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NIGERIA DEPOSIT INSURANCE CORPORATION ACT, 2023



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NIGERIA DEPOSIT INSURANCE CORPORATION ACT, 2023

ACT NO. 33

AN ACT TO REPEAL THE NIGERIA DEPOSIT INSURANCE CORPORATION ACT, No. 16, 2006
AND ENACT THE NIGERIA DEPOSIT INSURANCE CORPORATION ACT, 2023;
AND FOR RELATED MATTERS.

[26th Day of May, 2023]

Commence-
ment.

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

PART I—ESTABLISHMENT AND FUNCTIONS OF THE CORPORATION

1.—(1) There is established the Nigeria Deposit Insurance Corporation (in this Act referred to as "the Corporation").

Establishment
of the Nigeria
Deposit
Insurance
Corporation.

(2) The Corporation—

(a) shall be a body corporate with perpetual succession and a common seal;

(b) may sue or be sued in its corporate name; and

(c) may, for the purposes of its functions under this Act and subject to the Land Use Act, acquire, hold, and dispose of any property movable or immovable.

Cap. L5, LFN,
2004

(3) The Corporation shall be independent in the performance of its functions.

(4) The Corporation shall, subject to subsection (3), develop, adopt and, as appropriate, amend, revoke or supplement appropriate regulations, codes, guidelines and procedures to regulate its operations in the performance of its functions.

(5) The regulations, codes, guidelines and procedures referred to in subsection (4) shall, govern the—

(a) conduct of the business and operations of the Corporation in a manner that—

(i) fosters accountability and good corporate governance,

(ii) ensures transparency and consistency with the highest ethical standards, and

(iii) ensures the maintenance of best practice ;

(b) expenditures and disbursements of the Corporation in accordance with the provisions of this Act;

(c) governance code for the Corporation;

(d) code of conduct of members of the Board and staff of the Corporation; and

(e) any other matter relevant to the operations of the Corporation as may be directed by the Board.

Public policy objectives.

2. The Corporation shall have the following public policy objectives—

(a) protecting depositors by providing an orderly means of compensation in the event of failure of their insured institutions or the inability of such insured institutions to make payment to depositors ;

Provided that in the latter case such payment shall only be made with the concurrence of the Central Bank of Nigeria ;

(b) contributing to financial system stability through effective surveillance mechanisms in its role as a key participant in the financial system safety-net arrangement ; and

(c) enhancing public confidence and financial system stability by—

(i) providing orderly exit mechanisms for failed insured institutions, and

(ii) with the concurrence of the Central Bank of Nigeria, providing a framework for the resolution of failing insured institutions.

Functions of the Corporation.

3. The functions of the Corporation are—

(a) guaranteeing, under the provisions of this Act, deposit liabilities of financial institutions licensed or authorised to accept deposits from the public in accordance with the provisions of the Banks and Other Financial Institutions Act ;

(b) with the concurrence of the Central Bank of Nigeria, supervising insured institutions to mitigate the risk of failure ;

(c) with the concurrence of the Central Bank of Nigeria, resolution of failing insured institutions ; and

(d) prompt, efficient and orderly liquidation of failed insured institutions.

Act No. 5, 2020.

Powers of the Corporation.

4. The Corporation shall, in addition to such other powers as stated in this Act, have power to—

(a) insure deposit liabilities and guarantee payment to depositors of insured institutions within the scope of section 22 of this Act up to the maximum amount provided in, or under, section 25 of this Act in the event of revocation of the operating license of an insured institution or in the case of actual suspension of payments by an insured institution:

Provided that in the case of actual suspension of payments by an insured institution, payment of insured deposit shall only be made with the concurrence of the Central Bank of Nigeria ;

(b) give assistance to insured institutions in the interest of depositors in case of imminent or actual financial or technical difficulties, particularly where suspension of payments is threatened, to avoid damage to public confidence in the banking system ;

(c) assist the Central Bank of Nigeria in the formulation and implementation of banking policies to ensure sound banking practice and fair competition among banks in the country; and

(d) undertake such other measures or perform such other activities which in the opinion of the Board are necessary, incidental, or conducive to the attainment of the public policy objectives of this Act and the performance of the functions of the Corporation.

5.—(1) Notwithstanding any provision contained in any other law, no person other than the Corporation shall insure deposit liabilities, or guarantee payments to depositors, of insured institutions.

Prohibition against proliferation of deposit insurance schemes.

(2) A person who contravenes the provisions of this section commits an offence and is liable on conviction to, in the case of-

(a) an individual, a fine of ₦10,000,000 and a further ₦200,000 for each day the offence continues, or imprisonment for a term not more than five years or both ; or

(b) a corporate body, a fine of ₦50,000,000 and a further ₦1,000,000 for each day the contravention continues.

(3) In addition to the penalty in subsection (2), a person who contravenes subsection (1) shall be liable on conviction to forfeit to the Government of the Federation a sum equivalent to two times the cumulative premiums or other amount collected in contravention of subsection (1).

6.—(1) The Corporation shall have its head office in the capital of the Federal Republic of Nigeria.

Offices of the Corporation.

(2) Without prejudice to subsection (1), the Corporation may open other offices in any part of Nigeria and appoint agents and correspondents as may be approved by the Board.

PART II—ADMINISTRATION OF THE CORPORATION

7.—(1) The governing body of the Corporation shall be a Board of Directors (in this Act referred to as "the Board").

Composition of the Board.

(2) The Board shall consist of—

(a) the Chairman who shall be the Permanent Secretary of the Federal Ministry responsible for finance ;

(b) the Managing Director ;

(c) two Executive Directors ;

(d) one representative of the Central Bank of Nigeria who shall be the Director of Banking Supervision ;

(e) the Director-General of the Securities and Exchange Commission ; and

(f) one independent director.

(3) The members of the Board shall not be persons with significant interest in any insured institution in Nigeria.

(4) The President shall appoint the Chairman and other members of the Board and the appointment of the members of the Board referred to in subsection (2)(b), (c) and (f) shall be subject to the confirmation of the Senate.

(5) The appointment of the—

(a) Managing Director and the two Executive Directors by the President shall be on the recommendation of the Governor of the Central Bank of Nigeria; and

(b) independent director by the President shall be on the recommendation of the Minister.

(6) The members of the Board other than the Managing Director and the two Executive Directors shall be part-time members.

(7) The members of the Board shall be citizens of Nigeria and in the case of the—

(a) Managing Director and Executive Directors, shall be persons possessing at least 15 years cognate experience in banking and finance, economics, law, business administration, accounting or other relevant discipline at a senior management level ; and

(b) member of the Board referred to in subsection (2)(f), shall be a person with relevant cognate experience.

(8) All members of the Board shall within one month of appointment to the Board declare in writing to the Board their direct and indirect shareholdings and interests in any insured institution including those of their family members or close associates known to them.

Schedule.

(9) The supplementary provisions contained in the Schedule to this Act shall have effect with respect to matters mentioned in it.

Tenure and remuneration of part-time members of the Board.

8.—(1) The independent director referred to in section 7(2)(f) of this Act, shall hold office for a term of four years, renewable for another term of four years and no more.

(2) The part-time members of the Board shall be paid such reasonable remuneration and allowances as approved by the Minister on the recommendation of the Board.

Disqualification of members of the Board.

9.—(1) Notwithstanding the provisions of this Act, a person shall cease to hold office as a member of the Board if he—

(a) becomes bankrupt, suspends payment or compounds with his creditors ;

(b) is convicted of a felony or any offence involving dishonesty or fraud ;

(c) becomes of unsound mind, or incapable of carrying out his duties ;

(d) is guilty of a serious misconduct in relation to his duties ;

(e) in the case of a person possessing professional qualifications, is disqualified or suspended other than at his own request from practising his profession in any part of the world by an order of a competent authority made in that respect ;

(f) resigns his appointment by a letter addressed to the President, through the Minister responsible for finance ;

(g) is discovered to have significant interest in any insured institution in Nigeria in contravention of section 7(3) of this Act ; or

(h) is found to have failed to disclose to the Board, his interest or the interest of any family member or close associate, known to him in any insured institution at the time of his appointment.

(2) No director or employee of an insured institution shall, while in office, be appointed a director of the Corporation.

10.—(1) Whenever the tenure of the Board expires or is otherwise terminated, and pending the appointment of a new Board, the responsibilities of the Board shall be discharged by an Interim Management Committee to be constituted by the Minister.

Composition
of Interim
Management
Committee.

(2) The Interim Management Committee shall comprise of the—

(a) Permanent Secretary, Federal Ministry of Finance, who shall be the Chairman ;

(b) Managing Director of the Corporation ;

(c) two Executive Directors of the Corporation ;

(d) representative of the Central Bank of Nigeria ; and

(e) Director-General of the Securities and Exchange Commission.

11. Where a member of the Board appointed under section 7 (2) (b), (c) and (f) of this Act dies, resigns, is disqualified or removed, or otherwise vacates office before the expiration of his term, the President shall, in accordance with section 7 (4) and (5) of this Act appoint another person to fill the vacancy.

Filling of
vacancy in the
Board.

12.—(1) A member of the Board owes fiduciary duties to the Corporation and shall ensure that his personal interest does not conflict with his duties under this Act.

Conflicts of
interest.

(2) A member of the Board shall not make a secret profit in the course of discharging his duties as a member of the Board.

(3) A member of the Board shall fully and promptly disclose to the Board any personal, commercial, financial, or other interest which he may directly or indirectly hold or be connected with, and which becomes the subject of consideration by the Board, and shall be ineligible to participate in any Board deliberations and voting related to it :

Provided that such an interest, if so disclosed, shall not disqualify such member for the purpose of constituting a quorum.

(4) A member of the Board shall not accept any gift or advantage for himself or on behalf of any person with whom he may have a family, business, or financial relationship if the acceptance would impair, or may reasonably be viewed as likely to impair, his impartiality in the discharge of his duties under this Act.

(5) A member of the Board who contravenes any of the provisions of this section commits an offence and is liable on conviction to a fine of at least ₦5,000,000 or to imprisonment for a term at least five years or both.

Responsibilities
and powers of
the Board.

13.—(1) The Board shall be responsible for—

(a) the attainment of the public policy objectives of this Act ;

(b) the overall policy and general supervision of the affairs of the Corporation toward the efficient and effective performance of the functions of the Corporation ; and

(c) such other matters as may be prescribed by any other provision of this Act.

(2) Without prejudice to the generality of subsection (1), and in addition to such other powers vested in the Board by other provisions of this Act, the Board shall have power to—

(a) superintend over the affairs of the Corporation ;

(b) act in the name of the Corporation ;

(c) acquire and approve the acquisition of offices and other premises for the use of the Corporation ;

(d) make, alter and revoke rules, guidelines, circulars, and regulations for attaining the public policy objectives and performing the functions, carrying on the operations, activities, and business of the Corporation under this Act ;

(e) appoint officers and staff who in the opinion of the Board are required for performing the functions of the Corporation, including the examination of insured institutions ;

(f) to the exclusion of any other authority, body or person, fix the terms and conditions of service of the employees of the Corporation, including remuneration, allowances and pension benefits in accordance with the Pension Reform Act ;

(g) make, alter, or revoke disciplinary rules and procedures and measures for the staff, officers and other employees of the Corporation ; and

(h) do such other things and enter into such other transactions which in the opinion of the Board are reasonably incidental, supplementary or conducive to the exercise of powers of the Corporation and the performance of the functions of the Corporation.

Act No. 4,
2014.

14.—(1) There shall be appointed for the Corporation—

(a) a Managing Director, who shall be the chief executive officer of the Corporation and shall be responsible for the management of the Corporation ; and

(b) two Executive Directors who shall discharge such duties as may be assigned to them by the Board or the Managing Director.

(2) A person appointed as the Managing Director or an Executive Director shall not, while holding that office, hold any other office or be a director in any corporation, company, or any other establishment without prior approval of the Board.

(3) The Managing Director and Executive Directors appointed under this section shall hold office for a term of five years and may be eligible for reappointment for a further term of five years and no more.

(4) Subject to subsection (3), the terms and conditions of service, including remuneration and allowances of the Managing Director and Executive Directors shall be as approved by the Board.

15.—(1) The Board shall appoint a Secretary who shall—

(a) be responsible to the Board through the Managing Director ;

(b) keep the Board's records;

(c) conduct its correspondence; and

(d) discharge such other duties as the Board or the Managing Director may determine.

(2) The Secretary to the Board of the Corporation shall be a legal practitioner or a member of the Institute of Chartered Secretaries and Administrators of Nigeria with a minimum of 10 years post-qualification experience.

(3) The Board may appoint such number of officers and staff as may appear expedient and necessary to the Board for the proper and efficient conduct of the business and functions of the Corporation.

PART III—CAPITAL AND FUNDS OF THE CORPORATION

16.—(1) The authorised capital of the Corporation shall be ₦50,000,000,000.

(2) On a resolution of the Board, there shall be paid up such amount as shall be subscribed by and paid-up at par in a proportion of 60% and 40% by the Central Bank of Nigeria and the Federal Ministry responsible for finance, respectively.

(3) Notwithstanding the provision of subsection (1), the authorised capital of the Corporation may be increased by such amount as the Board may by resolution determine.

Appointment of the Managing Director and Executive Directors.

Appointment of Secretary and other staff.

Capital.

Deposit
Insurance
Funds.

17.—(1) There is established the following Deposit Insurance Funds for each corresponding category of insured institution—

(a) the Deposit Insurance Fund (DIF) for Deposit Money Banks and Mobile Money Operators ;

(b) the Non-Interest Deposit Insurance Fund (NIDIF) for non-interest banks and windows ;

(c) the Special Institutions Insurance Fund (SIIF) for Microfinance Banks and Primary Mortgage Banks ;

(d) the Non-Interest Special Institutions Insurance Fund (NISIIF) for non-interest Microfinance and Primary Mortgage Banks ; and

(e) the Payment Service Bank Insurance Fund (PSBIF) for Payment Service Banks.

(2) Without prejudice to the provisions of subsection (1), the Corporation may with the approval of the Board establish such additional deposit insurance funds for such other category of insured institutions as the Board may stipulate and a reference to deposit insurance funds in this section shall include deposit insurance funds established under this subsection (2).

(3) The deposit insurance funds established under this section shall each be funded up to the minimum target fund size prescribed for each category of funds under subsection (4), from the respective sources prescribed in subsection (6).

(4) The Board shall prescribe the minimum target fund size for each of the deposit insurance funds established under this section and the time frame within which such minimum target fund size shall be attained :

Provided that the Board shall within such periods as the Board may determine review and if thought fit revise the minimum target fund size.

(5) For the purpose of subsection (4), the Board shall prescribe the target ratio for each of the deposit insurance funds by reference to the total deposits of the corresponding category of insured institutions or such other basis as may be determined by the Board.

(6) There shall be paid into each respective deposit insurance fund established by or under this section—

(a) all assessed premiums payable by insured institutions within the corresponding category of insured institutions ;

(b) all special contributions payable under section 23 (7) of this Act by insured institutions within the corresponding category of insured institutions ;

(c) such portion of the income on investment of each deposit insurance fund as the Board may in its exclusive discretion determine is necessary to maintain such deposit insurance fund at its prescribed minimum target fund size ; and

(d) such portion of the general reserves of the Corporation as the Board may in its discretion determine is necessary to—

(i) maintain each deposit insurance fund at its minimum target fund size, or

(ii) meet the deposit insurance payment obligation of the Corporation to depositors of any category of insured institutions when the sum standing to the credit of the corresponding deposit insurance fund is insufficient to meet the deposit insurance payment obligation of the Corporation to such depositors.

(7) The deposit insurance funds established by or under this section, shall be managed by the Corporation in trust for depositors of the corresponding category of insured institutions and shall be utilised with the approval of the Board to the exclusion of any other person or authority exclusively for—

(a) meeting the deposit insurance or deposit guarantee payment obligations of the Corporation under this Act to depositors of the corresponding category of insured institutions in accordance with this Act, including payment to an insured institution which assumes the deposit liability of another insured institution ;

(b) in pursuance of sections 4 (b) and 49 of this Act, giving assistance to insured institutions of the corresponding deposit insurance fund in an aggregate amount not exceeding ten percent or such other percentage of the sums standing to the credit of each such deposit insurance fund as may be prescribed by the Board ; and

(c) all refunds of excess premium assessment or special contributions as approved by the Board.

18.—(1) There is established for the Corporation an Operating Fund which shall consist of—

Operating
Fund of the
Corporation.

(a) the capital of the Corporation provided under section 16 of this Act ;

(b) income from the investments of the Corporation other than income from the investment of the deposit insurance funds established under section 17 of this Act ;

(c) such portion of income from investment of the deposit insurance funds established under section 17 of this Act which the Board has not appropriated to the relevant deposit insurance fund under 17 (6) (c) of this Act ;

(d) money borrowed from any source with the approval of the Board ; and

(e) money from any other source as may be approved by the Board.

(2) There shall be chargeable to the Operating Fund established under subsection (1)—

(a) all expenses, other than those stipulated under section 17 (7) of this Act, incurred by the Corporation as approved by the Board or under such expenditure policy approved by the Board ;

(b) money required for the payment of funds borrowed by the Corporation including interest on such borrowed funds ;

(c) allowances and remuneration payable to members of the Board ;

(d) remunerations and other allowances payable to the Secretary to the Board and other staff of the Corporation ;

(e) the cost of administration of the Corporation in accordance with the budget approved by the Board ;

(f) the payment for all consultancies, contracts, including mobilisation, fluctuations, variations, legal fees and cost on contract administration as approved by the Board or under the expenditure or procurement plan approved by the Board ;

(g) all expenses necessary to meet capital expenditure approved by the Board of the Corporation ;

(h) all expenses necessary to maintain any property acquired by or vested in the Corporation ; and

(i) the payment of such other expenditure (other than those stipulated under section 17 of this Act) necessary for the performance of the functions of the Corporation.

(3) The Operating Fund of the Corporation shall be managed in accordance with the rules made by the Board.

General
Reserve Fund.

19.—(1) Notwithstanding the provisions of any enactment, the Corporation shall establish a General Reserve Fund and shall, subject to subsection (2), transfer thereto at the end of each fiscal year its net operating surplus for the year in order to—

(a) satisfy payment obligations to depositors in the event that any deposit insurance fund established by or under section 17 of this Act is insufficient for that purpose ; and

(b) render assistance to insured institutions in accordance with the provisions of this Act.

(2) Subject, to the provisions of section 17 (6) (d) of this Act and provided that the minimum target fund size prescribed by the Board under Section 17 (4) of this Act has been attained, where the General Reserve Fund is more than ten times the authorised capital at the end of the year—

(a) 75% of the net operating surplus shall be transferred to the General Reserve Fund.

(b) 50% of the remaining 25% of the net operating surplus may be applied to reduce the annual premium payable by insured institutions and if not so applied, shall be transferred to the General Reserve Fund, and

(c) the remaining 50% of the remaining 25% of the net operating surplus shall be paid to the shareholders.

(3) The net operating surplus of the Corporation for each year shall be determined after—

(a) providing for meeting the minimum target fund size for each of the deposit insurance fund established by or under section 17 of this Act ;

(b) meeting all the current expenditure for that year ; and

(c) making such other provisions as the Board may deem fit including depreciation of assets, contribution to staff pension and superannuation funds and all other reasonable contingencies.

20.—(1) The Corporation shall have power to invest money not immediately required in Federal Government Securities or in such other securities as the Board may determine.

Bank Account
and
Investment of
Funds of the
Corporation.

(2) The incomes from the money invested as prescribed by subsection (1) shall be credited to the account of the Corporation.

(3) All administrative expenses shall be defrayed out of the Operating Fund established under section 18 of this Act.

PART IV—DEPOSIT INSURANCE SCHEME

21.—(1) All licensed banks and such other financial institutions in Nigeria licensed to engage in the business of receiving deposits shall insure their deposit liabilities with the Corporation.

Participating
financial
institutions.

(2) A licensed bank or such other deposit-taking financial institution which contravenes the provisions of subsection (1), commits an offence and is liable on conviction to a fine of at least—

(a) ₦50,000,000 and a further ₦5,000,000 for each day the offence is committed, in the case of a Deposit Money Bank ; and

(b) ₦5,000,000 and a further ₦200,000 for each day the offence is committed in the case of other deposit-taking financial institutions.

(3) A principal officer of such a licensed bank or other deposit-taking financial institution which contravenes subsection (1), commits an offence and is liable on conviction to a fine of at least ₦5,000,000 or imprisonment for three years or both.

22. All deposits of a licensed bank or any other licensed deposit-taking financial institution shall be insured with the Corporation and premium paid on such deposits accordingly, with the exception of—

Insurable
deposit.

(a) insider deposits, that is, deposits of staff including directors of the insured institutions ;

(b) counterclaims from a person who maintains both deposit and loan account, the former serving as a collateral for the loan ;

Assessment of insured institutions and special contribution.

(c) inter-bank placements ; or

(d) such other deposits as may be specified by the Board.

23.—(1) Every insured institution shall pay to the Corporation an annual premium as assessed in accordance with the provisions of this section.

(2) Subject to subsection (4), the assessment of premium shall be on a risk-based basis by reference to total deposit liabilities standing in its books as at 31 December of the preceding year.

(3) For the purposes of subsections (1) and (2), the—

(a) deposit liabilities shall be as certified by the approved auditor of the insured institution ;

(b) certified deposit liabilities shall be forwarded to the Corporation on or before 31 January of every year ; and

(c) annual premium shall be payable not later than two months from the date of the demand notice.

(4) Notwithstanding the provisions of subsection (2), and subject to the approval of the Board, the Corporation shall have the power to vary the rate or basis of assessment of the premium payable to the Corporation by insured institutions or to charge an insured institution or any class of insured institutions premium at a rate or rates as may be determined by the Board.

(5) The rate or basis of assessment of the premium payable to the Corporation by insured institutions shall be published in the Federal Government Gazette.

(6) The premiums payable under subsections (1) and (2) shall not be chargeable to depositors in any form.

(7) Where the funds of the Corporation are not sufficient for giving assistance to insured institutions within the meaning of section 4 (b) of this Act or otherwise insufficient for implementation of the public policy objectives of this Act, every participating insured institution or any category of insured institutions may be obliged without prejudice to subsections (1) and (2) to pay as special contribution out of its profits before tax, a sum equal to its annual premium or such other sum as the Board may require, not exceeding 200% of its annual premium, on such terms and conditions as the Board may determine.

(8) Any premium payable by an insured institution and which remains unpaid for more than three months after a demand notice had been served on such institution, shall attract interest at a rate equivalent to the prevailing Monetary Policy Rate (MPR) of the Central Bank of Nigeria or any other applicable rate as may be specified by the Board.

(9) Where in the opinion of the Board the certified total deposit liabilities of an insured institution submitted under subsection (3)(b) is materially understated,

the Corporation shall have power to reassess such total deposit liabilities and the premium payable on it.

(10) A reassessment by the Corporation under subsection (9) shall, except for manifest error, be final and conclusive.

(11) Where the amount of any premium payable by an insured institution is unpaid, the unpaid amount shall be recoverable as a debt due to the Corporation.

(12) Where an insured institution is in default of premium or special contribution, the Central Bank of Nigeria, at the written request of the Corporation, shall in the case of—

(a) a Deposit Money Bank, debit the account of the insured institution to the tune of the amount so unpaid and any accrued interest on it for the benefit of the Corporation ;

(b) other deposit-taking financial institutions, cause the relevant correspondent bank to debit the account of such institution to the tune of the amount so unpaid and any interest on it for the benefit of the Corporation.

24. A premium due from an insured institution to the Corporation shall not be reduced, adjusted, or withheld on the basis of any set-off or claim that an insured institution may have against the Corporation.

Prohibition of set-off.

25.—(1) In the event of the revocation of the operating license of an insured institution or actual suspension of payment to depositors of such insured institution, a depositor shall receive from the Corporation, under section 4(a) and in circumstances stipulated in section 17 (7) (a) of this Act, a maximum amount of—

Maximum claim.

(a) ₦500,000, in the case of a depositor of an insured institution other than a Microfinance Bank ; and

(b) ₦200,000, in the case of a depositor of a Microfinance Bank :

Provided that in the case of actual suspension of payment, the Corporation shall only make payment under this section with the concurrence of the Central Bank of Nigeria.

(2) Notwithstanding the provisions of subsection (1) and subject to the approval of the Board, the Corporation shall have power, to vary upwards the maximum amount which a depositor shall receive from the Corporation as provided under subsection (1) in respect of deposits of failed insured institutions.

(3) For the purpose of subsection (1), all accounts held in the same right and capacity in one failed insured institution shall be merged as one account.

(4) The payment of the insured sum as provided for under this section shall be without prejudice to the liquidation dividends to be paid to the depositor once the assets of the failed insured institution have been realised.

Right to set-off obligor's deposit.

26. The Corporation shall have the power to set-off a loan owed by an obligor of a failed or failing insured institution against the deposit of such obligor held in such failing or failed insured institution or any other failed insured institution in liquidation in respect of all proven liabilities due from the obligor to the insured institution.

Application of Global Standing Instruction Scheme and statutory right to funds of obligors in insured institutions.

27.—(1) Without prejudice to the provisions of section 26 of this Act, the Corporation shall be entitled to exercise on behalf of a failed insured institution, the rights which the failed insured institution has under the Global Standing Instruction Scheme operated by the Central Bank of Nigeria under any enactment or regulation in effect.

(2) For the purpose of effecting the Global Standing Instruction mandate, the Corporation acting as liquidator shall have access to the Bank Verification Numbers of obligors in the Industry Customer Account Database, through the Nigeria Interbank Settlement System, as well as connectivity to the Nigeria Central Switch for and on behalf of failed insured institutions.

(3) Without prejudice to the provisions of subsections (1) and (2), and subject to any prior encumbrances, the Corporation as liquidator of a failed insured institution shall be entitled to deposits held in any bank account maintained by an obligor with any other insured institution in satisfaction of any debt owed to a failed insured institution.

(4) For the purpose of subsection (3), without recourse to the obligor, any insured institution shall on a written demand by the Corporation made at any time, cause the account of the specified obligor in the written demand maintained with that insured institution to be immediately debited with the amount stated in the written demand and cause the said amount to be immediately paid over to the Corporation.

Payment of insured deposit.

28.—(1) Payments of the insured deposit in an insured institution shall be made by the Corporation—

(a) within 30 days of the Corporation becoming the liquidator of such insured institution where the licence of that institution is revoked ; or

(b) with the concurrence of Central Bank of Nigeria, within 30 days, where due to its insolvent status, the insured institution has suspended payment or is otherwise unable to meet its obligation to depositors for a period of 90 days.

(2) The payment in subsection (1) shall be made by—

(a) cash ;

(b) negotiable instrument ; or

(c) making available to each depositor a transferred deposit in another insured institution in an amount equal to the insured deposit of such depositor :

Provided that where the Corporation is—

(i) liable to make payment under this section, it shall, at its discretion, require proof of claim from all depositors with the insured institution, and

(ii) not satisfied as to the validity of a claim for an insured deposit, it may require the final determination by a court of competent jurisdiction before paying such claim.

(3) The Corporation on the payment of any depositor as provided in subsection (1) shall be subrogated to all rights of the depositor against the failed insured institution to the extent of such payment, and such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such failed insured institution and recoveries on account of shareholder's liabilities as would have been payable to the depositor for any uninsured portion of his deposit.

(4) The right of subrogation conferred on the Corporation under subsection (3) and section 57 (3) (a) of this Act shall be exercisable by the Corporation against a failed insured institution notwithstanding the restoration of the failed insured institution's operating licence or its returning to solvency.

(5) The Corporation, if it finds that it is advisable in the interest of the depositors or the public, shall, not later than 30 days after the failure of an insured institution, appoint another insured institution to assume the insured deposits of the failed insured institution.

29.—(1) Where the operating licence of an insured institution is revoked or where an insured institution has suspended payment or is otherwise unable to meet its obligation to depositors, the insured deposit shall become payable and the Corporation shall become obligated to pay insured deposits to the depositors of such insured institutions in accordance with the provisions of sections 25 and 28 of this Act :

Payment of insured deposit pending action in Court.

Provided that where an insured institution has suspended payment or is otherwise unable to meet its obligation to depositors, payment of insured deposit shall only be made with the concurrence of the Central Bank of Nigeria.

(2) Notwithstanding the provisions of this Act or any other enactment, no restorative, prohibitive or like order shall be granted against the Corporation in relation to payment of insured deposits to depositors of an insured institution, and the remedy of any claimant or applicant against the Corporation in any such action, suit or proceedings shall be limited to the amount of actual loss suffered which shall not exceed, in the case of a—

(a) depositor, the maximum insured deposit ;

(b) shareholder, the nominal value of the shares of the shareholder in the insured institution ; or

(c) group of shareholders, the nominal value of the aggregate of the shares of the shareholders in the insured institution.

Power to withhold deposits on discharge of the Corporation.

30.—(1) The Corporation shall have power to withhold, pending the determination of culpability or otherwise by a tribunal or court of competent jurisdiction, the payment of insured and uninsured deposit claims obtained through or being used in connection with or held in furtherance of criminal activities or where it is satisfied that the depositor had connived with or in any way assisted officials of the failed insured institution or had been a party to or had knowingly benefited from the circumstances which gave rise to the failure of an insured institution.

(2) The Corporation may withhold payment of such portion of the insured deposit of any depositor in a failed insured institution as may be required to provide for the payment of any liability of such depositor to the failed insured institution or its liquidator or receiver, pending the determination and payment of such liability by such depositor or any other person liable.

(3) Payment of an insured deposit to any person by the Corporation shall discharge the Corporation, and payment of a transferred deposit to any person by an insured institution in which a transferred deposit has been made available shall discharge the Corporation and such other insured institution, to the same extent that payment to such person by the failed insured institution would have discharged it from liability from the insured institution.

(4) Where, after the Corporation has given at least three months notice to pay to every depositor by mailing a copy to his last known address appearing in the records of the failed insured institution, or publishing a general notice in at least two national dailies and two electronic media houses with national coverage, notifying insured depositors of the particular failed insured institution of the dates and venue for payment, and any depositor of the failed insured institution who -

(a) fails to claim his insured deposit from the Corporation within six years after the notice of the Corporation has been sent to the depositor or the notice of payment to the depositors is published in two national dailies and electronic media houses, shall forfeit such sums to the Corporation ; or

(b) fails within such period to claim or arrange to continue the transferred deposit with the new insured institution, all the rights of the depositor against the failed insured institution or its shareholders or the receivership estate to which the Corporation may have become subrogated shall revert to the Corporation.

(5) The amount of any transferred deposit not claimed within the period stated in subsection (4) (b) shall be refunded to the Corporation.

(6) A court proceeding shall not be commenced against the Corporation in respect of the obligation of the Corporation to make any payment in relation to any deposit held by any person in any failed insured institution after the expiry of the period stipulated in subsection (4).

31.—(1) The Corporation may after payment of insured deposits make interim dividend payments from proceeds of realised assets of the failed insured institution.

Interim dividend payment.

(2) The Corporation may only make advance payments of interim dividend otherwise than out of proceeds of realised assets, to depositors of failed insured institutions that comply with the following conditions—

(a) the net realisable value of the assets of the failed insured institution can be reasonably estimated ;

(b) the estimated amount of the advance payment and the interest at a rate to be determined by the Corporation but in any event not more than the prevailing Monetary Policy Rate can be fully reimbursed by the estimated net realisable value of the assets ;

(c) the failed insured institution has no incidents of significant embezzlement or other significant fraud or other abuses whose losses are difficult to determine ; and

(d) the amount of the advance payment to be made by the Corporation shall not exceed 30% of the total excess uninsured deposit claims of any failed insured institution.

PART V—TERMINATION OF INSURED STATUS

32.—(1) Whenever it appears to the Corporation that an insured institution or its directors or officers have committed a grievous violation of its obligation under this Act or have continued to conduct the business of the insured institution—

Grievous violation of obligations.

(a) in an unsound manner ; or

(b) in a manner that intentionally or negligently permits any of the officers or agents of the insured institution to violate any provisions of any law or regulation to which an insured institution is subject,

the Corporation may serve on the Board of the insured institution a warning notice stating that where the unsound practice or violation continues, the name of the insured institution may be removed from the register of insured institutions.

(2) A copy of the warning notice issued under subsection (1) shall be forwarded to the Central Bank of Nigeria.

(3) It shall be deemed a grievous violation of obligation under this Act where an insured institution—

(a) persistently suffers liquidity deficiency ;

(b) persistently contravenes the provisions of any legislation or regulation relating to banking, economic and financial crimes ;

(c) makes incomplete or incorrect statements to the Corporation ;

(d) is in default of its annual premium payment or special contribution as provided in section 23 of this Act ;

(e) habitually fails to render returns to the Corporation as required under this Act or does not submit on request any other information for the efficient performance of the function of the Corporation ;

(f) makes incorrect statement to the Corporation as regards customers' deposits it has insured ;

(g) fails to make adequate provisions for bad and doubtful debts up to the amount recommended by the Central Bank of Nigeria ; or

(h) fails to write off bad debts as may be recommended by the Central Bank of Nigeria.

(4) Where despite being served with a warning notice under subsection (1), in the opinion of the Board, the unsound practice continues unabated, the Corporation, with the concurrence of the Central Bank of Nigeria and subject to the provisions of section 33 of this Act, may terminate the insured status of such insured institution.

Conditions for
termination of
insured status.

33.—(1) Where the insured institution fails within a reasonable time to make amends after it has been served with a warning notice under section 32 of this Act, the Board shall—

(a) give to the institution at least 30 days written notice of its intention to terminate the insured status of the institution ; and

(b) fix a time and place of hearing before a person designated by the Board to conduct the hearing at which evidence may be produced, and upon such evidence, the Board shall make its findings which shall be final.

(2) Where the insured institution is not represented or does not make any representation to the Corporation under subsection (1) (b), or if the Corporation does not favourably consider such representation made, the Corporation with the concurrence of the Central Bank of Nigeria may proceed to terminate the insured status of the institution.

Procedure
upon
termination of
insured status.

34.—(1) Where the participation of an insured institution in the Deposit Insurance Scheme is terminated, the Corporation shall immediately cause a notice of such termination to be published in the Federal Government Gazette and at least three newspapers with nationwide circulation, to the depositors and other creditors to whom liabilities are owed and bring the consequences of such termination to their notice.

(2) After the termination of the status of an insured institution under this Act, the insured deposits of each depositor in the institution on the date of its termination, less all subsequent withdrawals from the deposits of such depositor, shall continue to be covered for another period of one year, and thereafter, such deposits shall cease to be covered.

(3) The Corporation shall not insure any addition to any deposit specified in subsection (2) or any new deposit in the institution made after the date of

termination of its status as an insured institution and the institution shall not advertise for deposits or hold itself out as having its deposits insured by the Corporation.

(4) The Central Bank of Nigeria may revoke the licence of any insured institution whose insured status has been terminated by the Corporation.

35. An insured institution whose insured status is terminated in accordance with this Act but whose licence has not been revoked by the Central Bank of Nigeria may re-apply to participate in the scheme after it has satisfied all the conditions required of it by the Board particularly after the Board had given consideration to the—

Conditions for participation after termination of insured status.

- (a) institution's financial position and its general operational practice has improved satisfactorily since the termination order became effective ;
- (b) grounds for which the institution's participation in the Deposit Insurance Scheme was terminated have been remedied ; and
- (c) future earnings prospects and general character of its management are satisfactory.

PART VI—SUPERVISION OF INSURED INSTITUTIONS

36.—(1) Every insured institution shall submit to the Corporation such returns and information as may be required for the proper performance of the functions of the Corporation within the stipulated period.

Power of the Corporation to require information.

(2) Any insured institution which fails to comply with the provisions of subsection (1), commits an offence under this Act and is liable on conviction to a fine of at least ₦1,000,000 and thereafter ₦250,000 for each day the offence continues, counting from the day immediately after the date of failure to make such return.

(3) In addition to the powers conferred on it under this Act, the Corporation, for the attainment of its public policy objectives or the performance of its functions, may require persons having access, at all reasonable times to supply to it information, in such form as the Corporation may direct, relating to, or touching on or concerning matters affecting the interest of depositors of insured institutions.

(4) Where a person lawfully required to supply information necessary to achieve the public policy objectives and functions of the Corporation—

- (a) supplies any information which he knows to be false or supplies it recklessly as to its truth or falsity ; or
- (b) without reasonable excuse, fails to supply any information required by the Corporation,

the person commits an offence and is liable on conviction to a fine not more than ₦1,000,000 and in the case of contravention of subsection (4)(b), an

additional fine of at least ₦250,000 for each day the offence continues, starting from the day immediately after the date of failure to supply such information.

Investigation
in respect of
related entities
of insured
institutions.

37.—(1) The Corporation under the auspices of Financial Services Regulation and Coordinating Committee (FSRCC) may obtain information from the relevant sector regulator regarding the activities of a regulated entity under its purview relating to transactions with an insured institution.

(2) Any holding company of any insured institution, any subsidiary, or affiliate or associated company of any insured institution, or any director or officer of any such holding company, subsidiary, affiliate or associated company, that provides information that is false, misleading, inaccurate, or incomplete, or that fails to comply with any requirement to provide information under this Act, commits an offence and is liable on conviction, in the case of—

- (a) a corporate body, to a fine of at least ₦100,000,000 ; and
- (b) an individual, to imprisonment for a term of at least five years.

(3) Where an insured institution is deemed to be threatened with insolvency on the basis of data submitted under subsection (1), the Corporation may under the auspices of the FSRCC investigate the business and the financial status of the subsidiaries, affiliates and associated companies of the insured institution.

(4) The Corporation may require any person, depositor, customer, creditor or organisation which had a transaction with or related to a failing or failed insured institution to provide information on such transaction to determine whether or not such transaction contributed to the insolvency or failure of the insured institution.

Appointment,
powers and
functions of
examiners.

38.—(1) The Managing Director shall, for the purpose of attaining the public policy objectives or proper performance of the functions of the Corporation, have power to appoint such number of examiners who shall be officers of the Corporation.

(2) The examiners appointed under subsection (1) shall have—

- (a) power to examine periodically, and under conditions of secrecy, the books and affairs of every insured institution ;
- (b) a right of access at all times to the books, accounts and vouchers of the insured institution including its management information system ;
- (c) power to require and obtain information and explanations from the officers, directors and auditors of an insured institution as they may deem necessary in the discharge of their duties ; and
- (d) access to accounts, returns and information with respect to any insured institution under the provisions of this Act, which are in the possession of the Central Bank of Nigeria.

(3) In the exercise of the powers and performance of the functions under subsection (2), an examiner shall exercise reasonable care to prevent unreasonable hindrance to the activities of an insured institution and confine the investigation to matters of fact and data deemed necessary for the examination.

(4) Subject to subsection (5), the Corporation and the Central Bank of Nigeria may develop a framework for the purpose of streamlining the conduct and minimising the disruptive effect of examinations.

(5) The supervision and examination of insured institutions by the Corporation under this section and sections 39 and 40 of this Act shall be subject to the concurrence of the Central Bank of Nigeria.

(6) An examiner shall forward a written report of his findings to the Managing Director of the Corporation who shall inform the Board of any circumstances in which the Corporation shall notify, and may make appropriate recommendations to the Central Bank of Nigeria under the provisions of sections 32, 33, and 43 of this Act.

39.—(1) An insured institution shall produce to the examiner as and when required, all books, accounts, documents, management information systems and all information as the examiner may deem necessary or request in the performance of his functions.

Duties of insured institutions in relation to examination.

(2) Any insured institution, its director or officer that—

(a) wilfully refuses to produce any book, account, document or such other information,

(b) negligently, wilfully or with intent to defraud, gives information which is false in any material particular, or

(c) refuses examiners access to their premises or any hardware or software utilised in its business,

commits an offence.

(3) A person who commits an offence under this section shall be liable on conviction—

(a) in the case of an individual who commits an offence under subsection (2)(a), to a fine of ₦100,000 for every day that he withholds the information, document, book or account and in the case of an insured institution to a fine not more than ₦1,000,000 for every day that the said information, document, or book of account was withheld ; or

(b) for an offence under subsection (2)(b)—

(i) to a fine not more than ₦10,000,000 or imprisonment for a term of three years or both, in the case of an individual, and

(ii) to a fine of ₦50,000,000 in the case of a Deposit Money Bank and ₦10,000,000 for other deposit-taking financial institutions.

Special
examination.

40.—(1) The Executive Management of the Corporation may at any time appoint two or more qualified persons to conduct a special examination or investigation of the books and affairs of an insured institution under conditions of secrecy where the Executive Management of the Corporation is of the opinion that an insured institution may—

- (a) be carrying on business in a manner detrimental to the interest of its depositors and creditors ;
- (b) have insufficient assets to cover its liabilities to the public ; or
- (c) be contravening the provisions of this Act.

(2) An examiner appointed to conduct a special examination under subsection (1) shall forward a written report of his findings to the Managing Director of the Corporation who shall inform the Board of any circumstances in which the Corporation shall notify, and may make appropriate recommendations to the Central Bank of Nigeria under the provisions of sections 32, 33, and 43 of this Act.

(3) Where an insured institution deems that it is—

- (a) likely to become unable to meet its obligations ; or
- (b) about to suspend payments,

the insured institution shall immediately notify the Corporation.

(4) Any insured institution which contravenes the provisions of subsection (3), commits an offence and is liable on conviction to a fine of—

- (a) ₦50,000,000 in the case of a Deposit Money Bank ; and
- (b) ₦10,000,000, in the case of other deposit-taking financial institutions.

(5) Any director whose responsibility it was to inform the Corporation shall be personally liable to a fine of ₦5,000,000 in addition to any other sanction that may be imposed on such director.

Report of
examination.

41.—(1) After the conclusion of any examination under the provisions of this Act, the Corporation shall—

(a) present the written report together with its recommendations to the board of directors of the insured institution at a meeting specially convened for that purpose within such time as the Corporation may direct ; or

(b) forward a copy of such report to the Chairman and the Managing Director of the insured institution concerned with instruction that it be presented by the management of that institution to their board of directors at a meeting specially convened within one month of receiving the report for the purpose of considering the report and implementing the recommendations contained in it.

(2) The insured institution shall within two weeks of the presentation to its board of directors convey to the Corporation the reaction of the board of directors to the written report and proposals for implementation of the recommendations.

(3) Where an insured institution fails to implement the recommendations contained in the written report of examination after it had been warned by the Corporation, the Corporation shall notify, and may make appropriate recommendations to, the Central Bank of Nigeria under the provisions of sections 32, 33 and 43 of this Act.

(4) Any written examination report, including working papers, appendices or any extract from it, prepared and certified by the Corporation or by the Central Bank of Nigeria, indicating that a person is indebted to a failing or failed insured institution shall be *prima facie* proof of such indebtedness.

42. Every report of examination of an insured institution issued by the Corporation shall be kept confidential, and no person or authority shall have right of access or production of such report under any law except the insured institution, the Corporation or the Central Bank of Nigeria, provided that—

Confidentiality of examination report.

(a) a superior court of record may order the production of the relevant extracts of the report certified as a true copy by the Secretary to the Board of the Corporation, in proceedings before that court held in chambers or under conditions of secrecy and confidentiality ;

(b) the Corporation may at its discretion tender the report in court in proceedings held in chambers or under conditions of confidentiality ; or

(c) where the insured institution has failed, or its licence has been revoked, the report of examination can be tendered in open court.

43. Without prejudice to the provisions of this Act, where the examination by the Corporation of any insured institution discloses, or the Corporation otherwise becomes aware, that an insured institution or its directors or staff have violated or are violating any provisions of any law or regulation to which the insured institution is subject, or have engaged, are engaging or are about to engage in unsafe and unsound practices in conducting the business of the institution, the Corporation shall promptly notify the Central Bank of Nigeria of such violation and may make appropriate recommendations.

Recommendation to Central Bank of Nigeria on violations.

PART VII—DUTIES OF INSURED INSTITUTIONS

44. All insured institutions shall have fidelity insurance coverage up to such level as may be prescribed by the Corporation.

Fidelity insurance.

45.—(1) The members of board, staff and agents of an insured institution shall keep strictly confidential and make no unauthorised disclosure or use of any information in relation to the activities or condition of an insured institution or in relation to its customers which they may either directly or indirectly receive

Obligations in respect of unauthorised disclosure.

in such capacity, even after they cease to be members or staff or agents of that insured institution.

(2) The obligation specified in subsection (1) is imposed on members of the Board and employees of, and agents or other persons engaged by, the Corporation.

(3) The provision of subsection (1) shall not apply to communications made to the Corporation, the Central Bank of Nigeria, external auditors of the insured institution, the Bankers' Committee, or the Federal Ministry responsible for finance in connection with the functions of the Corporation.

(4) The provisions of subsection (1) shall not apply to communications made to the Corporation in connection with the admission or exclusion of an insured institution from a deposit insurance fund established by or under the provisions of this Act.

(5) A person who contravenes the provisions of subsection (1), commits an offence and is liable on conviction a fine of ₦5,000,000 or imprisonment for a term not more than three years or both.

Returns on
frauds and
forgeries.

46. An insured institution shall render to the Corporation, monthly returns of frauds, forgeries or outright theft occurring during such month and shall include a detailed report of such events.

Notification to
the
corporation of
dismissed
staff and
employment
of dismissed
staff.

47.—(1) An insured institution shall notify the Corporation of any staff dismissed, terminated or advised to retire or resign on the ground of fraud, forgery or financial malpractice.

(2) The persons affected under subsection (1) shall not be employed in an insured institution.

(3) Any insured institution which acts in contravention of this section, commits an offence and is liable on conviction to a fine of at least ₦5,000,000 and an additional ₦100,000 for each day during which the contravention continues.

(4) Where an insured institution contravenes this section with the knowledge or connivance of any director, manager, secretary or any other officer of the insured institution, such an officer commits an offence and is liable on conviction to a fine of at least ₦2,000,000.

(5) Any contract of employment or similar agreement entered into in contravention of subsection (2) shall be void and the insured institution shall immediately dispense with the service of such person.

Foreclosure of
mortgages.

48. Notwithstanding the provisions of any law or contract or deed to the contrary where an obligor fails, neglects or refuses to repay a debt owed to a failing or failed insured institution that is secured by a legal or equitable mortgage, the Corporation shall have power to take possession of, manage, foreclose, sell, transfer, assign or otherwise dispose of the property, in full or partial satisfaction of the debt owed to the failing or failed insured institution subject to the right or interest of other secured creditors.

PART VIII—FAILURE RESOLUTION OF INSURED INSTITUTIONS

49.—(1) The Corporation shall, under section 4 (b) of this Act, at the request of an insured institution or the Central Bank of Nigeria, under such conditions as may be specified by the Corporation, and upon notice to the Central Bank of Nigeria in the case of a request by an insured institution, assist the insured institution if the Corporation determines that—

Financial assistance.

- (a) the insured institution has difficulty meeting its obligations to its depositors and other creditors ;
- (b) the insured institution persistently suffers liquidity deficiency ;
- (c) the insured institution has accumulated losses which have nearly or completely eroded the shareholders' fund ; or
- (d) such assistance is required to prevent the insured institution from failing.

(2) The Corporation may take one or a combination of any of the following actions to provide liquidity support to assist an insured institution—

- (a) accept an accommodation bill with interest for a period not more than 90 days maturity exclusive of days of grace and subject to renewal not more than seven times ;
- (b) purchase or invite eligible investors to purchase the equity and or such assets and or assume any such liabilities of the insured institution ;
- (c) issue bonds, certificates, debentures, debt instruments and other securities to purchase or assume such assets, equity or liabilities of the insured institution ;
- (d) take or carry out any other measure to provide financial assistance to the insured institution :

Provided that interest rates that may be applicable to facilities extended to insured institutions under this section shall not exceed the Monetary Policy Rate of the Central Bank of Nigeria.

(3) The conditions to be specified by the Corporation under subsection (1), other than as to tenor and interest, shall be with the concurrence of the Central Bank of Nigeria.

50.—(1) The Corporation, with the concurrence of or at the request of the Central Bank of Nigeria, may—

Technical assistance.

- (a) assume control of a failing insured institution and take over its management ;
- (b) appoint new management for the insured institution,
- (c) remove, replace or change principal officers of the insured institution ;
- (d) replace the principal officers of the insured institution with officials of the Corporation ;

(e) impose holding actions, direct the insured institution and its directors to carry out specified actions or refrain from doing certain actions ;

(f) carry out organisational and operational changes including, without limitation, staff rationalisation, requiring shareholders to recapitalise the bank, shutting down of some branches, sale of subsidiaries or other business units, downsizing, rightsizing, appointment of consultants, writing off certain assets, applying debt to equity swaps, consideration of certain securities and instruments as capital, and employment of bail-in measures, write down of capital and restructuring of the business of the insured institution ;

(g) take such action as may be—

(i) necessary to restore the failing insured institution to a sound and solvent condition, and

(ii) appropriate to carry on the business of the failing insured institution and preserve and conserve its assets and properties ;

(h) acquire, manage and dispose of impaired assets of failing insured institutions, either directly or through an asset management company established by the Corporation, and failing insured institutions shall, at the request of the Corporation, be obliged to offer such impaired assets for sale to the Corporation or the asset management company ; and

(i) take any other measures to restructure the insured institution.

(2) For the purpose of subsection (1)(h), the Corporation, with the concurrence of the Central Bank of Nigeria, may make rules, regulations and guidelines for designating assets of failing insured institutions as impaired assets, regulating the regime for valuation and acquisition of such impaired assets by the Corporation or an asset management company established by the Corporation for that purpose, and regulating the regime for the administration, realisation, management and disposal of such acquired impaired assets.

(3) The provisions of sections 26, 27, 63, 64, 66, 67, 68 and 69 of this Act shall apply *mutatis mutandis* to debts owed to the Corporation or to an asset management company established by the Corporation by reason of the acquisition of impaired assets under subsection (1) (h).

Mergers and
acquisitions.

51. The Corporation, with the concurrence or at the request of the Central Bank of Nigeria, may—

(a) merge, facilitate or induce a merger of a failing or failed insured institution with another healthy insured institution ;

(b) facilitate or induce the acquisition of a failing or failed insured institution by another healthy insured institution ;

(c) restructure an insured institution through acquisition, management and disposal of all or part of the equity or the assets or the liabilities of the failing or failed insured institution either directly, indirectly through or by another insured institution or an asset management company.

52. The Corporation, with the concurrence or at the request of the Central Bank of Nigeria, may undertake a purchase of assets and assumption of liabilities transaction with respect to a failing or failed insured institution as follows—

Purchase and assumption.

(a) the Corporation shall have power to charge, dispose, transfer or alienate all or some of the assets of a failing or failed institution to a healthy insured institution ;

(b) the Corporation may advance to or receive from the assuming institution an amount equal to the difference between the assumed liabilities and the transferred or purchased assets ;

(c) the assets of the failing or failed insured institution shall be transferred or purchased by a healthy insured institution in consideration of the assumption of all or some of the liabilities of the failing or failed insured institution ;

(d) the Corporation may receive such assets from the failing or failed insured institution as collateral for any advance to the assuming institution or purchase the assets from the failing or failed insured institution and any asset (including land) of the failing or failed institution shall be transferred or be vested in the assuming institution or the Corporation.

53.—(1) The Corporation, with the concurrence or at the request of the Central Bank of Nigeria, may acquire a failing or failed insured institution whose paid up capital is lost or unrepresented by available assets for a nominal consideration of one naira only by an Order published in the Federal Government Gazette.

Acquisition of insured institution whose capital is lost.

(2) The acquired insured institution shall from the date stated in the Federal Government Gazette belong to the Corporation which shall hold same in trust for the depositors and other creditors of the insured institution.

(3) The Corporation may restructure the acquired institution for sale to suitable investors or wind up and liquidate the insured institution.

(4) The Corporation may take such other measures that are reasonably necessary for resolution of an acquired insured institution.

54.—(1) The Corporation, with the concurrence of the Central Bank of Nigeria, may organise and incorporate, and the Central Bank of Nigeria shall issue a banking licence to one or more banks, to be referred to as bridge banks which shall be insured institutions to assume such deposits or liabilities, and shall purchase such assets of a failing insured institution and perform any other function or business as the Corporation may determine.

Bridge banks

(2) The Corporation shall appoint, remove and fix the remuneration of the board of directors and management of such bridge bank.

(3) Notwithstanding the provisions of the Companies and Allied Matters Act, the Central Bank of Nigeria Act, the Banks and Other Financial Institutions Act, or any other law, the bridge bank shall not be subject to any requirement relating to issued or paid-up capital, and the Corporation may make available to the bridge

Act No. 3, 2020.
Act No. 7, 2007.
Act No. 5, 2020.

bank, upon such terms and conditions, and in such form and amounts, as the Corporation may determine, funds for the operation of the bridge bank.

(4) The Central Bank of Nigeria, the Corporate Affairs Commission, the Securities and Exchange Commission, the Nigerian Exchange Group, the Federal Inland Revenue Service and any other regulatory or supervisory authorities shall, at the request of the Corporation, grant to a bridge bank forbearance, exemptions and waivers in respect of any fees howsoever described (including incorporation, licensing and registration fees), and all levies, duties, taxes or other imposts.

(5) The operation of a bridge bank shall, unless extended as provided, terminate at the end of two years from the date it was issued licence and the Corporation may in its discretion extend the period of operation of a bridge bank for a maximum of three additional one-year periods.

(6) The status of a bridge bank shall terminate upon the earliest of the—

(a) merger or consolidation of the bridge bank with an insured institution that is not a bridge bank ;

(b) sale of a majority of the equity of the bridge bank to any person other than the Corporation and another bridge bank ;

(c) assumption of all or substantially all deposit and other liabilities or the acquisition of all or substantially all the assets of the bridge bank by an insured institution that is not a bridge bank ; or

(d) expiration of the period provided in subsection (5) or the earlier dissolution of the bridge bank by the Corporation before the expiration of the time provided or as extended by the Corporation under this Act.

(7) The Corporation shall be appointed liquidator of a bridge bank whose status has been terminated.

(8) Following the merger or consolidation or sale of the equity or assumption of the deposits or acquisition of the assets of the bridge bank as provided in subsection (6), the resulting entity shall for all purposes be an insured institution.

PART IX—LIQUIDATION OF INSURED INSTITUTIONS

Appointment
as liquidator.

55.—(1) Whenever the licence of an insured institution is revoked by the Central Bank of Nigeria, in the case of—

(a) an insured institution that is a bank, the Corporation shall act as liquidator of such insured institution with effect from the date of revocation of the licence of such insured institution ; or

(b) any other financial institution, the Central Bank of Nigeria may by notice published in the Federal Government Gazette, appoint the Corporation as the liquidator of such failed insured institution.

(2) The Corporation as liquidator under subsection (1) (a) or (b), shall have all powers of a liquidator specified under this Act and such other powers of a

liquidator under the Companies and Allied Matters Act, and shall be deemed to have been appointed by the court as a provisional liquidator by the Federal High Court within the meaning and intendment of that Act :

Act No. 3,
2020.

Provided that in the case of any conflict on the powers conferred on the Corporation as liquidator in this Act and the powers conferred in the Companies and Allied Matters Act, 2020, the powers conferred in this Act shall prevail.

(3) An insured institution shall give at least seven days notice to the Corporation and the Central Bank of Nigeria of any meeting of the insured institution in which it is proposed to consider a resolution for voluntary winding-up of that institution and any director or officer of an insured institution who fails to ensure compliance with this provision, commits an offence and is liable on conviction to a fine of ₦5,000,000 or imprisonment for a term of six months or both.

(4) Notwithstanding the fact that the license of an insured institution has not been revoked, where an insured institution commences voluntary winding up, the Corporation, where it reasonably believes that the protection of the interest of depositors so requires, and with the concurrence of Central Bank of Nigeria, may take over the winding up of such insured institution and act as the liquidator of such insured institution in accordance with the powers of the Corporation under this Act.

56.—(1) Subject to subsection (4), the provisions of Chapter 21 of the Companies and Allied Matters Act, or any amendment or replacement to it, and the Companies winding up rules made under it shall not apply to the winding up of insured institutions.

Inapplicability
of Chapter 21
of the
Companies
and Allied
Matters Act
and winding
up rules.

(2) The Chief Judge of the Federal High Court shall issue or cause to be issued winding up rules for the expedited and accelerated winding up of failed insured institutions and insured institutions that commence voluntary winding up and matters relating to it including provisional powers of the liquidator pending the making of the winding up order.

Act No. 3,
2020.

(3) Immediately following the publication in the Federal Government Gazette of the revocation of the licence of an insured institution, where such insured institution is a bank, and in other cases, immediately following the publication in the Federal Government Gazette of the appointment of the Corporation as the liquidator of any other category of insured institution under section 62 (4) of the Banks and Other Financial Institutions Act, the Corporation shall apply to the Federal High Court for an order to wind up the affairs of such failed insured institution in respect of which it is a liquidator.

Act No. 5,
2020.

(4) The Corporation shall have and exercise all the powers, benefits and authority conferred on a liquidator or any company in liquidation and shall have power to apply to the Court for any relief or order which a liquidator or any company in liquidation may obtain under the Companies and Allied Matters Act,

Act No. 3,
2020.

and such application shall be made with such modifications as to form and content as are stipulated under this Act or in the winding up rules issued under subsection (2).

Action following a failure.

57.—(1) The Corporation shall cause notice to be given by advertisement in print and electronic media requiring all depositors of the insured institution facing liquidation to forward their claims to the Corporation.

(2) The Corporation acting as liquidator of a failed institution shall have power to—

(a) realise the assets of the failed insured institution ; and

(b) enforce the individual liability of the shareholders and directors in accordance with section 76 of this Act.

(3) The Corporation acting as liquidator—

(a) shall pay to the Corporation such portion of the amount realised from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors and shall pay to depositors and other creditors the net amount available for distribution to them ;

(b) may pay dividends on proved claims at any time after the expiration of the period of advertisement made under subsection (1) and no liability shall attach to the Corporation itself by reason of such payment or for failure to pay dividend to a claimant whose claim is not proved.

(4) Every judgment debt against an insured institution under liquidation or the Corporation as liquidator of an insured institution which is not subject to an appeal shall be filed with the liquidator as an unsecured creditor claim which shall be admitted to proof in accordance with the rules and regulations governing administration of claims payment issued by the Corporation.

(5) Where a depositor of an insured institution is also a judgment creditor in respect of that deposit, such depositor shall elect to file his claim either as a depositor or as a creditor but where he submits a certified true copy of the judgment evidencing the judgment debt, he shall be deemed to have elected to file his claim as a judgment debtor and not a depositor.

(6) The interest applicable on any judgment debt against an insured institution under liquidation as stated in the judgment which is filed as proof of claim with the Corporation as liquidator of such institution shall cease to be applicable from the date the Corporation commenced liquidation of such insured institution.

Power to appoint agents.

58.The Corporation may, when acting as liquidator of a failed insured institution or an insured institution that has commenced voluntary winding up, appoint an agent to assist it in the performance of its duties, and all fees, compensation and expenses of liquidation and administration thereof shall be fixed and paid by the Corporation from therealised assets of the failed institution.

59.—(1) Where the Corporation has in its possession or custody any collateral or security pledged by an obligor who is indebted to more than one failed insured institution, the Corporation shall have the right to dispose of such collateral or security and apply the proceeds of the sale for the repayment of any of the obligor's loan facilities other than that to which the collateral or security relates, whether or not the facility to which the collateral or security relates has been repaid :

Right of disposal of collateral.

Provided that the right of the Corporation under this section shall only accrue where the obligor fails to repay such other loan facility 21 days after a letter of demand from the Corporation.

(2) Notwithstanding the provisions of this Act or any other enactment, where the Court determines that the disposal under subsection (1) was in error or done in bad faith, no restorative, prohibitive or like order shall be granted against the Corporation in respect of the disposal of such collateral or security by the Corporation, and the remedy of any claimant or applicant against the Corporation in such an action, suit or proceedings shall be limited to damages not exceeding the value of the collateral.

(3) The rights of the Corporation under subsection (1) and (2) shall be subject to the right of secured creditors with a security interest in the asset or property which ranks equally or in priority to that held by the Corporation.

60. For the purpose of this Act, and without prejudice to section 625 of the Companies and Allied Matters Act requiring statutory declaration of insolvency by a company under voluntary winding-up, an insured institution shall be deemed to have been closed on account of inability to meet the demands of its depositors in any case in which it has been closed for the purpose of liquidation without adequate provision being made to the satisfaction of the Corporation for payment of its depositors.

Closure of failed insured institutions.

Act No. 3, 2020.

61. The provisions of the Limitation Law of a State or the Limitation Act of the Federal Capital Territory shall not apply to any debt owed to a failing or a failed insured institution or to any civil action instituted by the Corporation against any person in respect of a failed or failing insured institution.

Limitation law not applicable.

Cap. 522
Laws of FCT.

62.—(1) The Corporation as liquidator of an insured institution shall have power to—

Power of the Corporation as liquidator.

(a) wind-up and liquidate the failed insured institution in an orderly manner ;

(b) bring or defend any action or other legal proceedings in the name of such failed insured institution with the addition of the phrase "in-liquidation" after the name of such failed insured institution or in the name of the Corporation disclosing on the face of the process that it is the liquidator of the insured institution ;

(c) carry on the business of such failed insured institution so far as may be necessary for its beneficial winding up ;

(d) sell the property of the failed insured institution of whatever nature by public auction or private contract with power to transfer the whole of it to any person or to sell same in parcels ;

(e) enter into any agreement for the purchase of all or some of the assets and the assumption of all or some of the liabilities of the failed insured institution ;

(f) exercise any of the powers and authorities conferred on the Corporation and discharge any of the obligations to be discharged, under this Act ;

(g) make such other dispositions of any matter concerning such failed insured institution as the Corporation determines it is in the best interest of the depositors of such insured institution and the Corporation ;

(h) by operation of law succeed to all rights, titles, powers and privileges of the insured institution, and of any shareholder, depositor, officer, account holder or director of such institution with respect to the institution and the assets of the institution but shall not be held personally liable for the debts or liabilities of such institution ;

(i) compromise debts and liabilities capable of resulting in debts, all claims, present or future, certain or contingent and in particular grant concession or interest waiver to a debtor of a failing or failed insured institution on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claims and give a complete discharge in respect of it ;

(j) take over, manage and dispose of, the assets of and operate the insured institution with all the powers of the members or shareholders, the directors and the officers of the institution and conduct all business of the institution, and collect all obligations and money due to the institution, perform all functions of the institution in the name of the institution which is consistent with the appointment as liquidator ;

(k) pay all valid obligations of the failed insured institution in accordance with the provisions of this Act and any guidelines and prescriptions issued by the Corporation regulating procedures for filing, settling, determination, disallowance, proof, priority, and payment of claims including administrative review ;

(l) act as or appoint any person as receiver for an obligor with respect to loans, advances or other credit facility granted by the failed insured institution whether or not the assets of the obligor have been charged, mortgaged or pledged as security for such credit facility and the receiver shall have all the powers of a receiver as stipulated in the Companies and Allied Matters Act ;

(m) offer for sale to an asset management firm or any other persons the loans and other risk assets of a failed insured institution and may accept any bond or other instruments as consideration for the sale of any such assets ;

(n) publish in the media the names of the debtors of a failed insured institution as disclosed in the records of the insured institution, and no liability shall attach to the Corporation or the media firm as a result of such publication ;

(o) by order published in the Federal Government Gazette direct that all or any part of the property of whatever title or description belonging to the failed insured institution or purchased with funds belonging to the failed insured institution or held by trustees on its behalf or held in the name of any other person instead of the failed insured institution shall vest in the Corporation as liquidator in its official name and the property to which the order relates shall vest accordingly and shall be registered under the relevant titles deeds registration enactment in favour of the Corporation as liquidator and the Corporation as liquidator may bring or defend in its official name any action or other legal proceedings which relates to that property for the purpose of effectually winding up the failed insured institution and recovering the property but shall not suffer any liability in its corporate capacity by virtue of such order.

(2) Notwithstanding any provision contained in any other law, the Corporation shall have power to recover, at any time, interest on a debt owed to a failed insured institution and such interest shall continue to accrue after the liquidation of the failed insured institution.

(3) The Corporation as liquidator shall not be under any duty to make any returns to the Corporate Affairs Commission as provided by the Companies and Allied Matters Act, but may provide such information as may be requested by the Commission if it determines it is expedient to do so in the interest of depositors of the failed insured institution.

Act No. 3,
2020.

63.—(1) Where the Corporation has reasonable cause to believe that an obligor is the *bona fide* owner of any movable or immovable property, it may apply to the Court, before or at the time of filing of an action for debt recovery or other like action or at any time after the filing of an action, and before or after the service of the originating process by which such action is commenced on the obligor, by motion *ex-parte* for an interlocutory order granting possession of the property to the Corporation pending the hearing and determination of the debt recovery or other action to abide by the decision in such action.

Power to take
interim
custody.

(2) The Corporation shall serve on the obligor a certified true copy of the order of the Court issued under subsection (1).

(3) Notwithstanding anything to the contrary in any enactment, an order made under subsection (1) shall subsist till judgement or final determination of the action, unless expressly discharged by the Court.

64.—(1) Where the Corporation has reasonable cause to believe that an obligor of a failed insured institution has funds in any account with any insured institution, it may apply to the Court by motion *ex parte*, before or at the time of filing of an action for debt recovery or other like action or at any time after the filing of an action, and before or after the originating process by which such action is commenced is served on the obligor, for an interlocutory order freezing the account of the obligor.

Freezing
powers.

(2) Notwithstanding anything to the contrary in any enactment, an order made under subsection (1) shall subsist till judgment or a final determination of the action, unless expressly discharged by the court.

Special powers in bankruptcy.

65.—(1) Where an obligor fails to comply in full within 90 days with a written demand notice issued by the Corporation requiring the obligor to pay a liquidated sum to the Corporation which the Corporation certifies on the face of the demand as being owed by the obligor to a failed financial institution, the Court shall, on the application of the Corporation made by originating motion, make a receiving order against the obligor except where at the hearing of the application the obligor proves to the satisfaction of the court that he does not owe any liquidated sum at all to the failed insured institution or that he has a counter-claim, set-off, or cross-demand which equals or exceeds the liquidated sum owed to the failed insured institution.

Cap. B2, LFN, 2004.

(2) A receiving order made under subsection (1) is deemed to have been, and shall have effect as a receiving order, made under the Bankruptcy Act ;

(3) For the purpose of subsection (1), it shall not be necessary for the obligor to commit any act of bankruptcy or for the Corporation to file a bankruptcy petition or for any of the conditions precedent for the grant of a receiving order specified under the Bankruptcy Act to be satisfied before the court shall grant the receiving order against the obligor ;

(4) Notwithstanding the provisions of the Bankruptcy Act, where a receiving order is made against an obligor under this Act, the court may adjudge the obligor bankrupt.

(5) Where a debtor is adjudged bankrupt under this Act, the Court may, on the application of the Corporation appoint the official receiver or authorise the Corporation to assume the office of trustee of the property of the obligor.

(6) A trustee appointed under this Act shall have all the powers of a trustee of an adjudged bankrupt under the Bankruptcy Act and shall discharge his duties in accordance with that Act.

(7) Any act, directive or permission authorised or required to be done or given by the Committee of Inspection or creditors under the Bankruptcy Act may be done or given by the court on the application of the trustee.

(8) Any obligor adjudged bankrupt under this Act shall be deemed to have been adjudged bankrupt under the Bankruptcy Act which shall have effect, with such modification as contained in this Act and the trustee appointed shall have power to seek the directive of the court in respect of anything or act to be done under the Bankruptcy Act.

Special power to track and trace.

66.—(1) The Corporation shall, under an order of the Federal High Court, obtained *ex parte*—

(a) obtain access to any computer system component, electronic or mechanical device of an obligor of a failed insured institution with a view to establishing

the location of funds belonging to the obligor of a failed insured institution, and

(b) obtain information of any private account together with all banking, financial and commercial records of any obligor of a failed insured institution.

(2) Any rules of banking secrecy and the protection of customer confidentiality shall not be grounds for the denial of the power of the Corporation under subsection (1).

67.—(1) Notwithstanding anything to the contrary in any enactment, rule or law, banking practice of rule or contractual provision, the Corporation may, for the purposes of recovering any money owed to a failed insured institution by an obligor under the role of the Corporation as a liquidator, by written notice, require any insured institution to disclose or furnish to the Corporation, within such time as may be specified in the written notice, details of, and balances in, all accounts (howsoever described) maintained by such obligor with the insured institution, and details of all investments by way of deposits or in financial instruments made by such obligor with or through the insured institution or the bank identification number or other unique identifier of the obligor.

Special power to obtain information from insured institution.

(2) Any insured institution which fails to comply with the requirement of a written notice issued to it by the Corporation under subsection (1) within the time specified in such written notice is liable to a fine, payable to the Corporation, of ₦10,000,000 and a further ₦50,000 for each day that the failure to comply continues.

(3) A director of an insured institution who fails to comply with the requirement of a written notice issued to him by the Corporation under subsection (1) within the time specified in such written notice commits an offence and is liable on conviction to imprisonment for three years :

Provided that a director of an insured institution shall not be liable under this subsection, where such director, within a reasonable time of becoming aware of such written notice, demands of the board of the insured institution, in writing, that the insured institution comply with the requirements of the written notice.

(4) Without prejudice to the provisions of this section, where an insured institution fails to comply with the requirement of a written notice issued to it by the Corporation under subsection (1) within the time specified in such written notice, the Corporation may apply to the Court by motion ex parte for an order compelling such insured institution to immediately comply with the requirement of the written notice and the court, except it sees good reason to the contrary, shall make an order compelling such insured institution to comply with the written notice and award against such insured institution, costs of at least ₦5,000,000 in addition to the fine under subsection (2).

Special powers in winding up.

68.—(1) Where an obligor that is a body corporate fails to comply in full, within 30 days, with a written demand notice issued by the Corporation requiring the obligor to pay a liquidated sum to the Corporation which the Corporation certifies on the face of the demand as being owed by the obligor to a failed insured institution, the Court shall, on the application of the Corporation made by originating motion, make a winding-up order against the obligor except where at the hearing of the application, the obligor proves to the satisfaction of the court that it does not owe any liquidated sum at all to the failed insured institution or that it has a counter-claim, set-off, or cross-demand which equals or exceeds the liquidated sum owed to the failed insured institution.

(2) Where a winding up order is made under subsection (1), the Court, on the application of the Corporation, shall appoint the official receiver or some other fit person to assume the office of the liquidator to wind up the affairs of the obligor.

(3) Subject to subsection (1), any liquidator appointed under this Act shall have all the powers of a liquidator under the Companies and Allied Matters Act, and shall discharge his duties in accordance with that Act.

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(4) Any act, directive, or permission authorised or required to be done by the committee of inspection or by the creditors under the Companies and Allied Matters Act may be done or given by the court upon the application of the liquidator

(5) A winding-up order made against any obligor under this Act shall be deemed to have been made under the Companies and Allied Matters Act, and the provisions of the Companies and Allied Matters Act shall have effect, with such modifications as are contained in this Act.

Protection of the Corporation in respect of judicial proceedings.

69.—(1) Notwithstanding the provisions of this Act or any other enactment, no restorative, prohibitive or like order shall be granted against the Corporation in relation to payment of insured deposits to depositors of an insured institution, or in relation to the Corporation acting under the provisions of Part VIII of this Act or as a liquidator or provisional liquidator under the provisions of this Act, and the remedy of any claimant or applicant against the Corporation in any such action, suit or proceedings relating to or connected with this section shall be damages only, limited to an amount not exceeding, in the case of a—

(a) depositor, the maximum insured deposit ;

(b) shareholder, the nominal value of the shares of the shareholder in the insured institution at the time the cause of action arose ; and

(c) group of shareholders, the nominal value of the aggregate of the shares of the shareholders in the insured institution at the time the cause of action arose.

(2) An action, suit or proceedings shall not be proceeded with or commenced against such insured institution or the Corporation except with the leave of Court given on such terms as the Court may impose.

(3) Agarnishee order nisi or absolute or attachment, sequestration, distress, or execution shall not be made against the—

(a) Corporation in respect of any judgment debt or other liabilities owed by such insured institution or any other judgment debtor ; or

(b) bank account or assets or effects of the failed insured institution.

(4) A creditor who had issued execution against any goods or land of the insured institution or attached any debt due to the insured institution shall not be entitled to retain the benefit of the execution or attachment against the insured institution unless he had completed the execution or attachment before the commencement of liquidation of such insured institution.

(5) For the purpose of subsection (4) an execution against the goods shall be taken to be completed by seizure and sale and an attachment of debt shall be deemed to be completed by receipt of payment by the judgment creditor and an execution against land shall be deemed to be completed by seizure and in case of an equitable interest, by the appointment of a receiver while commencement of liquidation shall be from the date of revocation of the operating licence of the insured institution.

(6) A purchaser in good faith for value and without notice under a sale by the Court in the course of execution being levied on any property of the insured institution before the commencement of the resolution of the insured institution shall acquire good title against the liquidator.

(7) Where any goods of an insured institution are taken in execution and before the sale or the completion of the execution by receipt or recovery of the full amount of levy, notice is served on the sheriff of court by the Corporation that it has become the liquidator of the insured institution, the sheriff shall deliver the goods and any money seized or received in part satisfaction of the execution to the Corporation provided the Corporation satisfies the charge for costs of execution.

70. The Corporation shall have power to void the transfer of an interest in any property or asset of an insured institution that was fraudulently transferred by such an insured institution within five years before the commencement of the liquidation of that insured institution and shall have power to trace and recover from subsequent transferees provided that such transferees are not purchasers in good faith.

Prohibition of assets stripping.

71.—(1) The Corporation shall have power to enforce any contract agreement or deed entered into by the insured institution in liquidation with any person notwithstanding that such contract, agreement or deed provides for termination in the event of insolvency or liquidation of such insured institution.

Pre-liquidation contracts.

(2) Subject to the provisions of the Banks and Other Financial Institutions Act, no person without the consent of the Corporation shall -

Act No. 5, 2020.

(a) exercise the right or have power to terminate any contract, agreement or deed or declare a default in any such contract, agreement or deed to which the insured institution is a party ;

(b) obtain possession of or exercise control over any asset or property of such insured institution ; and

(c) affect any contractual rights of the insured institution within 180 days of the commencement of liquidation of such insured institution.

(3) The Corporation shall have power to repudiate contracts, agreements or deeds to which the insured institution is a party which the Corporation determines to be burdensome and that repudiation of such contracts, agreements or deeds would promote the orderly winding-up of the insured institution's affairs, provided that any person aggrieved by the exercise of such power shall have the right to file action in court for special damages limited to actual loss suffered as a result of such repudiation from the date of commencement of liquidation to the date of repudiation of such contract, deed or agreement, against the Corporation as liquidator.

(4) The Corporation shall not have power to avoid legally enforceable security interests created over the property and assets of a debtor to the insured institution or the institution including legal mortgages and other charges except the Corporation determines that such interests were created—

(a) in contemplation of insolvency of the debtor or the insured institution ; or

(b) with intent to hinder or defraud the insured institution or its depositors, other creditors or shareholders.

(5) An agreement which diminishes the interest of the Corporation in any asset of an insured institution shall not be valid in law unless it is in writing, was executed contemporaneously by the insured institution and the counter party, was approved by the board of directors of the insured institution and has been continuously in the record of the insured institution.

(6) The Corporation shall not be liable to payment of penalties, interest or fines imposed by any authority, government department, agency, office, contract or agreement.

Priority of claims.

72. Where an insured institution is unable to meet its obligations or suspends payment or where its management and control has been taken over by the Central Bank of Nigeria or where its licence has been revoked, the assets of the insured institution shall be available to meet all its deposit liabilities and such deposit liabilities shall have priority over all other liabilities of the insured institution.

Stay of pending suits.

73.—(1) Where the Corporation has commenced liquidation of an insured institution and applies to the court for stay of any suit, application, proceedings, execution, attachment, or action pending or instituted in any court by or against such insured institution or the Corporation, the Court shall, whether or not leave

had earlier been granted to commence or proceed with such action or matter under this Act or any other law, grant such stay as to all parties.

(2) Where the Corporation has assumed control of an insured institution under this Act and applies to the court for stay of any suit, application, proceedings, execution, attachment, or action pending or instituted in any court by or against such insured institution or the Corporation, the Court shall, whether or not leave had earlier been granted to commence or proceed with such action or matter under this Act or any other law, grant such stay as to all parties until the Corporation relinquishes control of the insured institution.

(3) Where an insured institution is in liquidation any judgment sum obtained against the insured institution by a judgment creditor that has not been satisfied prior to commencement of liquidation or that is obtained after commencement of liquidation shall not be enforceable against the assets of the insured institution facing liquidation or the Corporation.

74.—(1) The Corporation shall conclude winding up of an insured institution as may be provided in the Winding-up Rules issued under the provisions of section 56 of this Act.

Termination of liquidation activities.

(2) The Corporation may establish a subsidiary to take custody of the residue of assets, if any, of failed insured institutions whose liquidation has been terminated under this Act.

75. Without prejudice to the Banks and other Financial Institutions Act, where the provisions of any other law are inconsistent with those of this Act, the provisions of this Act shall prevail.

Inconsistency with other laws.
Act No. 5, 2020.

76.—(1) A director, significant shareholder, officer, employee, agent, attorney, accountant or auditor, appraiser or any other party engaged by or providing services to an insured institution that fails shall be held personally liable in monetary damages where his or her actions or inactions caused or contributed to the failure of such institution in civil action by, on behalf of, or at the request or direction of the Corporation, acting as liquidator, supervisor or insurer and which action is prosecuted wholly or partially for the benefit of the Corporation and insured depositors.

Liability of directors, shareholders and officers.

(2) The liability of directors of an insured institution that fails for the grant of unauthorised credit facilities in violation of the provisions of any law or regulation shall be unlimited and personal.

(3) In any proceedings related to any claim against a director, significant shareholder, officer, employee, agent, attorney, accountant or auditor, appraiser or other party engaged by or providing services to an insured institution that fails, recoverable damages determined to result from the improvident or otherwise improper use or investment of any insured institutions' assets shall include principal losses and appropriate interest, profit or dividend.

(4) This section applies to a director, significant shareholder, officer, employee, agent, attorney, accountant or auditor, appraiser or any other party engaged by or providing services to an insured institution that fails prior to its being declared failing or failed institution.

PART X—CRIMINAL PROSECUTION AND OFFENCES

Offences and penalties.

77.—(1) Any person who, being a director, an officer, or staff of an insured institution—

(a) fails to take all reasonable care to secure compliance with the provisions of this Act, or

(b) fails to take all reasonable care to secure the authenticity of any statement submitted under the provisions of this Act or any Regulations made under it, commits an offence and is liable on conviction to a fine of at least ₦10,000,000 or imprisonment for a term of at least five years or both.

(2) Any person, being a significant shareholder, a director, an officer, or staff of an insured institution, who—

(a) while he is in default in payment of any pecuniary obligation due to any insured institution, fails or neglects to cause any dividend declared and paid to him in respect of an insured institution to be applied towards satisfaction of any such pecuniary obligation within two working days of the receipt of any such declared dividend,

(b) allows any loan, advance, overdraft or credit facility taken by him in any insured institution to be classified as a non-performing loan, commits an offence and is liable on conviction to a fine of at least ₦10,000,000 or imprisonment for a term of at least five years or both.

(3) In addition to the penalty prescribed in subsection (2), the following shall apply to a person convicted under that subsection, in the case of—

(a) paragraph (a), forfeit any dividend payment received and such forfeited dividend payment shall be applied towards the repayment of the due pecuniary obligation ; and

(b) paragraph (b), all dividends payable to such director or significant shareholder by any insured institution, all the assets of the significant shareholder or director and all shares or interests of such significant shareholder or director in companies shall be available to liquidate such facilities, which shall have priority over any other liabilities of the significant shareholder or director including that of secured creditors and judgment creditors.

(4) A significant shareholder or director who is granted any loan advance, or credit facility in breach of the provisions of this Act, commits an offence and is liable on conviction to a fine of an amount equivalent to at least 25 *per cent* of the amount of such loan, advance or credit facility or to imprisonment for a term of three years.

(5) All directors of an insured institution shall be liable jointly and severally to the insured institution for any loss arising from a contravention of the provisions of this section.

(6) For the purpose of subsection (4), the term "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, 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 be determined by the Corporation.

(7) Any insured institution that reimburses or pays for a staff, officer or director directly or indirectly a fine imposed under this Act, commits an offence and is liable on conviction to a fine of at least ₦20,000,000 and also forfeit the amount repaid or reimbursed to the staff.

(8) Any director or officer of the insured institution who grants, allows to be granted or is any way involved in the granting of a loan, a guarantee or credit facility—

(a) without security as required by the insured institution's regulations or policy ; or

(b) in contravention of the insured institution's regulations or policy or this Act or regulation made under it,

commits an offence and is liable on conviction to the repayment of the unsecured loan, guarantee or facility including interest and imprisonment for a term of two years without the option of fine.

(9) Any principal officer of an insured institution who contravenes the provisions of this section, commits an offence and is liable to a fine not more than ₦5,000,000 or imprisonment for a term of three years or both.

(10) Without prejudice to criminal prosecution as provided in this Section, any person found guilty of violating the provision of any law referred to in this section shall in addition to imprisonment upon conviction be—

(a) liable to forfeiture of all assets derived from commission of the offence ; and

(b) subject to penalty assessed as the loss suffered by the insured institution as a result of the commission of such offence or which is related directly to the amount involved in the offence committed.

78.—(1) A director or officer or significant shareholder or employee or customer or service provider or agent or legal practitioner or accountant or external auditor or consultant, or any other party employed by or providing services to an insured institution may be held personally liable in monetary damages in any civil action instituted, on behalf of, at the request or direction of, or taken over, or by the Corporation acting as liquidator of such insured institution for

Civil damages.

mismanagement or poor management of such insured institution or its assets or for breach of trust, negligence, gross negligence or similar conduct that demonstrates breach of or disregard of duty of care or other tortious conduct as well as under any statute whether or not resulting in the failure of such insured institution.

(2) In any proceeding related to any claim for monetary damages against an insured institution's director, officer, employee, significant shareholder, customer, service provider, agent, legal practitioner, accountant, external auditor, consultant, or any other party employed by or providing services to an insured institution, recoverable damages determined to result from the mismanagement or poor management of such insured institution or its assets or the improvident or otherwise improper use or investment of an insured institution's assets shall include principal losses and appropriate interest.

Power to compound offences.

79.—(1) Without prejudice to section 174 of the Constitution of the Federal Republic of Nigeria, the Corporation may compound any offence punishable under this Act by accepting an amount less than the fine provided for the offence by this Act.

(2) All money receivable under the provisions of subsection (1) shall be paid to the Corporation.

(3) All offences under this Act shall be tried by the Federal High Court.

Power to investigate.

80.—(1) The Corporation shall have power to investigate in collaboration with the Nigeria Police Force or other law enforcement agencies any person suspected of the commission of an offence under this Act or a regulation made under it.

(2) The powers of the Corporation under subsection (1) shall include the power to summon any person to testify, provide information, give account, or produce any document or other record in the possession or under the control of that person.

(3) Any person summoned under subsection (2) who fails to appear or fails to testify or provide information or give account or produce a document or other record in his possession or under his control or who provides false or misleading information, or forged or falsified documents or other records, commits an offence and is liable on conviction to a fine of ₦5,000,000 or imprisonment for a term of three years or both.

Right to appear in court.

Cap. C23, LFN, 2004.

Cap. F2, LFN, 2004.

81.—(1) Subject to the provisions of section 174 (1) of the Constitution of the Federal Republic of Nigeria, 1999, any legal practitioner in the employment of the Corporation may, with the consent of the Managing Director, prosecute or defend criminal, civil or other proceedings in the name of and on behalf of the Corporation in respect of matters relating to the activities, business or operations of the Corporation or any failed insured institution under this Act in the course of

carrying out the objectives of this Act and the Failed Banks (Recovery of Debt) and Other Financial Malpractices in Banks Act.

(2) Without prejudice to subsection (1), a legal practitioner employed by the Corporation shall have power to institute and undertake criminal proceedings against directors, officers, significant shareholders and customers of failed insured institutions before any court of law in Nigeria other than a court martial and to discontinue at any stage before judgment is delivered any such criminal proceeding, relating to, touching upon or concerning violations of the provisions of this Act or any regulations made under it, or under the Failed Banks (Recovery of Debt) and Other Financial Malpractices in Banks Act.

(3) Notwithstanding the provisions of any enactment to the contrary, a person employed in the Corporation who is a legal practitioner shall, while so employed be entitled to appear in Court as a legal practitioner for the purpose and in the course of carrying out the objects and objectives of this Act, without prejudice to the power of the Corporation to engage private legal practitioners in any proceedings.

82.—(1) The Managing Director shall submit to the Board for approval not later than 30 September of each year, an estimate of its expenditure and income during the succeeding year.

Accounts and audit.

(2) The Corporation shall—

(a) keep proper accounts in respect of each financial year ;

(b) keep proper records in relation to those accounts ; and

(c) cause the accounts to be audited within six months after the end of the financial year.

(3) For the purpose of subsection (1) the financial year of the Corporation shall be from 1 January to 31 December of every year, or such other period as may be determined by the Board.

(4) The accounts of the Corporation shall be audited by auditors appointed on such terms as may be determined by the Board, subject to the provision of section 85 of the Constitution of the Federal Republic of Nigeria, 1999.

Cap. C23,
LFN, 2004.

83. The Management of the Corporation shall prepare and submit to the Board, not later than three months after the end of each financial year, a report which shall be in such form as the Board may direct and shall relate to the activities of the Corporation during the immediately preceding financial year and thereafter a copy of such report shall be submitted to the Governor of the Central Bank of Nigeria, the Auditor-General for the Federation and the Minister.

Annual report.

PART IX - GENERAL PROVISIONS

84. All expenses and fees of the liquidator, including liquidation, litigation, valuation, investigation, administrative, criminal and civil actions, shall be paid in priority to all other claims except insured deposits.

Liquidation expenses.

Advertisement.	85. An insured institution may advertise its insured status without prior approval from the Corporation.
Exemption from taxation.	86. The Corporation in its corporate capacity or as a liquidator of an insured institution or otherwise howsoever shall be exempted from all taxes, fees, penalties, charges, duties, levies, or other like imposts payable to any institution, agency, department or authority of the Federal Government, State Government, Federal Capital Territory, Local Government or Area Councils of the Federal Capital Territory, save income tax payable by staff of the Corporation, value added tax and withholding tax which are payable by any third parties under any contract entered into by such third parties with the Corporation, and environmental sanitation and municipal services or like service fees.
Exemption from Insurance Act. Cap. I17, LFN, 2004.	87. The Corporation shall be exempted from the provisions of the Insurance Act or any amendment where it relates to the functions and powers of the Corporation as deposit insurer.
Power to borrow.	88.—(1) The Corporation shall have power to borrow from the Central Bank of Nigeria such money as it may deem fit for the performance of its functions under this Act. (2) The Central Bank of Nigeria may guarantee in such manner and upon such terms as it may deem fit the redemption and the repayment of any interest on any debenture stocks raised by the Corporation.
Relationship with the Central Bank of Nigeria.	89.—(1) The Corporation may be granted access to reports of examination conducted by the Central Bank of Nigeria. (2) The Corporation shall make reports of its examination of insured institutions and any other information essential to safe and sound banking practice available to the Central Bank of Nigeria. (3) The Central Bank of Nigeria shall make available to the Corporation relevant information on the insured institutions licensed by it. (4) The Central Bank of Nigeria shall be required to inform the Corporation on all the contraventions committed by any insured institution under the provisions of this Act. (5) The Corporation shall co-operate with the Central Bank of Nigeria on matters affecting any insured institution.
External auditors of all insured institution and reporting requirements. Act No. 5, 2020.	90.—(1) No duty to which an auditor of an insured institution or a person appointed under the provisions of Banks and Other Financial Institutions Act or any amendment is subject shall be contravened by reason of his communicating in good faith to the Corporation whether or not in response to a request made by it, any information or opinion on a matter to which this section applies and which is relevant to safe and sound banking and financial practices.

(2) An auditor of an insured institution shall recognise the Corporation's responsibility for the protection of the interest of depositors and shall bring to the notice of the Corporation—

(a) any adverse development such as possibility of imminent financial collapse ;

(b) evidence of an occurrence which has led or is likely to lead to a material diminishing of the insured institution's net asset ;

(c) evidence that there has been a significant weakness in the accounting and other records or the internal control system of the insured institution ;

(d) evidence that the management of the insured institution has reported financial information to the Corporation which is misleading in a material particular ;

(e) where he believes that a fraud or other misappropriation has been committed by the directors, management or staff of the insured institution or has evidence of the intention of directors or senior management to commit such fraud or misappropriation ; or

(f) where there has been an occurrence such as acting in an irresponsible or reckless manner in respect of the affairs of the insured institution which causes the auditor to no longer have confidence in the competence of the directors or the senior management to conduct the business of the insured institution in a prudent or safe and sound manner so as to protect the interest of the depositors.

(3) Any auditor of an insured institution who acts in contravention of or fails deliberately or negligently to comply with any of the provisions of subsection (2) in any respect, commits an offence and is liable on conviction to a maximum fine of ₦50,000,000, and where the approved auditor is a firm, the individual partner or partners in charge of the audit shall, in addition, be liable on conviction to imprisonment for a term not more than five years and to the fine required to be paid by the firm under this subsection.

91. The Corporation or any of its directors, officers or agents shall not be subject to any action, claim, suit, court proceedings, or demand by or liability to any person in respect of anything done or omitted to be done in good faith under or in execution of or in connection with the operations, business or activities of the Corporation or the execution of any power conferred upon the Corporation, such director, officer or agent.

Indemnity of
the
Corporation.

92. No suit, action or court proceedings shall be commenced or instituted against the Corporation before the expiration of a period of one month after written notice of intention to commence the suit shall have been served on the Corporation by the intending plaintiff or his agent and the notice shall clearly and explicitly state the cause of action and the place of abode for the intending plaintiff and the relief which he claims.

Pre-action
notice.

93. Every originating process or other process intended for service on the Corporation shall be served by delivering the process to the office of the Director,

Service of
process.

	Legal Department at the Corporation's Head Office, Abuja, Federal Capital Territory.
Designation of special judges.	94. The Chief Judge of the Federal High Court may designate any judge of the Federal High Court to hear matters for the recovery of debts owed to an insured institution under the control and management of the Corporation or under liquidation and criminal offences related to it or arising from the provisions of this Act, the Banks and Other Financial Institutions Act, the Failed Banks (Recovery of Debt) and Other Financial Malpractices in Banks Act, or any legislation containing banking and related offences, to the exclusion of any other matter for such period as may be determined by the Chief Judge.
Cap. F2, LFN, 2004.	
Institution of action at the Special Tribunal.	95. Without prejudice to section 94 of this Act, the Corporation may institute action for the recovery of debt with a value of ₦10,000,000 and above, owed to a failing or failed insured institution or the Corporation or an asset management company established by the Corporation under the acquisition of impaired assets under section 50 (1) (h) of this Act before the Special Tribunal for the Enforcement and Recovery of Eligible Loans, established by section 102 of Banks and Other Financial Institutions Act, and accordingly the jurisdiction of the said Tribunal is extended to cover such actions and such debt are deemed to be eligible debt for the purpose of the jurisdiction of the said Tribunal.
Act No. 5, 2020.	
Regulations.	96.— (1) The Board may make regulations, rules or orders to give full effect to the provisions of this Act. (2) The power to make regulations, rules or orders conferred on the Board by this Act shall include— (a) power to make provisions for such incidentals and supplementary matters as the authority making the instrument considers expedient for the purpose of the instrument ; and (b) power to make different provisions for different circumstances guiding the operations of the Deposit Insurance Scheme. (3) The Corporation may impose a penalty not more than ₦10,000,000 on an insured institution or its directors or officials or recommend to the Governor of the Central Bank of Nigeria to suspend the licence of the insured institution if the insured institution fails to comply with any provisions and regulations, under this Act on matters relating to Deposit Insurance.
Liquidation of the Corporation.	97. The Corporation shall not be placed in liquidation except under the provisions of an Act of the National Assembly enacted in that behalf and in such manner as that Act may specify.
Repeal, savings and transitional provisions.	98.— (1) The Nigeria Deposit Insurance Corporation Act No. 16 2006 is repealed.
Cap. I23, LFN, 2004.	(2) Without prejudice to section 6 of the Interpretation Act, the repeal of the Act referred to in subsection (1) shall not affect anything done under that Act.

(3) The rights, interests, obligations and liabilities of the Corporation existing before the commencement of this Act under any contract or instrument, or in law or in equity, shall, by virtue of this Act, be assigned to and continue to be vested in the Corporation.

(4) Any contract or instrument mentioned in subsection (3) shall be of the same effect against or in favour of the Corporation and shall be enforceable fully and effectively.

99. In this Act—

Interpretation.

“*bank*” means any person who is licenced by the Central Bank of Nigeria to carry on the business of acceptance of deposit ;

“*Board*” means the Board of Directors of the Corporation ;

“*bridge bank*” means a bank established by the Corporation in accordance with section 54 of this Act ;

“*close associates*” means partner, associate, employer, or employee of the board member ;

“*concurrence*” means prior written agreement ;

“*Corporation*” means the Nigeria Deposit Insurance Corporation established under section 1 of this Act ;

“*Court*” means any Court of competent jurisdiction including a Federal or State High Court, Tribunal, National Industrial Court, or any other Court created by the Constitution of the Federal Republic of Nigeria or an Act of the National Assembly ;

“*Deposit*” means money lodged by depositors with any insured institution for safe keeping or for the purpose of earning interest whether or not repayable on demand, upon a given period of time, or upon a fixed date, or at a time or in circumstances agreed by or on behalf of the depositor making the lodgement with the insured institution receiving it and includes money in an insured institution that may otherwise be described by the Corporation as deposits, but shall not include without prejudice to the generality of the following—

(a) money received by the insured institution as agent or otherwise for purchase of securities, stock, shares of any company or body, or a stakeholder ;

(b) money lodged in an insured institution by any person for any purpose other than for safekeeping, or for earning interest ;

(c) application money and other money paid prior to allotment of shares by an applicant on account of shares or other securities held in a separate account as deposit by the issuing house under the Investments and Securities Act, or any money lodged in or received by an insured institution by any person for any purpose which may otherwise be determined not to be a deposit by the Corporation ;

“*Deposit Money Bank*” means a bank other than a specialised bank under the Banks and Other Financial Institutions Act, No. 5, 2020 ;

“*dissolution*” means the closing down of a company by removing its name from the register of companies ;

“*Excess Uninsured Deposit Claims*” means deposits over and above the insured amounts payable on realisation of the assets of a failed insured institution ;

“*Executive Management*” for the purpose of section 40 of this Act only, means the Managing Director and the two Executive Directors acting by a majority vote ;

“*failed insured institution*” means an insured institution whose licence has been revoked or which is critically undercapitalised, that is, its capital to risk weighted assets ratio is above 2 *per cent* but below 5 *per cent*, or that is declared a failed insured institution by the Corporation or the Central Bank of Nigeria in accordance with the criteria stipulated in the Prudential Guidelines issued for licenced insured institutions ;

“*failing insured institution*” means an insured institution whose capital to risk weighted assets ratio or regulatory capital is below the minimum prescribed by Central Bank of Nigeria in accordance with the criteria stipulated in the Prudential Guidelines issued for licenced insured institutions ;

“*failure of an insured institution*” means a failing or failed insured institution ;

“*family member*” means husband, wife, father, mother, brother, sister, son, daughter and their spouses ;

“*insured institution*” means all financial institutions in Nigeria licensed or authorised to accept deposits from the public in accordance with the provisions of the Banks and Other Financial Institutions Act, No. 3, 2020 ;

“*liquidator*” means the Nigeria Deposit Insurance Corporation or such other person appointed by the Corporation to act as liquidator ;

“*Minister*” means the Minister responsible for finance ;

“*obligor*” means the debtor or guarantor of a debt owed to an insured institution ;

“*other financial institutions*” has the same meaning ascribed to it under the Banks and Other Financial Institutions Act, No. 3, 2020 ;

“*other deposit-taking financial institutions*” includes licenced Microfinance banks, licenced Primary Mortgage institutions, specialised banks and any other deposit taking institution as may be designated by the Central Bank of Nigeria ;

“*partners*” in this Act shall include directors of a limited liability company performing audit functions in respect of an insured institution ;

“*President*” means the President of the Federal Republic of Nigeria ;

“*principal officer*” means a director, chief executive officer, chief operating officer, chief financial officer, or such other officer of an insured institution as may be so designated by the Corporation ;

“*significant interest*” means control over or beneficial ownership of shares of an aggregate value of at least 5 *per cent* of the total shareholding, whether held directly by the person or through another person or a company in which he has shareholding ;

“*significant shareholder*” means a person with significant interest in an insured institution ; and

“*State*” means any of the States of the Federation.

100. This Act may be cited as the Nigeria Deposit Insurance Corporation Act, 2023. Citation.

SCHEDULE

Section 7(9)

PROCEEDINGS OF THE BOARD

1. The Board may make standing orders regulating the proceedings of the Board or of any committee and shall meet at least four times in every year.

2. The quorum of the Board shall be five which shall include the Chairman, the Managing Director or one Executive Director, and the representative of the Central Bank of Nigeria.

3. Where the Board wishes to obtain the advice of any person on a particular matter, the Board may invite the person for such period as it deems fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

4.—(1) Subject to the provisions of any applicable standing orders, the Board shall meet whenever summoned by the Chairman and if the Chairman is required so to do by notice given to him by at least three other members shall summon a meeting of the Board to be held within 21 days from the date on which the notice is given.

(2) At any meeting of the Board, the Chairman shall preside or in his absence, the members present at the meeting shall appoint one of their members to preside at the meeting.

5.—(1) The Board may appoint one or more committees to carry out on its behalf, such functions as the Board may determine.

(2) A committee appointed under this paragraph shall consist of the number of persons determined by the Board and not more than one-third of those persons may be persons who are not members of the Board and a person other than a member of the Board shall hold office on the committee in accordance with the terms of the instrument by which he or she is appointed.

(3) A decision of a committee constituted under this paragraph shall be of no effect until it is ratified by the Board.

6.—(1) The affixing of the seal of the Corporation shall be authenticated by the signature of the Chairman or Managing Director and any other person authorised by the Board.

(2) 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 and may be made or executed on behalf of the Board by any person generally or specially authorised to act for that purpose by the Board.

EXPLANATORY MEMORANDUM

This Act, amongst other things, repeals the Nigeria Deposit Insurance Corporation Act, No. 16 2006 and replaces it with a new Act that provides for the Nigeria Deposit Insurance Corporation as the insurer of all insurable deposit liabilities of insured institutions.

I, certify, in accordance with Section 2 (1) of the Acts Authentication Act, Cap. A2, Laws of the Federation of Nigeria 2004, that this is a true copy of the Bill passed by both Houses of the National Assembly.

SANI MAGAJI TAMBAWAL, fcna
Clerk to the National Assembly
8th Day of May, 2023.

SCHEDULE TO THE NIGERIA DEPOSIT INSURANCE CORPORATION BILL, 2023

(1) <i>Short Title of the Bill</i>	(2) <i>Long Title of the Bill</i>	(3) <i>Summary of the Contents of the Bill</i>	(4) <i>Date Passed by the Senate</i>	(5) <i>Date Passed by the House of Representatives</i>
Nigeria Deposit Insurance Corporation Bill, 2023	An Act to repeal the Nigeria Deposit Insurance Corporation Act, No. 16 2006 and enact the Nigeria Deposit Insurance Corporation Act, 2023 ; and for related matters.	This Bill repeals Nigeria Deposit Insurance Corporation Act, No. 16 2006 and enacts the Nigeria Deposit Insurance Corporation Act, 2023.	28th March, 2023.	2nd May, 2023

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. A2, Laws of the Federation of Nigeria, 2004.

I ASSENT



SANI MAGAJI TAMBAWAL, fca
Clerk to the National Assembly
8th Day of May, 2023

MUHAMMADU BUHARI, GCFR
President of the Federal Republic of Nigeria
26th Day of May, 2023