



THE SENATE
FEDERAL REPUBLIC OF NIGERIA

**FINANCIAL REPORTING COUNCIL OF NIGERIA ACT, 2011, AMENDMENT
BILL, 2022
(SB. 824)**

A BILL
FOR
AN ACT TO AMEND FINANCIAL REPORTING COUNCIL OF NIGERIA ACT,
2011 TO AMONG OTHER THINGS, STREAMLINE THE MEMBERSHIP OF THE
GOVERNING BOARD TO STRENGTHEN THE COUNCIL TO DISCHARGE
EFFECTIVE REGULATORY RESPONSIBILITIES ON FINANCIAL REPORTING
AND CORPORATE GOVERNANCE IN NIGERIA AND FOR RELATED MATTERS.

FIRST READING

THURSDAY 7TH OCTOBER, 2021

SECOND READING

TUESDAY 11TH NOVEMBER, 2021

THIRD READING

WEDNESDAY 30TH NOVEMBER, 2022

FINANCIAL REPORTING COUNCIL OF NIGERIA ACT, 2011, AMENDMENT BILL, 2022



Arrangement of Clauses

Clauses

1. Amendment of the Principal Act
2. Amendment of Section 2 of the Principal Act
3. Amendment of Section 8 of the Principal Act
4. Amendment of Section 11 of the Principal Act
5. Amendment of Section 15 of the Principal Act
6. Amendment of Section 20 of the Principal Act
7. Amendment of Section 28 of the Principal Act
8. Amendment of Section 33 of the Principal Act
9. Amendment of Section 41 of the Principal Act
10. Amendment of Section 42 of the Principal Act
11. Amendment of Section 48 of the Principal Act
12. Amendment of Section 51 of the Principal Act
13. Amendment of Section 53 of the Principal Act
14. Amendment of Section 59 of the Principal Act
15. Amendment of Section 60 of the Principal Act
16. Insert a new clause "61A" after section 61 of the principal Act –
17. Amendment of Section 63 of the Principal Act
18. Amendment of Section 64 of the Principal Act
19. Amendment of Section 65 of the Principal Act
20. Amendment of Section 68 of the Principal Act
21. Amendment of Section 72 of the Principal Act
22. Amendment of Section 73 of the Principal Act
23. Amendment of Section 77 of the Principal Act
24. Short Title

A
BILL FOR

AN ACT TO AMEND FINANCIAL REPORTING COUNCIL OF NIGERIA ACT, 2001 TO AMONG OTHER THINGS, STREAMLINE THE MEMBERSHIP OF THE GOVERNING BOARD TO STRENGTHEN THE COUNCIL TO DISCHARGE EFFECTIVE RESPONSIBILITIES ON FINANCIAL REPORTING AND CORPORATE GOVERNANCE IN NIGERIA AND FOR RELATED MATTERS.

{ } Commencement

ENACTED by the national Assembly of the Federal republic of Nigeria as follows-

PART-ESTABLISHMENT OF THE FINANCIAL REPORTING COUNCIL OF NIGERIA

- | | | |
|----|--|---|
| 1. | The Financial Reporting council of Nigeria Act, 2011 in this Bill referred to as ("the Principal act") is amended as set out in this Bill. | Amendment of the Principal Act |
| 2. | Section 2 of the principal Act is amended by substituting for subsection (2), a new subsection "(2)"- "(2) The Boar Shall consist of- (a) A Chairman who shall be a professional accountant with cognate of not less than 10 years"; (b) One representative from each of the following: (i) Association of National accountants of Nigeria; (ii) Institute of chartered Accountants of Nigeria; (iii) Office of the Auditor General of Federation (iv) Chartered Institute of Stockbrokers; (v) Chartered Institute of Taxation of Nigeria; (vi) Ministry charged with the responsibility of supervising the activities of the Council ; (vii) Ministry charged with the responsibility of Finance; (viii) Nigerian accountant Association; (ix) Nigerian institute of Estate Surveyors and valuers; (x) Institute of Secretaries and administrators of Nigeria; and (xi) Office of the Accountant General of the Federation | Amendment of Section 2 of the principal Act |
| 3. | Section 8 of the Principal Act is amended – (a) In subsection (1)(d), by substituting for the "word", the word "board"; (c) receive copies of annual reports and financial statements of public interest entities within 60 days of the board; | Amendment of Section 8 of the principal act |

- (e) Advise the Federal Government on matters relating to accounting and financial reporting standards;
- (f) Maintain a register of professional accountants and other professionals engaged in the financial reporting process and corporate governance;
- (b) by substituting for paragraphs (g), (i) and (r), new paragraphs "(g), (i) and (r)" –
- (g) maintain a national repository for electronic submission of General Purpose Financial Statements by public interest entities;
- (h) monitor compliance with the reporting requirements specified in the adopted code of corporate governance;
- (i) promote compliance with the adopted standards issued by the International Federation of Accountants (IFAC), International Financial Reporting Standards Foundation (IFRS), International Public Sector Accounting Standards Board (IPSASB) or any other body that may be designated as such and any other setting body relating to the mandate of the Council;
- (j) monitor and promote education, research and training in the fields of accounting, auditing, financial reporting and corporate governance;
- (k) conduct practice reviews of registered professionals;
- (l) review financial statements and reports of public interest entities;
- (m) enforce compliance with the Bill and the rules of the Council on registered professionals and the affected public interest entities;
- (n) establish such systems, schemes or engage in any relevant activity, either alone or in conjunction with any other organization or agency, whether local or international, for the discharge of its functions;
- (o) receive copies of all qualified reports together with detailed explanations for such qualifications from auditors of the financial statements within a period of 30 days from

the date of such qualification and such reports shall not be announced to the public until all accounting issues relating to the reports are resolved by the Council;

(p) adopt and keep up-to-date accounting and financial reporting standards, and ensure consistency between standards issued and the International Financial Reporting Standards;

(q) specify, in the accounting and financial reporting standards, the minimum requirements for recognition, measurement, presentation and disclosure in annual financial statements, group annual financial statements or other financial reports which every public interest entity shall comply with, in the preparation of financial statements and reports;

(r) develop or adopt and keep up-to-date auditing standards issued by relevant professional bodies and ensure consistency between the standards issued and the auditing standards and pronouncements of the International Auditing and Assurance Standards Board, International Organization of Supreme Audit Institutions or any other body that may be designated as such and any other international standards setting body relating to the mandate of the Council;

“(s) perform such other functions which in the opinion of the Board are necessary or expedient to ensure the efficient performance of the functions of the Council; and

(c) in subsection (2), by inserting after the word, “implementing” in line 2, the words “financial reporting and corporate governance standards”.

4. Section 11 of the Principal Act is amended by deleting the letter “s” in the “sections” in paragraph (b) –

Amendment of Section 11
of the Principal Act

The objects of the Council shall be to:

- (a) protect investors and other stakeholders interest;
- (b) give guidance on issues relating to financial reporting and corporate governance to bodies listed in section 2 (2) (b) of this Bill;
- (c) ensure good corporate governance practices in the public and private sectors of the Nigerian economy;

- (d) ensure accuracy and reliability of financial reports and corporate disclosures, pursuant to the various laws and regulations currently in existences; and
- (e) harmonize activities of relevant professional and regulatory bodies as relating to Corporate Governance and Financial Reporting.

5. Section 15 of the Principal Act is amended –

Amendment of Section 15
of the Principal Act

"15. (1) There is established for the Council 3 Standing Committees and any other committee the Board may deem necessary:

(a) in subsection (1), paragraph (a), by deleting the words, "and oversight".

(a) **Technical Committee;**

(b) Finance and General Purposes Committee; and

(b) in subsection (1), paragraph (c), by inserting after the word, "Audit", the words, "and Risk Management";

(c) **Audit and Risk Management Committee (non-executives).**

(c) in subsection (2) by deleting the word, "and oversight" in lines 1 and 2;

(2) The functions of the Technical Committee shall be:

(a) to receive and review regular reports from the Council on breaches observed;

(b) to receive and deliberate on all appeals against sanctions and make recommendations to the Board; and

(c) to consider reports from the Council and make recommendations to the Governing Board on:

(i) new issues to be addressed by the standard setting directorates; and

(ii) convergence of local and international standards and other related matters.

(3) The functions of the Finance and General Purposes Committee shall be:

(d) in subsection (3), paragraph (a), by substituting for the word "account" the words "financial statement" and in paragraph (b), the word "spending", the word "expenditure";

(a) to consider the annual budgets and financial statements and make recommendations to the Board;

(b) to appraise financial implication of Council's proposed capital expenditure;

(c) to review the Executive Secretary's and management's regular reports on performance against budget for a financial year;

(d) to consider the Council's staff establishment, salaries and conditions of service, staff training and development, approval of staff terminal benefits and make recommendations to the Board; and

"(e) to make recommendations to the Board on the:

- (i) income and expenditure policies;
- (ii) level of fines, penalties and other fees.

(e) in subsection (4), by inserting after the word "Audit", in line 1, the words "and Risk Management".

(4) The functions of the Audit and Risk Management Committee shall be:

- (a) to oversee the systems of internal controls regarding finance, accounting, and legal compliance;
- (b) to fix the fees of external auditors of the Council;
- (c) to review Council's financial statements and other financial information; and
- (d) to review Council compliance with other regulatory requirements.

(5) Membership of a Standing, Committee shall be 5 persons who are experts in the relevant fields, and the Committee shall elect one of them to be the Chairman of the Committee.

(f) in subsection (6), by substituting for the words "at least once a month", in line 1, the words and figure, "once every 3 months"; and

(7) In the absence of the Chairman, members of the committee shall elect one of them to act as Chairman for the meeting.

(8) Without prejudice to other provisions of this Bill, the Board may appoint such other standing or ad-hoc committees as it deems fit to consider and report on any matter with which the Board is concerned.

(9) A committee appointed under sub-section (8) of this section shall:

- (a) consist of such number of persons (not necessarily members of the Board) appointed by the Council and shall remain on the Committee in accordance with the terms of his appointment; and
- (b) be presided over by a member of the Board

(g) in subsection (10), by substituting for the word "approved", in line 2, the word "approved".

PART II – STAFF OF THE COUNCIL

6. Section 20 of the Principal Act is amended in subsection (3) by inserting after the word "appointment", in line 2, the words, "promotion, discipline and welfare" –

Amendment of Section 20
of the Principal Act

“(3) The Board shall be responsible for the appointment, promotion, discipline and welfare of senior management staff from grade level 15 and above for the Council as it may deem necessary and expedient from time-to-time for the proper and efficient performance of the functions of the Council”.

7. Section 28 of the Principal Act is amended in subsection (1) (a), by inserting after the word, “actuarial”, in line 2, a comma and the words, “corporate governance”. Amendment of Section 28 of the Principal Act

(1) Directorate of Inspection and Monitoring shall—

(a) monitor compliance with auditing, accounting, actuarial, corporate governance and valuation standards and guidelines reviewed and adopted by the Council.

PART IV – FINANCIAL PROVISIONS

- 8 Section 33 of the Principal Act is amended – Amendment of Section 33 of the Principal Act

“(1) The Council shall establish and maintain a Fund into which shall be paid –

(a) in paragraph (a) by substituting for the word “levies” in line 1, the word “dues” -

(a) all incomes accruing from annual dues from—

- (i) all registered professionals;
- (ii) all registered firms of professionals;
- (iii) Public Interest Entities; and
- (iv) Other Entities as prescribed by the Council and approved by the Minister.

(b) every registered professional, not less than N10,000.00 annually;

(b) in paragraph (c) (i) – (v), by substituting for existing figures and words, the followings

–

(c) every publicly quoted company, an amount based on its market capitalization, annually as follows:

(i) an amount equal to 0.10% of market capitalization or N500,000 whichever is higher, where the market capitalization of a company is not more than N1 Billion;

(ii) an amount equal to 0.04% of market capitalization or N2 million whichever is higher, where the market capitalization of a company is greater than N1 billion but not more than N50 billion;

(iii) an amount equal to 0.04% of market capitalization or N3.5 million whichever is higher, where the market capitalization of a company is greater than N5 billion but not more than N100 billion;

(iv) an amount equal to 0.04% of market capitalization or N10 million whichever is lower, where the market capitalization of a company is greater than N100 billion but not more than N250 billion;

(v) an amount equal to 0.003% of market capitalization or N15 million whichever is lower, where the market capitalization of a company is greater than N250 billion but not more than N500 billion;

(c) by inserting new sub-paragraphs "(vi) and (vii)" -

(vi) an amount equal to 0.0025% of market capitalization or N20 million whichever is lower, where the market capitalization of a company is greater than N500 billion but not more than N1 trillion; and

(vii) an amount equal to 0.002% of market capitalization or N25 million whichever is lower, where the market capitalization of a company is greater than N1 trillion.

(d) every public interest entity other than those covered by paragraph (b), an amount based on its annual turnover as follows:

(i) an amount equal to 0.02% of annual turnover, where the annual turnover of the entity is not more than N25 million;

(ii) an amount equal to 0.025 % of annual turnover, where the annual turnover of the entity is greater than N25 million but not more than N50 million;

(iii) an amount equal to 0.03 % of annual turnover, where the annual turnover of the entity is greater than N50 million but not more than N500 million;

(iv) an amount equal to 0.04 % of annual turnover, where the annual turnover of the entity is greater than N500million but not more than N1 billion;

(v) an amount equal to 0.045 % of annual turnover, where the annual turnover of the entity is greater than N1.00 billion but not more than N10 billion; and

(vi) an amount equal to 0.05 % of annual turnover, where the annual turnover of an entity is greater than N10 billion.

(e) budgetary allocations and subventions from the Federal Government;

(f) fines and penalties imposed by the Council;

(g) fees charged for services rendered by the Council;

(h) rents, fees and other internally generated revenues from services provided by the Council;

(i) gift, loans, grant-in-aid from national, bilateral and multilateral organizations and agencies; and

(j) all other sums accruing to the Council from time-to-time.

(d) in subsection (2) by substituting for the word "levies" in line 1, the word "dues" -

"(2) The dues referred to, in subsection (1) shall:

(a) for individual professionals and professional firms, be payable not later than 60 days from 1st January of every year;

(b) for public interest entities, be payable not later than 120 days of the financial year; and

(c) for other entities be payable not later than 120 days of the Financial year.

(e) by inserting after the existing subsection (2), a new subsection "(3)" -

"(3) Where a person or an entity fails to pay the dues as prescribed in sub-section (2) as and when due, the person or entity shall:

(a) pay a penalty equivalent to 10% of the amount due for every month of default cumulatively until payment is made;

(b) an entity shall be liable to sanctions as may be prescribed by the Council for any default of its agents, officers or personnel engaged in the financial reporting process for failure to comply with the provisions of this Bill;

(c) the Council may also prosecute such person or entity for default in payment as prescribed in this section;

(d) in addition, in the case of a company, the chief executive officer of the company shall be liable to a penalty as may be prescribed by the Council; and/or imprisonment for a term not exceeding 6 months upon conviction”.

9. Section 41 of the Principal Act is amended by substituting for subsection (6), a new subsection “(6)” – Amendment of Section 41 of the Principal Act

“(6) A person who contravenes sub-section (2) of this section shall be liable to a fine of N5,000,000 or any other amount as may be prescribed by the Council through regulation from time to time and/or imprisonment for a term not exceeding 6 months upon conviction”.

10. Section 42 of the Principal Act is amended – Amendment of Section 42 of the Principal Act

(a) in subsection (1) by substituting for the words and figure, “valid for a period of 2 years” in line 1, the words “shall be renewed annually”; and

(b) by deleting subsection (2).

11. Section 48 of the Principal Act is amended by inserting the words “suspend or” after the word “may” in subsection (1): Amendment of Section 48 of the Principal Act

“(1) The Council may suspend or deregister a professional registered under section 41 where the professional – “

12.

Section 51 of the Principal Act is amended in paragraph (a), by inserting a new letter “s” to the word “asses”, in line 1.

Amendment of Section 51
of the Principal Act

“(a) assess the need for corporate governance in the public and private sector.”

13. Section 53 of the Principal Act is amended in subsection (1) by inserting after the word “Board” the words “or any other body that may be designated as such and any other international standards setting body relating to the mandate of the Council” to read thus:

Amendment of Section 53
of the Principal Act

“(1) The Council shall develop or adopt and keep up-to-date auditing standards issued by relevant professional bodies and ensure consistency between the standards issued and the auditing standards and pronouncements of the International Auditing and Assurance Standards Board or any other body that may be designated as such and any other international standard setting body relating to the mandate of the Council.”

14. Section 59 of the Principal Act is amended in subsection (1) by –

Amendment of Section 59
of the Principal Act

(a) substituting for the words and figures “Cap. B3 LFN, 2004”, in paragraph (a) the figures “2020”;

(b) Substituting for the words and figures “Cap. F124 LFN, 2004”, in paragraph (c), the figures “2020”;

(c) Investments and Securities Act, No. 29, 2007;

(d) Nigerian Investment Promotion Commission Act Cap. N117, 2004;

(e) Insurance Act Cap. I17 LFN, 2004;

(c) substituting for the figures, “2010”, in paragraph (f), the figures “2014”; and

(g) Federal Mortgage Bank of Nigeria Act, Cap. F16 LFN, 2004.

(d) by inserting new paragraphs (h)-(j) -

“(h) Finance Act, 2020”;

(i) Fiscal Responsibility Act, 2007;

(j) Finance Control and Management Act, 1958”.

15. Section 60 of the Principal Act is amended in paragraph (a), by deleting immediately after the word “investigation”, in line 4, the words “subject to the consent of the public interest entity”.

Amendment of Section 60 of the Principal Act

16. **“Execution of warrant of distraint”**

“61A (1) Annual quality reviews (inspections) shall be conducted for professional accountants that audit more than 20 public interest entities; all others shall be conducted every three years and the Council may order a special inspection of any professional accountant at any time.

Insert a new clause “61A” after section 61 of the principal Act –

(2) The Council shall require registered professional accounting firms and other professionals to maintain for a period of not less than 6 years, audit work papers and other information related to any audit report, in sufficient detail to support the conclusion reached in the report.

(3) The Council shall require evidence of a second partner review and audit approach that registered professional accountants adopted on quality control.

61B. (1) The Council may co-opt the assistance and co-operation of any of the law enforcement agencies in the discharge of its duties under this Bill.

(2) The law enforcement officers shall aid and assist an authorised officer in the execution of any warrant of distraint and the levying of distraint.

(3) Any official of the Council armed with the warrant issued by a judicial officer and accompanied by a number of law enforcement officers as may be determined by the Executive Secretary shall:

(a) enter any premises covered by such warrant and seal off the premises, search for, seize and take possession of any book, document or other article used or suspected to have been used in the commission of an offence;

- (b) inspect, make copies of, or take extracts including digital copies from any book, record, document or computer, regardless of the medium used for their storage or maintenance;
- (c) search any person who is in or on such premises;
- (d) open, examine and search any article, container or receptacle;
- (e) open any outer or inner door or window of any premises and enter or otherwise forcibly enter the premises and every part thereof; or
- (f) remove by reasonable force any obstruction to such entry, search, seizure or removal as he is empowered to effect.

(4) No person shall be bodily searched under this section except by a person who is of the same gender as the person to be bodily searched”.

17. Section 63 of the Principal Act is amended in subsection (2), by inserting after the word “Act”, in line 2, the words and figures “shall be liable to a fine and/or penalty of N5,000,000 or any other amount as may be prescribed by the Council through regulations from time to time and/or imprisonment for a term not exceeding 6 months upon conviction”.
- Amendment of Section 63
of the Principal Act

“(2) A person who obstructs an Inspector in the execution of his powers or duties under the provisions of this Act shall be liable to a fine and/or penalty as the Council shall prescribe by regulation; and/or imprisonment for a term not exceeding 6 months or to both upon conviction.”

18. Section 64 of the Principal Act is amended –
- Amendment of Section 64
of the Principal Act
- (a) in subsection (1), by substituting for the words “on the conviction to a fine of not exceeding N10, 000,000.00 or imprisonment for a term not exceeding 2 years or both, in lines 6 and 7, the words and figures “to a fine and/or penalty of N10,000,000 or any other amount as may be prescribed by the Council through regulations from time to time and/or imprisonment for a term not exceeding 2 years upon conviction”; and
 - (b) in subsection (3), by substituting for the words, and figures “on conviction to a fine of not exceeding N20,000,000.00 and”, in lines 3 and 4, the words and figures, “shall be

liable to a fine of N25,000,000 or any other amount as may be prescribed by the Council through regulations from time to time, and shall”.

19. Section 65 of the Principal Act is amended in subsection (3), by substituting for the words and figures, “and shall on conviction be liable to a fine not exceeding N10,000,000.00”, in lines 2 and 3, the words and figures, “shall be liable to a fine of N50,000,000 or any other amount as may be prescribed by the Council through regulations from time to time” –

Amendment of Section 65
of the Principal Act

“(3) Any public interest entity which fails to comply with the notice referred to in subsection (2) of this section, commits an offence and shall be liable to a fine of N50,000,000 or any other amount as may be prescribed by the Council through regulations from time to time and be required to restate the said financial statements within 30 days thereafter and the Council shall require such entity to disclose same in the following year’s financial statements.”

20. PART VIII- LEGAL PROCEEDINGS

Amendment of Section 68
of the Principal Act

Section 68 of the Principal Act is substituted for a new section “68” –

Section 68 of the Principal Act is amended by numbering the exiting provision as section 68 (1) and new subsections (2) and (3) (a), (b) and (c) introduced thereof, as follows:

“(1) Subject to the provisions of this Bill, the provision of the Public Officers Protection Act shall apply in relation to any suit instituted against an officer or employee of the Council.

(2) No suit shall be commenced against the Council before the expiration of 30 days after a written notice of intention to commence the suit is served upon the Council by the intending plaintiff or his agent.

(3) The notice referred to, in subsection (2) of this section shall clearly and explicitly state:

- (a) the cause of action;
- (b) the particulars of the claim;

(c) the name and place of abode of the intending plaintiff; and the relief sought.

PART IX – MISCELLANEOUS

21. Section 72 of the Principal Act is amended in subsection (2), by substituting for the words and figures, “sections 60 and 61 of this Act”, in lines 2 and 3, the words, “any relevant provisions of this Bill”. Amendment of Section 72 of the Principal Act

“72. (1) The Council shall:

(a) periodically publish an Official Bulletin, which shall contain:

(i) the rules made by the Council; and

(ii) such other information as the Council may deem necessary;

(b) cause to be published in the Gazette, national daily newspapers and electronic media, notices relating to the rules of the Council which have been altered or revoked.

(2) The Council may cause to be published in the Gazette, national daily newspapers and electronic media its findings or decisions under any relevant provisions of this Bill.

22. Section 73 of the Principal Act is amended by substituting for a new section “73” – Amendment of Section 73 of the Principal Act
“73 (1) The Council may make regulations to give effect to the provisions of this Bill subject to approval of the Minister”.

PART X – INTERPRETATIONS

23. Section 77 of the Principal Act is amended – Amendment of Section 77 of the Principal Act
“Annual report” means the documents that an entity issues on an annual basis on its affairs, including its financial statements together with the audit report thereon, and the report from the Board of Directors;

“Audit” has the same meaning as in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants;

“Audit firm” means a firm which provides audit services;

“Auditor” means a professionally qualified Accountant or firm of Accountants appointed to conduct an examination of the records of an enterprise and to form an opinion as to

whether the accounts have been prepared in accordance with generally accepted accounting principles.

“Board” means the governing body of the Financial Reporting Council of Nigeria established under section 2 (1) of this Act;

“code of corporate governance” means the Code of Corporate Governance issued by the Directorate of Corporate Governance in this Act;

“Director” has the same meaning given to it under the Companies and Allied Matters Act, 2004;

“Entity” means any person or body of persons, whether incorporated or unincorporated;

“Financial reporting standards” mean accounting, auditing, actuarial and valuation standards issued by the Council under this Act;

(a) by substituting for the words, “to be included in a financial statements, as required under Companies and Allied Matters Act, 2020 whether interim or final, and any other relevant accounting standards” after the word, “documents”, the words, “as may be prescribed by the Council under this Bill” in the interpretation of Financial Statements;

“Financial statements” means the Statement of Financial Position or balance sheet, income statements or profit or loss account, statement of changes in equity, statement of cash flows, notes, statements and explanatory materials thereon and other documents, as may be prescribed by the Council under this Bill;

“Functions” include powers and duties;

“IASB” means the International Accounting Standards Board or its successor body;

(b) by substituting the words “International Accounting Standards Boards (IFRS)” the words “International Financial Standards Foundation (IFRS)” after the interpretation of “IFAC”

“IFAC” means the International Federation of Accountants or its successor body;

(c) by inserting the words “IPSASB” means the International Public Sector Accounting Standards Board” after the interpretation of “IFRS”;

(d) by inserting the words "material irregularity" means fraud, deliberate misstatements of financial statements, falsification, defalcations, etc." after the interpretation of "IPSASB";

"Minister" means the Minister charged with responsibility of supervising the activities of the Council;

(e) by inserting the words,

"Offence" includes but not limited to default in payment of annual dues, submission of returns and other infractions, irregularities committed by entity or individual against the provisions of this Bill" after the interpretation of "Minister";

"Official Bulletin" means the official journal of the Council;

"Practice" in relation to an auditor, means the practice of the auditor or the audit firm;

(f) by substituting for "Public Interest Entities", a new interpretation-

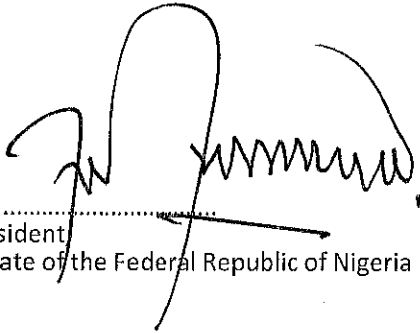
- (a) Governments and government organizations;
- (b) Listed entities on any recognized exchange in Nigeria;
- (c) Non-listed entities that are regulated;
- (d) Public liability Companies;
- (e) concession entities;
- (f) Concession entities;
- (g) Privatized entities in which government retains an interest;
- (h) Entities engaged by any tier of government in public works with annual contract sum of N1billion and above, and settled from public funds;
- (i) Retained
- (j) All other entities with an annual turnover of N30 billion and above" after the interpretation of "Professional Accountants".

24. This Bill may be cited as Financial Reporting Council of Nigeria Act, (Amendment) Bill, Short Title
2022.

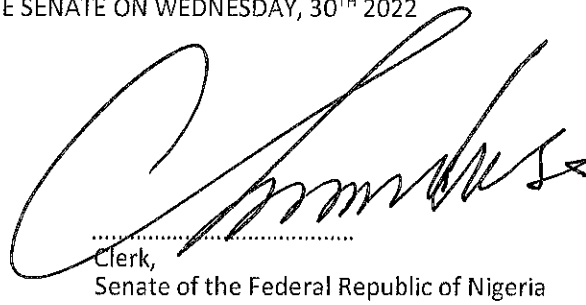
EXPLANATORY MEMORANDUM

This Bill seeks to amend Financial Reporting Council of Nigeria Act, 2011 to among other things, streamline the membership of the governing board to strengthen the council to discharge effective regulatory responsibilities on financial reporting and corporate governance in Nigeria.

THIS BILL WAS PASSED BY THE SENATE ON WEDNESDAY, 30TH 2022



.....
President
Senate of the Federal Republic of Nigeria



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Clerk,
Senate of the Federal Republic of Nigeria