Hon. Sir Chukwudi Jones V. Onyereri, KSP
NKWERRE/ISU/NWANGELE/NJABA FEDERAL CONSTITUENCY, IMO STATE
CHAIRMAN COMMITTEE ON BANKING AND CURRENCY
House of Representatives
Federal Republic of Nigeria

LEGISLATIVE BRIEF

LONGTITLE: A BILL FOR AN ACT TO AMEND THE ASSET MANAGEMENT CORPORATION ACT AND FOR RELATED MATTERS.

SHORT TITLE: ASSET MANAGEMENT CORPORATION OF NIGERIA [AMENDMENT] BILL, 2017

SPONSOR: HON. SIR JONES CHUKWUDI ONYERERI, KSP

1.0 BACKGROUND: Given the loopholes that currently exist under the extant Asset Management Corporation of Nigeria (AMCON) Act, which, unfortunately, are being taken advantage of by certain debtors to circumvent AMCON efforts in loan recovery, there is therefore the need

1.0to amend the extant Act to reflect the realities and challenges faced by AMCON in the course of achieving its statutory objectives.

2.0 <u>OBJECTIVES:</u> This bill therefore seeks to amend the AMCON Act in order to further strengthen AMCON and reposition the agency to be more effective and efficient in its loan recovery efforts and realization of the goals set out under the AMCON Act.

3.0 <u>SYNOPSIS:</u> The bill seeks to amend 11 sections of the extant provisions and a citation

Section 6 [1][v] of the principal Act is amended by replacing it with a new Section 6[1][v] and by adding sub-section 6 to make it mandatory for all debtors to which this Act applies to, whether corporate or personal to obtain clearance from AMCON before they can do business with government agencies, department and ministries.

Section 9 is amended by adding sub-section 3 to give discretional powers to the AMCON Board to determine whether an application or request brought pursuant to the provisions of the freedom of information Act is in the overriding public interest or otherwise.

Section 19 of the principal Act as amended in this bill, seeks to protect AMCON from frivolous legal actions and pronouncements from persons and organizations seeking interlocutory injunctions against AMCON or preservative order of attachment against AMCON funds in any bank. It also provides that no enforcement proceedings or execution in respect of a money judgment can be bought against AMCON without prior consent of the Attorney General of the federation.

Monies accruable to the AMCON but not under their custody and control by virtue of being in certain bank accounts are deemed to be under AMCON's control.

Section 34[2] of the principal Act is amended by inserting two new paragraphs 34[2] [d] and [e] by making the provisions of the amended Act applicable to eligible bank assets acquired by the bank before May, 2015. It equally confers upon AMCON all rights applicable to assets notwithstanding that it only acquired equitable rights from those eligible bank assets such that AMCON shall be entitled to exercise the powers of a legal estate holder in a charge or a legal mortgage.

Section 35 of the principal Act is amended by inserting new sub-sections [7], [8] and [9] as to bar statute of limitation arising from any eligible bank assets acquired by AMCON. Claims filed by the corporation are exempted from compliance with statutes, rules of court or practice direction, and hence forth, orders of court cannot stop the corporation from selling eligible banks assets or to concur with any other persons or institution in the sale of such assets by private Lot or public auction.

Section 43[3] of the principal Act is amended by allowing a party to issue a writ or other originating process against AMCON if AMCON fails to respond after 30 days to action brought against it under this section.

Section 45 of the principal is amended by creating sub-sections [1] and [2] and sub-section [2] to the effect that a certificate of judgement obtained by AMCON in a proceeding shall constitute a registrable instrument of title of the interest of AMCON in all land registries in the federation of Nigeria.

Section 55 of the amendment bill repeals the entire section by inserting a new section, which empowers AMCON to appoint legal practitioners to prosecute offences under the Act in the name and on behalf of AMCON.

Section 60[1] is amended by the inclusion of section 60[1][d] which exempts AMCON from all taxes which are payable to any institution, agency, department or other authorities of the federal, state or local government save income tax, withholding tax and value added tax which are payable by staff of the corporation or the corporation's obligor.

Section 61 of the principal Act is enlarged by the amendment bill by expanding the meaning of information as provided by the said section.

4.0 **<u>JUSTIFICATION:</u>** Diligent efforts are made to ensure that our statutes are abreast with the exigencies of our times. There exist the need for constant review of our laws to meet with the realities of our times.

The Asset Management Corporation of Nigeria is an interventionist time bound institution charged with the responsibility of recovering debts owed financial institutions by individuals and corporate entities in order to provide stability in the financial sector.

Since its establishment, AMCON has encountered bottlenecks in the course of carrying out her statutory functions and bulk of the problems arises from the loopholes in the statute establishing it. This bill seeks to block those statutory stumbling gaps working against her achievement of the goals set out for it to achieve by the enabling statute.

5.0 Mr. Speaker, my distinguished colleagues, I strongly urge you to support the bill as it will assist AMCON in actualizing its statutory objective of resolving non-performing loans of financial institutions in Nigeria in the overall interest of the economy.

Hon. Sir Jones Chukwudi Onyereri, KSP.