

The following Bills, which will in due course be presented to Parliament for enactment, are published for general information.

APPROPRIATION (1961-62) BILL

MEMORANDUM

This Bill makes provision for the Service of the Federation of Nigeria for the year 1961-62.

F. SAM. OKOTIE-BOH,
Minister of Finance

A BILL

FOR

AN ACT TO APPROPRIATE THE SUM OF FIFTY-TWO MILLION, NINE HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND EIGHTY POUNDS TO THE SERVICE OF THE YEAR ENDING ON THE THIRTY-FIRST DAY OF MARCH, ONE THOUSAND NINE HUNDRED AND SIXTY-TWO

[

]

Commence-
ment.

BE IT ENACTED by the Legislature of the Federation of Nigeria in this present Parliament assembled and by the authority of the same as follows :—

Enactment.

1. This Act may be cited as the Appropriation (1961-62) Act, 1961.

Short title.

5 2. The Accountant-General of the Federation may, on the warrant of the Minister of Finance, pay out of the Consolidated Revenue Fund of the Federation of Nigeria during the year ending on the 31st day of March, 1962, any sums not exceeding in the whole the sum of Fifty-Two Million, Nine Hundred and Four Thousand, Two Hundred and
10 Eighty Pounds, being the total of the amounts set forth opposite Heads 21 to 63 in the Schedule.

Expenditure
of
£52,904,280
authorised
out of the
Consolidated
Revenue
Fund.
Schedule.

3. The said sum of Fifty-Two Million, Nine Hundred and Four Thousand, Two Hundred and Eighty Pounds, shall be appropriated to the purposes and in the manner expressed in the Schedule.

Appropriation
of
£52,904,280.
Schedule.

15 4. The moneys granted by this Act are intended for the services in respect of which moneys will become payable within the year ending 31st day of March, 1962, and any balance thereof unissued at the end of the month of March of that year shall lapse and not be available for making payments in any subsequent month.

Balance
unissued to
lapse.

SCHEDULE									
Head									Amount
									£
21.	State House	..	..	..	..	..	..	..	71,850
22.	Cabinet Office	..	..	..	..	..	..	..	326,430
23.	Police	..	..	..	..	..	..	..	4,624,430
24.	Ministry of Commerce and Industry	..	..	..	..	..	..	..	503,120
25.	Marketing and Exports	..	..	..	..	..	..	..	505,550
26.	Ministry of Communications	..	..	..	..	..	..	..	5,983,540
27.	Ministry of Defence	..	..	..	..	..	..	..	49,740
28.	Royal Nigerian Army	..	..	..	..	..	..	..	4,200,930
29.	Royal Nigerian Navy	..	..	..	..	..	..	..	565,490
30.	Ministry of Economic Development	..	..	..	..	..	..	..	313,010
31.	Agriculture (Research)	..	..	..	..	..	..	..	239,920
32.	Fisheries Service	..	..	..	..	..	..	..	53,110
33.	Forestry (Research)	..	..	..	..	..	..	..	102,690
34.	Statistics	..	..	..	..	..	..	..	209,800
35.	Veterinary (Research)	..	..	..	..	..	..	..	226,370
36.	Ministry of Education	..	..	..	..	..	..	..	3,257,570
37.	Antiquities	..	..	..	..	..	..	..	54,240
38.	National Archives	..	..	..	..	..	..	..	46,900
39.	Ministry of Establishments and Service Matters	..	..	..	..	..	..	..	464,850
40.	Pensions and Gratuities	..	..	..	..	..	..	..	526,150
41.	Ministry of Finance	..	..	..	..	..	..	..	2,126,970
42.	Customs and Excise	..	..	..	..	..	..	..	672,400
43.	Inland Revenue	..	..	..	..	..	..	..	225,290
44.	Ministry of Foreign Affairs and Commonwealth Relations	..	..	..	..	..	..	..	1,188,970
45.	Ministry of Health	..	..	..	..	..	..	..	3,169,690
46.	Ministry of Information	..	..	..	..	..	..	..	2,154,750
47.	Ministry of Internal Affairs	..	..	..	..	..	..	..	153,060
48.	Prisons	..	..	..	..	..	..	..	1,293,050
49.	Ministry of Justice	..	..	..	..	..	..	..	164,810
50.	Ministry of Labour	..	..	..	..	..	..	..	510,970
51.	Ministry of Lagos Affairs	..	..	..	..	..	..	..	1,080,360
52.	Ministry of Mines and Power	..	..	..	..	..	..	..	386,830
53.	Ministry of Transport and Aviation	..	..	..	..	..	..	..	920,670
54.	Coastal Agency	..	..	..	..	..	..	..	135,700
55.	Inland Waterways	..	..	..	..	..	..	..	681,700
56.	Ministry of Works and Surveys	..	..	..	..	..	..	..	5,835,250
57.	Audit	..	..	..	..	..	..	..	93,690
58.	Electoral Commission	..	..	..	..	..	..	..	53,410
59.	Judicial	..	..	..	..	..	..	..	151,260
60.	Parliament	..	..	..	..	..	..	..	661,310
61.	Public Service Commission	..	..	..	..	..	..	..	67,770
62.	Contributions to the Development Fund	..	..	..	..	..	..	..	7,980,680
63.	Non-Statutory Appropriations of Revenue	..	..	..	..	..	..	..	870,000
Total									£52,904,280

ELECTORAL (TRANSITIONAL PROVISIONS)

MEMORANDUM

Until the New Electoral Law has been passed by Parliament, it is necessary to make temporary provision for the election of members to the House of Representatives and this Electoral (Transitional Provisions) Bill seeks to :

- (a) continue in force the existing Federal Electoral Regulations, and their application to a review of the Register of Voters,
- (b) give power to amend the Regulations,
- (c) provide a procedure for the removal of non-Nigerian citizens from the Register before it is used in any election.

As the Federal Register will be used for the elections to the Eastern Region House of Assembly, which are likely to be held before the New Electoral Law can be introduced, the passing of this temporary measure is of particular importance.

USMAN SARKI,
Minister of Internal Affairs

ELECTORAL (TRANSITIONAL PROVISIONS)

ARRANGEMENT OF CLAUSES

Clause

1. Short title, etc.
2. Interpretation.
3. Regulations.
4. Federal electoral register.
5. Duration of Act, etc.

A BILL FOR

AN ACT TO MAKE TEMPORARY PROVISION FOR ELECTION OF MEMBERS OF
THE HOUSE OF REPRESENTATIVES.

[See section 2]

Commence-
ment.

BE IT ENACTED by the Legislature of the Federation of Nigeria
in this present Parliament assembled and by the authority of the same
as follows—

5 1. This Act may be cited as the Electoral (Transitional Provisions)
Act, 1961, and shall apply throughout Nigeria.

Short title,
etc.

2. (1) In this Act and in regulations made or deemed to have been
made under this Act as the case may be, and unless the context otherwise
requires,—

Interpreta-
tion.

10 “the Regulations” means the Elections (House of Representatives)
Regulations, 1958 made under the Nigeria (Electoral Provisions)
Order in Council, 1958 as from time to time amended before the
passing of this Act.

L.N.117/
1958.

(2) References in the Regulations,—

15 (a) to a constituency shall be construed as references to a con-
stituency under the Constitution of the Federation;

(b) to the Electoral Commission shall be construed as references to
the Electoral Commission for the Federation under the Constitution
of the Federation;

20 (c) to a British subject or British protected person as one of the
qualifications as an elector shall be read and construed as references to
citizens of Nigeria; and

25 (d) to the first register and the preliminary list for the purposes of
any qualifying date shall include references to any other register and
preliminary list compiled for the purposes of voting at any other
election of members of the House of Representatives.

Regulations.

3. (1) The Governor-General in Council may make regulations under this Act for any purpose for which regulations for the conduct of elections are necessary or expedient for giving full effect to the provisions of this Act.

(2) Subject to the provisions of this Act,—

L.N. 117/
1958.

(a) the Elections (House of Representatives) Regulations, 1958 made under the Nigeria (Electoral Provisions) Order in Council, 1958 of the United Kingdom to the extent to which they have not been amended or revoked shall on the passing of this Act and notwithstanding any other Act or rule of law, be deemed to have been made under this Act; and

L.N. 247/
1959.

(b) the Federal Legislative Houses (Disputed Seats) Regulations, 1959 made under the Nigeria (Constitution) Orders in Council, 1954 to 1959 of the United Kingdom shall continue in force and for the avoidance of doubts be deemed to have been made under this Act and have effect where not inconsistent with the provisions of the Constitution of the Federation.

Federal
electoral
register.

4. (1) Subject to the provisions of this section, where pursuant to regulations made or deemed to be made under this Act a Federal electoral register has been compiled for use in any constituency, the Electoral Commission may, for the same or any other constituency, direct the preparation of a new Federal electoral register for use at any Federal election, or may direct the use of any existing Federal electoral register with any supplementary electoral register.

(2) If for any Federal election the existing Federal electoral register is to be used for the purposes of any election, the Federal electoral register shall together with any supplementary list of voters be displayed in such manner as the Electoral Commission may prescribe in every registration area of a constituency for not less than 7 days; and any person may during that period object to the inclusion of the name of a voter on the grounds that the voter is not a citizen of Nigeria.

(3) For the purposes of this section, where any form is prescribed for use in the preparation of a preliminary list the form may be used with such modifications as are necessary to provide for any supplementary list and every applicant for inclusion in the Federal electoral register shall if required by a registrar in addition to any other information prescribed disclose whether he is already registered in any other registration area of a constituency.

Duration of
Act, etc.

5. This Act shall continue in operation until the 31st day of December, 1962 and if not sooner replaced or extended shall then expire:

Provided that the expiry of this Act shall not affect any right, obligation or penalty accrued or incurred during the continuance of this Act, and any investigation, legal proceeding or remedy in respect of any such right or obligation may thereafter be instituted continued or enforced, and such penalty may be imposed as if this Act had not expired.

REGISTRATION OF BUSINESS NAMES BILL, 1961

MEMORANDUM

The object of this Bill is to make new provisions for the registration of business names. All the provisions of the present Registration of Business Names Ordinance (Chapter 179) are reproduced with certain innovations designed to give better control over the use of business names. The more important innovations are as follows—

Clause 4 : Provides that assistant registrars will be responsible for putting into effect the provisions of the Bill in the Regions, subject to the directions of the registrar who will retain overall responsibility.

Clause 7 : The particulars to be given for the purposes of registration are considerably expanded.

Clause 12 : It is considered undesirable for persons under the age of eighteen to carry on a business except under their real names, and clause 12 (3) provides that registration of individuals under that age, and of firms having a partner under that age, is to be refused.

Clause 17 : (a) The present penalties which were laid down in 1926 are considered inadequate and are increased.

(b) Subsection (1) (d) introduces a new offence for carrying on a business under a business name, registration of which has been refused or cancelled.

M. B. DIPCHARIMA,
*Minister of Commerce and Industry,
Federation of Nigeria*

REGISTRATION OF BUSINESS NAMES

ARRANGEMENT OF CLAUSES

Clause

1. Short title, commencement and application.
2. Interpretation.
3. Appointment of officers.
4. Performance of functions of registrar by assistant registrars.
5. Registrars.
6. Firms and persons to be registered.
7. Manner and particulars of registration.
8. Signing of statement.
9. Registration of changes in firm.
10. Certificates of registration.
11. Removal of names from registrar.
12. Refusal of registration in certain cases.
13. Searches.
14. Copies of entries in registers.
15. Publication of true name.
16. Disability of persons in default.
17. Offences and penalties.
18. Regulations.
19. Validity of previous registration.
20. Repeal.

A BILL FOR

AN ACT TO MAKE NEW PROVISION FOR THE REGISTRATION OF FIRMS AND PERSONS CARRYING ON BUSINESS UNDER BUSINESS NAMES AND FOR PURPOSES CONNECTED THEREWITH.

Title.

[By Notice, see section 1]

Commence-
ment.

BE IT ENACTED by the Legislature of the Federation of Nigeria in this present Parliament assembled and by the authority of the same as follows—

Enactment.

1. (1) This Act may be cited as the Registration of Business Names Act, 1961, and shall come into operation on a day to be appointed by the Governor-General by notice in the Gazette.

Short title,
commence-
ment and
application.

(2) This Act shall be of Federal application.

2. (1) In this Act, unless the context otherwise requires—

Interpreta-
tion.

“business” included any trade, industry and profession and any occupation carried on for profit ;

“business name” means the name or style under which any business is carried on whether in partnership or otherwise ;

“assistant registrar” means an Assistant Registrar of Business Names appointed under section 3 ;

“firms” means an unincorporated body of two or more individuals or one or more individuals and one or more corporations, or two or more corporations, who or which have entered into partnership with one another with a view to carrying on business for profit ;

“forename” when used with a surname includes any country or native name ;

“initials” includes any recognised abbreviation of a forename ;

“minister” means the Minister charged with responsibility relating to the registration of Business Names ;

“minor” means a person who has not attained the age of twenty-one years ;

“registrar” means the Registrar of Business Names ;

“show card” means a card containing or exhibiting articles dealt with, or samples or representations thereof.

(2) The registration of a business name under this Act shall not be construed as authorising the use of that name if apart from such registration the use thereof could be prohibited. 5

Appointment of officers.

3. There may from time to time be appointed a fit person to be Registrar of Business Names and such other persons to be Assistant Registrars or other officers as may be necessary for the administration of this Act. 10

Performance of functions of registrar by assistant registrars.

4. For the purposes of the registration under this Act of the business name of a firm or individual whose principal place of business is in a Region or of the application of this Act to such a firm or individual registered under this Act, any assistant registrar may, subject to such written directions as the registrar may give, perform any act or discharge any duty which the registrar may lawfully perform or discharge or is required by this Act to perform or discharge, and, subject as aforesaid, any reference in this Act to the registrar shall accordingly be deemed to include a reference to an assistant registrar. 15

Registers.

5. The registrar, and such assistant registrars as the registrar may require to do so, shall keep a register in the required form in which shall be entered such matters as are required by this Act or any regulations made thereunder to be entered therein. 20

Firms and persons to be registered.

6. Every—

(a) firm having a place of business in Nigeria and carrying on business under a business name which does not consist of the true surnames of all partners without any addition other than the true forenames of the individual partners or the initials of such forenames ; 25

(b) individual having a place of business in Nigeria and carrying on business under a business name which does not consist of his true surname without any addition other than his true forenames or the initials thereof ; 30

(c) individual or firm having a place of business in Nigeria who or a member of which has either before or after the coming into operation of this Act changed his name, except in the case of a woman in consequence of marriage, 35

shall be registered in the manner directed by this Act :

EE Provided that—

(i) where the addition merely indicates that the business is carried on in succession to a former owner of the business that addition shall not of itself render registration necessary ; and 40

(ii) where two or more individual partners have the same surname the addition of an “s” at the end of that surname shall not of itself render registration necessary ; and

(iii) where the business is carried on by a receiver or manager appointed by any court, registration shall not be necessary. 45

Manager
and
particulars
of registra-
tion.

7. (1) Every firm or individual required under this Act to be registered shall, within twenty-eight days after the firm or individual commences the business in respect of which registration is required or within three months of the coming into operation of this Act, furnish to the registrar at the register office for the area in which the principal place of business of the firm or individual is situated a statement in writing in the prescribed form, signed as required by section 8 and containing the following particulars—

(a) the business name or, if the business is carried on under two or more business names, each of those business names ;

(b) the general nature of the business ;

(c) the full postal address of the principal place of business ;

(d) the full postal address of every other place of business ;

(e) where the registration to be effected is that of a firm—

(i) the present forenames and surname, any former forenames or surname, the nationality and, if that nationality is not the nationality of origin, the nationality of origin, the age, the sex, the usual residence and any other business occupation of each of the individuals who are partners ;

(ii) the corporate name and registered office of such corporation which is a partner ;

(f) where the registration to be effected is that of an individual, the present forenames and surname, any former forenames or surname, the nationality and, if that nationality is not the nationality of origin, the nationality of origin, the age, the sex, the usual residence and any other business occupation of the individual ;

(g) where the registration to be effected is that of an individual who is a married woman or of a firm in which a married woman is a partner, the forenames and surname of her husband ;

(h) the date of commencement of the business whether before or after the coming into operation of this Act.

(2) Where the registration to be effected is that of a firm or individual carrying on business on behalf of another individual, firm or corporation whether as nominee or trustee, the statement required by subsection (1) to be furnished shall contain the following particulars in addition to the particulars required by that subsection—

(a) the present forenames and surname, any former forenames or surname, the nationality and, if that nationality is not the nationality of origin, the nationality of origin and the usual residence of each individual on whose behalf the business is carried on ;

(b) The name of each firm or corporation on whose behalf the business is carried on.

(3) Where the registration to be effected is that of a firm or individual carrying on business as general agent for any concern carrying on business outside Nigeria and not having a place of business in Nigeria, the statement required by subsection (1) to be furnished shall, in addition to the particulars required by that subsection, state the name and full postal address of each such concern :

Provided that in the case of a firm or individual carrying on business as general agent for three or more such concerns, it shall be sufficient to state the fact that the business is so carried on and the countries in which the concerns carry on business.

(4) On receipt of a statement furnished by a firm or individual in accordance with this section, the registrar shall, subject to the provisions of any regulations made under this Act, enter the name of the firm or individual in the register and file the statement.

Signing of
statement.

8. (1) A statement furnished in accordance with section 7 shall—

(a) in the case of a statement furnished by an individual, be signed by him ;

(b) in the case of a statement furnished by a firm, be signed by each individual who is partner and by a director or the secretary of each corporation which is a partner :

Provided that, if the statement is accompanied by a statutory declaration made by any person to the effect that he is a partner of the firm or is a director or the secretary of a corporation which is a partner of the firm the statement may be signed by that person alone.

(2) A statement furnished in accordance with section 7 by an individual who is a minor or by a firm of which one of the partners is a minor shall, in addition to the requirements of subsection (1), be signed by a magistrate, legal practitioner or police officer of or above the rank of Assistant Superintendent of Police.

Registration
of changes
in firm.

9. Whenever a change is made or occurs in any of the particulars required by section 7 to be furnished in respect of any firm or individual registered under that section other than particulars as to the age of an individual the firm or individual shall within twenty-eight days after such change notify such change to the registrar at the register office at which the firm or person is registered in writing signed as provided in section 8.

Certificates
of registra-
tion.

10. (1) On the registration of any firm or individual under this Act, the registrar shall issue a certificate in the prescribed form.

(2) On the registration of any change in the particulars registered in respect of any firm or individual the registrar may in his discretion either amend the certificate previously issued or issue a fresh certificate.

(3) A certificate issued under this section shall be sent by registered post or delivered to the firm or individual registering, who shall thereupon exhibit and thereafter maintain the same in a conspicuous position at the principal place of the business so registered :

Provided that—

(a) where a fresh certificate has been issued under subsection (2), the provisions of this subsection shall apply to such fresh certificate only and not to the certificate originally issued ; and

(b) where any certificate has been lost or destroyed or rendered illegible, a copy of such certificate certified by the registrar may be exhibited in place of the original.

(4) Where a firm or individual registered under this Act has more than one place of business, the original certificate shall be exhibited and maintained as required by subsection (3) at the principal place of business and a copy of the certificate certified by the registrar shall be exhibited and thereafter maintained in a conspicuous position in each of the other places of business.

11. (1) If any firm or individual registered under this Act ceases to carry on business, it shall be the duty of the partners in the firm at the time when it ceased to carry on business or of the individual or if he is dead his personal representative, within three months after the business has ceased to be carried on, to send by post or deliver to the registrar a notice, stating that the firm or individual has ceased to carry on business.

Removal of names from register.

(2) On receipt of such a notice as aforesaid the registrar may remove the firm or individual from the register.

(3) Where the registrar has reasonable cause to believe that any firm or individual registered under this Act is not carrying on business he may send to the firm or individual by registered post a notice that, unless an answer is received to such notice within two months from the date thereof, the firm or individual may be removed from the register.

(4) if the registrar either receives an answer from the firm or individual to the effect that the firm or individual is not carrying on business or does not within two months from the date of the notice receive an answer, he may remove the firm or individual from the register.

12. (1) Where any business name under which the business of a firm or individual is carried on—

Refusal of registration in certain cases.

(a) contains the words "Imperial", "Royal", "Crown", "National", "Empire", "Government", "Municipal", "Federal" or any other word which imports or suggests that the business enjoys the patronage of Her Majesty or of any other member of the Royal Family, or of the Governor-General or a Regional Governor, or of the Government of any part of Her Majesty's dominions or protectorates or any trust territory, or imports any connection with any municipality or other local authority; or

(b) contains the word "co-operative" or its equivalent in any other language or any abbreviation thereof; or

(c) contains the words "Chamber of Commerce", "Building Society", "Guarantee", "Trust", "Investment", "Bank", "Insurance" or any word of similar connotation; or

(d) is identical with or similar to a name by which any firm or individual is registered under this Act or any company is registered under the Companies Ordinance,

and the registrar is of opinion that registration would be likely to mislead the public, then the registrar shall, unless the consent of the Minister has been first obtained by the firm or individual, refuse to register the business name or, as the case may be, cancel the registration thereof.

(2) Where any business name under which the business of a firm or individual is carried on—

(a) contains any word which, in the opinion of the registrar, is likely to mislead the public as to the nationality, race or religion of the persons by whom the business is wholly or mainly owned or controlled; or

(b) is, in the opinion of the registrar, deceptive or objectionable in that it contains a reference direct or otherwise to any personage, practice or institution, or otherwise unsuitable as a business name,

then the registrar shall refuse to register the business name, or, as the case may be, cancel the registration thereof, but any person aggrieved by a decision of the registrar under this subsection may, within one month of such refusal or cancellation, appeal to the Minister whose decision shall be final.

(3) The registrar shall refuse to register an individual or firm under this Act if the age of the individual or of any individual who is a partner is stated in the statement furnished under section 7 to be less than eighteen years.

Searches.

13. The registrar shall allow searches to be made at all reasonable times in any register book, register or file of registered documents in his possession. 10

Copies of entries in registers.

14. (1) The registrar shall upon request give a certified copy of any entry in any register book, register or filed document in his possession.

(2) Every such certified copy shall be received in evidence, without any further or other proof, in all legal proceedings, civil or criminal. 15

Publication of true name.

15. (1) Every individual or firm required by this Act to be registered shall in all trade catalogues, trade circulars, show cards and business letters issued or sent by the individual or firm to any person have mentioned in legible characters— 20

(a) in the case of an individual, his present forenames or the initials thereof and present surname and any former forenames or surname and his nationality; and

(b) in the case of a firm the present forenames or the initials thereof, and present surname, and any former forenames or surnames and the nationality of all the partners in the firm or in the case of a corporation being a partner, the corporate name. 25

(2) Where the individual referred to in subsection (1) is a married woman the words "wife of" followed by the forenames and surname of her husband shall be included in addition to her own name. 30

(3) Where the individual referred to in subsection (1) is a minor, the words "a minor" shall be added, in brackets, after his name.

Disability of persons in default.

16. Where any firm or individual required under this Act to furnish a statement of particulars or of any change in particulars makes default in so doing the rights of such defaulter under or arising out of any contract made or entered into by or on behalf of such defaulter in relation to the business in respect of which particulars were required at any time while he is in default shall not be enforceable by action or other legal proceedings either in the business name or otherwise : 35

Provided that— 40

(a) the defaulter may apply to a High Court in which any such contract would otherwise be enforceable for relief against the disability imposed by this section, and a High Court in which any such contract would otherwise be enforceable on being satisfied that the default was accidental, or due to inadvertence, or some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may grant such relief either generally as regards all contracts enforceable by the court or as respects any particular contract and on such conditions as the court may impose ; 45

(b) nothing herein contained shall prejudice the rights of any other parties as against the defaulter in respect of such contract as aforesaid ;

(c) if any action or proceeding shall be commenced by any other party against the defaulter to enforce the rights of such party in respect of such contract, nothing herein contained shall preclude the defaulter from enforcing in that action or proceeding by way of counterclaim, set-off or otherwise, such rights as he may have against that party in respect of such contract.

17. (1) If any firm or individual required under this Act to be registered—

Offences
and penal-
ties.

(a) fails to comply with the provisions of section 7 ; or

(b) fails to comply with the provisions of section 9 ;

(c) fails to comply with the provisions of subsection (3) or subsection (4) of section 10 ;

(d) carries on business under a business name, registration of which has been refused or cancelled under section 12 ;

every partner in the firm or the individual shall be guilty of an offence and liable on conviction to a fine of ten pounds for every day during which the default continues, and the court shall order a statement of the required particulars to be furnished to the registrar within such time as may be specified in the order.

(2) If any person whose duty it is under subsection (1) of section 11 to give notice that a firm or individual has ceased to carry on business fails to comply with the provisions of that subsection, he shall be guilty of an offence and liable on conviction to a fine of twenty-five pounds.

(3) If any firm or individual in issuing any trade catalogue, trade circular, show card or business letter fails to comply with the provisions of section 15, every partner in the firm or the individual shall be guilty of an offence and liable on conviction to a fine of twenty pounds.

(4) If any statement required to be furnished under this Act contains any matter which is false in any material particular to the knowledge of any person signing it, such person shall be guilty of an offence and liable on conviction to a fine of one hundred pounds or to imprisonment for six months, or to both such fine and imprisonment.

18. The Governor-General in Council may make regulations—

Regulations.

(a) for the governance and guidance of registrars and assistant registrars and of all persons acting under them ;

(b) prescribing the forms to be used for the purposes of this Act ;

(c) prescribing the fees to be taken by the officers by or before whom the acts for which the fees are payable are done ;

(d) generally for the conduct and regulation of registration under this Act and any matters incidental thereto.

Validity of
previous
registration.
Cap. 179.

19. Any firm which or individual who immediately before the coming into operation of this Act was registered under the Registration of Business Names Ordinance hereby repealed shall be deemed to be registered under and in accordance with this Act and the provisions of this Act shall apply in respect of such firm or individual accordingly, and any statement furnished under the said Ordinance hereby repealed shall be deemed to have been furnished under and in accordance with this Act.

5

Repeal.
Cap. 17.

20. The Registration of Business Names Ordinance is repealed.

EXTERNAL TRADE LETTERS OF CREDIT (CONTROL)

MEMORANDUM

This bill seeks to regulate the activities of sundry traders and other persons which are having an adverse effect on Nigeria's commercial credit overseas regarding the issue of letters of credit which may not be honoured. Provision is accordingly made for letters of credit issued by any person other than a licensed bank to be confirmed by a bank licensed under the Banking Ordinance but the Minister of Finance after consultation with the Governor of the Central Bank of Nigeria may exempt any person from the necessity of confirmation. Penalties are laid down for failure to obtain the required confirmation.

F. S. OKOTIE-BOH,
Federal Minister of Finance

A BILL FOR

AN ACT TO MAKE BETTER PROVISION FOR THE CONTROL OF CERTAIN
COMMERCIAL DOCUMENTS.

BE IT ENACTED by the Legislature of the Federation of Nigeria
in this present Parliament assembled and by the authority of the same as
follows—

1. This Act may be cited as the External Trade Letters of Credit
(Control) Act, 1961, and shall have effect throughout the Federation.

2. (1) Subject to the provisions of this section, no person other
than a licensed bank shall, whether in the ordinary course of business or
not, issue to or negotiate in favour of any other person a letter of credit
unless the letter of credit is endorsed as confirmed by a licensed bank
within the meaning of the Banking Ordinance. The confirmation shall
be in such form as the licensed bank may from time to time authorise ;
and when given, the confirmation shall have effect as a guarantee of
payment in due course, but nothing in this subsection shall be construed
to require payment of duty in respect to any such guarantee under the
Stamp Duty Ordinance.

Short title
and
application.
Prohibition
on issue of
certain
letters of
credit.
Cap. 19.

Cap. 191.

(2) The Federal Minister of Finance after consultation with the Governor of the Central Bank of Nigeria may, by notice in the Gazette, exempt any person from the requirements of confirmation under this Act.

(3) The failure to comply with the requirements of subsection (1) of this section shall be an offence punishable on conviction— 5

(a) in the case of a company by a fine for a first offence of £500 and for any subsequent offence by a fine of £1,000 ;

(b) in the case of a letter of credit issued or negotiated by a partnership, for a first offence by a fine of £200 to be imposed on the partner apparently having and exercising authority relative to the letter of credit, and for any subsequent offence by a fine of £1,000 or imprisonment for a term of two years, or by both such fine and imprisonment ; 10

(c) in the case of any other person concerned and however acting, by a fine for a first offence of £50, and for any subsequent offence by a fine of £100, or imprisonment for a term of six months, or by both such fine and imprisonment. 15

(4) For the purposes of this section, "letter of credit" means any undertaking or authority in writing (whether or not against production of any document or documents) given to finance payment in respect of overseas goods or services on account of any person resident in Nigeria. 20

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