

# NIGERIAN BANK FOR COMMERCE AND INDUSTRY DECREE 1973



## ARRANGEMENT OF SECTIONS

### Section

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### SCHEDULE

## Decree No. 22

[2nd April 1973]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1.—(1) There is hereby established a Bank to be called the Nigerian Bank for Commerce and Industry (hereinafter referred to as “the Bank”) which shall be a body corporate with perpetual succession.

Establish-  
ment of the  
Nigerian  
Bank for  
Commerce  
and  
Industry.

(2) The Bank shall have power to sue and be sued in its own name and may for the purposes of its functions, acquire, hold or dispose of property (whether movable or immovable) and shall have a common seal.

Functions.

2.—(1) The principal functions of the Bank shall be—

(a) to provide equity capital and funds by way of loans to indigenous persons, institutions and organisations for medium and long term investments in industry and commerce at such rates and upon such terms as may be determined by the Board in accordance with the policy directed by the Federal Executive Council ;

(b) to engage and participate in such other banking and commercial business as may be directed by the Commissioner.

(2) Without prejudice to the generality of the foregoing, the Bank shall in particular have power—

(a) to engage in all aspects of merchant banking, particularly, confirmation of bills and financial obligations of third parties, and acceptance and discounting of bills;

(b) to underwrite such stocks, shares and debentures as are issued in furtherance of the policy of the Government;

(c) to purchase and sell stocks and shares quoted on the Lagos Stock Exchange;

(d) to provide guarantees including guarantees in respect of export credit and letters of credit issued by licensed banks;

(e) to accept term deposits from the public, financial institutions, trust funds, the post office and such other bodies as the Board may direct; and

(f) to provide chequing facilities for its customers.

(3) Any liabilities of the bank which may be incurred in connection with the exercise of its powers under subsection (2) (a) above shall be rediscountable with the Central Bank.

Board of  
Directors.

3.—(1) There shall be a Board of Directors of the Bank (in this Decree hereinafter referred to as "the Board") which shall, subject to the general directives of the Commissioner, be responsible for the overall policy and general management of the Bank.

(2) The Board shall comprise the following, that is to say—

(a) a Chairman,

(b) the Permanent Secretaries of the following Federal Ministries or their representatives, that is to say—

(i) Finance,

(ii) Economic Development and Reconstruction,

(iii) Trade, and

(iv) Industries,

(c) the representative of the Central Bank,

(d) the Managing Director,

(e) a number of directors, not being more than three, who shall be appointed jointly by the minority shareholders, and

(f) such other persons as are by reasons of their experience and character suitable for appointment as members of the Board as may be appointed by the Commissioner.

(3) The Chairman of the Bank shall be appointed by the Commissioner upon such terms and conditions as the Commissioner may with the approval of the Federal Executive Council determine.

(4) A member of the Board appointed by virtue of this section (not being a member by virtue of paragraphs (a) to (d)) shall be appointed for such period as may be specified in his instrument of appointment and shall be entitled to be paid such fees and allowances in accordance with such rules as the Board may, subject to the approval of the Commissioner, prescribe.

(5) The provisions of Schedule 1 to this Decree shall have effect in relation to the membership, the procedure at meetings of the Board and such other matters as are specified thereunder.

(6) The reference—

(a) in subsection (2) (b) above, to any representative of a Federal Ministry is a reference to such officer of a Federal Ministry as may be nominated by the Permanent Secretary of such Ministry to represent him in that behalf ; and

(b) in subsection (2) (e) above, to “the minority shareholders” is a reference to the shareholders of the Bank apart from the Government.

4.—(1) There shall be an official of the Bank who shall be called the Managing Director and who shall be the chief executive of the Bank responsible for the day to day management and operations of the Bank.

Managing Director, and other officers and servants of the Bank.

(2) The Managing Director shall, subject to subsection (3) below, be appointed by the Board with the approval of the Commissioner on such terms and conditions as the Commissioner may deem fit.

(3) Any person appointed as the Managing Director shall not, while he is the holder of that office, be the holder of the office of a director in any other bank, corporation, company or any other concern, except with the approval of the Commissioner.

(4) The Board may, subject to the provisions of this Decree, appoint such other persons to be officers and servants of the Bank as may appear to it to be expedient and necessary for the efficient management of the business of the Bank.

(5) The officers and servants of the Bank shall be paid such salaries and remunerations as may be prescribed by the Board.

5.—(1) The capital of the Bank shall consist of equity and loan capital.

Capital.

(2) The authorised capital of the Bank shall be 50 million *naira* which shall be divided into 500,000 shares of 100 *naira* each, out of which 100,000 shares shall be issued at par and paid up, and the balance shall subject to the following subsections be issued and paid for in the manner stipulated by the Bank.

(3) The share capital of the Bank shall be subscribed by the Government and the Central Bank.

(4) The proportion of the share participation of the Government and the Central Bank shall be 60 per cent and 40 per cent, respectively, or such other proportion as the Federal Executive Council may direct.

(5) Notwithstanding the foregoing provisions the Central Bank may, subject to the approval of the Commissioner, transfer a proportion of its own shareholding (which shall not exceed 20 per cent thereof) to banks licensed under the Banking Decree 1969, insurance corporations and such other financial institutions as may be approved for this purpose by the Central Bank.

1969 No. 1.

(6) The loan capital of the Bank shall be provided by the Government and other shareholders as aforesaid in such amount and upon such terms and conditions as may be determined by the Board with the approval of the Commissioner.

**General Reserve Fund.**

6.—(1) The Bank shall establish a general reserve fund to which shall be allocated from the net profits of the Bank at the end of each financial year and before any dividend is declared—

(a) 25 per cent of the net profits of the Bank, where the amount of the general reserve fund is less than the paid up share capital of the Bank ; or

(b) 12½ per cent of the net profits of the Bank, where the amount of the general reserve fund is equal to, or in excess of, the paid up share capital of the Bank.

(2) The net profits of the Bank for each financial year shall be determined by the Bank after meeting all current expenditure for that year and after making all such provisions as it thinks fit for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation fund and all other contingencies.

**Borrowing power.**

7.—(1) The Bank may with the approval of the Commissioner borrow by way of loan from any source any moneys required by the Bank for meeting its obligations and discharging the functions of the Bank under this Decree.

(2) The Bank shall also have power to secure the repayment of any money borrowed by the Bank in such manner as the Bank shall think fit, and in particular, by the issue of debentures charged upon all or any of the Bank's properties ; and shall also have powers to purchase, redeem and pay up any such securities.

**1969 No. 1.**

(3) The Bank shall have power to receive grants, loans and advances and other moneys on deposits or otherwise from the Government, the Central Bank and any other commercial bank within the meaning of the Banking Decree 1969, and also the public in general under such conditions as may be approved by the Commissioner.

(4) The Government may guarantee in such manner and upon such terms and conditions as it may think fit the redemption and the repayment of any interest on any debenture stocks issued by the Bank on temporary loans raised by the Bank.

**Funds of the Bank.**

8. Without prejudice to section 6 above, the Bank shall maintain a fund which shall consist of—

(a) such moneys as may from time to time be provided by the Government for the purposes of this section by way of grants or loans or both ; and

(b) such moneys as may be received by the Bank in the course of its operations,  
and from such fund there shall be defrayed all general expenses incurred by the Bank ; and the Bank shall submit to the Commissioner not later than three months before the end of each financial year estimates of its expenditure and income (which shall exclude payments to the Bank out of moneys provided by the Government) relating to the next following financial year.

**Auditing of accounts.**

9.—(1) The Bank shall as soon as may be after the end of the financial year to which the accounts relate cause its accounts to be audited by auditors appointed by the Bank with the consent of the Commissioner.

(2) The auditors shall, on the completion of the audit of the accounts of the Bank for the relevant financial year, prepare and submit to the Bank a report setting out—

(a) general observations and recommendations of the auditors on the financial affairs of the Bank for the financial year in question and on any important matter which the auditors desire to bring to the notice of the Bank; and

(b) detailed observations and recommendations of the auditors on all aspects of the operations of the business of the Bank for that year.

10.—(1) The Bank shall keep proper accounts and proper records of accounts and shall prepare in respect of each financial year a statement of account in such form as the Commissioner may direct, being such form which shall conform with the best commercial standards.

Records and annual reports.

(2) It shall be the duty of the Bank to prepare and submit to the Commissioner, not later than three months after the end of each financial year, a report which shall be in such form as the Commissioner may direct and shall relate to the activities of the Bank during the immediately preceding financial year.

(3) The report shall include the report of the audited accounts of the Bank for that year and a copy of the auditors report on the accounts, and shall be presented to the Federal Executive Council by the Commissioner soon after the receipt thereof as it may be convenient.

11. The Bank shall have its Head Office in Lagos and may, subject to the approval of the Commissioner, open branches in other parts of Nigeria, and appoint agents and correspondents in accordance with the decisions of the Board.

Offices and branches.

12. The Board may with the approval of the Commissioner make such regulations as may be necessary for giving effect to the provisions of this Decree; and in particular without prejudice to the generality of the foregoing, it may make regulations—

Regulations.

(a) governing the granting of loans, advances and the making of deposits;

(b) regulating the relationship between the Bank and other financial institutions;

(c) for prescribing the terms, conditions, rates of interest, fee or administrative charges in respect of advances, credits, guarantees and any other transaction which the Bank may undertake from time to time;

(d) prescribing forms of applications, agreements and other materials necessary for the control of the grant of advances, credits, guarantees and other transactions which the bank may undertake from time to time;

(e) determining and prescribing the provisions as to securities that may be required for loans, and such collaterals which shall be made available as securities for loans granted; and

(f) prescribing such other matters as may be incidental or supplemental to the functions of the Bank under this Decree.

13.—(1) Unless a contrary intention appears anything required to be prescribed under this Decree shall be prescribed by the Board with the approval of the Commissioner.

Rules.



(2) Notwithstanding subsection (1) above the Board may with such approval make such rules as are necessary for giving effect to the provisions of this Decree, and in particular for—

(a) regulating the terms and conditions of service of the officers, servants and agents of the Bank and making provisions regarding their remuneration and allowances ;

(b) for determining pensions, gratuities, medical benefits and provident funds, and other superannuation benefits payable to such officers, servants and agents ; and

(c) for the provision and maintenance of any superannuation scheme (whether contributory or not) and such other funds as the Bank may at its discretion determine.

Bye-laws.

14. Notwithstanding the foregoing provisions of this Decree the Board may, with the approval of the Commissioner, make bye-laws for the good order and management of the Bank, and any such bye-law shall be authenticated by the Bank's seal.

Exemptions.

15.—(1) The Bank shall be exempt from the payment of tax and the provisions of any enactment relating to taxation of companies shall not apply to the Bank.

1969 No. 1.

(2) The provisions of the Banking Decree 1969 shall not apply to the Bank, and section 38 (1) thereof shall be construed accordingly.

Restriction as to publication of instruments.

16. For the avoidance of doubt it shall not be necessary for any instrument made under this Decree to be published in the Federal or any other Gazette, but where the provisions of any instrument may affect the interest of any person or group of persons, the Board shall bring any information contained thereunder to the notice of the persons affected in such manner (including publication thereof in the Federal or any State Gazette) as the Board may direct.

Interpretation.

17. In this Decree, unless the context otherwise requires—

“Bank” means the Nigerian Bank for Commerce and Industry established under section 1 above ;

“Board” means the Board of Directors as constituted under section 3 above ;

Cap. 19.

“Central Bank” means the Central Bank of Nigeria established under the Central Bank of Nigeria Act ;

“Commissioner” means the Federal Commissioner for Finance ;

1969 No. 1.

“financial institutions” has the same meaning as in section 41 of the Banking Decree 1969 ;

“Government” means the Government of the Federation.

Citation and comment.

18.—(1) This Decree may be cited as the Nigerian Bank for Commerce and Industry Decree 1973.

(2) This Decree shall be deemed to have come into operation on 2nd April 1973.

## SCHEDULE

## Section 3 (5)

1964 No. 1.

1. Subject to this Decree and section 26 of the Interpretation Act 1964 (which provides for decisions of a statutory body to be taken by a majority of its members and for the chairman to have a second or casting vote), the Board may make standing orders regulating the proceedings of the Board or any committee thereof, in particular, as respects—

- (a) the holding of meetings;
- (b) notices to be given of such meetings and proceedings thereat;
- (c) the keeping of minutes, and the custody, production and inspection of such minutes; and
- (d) the opening, keeping, closing and auditing of accounts.

2. Every meeting of the Board shall be presided over by the Chairman or, if the Chairman is unable to attend any particular meeting, by another member appointed by the members present at the meeting to act as Chairman for that particular meeting.

3. The quorum of members at a meeting of the Board shall be the Chairman (or, in an appropriate case, the person appointed to act as Chairman under paragraph 2 above) and six other members.

4. Where standing orders made under paragraph 1 above provide for the Board to co-opt persons who are not members of the Board such persons may advise the Board on any matter referred to them by the Board, but shall not be entitled to vote at a meeting of the Board.

5. The Bank shall have a common seal and the affixing of the seal shall be authenticated by the signatures of the Chairman or another member of the Bank authorised, either generally or specially, by the Bank to act for that purpose, and of the Managing Director or some other person authorised either generally or specially by the Bank to act for that purpose;

6. Every document purporting to be an instrument issued by the Bank and to be sealed with the seal of the Bank authenticated in the manner provided by this paragraph, or to be signed by the Managing Director, shall be received in evidence and be deemed to be such instrument without further proof, unless the contrary is shown.

7. Any contract or instrument which, if made or executed by any person not being a body corporate would not be required to be under seal, may be made or executed on behalf of the Bank by any person generally or specially authorised to act for that purpose by the Bank.

8. The validity of any proceedings of the Board shall not be affected—

- (a) by any vacancy in the membership of the Board, or
- (b) by any defect in the appointment of a member of the Board, or
- (c) by reason that a person not entitled to do so took part in the proceedings of the Board.

MADE at Lagos this 5th day of May 1973.

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)*

This Decree establishes a Nigerian Bank for Commerce and Industry which shall provide capital and loans for medium and long term investments to indigenous persons and bodies engaged in industry and commerce.

2. The Bank shall also have powers, among other things, to engage in aspects of merchant banking and other aspects of banking or commercial business (specified in the Decree expressly) and as may be directed by the Commissioner.

3. The share capital of the Bank is to be subscribed by the Federal Government and the Central Bank of Nigeria.

4. The powers of the Bank also include powers to establish a General Reserve Fund, to borrow money and to make regulations, rules and bye-laws in relation to specified functions, to provide the terms and conditions of service of the officers, servants and agents of the Bank, and such other matters as concern its good order and management, respectively.





## Decree No. 23

[5th May 1973]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1.—(1) If any person, either in writing at any time or orally in the presence of two or more witnesses during his last illness, has expressed a request that his eyes be used for therapeutic purposes after his death, the person lawfully in possession of his body after his death may, unless he has reason to believe that the request was subsequently withdrawn, authorise the removal of the eyes from the body for use for those purposes.

Removal of  
eyes of  
deceased  
persons.

(2) Without prejudice to the foregoing subsection, the person lawfully in possession of the body of a deceased person may authorise the removal of the eyes from the body for the purpose aforesaid unless that person has reason to believe—

(a) that the deceased had expressed an objection to his eyes being so dealt with after his death, and had not withdrawn it ; or

(b) that the surviving spouse or any surviving relative of the deceased objects to the deceased's eyes being so dealt with.

(3) An authority given under this section in respect of any deceased person shall be sufficient warrant for the removal of the eyes from the body and their use for the purposes aforesaid ; but no such removal shall be effected except by a registered medical practitioner, who must have satisfied himself by a personal examination of the body that life is extinct.

(4) Authority for the removal of eyes shall not be given under this section if the person empowered to give such authority has reason to believe that a Coroner's inquest may be required to be held on the body.

(5) No authority shall be given under this section in respect of the body of a deceased person by a person entrusted by another person with the body for the purpose only of its interment or cremation.

(6) In the case of a body lying in a hospital, any authority under this section may be given on behalf of the person having the control and management of the hospital by any officer or person so designated in that behalf.

(7) Nothing in this section shall be construed as rendering unlawful any dealing with, or with any part of, the body of a deceased person which would have been lawful if this Decree had not been made.

Interpreta-  
tion.  
1963 No. 9.  
1969 No. 44.

2. In this Decree, "registered medical practitioner" means a medical practitioner duly registered under the provisions of the Medical and Dental Practitioners Acts 1963 to 1969.

Citation.

3. This Decree may be cited as the Corneal Grafting Decree 1973.

MADE at Lagos this 5th day of May 1973.

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 this Decree but is  
intended to explain its effect)*

The Decree makes provision with respect to the use of eyes of deceased persons for therapeutic purposes.