

The following Bills, which will in due course be presented to the House of Representatives for enactment, are published for general information.

CENTRAL BANK OF NIGERIA ORDINANCE, 1958

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INTERPRETATION

Interpretation.

2. In this Ordinance, unless the context otherwise requires—
 "the Bank" means the Central Bank of Nigeria established by this Ordinance;
 "the Board" means the Board of Directors of the Bank;
 "the Governor" and "the Deputy Governor" mean, respectively, the Governor of the Bank and the Deputy Governor of the Bank;
 "the Minister" means the Minister charged with responsibility for matters relating to finance in the Federation;
 "Region" or "Regional" means appertaining to the Regions of Nigeria or to the Southern Cameroons, either individually or collectively as the context requires.

CONSTITUTION

Establishment and incorporation of the Bank.

3. (1) A bank to be called the "Central Bank of Nigeria" shall be established in accordance with the provision of this Ordinance and shall commence business on a day to be appointed by the Governor-General by notification in the Gazette.

(2) The Bank shall be a body corporate and shall have perpetual succession and a common seal, and may sue and be sued in its own name, and subject to the limitations contained in this Ordinance may acquire, hold and dispose of movable and immovable property for the purpose of its functions.

Objects.

4. The principal objects of the Bank shall be to issue legal tender currency in Nigeria, to maintain external reserves in order to safeguard the international value of that currency, to promote monetary stability and a sound financial structure in Nigeria and to act as banker and financial adviser to the Federal Government.

Chief office and branches.

5. The Bank shall have its chief office in Lagos and may open branches in Nigeria and appoint agents and correspondents in accordance with decisions of the Board.

CAPITAL AND RESERVE

Capital.

6. (1) The initial capital shall be such amount as shall be resolved by the Bank and confirmed by the Minister which initial capital shall be subscribed by and paid up at par by the Federal Government on the establishment of the Bank.

(2) The paid-up portion of the authorised capital may be increased by such amount as the Board may, from time to time, resolve with the agreement of the Minister, and the Federal Government shall subscribe and pay up at par the amount of such increase.

(3) All the paid-up capital shall be subscribed and held only by the Federal Government.

General reserve fund.

7. (1) The Bank shall establish a general reserve fund to which shall be allocated at the end of each financial year of the Bank—

(a) one eighth of the net profits of the Bank for the year when, at the end of that year, the fund is less in amount than the paid-up capital of the Bank;

(b) one-sixteenth of the net profits of the Bank for the year when, at the end of that year, the fund is not less in amount than the paid-up capital of the Bank but is less in amount than twice the paid-up capital.

(2) After any allocation has been made in terms of subsection (1) one half of the remainder of the net profits shall be applied to the retirement of any outstanding obligations of the Federal Government to the Bank arising from the financing of the cost of the printing, minting and shipment of the initial stock of the Bank's notes and coins.

(3) The remainder of the net profits shall be paid to the Federal Government.

(4) The net profits of the Bank for each financial year shall be determined by the Bank after meeting all current expenditure for that year and after making such provision as it thinks fit for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds, and all other contingencies.

ADMINISTRATION

8. (1) There shall be a Board of Directors of the Bank which shall be responsible for the policy and general administration of the affairs and business of the Bank.

Board of
Directors.

(2) The Board shall consist of a Governor, a Deputy Governor and five other directors.

(3) The Governor or, in his absence, the Deputy Governor shall be in charge of the day-to-day management of the Bank and shall be answerable to the Board for their acts and decisions.

9. (1) The Governor and Deputy Governor shall be persons of recognised financial experience and shall be appointed by the Governor-General by instrument under the public seal on such terms and conditions as may be set out in their respective letters of appointment.

Governor
and Deputy
Governor.

(2) The Governor and Deputy Governor shall each be appointed for a term of five years and shall be eligible for reappointment: Provided that the appointment, or first appointment, of the first Deputy Governor shall be for a term of three years.

(3) The Governor and Deputy Governor shall devote the whole of their professional time to the service of the Bank and while holding office shall not occupy any other office or employment whether remunerated or not:

Provided that they may, by virtue of their office, be members of or advisers to the Loans Advisory Board or its successor: Provided also that they may, if so appointed with the approval by resolution of the Board,

(a) act as members of any commission established by the Federal Government to enquire into any matter affecting currency or banking in Nigeria;

(b) become governors, directors or members of the Board, by whatever name called, of any international bank or international monetary authority to which the Federal Government shall have adhered or given support or approval;

(c) become directors of any corporation in Nigeria in which the Bank may participate under paragraph (i) of section 29.

Parity of pound.

17. The parity of the Nigerian pound shall be one Nigerian pound to one pound sterling.

Sole right to issue.

18. The Bank shall have the sole right of issuing notes and coins throughout Nigeria and neither the Federal Government nor any Regional Government nor any other person shall issue currency notes, bank notes or coins or any documents or tokens payable to bearer on demand being documents or tokens which are likely to pass as legal tender.

Provisions for issue.

19. The Bank shall—

- (a) arrange for the printing of notes and the minting of coins ;
- (b) issue, reissue and exchange notes and coins at the Bank's offices and at such agencies as the Bank may, from time to time, establish or appoint ;
- (c) arrange for the safe custody of unissued stocks of currency and for the preparation, safe custody and destruction of plates and paper for the printing of notes and of dies for the minting of coins.

Denomination and form of notes and coin.

20. (1) Notes and coins issued by the Bank—

- (a) shall be in such denominations of the pound or fractions thereof as shall be approved by the Minister on the recommendation of the Bank ;
 - (b) shall be of such forms and designs and bear such devices as shall be approved by the Minister on the recommendation of the Bank.
- (2) The standard weight and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the Minister on the recommendation of the Bank.

Bank's currency to be legal tender.

21. (1) Notes issued by the Bank shall be legal tender in Nigeria at their face value for the payment of any amount.

(2) Coins issued by the Bank shall, if such coins have not been tampered with, be legal tender in Nigeria at their face value up to an amount not exceeding ten pounds in the case of coins of denominations of not less than sixpence and up to an amount not exceeding one shilling in the case of coins of a lower denomination.

(3) Notwithstanding the provisions of subsections (1) and (2) the Bank shall have power, on giving not less than three months' notice in the Gazette, to call in any of its notes and coins on payment of the face value thereof and any such notes or coins with respect to which a notice has been given under this clause shall, on the expiration of the notice, cease to be legal tender, but, subject to the provisions of section 23, shall be redeemed by the Bank upon demand.

Tampering with coinage.

22. A coin shall be deemed to have been tampered with if the coin has been impaired, diminished or lightened otherwise than by fair wear and tear or has been defaced by stamping, engraving or piercing whether the coin has or has not been thereby diminished or lightened.

Lost and damaged currency.

23. No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect note or coin. The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated or imperfect notes or coins may be refunded as of grace shall be within the absolute discretion of the Bank.

24. The Bank shall not be liable to the payment of any stamp duty under the Stamp Duties Ordinance in respect of its notes issued as currency.

Exemption from stamp duty.

25. The Bank shall at all times maintain a reserve of external assets consisting of all or any of the following—

External reserve.

(a) gold coin or bullion ;

(b) sterling notes, coin, bank balances and money at call with banks in the United Kingdom ;

(c) Treasury Bills of the Government of the United Kingdom of a maturity not exceeding ninety-three days ;

(d) bills of exchange bearing at least two good signatures and drawn on, and payable at any place in the United Kingdom and having a maturity not exceeding three months exclusive of days of grace ;

(e) sterling securities of, or guaranteed by, the Government of the United Kingdom and maturing within five years : Provided that securities held under the provisions of this paragraph shall not exceed thirty per cent of the reserve specified in this section ;

(f) for a period not exceeding three years from coming into operation of section 18, notes and coins of the West African Currency Board.

26. The value of the reserve specified in section 25 shall—

(a) for a period of five years from the coming into operation of section 18, be not less than the aggregate of an amount representing sixty per cent of the Bank's notes and coins in circulation together with an amount representing thirty-five per cent of the Bank's other demand liabilities ;

(b) after five years from the coming into operation of section 18, be not less than forty per cent of the aggregate of the Bank's notes and coins in circulation and other demand liabilities.

Value of external reserve.

27. (1) The Bank shall publish in the return provided for in subsection (4) of section 45 the proportion which the value of the reserve specified in section 25 and set out in each such return bears to the total of demand liabilities shown in the same return.

Proportion of value of reserve to demand and currency liabilities.

(2) For a period of five years from the coming into operation of section 18, the Bank shall in addition likewise publish the proportion of such reserve to its liabilities in respect of notes and coins in circulation.

OPERATION

28. The Bank shall on demand—

(a) sell sterling for immediate delivery in London at a rate of not less than ninety-nine pounds five shillings sterling for one hundred Nigerian pounds ;

(b) buy sterling for immediate delivery in London at a rate of not more than one hundred pounds fifteen shillings sterling for one hundred Nigerian pounds :

Obligation in respect of currency.

Provided that the Bank shall not be required so to sell or buy sterling for an amount less than ten thousand pounds in respect of any one transaction.

Prohibited activities.

30. The Bank may not—

(a) engage in trade or otherwise have a direct interest in any commercial, agricultural, industrial or, save as provided in paragraph (i) of section 29, any other undertaking, except such interests as the Bank may in any way acquire in the course of the satisfaction of debts due to it, and provided that all such interests so acquired shall be disposed of at the earliest suitable moment;

(b) save as provided in paragraph (i) of section 29, purchase the shares of any corporation or company, including the shares of any banking company;

(c) grant loans upon the security of any shares;

(d) subject to the provisions of section 34, grant unsecured advances or advances secured otherwise than as laid down in paragraphs (j) and (k) of section 29: Provided that in the event of any debts due to the Bank becoming in the opinion of the Bank endangered, the Bank may secure such debts on any real or other property of the debtor and may acquire such property, which shall be resold at the earliest suitable moment;

(e) purchase, acquire or lease real property except in accordance with the proviso to paragraph (d) and except so far as the Bank shall consider necessary or expedient for the provision, or future provision of business premises for the Bank and its agencies and any clearing houses set up in terms of section 42, and of residences for the Governor, Deputy Governor, officials and other employees;

(f) draw or accept bills payable otherwise than on demand;

(g) allow the renewal or substitution of maturing bills of exchange purchased, discounted or rediscounted by or pledged with the Bank save in exceptional circumstances when the Board may by resolution authorise one renewal or one substitution only in either case of not more than fifty per cent of the original amount of any such bill for a period not exceeding ninety days;

(h) pay interest on deposits;

(i) accept for discount, or as security for an advance made by the Bank, bills or notes signed by members of the Board or by the Bank's officials or other employees;

(j) open accounts for and accept deposits from persons other than as provided in paragraphs (c) and (o) of section 29.

31. The Bank shall make public at all times its minimum rediscount rate.

Publication of rediscount rate.

RELATIONS WITH THE FEDERAL GOVERNMENT

32. (1) The Bank shall be entrusted with the Federal Government's banking and foreign exchange transactions in Nigeria and abroad.

(2) The Bank shall receive and disburse Federal Government moneys and keep account thereof without remuneration for such services.

(3) In any place where the Bank has no branch, it may appoint another bank to act as its agent for the collection and payment of Federal Government moneys.

Functions regarding Federal Government.

33. Notwithstanding the provisions of section 32, the Federal Government may,

Federal Government's rights.

(a) maintain accounts in Nigeria with other banks in such cases and on such conditions as may be agreed between the Minister and the Bank ;

(b) use the services of the Regional Treasuries for the collection and payment of Federal Government moneys in places where it may be appropriate and convenient to do so.

34. (1) Notwithstanding the provisions of paragraph (d) of section 30, the Bank may grant temporary advances to the Federal Government in respect of temporary deficiencies of budget revenue at such rate or rates of interest as the Bank may determine.

Advances to Federal Government.

(2) The total amount of such advances outstanding shall not at any time exceed twelve and one half *per cent* of the estimated recurrent budget revenue as laid before the Federal Legislature for the Federal Government financial year in which the advances are granted.

(3) All such advances shall be repaid as soon as possible and shall in any event be repayable by the end of the Federal Government financial year in which they are granted. If after that date any such advances remain unrepaid the power of the Bank to grant further such advances in any subsequent financial year shall not be exercisable unless and until the outstanding advances have been repaid.

35. The Bank shall be entrusted with the issue and management of Federal Government loans publicly issued in Nigeria, upon such terms and conditions as may be agreed between the Federal Government and the Bank.

Issue and management of Federal loans.

36. The Bank may act as banker to any fund, institution or corporation of the Federal Government or of a Regional Government.

Federal funds and institutions.

37. The Bank may act generally as agent for the Federal Government or of a Regional Government—

Agency for Federal Government.

(a) where the Bank can do so appropriately and consistently with the provisions of this Ordinance and with its duties and functions as a central bank ; and

(b) on such terms and conditions as may be agreed between the Bank and the Government concerned.

RELATIONS WITH OTHER BANKS

38. The Bank may act as banker to other banks in Nigeria and abroad.

Nigerian and other banks.

39. The Bank shall wherever necessary seek the co-operation of, and co-operate with, other banks in Nigeria—

Co-operation with banks in Nigeria.

(a) to promote and maintain adequate and reasonable banking services for the public ;

(b) to ensure high standards of conduct and management throughout the banking system ;

- Income tax
Cap. 92. 49. The Bank shall be exempt from the provisions of sections 27 and 45 of the Income Tax Ordinance.
- Companies
Ordinance
Cap. 38. 50. The provisions of the Companies Ordinance shall not apply to the Bank.
- Prohibited
banking
names 51. Save with the written consent of the Minister on the recommendation of the Bank, no bank shall hereafter be registered under the provisions of any Federal or Regional legislation by a name which includes any of the words 'Central', 'Federal', 'Federation', 'National', 'Nigeria', 'Nigerian', 'Reserve' or 'State'.
- Liquidation. 52. The Bank shall not be placed in liquidation except pursuant to legislation passed in that behalf and then in such manner as that legislation directs.

Objects and Reasons

This Bill provides for the establishment of the Central Bank of Nigeria, with a Board of Directors responsible for the policy and general administration of the affairs and business of the Bank, and an Advisory Committee to the Bank consisting of the Ministers of Finance of the Governments of Nigeria or their alternates, and the Governor or Deputy Governor of the Bank. The Bill further provides for the issue by the Bank of Nigerian currency at parity to sterling.

The provisions closely follow the recommendations made in the Report by Mr J. B. Loynes on the Establishment of a Nigerian Central Bank, the Introduction of a Nigerian Currency and other Associated Matters, in which the importance of the creation of a Central Bank and a Nigerian Currency are fully set out.

F. S. OKOTIE-EOBH,
Federal Minister of Finance.

A BILL

FOR

AN ORDINANCE FURTHER TO AMEND THE NIGERIAN RAILWAY CORPORATION
ORDINANCE, 1955 (No. 20 OF 1955).

Title.

[]

Commence-
ment.

BE IT ENACTED by the Legislature of the Federation of Nigeria
as follows—

Enactment.

1. This Ordinance may be cited as the Nigerian Railway Corporation
(Amendment) Ordinance, 1958, and shall come into operation on a day to be
appointed by the Governor-General by notice in the Gazette.

Short title
and
commence-
ment.

2. Section 5 of the Nigerian Railway Corporation Ordinance, 1955
(hereinafter referred to as the principal Ordinance) is amended by the
addition thereto of the following new paragraph—

Insertion of
new para-
graph in
section 5 of
principal
Ordinance,
No. 20 of
1955.

“(c) the General Manager of the Corporation appointed in accordance
with the provisions of section 10, who shall be a member of the Corpora-
tion *ex officio* but shall have no right to vote at any meeting of the Corpora-
tion on any question falling to be decided at such meeting.”

Amendment
of section 6
of principal
Ordinance.

3. Section 6 of the principal Ordinance is amended by the deletion, in subsection (1), of the words—
“, or absence from Nigeria,”.

Repeal and
replacement
of section
10 of princi-
pal Ordinance

4. Section 10 of the principal Ordinance is repealed and the following section is substituted therefor :

“Appoint-
ment and
functions
of General
Manager.

10. (1) The undertaking of the Corporation shall be under the immediate management and control of a servant of the Corporation to be known as the General Manager.

(2) The General Manager shall be appointed by the Corporation and shall be a person appearing to the Chairman to have had wide experience of railway management.

(3) The Corporation shall delegate to the General Manager such of its functions under this Ordinance as are necessary to enable him to transact effectively the day-to-day business of the Corporation of every kind whatsoever and in particular, and without prejudice to the generality of the foregoing, shall delegate to him the power to exercise supervision and control over the acts and proceedings of all servants of the Corporation in matters of executive administration and in matters concerning the accounts and records of the Corporation, and, subject to any general restrictions which may be imposed by the Corporation, the power to dispose of all questions relating to the service of the said servants and their pay, privileges and allowances.

(4) The General Manager shall submit to the Corporation for its decision—

(a) draft estimates of revenue and expenditure ;

(b) schemes relative to any extension of the railway route mileage ; and

(c) major questions of policy in connection with the management and operation of the undertaking.

(5) The General Manager shall not, without the prior approval of the Corporation,—

(a) incur expenditure other than that provided for in the estimates of expenditure approved by the Corporation beyond such limits as may be determined by the Corporation ; or

(b) make any substantial changes in the organisation of the undertaking.

(6) The General Manager may, unless otherwise directed by the Corporation, delegate to any railway servant or agent any of the functions delegated to him.

5. Paragraph 7 of the schedule to the principal Ordinance is amended—
(a) by the insertion after sub-paragraph (1) of the following—

“(1A) During the temporary incapacity from illness, or absence from Nigeria, of the Chairman, the Secretary may convene an extraordinary meeting of the Corporation.” ;

(b) by the deletion of sub-paragraph (4) and the substitution therefor of the following—

Amendment
of Schedule
to principal
Ordinance.

"(4) At every meeting of the Corporation, the Chairman, or the temporary Chairman, if the Minister has appointed one, shall preside, but in the absence of the Chairman or the temporary Chairman, as the case may be, the Corporation shall appoint one of the members present to preside." ;

(c) By the deletion of sub-paragraph (6) and the substitution therefor of the following—

"(6) The member presiding at any meeting shall have a vote and, in the case of an equality of votes, a second or casting vote."

6. Notwithstanding the provisions of subsection (2) of section 10 of the principal Ordinance, as substituted by this Ordinance, the first person to be appointed General Manager after the date on which this Ordinance comes into operation shall be appointed by the Minister and shall, subject to the provisions of the principal Ordinance, hold and vacate his office in accordance with the terms of the instrument appointing him to be General Manager.

Transitional provision for appointment of General Manager.

Objects and Reasons

Up to the present the Chairman of the Nigerian Railway Corporation has also been the General Manager by virtue of section 10 of the principal Ordinance. It is considered desirable for the future that these posts should be held by separate persons and the purpose of this Bill is to make the necessary amendments. The Bill also specifies the powers and duties of the General Manager.

The first General Manager to be appointed after the Bill becomes law will be appointed by the Minister but thereafter appointments will be made by the Corporation itself.

(Bills 542)

R. AMANZE NJOKU,
Minister of Transport,
Federation of Nigeria

BANKING ORDINANCE, 1958

ARRANGEMENT OF SECTIONS

Section

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A BILL

FOR

AN ORDINANCE TO PROVIDE FOR THE REGULATION AND LICENSING OF THE BUSINESS OF BANKING.

Title.

[By Notice, see section 1]

Commencement.

BE IT ENACTED by the Legislature of the Federation of Nigeria as follows—

Enactment.

1. This Ordinance may be cited as the Banking Ordinance, 1958, and shall come into operation upon such date as may be notified by the Governor-General after the signification of the pleasure of Her Majesty thereon.

Short title and commencement

2. In this Ordinance, unless the context otherwise requires—

Interpretation.

“bank” means any person who carries on banking business ;

“banking business” means the business of receiving money on current account, of paying and collecting cheques drawn by or paid in by customers and of making advances to customers ;

“Central Bank” means the Central Bank of Nigeria ;

“company” means—

(i) any limited liability company registered under the Companies Ordinance and includes a company incorporated outside Nigeria which has complied with Part VII of that Ordinance ; and

Cap. 38.

(ii) a body incorporated directly by a law of any Legislature in Nigeria ;

"director" in relation to a banking company incorporated directly by a law in Nigeria includes any person, by whatever name he may be referred to, carrying out or empowered to carry out substantially the same functions in relation to the direction of the company as those carried out by a director of a banking company registered under the Companies Ordinance ;

"licence" means a licence granted under section 3 authorising the carrying on of banking business in Nigeria, or deemed to be so granted in accordance with that section ;

"licensed bank" means a bank holding a licence and all the offices and branches in Nigeria of such a bank shall be deemed to be one bank ;

"Minister" means the Minister charged with responsibility for matters relating to banking in the Federation, or a person acting under his direction or on his behalf.

Necessity
for licence ;
grant and
revocation
thereof.
No. 15 of
1952.

3. (1) No banking business shall be transacted in Nigeria except by a company which is in possession of a valid licence, which shall be granted by the Minister after consultation with the Central Bank, authorising it to carry on banking business in Nigeria : Provided that a valid licence granted under the provisions of the Banking Ordinance, 1952, shall be deemed to be a licence granted under the provisions of this section.

(2) Any person who contravenes the provisions of subsection (1) shall be liable to a fine of fifty pounds for each day during which the offence continues.

(3) Prior to commencing banking business in Nigeria a company shall apply in writing through the Central Bank to the Minister for the grant of a licence, and shall submit a copy of the memorandum of association and articles of association under which it is incorporated and, if it is currently carrying on banking business outside Nigeria, a copy of its latest audited balance sheet.

(4) The Minister may call for such information from the company in such manner as he may think fit.

(5) (a) If the Minister is of the opinion that it would be undesirable in the public interest that a licence should be granted, he shall report the circumstances to the Governor-General in Council who may direct him to refuse to grant a licence, and the Minister need not give reasons for so refusing.

(b) The Minister may by Order revoke any licence—

(i) if the holder ceases to carry on banking business in Nigeria or goes into liquidation or is wound up or otherwise dissolved ; or

(ii) in the circumstances and in the manner provided for in section 14.

4. No bank shall be granted or shall hold a licence unless—

(a) in the case of a bank of which the Head Office is situated in Nigeria, its capital paid up in cash is not less than twelve thousand five hundred pounds ;

Minimum
paid-up
capital.

(b) in the case of a bank of which the Head Office is situated outside Nigeria, its capital paid-up in cash is equivalent to not less than two hundred thousand pounds.

5. (1) Every licensed bank of which the Head Office is situated in Nigeria shall maintain a reserve fund and shall, out of its net profits of each year and before any dividend is declared, transfer to that fund a sum equal to not less than twenty-five *per cent* of such profits whenever the amount of the reserve fund is less than the paid up capital of the bank.

(2) The provisions of subsection (1) shall also apply to any licensed bank of which the Head Office is situated outside Nigeria unless it is proved to the satisfaction of the Minister that the aggregate reserves of that bank are adequate in respect of its business.

(3) This section shall not apply to any bank the reserve fund or aggregate reserves of which amount to at least two hundred thousand pounds.

6. No licensed bank shall pay any dividend on its shares until all its capitalised expenditure (including preliminary expenses, organisation expenses, share selling commission, brokerage, amounts of losses incurred) not represented by tangible assets has been completely written off.

Maintenance
of reserve
fund.

Restriction
on
dividends.

7. (1) A licensed bank shall not in Nigeria—

(a) grant to any person any advance or credit facility or give any financial guarantee or incur any other liability on behalf of such person so that the total value of the advances, credit facilities, financial guarantees and other liabilities in respect of such person is at any time more than twenty-five *per cent* of the sum of the paid-up capital and published reserves of the bank: Provided that—

Restriction
on certain
activities by
licensed
banks in
Nigeria.

(i) the provisions of this paragraph shall not apply to transactions between banks or between the branches of a bank, or to the purchase of clean or documentary bills of exchange, telegraphic transfers or documents of title to goods the holder of which is entitled to payment outside Nigeria for the payment of exports from Nigeria or to advances made against such bills, transfers or documents;

(ii) the provisions of this paragraph shall not apply to advances or credit facilities granted to or established on behalf of a Marketing Board established by any legislature in Nigeria, or to the purchase of bills of exchange payable in Nigeria and accepted by any such Board or to advances made against such bills where such advances or credit facilities or bills are for the purpose of financing the movement in Nigeria of produce delivered to a Marketing Board;

(iii) the provisions of this paragraph shall not apply in respect of any bank while all the banking liabilities it may from time to time incur are the subject of an irrevocable guarantee given by another bank inside or outside Nigeria, if the form and substance of that guarantee have been approved by the Minister upon an express recommendation by the Governor of the Central Bank.

(b) grant any advance or credit facility against the security of its own shares;

(c) grant or permit to be outstanding unsecured advances or unsecured credit facilities of an aggregate amount in excess of five hundred pounds—

(i) to any one of its directors whether such advances or facilities are obtained by its directors jointly or severally;

(ii) to any firm, partnership or private company in which it or any one or more of its directors is interested as director, partner, manager or agent, or to any individual, firm, partnership or private company of whom or of which any one or more of its directors is a guarantor. For the purpose of this paragraph, a private company means a private company as defined in section 121 of the Companies Ordinance;

(d) grant or permit to be outstanding to its officials and employees unsecured advances or unsecured credit facilities which in aggregate amount for any one official or employee exceed one year's emoluments of such official or employee;

(e) engage, whether on its own account or on a commission basis, in the wholesale or retail trade, including the import or export trade, except in so far as may exceptionally be necessary in the course of the banking operations and services of that bank or in the course of the satisfaction of debts due to it;

(f) acquire or hold any part of the share-capital of any financial, commercial, agricultural, industrial or other undertaking except such shareholding as a bank may acquire in the course of the satisfaction of debts due to it which shareholding shall, however, be disposed of at the earliest suitable moment: Provided that this paragraph shall not apply—

(i) in respect of any shareholding approved by the Central Bank in any corporation set up for the purpose of promoting the development of a money market or securities market in Nigeria or of improving the financial machinery for the financing of economic development;

(ii) to all shareholdings in other undertakings the aggregate value of which does not at any time exceed twenty-five per cent of the sum of the paid-up capital and published reserves of that bank;

(g) purchase, acquire or lease real estate except as may be necessary for the purpose of conducting its business or housing its staff: Provided that—

(i) in respect of any real estate held or leased by a bank at the coming into operation of this Ordinance for purposes other than those referred to herein, that bank shall be allowed a period of three years in which to comply with this paragraph; and,

(ii) in the event of any debt due to a bank becoming endangered the bank may secure such debt on any real or other property of the debtor and may acquire such property which shall, however, be resold at the earliest suitable moment.

(2) In paragraph (c) and (d) of subsection (1), the expression "unsecured advances or unsecured credit facilities" means advances or credit facilities made without security, or, in respect of any advance or credit facility made with security, any part thereof which at any time exceeds the market value of the assets constituting that security.

(3) Any licensed bank which, prior to the coming into operation of this Ordinance, entered into any transactions incompatible with the provisions of paragraphs (a) to (f) of subsection (1), shall submit a statement of those transactions to the Minister through the Central Bank and shall, within one year from the said date, liquidate the transactions.

8. (1) Every licensed bank shall maintain a holding of specified liquid assets not less than such amount as may from time to time be prescribed by the Central Bank by virtue of section 40 of the Central Bank of Nigeria Ordinance, 1958.

Minimum
of
specified
liquid assets.

(2) For the purpose of computing the amount of specified liquid assets to be held by each licensed bank, the offices and branches situated in Nigeria of such a bank operating in Nigeria and elsewhere shall be regarded as if those offices and branches constituted a separate bank carrying on business in Nigeria. All the demand liabilities, and all the time liabilities, of that bank owed through any of those offices or branches in Nigeria shall be regarded as if they constituted liabilities of that separate bank, and all the assets held by or to the credit of any of those offices or branches on behalf of that bank and not on behalf of a customer, including any balance in the books of any office or branch of that bank situated in the United Kingdom, shall be regarded as if they were assets of that separate bank.

(3) For the purpose of subsection (2), "demand liabilities" means the total of deposits in any bank which must be repaid on demand, and "time liabilities" means the total of deposits repayable otherwise than on demand".

(4) The specified liquid assets referred to in this section shall consist of all or any of the following—

- (a) notes and coins which are legal tender in Nigeria ;
- (b) balances at the Central Bank ;
- (c) balances at any other bank in Nigeria and money at call in Nigeria ;
- (d) balances at any bank, including the offices and branches of a licensed bank, in the United Kingdom and money at call in the United Kingdom ;
- (e) Treasury Bills issued by the Federal Government and maturing within ninety-three days ;
- (f) Treasury Bills issued by the Government of the United Kingdom and maturing within ninety-three days ;
- (g) inland bills of exchange and promissory notes rediscountable at the Central Bank ;
- (h) bills of exchange bearing at least two good signatures and drawn on and payable at any place in the United Kingdom.

(5) A licensed bank shall be guilty of an offence if—

- (a) it fails to furnish within a reasonable time any information required by the Central Bank to satisfy itself that that bank is observing the requirements of subsection (1) ;
- (b) it allows its holding of specified liquid assets to be less in amount than is from time to time prescribed by the Central Bank ;
- (c) during the period of any such deficiency of specified liquid assets, it grants advances or overdrafts without the prior approval of the Central Bank.

(6) Any licensed bank which commits an offence under subsection (5) shall be liable to a fine of fifty pounds—

- (a) for every day during which a default under paragraph (a) of that subsection exists ;

(b) for every day during which a deficiency under paragraph (b) of that subsection exists, and

(c) for every offence under paragraph (c) of that subsection.

Publication
of certain
accounts, etc.

9. (1) Not later than four months after the close of each financial year of each licensed bank, the bank shall publish in a daily newspaper circulating in Nigeria, and exhibit in a conspicuous position in each of its offices and branches in Nigeria, and forward to the Minister and to the Central Bank, copies of its balance sheet and profit and loss account and the full and correct names of the directors of the bank. The balance sheet and profit and loss account must bear on their face the certificate of an auditor who is an approved auditor in accordance with subsection (5) of section 15.

(2) Any licensed bank which fails to comply with the requirements of subsection (1) shall be liable to a fine of one hundred pounds.

Delivery of
returns to
Central
Bank.

10. (1) Every licensed bank shall submit to the Central Bank—

First
Schedule.

(a) not later than thirty-one days after the last day of each month a statement in the form set out in the First Schedule showing the assets and liabilities of its offices and branches in Nigeria at the close of business on the last business day of the preceding month, together with a statement of the total of any outstanding unsecured advances or unsecured credit facilities as defined in subsection (2) of section 7;

Second
Schedule.

(b) not later than thirty-one days after the last day of each half-year ending on the 30th day of June and the 31st day of December a statement in the form set out in the Second Schedule to this Ordinance giving an analysis of advances and other assets of its offices and branches in Nigeria as at the 30th day of June and 31st day of December respectively.

(2) The Central Bank may exceptionally require a licensed bank to submit such further information as the Central Bank may deem necessary for the proper understanding of the statements furnished by that bank under subsection (1) of this section, and such information shall be submitted within such reasonable period as the Central Bank may require.

(3) Any licensed bank which has its head office in Nigeria but maintains offices or branches outside Nigeria shall produce to the Central Bank such statements relating to its offices or branches outside Nigeria in such form and at such times as the Central Bank may require.

(4) Any licensed bank failing to comply with the requirements of subsection (1), (2) or (3) of this section shall be liable to a fine of fifty pounds for every day during which the offence continues.

(5) The Minister may, after consultation with the Central Bank, amend by regulation the form of the First or Second Schedule and the dates for the compilation or submission of the statements under subsection (1).

(6) It shall be the responsibility of the Central Bank to prepare and to publish consolidated statements aggregating the figures in the statements furnished under subsection (1). The statements submitted by each bank under subsection (1) or (3) and any information submitted under subsection (2) shall be regarded as secret other than as between that bank and the Central Bank: Provided that the Central Bank shall furnish any such information required by the Minister, and shall inform the Minister if at any time in its opinion there is a need for an examination of any licensed bank, and may in support of its opinion convey to the Minister such information as it possesses concerning the state of that bank's affairs.

11. An examiner shall be appointed, who if the Minister so approves shall be an officer of the Central Bank appointed by the Central Bank, and otherwise shall be an officer of the Ministry appointed by the Minister, to examine periodically, under conditions of secrecy, the books and affairs of each and every licensed bank. If the examiner is an officer from the Ministry he shall be given access to any accounts, returns or information with regard to licensed banks that are in the possession of the Central Bank.

Appointment of examiner.

(2) In examining any bank in accordance with subsection (1) it shall be the duty of the examiner at all times to avoid unreasonable hindrance to the daily business of that bank and to confine the investigation to matters strictly relevant to the examination.

(3) The examiner shall report to the Governor of the Central Bank, who shall inform the Minister of any circumstances likely to call for action by the Minister in accordance with section 14.

12. The Minister may at any time require the examiner appointed in accordance with section 11, or one or more other qualified persons whom he shall appoint, to make a special examination under conditions of secrecy of the books and affairs of any licensed bank—

Further examination in certain special cases.

(a) where, after consultation with the Central Bank, the Minister has reason to believe that that licensed bank may be carrying on its business in a manner detrimental to the interests of its depositors and other creditors or may have insufficient assets to cover its liabilities to the public or may be contravening the provisions of this Ordinance;

(b) where application is made by shareholders holding not less than one-third of the total number of shares in that bank for the time being issued or by depositors holding not less than one-half of the gross amount of the total deposit liabilities in Nigeria of that bank: Provided however that the applicants submit to the Minister such evidence as he may consider necessary to justify an examination, and provided also that they furnish adequate security for the payment of the costs of the examination;

(c) if the bank suspends payment or informs the Minister or the Central Bank of its intention to do so.

13. (1) Every licensed bank of which an examination has been ordered under section 11 or 12 shall produce to the appointed examiner at such times as the examiner may specify, all books, accounts and documents in its possession or custody, or of which it is entitled to possession or custody, relating to its business, and shall produce within such times as the examiner may specify all oral information concerning its business which he may require.

Production of books, etc., to examiner.

(2) If any book, account, document or information is not produced in accordance with subsection (1) the bank shall be guilty of an offence and shall be liable to a fine of fifty pounds in respect of every day during which the offence continues. If any book, account, document or information is false in any material particular, the bank shall be liable to a fine of five hundred pounds.

(3) As soon as may be after the conclusion of the examination the examiner shall submit a full report thereon to the Minister who shall forward a copy to the Head Office of the bank concerned.

(4) The Minister shall have power to order that all expenses of and incidental to an examination shall be paid by the bank examined. He shall also have power, in respect of examinations made under paragraph (b) of section 12, to order that the expenses shall be defrayed by the applicants.

Powers after
examination.

14. If, in the opinion of the Minister, an examination shows that the licensed bank is carrying on its business in a manner detrimental to the interests of its depositors and other creditors or has insufficient assets to cover its liabilities to the public or is contravening the provisions of this Ordinance, the Minister may take such one or more of the following steps from time to time as may seem to him necessary—

(a) require that bank forthwith to take such steps as he may consider necessary to rectify the matter; or,

(b) appoint a person who in his opinion has had proper training and experience to advise the bank in the proper conduct of its business and fix the remuneration to be paid by the bank to such person; or,

(c) report the circumstances to the Governor-General in Council who, unless satisfied that the bank is taking adequate measures to put its affairs in order, may direct the Minister to make an Order revoking the bank's licence and requiring its business in Nigeria to be wound up: Provided that he shall not so report the circumstances without giving the bank reasonable prior notice of his intention to do so and an opportunity of submitting a written statement in reply.

Approved
auditor.

15. (1) Every licensed bank shall appoint annually an approved auditor whose duties shall be to make to the shareholders of that bank a report upon the annual balance sheet and accounts, and in every such report the auditor shall state whether in his opinion the balance sheet is full and fair and properly drawn up, whether it exhibits a true and correct statement of the bank's affairs, and, in any case in which the auditor has called for explanation or information from the officers or agents of the bank, whether this is satisfactory.

(2) The report of the approved auditor shall be read together with the report of the board of management of the bank at the annual meeting of shareholders and a copy shall be sent to the Central Bank for transmission to the Minister. If any default is made in complying with the requirements of this subsection, the bank shall be liable to a fine of five hundred pounds.

(3) If a licensed bank fails to appoint an approved auditor under subsection (1) of this section or, at any time, fails to fill a vacancy for such auditor, the Minister shall have power to appoint an approved auditor and shall fix the remuneration to be paid by that bank to such auditor.

(4) The duties, powers and liabilities imposed and conferred by subsections (1) and (2) of section 13 in relation to examiners appointed under sections 11 and 12 are hereby imposed and conferred also in relation to approved auditors.

(5) For the purposes of this section, an approved auditor shall be an auditor who is a member of one of the professional bodies for the time being

declared by the Minister by notice in the *Gazette* to be approved for such purposes: Provided that—

(i) during a period of three years from the coming into operation of this Ordinance, the Minister may, on application from a licensed bank, authorise the appointment as auditor of that bank of a person who, although not so qualified, has had such professional experience as an auditor or accountant as is, in the opinion of the Director of Federal Audit, equivalent to at least five years service in the Federal Audit Department in a rank not below that of assistant auditor, and any such person so appointed shall be deemed to be an approved auditor to the extent and for the duration of any such authorisation;

(ii) no person having an interest in any bank otherwise than as a depositor and no director, officer or agent of any bank shall be eligible for appointment as an approved auditor for that bank and any person appointed as such auditor to any bank who subsequently acquires such interest or becomes a director, officer or agent of that bank shall cease to be such auditor.

(6) Sections 112 and 113 of the Companies Ordinance shall not apply to licensed banks.

Cap. 38.

16. (1) Save with the consent of the Minister, no person other than a licensed bank shall—

Use of the word "bank" in company's name.

(a) use or continue to use the word "bank" or any of its derivatives, either in English or in any other language, in the description or title under which such person is carrying on business in Nigeria;

(b) make or continue to make any representation in any billhead, letter paper, notice, advertisement or in any other manner whatsoever that such person is carrying on banking business in Nigeria: Provided that nothing in this subsection shall apply to any association of licensed banks formed for the protection of their mutual interests.

(2) Every licensed bank shall use as part of its description or title the word "bank" or some one or more of its derivatives, either in English or in some other language.

(3) Any person who acts in contravention of this section shall be liable to a fine of fifty pounds for every day during which the offence continues.

17. (1) Without prejudice to anything contained in section 74 of the Companies Ordinance, no person—

Disqualifications as director, etc.

(a) who has been a director of, or directly or indirectly concerned in the management of, a bank which has had its licence revoked in accordance with paragraph (c) of section 14 of this Ordinance, or has been struck off the register of companies under the provisions of the Banking Ordinance, 1952;

(b) who is or has been convicted by a criminal court of an offence involving dishonesty and has not received a full pardon for the offence of which he was convicted, shall, without the consent in writing of the Minister act or continue to act as a director, or be directly or indirectly concerned in the management, of any licensed bank.

(2) Any person acting in contravention of subsection (1) shall be liable to imprisonment for a term not exceeding two years or to a fine of five hundred pounds or both such imprisonment and such fine.

Penalties
on directors
upon
directors
and
managers.

18. Any person who, being a director or manager of a licensed bank—

(a) fails to take all reasonable steps to secure compliance by the bank with the requirements of this Ordinance, or

(b) fails to take all reasonable steps to ensure the correctness of any statement submitted under the provisions of this Ordinance, shall be liable to imprisonment for a term not exceeding two years or to a fine of five hundred pounds or to both such imprisonment and such fine.

Attorney-
General's
fiat.

19. No prosecution in respect of any offence committed by a licensed bank under this Ordinance shall be instituted except by, or with the consent of, the Attorney-General of the Federation.

Savings.

20. (1) The provisions of this Ordinance shall not apply to—

(a) the Central Bank established under the Central Bank Ordinance ;

(b) the Post Office Savings Bank constituted and appointed under the Savings Bank Ordinance.

Cap. 204.

(2) Except where this Ordinance expressly provides otherwise, the provisions of this Ordinance shall have effect in addition to and not in derogation of any other provisions having the force of law in Nigeria.

Regulations.

21. The Minister may make such regulations as may be required from time to time for carrying into effect the provisions of this Ordinance.

Consequen-
tial amend-
ment
Cap. 38.

22. Section 108 of the Companies Ordinance is amended by the deletion of the words "a limited banking company or an insurance company" and the substitution therefor of the following—

"a limited insurance company".

Repeal.

23. The Banking Ordinance 1952 is repealed.

NAME OF BANK

MONTHLY STATEMENT OF ASSETS AND LIABILITIES

AS AT DAY OF 19
(To be submitted in accordance with section 10 of the Banking Ordinance (section 104), 1958)

LIABILITIES

ASSETS

	£	s	d	£	s	d	£	s	d
1. CAPITAL PAID UP									
2. RESERVE FUND									
3. DEBITURES									
4. BALANCES HELD FOR—									
(a) Other banks in Nigeria									
(b) Offices and branches of this bank outside Nigeria									
Other banks outside Nigeria									
5. DEPOSITS—									
(a) Repayable on demand									
(b) Savings Accounts									
(c) Other deposits repayable as from the date of this return—									
(i) within 3 months									
(ii) between 3 and 6 months									
(iii) between 6 and 12 months									
(iv) later than 12 months									
of which, in total, by Governments									
6. BILLS PAYABLE									
7. LOANS AND ADVANCES FROM—									
(a) Other banks in Nigeria									
(b) Offices and branches of this bank outside Nigeria									
(c) Other banks outside Nigeria									
(d) Other creditors									
(Contingent liability in respect of bills rediscounted)									
(Other contingent liabilities)									
8. Acceptances on account of customers (as per contra)									
9. Confirmed documentary credits (as per contra)									
10. Guarantees, endorsements and other obligations on account of customers (as per contra)									
11. Other liabilities									

	£	s	d	£	s	d	£	s	d
1. Cash in hand									
2. BALANCES HELD WITH (INCLUDING REMITTANCES IN TRANSIT TO)—									
(a) Other banks in Nigeria									
*(b) Offices and branches of this bank outside Nigeria									
*(c) Other banks outside Nigeria									
3. Money at call in Nigeria									
4. TREASURY BILLS (MATURING WITHIN 3 MONTHS)—									
(a) In Nigeria									
(b) Outside Nigeria									
5. BILLS DISCOUNTED—									
(a) Payable in Nigeria									
(b) Payable outside Nigeria									
Comprising bills—									
(i) maturing as from the date of this return—									
(aa) within 3 months									
(bb) between 3 and 6 months									
(cc) later than 6 months									
(ii) past-due (unpaid and unaccepted)									
6. LOANS AND ADVANCES TO—									
(a) Other banks in Nigeria									
(b) Offices and branches of this bank outside Nigeria									
(c) Other banks outside Nigeria									
(d) Subsidiary companies of this bank—									
(i) In Nigeria									
(ii) Outside Nigeria									
(e) Other customers; repayable as from the date of this return—									
(i) within 3 months									
(ii) within 6 months									
(iii) within 12 months									
(iv) later than 12 months									
7. INVESTMENTS—									
(a) In Nigeria—									
(i) Federal Government securities									
(ii) Investments in subsidiary companies of this bank									
(iii) Other									
(b) Outside Nigeria									
8. Bank Premises (including furniture, fixtures and fittings)									
9. Liabilities of customers for acceptances (as per contra)									
10. Liabilities of customers for confirmed documentary credits (as per contra)									
11. Liabilities of customers for guarantees, endorsements and other obligations (as per contra)									
12. Other assets									

Total of outstanding—

(i) Unsecured advances and unsecured credit facilities other than those granted under the provisions of paragraphs (c) and (d) of subsection (1) of section 7 of the Banking Ordinance

£ (Nearest £)

(ii) Loans, advances and credit facilities secured against real-estate.

£ (Nearest £)

Total external assets £ (Nearest £)

Total external liabilities £ (Nearest £)

*Details should be given, on an attached sheet, in regard to balances which are not freely transferable to Nigeria.

N.B.—A company shall be deemed to be a subsidiary of a bank if that bank either is a member of it and controls the composition of its board of directors or holds more than half in nominal value of its equity share capital or if a company is a subsidiary of any company which is a subsidiary of that bank. (By equity share capital is meant the issued share capital of the company excluding any part thereof which neither as respects dividends nor as respects capital carries any right to participate beyond a specified amount in a distribution).

We declare that this statement is made up from the books of the bank, and that, to the best of our knowledge and belief, it is correct.

Date

General Manager

Chief Accountant

SECOND SCHEDULE

To be submitted in accordance with (section 10 (1)) of the Banking Ordinance, 1958

Name of bank

ANALYSIS OF CUSTOMERS' LIABILITIES TO BANK FOR LOANS AND ADVANCES

AS AT DAY OF 19.....

	Amount £	Number of Customers
1. To Governments		
2. To Native Administrations, Townships and other Local Authorities		
3. To electricity, water, harbour, dock and other public utility bodies		
CREDIT AND FINANCIAL INSTITUTIONS :		
4. To banks, etc.		
AGRICULTURE :		
5. Cocoa		
6. Groundnuts		
7. Palm products		
8. Other export crops (including rubber and timber)		
9. Other agriculture (including livestock)		
MINING :		
10. Tin ore		
11. Other mining		
FOR MANUFACTURE OF :		
12. Textiles, leather and clothing		
13. Wood products (including furniture)		
14. Soaps and oils		
15. Stone, cement, bricks, glass, ceramics and pottery		
16. Other manufactured products		
CONSTRUCTION :		
17. For buildings in course of erection		
GENERAL COMMERCE :		
18. To wholesale and retail merchants		
19. Miscellaneous		
TOTALS		
Number of Customers liable in respect of loans and advances :-		
Up to £50		
Over £50 and up to £100		
Over £100 and up to £500		
Over £500 and up to £1,000		
Over £1,000 and up to £5,000		
Over £5,000 and up to £10,000		
Over £10,000		
TOTALS		

General Manager

Date

Chief Accountant

Objects and Reasons

The object of this Bill is the same as that of the Banking Ordinance, 1952 which it will supersede. The main changes included in the Bill are :—

Section 4.—The minimum capital to be paid up in cash before a bank of which the head office is situated outside Nigeria can be granted a licence is increased from £12,500 to £200,000.

Section 7 restricts the advances on credit facilities, etc., which may be granted to any one person; restricts banks normally from engaging in trade or from investing in real estate; and limits participation in the share capital of other undertakings.

Section 8 requires all banks to maintain holdings of specified liquid assets of not less than such amount as may be prescribed from time to time by the Central Bank. At present any particular bank may be required to increase its cash reserves.

Section 11 provides for the appointment of an examiner to examine periodically the books and affairs of each and every bank.

Section 15 requires that auditors engaged by banks shall possess approved qualifications.

The Bill will provide a more effective instrument for controlling the development of Nigeria's banking activities on the best lines and with maximum protection to the public. It follows the recommendations made in the Report by Mr J. B. Loynes on the Establishment of a Nigerian Central Bank, the Introduction of a Nigerian Currency, and other Associated Matters.

Federal Minister of Finance,
F. S. OKOTIE-EBON,

A BILL
FOR

AN ORDINANCE TO PROVIDE FOR THE PREPARATION, PRINTING AND PUBLICATION OF A REVISED EDITION OF THE LAWS OF THE FEDERATION AND OF THE FEDERAL TERRITORY OF LAGOS, AND FOR PURPOSES CONNECTED THEREWITH.

Title.

[]

Commencement.

BE IT ENACTED by the Legislature of the Federation of Nigeria as follows—

Enactment.

1. This Ordinance may be cited as the Revised Edition (Laws of the Federation and Lagos) Ordinance, 1958.

Short title.

2. In this Ordinance—

Interpretation.

"appointed date" means the 1st day of June, 1958, or such later date as may be appointed by the Minister on the recommendation of the Commissioner;

"Commissioner" means the person or persons appointed in accordance with section 3 ;

L.N. 102 of
1954.

L.N. 117 of
1957.

"Constitution Order" means the Nigeria (Constitution) Order in Council, 1954, as the same may have been amended or substituted from time to time, and in particular as amended by the Nigeria (Constitution) (Amendment No. 2) Order in Council, 1957;

"Federal Ordinance" means—

(a) any Ordinance (in this Ordinance referred to as a law of the Federation) which is, or has effect as if it were, a law enacted by the Federal Legislature by virtue of the competence of that Legislature to make laws with respect to any matter that is included in the exclusive legislative list or the concurrent legislative list contained in the First Schedule to the Constitution Order; and

(b) any Ordinance (in this Ordinance referred to as a law of Lagos) which is, or has effect as if it were, a law enacted by the Federal Legislature by virtue of the competence of that Legislature to make laws for the peace, good order and government of Lagos, and which is not also a law of the Federation;

"Ordinance" means—

(a) any Ordinance enacted by the Legislature of the former Government of Nigeria before the 1st day of October, 1954;

(b) any Law enacted by the Legislature of the Western Region before the 1st day of October, 1954, which by virtue of section 57 of the Constitution Order has effect in relation to Lagos as if it were a law enacted by the Federal Legislature, and

(c) any Ordinance enacted by the Federal Legislature;

"the revised edition" means the revised edition of Federal Ordinances to be prepared under the authority of this Ordinance;

"subsidiary legislation" means all Proclamations, rules, regulations by-laws, orders and notices made or issued under any Ordinance or by any authority in Nigeria under any Act of the United Kingdom Parliament or by order of Her Majesty in Council.

3. (1) Sir Donald Kingdon, Q.C., is hereby appointed Commissioner for the purpose of preparing a new and revised edition of Federal Ordinances to be known as the Revised Edition (Laws of the Federation and Lagos).

(2) In case the Commissioner shall for any cause be unable to act before the revised edition has been completed the Governor-General may appoint some other person or persons to be Commissioner instead.

4. (1) The revised edition shall contain all Federal Ordinances having any effect on the appointed date, except such Ordinances as the Commissioner has power to omit in accordance with the provision of section 5.

(2) The Commissioner may in his discretion retain as if it were part of a Federal Ordinance any portion of any Ordinance which is included in the revised edition if in his opinion such portion (in this Ordinance referred to as a Regional law) cannot conveniently be omitted from such Ordinance, or if in his opinion the retention of such portion would be of utility to the Government of any Region or of the Southern Cameroons, notwithstanding that that portion of the Ordinance does not have effect as a law enacted by the Federal Legislature.

Appoint-
ment of
Commis-
sioner.

What Ordi-
nances to be
included in
revised
edition,
method of
printing,
etc.

(3) The Commissioner may in consultation with the Attorney-General of the Federation cause a different form of printing to be used, so far as is practicable, in respect of those parts of an Ordinance which in his opinion are—

- (a) laws of the Federation ;
- (b) laws of Lagos ;
- (c) Regional laws ;

Provided that nothing in this section shall be construed as restricting any power of a court to decide whether any Ordinance or part thereof contained in the revised edition is a law of the Federation, a law of Lagos or a Regional law.

5. (1) The Minister may by Order specify a Schedule of Ordinances and parts of Ordinances which it shall not be necessary for the Commissioner to include in the revised edition upon the grounds that such Ordinances or parts thereof are—

Power to omit certain Ordinances.

- (a) obsolescent ;
- (b) of a temporary nature ;
- (c) under revision with a view to replacement, or
- (d) of restricted or personal application.

(2) Ordinances or parts thereof omitted in accordance with subsection (1) shall have the same force and validity as if they had not been omitted.

6. (1) In the preparation of the revised edition the Commissioner shall have the powers specified in the Schedule : Provided that the conferment of such powers on the Commissioner shall not be taken to imply any power for him to make any alteration or amendment in the matter or in the substance of any Ordinance.

Powers of Commissioner to alter form, etc. Schedule.

(2) If the Commissioner considers it desirable that in the preparation of the revised edition there should be omissions, amendments and additions other than those authorised in pursuance of subsection (1) the same may be collected and submitted to the Federal Legislature in the form of one or more Ordinances.

(3) The Commissioner may take into account in the preparation of the revised edition—

- (a) the provisions of any amending Ordinance enacted in accordance with subsection (2) ;
- (b) the provisions of any adaptation or modification effected by or made under a provision of the Constitution Order if such Order made thereunder shall so provide ;
- (c) the provisions of any amending Ordinance expressly required by such Ordinance to be taken into account,

notwithstanding that any such Ordinance or Order shall come into operation after the appointed date : Provided that no such amendment, adaptation or modification need be taken into account unless the Commissioner has adequate opportunity so to do and to comply with subsection (2) of section 14 in respect thereof.

Subsidiary
legislation.

7. The revised edition shall contain such subsidiary legislation in force on the appointed date as appears to the Commissioner to be of sufficient importance to be included, and in the preparation of such subsidiary legislation the Commissioner shall have the like power to do all things relating to form and method as are conferred upon him by this Ordinance in respect of Federal Ordinances.

United
Kingdom
laws
extending to
Nigeria.

8. The Commissioner may include in the revised edition reprints of such Acts of the United Kingdom, Orders of Her Majesty in Council, Letters Patent, Royal Instructions and other forms of prerogative or subsidiary legislation made in the United Kingdom and current in Nigeria as he may think fit to include.

Validity and
operation of
revised
edition.

9. (1) Subject to the proviso to subsection (3) of section 4, and to the provisions of section 5 and of subsection (3) of section 6, the revised edition, when brought into force in accordance with section 10, shall be in all courts and for all purposes the sole authentic edition of Federal Ordinances enacted on or before the appointed date, and of the subsidiary legislation which is included therein (other than subsidiary legislation included therein relating to Regional laws).

No. 27 of
1947.

(2) The provisions of section 12 of the Interpretation Ordinance shall apply to the revised edition prepared under the authority of the Revised Edition of the Laws Ordinance, 1947, as though the contents of that revised edition had been repealed by the revised edition prepared under the authority of this Ordinance.

(3) Where in any enactment or any document of whatsoever kind reference is made to any enactment repealed or otherwise affected by the operation of this Ordinance, such reference shall where necessary and practicable be deemed to extend and apply to the corresponding enactment in the revised edition.

Bringing
revised
edition into
force.

10. (1) The Commissioner shall, as soon as the revised edition is completed, transmit a copy thereof to the Minister who shall lay the same before the House of Representatives.

(2) On the passing of a Resolution of the House of Representatives authorising him so to do the Governor-General may, by Proclamation, order that the revised edition shall come into force from such date as he may think fit.

(3) Notwithstanding the provisions of subsections (1) and (2), the Governor-General may upon the passing of a Resolution of the House of Representatives authorising him so to do by Proclamation bring into force such part of the revised edition as may be completed from time to time and published, and the provisions of section 9 shall apply to such part of the revised edition and to the Ordinances which are replaced by the Federal Ordinances contained in such part.

Copies to
be signed
and
distributed.

11. One copy of each volume of the revised edition shall be dated and signed by the Commissioner and by the Minister and shall be sealed with the Public Seal of the Federation. Such copy shall be transmitted to the Chief Justice of the Federation who shall deposit the same amongst the records of the Federal Supreme Court.

12. (1) Copies of the revised edition shall be distributed among such persons, authorities, ministries and institutions as the Minister may direct and may be distributed without cost to countries with whom reciprocal arrangements shall have been entered into to the satisfaction of the Minister.

Distribution of copies.

(2) Such number of copies shall be offered for sale to the general public and at such price as the Minister may direct.

13. The Accountant-General of the Federation may, upon a warrant addressed to him by the Minister of Finance, make payment of all expenses for and incidental to the preparation, printing and publication of the revised edition.

Expenses of preparation and publication.

14. (1) This Ordinance shall be reprinted at the commencement of the revised edition, and following such reprint there shall be set out a list of the Ordinances which fall to be omitted from the revised edition in accordance with section 5.

This Ordinance, etc., to be printed as introduction of revised edition.

(2) There shall also be printed at the commencement of the revised edition a list of any Ordinances or Orders coming into operation after the appointed date which have been taken into account in accordance with subsection (3) of section 6.

SCHEDULE

(Section 6.)

POWERS OF THE COMMISSIONER

(1) To omit—

(a) all Ordinances or parts of Ordinances which have been expressly and specifically repealed or which have expired, or have become spent or have had their full effect;

(b) all repealing enactments contained in Ordinances and also all tables and lists of repealed enactments, whether contained in Schedules or otherwise;

(c) all preambles to Ordinances where such omissions can, in the opinion of the Commissioner, conveniently be made;

(d) all enacting clauses;

(e) all enactments prescribing the date when an Ordinance or part of an Ordinance is to come into operation, where such omission can, in the opinion of the Commissioner, conveniently be made;

(f) all amending Ordinances or parts thereof where the amendments effected thereby have been embodied by the Commissioner in the Ordinance to which they relate.

(2) To consolidate into one Ordinance any two or more Ordinances *in pari materia* making the alterations thereby rendered necessary and affixing such date thereto as may seem most convenient.

(3) To alter the order of sections in any Ordinance, and in all cases where it may appear to be necessary to renumber any sections.

(4) To alter the form or arrangement of any section by transferring words, by combining it in whole or in part with another section or other sections or by dividing it into two or more subsections.

(5) To divide Ordinances whether consolidated or not into Parts or Divisions.

(6) To transfer any provision contained in an enactment from that enactment to any other enactment to which the Commissioner considers that it more properly belongs.

(7) To arrange the Ordinances, whether consolidated or not, in any sequence or group that may be convenient.

(8) To add a title or short title to any Ordinance which may require it and to alter the title or short title of any Ordinance.

(9) To supply or alter marginal notes.

(10) To supply or alter tables of contents.

(11) To correct cross references.

(12) To shorten and simplify the phraseology of any enactment.

(13) To correct grammatical and typographical errors in Ordinances, and for that purpose to make verbal additions, omissions or alterations not affecting the meaning of any Ordinance.

(14) To make such formal alterations as to names, localities, offices and otherwise as may be necessary to bring any Ordinance into conformity with the circumstances of any part of the Federation.

(15) To make such adaptations of or amendments to any enactments as may appear to be necessary or proper as a consequence of any change in the constitution of any of Her Majesty's dominions.

(16) To do all things relating to form and method which to him appear necessary for the perfecting of the revised edition.

Objects and Reasons

The object of this Bill is to provide for the preparation of a revised edition of the laws and to give the necessary powers to a Commissioner for that purpose.

The task is a little complicated by the fact that on account of constitutional changes there are some Ordinances which apply to the whole of the Federation as Federal laws, some which apply to the Federal Territory of Lagos by virtue of the power of the Federal Legislature to make laws for the peace, good order and government of Lagos, and some Ordinances which are no longer within the competence of the Federal Legislature and now take effect as Regional laws.

The task is further complicated by the considerable number of adaptations and modifications that have necessarily been made to meet with the requirements of detailed constitutional changes, the institution of Regional Governments and Governors, and many changes of offices and titles, all of which have been additional to the ordinary run of legislative amendment which has been fairly heavy in recent years.

This Ordinance provides that the revised edition shall contain the laws which apply throughout the Federation and those which apply in Lagos. The Commissioner will cause the former to be printed in a heavier type of print than those which relate to Lagos but *Clause 4 (2)* enables him to retain in any Ordinance which he is reprinting in the revised edition any portions of it which are wholly Regional. The excision of such portions would be a complicated task, would not be authoritative, and in many cases would have to be based upon the opinion of the Commissioner, but the inclusion of such portions will have the effect of making the revised edition of considerable use within Regions. Ordinances or laws which are wholly Regional will be omitted from the revised edition and could (if the Government of a Region so desired) form the subject of a Regional volume or volumes prepared by the Region concerned.

The production of Federal laws and Lagos laws in different forms of print is a matter of convenience. *Clause 4 (3)* provides that neither that nor the inclusion of any Regional law shall be authoritative, but subject thereto *Clause 9* provides that the revised edition shall be the sole and authentic statute book in respect of legislation applicable to the Federation and to Lagos.

S. L. AKINTOLA,
Minister of Communications and Aviation
Federation of Nigeria