



ABIA STATE OF NIGERIA

**THE ABIA STATE DEBT MANAGEMENT
OFFICE LAW, 2020**

LAW NO. 6 OF 2020

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GENERAL PROVISIONS

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ABIA STATE OF NIGERIA

**THE ABIA STATE DEBT MANAGEMENT OFFICE LAW, 2020
LAW NO.6 OF 2020**

GENERAL PROVISIONS

Long Title	A Law to Establish The Abia State Debt Management Office and for other matters connected therewith.
Enactment	BE IT ENACTED by the House of Assembly of Abia State of Nigeria as follows:
Citation and Commencement	Part I: Preliminaries 1. This Law may be cited as the Abia State Debt Management Office Law, 2020 and shall come into force on the 26 th day of August, 2020.
Interpretation	2. In this Law unless the context otherwise requires; "Commissioner" means the Commissioner charged with the responsibility for Finance in the State; "Debt" includes domestic and external debts; "Director" means the Director of Debt Management established by this Law; "Governor" means the Governor of Abia State; "Government" means State Government and Local Governments. "House" means Abia State House of Assembly; "Loans" includes both internal and external borrowing; "Local Governments" means the Local Government Councils of Abia State; "Office" means the Abia State Debt Management Office established under this Law; "State" means Abia State of Nigeria;
Establishment of the Debt Management Office	Part II - Establishment, Functions and Powers of the Debt Management Office 3. (1) There is established a body to be known as the Debt Management Office, hereinafter referred to as "the office". (2) The Office: (a) shall be a body corporate with perpetual succession and a common seal; (b) may sue or be sued in its corporate name; and (c) may acquire, hold or dispose of property whether moveable or immovable.

Functions
of the Office

4. It shall be the functions of the office to:
- (a) maintain a reliable database of all loans taken or guaranteed by the State Government or any of its agencies;
 - (b) prepare and submit to the Commissioner a forecast of loan service obligations for each financial year;
 - (c) prepare and implement a plan for the efficient management of the State's external and domestic debt obligations at sustainable levels compatible with desired economic activities for growth and development and participate in negotiations aimed at realizing those objectives;
 - (d) verify and service external debts guaranteed or directly taken by the State Government;
 - (e) set guidelines for managing State Government's financial risks and currency exposure with respect to all loans;
 - (f) advise the State Government on the re-structuring and refinancing of all debt obligations;
 - (g) advise the Commissioner on the terms and conditions on which monies, whether in the currency of Nigeria or in any other currency, are to be borrowed;
 - (h) submit to the Commissioner for consideration in the annual budget, a forecast of borrowing capacity in local and foreign currencies;
 - (i) prepare a schedule of any other State Government obligations such as trade debts and other contingent liabilities, both explicit and implicit, and provide advice on policies and procedures for their management;
 - (j) establish and maintain relationships with Federal, Local and International financial institutions, creditors and institutional investors in State Government debts;
 - (k) collect, collate, disseminate information, data and forecasts on debt management with the approval of the Commissioner;
 - (l) carry out such other function which may be delegated to it by the Commissioner, or the Governor or by a Law or Resolution of the House of Assembly or any other law applicable in Abia State with respect to debt management;
 - (m) perform such other functions which in the opinion of the Office are required for the effective implementation of its functions under this Law.

Powers
of the Office

5. The Office shall have power to:
- (a) formulate and provide general policy guidelines for the discharge of the Office, functions of the Office; and
 - (b) superintend the implementation of the policies of the State Government with respect to management of internal and external debts of the State.

**Part III: Appointment of the Director and other Staff of the
Office, Staff Regulations and Management Team**

Appointment
of the Director
Debt Management

6. There shall be for the Office, a Director of Debt Management, who shall be appointed by the Governor on the recommendation of the Commissioner and shall:
- (a) not be below the rank of a Director in the Civil Service of the State;

- (b) hold the position for a period of 4 years in the first instance and may be reappointed for another term of 4 years and no more;
- (c) be responsible for the day-to-day administration of the Office; and
- (d) hold the position on the terms and conditions applicable to Civil Servants in the State who are of the rank of Director or above (as the case may be), and on such additional terms and conditions as may be approved by the Governor.
- Appointment of other staff of the Office 7. (1) The Commissioner shall appoint for the Office such other number of other employees as may in the opinion of the Commissioner be expedient and staff of necessary for the proper efficient performance of the functions of the office.
- (2) The Commissioner, in consultation with the Director shall appoint the staff of the Office on basis of transfer or secondment from the State Civil Service, such number of employees as may, in the opinion of the Director, be required for the discharge of any of its functions under this Law.
- Staff Regulations 8. The Office may with the approval of the Commissioner, make such staff regulations relating generally to the conditions of Service of the Staff, including disciplinary control of staff of the Office.
- Management Team 9. (1) There shall for the Office, a Management Team which shall comprise:
- (a) Director;
- (b) Heads of Personnel;
- (c) Head of Accounts;
- (d) Head of Planning, Research & Statistics;
- (e) Every other Head of Department
- (2) The Management Team shall be responsible for policy making and implementation for the Office.
- Part IV: Financial Provisions**
- Establishment of a fund for the Office 10. (1) There is hereby established for the Office a Fund from which shall be defrayed all expenditure incurred by the Office.
- (2) There shall be paid and credited to the Fund:
- (a) any allocation to the Office from the Consolidated Revenue Account of the State;
- (b) such moneys as may, from time to time, be granted to the Office by the Federal, State Government or a Local Government;
- (c) all moneys raised for the purposes of the Office by way of gifts, loan, grants-in-aid, testamentary disposition or otherwise; and
- (d) all other assets that may, from time to time, accrue to the Office.
- (3) The Fund shall be managed in accordance with the Rules made by the Office with the approval of the Commissioner.
- (4) The Signatories to the account of the office shall be:
- (a) The Director; and
- (b) Head of Finance.
- (5) Without prejudice to the generality of the power to make Rules under this Subsection, the Rules shall in particular contain provisions:

- (a) specifying the manner in which the assets or the Fund of the Office are to be held and regulating the making of payments into and out of the Fund; and
 - (b) requiring the keeping of proper accounts and records for the purpose of the Fund in such form as may be specified in the Rules.
- (6) The Office shall apply the proceeds of the Fund to:
- (a) the cost of administration of the Office;
 - (b) the payment for all consultancies, contracts, including mobilization; fluctuations, variations, legal fees and cost on contract administration;
 - (c) the payment for all purchases; and
 - (d) undertaking such other activities as are connected with all or any of the functions of the Office under this Law.
- Gifts to the Office
11. (1) The Office may accept gifts of land, money or other property on such terms to the and conditions, if any, as may be specified by the person or organization making the gift.
- (2) The Office shall not accept any gift if the conditions specified by the person or organization making the gift are inconsistent with the functions of the Office under this Law or any other extant Law in the State.
- Annual Estimates and Expenditure
12. (1) The Office shall, not later than 30th September in each year, submit to the Commissioner an estimate of the expenditure and income of the Office and during the next succeeding year.
- (2) The Office shall cause to be kept proper accounts of the Office in respect of each year and proper records in relation thereto and shall cause the accounts to be audited not later than 6 months after the end of each year by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General of the State.
- Annual Reports
13. The Office shall prepare and submit to the Commissioner not later than 30th June in each year, a report in such form as the Commissioner may direct, on the activities of the Office during the immediately preceding year, and shall include in the report a copy of the audited accounts of the Office for that year and the Auditor's report thereon.

Part V: Framework for Debt Management

- Framework for Debt Management
14. (1) The framework for Debt Management by the Office during the financial year shall be based on the following rules:
- (a) Government at both tiers within the State shall only borrow for capital expenditure and human development, provided that, such borrowing shall be on concessional terms with low interest rate and with reasonably long amortization periods subject to the approval of the appropriate legislative body where necessary; and
 - (b) Government shall ensure that the level of public debt as a proportion of its income is held at a sustainable level as prescribed by the House of Assembly from time to time on the advice of the Commissioner.

- Limits on Consolidated Debts
15. (1) Subject to approval of the House, the Governor shall, within 90 days from the commencement of this Law set overall limits for the amount of Consolidated Debt of the State and Local Governments pursuant to the to the provisions of Item 7 of Part 1 of the Second Schedule to the 1999 Constitution (as amended) and the limits and conditions approved by the House; and consistent with the rules and the fiscal policy objectives in the Medium Term Fiscal framework set out under the Abia State Fiscal Responsibility Law 2012 (as amended).
- (2) Outstanding judgment debts not paid shall be considered part of the consolidated debts for the purpose of application of the respective limits set in pursuance of this Section.
- (3) For the purpose of verifying compliance with the limits specified pursuant to this Section, the Office shall, at the end of each quarter, determine the amount of the consolidated debt of each tier of government of the State.
- (4) The Office shall publish on a quarterly basis, a list of the Local Governments in the State that have exceeded the limits of consolidated debt including the amount by which the limit was exceeded.
- (5) Where at the end of a quarter, the consolidation debt of the Local Government exceeds the respective limit, it shall be brought within the limit not later than the end of the three subsequent quarters with a minimum of 25 per cent reduction in the first quarter.
- (6) Violators of the limit specified pursuant to this Section shall:
- (a) be prohibited from borrowing from internal or external sources, except for the refinancing of existing debts; and
- (b) bring the debt within the established limit by restricting commitments accordingly.
- (7) Where noncompliance with the limit specified pursuant to this Section persists after the limit set by Subsection (5) of this Section, the affected tier of Government shall also be prohibited from receiving grants from any other Government in the State or Federation.
- (8) Whenever the fundamentals of the proposals referred to in this Section are changed due to economic instability or changes in monetary or exchange policies, the Governor shall submit to the House a request for a review of the current limits.
- Servicing of Debts
16. The cost of servicing of debts shall be the direct responsibility of the tier of Government that incurred that debt.
- Conditions for Borrowing
17. (1) Any tier of Government in the State or its agencies or corporations desirous of borrowing funds shall specify the purpose for which the borrowing is intended and present a Cost- benefit Analysis, detailing to which expenditure the intended borrowing is to be applied.

- (c) applied solely for the purpose for which it was obtained and in accordance with the terms and conditions of the agreement under which it was obtained.
 - (2) Any monies received in respect of any guaranteed loan on behalf of a Local Government shall be:
 - (a) paid into and form part of the Consolidated Revenue Fund of the State; or,
 - (b) paid into any other public fund of the State either existing at the time or created for the purpose of the loan; and
 - (c) applied solely for the purpose for which it was obtained and in accordance with the terms and conditions of the agreement under which it was obtained.
 - (3) Where any amount has become paid out of the monies credited to the Consolidated Revenue Fund of the State or other public funds under Subsection (1) or (2) of this Section, the amount shall be deemed to be a charge on the Consolidated Revenue Fund of the State or such other public funds into which the monies are paid.
21. (1) The House shall by Resolution, from time to time, approve by the standard terms and conditions for the negotiation and acceptance of external House and issuance of guarantees;
- (2) No agreement in respect of which the approval of the House is required shall come into operation without such approval.

Approval by
the House
of Assembly

Part VI: Miscellaneous

Limitation
of action

22. (1) Subject to the provisions of this Law, the provisions of the Public Officers' Protection Law shall apply in relation to any suit instituted against any officer or employee of the Office.
- (2) Notwithstanding anything contained in any other law or enactment, no suit shall lie or be instituted in any court against any officer or employee of the Office for any act done in pursuance or execution of this Law or any other Law or enactment, or of any public duty or authority in respect of any alleged neglect or default in the execution of this Law or such other Law or enactment, duty or authority unless:
- (a) it is commenced within 3 months next after the act, neglect or default complained of; or
 - (b) in the case of a continuation of damage or injury, within 6 months next after the ceasing thereof.
- (3) No suit shall be commenced against any officer or employee of the Office before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Office by the intending plaintiff or his agent.
- (4) The notice referred to in Subsection (3) of this Section shall clearly and explicitly state the cause of action, the particulars of the claim, the name and place of abode of the intending plaintiff and the relief which he claims.

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| Service
of Documents | 23. | Any notice, summons or other documents required or authorized to be served upon the Office under this Law or any other Law or enactment may be served by delivering it to the Director personally or by sending it by registered post to the principal office of the Office and addressed to the Director. |
| Execution
or attachment | 24. | <p>(1) In any action or suit against the Office, no execution or attachment of or process in any nature thereof shall be issued against the Office.</p> <p>(2) Any sum of money which may by the judgment of any court and awarded against the Office shall (subject to any direction given by a court where a notice of appeal of the said judgment has been given) be paid from the Fund of the Office.</p> |
| Transitional
Provisions | 25. | <p>(1) As from the commencement of this Law, the powers of any Ministry or Extra-Ministerial Department of the State over the management of any debt, referred to in this Law shall by virtue of this Law and without further assurance, be vested in the Office established by this Law and in accordance with the provisions of this Law.</p> <p>(2) Accordingly, any proceeding or cause of action pending or existing immediately before the commencement of this Law by or against any such Ministry or Extra-Ministerial Department over the management of any debt in respect of any right, interest, obligation or liability in relation to the management of a debt referred to in this Law may be continued or commenced, as the case may be, by or against the Office, as if the Office had been a party thereto.</p> <p>(3) The determination of a Court of Law, tribunal or other authority or person made in any proceeding or cause of action referred to in Subsection (2) of this Section, may be enforced by or against the office to the same extent that the proceeding, cause of action or determination could have been continued, commenced or enforced by or against that Ministry or Extra-Ministerial Department, as if this Law had not been made.</p> |

SCHEDULE

FORM A

This printed impression has been carefully compared by me with the Bill which has been passed by the Abia State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

.....
JOHNPEDRO NNAMDI IROKANSI (KSJI)
Clerk of the House of Assembly
Abia State of Nigeria

DATED this day of2020

FORM B

I ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this day of2020

FORM C

I WITHHOLD MY ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this day of2020

FORM D

This Law to which the Governor has by a letter Reference No.dated the
..... day of 2020 signified the Withholding of his Assent, has again been
passed by the Abia State House of Assembly by a two-third majority this day of
....., 2020.

.....
JOHNPEDRO NNAMDI IROKANSI (KSJI)
Clerk of the House of Assembly
Abia State of Nigeria

DATED at Umuahia this day of2020

FORM E

Assented to on the day of 2020

OR

Passed by the Abia State House of Assembly by a two-third majority this day of
....., 2020

*This printed impression has been carefully compared by me with the Bill which has been
passed by the Abia State House of Assembly and found by me a true and correctly printed copy
of the Bill.*

.....
JOHNPEDRO NNAMDI IROKANSI (KSJI)
Clerk of the House of Assembly
Abia State of Nigeria

Dated day of 2020

B.

SCHEDULE

FORM A

This printed impression has been carefully compared by me with the Bill which has been passed by the Abia State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

.....
JOHN PEDRO NNAMDI IROKANSI (KSJI)
Clerk of the House of Assembly
Abia State of Nigeria

DATED this 25TH day of AUGUST 2020

FORM B

I ASSENT



.....
OKEZIE VICTOR IKPEAZU Ph.D
Governor
Abia State of Nigeria

DATED this 26th day of Aug 2020

C.