

CURRENCY CONVERSION (FREEZING ORDERS) ACT LAWS

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FORM

Freezing Order

CURRENCY CONVERSION (FREEZING ORDERS) ACT LAWS

An Act to enable the Governor of the Central Bank of Nigeria to order the stoppage of any account of any person in circumstances where there exists any irregularity in payment, etc. calculated or likely to prejudice any currency conversion exercise.

[1971 No.6.]

[27th March, 1971]

[Commencement.]

1. Power to stop operation of irregular accounts, etc.

(1) Where, in connection with any currency conversion operation in Nigeria-

(a) there appears any irregularity in any payments, operations or transactions as respects any account of any person with any bank; and

(b) the Governor of the Central Bank of Nigeria (in this Act referred to as "the Governor") is satisfied that the irregularity occurs in circumstances such as are calculated to, or may likely, prejudice the said currency conversion operation in Nigeria,

he may issue, or instruct a bank examiner to issue, an order addressed to the manager of the bank where the account is or believed by him to be or the head office of the bank, and by that order or subsequent order direct the bank to supply any information and produce books and documents relating to the account and to stop all outward payments, operations or transactions (including any bill of exchange) in respect of such account.

(2) An order made under subsection (1) of this section shall be in the form prescribed in the Schedule to this Act, and the manager shall take necessary steps to comply with the requirements of the order.

[Schedule.]

2. Validation of certain orders

All orders issued or made by the Governor or any other officer of the Central Bank of Nigeria or purported to have been issued or made in connection with any currency conversion operation as provided for by the Central Bank (Currency Conversion) Act, shall be deemed to have been validly issued or made as from the date on which such order was issued or made, notwithstanding that the order was expressed to have effect for a specified period or that it had in due course been altered or expressly revoked by any person or authority having power so to do.

[Cap. 46. L.F.N. 1990.]

3. Certificate to be conclusive evidence

If any question shall arise as to whether or not-

(a) such order (to which section 1 or 2 of this Act relates) was issued or made or purported to be issued or made; or

(b) any act, matter or thing was done, or purported to be done, pursuant to such order,

a certificate issued by the Secretary to the Federal Government shall be conclusive evidence of the matter so certified.

4. Variation or revocation of orders

Notwithstanding the foregoing provisions of this Act, the Minister may with the approval of the President by a direction, vary any order issued or made under section 1 of this Act or validated by virtue of section 2 of this Act, and he may in like manner revoke any such order.

[1971 No. 28.]

5. Minister's powers to appoint an investigating panel

Where the Minister has reasonable cause to suspect the legitimacy or otherwise of the sources of deposits and rates of conversion of old currency notes by any person or authority during or after any currency operation, he may by an order appoint a panel (in this Act referred to as "the Investigating Panel") which shall have and exercise the powers set out in the following provisions of this Act.

6. Powers exercisable

(1) For the purposes of any investigation under this Act, the Investigating Panel may exercise so much of the powers of a bank examiner (other than the power to stop all outward payments, operations or transactions) under any enactment, including the Banking (Special Provisions) Act, as may be directed by the Minister under the instrument of appointment of the Panel; and, without prejudice to the generality of the foregoing, the powers shall include power-

[1966 No.5.]

(a) to call for books and accounts of such person or authority or of any record relating thereto on such form as he may think proper;

(b) to enter into and inspect the person or private premises of such person or authority if in the opinion of the Panel such entry would assist it to arrive at a reasonable conclusion on the issue; and

(c) to make recommendations and findings and to forward such recommendations and findings to the Minister through the Governor.

(2) The Investigating Panel shall have power to regulate its own proceedings, but no representation by a legal counsel shall be allowed in respect of any matter brought before the Panel, except that the Panel may allow agents or other representatives of the person or authority affected to appear before it for the sole purpose of making explanations in respect of matters of fact.

7. Power to give orders and make recommendations

On the receipt of the recommendations and findings of any investigating panel, the Minister may, after considering the recommendations and findings-

(a) direct the Governor to issue an order in accordance with section 1 of this Act to stop all payments, operations or transactions in respect of the account to which the recommendations and findings relate;

(b) make recommendations to the President for the exercise by him of the power under section 9 of this Act to give a direction for the forfeiture of the account or property to which the recommendations relate,

and the said sections 1 and 9 and other provisions of this Act shall apply and, as the case may require, effect shall be given thereto subject as herein otherwise prescribed.

8. Existing investigating panels

(1) Any panel appointed pursuant to any enactment or any purported exercise of any powers under any enactment or howsoever appointed for the purposes of investigating any sources of deposit and rates of exchange of old currency notes in connection with any currency conversion operation before the commencement of this Act, shall be deemed to have been duly appointed under this Act by the Minister as from the date on which the panel was appointed or the date of its notification in the Federal Gazette, whichever first occurs.

(2) Any power exercisable by the Minister in relation to an investigating panel under this Act, shall accordingly be exercisable by the Minister in relation to any such panel to which subsection (1) of this section relates, as if the panel were appointed pursuant to section 6 of this Act.

9. Forfeiture

(1) Notwithstanding the provisions of any enactment to the contrary and subject to the provisions of this Act, the President may in his discretion direct that any account or property, movable or immovable, of any person affected by section 1 or 2 of this Act shall be forfeited to the Federal Government, and effect shall be given to such direction according to its tenor.

(2) For the purposes of subsection (1) of this section, it shall be the duty of the Permanent Secretary, Federal Ministry of Finance to communicate such direction as may be given by the President to the Governor who shall give or ensure that effect shall be given to the direction accordingly.

(3) Any person who fails, refuses or neglects to comply with the direction shall be guilty of an offence under this Act and liable on conviction to a term of five years' imprisonment or ₦10,000 fine or to both.

10. Interpretation

In this Act, unless the context otherwise requires-

"Bank" has the meaning given to it in section 61 of the Banks and Other Financial Institutions Act; and includes the Central Bank of Nigeria as established under the Central bank of Nigeria Act or any person or authority appointed by the Government to receive deposits of currency notes for the purposes of any currency conversion operation;

[Cap. B3. Cap. C4.]

"currency conversion operation" means any exercise in the course of which old currency notes are exchanged or to be exchanged for new issues in the Federation or any part thereof; whether or not such exercise is for a specified period;

"Minister" means the Minister of Finance;

"person or authority" includes any government or governmental agency in the Federation-

(a) the reference to an order issued includes a reference to any order, direction or requirements addressed to the manager of a bank or any other officer of a bank which directs or purports to direct the manager or such officer to stop all outward payments, operations or transactions in respect of any account with that bank.

11. Short title

This Act may be cited as the Currency Conversion (Freezing Orders) Act and shall apply throughout the Federation.

SCHEDULE

FORM

Freezing Order

[Section 1 (2).]

(This form may be amended according to circumstances)

To _____ the
manager.....

(Here insert name and branch of bank)

1. Under the authority conferred on me by section 1 of the Currency Conversion (Freezing Orders) Act you are hereby ordered-

(a) to supply the following information relating to the undermentioned accounts, that is to say-
.....

(Here set out briefly the information required in respect of named accounts)

(b) to produce the books and documents relating to the undermentioned accounts, that is to say-
.....

(Here set out the books and documents to be produced in respect of the named accounts)

(c) to stop all outward payments, operations or transactions (including bills of exchange) as far as possible in the ordinary course of banking in respect of the following accounts-

.....

(Here indicate the accounts)

2. This order shall cease to have effect after the.....day of.....
20.....unless sooner revoked by the Governor.

DATED at.....this.....day of.....20.....

.....

.....

nor/Bank Examiner

Gover

CURRENCY CONVERSION (FREEZING ORDERS) ACT

SUBSIDIARY LEGISLATION

No Subsidiary Legislation
