

BANKING (AMENDMENT) DECREE 1972



Decree No. 45

[14th December 1972]

Commence-
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows:

1. The Banking Decree 1969 is hereby amended as follows, that is—

(a) for section 1 (1) there shall be substituted the following—

“(1) No banking business shall be transacted in Nigeria—

(a) except by a company duly incorporated in Nigeria which is in possession of a valid licence granted by the Commissioner authorising it so to do; and

(b) unless before its incorporation in Nigeria the objects of the company as set out in its memorandum of association shall have been submitted to the Commissioner in writing through the Central Bank for his consideration, and the Commissioner has approved accordingly.”;

(b) immediately after section 11 there shall be inserted the following new section 11A—

“Restrictions of interests by bank officials.

11A. (1) No manager or other official of a licensed bank—

(a) shall in any manner whatsoever, whether directly or indirectly, be interested in any advance, loan or credit facility; and if interested, he shall declare the nature of his interest to the bank;

(b) shall grant any advance, loan or credit facility to any person unless it is authorised in accordance with the rules and regulations of the bank; and where adequate security is required by such rules and regulations, such security shall be obtained for the advance, loan or credit facility and shall be deposited with the bank;

(c) shall benefit as a result of any advance, loan or credit facility granted by the bank.

(2) Every manager or other official who contravenes or fails to comply with any of the foregoing provisions of this section shall be guilty of an offence and shall on conviction be liable to a fine of £5,000 or to imprisonment for a term not exceeding 3 years; and in addition, any gains

Amendment
of the
Banking
Decree
1969.
1969 No. 1.

or benefits accruing to any person convicted under this section by reason of such contravention shall be forfeited to the Government of the Federation, and the gains or benefits shall vest accordingly in that Government in such manner as the court may at its discretion direct.”;

(c) immediately after section 13 (1) (b) there shall be inserted the following new paragraph (bb)—

“(bb) grant any unsecured advances, loans or credit facilities unless it is authorised in accordance with the bank’s rules and regulations, and where any such rules or regulations require adequate security such security shall be provided or, as the case may require, deposited with the bank;”;

(d) in sections 2, 20(1), (2), (3) and (6) and 21 and elsewhere relative thereto for the references to “Examiner” wherever the word occurs there shall be substituted the words “Chief Bank Examiner”; and

(e) immediately after section 20 (6) there shall be inserted the following new subsection (7)—

“(7) Nothing in the foregoing provisions or elsewhere under this Decree or any other enactment shall preclude the Central Bank from appointing one or more other officials of the Central Bank as examiners, apart from those mentioned in subsections (1) and (2) of this section, from ascribing to such officials such other designations as it deems fit, and from directing or requiring all or any of the officials to exercise all or any of the powers of the Chief Bank Examiner under subsection (1) above.”

Citation. 2. This Decree may be cited as the Banking (Amendment) Decree 1972.

MADE at Lagos this 14th day of December 1972.

GENERAL Y. GOWON,
Head of the Federal Military Government,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria

EXPLANATORY NOTE

(This note does not form part of the above Decree but is intended to explain its purport)

The Decree, amongst other things, provides the same safeguards against abuse of office by bank managers as in the case of bank directors.

CENTRAL BANK OF NIGERIA (AMENDMENT) DECREE 1972



Decree No. 46

[14th December 1972]

Commence-
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1. The Central Bank of Nigeria Act is hereby amended as follows, that is—

Sundry
amendments
of the
Central Bank
of Nigeria
Act.
Cap. 30.

(a) in section 7 (1)—

(i) immediately after the word "Bank" where it first occurs there shall be inserted the following—

"subject to the approval of the Commissioner for Finance," ;

(ii) for the words "net profits" wherever they occur there shall be substituted the words "operating surplus" ;

(b) section 7 (2) is hereby repealed ;

(c) in section 7 (3), for the words "net profits" there shall be substituted the words "operating surplus" and at the end thereof there shall be inserted the word "half-yearly" ;

(d) for section 7 (4) there shall be substituted the following—

"(4) The operating surplus of the Bank for each financial year shall be determined by the Bank after meeting all current expenditure approved by the Board for that year and after making provision for depreciation in assets, contributions to staff and superannuation funds, as approved by the Board and for any other purpose specifically approved by the Commissioner." ;

(e) in section 13 (1), for the word "ten" there shall be substituted the word "six" ;

(f) in section 14 (2) for the words "net or other profits" there shall be substituted the words "operating surplus" ;

(g) section 15 is hereby repealed ;

(h) in section 25—

(i) in paragraphs (b), (c), (d) and (e) the words “is sterling or” and “or sterling” respectively wherever they occur are hereby repealed ; and

(ii) immediately after paragraph (f) there shall be inserted the following new paragraph (g)—“(g) allocation of Special Drawing Rights made to Nigeria by the International Monetary Fund.”;

Cap. 30.
1962 No. 17.

(i) there shall be inserted in substitution for section 28 of the Central Bank of Nigeria Act (which was repealed by the Central Bank of Nigeria (Amendment) Act 1962) the following new section 28—

“28. Unless otherwise prohibited by any law relating to the control of exchange the Bank shall, on demand at its Head Office in Lagos, issue and redeem Nigerian currency against gold or other currencies eligible for inclusion in the reserve of external assets under this Act.”;

(j) in section 29—

(i) in paragraph (f) the words “and Treasury Certificates” are hereby repealed ;

(ii) immediately after the said paragraph (f) there shall be inserted the following new paragraph (ff)—

“(ff) purchase, sell or discount Treasury Certificates maturing within such period as may be determined by the Commissioner and specified by an instrument made by the Commissioner ;”;

(iii) in paragraph (n) the words “is sterling or”, “sterling or” and “are sterling or” are hereby repealed ; and

(iv) immediately after paragraph (s) there shall be inserted new paragraphs (t) and (u)—

“(t) notwithstanding section 30 (d) the Bank may grant temporary advances to commercial banks within the meaning of the Banking Act 1969 which participate in bank clearing business in respect of temporary debit balances on their accounts at such rate of interest and under such terms as the Bank may determine ;

(u) hold redeemable bonds for the purpose of regularising currency exchange exercises” ;

and the existing paragraph “(t)” shall be re-numbered as paragraph “(v)” ;

(k) section 30 (g) is hereby repealed ;

(l) in section 43 for the words “April” and “March” where they appear respectively there shall be substituted the words “January” and “December” ;

(m) in section 45 (4) the words “, after the 15th day and also” are hereby repealed ; and for the words “either or those days” there shall be substituted the words “that day” ; and

(n) sections 45 (5) and 46 are hereby repealed.

2. This Decree may be cited as the Central Bank of Nigeria (Amendment) Decree 1972. Citation.

MADE at Lagos this 14th day of December 1972.

GENERAL Y. GOWON,
*Head of the Federal Military Government,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria*

EXPLANATORY NOTE

*(This note does not form part of the above Decree but is
intended to explain its purport)*

The Decree makes sundry amendments to the Central Bank of Nigeria Act for the purpose of bringing that Act up-to-date and also for facilitating the currency exchange exercise.

**FINANCE (MISCELLANEOUS TAXATION PROVISIONS)
DECREE 1972**



Decree No. 47

[1st April 1972]

Commence-
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1. The Companies Income Tax Act 1961 is hereby amended as follows :—

Amendment
of Companies
Income Tax
Act 1961.

(a) in section 31—

1961 No. 22.

(i) in subsection (2) thereof for paragraphs (a) and (b) there shall be substituted the following new paragraph—

“(a) the amount of a loss which the Board is satisfied has been incurred by the company in any trade or business during any preceding year of assessment : Provided that—

(i) in no circumstances shall the aggregate deduction from assessable profits or income in respect of any such loss exceed the amount of such loss ; and

(ii) a deduction under this section for any particular year of assessment shall not exceed the amount, if any, of the assessable profits, included in the total profits for that year of assessment, from the trade or business in which the loss was incurred and shall be made as far as possible from the amount of such assessable profits of the first year of assessment after that in which the loss was incurred, and, so far as it cannot be so made, then from such amount of such assessable profits of the next year of assessment, and so on.” ;

(ii) the existing paragraph (c) of subsection (2) shall be renumbered as paragraph (b) ; and

(iii) subsection (5) shall be deleted ;

(b) for section 32 there shall be substituted the following new section—

“Rates of tax. 32. There shall be levied and paid for each year of assessment in respect of the profits of every company tax at the rates of forty *per centum* for the first £5,000 of such profits and forty-five *per centum* for the profits in excess of £5,000.” ;

(c) in section 34—

(i) for the existing subsection (2) there shall be substituted the following new subsections—

“(2) In respect of every dividend paid or credited by a Nigerian company to its shareholders not being a dividend specified in the preceding subsection the company shall issue to the shareholder a certificate setting out the amount thereof to which such shareholder is entitled, the profits out of which the dividend is paid, the accounting period in respect of which the dividend is declared to be payable and the date on which payment is due, and the company shall not deduct tax from such dividend on payment thereof.

(3) Except as otherwise provided by this Act, where a Nigerian company redistributes to its shareholders any dividends received by it from another Nigerian company, tax shall not be chargeable thereon, nor shall any such dividends be taken into account in computing income for income tax purposes.”; and

(ii) the existing subsections (3), (5) and (6) shall be deleted.

Amendment,
etc. of
Capital
Gains Tax
Decree 1967.
1967 No. 44.

2. The Capital Gains Tax Decree 1967 is hereby amended as follows :—

(a) in section 3 thereof immediately after paragraph (c) there shall be inserted the following new paragraph—

“(d) stocks and shares of every description ;” ; and

(b) in section 31—

(i) in subsection (1) the words “stocks and shares or other” shall be deleted ; and

(ii) subsection (2) shall be deleted.

Repeal of
Super Tax
Decree 1967.
1967 No. 46.
1970 No. 12.
1971 No. 11.
1971 No. 12.

3. The Super Tax Decree 1967 is hereby repealed and the following enactments, that is to say—

(a) the Super Tax (Amendment) Decree 1970,

(b) the Super Tax (Amendment) Decree 1971,

(c) the Super Tax (Amendment) (No. 2) Decree 1971,
are consequentially repealed.

Citation and
commence-
ment.

4. This Decree may be cited as the Finance (Miscellaneous Taxation Provisions) Decree 1972 and shall be deemed to have come into operation on 1st April 1972.

MADE at Lagos this 23rd day of December 1972.

GENERAL Y. GOWON,
Head of the Federal Military Government,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria

EXPLANATORY NOTE

(This note does not form part of the above Decree but is intended to explain its purpose)

The Decree—

(a) provides that deduction for loss suffered by a company during a year of assessment can now only be allowed from profits made in a subsequent year of assessment. The right to carry forward accumulated losses until the losses have been fully relieved from future profits is preserved ;

(b) introduces new rates of tax on the profits of companies. The new rate is 40% for the first £5,000 of the profits and 45% for the remainder ;

(c) abolishes the system whereby tax is deducted at source from dividends payable to shareholders ;

(d) abolishes the super tax introduced by the Super Tax Decree 1967 ; and

(e) brings stocks and shares within the ambit of the Capital Gains Tax Decree 1967. Gains accruing from the transfer of shares and stocks are now to be subject to tax at the same rate of 20%.

2. All the changes enumerated above have effect from 1st April 1972.

**SECOND ALL-AFRICA GAMES (AMENDMENT)
DECREE 1972**



Decree No. 48

[23rd December 1972]

Commence-
ment.

Amendment
of 1972
No. 26.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1. The Second All-Africa Games Decree 1972 is hereby amended as follows :—

(a) for paragraph (b) of section 3 thereof there shall be substituted the following new paragraph—

“(b) manufacturing, printing, selling, exhibiting or otherwise using any souvenir, design, emblem or any other matter connected with or depicting any aspect of the games to the exclusion of any other person”; and

(b) for section 6 thereof there shall be substituted the following new section—

“Souvenirs,
etc. and
restriction
on sale,
etc.
thereof.

6.—(1) The Committee shall from time to time bring to the notice of the public, by pictorial or other representation and in such manner as it may determine, the souvenirs, designs, emblems or other matters depicting, portraying, reflecting or showing such aspects of the games as may be in its exclusive preserve under the provisions of this Decree.

(2) Any person other than the Committee or a person appointed or acting under the authority of the Committee, who—

(a) manufactures, prints, publishes or sells, or

(b) exhibits or otherwise uses for the purpose of advertising any trade or business,

any souvenir, design, emblem or other matter that depicts, portrays, reflects or shows any aspect of the games otherwise than as authorised pursuant to section 4 above, shall be guilty of an offence and liable on conviction to a fine not exceeding £1,000 or to imprisonment for a term not exceeding two years or to both.

(3) Where an offence committed under this section is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary or other similar officer of a body corporate (or any person purporting to act in any such capacity), he as well as the body corporate shall be deemed to be guilty of the offence and may be proceeded against and punished accordingly."

Citation.

2. This Decree may be cited as the Second All-Africa Games (Amendment) Decree 1972.

MADE at Lagos this 23rd day of December 1972.

GENERAL Y. GOWON,
*Head of the Federal Military Government,
Commander-in-Chief of the Armed Forces,
Federal Republic of Nigeria*

EXPLANATORY NOTE

(This note does not form part of the above Decree but is intended to explain its effect)

The Decree amends the principal enactment to make it an offence for any unauthorised person to use any souvenir depicting the Second All-Africa Games emblem for advertising any trade or business.