



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Thursday, 27th February, 2020

1. The Senate met at 10:36 a.m. The President of the Senate read prayers.
2. **Votes and Proceedings:**
The Senate examined the Votes and Proceedings of Wednesday, 26th February, 2020.
Question was put and the Votes and Proceedings were approved.
3. **Announcements:**
(a) *Notice of Meeting:*
The President of the Senate read a letter from Senator Enyinnaya H. Abaribe (*Abia South*) as follows:



MINORITY LEADER
FEDERAL REPUBLIC OF NIGERIA

*His Excellency,
Senator Ahmad Ibrahim Lawan,
The President of the Senate,
National Assembly, Abuja.*

27th February, 2020

NOTICE OF MEETING

All members of the National Executive Council (NEC) of Peoples' Democratic Party are invited to an Emergency NEC meeting of PDP.

*Venue - Wadata Plaza
Time - 3:00p.m.
Date - 27th February, 2020*

*(Signed)
Senator Enyinnaya H. Abaribe
SENATE MINORITY LEADER*

(b) Golden Jubilee Dinner:

The President of the Senate read a letter from Senator Emmanuel Bwacha (*Taraba South*) as follows:



DEPUTY MINORITY LEADER
FEDERAL REPUBLIC OF NIGERIA

His Excellency,
Senator Ahmad Ibrahim Lawan,
The President of the Senate,
National Assembly, Abuja.

27th February, 2020

GOLDEN JUBILEE DINNER

This is to remind all Distinguished Senators of the 50th Birthday Dinner in honour of my wife holden tomorrow Friday, 28th February, 2020 by 5:30 p.m. at the A-Class Event Centre Along Yerdsama Way, Maitama Abuja under the Chairmanship of Talban Abuja, Senator Philip A. Tanimu (MFR). Come and witness the rich cultural treats of Taraba South.

(Signed)

Senator E. Bwacha, CON
Deputy Minority Leader

(c) Acknowledgment:

The President of the Senate acknowledged the presence of the following who were at the gallery to observe Senate Proceedings:

- (i) Staff and Students of Premier International School, Wuse II, Abuja;*
- (ii) Staff and Students of Salem Secondary School, Lugbe, Abuja;*
- (iii) Staff and Students of Esty Foundation Schools, Kubwa, Abuja;*
- (iv) Staff and Students of C. Blossom Schools, Lugbe, Abuja;*
- (v) Staff and Students of Nigeria-Ghana International College, Kuje, Abuja; and*
- (vi) Staff and Students of Abundant Life Private School, Kuje, Abuja.*

4. Personal Explanation:

Rising on Rule 43, Senator Robert A. Boroffice (*Ondo North*) drew the attention of the Senate to his observation at South African Airport on arrival where military and health officers came into the aircraft to screen all passengers on Coronavirus/Covid-19 before disembarking from the flight. He observed that this exercise was not conducted at Nnamdi Azikiwe Airport, Abuja. He urged the Federal Ministry of Health to intensify effort at containing the spread of Coronavirus along all arrival ports in Nigeria; and urged Nigerians to be more vigilant as a preventive option.

By the leave of the Senate, the Committee on Primary Health and Communicable Diseases was mandated to engage the Federal Ministry of Health on the need to provide more preventive measures for Coronavirus/Covid-19 in all entry points to the country.

9. **Gas Flaring (Prohibition) Bill, 2020 (SB. 174):**

Motion made: That a Bill for an Act to Prohibit Flaring of National Gas in Nigeria and for Matters Connected Therewith, 2020 be read the Second Time (*Senator Albert B. Akpan — Akwa-Ibom North East*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Gas to report within Four (4) weeks.

10. **Tertiary Education Trust Fund Act, CAP E4 Act No. 17, LFN 2004 (Amendment) Bill, 2020 (SB. 90):**

Motion made: That a Bill for an Act to Amend the Tertiary Education Trust Fund Act, CAP E4 Act No. 17, LFN 2004 to include Tertiary Teaching Hospitals and for Related Matters, 2020 be read the Second Time (*Senator Betty J. Apiafi — Rivers West*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Tertiary Institutions and TETFUND to report within Four (4) weeks.

11. **Industrial Development (Income Tax Relief) Act CAP 17 Laws of the Federation of Nigeria 2004 (Amendment) Bill, 2020 (SB: 127):**

Motion made: That a Bill for an Act to Amend the Industrial Development (Income Tax Relief) Act CAP 17 Laws of the Federation of Nigeria 2004 and for Related Matters, 2020 (SB. 127) be read the Second Time (*Senator Sabo Mohammed — Jigawa South-West*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Trade and Investment to report within Two (2) weeks.

12. **Motion:**

Urgent Need to Reduce the Gap between Lending Interest Rate and Deposit Interest Rate among Commercial Banks and other Financial Institutions:

Motion made: The Senate notes that interest rate is the amount of interest due per period, as a proportion of the amount lent, deposited or borrowed (called the principal sum). It is the proportion of an amount loaned which a lender charges as interest to the borrower, normally expressed as an annual percentage;

further notes that there is a huge divergence between the deposit and lending rates in Nigeria. According to data from the Central Bank of Nigeria, savings deposit rate as at December 2019 was 3.89 percent while the prime and maximum lending rates were 14.99 percent and 30.72 per cent in the same period;

worried that Nigeria's current lending rate is one of the highest in the world. While the prime lending rate according to the Central Bank of Nigeria Monetary Policy Rate (MPR) is 14.99 per cent, loans are available in the commercial banks and other banks at an interest rate of between 22 and 27 per cent;

5. Presentation of Bills:

- (i) Pharmacy Council of Nigeria Act CAP. P17, LFN, 2004 (Repeal & Re-enactment) Bill, 2020 (HB. 334) — *Read the First Time.*
- (ii) 1999 Constitution of the Federal Republic of Nigeria (Alteration) Bill, 2020 (SB. 323)—*Read the First Time.*
- (iii) FCT Customary Court Act 2007 (Amendment) Bill, 2020 (SB. 315) — *Read the First Time.*
- (iv) Medical Rehabilitation Therapists (Registration, etc.) Bill, 2020 (SB. 352) — *Read the First Time.*
- (v) Federal College of Education Ekiadolor (Establishment, etc.) Bill, 2020 (SB. 354) — *Read the First Time.*

6. Committee on Niger Delta:

Report on the 2019 Budget Estimates of the Niger Delta Development Commission (NDDC):
Motion made: That the Senate do receive the Report of the Committee on Niger Delta on the 2019 Budget Estimates of the Niger Delta Development Commission (NDDC) (*Senator Peter O. Nwaoboshi —Delta North*).

Question put and agreed to.

Report Laid.

7. Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 (Repeal and Re-enactment) Bill, 2020 (SB. 251):

Motion made: That a Bill for an Act to repeal the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 and enact the Companies and Allied Matters Act, 2020 to provide for the incorporation of companies, limited liability partnerships, limited partnerships, registration of business names together with incorporation of trustees of certain communities, bodies, associations; and for related matters, 2020 be read the Second Time (*Senator Yahaya A. Abdullahi — Kebbi North*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Trade and Investment to report within One (1) week.

8. Electronic Transaction Bill, 2020 (SB. 155):

Motion made: That a Bill for an Act to Facilitate the Use of Information in Electronic Form for Conducting Transactions in Nigeria and for Connected Purposes, 2020 be read the Second Time (*Senator Ibikunle O. Amosun — Ogun Central*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Banking, Insurance and Other Financial Institutions to report within Four (4) weeks.

further worried that Nigeria's inflation rate has risen to 11.98 per cent as at December 2019. This is the highest inflation rate between January and December 2019. Latest data from the National Bureau of Statistics also shows that the inflation rate further rose from 11.98 per cent in December 2019 to 12.13 per cent in January 2020. This development negatively affects the deposits of commercial bank customers in addition to the low interest rates on deposits;

disturbed that the interest rate spread in some other African countries are not as wide as that of Nigeria. For instance, in Kenya, the deposit rate, savings rate and lending rate as at September 2019 were 6.89 per cent, 4.58 per cent, and 12.47% respectively. South Africa's overnight deposit rate and lending rate as at February 20th, 2020 were 6.34 per cent and 9.75 per cent respectively;

further disturbed that the base rate in India ranges from 8.45 - 9.40 per cent vis-a-vis a savings deposit rate of 3.25 - 3.50 per cent. Fixed Deposits FDs in India interest rates range from 4.50% p.a. to 5.75% p.a. for deposits with a tenure of 7 days to less than 365 days. These deposits are known as short term deposits as they have a tenure of less than 1 year. Short term Indian Bank FD rates for senior citizens range from 5.00% to 6.25% p.a., but Central Bank of Nigeria is yet to borrow from the good practices of this countries to improve our economy and protect the interest of depositors some of whom are elderly pensioners;

aware that the Central Bank of Nigeria is the apex regulatory body for banks and other financial institutions in Nigeria. It is also responsible for setting the bank rate upon which all other interest rates are based;

further aware that the Central Bank of Nigeria has not done enough in balancing the deposit interest rate and lending rate with the goal of encouraging savings; and

concerned that with higher interest rates, interest payments on credit cards and loans are more expensive thereby discouraging people from borrowing and spending while those who already have loans will have less disposable income because they spend more on interest payments. The low consumption cause by this usually occasions will affect production in the real sector of the economy.

Accordingly resolves to:

mandate the Committees on Banking, Insurance and Other Financial Institutions; and Finance to investigate the rationale behind the huge difference between deposit and lending interest rates as obtained among commercial banks and other financial institutions.

Debate:

Proposed Resolution:

Question: That the Senate do mandate the Committees on Banking, Insurance and Other Financial Institutions; and Finance to investigate the rationale behind the huge difference between deposit and lending interest rates as obtained among commercial banks and other financial institutions.

Amendment Proposed

- (i) Immediately after the word "institutions" in line 4, insert the words "to report within two (2) weeks" (*Senator Aliyu S. Abdullahi — Niger North*).

Question that the amendment be made, put and agreed to.

Amendment Proposed

- (ii) Immediately after the word "Finance", in line 2, insert the words "and Legislative Compliance" (*Senator Stella A. Oduah — Anambra North*).

Question that the amendment be made, put and agreed to.

Resolved:

That the Senate do mandate the Committees on Banking, Insurance and Other Financial Institutions; Finance; and Legislative Compliance to investigate the rationale behind the huge difference between deposit and lending interest rates as obtained among commercial banks and other financial institutions to report within two (2) weeks (*S/Res/131/02/20*).

13. **Electric Power Sector Reform Act 2005 (Amendment) Bill, 2020 (HB. 01) — Concurrence:**

Consideration of Bill deferred to another Legislative Day.

14. **FCT Health Insurance Agency (Establishment, etc.) Bill, 2020 (HB. 60) — Concurrence:**

Consideration of Bill deferred to another Legislative Day.

15. **Chartered Institute of Treasury Management (Establishment, etc.) Bill, 2020 (HB. 57) — Concurrence:**

Consideration of Bill deferred to another Legislative Day.

16. **Adjournment:**

Motion made: That the Senate do now adjourn till Tuesday, 3rd March, 2020 at 10.00 a.m. (*Deputy Senate Leader*).

Adjourned accordingly at 1:47 p.m.

Ahmad Ibrahim Lawan, Ph.D, CON
President,
Senate of the Federal Republic of Nigeria.