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Instead of Money, FG Should Rather Provide Services, Sundry Reliefs

EDITORIAL

There is certainly a consensus in Nigeria that the subsidy payments were not good and must be stopped.

The fundamental reason for the removal of fuel 'subsidy' was to generate 11 trillion naira for the financing of social services.

There was the notion that Dangote Refinery would have commenced operations almost immediately after its inauguration.

We should have poured all efforts to ensuring that the refinery came on stream in the shortest possible time. We just received confirmation from the company that the commencement period (July/August) for the first products of the refinery to hit the market is still on course.

As far as we are concerned, we see Dangote Refinery coming on stream as a game changer, which has the potential for making positive impacts on the fortunes of the economy with quick results.

There is, of course, the argument from some quarters that the refinery will not impact local pump price! Nigeria will supply crude for the refinery in naira and the refinery will sell products to Nigeria also in the local currency. Automatically the negative impact of exchange rates is out of the calculations. Other add on costs due to importation such as freight, insurance, demurrage will no longer apply. Even as we expect Dangote Refinery to sell to Nigeria at the going market rates in local currency, there is no way the pump price will not be drastically reduced.

We must also encourage the modular refineries to get serious with targeted incentives to commence operations. Though we have been assured that the maintenance of the Port Harcourt Refinery is almost completed,

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FIRS's Non-oil Tax Earnings Surpass Projection, N5.5trn Highest In Six-Months

• June N1.65trn Tax Earnings, Highest Monthly

By Jennete Ugo Anya

The revenue generation drive which started during ex-president Muhammadu Buhari administration is beginning to yield results as the Federal Inland Revenue Service (FIRS) has recorded increased tax collection in June this year.

FIRS earned N5.5 trillion in the first six months of the year of which N1.65 trillion was collected in June alone, the highest tax revenue ever collected by the Service in a single month.

Non-oil tax revenue exceeded projection for the first half of the year by N780 billion, climbing to N3.76 trillion of the total N5.5 trillion pooled by the FIRS for the period.

During the period also, the agency missed its expectation of oil tax revenue, falling short of the projection by N260 billion. FIRS projected N2.3 trillion but oil tax accrual was N2.03 trillion.

Mr. Muhammad Nami, Executive Chairman of the FIRS, said that the N5.5 trillion for the half-year was the highest tax revenue collection ever recorded in any first six months of a fiscal year.

Mr. Nami in his 2023-2024 tax revenue outlook presentation to the National Economic Council (NEC) at its meeting held recently at the Presidential Villa, Abuja, stated: "Tax revenue from the oil sector from January to June 2023, stood at N2.03 trillion, as against a target of N2.3 trillion; while non-oil tax collection stood at N3.76 trillion, as against a target of N2.98 trillion".

The presentation, which contained FIRS' 2023 Half-Year collection report, showed that the FIRS achieved over 100

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Mr. Muhammad Nami, Executive Chairman of FIRS

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How New Customs Act Will Boost Revenue Collection, Trade Facilitation PG 7

CBN Slashes Number Of BDC Operators To 2,991 In One Year

● Signs Agreement With Bank of Egypt on Fintech ● Extends Tenure of Bank Chief Executives to 12yrs

By Musa Ibrahim

The Central Bank of Nigeria (CBN) has released an updated list of Bureau de Change (BDC) dealers approved to operate in the country.

According to the list, the total number of approved BDC operators has reduced to 2,991.

The document titled 'Approved BDCs', obtained by *fmfinsights* show that the licences of 2,698 BDCs had been withdrawn.

In 2022, the CBN published a similar list in a document with reference: REF: FPR/DIR/PUB/CIR/001/037, titled, 'List of CBN licenced Bureaux De Change' as at December 31, 2021, where the CBN had approved 5,689 dealers.

Checks by *fmfinsights* show that the operators had grown from 74 in 2005 to 5,689 in 2021.

The number of BDCs grew by more than 100 percent under the suspended CBN Governor, Godwin Emefiele, who banned the sale of foreign exchange to BDCs over round tripping and involvement in illegal financial flows.

Under the new administration, a document titled 'Policy advisory council report: National economy sub-committee', advised an implementation of key reforms like raising the capitalisation for BDC operators.

Another suggestion by the council was that the CBN should allow the Nigerian banks to operate as the primary dealers to supply the forex market.

Mr. Folashodun Adebisi Shonubi, Acting Governor of Central Bank of Nigeria.

Deepening FinTech Collaboration With Bank of Egypt

Meanwhile, the CBN has signed a FinTech collaboration agreement with the Central Bank of Egypt.

This announcement was disclosed via the official Twitter handle of the apex bank.

The Deputy Governor of CBN, Mrs Aishah Ahmad, says the partnership would deepen cross-border regulatory collaboration, and information sharing, boost innovation and grow regional technology investments.

The agreement was signed during the 'Seamless North Africa 2023' conference at the Egypt International Exhibition Center in New Cairo, Egypt recently.

The Seamless North Africa conference brings together the entire financial ecosystem to discuss, debate and evaluate the future of money.

"We look forward to cultivating an innovative space for fintech startups and entrepreneurs in Egypt and Nigeria to accelerate financial inclusion, deepen our payment systems and drive economic growth across the African Continent," Mrs. Ahmad said.

The memorandum of understanding (MoU) with the CBN would help foster the exchange of expertise in the realms of fintech, innovation, e-payment solutions, and financial inclusion.

The MoU was also signed together with the London Institute of Banking and Finance which is aimed at delivering specific training programs, workshops, and courses to Egypt's fintech leaders.

The strategic alliance aims to equip Egyptian fintech professionals with state-of-the-art knowledge and abilities, cultivating an atmosphere of progress and creativity within the industry.

Extends Tenure of Banks Chief Executives by 12yrs

In the same vein, the CBN has increased the tenure of the Managing Director/Chief Executive of banks to a maximum of 12 years from 10 years.

The apex bank made the disclosure in a circular on the new, 'Corporate Governance Guidelines for Commercial, Merchant, Non-interest and Payment Service Banks in Nigeria'.

The circular dated July 13, 2023, was signed by CBN Director, Financial Policy and Regulation Department, Chibuzo Efobi, and addressed to commercial, merchant, non-interest, payment service banks and financial holding companies (FHCs).

The CBN also increased the tenure of Deputy Managing Director (DMD/Executive Director (ED) of a bank to a maximum period of 12 years. The CBN stated that the objectives of the guidelines are to among other things provide additional guidance on the principles, recommended practices, and responsibilities contained in NCCG 2018; outline industry-specific corporate governance standards for banks; and promote high ethical standards amongst operators, while enhancing public confidence.

Also, in line with the Nigerian code of corporate governance (NCCG) 2018, the apex bank further stipulated that no board of a bank shall consist of only one gender.

The strategic alliance aims to equip Egyptian fintech professionals with state-of-the-art knowledge and abilities...

Hence, to achieve gender diversity and promote a gender inclusive board, banks shall take a practical approach to women's economic empowerment in line with principle 4 of the Nigerian sustainable banking principles (NSBP).

The apex bank explained that the guidelines followed the pronouncement of the financial reporting council of Nigeria (FRCN) for sector regulators to issue sector-specific guidelines on corporate governance for institutions under their regulatory purview.

The CBN has therefore, adapted the principles and recommended practices of NCCG 2018 in developing the new guidelines for affected entities, taking into account, the peculiarities of the sub-sectors.

The CBN has said that the regulation was issued in pursuant to the provisions of section 2(d) of the CBN Act 2007, and sections 56(2) and 67(1) of the banks and other financial institutions Act (BOFIA 2020).

Basically, the regulation noted that where an ED becomes a DMD, a cumulative tenure of 12 years applies and shall not be extended. Also, non-executive directors (NEDs) (with the exception of independent non-executive directors (INEDs)) of a bank shall serve for a maximum of 12 years comprising three terms of four years each.

The CBN stressed that to qualify as a NED in a bank, the proposed NED shall not be an employee of a financial institution except where the bank is promoted by that financial institution and the proposed NED is representing the interest of that financial institution.

The guidelines further stated that an executive (ED, DMD or MD/CEO) who exits from the board of a bank either upon or prior to the expiration of his/her maximum tenure, shall serve out a cooling period of two years before being eligible for appointment as a NED in the same bank, subject to applicable cumulative tenure limits.

It stated that where an executive (ED, DMD or MD/CEO) of a bank is appointed to the board of its FHC in any role, a cooling-off period of two years shall apply. The central bank added that the cumulative tenure limit of directors (ED, DMD, MD and NEDs) on the board of the same bank is 24 years.

The cumulative period is calculated from the date of first appointment to the board of the bank. The regulation among other things, stipulated that banks shall disclose a summary of their risk management policies in their annual financial statements, adding that in the case of a publicly quoted bank, such summary shall be hosted on its website.

NEDs inclusive of the Chairman (excluding INEDs) of an FHC shall serve a maximum tenure of three terms of four years each.

Consequently, the cumulative tenure limit of a NED in an FHC or any other FHC shall be 12 years and shall have unfettered access to corporate information from the MD/CEO, company secretary, internal auditor, and heads of other control functions with direct/indirect reporting lines to the board, while access to other senior management shall be through the MD/CEO.

Furthermore, INEDs in an FHC shall have sound knowledge of the operations, relevant laws, and regulations guiding the business of its subsidiaries in the relevant sub-sectors.

The INED shall also have proven skills and competencies in his/her field. However, the term of office of an INED shall be four years and may be renewable only once for another consecutive term of four years.

FIRS's Non-oil Tax Earnings Surpass Projection, N5.5trn Highest In Six-Months

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percent of its target for the first half of the year when compared with a mid-year target of N5.3 trillion.

Speaking to what he described as "a good head start, despite stubborn headwinds," Mr. Nami attributed the excellent performance to improved voluntary tax compliance enabled by the automation of FIRS' tax administrative processes.

"This is a good head start as we work towards meeting our target for the year. And it was achieved despite stubborn headwinds such as the impact of the currency redesign and 2023 general elections on the economy in the first and second quarters of 2023", said Mr. Nami.

"This half-year performance was achieved as a result of improved voluntary tax compliance by taxpayers, the continued improvement of automation of our tax administration processes, including the updated value added tax (VAT) filing processes; as well as our dogged engagement with stakeholders in both the formal and informal sectors of the economy," he concluded.

Commenting on the outlook for the remainder half of the year, the FIRS Executive Chairman gave assurances that the country should expect "better days ahead" in terms of tax revenue collection.

"We believe that the performance in the second half of the year would be better, considering the continuing improvement to our tax administration processes and the positive impact of the current government's policies on the economy," said the Executive Chairman.

It would be recalled that the Service achieved a total collection of N10.1 trillion in the year 2022, being the highest tax collection ever made by the FIRS in a single year.

The service revealed this in its publicly available FIRS 2022 Performance Update report signed by Mr. Nami, where it noted that with this figure, the FIRS achieved 96.7 percent of its N10.44 trillion set target for 2022.

"The FIRS, in the year 2022 collected a total of N10.1 trillion from both oil (N4.09 trillion) and non-oil (N5.96 trillion) revenues as against a target of N10.44 trillion, companies income tax contributed N2.83 trillion, VAT contributed N2.51 trillion; electronic money transfer levy contributed N125.67 billion and earmarked taxes contributed N353.69 billion," it stated.

It was noted that the non-oil taxes contributed 59 percent of the total collection while remittances from the oil taxes stood at 41 percent of total collection, and that the N10.1 trillion achieved was exclusive of taxes waived on account of various tax incentives granted under the respective laws, which amounted to N1.805 trillion.

The FIRS received N146.27 billion which was the total value of certificates issued by the Service to private investors and NNPC for road infrastructure under the Road Infrastructure Development Refurbishment Investment Tax Credit Scheme created by Executive Order No. 007 of 2019.

In 2021, the service achieved a record tax collection of N6.405 trillion, being over hundred percent of its collection target for the year, as well as the first time that the service will cross the six trillion mark.

Speaking on the record financial performance, the FIRS noted in the report that the Nami-led management upon assumption of office came up with a four-point focus, which are administrative and operational restructuring; making the service customer-focused; creating a data-centric institution; and automation of administrative and operational processes.

It further noted that over the period of 2020 to 2022, the management had introduced reforms bordering around these four-point focus which were producing results, adding that it also operationalised its data mining and analysis system thereby allowing for data-backed taxpayer profiling.

"The service had also automated most of the administrative and operational processes, a major leap was the full deployment of the TaxPro Max for end-to-end administration of taxes in June 2021; the module for the automated Tax Clearance Certificate (TCC) went live 1st January 2023 while taxpayers had already downloaded over 1,000 TCCs this year without having to visit FIRS office," according to the report.

Other reforms the service introduced in this period focused on the detoxification of the tax environment by ridding it of mutual mistrust, negative tax morale, and tax evasion, through effective taxpayer education, open engagement with stakeholders and improved services.

Mr. Muhammad Nami, Executive Chairman of FIRS

Our goal is to identify more areas where we can improve on in the delivery and efficiency of our collection

"This collection was possible through collaboration with our stakeholders, from our colleagues at the executive branch of government, to the members of the judiciary, to our brothers and sisters at the National Assembly, as well as the tax advisory committee, professional bodies, unions, and most crucially our taxpayers," Mr. Nami said.

Speaking on the outlook for 2023, the chairman said that the service would build on the current reforms, achieve full automation and continue to establish a resilient service that would continue to provide sustainable tax revenue to fund the government.

"Our goal is to identify more areas where we can improve on in the delivery and efficiency of our collection; and plug loopholes, while deploying innovative reforms in data and artificial intelligence; Ultimately, we believe that the FIRS can shoulder the responsibility of providing revenue needed for the governments across the Federation to cater for the needs of the Nigerian people through taxes," he said.

It was at that point that it became obvious that the reforms introduced by Mr. Nami within a year of assuming office as FIRS Executive Chairman in 2019, had begun to yield dividends.

Indeed, the fruits of those reforms began to show in 2021, one year after the global lockdown caused by COVID-19 pandemic, with a tax collection figure of N6.4 trillion, which at the time was the highest ever revenue recorded by the federal tax agency.

This is certainly a huge figure that shows the possibility of the agency doing better not only in the 2023 financial year but also in the coming years.

Then, the former administration had vowed to break Nigeria's over reliance on oil, and from all indications the FIRS management has keyed into it with its performance, especially in the last two years.

The ongoing efforts to wean the country off its over dependence on revenue from oil is a major reason why Nigeria did not suffer the full effect of the drop in global oil prices.

The revenue projection for 2023 has shown that 78 percent of total revenue is coming from the non-oil sector, and of course, the FIRS is bound to be a major contributor.

And this is visible from how the agency has shown, for two years running, that it has the needed capacity to be the lead contributor to the good performance of the non-oil sector.

But more importantly is that FIRS has shown that it will be instrumental in any effort to address the country's revenue challenge.

It noted that it is courtesy of these reforms, framed around the four-focus points that the service was able to achieve this collection.

Providing perspective to this unprecedented tax collection, the FIRS noted in the Performance Update that the Mr. Nami-led management upon assumption of office came up with a four-point focus, namely: administrative and operational restructuring; making the service customer-focused; creating a data-centric institution; and automation of administrative and operational processes.

It further noted that over the period of 2020 to 2022, the management had introduced reforms bordering around these four-point focus which were producing results.

"The reforms introduced at different times from 2020 are gradually yielding fruits. By the close of 2022, the service had fully restructured the administration of the service for maximum efficiency and achieved internal cohesion such that all functional units are working in unison towards the achievement of set goals.

"As a result of conducive environment created for staff, officers of the service are pulling their weight on the global stage with international recognitions and awards;

It also noted that the service had operationalised its data mining and analysis system thereby allowing for data-backed taxpayer profiling.

Other reforms the service introduced in this period focused on the detoxification of the tax environment by ridding it of mutual mistrust, negative tax morale, and tax evasion, through effective taxpayer education, open engagement with stakeholders and improved services.

"We intend to maintain, and even improve on the momentum in 2023," he stated.

"We have peaked, but this is not certainly our peak. In fact, my hope is that this would be the least sum the service would ever collect going forward. Our goal is to identify more areas where we can improve on in the delivery and efficiency of our collection; and plug loopholes, while deploying innovative reforms in data and artificial intelligence. Ultimately, we believe that the FIRS can shoulder the responsibility of providing revenue needed for the governments across the Federation to cater for the needs of the Nigerian people through taxes. This is feasible once we get the much-desired support from the three tiers and arms of government, as well as all stakeholders."

FIRS FEDERAL INLAND REVENUE SERVICE

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PUBLIC NOTICE

ENACTMENT OF THE FINANCE ACT, 2023

The Finance Act 2023 was enacted on 28th May, 2023. The Act amended certain provisions in the tax laws.

Consequently, taxpayers, tax practitioners and the general public are hereby invited to take notice that the amended provisions shall take effect as follows:

1. **VAT Withheld or Collected**
   Section 14(3) of the VAT Act was amended to the effect that persons appointed to withhold or collect VAT shall remit the VAT withheld or collected **on or before the 14th day of the month following the month in which the VAT was withheld or collected**. Consequently, all VAT withheld or collected in June 2023 **shall be remitted to FIRS on or before the 14th of July 2023**. Similarly, VAT withheld or collected in subsequent months shall be remitted to FIRS not later than 14th day of the month following that in which the VAT was withheld or collected.

2. **VAT on Items Excluded from Building**
   The definition of "building" was amended in Section 46 of the VAT Act to exclude any fixture or structure that can be easily removed from the land. Examples of items excluded are **radio and television masts, transmission lines, cell towers, vehicles, mobile homes, caravans and trailers**. As such, all the items removed from the definition of land have become chargeable to VAT. Companies letting, trading in or furnishing services with such items must charge VAT at the prevailing rate with effect **from 1st of July, 2023**.

3. **Rate of Tertiary Education Tax (TET)**
   By the amendment to Section 1(2) of TET Act, the rate of TET was changed to **3%** of assessable profits. The **new TET rate of 3%** shall take effect for TET becoming due in **respect of accounting period ending on or after 1st July, 2023**.

4. **Investment Allowances and Convertible Currencies**
   Sections 32, 34 and 37 of the Companies Income Tax Act (CITA) granting allowances in respect of capital expenditure incurred in certain circumstances, and tax exemption on income earned in convertible currencies from tourists by hotels have been repealed. Consequently, the said allowances and tax exemption are no longer available for tax returns becoming due in respect of **accounting period ending on or after 1st July, 2023.**

Signed
Muhammad Nami
Executive Chairman, FIRS

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EDITORIAL

Instead of Money, FG Should Rather Provide Services, Sundry Reliefs

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we remain convinced that there is no point allowing the local refineries to continue to constitute drain pipes on the national treasury.

We do understand that the government does not have the capacity to keep refineries in operations profitably. Our well-considered recommendation will be to take them to the market for sale. But we must not continue to sit on our hands and just allow such low hanging fruits to go begging. It is high time we started to work on a number of recommendations.

We have been informed that what is responsible for the recent hike in pump price is that the price of crude went up recently from 70 to 80 dollars a barrel. We spot an irony here; a country that is the eighth producer of crude in the world has its citizens groaning because its price went up! That has been the dilemma of the Nigerian situation. There is also the explanation that pump price must reflect the reality of the market, which calls for proper interpretation.

There are, of course, a number of imperatives we need to address to make the Nigerian environment attractive; security issues, stability of policies, infrastructural bottlenecks, ease of doing business considerations; entry visa challenges, clearance experience at our points of entry, keeping inflation under control etc. Though it is not realistic to expect all of these to be handled in one fell swoop, we must begin to act fast.

The recent reforms, of course, would have a more direct effect on the poor and the vulnerable. we, however, suggest that while policies are being implemented, measures should be put in place to lessen the effect on the poor, because in the immediate term, the removal of the petrol subsidy has caused an increase in prices, adversely affecting the poor and the economically insecure Nigerian households.

An approval for palliative disbursement of N800 billion to be made to 12 million households over an initial period of six months has been received even though President Bola Ahmed Tinubu has asked for review following the reactions of Nigerians.

There are issues with palliative payments in Nigeria in the past. It has never been transparent enough, because we yet to be sure we have a Register in place to offer a credible data for use. Also, there the question bothering on what scientific approach was applied for compilation of the Register, if at all available.

What is even more is that such payments do not amount to much in addition to the consideration that such funds are usually misapplied by those in charge.

We also suggest instead of distributing N8,000 to 12 million households monthly, the more impact will be felt if government should invest in transportation - buying or encouraging the assembling of buses and constructing of bus terminals - which will have direct impact on a whole lot of people across the country.

Imagine buying over 200 buses for Abuja, for example, the number of drivers to be employed and other engagements along the whole value chain. We strongly believe that the whole of this meant to service the bus transportation will create a lot more impact.

Also, another area through which a huge amount of money such as the one earmarked for palliative could make more impact is the railway system across the country. The Abuja monorail that has been abandoned for over 20 years could be revived. A big city like Abuja deserves and desires a modern transportation system.

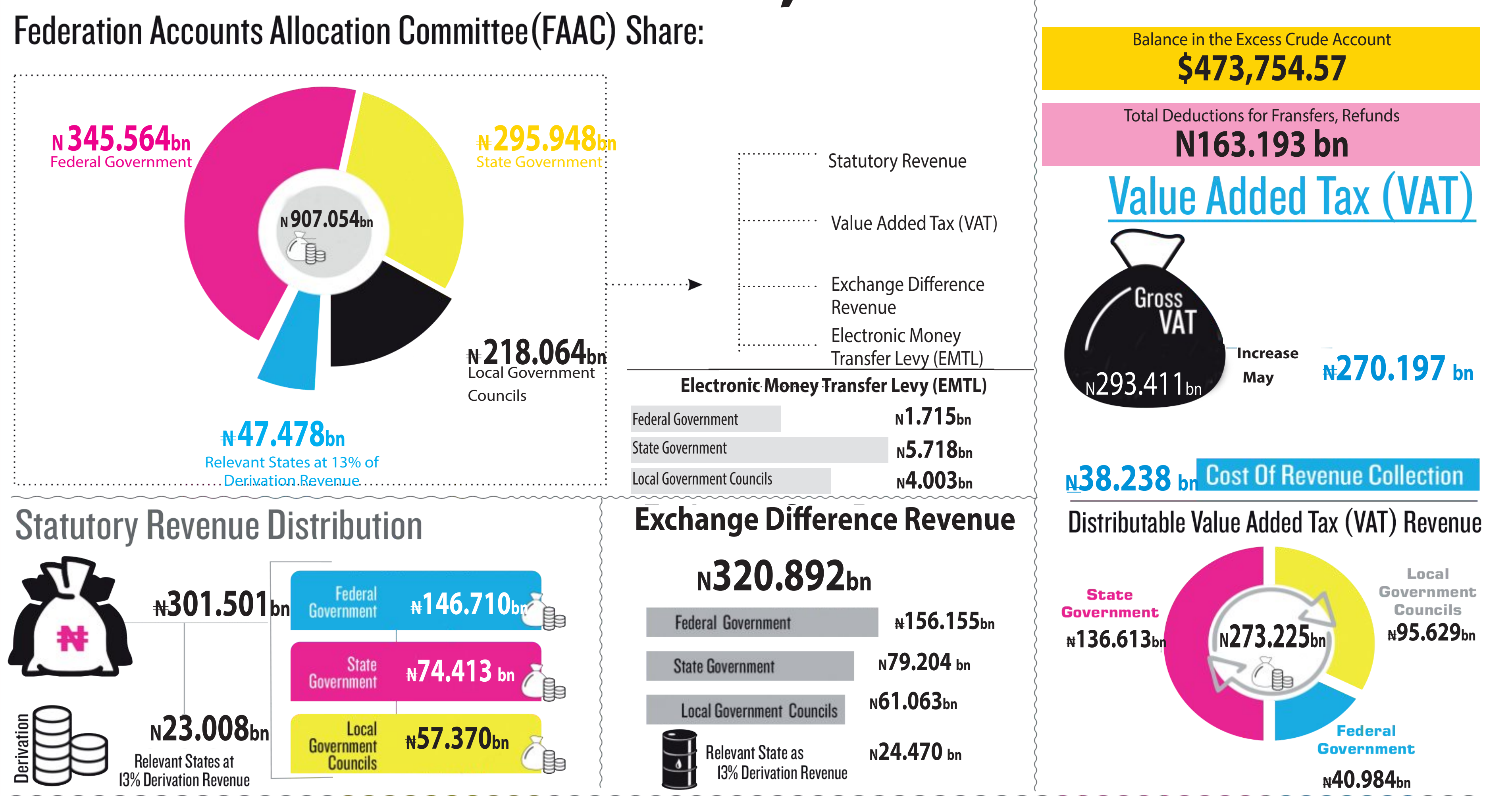
The planning for regional rail system particularly to service Abuja had begun in 1997, but was delayed due to funding challenge.

The China Civil Engineering Construction Corporation (CCECC) Nigeria was awarded a contract for the construction of the first two phases, known as Lots 1 and 3, in May 2007.

The 42.5 km first phase which has two lines and 12 stations was opened in July 2018, connecting Abuja city centre with the international airport via the Lagos–Kano Standard Gauge Railway at Idu. We understand that the projected cost of the entire proposed 290 km network, to be developed in six phases, is US $824 million, to be constructed by CCECC, with 60 percent of the cost funded via loans from Export Import (EXIM) Bank of China. The project till date is yet to be completed.

It is our expectation that the government should rather put the funds into this kind of project which we believe shall make a lot more impact on Nigerians in the immediate and long terms. Therefore, we believe that it is better to concentrate on providing services and sundry reliefs which will ameliorate the hardship of the people in the country.

FAAC Shares N907.054 Billion June 2023 Revenue To FG, States And LGCs



According to the communiqué, in the month of June 2023, Companies Income Tax (CIT) recorded tremendous increase. Import and Excise Duties, Value Added Tax (VAT), Oil and Gas Royalties increased significantly, while Petroleum Profit Tax (PPT) and Electronic Money Transfer Levy (EMTL) decreased considerably.

How New Customs Act Will Boost Revenue Collection, Trade Facilitation

The new Nigeria Customs Service Act (NCSA) 2023 was signed in May by former President Muhammadu Buhari to speed up trade facilitation, economic growth, and above all improve revenue generation which is one of the core mandates of the service. In this report, ***Musa Ibrahim*** *analyses the key features of the new Act and what it entails to the operations of the service.*

The new Customs Act has been commended by stakeholders as the game changer in the industry especially in terms of operations of the sector.

This analysis highlights major changes in the new Act.

The drive to enact a new Act started in 2016, when the former Comptroller General of Nigeria Customs Service (NCS), Col. Hammed Ali (rtd), emphasised the need for improvement in trade facilitation, simplification, harmonisation, operations and standardisation of trade procedures at formal presentation of NCS draft bill for amendment of the Customs and Excise Management Act (CEMA).

He noted that the act did not undergo major review for over half a century after it was enacted. Therefore, he stressed the need to update the law and realign its provisions with modern realities in the maritime industry, noting that it had become imperative to take a second look at the provisions for sanctions that were neither punitive nor deterrent enough to promote compliance.

Penalties

Contrary to what is obtainable in the old Customs and Excise Management Act (CEMA), under Section 206 of the new Customs Act 2023, there are provisions for stiffer punishments and sanctions for violators of the laid down laws and regulations on excise duty. Specifically, the Act provides N5million sanction for violators unlike in the previous Act written in 1958, which provides very little sanctions of which some were written in pennies.

It said: "An excise license holder who contravenes any of the provisions of the Customs excuse duty is liable on conviction to a fine of N5,000,000 and N50,000 for every day of default and imprisonment for a term of three years." Also, Section 208 of the Act provides: "Where goods declared in accordance with excise duty requirements are found whether after their removal from the premises of manufacture not to correspond with the declaration made, the goods shall immediately be forfeited."

Accountability

In terms of Accountability, Section 21 noted that the service shall cause to be kept proper accounts and proper records and when certified by the board, adding that the accounts shall be audited by auditors appointed by the service in accordance with the guidelines supplied by the Auditor General of the Federation.

It noted: "The service shall not later than three months before the end of each year, submit to the National Assembly a report on the activities and the reports on the administration of the service during the immediately preceding year and shall include in such reports, audited accounts of the service and the auditor's report on those accounts."

Evaluation

Appraising the Act, the Acting Comptroller General of Customs (CGC), Bashir Adewale Adeniyi MFR, described the unveiled NCSA 2023 as a major catalyst

Mr. Bashir Adewale Adeniyi, Acting Comptroller- General of Customs

that would boost revenue, operational efficiency, national security and other value-additions.

According to him, the 63-year-old Act did not provide sufficient punitive measures like the new legal document. He said: "The NCS is one of the very important agencies of the federal government saddled with the enormous responsibility of administering, managing and enforcing the provision of the defunct Customs and Excise Management Act Cap C45 LFN 2004 (CEMA).

This CEMA was enacted 63 years ago and had remained in operation since then without any significant amendment notwithstanding the expansion in government, growth in population and dynamic progress and challenges in the economy."

Consequently, he explained that several attempts were made in the past to cause amendments or the repeal of Customs and Excise management Act (CEMA) to no avail. However, under the new legal regime, the acting comptroller general explained that the service had been statutorily empowered to administer and enforce the provisions of the Act, collect and account for revenue from customs and excise among others, promote trade facilitation, prevent smuggling activities and carry out border enforcement, do such other things necessary for or incidental to the performance of the function and duties of the service under the Act.

Mr. Adeniyi said: "Previous legislation did not provide sufficient punitive measures. Some fines were written in pennies and criminals knew infractions attracted just a pat on the wrist. But this has changed now. We are equally appreciative of the urgent need to sensitise the public on the provisions of this law to prevent the excuse of ignorance of the law, which is not a defence.

The service will continue to sensitise and educate the public on the provisions of the law and Customs procedure and processes." For instance, he noted that with the legal document, plans were afoot to end the scourge which tops the list of economic sabotage.

> **The service will continue to sensitise and educate the public on the provisions of the law and Customs procedure and processes**

Prospects of Act

Similarly, the Chairman, House Committee on Customs and Excise in the 9th National Assembly, Hon. Leke Abejide, said that the NCSA 2023 would speed up the growth of the Nigerian economy, enhance investors' confidence, boost the morale of Customs officers nationwide, improve stakeholder confidence and improve the transparency of Nigerian business climate in the global market place.

Incentives

For the first time since the inception of the service, the service would have additional funding to run its operations asides the seven percent import duty collection cost it retains.

In Section 18 of the Act; the Act provides for a sum not less than four percent of the free-on-board value of imports according to international best practice as part of the funds the service shall keep and maintain for its operation."

Intercepts Arms, Ammunition

In another development, Mr. Adeniyi, highlighted the significant interceptions of arms and ammunition by the NCS.

Speaking in a media briefing held at the Federal Operations Unit Zone 'A' in Ikeja, Lagos, Mr. Adeniyi said that the successful operations represent the NCS's commitment to suppressing smuggling and safeguarding national security.

He said that during a joint operation with the Nigeria Police, the Department of State Security, the National Drug Law Enforcement and Administration, and the Customs Intelligence Unit at the Ports Terminal and Multi Services Limited Command, a thorough examination of a 40ft container was conducted.

The inspection uncovered the concealed presence of 10 dangerous arms and various rounds of live ammunition inside plastic drums. The seized items included three new pump-action rifles, one new unit of an armed rifle, six new pistols of different makes, 14 empty magazines, and 442 rounds of live ammunition.

In the same vein, he said, "Similarly, within the same period, the Tincan Island Port Command of the service, while acting on credible intelligence; a 1x40ft container was also subjected to 100 percent physical examination with the relevant security agencies at the ports.

"The physical examination uncovered 18 arms, packets of cartridges and rounds of live ammunition inside plastic drums. The details are: One carton of frontier cartridges two packets of buckshot ammunition

"The inspection revealed the presence of 18 arms, packets of cartridges, and rounds of live ammunition concealed within plastic drums. The seized items included six different makes of pistols, twelve different makes of rifles, ten packets of cartridges, two packets of 9mm ammunition, 100 rounds of 9mm winchester ammunition, one carton of frontier cartridges, and two packets of buckshot ammunition,"

Speaking further, Mr. Adeniyi said that in a separate incident, officers of the Joint Border Patrol Team Sector 2 intercepted an unregistered Toyota Camry loaded with six sacks of charcoal along the Owode/Ajilete Axis of Ogun State.

"The vehicle was found to be concealing three pump-action rifles and 174 live cartridges. The driver managed to escape arrest by fleeing into the bush.

"In total, thirty-one rifles have been intercepted within the first two weeks of July 2023. Investigations into these seizures are ongoing, and the NCS will hand over the outcome of their investigations, along with the seized items, to the appropriate authorities for further action," he added.

Acting CGC, Mr. Adeniyi emphasised the detrimental impact of illicit arms in the hands of non-state actors, contributing to the proliferation of small arms and ammunition and resulting in increased incidents of violent kidnappings, robberies, and mass killings.

He reassured compliant traders and importers that the NCS is committed to facilitating legitimate trade while tackling economic and security threats posed by non-compliant individuals and their agents.

PENSION TRANSITIONAL ARRANGEMENT DIRECTORATE

PTAD — Pension Transitional Arrangement Directorate

22 Katsina-Ala Crescent, Off Yedseram St. Maitama Abuja

" I Am Alive Confirmation"

COMMENCEMENT SCHEDULE FOR PENSIONERS UNDER THE DEFINED BENEFIT SCHEME.

1. Police Pensioners start from 14th April 2023 to 13th October 2023
2. Customs, Immigration and Prisons Pensioners start from 1st June 2023 to 31st December 2023
3. Civil Service Pensioners start from 1st July 2023 to 31st January 2024
4. Parastatals Pensioners (Universities, Health, Research Institutes, etc, start from the 1st of August 2023 to the 28th of February 204.

Pensioners are required to log on to **www.ptad.gov.ng** to complete their I Am Alive Confirmation process as scheduled.

FOR MORE INFORMATION:
09-4621708 | 09-4621709 | 09-4621710 | 0800-2255-7823 (Toll free)
Email: iamalivesupport@ptad.gov.ng, complaints@ptad.gov.ng
www.ptad.gov.ng

MOFI Works To Ensure 10% Increase Contribution To FG Budget By 2033

● MOFI Expects $10b Revenue From Portfolio Investments In 10 Years

Jennete Ugo Anya

The Ministry of Finance Incorporated (MOFI) has stated that it is working to increase its contribution to federal government's budget by 10 percent come 2033.

The Chief Executive Officer (CEO), MOFI, Mr. Armstrong Tatang, who made this revelation at the Public Private Partnership (PPP) Consultative Forum (3PUCF) held in Abuja recently, said the organisation intends to do this by identifying and investing in high-yield assets that could generate significant returns.

MOFI's investments and financial support provide a stable source of funding, supporting growth and development, thereby contributing to the overall economic growth and development of Nigeria.

According to him, MOFI would establish at least five new sector-focused growth funds within the next five years, to catalyse growth in priority sectors and support the development of high-potential businesses.

The number of companies under MOFI's portfolio is expected to increase by 15 percent within the next five years by identifying and acquiring companies with significant potential for growth and profitability.

He noted that the organisation plan to develop and implement a comprehensive professionalisation programme for all state-owned entities under MOFI's management within

Dr. Armstrong Takang, Chief Executive Officer (CEO), MOFI

the next four years to improve their operational efficiency and financial performance.

He stated: "MOFI's focus on professionalising state ownership is aimed at ensuring that all state-owned entities are effectively and efficiently managed to achieve greater economic impact.

"Professionalising state ownership involves providing state-owned entities with the necessary support to become more efficient, effective, and profitable in their operations. This support includes providing access to training, technology, and other resources necessary to improve their operations and financial performance. The goal is to enhance the competitiveness of state-owned entities and make them more attractive to potential investors."

He insisted that MOFI is a significant financial driver of the Nigerian economy, saying with over 52 companies under its portfolio and an estimated value of holdings at □18 trillion, MOFI has a crucial role in financing economic growth in Nigeria.

According to him, MOFI's investments span various sectors of the Nigerian economy, including infrastructure, financial services, services, industrials, energy and extractives.

Mr. Katang noted that MOFI could source and acquire funding for the growth and development of all the companies under its portfolio.

"As a strategic asset holding company, MOFI could leverage its vast network of financial partnerships and stakeholders to source and secure funding for government-owned entities (GOEs) and government-linked companies (GLCs) to support their growth and development," he said.

He stressed on MOFI's commitment to pursuing initiatives that generate profit and impact across all key sectors and areas of the Nigerian economy. MOFI's investment decisions are guided by its mission and vision.

Mr. Katang said: "MOFI's investments and financial support are aimed at advancing socio-economic objectives such as poverty reduction, job creation, and the promotion of inclusive growth across all sectors of the Nigerian economy.

"MOFI's impact on the Nigerian economy extends beyond financial returns to include broader socio-economic benefits that contribute to sustainable development in Nigeria."

In his remarks at the occasion, the Director General of the Infrastructural Concession Regulatory Commission (ICRC), Mr. Michael Ohiani, said that given the stakeholders' responsibility to deliver about 85 percent of their infrastructure projects using the private sector and in line with the 2021-2025 Mid Term Expenditure Framework of the National Development Plan (NDP), the meeting has continued to play a key role for all ministries, departments and agencies (MDAs) and stakeholders to share their PPP knowledge, challenges, progress and experiences in general.

He revealed that in partnership with the Malaysia University of Science and Technology, the Nigeria Institute of Infrastructure and Public-Private Partnership (NII3P) would commence a Ph.D. in Management programme (PPP Option) in addition to the currently running MBA in the programme.

He also revealed that MOFI has the intentions of creating 50,000 new jobs by 2028. "We are hoping to also facilitate the creation of 50,000 new jobs across priority sectors of the Nigerian economy within the next five years through MOFI's catalytic investments and support for entrepreneurship," he explained.

In another development, MOFI is targeting $10 billion from its portfolio investment in the next 10 years.

Mr. Katang said: "We are looking to increase the economic impact of MOFI's portfolio companies by generating a minimum of $10 billion in additional gross domestic product (GDP) by 2033, through strategic investments and partnerships that drive innovation, productivity, and competitiveness.

NAICOM Boss Takes Over Leadership of Africa Insurance Organisation

● As Commission Seek to Establish Sustainable Template for Risks

By Kingsley Benson

The Commissioner for Insurance/Chief Executive Officer (CEO) of the National Insurance Commission, Mr Olorundare Sunday Thomas, has been elected as the president of the Organisation of African Insurance Supervisory Authorities (OAISA).

Mr. Thomas' election alongside his vice-president Mr. Issouf Traore of Cote D'Ivoire, was ratified at the general assembly of the body at Tunis, Tunisia, recently.

The OAISA is an intergovernmental organisation eligible for the rights and privileges granted by the 1961 Vienna Convention on Diplomatic Relations, and saddled with the objects of promoting cooperation among African insurance supervisory authorities, to share experience in the effective supervision of the insurance industry in Africa, for the development of insurance markets for the benefits and the protection of policyholders; contributing to capacity building and financial stability of the African continent.

The newly-elected officials of the organisation shall serve the continent for a period of two years in the first instance, renewable once.

Mr. Thomas was the pioneer chairman of the West Africa Insurance Supervisors Association (WAISA).

In the same vein, Mr. Thomas has inaugurated the Nigerian Actuarial Society Discount Rate Committee (NAS-DRC) to establish a standardised basis for determining discount rate factors for use by the insurance industry and other stakeholders in the financial services sector.

He said that the proposed template would be particularly helpful in the implementation of the International Financial Reporting Standard 17 (IFRS 17), and insurance contracts.

Speaking while inaugurating the committee, the NAICOM boss pointed out that the move would enhance accountability, prudence and comparability in financial reporting and thereby support the stability of the Nigerian financial system.

He noted that the membership of the committee was suitably drawn from representatives of Nigerian Actuarial Society (NAS), NAICOM, actuarial representatives of audit firms, as well as Resident Actuaries of Insurance Operators (with annuity business).

The committee's terms of reference were to determine the risk-free yield curve for use by the insurance industry, and provide commentary on any market movement that might impact the determination of the risk-free yield curve.

Mr. Thomas said that the deliberations and activities of the NAS-DRC would bring about the desirable impact on the Nigerian financial system.

According to him, "It is apparent the role of actuaries in the implementation of IFRS 17 cannot be overemphasised, likewise the need for credible, prudent, consistent and sustainable discount rate devoid of possible manipulation by different stakeholders if left to determine same for individual company's use."

Essentially, the discount rate factor is a concept used to calculate the present value of future cash flows and is commonly applied in actuarial science and risk analysis to determine the value of insurance policies, annuities, or other financial instruments with long-term payout structures.

The concept takes into account the time value of money, which means that a dollar received in the future is worth less than a dollar received today – money can be invested or earn interest over time.

By applying a discount rate factor, insurers can adjust the future cash flows to their present value, reflecting the economic reality that future payments are worth less than their nominal values.

Why June's Inflation Rose Slightly - NBS

● As Bus Fares Rise In May

By Anita Dennis

The National Bureau of Statistics (NBS) has explained why June's inflation data did not fully capture the impact of petrol subsidy removal and exchange rate unification on consumer prices.

Nigeria's headline inflation rate rose for the sixth consecutive time to 22.79 percent in June 2023, according to data released recently by the NBS.

The inflation rate recorded a slight surge from 22.41 percent in May - less than expected by analysts.

In a series of tweets recently, the country's statistics agency said that data collection for computing the inflation rate typically stops around the middle of a month.

This, the agency said it implies that June's inflation rate only reflects two weeks of the impact of the policies on consumer prices.

The NBS stated that the full effect of the subsidy removal and exchange rate unification as relates to prices can, therefore, not be reflected in June only, but also in coming months.

"The June's Consumer Price Index (CPI) numbers may not fully capture the impact of the fuel subsidy removal and the unification of the exchange rate," the tweet reads.

"This is because the data collection for computing the rate for the reference month typically stops around the middle of the month, meaning that the June numbers only reflects approximately two weeks of the policy impact on consumer prices.

"The full effect of the policy as relates to prices can, therefore, not be reflected in June only, but also in subsequent months, based on actual prices collected in market outlets across the country."

How Headline Inflation Rose to 22.79 percent

The headline inflation rate for the month of June 2023 rose to 22.79 percent compared to May 2023 headline inflation rate which was 22.41 percent, indicating a 0.38 percent increase.

In the June CPI report by the NBS, on a year-on-year basis, the headline inflation rate was 4.19 percent points higher than the rate recorded in June 2022, which was 18.60percent.

The NBS attributed the increase in the prices of some items in the basket of goods and services at the divisional level.

They are food and non-alcoholic beverages - 11.81 percent, housing, water, electricity, gas and other fuel - 3.81 percent, clothing and footwear - 1.74 percent, transport - 1.48 percent, furnishings and household equipment and maintenance - 1.15 percent), education - 0.90 percent and health - 0.68 percent. others are miscellaneous goods and services - 0.38 percent, restaurants and hotels - 0.28 percent), alcoholic beverages, tobacco and kola - 0.25 percent, recreation and culture increased by 0.16 percent and communication also increased by 0.15 percent.

Urban and Rural Inflation

The inflation rate in June 2023 for urban consumers was 24.33 percent on a year-on-year basis. This indicated an increase of 5.23 percent points higher than the 19.09 percent recorded in June 2022. Similarly, month-on-month urban inflation rate rose to 2.31percent in June 2023, which was 0.21 percent points higher compared to May 2023 (2.09percent).

Similarly, the inflation rate for rural consumers in the month under review was 21.37 percent on a year-on-year basis; this was 3.25 percent points higher than the 18.13 percent recorded in June 2022. On a month-on-month basis, the Rural inflation rate in June 2023 was 1.96 percent, up by 0.16 percent points compared to May 2023 (1.80 percent).

Inflation by States

The analyses of the states showed that all-item index for June 2023, on a year-on-year basis was highest in Lagos -25.75 percent, Ondo - 25.40 percent, Kogi -25.23 percent. Borno -20.44 percent, Zamfara - 20.93 percent and Ekiti - 21.06 percent recorded the slowest rise in headline inflation on a year-on-year basis.

On a month-on-month basis, June 2023 recorded the highest increases in Ogun - 3.21 percent, Plateau - 3.05 percent, and Jigawa - 3.00 percent. On the other hand, Zamfara - 1.40 percent, Delta - 1.42 percent and Rivers - 1.54 percent recorded the slowest rise on month-on-month inflation.

State level analyses of the food index in June 2023, on a year-on-year basis, showed the highest increases in Kwara-30.80 percent, Lagos - 30.37 percent, and Kogi - 29.71 percent, respectively. While Zamfara - 21.38 percent, Sokoto - 21.60 percent, and Borno - 21.75 percent recorded the slowest rise in food inflation on a year-on-year basis.

On a month-on-month basis, food inflation for June 2023 was highest in Kwara - 3.82 percent, Abuja - 3.64 percent, and Ogun - 3.56 percent, while Zamfara - 1.33 percent, Adamawa - 1.47 percent and Rivers - 0.75 percent recorded the slowest rise in food inflation rate on a month-on-month basis.

The inflation rate recorded a slight surge from 22.41 percent in May - less than expected by analysts

Average bus fare rises 11.6percent in May

In another development, the NBS says that there was an 11.6 percent year-on-year rise in the average bus fare in Nigeria during May, according to the NBS Transport Fare Watch Report for May 2023.

The report stated that the average fare paid by commuters for bus journeys within the city per drop experienced a slight 0.23 percent increase, reaching N649.59 compared to N 648.12 in April.

The NBS' Transport Fare Watch for May 2023 covered various transportation categories, including bus journeys within the city per drop, bus journeys intercity (state route) charge per person, airfare charge for specified routes (single journey), motorcycle (Okada) per drop, and water-way passenger transport.

Regarding bus journeys within the city per drop, Taraba State recorded the highest fare at N870, followed by Bauchi at N810.04. Borno had the lowest fare at N510.

For intercity bus travel (state route charged per person fare), the highest fare was observed in Abuja at N6,205, followed by Adamawa at N5,725. Kwara State had the lowest fare at N2,000.

In another category, the average fare paid for intercity bus journeys per drop in May was N4,002, marking a 0.19 percent increase compared to April's N3,994. Year-on-year, bus journey fares rose by 9.09 percent from N3,669 in May of the previous year.

Analysing the statistics by zone, the Northeast had the highest transport fares for bus journeys within the city, with an average of N703. The South-south followed closely with N660.75, while the South-east had the lowest at N617.14.

For bus journeys intercity, the South-west had the highest fare at N4,257, the North-east at N4,154, and the North-west had the lowest at N3,825.

The report also highlighted that the average fare paid for motorcycle transportation increased by 0.49 percent to N464.55 compared to April's rate of N462.29. Year-on-year, motorcycle fares rose by 11.30 percent from N417.39 in May of the previous year.

Air passengers experienced a significant 34.06 percent increase in average fare for specified routes for a single journey within a year. The fare rose from N55,906 in May 2022 to N74,948 in May 2023.

Kebbi State recorded the highest air transport fare for specified routes (single journeys) at N80,000, while Bayelsa had N79,050, and Abia had the lowest at N69,800.

In terms of regions, the North-east had the highest air transport fare in May 2023 at N77,058, followed by the South-east at N75,350. The North-central had the lowest fare at N72,950.

Why We Segment Online Verification Of Pensioners — PTAD

By Ahmed Ahmed

The Pension Transitional Arrangement Directorate, PTAD, has explained why it segmented online verification of pensioners, saying that the segmentation of the 'I am Alive Confirmation Solution' for pensioners' verification is to avoid network failure.

Executive Secretary, PTAD, Dr. Chioma Ejikeme, gave the explanation at the South-East Stakeholders Engagement Forum in Awka recently.

Dr. Ejikeme said that the agency came up with the 'I Am Alive Confirmation Solution' to transit from manual to automated system of verification.

According to her, for efficient and effective delivery, and prevention of a heavy flow of traffic on the website, PTAD has staggered the use of the Confirmation Solution as follows.

"Police Pensioners - April 14 to October 13, 2023, Customs, Immigration, and Prisons Pensioners - June 1 to December 31, Civil Service Pensioners - July 1 to January 31, 2024, and Parastatals Pensioners - August 1 to February 28, 2024", she said.

She urged pensioners to kindly take note of the scheduled dates as they concern their respective departments.

The event was attended by pensioners and Stakeholders from the five South-East geo-political zone of Abia, Enugu, Ebonyi, Imo and Anambra.

Dr. Ejikeme, who reviewed the activities of the agency since she took over four years ago, said that the PTAD had achieved a lot in 10 years of its establishment, declaring that "No pensioner who is alive should be left out of this very critical and important exercise that would determine a pensioner's eligibility to continue to receive pension.

Dr. Chioma Ejikeme, Executive Secretary, PTAD.

"Our resolve is to ensure that no eligible pensioner is left out. The PTAD wishes to inform all our pensioners in the United States of America, Canada and the United Kingdom that a survey is being carried out by the directorate to ascertain the number of pensioners in those countries."

She advised pensioners living in those countries to visit the PTAD website and take part in the survey, saying: "They should log on to our website – www.ptad.gov.ng to access the link for the survey."

President, Nigeria Union of Pensioners (NUP), Mr. Godwin Abumisi, commended the transformational leadership of the PTAD, saying that pensioners are better treated now than before.

Mr. Abumisi particularly praised the 'I Am Alive Confirmation Solution' initiative by the PTAD, noting that the policy has reduced sufferings by pensioners.

A director in the agency, Mrs. Nneka Obiamulu, said that there was a lot of mistrust and aggression in the way pensioners related with pension managers, but further said that much has improved.

She noted that the huge debt owed pensioners due to challenges in the verification and profiling of pensioners before the establishment of the agency has been resolved.

"We have visited more than 800 pensioners who are incapacitated in their homes and hospitals and our plans is to continue to improve," she said.

Steps to 'I am Alive' Verification

fmfinsights highlights major steps to be taken in the 'I Am Alive' verification process

The Pensioner will log on to the PTAD website: www.ptad.gov.ng using a smart phone/computer system, click on the 'I AM ALIVE' icon at the top of the page and follow the instructions.

Start the 'I Am Alive' confirmation process following the two steps validation process: enter your pensioners number and enter your bank account number.

Take your photo (it will be validated with the existing picture in the PTAD database).

Perform the aliveness check by moving your face to follow the moving object on the screen.

When the aliveness check is completed, confirmation page will display 'Successful'

The pensioner will receive an SMS notification of the successful completion of the process.

Fingerprint Confirmation

The pensioner will need to access a computer system with finger print device for finger print capturing.

Ensure that .NET Framework Runtime4.7.2 and .NET Desktop Runtime 5.0.7 are installed on the computer.

Click here to download the 'I AM ALIVE' setup folder. Extract all files and install on your computer one after the other.

After a successful installation of the 'I AM ALIVE' confirmation desktop application, double click on the application icon on the desktop to launch the application.

Start the 'I Am Alive' confirmation process following the two steps validation process: enter your pensioners' number and enter your bank account number.

Do the finger print validation by placing any of your finger on the finger print device for capturing.

If the finger print is successfully captured, it will display a 'Success' message box.

When the aliveness check is completed, the pensioner will receive an SMS notification of the successful completion

DMO's FGN Bond Enjoys Oversubscription of 162.54% In July Auction, Indicating Growing Demand For Risk

By Majeed Salaam

The Debt Management Office (DMO) has announced the results of the July 2023 FGN bond auction.

The auction featured the re-opening of four bonds: the 14.55 percent FGN April 2029 (10-year bond), 14.70 percent FGN June 2033 (10-year bond), 15.45 percent FGN June 2038 (15-year bond), and 15.70 percent FGN June 2053 (30-year bond).

The auction, which was held on July 17th, 2023, saw a total of 570 bids worth N945.14 billion received for the total amount offered of N360 billion. The total amount allotted was N656.74 billion, with successful bids allotted at marginal rates of 12.50 percent, 13.60 percent, 14.10 percent, and 14.30 percent respectively across the four bonds.

Ms. Patience Oniha, Director-General of DMO

The settlement date for the auction was July 19th, 2023, and the bonds will mature on April 26, 2029, June 21st, 2033, June 21st, 2038, and June 21st, 2053, respectively.

The fact that the highest subscription of N600.686 billion (about 4x the offer) went to the 30-year bond indicates that investors are interested in longer-term debt with higher yields.

The allotment of N600.686 billion to the 30-year bond also shows that investors are interested in long-term debt with relatively high returns.

The 30-year bond is the longest tenor on offer and has a relatively high yield, which is attractive to investors seeking to invest their money for a longer period and earn higher returns on their investments.

The data from the July 2023 FGN bond shows an oversubscription of 162.54 percent which indicates growing demand for risk-free investments despite offering a negative real return as the inflation rate rises to 22.79 percent in June.

Nigeria's inflation rate rose to 22.79 percent in June 2023, representing a 0.38 percent points increase from 22.41 percent recorded in the previous month.

On a year-on-year basis, the headline inflation rate was 4.19 percent points higher compared to the rate recorded in June 2022, which was 18.60 percent.

National Bureau of Statistics Consumer Price Index, June 2023

nbs
NATIONAL BUREAU OF STATISTICS
COMBINED URBAN AND RURAL STATE CPI JUNE 2023

FOOD INFLATION

YEAR-ON-YEAR

HIGHEST RISE IN	
KWARA	30.80%
LAGOS	30.37%
KOGI	29.71%

SLOWEST RISE IN	
ZAMFARA	21.38%
SOKOTO	21.60%
BORNO	21.75%

MONTH-ON-MONTH

HIGHEST RISE IN	
KWARA	3.82%
FCT	3.64%
OGUN	3.56%

SLOWEST RISE IN	
RIVERS	0.75%
ZAMFARA	1.33%
ADAMAWA	1.47%

nbs
NATIONAL BUREAU OF STATISTICS
COMBINED URBAN AND RURAL STATE CPI JUNE 2023

ALL ITEMS INFLATION

YEAR-ON-YEAR

HIGHEST RISE IN	
LAGOS	25.75%
ONDO	25.40%
KOGI	25.23%

SLOWEST RISE IN	
BORNO	20.44%
ZAMFARA	20.93%
EKITI	21.06%

MONTH-ON-MONTH

HIGHEST RISE IN	
OGUN	3.21%
PLATEAU	3.05%
JIGAWA	3.00%

SLOWEST RISE IN	
ZAMFARA	1.40%
DELTA	1.42%
RIVERS	1.54%

FOOD SUB-INDEX IN JUNE 2023 ROSE BY

25.25%
YEAR-ON-YEAR
(FROM 20.60% IN JUNE 2022)

2.40%
MONTH-ON-MONTH
(FROM 2.19% IN MAY 2023)

CORE SUB-INDEX IN JUNE 2023 ROSE BY

20.27%
YEAR-ON-YEAR
(FROM 15.75% IN JUNE 2022)

1.74%
MONTH-ON-MONTH
(FROM 1.81% IN MAY 2023)

URBAN AND RURAL INDEX

URBAN

24.33%
YEAR-ON-YEAR
(FROM 19.09% IN JUNE 2022)

2.31%
MONTH-ON-MONTH
(FROM 2.09% IN MAY 2023)

RURAL

21.37%
YEAR-ON-YEAR
(FROM 18.13% IN JUNE 2022)

1.96%
MONTH-ON-MONTH
(FROM 1.80% IN MAY 2023)

SEC Probes Otudeko's 13.3% Share Acquisition In FBN Holdings

• Sets To Launch Redesigned e-dividend Platform July 31

By Chiamaka G. Okpala

The Securities and Exchange Commission (SEC) has said that it is investigating the acquisition of 4.77 billion shares of First Bank of Nigeria (FBN) Holdings by Oba Otudeko, chairman of Honeywell Group.

The capital market regulator has commenced a probe into the process of share acquisition by the Otudeko-led Honeywell Group.

"Presently, the SEC has not taken any position on the matter as it requires a careful investigation," an official of the commission said.

The disclosure comes amid an ongoing dispute over a N13.5 billion debt between Honeywell Group and Ecobank.

Recently, Honeywell Group, through its affiliate, Barbican Capital Limited, acquired a total of 4,770,269,843 units of FBN Holdings' shares.

The purchase brought the stake held by the company in the premier bank to 13.3 percent, making it the majority shareholder.

However, a few days after the purchase, Ecobank wrote a letter to FBN Holdings, asking the bank to reject the Otudeko-led Honeywell's bid to become the company's largest shareholder.

Ecobank claimed that Honeywell owes it a debt of N13.5 billion - a claim the company has denied.

In another development, barring any last-minute change, the SEC would inaugurate the redesigned electronic dividend mandate management system (e-DMMS) platform on July 31, 2023.

The e-DMMS portal utilises the Nigeria Inter-Bank Settlement System Plc (NIBSS) robust document management system to which completed e-dividend mandate forms filled by the investor could be uploaded.

First launched by the SEC on July 29, 2015, the portal was designed for the use of banks and registrars, to digitise the manual process of verification of shareholders' account details and ensure efficiency in the enrolment process for e-dividend payments.

The commission's Director General, Mr. Lamido Yuguda, had noted that the NIBSS would be responsible for hosting and disseminating a comprehensive e-dividend form, while registrars would validate them as part of the dividend payment process.

Mr. Lamido Yuguda, Director General, SEC

> ...the SEC would inaugurate the redesigned electronic dividend mandate management system (e-DMMS) platform on July 31, 2023

He added that the commission would continue to pursue initiatives that would tackle unclaimed dividends in the market.

"E-dividend mandate management committee notified members of efforts to rebuild the e-dividend mandate management system (e-DMMS)," he said.

"The committee reported on the redesigned e-DMMS platform, which incorporated stakeholder feedback.

"The proposed inauguration date of the redesigned e-DMMS platform is July 31, 2023.

"The non-interest capital market implementation committee provided updates on various activities, including its ongoing engagement with the Federal Inland Revenue Services (FIRS).

"The engagement is on the recently released regulations on taxation of non-interest financial instruments."

Mr. Yuguda also said that the technical committee on the commodities trading ecosystem collaborated with various commodities exchanges like National Insurance Commission (NAICOM) - the regulator of the insurance industry.

He said that the aim was to explore ways of deepening the market by encouraging the involvement of insurance companies and expanding insurance coverage for the commodities trading value chain.

The SEC boss further said that the committee has engaged the Nigerian Bulk Electricity Trading (NBET) Plc on modalities to establish an energy exchange.

"Another important issue mentioned at the meeting was the approval of rules on the revised National Investors Protection Fund (NIPF), and the registration of five new fintech companies as full-fledged market operators," Mr. Yuguda added.

"They comprise two crowdfunding intermediaries, two digital sub-brokers, and one robo-adviser.

"Full commencement of the Regulatory Incubation (RI) Programme for these companies was also announced during the meeting."

Speaking on other issues plaguing the sector, Mr. Yuguda reiterated the commission's commitment to ending criminal practices in the industry.

He said that the SEC would continue to apply zero tolerance to money laundering, terrorism, and proliferation of weapons financing obligations.

Mr. Yuguda also said that capital market operators (CMOs) have been informed about the new anti-money laundering and combating the financing of terrorism (AML/CFT) regulations and guidelines.

The SEC boss noted that the guidelines mandated CMOs to comply with stringent reporting obligations in their dealings.

On transactions in the capital market, he assured investors that the interests of minority shareholders would be protected.

"Protection of investors is the central mandate of the commission and when the commission protects investors, we do not discriminate between minority and majority shareholders," he said.

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Economy & Investment

ADVERT RATE

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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Providing Services, Sundry Reliefs To Ameliorate The Hardship

POLICY BRIEF
with
ENAM **OBIOSIO**

The World Bank says Nigeria's government will save a total of N11 trillion from the recent petrol subsidy removal policy.

With the petrol subsidy removal, the government is projected to achieve fiscal savings of approximately N2 trillion in 2023, equivalent to 0.9 percent of GDP. These savings are expected to reach over N11 trillion by the end of 2025.

We are being told that the federal government needs to remove fuel 'subsidy' to generate the revenue for the financing of social services.

According to the bank, in the immediate term, the removal of the petrol subsidy caused an increase in prices.

Petrol prices appear to have almost tripled following the subsidy removal, the poor and economically insecure households, who directly purchase and use petrol as well as those that indirectly consume petrol, are adversely affected by the price increase.

Among the poor and economically insecure, 38 percent own a motorcycle and 23 percent own a generator that depends on petrol. Much more use petrol-dependent transportation.

In Nigeria the pump price of fuel which was selling at 195 Naira per litre before the swearing of the President and the removal of subsidy payments has become a worrisome talking point.

Following the announcement of the removal, the pump price went up to N530 per litre, an increase of over 200 percent. Precisely under two months, the price is now N617 in Abuja, but higher in most other cities in the federation.

We have been informed that what is responsible for the recent hike in pump price is that the price of crude went up recently from 70 to 80 dollars a barrel. "And you say to yourself what an irony? A country that is the eighth producer of crude in the world has its citizens groaning because its price went up! That has been the dilemma of the Nigerian situation. There is also the explanation that pump price must reflect the reality of the market; please interpret to mean the falling rate of exchange," said Dr. Boniface Chizea, a retired banker, Economics and Business Development Consultant.

In view of the price hike, some people have said that these are interesting times to live in Nigeria considering the fact that increases in pump price of fuel have a holistic effect on prices across board in the economy and a terrible add on effect on inflationary spiral in the economy.

In a report that Nigeria Development Update (NDU) released recently, the Bretton Woods institution said that over 4 million people have been pushed into poverty, between January and May 2023.

According to the World Bank, many newly poor and economically insecure households will likely resort to consequential coping mechanisms, such as not sending children to school, or not going to the health facilities to seek preventative healthcare or cutting back on nutritious dietary choices.

Now, many Nigerians have not only questioned the appropriateness of the term 'subsidy' in the present context, but wondered how the windfall from the hike would be spent.

Others are wondering what the government hopes to achieve by 'creating colossal problems' in some sectors of the economy in order to solve problems in others. According to them, is not this like blocking our nose so that our eyes can see better?

With the threatened increase, we will have to pay more from moving from one place to another. And more for food, for medication, for education, for shelter, for clothing, for the matchet the farmer uses on the farm, for the toy the child plays with.

The government knows how high the inflation (currently almost 23 percent) has gone; it has realised that people are suffering. We are anticipating that the revenue from the subsidy removal is going to transform Nigeria.

> ...many Nigerians have not only questioned the appropriateness of the term 'subsidy' in the present context, but wondered how the windfall from the hike would be spent

While some of us would say we have heard that kind of lines so many times that our ears are beginning to ache from sheer hollowness, the government is conscious of the fact that there are subsidies in other climes too; welfare systems in Europe and the United States of America, subsidy of the coal industry in Britain, generous assistance to the farmers in the United States of America, etc. It is just that our own subsidies were mismanaged for very many years.

Since the assumption of the new administration, critical fiscal reforms have been initiated to address macroeconomic imbalances. The administration has recognised the need to chart a new course and has already made a start on critical reforms, such as the elimination of the petrol subsidy and reforms in the FX market.

The removal of the petrol subsidy and foreign exchange (FX) management reforms are crucial measures to begin to rebuild fiscal space and restore macroeconomic stability, and the opportunity should be seized to take further, necessary policy reform steps.

However, some multilateral organisations are of the view that more people would be pushed into poverty in Nigeria if the government does not provide palliatives to alleviate the effect of the recently implemented reforms. As these reforms would have a more direct effect on the poor and vulnerable.

They stated that while these policies are being implemented, measures should be put in place to lessen the effect on the poor.

The government should implement a comprehensive reform package that encompasses a range of complementary measures, including a new social compact to protect the poor and most vulnerable, to maximise the collective impact on growth, job creation, and poverty reduction.

Also, the government should now seize the opportunity to implement a robust, large-scale program to provide quick relief to the poor, near poor, as well as low-income households that are most directly affected by higher petrol prices, as part of a broader compact to redirect scarce fiscal resources towards development priorities.

All said, it is better to concentrate on providing services and sundry reliefs which will ameliorate the suffering in the country.

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