

KOGI STATE OF NIGERIA

A LAW

**TO PROVIDE FOR THE
ESTABLISHMENT OF KOGI STATE
DEBT SECURITIES (ISSUANCE)
LAW 2013 AND OTHER PURPOSES
CONNECTED THEREWITH**

KOGI STATE DEBT SECURITIES (ISSUANCE) LAW

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KOGI STATE DEBT SECURITIES (ISSUANCE) LAW

A BILL FOR A LAW TO PROVIDE FOR BORROWING POWERS AND TO AUTHORIZE THE ISSUANCE AND MANAGEMENT OF BONDS, NOTES AND OTHER DEBT SECURITIES BY THE KOGI STATE GOVERNMENT AND FOR PURPOSES CONNECTED THEREWITH

BE IT ENACTED BY THE KOGI STATE HOUSE OF ASSEMBLY AND BY THE AUTHORITY OF SAME AS FOLLOWS:

Enactment

1. This Law may be cited as Kogi State Revenue Debt Securities (Issuance) Law and shall come into force on the ----- day of ----- 2013.

Citation and Commencement

2. In this Law unless the context otherwise requires:

Definition

- a. **“Accountant-General”** means the Accountant-General of Kogi State or any other person acting on behalf of Accountant General and charged with the responsibility of administering the State’s Consolidated Revenue Fund and preparing financial statements for the State;
- b. **“Commission”** means the Securities and Exchange Commission established under the Investment and Securities Act (ISA) No. 29 of 2007 as amended from time to time.
- c. **“Commissioner”** means State Commissioner of Finance charged with the responsibility for matters relating to finance in the State.
- d. **“Consolidated Revenue Fund of the State”** means the fund established by the State in accordance with the provisions of the Constitution and into which all revenues or other monies raised or received by the State, including statutory allocations from the Federation Account are paid, except as otherwise prescribed by any law.

- e. **"Constitution"** means the Constitution of the Federal Republic of Nigeria CAP C23 LFN 2004, as amended from time to time.
- f. **"Council"** means the Local Government Legislative Councils in the State.
- g. **"Debt Securities"** means registered bonds, bearer bonds, promissory notes, syndicated notes, certificates, debentures and such other securities, debt instruments, financial instruments or other obligations authorized to be issued and secured by the State pursuant to this Law and payable as provided in this Law.
- h. **"Debt Service Reserve Fund"** means a dedicated internally segregated savings fund into which Revenues appropriated by the State for the servicing of debts and such other obligations relating to Debt Securities issued pursuant to the provisions of this Law or any other debt issuance law of the State shall be paid.
- i. **"Debt Servicing" or Servicing"** shall mean all payments of the principal or face value of the debt securities and interest or discount payments arising from a programme established under this Law as well as all other payments including but not limited to costs and expenses incurred pursuant to the terms and conditions under which the Debt Securities were issued.
- j. **"Deputy Governor"** means the Deputy Governor of Kogi State.
- k. **"Executive Council"** means the Executive Council of the Kogi State Government, comprising the Governor, the Deputy Governor, the Commissioners appointed by the Governor and such other officials as are invited into the Council by the Governor.
- l. **"Federation Account"** means the special account set up pursuant to Section 162(1) of the Constitution of the Federal Republic of Nigeria (as amended) and into which is paid all revenues received by the Federal Government of Nigeria, other than certain revenues specifically exempted by the Constitution, for distribution amongst

the Federal, State and Local Governments, on such terms and in such manner as may be prescribed by the National Assembly.

- m. **"Fiscal Year"** means the time period beginning on the first day of January of any year and ending on the thirty-first day of December of the same year.
- n. **"Gazette"** means the Official Gazette of the Kogi State Government in which laws, subsidiary legislations and other statutory instruments and notices are regularly published by the Government.
- o. **"Government"** means the government of Kogi State of Nigeria.
- p. **"Governor"** means the Governor of Kogi State.
- q. **"House of Assembly"** means the House of Assembly of Kogi State.
- r. **"IGR"** means the Internally Generated Revenue of the State.
- s. **"ISA"** means the Investment and Securities Act No. 29 of 2007 as amended from time to time.
- t. **"Office"** means the Kogi State Debt Management Office established pursuant to section 3 of this Law.
- u. **"Permitted Investment"** means the following:
 - i. Direct obligations of the Federal Government of Nigeria and securities fully and unconditionally guaranteed as to the timely payment of principal and coupon by the Federal Government of Nigeria ("FGN Securities").
 - ii. Direct obligations of any State of the Federal Republic of Nigeria which has a minimum investment grade rating of very good from a rating agency registered by the Commission at the time of purchase.
 - iii. Deposit accounts, commercial papers or bankers' acceptances, or instruments (in each case having maturities of not more than 365 days following the date of purchase) of any bank fully licensed by the Central Bank of Nigeria to operate in Nigeria, provided that such bank is assigned a minimum

corporate rating of A or its equivalent by a rating agency registered with the Commission and a minimum of a very good or a comparable rating by an internationally recognized rating agency.

- v. **"Programme"** means the Debt Issuance Programme established under this law which may be issued in different tranches;
- w. **"Project"** means any of the capital projects, facilities, places, buildings or undertakings within the State which are, or will be, developed, maintained or operated for socio-economic, industrial, commercial or business purposes, and approved by the Executive Council and financed with part or all of the proceeds of Debt Securities and includes, without limitation, capital projects, real property, land, buildings, structures, fixtures, machinery and/or equipment and all such property related to or required or useful for the operation of a Project upon completion provided that a Project does not include any facility, place or building used or to be used primarily for devotional activities or religious worship.
- x. **"Project Net Revenue"** means the total revenue realized from appropriate income generating projects financed with debts sourced under this law less the project operating and related costs as shall be approved by the Office and to be remitted to the appropriate accounts at intervals to be determined by the Office.
- y. **"Refinancing"** means borrowing for the purpose of providing resources for the repayment of the existing project-related indebtedness of the State.
- z. **"Register"** means a register or such Registers as may be maintained by the Office in which details of any instruments including particulars of the holders thereof, transactions in any debt securities entered into by the Government and details of subsequent transactions in such instruments and securities shall be recorded.

- aa. **“Registrar”** means any person, corporate or otherwise, appointed by the Office for the purpose of maintaining any Register, issuing and delivering of certificates and other documents of title to subscribers under the programme, verifying the relevant certificates and instruments and recording in the Register details of any transaction in such debt securities.
- bb. **“Revenue”** means amounts received by the State as net project revenue, including without limitation rents, charges, fees, income and receipts derived by the State from the Projects, any amounts received by the State as investment earnings on monies deposited in the Debt Service Reserve Fund Account or any other fund securing the Debt Securities (but does not include the Sinking Fund), and any such other legally available monies as the State may, in its discretion, lawfully designate as Revenue for the assignment as security for repayment of any Debt Securities.
- cc. **“Sinking Fund”** means a specific fund established whenever it is necessary to do so in connection with a particular issue of Debt Securities, into which contributions shall be made from the Debt Service Reserve Fund Account or the Consolidated Revenue Fund of the State or through any other dedicated source, in accordance with the terms and conditions of issue of the tranche of Debt Securities.
- dd. **“The State”** means Kogi State of Nigeria.
- ee. **“Trustee”** means any Trustee appointed under this Law to represent and oversee the interests of the holders of the Debt Securities whether appointed solely or jointly.
- ff. **“Trust Deed”** means the agreement regulating the relationship between the Trustee and the State as the issuer of the Debt Securities.
- gg. **“Trustee Investment Act”** means Trustee Investment Act Cap T22 LFN 2004 as amended from time to time.

Part II – KOGI STATE DEBT MANAGEMENT OFFICE

3. There is hereby established a body to be known as the Kogi State Debt Management Office, which:

Kogi State Debt
Management Office

- (a) shall be a body corporate with perpetual succession and a common seal;
- (b) may sue and be sued in its corporate name; and
- (c) may acquire, hold and dispose of property whether movable or immovable for the purpose of carrying out its functions.

4. The Office shall:

- (a) facilitate the issue of such Debt Securities by the State, as the State may desire to issue, from time to time;
- (b) maintain a reliable database of all Debt Securities issued, loans taken or guaranteed by the Government or any of its agencies, and all contingent liabilities related thereto;
- (c) prepare and submit to the Executive Council, a forecast of loan service obligations for each financial year and the State's borrowing capacity;
- (d) prepare and implement a plan for the efficient management of the State's debt obligations at sustainable levels compatible with desired economic activities for growth and development, and participate in negotiations aimed at realizing those objectives;
- (e) issue from time to time, regulations and guidelines for the smooth operation of any Debt Securities issuance by the State;
- (f) verify and service debts guaranteed or taken directly by the State;
- (g) advise the Government on the restructuring and refinancing of any debt obligation;
- (h) advise on all projects undertaken by the State and propose funding mechanisms; and
- (i) carry out such other functions which are required for the effective implementation of its functions under this Law,

Functions of the
Office

- e. **"Constitution"** means the Constitution of the Federal Republic of Nigeria CAP C23 LFN 2004, as amended from time to time.
- f. **"Council"** means the Local Government Legislative Councils in the State.
- g. **"Debt Securities"** means registered bonds, bearer bonds, promissory notes, syndicated notes, certificates, debentures and such other securities, debt instruments, financial instruments or other obligations authorized to be issued and secured by the State pursuant to this Law and payable as provided in this Law.
- h. **"Debt Service Reserve Fund"** means a dedicated internally segregated savings fund into which Revenues appropriated by the State for the servicing of debts and such other obligations relating to Debt Securities issued pursuant to the provisions of this Law or any other debt issuance law of the State shall be paid.
- i. **"Debt Servicing" or Servicing"** shall mean all payments of the principal or face value of the debt securities and interest or discount payments arising from a programme established under this Law as well as all other payments including but not limited to costs and expenses incurred pursuant to the terms and conditions under which the Debt Securities were issued.
- j. **"Deputy Governor"** means the Deputy Governor of Kogi State.
- k. **"Executive Council"** means the Executive Council of the Kogi State Government, comprising the Governor, the Deputy Governor, the Commissioners appointed by the Governor and such other officials as are invited into the Council by the Governor.
- l. **"Federation Account"** means the special account set up pursuant to Section 162(1) of the Constitution of the Federal Republic of Nigeria (as amended) and into which is paid all revenues received by the Federal Government of Nigeria, other than certain revenues specifically exempted by the Constitution, for distribution amongst

- (d) nominate members of any debt issuance or restructuring Committee for the approval of the Governor;
 - (e) Review and approve the annual budget of the Office; and
 - (f) take any other steps necessary for achieving the objectives of the Office under this Law.
- (3) (a) There shall be appointed for the Office as its Chief Executive Officer, a Director-General who shall be appointed by the Governor, on the recommendation of the Board and whose appointment shall be screened and approved by the House of Assembly.
- (b) The Director-General shall if appointed from the Civil Service of the State, not be below the rank of a Director and shall have knowledge of financial, budgetary and or planning matters;
- (c) The Director-General shall hold office for a period of four (4) years in the first instance, and may be reappointed for another term of four (4) years and thereafter shall not be eligible for any further reappointment;
- (d) The Director-General shall be responsible to the Board for policy direction and day to day administration of the Office; and
- (e) The Director-General shall hold office upon such terms and conditions as may be determined by the Board or as may be contained in his letter of appointment.
- (4) The Board shall have a Secretary appointed by the Governor, who shall be a legal practitioner of at least seven (7) years post call to the Nigeria Bar experience in

Appointment of
Director-General

Appointment
Secretary to
Board

or which may be delegated to it by a Law of the House of Assembly.

5. (1) There is established for the Office, a Board which shall consist of:

The Board of t
Office

- i. the Deputy Governor who shall be the Chairman;
- ii. the Commissioner for Finance who shall be the Vice-Chairman;
- iii. the Attorney-General and Commissioner for Justice of the State;
- iv. the Secretary to the Government of the State;
- v. the Commissioner for Budget and Planning;
- vi. the Special Adviser to the Governor on Economic Matters;
- vii. the Accountant-General of the State;
- viii. the Director-General of the Office; and
- ix. one representative of the private sector appointed by the Governor who shall be a person competent in financial matters.

- (2) The Board shall be responsible for performing the following functions:

Functions of t
Board

- (a) approve policies, strategies and procedures to be adopted by the Office for the achievement of its objectives;
- (b) appraise the debt management strategies of the State as well as their economic and political impact;
- (c) appoint as and when necessary, consultants comprised of or being persons with requisite competence from the private or public sector or set up technical committees to include consultants with technical competence to advise the Office on such matters as may be determined from time to time;

corporate and financial law practice or work environment.

- (5) The supplementary provisions set out in the Schedule to this Law shall have effect with respect to the appointment of the other staff of the Office, the proceedings of the Board and other matters therein.

Part III – DEBT SECURITIES

6. The Government acting through the Office, shall have authority to issue any Debt Securities with such fixed, floating or zero coupon rates, and upon such other terms including the tenure thereof and in such tranches, sequence and currencies as may be determined by the Executive Council, for raising and borrowing any sums of money required to meet the obligations of the State in respect of its public investment and commitments.

Authority to Issue
Debt Securities

7. (1) The State, pursuant to section 6 above, may with the approval of the Executive Council, and subject to the provisions of this Law:

Issuance of Debt
Securities

- (a) issue any form of Debt Securities with fixed, variable, linked, floating or zero coupon rates, on such dates, in such currency, sequence and upon such other terms including the tenor as it thinks fit; and
 - (b) raise and borrow any sums of money required to finance the capital budget of the Government or to refinance the obligations of the Government in respect of the Projects subject to the consent and approval of the State House of Assembly.
- (2) All of the Debts Securities hereby authorized to be issued under the provisions of this Law shall be obligations of the State from all or against any specified

part of the Revenues and the monies and assets authorized to be pledged or assigned to secure the payment of the Debt Securities.

Loan Repayment
Method.

(3) Notwithstanding the provisions of subsection (2) of this section, the Executive Council shall have the discretion to pledge the good faith and credit of the State and a proportion of its statutory allocation or other receivables accruing to it from the Federation Account for the repayment of the principal or premium, if any, and/or interest on any tranche, form or series of Debt Securities issued, subject to the approval of the House of Assembly.

(4) The specific or aggregate amount that the Office may raise or borrow through any Debt Security referred to in subsection (1) of this section, shall be determined by taking into consideration the following:

- (a) the total revenue of the Government for the year preceding the year in which the Debt Securities are to be issued;
- (b) the current revenue of the Government and the projected revenue for the succeeding years;
- (c) the average economic growth rate for the three years preceding the year of any issue;
- (d) the existing public debt portfolio;
- (e) the Gross Domestic Product of the State for the year preceding the issue;
- (f) the subsisting credit balances in the Debt Service Reserve Fund; and
- (g) the provisions of the ISA and any other relevant law for the time being in force relating to the issuance of debt securities.

8. The State shall ensure that any programme for issuance of Debt Instruments and securities under this Law is directed

Objectives and
Purposes of
Issuance

toward the economic development of the State and in particular, to serve the following public purposes:

- (a) the financing of infrastructural development projects in the State;
- (b) the provision and improvement of facilities for quality education, water, health, housing and agriculture in the State.
- (c) the provision of facilities for large scale mechanized farming in the State;
- (d) the provision of facilities designed for the industrial prosperity and commercial development of the State;
- (e) other specific purposes compatible with the enhancement of the general economic prosperity, health, safety and welfare of the citizens and residents of the State;
- (f) the purposes should cover or extend to all Local Government Areas in the State and such purposes shall be presented to the State House of Assembly for scrutiny and approval.

9. (1) All proceeds of any issuance of Debt Securities, any loan contracted by, or guaranteed by or on behalf of the State under this Law shall be:

Application of
Proceeds of
Issuance

- (a) applied for the specific purpose for which it was obtained and in accordance with the terms and conditions of the agreement under which it was obtained; or
- (b) paid into any public fund of the State either existing at the time or created for the purpose of the debt securities or loan; or
- (c) paid into and form part of the Consolidated revenue Fund of the State.

(2) Where any amount has become payable out of the monies credited to any public fund of the State or the

Consolidated Revenue Fund of the State, or other public funds under subsection (1) of this section, the amount shall be deemed to be a charge on such public fund or the Consolidated Revenue Fund of the State as the case may be.

10. The Office may, subject to the provisions of this Law and in accordance with the prevailing rules and regulations of the Commission issue Debt Securities by means of:

Mode of Offering
Debt Securities

- (a) public offers;
- (b) Auctions;
- (c) Syndications;
- (d) Book building;
- (e) Private placements;
- (f) Reverse enquiries; and
- (g) Such other transaction or issuance mode as may be approved by the Executive Council.

11. The date for the redemption of any Debt Security issued pursuant to this Law shall not be later than twenty-five (25) years from the date of the issuance of the Debt Security.

Redemption of
Debts Securities

12. (1) The issuance of any Debt Securities made pursuant to this Law shall be published by Legal Notice in the Gazette by the Commissioner after such Debt Securities have been issued in Nigeria and or abroad, and same has been announced to the general public.

Publication of Leg
Notice in Official
Gazette

(2) Any Legal Notice published pursuant to subsection (1) of this Section shall contain detailed and specific information and terms of the issue, including:

- (a) the amount of money to be raised by the issue;
- (b) the mode or modes of effecting the issue;
- (c) the rate of interest payable on the money raised from the issued instrument;

- (d) the dates in each year on which the interest on the money shall be payable;
- (e) the date of redemption of the instrument issued;
- (f) the purpose of raising the money;
- (g) the market and the currency of issue; and
- (h) any other information relating to the Debt Securities which is deemed necessary to effectively raise the required sums, and or preliminary information to subscribers, or as required by any other relevant law subject to the approval of the State House of Assembly.

(3) Any Debt Security issued under this Law may or may not be listed on any stock exchange or any equivalent trading floor in any jurisdiction.

13. (1) The Commissioner may, subject to the approval of the Executive Council, appoint such reputable issuing houses, financial advisers, brokers, accountants, legal advisers, registrars and any other professional adviser required to act in connection with any issuance of debt securities under the provisions of this Law.

Arrangement for
Issuance of Debt
Securities.

(2) All such advisers referred to in subsection (1) of this section shall be duly registered with the Commission in accordance with the provisions of the ISA.

(3) For the purpose of giving effect to this Law, the Office shall, subject to the approval of the Commissioner, be empowered to and may where convenient and/or necessary, cooperate or partner with market makers, dealers and/or investors.

14. (1) A rating agency or agencies accredited and registered with the Commission shall be appointed from time to time by the Commissioner after consultation with the Office and subject to the approval of the Executive Council.

Rating of Debt
Securities.

- (2) The Office shall apply for and obtain a credit rating from a rating agency or agencies appointed under subsection (1) of this Section prior to the issuance of any instrument or Debt Securities, excluding the issuance of tranches or sequences of an instrument or debt securities.

PART IV – DEBT SERVICE RESERVE FUND, SINKING FUND AND TRUSTEES

15. (1) The State shall establish a Debt Service Reserve Fund for the purpose of accumulation of monies to make the required payments on principals and/or interest for all liabilities and debt obligations of the State.

Establishment of a
Debt Service
Reserve Fund

- (2) Monies in the Debt Service Reserve Fund shall also be used as security for the State's verified debt obligations and the refinancing of the existing obligations of the State in respect of any public investment projects.

- (3) Without prejudice to the generality of the provisions of this Law, monies credited to the Debt Service Reserve Fund pursuant to this Section 15 shall be used exclusively to discharge the State's debt obligations in respect of any Debt Security issued under this Law for as long as such obligations remain outstanding.

16. (1) Debt Service Reserve Fund Account shall be maintained in one or more banks duly licensed by the Central Bank of Nigeria for the proceeds of the Debt Service Fund.

Authority to Open
Debt Service
Reserve Fund
Account

- (2) The management of the amounts appropriated and credited to the Debt Service Reserve Fund Account is hereby granted to the Office who shall perform their responsibility of managing the account in compliance with the provisions of this Law.

- (3) The Office shall keep proper records and/or statements of account of all inflows and transfers out of the Debt Service Reserve Account and shall submit same to the Commissioner for audit purposes at the end of the State Fiscal Year.

17. (1) All Projects net revenues from income generating projects financed with proceeds of any debt shall be paid into the Debt Service Reserve Fund for the servicing of the obligations arising from the financing of the Projects.

Authority to effect
Appropriation for
Debt Service

- (2) The House of Assembly is hereby empowered to appropriate any portion of the State's monthly IGR to the Debt Service Reserve Fund. The said portion shall be proposed by the Office and approved by the House of Assembly, and may be up to 30% (Thirty percent) of the State's monthly IGR.
- (3) The House of Assembly shall have power to make such supplemental appropriations to the Debt Service Reserve Fund to meet the State's debt obligations in the event the aggregate appropriation under subsections (1) and (2) of this Section are not sufficient to effect principal and interest payments as required under the terms of issue of the debt Securities.
- (4) For the purpose of giving full effect to subsection (3) of this Section, the House of Assembly may in consultation with the Office, approve the issuance by the Accountant-General, on behalf of the State, of appropriate irrevocable undertakings, or such other undertakings, guarantees, promissory instruments and or documents or authorizations as may be duly required.
- (5) The undertakings issued under subsection (4) of this Section shall cease to be valid where:

- (a) the liabilities upon the debt guaranteed by the State have been fully settled by the date the debt becomes due; or
- (b) the period of validity of the undertakings, as stated therein, has expired.

(6) The Office shall maintain a record of undertakings issued under this section, and shall also keep records of undertakings which have ceased to be valid pursuant to subsection (5) of this Section.

18. (1) Monies in the Debt Service Reserve Fund not immediately required for debt servicing shall be invested in Permitted Investments as selected by a fund manager or a trustee appointed by the Office and approved by the State Commissioner of Finance provided that:

Investment of
Monies in the Debt
Service Reserve
Fund

- (a) The maturity date or the date on which such Permitted Investments may be redeemed at the option of the fund manager or trustee shall coincide as nearly as practicable with (but shall in no event be later than) the date(s) on which such monies will be appropriated into the applicable Sinking Fund; and
 - (b) At no time shall monies in the Debt Service Reserve Fund be below an amount to be determined by the Commissioner on the advice of the Office. The State Commissioner of Finance shall review minimum amount every 6 months.
- (2) Investment of amounts comprised in Debt Service Reserve Fund shall be made in the name of Kogi State Government on account of the Debt Service reserve Fund.

- (3) The return on any Permitted Investment made pursuant to this section shall form a part of the Debt Service Reserve Fund.
 - (4) Where the balances in the Debt Service Reserve Fund exceed the total public debt obligations of the State by a sum three (3) times the value of the said outstanding public debt obligations, the Governor may, upon the approval of the House of Assembly, invest half of such excess sums in infrastructural projects in the State.
 - (5) Save as provided herein, the Debt Service Reserve Fund shall only be utilized as specified in Sections 15(1) & (2) of this Law.
 - (6) The trustees shall prepare and deliver to the State Commissioner of Finance and the Office quarterly reports and financial statements in respect of the management of the Debt Service Reserve Fund in a format determined by the State Commissioner of Finance.
19. (1) The State shall establish a Sinking Fund in connection with a particular tranche, series or issue of Debt Securities.
- (2) Any sums credited to the Sinking Fund established pursuant to subsection (1) of this Section shall be utilized solely for the purpose of making principal and interest payments on the particular tranche, series or issue of Debt Securities.
 - (3) The Office shall, as appropriate and on the specified dates pay out of the Debt Service Reserve Fund Account into the Sinking Fund, the sums required to meet necessary payment obligations which have been specified in the terms and conditions of issue of that tranche of Debt Securities.

Establishment of
Sinking Fund

(4) The dividends, interest, bonus and other profits of any investment of any part of a Sinking Fund shall be invested by the Trustees so as to form part of that Sinking Fund.

(5) Each Sinking Fund shall, at all times, be completely segregated and set apart from all other funds of the State and shall be a trust fund for the security and payment of the principal and any interest on the Debt Securities in respect of which it was established, as the same shall become due.

20. All expenses specifically incurred or incidental to the investment and management of any Sinking Fund and the redemption of the Debt Securities repayable out of such Sinking Fund shall be paid out of the Sinking Fund.

Expenses to be paid out of Sinking Funds

21. (1) Notwithstanding anything to the contrary in this Law, if at any time the Trustee is satisfied that the monies in the Sinking Fund established in respect of any Debt Securities will be sufficient with further accumulations of interest, but without further payments of contributions, to enable the State to redeem any Debt Securities at the time fixed for their redemption, it shall notify the Office accordingly and the Office shall inform the State Commissioner of Finance not later than seven (7) working days from the date of receipt of the notice from the Trustee.

Suspension of Contributions to the Sinking Fund

(2) Upon receiving a notification from the office in accordance with sub-section (1) of this Section, the State Commissioner of Finance shall duly inform the Accountant-General and the Accountant-General shall suspend further payments of contributions to the Sinking Fund.

(3) A detailed account of the monies standing to the credit of the State after suspension of contributions shall be

made and presented to the House of Assembly for scrutiny and certification.

(4) The contributions to the Sinking Fund shall recommence if the Trustee at anytime thereafter informs the State and the Accountant-General that it is no longer satisfied that the Sinking Fund with further accumulations of interest will be sufficient for the redemption of such Debts Securities repayable out of the Sinking Fund.

Suspension of Contributions to the Sinking Fund

(5) The provisions of subsection (1) & (2) of this section shall not apply where the Sinking Fund is being credited with monies appropriated pursuant to any undertaking issued by the Accountant-General in accordance with section 17 (4) of this Law.

22. All monies appropriated as contributions to the Sinking Fund established for a particular Debt Securities shall be paid to the Trustee appointed under this Law, and the Trustee may invest such monies in such securities as are specified in the Trustees Investment Act and the relevant Trust Deed.

Investment of Sinking Fund

23. In circumstances where at any time the Sinking Fund is deemed to be insufficient to make the principal and interest payments due on any Debt Securities, the deficiency shall be paid first out of the Debt Service Reserve Fund Account, then from the Consolidated Revenue Fund of the State.

Deficiencies in Sinking Fund chargeable on Revenue

24. (1) For the purpose of carrying out the provisions of this Law, the State Commissioner of Finance shall, subject to the approval of the Executive Council, appoint a corporate Trustee duly registered with the Commission for the purpose of acting on behalf of the holders of the Debt Securities with regard to the Debt Securities issued under this Law.

Appointment of Trustees

(2) The regulations and operation of the Trustee appointed pursuant to subsection (1) of this section shall be in accordance with the ISA and the relevant Trust Deed.

- (3) Any Trustee appointed pursuant to the provisions of this section shall not have a fiduciary relationship with the State.
25. (1) The Trustee or Trustees appointed under the provisions of this Law are hereby vested with the right to:
- (a) Receive all or any part of the income and revenue pledged and assigned to, or for the benefit of the holder or holders of the Debt Securities issued hereunder; to hold, apply and dispose of the same; and
 - (b) Enforce any covenant made to secure or pay or service any obligation in relation to the Debt Securities.
- (2) There shall be a Trust Deed or Trust Deeds which may set forth powers and duties and the remedies available to the Trustee or Trustees and limiting the liabilities thereof and describing what occurrences shall constitute events of default and prescribing the terms and conditions upon which such Trustee or Trustees or the holder or holders of any specified amount or percentage of such Debt Securities may exercise such rights; and to enforce any and all such covenants and resort to such remedies as may be appropriate.
- (3) Notwithstanding that such acts or things may not be enumerated herein, the Trustee or Trustees shall have powers to perform all acts and to do all things not inconsistent with the provisions of the Trustee Investments Act, the ISA and the rules and regulations of the commission together with any other law for the time being in force or in the Trust Deed.

PART V – REGISTRAR, TRANSFER AND REGISTER

26. For the purpose of carrying out the responsibilities under this Part, the State Commissioner of Finance shall appoint a Registrar registered with the Commission subject to any terms and conditions deemed appropriate for performing the functions of the Registrar.
27. (1) The Registrar shall be responsible for maintaining Registers in which all transactions in Debts Securities entered into pursuant to the provisions of this Law shall be recorded.
- (2) A Register kept in accordance with this Section shall be kept in such place as may be approved by the State, and shall among other things, include the following:
- (a) the type of Debt Securities to which it relates;
 - (b) the maturity date of such Debt Securities and interest or coupon payment dates;
 - (c) the names and addresses of the holders, for the time being, of the Debt Securities concerned;
 - (d) the date on which the name of every holder is entered in respect of the Debt Securities held in the holder's name; and
 - (e) the number and value of the Debt Securities held by each holder.
- (3) The Registrar shall, upon written request, provide to the Office and/or the Trustees, the registers, report and/or accounts which it maintains in respect of its functions under the provisions of this Law or any information therein.
28. The Register shall be closed for a period not exceeding twenty-one (21) working days immediately preceding each date upon which interest on the Debt Securities fall due and no transfer of interests in the Debt Securities shall be registered during that period.

Appointment of Registrar

Register of Debt Securities

Closing of the Register

29. (a) The entries in the register kept under the provisions of this Law shall be conclusive evidence of the facts, matters, particulars and transactions to which those entries relate.

Register to be
Conclusive
Evidence of facts
entered in it.

(b) Notwithstanding the provisions of any other enactment, a copy of any entry in the register certified under the hand of the Registrar to be a true copy of the original entry shall be receivable in evidence in any judicial proceeding unless a judge shall otherwise direct.

30. (1) The Debt Securities issued under this Law shall be transferable in the manner specified in the Legal Notice published in respect of their issuance.

Transfer of Debt
Securities

(2) The title of the holder of any Debt Securities shall not be deemed to be transferred to any other person save upon the execution of an approved instrument of transfer or in accordance with the transfer process of any Stock Exchange and upon the registration of the Transferee as the holder, in the Register.

(3) Interest or coupon payment which has fallen due in respect of any Debt Security but which has not been paid to the holder for the time being, shall not be payable to a transferee of that Debt Security unless the instrument of transfer expressly provides for the payment of such interest to that transferee and the transferee's name has been registered in the Register.

31. No person shall be registered as the Transferee of any Debt Security except upon surrender in accordance with the offering documents or to the Registrar of any certificate issued in respect of such Debt Securities and the instrument of transfer relating to the said Debt Securities, and upon payment of the prescribed fee.

Registration of
Transfers on
Debt Securities

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32. Save as otherwise provided in this Law, no notice of any trust in respect of any registered Debt Security shall be receivable by the Registrar or the State Commissioner of Finance.

Notice of Trust

33. No person shall be entitled to inspect or to receive information derived from any register, book or other document kept or maintained by or on behalf of the State in relation to registered Debt Securities, save on the payment of such fee and under such circumstances, terms and conditions as may be prescribed by the Board and Approved by the State.

Inspection of Register

34. S. 39 of the Kogi State Fiscal responsibility Law 2012 within the province of the content and context of Debt Management Issues and other Allied Issues thereto and the provisions of any other Law inconsistent with the provisions of this Law are hereby repealed to the extent of inconsistency.

Repeal of S.39 of the State Fiscal Responsibility Law 2012.

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Note

PART VI - MISCELLANEOUS

35. (1) Subject to the approval of the House of Assembly, the State Commissioner of Finance may make regulations for the purpose of giving effect to the provisions of this Law.

Powers to make Regulations

(2) Regulations made under subsection (1) of this Section may provide for all or any of the following matters:

- (a) the issue, transfer, forfeiture and redemption of Debts Securities.
- (b) the payment by way of interest or otherwise of such amounts as may be determined by or under the regulations;
- (c) the fees to be paid in respect of anything to be issued or done under the provisions of this Law; and
- (d) all matters required by this Law to be prescribed, not being specifically reserved to the House of Assembly or the Governor and all matters incidental to or connected with such matters.

SUPPLEMENTARY PROVISIONS RELATING TO THE OFFICE, ETC

1. Appointment of other Staff of the Office

- 1) The Board shall appoint for the Office, such other number of employees as may, in the opinion of the Board, be expedient and necessary for the proper and efficient performance of the functions of the Office
- 2) The terms and conditions of service (including remuneration, allowances, benefits and pensions) of the employees of the Office shall be as determined by the Board after consultation with any Committee, agency or other body responsible for determining salaries of civil servants in the State.
- 3) Notwithstanding the provisions of paragraphs 1(2)(d) and 2(2), the Governor may, upon the recommendation of the Board, approve such remuneration, allowances and benefits for the Director-General or any other employee of the Office.
- 4) The Board shall have the power to appoint either on transfer or on secondment from any public service in the State or from the private sector, such number of employees as may, in the opinion of the Board, be required to assist the Office in the discharge of its functions under this Law.

2. Proceedings of the Board

- 1) The Board may, subject to the provisions of this Law or any other relevant law, make Standing Orders regulating its proceedings or those of any of its committees.
- 2) The quorum of the Board shall be the Chairman or the Vice-Chairman and two (2) other members of the Board, and the quorum of any committee of the Board shall be determined by the Board.

- 3) The Board shall meet not less than four (4) times in each year and subject thereto, the Board shall meet whenever it is summoned by the Chairman and if the Chairman is required to do so by notice given to him by not less than four (4) other members, he shall summon a meeting of the Board to be held within twenty-eight (28) days from the date on which the Notice is given.
- 4) At any meeting of the Board, the Chairman shall preside, but if he is not present within 30 minutes after the time appointed for the meeting, the Vice-Chairman shall preside over the meeting.
- 5) Where the Board desires to obtain the advice of any person on a particular matter, it may invite person to any meeting or meetings of the Board for such period as it deems fit; provided that a person who is in attendance by virtue of this subparagraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

3. Committees

- 1) The fixing of the seal of the Office shall be authenticated by the signatures of the Director-General or any person generally or specifically authorized by the Board to act for that purpose, and that of the Secretary.
- 2) Any contract or instrument which may be made or executed by a person not being a body corporate, and which would not be required to be under seal, may be made or executed on behalf of the Office by the Director-General or any other person generally or specifically authorized by the Board to act for that purpose.
- 3) Any document purporting to be a document duly executed under the seal of the Office shall be received in

evidence, and shall, unless and until the contrary is proved, be presumed to be so executed.

- 4) The validity of any proceeding of the Board or of a Committee shall not be adversely affected by:
 - (a) a vacancy in the membership of the Board or committee; or
 - (b) a defect in the appointment of a member of the Board or committee; or
 - (c) reason that a person not entitled to do so took part in the proceedings of the Board or committee.
- 5) The Board shall keep proper account of revenue and expenditure, payments, receipts, assets and liabilities and shall at the end of each financial year prepare an annual statement of accounts showing in a fair and accurate manner the financial position of the Office.
- 6) The said annual Statement of Accounts shall be a fair and accurate statement of the financial position and of the results of the operations of the Office for the financial year to which it relates.
- 7) The Office shall within three months after the end of each financial year cause the Accounts of the Office relating to the previous year to be audited by the Auditor-General of the State or by any other person authorized in that behalf by the Auditor-General of the State.
- 8) The Office shall not later than 30th September in each year, submit to the Governor an estimate of its expenditure and income (including payments to the Office) for the next succeeding year approved by the Board.

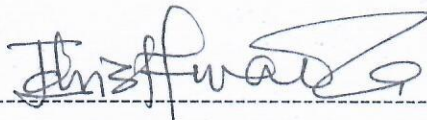
- 9) The Office shall submit a copy of the estimates prepared in accordance with this Schedule to the Governor for his approval and the Governor shall have the power to disallow, reduce or vary any provision under any item in the estimate as he may consider necessary.

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



SIMON MOMOH (JP)
Clerk of the House

I Assent/Withhold Assent this 12th day of July 2013.



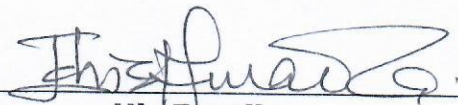
CAPT. IDRIS ICHALLA WADA
Governor of Kogi State

SCHEDULE

S/NO	TITLE OF THE BILL	SUMMARY OF CONTENTS OF THE BILL	DATE PASSED BY THE HOUSE
1	A Bill for a Law to provide for the establishment of Kogi State Debt Securities (Issuance) Law	Establishment of Kogi State Debt Securities (Issuance) Law 2013	27 th June, 2013



SIMON MOMOH (JP)
Clerk of the House



His Excellency,
CAPT. IDRIS ICHALLA WADA
Governor, Kogi State