



**IMO STATE OF NIGERIA
LAW NO. 6 OF 2021**

IM O STATE DEBT MANAGEMENT (ESTABLISHMENT) LAW, 2021

ARRANGEMENT OF SECTIONS

Long Title

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IMO STATE OF NIGERIA
LAW NO. 5 OF 2021

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF THE IMO STATE DEBT MANAGEMENT OFFICE AND FOR OTHER RELATED MATTERS.

Long Title

BE IT ENACTED by the House of Assembly of Imo State of Nigeria as follows –

Enactment

PART I – PRELIMINARY PROVISIONS

1. This Law may be cited as the Imo State Debt Management Office (Establishment) Law and shall commence on the**29th**.....day of**June**....., 2021.

Citation

2. In this Law, unless the context otherwise requires –

Interpretation

“Board” means the supervisory Board of the office established under section 3 of this Law;

“Commissioner” means the commissioner for the time being charged with the responsibility for matters relating to finance in Imo State;

“Government” means the Government of Imo State;

“Consolidated Debt Service Account” means a dedicated savings account from which public debt repayment obligations of the State will be fulfilled;

“Consolidated Revenue Fund of the State” means the total revenue and assets of the Government maintained in an account by that name including all statutory allocations from the Consolidated Revenue Fund of the Federation and all internally generated revenue;

“Debt” includes domestic and internal debts;

“Director-General” means the Director-General of the office appointed in accordance with section 10 of this Law;

“Executive Council” means the Executive Council of the Imo 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;

“Government” means the Government of Imo State;

“Governor” means the Governor of Imo State;

“Instrument” means any registered bond, bearer bonds, promissory notes, syndicated notes or such other securities or debt instruments as may be issued by the Imo State Debt Management Office on behalf of the Government, in accordance with this Law;

“Loans” include both internal and external borrowings of the Government;

“Public Bodies” include State Agencies and Parastatals;

“Register” means a register or such registers as will be maintained by the Imo State Debt Management Office in which details of instruments including particulars of the holders, transactions in debt securities entered into by the Government and details of subsequent transactions in such instruments and securities will be recorded.

“Registrar” means any person appointed by the office for the purpose of maintaining any register, issuing and delivering certificates and other instruments of title to subscribe to any debt issuance programme of the State or instrument holders verifying instruments of title and recording in the Register details of transactions in such instruments;

“Sinking Fund” means a specific fund established whenever it is necessary to do so in connection with a particular issue of instruments into which contributions will be made from the Consolidated Debt Service Account in accordance with the terms and conditions of issue of the particular instrument;

“State” mean Imo State of Nigeria;

“The Office” means the Imo State Debt Management Office established by the Imo State Government for the management of the State’s internal and external debts and the management, conduct and implementation of any debt issuance programme of the Imo State Government for the purpose of the financing of its capital budget or public investment projects and commitments and the restructuring of any existing debt;

PART II

ESTABLISHMENT OF THE IMO STATE DEBT MANAGEMENT OFFICE

3. (1) There is hereby established, a body to be known as the Imo State Debt Management Office (in this Law referred to as “the Office”).
- (2) The Office –
- (i) is a body corporate with perpetual succession and a common seal;
 - (ii) may sue and be sued in its corporate name; and
 - (iii) may acquire, hold and dispose of property whether moveable or immovable for the purpose of exercising its functions under this Law.
4. (1) There is established for the Office, a Board to be known as the Imo State Debt Management Office Board (in this Law Referred to as “the Board”) which consist of –

*Establishment
of the Imo State
Debt
Management
Office*

*Establishment
and
Composition of
the Board*

- (a) the Commissioner for Finance who shall be the Chairman;
 - (b) the Commissioner for Budget and Economic Planning who shall be the Vice-Chairman;
 - (c) the Secretary to the State Government;
 - (d) the Accountant-General of the State;
 - (e) the Director-General of the Office; and
 - (f) a representative of the private sector appointed by the Governor who shall be a person competent in financial matters.
- (2) The Board will have a Secretary appointed by the Governor, who will be a legal practitioner with at least ten (10) years post call experience in corporate and financial Law.
- (3) The supplementary provisions set out in the First Schedule to this Law has effect with respect to the proceedings of the Board and other matters.
- 5.(1) The members of the Board (other than the Commissioners, Secretary to the State Government and the Accountant- General) will hold office for a period of four (4) years and may be eligible for re-appointment for a one more term of four (4) years only.
- (2) Members of the Board will be paid such allowances as may be approved by the Governor.
6. (1) Notwithstanding the provision of Section 5 (1) of this Law, a member of the Board ceases to hold office if the member has –
- (a) resigned the appointment as a member of the Board by a notice addressed to the Governor;
 - (b) by reason of mental or bodily infirmity, become incapable of discharging the duties of the Office;
 - (c) been convicted of an offence which involves dishonesty and fraud;
 - (d) been involved in any act that may be considered

*Tenure of
Office and
Allowances of
Members of the
Board*

*Removal of
Members of
the Board*

inimical to the interest of the Office or the State; and
(e) becomes bankrupt or made a compromise with creditors.

(2) The Governor may remove any member of the Board if satisfied that it is in the public interest to do so.

7. The Office shall-

- (a) issue on behalf of the State, such Instruments as the State may desire to issue;
- (b) borrow on behalf of the Government, from any individual or institutional bodies;
- (c) maintain a reliable database of all Instruments issued, loans taken or guaranteed by the Government or any of its agency, and all contingent liabilities related to it;
- (d) prepare and submit to the State Government, a forecast of loan service obligations for each financial year;
- (e) 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;
- (f) verify and service debts guaranteed or taken directly by the Government;
- (g) reconcile and where applicable, service debts taken by Local Governments where such debts are authorized and guaranteed by the Government;
- (h) set guidelines for managing Government financial risks and financial exposure with respect to all loans and Instruments;
- (i) advise the Government on the restructuring and refinancing of all debt obligations;
- (j) advise the Governor on the terms and conditions on which monies are to be borrowed;
- (k) submit to the State Government for consideration in the annual budget, a forecast of the State's borrowing capacity;
- (l) prepare a schedule of any other Government obligation such as trade debts and other contingent liabilities and

**Functions of
the Office**

- provide advice on policies and procedures for their management;
- (m) establish and maintain relationships with international and local financial institutions, creditors and institutional investors in Government debts;
 - (n) collect and collate data on debt management and disseminate information with the approval of the Board;
 - (o) advise and propose funding mechanisms for infrastructural projects that may be referred to it; and
 - (p) carry out such other functions which are required for the effective implementation of its functions under this Law or any other Law, or which may be delegated to it by the Commissioner.
8. The Office has power to – *Powers of the Office*
- (a) issue and manage the State loans as prescribed under any Law on such terms and conditions as may be approved by the Executive Council and the House of Assembly;
 - (b) issue guidelines for the smooth operation of any debt, bond or securities issuance programme of the State;
 - (c) manage any Consolidated Debt Service Account established by the State Government;
 - (d) invest with the approval of the House of Assembly, any sum in the Consolidated Debt Service Account not immediately required for debit service; and
 - (e) do such other things which, in the opinion of the Board, relate to the management of the debts of the State.
9. The Board shall – *Functions of the Board*
- (a) approve policies, strategies and procedures to be adopted by the Office for the achievement of its objectives;
 - (b) review the economic and political impact on the State debt management strategies;
 - (c) appoint, as and when necessary, technical committees comprising of persons with requisite technical competence from the private or public sector to advise the Office on such matters as may be determined;

- (d) recommend, for the approval of the Governor, members of any debt issuance programme or restructuring Committee; and
- (e) perform such other functions as may be necessary to achieve the objectives of the Office.

10.(1) There shall be appointed for the Office as its Chief Executive Officer, a Director-General who will be appointed by the Governor.

*Appointment of
Director-
General*

- (2) The Director-General shall –
 - (a) have knowledge of financial, budgetary and or planning matters and if appointed from the civil service of the State, not be below the rank of a Permanent Secretary;
 - (b) hold office for a period of four (4) years in the first instance and may be re-appointed by the Governor for one more term of four (4) years only;
 - (c) be responsible to the Board for policy direction and day to day administration of the Office; and
 - (d) hold office on such terms and conditions as may be determined by the Board or as may be contained in his letter of appointment.

11. (1) The Board will appoint for the Office, such other number of employees as may be expedient and necessary for the proper and efficient performance of the functions of the Office.

*Appointment of
other Staff of
the Office*

- (2) The terms and conditions of service (including remunerations, allowances, benefits and pensions) of the employees of the Office will be determined by the Board after consultation with any committee, agency or other body responsible for determining salaries of Civil Servant in the State.
- (3) In accordance with the provisions of Section 10(2)(d) of this Law, the Governor may on the recommendation of the Board, approve such remunerations, allowances and

benefits for the Director-General or any other employee of the Office.

- (4) The Board has the power to appoint either on transfer or on secondment from the public service of the State or from the private sector, such number of employees as required to assist the Office in the discharge of its functions under this Law or any other Law.
12. (1) The Board may make staff regulations relating generally to the conditions of service of the employees of the Office and without prejudice to existing regulations, provide for –
- Staff
Regulations*
- (a) the appointment, promotion and disciplinary control (including dismissal) of employees of the Office; and
- (b) appeals by such employees against dismissal or such other disciplinary measures and until such regulations are made, any instrument relating to the conditions of service of officers in the civil service of the State will be applicable with such modifications as may be necessary to the employees of the office.
- (2) Staff regulations made under subsection(1) of this Section need not be published in a State Gazette but the Board will cause them to be brought to the notice of all affected persons in such manner as it may determine.
- 13.(1) The Officers and other persons employed in the Office will be entitled to pensions, gratuities and other retirement benefits as are enjoyed by persons on equivalent grades in the civil service of the State in accordance with the Pension Law in force in the State.
- Service in
Office to be
Pensionable*
- (2) Nothing in subsections (1) of this Section will prevent the appointment of any person to any office on the terms which preclude the grant of pension and gratuity in respect of that Office.
- 14.(1) There is established for the Office, a management team which will comprise of the Director-General and the Heads of Departments of the Office.
- Establishment
of the
Management
team*

- (2) The management team will under the direction of the Director-General, be responsible for the implementation of the policies of the Board and the day to day administration of the Office.

- 15.(1) There is established for the Office, a Fund from which all expenses incurred by the office will be defrayed.

*Establishment
of a Fund for
the Office*

- (2) There will be paid to the Fund –
 - (a) any allocation to the Office from the Consolidated Revenue Fund of the State;
 - (b) such monies as may be granted or lent to the Office by the Federal Government, a State Government or a Local Government;
 - (c) all monies raised for the purpose of the Office by way of gifts, loans grants-in-aid, testamentary disposition or otherwise; and
 - (d) all monies and assets that may accrue to the Office.

- 16. The Office will apply the proceeds of the Funds to –
 - (a) the cost of administration of the Office;
 - (b) the payment of salaries, fees, remuneration, allowances, pensions and gratuities payable to the members of the Board and the employees of the Office;
 - (c) the payment for all consultancies, legal fees, financial advisers, contracts for the construction of property for the Office or for the effective running of the Office and cost on contract administration; and
 - (e) undertake such other activities that are connected with all or any of the functions of the Office under this Law or any other Law

*Expenditure of
the Office*

- 17.(1) The Office may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift.
- (2) The Office will not accept any gift if the conditions attached

*Gift to the
Office*

by the person or organization making the gift are inconsistent with the functions of the Office under this Law, and are such that would influence the decisions and or functions of the Office.

- 18.(1) The Board will not later than 30th September in each year, submit to the Commissioner, an estimate of the expenditure and income of the Office during the next succeeding years.

*Annual
Estimates and
Expenditures*

- (2) The Board will cause to be kept, proper accounts of the affairs of the Office in respect of each year, and cause the account to be audited not later than six (6) months after the end of each year by the auditors appointed from the list of accredited auditors approved by the Board and in accordance with the guidelines supplied by the Auditor-General of the State.

19. The Board must 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 immediate preceding year, and include in the report, a copy of the audited accounts of the Office for that year and within fifteen (15) days of the receipt of the report, the Commissioner will forward a copy each to the Governor and the State House of Assembly.

Annual Report

- 20.(1) The Office will advise the Government annually, on any shortfall in financing obligations of the State for the succeeding financial year and the amounts as will be necessary for the Government to borrow for bridging such gap either locally or abroad in Naira or whichever currencies may be financially prudent on the State.

*Borrowing by
the State*

- (2) Any advice issued by the Office under subsection (1) of this Section will, among other things, form the basis of the State borrowing and debt issuance programme for the succeeding financial year.

- 21.(1) The State Government may subject to the provision of this section, authorize and guarantee any loan to be taken by any Local Government or other Agency of Government. *Government Guarantee, etc.*
- (2) A Guarantee Agreement for external loans will be executed on behalf of the Government by the Commissioner or any other person designated in writing.
- (3) Where any money is due to be paid by the Government in satisfaction of any obligation arising from a borrowing or a guarantee under this Section, that money will be deemed to be a charge on the Consolidated Revenue Fund of the State.
22. Subject to the provisions of Section 8 of this Law, the Office shall – *Internal Borrowing*
- (a) determine the-
- (i) amounts and time schedules for the issuance of Government short-terms and medium-term securities in the Nigerian money markets;
 - (ii) repayment or roll-over of existing or maturing issues;
 - (iii) floatation of Government long-term securities to raise appropriate funds in the capital market;
 - (iv) payment of interest and redemption of securities at maturity from the Sinking Fund, or Consolidated Debt Service Account or the Consolidated Revenue Fund of the State;
 - (v) creation with the approval of the Executive Council of specific Sinking Funds to provide for the redemption of specific securities at maturity;
- (b) maintain the register of holder of all Instruments and other debt securities issued by the State and record the particulars of all holders and all transactions entered into with regard to such Instruments and securities. For the purpose of carrying out the responsibility under this subsection, the Office with the approval of the Executive Council will appoint a Registrar registered with the Security and Exchange

Commission subject to any terms and conditions which it deems fit.

- (c) with the approval of the Executive Council, determine any other form of securities that may be created, issued or floated to achieve the debt management objectives of the Governor;
- (d) maintain a record of all guarantees by the Government of any authorized loans taken by any Local Government or other agency of Government;
- (e) review and advise on the maintenance of statutory limits for all categories of loans or debt instruments at levels compatible with economic activities required for sustainable growth and development in collaboration with the Accountant-General of the State;
- (f) liaise or co-operate with other State Governments or other relevant institutions within or outside Nigeria for the realization of the objectives of the Office.

- 23.(1) Approval for grants or loans to other State or any of its agencies may be granted in accordance with the procedure specified in the Section.

*Approval for
Grants or
Loans*

- (2) Applications for grants or loans to other States will be submitted by the Governor to the House of Assembly and may be approved subject to such terms and conditions as may be prescribed by the resolution of the House of Assembly.

- (3) An application specified in subsection (2) of this Section indicates the –
- (a) objectives, as the case may be by underlying the request or proposal;
 - (b) terms and conditions of the grant or loan;
 - (c) benefits which the State stands to derive from the grant or loan; and
 - (d) state of the relations existing between the other States and Imo State at the time of request or proposal.

24. An Agreement entered into for the purpose of Section 23

Execution of

of this Law will be in writing and be executed for and on behalf of the State by the Commissioner or by such other person as the Commissioner may designate.

*Loan
Agreements*

- 25.(1) Notwithstanding anything contained in any other Law or enactment, a suit will not lie or be instituted in any court against any member of the Board, the Director- General or any other 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 –

*Limitation of
Suits
against the
Office etc*

(a) it is commenced within three (3) months next after the act, neglect or default complained of; or

(b) in the case of a continuation of damage or injury, within six (6) months next after the cessation of it.

- (2) A suit will not be commenced against a member of the Board, the Director-General, officer or employee of the Office before the expiration of a period of one (1) month after written notice of intention to commence the suit must have been served on the Office by the intending claimant or authorized agent.

- (3) The notice referred to in subsection (3) of this Section must clearly and explicitly state the cause of action, the particulars of the claim, the name and place of abode of the intending claimant and the relief which is being claimed.

26. Any sum of money which may, by judgment of any court, be awarded against the Office will, subject to any direction given by the Court where notice of appeal of the said judgment has been given, be paid from the fund of the Office.

*Monetary
Judgment
against the
Office to be
paid from
Fund of the
Office*

- 27.(1) As from the commencement of this Law, the powers of any Ministry or Extra-Ministerial Department over any

*Transitional
Provisions*

debt involving the Government will, 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.

etc

(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 subsection (1) of this Section, may be continued or commenced, as the case may be, by or against the Office, as if the Office had been a party to it.

(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), 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.

28. The Imo State Debt Securities Issuance Law No. 4 of 2016 is repealed.

*Repeal of
Law No. 4
of 2016*

SCHEDULE

(SECTION 4(3))

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD, ETC

1. Proceedings of the Board

1. Subject to this Law and the Interpretation Law, the Board may make standing Orders regulating its proceedings or those of any of its committees.
2. The quorum of the Board will be the Chairman, the Vice-Chairman or the person presiding at the meeting and three (3) other members of the Board, and the quorum of any committee of the Board will be determined by the Board.
- 2.(1) The Board will meet not less than four (4) times in each year and subject to this, the Board will meet whenever it is summoned by the Chairman and if the Chairman is required to do so by notice issued by not less than four (4) other members, will summon a meeting of the Board to be held within twenty-eight (28) days from the date on which the notice is given.
- (2) At any meeting of the Board, the Chairman presides but if absent, the Vice-Chairman will preside over the meeting, and if the Vice-Chairman is absent, the members present at the meeting will appoint one of them to preside over the meeting.
- (3) Where the Board desires to obtain the advice of any person on a particular matter, it may co-opt such person to the Board for such period as it deems fit; provided that a person who is in attendance by virtue of this subparagraph will not be entitled to vote at any meeting of the Board and will not count towards a quorum.

3. COMMITTEES

- (1) The Board may appoint one or more committee to carry out on its behalf, such functions as it may determine.
- (2) A committee appointed under this paragraph will consist of such number of persons as may be determined by the Board, and such person will be a member of the committee in accordance with the terms of the appointment.
- (3) A decision of a committee will be of no effect until it is confirmed by the Board.

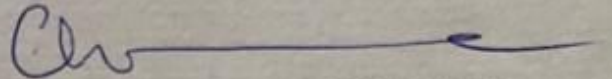
4. MISCELLANEOUS

- (1) The fixing of the seal of the Office will be authenticated by the signatures of the Chairman or any person generally or specifically authorised by the Board to act for that purpose, and that of the Director-General.
- (2) Any contract or instrument which, if not made or executed by a person not being a body corporate would not be required to be under seal, may be made or executed on behalf of the Office by the Director-General or any other person generally or specifically authorised by the Board to cater for that purpose.
- (3) Any document purporting to be a document duly executed under the seal of the Office will be received in evidence and will, 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 will not be adversely affected by –
 - (a) a vacancy in the membership of the Board or Committee;
 - (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.

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

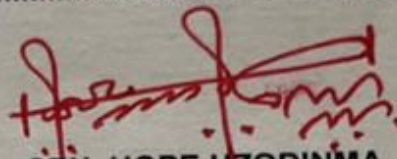
BARR. CHINELO ADAORA EMEGHARA
Clerk of the House of Assembly
Imo State of Nigeria

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



BARR. CHINELO ADAORA EMEGHARA
Clerk of the House of Assembly
Imo State of Nigeria

Assented to by me this 29TH day of JUNE, 2021



SEN. HOPE UZODINMA
Governor
Imo State of Nigeria

Assent withheld by me this day of, 2021

SEN. HOPE UZODINMA
Governor
Imo State of Nigeria

Passed again by the Imo House of Assembly by two-thirds majority this
Day of, 2021.



RT. HON. PAUL EMEZIEM
Speaker
Imo State House of Assembly