

A BILL

FOR

AN ACT TO AMEND THE CENTRAL BANK OF NIGERIA ACT, 2007 TO STRENGTHEN THE BANK, AND FOR RELATED MATTERS

Sponsored by Senator Nwokocha, Darlington

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows-

- 1 1. The Central Bank of Nigeria Act, 2007 (hereinafter referred to as Amendment of
2 the Principal Act), is amended as set out in this Bill- the Principal Act
- 3 2. Section 6 of the Principal Act is amended by substituting the Amendment of
4 existing words with the following new words as follows- Section of the
5 (a) in 6(1) " There shall be for the Bank a Board of Directors (in Principal Act
6 this Act referred to as "the Board") which shall be responsible for the policy
7 and general administration of the affairs and business of the Bank."
8 (b) in 6(2) The Board shall consist of-
- 9 (a) Chairman; who shall be a renowned professional in
10 Accounting, Finance or Economics that have served as a Chief Executive of
11 a regulatory agency in Nigeria and has deep insight of the operations of the
12 Central Bank of Nigeria in the course of his regulatory functions.
- 13 (b) the Governor;
- 14 (c) Five Deputy Governors (of which one shall be appointed from
15 each region other than the region where the Governor comes from);
- 16 (d) the Permanent Secretary, Federal Ministry of Finance;
- 17 (e) five non-executive Directors; and
18 (f) Accountant-General of the Federation."
- 19 (c) in 6(3) The Board shall be responsible for-
- 20 (a) the consideration and approval of the annual budget of the
21 Bank;

1 (b) the approval of the audited and management accounts and the
2 consideration of the management letter from the external auditors.

3 (c) the formulation and implementation of exchange rate policy;

4 (d) making recommendation to the President for the appointment of
5 auditors in accordance with section 49 of this Act, the provision of the
6 necessary facilities and the rates of remuneration;

7 (e) the establishment and closing of branches and currency centres;
8 and

9 (f) carrying out of such other activities as are necessary and expedient
10 for the purposes of achieving the objectives of the Bank.

11 (g) The Bank shall have an Internal Audit Department who make its
12 report and recommendation to the Board."

13 "(d) in 6(4) The Board shall approve the detailed responsibilities of
14 each of the Deputy Governors on the recommendation of the Governor."

15 (e) in 6(5) Without prejudice to Sub-section (4) of this section, the
16 Board may assign or re-assign the Deputy Governors, from time to time, as
17 may be expedient for the performance of the Bank's functions under or
18 pursuant to this Act.

Amendment of
Section 8 of the
Principal Act

19 3. Section 8 of the Principal Act is amended by substituting the
20 existing words with the following new words-

21 (a) in 8(1) "The Governor and Deputy-Governors shall be persons of
22 recognized financial experience and shall be appointed by the President subject
23 to confirmation by the Senate on such terms and conditions as may be set out in
24 their respective letters of appointment."The Chairman shall also be appointed
25 by the President. The Chairman, Governor and Deputy Governors shall not
26 engage in or be a member of any political party until three (3) years after
27 disengaging from office.

28 (b) in 8(2) "The Chairman, Governor and Deputy Governors shall be
29 appointed in the first instance for a term of five years and shall each be eligible
30 for reappointment for another term not exceeding five years and no more:

1 Provided that, of the first five Deputy Governors to be so appointed, two
2 shall in the first instance be appointed for three years and two shall in the first
3 instance be appointed for four years."

4 (c) in 8(3) "The salaries, fees, wages or other remuneration or
5 allowances including pension and other allowances payable to the
6 Chairman, Governor and to the Deputy Governors shall be as stipulated
7 from time to time by the Board subject to the approval of the President."

8 (d) in 8 (4) The Governor shall appear before the National
9 Assembly at semi-annual hearings as specified in sub-section (5) regarding -

10 (a) efforts, activities, objectives and plans of the Board with
11 monetary policy, and

12 (b) economic development and prospects for the future described
13 in the report required in sub-section (5)(b) of this section.

14 (e) in 8(5) The Board shall, from time to time-

15 (a) keep the President, informed of the affairs of the Bank including
16 a report on its budget; and

17 (b) make a formal report and presentation on the activities of the
18 Bank and the performance of the economy to the relevant Committees of the
19 National Assembly.

20 4. Section 12 of the Principal Act is amended by substituting the
21 existing words with the following new words as follows-

Amendment of
Section 12 of the
Principal Act

22 12.-(1) in order to facilitate the attainment of the objective of price
23 stability and to support the economic policy of the Federal Government,
24 there shall be a Committee of the Bank known as the Monetary Policy
25 Committee (in this Act referred to as "the MPC").

26 (2) The MPC shall consist of-

27 (a) the Governor of the Bank who shall be the Chairman;

28 (b) the five Deputy Governors of the Bank;

29 (c) two members of the Board of Directors of the Bank appointed
30 by the Chairman of the Board of the Bank;

1 (d) three members appointed by the President; and

2 (e) two members appointed by the Governor.

3 (3) The MPC shall have responsibility within the Bank for
4 formulating monetary and credit policy.

5 (4) The appointment of a member of the MPC pursuant to Sub-section
6 2 (d) and (e) of this section, the remuneration, filling of temporary vacancies,
7 qualification, tenure of office and disqualification shall be subject to the same
8 terms as are stipulated for a Director under section 10 and 11 of this Act.

9 (5) The provisions of the Second Schedule to this Act shall have effect
10 with respect to the proceedings of the MPC.

Amendment of
Section 13 of the
Principal Act

11 5. Section 13 of the Principal Act is amended by substituting the
12 existing words with the following new words as follows-

13 (a) in 13 (1) "(1) Meetings of the Board shall take place as often as
14 may be required, but not less than six times in every financial year of the Bank."

15 "(b) in 13 (2) The Chairman shall preside at every meeting of the
16 Board and in his absence, the Governor, a Deputy Governor designated by him,
17 shall preside at such meeting."

18 "(c) in 13 (3) Five members of the Board, three of whom shall be
19 Directors other than the Governor or the Deputy Governors, shall form a
20 quorum at any meeting."

21 "(d) in 13 (4) Unless otherwise provided in this Act, decisions shall be
22 by a simple majority of the votes of the members present, but in case of any
23 equality of votes, the Chairman presiding shall have a casting vote."

Amendment of
Section 8 of the
first schedule
of the Principal
Act

24 6. Section 8 of the first schedule is amended by substituting the
25 existing words with the following new words as follows-

26 Section 8.-"(1) The Chairman, Governor and Deputy Governors
27 shall have special responsibility for-

28 (a) the organization of the management of the Bank at its Head Office,
29 Branches and Currency Centres;

30 (b) causing-

1 (i) true accounts to be kept of all transactions entered into by the
2 Bank and of the assets and liabilities of the Bank and of all valuables
3 entrusted to the Bank;

4 (ii) the compilation, form and publication of accounts in
5 accordance with Section 50 (2) of this Act.

6 (c) the safe-keeping of all the assets of the Bank and the valuables
7 entrusted to the Bank;

8 (d) the discharge by officers and other employees of the Bank of the
9 duties placed Upon them;

10 (e) the supervision of arrangements relating to the issue and
11 redemption of Currency notes and coins and all matters connected with the
12 forms, design and Composition of currency notes and coins; Provided that
13 the Director of Currency Operations shall be charged with the direct
14 responsibility under the Governor for specified matters under this sub-
15 paragraph.

16 (2) The Governor shall work out the detailed responsibilities of
17 each of the Deputy Governors, and may assign any of his duties during his
18 absence from duty or at such other time to any of the Deputy Governors after
19 consultation with and approval of the Chairman of the Board.

20 (3) Without prejudice to sub-paragraph (2) of this paragraph, the
21 Governor Shall have power to assign or re-assign the Deputy Governors,
22 from time to time, as may be expedient for the performance of the Bank's
23 function, after consultation with and approval of the Chairman of the Board,
24 under or pursuant to this Act.'

25 7. This Bill may be cited as the Central Bank of Nigeria Act 2007 Citation
26 (Amendment) Bill, 2023.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Central Bank of Nigeria Act 2007 to strengthen the Bank and make provision for the appointment of a chairman of the board provide for responsibility to quicken and deepen execution of the Bank's mandate.