

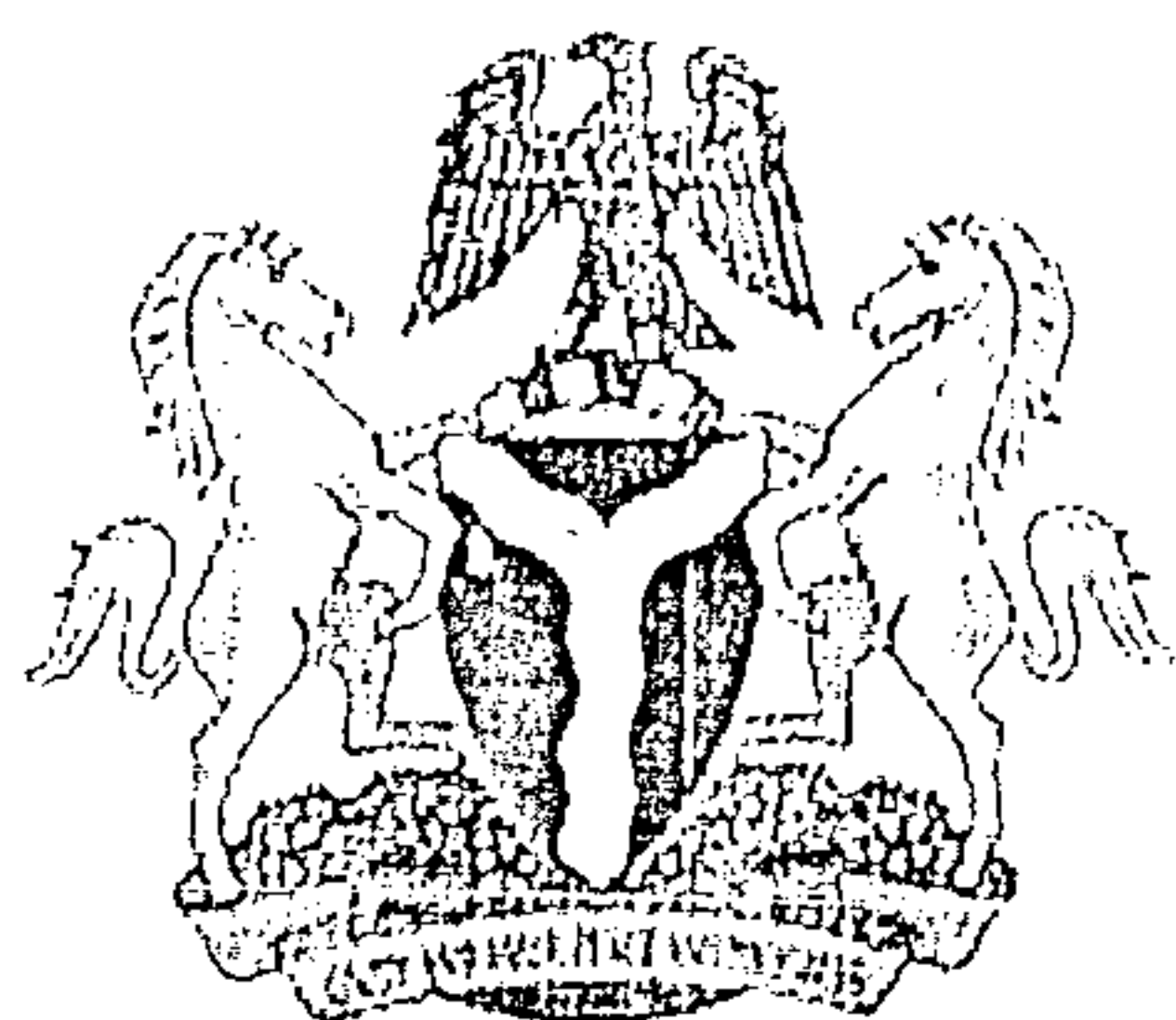


**REPORT OF THE JOINT COMMITTEE ON BANKING,  
INSURANCE AND OTHER FINANCIAL INSTITUTIONS AND  
ICT & CYBERCRIME**

**ON**

**A BILL FOR AN ACT TO FACILITATE THE USE OF  
INFORMATION IN ELECTRONIC FORM FOR CONDUCTING  
TRANSACTIONS IN NIGERIA AND FOR CONNECTED  
PURPOSES, 2015 (SB. 015)**

**DECEMBER, 2015**



# **REPORT ON A BILL FOR AN ACT TO FACILITATE THE USE OF INFORMATION IN ELECTRONIC FORM FOR CONDUCTING TRANSACTIONS IN NIGERIA AND FOR CONNECTED PURPOSES, 2015 (SB. 015)**

## **1.0 INTRODUCTION**

The Senate of the Federal Republic of Nigeria, at its sitting on Wednesday 18<sup>th</sup> November, 2015 read the Electronic Transactions Bill 2015 (SB. 015) the Second Time and referred same to the Joint Committee on Banking, Insurance and other Financial Institutions & ICT and Cybercrime for further legislative action.

## **2.0 MEMBERSHIP OF THE JOINT COMMITTEE**

### **2.1 COMMITTEE ON BANKING, INSURANCE AND OTHER FINANCIAL INSTITUTIONS**

- |                                         |   |               |
|-----------------------------------------|---|---------------|
| 1. Senator Rafiu Adebayo Ibrahim        | - | Chairman      |
| 2. Senator Athanasius Achonu Nneji      | - | Vice-Chairman |
| 3. Senator Mohammed Danjuma Goje        | - | Member        |
| 4. Senator Umar Ibrahim Kurfi           | - | Member        |
| 5. Senator Nwaobosi Peter Onyeluka      | - | Member        |
| 6. Senator Tijjani Yahaya Kaura         | - | Member        |
| 7. Senator Philip A. Gyunka             | - | Member        |
| 8. Senator Dada Joseph Gbolahan         | - | Member        |
| 9. Senator Adesoji Rilwan Akanbi        | - | Member        |
| 10. Senator Abubakar Ahmadu Moallahyidi | - | Member        |
| 11. Senator Abubakar Abdurahman Alhaji  | - | Member        |

12. Senator Olaka Johnson Nwogu

- Member

13. Senator Stella A. Oduah

- Member

## **2.2 COMMITTEE ON ICT & CYBERCRIME**

1. Senator Buhari Abdulfatai

- Chairman

2. Senator Ogola Foster

- Vice-Chairman

3. Senator Ali Ndume

- Member

4. Senator Abdulahi A. Gumel

- Member

5. Senator Mohammed Rabiu M. Kwankwaso-

Member

6. Senator Biodun Olujimi

- Member

## **3.0 OBJECTIVES OF THE BILL**

The Bill seeks, amongst other objectives, to:

- (i) Facilitate the use of information in electronic form for conducting business transactions in Nigeria;
- (ii) Encourage and approve the use of digital signature for electronic transactions in order to comply with Bank for International Settlement Rules along international best practice;
- (iii) Provide legal assistance to the consumers on their rights and legal remedies to all those who may be short-changed in electronic transactions;

## **4.0 METHODOLOGY**

The Joint Committee met and resolved on the following as necessary steps for carrying out the assignment:

- (i) To consult widely on the justifications and merits or otherwise of the Bill;
- (ii) To consult documents submitted to the Joint Committee on Communications and Judiciary, Human Rights and Legal Matters that handled the Bill when it was introduced in the 7<sup>th</sup> Senate.
- (iii) To shelve the conduct of a Public Hearing, owing to the fact that same was conducted by the previous Joint Committee on Wednesday

December 11, 2013, less than two (2) years back, especially as the Stakeholders are still the same;

- (iv) To consider inputs made by stakeholders during the 2013 Public Hearing; and,
- (v) To have recourse to any other matter incidental to the Bill that would assist the Joint Committee in discharging its assignment including comments of Distinguished Senators during the *Second Reading* of the Bill.

## **5.0 CONSIDERATION OF SUBMISSIONS MADE BY STAKEHOLDERS**

The Joint Committee obtained and considered submissions from the following relevant stakeholders who made written and oral presentations at the 2013 Public Hearing:

1. Central Bank of Nigeria (CBN)
2. Nigerian Communications Commission (NCC)
3. National Information Technology Development Agency (NITDA)
4. Financial System Strategy (FSS) 2020
5. National e-Govt. Strategy (NeGST)
6. Economic and Financial Crimes Commission (EFCC)
7. National Identity Management Commission (NIMC)
8. Nigerian Security Printing and Minting Company (NSPMC)
9. Chartered Institute of Bankers of Nigeria (CIBN)
10. Electronic Providers Association of Nigeria (EPAN)
11. Institute of Chartered Accountants of Nigeria (ICAN)
12. Association of National Accountants of Nigeria (ANAN)
13. Federal Inland Revenue Service (FIRS)
14. Nigeria Deposit Insurance Corporation (NDIC)
15. Bank of Infrastructure
16. Representatives of Deposit Money Banks
17. Telecoms Companies

## **6.0 PRESENTATIONS BY STAKEHOLDERS**

Mr. President, Distinguished Senators, from the submissions obtained, the Joint Committee found that salient contributions were offered at the Public Hearing by stakeholders and other categories of participants present. Deductions from the oral and written presentations made largely accentuate the timeliness,

appropriateness, and endorsement received by the Bill albeit with some inputs and recommendations.

## **7.0 OBSERVATIONS**

The Joint Committee observes that:

1. The Central Bank of Nigeria, which is the chief protagonist of the Bill wholeheartedly upholds all its provisions. The Bank emphasized the necessity of passing the Bill into law in line with our nation's transformation agenda in order to deepen and reposition Nigeria's financial sector to be one of the top 20 economies by the year 2020.
2. All the stakeholders present acknowledged the necessity of the Bill and emphasised that its passage will transform Nigeria into a financial hub in Africa due to the reduction in the impediments to e-commerce.
3. Even though there is no legislation dealing with electronic transactions in Nigeria at the moment, there are some legislations that have direct bearing with the contents and objectives of the Bill. These include the Consumer Protection Council Act CAP. C25 LFN. 2004; the National Identity Management Commission Act NO. 23 of 2007; the Nigerian Communications Act 2003; and the Evidence Act 2011.

## **8.0 COMMENTS ON CLAUSES**

**8.1 Subsidiary Regulations; Clause 2(3):** This subsection leaves room for ambiguity as it is not specific on "any appropriate regulatory body". However, since NITDA was set up by an Act of Parliament to develop standards, make rules and issue guidelines for information technology systems, it is recommended that NITDA should consult with the CBN and NCC in making rules and regulations.

**8.2 Admissibility of Documents; Clause 7(1):** In view of the apparent overlap between this subclause and Section 84(1)-(3) of the Evidence Act on the "Admissibility of Documents", it is recommended that a new subsection 7(3) should be inserted to indicate that the two sections should be read in conjunction with each other as follows: "*Without prejudice to Section 7(1) of this Bill, this subsection should be read in conjunction with Section 84 (1)-(3) of the Evidence Act 2011*".

**8.3 Administration of Electronic Signature; Clause 12:** It is recommended that the powers of NITDA in this respect should be enlarged to

review activities, establish, maintain and publish a register of Electronic Signature Certification services, in the spirit of freedom of information requirements. Hence, a new subsection should be added to make 12(2) thus:  
*"In consonance with the Freedom of Information requirements, NITDA is empowered by this subsection, to review activities, establish, maintain and publish a register of Electronic Signature Certification Services".*

**8.4 Processing of Personal Data; Clause 18(5):** This subsection ought to be embellished to make for more clarity by qualifying the "longer than required" to include – "...required for the fulfillment of the purpose for which the data was obtained".

**8.5 Rights of Data Owner; 20(2):** It is recommended that this subsection should be deleted because it runs contrary to the right to freedom of information of the data owner and also because the provision has not provided a limit to the fees payable by a data owner.

**8.6 Rights of Data Owner; 20(3)-(4):** In order to further strengthen the rights of data owner, it is recommended that new subsections (3)&(4) should be inserted in the Bill to give a data owner the rights to dispute the error or inaccuracies of the data held and also be entitled to apply for its suspension as follows: "(3) An individual shall be entitled to dispute the error or inaccuracy of the data held about him, and have the data holder correct them, unless such requests are vexatious or unreasonable; and (4) An individual shall be entitled to apply for the suspension, withdrawal or order the blocking, removal or destruction of personal data, on proof that it is incomplete, outdated, false, compromised, unlawfully obtained, used for unauthorized purpose or no longer necessary for the purpose for which it was collected.

**8.7 Carriage of Goods; Part 6, Clause 32(1)-(2):** Subclause (3) referred to in subclause (1) is not clear while cross reference to clause 25 is wrong. Hence, it is recommended that this section should be deleted.

**8.8 Subsidiary Regulation; Clause 43:** The definition of "regulatory bodies" in this clause is not specific. There is need to mention specific regulatory body/ies to make regulations. It is suggested that NITDA should be vested with this responsibility.

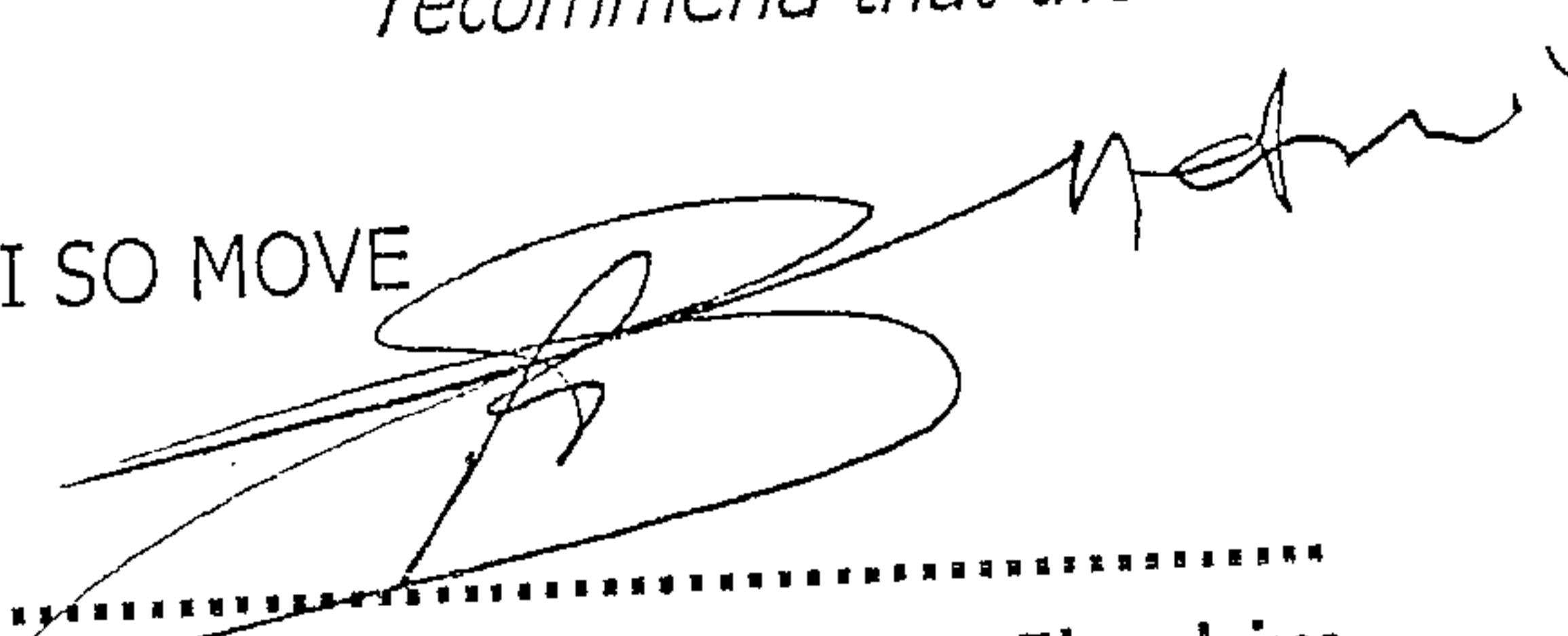
**8.9 Offences by Corporate Body; Clause 44:** The Bill creates offences by corporate bodies but fails to prescribe appropriate punishments. Hence, a fine of not below One Million Naira is recommended as punishment.

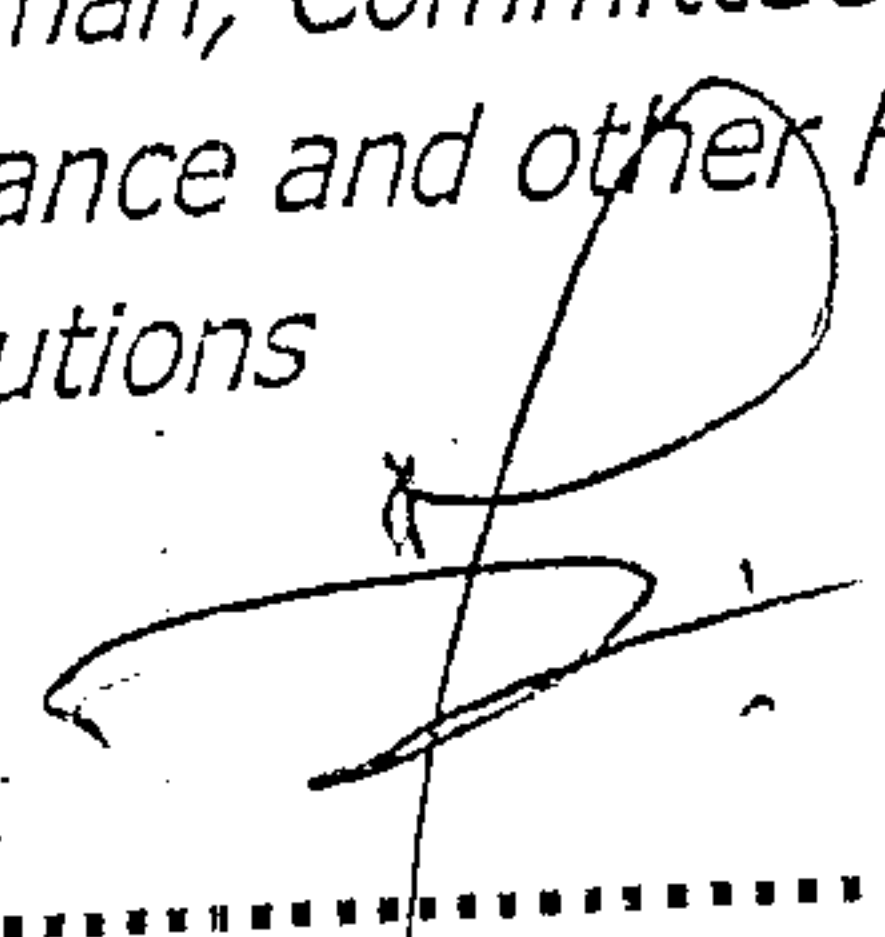
## 9.0. RECOMMENDATION

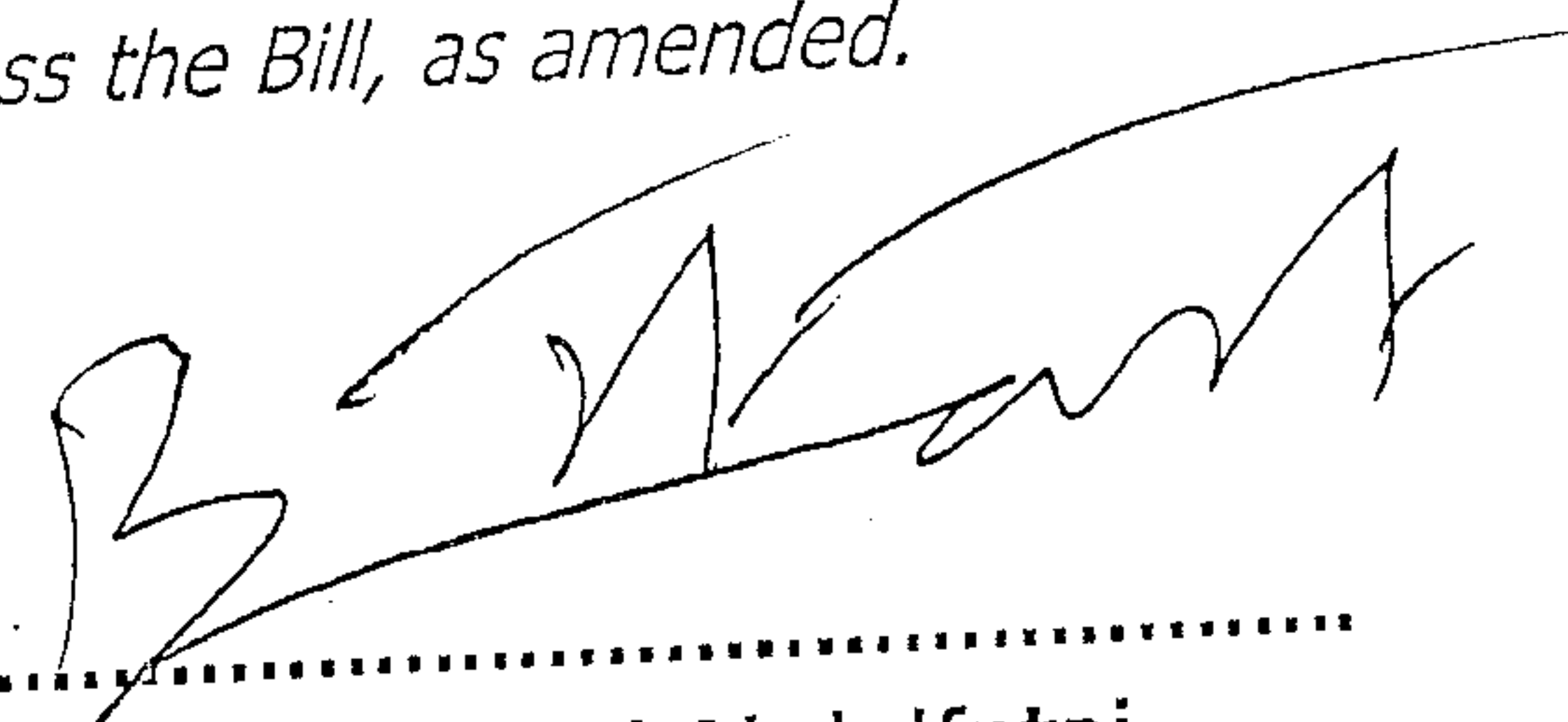
Having taken into consideration, the observations and comments of relevant stakeholders on various provisions of the Bill and made amendments where necessary, the Joint Committee hereby recommends as follows:

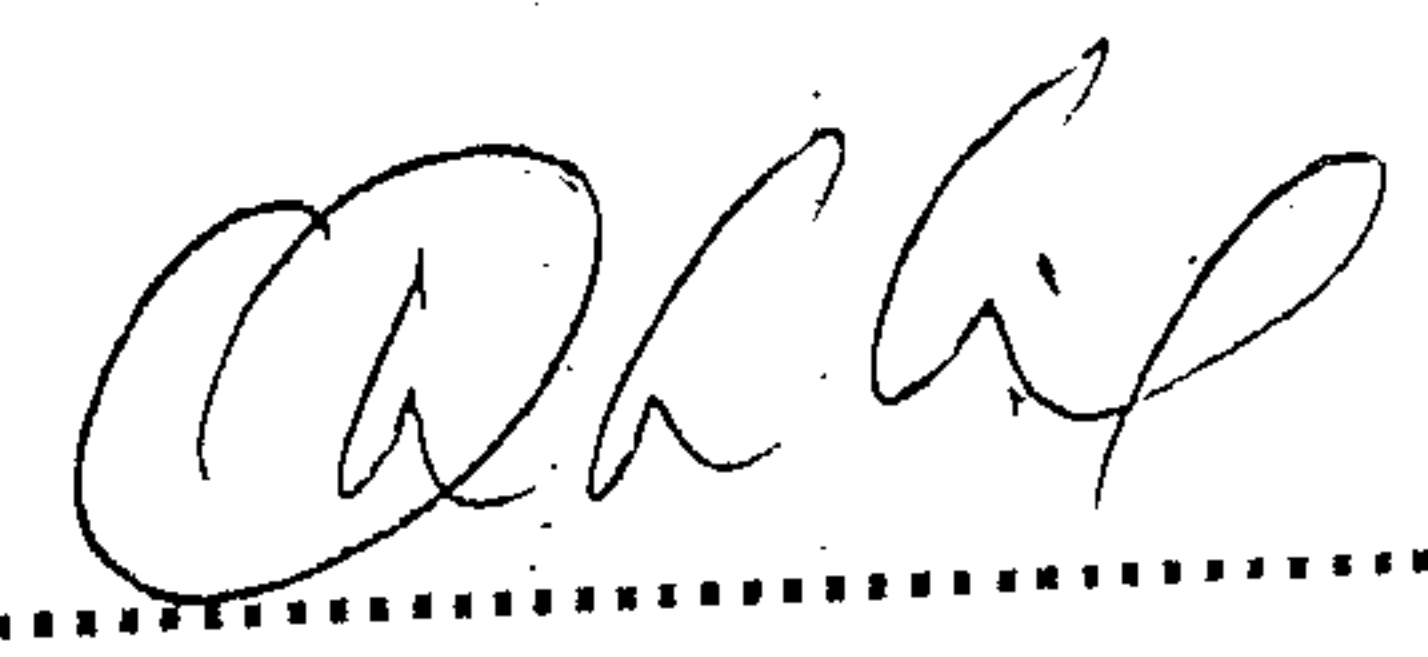
*That the Joint Senate Committee on Banking, Insurance and other Financial Institutions & ICT and Cybercrime to which was referred a Bill for an Act to Facilitate the Use of Information in Electronic Form for Conducting Transactions in Nigeria and for Connected Purposes, 2015, having considered same, report favourably thereon and recommend that the Senate do pass the Bill, as amended.*

I SO MOVE

  
.....  
**Senator Rafiu Adebayo Ibrahim**  
*Chairman, Committee on Banking,  
Insurance and other Financial  
Institutions*

  
.....  
**N. P. Ikeokwu**  
*Clerk, Committee on Banking,  
Insurance and other Financial  
Institutions*

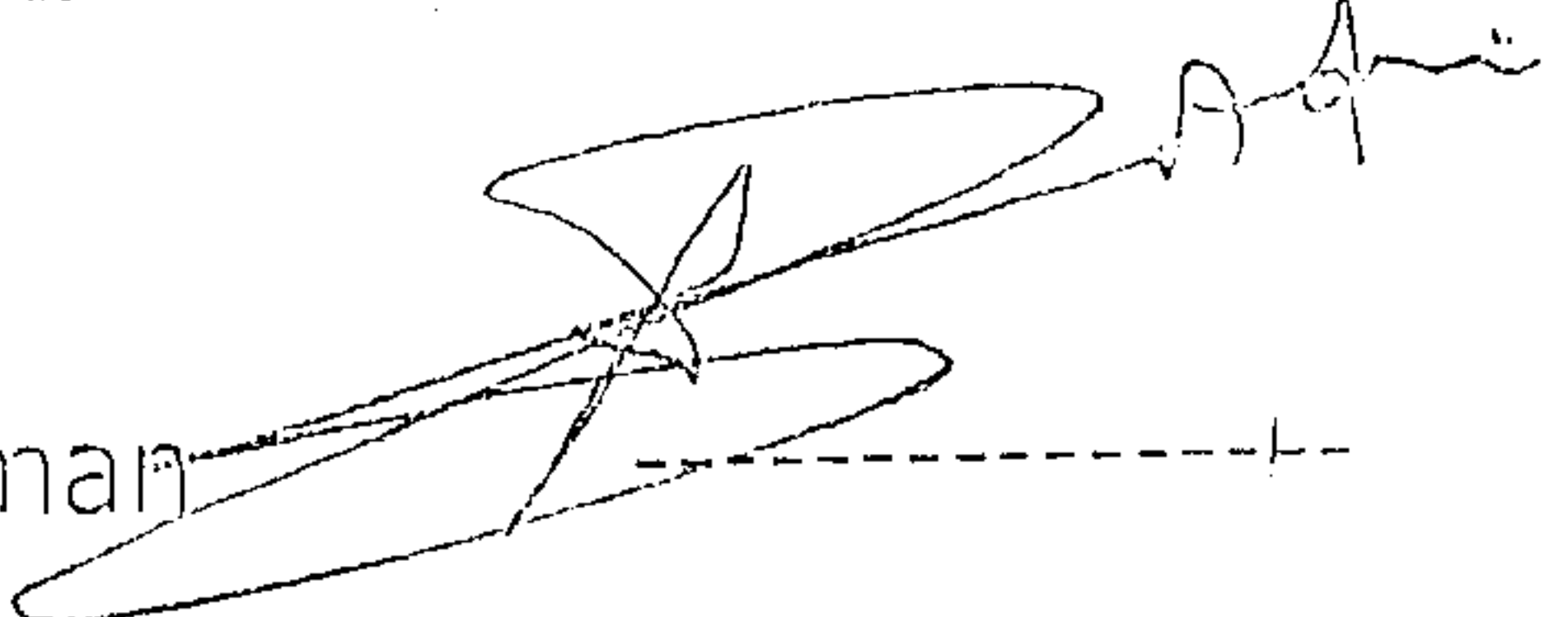
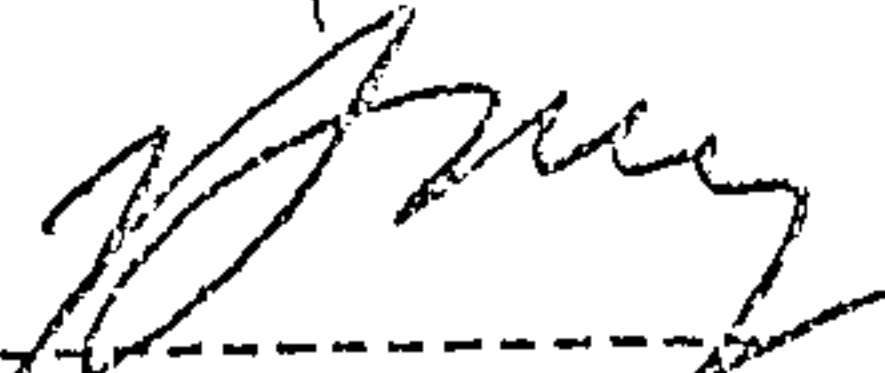
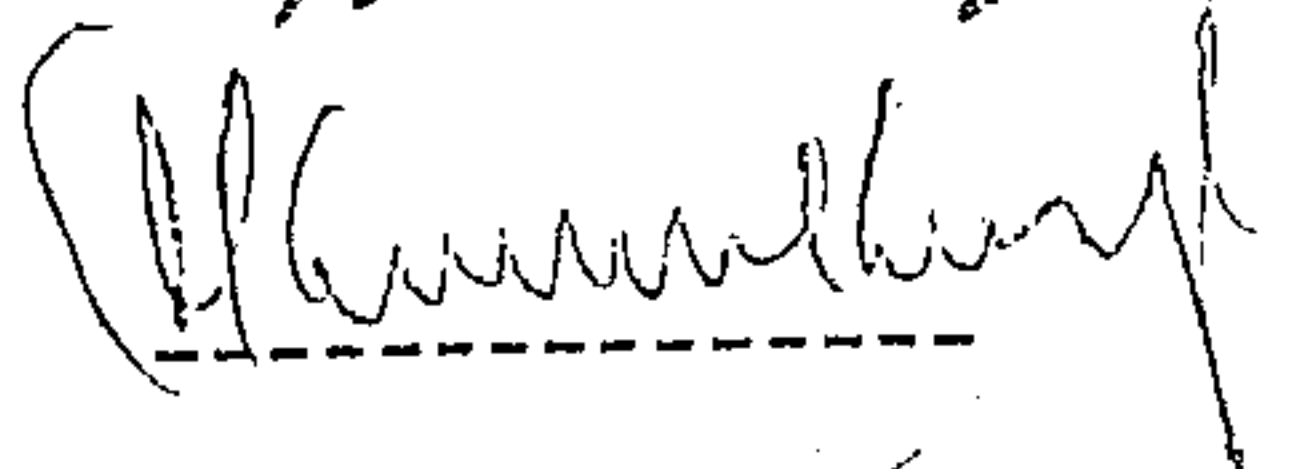
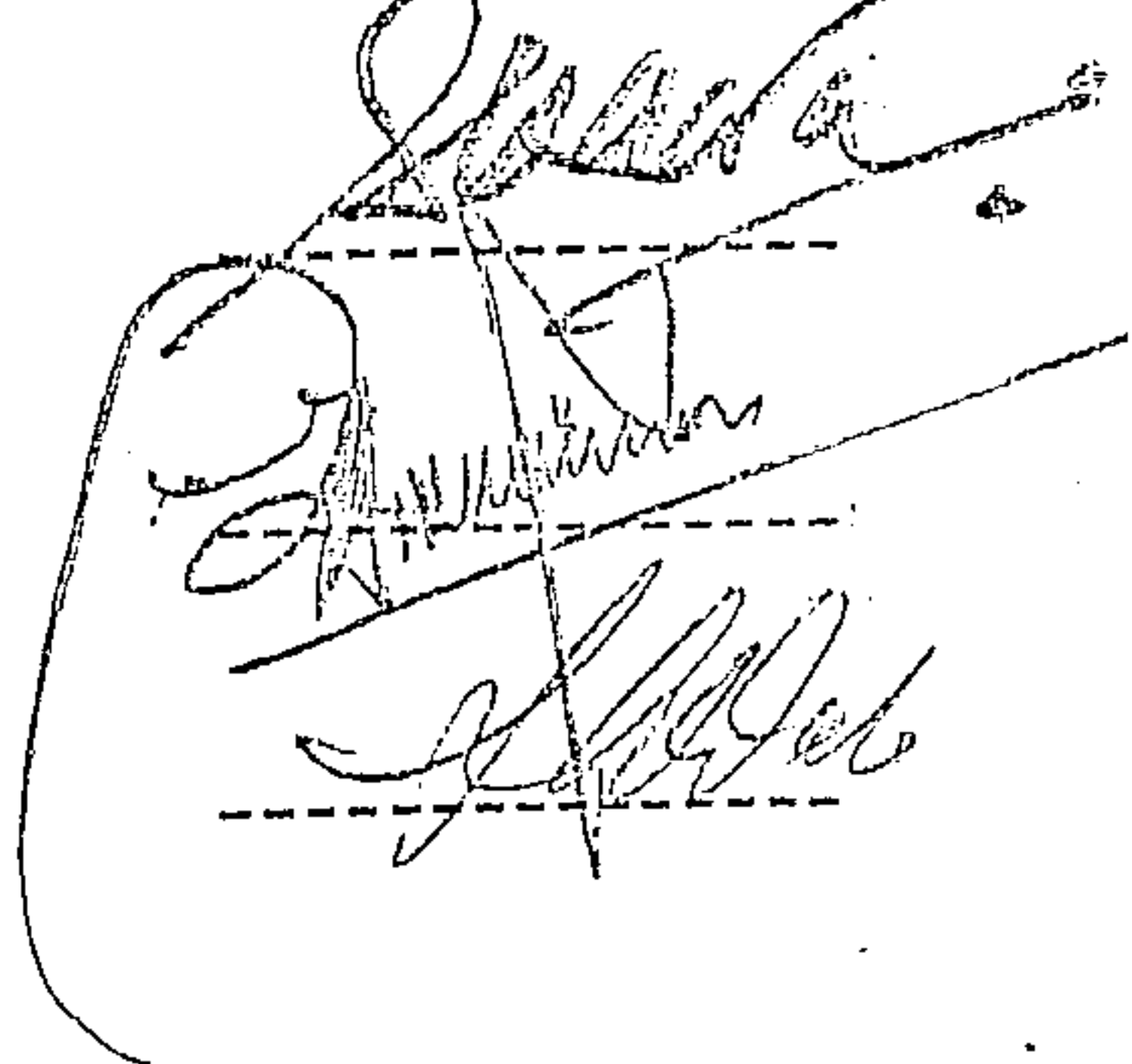
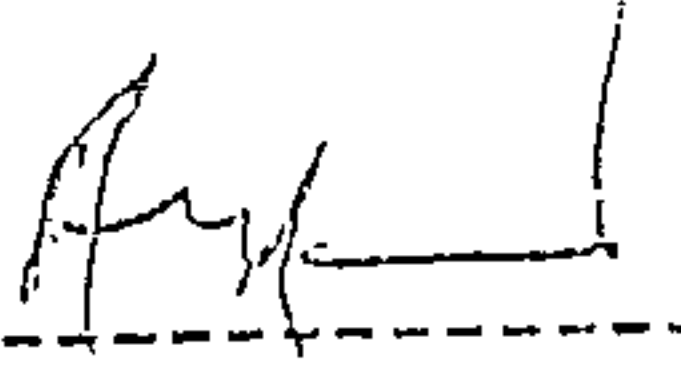
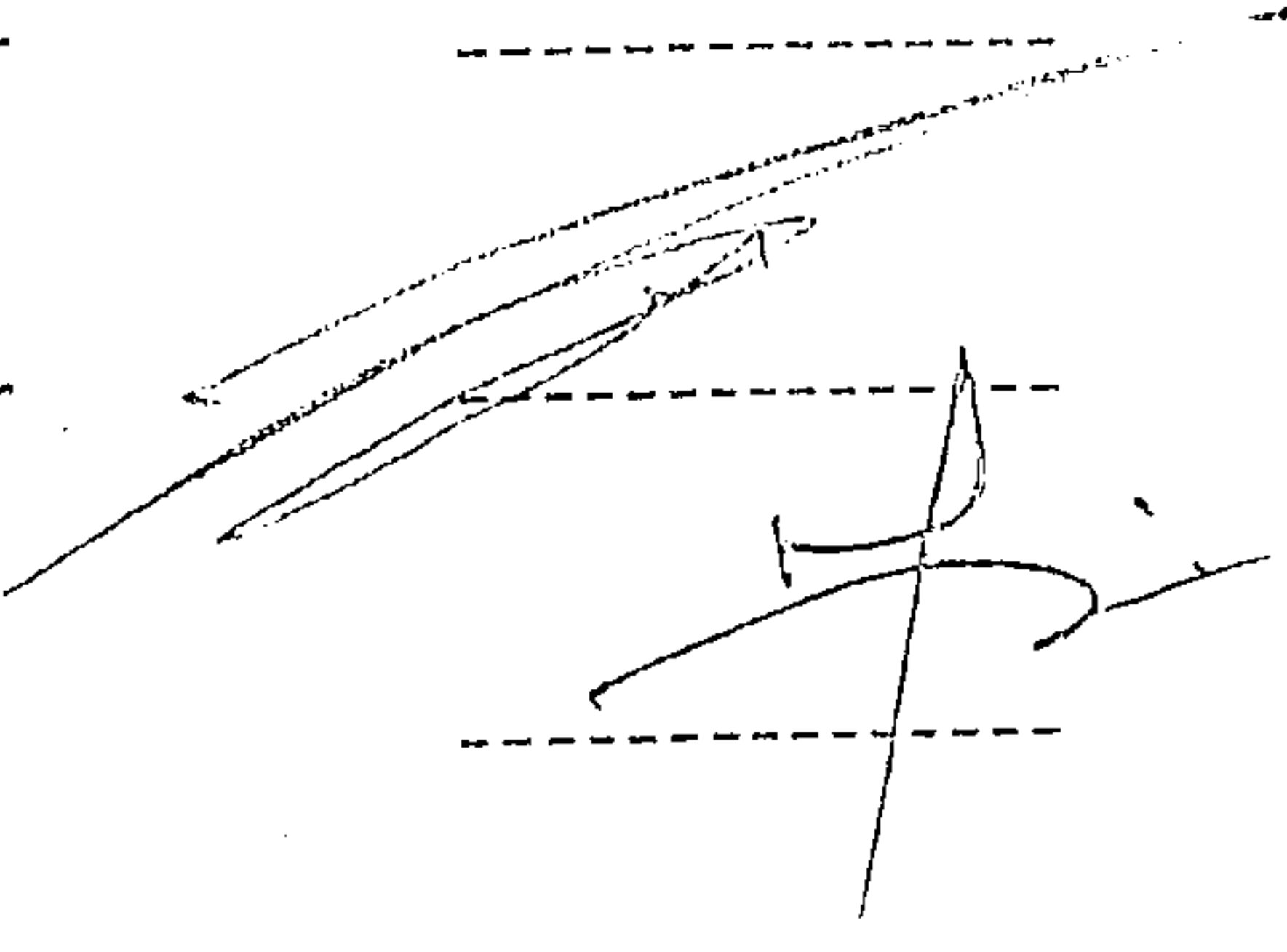
  
.....  
**Senator Buhari Abdulfatai**  
*Chairman, Committee on ICT and  
Cybercrime*

  
.....  
**Ayoh O. E. Ogon**  
*Clerk, Committee on ICT and  
Cybercrime*

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COMMITTEE ON BANKING, INSURANCE AND OTHER FINANCIAL INSTITUTIONS

SIGNATURE PAGE

|                                         |   |               |                                                                                       |
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| 1. Senator Rafiu Adebayo Ibrahim        | - | Chairman      |    |
| 2. Senator Athanasius Achonu Nneji      | - | Vice-Chairman |    |
| 3. Senator Mohammed Danjuma Goje        | - | Member        |   |
| 4. Senator Umar Ibrahim Kurfi           | - | Member        |                                                                                       |
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| 10. Senator Abubakar Ahmadu Moallahyidi | - | Member        |  |
| 11. Senator Abubakar Abdurahman Alhaji  | - | Member        |                                                                                       |
| 12. Senator Olaka Johnson Nwogu         | - | Member        |                                                                                       |
| 13. Senator Stella A. Oduah             | - | Member        |  |
| N. P. Ikeokwu                           | - | Clerk         |                                                                                       |

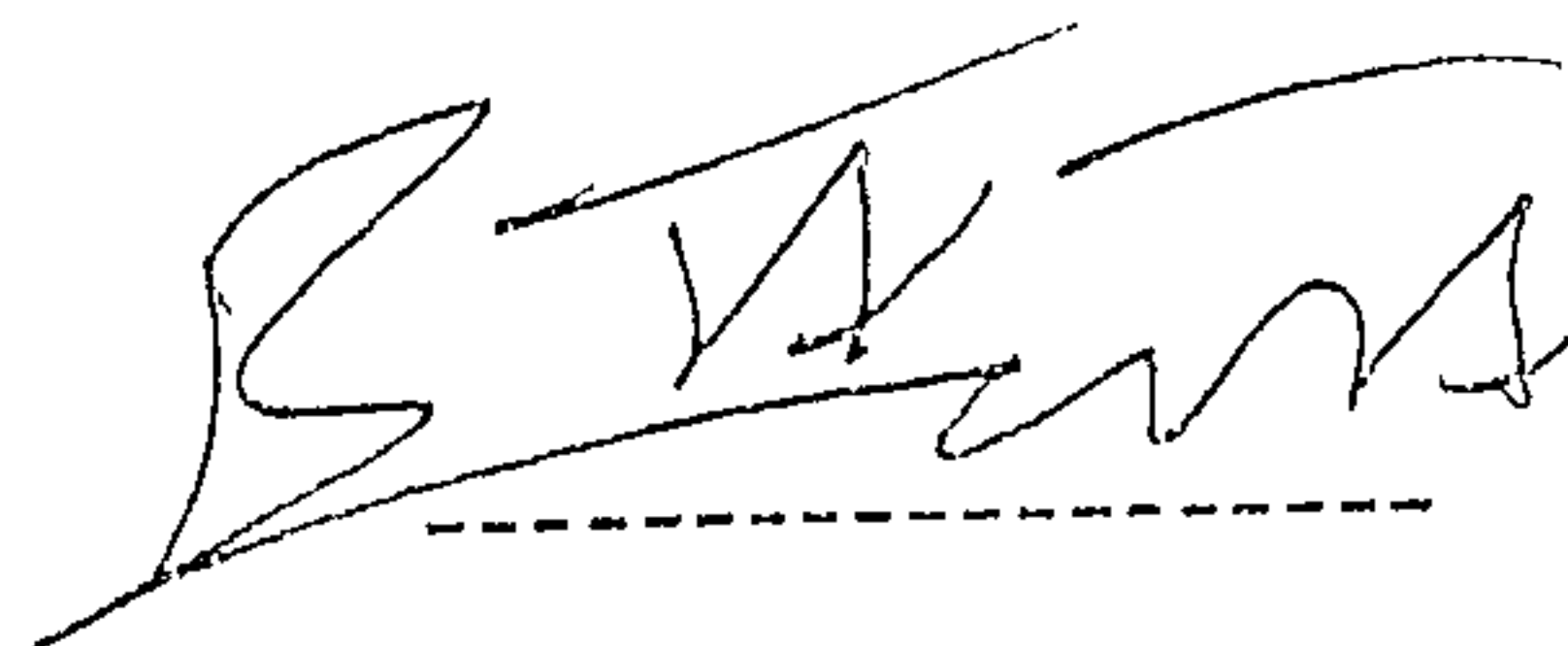
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COMMITTEE ON ICT AND CYBERCRIME

SIGNATURE PAGE

1. Senator Buhari Abdulfatai

- Chairman



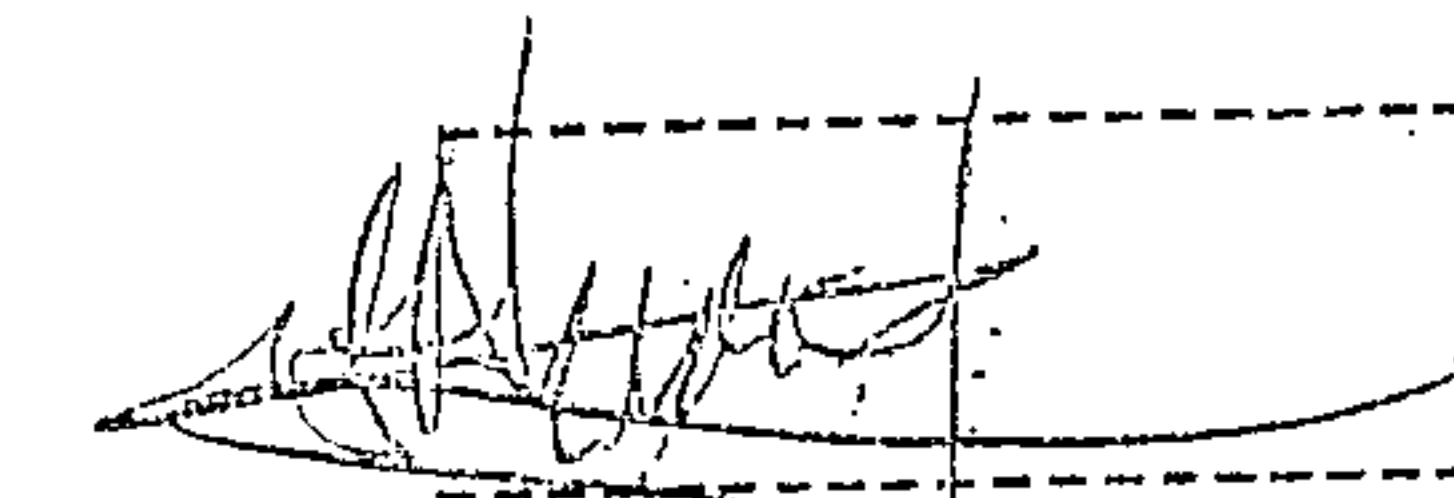
2. Senator Ogola Foster

- Vice-Chairman

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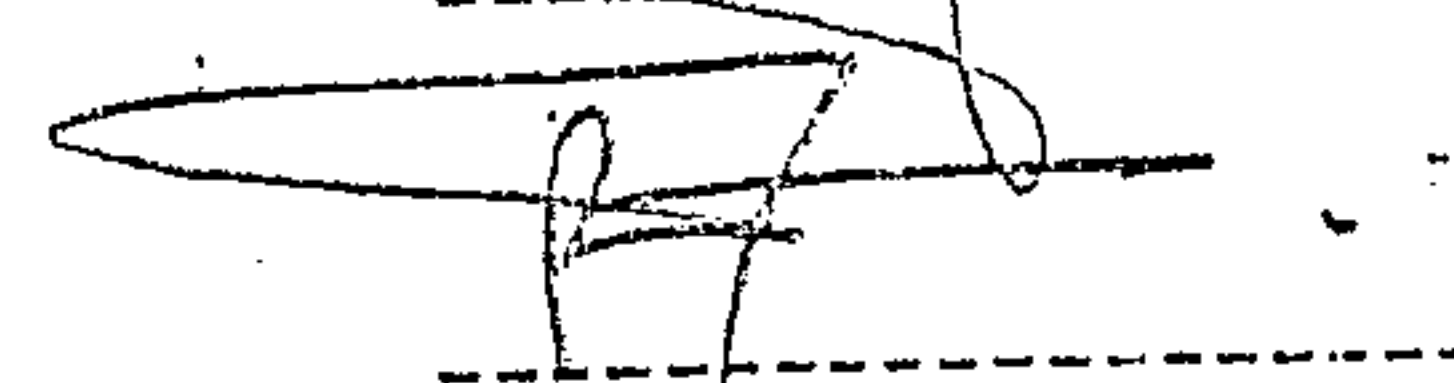
3. Senator Ali Ndume

- Member



4. Senator Abdulahi A. Gumel

- Member



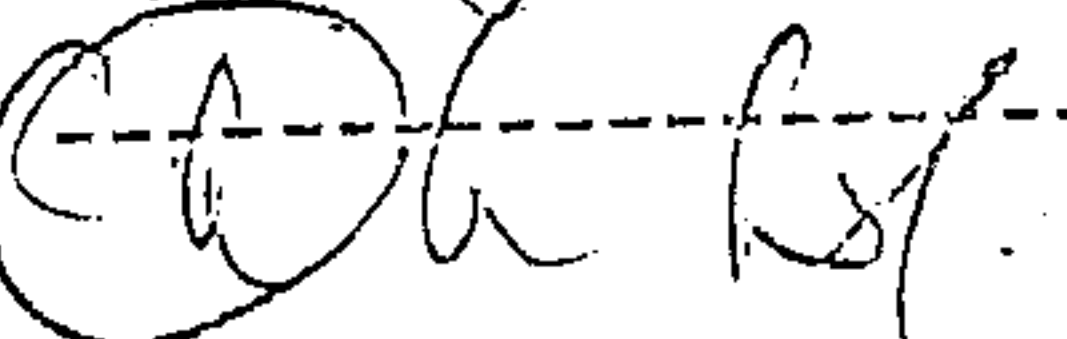
5. Senator Mohammed Rabiu M. Kwankwaso

Member



6. Senator Basim Olyajimi

- Clerk



Ayoh O. E. Ogon