

DORMANT ACCOUNTS MANAGEMENT BOARD BILL, 2019

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SCHEDULE



A BILL

FOR

AN ACT TO PROVIDE FOR THE CREATION OF THE DORMANT ACCOUNTS FUND; ESTABLISHMENT OF THE DORMANT ACCOUNTS FUND MANAGEMENT BOARD; MANDATE THE TRANSFER OF MONIES IN DORMANT AND UNCLAIMED DIVIDEND TO THE DORMANT ACCOUNT FUND FOR TRANSPARENT PUBLIC MANAGEMENT AND UTILIZATION, AND GUARANTEE PAYMENT OF MONIES FROM THE DORMANT ACCOUNTS FUND TO PERSONS ENTITLED TO THE MONIES AND FOR OTHER RELATED MATTERS

Sponsored by Senator Ovie Omo-Agege

[] Commencement

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

- 1 1. The objectives of the Bill are to-
- 2 (1) create a public custodian to hold and manage monies in
- 3 dormant accounts and unclaimed dividend in banks and financial
- 4 institutions in Nigeria;
- 5 (2) guarantee payment of monies in dormant accounts and
- 6 unclaimed dividend in banks and financial institutions in Nigeria to the
- 7 rightful owners; and
- 8 (3) sanction defaulters of the provisions of this Bill.
- 9 2.-(1) Notwithstanding anything to the contrary contained in any
- 10 law or enactment, this Bill shall apply to all monies in dormant accounts in a
- 11 bank and unclaimed dividend held in any Financial Institution in Nigeria.
- 12 (2) The Fund shall be applied for-
- 13 (a) payment of monies in dormant accounts and unclaimed
- 14 dividend that have been transferred to the Fund to the owners; and
- 15 (b) the utilization of monies in the Fund for national development,

Objectives of the Bill

Application

Establishment
of the Dormant
Account Fund
and the Board

1 growth and maintenance of critical public infrastructure.
2 3.-(1) There is established-
3 (i) a Fund to be known as the Dormant Accounts Fund (in this Bill
4 referred to as "the Fund"),
5 (ii) a body to be known as the Dormant Accounts Fund Management
6 Board (in this Bill referred to as "the Board") to perform the functions
7 conferred on it under this Bill.

8 (2) The Board-
9 (i) shall be a body corporate with perpetual succession and a common
10 seal;
11 (ii) may sue and be sued in its corporate name; and
12 (iii) shall have power to acquire and hold property in movable or
13 immovable.

Powers of the
Board, etc.

14 4. The Board shall-
15 (1) carry out the objectives of this Bill and enforce compliance with
16 this Bill;
17 (2) appoint, officers, employees, consultants, inspectors, experts and
18 other persons with requisite skills and experience in fields that are relevant to
19 the functions of the Board;
20 (3) enter into contract or partnership with any company, firm or
21 person which in its opinion will facilitate the discharge of its functions;
22 (4) liaise with relevant bodies or institutions national and
23 international for effective performance of its functions under the Bill, and
24 (5) have all such powers that are necessary for or incidental to the
25 performance of its functions under this Bill.

Functions of
the Board etc.

26 5. The Board shall perform the following functions-
27 (1) administer and manage the Fund;
28 (2) monitor and enforce the transfer of the monies in all dormant
29 accounts and unclaimed dividend in Nigeria;
30 (3) pay the owners of monies in dormant accounts and unclaimed

1 dividend that have been transferred to the Fund and make such other
2 payments and disbursements from the Fund as prescribed under this Bill;

3 (4) account for all monies and unclaimed dividend transferred to
4 the Fund, disbursed, paid out or otherwise expended from the Fund;

5 (5) manage and supervise its affairs and make rules and regulations
6 for carrying out its functions;

7 (6) pay its staff such lawful remuneration and allowances as
8 appropriate;

9 (7) enter into such contracts and arrangements as may be necessary
10 or expedient for the efficient performance and discharge of its functions; and

11 (8) such other things as may be necessary and expedient for the
12 efficient performance of its functions and achievement of its objectives.

13 6. The sources of revenues for the Fund shall be-

14 (1) monies in dormant accounts in Banks and unclaimed dividend
15 in Financial Institutions which shall be transferred to the Fund as provided in
16 this Bill;

Sources of
Revenue for the
Fund

17 (2) returns, profits, earnings or and interests that may accrue from
18 investing the Fund;

19 (3) gifts and donations; and

20 (4) such other revenues or revenue sources as may be determined
21 by the Board.

22 7.-(1) The Fund may be utilized to pay owners of dormant account
23 and unclaimed dividend.

Utilization and
Investment of
the Fund

24 (2) Government may on terms agreed with the Board borrow or
25 direct that the Fund be utilized for development of critical infrastructure or
26 to fund government social intervention programs.

27 8. The Fund shall be deemed at all times to be perfectly hedged and
28 charged against the Consolidated Revenue Fund or any other fund or
29 account belonging to the Government and in the custody of the Central
30 Bank.

Perfect hedging
of the Fund against
the Consolidated
Revenue Fund, etc.

Payment of
Owners of
Dormant Account
and Unclaimed
Dividend

1 9. An owner of monies in a dormant account and unclaimed dividend
2 whose monies or unclaimed dividend are transferred to the Fund shall be
3 entitled to payment of a maximum of 1.5% simple interest rate per annum
4 computed from the date that the monies or unclaimed dividend were
5 transferred to the Fund.

Head Office
and other Offices
of the Board

6 10. The Board shall have its head office in the Federal Capital
7 Territory and may open branches in any part of Nigeria.

Membership
of the Board

8 11.-(1)The Board shall consist of the following sixteen (16) members
9 who shall be appointed by the President-

10 (i) Chairman;

11 (ii) Managing Director who shall have not less than 15 years
12 experience in Management shall be the Chief Executive responsible for the day
13 to day administration of the affairs of the Board;

14 (iii) six (6) Executive Directors, with at least 10 years experience in
15 Management; one each representing a geopolitical zone of the Federation, at
16 least two (2) of whom shall be women;

17 (iv) eight (8) Non-Executive Directors appointed as follows-

18 (a) five (5) persons not below the rank of Deputy Director each
19 representing the Federal Ministry in charge of-

20 (i) Works,

21 (ii) Transport,

22 (iii) Power,

23 (iv) Finance, and

24 (v) Justice;

25 (b) the Governor, Central Bank or his representative;

26 (c) the Managing Director, Nigeria Deposit Insurance Corporation or
27 his or her representative; and

28 (d) the Director-General, Securities and Exchange Commission or his
29 or representative.

30 (2) The appointment of the Chairman, Managing Director and the

1 Executive Directors shall be subject to confirmation by the Senate.

2 12. A person shall be disqualified from appointment as a member Disqualification
3 of the Board if the person is- from appointment

4 (1) not a citizen of Nigeria;

5 (2) of unsound mind;

6 (3) an undischarged bankrupt; or

7 (4) convicted for an offence involving fraud or dishonesty.

8 13. There shall be established in the Head Office, the following Establishment
9 Directorates under the supervision of an Executive Director- of Directorates
of the Board

10 (1) the Directorate of Operations;

11 (2) the Directorate of Legal Services;

12 (3) the Directorate of Finance;

13 (4) the Directorate of Administration and Human Resources;

14 (5) the Directorate of Government Relations and Public
15 Infrastructure; and

16 (6) the Directorate of Planning, Research and Technology.

17 14.-(1) The Chairman, Managing Director and the Executive Tenure
18 Directors shall in the first instance hold office for a period of five years and
19 thereafter eligible for reappointment for a further term of 5 years only.

20 (2) Persons appointed under clause 11(1)(iv)(a) shall hold office at
21 the pleasure of the Ministry they represent.

22 (3) Ex-officio members on the Board appointed under
23 clause 11(1)(iv)(a), (b), (c) and (d) shall hold office for the period of their
24 tenure of their primary appointment.

25 (4) Subject to the provision of clause 11(1), if any member of the
26 Board dies, resigns, retires, becomes disqualified or is removed from office,
27 the President shall nominate a replacement who, upon confirmation by the
28 Senate, shall serve for the remainder of the term of office of the member
29 replaced.

Remuneration
of Members of
the Board

1 15. A member of the Board shall be paid remunerations and
2 allowances as may be approved by the President.

Cessation

3 16. A Board member shall cease to hold office if-

4 (1) he resigns from office by a letter addressed to and accepted by the
5 President;

6 (2) he is removed by the President on the ground of gross misconduct;

7 (3) he is removed by the President for his or her inability to discharge
8 the functions of his office.

Secretary and
Employees

9 17.-(1)The Board shall appoint a person with relevant academic and
10 professional qualifications as its Secretary.

11 (2) The Secretary shall arrange meetings, conduct the correspondence
12 and perform such other functions as the Board or Managing Director may
13 direct.

14 (3) The Board may employ such other staff as may be necessary to
15 assist the Managing Director in carrying out the functions of the Board under
16 this Bill.

17 (4) The terms and conditions of service including the promotion and
18 discipline of employees shall be determined by the board as it deems fit

Annual Plan and
Report by the
Board

19 18. The Board shall-

20 (1) not later than the 31st of December in each year, prepare and
21 submit to the President, a comprehensive Annual Plan for the management of
22 the Fund in the year next following;

23 (2) review, assess and report to the President, at the end of every
24 quarter in each year, the extent to which objectives specified in the Annual Plan
25 for the management of the Fund have been achieved;

26 (3) not earlier than 1st of December and not later than the 31st of
27 December in each year, make a comprehensive Annual Report to the President
28 on the operation, administration and management of the Fund in that year; and

29 (4) not earlier than 1st of December and not later than the 31st of
30 December in each year, submit to the National Assembly a copy each of the

1 comprehensive Annual Plan and comprehensive Annual Report referred to
2 in this clause.

3 19.-(1) Any member of the Board who has interest in a matter on
4 which it would make a decision shall disclose same to the Board in writing,
5 the facts and nature of the interest.

Disclosure of
Interest

6 (2) Where a member discloses an interest in a matter under this
7 clause, the disclosure and the decision of the Board thereafter shall be
8 recorded in the minutes of the meeting.

9 (3) Any member of the Board who contravenes the provision of this
10 clause shall be guilty of an offence.

11 20.-(1) The Board shall keep proper accounts in respect of each
12 financial year and cause its accounts to be audited at the end of each financial
13 year by auditors from the list and in accordance with the guidelines supplied
14 by the Auditor General of the Federation.

Accounts and
Audit

15 (2) The Auditors shall on completion of the audit of the accounts of
16 each financial year, prepare and submit to the Board a report setting out their
17 observations and recommendations on all aspects of the accounts of the
18 Board for that year; and the Board shall forward a copy of the report to the
19 President and the National Assembly.

20 21.-(1) Upon the commencement of this Bill, the Board shall serve
21 on banks and financial institutions, a request for a comprehensive list of all
22 dormant accounts and unclaimed dividend, as the case may be; and
23 thereafter, this list shall be updated by each bank and financial institution
24 and sent to the Board every six months.

Recovery of
Monies and
Unclaimed
Dividend
Transferable to
the Fund

25 (2) All monies in Dormant Accounts and unclaimed Dividend shall
26 be transferred to the Fund within six (6) months of the commencement of
27 this Bill and thereafter within six (6) months of the date that an account is
28 dormant, or dividend is unclaimed.

29 (3) The Board shall recover from a bank or financial institution
30 with interest at the prevailing rate monies and unclaimed dividend not

1 transferred to the Fund within the six (6) months period prescribed in subclause
2 (2).

3 (4) Any person, bank or financial institution that contravenes the
4 provisions of this clause is guilty of an offence.

Notification of
Transfer

5 22. After the transfer of monies or unclaimed dividend to the Fund,
6 the bank or financial institution shall notify the owners of the dormant account
7 or unclaimed dividend by publication in a national newspaper of the transfer of
8 the monies in the dormant account or unclaimed dividend to the Fund.

Reactivation
and Repayment

9 23.-(1) The owner of a dormant account or unclaimed dividend whose
10 money or dividend has been transferred to the Fund may reactivate the account
11 or claim the dividend by application to the bank or financial institution
12 respectively, and upon verification, the bank or financial institution shall
13 reactivate the dormant account or pay the dividend on the same terms as if the
14 account was never dormant or dividend unclaimed.

15 (2) The bank or financial institution shall keep a record of payments
16 made under sub-clause (1) and is entitled to make application to the Board for
17 reimbursement of monies paid to dormant account holders whose accounts
18 have been reactivated or owners of unclaimed dividend whose dividend have
19 been paid.

20 (3) The Board shall, before payment to a bank or financial institution
21 verify all applications for reimbursement.

22 (4) It shall be an offence-

23 (a) in the case of a person, if he falsely makes a claim or application
24 for reactivation;

25 (b) or an application for reimbursement; or

26 (c) the person, bank or financial institution knowingly receives
27 payment of money, dividend or reimbursement.

Power to accept
gifts

28 24.-(1) The Board may accept any gift, grant or donation from any
29 person upon such terms and conditions, if any, as may be specified by the
30 person making the gift, grant or donation.

1 (2) The Board shall not accept any gift, grant or donation under
2 sub-clause (1) if the conditions attached thereto are inconsistent with the
3 functions of the Board under this Act.

4 25. -(1) The Board shall not be liable for any breach of contract, Limitation on
Liability of the
Board
5 misrepresentation, breach of duty, breach of trust or other legal or equitable
6 wrongs arising from the relationship between the bank or financial
7 institutions and the dormant account holder.

8 26. -(1) No action shall be commenced against the Board before the Legal proceedings
9 expiration of thirty days after a written notice of an intention to commence
10 the action have been served on the Board by the intending claimant; and the
11 notice shall set out details of the cause of action, particulars of claim and the
12 reliefs sought.

13 (2) The chairman, directors and employees of the Fund shall not be
14 personally liable for any claim of a dormant account holder or owner of
15 unclaimed dividend on account of anything done or omitted to be done in
16 exercise of any functions or powers conferred on the Board.

17 27. Where the Board is adjudged to be liable for a wrong Indemnification
18 committed by a bank or financial institution, the bank or financial institution
19 shall indemnify the Board to the extent of the loss suffered.

20 28. -(1) Where the offence is under clause 19 of this Bill- Penalty

21 (a) in the case of an individual, upon conviction shall be liable to a
22 sentence of imprisonment for a minimum term of six months and forfeit to
23 the Fund any proceeds or benefits derived from the non-disclosure; and

24 (b) in the case of a corporate body, shall be liable to a fine of ten
25 million Naira and forfeit to the Fund any proceeds or benefit derived from
26 the offence.

27 (2) Where an offence is committed under clause 21 of this Bill-

28 (a) in the case of an individual, upon conviction shall be liable to a
29 sentence of imprisonment for a minimum term of five years with an option
30 of fine of two million Naira or both; and

1 (2) A meeting held while there is a vacancy in the Board shall be valid
2 notwithstanding the vacancy, as long as there is a quorum.

3 *Presiding Officer*

4 5. At a meeting of the Board, if the chairman is-

5 (a) present he shall preside over the meeting; and

6 (b) absent or the office of chairman is vacant, the appointed members
7 present shall choose one of them to preside over the meeting

8 *Voting*

9 6. At a meeting of the Board each member present shall be entitled to
10 one vote and any question on which a vote is required shall be determined by a
11 majority of votes of members present and voting but in the case of an equal
12 division of votes, the chairman or the other members presiding over the
13 meeting shall have a casting vote.

14 7. Where the Board seeks the advice of any person on a particular
15 matter, the Board may invite that person to attend for such period as it deems fit
16 but a person who is invited by virtue of this paragraph shall not be entitled to
17 vote at any meeting of the Board and shall not count towards the quorum.

18 *Tele-conference meeting*

19 8.-(1) In addition to meeting with all participants physically present,
20 the board may hold or continue a meeting by the use of any means of
21 communication by which all participants can be heard at the same time and
22 such a meeting is referred to in this clause as "tele-conference meeting".

23 (2) A member of the Board who participates in tele-conference
24 meeting shall be taken for all purposes to have been present at the meeting.

25 (3) The Board may establish procedures for tele-conference
26 meetings (including recording the minutes of such meetings) in its minute's
27 book.

28 *Resolutions by circulation*

29 9.-(1) The Board may pass a resolution without a meeting being held,
30 if all the members entitled to vote on the resolution sign a document containing

1 a statement that they are in favour of the resolution in the document.

2 (2) A resolution referred to in sub-paragraph (1) may be passed by
3 the members or some of them signing separate copies of the document
4 referred to in that sub-paragraph, if the date and time of each signature is
5 indicated on the document concerned.

6 (3) A resolution passed in accordance with this paragraph is taken
7 to have been passed at the time on which the last members signs.

8 (4) Subject to the provisions of this Act, the corporation may
9 validly act notwithstanding one or more vacancies among the members of
10 the Board

11 10.-(1) The Board shall, as soon as possible after the coming into
12 force of this Act, provide the Corporation with a seal.

13 (2) The seal of the corporation shall be authenticated by the
14 signatures of the Managing Director and Secretary to the Board or any two
15 Directors.

16 (3) Any document purporting to be a document duly executed
17 under seal of the Fund and purporting to be authenticated in accordance with
18 sub-paragraph (2) of this paragraph, shall be received in evidence and shall,
19 unless the contrary is proved, be presumed to be so executed.

20 (4) In the case of a contract or instrument that, if entered into or
21 executed by an individual, would not be required to be under seal, the Board
22 may delegate the authority to enter into such contract or execute such
23 instrument as the Board may deem fit.

EXPLANATORY MEMORANDUM

This Bill seeks to provide for the creation of the Dormant Accounts Fund; establishment of the Dormant Accounts Fund Management Board; mandate the transfer of monies in dormant and unclaimed dividend to the Dormant Account Fund for transparent public management and utilization, and guarantee payment of monies from the Dormant Accounts fund to persons entitled to the monies.

