

FAAC POSTMORTEM SUB-COMMITTEE

REPORT OF THE FAAC POST MORTEM SUB-COMMITTEE MEETING FOR THE MONTH OF DECEMBER, 2024

1.0 PREAMBLE:

- 1.1 The FAAC Post Mortem Sub-Committee (PMSC) meeting was held on Tuesday, 10th December, 2024, at the Boardroom of the Revenue Mobilization Allocation and Fiscal Commission (RMAFC). In attendance were the representatives of RMAFC, representatives of the Commissioners of Finance and Accountants-General Forum, as well as representatives of the Revenue Generating and Accounting Agencies.

2.0 THE UPDATES ON MATTERS REFERRED TO THE SUB-COMMITTEE ARE PRESENTED HEREUNDER:

2.1.1 Update On \$599,813,170.02 NPDC Indebtedness to NUPRC/The Federation Account in respect of Forcados Assets OML 119, 60-63 Series:

- 2.1.2 Recall that the Sub-Committee reported at the last FAAC Plenary that out of the outstanding sum of **\$599,813,170.02** indebtedness of NPDC to NUPRC, the sum of **\$581,579,845.00** was received and shared as payment on GVC Legacy debt, leaving an outstanding sum of **\$18,233,325.02** unpaid. As at October, 2024 Federation Account, the **\$18,233,325.02** still remain outstanding.

2.3.0 NNPC PROJECT GAZELLE FUNDING ESCROW ACCOUNT

- 2.3.1 The sum of **N1,045,114,871,708.58** and **N1,173,848,754,071.83** was paid to FIRS and NUPRC respectively from Project Gazelle Funding Account and disbursed to the three Tiers of Government. The Sub-Committee is requesting that the CBN should henceforth clearly indicate the exchange rate applied in subsequent conversion from Dollar to Naira for accountability. The Sub-Committee requested that its Member should

be included in the Project Gazelle Committee as an observer. Details of the amount so far paid are indicated on **Table 1** below.

Table 1: Payments from Project Gazelle Escrow Account for the Period April to October, 2024

Month	FIRS (=N=)	NUPRC (=N=)
April	-	121,047,930,767.75
May	-	121,319,383,364.97
June	-	106,813,379,418.00
July	559,139,102,964.41	225,394,550,895.05
August	341,703,107,333.63	112,509,976,968.87
September	106,759,842,342.91	224,996,406,511.07
October	37,512,819,067.63	261,767,126,146.12
Total	1,045,114,871,708.58	1,173,848,754,071.83

2.4.0 DEDUCTION FOR ROAD INFRASTRUCTURE TAX CREDIT SCHEME FOR THE PERIOD FEBRUARY TO OCTOBER, 2024

2.4.1 Members may recall that at the last FAAC Plenary meeting held in Bauchi, NNPC Ltd. was requested to suspend further deduction on Road Infrastructure Tax Credit Scheme pending when contentious issues surrounding the scheme are resolved.

2.4.2 During the Sub-Committee's last meeting, NNPC Ltd. representative informed the meeting that the management of the company is engaging with Federal Ministry of Finance at the top level. He also said that discussion is on-going and hope to report the outcome of the engagement by next meeting.

2.4.3 As at October 2024, the sum of **\$52,509,484.28** was deducted bringing the total amount to **\$472,585,358.52** as shown in **Table 2** below:

Table 2: Road Infrastructure Tax Credit Scheme Deductions

S/N	Month	NNPC Ltd. Monthly Calendarized JV Gas CIT Utilised for RITCS (\$)	Cumulative Total in USD (\$)
i.	February, 2024	52,509,484.28	52,509,484.28
ii.	March, 2024	52,509,484.28	105,018,968.56
iii.	April, 2024	52,509,484.28	157,528,452.84
iv.	May, 2024	52,509,484.28	210,037,937.12
v.	June, 2024	52,509,484.28	262,547,421.40
vi.	July, 2024	52,509,484.28	315,056,906.68
vii.	August, 2024	52,509,484.28	367,566,389.96
viii.	September, 2024	52,509,484.28	420,075,874.24
ix.	October, 2024	52,509,484.28	472,585,358.52

Source: FAAC PMSC Analysis November, 2024

2.5 UPDATE ON REVIEW OF THE TRANSACTIONS IN THE AMOUNT OF N3.2 TRILLION FGN TREASURY CRUDE ACCOUNT NO. 200054141287 WITH THE CENTRAL BANK OF NIGERIA (CBN)

2.5.1 During the last meeting of the Sub-Committee, the CBN representative inform the meeting that the Bank had reconciled about 90% of the FGN Treasury Crude Account. She requested that an Ad-Hoc Committee be constituted comprising the Consultant, CBN and Secretariat of the Sub-Committee to close-out on the issue.

2.5.2 Accordingly, the Chairman of the Sub-Committee promised to constitute an Ad-Hoc Committee as requested.

2.6 OUTSTANDING NNPC PAYABLES TO FIRS AND NUPRC

2.6.1 Recall that during the October, 2024 FAAC meeting, NNPC report that the outstanding total sum of **N2,032,479,380,677.87** comprising NUPRC Royalty of **N1,189,200,005,557.13** and FIRS Tax of **N843,279,375,120.73** from June to December, 2023 should be accounted for by the OAGF.

2.6.2 The OAGF representative at the Sub-Committee's last meeting, explained that NNPC had forwarded the breakdown of the **N2,032,479,380,677.87** as requested and that they are still working on the document. He assured the Sub-Committee that the OAGF will provide update on the issue at the next meeting. Details of the outstanding are contained in **Table 3** below.

Table 3: NNPC Outstanding NUPRC Royalty and FIRS Taxes for the Period June to Dec. 2023

Receipt Month	NUPRC ROYALTY (=N=)	FIRS TAX (=N=)	GRAND TOTAL (=N=)
June, 2023	133,645,295,270.04	173,085,770,573.48	306,731,065,843.52
July, 2023	92,892,589,353.61	114,284,263,582.11	207,176,852,935.72
August, 2023	281,755,766,305.48	188,498,971,643.70	470,254,737,949.18
September, 2023	163,344,693,658.06	104,348,780,107.37	267,693,473,765.43
October, 2023	220,230,305,413.52	123,873,281,528.59	344,103,586,942.11
November, 2023	212,803,762,117.84	81,183,865,915.54	293,987,628,033.38
December, 2023	84,527,593,438.58	58,004,441,769.94	142,532,035,208.52
Total	1,189,200,005,557.13	843,279,375,120.73	2,032,479,380,677.86

2.7 UNSHARED ELECTRONIC MONEY TRANSFER LEVY (EMTL) LEDGER BALANCE

2.7.1 The OAGF reported that they had a reconciliation meeting with FIRS and CBN on the outstanding balance of **N13,953,481,584.12** in the EMTL account. The OAGF representative explained that out of the sum of **N13,953,481,584.12**, the meeting identified that **N10,515,254,646.41** was revenue for Stamp Duty wrongly transferred to EMTL ledger while the should be **N3,403,573,888.22** was reversal made by CBN to Ecobank as a result of double payment. He concluded that the balances in the EMTL ledger after the reconciliation meeting was **N34,653,049.54** yet to be reconcile.

2.7.2 The Sub-Committee resolved that the balance in the EMTL Account should still be **N13,953,481,584.12** pending when the OAGF submit the report and bank statements used in the reconciliation. It was also resolved that henceforth, a member of the Sub-Committee should be included in such reconciliation meeting.

3.0 UNSHARED BALANCE OF N18,500,744,903.02 IN THE FOREX EQUALIZATION FUND ACCOUNT

3.1 The Sub-Committee noted that the sum of **N18,500,744,903.02** had been lying idle as balance in the Forex Equalization Fund Account for a very long time and requested that the OAGF should distribute the amount to the Three Tiers of Government since the exchange rate had been unified.

4.0 PERFORMANCE OF THE REVENUE GENERATING AGENCIES REMITTANCES TO THE CBN COMPONENT STATEMENT IN OCTOBER, 2024 FEDERATION ACCOUNT

- 4.1 The contributions of the Revenue Generating Agencies as contained in the CBN Federation Account Component Statement for the month of October, 2024 are presented in **Table 4** as follows:

Table 4: Summary of Performance of the Agencies in the month of October, 2024

S/N	Detail	Revenue Inflow to CBN FA for the Month of October, 2024 (N)	Percentage Performance Contribution (%)
i.	NNPC Ltd. Federation Account	40,738,395,695.27	2.05
ii.	NUPRC/MPR Federation Account	604,472,452,718.63	30.49
iii.	FIRS Federation Account	1,003,322,837,753.60	50.60
iv.	NCS Federation Account	334,205,846,925.83	16.86
v.	FMSMD Federation Account	-	-
	Total (October, 2024 FA)	1,982,739,533,083.69	100.00

Source: FAAC PMSC Analysis November, 2024

- 4.2 Note that the sum of **N3,401,818,820.00** was collected by the FMSMD in the month of October 2024 Federation Account, while the balance in the Solid Mineral Account as of October, 2024 unshared stood at **N20,673,703,931.11**
- 4.3 The Sub-Committee resolved that the balance in the Solid Mineral Account should be brought forward for distribution to the Three Tiers of Government. However, a Member of the Indices and Disbursement Committee of the Commission informed the meeting that a request was made to the MSMD to provide State-by-State attribution to enable the Committee produce the required indices for distribution but that the Ministry is yet to respond.
- 4.4 The Sub-Committee requested the MSMD to provide the needed information so that the amount standing in the Solid Mineral Account could be distributed.

5.0 ASSESSING THE IMPACT OF THE FAAC PMSC ON OUTSTANDING ARREARS OF REVENUE INFLOWS DUE TO THE FEDERATION ACCOUNT IN NOVEMBER, 2024

5.2 The cumulative outstanding arrears reconciled and paid to the Federation Account from January to November, 2024 stood at **N1,364,820,911,952.70**. Details in Table 6 below:

Table 6: Summary of outcome of Reconciliation with the RGA Cumulative Payment to the Federation Account from Reconciled Outstanding Arrears from January to October, 2024

S/N	Month	Monthly Total CBN Revenue Collectors Inflow to the Federation Account (N)	Cumulative Total (N)
i.	January, 2024	106,455,313,989.35	106,455,313,989.35
ii.	February, 2024	125,946,449,877.83	232,401,763,867.18
iii.	March, 2024	83,159,925,627.53	315,561,689,494.71
iv.	April, 2024	126,827,637,455.12	442,389,326,949.83
v.	May, 2024	94,964,537,885.84	537,353,864,835.67
vi.	June, 2024	364,318,868,706.80	901,672,733,542.47
vii.	July, 2024	289,013,294,054.92	1,190,686,027,547.39
viii.	August, 2024	60,109,291,338.23	1,250,795,378,885.62
ix.	September, 2024	114,025,533,067.08	1,364,820,911,952.70
x.	October, 2024	0.00	1,364,820,911,952.70

Source: FAAC PMSC Analysis, November, 2024

6.0 OUTSTANDING FEDERATION ACCOUNT REVENUE ARISING FROM THE INTER-AGENCIES RECONCILIATION MEETING HELD IN DECEMBER, 2024

6.1 The total outstanding amount undergoing reconciliation due to the Federation Account from the reconciliation meeting held with the Revenue Generating Agencies in December, 2024 was **\$18,236,325.02** and **N3,430,236,115,666.44** as shown in Table 7 below.

Table 7: Summary of Amount Undergoing Reconciliation From Federation Account Revenue as at November, 2024 Meeting

AGENCY	DOLLAR (\$)	NAIRA (N)
NNPCL		162,333,333,334.00
NUPRC/NNPCL	18,236,325.02	136,042,282,142.76
FIRS/NNPCL	0.00	1,085,427,637,927.70
OAGF		2,046,432,862,261.98
TOTAL	18,236,325.02	3,430,236,115,666.44

Source: FAAC PMSC Analysis, November, 2024

- 6.2 Members should note that these outstanding amounts are still being reconciled at the monthly reconciliation meetings between the Agencies and the Sub-Committee. Furthermore, the sum of **\$180,230,895.02** and **N2,535,352,533,190.87** outstanding payments from the Revenue Generating Agencies before June, 2023, were referred to the Stakeholders Alignment Committee and the Sub-Committee awaits the outcome of the reconciliation soonest.
- 6.3 The Sub-Committee is working with the Revenue Generating Agencies to ensure that the above outstanding amounts are paid to the Federation Account as soon as possible.

7.0 UPDATE ON BALANCES IN SPECIAL RESERVE ACCOUNTS

- 7.1 The balances in the Special Reserve Accounts as at 31st October, 2024 are shown in **Table 8** below:

Table 8: Summary of Balances in the Special Accounts as of 31st October, 2024

S/N	ITEM	AMOUNT (N)	AMOUNT (\$)
A.	Stabilization Fund Account	58,313,642,607.13	
B.	Development of Natural Resources	23,289,243,398.50	
C.	Domestic Excess Crude Proceed	6,921,685,865.07	
D.	Solid Mineral Account	20,722,184,216.02	
E.	Oil Excess Revenue Account	67,990,026.62	
F.	Police Trust Fund Account	27,389,773,732.83	
G.	Non-oil Excess Revenue Account	686,370,856,505.66	
H.	Forex Equalization Account	18,500,744,903.02	
I.	EMTL Account	13,953,481,584.12	
J.	Exchange Gain Account	80,230,572,340.52	
K.	Special Intervention for Nigerian Military	100,000,000,000.00	
L.	Good and Valuable Consideration Account	0.00	0.00
M.	Excess Crude/PPT and Royalty Account		473,754.57
N.	Intervention to States Infrastructure & Security	249,000,000,000.00	
O.	Ledger of 13% Derivation Refund on Withdrawal from Signature Bonus:	100,000,000,000.00	
P.	Ledger of Refund due to States from the net off with States from the withdrawals made from ECA	100,000,000,000.00	
Q.	Ledger of Refund due to States on withdrawals made from ECA(2009-2015) and Signature Bonus	250,049,659,511.57	
R.	Ledger of 13% Derivation Refund on JVC and DECA	100,000,000,000.00	
S.	Ledger of Funding for Presidential Metering Initiative	280,000,000,000.00	
T.	Ledger of savings on FCT 1% of Signature Bonus/ ECA	48,788,522,090.24	
U.	Ledger of savings on Oil Theft Prevention	0.00	

Source: OAGF/FAAC/MMSD Record, November, 2024

8.0 Conclusion

8.1 I thank the Chairman and Members for your attention.



M. B. Shehu, OFR, PhD,

Chairman, Revenue Mobilization, Allocation and Fiscal Commission
December, 2024