



THE SENATE

FEDERAL REPUBLIC OF NIGERIA

COMMITTEE ON CAPITAL MARKET

REPORT ON 2016 BUDGET

FOR

**SECURITIES AND EXCHANGE
COMMISSION**

REPORT OF THE SENATE COMMITTEE ON CAPITAL MARKET ON SECURITIES AND EXCHANGE COMMISSION (SEC) BUDGET IN COMPLIANCE WITH THE FISCAL RESPONSIBILITY ACT.

1.0 INTRODUCTION

The Senate of the Federal Republic of Nigeria, at its Plenary Session of Tuesday, 19th July 2016 considered the request of Mr. President, Commander in Chief of the Armed Forces of the Federal Republic of Nigeria for the approval of SEC's 2016 Budget in compliance with Fiscal Responsibility Act and referred same to the Committee for further Legislative action.

The rationale for this action is to ensure accountability, transparency, prudence and judicious use of Government's Scarce Resources that are allocated to meet competing needs.

1.1 MEMBERSHIP OF THE COMMITTEE

1.	Senator Isiaka A. Adeleke	Chairman
2.	Senator Foster Ogola	Vice Chairman
3.	Senator John Owan Enoh	Member
4.	Senator Mustapha Bukar	Member
5.	Senator Mohammed Shaaba Lafiagi	Member
6.	Senator Mao Oluabunwa	Member
7.	Senator Abu Ibrahim	Member
8.	Senator George Akume	Member
9.	Senator Kashamu Buruji	Member

1.2	Habiba A. Muhammad (Mrs.)	Clerk
-----	---------------------------	-------

2.1 MANDATE

The main mandate of Securities and Exchange Commission is focused on Investor's Protection and Market Development.

3.0 MODALITIES

3.1 The following modalities were applied by the committee in the consideration of the Commission's 2016 Budget;

3.2 BUDGET DEFENCE MEETING

3.3 The Committee held a Budget Defence Meeting with the Commission on Wednesday, 5th October, 2016. The Commission presented their proposals with justifications on the need for approval.

3.4 The summary of their presentation is shown as below:

S/N	LINE ITEMS	N AMOUNT
1.	Total Revenue	5,205,395,000:00
2.	Total Personnel Cost	5,912,535,278:56
3.	Total Overhead Cost	1,944,912,965:00
4.	Total Recurrent Expenditure	7,857,448,243:56
5.	Total Capital Cost	300,000,000:00
6.	Total Expenditure	8,157,448,243:56

3.5 BUDGET REVIEW MEETING BY COMMITTEE MEMBERS.

The Committee further held a meeting on Thursday, 17th November, 2016, to finally consider and review the SEC's 2016 Budget.

During the Committee's Review of the SEC budget, noticeable among others is that, the thrust of the Commission's budget centered on the realization of the dual mandate of the Commission as regards regulatory and developmental roles.

Towards this end, the main objective of the Commission's expenditure for 2016 is to make significant progress in restoring investor's confidence and deepening the market.

4.0 COMMITTEE'S FINDINGS /OBSERVATIONS

The Committee painstakingly considered the SEC's 2016 Budget; and after exhaustive defense and deliberations, and based on applicable rules and regulations as prescribed by the Fiscal Responsibility Act, recommended the Commission's 2016 Budget for Senate's approval.

The Committee commended the bold step taken by Mr. President by requesting for the Senate's Approval for the Commission's 2016 Budget. The Committee considered this as a significant departure from the old practice whereby the Commission forwards it to National Assembly for consideration in line with relevant provision of ISA (2007).

However, the Committee wishes to observe that the Budget came very late towards the end of the fiscal year and has decided to put this issue behind it, but would ensure that subsequent Budgets are forwarded to the Committee on time.

Moreso, the Committee observed that the expenditure profile of the Commission is basically recurrent; this is majorly due to the nature of services it renders.

The recurrent cost is made up of staff costs and operational costs which constituted about 90-98% of the total expenditure.

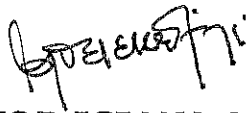
S/N	LINE ITEMS	SEC'S PROPOSAL ₦	COMMITTEE'S RECOMMENDATION
1.	Total Revenue	5,205,395,000:00	Sustained
2.	<i>Personnel Cost</i>	<i>5,912,535,278:56</i>	Sustained
3.	<i>Overhead Cost</i>	<i>1,944,912,965:00</i>	Sustained
4.	Total Recurrent Expenditure	7,857,448,243:56	Sustained
5.	Capital Expenditure	300,000,000:00	Sustained
6.	Total Expenditure	8,157,448,243:56	Sustained

4.0 COMMITTEE'S RECOMMENDATION

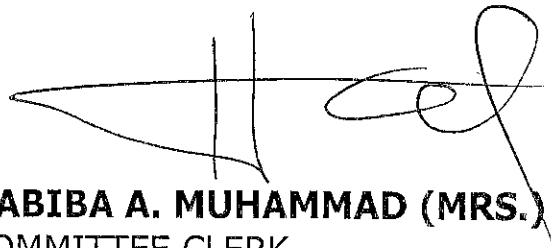
The committee hereby recommends that the senate do approve the Sum of Eight Billion, One Hundred and Fifty Seven Million, Four

Hundred and Forty Eight Thousand, Two Hundred and Forty Three Naira, and Fifty Six Kobo (**₦8,157,448,243:56**) being 2016 Budget for Securities and Exchange Commission in line with the attached details.

- 5.0 Mr. President, Distinguished colleagues, on behalf of the Committee, I thank you for your attention and the opportunity given us to serve our Great Nation, Nigeria

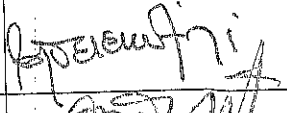
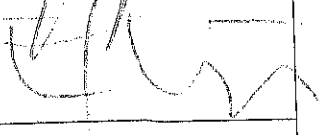
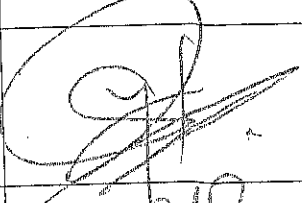
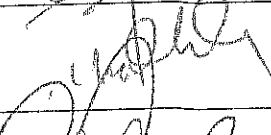
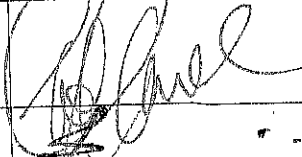
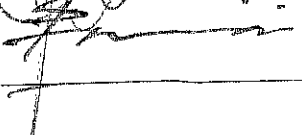
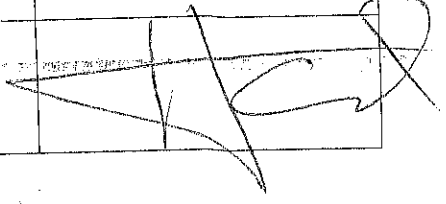


SENATOR ISIAKA A. ADELEKE
CHAIRMAN



HABIBA A. MUHAMMAD (MRS.)
COMMITTEE CLERK

ENDORSEMENTS

S/NO	NAME OF MEMBERS	POSITION	SIGNATURE
1.	Senator Isiaka A. Adeleke	Chairman	
2.	Senator Foster Ogola	Vice Chairman	
3.	Senator John Owan Enoh	Member	
4.	Senator Mustapha Bukar	Member	
5.	Senator Mohammed Shaaba Lafiagi	Member	
6.	Senator Abu Ibrahim	Member	
7.	Senator George Akume	Member	
8.	Senator Mao Oluabunwa	Member	
9.	Senator Kashamu Buruji	Member	
10.	Mrs. Habiba A. Muhammad	Clerk	

SECURITIES AND EXCHANGE COMMISSION'S 2016 BUDGET

S/N	DESCRIPTIONS	ESTIMATES 2016 N	COMMITTEE'S RECOMM. N	REMARKS
A	REVENUE			
	Registration of Security	385,000,000.00	385,000,000.00	Sustained
	Market Transaction Charges	3,000,000,000.00	3,000,000,000.00	Sustained
	Penalties	600,000,000.00	600,000,000.00	Sustained
	Merger & Acquisition Fees	550,000,000.00	550,000,000.00	Sustained
	Filing Fees	30,000,000.00	30,000,000.00	Sustained
	Operators Registration	200,000,000.00	200,000,000.00	Sustained
	Money Market Investment			
	Sales of Publication			
	Interest on FG Bonds	410,000,000.00	410,000,000.00	Sustained
	Proceed of Assets Disposition			
	** Miscellaneous Income			
	Other Miscellaneous	30,395,000.00	30,395,000.00	Sustained
	Total Revenue	5,205,395,000.00	5,205,395,000.00	Sustained
B	EXPENDITURE			
	STAFF EMOLUMENT			
	Salaries & Payroll Allowance	2,464,813,712.56	2,464,813,712.56	Sustained
	Additional Qualification	10,000,000.00	10,000,000.00	Sustained
	Productivity Bonus	110,500,358.00	110,500,358.00	Sustained
	Children Education Allo	161,897,372.00	161,897,372.00	Sustained
	Furniture Allowance	440,000,000.00	440,000,000.00	Sustained
	Dressing Allowance	145,824,146.00	145,824,146.00	Sustained
	Staff Rent Allowance	968,988,658.00	968,988,658.00	Sustained
	Leave Allowance	250,000,000.00	250,000,000.00	Sustained
	Fuelling Allowance	67,511,032.00	67,511,032.00	Sustained
	Transport	700,000,000.00	700,000,000.00	Sustained
	Board Expenses/Sitting Allowance	70,000,000.00	70,000,000.00	Sustained
	Total Staff Emoluments	5,389,535,278.56	5,389,535,278.56	Sustained
	STAFF WELFARE			
	Recreation	73,000,000.00	73,000,000.00	Sustained
	Pension Fund Contribution	300,000,000.00	300,000,000.00	Sustained

	Health Support(Critical Cases)	100,000,000.00	100,000,000.00	Sustained
	NSITF	50000000	50000000	Sustained
	Total Staff Welfare	523,000,000.00	523,000,000.00	Sustained
	Total Staff Cost	5,912,535,278.56	5,912,535,278.56	Sustained
C	OTHER ADMINISTRATIVE COST			
	Uniform & Clothing	2,000,000.00	2,000,000.00	Sustained
	Meeting Expenses - Othe	40,000,000.00	40,000,000.00	Sustained
	Bank Charges & Commission	10,000,000.00	10,000,000.00	Sustained
	Software Maintenance	37,000,000.00	37,000,000.00	Sustained
	Hardware Maintenance	10,000,000.00	10,000,000.00	Sustained
	Network & Communication	73,000,000.00	73,000,000.00	Sustained
	Computer Consumables	23,915,000.00	23,915,000.00	Sustained
	Postage	15,000,000.00	15,000,000.00	Sustained
	Telephone	3,794,000.00	3,794,000.00	Sustained
	Seminars, Conferences &	15,000,000.00	15,000,000.00	Sustained
	Insurance	90,000,000.00	90,000,000.00	Sustained
	Motor Fuel Cost	20,000,000.00	20,000,000.00	Sustained
	Newspapers & Periodical	10,000,000.00	10,000,000.00	Sustained
	Stationeries & Printing	60,000,000.00	60,000,000.00	Sustained
	Audit fees	40,000,000.00	40,000,000.00	Sustained
	Tax Consultancy	10,000,000.00	10,000,000.00	Sustained
	Legal Fees & Logistics	60,000,000.00	60,000,000.00	Sustained
	Other Professional Fees	40,000,000.00	40,000,000.00	Sustained
	Project & Change Manage	10,000,000.00	10,000,000.00	Sustained
	Protocol	25,035,000.00	25,035,000.00	Sustained
	Advertisement & Publication	100,000,000.00	100,000,000.00	Sustained
	Publication Expense	3,000,000.00	3,000,000.00	Sustained
	Capital Market Dev.& Pu	210,000,000.00	210,000,000.00	Sustained
	Rent & Rates (Office)	23,000,000.00	23,000,000.00	Sustained
	Electricity	64,160,000.00	64,160,000.00	Sustained
	Maintenance - Vehicles	29,584,465.00	29,584,465.00	Sustained
	Maintenance - Premises	165,000,000.00	165,000,000.00	Sustained
	Maintenance - Equipment	34,013,000.00	34,013,000.00	Sustained
	Generator Fuel Cost	30,000,000.00	30,000,000.00	Sustained
	Corporate Subscriptions	25,000,000.00	25,000,000.00	Sustained
	Corporate Donations	10,000,000.00	10,000,000.00	Sustained
	Local Travel Expenses	150,000,000.00	150,000,000.00	Sustained
	Foreign Travels	50,000,000.00	50,000,000.00	Sustained

	Long Service Award	15,000,000.00	15,000,000.00	Sustained
	Staff Relocation Expenses	100,000,000.00	100,000,000.00	Sustained
	Local Training	282,411,500.00	282,411,500.00	Sustained
	Foreign Training	10,000,000.00	10,000,000.00	Sustained
	Recruitment & Logistics	30,000,000.00	30,000,000.00	Sustained
	Contingency	5,000,000.00	5,000,000.00	Sustained
	Specialized Committee Programmes	10,000,000.00	10,000,000.00	Sustained
	Books	4,000,000.00	4,000,000.00	Sustained
	Total Administrative Cost	1,944,912,965.00	1,944,912,965.00	Sustained
	Total Operational Cost	7,857,448,243.56	7,857,448,243.56	Sustained
	CAPITAL EXPENDITURE			
	Building	20,000,000.00	20,000,000.00	Sustained
	Furniture & Fittings	20,000,000.00	20,000,000.00	Sustained
	Office Equipment	30,000,000.00	30,000,000.00	Sustained
	Computer Software	100,000,000.00	100,000,000.00	Sustained
	Computer Hardware	80,000,000.00	80,000,000.00	Sustained
	Motor Vehicle	50,000,000.00	50,000,000.00	Sustained
	TOTAL CAPITAL EXPENDITURE	300,000,000.00	300,000,000.00	Sustained
	TOTAL EXPENDITURE	8,157,448,243.56	8,157,448,243.56	Sustained
		=====	=====	
	SURPLUS/(DEFICIT)	-2,952,053,243.56	-2,952,053,243.56	