

NIGERIAN EXPORT-IMPORT BANK ACT

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SCHEDULE

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An Act to establish the Nigerian Export-Import Bank with power, among other things, to carry on the business of export credit guarantee and export credit insurance and for

matters connected therewith.

[1991 No. 38.]

[21st August, 1991]

[Commencement.]

1. Establishment, etc., of the Nigerian Export-Import Bank

(1) There is established a bank to be known as the Nigerian Export-Import Bank (hereafter in this Act referred to as "the Bank").

(2) The Bank shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

1. Authorised share capital of the Bank

(1) The authorised capital of the Bank shall be N500 million divided into N500,000,000 shares of N1 each and shall be subscribed equally by the Government of the Federation and the Central Bank of Nigeria.

(2) The Minister may, by notice published in the *Gazette* and in the national newspapers, approve other shareholders on the resolution of the Board of the Bank.

1. Power to raise funds

(1) The Bank may, with the approval of the Minister, raise funds in foreign currency from any of the following sources, that is-

(a) multilateral development banks and institutions such as the International Bank for Reconstruction and Development, otherwise known as the World Bank;

(b) Nigeria's External Reserves;

(c) lines of commercial credit (either directly or in association with other persons);and

(d) regional development banks.

(2) The Bank may borrow such amounts in naira and foreign currency as it may from time to time require for its activities under this Act.

1. Resources of the Bank

The resources of the Bank shall include-

(a) any currency which for the time being is a legal tender in Nigeria and foreign currency;

- (b) premiums collected from policy-holders;
- (c) recoveries from paid claims;
- (d) income from investments;
- (e) guarantee fees or other fees;
- (f) interests and other returns from the management of the Bank's assets;
- (g) fixed and floating assets;
- (h) gifts and grants; and
- (i) such other resources as may arise from the Bank's operations.

Objects and powers of the Bank

1. Objects of the Bank

The objects of the Banks shall be-

- (a) to establish and carry on the business of export credit guarantee and export credit insurance, with a head office in Nigeria and other place of business in Nigeria, as may be determined by the Board of the Bank from time to time;
- (b) to design and implement schemes of export credit guarantee for parties carrying on business in Nigeria in connection with the export or the manufacture, treatment or distribution of goods for export or the rendering of services or of any other matter which appears to the Bank conducive to the purpose of encouraging trade with other countries;
- (c) to undertake and guarantee the insurance of export credit and for that purpose to enter, with or for the benefit of parties carrying on business in Nigeria, contracts of insurance against risk of monetary loss or other monetary detriment attributable to circumstances outside the control of the person suffering the loss or detriment and resulting from the failure to receive payment in connection with or otherwise arising out of acts or transactions in the course of or for the purpose of trade with persons in any other country;
- (d) to accept reinsurance of all kinds and to enter into reinsurance agreements with parties whether resident in or outside Nigeria against all or any risk or liability assumed by the Bank under any agreement, insurance policy or other schemes entered into by the Bank;
- (e) to enter into guarantee agreements with other parties to guarantee payment in specified circumstances;

(f) to provide insurance against loss whether on the export of goods or the provision of services or on loans made to facilitate the export of such goods or the provisions of such services;

(g) to lend and advance money or give credit to such persons or companies on such terms and conditions as may seem expedient and in particular to customers, companies, corporations, firms and other bodies which have dealings with the Bank and to give guarantee or become surety and give security for any such persons or companies;

(h) subject to the provisions of any law in force, to buy and sell foreign currency and exchange and to accept money for remittance to all countries.

6. Functions of the Bank

(1) The Bank may, for the purpose of recovering any sums owed to it under any of its facilities and services, acquire such interests, rights or property in the assets of any person concerned in such transactions in satisfaction thereof and may retain, invest, sell or otherwise dispose of any interest, right or property so acquired.

(2) The Bank may-

(a) receive or recover such commissions and fees as may be agreed upon in consideration of any guarantee or under-writing by the Bank;

(b) invest and deal with the monies of the Bank not immediately required upon such securities and in such manner as it may, from time to time, determine;

(c) establish and manage funds connected with the objects of the Bank;

(d) subject to this Act and the Land Use Act, acquire, hold and dispose of any movable or immovable property for the purpose of the Bank's objects and functions under this Act.

[Cap. L5.]

(3) The Bank shall-

(a) maintain divers and relevant information to facilitate credit verification and exchange such information with comparable organisations on a reciprocal or other agreed basis;

(b) co-operate with similar organisations within and outside Nigeria in the areas of provision of-

(i) credit information;

(ii) debt collection;

(iii) reinsurance; and

(iv) training;

(c) maintain a foreign exchange revolving fund with the aim of making available loans in foreign exchange to exporters who need to import raw materials, capital goods, spare parts and other services to satisfy export orders;

(d) guarantee and insure, for reward, export credits involving non-resident external trade between any two countries other than Nigeria, including off-shore, entrepot and transit trade;

(e) guarantee loans involving domestic trade which are likely to assist exports;

(f) subject to section 4 (b) of this Act, develop and provide facilities involving investment guarantee and insurance;

(g) do such other things that are reasonable to facilitate the objects for which the Bank is established.

(4) The Bank may belong to any international or regional Association of Credit and Investment Insurers.

Any risk which can be insured or is normally insurable in commercial insurance market such as marine, fire and similar risks, shall be excluded from the facilities provided by the Bank under this Act.

7. Uncovered risks

Establishment and powers of the Board

8. Establishment and composition of the Board

(1) There shall be established for the Bank a Board which shall consist of the following members, that is—(a) the Deputy Governor responsible for monetary and banking policy in the Central Bank of Nigeria as chairman;

(b) one other person to represent the Central Bank of Nigeria;(c) one person to represent

the Federal Ministry of Finance;(d) one person to represent the Federal Ministry of commerce;(e) two persons to represent private export interests;(f) the Managing Director of the Bank; and(g) two Executive Directors of the Bank.(2) The members of the Board who are public officers, shall as much as possible be named and shall be officers not below salary grade level 13 or equivalent in the civil service of the Federation.

(3) The members referred to in paragraphs (e) and (g) of subsection (1) of this section shall be appointed by the President.(4) An officer of the Bank shall act as secretary to the Board.(5) The provisions of the Schedule to this Act shall have effect with respect to the tenure of office of members of the Board and the other matters mentioned in the Schedule.

[Schedule.]

General powers of the Board(1) The Board shall have powers-(a) to fix-(i) premiums to be paid on each facility offered by the Bank after considering a variety of factors, including volume of transactions, spread of markets, payment terms, country risk and any other relevant factors;(ii) credit limits for any given buyer or market,and may delegate any of the powers under this paragraph to any body it deems fit;(b) to pay claims arising from the Bank's policies and to delegate such powers as it deems appropriate to any body;

- (c) to prescribe guidelines for settlement of claims which the Bank or its agents shall apply;
- (d) to vary the authorised capital of the Bank;
- (e) to call up any portion of the authorised capital;
- (f) to determine the policies, facilities and services to be offered to the Bank's clients, their duration, renewal arrangements, condition for each policy, terms of payment and other relevant conditions;
- (g) to appoint officers and other employees of the Bank to positions created by decision of the Board and on such terms and conditions, including pensions, as shall be laid down by the Board;

(h) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debenture and other negotiable or transferable instruments; and

(i) to borrow or raise money and ensure the repayment of any money borrowed, raised or owing in such manner as the Bank may think fit, and in particular, by the issue of debentures or debenture stock, perpetual or otherwise, by a charge upon and by mortgage, charge, or lien on the whole or any part of the Bank's property or assets (both present or future), including its uncalled capital and by similar mortgage, charge or lien to secure and guarantee the performance by the Bank of any obligation or liability it may undertake.

(2) The Board may delegate any functions or activities under this Act to the Managing Director, as it may deem appropriate, including the payment of claims and the entry into obligation on behalf of the Board on the basis of guidelines supplied by the Board.

10. Power of the Board to use resources of the Bank

(1) The Board shall use the resources accruing to the Bank under the provisions of this Act for purposes connected with the objects and functions and the exercise of the powers of the Bank and of the Board.

(2) The Board shall have power to use the funds of the Bank to meet-

(a) reinsurance premiums;

(b) payment of claims;

(c) payment for premises; and

(d) other operational expenses (including wages and related overheads as well as payment of principal and interest on borrowed funds).

Staff of the Bank

11. Appointment of Managing Director and other staff of the Bank

(1) There shall be for the Bank a Managing Director, who shall be appointed by the President, on the recommendation of the Governor of the Central Bank of Nigeria.

(2) The Managing Director shall be the chief executive of the Bank and be responsible for the day-to-day administration of the Bank

(3) Without prejudice to the generality of subsection (1) of this section, the Bank shall have power-(a) to appoint such other staff as it may determine (b) to pay its staff such

remuneration and allowances as it may, from time to time, determine;

(C) as regards any staff in whose case it decides so to do, to pay to or in respect of such staff, such pensions and gratuities as are payable to persons of equivalent grade in the civil service of the Federation; and to give loans to its staff for purposes approved by the Bank.

(4) The Managing Director and the Executive Directors shall each hold office for a period of five years and shall be eligible for re-appointment for a further period of five years.

(5) The two Executive Directors shall perform such duties as may be assigned to them, from time to time, by the Board or Managing Director.

Miscellaneous

12. Foreign Exchange Revolving Fund The fund involving foreign currency raised pursuant to section 3 of this Act and maintained under subsection (3) of section 6 of this Act, shall be designated as the Foreign Exchange Revolving Fund and shall be used for direct lending to exporters for the purposes of financing the imports of raw materials, capital goods, packaging materials and other inputs, including services in accordance with any guidelines which the Board may, from time to time, stipulate and approve.

13. Fund for paying country risks All claims settled by the Bank arising from the political risks component of country risks, shall be reimbursed from a contingency fund established by the Federal Ministry of Finance to meet political risks.

14. Exemption from certain enactments (1) The Bank shall be exempted from the provisions of-(a) the Banks and other Financial Institutions Act; [Cap. B3.]

(b) the Insurance Act; and[Cap. B4]

(c) the Personal Income Tax Act.[Cap. PS.](2) Tax allowance shall be given in respect of premiums paid by exporters to the Bank at a rate to be fixed, from time to time, by the Minister.(3) Export credit instruments such as bills of exchange, promissory notes, commercial papers, acceptances and similar instruments used for financing export transactions, are hereby exempted from stamp duties.

15. Transfer of service

A member of the public service of the Federation or of a State may elect to transfer to the Bank, in which case any previous service in the public service of the Federation or of a State shall count as service for the purpose of the Pensions Act.

[Cap. P4.]

16. Annual report

The Board shall publish each year a statement of its accounts and operations which shall be forwarded to the Minister not later than four months after the end of each year.

17. Interpretation

In this Act, unless the context otherwise requires-“**bank**” means a bank within the meaning of the Banks and Other Financial Institutions Act;

[Cap. B3.]

“**chairman**” means chairman of the Board;

“**member**” means a member of the Board and includes the chairman;

“**Minister**” means the Minister charged with responsibility for matters relating to finance.

18. Short title

This Act may be cited as the Nigerian Export-Import Bank Act.

SCHEDULE

[Section 8 (5).]

Tenure of office of members of the Board

1. (1) Subject to the provisions of this paragraph, a member of the Board, other than a public officer shall hold office for a period of three years and thereafter he shall no longer be eligible for re-appointment.

(2) A member of the Board other than a public officer may resign his appointment by a letter addressed to the Minister and the resignation shall take effect from the date of the receipt of the letter by the Minister.

(3) The provisions of sub-paragraphs (1) and (2) of this paragraph shall be without prejudice to the provisions of section 11 of the Interpretation Act which relates to appointments.

[Cap. 123.]

Proceedings of the Board

2. The Board may make standing orders regulating the proceedings of the Board or of any committee thereof.

3. The quorum of the Board shall be five and the quorum of any committee of the Board shall be determined by the Board.

4. (1) Subject to the provisions of any applicable standing orders, the Board shall meet whenever summoned by the chairman; and if the chairman is required so to do by notice given to him by not less than six other members he shall summon a meeting of the Board to be held within twenty-one days from the date on which the notice is given.

(2) At any meeting of the Board, the chairman shall preside or, in his absence, the members present at the meeting shall appoint one of their number to preside at that meeting.

(3) Where the Board wishes to obtain the advice of any person on a particular matter, the Board may co-opt him as a member for such a period as it thinks fit, but a person who is a member by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

Committees

5. (1) The Board may appoint one or more committees to carry out on behalf of the Board, such of its functions as the Board may determine.

(2) A committee appointed under this paragraph shall consist of the number of persons determined by the Board and not more than one third of those persons may be persons who are not members of the Board; and a person other than a member of the Board shall hold office on the committee in accordance with the terms of the letter by which he is appointed.

(3) A decision of a committee of the Board shall be of no effect until it is confirmed by the Board.

Miscellaneous

6. (1) The fixing of the seal of the Bank shall be authenticated by the signature of the chairman and of some other members authorised generally or specially by the Board to act for that purpose.

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

SUBSIDIARY LEGISLATION

No Subsidiary Legislation