



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 21st July, 2020

1. The Senate met at 10:53 am. The President of the Senate read prayers.
2. **Closed Session:**
Motion made: That the Senate do resolve into a Closed Session to deliberate on matters relevant to the workings of the Senate (*Senate Leader*).

Question put and agreed to.

Closed Session — 10:56 a.m.

Open Session — 12:06 p.m.

The President of the Senate reported that the Senate in a Closed Session deliberated on issues bordering on the workings of the Senate in particular and the National Assembly in general.

3. **Votes and Proceedings:**
The Senate examined the Votes and Proceedings of Wednesday, 15th July, 2020.

Question was put and the Votes and Proceedings were approved.

4. **Messages from Mr. President:**
The President of the Senate announced that he had received two (2) letters from Mr. President, Commander-in-Chief of the Armed Forces of the Federation, which he read as follows:

(a) **2021-2023 MTEF/FSP:**



PRESIDENT
FEDERAL REPUBLIC OF NIGERIA

20th July, 2020

*Distinguished Senator Ahmad Ibrahim Lawan
President of the Senate,
Senate Chambers,
National Assembly Complex,
Three Arms Zone,
Abuja.*

Dear Distinguished Sen. President,

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**SUBMISSION OF THE FGN 2021-2023 MEDIUM-TERM EXPENDITURE
FRAMEWORK AND FISCAL STRATEGY PAPER**

It is with pleasure that I forward the 2021-2023 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) for the kind consideration and approval of the Distinguished Senate.

Let me seize this opportunity to express my deep gratitude for the cooperation, support and commitment of the Leadership and Distinguished Members of the Senate in our collective efforts to sustain the restoration of the January-December financial year.

In line with our commitment, we have worked very hard to achieve an earlier submission of the MTEF/FSP. This is to allow the National Assembly enough time to perform important constitutional duty of reviewing the Framework.

I herewith forward the 2021-2023 MTEF/FSP. As the 2021 Budget of the Federal Government will be prepared based on the parameters and fiscal assumptions of the approved 2021-2023 MTEF/FSP, I seek the cooperation of the National Assembly for expeditious legislative action on the submission.

Please accept, Distinguished Senate President, the assurances of my highest consideration.

*Yours sincerely,
(Signed)
Muhammadu Buhari*

(b) Confirmation of Appointment:



15th July, 2020

*Distinguished Senator Ahmad Ibrahim Lawan
President of the Senate,
Senate Chambers,
National Assembly Complex,
Three Arms Zone,
Abuja.*

Dear Distinguished Sen. President,

**REQUEST FOR CONFIRMATION OF THE APPOINTMENT OF
RESIDENT ELECTORAL COMMISSIONER FOR THE INDEPENDENT
NATIONAL ELECTORAL COMMISSION (INEC)**

Pursuant to Paragraph 14(3) of Part I of the Third Schedule to the Constitution of the Federal Republic of Nigeria 1999 (as amended), I am pleased to forward for confirmation by the Senate, the appointment of Dr. Chukwuemeka Chukwu as Resident Electoral Commissioner representing Abia State in the Independent National Electoral Commission (INEC). The Curriculum Vitae of the nominee is attached herewith.

While looking forward to your usual expeditious consideration, please accept, Distinguished Senate President, the assurances of my highest regards.

Yours sincerely,
(Signed)
Muhammadu Buhari

5. Announcement:

The President of the Senate announced the appointment of Barrister Ibrahim Dauda El-Ladan as the Acting Clerk of Senate with effect from Friday, 17th July, 2020.

6. Petition:

Rising on Rule 41, Senator Solomon O. Adeola (*Lagos West*) drew the attention of the Senate to a petition from his constituent, Tiyamiu I. Hassan, against Hon. Minister of Labour and Employment, over abuse of office and unconstitutional suspension of Nigeria Social Insurance Trust Fund (NSITF) Management. He urged the Senate to look into the matter.

Petition laid and accordingly referred to the Committee on Ethics, Privileges and Public Petitions [Rule 41(3)] to report within four (4) weeks.

7. Matter of Urgent Public Importance:

Rising on Rules 42 and 52, Senator Michael A. Nnachi (*Ebonyi South*) drew the attention of the Senate to the Communal Clash between Ekoli Edda and Urugbam, Egboni, boundary communities in Ebonyi and Cross River States. He sought and obtained the leave of the Senate to present the matter forthwith:

The Senate:

notes that the community of Erei of Cross River State and Community of Ekoli Edda of Ebonyi State have lived together peacefully for decades;

further notes that the Nigerian Institute for Oil Palm Research (NIFOR) has a farm settlement in which the land mass cut across the boundaries of these two communities in Ebonyi State and Cross River State;

aware that Nigerian Institute for Oil Palm Research (NIFOR) has long abandoned the farm settlement without clear demarcation as to which parcel of land belong to a particular Community/State;

aware also that the landlord/neighboring communities (Erei, Ekoli) and Okoni Ohafia in Abia State, in 2001 entered into a peace accord communally, to be farming and harvesting the oil palm, pending when the National Boundary Commission will demarcate the boundary between the States;

notes that till today, nothing has been done by the National Boundary Commission in respect of demarcating the boundaries, which has resulted to conflict between the states particularly between Ebonyi and Cross River States;

alarmed that this accord which was entered into in 2001 at Amangbala village square lasted until the sale of part of the land by Egboni village without the consent of the landlord villages.

concerned that this delayed action has resulted in frequent clashes between the other two communities (Erei and Ekoli Edda) and spilled over to Egboni village in Cross River; and as a result everything has gone viral, almost getting out of hand;

attacked some persons at the Palm Plantation located at the boundary between Ekoli Edda in Afikpo South Local Government Area killed two (2) persons and abducted five (5) of which their whereabouts is still unknown; and

concerned that if nothing is done urgently, the resultant effect might lead to more loss of lives and properties.

Accordingly resolves to:

- (i) urge the National Boundary Commission to wade into the matter immediately to resolve the conflict on sustainable bases through appropriate boundary delineation; and
- (ii) mandate the Committee on States and Local Governments to investigate and unravel the root causes of the incessant clashes, killings, and destruction of properties between the two States and report back within two (2) weeks

Debate:

Proposed Resolution (i):

Question: That the Senate do urge the National Boundary Commission to wade into the matter immediately to resolve the conflict on sustainable bases through appropriate boundary delineation — *Agreed to.*

Proposed Resolution (ii):

Question: That the Senate do mandate the Committee on States and Local Governments to investigate and unravel the root causes of the incessant clashes, killings, and destruction of properties between the two States and report back within two (2) weeks — *Agreed to.*

Resolved:

That the Senate do:

- (i) urge the National Boundary Commission to wade into the matter immediately to resolve the conflict on sustainable bases through appropriate boundary delineation; and
- (ii) mandate the Committee on States and Local Governments to investigate and unravel the root causes of the incessant clashes, killings, and destruction of properties between the two States and report back within two (2) weeks (*S/Res/015/02/20*).

8. Matter of Urgent Public Importance:

Rising on Rules 42 and 52, Senator Mohammed A. Ndume (*Borno South*) drew the attention of the Senate to the Rising Number of Casualties Among the Nigerian Army and other Security Agencies. He sought and obtained the leave of the Senate to present the matter forthwith:

The Senate:

notes with concern the various reports of casualties among the Nigerian Army and other security agencies;

further notes that just of recent 24 soldiers were ambushed and killed at Damboa-Maiduguri in Borno State, 19 were wounded and 9 were missing in action;

disturbed that in Katsina again about 20 soldiers were also ambushed and killed while several were wounded;

appreciates the sacrifices of our armed forces in the fight against insurgency, banditry and protection of the territorial integrity of Nigeria; and

concerned if the trend continues it will have serious implication on the fight against insurgency and banditry in the country.

Accordingly resolves to:

- (i) observe a minute silence in honour of the fallen heros;
- (ii) urge the Federal Government to urgently intensify the provision of modern equipments, to enhance the operational capabilities of our armed forces; and
- (iii) mandate the Joint Committee of Army; Airforce; Navy; National Security and Police Affairs to receive briefing on the state of affairs of the Services in this regard.

Debate:

Proposed Resolution (i):

Question: That the Senate do observe a minute silence in honour of the fallen heros — *Agreed to.*

Proposed Resolution (ii):

Question: That the Senate do urge the Federal Government to urgently intensify the provision of modern equipments, to enhance the operational capabilities of our armed forces — *Agreed to.*

Proposed Resolution (iii):

Question: That the Senate do mandate the Joint Committee on Army; Airforce; Navy; National Security; Police Affairs to receive briefing on the state of affairs of the Services.

Amendments Proposed

- (i) Immediately after the words “Committee on” in line 1, *insert* the word “Defence” (*Senator Istifanus D. Gyang — Plateau North*).

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

- (ii) Immediately after the words “Police Affairs” in line 2, *insert* the word “and Interior” (*Senator Christopher S. Ekepenyong — Akwa-Ibom North-West*).

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

Additional Proposed Resolution

Insert Additional Proposed Resolution as follows:

“That the Senate do urge the tired Service Chiefs to step-aside for fresh security ideas to energise our already weak security system” (*Senator Francis A. Fadahunsi — Osun East*).

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

Resolved:

That the Senate do:

- (i) observe a minute silence in honour of the fallen heros;
- (ii) urge the Federal Government to urgently intensify the provision of modern equipments, to enhance the operational capabilities of our armed forces;
- (iii) mandate the Joint Committee of Defence; Army; Airforce; Navy; National Security and Police Affairs and Interior to receive briefing on the state of affairs of the Services; and

- (iv) urge the tired Service Chiefs to step-aside for fresh security ideas to energise our already weak security system (*S/Res/016/02/20*)

One minute silence accordingly observed in honour of the fallen heros.

9. Matter of Urgent Public Importance:

Rising on Rules 42 and 52, Senator Michael O. Bamidele (*Ekiti Central*) drew the attention of the Senate to the Creation of 774,000 Special Public Works (SPW) Initiative by the Federal Government. He sought and obtained the leave of the Senate to present the matter forthwith:

The Senate:

notes the statement credited to the President and Commander-in-Chief of the Armed Forces of the Federation, President Muhammadu Buhari, GCFR through his Senior Special Assistant (SSA) on Media, Mr. Shehu Garba;

appreciates the position of Mr. President as it relates to the position of the law concerning the oversight authority of the Senate and of the National Assembly;

reiterates its support for the job creation initiative of Mr. President aimed at creating additional 774,000 temporary jobs for Nigerians;

will go ahead to cooperate with the Executive Arm of Government under Mr. President's watch to ensure the full and smooth implementation of the programme as provided for both in the appropriation law passed by the National Assembly with respect to the set programme as well as the National Directorate of Employment (NDE) (Establishment) Act; and

recognizing the supervisory role of the Federal Ministry of Labour and Employment, the Senate in its oversight and further legislative action in respect of the programme shall hold the NDE responsible both for the implementation of the programme as well as rendering account for monies appropriated for it by the National Assembly.

Accordingly resolves to:

- (i) commend the President, Commander-in-Chief of the Armed Forces of the Federation for placing premium on harmonious and cordial relationship between the Executive and the Legislative Arms of Government by addressing functionaries of the Executive from doing anything or making utterances capable of jeopardizing harmonious relationship between the Executive and the Legislature;
- (ii) urge the Federal Government to implement the Revised Appropriation Act of ₦52 billion for the 774,000 special public works that is vested in NDE;
- (iii) mandate the Committee on Employment, Labour and Productivity to exercise oversight function on the implementation of the 774,000 special public works by NDE in line with the appropriation act, the constitution and enabling laws.

Debate:

Proposed Resolution (i):

Question: That the Senate do commend the President, Commander-in-Chief of the Armed Forces of the Federation for placing premium on harmonious and cordial relationship between the Executive and the Legislative Arms of Government by addressing functionaries of the Executive from doing anything or making utterances capable of jeopardizing harmonious relationship between the Executive and the Legislature — *Agreed to.*

Proposed Resolution (ii):

Question: That the Senate do urge the Federal Government to implement the Revised Appropriation Act of ₦52 billion for the 774,000 special public works that is vested in NDE — *Agreed to.*

Proposed Resolution (iii):

Question: That the Senate do mandate the Committee on Employment, Labour and Productivity to exercise oversight function on the implementation of the 774,000 special public works by NDE in line with the appropriation act, the constitution and enabling laws — *Agreed to.*

Resolved:

That the Senate do:

- (i) commend the President, Commander-in-Chief of the Armed Forces of the Federation for placing premium on harmonious and cordial relationship between the Executive and the Legislative Arms of Government by addressing functionaries of the Executive from doing anything or making utterances capable of jeopardizing harmonious relationship between the Executive and the Legislature;
- (ii) urge the Federal Government to implement the Revised Appropriation Act of ₦52 billion for the 774,000 special public works that is vested in NDE; and
- (iii) mandate the Committee on Employment, Labour and Productivity to exercise oversight function on the implementation of the 774,000 special public works by NDE in line with the appropriation act, the constitution and enabling laws (*S/Res/017/02/20*).

10. Presentation of Bills:

- (i) Compulsory Free Universal Education Act (Amendment) Bill, 2020 (SB. 473) — *Read the First Time.*
- (ii) Medical and Dental Practitioners Act 1988 (Repeal & Re-enactment) Bill, 2020 (SB. 480) — *Read the First Time.*
- (iii) National Institute of Food Technology and Entrepreneur Management (Establishment, etc.) Bill, 2020 (SB. 481) — *Read the First Time.*
- (iv) Nigerian Deposit Insurance Corporation (Repeal & Re-enactment) Bill, 2020 (SB. 482) — *Read the First Time.*
- (v) Nigeria French Language Village Badagry (Establishment, etc.) Bill, 2020 (SB. 483) — *Read the First Time.*

11. Committee on Agriculture and Rural Development:

Motion made: That the Senate do receive the Reports of the Committee on Agriculture and Rural Development on the on the following:

- a. Urgent need to revive the Palm Oil Industry;
- b. National Rice Development Council Bill, 2020 (SB. 53);
- c. Food Security Bill, 2020 (SB. 11); and
- d. Oil Palm Industrial Park (Establishment, etc.) Bill, 2020 (SB. 171) (*Senator Muhammad E. Bima — Niger South*).

Question put and agreed to.

Reports Laid.

12. Committee on Land Transport:

Report on the Nigerian Railway Corporation Act N129 LFN 2004 (Repeal and Re-enactment) Bill, 2020 (SB.311):

Motion made: That the Senate do receive the Report of the Committee on Land Transport on the Nigerian Railway Corporation Act N129 LFN 2004 (Repeal and Re-enactment) Bill, 2020 (SB. 311) (*Senator Abdulfatai Buhari — Oyo North*).

Question put and agreed to.

Report Laid.

13. Committee on Communications:

Report on the Confirmation of the Nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC):

Motion made: That the Senate do receive and consider the Report of the Committee on Communications of the Nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC) (*Senator Michael O. Bamidele — Ekiti Central*).

Question put and agreed to.

Extension of Time:

Motion made: That the Senate do sit this day beyond the time appointed for the termination of the Sitting of the Senate (Rule 13) (*Senate Leader*).

Question put and agreed to.

Report Laid and presented.

Motion made: That the Senate do resolve into the Committee of the Whole to consider the Report (*Senate Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

Consideration of the Report of the Committee on Communications of the Nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC).

Nominee recommended for confirmation:

Engr. (Prof.) Umar Garba Danbatta — *Agreed to.*

Chairman to report progress.

(SENATE IN PLENARY)

The President of the Senate reported that the Senate in the Committee of the Whole considered the Report of the Committee on Communications of the Nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC) and approved the nomination.

Question: That the Senate do approve the Report of the Committee of the Whole — *Resolved in the Affirmative.*

Confirmation of nomination:

Question:

“Will the Senate confirm the nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC) ?” — *Resolved in the Affirmative.*

Nomination of Engr. (Prof.) Umar Garba Danbatta for Appointment as Executive Vice

Chairman/Chief Executive Officer of the Nigerian Communications Commission (NCC) accordingly confirmed.

**14. Committee on Banking, Insurance and Other Financial Institutions:
Report on the Banks and Other Financial Institutions Act CAP B3 LFN 2004 (Amendment)
Bill, 2020 (SB.178):**

Motion made: That the Senate do receive and consider the Report on the Committee on Banking, Insurance and Other Financial Institutions to Re-enact the Banks and Other Financial Institutions Act, 2020 and Other Connected Matters Bill, 2020 (*Senator Uba Sani — Kaduna Central*).

Question put and agreed to.

Report Laid and presented.

Motion made: That the Senate do resolve into the Committee of the Whole to consider the Report (*Senate Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

CONSIDERATION OF A BILL FOR AN ACT TO REPEAL THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT, 2004 AND TO RE-ENACT THE BANKS AND OTHER FINANCIAL INSTITUTIONS ACT, 2020 AND OTHER MATTERS CONNECTED THEREWITH, 2020

CHAPTER A- BANKS

PART 1- LICENSING AND OPERATION OF BANKS

Clause 1: Functions, Powers and Duties of the Central Bank of Nigeria.

- (1) The Central Bank of Nigeria (hereinafter referred to as "the Bank") shall have all the functions and powers conferred and the duties imposed on it by this Bill.
- (2) The Bank may authorise or instruct any officer or employee of the Bank to perform any of its functions, exercise any of its powers, or discharge any of its duties under this Bill.
- (3) The Bank may, either generally or in any particular case, appoint any person who is not an officer or employee of the Bank, to render such assistance as it may specify in the exercise of its powers, the performance of its functions, or the discharge of its duties under this Act, or the Central Bank of Nigeria Act, or to exercise, perform or discharge the functions and duties on behalf of and in the name of the Bank.

Committee's Recommendation:

That the provision in Clause 1 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 1 do stand part of the Bill, put and agreed to.

Clause 2: Banking Business

- (1) No person shall carry on any banking business in Nigeria except it is a company duly incorporated in Nigeria and holds a valid banking licence issued under this Bill.
- (2) Any person who carries on banking business in Nigeria without a valid licence under this Act is guilty of an offence and liable on conviction to imprisonment for a term of not less than 5 years or a penalty of the higher of ₦50,000,000 or two times the cumulative deposits or other amount collected or to both such imprisonment and fine.

- (3) Any person for the purpose of subsection (2) of this section, includes: a body corporate, its promoters, its directors, its managers, or officers that are in any way connected with superintending, directing or managing the affairs of the company.
- (4) For the purpose of refunding the deposits to account holders in subsection (2) of this section, the bank may direct that the moneys be deposited with a licenced bank appointed for that purpose who will undertake the refund and report thereon to the Bank.
- (5) For the purposes of this Bill, a person shall be deemed to be receiving money as deposits and thus, conducting banking business —
 - (a) if the person accepts deposits from the general public as a feature of its business or if the person solicits for deposits orally, electronically or through any form of advertisement or otherwise by any other means; or
 - (b) if the person receives moneys as deposits which are limited to fixed amounts, or for which certificates or other instruments are issued in respect of any such amounts providing for the repayment to the holder thereof either conditionally or unconditionally of the amount of the deposits at specified or unspecified dates, or for the payment of interest, dividend, profit or fees on the amounts deposited at specified intervals or otherwise, or that such certificates are transferable:

Provided that the receiving of moneys against any issue of shares, debentures or non-interest bearing instruments offered to the public in accordance with any enactment in force within the Federation shall not be deemed to constitute receiving moneys as deposits for the purpose of this Bill.

Committee's Recommendation:

That the provision in Clause 2 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 2 do stand part of the Bill, put and agreed to.

Clause 3: Application for Grant of Licence

- (1) Any person desiring to undertake banking business in Nigeria shall apply in writing to the Governor for the grant of a licence and shall accompany the application with the following —
 - (a) a feasibility report for the proposed bank including financial projections for at least 5 years;

- (b) a draft copy of the memorandum and articles of association of the proposed bank; a list of the shareholders, directors and principal officers of the proposed bank and their particulars;
- (c) where the application is in relation to non-interest banking, a list of experts on non-interest banking or finance that will serve as its advisory committee of experts;
- (d) the prescribed application fee; and
- (e) such other information, documents and reports as the Bank may, from time to time; specify.

- (2) After the applicant company has provided all such information, documents and reports as the Bank may require under subsection (1) of this section, the shareholders of the proposed bank shall deposit with the Bank, a sum equal to the minimum paid-up share capital that may be applicable under section 9 of this Bill.
- (3) Upon the payment of the sum referred to in subsection (2) of this section, the Governor may with the approval of the Board, issue a licence with or without conditions or refuse to issue a licence and the Governor need not give any reason for such refusal.
- (4) Where a licence is granted, the Bank shall duly notify the applicant and upon being notified, the applicant shall pay the prescribed licence fee within the time stipulated by the Bank.
- (5) Any foreign bank or other entity which does not have a physical presence in its country of incorporation, or which is not licensed in its country of incorporation and which is not affiliated to any financial services group that is subject to effective consolidated supervision, shall not be permitted to operate in Nigeria, and no Nigerian bank shall establish or continue any relationship with such bank or other entity.
- (6) Any bank that breaches the provisions of subsection (5) of this section is liable to a penalty of not less than ₦20,000,000 and to an additional penalty of ₦500,000 for each day the infraction continues.

Committee's Recommendation:

That the provision in Clause 3 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 3 do stand part of the Bill, put and agreed to.

Clause 4: Investment and Release of Prescribed Minimum Share Capital

- (1) The Bank may invest any sum deposited with it pursuant to section 3 (2) of this Act in treasury bills or such other securities or where the sum is deposited in pursuance of an application for a non-interest bank, in non-interest bearing securities or similar non-interest banking compliant product or investment, until such a time as the Governor shall decide whether or not to grant a licence.
- (2) Where the sum deposited in pursuance of section 3 (2) of this Bill is invested in pursuance of subsection (1) of this section, and —

- (a) a licence is not granted, the Bank shall repay the sum deposited to the applicant, together with the investment income after deducting administrative expenses and tax on the income;
- (b) a licence is granted, the Bank shall repay the sum deposited to the licenced institution together with the investment income and the investment income shall be treated as income of the licenced institution.

Committee's Recommendation:

That the provision in Clause 4 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 4 do stand part of the Bill, put and agreed to.

Clause 5: Power to Revoke or Vary Conditions of License

- (1) The Bank may vary or revoke any condition subject to which a license was granted or may impose fresh or additional conditions to the grant of a license.
- (2) Where the grant of a license is subject to conditions, the bank shall comply with those conditions to the satisfaction of the Bank within such period as the Bank may deem appropriate in the circumstances.
- (3) Any bank which fails to comply with any of the conditions of its licence shall be liable to a penalty of not less than ₦20,000,000, and to an additional penalty of ₦500,000 for each day during which the condition is not complied with.
- (4) Where the Governor proposes to vary, revoke or impose fresh or additional conditions on a licence, the Governor shall, before exercising such power, give notice of this intention to the bank concerned and give the bank an opportunity to make representation to him thereon.
- (5) Any bank which fails to comply with any fresh or additional condition imposed in relation to its licence, shall be liable to a penalty of not less than ₦5,000,000 and to an additional fine of ₦100,000 for each day during which the fresh or additional condition is not complied with.
- (6) Any person who, being a director, manager or officer of a bank fails to take reasonable steps to secure compliance with any of the conditions of the licence of the bank is guilty of an offence and liable on conviction to imprisonment for a term not less than 3 years or a fine of not less than ₦2,000,000 or for both such imprisonment and fine.

Committee's Recommendation:

That the provision in Clause 5 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 5 do stand part of the Bill, put and agreed to.

Clause 6: Opening and Closing of Branches

- (1) No bank may open or close any branch office, cash centre or representative office anywhere within or outside Nigeria except with the prior written consent of the Bank.

- (2) Any bank intending to close any of its branches or subsidiaries outside Nigeria shall give notice in writing to the Governor, of its intention, at least six months before the date of the intended closure, or within such shorter period as the Governor may, in any particular case, allow.
- (3) The Bank may direct any bank to divest from any of its subsidiaries where the Bank determines that any such continued investment of a bank imperils the financial health of the bank, or where the Bank determines that the oversight by the bank, or supervision by the host regulator over such subsidiary is not adequate relative to the risks the subsidiary presents, or if the Bank cannot gain access to the information required to assess the risk posed to a bank by such subsidiary on a continuous basis.
- (4) Any bank which contravenes the provisions of subsections (1) or (2) of this section or which fails to comply with a directive of the Bank made

pursuant to subsection (3) of this section shall be liable to a penalty of not less than ₦5,000,000 and an additional penalty of ₦100,000 for each day during which the contravention continues.

- (5) Without prejudice to the provisions of subsection (4) of this section, the Governor may order —
- (a) the closure of any branch office, cash centre or representative office or any other banking outlet opened without the prior written consent of the Governor in contravention of subsections (1) or (2) of this section; or
 - (b) the re-opening of any branch office, cash centre or representative office or any other banking outlet closed without the prior written consent of the Governor in contravention of subsection (1) of this section.

Committee's Recommendation:

That the provision in Clause 6 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 6 do stand part of the Bill, put and agreed to.

Clause 7: Restructuring, Reorganization, Merger and Disposal, etc. of Banks

- (1) Except with the prior written consent of the Governor, no bank shall enter into an agreement or arrangement —
- (a) which results in —
 - (i) a change in the control of the bank; or
 - (ii) the transfer of a significant shareholding in the bank;
 - (b) for the sale, disposal or transfer howsoever, of the whole or any part of the business of the bank;
 - (c) for the amalgamation or merger of the bank with any other person;
 - (d) for the restructuring, reconstruction or reorganisation of the bank; or

- (e) to transfer the whole or any part of the business of the bank to any such agent.
- (2) Where any bank proposes to enter into any agreement or arrangement under subsection (1) of this section, the Bank may on the application of any of the banks to be affected, order separate meetings of the banks to be summoned in such manner as the Bank may direct.
- (3) Any transaction in contravention of the provisions of subsection (1) of this section shall be void and any transfer of interest thereunder shall be ineffectual except where such transaction is subsequently ratified in writing by the Bank.
- (4) The Bank may approve an agreement or an arrangement covered by subsection (1) of this section if and only if the Bank is satisfied that —
- (a) such agreement or arrangement is not likely to cause a restraint of competition, or tend to create a monopoly in the banking

- industry;
- (b) the significant shareholders or directors of the bank that results from the agreement or arrangement are not disqualified under section 47 of this Bill;
 - (c) the agreement or arrangement is consistent with public interest; and
 - (d) the bank that results from the agreement or arrangement meets the capital requirements prescribed pursuant to sections 9 and 13 of this Act.
- (5) Upon the grant of a new banking licence by the Bank to a bank which results from the agreement or arrangement in subsection (1) of this section, all the assets and liabilities of the banks that are parties to the agreement or arrangement shall, by virtue of the grant of the new banking licence, be transferred to and become the assets and liabilities of the new bank.
 - (6) The provisions of this Act shall apply notwithstanding the provisions of the Federal Competition and Consumer Protection Act.
 - (7) Any person who breaches the provisions of subsection (1) of this section is liable to a penalty of not less than ₦20,000,000 and in the case of a continuing breach, to an additional penalty of ₦500,000 for each day during which the breach continues.

Committee's Recommendation:

That the provision in Clause 7 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 7 do stand part of the Bill, put and agreed to.

Clause 8: Operations of Foreign Banks in Nigeria and Offshore Banking

- (1) Except with the Prior approval of the Bank, no foreign bank shall operate branch offices or representatives offices in Nigeria

- (2) Without prejudice to the provisions of Nigeria Processing Zones Authority Act or any other related enactment or law, the Bank may subject to such-conditions as it may impose, from time to time, grant to any bank registered in Nigeria or a foreign bank a licence to undertake domestic or off-shore banking business within a designated free trade or special economic zone in Nigeria.
- (3) No bank or other person shall undertake offshore banking business from Nigeria except with the prior approval of the Bank.
- (4) For the purpose of subsections (2) and (3) of this section, the term offshore banking means the provision from within Nigeria of cross-border intermediation of funds and or the provision of banking and financial services to non-residents of Nigeria, other than non-residents that are Nigerian citizens.
- (5) Subject to the provisions of subsection (1) of this section, nothing in the provisions of the Nigerian Investment Promotion Commission Act or any

other law or enactment, shall be construed as authorising any person whether as a citizen of Nigeria or a non-Nigerian to carry on any banking business in Nigeria without a valid banking licence issued by the Bank under this Bill.

- (6) Any person who contravenes the provisions of subsections (1) or (3) of this section is guilty of an offence and shall be liable on conviction to a fine of not less than ₦10,000,000, and every director of any such foreign bank or bank shall be liable to imprisonment for a term of not less than 3 years or a fine of not less than ₦2,000,000 or to both such imprisonment and fine.

Committee's Recommendation:

That the provision in Clause 8 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 8 do stand part of the Bill, put and agreed to.

Clause 9: Minimum Paid-up Share Capital of Banks and Compliance with the Minimum Paid-up Share Capital Requirement

- (1) The Bank shall, from time to time, determine the minimum paid-up share capital requirement of each category of banks licenced under this Act which shall be complied with by each bank within the time prescribed by the Bank.

Any failure to comply with the provisions of subsection (1) of this section within such period as may be determined by the Bank, from time to time, shall be a ground for the revocation of any licence issued pursuant to the provisions of this Act or any other Act repealed by it.

Committee's Recommendation:

That the provision in Clause 9 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 9 do stand part of the Bill, put and agreed to.

Clause 10: Shareholder's Voting Rights to be Proportional to Shareholding

Notwithstanding the provisions of the Companies and Allied Matters Act or any agreement or contract, the voting rights of every shareholder in a bank shall be proportional to individual contributions to the paid-up share capital of the bank.

Committee's Recommendation:

That the provision in Clause 10 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 10 do stand part of the Bill, put and agreed to.

Clause 11: Restriction of Legal Proceedings in Respect of Shares held in the Name of Another

Notwithstanding anything contained in any law or in any contract or instrument, no suit or other proceedings shall be maintained against any person registered as the holder of a share in a bank on the ground that the title to the said share is vested in any person other than the registered holder:

Provided that nothing in this section shall bar a suit or other proceedings on behalf of a minor or person suffering from any mental illness on the ground that

the registered holder holds the share on behalf of the minor or person suffering from the mental illness.

Committee's Recommendation:

That the provision in Clause 11 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 11 do stand part of the Bill, put and agreed to.

Clause 12: Revocation of Banking Licence

(1) Notwithstanding the provisions of this Act or any other law, the Governor may with the approval of the Board and by notice published in the Gazette, or print and electronic media, revoke any licence granted under this Bill if a bank —

- (a) ceases to carry on in Nigeria, the type of banking business for which the licence was issued for any continuous period of six months or any period aggregating six months during a continuous period of twelve months;
- (b) goes into liquidation or is wound up or otherwise dissolved;
- (c) fails to fulfil or comply with any condition subject to which the licence was granted;
- (d) has insufficient assets to meet its liabilities;
- (e) conducts its business in an unsound manner or its directors engage in unsafe practices;
- (f) is involved in a situation, circumstance, action or inaction which constitutes a threat to financial stability; or
- (g) fails to comply with any obligation imposed upon it by or under this Bill or the Central Bank of Nigeria Act or any other rules, regulations, guidelines or directives made hereunder;

- (h) is in the opinion of the Bank critically undercapitalized with a capital adequacy ratio below the prudential minimum or such other ratio as the Bank may prescribe from time to time;
- (i) fails to commence banking operations within a period of twelve months following the grant of a licence; or
- (j) fails to comply with the provisions of sections 9 or 13 of this Bill.

(2) Where the licence of a bank has been revoked pursuant to this Bill, and the Governor is satisfied that it is in the public interest to do so, the Governor may, subject to the approval of the Board and without waiting for any period prescribed for doing anything under this Bill or any law to lapse, appoint the Nigeria Deposit Insurance Corporation (hereinafter referred to as "the Corporation") as a liquidator of the affected bank and the Corporation shall have the powers conferred on a liquidator by or under the Companies and Allied Matters Act and shall be deemed to have been appointed a liquidator by the Federal High Court for the purpose of this Bill.

- (3) Notwithstanding the provisions of this Bill, the Companies and Allied Matters Act or any other law, where the Bank has revoked any licence granted under this Bill, and the Bank has appointed the Corporation as a liquidator pursuant to subsection (2) of this section, the Corporation shall immediately proceed with the liquidation of the bank whose licence has been revoked and the payment of assured deposit liabilities pursuant to the Nigeria Deposit Insurance Corporation Act.
- (4) An action to challenge the revocation of the licence of a bank, specialised bank or other financial institution on any ground whatsoever shall only be instituted in the Federal High Court and such action and any appeal arising therefrom shall be heard and determined on an expedited and accelerated basis.
- (5) No action in respect of the revocation of the licence of a bank, specialised bank or other financial institution shall be filed or maintained unless such action is filed within a period of thirty days from the date of the revocation.
- (6) Notwithstanding the provisions of this Bill or any other enactment, no restorative or like order howsoever described, shall be granted against the Bank or the Governor in any action, suit or proceedings in relation to the revocation of a licence by the Bank under this Bill, and the remedy of any claimant or applicant against the Bank or the Governor in any such action, suit or proceedings is limited to monetary compensation not exceeding the equivalent of the value of the paid-up capital of the bank at the time of the revocation of its licence.

Committee's Recommendation:

That the provision in Clause 12 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 12 do stand part of the Bill, put and agreed to.

Clause 13: Minimum Capital Ratio

- (1) A bank shall maintain, at all times, capital funds unimpaired by losses, in such ratio to all or any assets or to all or any liabilities or to both such assets and liabilities of the bank and all its offices in and outside Nigeria as may be specified by the Bank.
- (2) Notwithstanding subsection (1) of this section, the Bank may prescribe a higher or lower capital adequacy ratio with respect to any category of banks.
- (3) The Bank may require a bank to maintain additional capital as the Bank considers appropriate in respect of specific risks.
- (4) The Bank may require a bank that has —
 - (a) a holding company;
 - (b) a subsidiary; or
 - (c) a holding company and a subsidiary:

to calculate and maintain minimum capital adequacy ratio on a

consolidated basis.

- (5) Any bank which fails to observe any such specified ratios may be prohibited by the Bank from —
 - (a) advertising for or accepting new deposits;
 - (b) granting credit or finance and making investments;
 - (c) paying cash dividends to shareholders;
 - (d) paying bonus to its directors, other than the approved emoluments and/or benefits; or
 - (e) engaging in any other activities as the Bank may specify from time to time.
- (6) Notwithstanding the provisions of subsection (5) of this section, the Bank shall have power to impose such additional holding actions, prohibitions and conditions as it may deem fit for failure to comply with the specified capital adequacy ratio.
- (7) In addition, the bank may be required to draw up within a specified time, a capital reconstitution plan acceptable to the Bank.

Committee's Recommendation:

That the provision in Clause 13 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 13 do stand part of the Bill, put and agreed to.

Clause 14: Minimum Holding of Cash Reserves, Specified Liquid Assets, Special Deposits and Stabilisation Securities

- (1) Every bank shall maintain with the Bank, cash reserves, and special deposits or any non-interest banking instruments as may from time to time be approved by the Bank and hold specified liquid assets or other securities, as the case may be, not less in amount than as may, from time to time, be prescribed by the Bank by virtue of section 45 of the Central Bank of Nigeria Act.
- (2) Where both assets and liabilities are due from and to other banks, they shall be offset accordingly, and any surplus of assets or liabilities shall be included or deducted, as the case may be, in computing specified liquid assets.
- (3) In the case of the long-term advances to a bank or by an overseas branch or office of a bank, the advances may, with the approval of the Bank, be excluded from the demand liabilities of the bank.
- (4) Every bank shall —
 - (a) furnish within the specified time, any information required by the Bank to satisfy the Bank that the bank is observing the requirements of subsection (1) of this section;

- (b) not allow its holding of cash reserves, specified liquid assets, special deposits and securities to be less than the amount which may, from time to time, be prescribed by the Bank; and
 - (c) not during the period of any deficiency, grant or permit increases in advances, loans or credit facilities to any person without the prior approval in writing of the Bank.
- (5) Any bank which fails to comply with any of the provisions of subsection (4) of this section, is liable to a penalty of not less than ₦5,000,000 and an additional penalty of ₦100,000 for each day during which the contravention continues.
- (6) For the purpose of this section, specified liquid assets provided they are freely transferable and free from any lien or charge of any kind shall, without prejudice to the provisions of section 45 of the Central Bank of Nigeria Act, consist of all or any of the following —
- (a) currency notes and coins which are legal tender in Nigeria;
 - (b) balances at the Bank;
 - (c) net balances at any licenced bank (excluding uncleared effects) and money at call in Nigeria;
 - (d) treasury bills, treasury certificates and any non-interest banking instruments as may from time to time be approved by the Bank issued by the Federal Government;
 - (e) inter-bank placement, inland bills of exchange and promissory notes re-discountable at the Bank;

- (f) other securities issued by the Federal Government with such dates of maturity as may be approved by the Bank;
- (g) negotiable certificates of deposit approved by the Bank; and
- (h) such other negotiable instruments as may, from time to time, be approved by the Bank for the purpose of this section.

Committee's Recommendation:

That the provision in Clause 14 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 14 do stand part of the Bill, put and agreed to.

PART II — DUTIES OF BANKS

Clause 15: Maintenance of Reserve Fund

- (1) Every bank shall maintain a statutory reserve fund and shall, out of its net profits for each year after due provision has been made for taxation and before any dividend is declared, where the amount of the reserve fund is —
- (a) less than the paid-up share capital, transfer to the reserve fund a sum not less than thirty per cent of the net profits; or
 - (b) equal to or in excess of the paid-up share capital, transfer to the

reserve fund a sum not less than fifteen per cent of the net profit: Provided that no transfer under this subsection shall be made until all identifiable losses and accumulated losses have been made good.

- (2) Any bank which fails to comply with the provisions of subsection (1) of this section is guilty of an offence and liable on conviction to a fine of not less than ₦2,000,000.
- (3) Notwithstanding paragraphs (a) and (b) of subsection (1) of this section, the Bank may, from time to time, specify a different proportion of the net profits of each year, being either lesser or greater than the proportion specified in paragraphs (a) and (b) of subsection (1) of this section to be transferred to the reserve fund of a bank for the purpose of ensuring that the amount of the reserve fund of such bank is sufficient for the purpose of its business and adequate in relation to its liabilities.

Committee's Recommendation:

That the provision in Clause 15 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 15 do stand part of the Bill, put and agreed to.

Clause 16: Restriction of Dividend

- (1) No bank shall pay dividend on its shares until -
 - (a) all its preliminary expenses, organisational expenses, shares selling commission, brokerage, amount of losses incurred, and other capitalised expenses not represented by tangible assets have been completely written off;

- (b) adequate provisions have been made to the satisfaction of the Bank, for actual and contingent losses on assets, liabilities, off balance sheet commitments and such unearned incomes as are derivable therefrom;
 - (c) it has complied with any capital ratio requirement as specified by the Bank pursuant to section 13 of this Bill; and
 - (d) it has satisfied any other corporate governance and prudential requirements that may be stipulated by the Bank from time to time.
- (2) Any director, manager or officer who fails to comply with the requirements of this section of this Bill is guilty of an offence and liable on conviction to a term of imprisonment of not less than 3 years or to a fine of not less than ₦2,000,000 or to both such imprisonment and fine.

Committee's Recommendation:

That the provision in Clause 16 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 16 do stand part of the Bill, put and agreed to.

Clause 17: Disclosure of Interest by Directors, Managers and Officers.

- (1) No manager or any other officer of a bank shall —
 - (a) in any manner whatsoever, whether directly or indirectly, have personal interest in any advance, loan or credit facility; and if the

manager or officer has any such personal interest, such manager or officer shall declare the nature of such interest to the bank; or

- (b) grant any advance, loan or credit facility to any person, unless it is authorised in accordance with the rules and regulations of the bank and in line with the regulations on collateralisation issued by the Bank from time to time.
- (2) Any manager or officer who contravenes or fails to comply with any of the provisions of subsection (1) of this section is guilty of an offence under this section and liable on conviction to imprisonment for a term of not less than 3 years or to a fine of not less than ₦5,000,000 or to both such fine and imprisonment; and in addition, any gains or benefits, accruing to any person convicted under this section by reason of such contravention, shall be forfeited to and vested in the bank.
- (3) It shall be the duty of a director of a bank who is in any way, whether directly or indirectly, interested in the grant of an advance, loan or credit facility by the bank, to declare the nature of such interest before the meeting of the board of directors of the bank at which the request for the advance, loan or credit facility is first taken into consideration.
- (4) In a case where the director becomes interested in any advance, loan or credit facility after it is granted, the declaration shall be made to the board of directors immediately.

- (5) For the purpose of this section, a general notice given to the board of directors of a bank by a director to the effect that such director is a member of a company or firm seeking an advance, loan or credit facility from the bank shall be regarded as a declaration of his interest in the grant of the advance, loan or credit facility which may after the date of the notice, be granted to that company or firm, and shall be deemed to be a sufficient declaration of interest in relation to any such advance, loan or credit facility so granted:

Provided that any such notice shall not have effect unless it is in writing and given at a meeting of the board of directors of the bank which shall be required to do all things reasonably necessary to ensure that it is brought up and read at the next meeting of the board of directors of the bank after it is so given.

- (6) It shall be the duty of a director of a bank who is in any way, whether directly or indirectly, interested in the grant of an advance, loan or credit facility with a bank other than the bank in which such person is a director, to declare the nature of such interest in writing to the Bank prior to the grant of the advance, loan or credit facility by that other bank and in a case where the director becomes interested in any advance, loan or credit facility from another bank after it is granted, the declaration shall be made to the Bank immediately.
- (7) The provisions of subsections (3) and (6) of this section shall not apply in any case —
- (a) where the interest of the director consists only of being a person holding less than 5 per cent of the shares of the company which is seeking an advance, loan or credit facility from the bank or such percentage as the Bank may from time to time prescribe; or

- (b) if the interest of the director may properly be regarded by the Bank as immaterial.
- (8) For the purpose of subsection (5) of this section, a general notice given to the board of directors of a bank by a director shall be deemed to be a sufficient declaration of interest in relation to any advance, loan or credit facility, if —
- (a) the notice specifies the nature and extent of interest in the company or firm;
 - (b) such interest is not different in nature from or greater in extent than the nature and extent specified in the notice at the time any advance, loan or credit facility is made; and
 - (c) the notice is given prior to the meeting of the board of directors of the bank.
- (9) Every director of a bank who holds any office or possesses any property, whether directly or indirectly, or who by reason of holding such office or possessing such property, or otherwise howsoever, has duties or interests which might conflict with such director's duties or interests as a director of a bank, shall declare before a meeting of the board of directors of the bank, the fact and the nature, character and extent of the duties or interest.

- (10) The declaration referred to in subsection (9) of this section shall be required to be made at the first meeting of the board of directors of the bank held —
- (a) after such person becomes a director of the bank; or
 - (b) if already a director, after such person takes office or came into possession of the property.
- (11) The secretary of the board of the bank shall cause to be brought up and read any declaration made under subsection (3), (8) or (9) of this section at the next meeting of the board of directors of the bank after it is made and shall record any declaration made under this section of this Act in the minutes of the meeting at which it was made or at the meeting at which it was brought up and read.
- (12) Any director who contravenes the provisions of subsection (3), (6) or (9) of this section is guilty of an offence and liable on conviction to a fine of not less than ₦5,000,000 or imprisonment for a term of 3 years or to both such fine and imprisonment.

Committee's Recommendation:

That the provision in Clause 17 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 17 do stand part of the Bill, put and agreed to.

Clause 18: Prohibition of Inter-locking Directorship, etc.

- (1) No bank shall —
- (a) employ or continue the employment of any person who is, or at any time has been adjudged bankrupt or has suspended payment to or has compounded with his creditors or who is or has been convicted by a court for an offence involving fraud or dishonesty, or professional misconduct? or

- (b) be managed by a management agent except as may be approved by the Bank.
- (2) Except with the approval of the Bank, no bank shall have as a director, any person who is a director of —
 - (a) any other bank; or
 - (b) any company or entity which has significant influence on the bank:

Provided that in the case of a financial holding company, the aggregate number of directors from the subsidiaries and associates shall not exceed 30 per cent of the members of the board of directors of the financial holding company and the number of directors of the financial holding company in the board of a subsidiary or associate shall not exceed 30 per cent of the members of the board of such subsidiary or associate.

- (3) For purposes of subsection (2)(b) of this section, "significant influence" means direct or indirect ownership of five (5) per cent or more of the voting rights in the bank or controlling influence in the decision-making process of the bank.

- (4) No bank shall be managed by a person who is —
 - (a) a director of any other company not being a subsidiary of the bank; or
 - (b) engaged in any other business or vocation whether remunerated or not except such personal or charitable causes as may be determined by the Bank and which do not conflict with or detract from their full-time duties.
- (5) Every director of a bank shall sign and adhere to a code of conduct in such form or manner as the Bank may, from time to time, prescribe.
- (6) The chief executive of a bank shall cause all the officers of the bank to sign and adhere to a code of conduct as may be approved by the board of directors.

Committee's Recommendation:

That the provision in Clause 18 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 18 do stand part of the Bill, put and agreed to.

Clause 19: Restrictions on Certain Banking Activities

- (1) A bank, specialised bank or other financial institution shall not, without the prior approval in writing of the Bank, grant —
 - (a) to any person any advance, loan or credit facility or give any financial guarantee or incur any other liability on behalf of any person so that the total value of the advance, loan, credit facility, financial guarantee or any other liability in respect of the person is at any time more than 20 per cent of the shareholders' funds unimpaired by losses in the case of a commercial bank, and 50 per cent of the shareholders' funds unimpaired by losses in the case of a merchant bank, and in the case of specialised banks and other financial institutions, such percentage as the Bank may from time to time determine;

Provided that Bank may from time to time prescribe such other percentages as it may from time to time determine and shall have power to prescribe single obligor limits specific to non-interest banks having regard to their peculiarities;

- (b) any advances, loans or credit facilities against the security of its own shares; or
 - (c) any unsecured advance, loan or credit facility except it is in line with the regulation on collateralisation as may be issued by the Bank.
- (2) For the purpose of paragraph (a) of subsection (1) of this section all advances, loans or credit facilities extended to any person shall be aggregated and shall include all advances, loans or credit facilities extended to any subsidiaries or affiliates of a body corporate or such other related party as the Bank may by regulation, prescribe from time to time:

Provided that the provisions of paragraph (a) of subsection (1) of this section shall not apply to transactions between banks or between branches of a bank or to the purchase of clean or documentary bills of exchange, telegraphic transfers or documents of title to goods the holder of which is entitled to payment for exports from Nigeria or to advance made against such bills, transfers or documents.

- (3) A bank shall not, without the prior approval in writing of the Bank ?
- permit to be outstanding, unsecured advances, loans or unsecured credit facilities, of an aggregate amount in excess of ₦1,000,000 or such amount as may be prescribed from time to time by the Bank —
- (i) to its directors, significant shareholders or any of them whether such advances, loans or credit facilities are obtained by its directors or significant shareholders jointly or severally;
 - (ii) to any firm, partnership or private company in which it or any one or more of its directors or significant shareholders is interested as director, partner, manager or agent or any individual firm, partnership or private company of which any of its directors or significant shareholders is a guarantor; or
 - (iii) to a public company or private company in which it or any one or more of its directors or significant shareholders jointly or severally, whether directly or indirectly, maintains shareholding of not less than five per cent or such percentage as may be specified by the Bank.
- (b) permit to be outstanding to its officers and employees, unsecured advances, loans or unsecured credit facilities, which in the aggregate for any one officer or employee, is in excess of one year's emolument to such officer or employee? or such amount as may be specified from time to time by the Bank.
 - (c) remit, either in whole or in part, the debts owed to it by any of its directors, or past directors or significant shareholders.

- (4) Any loan advance, or credit facility granted to a director, shall continue to be treated and continue to be reported as insider related until it is fully liquidated irrespective of whether such director remains on the board of the bank or not.
- (5) A bank shall —
- (a) not lend more than five (5) per cent of its paid-up capital to any of its directors or significant shareholders provided that the aggregate of the bank's exposure to all its directors and significant shareholders shall not exceed ten (10) per cent of its paid-up share capital or such percentage as the Bank may from time to time prescribe;
 - (b) in extending credit to any of its directors or significant shareholders, ensure that —

- (i) it does so on the same terms and conditions as those prevailing at the time, for comparable transactions by the bank with persons who are not directors or shareholders of the bank;
- (ii) the grant of the credit does not involve more than the normal risk of repayment or present other unfavourable features;
- (iii) it follows credit appraisal procedures that are not less stringent than those applicable to comparable transactions by the bank with persons who are not directors or shareholders of the bank:

Provided that nothing in this subsection shall prohibit any extension of credit made pursuant to a benefit or compensation programme that is widely available to employees of the bank; and

- (iv) it does not give preference to any director or shareholder.
- (6) In this section, the expressions —
- "director", includes director's wife, husband, father, mother, brother, sister, son, daughter, their spouses, a company in which the director is also a director or shareholder or holds at least 5 per cent shareholding of the company, a company whose board, or managing director is accustomed to act in accordance with the advice, directions or instructions of the director and all other related parties as may from time to time be determined by the Bank;

"significant shareholder" means a person holding not less than 5 per cent of the shares of the bank or such other percentage as may from time to time be prescribed by the Bank and this shall include the shareholding of a wife, husband, father, mother, brother, sister, son, daughter, their spouses and all other related parties as may from time to time be determined by the Bank;

"unsecured advances and loans" or "unsecured credit facilities", mean advances, loans or credit facilities made without security, or, in respect of any advances, loans or credit facilities made with security, any part thereof which at any time exceeds the market value of the assets constituting the security or where the Bank is satisfied that there is no established market value, the value of the assets as determined on the basis of a valuation approved by the Bank.

- (7) All the directors of a bank shall be liable jointly and severally to indemnify the bank against any loss arising from any advances, loans or credit facilities granted in contravention of this section.
- (8) Without prejudice to provisions of section 20 of this Act, a bank shall not, without the prior approval in writing of the Bank ?

- (a) engage, whether on its own account or on a commission basis, in wholesale or retail trade, including import or export trade, except in so far as may exceptionally be necessary in the course of the banking operations and services of that bank or in the course of the satisfaction of debts due to it:

Provided that nothing in this paragraph shall be construed as precluding a bank from undertaking equipment leasing business or debt factoring;

- (b) acquire or hold any part of the share capital of any financial or commercial or other undertaking, except —
 - (i) any shareholding approved by the Bank in any company set up for the purpose of promoting the development of the money market or capital market in Nigeria or of improving the financial machinery for financing economic development or related to the normal business undertakings of non-interest banks;
 - (ii) any shareholding approved by the Bank pursuant to subparagraph (i) of this paragraph, the aggregate value of which does not at any time exceed 10 per cent of the shareholders' funds unimpaired by losses or such other limit as the Bank may prescribe from time to time; or
 - (iii) all shareholding acquired by a merchant bank while managing an equity issue:

Provided that the aggregate value of such acquisition does not at any time exceed the paid-up share capital of that bank or any other limit as the Bank may determine from time to time and that this paragraph shall not apply to any nominee company of a bank which deals in stock and shares for or on behalf of the bank's customers or clients or majority interest acquired by a bank in a company while managing an equity issue;

- (c) acquire, hold either wholly or in part, the share capital of any financial or commercial or other undertakings in any foreign

country:

provided that the aggregate shareholding of a bank in foreign subsidiaries shall not exceed ten per cent of its shareholders' funds unimpaired by losses or such other percentage as the Bank may prescribe from time to time;

- (d) purchase, sell, dispose, acquire or lease any real estate for whatever purpose.
- (9) Notwithstanding the foregoing provisions of this section, a bank may secure debt on any real or other property, and in default of repayment, may acquire such property and exercise any power of sale, as may be provided for in any instrument or, by law prescribed, immediately upon such default or soon thereafter as may be deemed proper.

- (10) Any director, manager or officer of a bank, specialised bank or other financial institution who fails to comply with the requirements of this section is guilty of an offence and liable on conviction to imprisonment for a term of not less than 3 years or a fine of not less than ₦5,000,000 or to both such imprisonment and fine.
- (11) Any bank which after the commencement of this Act, enters into any transaction which is inconsistent with any provision of this section shall be liable to a penalty of not less than ₦20,000,000.

Committee's Recommendation:

That the provision in Clause 19 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 19 do stand part of the Bill, put and agreed to.

Clause 20: Acquisition of Share in Small and Medium Scale Industries, etc.

- (1) Subject to the approval of the Bank, a bank may acquire or hold part of the share capital of any agricultural, industrial, private equity or venture capital company subject to the following conditions —
 - (a) the private equity or venture capital company is set up for the purpose of promoting the development of indigenous technology or a new venture in Nigeria;
 - (b) the shareholding of the bank is in small or medium-scale industries and agricultural enterprises as defined by the Bank;
 - (c) the shareholding of the bank in any medium scale industry, agricultural enterprise or venture capital company or any other business approved by the Bank shall not be more than 10 per cent of the bank's shareholders' funds unimpaired by losses and shall not exceed 20 percent of the paid-up share capital of the company or such other percentage as the Bank may prescribe from time to time;
 - (d) without prejudice to the provisions of section 19 (8) (b) (ii), and paragraph (c) of this subsection, the aggregate value of the equity participation of the bank in all enterprises shall not at any time exceed 20 per cent of its shareholders' funds unimpaired by losses or such other percentage as the Bank may prescribe from time to time; and

- (e) in the case of a non-interest bank, the activities of the agricultural, industrial, private equity or venture capital company shall be such as are permissible under non-interest banking principles.
- (2) Subject to the prior written approval of the Bank, a bank may hold shares acquired in the course of the satisfaction of any debt owed to it, provided the shares acquired are not those of the bank's subsidiary, holding company, associate or such other related party as the Bank may by regulation prescribe from time to time.
- (3) Without prejudice to the provisions of subsection (1) of this section, a bank may hold or acquire the share capital of any other business, subject to the approval of the Bank.

- (4) Every bank shall, within 21 days of the acquisition of any shareholding pursuant to subsection (1) and (3) of this section, give full particulars thereof to the Bank.
- (5) Any bank which fails to comply with the provisions of this section shall be liable to a penalty of not less than ₦5,000,000 and an additional penalty of ₦100,000 for each day during which the infraction continues.

Committee's Recommendation:

That the provision in Clause 20 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 20 do stand part of the Bill, put and agreed to.

Clause 21: Restriction on Operations of Merchant Banks

- (1) A merchant bank shall not —
 - (a) accept any deposit withdrawable by cheque?
 - (b) accept any deposit below an amount which shall be prescribed, from time to time, by the Bank? or
 - (c) hold for more than six months any equity interest acquired in a company while managing an equity issue, except as stipulated in section 20 of this Act.
- (2) Any merchant bank which acts in contravention of or fails to comply with any of the provisions of this section shall be liable to a penalty of not less ₦20,000,000 and an additional penalty of ₦500,000 for each day during which the infraction continues.

Committee's Recommendation:

That the provision in Clause 21 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 21 do stand part of the Bill, put and agreed to.

Clause 22: Display of Information

- (1) Every bank shall display at its offices and on its website —
 - (a) its lending and deposit interest rates and shall render to the Bank information on such rates as may be specified, from time to time, by the Bank:

Provided that the provisions of this subsection shall not apply to non-interest or profit and loss sharing banks;

- (b) its obligation to report transactions above the limits stipulated in the Anti-Money Laundering/Combating Financing of Terrorism guidelines/regulations and suspicious transactions to the Nigeria Financial Intelligence Unit;
- (c) foreign exchange rates;
- (d) certified true copy of its certificate of incorporation;
- (e) abridged version of its last approved audited accounts; and

(f) such other information as the Bank may require from time to time.

- (2) Any bank in breach of any of the provisions of this section is liable to a penalty of not less than ₦5,000,000 and an additional ₦100,000 for every day during which the infraction continues.

Committee's Recommendation:

That the provision in Clause 22 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 22 do stand part of the Bill, put and agreed to.

PART III — BOOK AND RECORDS OF ACCOUNT

Clause 23: Proper Books and Records of Account

- (1) Every bank shall cause to be kept proper books of account with respect to all the transactions of the bank.
- (2) For the purpose of subsection (1) of this section, proper books of account shall be deemed to be kept with respect to all transactions, if such books as are necessary to explain such transactions and give a true and fair view of the state of affairs of a bank are kept by the bank and are in compliance with the accounting standards as may be prescribed for banks by relevant authorities.
- (3) The books of account shall be kept in English language at the principal administrative office of a bank and at each branch of the bank.
- (4) Where the books of account, kept by a bank with respect to all its transactions, are prepared and kept in such a manner that, in the opinion of the Bank, have not been properly prepared and kept, or where a bank renders returns in accordance with the provisions of section 24 of this Act, which in the opinion of the Bank are inaccurate, the Bank may appoint a firm of qualified accountants to prepare proper books of account or render accurate returns, as the case may be, for the bank and the cost of preparing the accounts and rendering the returns shall be borne by the bank.
- (5) If any person being a director, manager or officer of a bank —
 - (a) fails to take all reasonable steps to secure compliance with any of the provisions of this section; or
 - (b) has by wilful act been the cause of any default thereof by the bank,

such director, manager or officer shall be liable, in respect of paragraph (a) of this subsection, to a penalty of not less than ₦2,000,000 and in respect of paragraph (b) of this section, shall be guilty of an offence and liable on conviction to a term of imprisonment of not less than 5 years or to a fine of not less than ₦5,000,000 or to both such imprisonment and fine.

Committee's Recommendation:

That the provision in Clause 23 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 23 do stand part of the Bill, put and agreed to.

Clause 24: Returns by Banks

- (1) Every bank shall submit to the Bank not later than 5 days after the last day of each month or such other interval as the Bank may specify, a statement showing —
 - (a) the assets and liabilities of the bank; and
 - (b) an analysis of advances and other assets, at its head office and branches in Nigeria and branches and subsidiaries outside Nigeria, in such form as the Bank may specify, from time to time.
- (2) Every bank shall submit such other information, documents, statistics or returns as the Bank may deem necessary.
- (3) Where a bank is affiliated to any other person, the Bank may require such bank to prepare and furnish any return required to be made under this Act or the Central Bank of Nigeria Act on a consolidated basis.
- (4) The word "affiliated" as used in this section includes a subsidiary or holding company or such other relationship as may be determined from time to time by the Bank.
- (5) The statements and information submitted by a bank under this section shall be regarded as confidential:

Provided that the Bank may furnish any such statement or information to any agency of Government as required by law.
- (6) Any bank which fails to comply with any of the requirements of this section is, in respect of each such failure, liable to a penalty of not less than ₦5,000,000 and ₦500,000 for each day during which the infraction continues.

Committee's Recommendation:

That the provision in Clause 24 be retained (*Senator Uba Sani — Kaduna Central*).

Question that Clause 24 do stand part of the Bill, put and agreed to.

Further consideration of report deferred to the next Legislative Day.

Chairman to report progress.

(SENATE IN PLENARY)

The President of the Senate reported that the Senate in the Committee of the Whole considered Report of the Committee on Banking, Insurance and Other Financial Institutions on

the Banks and Other Financial Institutions Act CAP B3 LFN 2004 (Amendment) Bill, 2020 and deferred further consideration of the Bill to the next Legislative Day and approved as follows:

Clauses 1 - 24 — As Recommended

Question: That the Senate do approve the Report of the Committee of the Whole —
Resolved in the Affirmative.

15. Committee on Army:

Report on the Nigerian Army University Biu (Establishment, etc.) Bill, 2020 (SB. 332):

Motion made: That the Senate do consider the Report of the Committee on Army on the Nigerian Army University Biu (Establishment, etc.) Bill, 2020 (*Senator Mohammed A. Ndume — Borno South*).

Question put and agreed to.

Report presented.

Motion made: That the Senate do resolve into the Committee of the Whole to Consider the Report (*Senate Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

CONSIDERATION OF A BILL FOR AN ACT TO ESTABLISH THE NIGERIAN ARMY UNIVERSITY, BIU TO MAKE COMPREHENSIVE PROVISIONS FOR MANAGEMENT, ADMINISTRATION AND OTHER RELATED MATTERS, 2020.

PART 1- ESTABLISHMENT, OBJECTIVES, FUNCTIONS AND
CONSTITUTION OF THE NIGERIAN ARMY UNIVERSITY BIU

Clause 1: Establishment of the Nigerian Army University Biu

- (1) There is established the Nigerian Army University, Biu (in this Bill referred to as "the University").
- (2) The University-
 - (a) shall be a body corporate with perpetual succession and a common seal; and
 - (b) may sue or be sued in its corporate name.
- (3) The University shall be a training institution for-
 - (a) providing courses of instruction leading to degrees, diplomas, certificates and other university distinctions in :
 - (i) military policy, logistics & strategy,
 - (ii) basic and applied sciences and arts,
 - (iii) engineering,
 - (iv) environmental and social sciences,
 - (v) education,

- (vi) agriculture,
- (vii) medical sciences, and
- (viii) any other field of study approved by the Senate of the University.

- (b) providing the special training courses whether leading to university distinctions or not for such persons as may be prescribed;

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- (c) conducting research in any field as may be prescribed or directed;
- (d) arranging conferences, seminars, workshops and like activities; and
- (e) performing any other functions as may be conferred on it by statute.

Committee's Recommendation:

That the provision in Clause 1 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 1 do stand part of the Bill, put and agreed to.

Clause 2: Functions of the University

The University shall be funded and supervised by the Federal Ministry of Education and shall through the National Universities Commission be responsible for-

- (a) approving all academic programmes of the University;
- (b) ensure compliance or quality;
- (c) provide funds for academic research programmes;

Amendment Proposed

Leave out the word “academic” and *insert* the words “teaching and” instead thereof (*Senator Yahaya A. Abdullahi — Kebbi North*).

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

- (d) provide infrastructure; and
- (e) remuneration of employees *Senate Mohammed A. Ndume — Borno South*)

Question that Clause 2 as amended stand part of the Bill, put and agreed to.

Clause 3: Objectives of the University

- (1) The objectives of the University shall be to-
 - (a) provide facilities for learning and give instruction and training in such branches of knowledge as the University may desire in order to ensure that students obtain the advantage of a higher and liberal education;
 - (b) promote research and other means of advancement of knowledge and its practical application to military hardware and software, social, cultural, economic, scientific and technological

situations;

- (c) stimulate, particularly through teaching and research, interest in and appreciation of military policy, logistics and strategy;
- (d) encourage and promote scholarship and conduct research in selected fields of learning and human endeavour including entrepreneurship skills;

- (e) enhance the diffusion of knowledge throughout Nigeria in general and the Nigerian Army in particular; and
- (f) undertake any other activities appropriate for a university.

Committee's Recommendation:

That the provision in Clause 3 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 3 do stand part of the Bill, put and agreed to.

Clause 4: Constitution and Principal Officers of the University

- (1) The University shall consist of-
 - (a) the Chancellor;
 - (b) the Pro-Chancellor and Council;
 - (c) the Vice-Chancellor and a Senate;
 - (d) a body to be called Congregation;
 - (e) a body to be called Convocation;
 - (f) the campuses and colleges of the University;
 - (g) the faculties, schools, institutes, centres and other teaching and research units of the University;
 - (h) the persons holding the offices constituted by the First Schedule to this Bill other than those mentioned in paragraphs (a) to (c) of this subsection;
 - (i) all graduates and undergraduates; and
 - (j) any other person who is a member of the University in accordance with provisions made by Statute in that behalf.
- (2) The First Schedule to this Bill shall have effect with respect to the Principal Officers of the University and other matters mentioned therein.
- (3) A provision shall be made by a statute with respect to the constitution of the following bodies-
 - (a) the Council;
 - (b) the Senate;
 - (c) the Congregation; and
 - (d) the Convocation.

Committee's Recommendation:

That the provision in Clause 4 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 4 do stand part of the Bill, put and agreed to.

Clause 5: Powers of the University

- (1) For the carrying out of its objectives as specified in Section 2 of this Bill, the University shall have powers to-
 - (a) offer courses of instruction, training and research in the advancement of knowledge for the production of middle and high-level manpower and other skilled personnel required in further development of Nigeria in particular and the world at large;
 - (b) establish such faculties, institutes, schools, colleges, centres, extra-mural departments and other units of learning and research within the University as the University may from time to time deem necessary or desirable subject to the approval of the National Universities Commission;
 - (c) institute professorships, readerships, and lectureship and any other office of any kind and whether academic or not as may be required by the University;
 - (d) institute and award fellowships, scholarships, studentships, bursaries, medals, prizes and other academic titles, distinctions and awards;
 - (e) prescribe from time to time the conditions under which a person shall be admitted to the University or to any particular course of study or be allowed to continue in such course of study;
 - (f) grant and confer, under conditions prescribed by the University, degrees, diplomas, certificates and other academic distinctions, to and on persons who have pursued a course of study approved by the University and have passed such examinations or other tests and satisfied such other requirements as the University may prescribe;
 - (g) confer honorary degrees, fellowships and other academic distinctions;
 - (h) deprive any person of any degree, diploma, certificate, fellowship, scholarship, studentship, bursary, medal, prize or other academic title, distinction or award whatsoever granted to or conferred on him by the University;
 - (i) provide such lectures and instructions for persons not being members of the University as the University may determine and to grant to any such person such diplomas, certificates or other academic distinctions as the University may deem necessary;
 - (j) accept the examinations passed and periods of study spent by students of the University at other universities or places of learning as equivalent to such examinations and periods of study in the University as the University may determine and to withdraw such acceptance at any time;

- (k) upon such terms and conditions as may, from time to time, be determined by the University, affiliate with other institutions or branches or departments, recognize selected members of staff as teachers of the University, admit the members to any of the privileges of the University, and accept attendance at courses of study in such institutions or branches or departments in place of such part of the attendance at courses of study in the University;
- (l) make provision for research and advisory services and to enter into such arrangements with other institutions as the University may deem desirable;
- (m) undertake printing, publishing and book-selling;
- (n) provide for the discipline and welfare of members of the University, its employees and residents;
- (o) demand and receive such fees as may, from time to time, be prescribed by the University;
- (p) act as trustees or managers of any property, legacy, endowment, bequest or gift for purposes of education or research or otherwise in furtherance of the work and welfare of the University;
- (q) acquire, hold, grant, charge or otherwise deal with or dispose of movable and immovable property;
- (r) accept gifts, legacies and donations, but without obligation to accept same for a particular purpose unless the University approves the terms and conditions attaching thereto;
- (s) establish trusts, enter into contracts or any other agreement solely or jointly with any other authority or institution and to employ and act through agents;
- (t) erect, provide, equip and maintain libraries, museums, archives, laboratories, lecture halls, refectories, sports grounds, playing fields and other buildings or things necessary for the effective discharge of any of the objects of the University;
- (u) take such steps as may, from time to time, be deemed expedient for the purpose of procuring contributions to the funds of the University;
- (v) borrow such moneys as the University may, from time to time, in its discretion find necessary or expedient for the effective discharge of its objects under this Bill;
- (w) make gifts for any charitable purpose;
- (x) do anything which it is authorized or required by this Bill or by Statutes of the University or regulations to do;

- (y) do all such acts and things, whether incidental to the powers aforesaid or not, as may be requisite in order to further the objects of the University as a place of learning, research and community service; and
 - (z) subject to the provisions of this Bill or any other Law, to invest any moneys appertaining to the University by way of endowment and whether for general or special purposes, and such other moneys as may not be immediately required for current expenditure, in any approved investments or securities or in the purchase or improvement of land, with power from time to time to vary any such investments and to deposit any moneys for the time being un-invested into the fund established pursuant to this Bill;
- (2) Subject to the provisions of this Bill and the Statutes made thereunder and without prejudice to Section 5 and 6 of this Bill the powers conferred on the University by subsection (1) of this Section shall be exercisable on behalf of the University by the Council or the Senate or in any other manner which may be authorised by this Bill.
 - (3) The powers conferred on the University by subsection (1) of this Section shall be exercisable on behalf of the University by the Council or the Senate or in any other manner which may be authorised by this Bill.

Committee's Recommendation:

That the provision in Clause 5 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 5 do stand part of the Bill, put and agreed to.

Clause 6: Appointment and Functions of the Chancellor

- (1) The Chancellor shall be appointed by the Visitor on the recommendation of the Minister of Education.
- (2) The Chancellor shall in relation to the University, take precedence before all other members of the University, and when he is present shall preside at all meetings of Convocation held for conferring degrees including honorary degrees.

Committee's Recommendation:

That the provision in Clause 6 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 6 do stand part of the Bill, put and agreed to.

Clause 7: Appointment and Functions of Pro-Chancellor

- (1) The Pro-Chancellor shall be appointed by the Visitor on the recommendation of the Army Council.
- (2) The Pro-Chancellor shall be a former Chief of Army Staff not below the rank of a Lieutenant-General.
- (3) The Pro-Chancellor shall hold office for a term of four years from the date of his inauguration.

- (4) The Pro-Chancellor shall in relation to the University, take precedence before all other members of the University, except the Chancellor and the

Vice-Chancellor when acting as Chairman of Congregation or Convocation and the Pro-Chancellor shall when he is present, be the Chairman at all meetings of Council.

Committee's Recommendation:

That the provision in Clause 7 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 7 do stand part of the Bill, put and agreed to.

Clause 8: Governing Council of the University

There shall be a Governing Council for the University (in this Act referred to as "the Council") to be responsible for the governance and direction of the affairs of the University in line with the provisions of this Bill.

Committee's Recommendation:

That the provision in Clause 8 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 8 do stand part of the Bill, put and agreed to.

Clause 9: Composition and Membership of the Council

- (1) The Council shall consist of-
 - (a) the Pro-Chancellor;
 - (b) Chief of Army Staff or his representative;
 - (c) the Vice-Chancellor;
 - (d) the Deputy Vice-Chancellors;
 - (e) one person representing the Federal Ministry of Education;
 - (f) one person representing the Ministry of Defence;
 - (g) four persons representing the interests of the Army and the public, at least one of whom shall be female to be appointed by the Visitor;
 - (h) four persons appointed by the Senate from among its members;
 - (i) two persons appointed by the Congregation from among its members;
 - (j) one person appointed by Convocation from among its members;
and
 - (k) one person to represent the host community.
- (2) The Registrar of the University shall be Secretary to the Council.
- (3) A person to be appointed as a member of Council other than an ex-officio member shall be appointed by the Visitor.

- (4) A person to be appointed to the Council shall be of proven integrity, knowledge and familiar with the affairs and tradition of Universities. Such person shall be able to contribute to the development of the University.

Committee's Recommendation:

That the provision in Clause 9 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 9 do stand part of the Bill, put and agreed to.

Clause 10: Tenure of Council Members

The Council constituted under Section 8 of this section shall hold office for a term of four years from the date of inauguration, provided that where the Council is found to be incompetent and corrupt it shall be dissolved by the Visitor and a new Council shall immediately be constituted for the effective functioning of the University.

Committee's Recommendation:

That the provision in Clause 10 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 10 do stand part of the Bill, put and agreed to.

Clause 11: Powers of the Council

- (1) The Council shall be the general control and superintendence of the policy, finances and property of the University, governing body of the University and shall be charged with the including its public relations.
- (2) The Council shall have power to do those things which in its opinion is calculated to facilitate the good governance of the University.
- (3) The Council may make Statutes regulating the constitution and conduct of the University and regulating any authority or matter connected with the University.
- (4) Nothing in this Section shall be construed as preventing the Council from giving instructions, in writing or otherwise, for the purpose of exercising any power conferred on it by subsection (2) of this Section.
- (5) Without prejudice to the powers of the Council under subsections (1) and (2) of this Section, the Council shall have the following powers to-
 - (a) govern, manage, and regulate the finances, accounts, investments, property, business and all affairs whatsoever of the University, and for that purpose to appoint any other officers or agents whom it seems expedient to appoint;
 - (b) cause proper books of account to be kept for all sums of money received and expended by the University and for the assets and liabilities of the University so incorporation in the University of any other institution and for the taking over its rights, property and liabilities and for any other purpose not contrary to this Bill; that such books give a true and fair view of the state of affairs of the University and its transactions;
 - (c) borrow money on behalf of the University;

- (d) invest any money belonging to the University;
- (e) sell, buy, exchange, lease or accept leases of any real or personal property on behalf of the University;
- (f) provide the buildings, libraries, laboratories, premises, furniture,

apparatus and other equipment needed for carrying out the objectives of the University;

- (g) enter into, vary, perform and cancel contracts on behalf of the University;
 - (h) affiliate other institutions or branches or departments and recognize selected members as teachers of the University and to admit the members thereof to any of the privileges of the University;
 - (i) accept attendance at courses of study in the institutions, branches or departments affiliated pursuant to the provisions of subsection 5 (h) of this section in place of such part attendance at courses of study in the University and upon such terms and conditions and subject to such regulations as may from time to time be determined by the University;
 - (j) enter into agreements for the
 - (k) except as otherwise provided under this Bill, to appoint all members of the academic staff, the Registrar, Bursar and the Librarian, on the recommendation of the appropriate Appointment and Promotion Committee on such terms and conditions as the Council may determine;
 - (l) appoint all members of the staff other than those for whom a specific method of appointment is otherwise provided;
 - (n) call for reports from the Senate on any matter relating to the instruction and teaching in the University;
 - (m) appoint external examiners on the recommendations of the Senate pursuant to the provision of Section 12 (2) (b) of this Bill;
 - (o) encourage and make provision for research within the University; and
 - (p) exercise all such powers as are or may be conferred on the Council by this Bill or by the Statutes or any other Law.
- (6) The Council shall-
- (a) be free in the discharge of its functions and exercise its responsibilities for the good management, growth and development of the University; and
 - (b) ensure that the disbursement of funds of the University complies with approved budgetary relation for:

- (7) The Council shall meet as and when necessary for the performance of its functions under this Bill in line with extant provisions.
- (8) the Meeting of the Council shall be called-
 - (a) by the Chairman of Council; or
 - (b) (i) the Chairman shall upon receipt of a request to hold a meeting in writing by not less than five members of Council specifying in their letter, the business to be

considered;

- (ii) the Chairman shall summon a meeting within 28 days of the receipt of such request in subsection (b).
- (c) where the Chairman fails or neglects to call for a meeting, the Registrar shall within 14 days therefore cause a meeting of Council to be convened for the purpose contained and specified as business to be considered in the request;
- (d) no other businesses other than those specified in the request shall be considered at the meeting.

Committee's Recommendation:

That the provision in Clause 11 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 11 do stand part of the Bill, put and agreed to.

Clause 12: Council's Power of Delegation

- (1) The Council may delegate its powers, duties upon approval of the Visitor
- (2) Except the powers relating to the making, altering, or revoking of Statutes, to the Chairman of the Council, the Vice-Chancellor, the head of an Institute or other Units of the University established under this Bill, or to any Committee appointed by it and consisting of-
 - a. members of the Council; or
 - b. one or more members of the Council and such other persons as the Council may appoint to the Committee.

Committee's Recommendation:

That the provision in Clause 12 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 12 do stand part of the Bill, put and agreed to.

Clause 13: Functions of the Senate

- (1) Subject to the provisions of subsections (3) and (4) of this Section, Sections 5 and 6 of this Bill and the provisions of this Bill relating to the Visitor, it shall be the general function of the Senate to organize and control teaching in the University, admission to courses, the discipline of students and promotion of research in the University.
- (2) It shall be the function of the Senate to make provision for-

- (a) establishment, organization and control of campuses, colleges, faculties, departments, schools, institutes, other teaching and research centres of the University, and the allocation of responsibility for different branches of learning;
- (b) organization and control of courses of study in the University and the examinations held in conjunction with those courses, including the appointment of examiners, both internal and external;
- (c) award of degrees and such other qualifications as may be

prescribed in connection with examinations conducted by the University;

- (d) making of recommendations to the Council with respect to the award to any person of an honorary fellowship or honorary degree or the title of professor emeritus;
 - (e) establishment, organization and control of halls of residence and similar units in the University;
 - (f) supervision of the welfare of students in the University and the regulation of their conduct;
 - (g) granting of fellowships, scholarships, prizes and similar awards in so far as the awards are within the control of the University; and
 - (h) determination of what description of dress shall be academic dress for the purposes of the University and regulating the use of academic dress.
- (3) The Senate may with the approval of Council establish any new campus, college, faculty, department, school, institute or any other teaching and research units of the University or any hall of residence or similar units at the University.
- (4) The Senate may make regulations for the purpose of exercising any function conferred on it either by the provisions of this Section or for the purpose of providing for any matter for which provision by regulation is authorised or required by this Bill or by Statute.
- (5) The Senate may by regulation, provide that at least one of the persons appointed as examiners at each final or professional examination held in conjunction with any course of study in the University is not a teacher at the University but is a teacher at the branch of learning to which the course relates in some other University of high repute.
- (6) The Senate shall have power to-
- (a) withdraw, or direct the withdrawal of any person, any degree, diplomas, certificate, fellowship, scholarship, studentship, bursary, medal, prize or other academic title, distinction or award whatsoever conferred upon or granted him by the University if after inquiry as the Senate may deem necessary, the Senate is satisfied that he has been guilty of scandalous or other dishonourable conduct in obtaining same;

- (b) Notwithstanding the powers conferred on the Senate in (a), a person affected shall have the right of appeal to Council.

Committee's Recommendation:

That the provision in Clause 13 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 13 do stand part of the Bill, put and agreed to.

PART II - STATUTES OF THE UNIVERSITY

Clause 14: Statutes of the University

- (1) Subject to the provisions of this Bill, the University may make Statutes for any of the following purposes-
 - (a) The composition and constitution of any authority of the University;
 - (b) Specifying and regulating the powers and duties of any authority of the University, and regulating any other matter connected with the University or any of its authorities;
 - (c) Regulating the admission of students where it is done by the University, and their discipline and welfare;
 - (d) Determining whether any particular matter is to be treated as an academic or non-academic matter for the purposes of this Bill and of any Statute, regulation or other instrument made there-under; and
 - (e) Making provision for other matters for which provision by Statute is authorised or required by this Bill.
- (2) Subject to Section 31 (6) of this Bill, the Interpretation Act shall apply in relation to any Statute made under this Section as it applies to a subsidiary instrument within the meaning of Section 37 of this Bill.
- (3) The Statute contained in the Third Schedule to this Bill shall be deemed to have come into force on the commencement of this Bill and shall be deemed to have been made under this Section by the University.
- (4) The power to make Statute conferred by this Section shall not be prejudiced or limited in any way by reason of the inclusion or omission of any matter in or from the Statute contained in the Third Schedule to this Bill or any subsequent Statute, provided that every Statute made by the University shall be published in the Official Gazette.

Committee's Recommendation:

That the provision in Clause 14 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 14 do stand part of the Bill, put and agreed to.

Clause 15: Power to Make and Approve Statutes

- (1) The power of the University to make, amend or revoke a Statute shall be exercised in accordance with the provisions of this Section.

- (2) A proposed Statute shall not have the force of law until it has been approved at a meeting of the:
 - (a) Senate, by the votes of not less than two thirds of the members of Senate; and
 - (b) Council, by the votes of not less than two thirds of the members of Council.
- (3) A proposed Statute may originate either in the Senate or Council and may be approved as required under subsection (2) of this Section by both bodies in no particular order.
- (4) A Statute shall not come into operation, unless approved by the Visitor, where the Statute-

- (a) makes provision for or alters the composition or constitution of the Council, the Senate or any other authority of the University; or
 - (b) provides for the establishment of a new campus or college or for the amendment or revocation of any Statute whereby a campus or college is established.
- (5) For the purpose of Section 2 (2) of the Interpretation Act, a Statute shall be treated as being made on the date on which it is approved by the Council and the Senate in accordance with subsection (3) of this Section or in the case of a Statute falling within subsection (4) of this Section, on the date on which it is approved by the Visitor on the recommendation of the National Universities Commission.

Committee's Recommendation:

That the provision in Clause 15 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 15 do stand part of the Bill, put and agreed to.

Clause 16: Proof of Statute in Court

A Statute may be proved in any court by the production of certified copy thereof bearing or having affixed to it a certificate signed by the Vice-Chancellor or the Registrar to the effect that the copy is a true copy of a Statute of that University.

Committee's Recommendation:

That the provision in Clause 16 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 16 do stand part of the Bill, put and agreed to.

Clause 17: Power of Visitor to decide meaning of statute

- (1) In the event of any doubt or dispute arising at any time as to the meaning of any provision of a Statute, the matter may be referred to the Visitor, who shall take such advice and make such decision thereon as he deems fit.
- (2) The decision of the Visitor on any matter referred to him under this Section shall be binding upon the authorities, staff and students of the University, provided that nothing in this subsection shall affect the power of a court of competent jurisdiction to determine whether any provision of a Statute is wholly or partly void as being ultra vires or as being inconsistent with the Constitution.

- (3) The provisions of this Section shall apply in relation to any doubt or dispute as to whether any matter is, for the purposes of this Bill, an academic or non-academic matter.

Committee's Recommendation:

That the provision in Clause 17 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 17 do stand part of the Bill, put and agreed to.

PART III - SUPERVISION AND DISCIPLINE

Clause 18: Visitor to the University

- (1) The President of the Federal Republic of Nigeria shall be the Visitor of the University.

- (2) The Visitor shall conduct visitation to the University at least once in five years or as often as the circumstances may require or direct such other person to conduct the visitation in respect of the affairs of the University.
- (3) The bodies and persons comprising the University shall-
 - (a) Make available to the Visitor and to any other persons conducting a visitation in pursuance of this Section, such facilities and assistance as he or they may reasonably require for the purpose of the visitation; and
 - (b) Make the report and white paper of such visitations available to the Council which shall implement them;

Committee's Recommendation:

That the provision in Clause 18 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 18 do stand part of the Bill, put and agreed to.

Clause 19: Removal of Members of Council

- (1) If it appears to the Council that a member, other than the Pro-Chancellor or the Vice-Chancellor should be removed from office on grounds of misconduct or inability to perform the functions of his office, the Council shall make a recommendation to that effect through the Minister in charge of Education to the Visitor and if the Visitor, after making such enquiries as may be considered necessary, approves the recommendation, it may direct the removal of the member from office.
- (2) The Minister shall use his best endeavours to cause a copy of the instrument embodying a direction under subsection (1) of this Section to be served within 14 working days on the person to whom it relates.
- (3) Misconduct includes any conduct which is prejudicial to the good name of the University and or discipline and the proper administration of the business of the University.

Committee's Recommendation:

That the provision in Clause 19 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 19 do stand part of the Bill, put and agreed to.

Clause 20: Removal and Discipline of Academic, Administrative and other Staff of the University

- (1) The Council shall upon receipt of the report of the Staff Disciplinary Committee, established under Section 20 of this Bill, that there are reasons for believing that any person employed as a member of the academic, administrative or professional staff of the University, other than Vice-Chancellor, should be removed from his office or employment on the ground of misconduct or of inability to perform the functions of his office or employment-
 - (a) give notice of those reasons to the person in question;
 - (b) afford such person an opportunity of making representation in person or counsel of his choice on the matter to the Council; and

- (c) take a decision to terminate or not terminate the appointment.
- (2) (a) The affected staff or any three members of the Council may request for review within a period of one month from the date of receipt of the notice of the Council's decision; and
 - (b) the Council shall upon receipt of such request for review make arrangements for-
 - (i) A joint committee of the Council and the Senate to review the matter and report on it to the Council;
 - (ii) the person in question to be afforded an opportunity to appear before and be heard by an investigating committee with respect to the matter;
 - (iii) after considering the report of the investigating committee if the Council is satisfied that the person in question should be removed, the Council may so remove the person by an instrument in writing signed on its directions.
- (3) The Vice-Chancellor may, in a case of gross misconduct by a member of staff which in the opinion of the Vice-Chancellor is prejudicial to the interest of the University, suspend such member and any suspension shall be reported to the Council forthwith of such suspension.
- (4) Any member of staff may be suspended from duty or his appointment may be terminated by Council for a good cause and, for the purposes of this subsection, "good cause" means-
 - (a) Conviction for any offence which the Council considers to be such as to render the person concerned unfit for the discharge of the functions of his office;

- (b) Any physical or mental incapacity which the Council, after obtaining medical advice, considers to be such as to render the person concerned unfit to continue to hold office;
 - (c) Conduct of a scandalous or disgraceful nature which the Council considers to be such as to render the person concerned unfit to continue to hold office; or
 - (d) Conduct which the Council considers to be such as to constitute failure or inability of the person concerned to discharge the functions of his office or to comply with the terms and conditions of his service.
- (5) Any person suspended under subsection (3) of this Section shall be on half pay and the Council shall, before the expiration of a period of three months from the date of such suspension, consider the case against that person and come to a decision as to whether to-
 - (a) Continue such person's suspension and if so on what terms, including the proportion of his emoluments to be paid;
 - (b) Reinstate such person in which case the Council shall restore his full emoluments with effect from the date of suspension;

- (c) Terminate the appointment of the person concerned in which case such a person will not be entitled to the proportion of his emoluments withheld during the period of suspension; and
 - (d) Take such lesser disciplinary action against such person, including the restoration of such proportion of his emoluments that might have been withheld, as the Council may determine.
- (6) Where the Council, pursuant to this Section, decides to continue a person's suspension or decides to take further disciplinary action against the person, Council shall, before the expiration of three months from such decision, come to a final determination in respect of the case.
 - (7) The person who signs an instrument of removal in pursuance of subsection (1) of this Section shall cause a copy of the instrument to be served within 10 working days on the person to whom it relates.
 - (8) Nothing in this Section shall prevent the Council from making regulations for the discipline of staff and workers of the University as may be appropriate.

Committee's Recommendation:

That the provision in Clause 20 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 20 do stand part of the Bill, put and agreed to.

Clause 21: Procedure for staff discipline

- (1) Where it is alleged that a member of staff is guilty of misconduct or should for any other reason be disciplined, the Vice-Chancellor or the Senate shall constitute an Investigation Panel to-
 - (a) Determine whether or not a prima facie case has been established against the staff; and

- (b) Make a report of its findings to the Staff Disciplinary Committee established under subsection (3) of this section.
- (2) The Investigation Panel shall consist of-
The Chairman and such other members of Senate as the Vice-Chancellor or Senate may determine.
- (3) The Vice-Chancellor shall constitute a Staff Disciplinary Committee which shall consist of such members of the Senate as he may determine, to consider the report of the Investigation Panel.
- (4) The report of the Staff Disciplinary Committee and its recommendations shall be forwarded to the Council for necessary action under Section 18 of this Bill.

Committee's Recommendation:

That the provision in Clause 21 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 21 do stand part of the Bill, put and agreed to.

Clause 22: Removal of an Examiner

- (1) The Senate, may recommend to the Vice-Chancellor that a person appointed as an examiner for any examination of the University ought to

be removed from his office or appointment

- (2) The Vice-Chancellor shall on signing an instrument of removal under this Section, cause a copy of the instrument to be served within 10 working days on the examiner.
- (3) Subject to the provisions of any regulation made under Section 12 (5) of this Bill, the Vice-Chancellor may, on the recommendation of the Senate appoint an appropriate person as examiner in the place of the examiner removed.

Committee's Recommendation:

That the provision in Clause 22 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 22 do stand part of the Bill, put and agreed to.

Clause 23: Disciplinary Action on Students

- (1) Subject to the provisions of this Section, where it appears to The Vice-Chancellor that any student is guilty of misconduct, the Vice-Chancellor may, without prejudice to any other disciplinary powers conferred on him by Statute or regulations, direct that the-
 - (a) student shall not, during such period as may be specified in the direction, participate in such activities of the University or make use of such facilities of the University as may be so specified;
 - (b) activities of the student shall, during such period as may be specified in the direction, be restricted in such manner as may be so specified;

- (c) student be rusticated for such period as may be specified in the direction; or
 - (d) student be expelled from the University.
- (2) A direction under subsection (1) (a) of this Section may be combined with a direction under subsection (1) (b) of this Section.
- (3) Where a direction is given under subsection (1) (c) or (d) of this Section in respect of any student, the student may, within the prescribed period and in the prescribed manner, appeal against the direction to the Senate.
- (4) Where an appeal is brought under subsection (3) of this Section, the Senate shall, after causing such inquiry to be made in the matter as the Senate considers just, either confirm or set aside the direction or modify it in such manner as the Senate thinks fit.
- (5) The fact that an appeal from a direction is brought under subsection (3) of this Section shall not affect the operation of the direction while the appeal is pending.
- (6) The Vice-Chancellor may delegate his powers under this Section to a disciplinary board consisting of such members of the University as he may nominate.
- (7) Nothing in this Section shall be construed as preventing the restriction or termination of a student's activities at the University for conduct which

in the opinion of the Senate is prejudicial to the interest of the University or to its corporate objective or image.

Committee's Recommendation:

That the provision in Clause 23 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 23 do stand part of the Bill, put and agreed to.

PART IV - FINANCIAL PROVISION

Clause 24: Funds of the University

- (1) The University shall in line with extant financial regulations, establish and maintain a Fund (in this Act referred to as "the Fund"), which shall be applied for giving full effect to the provisions of this Bill.
- (2) There shall be paid and credited to the Fund established pursuant to subsection (1) of this Section-
 - (a) such sums as may be provided by the Government of the Federation or the State for payment into the Fund;
 - (b) fees charged for services rendered by the University;
 - (c) moneys accruing from investments of the University;
 - (d) all sums accruing to the University by way of gifts, donations, testamentary dispositions, endowments or contributions from philanthropic persons or organizations for the general or special purposes of the University.

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- (e) all other moneys accruing to the University in the discharge of its objects under this Bill; and
- (f) grants-in-aid.

Committee's Recommendation:

That the provision in Clause 24 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 24 do stand part of the Bill, put and agreed to.

Clause 25: Accounts and Audit.

- (1) The Council shall-
 - (a) keep proper records of all accounts of its income and expenditure; and
 - (b) prepare the statement of account in respect of each financial year.
- (2) without prejudice to any other requirement as to accounting or control imposed, whether by an enactment or otherwise, with respect to the finances of and the lands, endowments and other property held by or for the purposes of the University, the Council shall cause the accounts kept in pursuance of this subsection for any period to be audited not later than 31st March of each financial year, by auditors appointed from a list of qualified auditors in accordance with guidelines laid down by the Auditor-General for the Federation.

Committee's Recommendation:

That the provision in Clause 25 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 25 do stand part of the Bill, put and agreed to.

Clause 26: Annual Report

- (1) The Council shall prepare and submit to the Visitor, not later than the 31st day of May in each year, a report in such form as the Visitor may direct on the activities of the university during the period of twelve months ending with the preceding 31st day of December, and shall include in the report a copy of the last accounts audited in accordance with section 24 of this Bill.
- (2) The report referred to in subsection (1) of this Section shall include-
 - (a) information on the activities of the University in that year;
 - (b) a copy of the audited accounts of the University for that year; and
 - (c) such other information as the Visitor may request.
- (3) The Vice-Chancellor shall provide such information on the affairs of the University as the Council may from time to time request.

Committee's Recommendation:

That the provision in Clause 26 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 26 do stand part of the Bill, put and agreed to.

PART V
MISCELLANEOUS PROVISIONS

Clause 27: Retiring Age of Staff of the University

- (1) Notwithstanding anything to the contrary provided for in the Pensions Reform Act, 2014, the mandatory retiring age of-
 - (a) an academic staff in the professorial cadre shall be 70 years; and
 - (b) other academic and non-academic staff of the University shall be 65 years.

Committee's Recommendation:

That the provision in Clause 27 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 27 do stand part of the Bill, put and agreed to.

Clause 28: Exclusion and Discrimination on Account of Race, Religion, etc.

- (1) No person shall be required to satisfy requirements as to race, including ethnic grouping, sex, place of birth, family origin, religious or political persuasion, as a condition for becoming or continuing to be a-
 - (a) student in the University;
 - (b) holder of any degree, appointment or employment in the University; or
 - (c) member of any body established by virtue of this Bill.
- (2) No person shall be subjected to any disadvantage or accorded any

advantage in relation to the University by reference to any of the matter referred to in subsection (1) of this Section.

- (3) Nothing in subsection (1) of this Section shall be construed as preventing the University from imposing any restriction on any of the persons specified in subsection (1) of this Section where such persons willfully refuse or fail on grounds of religious belief to undertake any duty generally and uniformly imposed on all such person or any group of them which duty, having regard to its nature and the special circumstances, is in the opinion of the University reasonably justifiable in the national interest.

Committee's Recommendation:

That the provision in Clause 28 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 28 do stand part of the Bill, put and agreed to.

Clause 29: Restriction on Disposal of Land Belonging to the University

- (1) for the purpose of the Land Use Act (which provides for the compulsory acquisition of land for public purposes) any purpose of the University shall be the same as that of the Federation.

- (2) Where an estate or interest in land is acquired by the Government under this Section, the Government may, by a certificate under the hand and seal of the Chief Federal Lands Officer or any other person authorized in that behalf, transfer it to the University.
- (3)
 - (a) The University may with the consent of the Governor in accordance with the LAND USE ACT dispose any land or interest in land, or transfer same under this Act upon the recommendation of Council.
 - (b) No such consent shall be required by Council in the case of any lease or tenancy at a rack-rent for a term not exceeding 21 years or a lease to a member of the University.

Committee's Recommendation:

That the provision in Clause 29 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 29 do stand part of the Bill, put and agreed to.

Clause 30: Committees

- (1) There shall be a committee of the Council, to be known as the Finance and General Purposes Committee, as specified under the Third Schedule to this Bill.
- (2) Without prejudice to the provisions of subsection (1) of this Section the Council shall establish-
 - (a) appointment and promotion committee;
 - (b) tender's committee;
 - (c) senior staff disciplinary committee;
 - (d) Council appeal committee;

- (e) fund raising committee;
 - (f) academic development committee; and
 - (g) any other committee the Council may deem fit.
- (3) In addition to the Committee established under subsections (1) and (2) of this section any body of persons established by this Bill, without prejudice to the generality of the powers of that body, shall have power to appoint committees, which need not consist exclusively of members of that body and authorise a committee established by it to-
- (a) exercise on its behalf, such of its functions as it may determine; and
 - (b) co-opt members and direct whether or not co-opted members shall be entitled to vote in that committee.
- (4) Any two or more such bodies may arrange for the holding of joint meetings of those bodies or for the appointment of committees consisting of members of those bodies, for the purpose of considering any matter within the competence of those bodies or any of them and either dealing with it or of reporting on it to those bodies or any of them.

- (5) Except as may be otherwise provided by a Statute or Regulation, the quorum and procedure of a committee established or meeting held pursuant to this Section shall be such as may be determined by the body or bodies which have decided to establish the committee or hold the meeting.
- (6) Nothing in this Section shall be construed as enabling:
- (a) Statutes to be made otherwise than in accordance with Section 15 of this Bill; or
 - (b) the Senate to empower any other body to make regulations to award degrees or other qualifications.

Committee's Recommendation:

That the provision in Clause 30 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 30 do stand part of the Bill, put and agreed to.

Clause 31: Quorum

Except as may be otherwise provided by Statute or by Regulation, the quorum and procedure of any body of persons or committee established by this Bill shall be such as may be determined by that body.

Committee's Recommendation:

That the provision in Clause 31 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 31 do stand part of the Bill, put and agreed to.

Clause 32: Seal of the University

(1) The seal of the University shall be such as may be determined by the Council and approved by the Chancellor, and the affixing of the seal shall be authenticated by any member of the Council and by the Vice-Chancellor, Registrar or any other person authorised by statute.

- (2) Any document purported to be executed under the seal of the University shall be received in evidence and shall, unless the contrary is proved, be deemed to be so executed.
- (3) Any contract or instrument which if made or executed by a person not being a body corporate would not be required to be under seal may be made or executed on behalf of the University by any person generally or specifically authorised to do so by the Council.
- (4) The validity of any proceedings of anybody established in pursuance of this Bill shall not be affected by any vacancy in the membership of the body, or by any defect in the appointment of a member of the body or by reason that any person not entitled to do so took part in the proceedings.
- (5) Any member of any such body who has a personal interest in any matter proposed to be considered by that body shall forthwith disclose his interest to the body and shall not vote on any question relating to that matter.

- (6) Nothing in Section 13 of the Interpretation Bill (which provides for the application in relation to subordinate legislation of certain incidental provisions) shall apply to statutes or regulations made in pursuance of this Bill,
- (7) The power conferred by this Bill to make statutes or regulations shall include power to revoke or vary any statute (including the statute contained in Third Schedule of this Bill) or any regulation by a subsequent statute, or, as the case may be, by a subsequent regulation and statutes and regulations may make different provisions in reaction to different circumstances.
- (8) No stamp duty or other duty shall be payable in respect of any transfer of property to the University by virtue of Section 28 or the Second Schedule to this Bill.
(Second Schedule)
- (9) Any notice or other instrument authorised to be served by virtue of this Bill may, without prejudice to any other mode of service, be served by post.

Committee's Recommendation:

That the provision in Clause 32 be retained (*Senate Mohammed A. Ndume — Borno South*) — Agreed to.

Question that Clause 32 do stand part of the Bill, put and agreed to.

Clause 33: Proposals and Recommendations

Where in any provisions of this Bill, it is laid down that proposals are to be submitted or a recommendation is to be made by one authority to another through one or more intermediate authorities, every such intermediate authority shall forward any proposal or recommendation received by it pursuant to that provision to the appropriate authority; but any such intermediate authority may, if it thinks fit, forward therewith its own comments thereon.

Committee's Recommendation:

That the provision in Clause 33 be retained (*Senate Mohammed A. Ndume — Borno South*) —

Agreed to.

Question that Clause 33 do stand part of the Bill, put and agreed to.

Clause 34: Limitation of Suit Against the University

- (1) Subject to the provisions of this Bill, the provisions of the Public Officers Protection Act shall apply to any suit to be instituted against the University, an officer or employee of the University.
- (2) No suit shall lie or be instituted in any court against the University, a member of the Governing Council or any principal officer or employee of the University for an action carried out in pursuance to the execution of this Bill or any enactment, or of any public duty in respect of any alleged neglect or default in the execution of this Act or any other enactment or law, duty or authority, unless it is commenced-
 - (a) within three months of such act, neglect or default complained thereof; or

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- (b) in the case of a continuation of damages or injury, within six months after the ceasing of the act, neglect or default.
- (3) No suit shall be commenced against the University, a member of the Council or any principal officer or employee of the University before the expiration of a period of one month after written notice of the intention to commence such suit has been served on the University by the intending plaintiff or his agent.
- (4) The notice referred to in subsection (3) of this Section shall clearly state the cause of action, particulars of the claim, the name and place of abode of the intending plaintiff and the relief sought.

Committee's Recommendation:

That the provision in Clause 34 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 34 do stand part of the Bill, put and agreed to.

Clause 35: Service of Process or Document on the University

- Notice, summons, or other documents required or authorised to be served on the University under this Bill or any other enactment or law, may be served by-
- (a) delivering it to the Vice-Chancellor or the Registrar.
 - (b) sending it by registered mail to the postal address of the University.

Committee's Recommendation:

That the provision in Clause 35 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 35 do stand part of the Bill, put and agreed to.

Clause 36: Restriction on Execution Against Property of the University

In any action or suit against the University, no execution shall be levied or attachment process issued against the University unless not less than three months' notice of the intention to execute or attach has been given to the University.

Committee's Recommendation:

That the provision in Clause 36 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 36 do stand part of the Bill, put and agreed to.

Clause 37: Transitional and Savings Provisions

- (1) All property held by or on behalf of the Transitional Governing Council shall, by virtue of this subsection and without further assurance, vest in the University and be held by it for the purpose of the University.
- (2) The provisions of the Second Schedule to this Bill shall have effect with respect to the transfer of property to the University and other matters mentioned therein.

Committee's Recommendation:

That the provision in Clause 37 be retained (*Senate Mohammed A. Ndume — Borno South*) —
Agreed to.

Question that Clause 37 do stand part of the Bill, put and agreed to.

Clause 38: Interpretation

In this Bill:

"Academic Staff" means the Vice-Chancellor, Professors, Readers, Senior Lecturers, Lecturers, Assistant Lecturers, the Librarian and such other persons in the employment of the University engaged in teaching or research as the Council, on the recommendation of the Senate, may from time to time grant the status of members of the academic staff of the University;

"Academic Year" means such period not exceeding twelve consecutive months as the Senate may from time to time so designate;

"Bill" means the Bill of the Nigerian Army University, Biu;

"Administrative Staff" means those persons in the employ of the University, other than the academic staff, who hold administrative, professional or technical posts designated by the Council as senior posts;

"Appropriate Authority" means any person, body or authority authorized by law to act in a specific or general capacity in relation to a subject matter;

"Campus" means any campus which may be established by the University;

"Centre" means any centre which may be established by the University;

"Chairman" means the Chairman of the Council;

"College" means any college which may be established by the University;

"Congregation" means the Congregation of the University established under this Bill;

"Constitution" means the Constitution of the Federal Republic of Nigeria;

"Convocation" means an assembly of the University established under this Bill;

"Council" means the Council of the University established by Section 8 of this Bill;

"Faculty" means a Faculty of the University;

"Functions" includes powers and duties;

"Government" means the Federal Government of Nigeria;

"Graduate" means a person on whom a degree, other than an honorary degree, has been conferred by the University and any other person as may be designated as a graduate by the Council, acting in accordance with the recommendation of the Senate;

"Graduates Association" means any association recognised by the Council pursuant to the provisions of this Bill or the Statutes;

"Gross Misconduct" means any act of misconduct and improper behaviour that may be designated as gross misconduct by any Statute or regulation made, under this Bill;

"Members of the University" means those persons or office-holders described in the Statute;

"Minister" means the Minister charged with responsibility for matters relating to education;

"Misconduct" includes any conduct which is prejudicial to the good name of the University and or discipline and the proper administration of the business of the University;

"Notice" means notice in writing;

"Officers of the University" means those persons or office-holders described in the First Schedule to this Bill but does not include the Visitor;

"Other Staff" means those persons in the employ of the University who are not members of the academic staff or the administrative staff;

"Prescribed" means prescribed by this Bill, Statutes, or regulations of the University;

"Professor" means a person designated as a professor of the University in accordance with provision in that behalf made by regulations and includes a visiting professor;

"Property" includes rights, liabilities and obligations;

"Regulations" means any Regulations of the University made by the Senate or pursuant to the provisions of this Bill;

"Senate" means the Senate of the University established by this Bill;

"Statute" means a Statute made by the University pursuant to Section 13 of this Bill and in accordance with the provisions of Section 14 of this Bill;

"Student" means a person who has been registered as a student of the University during a current academic year for a first or higher degree, diploma, certificate or such other qualification of the University as may be approved by the Senate as

qualifying a person for the status of a student;

"Teacher" means a person appointed as a member of the staff of the University on full-time or part-time teaching duties and shall include such persons employed on research duties in the University as are required also to teach;

"Transitional Governing Council" means the provisional Council constituted for the University by the Chief of Army Staff, before coming into force of this Bill;

"Undergraduate" means a person in *statu pupilaris* in the University, other than:

(a) a graduate; and

(b) a person of such description as may be prescribed for the purposes of this definition; and "University" means Nigerian Army University, Bui established under this Bill.

Committee's Recommendation:

That the provision in Clause 38 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 38 do stand part of the Bill, put and agreed to.

Clause 39: Short title

This Bill may be cited as the Nigerian Army University, Bui (Establishment) Bill, 2020.

Committee's Recommendation:

That the provision in Clause 39 be retained (*Senate Mohammed A. Ndume — Borno South*) — *Agreed to.*

Question that Clause 39 do stand part of the Bill, put and agreed to.

FIRST SCHEDULE

PRINCIPAL OFFICERS OF THE UNIVERSITY

Section 3(2)

1. The Vice-Chancellor

(1) There shall be a Vice-Chancellor for the University, who shall be appointed by the Council in accordance with the provisions of this paragraph.

(2) The Vice-Chancellor shall be the chief executive and academic officer of the University, exercise general functions in addition to any other functions conferred on him by this Bill or otherwise, which includes directing activities in the University and serves as *ex-officio* and chairman of the Senate.

(3) The Vice-Chancellor shall, in relation to the University, take precedence before all other members of the University except the Chancellor and the Pro-Chancellor and any other person for the time being acting as chairman of the Council.

(4) Where a vacancy occurs in the post of a Vice-Chancellor, the Council shall:

(a) advertise the vacancy in a reputable journal or widely read newspapers in Nigeria, specifying:

(i) the qualities and qualifications of the persons who may apply for the post; and

- (ii) the terms and conditions of service applicable to the post, and thereafter draw up a short list of suitable candidates for the post for consideration;
- (b) constitute a Search Team consisting of:
 - (i) a member of the Council, who is not a member of the Senate, as chairman;
 - (ii) two members of the Senate who are not members of the Council, one of whom shall be a professor;

- (iii) two members of the Congregation who are not members of the Council, one of whom shall be a professor, to identify and nominate for consideration, suitable persons who are not likely to apply for the post on their own volition but that of the national interest.
- (5) A Joint Council/Senate Selection Board shall consist of:
 - (a) the Pro-Chancellor, as chairman;
 - (b) two members of the Council, not being members of the Senate; and
 - (c) two members of the Senate not below the rank of professors, who were not members of the Search Team, shall consider the candidates and persons shortlisted under subparagraph (2) of this paragraph through evaluation of their curriculum vitae and interaction, shall recommend to the Council, suitable candidates from the list for further consideration.
 - (6) The Council shall select and appoint as Vice-Chancellor a candidate from among the three candidates recommended to it under subparagraph (5) of this paragraph and thereafter inform the Visitor.
 - (7) The Vice-Chancellor shall hold office for a single term of five years only, on such terms and conditions as may be specified in his letter of appointment and no more.
 - (8) The Vice-Chancellor may be removed from office by the Governing Council on grounds of gross misconduct or inability to discharge the functions of his office as a result of infirmity of body or mind, at the initiative of the Council, Senate or the Congregation after due process.
 - (9) When the proposal for the removal of the Vice-Chancellor is made, the Council shall constitute a Joint Committee of Council and Senate consisting of:
 - (a) 3 members of the Council, one of whom shall be the Chairman of the Committee; and
 - (b) 2 members of the Senate; Provided that where the ground for removal is infirmity of the body or mind, the Council shall seek appropriate medical option.
 - (10) The Committee shall conduct investigation into the allegations made against the Vice-Chancellor and shall report its findings to the Council.
 - (11) The Council may where the allegations are proved remove the Vice-Chancellor or apply any other disciplinary action it may deem fit and notify the Visitor accordingly provided that a Vice-Chancellor who is removed shall have right of appeal to the Visitor.

- (12) There shall be no sole administrator in the University.
- (13) In any case of a vacancy in the office of the Vice-Chancellor, the Council shall appoint an acting Vice-Chancellor on recommendation of the Senate.
- (14) Any acting Vice-Chancellor in all circumstances shall not be in office for more than 6 months.

2.
 - (1) There shall be for the University, such number of Deputy Vice-Chancellors as the Council may, from time to time, deem necessary for the proper administration of the University.
 - (2) Subject to any other qualification for the appointment of a Deputy Vice-Chancellor, one of the Deputy Vice-Chancellors shall be an officer not below the rank of a Brigadier General in the Nigerian Army, with a minimum qualification of a PhD.
 - (3) A Deputy Vice-Chancellor shall:
 - (a) assist the Vice-Chancellor in the performance of his functions;
 - (b) subject to the Statute, act in place of the Vice-Chancellor when the post of the Vice-Chancellor is vacant or if the Vice-Chancellor is, for any reason, absent or unable to perform his functions as Vice-Chancellor; and
 - (c) Perform such other functions as the Vice-Chancellor or the Council may, from time to time, assign to him.
 - (4) Where a vacancy occurs in the post of Deputy Vice-Chancellor, the Vice-Chancellor shall forward to the Senate a list of two candidates for the post of Deputy Vice-Chancellor that is vacant.
 - (a) The Senate shall select for any vacant post one candidate from the list forwarded to it under subsection (4) of this Section and forward his name to the Council for confirmation;
 - (b) The Deputy Vice-Chancellor shall hold office for a period of two years beginning from the effective date of his appointment and on such terms and conditions as may be specified in his letter of appointment and he may-
 - (i) be re-appointed for one further period of two years and no more.
 - (ii) be removed from office for good cause by the Council acting on the recommendations of the Vice-Chancellor and Senate.
3. Office of the Registrar
 - (1) There shall be for the University, a Registrar, who shall be the Chief Administrative Officer of the University and shall be responsible to the Vice-Chancellor for the day-to-day administration of the University except as regards matters for which the Bursar is responsible in accordance with paragraph 4 (2) of this Schedule.
 - (2) The person holding the office of Registrar shall, by virtue of that office, be Secretary of the Council, the Senate, Congregation and Convocation.
 - (3) The Registrar shall hold office-
 - (a) for a single term of five years and may upon satisfactory performance be extended for one year and no more; and
 - (b) such period and on such terms and conditions as to emoluments as may

be specified in his letter of appointment.

OTHER PRINCIPAL OFFICERS

4. The University Bursar and Librarian
- (1) There shall be other Principal Officers for the University as follows-
 - (a) the Bursar, and
 - (b) the University Librarian.
 - (2) The Bursar shall be the Chief Financial Officer of the University and shall be responsible to the Vice-Chancellor for the day-to-day administration and control of the financial affairs of the University.
 - (3) Any person to be appointed to the office of the Bursar shall have appropriate qualification with cognate experience in financial matters and shall be a member of a relevant and recognised professional body.
 - (4) The University Librarian shall be responsible to the Vice-Chancellor for the administration of the University Library and the co-ordination of all library services in the University and its campuses, colleges, faculties, schools, centres, departments and institutes and other teaching or research units.
 - (5) The Bursar and Librarian shall hold office:
 - (a) for a single term of five years and may upon satisfactory performance be extended for one year and no more; and
 - (b) such period and on such terms and conditions as to emoluments as may be specified in his letter of appointment.

The University Director of Works

- (a) The University shall have the following Directorates and provide for their functions-
 - (i) Works and Physical Planning;
 - (ii) Health Services;
 - (iii) Information and Communications Technology,
 - (iv) Legal Services;
 - (v) Consultancy and Linkages;
 - (vi) Procurement and Supply; and
 - (vii) Any other directorate as may be prescribed by Statute.
- (b) Appointment, Tenure and Conditions of Service of the Directors
 - (i) The Council shall by Statute provide for their term of appointment and tenure.
 - (ii) Such tenure and terms and condition of appointment shall be specified in their letters of appointment subject to extant regulations and Statute.

Question that the Provision of the First Scheduled stand part of the Bill — Agreed to.

SECOND SCHEDULE

TRANSITIONAL AND SAVINGS PROVISIONS

1. **Transfer of Property to the University**
Without prejudice to the generality of the provisions of Section 35 of this Bill:
 - (a) the reference in the subsection to property held by the Transitional Governing Council and the University shall include a reference to the right to receive and give a good discharge for any grant or contribution which may have been voted or promised to the transitional Governing Council and the University; and
 - (b) all outstanding debts and liabilities of the Transitional Governing Council shall become debts and liabilities of the University established by this Bill.
2. **Effect of contracts, documents and legal proceedings**
 - (1) All agreements, contracts, deeds and other instruments to which the Transitional Governing Council was a party shall, so far as possible and subject to any necessary modification, have effect as if the University established by this Bill had been a party to it in place of the provisional Council.
 - (2) Documents not falling within sub-paragraph (1) of this paragraph, including enactments, which refer whether specially or generally to the Transitional Governing Council shall be construed in accordance with that sub-paragraph so far as applicable.
 - (3) Any legal proceeding or application to any authority pending by or against the Transitional Governing Council may be continued by or against the University established by this Bill.
3. **Registration of Transfers**
 - (1) If the law in force at the place where any property transferred by this Bill is situated provides for the registration of transfers of property of the kind in question (whether by reference to an instrument of transfer or otherwise), the law shall, so far as it provides for alterations of a register (but not for avoidance of transfers, the payment of fees of any other matter) apply, with the necessary modifications to the transfer of the property in question.
 - (2) The body which any property is transferred by this Bill shall furnish the necessary particulars of the transfer to the proper officer of the registration authority, and of that officer to register the transfer accordingly.
4. **Meetings and Staff of the University**
 - (1) The first meeting of the Council shall be convened by the Pro-Chancellor on such date and in such manner as he may determine.
 - (2) The persons who were members of the Transitional Governing Council shall be deemed to constitute the Council until the date when the Council set up under this Bill must have been duly constituted.
 - (3) The first meeting of the Senate shall be convened by the Vice-Chancellor on such date and in such manner as he may determine.
 - (4) The persons who were members of the Senate immediately before the coming into force of this Bill shall be deemed to constitute the Senate of the University until the date when the Senate as set up under this Schedule is duly constituted.
 - (5) Subject to any regulation which may be made by the Senate after the date on which this Bill is made, the faculty boards and students of the University immediately before the coming into force of this Bill shall on that day become faculties, faculty boards and students of the University as established by this Bill.

- (6) Persons who were deans or associate deans of faculties or members of faculty boards shall continue to be deans or associate deans or become members of the corresponding faculty boards, until new appointments are made in pursuance of the Statutes under this Bill.
- (7) A person who was a member of staff of the University as established or was otherwise employed by the Transitional Governing Council shall be employed at the University on such designation, status and functions which correspond as nearly as possible to those which pertained to him as a member of that staff or as such an employee.

Question that the Provision of the Second Scheduled stand part of the Bill — Agreed to.

THIRD SCHEDULE

NIGERIAN ARMY UNIVERSITY BIU,

[Sections 3 (3), 13]

STATUTE 1

Paragraphs:

1. The Council
2. Finance and General Purposes Committee
3. The Senate
4. The Congregation
5. The Convocation
6. Organization of Faculties and Branches
7. The Dean of the Faculty
8. Selection of certain principal officers
9. Creation of academic post
10. Appointment of Administrative and technical Staff

1. THE COUNCIL

- (1) Any member of the Council holding office pursuant to Section 8 of this Bill may, by notice to the Council resign his office.
- (2) Where a member of Council holding office pursuant to Section 8(h) (i) (j) (k) and (l) of this Bill vacates office before the expiration of his tenure, the body that appointed him may appoint a successor to hold office for the residue of his unexpired term.
- (3) The quorum of the Council shall be seven, at least one of whom shall be a member pursuant to Section 8(d) and (e) of this act.
- (4) If the Pro-Chancellor is not present at a meeting of the Council, the members present at the meeting may appoint one of them to be the Chairman at the meeting, and subject to Section 5 of this Bill and the provisions of this paragraph, the Council may regulate its own procedure.
- (5) Where the Council desires to obtain advice with respect to any particular matter, it may co-opt not more than two persons for that purpose; and the persons co-opted may take part in the deliberations of the Council at any meeting but shall not be entitled to vote.

- (6) The Council constituted by this Bill shall have a four year tenure from the date of its inauguration, provided that where a Council is found to be incompetent and corrupt, it shall be dissolved by the Visitor and a new Council shall be immediately constituted for the effective functioning of the University.
- (7) The powers of the Council shall be exercised in accordance with the Laws and Statutes of the University, and to that extent, establishment circulars that are inconsistent with the Laws and Statutes of the University shall not apply to the University.

2. THE FINANCE AND GENERAL PURPOSES COMMITTEE

- (1) The Finance and General Purposes Committee of the Council shall consist of:
 - (a) the Pro-chancellor, who shall be the Chairman of the Committee at any meeting at which he is present;
 - (b) the Vice-Chancellor and a Deputy Vice-Chancellor;
 - (c) six other members of the Council appointed by the Council two of whom shall be selected from among the four members of the Council appointed by the Senate and one of whom shall be selected from among members of the Council appointed by the congregation; and
 - (d) representative of the Ministry of Education, the rank of whom shall not be less than a Director.
- (2) The quorum of the Committee shall be six.
- (3) Subject to any direction given by the Council, the Committee may regulate its own procedure.
- (4) The estimate of income and expenditure for a financial year shall be presented by the Vice-Chancellor to the Council and may be approved by the Council before the beginning of that financial year; provided that; the Vice-Chancellor may during any financial year present and the Council may approve supplementary estimates of income or expenditure.
- (5) The annual and supplementary estimate shall be prepared in such form and shall contain such information as the Council may direct.

Gifts, Donations, etc.

- (6) The Council may, on behalf of the University, accept, by way of grants, gift, testamentary disposition or otherwise, property and money in aid of the finances of the University on such conditions as it may approve.
- (7) Registers shall be kept of all donations to the University including the names of donors and any special conditions under which any donation may have been given; Provided that the University shall not be obliged to accept a donation for a particular purpose unless it approves of the terms and conditions attached to such donation.
- (8) All property, money or funds donated for any specific purposes shall be applied and administered in accordance with the purposes for which they are donated and shall be accounted for separately.

- (9) All sums of money received on account of the University shall be paid into such account as may be approved by the Council for the credit of the University's general, current or deposit account: Provided that the Council may invest, as it deems fit, any money not required for immediate use other than donations of money referred to in subparagraph (1) of this Article.

Audit

- (10) The Council shall cause the accounts of the University to be audited by auditors appointed by the Council as soon as may be after the end of each financial year or for any such other period as the Council may require.
- (11) The appointment and other matters related to the auditors, their continuance in office and their functions, as the case may be, shall, subject to the provisions of this section, be prescribed by statute.

3. THE SENATE

- (1) There shall be a Senate for the University consisting of:
- (a) the Vice-Chancellor;
 - (b) the Deputy Vice-Chancellors;
 - (c) all Professors of the University;
 - (d) all Deans, Provosts and Directors of Academic Units of the University.
 - (e) All Heads of Academic Departments, Units and Research Institutes of the University;
 - (f) The University Librarian;
 - (g) Academic members of the Congregation who are not Professors as specified in the Laws of the University;
 - (h) 2 members representing a variety of interests of the professional bodies outside the University appointed by the Senate on the recommendation of the Vice-Chancellor; and
 - (i) The procedure for election of members of Senate to the Council shall be prescribed by Regulations.
- (2) The Vice-Chancellor shall be the Chairman at all meetings of the Senate when he is present and, in his absence, one of the Deputy Vice-Chancellors appointed by him shall be the Chairman of the meeting.
- (3) The quorum of the Senate shall be one-quarter (or the nearest whole number less than one quarter), and subject to paragraph (2), the Senate may regulate its own procedure.
- (4) If so requested in writing by any 10 members of the Senate, the Vice-Chancellor, or, in his absence a person duly appointed by him shall convene a meeting of the Senate to be held not later than the tenth day following that on which the request was received.

- (5) The procedure for election of members of Senate to the Council shall be prescribed by Regulations.
- (6) An elected member may, by notice to the Senate, resign his office.

- (7) Subject to paragraph(8) of this article, there shall be elections for the selection of elected members which shall be held in the prescribed manner on such day in the month of May or June in each year as the Vice-Chancellor may, from time to time, determine.
- (8) An elected member shall hold office for the period of 2 years beginning from 1 August in the year of his election, and may be a candidate at any election held under paragraph (6) of this article in the year in which his period of office expires, so however that no person shall be such a candidate if at the end of his current period of office, he will have held office as an elected member for a continuous period of 6 years or would have so held office if he had not resigned it.
- (9) No election shall be held under this article in any year if the number specified in the certificate given under paragraph (11) of this article does not exceed by more than one of the figure which is thrice the number of those elected members holding office on the date of the certificate who do not vacate office during that year under paragraph (7) of this article.
- (10) No person shall be precluded from continuing in or taking office as an elected member by reason only of a reduction in the total of non-elected members occurring on or after 30 April in any year in which he is to continue in or take office as all elected members.
- (11) Where so requested in writing by any 15 members of the Senate, the Vice-Chancellor or in his absence any of the Deputy Vice-Chancellors duly appointed by him, shall convene a meeting of the Senate to be held not later than the tenth day from the date of which the request was received.
- (12) In this article, total of non-elected members means as respect any year, such number as may be certified by the Vice-Chancellor on 30 April of that year to be the number of persons holding office as members of the Senate on that day other than as elected members.

4. CONGREGATION

- (1) The Congregation shall consist of-
 - (a) the Vice-Chancellor and the Deputy Vice-Chancellor(s);
 - (b) the full time members of the academic staff;
 - (c) the Registrar;
 - (d) the Bursar;
 - (e) the Librarian;
 - (f) all Directors of the University; and
 - (h) every member of the administrative staff who holds a degree of any university recognized for the purposes of this statute by the Vice-Chancellor, not being an honorary degree.

- (2) Subject to section 4 of this Act, the Vice-Chancellor shall be the Chairman at all meetings of Congregation when he is present; and in his absence any of the Deputy Vice-Chancellors present at the meeting as Congregation may appoint for that meeting, shall be the chairman at the meeting.

- (3) The quorum of Congregation shall be one third (or the whole number nearest to one third) of the total number of Congregation or fifty, whichever is less.
- (4) A certificate signed by the Vice-Chancellor specifying:
 - (a) the total number of members of Congregation for the purposes of any particular meeting or meetings of Congregation; or
 - (b) the names of the persons who are members of Congregation during a particular period, shall be conclusive evidence of that number or as the case may be, of the names of those persons.
- (5) Subject to the foregoing provision of this article, Congregation may regulate its own procedure.
- (6) Congregation shall be entitled to express by resolution or otherwise its opinion on all matters affecting the interest and welfare of the University and shall have such other functions in addition to the function of electing a member of the Council, as may be provided by statute or regulations.
- (7) The procedure for election of members of congregation to the Council and the Senate shall be prescribed by Regulations.

5. THE CONVOCATION

- (1) The Convocation shall consist of:
 - (a) the Officers of the University mentioned in the First Schedule to this Bill;
 - (b) all teachers within the meaning of this Bill; and
 - (c) all other persons whose names are registered in accordance with sub-paragraph (2) of this paragraph.
- (2) A person shall be entitled to have his name registered as a member of the convocation if he-
 - (a) is either a graduate of the University or a person satisfying such requirements as may be prescribed for the purposes of this paragraph; and
 - (b) applies for the registration of his name in the prescribed manner and pays the prescribed fee.
- (3) Regulations shall provide for the establishment and maintenance of a register for the purpose of this paragraph and, subject to sub-paragraph (4), may provide for the payment from time to time of further fees by persons whose names are on the register and for the removal from the register of the name of any person who fails to pay those fees.
- (4) The person responsible for maintaining the register shall without the payment of any fee, ensure that the names of all persons who are for the time being members of the Convocation by virtue of sub-paragraph (1)(a) or (b) of this paragraph are entered and retained on the register.

- (5) A person who reasonably claims that he is entitled to have his name on the register shall be entitled on demand to inspect the register, or a copy of the register at the principal offices of the University at all reasonable times.
- (6) The register shall, unless the contrary is proved, be sufficient evidence that any person named therein is, and that any person not named therein is not, a member of the convocation; but for the purpose of ascertaining whether a particular person was such a member on a particular date, any entry in, and deletion from,

the register made on or after that date shall be disregarded.

- (7) The quorum of the Convocation shall be fifty or one-third (or the whole number nearest to one-third) of the total number of members of the Convocation whichever is less.
- (8) Subject to Section 5 of this Bill, the Chancellor shall be Chairman at all meetings of the Convocation when he is present, and, in all his absence, the Vice-Chancellor shall be the Chairman at the meeting.
- (9) The Convocation shall have such functions, in addition to the function of appointing a member of the Council, as may be provided by Statute.

6. ORGANIZATION OF FACULTIES AND BRANCHES

- (1) Each Faculty shall be divided into such number of branches as may be prescribed.
- (2) There shall be established in respect of each Faculty, a Faculty Board, which, subject to the provisions of this Bill, and subject to the directions of the Vice-Chancellor, shall-
 - (a) regulate the teaching and study of, and the conduct of examinations connected with, the subjects assigned to the faculty;
 - (b) deal with other matters assigned to it by Statute, the Vice-Chancellor or the Senate; and
 - (c) advise the Vice-Chancellor or Senate on any matter referred to it by the Vice-Chancellor or Senate.
- (3) Each Faculty Board shall consist of-
 - (a) the Vice-Chancellor;
 - (b) the Dean;
 - (c) the persons severally in charge of the branches of the faculty;
 - (d) such number of the teachers assigned to the faculty and having the prescribed qualifications as the Board may determine; and
 - (e) such persons whether or not members of the University as the Board may determine with the general or special approval of Senate.
- (4) The quorum of the Board shall be 8 members or one-quarter of the members of the Board for the time being, whichever is greater.

- (5) Subject to the provisions of this Statute and any provision the composition of any faculty board shall be determined by the Statute and the Statutes may include provision for the appointment to any Faculty Boards of persons who are not members of the academic staff and specially qualified to assist in the work of the Faculty Boards.

7. DEAN OF FACULTY

- (1) (a) There shall be a Dean for each faculty who shall be a Professor and:
 - (i) be elected by members of the academic staff of the faculty;
 - (ii) hold office for a term of two years and may be reappointed for

another term of two years after which he shall not be eligible for reappointment until after two years;and

- (iii) exercise general superintendence over the academic and administrative affairs of the faculty; and it shall be the function of the Dean to present to Convocation for the conferment of degrees persons who have qualified for the degrees of the University at examinations held in the branches of learning for which responsibility is allocated to that faculty.
 - (b) There shall be a committee to be known as the Committee of Deans consisting of all Deans of the several schools and that committee shall advise the Vice-Chancellor on all academic matters and on particular matters referred to the University Council by the Senate.
 - (2) The Dean of a faculty may be removed from office for a good cause by the Faculty Board after a vote would have been taken at a meeting of the Board, and in the event of a vacancy occurring following the removal of the Dean, an Acting Dean may be appointed by the Vice-Chancellor provided that at the next faculty board meeting an election shall be held for a new Dean.
 - (3) In this paragraph, "good cause" has the same meaning as in Section 19 (4) of this Bill.
8. SELECTION OF CERTAIN PRINCIPAL AND OTHER KEY OFFICERS
- (1) When a vacancy occurs in the Office of the Bursar, Registrar, Directors of Physical Planning and Development, Works and Services and Health, a Selection Board shall be constituted by the Council and shall consist of:
 - (a) the Pro-Chancellor;
 - (b) the Vice-Chancellor;
 - (c) two members appointed by the Council, not being members of Senate; and
 - (d) two members appointed by the Senate not being members of Council.
 - (2) The Selection Board, after making such inquiries as it thinks fit, shall recommend a candidate to the Council for appointment to the vacant office, and after considering the recommendation of the Board, the Council may make an appointment to that office.
9. CREATION OF ACADEMIC POST
- Recommendation for the creation of posts other than those mentioned in paragraph 8 of this Schedule shall be made by the Senate to the Council.

10. APPOINTMENT OF ADMINISTRATIVE AND TECHNICAL STAFF
- (1) The administrative and technical staff of the University, other than those mentioned in paragraph 8 of this Schedule, shall be appointed by the Council or on its behalf by the Vice-Chancellor or the Registrar in accordance with any delegation of power made by the Council in that behalf.

Question that the Provision of the Third Scheduled stand part of the Bill — Agreed to.

Chairman to report Bill.

(SENATE IN PLENARY)

The President of the Senate reported that the Senate in the Committee of the Whole considered Report of the Committee on Army on the Nigerian Army University Biu (Establishment, etc.) Bill, 2020 and approved as follows:

Clause 1	—	As Recommended
Clause 2	—	As Amended
Clauses 3 - 39	—	As Recommended
Schedules 1 - 3	—	As Recommended

Question: That the Senate do approve the Report of the Committee of the Whole —
Resolved in the Affirmative.

Motion made: That the Bill be now Read the Third Time (*Senate Leader*).

Question put and agreed to.

Bill accordingly Read the Third Time and Passed.

16. Committee on Education (Basic and Secondary):
Report on the Need to Integrate Almajiri Education into Modern System of Education in Nigeria:

Motion made: That the Senate do consider the Report of the Committee on Education (Basic and Secondary) on the need to integrate Almajiri Education into Modern System of Education in Nigeria (*Senator Akon E. Eyakenyi — Akwa-Ibom South*).

Question put and agreed to.

Report presented.

Debate:

Proposed Resolution (i)

Question: That the Senate do urge the National Council of States through Mr. President, Commander-in-Chief of the Armed Forces of the Federation, to compel all States to prioritize and dedicate a certain percentage of their resources to the cause and funding of Out of School Children (OoSC), and basic and secondary education; comply promptly with the conditions required to access and utilize the funds; own the process and implementation of the Programme to ensure continuity and safety of the infrastructures and facilities deployed to the States.

Amendment Proposed:

*Leave out the word “compel” in line 2 and insert the word “advise” instead thereof (*Senator Ibrahim Shekarau — Kano Central*).*

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

Proposed Resolution (ii)

Question: That the Senate do urge the Universal Basic Education Commission (UBEC) to extend the Basic Education Service Delivery for All (BESDA) implementation strategies to other States not included in the focus States in order to generate accurate data of the OoSC in those States —
Agreed to.

Proposed Resolution (iii)

Question: That the Senate do urge UBEC to deploy more robust and dynamic ways of monitoring the programme and ensure strict compliance for accessing and utilizing the funds, and supervision of the Federal Government's monetary and infrastructural interventions to States — *Agreed to.*

Proposed Resolution (iv)

Question: That the Senate do urge the Federal Ministry of Education (FME) to intensify its sensitization and advocacy programmes; and engagement of all stakeholders particularly, the traditional and religious Scholars on the plight of Almajiris amongst other OoSC, and the need to enroll them into the universal basic education system — *Agreed to.*

Resolved:

That the Senate do:

- (i) urge the National Council of States through Mr. President, Commander-in-Chief of the Armed Forces of the Federation, to advise all States to prioritize and dedicate a certain percentage of their resources to the cause and funding of Out of School Children (OoSC), and basic and secondary education; comply promptly with the conditions required to access and utilize the funds; own the process and implementation of the Programme to ensure continuity and safety of the infrastructures and facilities deployed to the States;
- (ii) urge the Universal Basic Education Commission (UBEC) to extend the Basic Education Service Delivery for All (BESDA) implementation strategies to other States not included in the focus States in order to generate accurate data of the OoSC in those States;
- (iii) urge UBEC to deploy more robust and dynamic ways of monitoring the programme and ensure strict compliance for accessing and utilizing the funds, and supervision of the Federal Government's monetary and infrastructural interventions to States;
- (iv) urge the Federal Ministry of Education (FME) to intensify its sensitization and advocacy programmes; and engagement of all stakeholders particularly, the traditional and religious Scholars on the plight of Almajiris amongst other OoSC, and the need to enroll them into the universal basic education system

17. Committee on Establishment and Public Service:

Report on the Confirmation of the Nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission:

Motion made: That the Senate do receive and consider the Report of the Committee on Establishment and Public Service on the Confirmation of the Nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission (*Senator Ibrahim Shekarau —Kano Central*).

Question put and agreed to.

Report Laid and presented.

Motion made: That the Senate do resolve into the Committee of the Whole to consider the Report (*Senate Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

Consideration of the Report of the Committee on Establishment and Public Service on the Confirmation of the Nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission.

Nominee recommended for confirmation:

Idahagbon Williams Omoregie

—

Agreed to.

Chairman to report progress.

(SENATE IN PLENARY)

The President of the Senate reported that the Senate in the Committee of the Whole considered the Report of the Committee on Establishment and Public Service on the Confirmation of the Nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission and approved the nomination.

Question: That the Senate do approve the Report of the Committee of the Whole — *Resolved in the Affirmative.*

Confirmation of nomination:

Question:

“Will the Senate confirm the nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission ?” — *Resolved in the Affirmative.*

Nomination of Idahagbon Williams Omoregie for Appointment as Commissioner of the Federal Civil Service Commission accordingly confirmed.

18. Committee on Health:

Report on the National Health Insurance Scheme Act, CAP N42 LFN, 2004 (Repeal and Re-enactment) Bill, 2020 (SB. 65):

Motion made: That the Senate do consider the Report of the Committee on Health on the National Health Insurance Scheme Act, CAP N42 LFN, 2004 (Repeal and Re-enactment) Bill, 2020 (*Senator Ibrahim Y. Oloriegbe — Kwara Central*).

Question put and agreed to.

Report presented.

Motion made: That the Senate do resolve into the Committee of the Whole to Consider the Report. (*Senate Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

CONSIDERATION OF A BILL FOR AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE SCHEME ACT, CAP. N42, LFN, 2004, AND TO ENACT THE NATIONAL HEALTH INSURANCE AUTHORITY BILL, 2020

PART I - ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE AUTHORITY

Clause 1: Establishment of the National Health Insurance Authority

- (1) There is established a body to be known as the National Health Insurance Authority (in this Bill referred to as "the Authority").
- (2) The Commission-
 - (a) shall be a body corporate with perpetual succession and an official seal;
 - (b) may sue and be sued in its corporate name;
 - (c) may for the performance of its functions under this Bill acquire,

hold, or dispose of any moveable and immovable property; and

- (d) may enter into contract or any other transaction in pursuance of its powers and functions under this Bill.

Committee's Recommendation:

That the provision in Clause 1 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 1 do stand part of the Bill, put and agreed to.

Clause 2: Object of the Authority

- (1) The object of the Authority shall include to promote, regulate and integrate health insurance schemes and do such other things that will assist the authority in achieving Universal Health Coverage to all Nigerians; and to improve and harness private sector participation in the provision of health care services.

Functions of the Authority

- (2) For the purpose of achieving this object, the Authority shall:
 - (a) promote, integrate and regulate all health insurance schemes that operate in Nigeria;
 - (b) Ensure that health insurance is mandatory for every Nigerian and legal residents;
 - (c) Enforce the Basic Minimum package of health services for all Nigerians across all Health insurance schemes operating within the country, including Federal, States, FCT as well as private Health Insurance Schemes."
 - (d) promote, support, collaborate with States through State Health Insurance Schemes to ensure that Nigerians have access to quality health care that meets national health regulatory standards;
 - (e) ensure the implementation and utilization of the Basic Health Care Provision Fund as required under the National Health Act and any guidelines as approved by the Minister under that Act;

- (f) grant accreditation and re-accreditation to Health Maintenance Organisations, Mutual Health Associations, Third Party Administrators and healthcare facilities and monitor their performance;
- (g) subject to section 12, approve contributions to be made by members of the various health insurance schemes;
- (h) provide or require the establishment of mechanisms for receiving and resolving complaints by members of the schemes and healthcare facilities; Health Maintenance Organizations, Mutual Health Associations and Third Party Administrators.
- (i) make proposals to the Council for the formulation of policies on health insurance;
- (j) provide technical and other relevant support to State Health Insurance schemes

- (k) seek and advocate for funds for the Basic Health Care Provision Fund;
- (l) provide and maintain information and communication technology (ICT) infrastructure and capability for the integration of all data on health schemes in Nigeria including but not limited to the State Health Insurance Schemes
- (m) undertake on its own or in collaboration with other relevant bodies a sustained public education on health insurance;
- (n) devise a mechanism for ensuring that the basic healthcare needs of indigents are adequately provided for;
- (o) maintain a register of licensed health insurance schemes and accredited healthcare facilities;
- (p) evaluate any new proposals related to extending the coverage of a health insurance scheme to any group of Nigerians;
- (q) in conjunction with the States, devise a mechanism for ensuring that the basic healthcare needs of vulnerable persons are adequately provided for.
- (r) accredit insurance companies, insurance brokers and banks desirous of participating in health insurance schemes under the Authority;
- (s) regulating all health insurance schemes in Nigeria in accordance with the provisions of this Bill;
- (t) approving formats of contracts for health service purchasing proposed by the health maintenance organizations and the mutual health associations for all health care facilities;

- (u) approving, after consultation with the Health Care Facilities formats of contracts for health service purchasing proposed by the health maintenance organizations and the mutual health associations for all health care facilities;
- (v) approving, after consultation with Health Care Facilities and the bodies representing the Health Care Facilities capitation and other payments due to health care facilities by the Health Maintenance Organizations, Mutual Health Associations, etc.;
- (w) undertake research and generate statistics on matters relating to the Authority;
- (x) exchange information and data with the National Health Management Information System, financial institutions, the Federal Inland Revenue Service, the State Internal Revenue Services, National Bureau of Statistics, professional regulatory bodies and other relevant bodies and individuals for research purposes upon their request;
- (y) ensure manpower development of the Commission;

- (z) ensure manpower development of the Authority
- (za) carry out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Authority under this Bill;
- (zb) develop operational guidelines for the Authority and ensure it is reviewed at least once in five (5) years;
- (zc) sanction erring parties in accordance with the provisions of the operational guidelines
- (zd) ensure that tariffs agreed with Health Care Facilities are reviewed on a three-yearly basis to the mutual satisfaction of Health Care Facilities, Health Maintenance Organization, Health Insurance Schemes and the Health Insurance Authority.

Committee's Recommendation:

That the provision in Clause 2 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 2 do stand part of the Bill, put and agreed to.

Clause 3: Establishment of the Governing Council

- (1) There is established a Governing Council (in this Bill referred to as "the Council") which shall consist of:
 - (a) the Chairman;
 - (b) one representative each of:
 - (i) the Federal Ministry of Health not below the rank of a Director;
 - (ii) the Federal Ministry of Finance not below the rank of a Director;
 - (iii) the Nigeria Employers Consultative Association;
 - (iv) Two representatives of Organised Labour
 - (v) the Armed Forces.
 - (d) Director General of the Authority who shall also serve as the Secretary to the Council;
 - (e) a representative of each geo-political zone to represent the States, such representation to be rotated between States every two years within the zone;
 - (f) representative of a Civil Society Organisation whose main activities focus on health.
- (2) Members of the Council, other than the Director General, shall be part-time members.
- (3) All members shall within one month of appointment declare in writing to the Council their personal interests known to them in any Organization under this Bill.
- (4) If upon declaration a member is found to hold personal interests in

conflict with the object of this Bill in whatever form, the appointment shall be withdrawn.

- (5) The Chairman and other members of the Council shall be appointed by the President of the Federal Republic of Nigeria on the recommendation of the Minister, and shall be persons of relevant high education, experience and integrity.

Committee's Recommendation:

That the provision in Clause 3 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 3 do stand part of the Bill, put and agreed to.

Clause 4: Functions and Powers of the Council

The Council shall have the powers to:

- (a) approve and register for the Authority third party administrators in any form;
- (b) determine the overall policies of the Authority, including the financial and operational procedures of the Authority;
- (c) ensure the effective implementation of the policies and guidelines of the Authority;
- (d) regulate and supervise the various health insurance schemes established under this Bill;
- (e) promote, oversee, collaborate and provide guidance to State Health Insurance Schemes
- (f) issue guidelines for the administration of the funds under the Authority;

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- (g) approve, license, regulate and supervise Health Maintenance Organisations, Mutual Health Associations and other institutions relating to the Authority as may be determined from time to time;
- (h) establish standards, rules and guidelines for the management of the various schemes under this Bill;
- (i) approve the organisational structure of the Authority as well as the appointments, promotions and discipline of all categories of the Authority's staff and also their remuneration;
- (j) receive and investigate complaints of impropriety levied against any Health Maintenance Organisation, Mutual Health Associations, and other relevant institutions;
- (k) discipline by way of temporary suspension, revocation of license or imposition of fines to any erring operator (HMOs, MHAs, HCPs and other relevant institutions);
- (l) appoint auditors and other consultants for the Authority; and
- (m) do such other things which are necessary or expedient for the performance of its functions under this Bill.

Committee's Recommendation:

That the provision in Clause 4 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 4 do stand part of the Bill, put and agreed to.

Clause 5: Tenure of Office of Council Members

- (1) A member of the Council other than the Director General and Chief Executive Officer
 - (a) shall hold office for a term of 4 years in the first instance, and
 - (b) may be re-appointed for a further term of 4 years and no more.
- (2) Where a member of the Council resigns, dies, is removed from office or is, for sufficient reason, unable to act as a member of the Council, the chairperson shall notify the President through the Minister, of the vacancy, and the President shall, on the advice of the nominating authority, where applicable, appoint another person to hold office for the unexpired portion of the member's term of office.
- (3) A member of the Council may at any time resign from office in writing addressed to the President through the Minister.

Committee's Recommendation:

That the provision in Clause 5 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 5 do stand part of the Bill, put and agreed to.

Clause 6: Meetings of Council

- (1) The Council shall meet at least once every three months for dispatch of business.

- (2) The Chairman shall at the request, in writing, of not less than half of the membership of the Council convene an extraordinary meeting of the Council at the place and time determined by the Chairman.
- (3) The quorum at a meeting of the Council shall be one third of members of the Council including the Director General.
- (4) The Chairman shall preside at the meeting of the Council and, in the absence of the Chairman, a member of the Council elected by the members present from among their number shall preside.
- (5) Matters before the Council shall be decided by a simple majority of the members present and voting. In the event of a tie of votes, the person presiding shall have the casting vote;
- (6) The Council may invite a person acting in an expert capacity, but that person is not entitled to vote on a matter for decision by Council.
- (7) Subject to the provisions of this section, the Council shall determine the procedure for its meetings; and
- (8) Minutes in proper form of each meeting shall be kept and shall be adopted by the Council at the next meeting and signed by the Chairman and the Secretary of the meeting.

Committee's Recommendation:

That the provision in Clause 6 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 6 do stand part of the Bill, put and agreed to.

Clause 7: Disclosure of Interest

A member of the Council who has an interest in a contract, or any other transaction proposed to be entered into with the Commission, or an application before the Council shall disclose in writing the nature of the interest and is disqualified from participating in the deliberations of the Council in respect of the contract, application or that transaction.

Committee's Recommendation:

That the provision in Clause 7 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 7 do stand part of the Bill, put and agreed to.

Clause 8: Committees of the Council

The Council may, for the performance of its functions, appoint committees composed of members of the Council or non-members or both and assign to the committees any of its functions but a committee composed entirely of non-members may only advise the Council.

Committee's Recommendation:

That the provision in Clause 8 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 8 do stand part of the Bill, put and agreed to.

Clause 9: Remuneration of Members

- (1) The members of the Council shall be paid such remunerations and allowances as the Federal Government may, from time to time, determine for the Chairman and members of Governing Council.
- (2) The members of the Council, members of Committee of the Council and persons invited to attend meetings of the Council shall be paid the traveling and any other allowances as approved by the Government.

Committee's Recommendation:

That the provision in Clause 9 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 9 do stand part of the Bill, put and agreed to.

Clause 10: Cessation of Membership.

- (1) A member of the Council ceases to hold office if he:
 - (a) becomes of unsound mind; or
 - (b) becomes bankrupt or makes a compromise with his creditors; or
 - (c) is convicted of a felony or of any offence involving dishonesty; or
 - (d) is guilty of serious misconduct in relation to his duties; or
 - (e) fails to declare his interests to the Council as required by section 7 of this Bill.
- (2) A member of the Council may be removed from office by the President, on the recommendation of the Minister if he is satisfied that it is not in the interest of the Authority or the interest of the public that the member should continue in office

- (3) Where a vacancy occurs in the membership of the Council, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, however, the successor shall represent the same interest and shall be appointed by the President.
- (4) The Council may in the public interest be dissolved by the President and all its members, excluding the Director General, shall cease to hold office as Council members.
- (5) A member of the Council who is absent from three consecutive meetings of the Council without sufficient cause shall cease to be a member of the Council.
- (6) The Chairperson shall, through the Minister, notify the President in writing of a vacancy that occurs on the Council within thirty days of the occurrence of the vacancy.

Dissolution of the Council

- (7) Upon dissolution of the Council and pending its reconstitution, the Minister shall exercise the powers and functions of the Council under this Bill.

Committee's Recommendation:

That the provision in Clause 10 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 10 do stand part of the Bill, put and agreed to.

Clause 11: Ministerial Directives

The Minister of Health may give to the Council directives on matters of policy.

Committee's Recommendation:

That the provision in Clause 11 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 11 do stand part of the Bill, put and agreed to.

PART II - TYPES OF HEALTH INSURANCE SCHEMES

Clause 12: Establishment of State Health Insurance/Contributory Scheme

- (1) Every State of the Federation and the Federal Capital Territory may, for the purposes of providing access to health services to its residents, establish and implement a State health insurance and contributory scheme, to cover all residents of the State and Federal Capital Territory; the coverage of which shall be at the minimum the scope of coverage as outlined in the Basic Minimum Package of the National Health Act.
- (2) The Authority shall establish a Scheme for the coverage of employees of Ministries, Departments and Agencies in the Federal Civil Service and other relevant groups;
- (3) For the purpose of the implementation of a Scheme provided for under subsection (2), the Authority shall, with the approval of the Council set out operational guidelines for the scheme
- (4) State health insurance/contributory schemes and the Federal Capital Territory Scheme established under subsection (1) shall comply with the requirements under this Bill, to ensure that any Health Maintenance Organisations, Health Care Facilities, Mutual Health Associations or third party administrators employed in State health insurance schemes

or the Federal Capital Territory health insurance Scheme are registered by the Authority in accordance with the provisions of this Bill;

- (5) Every State and the Federal Capital Territory Scheme shall establish an Information and Communication Technology (ICT) infrastructure for the management of data and such ICT infrastructure shall be integrated with and provide information in the requisite format to the ICT infrastructure of the Authority;
- (6) A State and the Federal Capital Territory shall provide coverage for vulnerable persons under the State health insurance and contributory scheme through the Basic Health Care Provision Fund (BHCPF) and other sources and not require the payment of premiums for such coverage by vulnerable persons defined by this Bill.
- (7) Every State which has established a State health Insurance/ contributory scheme and which complies with the requirements of this Bill shall be eligible to participate in the Basic Health Care Provision Fund as established under the National Health Act and its guidelines.

Committee's Recommendation:

That the provision in Clause 12 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 12 do stand part of the Bill, put and agreed to.

Clause 13: Participation in Health Insurance to Be Mandatory

- (1) Subject to the provisions of this Bill, every person resident in Nigeria shall be required to obtain health insurance.
- (2) Residents under this Bill shall include all employers and employees into public and private sectors with five staff and above; informal sector employees and all other residents of Nigeria.
- (3) Subject to subsection (2), nothing under the provisions of this Bill shall be construed to preclude a resident in Nigeria from obtaining private health insurance provided such a person participates in any State mandated health scheme
- (4) A person who obtains private health insurance shall not be eligible to receive free coverage as a vulnerable person as provided under section 12 of this Bill.

Committee's Recommendation:

That the provision in Clause 13 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 13 do stand part of the Bill, put and agreed to.

Clause 14: Qualification for Application

- (1) Without prejudice to the power of a State to establish a health scheme, under section 12 of this Bill, a person shall not qualify to apply to operate any form of health insurance scheme in the country unless it is registered as a company limited by guarantee or a limited liability company and complies with the provisions of all relevant laws in Nigeria
- (2) A private health insurance scheme/plan shall cover interested individuals, employers or employees of organizations in the private sector who may want to buy the plans for supplementary benefits.

- (3) A body corporate registered as a limited liability company under the Companies and Allied Matters Act, Cap.C20, LFN, 2004 and accredited by the Authority as a Health Managed Care Organisation may operate a private health insurance scheme, subject to compliance with the provisions of law.
- (4) A private health insurance scheme/plan shall be required as a condition for registration and licensing by the Authority to deposit with a Bank accredited by the Authority an amount of money in an interest yielding account that the Authority shall prescribe as security for its members
- (5) The security referred to under subsection (4) shall be maintained throughout the period that the business of the private health insurance is carried on
- (6) The Authority may review the level of the security deposit.

- (7) Where a private health insurance scheme/plan suffers a substantial loss, arising from liability to members and the loss cannot reasonably be met from its available resources, the Authority may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the security deposit of the scheme of an amount sufficient to meet the liability, and an amount withdrawn shall be replaced by the scheme not later than ninety days after the date of the withdrawal
- (8) The security deposit is the asset of the private health insurance scheme or plan, but except as provided in subsection (7), it shall be available to the scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining un-discharged at the time of the closure or winding up of the insurance business.
- (9) All Private Health Insurance Schemes or Plans shall be regulated by the Authority.

Committee's Recommendation:

That the provision in Clause 14 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 14 do stand part of the Bill, put and agreed to.

Clause 15: Application for Accreditation and License

- (a) Without prejudice to the right of a State to establish a health scheme under section 12 of this bill, a person, or group shall not operate a health insurance scheme of any type in Nigeria unless it has been registered with the Authority and issued a license for that purpose
- (b) Application for accreditation and license to operate a health insurance scheme shall be made to the Authority in a form to be prescribed by the Authority.

Committee's Recommendation:

That the provision in Clause 15 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 15 do stand part of the Bill, put and agreed to.

Clause 16: Issuance of Licence

Without prejudice to the right of a State to establish a health scheme under

section 12 of this Bill, a person other than a State shall not operate a health scheme of any type in Nigeria unless it has:

- (a) obtained a licence from relevant statutory bodies;
- (b) been registered with the Commission ; and
- (c) been issued a licence for that purpose.

Committee's Recommendation:

Leave out the provision in Clause 16 (Senator Yahaya I. Oloriegbe — Kwara Central)— Agreed to.

Clause 17: Fee for Issuance of Licence

Without prejudice to the provisions of section 15 herein, the Authority, may by Regulations impose fees for the issuance of a license under this Bill, except in the case of a Government Health Insurance Scheme / Authority.

Committee's Recommendation:

That the provision in Clause 17 be retained (Senator Yahaya I. Oloriegbe — Kwara Central).

Question that Clause 17 do stand part of the Bill, put and agreed to.

Clause 18: Duration and Renewal of a License

- (1) A license to operate a health insurance scheme shall expire five years from the date of issuance of the license.
- (2) The license may on an application be renewed for further periods of three years at a time.
- (3) An application for renewal of a license shall be made not later than three months before the expiration of the license.
- (4) Where an application for renewal is made and the license expires before the Commission determines the application, the license shall be deemed to be in force until the application for renewal is determined by the Commission.

Committee's Recommendation:

Leave out the provision in Clause 18 (Senator Yahaya I. Oloriegbe — Kwara Central)— Agreed to.

Clause 19: Refusal to Register and License a Scheme

- (a) The Authority may refuse to register and issue a license for a scheme, and it shall notify the applicant in writing of its decision, stating the reasons for the refusal
- (b) Where the refusal to register and issue a license is as a result of non-material defect in the application, the Authority may in the notice require the applicant to rectify the application within six (6) months

Committee's Recommendation:

That the provision in Clause 19 be retained (Senator Yahaya I. Oloriegbe — Kwara Central).

Question that Clause 19 do stand part of the Bill, put and agreed to.

Clause 20: Suspension or Revocation of License of a Scheme

The Authority may refuse to register or revoke the license of a scheme if it is in breach of relevant provisions of the Operational Guidelines and has failed to comply with a provision of this Bill, the Regulations or any other enactment applicable to the scheme.

Committee's Recommendation:

That the provision in Clause 20 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 20 do stand part of the Bill, put and agreed to.

Clause 21: Third Party Administrator

- (1) A Third Party Administrator shall:
 - (a) be a company duly incorporated as a limited liability company under the Companies and Allied Matters Act;
 - (b) be registered by the Authority to perform such functions as are specified under this Bill; and
 - (c) comply with all the requirements for Third Party Administrators under the regulations to be made by the Authority.
- (2) A health maintenance organisation may act as a Third Party Administrator if:
 - (a) it meets the requirements for doing so under this Bill; and
 - (b) it is contracted to do so.
- (3) A Third Party Administrator established under this Bill shall perform the following functions:

Continuous quality assurance

 - (a) management of providers including continuous quality assurance;
 - (b) ensuring patient satisfaction through relevant mechanisms, including the operation of call centres; and
 - (c) any other functions that may be assigned to the third party administrators by the Authority.

Committee's Recommendation:

That the provision in Clause 21 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 21 do stand part of the Bill, put and agreed to.

Clause 22: Deleted (Limitation to Provision of Health Insurance).

A health insurance scheme registered and licensed under this Bill shall not carry on any activity other than activities directly related to the provision of health insurance.

Committee's Recommendation:

Leave out the provision in Clause 22 (*Senator Yahaya I. Oloriegbe — Kwara Central*)— *Agreed to.*

- Clause 23: Prohibition of provision of health insurance service without license**
A person shall not operate a health insurance scheme unless the scheme:
- (a) is registered with the Commission;
 - (b) is issued with a license for that purpose by the Commission; and
 - (c) complies with other requirements under this Bill.

Committee's Recommendation:

Leave out the provision in Clause 23 (*Senator Yahaya I. Oloriegbe — Kwara Central*)— *Agreed to.*

- Clause 24: Display of License**
A licensed scheme, institutions, organizations or groups shall display its (their) license in a prominent place at its offices, where the license is visible to the general public.

Committee's Recommendation:

That the provision in Clause 24 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 24 do stand part of the Bill, put and agreed to.

- Clause 25: Prohibition on Use of Name Unless Licensed**
- (1) Without prejudice to the right of a State to establish a health scheme, a person shall not conduct an activity under a name which includes "health scheme", "medical insurance scheme", "health maintenance organization", "health insurance scheme" or similar name which is calculated or likely to lead people to believe that person operates a health insurance scheme unless the scheme is registered and licensed and complies with other provisions under this Bill.
 - (2) A person who acts contrary to subsection (1) commits an offence and is liable on conviction to a fine not less than N2,000,000 (Two Million Naira) or to a term of imprisonment of not less than Five (5) Years or both

Committee's Recommendation:

That the provision in Clause 25 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 25 do stand part of the Bill, put and agreed to.

- Clause 26: Transfer and Joint Operations**
- (1) Subject to the provisions of section 12 of this Bill, a health scheme licensed under this Bill shall not transfer its activities or operate its activities jointly with another scheme unless it has the prior written approval of the Authority.
 - (2) An application for approval under subsection (1) shall be made jointly to the Authority by the schemes involved and shall contain the information prescribed by regulation made by the Authority under this Bill.

Committee's Recommendation:

That the provision in Clause 26 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 26 do stand part of the Bill, put and agreed to.

- Clause 27: Gazette Notification**
On the licensing, suspension or revocation of the license of a scheme, the Authority shall publish the name and particulars of the scheme in the Gazette

and/or newspapers of national circulation that the Authority shall determine.

Committee's Recommendation:

Leave out the provision in Clause 27 (*Senator Yahaya I. Oloriegbe — Kwara Central*)— Agreed to.

PART III - ESTABLISHMENT OF VULNERABLE GROUP FUND

Clause 28: Implementation of the Basic Health Care Provision Fund

- (1) The Commission shall work in conjunction with the States to provide a basic minimum package of care to all residents of Nigeria.
- (2) For the purpose of subsection (1), the Commission shall implement the Basic Health Care Provision Fund as set out in the guidelines developed in that regard.
- (3) The Commission shall work in conjunction with the States to achieve the objectives of the Fund and to provide a basic minimum package of care as defined in the guidelines developed for the implementation of the Fund.
- (4) The Commission shall provide general guidance for the operation of the Fund. For this purpose, the Commission shall:
 - (a) make regulations covering accreditation, quality of care and complaints handling;
 - (b) collaborate with the State Health Schemes and including through State-owned institutions, to accredit and empanel primary and secondary health care facilities using criteria as may be contained in relevant guidelines; and
 - (c) provide for the administration of an Ombudsman to handle complaints of enrollees under section 54.
- (5) States health schemes shall be responsible for disbursements, management of the Fund, and monitoring and evaluation of the implementation of the Fund in the State in line with the relevant guidelines issued by the Commission.
- (6) Where a State has not yet established a State Health Scheme, it may contact a Third Party Administrator, as defined in this Bill for a temporary period, prior to establishing a State Health Scheme.

Committee's Recommendation:

That the provision in Clause 19 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 19 do stand part of the Bill, put and agreed to.

Clause 29: Object of the Fund

- (1) The object of this fund is to provide finance to subsidize the cost of provision of health care services to vulnerable persons in Nigeria.
- (2) For the purpose of implementing the object, the monies from the Fund Shall be expended as follows:
 - (a) To provide subsidy for Health Insurance coverage of vulnerable persons as determined by Council
 - (b) To provide for the payment of health insurance premium for indigents.

Committee's Recommendation:

That the provision in Clause 29 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 29 do stand part of the Bill, put and agreed to.

Clause 30: Sources of Money for the Fund

- (1) The sources of money for the Fund shall include:
 - (a) Basic Health Care Provision Fund to National Health Insurance Authority (NHIA);
 - (b) Health insurance levy;
 - (c) telecommunications tax: not less than 1 kobo per second of GSM call;
 - (d) Money that may be allocated to the Fund by the Government(s)
 - (e) Money that accrues to the fund from investments made by the council; and
 - (f) Grants, donations, gifts and any other voluntary contributions made to the fund
- (2) The Council may by regulations review the sources of funding to keep pace with development in the health insurance industry.

Committee's Recommendation:

That the provision in Clause 30 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 30 do stand part of the Bill, put and agreed to.

Clause 31: Formula for Disbursement from the Fund

- (1) The Council shall from time to time determine and submit to the Minister for approval, the criteria for disbursement of subsidies to be paid to State Health Insurance Schemes for health care of the vulnerable and indigents in Nigeria.
- (2) The Council shall in disbursement of moneys from the Fund make specific provisions towards the health needs of indigents and prescribe the methods for determining who is indigent in Nigeria.

Committee's Recommendation:

That the provision in Clause 31 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 31 do stand part of the Bill, put and agreed to.

Clause 32: Management of the Fund

- (1) The Council shall give directives to the Authority for the management of the Fund.
- (2) The Council in the Management of the Fund shall have the following functions;
 - (a) formulate and implement policies towards achieving the objects of the Fund;
 - (b) approve methods for the collection of monies lawfully due to the Fund;

- (c) account for the money in the Fund;

- (d) provide formula for the disbursement of moneys from the Fund;
- (e) approve any other expenditure charge on the fund under this Bill or any other enactment;
- (f) perform any other ancillary functions to the object of the Fund.

Committee's Recommendation:

That the provision in Clause 32 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 32 do stand part of the Bill, put and agreed to.

Clause 33: Investment of the Fund

Subject to the approval of Council, the Authority may invest a part of the Fund that it considers appropriate in securities and deposits.

Committee's Recommendation:

That the provision in Clause 33 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 33 do stand part of the Bill, put and agreed to.

Clause 34: Expenses of the Fund

The expenses attendant to the management of the Fund shall be charged to the Fund.

Committee's Recommendation:

That the provision in Clause 34 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 34 do stand part of the Bill, put and agreed to.

PART IV - CONTRIBUTIONS UNDER THE HEALTH INSURANCE SCHEMES

Clause 35: Payment of Contributions

- (1) Contributions under:
 - (a) Formal sector shall be paid by the employers and employees at rates determined from time to time by the council of the various State Health Insurance Schemes.
 - (b) Informal sector shall be paid by individuals, groups and family at rates determined from time to time by the council of the various State Health Insurance Schemes.
- (2) The contributions for the vulnerable person not otherwise covered by other schemes, shall be made on their behalf by one or a combination of the three levels of government, development partners and/or non-governmental organisations.
- (3) Contributions from the Federal Government for vulnerable persons shall be made from the Basic Health Care Provision Fund.
- (4) State shall be eligible to access these funds upon establishing their State Health Insurance Schemes as required under this Bill and other relevant provisions of the Guidelines of the Authority.

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- (5) Individuals and or employers may pay additional premiums for voluntary supplementary or complementary private health insurance plans.

Committee's Recommendation:

That the provision in Clause 35 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 35 do stand part of the Bill, put and agreed to.

Clause 36: Registration of Employers, Employees, etc.

- (1) Subject to such guidelines and regulations as may be made under this Bill, an employer shall register itself and its employees and pay into the account of States Social Health Scheme funds, its contributions and the contributions in respect of its employees, at such time and in such manner as may be specified, from time to time, in the State Health Insurance Scheme Laws and guidelines issued thereunder.
- (2) Subject to such guidelines and regulations as may be made under this Bill, an individual and/or employer may register himself or herself, and the people under him/her with a private health insurer pay into designated accounts of such insurer the necessary premium in respect of himself and others under supplementary or complementary private health insurance schemes.

Committee's Recommendation:

That the provision in Clause 36 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 36 do stand part of the Bill, put and agreed to.

PART V — HEALTH MAINTENANCE ORGANISATIONS, MUTUAL HEALTH ASSOCIATIONS AND THIRD-PARTY ADMINISTRATORS

Clause 37: Accreditation of Health Maintenance Organisations, Mutual Health Associations and Third-Party Administrators

- (1) The Authority shall accredit —
- (a) Health Maintenance Organizations (HMOs) (hereinafter referred to as organizations)
- (b) Mutual Health Associations (MHAs) (hereinafter referred to as MHA)
- (c) Third Party Administrators (hereinafter referred to as TPAs)
- (2) The accreditation of organizations, MHAs, and TPAs shall be in such form and manner as may be determined by the Operational Guidelines of the Authority;
- (3) The Authority is empowered to withdraw licence of any accredited Organization, MHA, and TPA where the Organization, MHA, and TPA breaches its provision(s) as provided in the operational guideline.
- (4) When the accreditation of an Organisations, MHAs, and TPAs is withdrawn, the Authority shall decide on the best way to keep its activities going either temporarily or permanently to safeguard the interest of the enrollees.

- (5) The Authority may refuse to register and issue a license to an Organisations, MHAs, and TPAs, and it shall notify the applicant in writing of its decision.

Committee's Recommendation:

That the provision in Clause 37 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 37 do stand part of the Bill, put and agreed to.

Clause 38: Functions of Health Maintenance Organisations, Mutual Health Associations and Third Party Administrators

- (1) An Organisation referred to in this Bill shall have the following functions:
 - (a) roles as may be assigned to it by the State Health Insurance Schemes (SHIS) including but not limited to the role of third party administrator;
 - (b) where employed to collect contributions, ensure prompt remittance of contributions to State pools;
 - (c) perform other administrative actions as required under this Bill;
 - (d) pay administrative charges to the Authority for purposes of regulation and related issues.
 - (e) the payment for services rendered by healthcare providers accredited under the Authority, for private Health Insurance.
 - (f) establish a Quality Assurance system to ensure that qualitative care is given by the healthcare providers to enrollees, and
 - (g) render to the Authority returns on its activities as may be required by the Council.
 - (h) any other function as may be determined by the Authority from time to time
- (2) Any private Health Insurance plans marketed by Organizations, shall be subject to approval by the Authority.
- (3) Notwithstanding any provisions contained in this Bill, a Health Maintenance Organisation shall not be involved in the direct delivery of health care services.
- (4) The Mutual Health Associations shall have the following functions —
 - (a) continuous community mobilization and sensitisation;
 - (b) negotiation with providers and purchasing of services for its members and their families in consultation with the Authority.
 - (c) ensuring prompt remittance of contribution, collected on behalf of the members to the State Health Insurance Scheme.
 - (d) assisting in ensuring quality assurance
 - (e) any other functions as may be determined by the Authority

Committee's Recommendation:

That the provision in Clause 38 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 38 do stand part of the Bill, put and agreed to.

Clause 39: Third Party Administrators

- (1) A Third-Party Administrator shall —
 - (a) be a company duly incorporated as a limited liability company under the Companies and Allied Matters Act;
 - (b) be registered by the Authority to perform such functions as are specified under this Bill; and
 - (c) comply with all the requirements for Third Party Administrators under the regulations to be made by the Authority.
- (2) An Organisation may act as a Third-Party Administrator if —
 - (a) it meets the requirements for doing so under this Bill; and
 - (b) it is contracted to do so.
- (3) A Third-Party Administrator established under this Bill shall perform the following functions —
 - (a) carry out continuous quality assurance;
 - (b) ensuring patient satisfaction through relevant mechanisms, including the operation of call centres; and
 - (c) any other administrative functions which they are required to carry out to facilitate implementation of a State health scheme.
 - (d) any other function as may be required by the Authority

Committee's Recommendation:

That the provision in Clause 39 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 39 do stand part of the Bill, put and agreed to.

Clause 40: Accreditation / Functions of Healthcare Providers

- (1) The accreditation of health care providers shall be in such form and manner that complies with the Operational Guidelines of the Authority which shall be determined by the Authority, from time to time.
- (2) A health care provider accredited under the Authority shall —
 - (a) In consideration for a capitation payment made in respect of each insured person registered with it, render quality healthcare services in accordance with the approved benefit package.
 - (b) for payment of approved fee for service as may be determined by council from time to time, render quality healthcare services to insured persons in accordance with the benefit package.
 - (c) any other function as may be determined by the Authority from time to time.

Committee's Recommendation:

That the provision in Clause 40 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 40 do stand part of the Bill, put and agreed to.

Clause 41: Quality Assurance

The Authority shall ensure that beneficiaries receive quality health care services as shall be provided in the Operational Guidelines:

Committee's Recommendation:

That the provision in Clause 41 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 41 do stand part of the Bill, put and agreed to.

Clause 42: Appointment of Actuary

The Authority shall —

Appoint a licenced Actuary on such terms and conditions as may be determined from time to time.

Committee's Recommendation:

That the provision in Clause 42 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 42 do stand part of the Bill, put and agreed to.

Clause 43: Inspection of Schemes

- (1) The Commission may for the purposes of supervision of health insurance schemes carry out inspections as may be prescribed.
- (2) The Commission may employ suitably qualified and experienced persons to assist it or carry out an inspection on its behalf.
- (3) The Commission shall ensure that inspection of licensed health insurance schemes is carried out at intervals to be determined by the Council.
- (4) The Commission shall after an inspection compile a report stating the status of the scheme and shall submit a copy of the report including its recommendations to the scheme for compliance where applicable.

Committee's Recommendation:

Leave out the provision in Clause 43 (*Senator Yahaya I. Oloriegbe — Kwara Central*) — *Agreed to.*

Clause 44: Directives of the Authority

The Authority may direct a scheme or an officer of a scheme to comply with the directives of the Authority specified in writing and where there is failure to comply, the Authority may apply sanctions as provided for in its Operational Guidelines.

Committee's Recommendation:

That the provision in Clause 44 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 44 do stand part of the Bill, put and agreed to.

PART VI — STAFF OF THE AUTHORITY

Clause 45: Director-General and Chief Executive Officer and Other Staff of the Authority

- (1) The President shall appoint a Director - General and Chief Executive Officer for the Authority, subject to confirmation by the senate.
- (2) The Director General and Chief Executive Officer shall —
 - (a) be a person of integrity with relevant professional qualifications and expertise..
 - (b) be the Accounting Officer of the Authority.
 - (c) hold office —

- (i) for a period of 5 years in the first instance and may be re-appointed for a further term of 5 years and no more; and
 - (ii) on such terms and conditions as may be specified in the letter of appointment.
- (3) The Director General and Chief Executive Officer shall —
 - (a) organize and direct the day-to-day operation of the Authority in accordance with the Bill;
 - (b) be responsible for the general direction and control of all other employees of the Authority;
 - (c) be responsible for the administration of the Secretariat of the Council; and
 - (d) be responsible for keeping of the books and proper records of the Authority.
 - (4) The Director-General and Chief Executive Officer shall be a voting member of the Council as well as its Secretary
 - (5) The Council shall —
 - (a) appoint, for the Authority, such number of directors and other employees as may, in the opinion of the Council, be required to assist the Authority in the discharge of any of its functions under this Bill; and
 - (b) pay to persons so appointed such remuneration (including allowances) as the Council may, after consultation with the National Salaries, Incomes and Wages Commission determines.

Committee's Recommendation:

That the provision in Clause 45 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 45 do stand part of the Bill, put and agreed to.

Clause 46: Employment in the Authority is Pensionable

- (1) Employment in the Authority shall be in line with approved service for purposes of the Pension Reform Act.
- (2) Employees of the Authority shall be entitled to retirement benefits as provided under the Pension Act.

- (3) Nothing in subsections (1) and (2) of this section or in this Bill shall prevent the appointment of a person to any office on terms which preclude the grant of pension and gratuity in respect of that office.
- (4) For the purposes of the application of the provisions of the Pension Reform Act, any power exercisable there under by a Minister or other authority of the Government of the Federation, other than the power to make regulations under the existing Pension Act, is hereby vested in and shall be exercisable by the Council and not by any other person or authority.

Committee's Recommendation:

That the provision in Clause 46 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 46 do stand part of the Bill, put and agreed to.

Clause 47: Employment in the Commission is Pensionable

- (1) Employment in the Commission shall be in line with approved service for purposes of the Pension Reform Act.
- (2) Employees of the Commission shall be entitled to retirement benefits as provided under the Pension Act.
- (3) Nothing in subsections (1) and (2) of this section or in this Bill shall prevent the appointment of a person to any office on terms which preclude the grant of pension and gratuity in respect of that office.
- (4) For the purposes of the application of the provisions of the Pension Reform Act, any power exercisable there under by a Minister or other authority of the Government of the Federation, other than the power to make regulations under the existing Pension Act, is hereby vested in and shall be exercisable by the Council and not by any other person or authority.

Committee's Recommendation:

Leave out the provision in Clause 47 (Senator Yahaya I. Oloriegbe — Kwara Central).

Clause 48: Establishment of Offices in States and FCT

- (1) The Authority shall with the approval of the Council, establish in each State of the federation and Federal Capital Territory, an office for the Authority.
- (2) The Administration, finances and other functions of the States and FCT Offices shall be determined by the Authority.

Committee's Recommendation:

That the provision in Clause 48 be retained (Senator Yahaya I. Oloriegbe — Kwara Central).

Question that Clause 48 do stand part of the Bill, put and agreed to.

PART VII — FINANCIAL PROVISIONS

Clause 49: Establishment of Fund for the Authority

- (1) The Authority shall establish and maintain a fund from which all its expenses shall be defrayed
- (2) The fund established under subsection (1) of this section shall consist of—
 - (a) annual subvention from the Federal Government;
 - (b) such monies as may be due to the Authority as administrative charge from private health insurance plans;
 - (c) fees, fines and commissions charged by the Authority;
 - (d) income from any investments of the Authority
 - (e) such money as may be received from time to time or be from

international or donor organisations and Non-Governmental organisations; and

- (f) all other monies which may, from time to time, accrue to the Authority.
- (3) The Authority shall, from time to time, apply the funds at its disposal —
 - (a) to the cost of administration of the Authority
 - (b) to the payment of allowances and benefits of members of the Council;
 - (c) to the payment of salaries, allowances and benefits of officers and employees of the Authority;
 - (d) for the maintenance of any property vested in the Authority or under its administration; and
 - (e) for and in connection with the objectives of the Authority under this Bill.
 - (4) The Authority shall invest any money not immediately required by it in the Federal Government securities or in such other securities and deposit as the Council may determine

Committee's Recommendation:

That the provision in Clause 49 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 49 do stand part of the Bill, put and agreed to.

Clause 50: Power to Accept Gifts

- (1) The Authority may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift.
- (2) The Authority shall not accept any gift if the conditions attached by the person or organization offering the gift are inconsistent with the objectives and functions of the Authority under this Bill

Committee's Recommendation:

That the provision in Clause 50 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 50 do stand part of the Bill, put and agreed to.

Clause 51: Annual Accounts

- (1) The Authority shall cause to be prepared, not later than 30th September in each year, an estimate of the expenditure and income of the Authority during the succeeding year and when prepared, they shall be submitted to the National Assembly for appropriation.
- (2) The Authority shall cause to be kept proper accounts of the Authority and proper records in relation thereto and such accounts shall be audited by auditors appointed by the Authority from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation.
- (3) Any member, agent or employee of the Authority who fails, without reasonable cause, to comply with a requirement of an auditor under subsection (2) of this section, commits an offence and is liable on

conviction to a fine not exceeding Two million Naira (N2,000,000) or imprisonment for a term not exceeding three years or to both such fine and imprisonment

Committee's Recommendation:

That the provision in Clause 51 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 51 do stand part of the Bill, put and agreed to.

Clause 52: Annual Reports.

The Council shall not later than 6 months immediately following the end of a year

- (a) submit to the Minister a report on the activities and the administration of the Authority during the immediately preceding year and shall include in the report the audited accounts of the Authority and the auditor's report on the accounts; and
- (b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Authority to the Minister

Committee's Recommendation:

That the provision in Clause 52 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 52 do stand part of the Bill, put and agreed to.

Clause 53: Exemption from Tax

- (1) The Authority shall be exempted from the payment of tax on any income accruing from investments made by the Council for the Authority or otherwise.
- (2) The provisions of any enactment relating to the taxation of companies or trust funds shall however not apply to the Authority or the Council.

Committee's Recommendation:

That the provision in Clause 53 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 53 do stand part of the Bill, put and agreed to.

PART VIII — ARBITRATION

Clause 54: Mediation/Arbitration

- (1) Whenever there is dispute amongst parties under this Bill, the dispute shall first be referred to the Authority for mediation and conciliation in accordance with the Operational Guideline. Where conciliation fails, parties may result to arbitration.
- (2) The parties referred to in subsection (1) include, the Organisations, the Health Care Providers, the contributors or the Authority or its agents.
- (3) The applicable arbitral procedure shall be as provided in the Arbitration and Conciliation Act.
- (4) No action shall lie against the Authority, its agents, employees without prior notice in writing given one month before the institution of a legal action.

Committee's Recommendation:

That the provision in Clause 54 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 54 do stand part of the Bill, put and agreed to.

Clause 55: Ombudsman

- (1) An Ombudsman is established to consider complaints and disputes by enrollees in health schemes under this Bill.
- (2) The Ombudsman shall be composed of three persons, one of whom shall be a legal practitioner.
- (3) An enrollee, an employer whose staff are covered by a health scheme as established under this Bill or similar person who has a grievance against an insurance scheme established or recognised under this Bill may by himself or through his legal heirs, nominee or assignee or employer as the case may be, seek redress from the Ombudsman in regard to any grievance arising out of coverage under that scheme by making a complaint in writing to the Ombudsman.
- (4) Matters that shall be brought before the Ombudsman shall include —
 - (a) Complaints regarding failure to provide service after premiums have been paid;
 - (b) Complaints about the quality and timing of service;
 - (c) Issues relating to accessibility of service; and
 - (d) Issues relating to failure to obtain services in sufficient time.
- (5) No complaint to the Ombudsman shall be valid unless —
 - (a) the complainant makes a written representation to the health scheme and the scheme had rejected the complaint; or
 - (b) the complainant had not received any reply within a period of one month after the health scheme received his representation; or
 - (c) the complainant is not satisfied with the reply given to him by the health scheme or third party administrator.
- (6) The Ombudsman shall provide a determination to any health insurance scheme established pursuant to section 12 of this Bill after due consideration of complaints brought before it and the health scheme shall comply.
- (7) No complaint before the Ombudsman can be maintainable on the same subject matter on which proceedings are pending before or disposed of by any court or arbitrator or the Consumer Protection Council.
- (8) The Minister shall, by regulations, provide the procedure for the handling of complaints by the Ombudsman.

Committee's Recommendation:

Leave out the provision in Clause 55 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

PART IX — OFFENCES, PENALTIES AND LEGAL PROCEEDINGS

Clause 56: Offences and Penalties

- (1) Any person or organisation who —
 - (a) fails to pay into the account of the Authority and/or a State Health Insurance Scheme, or any health insurance fund under

this Bill, within the specified period; or

- (b) deducts the contribution from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the
 - (c) fails to remit payments to Healthcare Providers within the specified period indicated in the Operational Guidelines; or
 - (d) fails to settle fee-for-service or other claims from the Healthcare Providers within the stipulated time allowed in the Operational Guidelines;
 - (e) manipulates the enrollee register for the benefit of other parties before or after the release of the register by the Health Insurance Schemes
 - (f) fails to provide care to a duly registered enrollee; or
 - (g) issues dud cheque(s), commits an offence.
- (2) A person who commits an offence under subsection 1 (g) is liable on conviction —
- (a) in the case of first time often, to a fine of not less than ₦1,000,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment; and
 - (b) in the case of a second or subsequent offender, to a fine of not less than ₦2,000,000 or for a term not exceeding five years or to both such fine and imprisonment.

- (3) A person who commits any offence in subsection 1 is liable to prosecution under the relevant laws guiding financial transactions

Committee's Recommendation:

That the provision in Clause 56 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 56 do stand part of the Bill, put and agreed to.

Clause 57: Offences by Corporate Bodies

- (1) Where an offence under this Bill has been committed by a body corporate or firm or other association of individuals, a person who at the time of the offence —
- (a) was an officer of the body corporate, firm or other associations; or
 - (b) was purporting to act in the capacity of an officer of the body corporate, firm or other association, is deemed to have committed the offence and shall be liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the commission or omission constituting the offence took place without his knowledge, consent or connivance.
- (2) 'Officers' of Government Ministries or Agencies or Parastatals in this section, includes —
- (a) in the case of Government, Ministry, Agency or Parastatals, the

accounting officer;

- (b) in the case of a body corporate, a director, chief executive by whatever name called, manager and secretary of the body corporate;
- (c) in the case of a firm, a partner, manager and secretary of the firm; and
- (d) in the case of any other association of individuals, a person concerned in the management of the affairs of the association.

Committee's Recommendation:

Leave out the provision in Clause 57 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 58: Prosecution of Offenders

Any person who contravenes any of the provisions of this Bill shall be prosecuted by the Attorney General of the Federation.

Committee's Recommendation:

Leave out the provision in Clause 58 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 59: Jurisdiction

- (1) The Federal High Court and the High Court of a State and Federal Capital Territory High Court, Abuja shall have —
 - (a) jurisdiction to try offenders under this Bill: and

- (b) power, notwithstanding anything to the contrary in any other enactment, to impose the penalties provided for the offence under this Bill.

Committee's Recommendation:

Leave out the provision in Clause 59 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 60: Court to order Payment of Contributions

- (1) The High Court before which a person is convicted of an offence under this Bill may, without prejudice to any civil remedy, order a person to pay to the Commission the amount of any contributions together with interest and penalty thereon, certified by the Commission to be due and payable at the date of the conviction and such amount shall be paid into the account of the Commission for its credit, where applicable or of the employee concerned.
- (2) Any contribution paid into the Fund of the Commission under subsection (1) of this section shall be refunded to the Organisation entitled to receive the contribution

Committee's Recommendation:

Leave out the provision in Clause 60 (Senator Yahaya I. Oloriegbe — Kwara Central) Agreed to.

Clause 61: Commencement of Proceedings

Proceedings for an offence under this Bill may be commenced at any time after the commission of the offence.

Committee's Recommendation:

Leave out the provision in Clause 61 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 62: Powers to Sanction

Notwithstanding anything contained in any other provisions of the sections under Part VII of this Bill, the Authority shall at all times retain the power to sanction erring Health Maintenance Organizations, Health Care Providers, Mutual Health Associations, Insurance Brokers, Insurance Companies, Banks, or any other operator or Manager licensed or accredited person in line with the Operational Guidelines as may from time to time be issued by the Authority

Committee's Recommendation:

That the provision in Clause 62 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 62 do stand part of the Bill, put and agreed to.

Clause 63: Limitation of Suit Against the Authority

- (1) Subject to the provisions of this Bill, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Authority.
- (2) No suit shall be commenced against the Authority, a member of the Council, the Director General, of the Authority before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Authority by the intending plaintiff or his agent(s).

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- (3) The notice referred to in subsection (2) shall clearly and explicitly state the cause of action, the particulars of the claims, the name and place of abode of the intended plaintiff and the relief which he claims.

Committee's Recommendation:

That the provision in Clause 63 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 63 do stand part of the Bill, put and agreed to.

Clause 64: Service of Documents

A notice, summon or other document required or authorised to be served on the Authority under the provisions of this Bill or any other enactment of law may be served by delivering it to the Director General or by sending it by registered post and addressed to the Director General at the Head Office of the Authority

Committee's Recommendation:

That the provision in Clause 64 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 64 do stand part of the Bill, put and agreed to.

Clause 65: Restriction on Execution Against Property of the Commission

- (1) In any action or suit against the Commission no execution or attachment of process in the nature thereof shall be issued against the Commission unless not less than 3months notice of intention to execute or attach has been given to the Commission.
- (2) Any sums of monies which may by the judgment of any court be awarded against the Commission shall, subject to any directions given by the court where notice of appeal of the said judgment has been given, be paid from the Fund of the Commission.

Committee's Recommendation:

Leave out the provision in Clause 65 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 66: Indemnity of Officers

A member of the Council, the Director General and Chief Executive Officer, any officer or employee of the Authority shall be indemnified out of the assets of the Authority against any liability incurred by him in defending any proceeding, whether civil or criminal, if such proceeding is brought against the person in his capacity as a member, Director General and Chief Executive Officer, officer or other employee of the Authority

Committee's Recommendation:

That the provision in Clause 66 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 66 do stand part of the Bill, put and agreed to.

Clause 67: Oath of Secrecy

(1) A member of the Council, the Director General, officer or other employee of the Commission shall —

(a) not, for his personal gain, make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty under this Bill;

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(b) treat as confidential any information which has come to his knowledge in the exercise of his powers or obtained by him in the performance of his functions under this Bill;

(c) not disclose any information referred to under paragraph (b) of this subsection except when required to do so by an Arbitration or similar panel or the court or in such other circumstances as may be prescribed by the Council, from time to time.

(2) Any person who contravenes the provisions of subsection (1) of this section commits an offence and is liable on conviction to a fine of not less than N20,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment.

Committee's Recommendation:

Leave out the provision in Clause 67 (*Senator Yahaya I. Oloriegbe — Kwara Central*) Agree to.

PART X — MISCELLANEOUS PROVISIONS

Clause 68: Contributions to be Inalienable

Contributions payable to the Authority shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of a contributor or an organisation

Committee's Recommendation:

That the provision in Clause 68 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 68 do stand part of the Bill, put and agreed to.

Clause 69: Contributions to Form Part of Tax Deductible Expense

Notwithstanding anything in any law or enactment, contributions whether by an employer or an employee under this Bill shall form part of tax deductible expenses in the computation of tax payable by an employer or, as the case may be, by an employee, under any other relevant law applicable to Income Tax.

Committee's Recommendation:

That the provision in Clause 69 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 69 do stand part of the Bill, put and agreed to.

Clause 70: Transfer of Liability

Where, under section 591 of the Companies and Allied Matters Act 1990, an order is made by a court under subsection (3) of that section which includes the transfer to the company of the whole or any part of the undertaking and of the property and liabilities of a transfer or company, the order shall include provisions for the taking over, as from such date as may be specified in the order, of any liability for any contribution which has become due and payable under this Bill (together with any accrued interest thereon) in respect of the employees concerned in the undertaking, property or liability transferred.

Committee's Recommendation:

That the provision in Clause 70 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 70 do stand part of the Bill, put and agreed to.

Clause 71: Exclusion from the Trustee Investment Act

The provisions of the Trustee Investment Act shall not apply to any investment made by the Authority under this Bill.

Committee's Recommendation:

That the provision in Clause 71 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 71 do stand part of the Bill, put and agreed to.

Clause 72: Reciprocal Agreement with Other Countries

The Federal Government may enter into a reciprocal agreement with the government of any other country in which an Authority similar to that establishment by this Bill has been established, and the provisions of the agreement shall be read in conformity with the provisions of this Bill

Committee's Recommendation:

That the provision in Clause 72 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 72 do stand part of the Bill, put and agreed to.

Clause 73: Payment of Contributions of Members of the Armed Forces and the Police

The Federal Government shall be responsible for payment of the full contributions in respect of members of the Armed Forces, the Nigeria police Force, Nigerian Customs Service, Nigeria Immigration Service, Nigeria Prisons Service and such other Federal uniformed services as the Minister may by order in the Federal Government Gazette specify.

Committee's Recommendation:

Leave out the provision in Clause 73 (*Senator Yahaya I. Oloriegbe — Kwara Central*) Agree to.

Clause 74: Insurance indemnity of Health Care Providers

A Health Care Provider shall be required to take a professional indemnity cover from an insurance company approved by the Council.

Committee's Recommendation:

Leave out the provision in Clause 74 (*Senator Yahaya I. Oloriegbe — Kwara Central*) Agree to.

Clause 75: Powers of the Minister to Give Directives

The Minister may, give to the Council directives of a general nature with respect to any of the functions of the Council and it shall be the duty of the Council to comply with such directives or cause them to be complied with.

Committee's Recommendation:

Leave out the provision in Clause 75 (*Senator Yahaya I. Oloriegbe — Kwara Central*) Agree to.

Clause 76: Commission to Issue Guidelines

- (1) The Commission shall make regulations and issue guidelines for the —
- (a) contributions by individuals, employers and employees, the rates of those contributions and the deductions under the mandatory State health schemes;

- (b) voluntary payment of premiums by individuals, groups and employers for supplementary or complementary coverage for private health insurance and rates of such premiums
- (c) maintenance of the records to be kept for the Commission and the records to be kept by employers in respect of premiums payable under the public and organized private sector health insurance scheme.
- (d) methods of payment of contributions into the health insurance fund
- (e) imposition of surcharges in respect of late payment of contributions by employers or employees;
- (f) manner and circumstances in which contributions may be refunded;
- (g) fees which may be charged for medical and dental examinations and services provided and other things done for the purpose of the Scheme;
- (h) nature and amount of benefits to be provided under a Scheme, the circumstances and the manner in which the benefits shall be provided;
- (i) nature and amount of capitation payment under a Scheme, the circumstances and the manner in which health care providers shall receive the capitation payment made under a Scheme;
- (j) reduction, suspension or withdrawal of any payment under a Scheme;
- (k) submission of returns by employers regarding the employers and their employees;
- (l) the procedure for assessment of contributions made under a Scheme; and
- (m) any other matter whatsoever for which, in the opinion of the Commission, it is necessary or desirable to make regulation and issue guidelines for giving effect to a Scheme.
- (2) The guidelines issued under subsection (1) (c) of this section may provide for different levels of contributions to be payable by different classes of persons.

- (3) The guidelines issued under this section may not be published in the Federal Government Gazette but the Commission shall ensure that they are brought to the notice of the persons affected by the regulations and guidelines.

Committee's Recommendation:

Leave out the provision in Clause 76 (Senator Yahaya I. Oloriegbe — Kwara Central) Agree to.

Clause 77: Interpretation

In this Bill unless the context otherwise requires:

"Administrative Charge" means the deduction from contributions or premiums set aside for operations of the Authority.

"Benefit" means a benefit or advantage of any kind whatsoever derived from a Scheme;

"Benefit packages" these are services that the authority defines as within its scope of coverage.

"Capitation" this is a payment made to a primary healthcare provider on behalf of a contributor for services to be rendered by the healthcare provider. This payment is made regularly and in advance irrespective of whether the enrollee utilizes the service or not,

"Authority" means the National Health Insurance Authority established under section 1 of this Bill

"Council" means the Governing Council established under section 3 of this Bill for the Authority

"Premium" means a contribution payable for health coverage under this Bill;

"Employee" means any person who is ordinarily resident in Nigeria and is employed in the public service or private service or an apprenticeship with an employer whether the contract is express or implied, oral or in writing;

"Employer" means an employer with five or more employees which includes the Federal, State and Local Government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor or assignee of that persons;

"Fee-For-Service" means payment made directly for completed health care services, not included in the capitation fees and paid to health care facility or prescription following appropriate referrals or professionals following appropriate referrals or prescriptions sent to them by health care providers under this Bill.

"Functions" includes powers and duties.

"Mutual Health Association" means a group accredited by the Authority to perform such roles as defined in the Bill

"Persons" means persons, organisations, institutions, groups etc.

"Public Service of the Federation" and "Public Service of State" have the meaning

respectively assigned to them in the Constitution of the Federal Republic of Nigeria 1999;

"Scheme" means any Health Insurance scheme approved by the Authority;

"Third Party Administrators" means any organization with expertise and capability to administer all or a portion of the insurance claims process, including administration of claims, collection of premiums, enrolment and other administrative activities, and which is registered by the Authority

"Vulnerable Group" include children under 5, pregnant women, the aged, the physically and mentally challenged and the indigent; as may be defined from time to time

"Wage" means remuneration in money paid to an employee under his contract of service or apprenticeship, as the case may be and whether agreed to be paid at fixed or determined intervals of time;

"States and FCT Office" means offices established by the Authority in the States of the Federation and FCT.

"Enrollee" means a person who has enrolled with NHIA and who being up to date with payment of premium is entitled to access health care in accordance with the benefit package.

Committee's Recommendation:

That the provision in Clause 77 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 77 do stand part of the Bill, put and agreed to.

Clause 78: Repeal of NHIS Act

- (1) The National Health Insurance Scheme Act Cap N42, Laws of the Federation of Nigeria, 2004 is repealed.
- (2) The repeal shall not —
 - (a) affect the previous operation of the enactment or anything duly done or suffered under the enactment;
 - (b) affect any right, privilege, obligation or liability accrued or incurred under enactment;
 - (c) affect any penalty, forfeiture or punishment incurred in respect of any offence committed under the enactment; or
 - (d) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment, and any such investigation, legal proceeding or remedy in respect of any such right.

Committee's Recommendation:

That the provision in Clause 78 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 78 do stand part of the Bill, put and agreed to.

Clause 79: Citation

This Bill may be cited as the National Health Insurance Authority Bill, 2020.

Committee's Recommendation:

That the provision in Clause 79 be retained (*Senator Yahaya I. Oloriegbe — Kwara Central*).

Question that Clause 79 do stand part of the Bill, put and agreed to.

Chairman to report Bill.

(SENATE IN PLENARY)

The President of the Senate reported that the Senate in the Committee of the Whole considered the Report of the Committee on Health on the National Health Insurance Scheme Act, CAP N42 LFN, 2004 (Repeal and Re-enactment) Bill, 2020 and approved as follows:

Clauses 1 - 79 — As Recommended

Question: That the Senate do approve the Report of the Committee of the Whole —
Resolved in the Affirmative.

Motion made: That the Bill be now Read the Third Time (*Senate Leader*).

Question put and agreed to.

Bill accordingly Read the Third Time and Passed.

19. Federal Airport Authority of Nigeria Act CAP F5 LFN 2004 (Repeal and Re-enactment) Bill, 2020 (SB. 196):

Consideration the Bill deferred to another Legislative Day.

20. Federal College Of Education Omuo-Ekiti, Ekiti State (Establishment, etc.) Bill, 2020 (SB.269):

Consideration the Bill deferred to another Legislative Day.

21. Discrimination Between First Degrees and Higher National Diplomas (Abolish and Prohibition) Bill, 2020 (SB. 297):

Consideration the Bill deferred to another Legislative Day.

22. University of Aerospace and Aeronautics, Oka Akoko (Establishment, etc.) Bill, 2020 (SB.409):

Consideration the Bill deferred to another Legislative Day.

23. Federal University, Oye-Ekiti Act No. 2, 2015 (Amendment) Bill, 2020 (SB. 442):

Consideration the Bill deferred to another Legislative Day.

24. National Border Studies, Imeko Ogun State (Establishment, etc.) Bill, 2020 (SB. 266):

Consideration the Bill deferred to another Legislative Day.

25. Quarantine Act CAP Q2 LFN 2004 (Repeal and Re-enactment) Bill, 2020 (SB. 413):

Consideration the Bill deferred to another Legislative Day.

26. Motions:

(a) Demise of Flying Officer Tolulope Arotile

Consideration the Motion deferred to another Legislative Day.

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(b) The Need to Commemorate the 4th African Anti-Corruption Day:

Consideration the Motion deferred to another Legislative Day.

(c) Need to Investigate Pre-Shipment Inspection of Export Activities in Nigeria with Respect to Non Repatriation of Crude Oil Export Proceeds in Line with Pre-shipment Inspection of Export Act CAP-P26 Laws of the Federation of Nigeria 2004. Visa-a- vis Challenges Posed by Global COVID-19 Pandemic:

Consideration the Motion deferred to another Legislative Day.

(d) Urgent Need to Rescue South East Amalgamated Market Traders Association Businesses from Total Collapse and Extinction from Shipping Lines, Most in Particular PIL:

Consideration the Motion deferred to another Legislative Day.

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

Consideration the Bill deferred to another Legislative Day.

28. Environmental Health Officers (Registration, etc) Bill, 2020 (HB. 44) — Concurrence

Consideration the Bill deferred to another Legislative Day.

29. Emergency Economic Stimulus Bill, 2020 (HB. 835) — Concurrence

Consideration the Bill deferred to another Legislative Day.

30. National Commission for Refugees, Migrants and Internally Displaced Persons Act (Amendment) Bill, 2020 (HB. 171) — Concurrence

Consideration the Bill deferred to another Legislative Day.

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

Consideration the Bill deferred to another Legislative Day.

32. Adjournment:

And it being 3:50 p.m. the President of the Senate adjourned the Senate till Wednesday, 22nd July, 2020 at 10.00 a.m.

Adjourned accordingly at 3:50 p.m.

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