



**BANKS AND OTHER FINANCIAL
INSTITUTIONS (AMENDMENT) DECREE
NO. 40 1999₁**

Commencement.

[10th May 1999]

The Federal Government hereby decrees as follows:-

Amendment of 1991 No. 25.;1997 No. 4;1998 No. 38

1. The Banks and Other Financial Institutions Decree 1991 Amendment of (in this Act referred to as 'the principal Decree"), as amended,

is hereby further amended as set out in this Act.

Amendment of section 12.

2. Section 12 of the principal Decree; is amended by substituting therefor the following new section, that is-

12(1)The Governor may, with the approval of the Board of Directors and by notice published

in the Gazette, revoke any license granted under this Act if a bank

- (a) ceases to carry on in Nigeria the type of banking business for which the licence was issued for any continuous, period of 6 months or any period aggregating 6 months during a continuous period of 12 months.**
- (b) goes into liquidation or is wound up or otherwise dissolved;**
- (c) fails to fulfil or comply with any condition in subject to which the licence was granted;**
- (d) has insufficient assets to meet its liabilities;**

1991 No. 24 1997 No. 3.1998 No. 37.

(e) fails to comply with any obligation imposed upon it by or under this Act or the Central Bank of Nigeria Decree 1991, as amended.'

Amendment of section 14.

3. Section 14 of the principal Decree is amended -

(a) by substituting for subsection (2) thereof the following new subsection, that is -

(2) Where the Bank proposes to revoke the licence of any bank pursuant to subsection (1) of this section, the Bank shall give notice of its intention to the bank and the bank may within 30 days make representation (if any) to the Bank in respect thereof.';

(b) deleting subsections (3) and (4).

Amendment of section 15

4. Section 15 of the principal Decree is amended in sub-section 5(a) by substituting therefor the following new paragraph, that is -

(a) in the case of paragraph (a) N500,000 for every month during which a default under that paragraph (a) exist;'

Amendment of section 20

5. Section 20 of the principal Decree is amended in sub-section 2(a) by substituting therefor the following new paragraph, that is -

'for figure 'N1,000,000' figure 'N50,000'.

Amendment of section 21

6. Section 21 of the principal Decree is amended in sub-section (4) by substituting therefor the following new paragraph, that is

'for figure 'N100,000' figure 'N1,000'

Amendment of section 24

7. Section 24 of the principal Decree is amended in sub-section (5) by substituting for the words 'a fine of N 20,000 and in respect of paragraph (b) of this section, to a fine of N 100,000' appearing in lines 2 and (3) the words A fine of N 10,000 and in respect of paragraph (b) of this section to a fine of N50,000'

Amendment of section 27

8. Section 27 of the principal Decree is amended in subsection (5) by substituting for the words 'liable on conviction to a fine of N200,000 each day during which the offence continues' the words 'liable on conviction to a fine of N10,000 each day during which the offence continues'.

Amendment of section 28

9. Section 28 of the principal Decree is amended in subsection (3) by substituting for the words 'liable on conviction to pay to the Bank a fine of N50,000" the words "liable to pay to the Bank a fine of N1,000.00.

Amendment of section 29

10. Section 29 of the principal Decree is amended by deleting subsection (5)(b) thereof.

Amendment of section 30

11. Section 30 of the principal Decree is amended by deleting the alphabet 'A' appearing in 'section 30A'.

Amendment of section 33

12. Section 33 of the principal Decree is amended in subsection (2)(c) by substituting therefor the following new paragraph, that is -

'(c) remove for reasons to be recorded in writing with effect from such date as may be set out in the order, any manager or officer of the bank, notwithstanding anything in any written law or any limitations contained in the memorandum and articles of association of the bank;'

Amendment of section 36

13. Section 36 of the principal Decree is amended

(a) by deleting subsection (1); and

(b) renumbering subsection (2) as 'section 36'.

Repeal of section 37

14. Section 37 of the principal Decree is hereby repealed.

Amendment of section 44

15. Section 44 of the principal Decree is amended

(a) in subsection (5) by substituting for the words 'a fine of N500,000' the words a fine of N 100,000';

(b) in subsection (6) by substituting for the words" liable to pay to the Bank a fine not exceeding N100,000 or imprisonment for a term, of not less than 3 years' the words 'liable to, imprisonment for a term of, not less than 5 years or to a fine of N50,000 or to both such imprisonment

Amendment of section 57

16. Section 57 of the principal Decree is amended in subsection (6)by substituting therefore the following new subsection, that is

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"(6) Any person who transacts a business without a valid licence under section 56, of this Act or subsection (2) of this section whether in the case of an individual or in the case of a body corporate is guilty of an offence and liable -

(a)in the case of a body corporate, to a fine of N 1,000,000; and

(b) - in any other case, to a fine not exceeding N1,000,000 or imprisonment for

a term not exceeding 5years or to both such imprisonment

Insertion of section 59B

17. Immediately after the existing section 59A of the principal Decree, there shall be inserted the following new section, that is -

Application of Decree to other financial Institutions

59B. The provisions of section 33 of this Act shall apply with such necessary modifications to other financial institutions."

Amendment of section 60A

18. Section 60A of the principal Decree is amended in subsection (6)by substituting therefore the following new subsection, that is -

(2), Any moneys paid to the Governor pursuant to subsection (1) of this section shall be paid into the Bank's penalty account which shall be established for that purpose.

Citation.

19. this Act may be cited as the Banks and Other Financial Institutions (Amendment) Decree 1999.

MADE at Abuja this 10th day of May 1999.

GENERAL ABDULSALAMI ALHAJI ABUBAKAR

Head of State, Commander-in-Chief

of the Armed Forces

Federal Republic of Nigeria.

EXPLANATORY NOTE

*(This note does form part of the above Decree
but is intended to explain its purport)*

**The Decree amends the Banks and Other
Financial Institutions Decree 1991, as
amended, to provide, among other things, for
the Governor of the Bank to revoke any licence
granted under the Decree with the approval of
the Board of Directors.**

**1 See Bank and Other Financial Institutions
Decree of 1991**