

**AGRICULTURAL CREDIT GUARANTEE
SCHEME FUND (AMENDMENT)
ACT 1993**

[4th May 1991]Commence
ment

THE FEDERAL MILITARY GOVERNMENT HEREBY
decrees as follows: -

1. The Agricultural Credit Guarantee Scheme Fund Act (in this Act referred to as the principal Act”) is amended as provided in this Act. Amendment
of Cap
13LFN.

2. Section 3 of the principal Act is amended in subsection (1) by substituting for paragraph (g) thereof the following new paragraph, that is - Amendment
Section 3.

“(g) approve the operational budget of the fund; and”

3. There shall be inserted immediately after section 14 of the principal Act the following new sections, that is - Insertion of
section 14A
and 14B
 - 14A. A lending bank shall establish at its head office, a Department to be known as the Agricultural Finance Department, which shall be responsible for - “Banks to
establish
Agricultural
Finance
Department
 - (a) the agricultural credit administration in the bank;
 - (b) the formulation and implementation of agricultural credit policies of the bank;
 - (c) the co-ordination of the activities of Agricultural Credit Units in its zonal or area offices and branches.

 - 14B. A lending bank shall prepare and submit to the Fund, in such form and within such period as the Minister may determine, a return on its activities with regard to loans granted by the bank for the purposes of this Act. Report by
banks

(2) The Board may impose on any bank that fails to submit a report under subsection (1) of this section the following penalties, that is -

(a) ₦500 for each day in which it has failed to submit the return, for a maximum of 30 days; and.

(b). Thereafter ₦1000, for each day the failure persists.”

Substitution
of section 15

4. For section 15 of the principal Act there shall be substituted the following new section, that is -

“Legal
proceedings.

15. All legal proceedings of a civil nature

(a) from the failure of any borrower to repay the loan granted by a bank and guaranteed under the law shall be instituted and conducted by or against the bank.

(b) from any matter pertaining to any guarantee pursuant to this Act, shall be instituted by and or against the Board”.

Amendment
of
Section 17

5. Section 17 of the principal Act is amended by substituting subsection (3) thereof, the following new subsection, that is -

“(3) The accounts of the Fund shall be audited annually by the auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation.

Insertion of
section 18A.

6. There shall be inserted, immediately after section 18 of the principal Act, the following new section that is-

18A. The Board may, with the approval of the Minister, make regulations generally for carrying into effect the

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provisions of this Act and, in particular

(a) to vary –

- (i) the penalties which the Board will impose for failure to submit returns under section 14B of the Act;
 - (ii) the agricultural purposes set out in the schedule to this Act;
 - (iii) the maximum liability of the Fund in respect of guarantees;
 - (iv) the amount of unsecured loan that may be granted to a small-scale farmer;
 - (v) the amount of loans guaranteed to individuals and corporate bodies and
- (b) to require a farmer, who receives a loan under this Act for insurable crops, to take an agricultural insurance”.

7. Section 19 of the principal Act is amended by inserting in the proper alphabetical sequence, the following new definition, that is -

Amendment
of
Section 17

“lending bank” means a bank concerned with the granting of loans under this Act;”.

8. This Act may be cited as the Agricultural Credit Guarantee Scheme Fund (Amendment) Act 1993.

Citation

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Dec. 32.1993

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MADE at Abuja this 4th day of May 1993.

**GENERAL I.B. BABANGIDA,
President, Commander-in-Chief
Of the Armed Forces,
Federal Republic of Nigeria**