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**A LAW TO ESTABLISH THE DEBT
MANAGEMENT DEPARTMENT LAW, 2015**



Kaduna State of Nigeria

Law No. 8 2015

(27-5-15)

Date of Commencement:

BE IT ENACTED by the Kaduna State House of Assembly as follows:

Enactment

**PART I
PRELIMINARY**

1. This Law may be cited as the Debt Management Law, 2015.
2. This Law shall come into operation on the 27 day of MAY 2015.

Short Title

Commencement

3. In this Law unless the context otherwise requires:

Interpretation

"Commissioner" means the Commissioner charged with responsibility for finance;

"Committee" means Debt Management Committee established under Section 14 of this Law;

"Debt" includes domestic and external debt;

"Department" means the Debt Management Department established under Section 4 of this Law;

"Governor" means Kaduna State Executive Governor of the State.

"Loan" includes both internal and external borrowing;

"Public Bodies" includes the Federal, State and Local Government or their Agencies and Parastatals; and

"State" means Kaduna State of Nigeria;

PART II ESTABLISHMENT OF THE DEBT MANAGEMENT DEPARTMENT

4. There is established a body to be known as the Debt Management Department (in this Law referred to as "the Department") which:

Establishment of the
Debt Management
Department

- (a) shall be a body corporate with perpetual succession and a Common Seal;
- (b) may sue and be sued in its corporate name;
- (c) may acquire hold and dispose of property whether movable or immovable.

5. The Department shall:

Functions of the
Department

- (a) maintain a reliable database of all loans taken or guaranteed by the State Government, or any of its agencies;
- (b) prepare and submit to State Government or forecast of loan service obligation for each financial year;
- (c) prepare and implement a plan for the efficient management of State's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development; and participate in negotiations aimed at realising those objectives;
- (d) verify and service external debt guaranteed or directly taken by the State Government with the Federal Debt Management Office;

- (e) verify and service domestic debt, guaranteed or directly taken by the State Government, with the Accountant - General;
- (f) on an agency basis, service domestic debts taken by the Local Government and any of their agencies; where such debts are guaranteed by the State Government;
- (g) advise the State Government on the re-structuring and re-financing all debt obligations;
- (h) advise the Committee on the terms and conditions on which monies are to be borrowed;
- (i) submit to the State Government, for consideration in the annual budget, a forecast of borrowing capability in local and foreign currencies;
- (j) prepare a schedule of any other State Government obligation such as contingent liabilities both explicit and implicit, and provided advice on policies and procedures for their management;
- (k) establish and maintain tripartite relationships between the State, international financial institutions or donor agencies and the Debt Management Office;
- (l) collect, collate, disseminate information, data and forecast on debt management;
- (m) carry out such other functions, which may be delegated to it by the Governor; and
- (n) perform such other function, which on the opinion of the Department are required for the effective implementation of its functions under this Law.

6. The Department shall have powers to:

- (a) manage State Government loans upon such terms and conditions as approved by the State Executive Council and the State House of Assembly;

Powers of the Department

- (b) participate in loan negotiations (internal and external) and appropriately advise Government on the sustainability or otherwise of the State Government to access the loan;
- (c) all Ministries, Departments, Agencies and all Local Governments and their Agencies in the State seeking for loan should seek clearance from the Governor;
- (d) manage and plan for payment of contracted arrears.

PART III ADMINISTRATION

7. (1) There shall be the office, a Head Management Department who shall be appointed by the Governor.
- (2) The Head of the Department shall:
- (a) not be below the rank of a Director in the Civil Service of the State;
 - (b) be responsible to the Committee for policy direction and day-to-day administration of the Department; and
 - (c) hold office on term and conditions as may be determined by the Governor or as may be contained in his letter of appointment.

Appointment of the Head
Debt Management
Department

8. There shall be for the Department a Management Team which shall comprise the Director of the Department and Unit Heads of the Department be responsible for the implementation of policies of the Committee and the day-to-day administration of the Department.

Establishment of the
Management Team

PART IV FUNDS OF THE DEPARTMENT

9. (1) There is establishment for the Department a fund from which shall be defrayed all expenditure incurred.

Establishment of a fund
for the Department

- (2) There shall be paid and credited to the fund:
- (a) any allocation of the Department from the Consolidated Revenue Fund of the State;
 - (b) such moneys as may, from time to time, be granted or lent to the Department by the State Government or Local Government;
 - (c) all money raised for the purposes of the Department by way of gifts, loan, grant-in-aid, testamentary disposition or otherwise; and
 - (d) all other asset that may, from time to time, accrue to the Department.

10. The Department shall apply the proceeds of the fund to:

Expenditure of the Department

- (a) the cost of administration of the Department;
- (b) the payment for all consultancies, contract, including mobilisation fluctuation, variation, legal fees and cost of contract administration;
- (c) the payment for all purchases; and
- (d) undertaking such other activities as are connect with all or any of the functions of the Department under this Law.

11. (1) The Department may accept gift of land, money and other property on such terms and conditions, if any as may be specified by the person or organisation making the gift.

Gift to the Department

(2) The Department shall not accept any gift if the condition attached by the person or organisation making the gift are inconsistent with the function of the Department under this Law.

12. (1) The Department shall not later than 30th September in each year, submit to the Governor an estimate of the expenditure and income of the Department during the next succeeding year.

Annual Estimate and Expenditure

- (2) The Department shall cause to be kept proper account of the office in respect of each year and proper record in relation thereto and shall cause the accounts to be audited not later than six (6) months after the end of each year by Auditor appointed from the list and in accordance with guidelines supplied by the Auditor-General of the State.
13. The Department shall prepare and submit to the Governor not later than 30th June in each year, a report in such forms as the Governor may direct on activities of the Department.

Annual Report

PART V ESTABLISHMENT AND COMPOSITION OF DEBT MANAGEMENT COMMITTEE

14. There is established for the Department a Debt Management Committee (in this Law referred to as "the Committee") which shall consist of:
- (a) the Honourable Commissioner of Finance as Chairman;
 - (b) the Honourable Commissioner of Economic Planning;
 - (c) the Attorney General of the State and Commissioner for Justice;
 - (d) the Economic Adviser to the State Governor;
 - (e) the Accountant General of the State; and
 - (f) the Director of the Department who shall be the Secretary to the Committee.
15. The Committee shall:
- (a) approve policies, strategies and procedure to be adopted by the Department for the achievement of its objectives.

Establishment and
Composition of the
Debt Management
Committee

Functions of the Debt
Management Committee

- (b) review, from time to time, the economic and political impact of domestic and external debts management strategies;
- (c) appoint, as and when necessary technical committees comprised of persons with requisite technical competence from the private or public sector to advise the Department on such matters as may be determined from time to time;
- (d) perform such other functions as may, from time to time be necessary to achieve the objectives of the Department.

16. The Committee shall:

Powers of the Debt Management Committee

- (a) appoint either on transfer or on secondment from any public service in the State, such number of employees as may, in the opinion of the Committee, be required to assist the Department in the discharge of any of its function under this act; and
- (b) pay to person so employed such remuneration (including allowances) as the Committee may, after consultation of the Civil Service Commission.

17. (1) The quorum of any Sitting of the Debt Management Committee shall be determined by the Committee.

Meeting

- (2) At any meeting of the Committee, the Chairman shall preside but if he is absent, the Vice Chairman shall preside at the meeting and if he is absent, the members present at the meeting shall appoint one of them to preside at the meeting.

- (3) Where the Committee desire to obtain the advice of any person on a particular matter, the management Committee may co-opt him to the Debt Management Committee for such period as it may deem fit but a person who is in attendance by virtue of this subsection shall not be entitled to vote at any meeting of the Committee and shall not count towards a quorum.

PART VI BORROWINGS

18. (1) The Department shall advise the State Government on the financing gap for the succeeding financial year and the amount to be borrowed for bridging the gap both internally and externally. Borrowings

(2) Any advise issued by the Department under Subsection (1) of this Section shall, among other things, from the basis of the State borrowing programme for the succeeding financial year as may be approved by the State House of Assembly.

(3) The Department shall participate in the negotiation and acquisition of such loans and credit referred to in Subsection (1) of this Section.

19. An agreement entered into, subject to the provision of this Law, be executed for and on behalf of the State Government by the Commissioner or by other person as the Commissioner may, from time to time and in writing, designate for that purpose. Execution of External Loan Agreements

20. (1) No external loans shall be approved or obtain by the Commissioner unless its terms and conditions shall have been laid before the State Executive Council and State House of Assembly for approval and resolution respectively. Approval of State House of Assembly

(2) The State Government or any of their agencies shall not obtain any external loan except with guarantee issued by the Minister of Finance.

21. (1) Subject to the provision of this Law, the Department shall:

(a) determine:

(i) the amount and timing for the issuance of short-term and medium-term securities in the Nigeria monetary market;

(ii) the repayment or roll-over of existing or maturing issues;

- (iii) the appointment of the underwriters to the issue specified in sub-paragraph (i) of paragraph (a) of this Section to ensure their success;
 - (iv) the floatation of the State Government long-term securities to raise appropriate funds in the capital market;
 - (v) the payment of interest, maintenance of a register of holders and redemption of securities at maturity;
 - (vi) the creation and management of sinking funds to provide for the redemption of securities at maturity;
- (b) In collaboration with the Accountant-General of the State, determine any other form of securities that may be created, issued or floated to achieve the domestic debt management objectives of the State Government;
 - (c) review and advise on the maintenance of statutory limit for all categories of loans or debt instruments at levels compatible with economic activities required for sustainable growth and development in collaboration with Accountant-General of the State, and
 - (d) liaise or cooperate with other State Governments or other relevant institutions within or outside Nigeria for the realisation of the objectives of the Department.
22. (1) Any monies received in respect of any loan contracted by the State Government shall be:
- (a) paid into and form part of the Consolidated Revenue Fund of the State;

Loan receipts form part of the Consolidated Revenue Fund of the State

- (b) paid into any other public fund of the State existing at the time or created for the purpose of the loan; and
 - (c) applied solely for the purpose of which it was obtained and in accordance with terms and conditions of the agreement under which it was obtained.
- (2) Any monies received in respect of any guaranteed loan on behalf of the State Government shall be:
- (a) Paid into and form part of Consolidated Revenue Fund of the State;
 - (b) Paid into any other public fund of the State either existing at the time or created for the purpose of the loan; and
 - (c) Applied solely for the purpose for which it was obtained and in accordance with the terms and conditions of the agreement under which it was obtained.
- (3) Where any amount has become paid out of the monies credited to the Consolidated Revenue fund of the State or other public fund under Subsection (1) or (2) of this Section, the amount shall be deemed to be a charge on the Consolidated Revenue Fund of the State, as the case may be, or such other public fund into which the monies have been paid.
23. (1) The State Assembly may by a resolution approve, from time to time, standard terms and conditions for the negotiation and acceptance of internal loans and issuance of guarantees. Terms and Conditions.
24. (1) A notice, summons or other documents required or authorised to be served upon the Department under this Law or any other Law or enactment may be served by delivering it to the Director of the Department or by sending it by registered post and addressed to the Director of the Department at the principal office of the Department. Service of the Documents

(2) The determination of a court of Law, Tribunal or other authority or person made in any proceeding or cause of action referred to in subsection (2), may be enforced by or against the Department to the same extent that the proceeding, cause of action or determination could have been continued, commenced or enforced by or against that Ministry or Extra-Ministerial department as if this Law had not been made

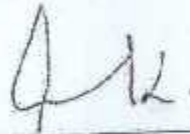
Restriction or Exemption

25. The Department may, with the approval of the Governor make regulation for the operation of this Law, including the issuance of:

Revision in Case of Objection

- (a) guidelines for obtaining internal or external loans by the State Government Councils or any of its agencies;
- (b) guidelines for guarantees with regard to loans by Local Government Councils or any of its agencies;
- (c) guidelines for the approval by the Governor in respect of Micro Finance loans to Civil Servants of the State; and
- (d) guidelines on any other matter as the Debt Management Department may deem fit in each circumstance in respect of relevant Ministry, Department or Agency shall, in within thirty days of receipt of notice of object, revise the assessment and issue notice of amended assessment or refuse to do so and issue notice of refusal to amend the assessment.

DATED AT Kaduna this 27 day of MAY 2015




ALHAJI MUKHTAR RAMALAN YERO
Executive Governor,
Kaduna State.

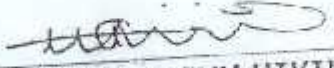
EXPLANATORY NOTE

(This note does not form part of this Law and has no legal effect).

The purpose of this Law is to establish the Debt Management Department for Kaduna State.

This printed Impression has been carefully compared with the Bill which has passed the Kaduna State House of Assembly and found to be true and correctly printed copy of the said Bill.


HON. SHEHU USMAN TAHIR
(Speaker)


BARR. UMMA ALIYU HIKIMA
(Clerk to the Legislature)

CHAPTER 93

LOCAL LOANS (REGISTERED SECURITIES)

AN EDICT TO PROVIDE FOR THE RAISING OF LOCAL LOANS, STOCK AND SECURITIES KDS 4 of 1989.

[4 May 1989] Date of commencement.

1. This Edict may be cited as the Local Loans (Registered Securities) Edict. Short title.

2. In this Edict unless the context otherwise requires:-

- Interpretation.
- "Commissioner" means the Commissioner for the time being charged with responsibility for Finance matters in the State or any other person vested with such powers;
- "Bond" means a bond security or stock issued under the provisions of this Edict;
- "Executive Council" means the Executive Council of the State;
- "Government" means the Government of Kaduna State of Nigeria;
- "Issuing House" means the issuing house appointed by the Commissioner under Section 8 of this Edict;
- "Paying Agent" means the paying agent appointed by the Commissioner under Section 21 of this Edict;
- "Register" means the register of stock holders kept by the Registrar for the purposes of this Edict;
- "Registrar" means the Registrar appointed by the Commissioner under Section 7 of this Edict;
- "Security" includes a bond or a Government promissory note;
- "State" means Kaduna State of Nigeria;
- "Stock" means a stock created and issued pursuant to Section 4 of this Edict;
- "Stockholder" means a person holding registered stock and whose name is entered as the owner thereof in the register; and

"Trustees" means the trustees appointed by the State Commissioner under Section 25 of this Edict.

Power to issue.

3.—(1) The Governor may from time to time with the prior approval of the Executive Council raise any sum of money by way of loan for any specific projects authorised by the Executive Council, and every such loan may be raised in any one or more of the following ways, that is to say—

- (a) by the creation and issuance of registered stocks; and
- (b) by the issue of securities in the form of bonds.

(2) Each registered stock or securities issued under this Edict shall be for the purpose of raising a specific sum of money for a specified purpose and shall be deemed to be stock or securities issued in respect of a separate loan notwithstanding that the sum of money so raised is part only of a sum of money authorised by any other law to be raised by way of a loan.

Loans to be charged upon revenue and assets.

4. The principal monies and interest represented or secured by any registered bond or securities issued under this Edict are hereby charged upon and shall be payable out of the general revenue and assets of the State Government and of the assets of the project of the Government which is the beneficiary of the proceeds of the loan to which the bond or securities relate.

Directions as to mode of raising loans.

5.—(1) The Commissioner shall, in respect of each loan to be raised under this Edict, specify by directions published in the Gazette:—

- (a) the sum of money to be raised by that loan;
- (b) the mode or modes of raising the loan;
- (c) the rate of interest payable on the loan;
- (d) the dates in each year on which the half-yearly interest on the loan shall be payable;
- (e) the rate at which a half-yearly appropriation out of the general revenue and asset of the Government shall be made for the purpose of paying interest on and redeeming the loan and the date from which such appropriation shall commence;

- (f) the date of redemption of the registered stock or securities to be issued for the purpose of raising the loan; and
- (g) such other matters relating to the loan as he may consider necessary.

(2) The date of redemption of any registered stock or securities issued under this Edict shall not be later than twenty-five years from the date of issue of such stock or securities.

(3) Where the Commissioner deems it expedient to reserve an option to redeem any registered bond or securities at any date earlier than the date of redemption specified for such bond or securities by the directions under sub-section (1) of this section, he shall by such directives further specify the terms and conditions on which such bond or securities may be redeemed at such earlier date.

6. Upon the publication under Section 6 of this Edict of the directions in respect of any loan to be raised under this Edict, the Commissioner shall make all such arrangements as may be necessary to raise that loan upon the most favourable terms that can be obtained.

Commissioner to make necessary arrangements.

7.—(1) The Commissioner may, subject to the approval of the Executive Council, appoint any fit and proper person or company (whether corporate or unincorporate) as Registrar for the purpose of carrying out such clerical functions as relate to the keeping of records, particulars of stocks and securities issued under this Edict, and any such appointment shall be subject to such terms and conditions whether in regard to remuneration or in regard to the functions of the Registrar or the manner in which such functions are to be discharged as the Commissioner may think fit.

Register of securities and appointment of registrar.

(2) The Commissioner shall cause to be kept in such a place as the Executive Council may approve, a register in which shall be entered:—

- (a) the names and addresses of the holders for the time being of the stock hereunder and the persons deriving title;
- (b) the amount of stock held by every holder; and
- (c) the date at which the name of every such holder is entered in respect of the stock standing in his name.

(3) The Registrar shall take all steps necessary to ensure the safety of the Register of Stockholders at all times.

(4) The Commissioner may whenever he deems it necessary to do so require the Registrar to submit to independent auditors its books of accounts in connection with its functions under this Edict.

Appoint-
ment of
issuing
house.

8. The Commissioner may, subject to the approval of the Executive Council, enter into agency agreements with and appoint a reputable finance institution engaged in the money market or in the market for securities in Nigeria and recognised as such by the Nigerian Stock Exchange for the purpose of undertaking on behalf of the Government the raising of any specific loan in accordance with the provisions of this Edict.

Liability of
government
in respect of
issue of
registered
stock.

9. The Government shall be bound to pay the person registered for the time being as the stockholder the principal sum represented by that stock and the interest due thereon, in accordance with the provisions of this Edict, at the rate and on the dates prescribed by the Commissioner in the direction given under Section 5 of this Edict or in pursuance of an option reserved in such directions for the redemption of such stock.

Stockholder.

10. For the purposes of this Edict, no person shall be entitled to any registered stock unless he is registered as a stockholder in respect thereof.

Registration
of first stock-
holders.

11. No person shall be registered as a first stockholder of any registered stock except upon payment in full of the purchase price of that stock.

Stock
certificate.

12. Every stockholder shall be entitled to obtain free of charge from the Registrar a stock certificate covering the amount of his holding or upon payment of the prescribed fee more than one certificate in the aggregate covering his holding.

Transfer of
registered
stock.

13.—(1) For the purposes of this Edict the title of any stockholder to any registered stock shall not be deemed to be transferred to any other person save upon execution of an approved instrument of transfer and upon the registration of the transferee, as the stockholder in accordance with Section 13 of this Edict.

(2) Interest which has fallen due in respect of any registered stock but which has not been paid to the stockholder for the time being shall not be deemed to be payable to a transferee of that stock unless the instrument of transfer expressly provides for the payment of that interest to the transferee.

14. No person shall be registered as the transferee of any registered stock except upon surrender to the Registrar of the stock certificate and the instrument of transfer relating to that stock.

Registration transfers of stock and a lien on stock.

15. The Registrar shall effect the transfer of the title to a stock to which the instrument of transfer relates within the period required by the Council of the Nigerian Stock Exchange and shall post written notice of the receipt of an application for transfer to the registered holder in whose name the application is made.

Transfer of Stock.

16.—(1) Subject to subsection (2) of this Section, every stockholder shall be deemed to be entitled to the stock registered in his name, free from any equity, set-off or cross claim on the part of a third party against the original or any intermediate holder of the stock.

Registration of Liens.

(2) The Registrar may register a lien on any registered stock or securities and any such lien shall have priority over any other lien not so registered or which is registered subsequent thereto.

17. The Register shall be closed for a period of twenty-one days immediately preceding the date upon which interest on that stock falls due and no transfer of that stock shall be registered during that period.

Closing of Register.

18.—(1) The entries in the register kept under the provisions of this Edict shall be conclusive evidence of the facts, matters, particulars and transaction to which those entries relate.

Register to be conclusive evidence of facts entered therein.

(2) Notwithstanding the provisions of any other written law, a copy of any entry in the register, certified under the hand of the Registrar to be a true copy of the original entry shall be receivable in evidence in any judicial proceedings unless a judge shall otherwise direct.

Bonds.

19.—(1) Every bond shall be signed by the Commissioner and the Registrar for and on behalf of the Government and shall, when issued, bind the Government to pay the principal sum and the interest thereon in accordance with the provisions of this Edict, at the rate and on the dates specified in the directions by the Commissioner under Section 5 or in pursuance of an option reserved in such direction for the redemption of such bonds.

(2) Bonds shall be issued in such denominations as the Commissioner may with the consent of the Executive Council direct.

Appropriation of revenue for payment of interest.

20. So long as any interest is payable under this Edict in respect of any stock or securities, the Commissioner shall, in each half year ending with the date on which the interest on such stock or securities falls due, appropriate out of the general revenue and assets of the State a sum sufficient to meet all interest out of the sum so appropriated.

Appointment of paying agents.

21. The Commissioner may subject to the approval of the Executive Council, appoint any fit and proper bank (hereinafter called "the paying agent") for the purpose of acting as an agent of the State in the payment of all interest and principal due on any registered stock or securities, and may when such payments are made, hold on behalf of the State and may deal with such monies in the manner as any other money received by the bank in its normal course of business from its customers and shall not be liable to pay to the State any interest on such money or any part thereof.

Payment of interest.

22.—(1) The interest due on any registered stock or securities shall be payable half-yearly on the dates specified by the directions of the Commissioner under Section 5 of this Edict.

(2) Where any amount has become payable on any date as interest due on any registered stock or securities no interest on that amount shall, after that date, be paid by the Government to any person in any circumstance.

Cessation of liability to pay interest.

23. No person shall be entitled to claim interest on any registered stock or securities in any period which has elapsed after the earliest date on which demand could lawfully have been made for the payment of the principal amount due on such stock or securities.

24.—(1) All payments of interest and all payments of the principal money due on any registered stock or securities shall be made by the paying agent appointed by the Commissioner provided that the paying agent or any person authorised by it in that behalf may pay any such interest or principal money at any other place, whether within or outside Nigeria, in pursuance of any arrangement which may be made with the paying agent for that purpose.

Payments.

(2) The paying agent shall keep such records as the Commissioner may require with regard to the payment and redemption of all stock subject to such conditions as the stock exchange may from time to time require in respect of stock listed or quoted.

(3) The Commissioner shall have the right to ask the paying agent to submit to an independent auditor its affairs in connection with arrangements herein.

25. The Commissioner may, subject to the approval of the Executive Council, appoint any bank licensed under the Banking Act of 1969 or a reputable Insurance Company licensed under the Insurance Act of 1976 or both as trustees for the purpose of acting on behalf of the stockholders in regard to every loan securities issued under this Edict, provided that a trustee appointed under this section shall not have any fiduciary relationship with the issuer.

Appoint-
ment of
trustees,
—14 of
1969,
—59 of
1976.

26. At any time after a stock shall have become payable under its terms and conditions of issue, the trustees may at their discretion and vote at a special meeting of the stockholders convened for the purpose institute such proceedings as they may think fit with a view to obtaining repayment of the stock.

Proceedings
to enforce.

27.—(1) The trustees shall apply all moneys received under Section 26 of this Edict in respect of any stock at any time after such proceedings shall have been instituted in the following manner and order of priority:

Distribution
of proceeds.

(a) for the payment or satisfaction of the costs, charges and expenses incurred by the trustees in relation to the execution to the trust, including the remuneration of the trustees;

- (b) for the payment of the stockholders of arrears of interest, if any, for the time being remaining unpaid in respect of stock held by them;
- (c) for the payment of the stockholders of principal monies due in respect of stock for the time being held by them; and
- (d) for the payment of surplus, if any, to the Government or its assigns.

(2) Payments made to stockholders under sub-section (1) of this section shall be made *pari passu* in proportion to the number of stock respectively held by them.

Interest to cease on date fixed for payment.

28. The trustees shall give to the stockholders not less than fourteen days notice of the day, place and time fixed for any payment to them under section 27 of this Edict and after the day so fixed the stockholders shall be entitled to interest on the balance only (if any) of the principal money owing on the stock held by them after deducting the amount (if any) payable in respect thereof and on the day so fixed.

Receipt by stockholders to discharge trustees.

29. The receipt by the registered holder of any stock or in the case of joint stockholders by any one of such joint holders of the principal monies and interest payable in accordance with the provisions of section 27 of this Edict shall discharge the trustees from all obligations to the stockholders in respect of the stock to which such principal monies and interest relate.

Notation of payment on stock certificates.

30. Upon any payment under any of the provisions of sections 27 and 28 of this Edict on account of the principal monies or interest owing upon the stock, the certificates of the stock in respect of which such payments shall have been made shall be produced by the stockholder to the trustee who shall endorse the certificate accordingly but the trustee may in any particular case dispense with the production and endorsement of a stock certificate upon such indemnity being given by the stockholder as the trustees may think sufficient.

Failure to surrender certificates.

31.—(1) The holder of any stock which the Government is ready to redeem shall surrender the stock certificate issued in respect thereof to the Government for cancellation within thirty days after the date of redemption or repayment of the stock comprised therein.

(2) Where a stockholder refuses, neglects, or fails to surrender the certificate referred to in subsection (1) of this section; the Government may deposit with a bank in the name of the trustees or pay to the trustees an amount equal to the amount due to such stockholder and upon such deposit being made the stock in question shall be deemed to have been redeemed in accordance with the provisions of this Edict and without further assurance.

32. Any monies held under the trusts to which this Edict relates may be invested by or without the approval of the trustees in any manner for the time being authorised by law for the investment of trust funds. Authorised investments.

33. The trustees shall have all the power conferred upon trustees by the Trustee Law and without prejudice to the provisions of the said Law:- Power of trustees. NN 1963. Cap. 167.

- (a) the trustees may act on the advice of any solicitor, valuer, surveyor, broker, auctioneer, accountant or other expert whether obtained by the State or by the trustees or otherwise;
- (b) the trustees shall not be bound to take any steps to ascertain whether any event has happened upon the happening of which the principal monies owing on the stock may become payable;
- (c) save as herein otherwise expressly provided the trustees shall as regards all trusts, powers, authorities and discretion hereby vested in them have absolute and uncontrolled discretion as to the exercise thereof and provided they shall have acted honestly and reasonably shall not be responsible for any loss or damage that may result from the exercise or non-exercise thereof;
- (d) the trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the stockholders in respect whereof minutes have been made and signed notwithstanding any defect in the constitution of the meeting or in the proceedings thereat;
- (e) without prejudice to the right of indemnity conferred upon the trustees by law, the trustee and attorneys, agents or other persons appointed by the trustees under this section shall be

indemnified by the Government against all liabilities and expenses reasonably incurred by them in the execution of the powers of the trustees under this Edict, including costs and expenses incurred in connection with any actions or proceedings instituted against them in connection therewith, and the trustees may retain and pay out of any trusts money in their hands the amount of any such cost and expenses;

- (f) the Commissioner or, in his absence or incapacity, the Director-General, Ministry of Finance and the Accountant-General of the State, or, in their absence or incapacity, any officer appointed for that purpose by the Government may in writing give the trustees such general or specific directions not inconsistent with this Edict, on any matter relating to the trust, and the trustees shall give effect to every such direction and shall not be liable on account of anything done by them in good faith in connection therewith.

Power to delegate.

34. The trustees may whenever they think it expedient in the interest of the stockholders, delegate by power of attorney or otherwise to any person or company all or any of the powers vested in them under this Edict and such delegation may be made upon such terms and conditions as the trustees may think fit except that the trustees shall be responsible for all acts and defaults of any person or company so delegated.

Power to employ agents.

35. The trustees may in the discharge of their functions under this Edict, employ such agents and in such conditions as they may consider reasonable and appropriate, subject to the approval of the Commissioner or any person appointed in his place by the Executive Council.

Trustees may be interested party.

36. A trustee or any director or officer of a corporation acting as trustee shall not be precluded from under-writing or guaranteeing the subscription of or subscribing for or otherwise acquiring holding or dealing with any part of the stock provided that such a trustee, director or officer is not thereby put in a position in which he holds more than forty percent interest in the stock, debentures or securities in question provided that in the case of a trustee, director, underwriter or guarantor, such interest is disclosed to the

Executive Council by the Commissioner before a person is so appointed.

37. The trustees may whenever they think it expedient in the interest of the stockholders unless otherwise directed by a resolution passed by any majority of stockholders at a meeting duly called for such purpose, validate or waive on such terms and conditions as to them shall seem expedient, any breach by the Government or any authority acting in that behalf of any of the covenants and provisions of this Edict but without prejudice to the rights of the trustees in respect of any subsequent breach thereof.

Waiver by trustees.

38. The power to appoint new trustees under this Edict shall be vested in the State Government but no person shall be appointed who shall not previously have been approved by resolution passed by a majority of stockholders at a meeting duly called for such purpose.

New trustees.

39. The Commissioner shall, subject to the terms and conditions of any specific issue have and may from time to time exercise the following powers and authority or any of them, that is to say:

Power of Commissioner to authorise conversion of loan generally.

- (a) power to declare any stock or securities issued under the provisions of this Edict to be convertible into registered stock or securities to be issued in accordance with the provisions of this Edict;
- (b) power to authorise the creation and issue under this Edict of such amount of registered stock or securities as may be necessary for the conversion of the stock or securities in respect of which a declaration has been made under paragraph (a) of this section;
- (c) power to authorise the creation and issue under this Edict of such registered stock or securities as may be necessary for the purpose of paying any expenses incurred in the creation and issue of registered stock or securities under this section; and
- (d) power to declare that all privileges, exemptions and immunities attaching by virtue of any written law in force in Nigeria to any stock or securities shall attach to any new registered stock or securities.

Arrangements for conversion.

40. Any conversion authorised under section 48 of this Edict may be effected either by arrangement with the holders of existing stock or securities or by purchase thereof out of monies raised by the sale of stock or securities, or partly in one way and partly in the other.

Issue of duplicates and renewals.

41.—(1) The Registrar may issue duplicate stock certificates and duplicate securities in such circumstances as may be prescribed.

(2) The Registrar may issue renewals of stock certificates and securities in such circumstances as may be prescribed.

Right of registrar to compel renewal of securities.

42. The Registrar may, in such circumstances as may be prescribed:—

- (a) issue a notice to the holder of any security directing him to apply for a renewal of that security; and
- (b) withhold payment of the interest or principal amount due in respect of that security until the application for renewal has been made and determined.

Exchange of Registered Stock and Securities.

43.—(1) On application made by any person claiming to be the holder of any registered stock or securities issued under this Edict the Registrar may, if satisfied that the applicant is the lawful holder of such stock or securities exchange stock for securities or securities for stock or securities of one kind for securities of another kind; provided that:—

(2) all stock and securities so given or taken in exchange shall have been issued in respect of the same loan, and the nominal value of the stock or securities given by the Registrar in exchange shall be the same as the nominal value of the stock or securities taken by him in exchange.

Consolidation and subdivision of securities.

44. Subject to such conditions as the Commissioner may with the consent of the Executive Council prescribe, the Registrar may:—

- (a) on the application of a person claiming to be entitled to any stock or securities;
- (b) on being satisfied of the genuineness of the claim of such applicant;

- (c) on the surrender to him by the applicant of the stock certificate relating to such stock or securities received in the prescribed manner; and
- (d) on payment of the prescribed fee, consolidate, subdivide such stock or securities and issue to the applicant one or more new stock certificate or securities as may be required.

45. Where application is made to the Registrar under this Edict for the issue of a duplicate stock certificate or duplicate security or for the exchange, renewal, consolidation or subdivision of any stock or securities, the Registrar may require the applicant, as a condition precedent to the grant of the application, to execute a bond with or without sureties undertaking to indemnify the Government against the claims of all persons claiming under the original stock certificate or security or under stock or securities exchanged, renewed, consolidated or subdivided, as the case may be.

Indemnity Bonds.

46. On payment by or on behalf of Government to the holder of a stock or security of the amount expressed therein on or after the date when it becomes due or on the renewal of a stock or security under section 43, or on the consolidation or subdivision of a stock or security under section 44 of this Edict, the Government shall be discharged in the same way and to the same extent as if such stock or security were a promissory note payable to bearer.

Immediate Discharge in certain cases.

47. Without prejudice to section 29 of this Edict, where several persons are entered in the register as joint holders of any stock then the receipt of any one of such persons for any interest or other money payable on or in respect of such stock shall be as effective a discharge to the Government as if the person signing such receipt were the sole registered holder of such stock.

Receipt of joint holder.

48. In the case of the death of a registered holder of stock, the survivors where the deceased was a joint holder or the executors or administrators of the deceased where he was a sole or only surviving holder shall be the person recognised by the Registrar as having any title to such stock.

Death of holder.

Trans-
mission.

49. Any person becoming entitled to stock in consequence of the death or bankruptcy of any holder of such stock may upon producing such evidence satisfactory to the Registrar that he is so entitled shall be registered as the holder of such or, subject to the preceding conditions as to transfer, may transfer such stock save that in any such event, the Registrar shall have duly transferred the same as aforesaid.

Discharge in
other cases.

50.—(1) Save as otherwise provided in this Edict the liability of the Government shall be:—

- (a) in respect of any registered stock or security redeemed on or after the date on which payment of the principal amount becomes due, be discharged after the lapse of six years from that date;
- (b) in respect of any security in place of which a duplicate is issued under section 41 be discharged after the lapse of six years from the date of the issue of such duplicate or from the date of the last payment of interest on such security, whichever date is the later; and
- (c) in respect of a security for which a renewed security is issued under section 41 or in respect of stock or securities in place of which new stock or securities are issued upon an exchange under section 43 or upon consolidation or subdivision under section 44 be discharged after the lapse of six years from the date of the issue of the renewed security or of the new stock or securities, as the case may be.

Summary
procedure in
special cases.

51.—(1) If within six months of the death of a person who was entitled to registered stock the nominal or fixed value of which does not in the aggregate exceed one thousand naira, probate of the will or letters of administration of the estate of such person is to be produced to the Registrar, the Registrar may after such inquiry as he may deem necessary, determine who is the person entitled to such stock or to administer the estate of the deceased and may:—

- (a) where any stock relates to a loan due for repayment, authorise the registration of the name of such person in substitution for the name of the deceased in the register of stock and the payment to such person the amount due in respect of that stock; and

(b) where any stock relates to loan not due for repayment authorise the registration of the name of such person in substitution for the name of the deceased.

(2) Any creditor or claimant against the estate may recover his debt or claim out of money paid to any person under subsection (1) of this Section and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased.

52. Every stock certificate or bond issued pursuant to this Edict shall bear in a printed, stamped, engraved form:—

Signature to be printed on stock certificate or bond.

- (a) the crest of the State Government;
- (b) the signature of the Commissioner;
- (c) the signature of the Registrar; and
- (d) where applicable, the crest of the institution or Government which in the opinion of the Commissioner is directly interested in the loan to which the stock certificate or bond relates.

53. All documents or instruments made or used under the provisions of this Edict shall be in such form as may be prescribed and shall be free from stamp duty, anything in any other State enactment to the contrary notwithstanding.

Exemption from stamp duties.

54.—(1) No person except a trustee, stockholder, or a person duly authorised by the Commissioner shall be entitled to inspect, or to receive information derived from, any registered stock or security in the possession of the Government, or any register, book or other document kept or maintained by or on behalf of Government in relation to registered securities, save on payment of such fee and save in such circumstances and on such terms and conditions as may be prescribed.

Inspection of documents.

(2) The Register may be closed for such period not exceeding sixty days in any one year and at such times as the Government or the Registrar may think fit for the purpose of facilitating the doing of any act or thing under the provisions of this Edict.

(3) Nothing in this section shall apply to the Director of Audit or the Commissioner for Internal Revenue of the State or any public officer acting in the course of his official duties.

Power to
make
regulations.

55.—(1) The State Governor may make regulations for the purpose of giving effect to the provisions of this Edict.

(2) In particular and without prejudice to the generality of the foregoing power, the regulations made under subsection (1) of this section may provide for all or any of the following matters, that is to say:—

- (a) the manner in which payment of interest in respect of stock or securities is to be made and acknowledged;
 - (b) the issue of duplicate stock certificate and duplicate securities;
 - (c) the renewal of stock certificates and securities;
 - (d) the manner of payment of interest to joint holders of stock or securities;
 - (e) the circumstances in which alterations may be made in the register;
 - (f) the payment of principal or interest and the transfer of stock and securities in the case of person under a legal disability;
 - (g) the disposal of unclaimed interest;
 - (h) the conditions subject to which stock or securities may be exchanged, consolidated or subdivided;
 - (i) the manner in which holders of registered stock may be described in the register as trustees and either as trustees of any particular trust or as trustees without qualification and for the recognition of powers of attorney granted by holders of stock so described;
 - (j) the fees to be paid in respect of anything to be issued or done under the provisions of this Edict; and
 - (k) all matters required by this Edict to be prescribed and all matters incidental to or connected with the matters for which provision has been made under this Edict.
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present this 12th day of November, 2003

ALHAJI AHMED MOHAMMED MAKARFI
Executive Governor of Kaduna State

No. 12



2003

Kaduna State of Nigeria

LAW TO AMEND THE LOCAL LOANS (REGISTERED STOCK AND SECURITIES) LAW (CAP. 93) 1991

[12th November, 2003] Date of / Commencement.

BE IT ENACTED by the Kaduna State House of Enactment.
Assembly as follows:

1. This Law may be cited as the Local Loans Short title.
(Registered Stock and Securities) Amendment Law,
2003.

2. This Law shall come into operation on 12th Commencement.
day of November, 2003.

3. In this Law, unless the Context otherwise Interpretation.
requires:

"House of Assembly" means the Kaduna State
House of Assembly.

"Principal Law" means the Local Loans (Registered
Stock and Securities) Law (Cap. 93) 1991.

4. The Principal Law is amended by substituting Amendment of
section 3(1) with the following new section:- section 3(1) of
Cap 93 Laws of
Kaduna State,
1991.

"3 (I) The Governor may from time to time, with the approval of the State House of Assembly backed by 2/3 majority resolution raise any sum of money by way of loan for any specific projects in any one or more of the following ways:

- (a) by the creation and issuance of registered stock; and, or
- (b) by the issuance of securities in the form of bond".

DATED this 12th day of November, 2003.

EXPLANATORY NOTE

(This note does not form part of this Law and has no legal effect)

The purpose of this Law is to transfer the power of approving State Loans from the State Executive Council to the State House of Assembly.

This printed impression has been carefully compared by me with the original Bill which has passed the Kaduna State House of Assembly and found to be true and correct copy of the said Bill.

ABDU UMAR
Clerk to the Legislature