

MICROFINANCE BANKS

On September 24th 2010, the Central Bank of Nigeria (CBN) revoked the licences of 224 Microfinance Banks (MFBs) under Section 12 of the Banks and Other Financial Institutions Act (BOFIA) 1991 for being 'terminally distressed and technically insolvent'. This was sequel to a joint CBN/NDIC Target Examination of the 820 licenced Microfinance Banks to determine their ability to meet matured obligations to depositors.

Pursuant to section 40(1) of the NDIC Act 2006, the Corporation became the Provisional Liquidator of the 103 MFBs. Consequently, the Corporation commenced proceedings to wind up the 103 MFBs through the filing of winding up petitions at the Federal High Court where the head offices of the MFBs were located in compliance with Section 407(1) of the Companies and Allied Matters Act 1990. The Corporation appointed external solicitors to conduct the winding up and also to conduct searches at the Corporate Affairs Commission (CAC) to obtain the incorporation documents of the 103 MFBs. The CAC report was that 18 out of the 103 MFBs had not completed registration processes and had therefore not been registered.

Following claims of recapitalisation in some of the affected MFBs the CBN granted provisional approval for new licences to 121 MFBs following verification of their recapitalization claims subject to concessions while the operating licences of the remaining 103 MFBs remained revoked.

Please find below the Status Report on the progress of the Winding Up Petitions filed in respect of the closed Microfinance banks as at April 2011.

PROGRESS REPORT ON WINDING UP PETITION OF 103 MFBs AS AT APRIL, 2011

SN	SUIT/ PARTIES	STATUS REPORT	COUNSEL
1	FHC/C/CS/34/2/210 GAMJI MIRCOFINANCE BANK VS CBN & NDIC	This matter came up on the 19 th April, 2011 for trial. However, the court did not sit due to the crisis resulting from the general elections. The matter was further adjourned to 11 th May, 2011 for Motion.	Bala Mohammed Guaram & Co Lawyers Chambers NO. 2 Zaria Road Kano.
2	NDIC & CBN VS SHIMAZ MFB	This matter came up on the 6 th April, 2011 and Order for Winding up was obtained.	Osaretin Giwa, Osagie & Co Prime Chambers, 45 Ademola Street, Off Awolowo Road, South-West, Ikoyi, Lagos giwaosagie@primechamber.org

			primechamber@yahoo.com 234(1)2121001
3	NDIC & CBN VS VENTURE SUPPORT MFB	This matter came up on 6 th April, 2011 and Order for advertisement was obtained.	Osaretin Giwa, Osagie & Co Prime Chambers, 45 Ademola Street, Off Awolowo Road, South-West, Ikoyi, Lagos giwaosagie@primechamber.org primechamber@yahoo.com 234(1)2121001
4	NDIC & CBN VS ALLSTAR MFB	This matter came up on the 6 th April, 2011 and Order for substituted Service was granted. Motion for advertisement has also been granted.	Funmi Ogunmeku & Co Rockville & co 4 th floor,(rock tower) Central Business District, Lekki Phase 1, Lagos +234 01 2700041 infor@rockvilleandco.com
5	NDIC & CBN VS KBS MFB	This matter has not been given date for hearing by the Federal High Court Lagos. Motion for advertisement has also been granted.	Funmi Ogunmeku & Co Rockville & co 4 th floor,(rock tower) Central Business District, Lekki Phase 1,Lagos +234 01 2700041 infor@rockvilleandco.com
6	NDIC VS TRINITY MFB	This matter has been filed and motion for advertisement fixed for 5 th May, 2011.	Fatih A. Abba Abba Global Legal Services Suite 70/79,Block B , Area 11 Shopping Mall, Garki, Abuja.
7	NDIC VS PRIME MFB	This matter has been filed and Motion for	Fatih A. Abba Abba Global Legal Services Suite 70/79,Block B , Area 11

		advertisement fixed for 5 th May,2011	Shopping Mall, Garki, Abuja.
8	NDIC VS UTUGWANG MFB	This matter has been filed but a date for hearing is yet to be given.	Fatih A. Abba Abba Global Legal Services Suite 70/79,Block B , Area 11 Shopping Mall, Garki, Abuja.
9	NDIC Vs Ascent MFB	Petition filed and motion for advertisement obtained.	Akanbi Wigwe & Co St peters House, 8 th Floor, AJeLe street, Lagos.
10	NDIC Vs Classic MFB	Petition filed and motion for advertisement obtained.	Akanbi Wigwe & Co St peters House, 8 th Floor, AJeLe street, Lagos.
11	NDIC Vs Municipal MFB	Petition filed but date for hearing yet to be given	Rickey Tarfa,San & Co, PLOT 1195,AMINU KANO CRESCENT,WUSE II,ABUJA LAGOS: 53b, Mainland Way, Dolphin Estate, Ikoyi. YOLA: Girei Investment House, 83, Moh'd Mustapha Way, Jimeta, Yola. 09-6705000, 8704283,01-2610786,4614261,2694302. 075-625140,626600. rtabua@yahoo.com
12	NDIC Vs Alliance MFB	Petition filed but date for hearing yet to be given	Rickey Tarfa,San & Co, PLOT 1195,AMINU KANO CRESCENT,WUSE II,ABUJA LAGOS: 53b, Mainland Way, Dolphin Estate, Ikoyi. YOLA: Girei Investment House, 83, Moh'd Mustapha Way, Jimeta, Yola. 09-6705000, 8704283,01-2610786,4614261,2694302. 075-625140,626600. rtabua@yahoo.com

13	NDIC Vs Open gate MFB	Petition filed but date for hearing yet to be given	Rickey Tarfa, San & Co, PLOT 1195, AMINU KANO CRESCENT, WUSE II, ABUJA LAGOS: 53b, Mainland Way, Dolphin Estate, Ikoyi. YOLA: Girei Investment House, 83, Moh'd Mustapha Way, Jimeta, Yola. 09-6705000, 8704283, 01- 2610786, 4614261, 2694302. 075-625140, 626600. rtabua@yahoo.com
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