



LOCAL LOANS (REGISTERED STOCK AND SECURITIES) ACT

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LOCAL LOANS (REGISTERED STOCK AND SECURITIES) ACT

An Act to make provision for the creation and issue of registered stock, Government promissory notes and bearer bonds for the purpose of raising loans in Nigeria.

[9 of 1946. 5 of 1949. Cap. 111 of 1958. 1959 No. 8. 1976 No. 32. 1979 No. 63.]

[4th July, 1946]

[Commencement.]

PART I

Preliminary Short title

This Act may be cited as the Local Loans (Registered Stock and Securities) Act.

Interpretation

In this Act, unless the context otherwise requires-

"bearer bond" means a bearer bond issued under the provisions of this Act;

"Central Bank" means the Central Bank of Nigeria;

"register" means the register of stock kept by the Central Bank;

[1976 No. 32. 1979 No. 63.]

"Minister" means the Minister for the time being charged with responsibility for matters relating to finance;

"registered stock" or "stock" means Nigeria stock issued under the provisions of this Act;

"security" means a bearer bond;

"stockholder" means a person holding registered stock who is entered as the owner thereof in the register.

PART II

Power to raise loans

3. Issue of registered stock, promissory notes and bearer bonds for the purpose of raising authorised loans

(1) Whenever by any Act, whether enacted before or after the date on which this Act comes into operation, authority has been or is hereafter given to raise any sum of money by way of loan for any purpose mentioned in that Act, or whenever it is necessary to raise any sum of money for the purpose of repaying any loan raised by the Government under this or any other Act the Minister may, from time to time, raise such sum or any part thereof under the provisions of this Act in anyone or more of the following modes-

- (a) by the creation and issue of registered stock;
- (b) by the issue of securities in the form of Government promissory notes;
- (c) by the issue of securities in the form of bearer bonds.

(2) Each issue of registered stock or securities under this Act for the purpose of raising any specified sum of money shall be deemed to be stock or securities issued in respect of a separate loan notwithstanding that the sum of money so raised is part only of a sum of money authorised by any other Act to be raised by way of a loan.

4. Loans to be charged upon revenue

The principal moneys and interest represented or secured by any registered stock or securities issued under this Act are hereby charged upon and shall be payable out of the general revenue and assets of Nigeria.

5. Minister to direct mode of raising loans and other particulars

(1) The Minister shall, in respect of each loan to be raised under this Act, specify by directions published in the

Federal Gazette-

- (a) the sum of money to be raised by that loan;
- (b) the mode or modes of raising the loan;
- (c) the rate of interest payable on the loan;

- (d) the dates in each year on which the half-yearly interest on the loan shall be payable;
 - (e) the rate of which a half-yearly appropriation out of the general revenue and assets of Nigeria shall be made as a contribution to the sinking fund established for the purpose of redeeming that loan and the date from which such contributions shall commence;
 - (f) the date of redemption of the registered stock or securities to be issued for the purpose of raising that loan;
 - (g) whether the interest payable on any registered stock, Government promissory notes or bearer bonds issued under the authority of this Act shall be exempt from all or any of the taxes and duties payable under any other enactment in force in Nigeria.
- (2) In the case of a loan appropriated and applied or to be appropriated and applied for lending to the Government of a State such directions shall not require the Government of the Federation to establish a sinking fund but shall specify-
- (a) that the terms and conditions for such lending have been approved in accordance with paragraph (b) of section 3 of the Loan (Internal Borrowing) Act; and
 - (b) the rate at which a half-yearly appropriation out of the general revenue and assets of each State concerned is required.
- (3) The date of redemption of any registered stock or securities shall not be later than sixty years from the date of issue of such stock or securities.
- (4) Where the Minister deems it expedient to reserve an option to redeem any registered stock or securities at any date earlier than the date of redemption specified for such stock or securities by the directions under subsection (1) of this section, he shall by such directions further specify the terms and conditions on which such stock or securities may be redeemed at any earlier date.
6. Central Bank to make necessary arrangements

Upon the publication under section 5 of this Act of the directions of the Minister in respect of any loan to be raised under this Act, the Central Bank may, subject to the provisions of such directions and to such further directions as the Minister

may give in that behalf, make all such arrangements as may be necessary to raise that loan upon the most favourable terms that can be obtained.

PART III

Registered stock

7. Register of stock

The Central Bank shall keep a register in respect of each issue of registered stock under this Act in which all such stock and all transfers of and all dealings in such stock shall be registered and in which shall be entered all matters and things which by this Act are required to be entered in the register.

8. Liability of Government in respect of issue of registered stock

The Government of Nigeria shall be bound to pay to the person registered for the time being as the stockholder, the principal sum represented by that stock and the interest due thereon, in accordance with the provisions of this Act, at the rate and on the dates directed by the Minister under section 5 of this Act or in pursuance of an option to redeem such stock reserved in such directions.

9. Stockholder

For the purposes of this Act, no person shall be entitled to any registered stock unless he is registered as a stockholder in respect thereof.

10. Registration of first stockholders

No person shall be registered as a first stockholder of any registered stock except upon payment in full of the purchase price of that stock.

11. Stock certificates

Every stockholder shall be entitled to obtain from the Central Bank a stock certificate and no stockholder, other than the first stockholder of any stock shall be entitled to obtain a stock certificate save upon payment of the prescribed fee.

12. Transfer of registered stock

(1) For the purposes of this Act, the title of any stockholder to any registered stock shall not be deemed to be transferred to any other person save upon the execution of an approved instrument of transfer and upon the

registration of the transferee as the stock holder under section 13 of this Act.

- (2) Interest which has fallen due in respect of any registered stock but which has not been paid to the stockholder for the time being, shall not be deemed to be payable to a transferee of that stock unless the instrument of transfer expressly provides for the payment of that interest to that transferee.

13. Registration of transfers of stock and liens on stock

- (1) No person shall be registered as the transferee of any registered stock except upon surrender to the Central Bank of the stock certificate and the instrument of transfer relating to that stock and upon payment of the prescribed fee.
- (2) The Central Bank may register a lien on any registered stock in accordance with such provisions as are prescribed by regulation and upon payment of the prescribed fee.
- (3) With effect from the 1st day of May 1949, any such lien which is registered under the Act shall have priority over any lien not so registered.

14. Closing of register

The register shall be closed for a period of 21 days immediately preceding each date upon which interest on that stock falls due and no transfer of that stock shall be registered during that period.

15. Register to be conclusive evidence of facts entered therein

- (1) The entries in the register kept under the provisions of this Act shall be conclusive evidence of the facts, matters, particulars and transactions to which those entries relate.
- (2) Notwithstanding the provisions of any other enactment, a copy of any entry in the register certified under the hand of the director of domestic operations of the Central Bank to be a true copy of the original entry shall be receivable in evidence in any judicial proceeding unless a judge shall otherwise direct.

PART IV

Bearer bonds

16. Bearer bonds

- (1) Every bearer bond shall be signed by the director of domestic operations of the Central Bank for and on behalf of the Government of Nigeria and shall, when issued, bind the Government of Nigeria to pay the principal sum

and the interest thereon in accordance with the provisions of this Act, at the rate and on the dates specified in the directions by the Minister under section 5 of this Act or in pursuance of an option to redeem such bond reserved in such directions.

- (2) Bearer bonds shall be issued in such denominations as the Minister may direct.

17. Interest coupons

- (1) There shall be attached to every bearer bond coupons for the payment of interest which falls due thereunder:

Provided that the number of coupons attached to a bearer bond on the date of its issue to any person may cover a period shorter than that of the currency of the bond if, in the opinion of the Central Bank, it is inconvenient or inexpedient to attach to the bond coupons sufficient in number to cover the entirety of the period of the currency of the bond.

- (2) If the number of coupons attached to any bearer bond on the date of its issue to any person is insufficient to cover all payments of interest due on the bond after that date, the holder of that bond shall be entitled to a renewal thereof at the prescribed time and in the prescribed manner and circumstances.

PART V

Payment of interest and redemption of stock and securities

18. Appropriation of revenue for payment of interest

So long as any interest is payable under this Act in respect of any stock or securities, the Minister shall, in each halfyear ending with the date on which the interest on such stock or securities falls due, appropriate out of the general revenue and assets of Nigeria sum sufficient to meet all interest payable on that date and shall authorise the Central Bank to pay such interest out of the sum so appropriated.

19. Payment of interest

- (1) The interest due on any registered stock or securities shall be payable half-yearly on the dates specified by the directions of the Minister under section 5 of this Act.
- (2) Where any amount has become payable on any date as interest due on any registered stock or securities, no interest on that amount shall, after that date, be paid or payable by the Government to any person in any circumstances.

20. Cessation of liability to pay interest

No person shall be entitled to claim interest on any registered stock or securities in respect of any period which has elapsed after the earliest date on which demand could lawfully have been made for the payment of the principal amount due on such stock or securities.

21. Payments

All payments of interest and all payments of the principal amount due on any registered stock or securities shall be made at the Central Bank in Lagos:

Provided that the Central Bank or any person authorised by the Central Bank in that behalf may pay any such interest or principal amount at any other place, whether within or without Nigeria, in pursuance of any arrangement which the Central Bank may make for that purpose.

PART VI

Sinking funds

22. Appropriation of revenue for sinking fund

After the date specified in the directions of the Minister under section 5 of this Act as the date from which contributions to the sinking fund for any loan shall commence, the Minister shall, in each half-year ending with the date specified in those directions for the payment of the half-yearly interest on any stock or securities issued in respect of that loan, appropriate out of the general revenue and assets of Nigeria a sum determined in accordance with the rate specified in those directions as the contribution to the sinking fund established for the purpose of redeeming that loan.

23. Separate sinking fund for each loan

A separate sinking fund shall be established for each loan raised under this Act.

24. Investment of sinking fund

- (1) All moneys appropriated under section 22 of this Act as contributions to the sinking fund established for any loan shall be paid to the Central Bank and may then be invested in such stock or securities or in such other investments or classes of investments as may be approved by the Minister.
- (2) The Central Bank may from time to time, with the approval of the Minister, vary any investment made under subsection (1) of this section or may realise and reinvest any moneys invested under that subsection.
- (3) The dividends, interest, bonus and other profits of any investment of any part of any sinking fund shall be invested by the Central Bank so as to form part of that sinking funds in like manner as moneys appropriated under section 22 of this Act as contributions to that sinking fund.

25. Cessation of contributions to sinking fund

Notwithstanding anything to the contrary contained in this Act, if at any time the Central Bank is satisfied that the sinking fund of any loan raised under the provisions of this Act will be sufficient with further accumulations of interest, but without further payments of contributions, to enable the loan to be redeemed at the time fixed for its redemption, it shall inform the Minister accordingly, and the Minister is hereby authorised in such event to suspend further payments of half-yearly contributions to that sinking fund:

Provided, however, that the contributions to that sinking fund shall be recommenced if the Central Bank at any time thereafter informs the Minister that it is no longer satisfied that the sinking fund with further accumulations of interest will be sufficient for the redemption of that loan.

26. Expenses to be paid out of sinking fund

There shall be paid out of the sinking fund all expenses specifically incurred in, or incidental to, the investment and management of that fund and the repayment of the loan for which that fund was established.

27. Deficiency in sinking fund to be a charge upon revenue

In the event of the sinking fund established for any loan under this Act being found, at the time fixed for the repayment of that loan, to be insufficient for such redemption, the deficiency shall be made good out of the general revenue and assets of Nigeria.

PART VII

Conversion of loans

28. Power of Minister to authorise conversion of loan generally

The Minister shall have and may from time to time exercise the following powers and authorities or any of them-

- (a) he may declare any stock or securities issued in Nigeria under the provisions of this or any other Act to be convertible into registered stock or other securities to be issued under the provisions of this Act;
- (b) he may authorise the creation and issue under this Act of such an amount of registered stock or securities as may be necessary for the conversion of the stock or securities in respect of which a declaration has been made under paragraph (a) of this section;
- (c) he may authorise the creation and issue under this Act of such registered stock or securities as may be necessary for the purpose of paying any expenses incurred in the creation and issue of registered stock or securities under this section;
- (d) he may declare that all privileges, exemptions and immunities attaching by virtue of any enactment in force in Nigeria to any stock or securities shall attach to any new registered stock or securities issued under this Act in conversion of such earlier stock or securities.

29. Arrangements for conversion

Any conversion authorised under section 28 of this Act may be effected either by arrangement with the holders of existing stock or securities, or by purchase thereof out of moneys raised by the sale of stock or securities, or partly in one way and partly in the other.

PART VIII

Issue of duplicates and renewals of stock certificates and securities and exchange and consolidation

30. Issue of duplicates and renewals

- (1) The Central Bank may issue duplicate stock certificates and duplicate securities in such circumstances as may be prescribed.

- (2) The Central Bank may issue renewals of stock certificates and securities in such circumstances as may be prescribed.

31. Right of Registrar to compel renewal of securities

The Central Bank may, in such circumstances as may be prescribed-

- (a) issue a notice to the holder of any security directing him to apply for a renewal of that security; and
- (b) withhold payment of the interest or principal amount due in respect of that security until the application for renewal has been made and determined.

32. Exchange of registered stock and securities

On application made by any person claiming to be the holder of any registered stock or securities issued under this Act, the director of domestic operations of the Central Bank may, if he is satisfied that the applicant is the lawful holder of such stock or securities, and on payment of the prescribed fee, exchange stock for securities or securities for stock or securities of one kind for securities of the other kind:

Provided that-

- (a) all stock and securities so given or taken in exchange shall have been issued in respect of the same loan;
- (b) the nominal value of the stock or securities given by the Registrar in exchange shall be the same as the nominal value of the stock or securities taken by him in exchange.

33. Consolidation and subdivision of stock and securities

Subject to such conditions as may be prescribed, the Central Bank may-

- (a) on the application of a person claiming to be entitled to any stock or securities; and
- (b) on being satisfied of the justice of the claim of such applicant; and
- (c) on surrender of the stock certificate relating to such stock or of such securities received in the prescribed manner; and

(d) on payment of the prescribed fee,

consolidate or subdivide such stock or securities and issue to the applicant one or more new stock certificates or securities as may be required.

34. Indemnity bonds

Where application is made to the Central Bank under this Act for the issue of a duplicate stock certificate or a duplicate security or for the exchange, renewal, consolidation or subdivision of any stock or securities, the Central Bank may require the applicant, as a condition precedent to the grant of the application, to execute a bond with or without sureties undertaking to indemnify the Government against the claims of all persons claiming under the original stock certificate or security or under the stock or securities so exchanged, renewed, consolidated or subdivided, as the case may be.

35. Immediate discharge in certain cases

On payment by or on behalf of the Government to the holder of a bearer bond of the amount expressed therein on or after the date when it becomes due or on the renewal of a bearer bond under section 30 of this Act, or on the exchange of a bearer bond under section 32 of this Act, or on the consolidation or subdivision of a bearer bond under section 33 of this Act, the Government shall be discharged in the same way and to the same extent as if such bearer bond were payable to bearer.

36. Discharge in other cases

Save as otherwise provided in this Act the liability of the Government shall-

- (a) in respect of any registered stock or security redeemed on or after the date on which payment of the principal amount becomes due, be discharged after the lapse of six years from that date;
- (b) in respect of any security in place of which a duplicate is issued under section 30 of this Act, be discharged after the lapse of six years from the date of the issue of such duplicate or from the date of the last payment of interest on such security, whichever date is the later;
- (c) in respect of a security for which a renewed security is issued under section 30 of this Act, or in respect of stock or securities in place of which new stock or securities are issued upon an exchange under section 32 of this Act, or upon a consolidation or subdivision under section 33 of this Act, be discharged after the lapse of six years from the date of the issue of the renewed security or of the new stock or securities, as the case may be.

37. Summary procedure in special cases

- (1) If within six months of the death of a person who was entitled to registered stock, the nominal or face value of which does not in the aggregate exceed five hundred naira, probate of the will or letters of administration of the estate of such person is not produced to the director of domestic operations of the Central Bank, he may, after such inquiry as he may deem necessary, determine who is the person entitled to such stock or to administer the estate of the deceased and may-
 - (a) where any such stock relates to a loan due for repayment, authorise the registration of the name of such person in substitution for the name of the deceased in the register of stock and the payment to such person of the amount due in respect of that stock;
 - (b) where any such stock relates to a loan not due for repayment, authorise the registration of the name of such person in substitution for the name of the deceased.
- (2) Upon the payment or renewal of any promissory note in accordance with subsection (1) of this section, the Government shall be discharged from all liability in respect of the note so paid or renewed; and any substitution of names made under that subsection shall, for the purposes of any claim against the Government, be deemed to have effected a valid transfer of the stock in respect of which it was made.
- (3) Any creditor or claimant against the estate of the deceased may recover his debt or claim of money paid to any person under subsection (1) of this section and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased, and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased.
- (4) The director of domestic operations of the Central Bank may, for the purposes of an inquiry under this section, exercise all or any of the powers of a commissioner under the Commissions of Inquiry Act as if he were a commissioner appointed thereunder by a commission issued by the Minister.

PART IX

Miscellaneous

38. Signature of director of operations of the Central Bank may be printed on stock or securities

The signature of the director of domestic operations of the Central Bank may be printed, stamped, engraved, or impressed by any mechanical process on any stock certificate, or bearer bond and a signature so printed, stamped, engraved or impressed shall be as valid as if it had been inscribed in the proper handwriting of the chief accountant of the Central Bank.

39. Notice of trust not receivable save as provided

Save as otherwise provided in or under this Act, no notice of any trust in respect of any registered stock or securities shall be receivable by the Central Bank or by the Government.

40. Exemption from stamp duties

All documents or instruments made or used under the provisions of this Act shall be in such form as may be prescribed and shall be free from stamp duty, anything in any other Act to the contrary notwithstanding.

41. Inspection of register and documents

- (1) No person shall be entitled to inspect, or to receive information derived from, any registered stock or security in the possession of the Government or any register, book or other document kept or maintained by or on behalf of the Government in relation to registered stock or securities, save on payment of such fee and save in such circumstances and on such terms and conditions as may be prescribed.
- (2) Nothing in this section shall apply to the Auditor-General for the Federation or to the Deputy Commissioner of Income Tax.

42. Power to make regulations

- (1) The Minister may make regulations for the purpose of giving effect to the provisions of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters-
 - (a) the manner in which payment of interest in respect of stock or securities is to be made and acknowledged;

- (b) the circumstances in which promissory notes must be renewed before further payment of interest thereon may be claimed;
 - (c) the issue of duplicate stock certificate and duplicate securities;
 - (d) the renewal of stock certificates and securities;
 - (e) the manner of payment of interest to joint holders of stock or securities;
 - (f) the circumstances in which alterations may be made in the register;
 - (g) the payment of principal or interest and transfer of stock and securities in the case of persons under a legal disability;
 - (h) the disposal of unclaimed interest;
 - (i) the conditions subject to which stock or securities may be exchanged, consolidated or subdivided;
 - (j) to enable holders of registered stock to be described in the register as trustees and either as trustees of any particular trust or as trustees without qualification and for the recognition of powers of attorney granted by holders of stock so described;
 - (k) the fees to be paid in respect of anything to be issued or done under the provisions of this Act;
 - (l) all matters required by this Act to be prescribed and all matters incidental to or connected with the matters hereinbefore enumerated.
- (3) Nothing in any regulation made hereunder shall, as between any trustees or as between any trustees and beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust; and neither the Government nor the Central Bank nor any person holding or acquiring any interest in any registered stock shall by reason only of any entry in the register of stock or of anything in any document or instrument relating to registered stock, be affected with notice of any trust of the fiduciary character of any stock holder or of any fiduciary obligation attaching to the holding of any registered stock.

43. Savings

Nothing contained in this Act shall affect the provisions of the General Loan and Stock Act.

LOCAL LOANS (REGISTERED STOCK AND SECURITIES) ACT

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

1. Local Loans (Registered Stock) Regulations, 2004.
2. Local Loans (First Federal Government of Nigeria Bonds, 2003) Directions, 2004.

LOCAL LOANS (REGISTERED STOCK) REGULATIONS

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LOCAL LOANS (REGISTERED STOCK) REGULATIONS

[S.I. 2 of 2004.]

[21st August, 2003]

[Commencement.]

1. Citation

These Regulations may be cited as the Local Loans (Registered Stock) Regulations, 2004.

2. Application for allotment

Applications for allotment of the bond shall be made of forms to be issued by the Central Bank for the purpose.

3. Allotment

(1) Allotment of bond shall be made in the manner agreed between the Central Bank and the Minister.

(2) Letters of allotment shall be issued to all persons to whom the bond is allotted.

4. Register

(1) A register of the holders of bond shall be kept by the Central Bank.

(2) In the event of bond being registered incorrectly owing to any mistake in the request for registration or transfer, the account shall be amended upon the receipt of the letter or declaration, as the case may require, stating how the error arose; in the event of alteration to any name or names in the account which has been necessitated by reason of a transfer, re-execution of the transfer shall be made by the transferor or by his attorney.

(3) On the marriage of a female bondholder, her name and description shall be altered in the register with respect to bond standing either in her name solely, or jointly with any other persons, on such bondholder producing to the Central Bank, her marriage certificate, and notifying her change of address, if any, and giving full particulars of the accounts in which it is desired to have the alterations made and specimens of her present and former signatures shall be furnished.

5. Certificates

(1) Certificates stating the name of the bond holder or bond holders registered as such in the books of the Central Bank shall be issued in exchange for allotment letters at such times as shall be notified in the allotment letters.

- (2) The loss or destruction of any bond certificate shall be notified in writing to the Central bank as soon as practicable by the person entitled to the possession thereof.
- (3) If the Central Bank is satisfied that any bond certificate has been lost or destroyed, or is on the opinion that any bond certificate has been issued in error or has been tampered with or is in such a condition as to render its renewal desirable, the Central Bank may-
 - (a) in the case of loss or destruction, issue, after the expiration of two calendar months after the date of receipt of the notification in writing of the loss or destruction, a duplicate certificate; and
 - (b) in any other case, issue a renewal of the bond certificate to any person who satisfies the Central Bank that he is entitled to the possession thereof.

6. Joint bond-holdings

- (1) Subject to the provisions of these Regulations, any application with respect to the issue of bond in the names of two or more persons as joint bondholders shall be made by all such persons.
- (2) The joint bondholders of any bond may authorise any person including one of themselves to act as their agent in respect of such bond and the provisions of these Regulations relating to their authorisation of agents shall apply accordingly.
- (3) Where bond is registered in the name of three or more bondholders and an application in that behalf is made in respect of such bond in accordance with the provisions of these Regulations, all things required to be done for the purpose of dealing with such bond may, subject to the provisions of these Regulations be done and

given by a majority of the persons who are the bond holders at the date when the application is made or in the case of the death of any of such persons by a majority of the survivors of them.

- (4) An application for the purpose of these Regulations shall be made in writing to the Central Bank.
- (5) A person, who is registered as one of the bondholders of any bond with respect to which an application has been made under these Regulations may give notice in writing to the Central Bank that the application is revoked

and on notice being given, the provisions of these Regulations shall as from the receipt of the notice by the Central Bank, cease to apply to such bond.

(6) The provisions of this Regulation shall not apply to the transfer of bond.

7. Payment of interest

(1) The interest due on any registered bond shall be paid on an interest warrant to the registered bondholder or to any person or body of persons to whom the bondholder has by request duly made to the Central Bank.

(2) No warrant shall be paid until the receipt thereon for the amount thereby payable has been duly signed and such receipt shall be a full discharge to the Government and to the Central Bank for the payment of the sum named in the warrant.

(3) The posting of a letter containing a warrant sent by the Central Bank in pursuance of these Regulations addressed to any person at the last address furnished by that person to the Central Bank shall, as regards the liability of the Government and of the Central Bank, be equivalent to the delivery of the warrant to the person

to whom the letter was addressed.

(4) Where in pursuance of these Regulations or in accordance with any authority given thereunder, any payment is to be made by the Central Bank to a firm or a body of persons whether corporate or unincorporate, a receipt for the payment given by any person purporting to be an agent or officer of that firm or body and to be authorised to receive the payment shall be a full discharge to the Government and the Central Bank for the amount paid.

(5) Where bond is registered in the names of two or more persons as joint bondholders, the Central Bank may unless other arrangements with respect to the payment of interest have been made in accordance with these Regulations, pay any interest thereon to the bondholder whose name appears first in the register.

(6) A receipt for the payment of interest on any bond which is given by anyone of two or more joint bondholders of such bond shall, unless notice in writing to the contrary has been received by the Central Bank from any other joint bondholder of such bond, be a full discharge to the Central Bank and the Government for the payment of that interest.

8. Transfer

- (1) Bond shall be transfer for a minimum of ten thousand naira (N10,000) and thereafter in multiples of one thousand naira by an instrument of transfer in the common form accompanied by the relative bond certificate.
- (2) No transfer, consolidation or sub-division of bond shall be made except for a minimum of ten thousand naira (N10,000) and thereafter in multiples of one thousand naira of bond.

9. Agents

- (1) Subject to the provisions of these Regulations, any bondholder may give an authority in writing authorising any person to act as his agent with respect to bond held by him or with respect to any interest arising therefrom and such authority may-
 - (a) relate to the whole bond or to a minimum of one thousand naira of bond which is held or may at any time be held by the person or persons giving the authority;
 - (b) authorise the person to whom the authority is given to deal with the bond or interest to which it relates either generally at his discretion or subject to any directions contained in the authority.
- (2) An authority given under this regulation shall be of no effect unless and until it is delivered to the Central Bank.
- (3) An authority given under this regulation may be revoked at any time by the person by whom it was given and shall be determined by the death, bankruptcy or legal disability of that person:

Provided that payment duly made by the Central Bank under these Regulations in compliance with an authority given under regulation shall, notwithstanding the revocation or determination of such authority be deemed for all purposes to be valid unless notice in writing of the revocation had been received by or the death, bankruptcy or disability had come to the knowledge of the Central Bank at the time when payment was made.

- (4) An authority given under this regulation shall, subject to the terms thereof, until revoked or determined-
 - (a) remain in force notwithstanding any increase or decrease in the nominal value of the bond to which it relates;
 - (b) entitle the person to whom it is given to make any application and sign

any document mentioned in these Regulations and to receive any payment in pursuance thereof.

- (5) The provisions of this regulation shall not apply to the transfer of bond.

10. Disability

- (1) If the bondholder of any bond becomes of unsound mind or otherwise subject to legal disability, anything which under these Regulations may be done by or in relation to such bondholder may be done by or in relation to the person having power in law to administer the property of such bondholder.
- (2) Where the Central Bank is satisfied that any person, being one of the two or more joint bondholders, has become of unsound mind or otherwise subject to legal disability, the Central Bank may upon receiving an application in writing in that behalf made by the remaining joint bondholder or bondholders, treat him or them as being entitled to receive any interest accruing thereon.

11. Death of bondholder

- (1) The death of a bondholder shall be proved by production of probate of the will or letters of administration and where necessary, a declaration as to the identity of the deceased shall be made by some disinterested person.
- (2) On completion of the proof of death of a bondholder in a joint account, the bond shall be held at the disposal of the survivor or survivors.
- (3) On the death of the last survivor in a joint account, the bond and interest therein shall be held at the disposal of the executors or administrator of such last survivor.

12. Indemnity

The Government, the Central Bank and any person acting under their authority, shall not be liable in respect of any payment duly made, or act duly done in accordance with these Regulations and any such payment shall, subject to the provisions of regulation 13 of these Regulations, be deemed to have been a valid payment and the receipt of the person to whom the money was paid shall be a full discharge to the Government and to the Central Bank for the amount of the payment.

13. Rights of third parties

No provision of these Regulations for the protection of the Government and of the Central Bank in respect of any act done or any money paid shall operate to prevent the recovery by any person or his representative of any bond or money lawfully due to him from the person to whom such bond was transferred or such money was paid by or under the direction of the Central Bank or from the representative of that person.

14. Revocation and saving

Local Loans (Registered Stock) Regulations are revoked:

Provided that nothing in these Regulations shall affect the application of the Local Loans (Registered Stock) Regulations to any loans raised under the Act before the coming into operation of these Regulations.

LOCAL LOANS (FIRST FEDERAL GOVERNMENT OF NIGERIA BONDS 2003) (AMENDMENT) DIRECTIONS, 2004

ARRANGEMENT OF SECTIONS

SECTION

1. Citation.
2. Sum of money to be raised and mode of raising the loan.
3. Rate of interest.
4. Sinking Fund.
5. Date of redemption.
6. Redemption by Federal Government giving three months' notice.
7. Interest payable exempt from tax.

LOCAL LOANS (FIRST FEDERAL GOVERNMENT OF NIGERIA BONDS 2003) (AMENDMENT) DIRECTIONS, 2004

[S.I. 3 of 2004.]

[21st August, 2003] [Commencement.]

Citation

These Directions may be cited as the Local Loans (First Federal Government of Nigeria Bonds 2003) (Amendment) Directions, 2004.

2. Sum of money to be raised and mode of raising the loan

- (1) The sum of money to be raised by the loan shall be an aggregate N150,000,000,000 in the form of registered stocks styled as "FGN Bonds", to be issued in four tranches, as follows-

N56,000,000,000 17 ³/₄ % 1st FGN Bond 2006

N14,000,000,000 18 ¹/₄ % 1st FGN Bond 2008

N40,000,000,000 1st FGN Floating Rate Bond 2010

N40,000,000,000 1st FGN Floating Rate Bond 2013

- (2) The Bond shall be issued at par, payable on application, and in denominations of N1,000.
- (3) The Bonds so raised shall be transferable in minimum amounts of N10,000 of Bonds and thereafter in multiples of N1,000.

3. Rate of interest

- (1) Interest at 17³/₄ % per annum shall be payable on the 1st FGN Bonds 2006, and 18 ¹/₄% per annum shall be payable on the 1st FGN Bonds 2008. The first interest payment shall be on 31st March 2004, accruing from the

date following the deadline for the receipt of returns from the receiving agents and thereafter interest shall be payable half-yearly in arrears on 30th September and 31 st March each year until maturity.

- (2) Interest on the 1st Floating Rate Bonds 2010 and the 1st Floating Rate Bonds 2013 shall respectively be at 3.0% per annum and 3.75% per annum above the Treasury Act rate ruling froth time to time. The rate ruling shall be the highest successful discount rate established at a CBN conducted auction or the discount rate for the time being established by the CBN, payable on 91 day Treasury Act. The rate applicable from time to time shall be the rate ruling at the beginning of each interest payment period, the first of such interest payment period commencing from the date following the deadline for the receipt of returns from the receiving agents and ending on

31st March 2004, which shall be the first interest payment date. Thereafter, interest shall be payable half yearly in arrears on 30th September and 31st March each year until maturity.

4. Sinking Fund

The half-yearly contributions out of the general revenue and assets of the Federation to the sinking fund established for the purpose of redeeming the Bonds, the first of such payment to be made on 30th September 2004 at the following rates of the principal sums as set out hereunder opposite each of the Bonds-

N56,000,000,000	17¾% 1st FGN Bond 2006
N14,000,000,000	18¼% 1st FGN Bond 2008
N40,000,000,000	1st FGN Floating Rate Bond 2010
N40,000,000,000	1st FGN Floating Rate Bond 2013

5. Date of redemption

The Federal Government of Nigeria shall redeem the Bonds at par on the respective maturity dates, to wit-

N56,000,000,000	17¾% 1st FGN Bond 2006	30 September 2006
N14,000,000,000	18¼% 1st FGN Bond 2008	30 September 2008
N40,000,000,000	1st FGN Floating Rate Bond 2010	30 September 2010
N40,000,000,000	1 st FGN Floating Rate Bond 2013	30 September 2013

6. Redemption by Federal Government giving three months notice

The Federal Government of Nigeria shall be entitled at any time to redeem the whole or any part of the Bonds on giving to the Bondholders not less than three months notice (expiring on a day fixed for the payment of interest there on) of its intention to do so and at the expiration of such notice, the Federal Government of Nigeria shall be bound to redeem the Bond or Bonds in respect of which such notice has been given and to pay interest that shall have accrued thereon at a

premium of 0.25% for each year or part of a year by which the date of redemption precedes the maturity date of the Bond or Bonds:

Provided that any Bond or Bonds to be so redeemed shall be redeemed as between Bondholders on a pro rata basis.

7. Interest payable exempt from tax

Interest payable on this Bond shall be exempt from any tax and no tax shall be deducted at source.



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