PTAD Pays N17.73bn Pension Liabilities PG 4

Infrastructural Deficit: Sovereign Sukuk Bond Over Subscribed, Highest Since 2017 PG 10

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$2.3 trn Infrastructure Master Plan To Bridge Development Gap -Agba

- Inaugurates #NES28 Committee
- We Have A Full Package For Economic Summit This Year - Ighodalo
- Expert Commends FG For Launching Plan

*The federal government recently launched $2.3trillion National Integrated Infrastructure Master Plan. In this report, our correspondent, **Musa Ibrahim**, highlights how the Master Plan will contribute to the growth of the Nigerian economy.*

Recently, the federal government unveiled reviewed $2.3trillion National Integrated Infrastructure Master Plan (NIIMP) (2020–2043).

The Minister of State for Budget and National Planning, Prince Clem Agba, who launched the document in Abuja, explained that the NIIMP was made to guide Nigeria's infrastructure investment by adopting a coordinated approach to infrastructure development across all sectors in the country.

According to him, the plan is also to add value to the national economy and to enhance private sector participation in infrastructure development.

The reviewed NIIMP projects that Nigeria requires a total infrastructure investment of $2.3trillion over the next 21 years, which is about $150billion annually to finance infrastructure investment and close the country's infrastructure gap.

Prince Agba explained that the unwavering commitment of the federal government in addressing the problem of huge infrastructure gap in Nigeria led to the development of the NIIMP as the government's blue print for building a world- class infrastructure required to grow the economy, enhance quality of life of the citizens, create jobs and improve the nation's global competitiveness.

He said: "The Master Plan emanated through an elaborate and inclusive process including the work of the Ministerial Steering Committee, Technical

CONTINUES ON PAGE 3

The Honourable Minister of State, Budget & National Planning, **Prince Clem Agba** during the launch of the Infrastructure Master Plan in Abuja recently.

BONDS
DMO Releases Calendars For FGN Bonds, Targets N70bn In Q3 PG 7

TAX
In Response To Public Concern, FIRS Extends CIT Filing To August 31 PG 14

DEVELOPMENT
Nigeria First African Country To Develop Detailed Energy Transition Plan –Ahmed PG 10

$2.3 trn Infrastructure Master Plan To Bridge Development Gap -Agba

CONTINUES FROM COVER

Working Groups and Business Support Group, which provided private sector perspective and expectations."

Explaining the rationale for the review of the NIIMP, Agba said: "It is worthy to note that from 2014 to date when the National Integrated Infrastructure Master Plan was initially developed, a lot has happened, including some important progress towards improving the quality and stock of the nation's infrastructure which was estimated to be between 20 percent and 25 percent of the nation's Gross Domestic Product (GDP) in 2012.

"Several important reforms have been launched across the various spectra of infrastructure in recent years. The macroeconomic fundamentals and landscape have changed significantly, making previous estimates, targets and assumptions largely unrealistic.

"Generally, taking account of government's efforts in infrastructure delivery over the years, as well as new developments within the domestic and global environments, necessitated the need for a review of the Master Plan in 2019."

Commenting on the achievements of President Muhammadu Buhari -led administration, he said that in the administration's resolve to bridge the nation's infrastructure gap in the wake of the COVID 19 pandemic, it floated a N15 trillion infrastructure corporation and also signed Executive Order 7, which has informed right policy framework and created enough space for public private partnership (PPP) in infrastructure development.

"In addition, some key infrastructure projects such as the Lagos – Ibadan express road, Abuja-Kaduna – Zaria express road and the Second Niger Bridge Project were funded through the Presidential Infrastructure Development Fund.

"Other noticeable achievements in the road sector include the construction and upgrading of about 5,000 km of major road projects across the country through the Sukuk bond.

"In the energy sector, the power generation capacity increased from an average of 5,500MW in 2014 to about 13,000MW by 2020.

"Notwithstanding, a lot of investment is still required in the area of transmission and distribution which is currently being attended to by the federal government.

The minister, however, acknowledged that despite some noticeable efforts and progress, including allocation of at least 30 percent of the federal annual budget to infrastructure projects since 2016, there are still huge and substantial infrastructure deficits across the country.

He noted that in 2019, Nigeria ranked 116 out of the 140 countries rated on global competitiveness by the World Economic Forum (WEF) using infrastructure as one of the major yardsticks.

He pointed out that the reviewed NIIMP and the newly approved National Development Plan (2021-2025) also estimated the current nation's infrastructure stock to be between 30 percent and 35 percent of the GDP in 2020, far from the estimated target of 70 percent envisaged for 2043.

The Honourable Minister of State, Budget & National Planning, **Prince Clem Agba** (third from right) with other stakeholders during the launch of the Infrastructure Master Plan in Abuja recently.

Prince Agba also noted that the ambitious infrastructural target cannot be provided by the government alone, adding that the private sector was expected to provide a chunk of the estimated amount through the PPP.

According to him, "There is no doubt that the estimated resource requirement of $2.3 trillion for the NIIMP implementation is enormous and tasking.

"The current yearly budgetary allocation available to fix and upgrade the nation's infrastructure is too insignificant compared to the $150 billion that will be required yearly for the NIIMP implementation between 2020 and 2030.

"It is apparent, therefore, that the federal government alone cannot provide all the needed resources, more so as government revenues from the oil and gas sector are vulnerable to shocks in the international markets.

"Therefore, a well-coordinated and strategic approach will be required to harness sufficient resources to increase the stock of Nigeria's infrastructure to the desired level by 2043.

"Besides investments by sub-national governments, the private sector is expected to play an increasing role, either directly or in collaboration with the government through the PPP, with the governments providing a supportive environment with stable and transparent policies, rules and regulations required for a robust PPP investment."

As part of the source of funding for the infrastructural projects under NIIMP, he said, the federal government would continue to explore external borrowing as well as opportunities created by other government-controlled sources such as the Sovereign Wealth Fund (SWF) and the Pension Fund to support infrastructure delivery.

On the implementation strategy for NIIMP, he said, the Federal Ministry of Finance, Budget and National Planning was fully committed to the implementation of the Master Plan and has established an Infrastructure Delivery Coordinating Unit within the Ministry to effectively coordinate the implementation of the NIIMP with other stakeholders including ministries, departments and agencies (MDAs), sub-national governments, the private sector, and international donor partners.

He disclosed that the Ministry was also working towards the speedy inauguration of the National Infrastructure Council (NIC), which is to serve as a policy advisory body on infrastructure development in Nigeria.

> ...the federal government alone cannot provide all the needed resources, more so as government revenues from the oil and gas sector are vulnerable to shocks in the international markets.

While inaugurating the Joint Planning Committee (JPC) for the 28 Nigerian Economic Summit (#NES28) at a separate event, Prince Agba noted that the development of the Medium-Term National Development Plan (MTNDP) was inclusive, as a result of private sector corporation.

"The input from the 27th Nigerian Economic Summit has been received and distributed, and the national integrated infrastructure master plan shows that we have a huge infrastructure deficit which can help Nigeria move from consumption to production. The MTNDP focuses on how rural roads, broadband technology and other critical infrastructure can get to the rural areas to encourage investment", Agba said.

While revealing the theme of NES#28, the Minister said that the summit would galvanise stakeholders to commit to a sustainable economy and agree on a compact that compels stakeholders to ensure key recommendations are urgently implemented.

He made it known that the Joint Planning Committee for the 28th Nigerian Economic Summit is saddled with the responsibility of reviewing and making preparations for the summit, articulating budgetary requirements, preparing a report of the summit and undertaking any work that may lead to the success of the summit.

Also speaking, Mr. Asue Ighodalo, Chairman of Nigerian Economic Summit Group (NESG), said: "We have a full package for this year's summit". He expressed hope that the 28th edition of the summit would galvanise development priorities.

The theme for the 28th edition of the summit, scheduled to hold between October 24th and 25th, 2022 is: "2023 And Beyond: Priorities For Shared Prosperity". The NESG announced the theme while stating that the vision is of a secured, developed, prosperous and macro-economically stable country where the rule of law prevails and no one is left oppressed, all of which appear dimmed with today's considerable headwinds.

But the current electoral cycle, according to Mr. Ighodalo, offers a unique opportunity to reflect and reset.

He noted that the challenge of non-inclusive economic growth reflects low productivity across employment-elastic sectors, which continues to weaken their capacity to create more job opportunities and decent employment.

"The 28th edition of the Nigerian Economic Summit presents a unique opportunity to galvanise stakeholders to articulate the country's development imperatives that must satisfy the need for inclusive economic growth, security, social justice, equitable access to political and economic opportunities, conscientious governance, political stability and environmental sustainability with a deliberate intention to influence election debates and the economic policy agenda for incoming administrations at all tiers of government," Mr. Ighodalo stated.

He noted that the annual Nigerian Economic Summits had been sustained as a public-private dialogue platform by the NESG (representing the private sector) and the Federal Ministry of Finance, Budget and National Planning (representing the federal government of Nigeria).

Mr. Ighadalo pointed that the summit is a foremost platform through which the federal and state governments engage with corporate leaders and discuss Nigeria's national and sub-national economic realities to co-create reform strategies that are critical for the advancement and reform of the Nigerian economy.

Meanwhile, an economist, Seun Murtala, has commended the federal government for unveiling the master plan. He said: "The master plan is quite timely and I commend the federal government for unveiling. Happy that it is a plan which will last through to 2043.

"The infrastructure gap is enormous and there is need for a plan and strategy to address it, according to the yearnings of our people. With a commitment of $2.3 trillion, I am convinced it will transform the infrastructure architecture of Nigeria.

"However, there must be collaboration with the federal government in the implementation of the plan because the government alone cannot do it," he added.

PTAD Pays N17.73bn Pension Liabilities

Trains PDOs of MDAs On Ease Of Pensioners' Stress

By Felix Omoh-Asun & Musa Ibrahim

The Pension Transitional Arrangement Directorate (PTAD) has maintained its statutory role of prompt payment of pensions to all pensioners on its payroll.

The Directorate has, in line with its mandate to transform the management of the Defined Benefit Scheme (DBS), ensured that monthly pension payment is prompt, consistent and unbroken, since 2014 when it took over pension payment.

This standard was maintained even during the COVID-19 pandemic lockdown in 2020.

In the month of June 2022, a total of N9,254,780,094.96 was paid as monthly pensions to 229,256 verified and eligible pensioners across the Civil Service, Police, Parastatals, Customs, Immigration and Prisons Pension departments while N351,264,285.17 was paid as pension arrears to 3,089 pensioners.

fmfinsights findings revealed that incidences of failed pension payments in June 2022 to pensioners across the pension departments have also been re-presented on the Government Integrated Financial Management Information System (GIFMIS) payment platform and confirmed received by the affected pensioners.

In December 2021, PTAD, through the commitment of President Muhammadu Buhari, the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, the Office of the Accountant-General of the Federation (OAGF) and the Central Bank of Nigeria (CBN) completed the payment of all inherited liabilities due to ex-workers of two of the defunct agencies, namely: 287 Nigeria Reinsurance Corporation pensioners totaling N948,054,514.20, and 509 New Nigeria Newspapers Limited pensioners were paid a total of N2,134,845,781.70.

A significant portion of the outstanding liabilities was also paid to ex-workers of three defunct agencies: 11,239 NITEL/MTEL pensioners received a total of N11,685,740,544.38; 1,046.

NICON Insurance Corporation pensioners were paid N1,140,333,806.20 while 3,657 Delta Steel Company Limited pensioners were paid N1,821,842,463.93.

In the same vein and following the implementation of 9.7 percent increment to ex-PHCN workers, PTAD paid a total N6,889,617,482.86 in December 2021 to all eligible 9,389 ex-PHCN retirees.

In addition, PTAD has completed the payment of all arrears of pension due to pensioners as a result of the consequential pension adjustment approved by Mr. President in April 2021 but with effect from April 2019.

By December 2021, PTAD had paid all 24-months arrears due to pensioners of three pension departments, except civil service pensioners whose outstanding balance of three months was paid in May 2022.

With the commitment of President Buhari, between 2015 and 2022, PTAD has reinstated 40,918 verified eligible pensioners to the monthly pension payroll.

Dr. Chioma Ejikeme, Executive Secretary of Pension Transitional Arrangement Directorate (PTAD)

The Directorate paid N40,332,909,500.42 as pension arrears to 161,122 verified eligible pensioners across the four pension departments, and also paid N7,134,360,136.45 as final pension entitlements to next of kin of deceased pensioners across the four pension departments.

Meanwhile, the Executive Secretary of Pension Transitional Arrangement Directorate (PTAD), Dr. Chioma Ejikeme said that the 'I AM ALIVE' online confirmation was created to ease pensioners' stress.

She said this in Abuja recently during 'I AM ALIVE' confirmation training program for union executives and pension desk officers (PDOs) of ministries, department and agencies (MDAs) managing pensioners who retired under DBS.

Dr. Ejikeme said that it was a critical step towards preparing pensioners to be fully conversant with the use of the application.

She also said that the purpose for the training was to ensure that the union executives and PDOs could use the 'I AM ALIVE' confirmation solution without any difficulty.

According to her, the executives can assist pensioners to understand how to use the application, respond to basic enquiries and questions about the confirmation process.

"We believe that once union executives and PDOs can confidently use the application, they can support our efforts to educate our pensioners and provide guidance and hand-holding where necessary for them to easily carry out their 'I AM ALIVE' confirmation.

"The training was also organised to explain why we deployed 'I AM ALIVE', what we expect as the impact, benefits to be derived and what we see as likely challenges.

"We will demonstrate the entire 'I AM ALIVE' confirmation process again and show a live demonstration, we will also address the frequently asked questions (FAQs)," Ejikeme said.

The Executive Secretary also said that the project was to make all the pensioners who had served this country to enjoy their hard-earned pension without any hardship.

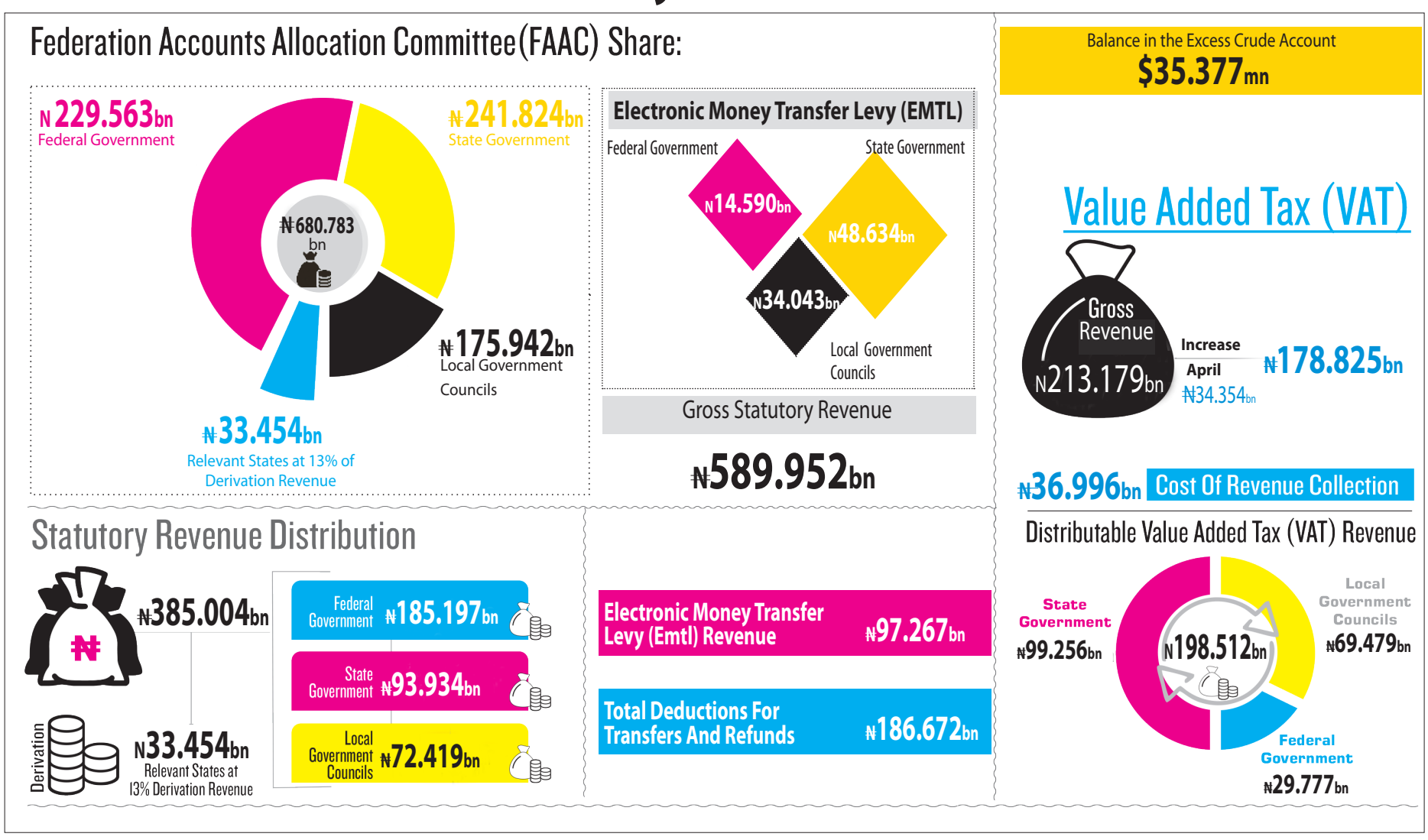
Dr. Ejikeme further emphasised that the tedious challenges, expensive field verification exercises of the past must end.

"Pensioners must be able to confirm their aliveness from the comfort of their homes, within the proximity of their residence.

"They should also be able to resolve their complaints without unnecessary stress; we want them to be able to contact PTAD with ease and be treated with respect and dignity," she said.

Recalled that 'I AM ALIVE' confirmation solution was launched in October 2021, with 50,000 pensioners captured in the pilot scheme.

FAAC Shares N680.783bn May 2022 Revenue To FG, States, LGCs



NDIC

Nigeria Deposit Insurance Corporation

Protecting your bank deposits

The Nigeria Deposit Insurance Corporation (NDIC) is an agency of government of the Federal Republic of Nigeria. It was established in 1988 and is responsible for administering deposit insurance in the country. It protects depositors and guarantees payment of insured funds in the event of failure of an insured licenced deposit-taking financial institution, thereby helping to maintain stability in the financial system.

The NDIC's Public Policy Objectives (PPOs) are: To Protect depositors by providing an orderly means of compensation in the event of failure of an insured financial institution; Enhance public confidence by providing a framework for the resolution and orderly exit of failing and failed financial institutions; and Contribute to financial system stability by making incidence of bank runs less likely. The NDIC had achieved these PPOs through the implementation of its following Mandates:

DEPOSIT GUARANTEE

Insurance of deposit liabilities of licensed deposit-taking financial institutions (banks) and guaranteeing payment to a maximum amount as stipulated in the NDIC Act, in the event of failure of a licensed financial institution. Thus, the sum of N500,000.00 or US$1,613 is paid to each depositor of Deposit Money Bank, Primary Mortgage Bank and Non-Interest Bank while the sum of N200,000.00 or US$645 is paid to each depositor of a Micro-Finance Bank;

BANK SUPERVISION

Supervision of banks to reduce the potential risk of failure, ensure effective payment system and healthy competition in the banking system; hence contributing to financial system stability;

DISTRESS RESOLUTION

Provision of financial and technical assistance to failing or distressed eligible insured institutions, in the interest of depositors; and

BANK LIQUIDATION

Orderly and efficient closure of failed institutions with minimal disruption to the banking and payment system.

NDIC's activities over the years had contributed to the development of the Nigerian economy through the promotion of soundness and safety of the banking system thereby enhancing confidence in the country's financial system.

More adult Nigerians now have access to formal financial services and are deriving numerous benefits through access to savings, credits, insurance and pension. NDIC, in collaboration with other Safety-net Players such as the Central Bank of Nigiera (CBN), has contributed to reducing the percentage of adult Nigerians that do not have acess to financial services from 46.30% in 2010 to 39.50% in 2014 (EFInA Financial Inclusion Study, 2014) in line with the Financial Inclusion policy of the Federal Government.

> "ENGENDERING CONFIDENCE IN THE BANKING SYSTEM, PROMOTING FINANCIAL INCLUSION AND EXCELLENT IN CORPORATE SOCIAL RESONSIBILITY ACTIVITIES TOWARDS SUSTAINABLE DEVELOPMENT IN NIGERIA"

NDIC is also involved in social and developmental endeavours. Over the years, it has supported many community-based projects. Most of the projects were in the areas of Education and Human Capital Development.

OUR CORE MANDATES

- → Deposit Guarantee
- → Bank Supervision
- → Distress Resolution
- → Bank Liquidation

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EDITORIAL

With Energy Transition Plan, Nigeria Has Defined Pathways For Low-Carbon Development

The Nigerian Energy Transition Plan has defined pathways for low-carbon development of energy systems across five key sectors: power, cooking, transport, industry, and oil and gas.

With the plan which addresses both climate change mitigation and energy poverty, Nigeria has shown its commitment to carbon neutrality by 2060, as announced by the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, at COP26 in Glasgow. The country is the first African country to develop a detailed energy transition plan.

It is glaring that the transition plan is anchored by three key objectives: Lifting 100 million people out of poverty and driving economic growth, bringing modern energy services to the full population, and managing the long-term job loss in the oil sector expected due to global decarbonisation.

Interestingly, while the expected job losses in the oil and gas sector are considerable, Nigeria's net-zero pathway will result in appreciable net job creation with up to 340,000 jobs created by 2030 and up to 840,000 jobs created by 2060 driven mainly by the power, clean cooking, and transport sectors.

In addition, the Energy Transition Plan recognises the role that natural gas must play as a transition fuel in establishing baseload energy capacity, supporting the integration of renewables on the grid, and addressing Nigeria's clean cooking deficit in the form of liquified petroleum gas (LPG). This presents the opportunity to commercialise more domestic gas in the short term, with a strong long-term decrease.

However, this audacious plan for delivering Nigeria's net-zero target requires $1.9 trillion spending up to 2060, including $410 billion above business-as-usual spending. This additional financial requirement breaks down to $150 billion net spend on generation capacity, $135 billion on transmission and distribution infrastructure, $79 billion on buildings (cooking), $21 billion on industry, $12 billion on transport and $12 billion on oil and gas decarbonisation.

Since its unveiling after COP26, the Nigeria Energy Transition Plan has been approved by the Federal Executive Council (FEC) and adopted as national policy. An Energy Transition Implementation Working Group chaired by the Vice President and comprising several key ministers has also been established.

Even more interesting is the fact the federal government's immediate priority is to kickstart the implementation of the energy transition plan by securing an initial $10 billion investment package ahead of COP27. The World Bank has already committed $1.5 billion towards this target.

The government has also continued to advocate globally for the just and equitable transition, and a Nigerian delegation led by the Minister of State for Power recently contributed to defining the Kigali Communique, which details out seven principles of a just transition for Africa, including the adoption of a modern energy minimum and investments in gas for power and clean cooking.

The adoption of energy transition strategies and policies are designed to move the global energy sector away from fossil fuels towards zero-carbon energies by 2050 as determined by the Paris Agreement. There is universal acceptance of the need to transition in order to reduce energy related CO2 emissions and limit climate change. However, there also needs to be recognition that whilst aggressive energy transition programmes are being pursued in developed countries and by the international oil companies, many developing countries, and especially those with hydrocarbon-dependent economies such as Nigeria, require a more gradual and flexible approach to energy transition.

Nigeria is pursuing energy transition in order to promote economic growth and is gradually investing in renewable energies, primarily solar, in order to reduce carbon emissions whilst continuing to exploit hydrocarbon resources, especially natural gas – the energy transition fuel for Nigeria. Energy transition will continue to impact the ability of Nigeria and oil and gas companies to attract capital as banks and investors prioritise environmental, social and governance (ESG) factors and move away from funding hydrocarbon projects.

We note that for Nigeria to achieve its net-zero ambition by 2060, it would require over US$400 bn invested across the Nigerian economy (in excess of business-as-usual spending). This figure reflects the aggregate of US$155 billion required for generation capacity, US$135 billion on transmission and distribution infrastructure, US$79 billion on buildings, US$21 billion on industry and US$12 billion on transportation.

In supporting this robust plan, the federal government has to undertake numerous reforms to the power and the oil and gas sectors, in tandem with legislative policies to address energy transition and climate change.

How Finance Act Powered Economy Recovery, Increased Company Income Tax By 35.6%

By Felix Omoh-Asun

When President Muhammadu Buhari signed into law the Finance Bill 2021, with an effective date of 1 January 2022, on 31 December 2021, many financial analysts applauded the president.

It is worthy to note that the Finance Act introduced over 40 amendments to the existing tax and regulatory legislation in Nigeria, including the Capital Gains Tax Act, Companies Income Tax Act, Personal Income Tax Act, and Value Added Tax Act, among others.

These amendments provided, among others, alignment and clarity to the provisions as they relate to the taxation.

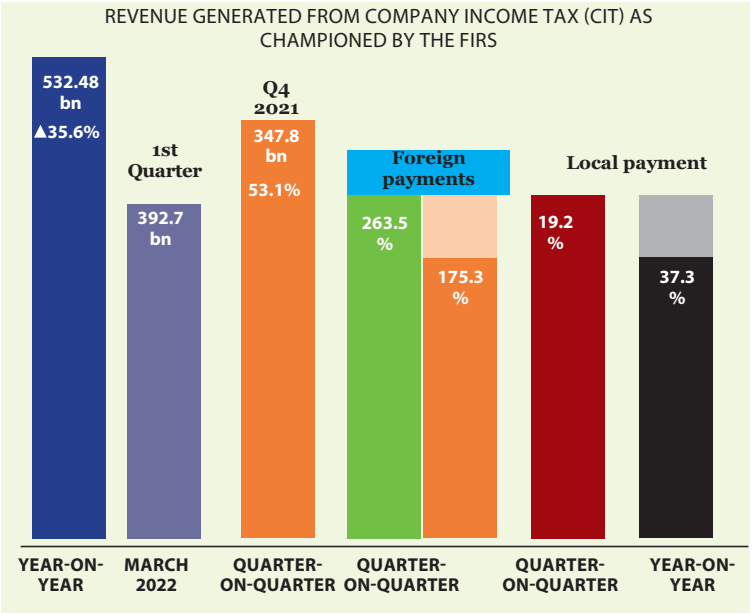
The amendments were primarily aimed at addressing ambiguities and providing clarity to certain provisions in the existing laws, as applicable to business activities in Nigeria. They also provided for the Federal Inland Revenue Service (FIRS) the enabling provisions to drive tax collection.

However, the recent figures released by the National Bureau of Statistics (NBS) show that the Finance Act has pushed financial gains for the country from non-oil sector to an appreciable level.

According to the bureau, revenue generated from Company Income Tax (CIT) as championed by the FIRS, has continued an uptrend, rising by 35.6 percent Year-on-Year (Y/Y) to N532.48 billion in the first quarter ended March 2022 (Q1'22) from N392.7 billion in the corresponding period of 2021, Q1'21.

The increase follows the renewed drive by the federal government to bolster its revenue through increased collections from non-oil sources on the back of the new Finance Act as well as significant post-COVID-19 economic recovery.

Breakdown of data from the NBS also showed the figure rose by 53.1 percent quarter-on-quarter (Q/Q) from the N347.8 billion generated in Q4'2021.



Analysis of the Q1'22 data showed that foreign CIT payments amounted to N323.4 billion, while the local payments amounted to N209.1 billion, representing 60.7 percent and 39.3 percent respectively, of the total CIT numbers.

More details show that foreign CIT payments recorded a 263.5 percent Q/Q increase and a 175.3 percent Y/Y increase while local payments declined by 19.2 percent Q/Q but increased 37.3 percent Y/Y.

Meanwhile, financial experts have projected further rise in CIT collections on the back of recovery in the economy, while attributing the surge in Q1'22 CIT to extension of coverage of non-resident companies (NRC) with significant economic presence in Nigeria.

According to analysts at United Capital Plc, the growth in company tax collected appears to show fruits of the recently amended CIT law as part of the 2021 Finance Act which became effective January 2022.

In addition, it reflects sustained post-pandemic recovery in economic activities underpinned by stronger consumer demand."

Going forward, they said: "We remain bullish on CIT collections in FY-2022. The NRC coverage expansion continues to drive strong collections, softening the impact of weaker local CIT collections. In addition, we anticipate local collections will improve as the economy sustains the impressive growth it started the year with."

DMO Releases Calendars For FGN Bonds, Targets N70bn In Q3

By Kirk Obed

The Debt Management Office (DMO) has offered for subscription more federal government bonds at N1000 per unit.

This is as it released 'FGN Bond Issuance Calendar For Third Quarter, 2022'.

The calendar also shows that the DMO will re-open nine previously issued FGN Bonds between July and September.

According to the calendar, on July 18, the DMO will re-open a 13 percent, March 2025 FGN Bond valued at between N70billion to N80billion.

According to information on its official website, DMO announced that the subscription for the two-year FGN Savings Bond is due in July 14, 2023 with interest rate of 8. 35 percent per annum.

There is also a three-year FGN Savings Bond due in July 14, 2024, at 9.35 percent interest rate per annum. Opening date for subscription was July 5, closing date was put on July 9, while coupon payment dates are July 14, October 14, January 14, April 14, July 14.

The offer comes at N1,000 per unit subject to a minimum subscription of N5,000 and in multiples of N1000 thereafter, subject to a maximum subscription of N50 million.

The DMO assured that the Bonds qualify as securities in which trustees can invest under the Trustee Investment Act.

"They qualify as government securities within the meaning of Company Income Tax Act (CITA) and Personal Income Tax Act (PITA) for Tax Exemption for Pension Funds, among other investors.

"They are listed on The Nigerian Stock Exchange (SEC) and qualify as a liquid asset for liquidity ratio calculation for banks," it stated.

It added that they are backed by the full faith and credit of the federal government and charged upon the general assets of the country.

On the N70billion expected in the Q3 of this year, the calendar shows that the DMO will re-open nine previously issued FGN Bonds between July and September.

According to the calendar, on July 18, the DMO will re-open a 13 percent, March 2025 FGN bond valued at between N70billion to N80billion. It has a maturity date of two years, eight months, with original 10-year tenor.

Also on July 18, the DMO will re-open a 12.5 percent, April 2032 FGN bond valued at between N70billion to N80billion. It has nine years, nine months term-of-maturity; with 10-year original tenor.

The office will, again, re-open a 13 percent, Jan. 2022 FGN bond valued at between N70billion to N80billion on the same date. It has 19 years, six months term-of-maturity, and an original tenor of 20-year.

On Aug. 15, the DMO will re-open the 13.53 percent, March 2025 FGN bond, valued at between N70billion to N80billion, with two years, seven months as term-of-maturity. It has an original tenor of 10-year.

On the same date, it will re-open the 12.50 percent, April 2032 FGN bond, valued at between N70billion to N80billion; with term-of-maturity of nine years, eight months. It has a 10-year original tenor.

Again, on August 15, it will re-open the 13 percent, 2042 FGN bond, valued at between N70billion to N80billion; with 19 years, five months as term-of-maturity. It has a 20-year original tenor.

The calendar also shows that on Sept. 19, the DMO will again re-open the 13.53 percent, March 2025 FGN Bond, valued at between N70billion to N80billion. It has two years, six months term-of-maturity and 10-year original tenor.

Again, on Sept 19, the DMO will re-open 12.50, April 2032 FGN bond valued at between N70billion and N80billion, with nine years, seven months as term-of-maturity. It has a 10-year original tenor (length of time).

On the same date, the office will, again, re-open the Jan. 2042 FGN bond valued at between N70billion to N80billion; with 19 years, four months as term-of-maturity. It has original tenor of 20-year.

The re-opening of a bond issue refers to issuing additional amounts of a previously issued bond.

Re-opened bonds have the same maturity date and interest rate as the original bonds, but they are sold on different dates and usually at a different price. The DMO, however, said that the calendar was provisional and could be subject to change at short notice.

'FGN Bond Issuance Calendar For Third Quarter, 2022'

Date of Bond	Interest rate/ annum	Date of Bond	
July 18, the DMO will re-open, March 2025	13%	Aug. 15, the DMO will re-open, March 2025 FGN bond	13.53%
FGN Savings Bond due in July 14, 2023	8.35%	August 15, it will re-open, 2042	13%
Three-year FGN Savings Bond due in July 14, 2024	9.35%	Sept. 19, the DMO will again re-open, March 2025 FGN Bond,	13.53%
July 18, the DMO will re-open, April 2032	12.5%	Sept 19, the DMO will re-open, April 2032 FGN bond	12.50%

Value

NCDMB Unveils Framework For Monitoring Oil, Gas Development

By Albert Egbede

The Nigerian Content Development and Monitoring Board (NCDMB) has unveiled seven ministerial regulations that will provide a proper framework for monitoring the implementation of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act.

The regulations were approved by the Minister of State for Petroleum Resources, Mr. Timipre Sylva, in April 2021 and were publicly unveiled at the Nigerian Content Seminar held at the recently concluded 2022 Nigerian oil and gas conference in Abuja.

The Executive Secretary of the NCDMB, Engr. Simbi Kesiye Wabote, explained that the regulations were made in line with section 40 of the NOGICD Act, which empowers the Minister to make them with a view to establishing the minimum standards in facilities, personnel, and technology for training in the oil and gas industry.

He noted that the regulation on training in the Nigerian oil and gas industry provides for "the minimum standards, facilities, personnel, and technology for training in the oil and gas industry and modalities for involving operators and service providers as partners in training and development", while the regulation for the further growth of indigenous capacity sets out targets to ensure full utilisation and steady growth of indigenous companies engaged in exploration, seismic data processing, reservoir studies and other facilities.

He added that the regulation for the Further Growth of Indigenous Capacity reinforces the principle of First Consideration for Nigerian-made goods and services and details compliance waiver management and the deployment of capacity development initiatives (CDIs) as a tool for the growth of indigenous capacity.

He also explained that the third regulation which borders on the registration of oil and gas professionals with Nigerian professional bodies stipulates the requirements for any operator or company or professional employee, including expatriates, engaged for any professional service within the industry to register with relevant professional bodies.

Similarly, he explained that the regulation for the establishment of operations in Nigeria 2021 requires an operator to set up facilities or other operations within Nigeria for the purposes of carrying out any services otherwise imported into Nigeria. This particular regulation, he said, "is meant to fully involve the operators in the eradication importation of goods by jointly developing CDIs to close identified gaps and stipulates the procedure for securing tax and other fiscal incentives for compliant operators."

The Executive Secretary further explained that the regulation for Nigerian oil and gas industry technology transfer promotes the development of technology in the Nigerian oil and gas industry through the transfer of technology to Nigeria and to establish guidelines, standard and methods for such technology transfer.

Furthermore, the regulation for Nigerian oil and gas research and development provides the requirements and targets for the growth of research and development in the Nigerian oil and gas industry. He stated that "the regulation stipulates the power of the Board to regulate research, supervise research clusters and centres of excellence, protection of intellectual property, partnership for research and development, implementation of research findings, and funding of research and development."

Providing more details, Wabote explained that the regulation for Nigerian oil and gas industry enforcement and compliance provides for direct sanctions for breach, without the need to apply section 68 of the Act that would have required a criminal trial.

He stressed: "This regulation addresses failure to submit Nigerian content plan, failure to obtain certificate of authorisation, failure to give first consideration and comply with minimum Nigerian content, expatriate quota violations, failure to submit mandatory information and documents, failure to make remittance to the Board on any contract awarded, failure to engage Nigerian legal practitioner firm, failure to retain the services of a Nigerian financial institution, operators liability, the liability of directors and officers of a company, liability of third parties, and several others."

Speaking in a panel session on the implementation of the enforcement and compliance regulation, the Head Legal Services Directorate of NCDMB, Barr. Naboth Onyesoh, explained that regulations are subsidiary legal instruments made by the executive arm of government or by its ministries, departments, and agencies (MDAs) to support the implementation of their enabling law. He added that Nigerian content regulations have direct nexus with sections of the NOGICD Act and are designed to support the Board in the implementation of key sections of the Act.

The NCDMB also used the Nigerian Content Seminar to present the Oil and Gas Insurance Guidelines developed in collaboration with the National Insurance Commission (NAICOM), to guide the insurance of assets and liabilities in the oil and gas industry.

Sections 49 and 50 of the NOGICD Act require players in the Nigerian oil and gas activities to engage local insurance companies for insuring their assets and liabilities.

Unveiling the guidelines in company of the Commissioner for Insurance, National Insurance Commission (NAICOM), Mr. Sunday Thomas, the Executive Secretary stated: "The guidelines will contribute significantly towards promoting the development of insurance services in-country and driving the retention of financial spending in Nigeria thereby contributing towards reversing capital flight.

In his words: "The guideline will also help to create a database of all insurance programs procured by operators, project promoters, alliance partners, and Nigerian indigenous companies, to enable the Board to monitor utilisation of in-country insurance capacity."

He emphasised, "any in-country value retention realised from the insurance sector will further enhance the delivery of our 70 percent Nigerian Content target by the year 2027."

He hinted that the goal of the regulations and guidelines is not to create additional impediments but to create job opportunities and in-country value retention to address threats to the socio-economic stability.

The 2022 NOG conference and exhibition started on Sunday with an invitational golf tournament sponsored by the NCDMB and held at the IBB Golf and Country Club, Abuja. The tournament featured golfers from the oil and gas sector and friends of the industry. The tournament was the second edition sponsored by the Board. Then the Executive Secretary stated that the goal was to warm up all attendees to the conference. He noted that the NOG was a gathering of all oil and gas practitioners, operators and contractors and stakeholders. "So, we start the conference with a golf tournament to warm up everybody. The intent is also to bring alive the game of golf, to make it popular among oil and gas workers because they work hard. "We want to encourage them to play golf to keep fit."

NEWS IN PICTURE

President Muhammadu Buhari, who led Nigerian delegation to International Development Association (IDA) 20 Meeting in Dakar, in company of Nigerian Ministers - The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed** (R), Honourable Minister of Foreign Affairs, **Geoffrey Onyeama** (M), and Honourable Minister of Industry, Trade and Investment, **Otunba Niyi Adebayo -** was recently conferred with the highest national honour of the Republic of Senegal, "L' Ordre National De Lion Senegal (The National Order of the Senegal Lion), by Senegalese President, **Mr. Macky Sall**.

NEWS IN PICTURE

Nigeria First African Country To Develop Detailed Energy Transition Plan – Ahmed

■ World Bank Commits $1.5 bn Towards The Target

By Jennet Ugo Anya

Nigeria is the first African country to develop a detailed Energy Transition Plan which addresses both climate change mitigation and energy poverty, according to the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed.

Making this disclosure at the launch of the IDA 20 for Africa in Darkar, Senegal not long ago, she recalled that as a result of the plan, at COP26 in Glasgow, she had announced Nigeria's commitment to carbon neutrality by 2060.

The energy transition plan, according to her, has defined pathways for low-carbon development of energy systems across five key sectors: power, cooking, transport, industry, and oil and gas.

In addition, "the plan is anchored by three key objectives: Lifting 100 million people out of poverty and driving economic growth, bringing modern energy services to the full population, and managing the long-term job loss in the oil sector expected due to global decarbonisation.

Mrs. Ahmed stated: "While the expected job losses in the oil and gas sector are considerable, Nigeria's net-zero pathway will result in appreciable net job creation with up to 340,000 jobs created by 2030 and up to 840,000 jobs created by 2060 driven mainly by the power, clean cooking, and transport sectors.

R-L: **Mrs. Zainab Ahmed,** Honourable Minister of Finance, Budget and National Planning, **Geoffrey Onyeama,** Honourable Minister of Foreign Affairs, **Otunba Niyi Adebayo,** Honourable Minister of Industry, Trade and Investment, in a chat with Senegalese President, **Mr. Macky Sall,** during International Development Association (IDA) 20 Meeting in Dakar.

"In addition, the energy transition plan recognises the role natural gas must play as a transition fuel in establishing baseload energy capacity, supporting the integration of renewables on the grid, and addressing Nigeria's clean cooking deficit in the form of liquefied petroleum gas (LPG).

"This presents the opportunity to commercialise more domestic gas in the short term, with a strong long-term decrease.

According to her, this audacious plan for delivering Nigeria's net-zero target requires $1.9 trillion spending up to 2060, including $410 billion above business-as-usual spending.

She said: "This additional financial requirement breaks down to $150 billion net spend on generation capacity, $135 billion on transmission and distribution infrastructure, $79 billion on buildings (cooking), $21 billion on industry, $12 billion on transport and $12 billion on oil and gas decarbonisation.

She also disclosed that since its unveiling after COP26, the Nigeria Energy Transition Plan has been approved by the Federal Executive Council (FEC) and adopted as national policy. An energy transition implementation working group chaired by the Vice President, Professor Yemi Osinbajo, and comprising several key ministers has also been established.

"Our immediate priority is to kickstart the implementation of the energy transition plan by securing an initial $10 billion investment package ahead of COP27. The World Bank has already committed $1.5 billion towards this target.

"We have also continued to advocate globally for the just and equitable transition, and a Nigerian delegation led by the Minister of State for Power recently contributed to defining the Kigali Communique, which details out seven principles of a just transition for Africa, including the adoption of a modern energy minimum and investments in gas for power and clean cooking.

Infrastructural Deficit: Sovereign Sukuk Bond Over Subscribed, Highest Since 2017

By Majeed Salaam

The N250 billion Sovereign Sukuk listed in Nigerian Stock Exchange (NSE) Limited and the FMDQ Securities Exchange, meant to address Infrastructural deficit, has been oversubscribed.

The Debt Management Office (DMO) had listed the Sovereign Sukuk which, according to the Office, overshot the projection.

"This made it the highest subscription recorded since the first Sukuk issuance in September 2017," the Office said.

Proceeds from the Sovereign Sukuk, which was heavily oversubscribed, were meant for the execution of infrastructural projects across the country.

Sukuk refers to investment certificates or notes which evidence proportionate interest in ownership of tangible assets, usufructs and services or investment in the assets of particular projects or special investment activity that adhere to the principles of Shariah.

The Sukuk market is currently attracting attention globally. It is expected that it will continue to attract more attention, especially from some of the world's largest institutional investors who may consider Sukuk as the most effective way of investing in emerging markets and diversifying their investment portfolios in Nigeria.

In the coming years, more Sukuk issuances from multi-national corporations will likely surface, especially those with significant operations in the Muslim societies. In November 2009, in an attempt to diversify its source of financing, General Electric (GE), a company ranked in Fortune 500, became the first global multinational corporation entrant into the Sukuk market, with a $500 million issuance to investors in the Middle East, Asia and Europe. Since then, more multi-national have followed suit.

According to the Global Sukuk Market Dashboard issued by Fitch Ratings, the global outstanding Sukuk as of the third quarter of 2021 is approximately $775.4 billion. Sukuk supply is expected to rise in the first quarter of 2022 after it showed strong growth during 2021, supported by strong investor appetite and issuers' refinancing and funding diversification needs.

The basic principle behind Sukuk, popularly known as an Islamic or Shariah-compliant 'Bond', is that the holder has an undivided ownership right in a particular asset and is therefore entitled to the return generated by that asset.

As a component of Islamic finance, Sukuk is a non-interest-based investment and financing instrument but its application is not restricted to Muslims as it conforms to ethical standards and justice.

In Nigeria, Sukuk bonds are a viable investment option and are beginning to gain more investors' attention and confidence.

The DMO recently listed the N162.557 billion ($292 million), seven-year, government Ijarah Sukuk with a rental rate of 11.20 percent on the floor of the Nigerian Exchange Limited and FMDQ Securities Exchange Limited, which further confirms the viability of Sukuk as a financing option.

The approximately 90 million Muslims residing in Nigeria create a reasonable mass for Islamic Finance in the retail, corporate and SME landscape, all of which could help grow both corporate and sovereign Sukuk issues in Nigeria.

Also, on 28 October 2021, the National Pension Commission (PenCom) announced the introduction of the non-interest fund and issuance of its operational framework for the non-interest fund.

The introduction of the non-interest fund is in furtherance of the commission's objective to provide diverse investment portfolio options, and to meet the increasing demand by pension contributors and retirees to invest in non-interest ethical instruments.

Based on the regulation on investment of Pension Fund Assets issued by the commission in 2019, pension fund administrators are permitted to invest pension fund assets under their management in Sukuk and other Shariah non-interest compliant instruments registered with the SEC.

Meanwhile, according to the DMO, the listing is done to maximise market liquidity for investors in the Sovereign Sukuk.

How CBN Is Tackling Cybercrime In Nigeria's Financial Sector

Sheds More Lights On Adoption of NQR Payment System

*In a bid to ensure soundness of the financial system in the country, the Central Bank of Nigeria (CBN) is developing robust strategies to rid the system of cybercrime. Our correspondent, **Musa Ibrahim**, writes.*

As part of its regulatory functions, the CBN recently released a risk-based cybersecurity framework and guidelines for other financial institutions (OFIs).

The rationale behind the move by the CBN comes on the hills of recent increase in the number and sophistication of cybersecurity threats against financial institutions.

Accordingly, the CBN set January 1, 2023 as the effective date for full compliance with the provisions of the guidelines.

The bank said that the directive became mandatory for institutions to strengthen their cyber defenses, if they were to remain safe and sound.

The circular signed by the CBN Director, Other Financial Institutions (OFIs) Department, Nkiru Asiegbu, was addressed to all OFIs under the regulation of the banking sector.

The apex bank added that the guidelines represented the minimum requirements to be put in place by all OFIs.

The regulator stressed that the safety and soundness of OFIs required that they operate in a safe and secure environment. Hence, the platform on which information is processed and transmitted should be managed in a way that ensures confidentially, integrity and availability of information as well as the avoidance of financial loss and reputation risks, among others.

The CBN noted that considering the reliance of financial institutions on information and communications technology (ICT) to operate their business and the rising incidences of cyber threats and attacks targeted at financial institutions, it became necessary to implement cybersecurity measures against those risks.

The bank specifically noted that threats including ransomware, targeted phishing attacks and advanced persistent threats (APT) had become prevalent, demanding that financial institutions boost cyber resilience as well as take proactive steps to secure their critical information assets to ensure their safety and soundness.

The objective of the guidelines is to, among others, create a safer and more secure cyber environment that supports information system security and promote stability of the OFI sub-sector.

It also seeks to promote and maintain public trust and confidence in the sub-sector as well as contribute towards the prevention and combating of cybercrime in the OFI sub-sector.

Essentially, the framework provides a risk-based approach to managing cybersecurity risk and consists of six parts including cybersecurity governance, and oversight, cybersecurity risk management system, cyber resilience assessment, cybersecurity operational resilience, cyber-threat intelligence and metrics monitoring and reporting.

The document further spelt out the roles of board of directors in relation to cybersecurity as well as appointment and responsibilities of the chief information security officer (CISO), among others.

In another development, CBN has explained the security and safety of using the Nigeria quick response (NQR) payment option in financial transactions as an indigenous secure QR-Code-Based payments and collections solution.

According to the CBN, the NQR payment is powered by Nigeria Inter-Bank Payment Settlement System (NIBSS) on behalf of the financial services industry while being regulated by the CBN which released the operational guidelines/framework in January 2021 ahead of the launch date.

NQR payment solution is primarily designed for merchants and customers to facilitate hitch-free receipts and payments for goods and services in Nigeria as well as promote peer-to-peer (P2P) payment.

According to NIBSS, the account-based transaction platform unifies all available closed QR code schemes in the country for consistent user experience and acceleration of digital adoption. It is easier, better, and simpler to effect contactless transactions with the NQR. In addition, this platform gives instant time value for money for merchants.

> ...the account-based transaction platform unifies all available closed QR code schemes in the country for consistent user experience and acceleration of digital adoption

Historical information affirms that the reliability, safety, and trust reposed on NIBSS in the operation of the NQR platform on behalf of the financial sector is guaranteed by its long-standing successes in secured digital technology. NIBSS, which commenced operation in June 1994 but incorporated in 1993, has operational experience of almost three decades and has put in place modern world-class infrastructures for handling inter-bank payments to ensure interoperability and interconnectivity across the Nigerian payment industry.

According to the CBN, for users to pay with NQR, there are four simple steps to get started: "Login into your mobile banking app on your smartphone, locate and click on 'payments', then select 'QR payment'. Scan the QR Code provided by the merchant. After confirming the beneficiary's name and amount, input your PIN and the merchant receives the value instantly," the CBN said.

"In addition to merchant and customer transactions, NQR payment is useful in paying bills like school fees, etc., and for P2P money transfers; the procedure follows the same simple pattern/process. A key feature in the use of NQR is that the user incurs the least transaction cost. In addition, with the use of NQR, merchants/sellers and customers/buyers of goods and services are afforded many advantages over the use of other e-payment platforms.

"Some of those advantages include zero cost of on-boarding the platform, immediate notification on transactions made, absence of dispute on transactions effected, as reconciliation is instantaneous which gives instant time value for money for business owners," the CBN further explained.

According to Premier Oiwoh, Managing Director/CEO of the NIBSS, the essence of the NQR solution is to deepen financial inclusion and further stimulate the cashless society. For him, the use of the NQR code is not restricted to the educated and urban dwellers. It also serves the needs of the uneducated and rural dwellers as long as the user is able to operate his or her bank's mobile app or even use the unstructured supplementary service data (USSD) option.

According to Oiwoh, some of the unique attributes of NQR is its simplicity. It is available in all the banks and the ability for the user to secure his or her account number since all that is required is to scan the NQR code, authenticate, pay and the receiver gets instant value.

Speaking on the NQR payment solution, Oiwoh had emphasised that the platform will cut down the cost of access to financial services for the banking populace, and further deepen drive for financial inclusion.

"With more people being able to pay for goods and services with just their smartphones, the NQR payment is about recreating the Nigerian payment experience whilst deepening financial inclusion in the country," he had said.

Nigeria Celebrates MSMEs Day, Focuses On Technology Adoption

As DBN Moves To Empower Some MSMEs In Nigeria

By Edmond Martins

On June 27 of every year, Nigerians mark the global Micro, Small, And Medium Enterprises (MSMEs) Day, which is designated by the United Nations (UN) General Assembly to reiterate the fact that small enterprises provide sustainable development goals, encourage innovation, provide employment to millions, and are essential for the economic sustainability of every country.

The theme of this year's World MSME Day is "Resilience and Rebuilding: MSMEs for Sustainable Development."

Global experts have not only recognised the day as a way forward for considering MSMEs as major contributors to the world economy, but also indulge MSMEs in digital inclusion and visibility.

In commemoration of the World MSME Day, the federal government announced a plan to establish at least one Shared MSMEs facility in every state of the federation.

With over five shared facilities currently in operation, the project is said to help improve engagements between government and MSMEs, to contribute more to Gross Domestic Product (GDP) and inspire prospective business owners to strive for excellence.

The project, as outlined, provides MSMEs with affordable shared access to essential amenities such as power, high quality operating equipment, and broadband connectivity, as government works to reduce the cost of operation of small businesses across the country. The project is applicable to all MSMEs, which are free to participate in the scheme.

In the light of this, Director-General (DG) of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Olawale Fasanya, related how the government further plans to focus more on startups in the agricultural sector and women-led enterprises in Nigeria in order to enhance its economic diversification policy.

He said: "As the world marks the 2022 MSME Day, we remain determined in strengthening MSMEs and startups, particularly in agriculture, agro-based industries, as well as youth and women-led enterprises".

With all these supports and encouragements, it is important to note that in this digital age, the incorporation of MSMEs into Nigeria's digital ecosystem is unavoidable for sustainable development.

MSMEs are business entities that have about 75 employees or fewer. In addition to employing a large percentage of labour in Nigeria, the sector has also been able to drive inventions leading to an increase in job creation, while also highlighting the important role of technology in economic growth.

With technological advancement and the internet penetration in Nigeria, it is evident that the awareness around MSMEs has increased, but they still need more engagement. As consumers migrate to the internet for everything; from gifts to groceries, companies/businesses with physical storefronts are now also creating online stores to extend their visibility and reach target markets beyond their local communities.

Through internet-assisted marketing, small businesses can access available funds, communicate with their clients via emails, blogs, social networks, and forums. Using the instant connection, micro-business owners can immediately apply customer feedbacks to their businesses, as soon as possible.

Creative sector enterprises such as crafters, clothing and accessories designers, and painters have found it a lot easier to set up online stores rather than invest in expensive storefronts. However, when small businesses adopt new technologies in their processes, they are required to train their employees to take advantage of business opportunities.

Apart from MSMEs, startups such as Wardchat and Myclinic.ng have digitalised the Nigerian electoral process and medical/clinical consultation, even as more industries are leveraging digital technology to reach out to a larger audience and activate change.

Technology has a huge effect on the ability of businesses and governments to harness natural resources and use them in the most effective ways possible to benefit themselves and the economy. This is why Nigerian technology agencies need to sustain awareness campaigns for MSMEs to adopt the use of technology aimed at facilitating the digital economy.

Meanwhile, international tech giants like Google, through partnerships with public and private sector organisations created programmes to provide MSMEs access to support in the areas of funding, training, and networking, to expose them to the necessary knowledge and expertise to actively participate in the global market place.

The National Information Technology Development Agency (NITDA), SMEDAN and other stakeholders within the tech innovation industry must raise awareness on digital tools, training, and capacity-building programmes to motivate MSMEs to embrace innovative but cost-effective digital technologies.

Digital connectivity should be strengthened to help MSMEs to acquire technical and networking skills virtually/online without having to travel out of their immediate locations.

In another development, the Development Bank of Nigeria (DBN) Plc recently hosted its second Micro, Small, and Medium Scale Enterprises (MSMEs) Summit in Kano where it advocated financial inclusion for MSMEs.

This was in line with its mandate of providing access to finance to small businesses in Nigeria.

The choice of Kano was informed by the economic importance of the great city to commercial activities in northern Nigeria.

The event was themed "The Role of Development Bank In Inclusive Financing.

The Managing Director/CEO of DBN Plc, Mr. Tony Okpanachi, in his opening remarks accentuated the importance of the MSMEs to the socio-economic development of the region and the country.

He said: "It has become imperative for us to pull resources together and channel collaborative efforts towards building the capacity of the MSMSE as a way of revitalising their operations to address the challenge of access to finance. This will guarantee their growth and boost the economic potentials of this critical sub-sector."

Mr. Okpanachi stated: "The summit is one of DBN's stakeholder engagement strategies aimed at creating awareness around our mandate of providing access to finance, capacity building, and partial credit guarantees to the MSMEs in Nigeria.

This is important because they play a crucial role in accelerating economic growth through poverty alleviation, job and wealth creation."

He also said: "According to the Nigeria Bureau of Statistics (NBS), small and medium-scale enterprises (SMEs) in Nigeria have contributed about 48 percent of the national Gross Domestic Product (GDP) in the last five years. With a total number of about 17.4 million, they account for about 50 percent of industrial jobs and nearly 90 percent of the manufacturing sector".

He added: "Though significant growth has been achieved in the MSME sector, there is still much to be done. Kano plays a major economic role in the northern business terrain and the challenges that MSMEs have to contend with are not different from those faced internationally. They include access to finance, value chains, and markets. A PricewaterhouseCoopers (PwC) report in 2020 identified obtaining finance, finding customers, and infrastructure deficits as the most pressing problems of MSMEs in Nigeria".

The Kano State Governor, Abdullahi Umar Ganduje, represented by the Head of Service, Alhaji Usman Bala Mohammed, shared his goodwill message at the summit, noting that the summit coincided with the Kano State's development plan aimed at accelerating industrial growth which in turn would provide an enabling environment for commerce to thrive and for the economy to grow.

He urged entrepreneurs to take full advantage of the summit to seek solutions to their business challenges.

Buhari Appoints Substantive Executive Secretary For NIPC

■ As Commission Partners Turkey In Boosting FDI

By Ahmed Ahmed

President Muhammadu Buhari has approved the appointment of Hajiya Saratu Umar as Executive Secretary/Chief Executive Officer (CEO) of the Nigerian Investment Promotion Commission (NIPC) for a period of five years.

Umar takes over from Mr. Emeka Offor who has been in acting capacity for about 10 months now.

This was disclosed in a statement issued by Mr. Garba Shehu, media aide to the President recently.

Hajiya Saratu Umar holds a Bachelor of Science (BSc.) degree in Economics from the Ahmadu Bello University (ABU) and an MBA in Finance and Banking.

"She is trained locally and internationally in all core aspects of her career, as well as in leadership, strategy, general management, risk management and corporate governance.

"Saratu Umar is a technocrat, reformer, strategist, economist, investment promotion expert, export development specialist, with experience in banking and finance, investment and consulting segments of the public and private sectors of Nigeria," the statement said.


President Muhammadu Buhari


Hajiya Saratu Umar

Umar's appointment comes several months after Yewande Sadiku, the former CEO and Executive Secretary of NIPC stepped aside, after completing a five-year tenure.

Sadiku had handed over to the most senior director of the Commission, Mr Emeka Offor, on Friday, 24th September 2021.

She was also cleared by the Independent Corrupt Practices and Other Related Offences Commission (ICPC) of all allegations of corruption and fraud earlier levelled against her.

In another development, the NIPC and the Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) have opened talks with the Foreign Economic Relations Board of Turkey (DEiK) towards attracting Turkish investments in energy, food processing, fintech, project financing, health and PPPs.

The collaboration was conceived during the recent D-8 Summit held in Istanbul, Turkey.

Consisting of 149 Business Councils, 141 Bilateral Business Councils, 6 Sector-specific Business Councils and two Special Purpose Business Councils, DEIK is the Turkish Board assigned to organise and manage the foreign economic relations of the Turkish private sector, in particular, with respect to foreign trade, international investments, services, contracting and logistics, amongst others.

During the talks, the three parties agreed to partner in staging quarterly Business Investment Forums across Turkey to further acquaint the Turkish business community with Nigeria's investment opportunities.

NIPC is to further facilitate the smooth entry of the Turkish investors into the Nigerian economic space, provide aftercare services to Turkish businesses already operating in the country as well as formulate a roadmap for 2022 and 2023 to ensure robust engagement and sensitisation of the Turkish business community on the country's investment prospects.

The commission will also initiate the memorandum of understanding (MoU) that will kickstart the process.

The D-8 Summit attracted participation from seven economic ministers, all investment promotion agencies of the member nations, and NACCIMA, representing Nigeria's private sector, among other top government officials.

In Response To Public Concern, FIRS Extends CIT Filing To August 31

■ As Nami Tasks Professional Bodies On Standards ■ Receives Representatives Of Ibrahim Babangida University

By Anita Dennis

In response to public concern, the Federal Inland Revenue Service (FIRS) has extended the filing of Companies Income Tax (CIT) Returns for the 2022 Year of Assessment, due on June 30, 2022 to August 31, 2022.

The move by the FIRS is to enable companies who were unable to meet the deadline to file their Companies Income Tax (CIT) returns for the 2022 year of assessment.

The extension of the deadline was contained in a statement issued by the Executive Chairman, Mr. Muhammad Nami, recently.

He said that the decision was taken after receiving "numerous calls from companies for the extension of time to submit the Companies Income Tax (CIT) returns for 2022 year of assessment falling due on 30th June 2022."

"As a measure of goodwill by the service and in line with relevant provisions of the Companies Income Tax Act, it had directed that all companies whose companies income tax returns for 2022 year of assessment, that falls due between 30th June and 31st August, 2022 (both days inclusive), were given up to 31st August, 2022 to submit their returns to the Service," Mr. Nami said.

The chairman described the extension as "a one-off gesture by the service for only the 2022 year of assessment on company income tax returns" and that companies who filed within this period of extension would not be subjected to late filing penalty or interest for late payment.

"The relevant company income tax returns shall, therefore, not attract late filing penalty or interest for late payment if submitted to the service on or before 31st August 2022.

"Where relevant company income tax returns are not filed by the extended date, penalty and interest for late payment shall be computed from the original due date and not the extended date;" he said.

Mr. Nami, however, explained that the extension only applies to the filing of companies income tax returns and did not extend to other taxes.

He said: "This extension of filing date is only for CIT and does not include returns for withholding tax, value added tax (VAT), personal income tax (PAYE), etcetera."

In another development, Mr. Nami recently called on professional bodies in the regulation of tax practice to lead conversations on matters of tax policy and tax laws in the country.

He made the call while hosting a meeting of the Council Members of the Chartered Institute of Taxation of Nigeria (CITN), the Institute of Chartered Accountants of Nigeria (ICAN), and the Association of National Accountants of Nigeria (ANAN) to discuss the implementation of an MoU on standardisation of tax practice recently.

While calling for a value-based leadership approach from the council members, Mr. Nami urged the professional bodies to work hand-in-hand with the service to deepen the FIRS institutional framework through qualitative reporting and effective representation of their clients.

"Our professional bodies need to speak on matters of tax policies and tax laws, especially on proposals to annual Finance Bills. We also urge you to help the service to deepen its institutional framework through quality reporting and effective representation of clients by our professional colleagues.

"We need to stem the tides in improving financial reporting to reduce the spate of 'copy and paste' financial reporting system as we experience today." Mr. Nami stated.

Speaking further, the FIRS Executive Chairman, who is also a Fellow of two of the three professional bodies, explained that on the part of the FIRS, the tax authority had adopted renewed strategies to tackle financial reporting concerns.

Mr. Nami noted that the FIRS had created new departments such as the intelligence, strategic data mining and analysis department, the special crimes department, the tax incentives management department and the emerging and special taxes department, which he stated are at the forefront of unravelling financial reporting issues through data mining.

Mr. Muhammad Nami, Executive Chairman, Federal Inland Revenue Service (R) with Vice Chancellor, Ibrahim Babangida University, **Professor A. K. Adamu** during the courtesy visit

He also noted that the FIRS alongside State Inland Revenue Services is collaborating with the National Identity Management Commission (NIMC) to build a databank to improve tax investigation.

Other strategies which he enumerated include the accreditation of tax consultants and auditors in the FIRS, the review of data from automatic exchange of information as well as increased enforcement actions.

The Presidents of the three bodies, Professor Benjamin Osisioma of ANAN, Mr. Tijjani Musa Isa of ICAN and Mr. Adesina Adedayo of the CITN commended Mr. Nami for showing leadership in pushing for and enabling a resolution of the squabbles between the three bodies.

While thanking Mr. Nami for his leadership, Professor Osisioma noted that failure to cooperate among the three bodies would lead to chaos in tax practice regulation in the country.

"If we fail to cooperate and collaborate, we would destroy what we are trying to build," he stated.

Meanwhile, Mr. Nami had expressed pleasure to receive, in a courtesy visit last week, representatives of the Ibrahim Babangida University, led by the Vice Chancellor, Professor A. K. Adamu.

"A major highlight of the visit, for me, was when the FIRS management was briefed that the University would be setting up a department of taxation to provide the much-needed professional manpower for the tax industry," he said.

In his words: "It is commendable and desirable. Taxation is crucial to the subject of national development. And given the current economic realities—oil revenue to the national purse is at zero—taxation must be taken more seriously than ever before. It is the most sustainable means of income for government.

"As at today, tax revenue contributes well-over 60 percent to the Federation Account Allocation Committee (FAAC's) money that is shared monthly. The proceeds of taxes are funding our critical infrastructure: airports, roads, paying salaries and allowances to workers at the federal, state and local government levels. I urge other universities to give the deserved relevance to the subject of taxation.

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COLOUR

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	557,916.68	41,843.76
H/P	316,462.50	23,734.68
Q/P	152,770.00	11,457.76
14.5x5	452,218.76	33,916.40
14.5x3	271,293.26	20,347.00
10x6	374,250.00	28,068.76
10x5	311,875.00	23,390.62
10x4	249,500.00	18,712.50
9x6	336,825.00	25,261.88
9x5	280,687.50	21,051.56
9x4	224,550.00	16,841.26
9x3	168,412.50	12,630.94
8x6	299,400.00	22,455.00
8x5	249,500.00	18,712.50
8x4	199,600.00	14,970.00
7x6	251,975.00	18,898.12
7x5	218,312.50	16,373.44
7x4	174,650.00	13,098.76
7x2	172,150.00	6,549.38
6x4	149,700.00	11,227.50
6x3	112,275.00	8,420.62
6x2	74,850.00	5,613.75
5x6	187,125.00	14,034.38
5x5	155,937.50	11,695.32
5x4	124,750.00	9,356.26
5x3	93,562.50	7,017.18
5x2	62,375.00	4,678.12
4x4	99,800.00	7,485.00
4x3	74,850.00	5,613.76
4x2	49,900.00	3,742.50
3x2	37,425.00	2,806.88
2x2	24,950.00	1,871.26
2x1	12,475.00	935.62
1x1	6,237.50	467.82

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	578,838.55	43,412.90
H/P	328,329.84	24,624.74
Q/P	158,498.88	11,887.42
14.5x5	234,558.65	35,183.80
14.5x3	284,858.44	21,364.38
10x6	388,303.80	29,122.78
10x5	323,586.50	24,268.98
10x4	258,869.20	19,415.20
9x6	349,473.42	26,210.50
9x5	291,227.85	21,842.08
9x4	232,982.28	17,473.68
9x3	174,736.70	13,105.26
8x6	310,643.04	23,298.22
8x5	258,869.20	19,415.20
8x4	207,095.36	15,532.16
7x6	271,812.66	20,385.94
7x5	226,510.55	16,988.30
7x4	181,208.44	13,590.64
7x2	90,604.22	6,795.32
6x4	155,321.52	11,649.12
6x3	116,491.14	8,736.84
6x2	77,660.76	5,824.56
5x6	194,151.90	14,561.40
5x5	161,793.24	12,134.50
5x4	129,434.60	9,707.60
5x3	97,075.95	7,280.70
5x2	64,717.30	4,853.80
4x4	103,547.66	7,766.08
4x3	77,660.74	5,824.56
4x2	51,773.84	3,883.04
3x2	38,830.38	2,912.28
2x2	25,886.92	1,941.52
2x1	12,943.46	970.76
1x1	6,471.72	485.38

BLACK AND WHITE

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	366,792.56	27,509.44
H/P	198,423.18	14,881.74
Q/P	95,782.00	7,183.66
14.5x5	283,950.60	21,296.30
14.5x3	190,000.00	14,250.00
9x6	234,993.60	17,624.52
9x5	176,245.20	13,218.4
9x4	140,996.16	10,574.72
9x3	105,747.12	7,931.04
8x6	187,994.88	14,099.62
8x5	156,662.40	11,749.68
8x4	126,329.92	9,474.74
7x6	164,495.52	12,337.16
7x5	137,079.60	10,280.98
7x4	109,663.68	8,224.78
7x2	54,831.84	4,112.38
6x4	93,997.44	7,049.80
6x3	70,498.08	5,287.36
6x2	70,498.08	5,287.36
5x6	117,496.80	8,812.26
5x5	97,914.00	7,343.56
5x4	78,331.20	5,874.84
5x3	58,748.40	4,406.14
5x2	39,165.60	2,937.42
4x4	62,664.96	4,699.88
4x3	46,998.72	3,524.90
4x2	31,322.48	2,349.18
3x2	23,499.38	1,762.46
2x2	15,666.24	1,174.96
2x1	7,833.12	587.48
1x1	3,916.56	293.74

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	435,178.08	32,638.36
H/P	254,538.96	19,090.42
Q/P	131,226.90	9,842.02
14.5x5	38,040.56	2,853.04
14.5x3	232,825.87	17,461.94
10x6	319,512.00	23,963.40
10x5	266,260.00	19,969.50
10x4	213,006.00	15,975.46
9x6	287,560.80	21,567.06
9x5	239,634.00	17,972.56
9x4	191,707.20	14,378.04
9x3	143,780.40	10,783.54
8x6	255,609.60	19,170.72
8x5	213,008.00	15,975.60
8x4	170,406.40	12,780.48
7x6	223,658.00	16,774.36
7x5	186,382.00	13,978.66
7x4	149,105.60	11,182.92
7x2	74,552.80	5,591.46
6x4	127,804.80	9,585.36
6x3	95,853.60	7,189.02
6x2	63,902.40	4,792.68
5x6	159,756.00	11,981.70
5x5	133,130.00	9,984.76
5x4	106,504.00	7,987.80
5x3	79,878.00	5,990.86
5x2	53,252.00	3,993.90
4x4	85,203.20	6,390.24
4x3	83,902.40	6,292.68
4x2	42,601.60	3,195.12
3x2	31,951.20	2,396.34
2x2	21,300.80	1,597.56
2x1	10,650.40	798.78
1x1	5,325.20	399.40

SPECIAL POSITION	Rate	Vat (7.5%)
FPS 6x2	1,291,193.44	96,839.50
BPS 6x2	923,375.00	69,253.12
STRIP (FRONT) 2X6	1,322,912.50	99,218.44
STRIP (BACK) 2X6	1,037,500.00	77,812.50
STRIP (INSIDE) 2X6	218,460.38	16,384.52
EARPIECE (FRONT) 2X2	517,094.30	38,782.08
EARPIECE (BACK) 2X2	405,145.10	30,385.88
EARPIECE (INSIDE) 2X2	240,000.00	18,000.00
CENTERSPREAD (FULL)	3,320,000.00	249,000.00
CENTERSPREAD (HALF)	1,992,000.00	149,400.00
CENTERSPREAD (STRIP)	594,300.00	44,572.50
DOUBLESPREAD	2,982,952.00	223,721.40

WRAP	Rate	Vat (7.5%)
FULL WRAP	41,500,000.00	3,112,500.00
10 X 6	28,620,690.00	2,146,551.76
HALF PAGE (FRONT)	20,800,000.00	1,560,000.00
5X6 (FRONT)	14,312,344.00	1,073,425.80
4X6 (FRONT)	11,448,274.00	858,620.56
2X6 (UNDER MASTHEAD	7,262,500.00	544,687.50
2X6 (FRONT POLITICAL)	1,560,000.00	117,000.00

LOOSE INSERT	
RATE PER 1,000 SHEETS	60,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00

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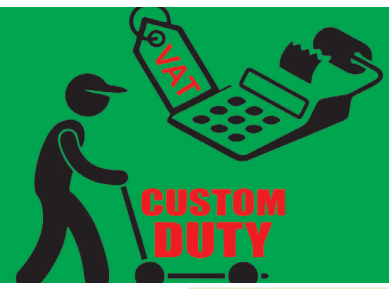

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POLICY BRIEF

with

ENAM **OBIOSIO**

Now That JTB, FIRS Are To Begin Full-Scale Enforcement On VAIDS Defaulters

Following the expiration of the amnesty through the Voluntary Assets and Income Declaration Scheme (VAIDS) of the federal government, the Joint Tax Board (JTB) in collaboration with the Federal Inland Revenue Service (FIRS) is about to commence a 'full-scale enforcement exercise' on defaulting taxpayers.

VAIDS which was launched on June 29 2017, is an initiative designed to encourage voluntary disclosure of previously undisclosed assets and income for payment of all outstanding tax liabilities between 2011 and 2016.

In a public notice titled 'Post-VAIDS Enforcement and Prosecution Exercise' and signed by Mr. Muhammad Nami, Executive Chairman of FIRS, who doubles as the Chairman of JTB, the tax agency states that a full-scale enforcement exercise, including prosecution, is to commence immediately on defaulting taxpayers who did not take advantage of the VAIDS.

"The JTB, in conjunction with the FIRS, is embarking on a full-scale enforcement exercise, including prosecution of those defaulting taxable persons who did not take advantage of the scheme," the notice read.

"The defaulting taxpayers will be assessed to tax by the relevant provisions of the tax laws."

Taxpayers who had outstanding tax liabilities which had previously been declared under the scheme are encouraged to pay up their outstanding liabilities immediately to avoid having the reliefs granted by the scheme withdrawn.

Recall that the VAIDS, Executive Order No. 004 of 2017, provided an opportunity for taxpayers who were in default of tax liabilities to voluntarily declare their assets and income, and pay taxes due on them, and in return obtain amnesty from prosecution, among other benefits for 12 months from the 1st of July, 2017.

The scheme also provided that upon taking advantage of the amnesty, tax reliefs such as immunity from prosecution for tax offences, immunity from a tax audit, waiver of interest, waiver of penalties and the option of spreading payment of outstanding liabilities over a maximum period of three years would be available.

The Executive Order, however, states that the consequence of failure to comply with the scheme would be met with liabilities for the offending taxpayer, including the liability to pay in full the principal sum, as well as to pay all penalties and interests that have arisen. This also includes a comprehensive tax audit for the taxpayer and withdrawal of reliefs granted.

This post-VAIDS enforcement and prosecution exercise is coming on the heels of a post-VAIDS stakeholders' webinar held on 6th June 2022 and organised by the FIRS.

During the webinar, the Service used the opportunity to explain to stakeholders, including consultants and taxpayers, the background and successes of the scheme.

Mr. Nami during the webinar noted that, according to data from the National Bureau of Statistics (NBS), over 68 million businesses were active in Nigeria, while less than 20 million of these were active taxpayers.

It is to be noted that VAIDS had in recent past helped Nigeria to raise some good amount of money; two years ago, the federal government made use of the VAIDS programme to raise over N70 billion from Nigerians.

Again, Nigerians have to remember that the VAIDS programme was launched to encourage individuals and companies yet to declare their assets and taxes to come forward without prosecution from the tax administrator. This was a strategy deployed by the government to widen the tax bracket in the country.

> It is to be noted that VAIDS had in recent past helped Nigeria to raise some good amount of money; two years ago, the federal government made use of the VAIDS programme to raise over N70 billion

Speaking on the essence of VAIDS programme, Ahmed said: "Data from the VAIDS tax amnesty programme has since generated over N70 billion in terms of tax revenue; in underpaid taxes and significantly increased the quantum of previously undeclared, but taxable assets."

The aggressive tax revenue gathering and federal government's tax reform are reportedly in favour of Nigerians. Mrs. Ahmed had even then stated that the majority of the revenue would be going to the state and local governments. While 15 percent of the capital is meant for the federal government, local governments are to get 35 percent and 50 percent is to go to the states.

Also recall that in 2018, the federal government had approved the issuance of a declaration certificate to taxpayers under the VAIDS.

Then the certificates were to be given to taxpayers who voluntarily declared their previously undisclosed assets and income. The certificate was customised for each state tax authority with several security features and was to be issued to the taxpayers upon submission of their declaration forms.

The federal government had then recovered about N30 billion from individuals and corporate establishments through the tax amnesty scheme. Accordingly, 90 percent of the amount was collected by the FIRS, while the remaining 10 percent was recovered by the states. Then the national taxpayers' database had increased from 14 million in 2016 to over 19 million in 2018.

Even in recent times, there is the optimism that the number would translate into a positive growth in the country's tax revenue to gross domestic product (GDP) ratio.

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