other than those resulting into debt
21 reduction;
- 22 "Public revenue" all moneys received by a Government in the Federation:
- 23 "Quarter" means one quarter of a financial year and quarterly shall be
24 construed accordingly;
- 25 "Recurrent Expenditure" means normal overhead and administrative expenses
26 and personnel cost including salaries, emoluments and other benefits of
27 employees;
- 28 "Reference Commodity Price" means such price as may be determined by the
29 President subject to the approval of the National Assembly;
- 30 "Refinancing of debt securities" means issuance of securities to repay the

- 1 existing debt;
- 2 "State financial institution" means any financial institution in which one or
- 3 more state governments have controlling interests;
- 4 "State" shall be construed to include the Federal Capital Territory;
- 5 "Tax expenditure projections" means the projected amount expected to be
- 6 utilized in the granting of tax relief or tax holiday;
- 7 "Tax revenue projections" means the projected collectible tax or revenue
- 8 within a particular planning period; and
- 9 "Tiers of Government" means the Federal, State and Local Governments;
- 10 **58.** The Fiscal Responsibility Act, 2007 is hereby repealed. Repeal
- 11 **59.** This Bill may be cited as the Fiscal Responsibility Bill, 2020. Citation

EXPLANATORY MEMORANDUM

This Bill seeks to provide for prudent management of the Nation's Resources, ensure long Term Macro-Economic stability of the National Economy, secure greater accountability and transparency in Fiscal operations within the Medium Term Fiscal Policy Framework and the establishment of the Fiscal Responsibility Commission to ensure the promotion and enforcement of the Nation's Economic objectives.