

CURRENCY CONVERSION (FREEZING ORDERS) DECREE 1971



Decree No. 6

[24th March 1971]

Commence-
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows:—

1.—(1) Where, in connection with any currency conversion operation in Nigeria—

Power to
stop opera-
tion of
irregular
accounts, etc.

(a) there appears any irregularity in any payments, operations or transactions as respects any account of any person with any bank ; and

(b) the Governor of the Central Bank of Nigeria (in this Decree referred to as "the Governor") is satisfied that the irregularity occurs in circumstances such as are calculated to, or may likely, prejudice the said currency conversion operation in Nigeria,

he may issue, or instruct a bank examiner to issue an order addressed to the manager of the bank where the account is or believed by him to be or the head office of the bank, and by that order or subsequent order direct the bank to supply any information and produce books and documents relating to the account and to stop all outward payments, operations or transactions (including any bill of exchange) in respect of such account.

(2) An order made under subsection (1) above shall be in the form prescribed in the Schedule to this Decree, and the manager shall take necessary steps to comply with the requirements of the order.

2. All orders issued or made by the Governor or any other officer of the Central Bank of Nigeria or purported to have been issued or made—

Validation
of certain
orders.

(a) in respect of any direction given by the Head of the Federal Military Government under section 2 (2) of the Banking (Special Provisions) Decree 1966 ; or

1966 No. 5.

(b) in connection with any currency conversion operation as provided for by the Central Bank (Currency Conversion) Decree 1967, the Currency Conversion (South-Eastern and Other States) Decree 1968 or any other currency conversion operation in Nigeria,

1967 No. 51.
1968 No. 11.

shall be deemed to have been validly issued or made as from the date on which such order was issued or made, notwithstanding that the order was expressed to have effect for a specified period or that it had in due course been altered or expressly revoked by any person or authority having power so to do.

Bar to
certain civil
proceedings,
etc.

3.—(1) No civil action or suit at the instance of any person claiming to be adversely affected by any order under section 1, or by reason of the operation of section 2, of this Decree shall be entertained in any court of law or if commenced shall be continued; and accordingly—

(a) any civil proceedings relating thereto which is pending before any court of competent jurisdiction shall abate, and

(b) any judgment, decision or order of any such court given or made in relation thereto shall, without prejudice to the operation of any other enactment, have no effect or where appropriate be deemed never to have had effect.

(2) If any question shall arise as to whether or not—

(a) such order (to which section 1 or 2 of this Decree relates) was issued or made or purported to be issued or made; or

(b) any act, matter or thing was done, or purported to be done, pursuant to such order,

a certificate issued by the Secretary to the Federal Military Government shall be conclusive evidence of the matter so certified.

1966 No. 5.

(3) Sections 3, 4, and 5 of the Banking (Special Provisions) Decree 1966 (which deal with indemnity for compliance with an order, the exclusion of remedies and offences for non-compliance with an order under the Decree, respectively) shall have effect for the purposes of this Decree as if the reference to a "bank examiner" therein includes a reference to the Governor.

Variation or
revocation
of orders.

4. Notwithstanding the foregoing provisions of this Decree, the Federal Commissioner for Finance may with the approval of the Federal Executive Council by a direction vary any order issued or made under section 1 above or validated by virtue of section 2 above, and he may in like manner revoke any such order.

Forfeiture.

5.—(1) Notwithstanding the provisions of any enactment to the contrary and subject to the provisions of this Decree, the Federal Executive Council may in its discretion direct that any account or property movable or immovable of any person affected by section 1 or 2 of this Decree shall be forfeited to the Federal Military Government, and effect shall be given to such direction according to its tenor.

(2) Any person who fails, refuses or neglects to comply with the direction shall be guilty of an offence under this Decree and liable on conviction to a term of 5 years imprisonment or £5,000 fine or to both.

Interpreta-
tion.

1969 No. 1.

6. In this Decree, unless the context otherwise requires—

(a) "bank" has the meaning given to it in section 41 of the Banking Decree 1969;

(b) "currency conversion operation" means any exercise in the course of which old currency notes are exchanged or to be exchanged for new issues in the Federation or any part thereof, whether or not such exercise is for a specified period; and

(c) the reference to an order issued includes a reference to any order, direction or requirement addressed to the manager of a bank or any other officer of a bank which directs or purports to direct the manager or such officer to stop all outward payments, operations or transactions in respect of any account with that bank.

Citation
and extent.

7. This Decree may be cited as the Currency Conversion (Freezing Orders) Decree 1971 and shall apply throughout the Federation.

SCHEDULE

Section 1

FORM

FREEZING ORDER

(This form may be amended according to circumstances)

To the Manager.....

(Here insert name and branch of bank)

Under the authority conferred on me by section 1 of the Currency Conversion (Freezing Orders) Decree 1971 you are hereby ordered—

(a) to supply the following information relating to the undermentioned accounts, that is to say

(Here set out briefly the information required in respect of named accounts)

(b) to produce the books and documents relating to the undermentioned accounts, that is to say

(Here set out the books and documents to be produced in respect of the named accounts)

(c) to stop all outward payments, operations or transactions (including bills of exchange) as far as possible in the ordinary course of banking in respect of the following accounts

(Here indicate the accounts)

2. This order shall cease to have effect after the..... day of..... 19..... unless sooner revoked by the Governor.

DATED at..... this..... day of..... 19.....

Governor/Bank Examiner

MADE at Lagos this 24th day of March 1971.

MAJOR-GENERAL Y. GOWON,
Head of the Federal Military Government,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria

EXPLANATORY NOTE

(This note does not form part of the above Decree, but is intended to explain its effect)

This Decree will enable the Governor of the Central Bank to order the stoppage of any account of any person, in circumstances where there is any irregularity in the payments etc. which is calculated or likely to prejudice any currency conversion exercise.

2. It also validates any order made or purported to have been made pursuant to any currency conversion exercise as from the date of the order, and bars any civil action or suit relating to such order.