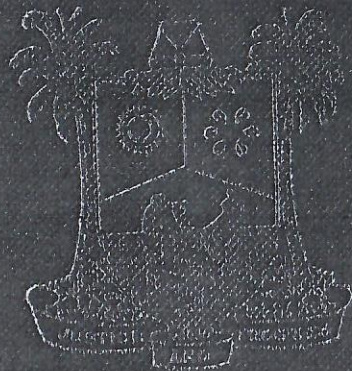


LAWS OF
LAGOS STATE
OF NIGERIA



LAGOS STATE OF NIGERIA



THE LAWS OF LAGOS STATE
OF NIGERIA 2015

LAW REFORM COMMISSION

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LAWS OF LAGOS STATE OF
NIGERIA

IN FORCE ON
THE 25TH DAY OF MAY 2015

PREPARED UNDER THE AUTHORITY OF
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ASSENT AND COMMENCEMENT

I give my assent to the Revised Laws of Lagos State, 2015 enacted by the Lag House of Assembly.

The Revised Laws of Lagos State, 2015 shall come into force on the 25th day 2015.

Given under the hand and Seal of His Excellency, the Governor of Lagos State day of May 2015.

Babatunde Raji Fashola, SAN
Governor of Lagos State

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CHAPTER A1

ACQUISITION OF LANDS BY ALIENS LAW

ARRANGEMENT OF SECTIONS

SECTION

1. Alien not to acquire land except with the approval of Governor or unless ex
2. Alien not to acquire interest or right of ownership in land
3. Unlawful occupation of land by an alien
4. Procedure for ejection of alien in unlawful occupation
5. Institution and conduct of legal proceedings
6. Power to make regulations and orders
7. Approval under the Law, etc.
8. Interpretation
9. Citation

(i) in burial grounds on Lagos Island ₦312.5k

(ii) in burial grounds elsewhere in the

City of Lagos ₦137.50k

(b) for every grave space granted for the construction of a vault or which is to be enclosed by a curb, rails, chains or any other form of enclosure, or on which is to be erected any headstone or other mark in permanent material-

(i) in burial grounds on Lagos Island. . . . ₦130 per square foot of superficial area with a minimum charge of ₦4,200
₦4,200

(ii) in burial grounds elsewhere in the
City of Lagos ₦62.50k per square foot of superficial area with a minimum charge of ₦12,000

(iii) in burial grounds where properly constructed vaults with three chambers each are provided by the Council ₦19,262.50k

Note: The charge of ₦19,262.50k includes ₦62.50k for stacking building materials in the cemetery.

(Charges for grave spaces in burial grounds outside the City of Lagos are not here reproduced.)

11. The foundations of a headstone or other memorial shall not extend more than two feet below the surface of the ground.

Exhumation

12. When the Commissioner will make an order for the exhumation of a body he may require the person applying for such order to pay a fee of such amount, not exceeding One Hundred Thousand Naira (₦100,000), as the Commissioner may determine, and may direct that the exhumation and removal of the body shall be carried out in the presence of and in a manner approved by, a medical officer, and may order the payment to the medical officer of the whole or any portion of the fee paid as aforesaid.

13. The Commissioner may remit any of the fees prescribed in these regulations either generally in respect of any public burial ground or in special cases.

CHAPTER B3

BONDS, NOTES AND OTHER SECURITIES ISSUANCE LAW

ARRANGEMENT OF SECTIONS

Section

1. Establishment of a Consolidated Debt Service Account
2. Appropriation of Funds
3. Sinking Fund
4. Appointment of trustees
5. Investment of the Fund
6. Cessation of contributions to the Fund
7. Expenses to be paid out of the Sinking Fund
8. Deficiency in Sinking Fund chargeable on revenue
9. Power to raise loans
10. Issuance of bonds etc.
11. Redemption date of instruments
12. Method of issuance
13. Arrangements for issuance of instruments
14. Application of loan receipts
15. Registrar
16. Register of instruments
17. Closing of the register
18. Register a conclusive evidence of facts entered in it
19. Transfer of registered instruments
20. Registration of transfers and liens on instruments
21. Rating of instruments
22. Notice of trust
23. Inspection of register
24. Power to make regulations
25. Repeal L.18 LLS 2003
26. Interpretation
27. Citation and commencement

SCHEDULE

APPENDIX 1

CHAPTER B3

BONDS, NOTES AND OTHER SECURITIES
ISSUANCE LAWLAW TO PROVIDE FOR RAISING OF LOANS THROUGH
ISSUANCE OF BONDS, NOTES AND OTHER SECURITIES AND
FOR CONNECTED PURPOSES

enactment]

[19th August, 2000]

THE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows:

Establishment of a Consolidated Debt Service Account

Consolidated Debt Service Account which is a saving account to be fully funded by a 15% appropriation of the monthly Internally Generated Revenue of the State is hereby established to service the debt obligations of the State under this Law.

Appropriation of Funds

- (1) The House of Assembly shall appropriate fifteen per cent (15%) of the monthly Internally Generated Revenue (IGR) of the State to the Consolidated Debt Service Account.
- (2) The sum appropriated under subsection (1) of this Section shall be deposited into the Consolidated Debt Service Account exclusively for all Government's public debt repayment purposes.
- (3) The House of Assembly may, at the request of the Executive Council, upwardly vary the proportion of revenue to be set aside for the government's debt repayment purposes.
- (4) Money in the Consolidated Debt Service Account shall be used—
 - (a) to pay interest and principal when they become due on Government's public debt obligations; and
 - (b) to accumulate a reserve for further security of Government's debt obligations.
- (5) The House of Assembly shall periodically ensure that subsections (2) and (4) of this Law are complied with.

3. Sinking Fund

(1) The Office, with the approval of the Executive Council, shall establish a Sinking Fund whenever it is necessary to do so in connection with a particular issue of instruments, into which contributions shall be made from the Consolidated Debt Service Account in accordance with the terms and conditions of issue of the particular instrument.

(2) The sums credited to the Sinking Fund to be established pursuant to subsection (1) of this Section shall be utilised to service obligations due on specific Instruments.

(3) The Office shall, as appropriate and on the dates specified in the terms and conditions of issue, pay out of the Consolidated Debt Service Account into the Sinking Fund, the sums required to meet necessary payment obligation.

4. Appointment of Trustees

(1) The Commissioner, subject to the approval of the Executive Council, may appoint a registered trustee company, or any reputable bank or reputable insurance company for the purpose of acting on behalf of instrument holders with regard to every loan raised under this Law, provided that a Trustee appointed under this Section shall not have any fiduciary relationship with the Government.

(2) The qualification for appointment, the regulation and operation of the Trustees appointed under subsection (1) of this section shall be in accordance with the terms contained in the Trustees' Rules set out in Schedule 1 to this Law.

5. Investment of the Fund

(1) All money appropriated for payment into the Sinking Fund shall be paid to the Trustees appointed under this Law and may be invested in such securities as are specified by the provisions of this Law.

(2) The Trustees, subject to the approval of the Governor, shall invest the fund in—

- (a) Federal Government Bonds and Stocks;
- (b) Lagos State Government securities; and
- (c) any other instrument listed on any Stock Exchange.

(3) The dividends, interest, bonus and other profits of any investment of any part of any Sinking Fund shall be invested by the Trustees with the approval of the Board, so as to form part of that Sinking Fund, in like manner as monies appropriated under section 2 of this Law as contributions to the Sinking Fund.

6. Cessation of Contributions to the Fund

(1) Notwithstanding anything to the contrary in this Law, if at any time the Trustee is satisfied that the Sinking Fund established under this Law will be sufficient with further accumulations of interest, but without further payments of contributions, to enable the Government to redeem the instruments at the time fixed for their redemption, it shall inform the Government accordingly.

(2) Upon receiving a notification from the Trustee in accordance with subsection (1) of this Section, the Office shall duly inform the Accountant-General and the Accountant-General shall suspend further payments of contributions to the Sinking Fund.

(3) A detailed account standing to the credit of the State after cessation shall be made and presented to the House of Assembly.

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

7. Expenses to be paid out of the Sinking Fund

There shall be paid out of the Sinking Fund all expenses specifically incurred in, or incidental to, the investment and management of the fund and the redemption of any instrument.

8. Deficiency in Sinking Fund Chargeable on Revenue

In the event that the Sinking Fund be found, at the time fixed as the redemption date, to be insufficient for the redemption, the deficiency, shall be paid first out of the Consolidated Debt Service Account and if same is insufficient to pay the deficiency the outstanding balance shall be paid from the State Consolidated Revenue Fund and assets of the State with the approval of the House of Assembly.

9. Power to raise Loans

The Government is authorised through the Office, with the approval of the Executive Council and subject to the provisions of this Law, to raise loans for both economic and social development purposes.

10. Issuance of Bonds etc.

(1) The Office, with the approval of the Executive Council and subject to the provisions of this Law, is authorised to do the following—

- (a) issue any instrument or any other form of debt securities with su floating or zero coupon rates, and upon such other terms inclu tenor thereof;
- (b) issue the instruments or other debt securities in required tranches, and currency; and
- (c) raise and borrow any sums of money required to finance the capit of the Government or to refinance the obligations of the Govern respect of its public investment projects.

(2) For the purpose of giving full effect to subsection (1) of this sec Commissioner after consultation with the Governor shall direct the Accountant-G issue on behalf of the Government, the appropriate irrevocable undertakings or s undertakings and or documents or authorisations, as may be required, for the pu raising any loan or borrowing any sum of money.

(3) The undertakings issued under subsection (2) of this section, shall ce valid where—

- (a) the liabilities upon the debt, with respect to which the underta made, have been fully settled; or
- (b) the period of validity of the undertakings, as stated therein, has exp

(4) The Office shall maintain a record of undertakings issued under thi and shall also keep records of undertakings which have ceased to be valid pu subsection (3) of this section.

(5) The specific or aggregate amount that the Office may raise or borrov any instrument referred to in subsection (1) of this section, shall be determined into consideration the following—

- (a) the total revenue of the Government for the year preceding th which the instruments are to be issued;
- (b) the current revenue of the Government and the projected reven succeeding years;
- (c) the average economic growth rate for the three years preceding th any issue;
- (d) the existing public debt portfolio;
- (e) the gross domestic product of the Government for the year prec issue; and

(f) the subsisting credit balances in the Consolidated Debt Service Account.

(6) The issuance of any instrument made pursuant to subsection (2) of this section shall be published by Legal Notice in the Official Gazette by the Commissioner after such instrument has been issued in Nigeria and or abroad, and same has been announced to the general public.

(7) Any Legal Notice published pursuant to subsection (6) of this section, shall contain detailed and specific information and terms of the issue, including—

- (a) the sum of money to be raised by the issue;
- (b) the mode or modes of effecting the issue;
- (c) the rate of interest payable on the loan raised from the issued instrument;
- (d) the dates in each year on which the interest on the loan shall be payable;
- (e) the date of redemption of the registered instrument issued;
- (f) the purpose of raising the loan;
- (g) the market and the currency of issue; and
- (h) any other information relating to the issue which is deemed necessary to effectively raise the required sums, and or provide preliminary information to subscribers, or as required by any other relevant law.

(8) Any Instrument issued under this Law may or may not be listed on any Stock Exchange or any equivalent trading floor in any jurisdiction.

11. Redemption date of Instruments

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

12. Method of Issuance

(1) The instruments to be issued pursuant to section 9 of this Law shall be issued by the Office by means of—

- (a) public offers;
- (c) auctions;
- (d) syndications;
- (e) private placements;
- (f) reverse enquiries; and
- (g) such other transaction or issuance mode as may be determined by the Commissioner.

(2) The Commissioner may, with the approval of the House of Assembly, determine and specify in a Legal Notice that the instruments will be issued in certain sequences, or in such order or form over a specified period of time.

13. Arrangements for Issuance of Instruments.

(1) Upon the publication of the Gazette pursuant to section 9(7) of this Law, the Office shall, subject to further directions of the Commissioner, make all such arrangements as may be necessary and appropriate to issue the instruments and raise the loans.

(2) The Office, with the approval of the Executive Council, may enter into agreements for the appointment of any Trustee registered with the Security and Exchange Commission for the benefit of the holders of any instruments issued under this Law.

(3) The Governor may, with the approval of the House of Assembly, appoint any reputable issuing houses registered with the Security and Exchange Commission, financial advisers, brokers, accountants, lawyers and any other professional adviser required in connection with any issuance under the provisions of this Law.

(4) The Office shall, where necessary, be empowered to cooperate or partner with market makers, dealers and or investors.

14. Application of Loan Receipts

(1) Subject to the provisions of this Law, monies received in respect of any instrument contracted by, or guaranteed on behalf of the Government shall be—

- (a) applied solely for the purpose for which it was obtained and in accordance with the terms and conditions of the agreement under which it was obtained;
- (b) paid into any public fund of the State either existing at the time or to be created for the purpose of the loan; or

(c) paid into and form part of the Consolidated Revenue Fund of the State.

(2) Where any amount has become payable out of the monies credited to the Consolidated Revenue Fund of the State, or other public funds under subsection (1) of this Section, the amount shall be deemed to be a charge on the Consolidated Revenue Fund of the State.

15. Registrar

For the purpose of carrying out the responsibilities under subsection (1) of section 15 of this Law, the Office, with the approval of the Executive Council, shall appoint a Registrar registered with the Security and Exchange Commission subject to any terms and conditions which it deems fit.

16. Register of Instruments

(1) The Office shall be responsible for maintaining registers in which all transactions in securities entered into pursuant to the provisions of this Law, shall be recorded.

(2) A register kept in accordance with this Section shall be kept in such place as may be approved by the Office, and shall among other things, include the following—

- (a) the type of instruments to which it relates;
- (b) the maturity date of such instruments and its interests or coupon payment dates;
- (c) the names and addresses of the holders, for the time being, of the instruments concerned;
- (d) the date on which the name of every holder is entered in respect of the instruments held in his name; and
- (e) the amount of instruments held by each holder.

(3) The Registrar shall, upon request, provide to the Office and or the Trustees appointed on behalf of the instrument holders the registers, reports and accounts or any information in respect of registrars' functions under the provisions of this Law.

17. Closing of the Register

The register shall be closed on the eve of the coupon issue.

18. Register a Conclusive Evidence of facts entered in it

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

(2) Notwithstanding the provisions of any other enactment, a copy of a register certified under the hand of the Registrar or any authorised officer of the Office to be a true copy of the original entry shall be receivable in evidence in any proceedings unless a judge shall otherwise direct.

19. Transfer of Registered Instruments

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

(2) The title of the holder of any instrument shall not be deemed to be transferred to any other person save upon the execution of an approved instrument of transfer in accordance with the transfer process of any stock exchange and upon the registration of the transferee as the holder, in the Register.

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

20. Registration of Transfers and Liens on Instruments

A person shall not be registered as the transferee of any instrument except upon the surrender in accordance with the offering documents, or to the Registrar, of any instrument issued in respect of such instrument and the instrument of transfer relating to such instrument, and upon payment of the prescribed fee.

21. Rating of Instruments

(1) A rating agency(ies) accredited and registered by the Commission shall be appointed by the Commissioner after consultation with the Governor.

(2) Prior to the issuance of any debt programme by the State and the issue of any instrument (not the issuance of tranches or sequences thereof), the Commission shall apply for and obtain a credit rating from a rating agency or agencies appointed under subsection (1) of this section.

22. Notice of Trust

Save as otherwise provided under this Law, no notice of any trust in respect of any registered instruments shall be receivable by the Office or the Commissioner.

23. Inspection of Register

A person shall not be entitled to inspect or to receive information derived from any Register, book or other document kept or maintained by or on behalf of the State in relation to registered instruments, save on the payment of such fee and under such circumstances, terms and conditions as may be prescribed by the Office.

24. Power to make Regulations

(1) The Commissioner may make regulations for the purpose of giving effect to the provisions of this Law subject to the approval of the House of Assembly.

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

- (i) the issuance, transfer, forfeiture and redemption of instruments;
- (ii) the payment by way of interest or otherwise of such amounts as may be determined by or under the regulations;
- (iii) the modification of, and or amendment to, Schedule 1 to this Law including provisions relating to the qualifications of the Trustees to Sinking Fund, provided that the modification and or amendment contemplated in this paragraph shall be with the prior approval of holders of a 75% majority in value of the Instruments, who are present in person or by proxy at a duly convened meeting;
- (iv) the fees to be paid in respect of anything to be issued or done under the provisions of this Law; and
- (v) all matters required by this Law to be prescribed, not being specifically reserved to the House of Assembly or the Governor and all matters incidental to or connected with such matters.

25. Repeal. L. 18 LLS 2003

The Lagos State Development Bonds Law Cap. L18 Laws of Lagos State 2003 is repealed.

26. Interpretation

In this Law, unless the context otherwise requires—

“**Accountant-General**” means the Accountant-General of Lagos State or a person appointed by the Government and charged with the responsibility of administering the State’s Consolidated Revenue Account and preparing statements for Lagos State.

“**Commission**” means the Securities and Exchange Commission established under the Investments and Securities Act No.29 of 2007.

“**Commissioner**” means the Commissioner for the time being charged with responsibility for matters relating to finance in Lagos State.

“**Consolidated Revenue Fund of the State**” means a dedicated or segregated savings account into which revenue appropriated by the State for the repayment of public debts and such other instruments as are issued under the provisions of this Law or other debt issuance Law shall be paid.

“**Executive Council**” means the Executive Council of the Lagos State or a committee comprising the Governor, the Deputy Governor, the Commissioners appointed by the Governor and such other officials as are invited into the Council by the Governor.

“**Gazette**” means the Official Gazette of the Lagos State Government in which laws, subsidiary legislations and other statutory instruments are regularly published by the Lagos State Government.

“**Government**” means the Government of Lagos State.

“**Governor**” means the Governor of Lagos State.

“**House of Assembly**” means the House of Assembly of Lagos State.

“**Instrument**” means any registered bond, bearer bonds, promissory notes, syndicated notes or such other securities or debt instruments as may be issued by the Lagos State Debt Management Office on behalf of the Government, pursuant to this Law.

“**Investment and Securities Act**” means Investment and Securities Act No. 29 of 2007.

“**Register**” means a register or such registers as shall be maintained by the Lagos State Debt Management Office in which details of any Instruments issued, the particulars of the holders thereof, transactions in any debt securities issued by the Government and details of subsequent transactions in such Instruments are recorded.

“State” means Lagos State of Nigeria.

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

“Office” means the Lagos State Debt Management Office established by the Lagos State Debt Office (Establishment, etc) Law 2008 for the management, conduct and implementation of any debt issuance programme of the Lagos State Government for the purpose of financing its capital budget, or public investment projects and commitments, or the restructuring of any existing debts.

“Trustee” means any Trustee appointed under this Law to represent and oversee the interests of the holders of instruments.

27. Citation and Commencement

This Law may be cited as the Lagos State Bonds, Notes and other Securities Issuance Law and shall come into force on the 19th day of 2008.

SCHEDULE

Sections 3(1)(2)(3) and 4(1)(2)

TRUSTEES’ RULES

1. Appendix

These Rules are to be read in conjunction with the Trust Deed (“Deed”) attached as Appendix 1 to these Rules and which shall be executed by every Trustee appointed under section 3(1) of the Law.

2. Appointment of Trustees

(1) The Commissioner, subject to the approval of the Executive Council, may appoint a registered trustee company, or any reputable bank or reputable insurance company for the purpose of acting on behalf of instrument holders with regard to the loan raised under the Law, provided that a Trustee appointed under this Rule shall not have any fiduciary relationship with the Government.

(2) A person to be appointed as a Trustee to rule 2(1) shall—

- (a) be a reputable insurance company or reputable bank having a minimum rating of a BB- rating ascribed by an internationally recognised rating agency; or a financial institution affiliated with such bank;
- (b) hold an appropriate licence from the relevant financial services regulator;
- (c) provide any undertaking, as may be required by the Commissioner, that the person has the resources and capacity to manage the Sinking Fund in accordance with the Law and these Rules and that it shall comply with the provisions of the Law and these Rules in the performance of its obligation to service the Sinking Fund;
- (d) provide any information that the Commissioner may require in connection with its management of the Sinking Fund;
- (e) not allow any conflict between its obligations under these Rules and its commercial interest; and
- (f) adhere to the terms and conditions specified in these Rules and the Deed at all times.

(3) The Commissioner, subject to the approval of the Executive Council, may appoint new and additional Trustees. Before the appointment of the Trustees

appointment shall be approved by a majority of bond holders present at a meeting duly called for the purpose.

3. Application of Sinking Fund

- (1) Money in the Sinking Fund shall only be used—
 - (a) to pay interest and principal when due on Government's public debt obligations; and
 - (b) to invest in Federal Government treasury bonds and securities, where it is not immediately required for Debt Servicing.

4. Duties of Trustees

- (1) The Trustees shall have the following duties and responsibilities to—
 - (a) act in accordance with the provisions of the Law, and safeguard and assure the integrity of the security for the Government's debt obligations, provided by the Sinking Fund;
 - (b) invest and apply the funds in the Sinking Fund only as specified under the Law, and to exercise the degree of care, skill and diligence of a prudent financial expert in the management of the Sinking Fund;
 - (c) retain control over the Sinking Fund and keep the money and assets derived from the management of the Sinking Fund separate from all other monies and assets within their control, in the ordinary course of their respective businesses;
 - (d) jointly summon, at least once every calendar year, meetings of all holders of Instrument where a Statement of Affairs on the management of the Sinking Fund shall be presented, and or any other necessary business and or matter shall be presented and determined. A meeting shall be convened by giving of at least twenty-eight (28) clear days' notice (specifying the agenda at the meeting) to all holders of Instruments, and the said notice shall also be published in at least two (2) national newspapers. The Trustees shall determine the procedure and regulations to be adopted at the meetings of Instrument holders; and
 - (e) not enter into contracts or other arrangements that would amount to a conflict of interest in the performance of their obligations under these Rules, the Law or the Deed, or any other customary obligations of Trustees.

(2) The Trustees shall prepare and deliver to the Commissioner quarterly reports and financial statements in respect of the management of the Fund in a format determined by the Commissioner.

5. Power of Trustees

Subject to the provisions of these Rules, the Law and the Deed, the Trustees shall have all the powers and discretion conferred upon Trustees by law, and in addition, the Trustees shall have the following powers to—

- (1) effectively manage the Sinking Fund in accordance with the Law and to discharge all dues and public debt obligations of the State in accordance with the terms of such debts;
- (2) invest funds in the Sinking Fund not immediately required to meet the obligations of the State, as specified in section 5 of the Law;
- (3) institute or defend proceedings in connection with the management of the Sinking Fund;
- (4) do any act in accordance with the provisions of the Law in respect of the effective management of the Sinking Fund.

6. Undesirable Situations and Practices

What constitute undesirable situations and practices.

An undesirable situation or practice is a situation or practice which threatens or may threaten fair, orderly and transparent management of the Sinking Fund or the implementation of its investment objectives.

These may include—

- (a) action or proposed action by a government or any of its agencies, industry regulators, or any exceptional or unforeseen circumstance, which is likely to be detrimental to the interests of the Trust with or which threatens or may threaten the objective of the Trust;
- (b) an order by a court of competent jurisdiction or a company resolution for the dissolution of, or appointment of an administrator for a Trustee (other than in the course of a reorganisation or restructuring of the Trustee);
- (c) any person taking any step, and it is not withdrawn or discharged within (90) days, to appoint a liquidator, manager, receiver, administrator, administrator or other similar officer in respect of any assets of a Trustee;

(d) a Trustee convening a meeting of its creditors or makes or proposes any arrangement or compromise with, or any assignment for the benefit of its creditors.

7. Commissioner's Power to deal with undesirable situations or practices

(1) If in the opinion of the Commissioner and or the Office, an undesirable situation or practice has developed or is developing regarding the management of the Sinking Fund, the Commissioner may take any step as to correct the situation or practice, including—

- (a) suspending a Trustee or Trustees, with the approval of the Governor and a majority decision of all the holders of Instruments, and recommend to the Governor for appointment, another Trustee or Trustees to act in its stead during the period of suspension;
- (b) terminating the appointment of a Trustee or Trustees, with the approval of the Governor and a majority decision of all the holders of Instruments, and immediately effecting the appointment of a new or new Trustees in accordance with the provisions of the Law and these Rules;
- (c) giving directions to the Trustee to act in such a manner as will correct or assist in overcoming the situation or practice; or
- (d) taking any other action it considers necessary to assure the proper and efficient management of the Sinking Fund, maintain its integrity and avoid any adverse effect on the Sinking Fund of the situation or practice.

(2) The Commissioner may, but is not obliged to, consult with, obtain a report from, or take advice from, other persons, as he deems fit, to assist him in making a decision to address an undesirable situation or practice.

(3) If the Commissioner determines that the undesirable situation, or practice has sufficiently abated to allow for the proper management of the Sinking Fund, the Commissioner shall order the removal of any restrictions which may have been imposed or placed and he may make such additional orders as he may deem necessary or appropriate.

8. Amendment, Deletion and Additions to Rules

These Rules may only be added to, amended or modified by the Commissioner by making the necessary regulations in accordance with the provisions of Section 23 of the Law.

(1) Unless otherwise provided, any new Rule or variation or amendment shall be effective from the date specified by the Commissioner.

(2) The Commissioner shall cause notice of all new Rules and or am Rules to be made publicly available within seven (7) days of their becoming eff

9. Interpretation

Unless expressed to the contrary, in these Rules the following pr construction shall apply—

"Commissioner" means the Commissioner for the time being charge responsibility for matters relating to finance in Lagos State;

"Consolidated Debt Service Account" means a dedicated savings acco under the Law, from which public debt repayment obligations of the Sta fulfilled.

"Debt Servicing" means all payments on the basis of due interest an arising from the public debts of the Lagos State Government, as well a payments upon costs incurred pursuant to the term and conditions under debt was incurred.

"Deed" means the Trust Deed annexed to these Rules as Appendix 1.

"Gender" means the masculine gender shall be deemed to include the fer neuter genders.

"Government" means the government of Lagos State.

"Governor" means the Governor of Lagos State.

"heading" means headings herein are inserted for convenience, and sh construed as forming part of these Rules or affecting the interpretati Sections of these Rules.

"House of Assembly" means the House of Assembly of Lagos State.

"Includes" means includes without limitation.

"Instruments" means any registered bonds, bearer bonds, promisso syndicated notes or such other securities or debt instruments issued by 1 State Debt Office on behalf of the Government, pursuant to the Law.

"Law" means the Lagos State Bonds, Notes and Other Securities Issua 2008.

"person" means words importing a person or persons shall include any ind corporation and shall include a person's legal representatives, successors-in assigns.

“reference to Law” means reference to any Law, statute or rule, or the provision of any Law, statute or rule includes that law, statute, rule or provision as amended, re-enacted or replaced from time to time.

“the Office” means The Lagos State Debt Management Office established by the Lagos State Debt Office (Establishment, etc.) Law 2008 for the management of the State’s internal and external debt, and the management, conduct and implementation of any debt issuance programme of the Lagos State Government for the purpose of financing its capital budget, or public investment projects and commitments, or the restructuring of any existing debts.

“Trustee” means any Trustee appointed to invest, manage and administer the Sinking Fund established under the Lagos State Bonds, Notes and Other Securities Issuance Law, 2008.

“Writing or written” means a reference to “in writing” or “written”, any mode of representing or reproducing words or information in tangible and visible form, including electronically produced, displayed and recorded matter.

10. Citation

These Rules may be cited as the Trustees’ Rules, 2008.

APPENDIX 1

TRUST DEED

BETWEEN

THE TRUSTEES OF THE SINKING FUND

AND

THE LAGOS STATE GOVERNMENT

THIS DEED dated the day of

BETWEEN:

1. The Lagos State Government of Nigeria (hereinafter referred to as “the Government”) of the first part; and
2. **THE PERSONS** named in Schedule 1 (hereinafter referred to as “the Trustees,” which expression shall include any replacement(s) thereof and or successors in office) of the other part.

WHEREAS:

- A. The Government is required by the Law to set aside fifteen per cent of the revenue on a monthly basis, to be deposited in the Consolidated Debt Service (“CDSA”) created under the Law, out of which the public debt repayment of the State shall be fulfilled.
- B. The Government is required by the Law to establish specific funds whenever it is necessary to do so in connection with a particular issue of instrument, which contributions shall be made from the Consolidated Debt Service in accordance with the terms and conditions of issue of the particular instrument.

The sums credited to the Sinking Fund shall be utilised to service obligations of specific instruments.

- C. The Government is desirous of developing a transparent and accountable structure for the management of the Sinking Fund, to assure the confidence of investors in the Instruments and has appointed the Trustees to manage the said Fund.

- D. The Trustees have agreed to manage the Sinking Fund in accordance with the provisions of the Deed.

NOW THIS DEED WITNESS AND IT IS AGREED as follows:

1. DEFINITIONS

1.1 In this Deed, unless the context requires otherwise, the following expressions shall have the meanings given to them—

“**Accountant-General**” means the Accountant General of Lagos State.

“**Assets**” means all investments, property, rights or powers which is, at any time, transferred, paid to or vested in the Trustees as a result of the administration of the Sinking Fund;

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

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

“**the Office**” means the Lagos State Debt Management Office established by the Lagos State Debt Management Office (Establishment, etc.) Law, 2008 for the management of the State’s internal and external debts, and the management, conduct and implementation of any debt issuance programme of the Lagos State Government for the purpose of financing its capital budget, of public investment projects and commitments, or the restructuring of any existing debts,

“**Debt servicing**” shall mean all payments on the basis of due interest and principal arising from the public debt of the Lagos State Government, as well as all other payments upon costs incurred pursuant to the terms and conditions under which debt was incurred;

“**Instruments**” means any registered bonds, bearer bonds, promissory notes, syndicated notes or such other securities or debt instruments issued by the Lagos State Debt Office on behalf of the Government, pursuant to the Law;

“**Laws**” means the Lagos State Bonds, Notes and Other Securities Issuance Law 2008;

“**Parties**” or Party” means the Government and or the Trustees;

“**Rules**” means the Trustees’ Rules, Schedule to the Lagos State Bonds, Notes and Other Securities Issuance Law 2008.

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

2. INTERPRETATION

2.1 In this Deed, unless the context requires otherwise—

2.1.1 words importing the masculine gender only shall include the neuter genders and vice versa, and words importing the singular shall include and vice versa;

2.1.2 all references to a clause or schedule shall mean a clause of or Schedule Deed;

2.1.3 any reference to a statute (whether specifically named or not) shall include any amendment or re-enactment of such statute for the time being in force and all orders, notices, regulations and bye-laws for the time being made, issued or deriving validity from it;

2.1.4 the words “including” and “includes” and other similar expressions shall be deemed to be followed by the words “without limitation”;

2.1.5 titles and headings to clauses are for convenience only and shall not be construed in, or affect the interpretation of this Deed.

3. PURPOSE OF TRUST

3.1 This trust is hereby created for the effectiveness, transparent and prudent management of the funds in the Sinking Fund which have been set aside for the following purposes:

3.1.1 creating a continuous basis funds to secure the debt repayment obligations of the Government under any Instrument issued under the Law;

3.1.2 investing any sums not immediately required to meet the obligations of the Government above in Federal Government Treasury Bonds and Securities.

3.2 The Trustees are hereby appointed to manage the Sinking Fund in accordance with the provisions of the Law, the rules and this Deed, and the Trustees hereinafter shall manage the Sinking Fund accordingly.

3.3 The Trustees shall stand possessed of the Sinking Fund upon trust, subject to the provisions of this Deed, and shall not deal with the Sinking Fund except in accordance with the provisions of the Law.

3.4 The Trustees shall prepare and deliver to the Commissioner and appropriate quarterly reports and financial statements, in respect of the management of the Sinking Fund.

4. OBLIGATIONS OF THE STATE GOVERNMENT

4.1 The Government shall pay the Trustees such agreed fees as may be recommended by the Commissioner and approved by the Governor.

4.2 Notwithstanding the provision of clause 4.1, the Government shall reimburse the Trustees, all reasonable and proper out of pocket costs and expenses as they may separately or collectively incur in connection with the management of the Sinking Fund including the costs for convening and holding meetings of holders of Instruments; provided that the Trustees shall seek and obtain the prior consent of the Commissioner to incur such costs and expenses.

4.3 The Government shall make available to the Trustees, any monies necessary to perform or discharge any contractual commitment, indemnity or other obligation entered into by or binding upon the Trustees in exercise of their powers under this Deed, and all liabilities in respect thereof shall be a charge upon the Sinking Fund.

5. OBLIGATIONS OF THE TRUSTEES

The Trustees shall perform all the duties and exercise all the powers set out in clauses 5 and 6 of the Rules, in addition to any other obligations imposed on the Trustees by Law and under this Deed.

6. CONFIDENTIALITY

The Trustees hereby agree that during the course of their engagement under this Deed, they are likely to obtain knowledge of confidential information with regards to the affairs of the Government and its agencies, details of which are not in the public domain ("Confidential Information"), and accordingly the Trustees hereby undertake to and covenants with the Government that:

6.1.1 they shall not, at any time, use any Confidential Information except for the purpose of performing their duties under this Deed and the Rules;

6.1.2 they shall not at any time during the continuation of, or after the termination of this Deed (save as required by law), disclose or divulge any Confidential Information to any person other than to officials of the Government who are authorised to have access to such Confidential Information; and

6.1.3 they shall use their best endeavours to prevent the publication or disclosure of any Confidential Information by any other person; and

6.2 The restrictions set out in clause 6.1 shall not apply to information or knowledge which comes into the public domain otherwise than by reason of the default of the Trustees.

6.3 The restrictions set out in this clause shall continue to apply notwithstanding termination of this Agreement, save for Clauses which shall only apply for twelve months after the termination of this Deed.

7. NOTICES

7.1 Any notice, request, requirement, stipulation of other document or message given, issued or made under this deed shall be in writing and signed by the person issuing or making it or that person's authorised agent or representative, and shall be in accordance with clause.

7.2 Any notice or other document referred to in clause 7.1 shall be personally delivered the same by hand to the registered office or to the addressee person to be served, as specified in this Deed or previously notified for this purpose, or by sending the same by a reputable courier service to such address, or by dispatching the same by legible facsimile transmission or other means of communication in written form, and due service shall be deemed to have been made at the time of receipt, save that in the case of any facsimile transmission sent after 4.30pm, it shall be deemed to have been made at 9.00am on the next business day.

8. TERMINATION AND DURATION

8.1 Subject to clause 8.2, the term of this Deed shall have five years commencing on the date first above written. The term hereby created may be extended on such terms as may be mutually agreed by the Parties.

8.2 Regardless of the term specified in clause 8.1, this Deed may be terminated where:

8.2.1 there is a material breach by the Government of its obligations under this Deed and the Trustees have given the Government three (3) months' notice in writing of their intention to terminate this Deed;

8.2.2 there is a material breach by the Trustees of the terms of this Deed and the Rules, and a majority of the holders of any Instrument, approve the termination;

8.2.3 in the opinion of the Commissioner, any of the circumstances specified in clause 7 of the Rules makes the fulfilment of the Trustees' obligations under this Deed impracticable;

8.2.4 the Commissioner receives a written resolution passed by holders of a majority in value of any Instruments requesting that the appointment of a Trustee be determined; or

8.2.5 an effective resolution is passed or binding court order is made for the removal of the Trustee(s).

8.3 In the event of a termination of this Deed, the Trustees shall immediately account and deliver up all Assets and sums in the Sinking Fund, to its appointed successor or successors. A Trustee shall continue in Office until a successor or successors have been duly appointed to take over its obligations herein.

9. SEVERABILITY

In the event that any one or more of the provisions contained in this Deed is, for any reason, held to be invalid, illegal or enforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Deed shall construe as if such invalid, illegal or unenforceable provision were not contained herein and in such event, the Parties shall endeavour to carry out the terms of this Deed as nearly as possible in accordance with its original terms and intent.

10. ENTIRE AGREEMENT

The provisions of this Deed constitute the entire agreement between the Parties. This Deed supersedes all prior understandings between the Parties whether oral or written. The terms of this Deed shall not be altered, varied and or amended except by a written instrument duly executed by the Parties to this Deed.

11. DISPUTE RESOLUTION

11.1 The Parties hereby undertake to use their reasonable endeavours to amicably resolve any dispute or misunderstanding that may arise between them, in relation to the terms of this Deed.

11.2 Where the Parties are unable to resolve any dispute amicably within fourteen (14) days of holding consultations after a dispute arises, such Dispute shall then be settled by arbitration in accordance with applicable Arbitration Legislation.

11.3 The reference shall be to three arbitrators, with each Party appointing one arbitrator in accordance with this paragraph and the third arbitrator being jointly appointed by agreement of the two so appointed, or if no such agreement can be reached, in accordance with applicable Arbitration Legislation.

11.4 A Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party, requiring the other Party to appoint its own arbitrator within fourteen (14) days of that notice and stating that it will appoint its arbitrator as sole arbitrator, unless the other Party appoints its own arbitrator and gives notice that it has done so within fourteen (14) days specified. If the other Party does not appoint its own arbitrator within fourteen (14) days specified, the Party referring a dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its own arbitrator as sole arbitrator and shall subsequently advise the other Party accordingly. The decision of the sole arbitrator, in this circumstance, shall be binding on the Parties.

11.5 The decision of the arbitral tribunal or arbitrator shall be final, co binding upon the Parties, and the successful Party in any such arbitrati responsible for the payment of the arbitrators' fees, except if the arbit otherwise.

11.6 The arbitration proceeding shall take place in Lagos, Nigeria : conducted in the English Language.

12. MODIFICATION OF TRUST DEED

The provisions of this Trust Deed may be modified by the Commission the observations and directives of the Securities and Exchange Commission under the Investment and Securities Act No.29 of 2007.

13. GOVERNING LAW

This Deed shall be governed by, and construed in accordance with, the Federal Republic of Nigeria.

IN WITNESS of which the Government and the Trustees have duly Deed in the manner herein after appearing, the day and year first above writte

SCHEDULE 1

TRUSTEES

(Trustee) of (Trustee's Address)

(Repeat for all Trustees)