

FAAC POSTMORTEM SUB-COMMITTEE

REPORT OF THE FAAC POST MORTEM SUB-COMMITTEE MEETING FOR THE MONTH OF JANUARY, 2025

1.0 PREAMBLE:

- 1.1 The FAAC Post Mortem Sub-Committee (PMSC) meeting was held on Tuesday, 14th January, 2025, 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.

2.2.0 UPDATE ON NNPCL PROJECT GAZELLE FUNDING ESCROW ACCOUNT

- 2.2.1 On payment of Project Gazelle funding, FIRS and NUPRC so far received the sum of **N1,188,588,017,342.05** and **N1,173,848,754,071.83** respectively from Project Gazelle Funding Account and already disbursed

to the three Tiers of Government. Details of the amount are indicated on **Table 1** below.

Table 1: Payments from Project Gazelle Escrow Account for the Period April to November, 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
November	123,475,145,633.43	0.00
Total	1,188,588,017,342.05	1,173,848,754,071.83

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

2.3.1 NNPC 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.

2.3.2 As at November 2024, the sum of **\$52,509,484.28** was deducted bringing the total amount to **\$525,094,842.80** as shown in **Table 2** below:

Table 2: Road Infrastructure Tax Credit Scheme Deductions

S/N	Month	NNPC Ltd. Monthly FIRS JV Gas CIT utilized for RTCS in USD (\$)	Cumulative Balance 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	315,056,905.68
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
x.	November, 2024	52,509,484.28	525,094,842.80

Source: FAAC PMSC Analysis December, 2024

2.3.3 Recall that at the FAAC Plenary meeting held in Bauchi, NNPC was requested to suspend further deduction pending when contentious issue surrounding the scheme is resolved.

2.4 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)

2.4.1 Recall that the CBN representative reported that the Bank had reconciled about 90% of the FGN Treasury Crude Account and requested that an Ad-Hoc Committee be constituted comprising the Consultant, CBN and Secretariat of the Sub-Committee to close-out on the issue.

2.4.2 Accordingly, the Ad-hoc Committee was constituted but the members could not meet due to the Christmas break. An update on the issue will be provided at the next FAAC Plenary meeting. The assignment is still work in progress.

2.5 UPDATE ON OUTSTANDING NNPC PAYABLES TO FIRS AND NUPRC

2.5.1 Recall that NNPC reported that the outstanding 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.

2.5.2 The Director Federation Account (OAGF) informed the meeting that an update will be provided at the January, 2024 FAAC Plenary 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

2.6 UNSHARED ELECTRONIC MONEY TRANSFER LEVY (EMTL) LEDGER BALANCE

- 2.6.1 In respect of the outstanding balance of **N13,953,481,584.12** in the EMTL account, the OAGF representative presented a reconciliation report at the last Sub-Committee's meeting which showed that out of the outstanding amount of **N13,953,481,584.12**, the sum of **N10,515,254,646.41** was for Stamp Duty collection, while **N3,403,573,888.22** was an erroneous payment by Eco Bank which was reversed by CBN leaving an unreconciled balance of **N34,652,550.00**.
- 2.6.2 Furthermore, from the balance of **N34,652,550.00**, OAGF presented CBN Bank Statement which showed a reversal of **N19,253,250.00** and **N15,399,300** amounting to **N34,652,550** being duplicate entries which was reversed leaving a balance of **N499.54** in the EMTL account.
- 2.6.3 The Sub-Committee resolved that the OAGF should adjust its EMTL book balance to reflect the outcome of the reconciliation report.

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

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

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

S/N	Revenue Agencies	Revenue Inflow to CBN FA for the Month of November, 2024 (N)	Percentage Performance (%)
i.	NNPC Ltd.	-	0.00
ii.	NUPRC/MPR	867,222,327,958.87	34.71
iii.	FIRS	1,313,819,134,308.83	52.58
iv.	NCS	317,429,218,317.59	12.71
v.	MMSD	-	0.00
	Total (November, 2024)	2,498,470,680,585.29	100.00

Source: FAAC PMSC Analysis December, 2024

- 3.2 Note that the sum of **N2,407,269,880.74** was collected by the FMSMD in the month of October 2024 Federation Account, while the balance in

the Solid Mineral Account as of November, 2024 unshared stood at **N23,080,973,812.65**

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

4.1 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 5** below:

Table 5: Summary of outcome of Reconciliation with the RGA Cumulative Payment to the Federation Account from Reconciled Outstanding Arrears from January to November, 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
xi.	November, 2024	0.00	1,364,820,911,952.70

Source: FAAC PMSC Analysis, December, 2024

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

5.1 The total outstanding amount undergoing reconciliation due to the Federation Account from the reconciliation meeting held with the Revenue Generating Agencies in January, 2024 was **\$37,233,120.02** and **N5,304,760,573,572.83** as shown in **Table 6** below.

Table 6: Summary of Amount Undergoing Reconciliation from Federation Account Revenue as at December, 2024 Meeting

AGENCY	DOLLAR (\$)	NAIRA (N)
NNPCL		162,333,333,334.00
NUPRC/NNPCL	19,697,700.02	1,870,431,436,619.07
FIRS/NNPCL	17,535,420.00	1,239,516,422,442.36
OAGE		2,032,479,381,177.40
TOTAL	\$37,233,120.02	N5,304,760,573,572.83

Source: FAAC PMSC Analysis, December, 2024

5.2 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.

5.3 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.

6.0 UPDATE ON BALANCES IN SPECIAL RESERVE ACCOUNTS

6.1 The balances in the Special Reserve Accounts as at 31st November, 2024 are shown in **Table 7** below:

Table 7: Summary of Balances in the Special Accounts as of 31st November, 2024

S/N	ITEM	AMOUNT (N)	AMOUNT (\$)
A.	Development of Natural Resources	32,070,636,184.90	
B.	Stabilization Fund Account	57,709,812,193.16	
C.	Solid Mineral Account	23,129,454,096.76	
D.	Ledger of savings on Oil Theft Prevention	0.00	
E.	Ledger of savings on FCT 1% of Signature Bonus/ ECA	16,000,000,000.00	
F.	Ledger of Funding for Presidential Metering Initiative	280,000,000,000.00	
G.	Ledger of Refund due to States from the net off with States from the withdrawals made from ECA	200,000,000,000.00	
H.	Ledger of 13% Derivation Refund on JVC and DECA	200,000,000,000.00	
I.	Ledger of 13% Derivation Refund on Withdrawal from Signature Bonus:	100,000,000,000.00	
J.	Intervention to States Infrastructure & Security	16,000,000,000.00	
K.	Special Intervention for Nigerian Military	100,000,000,000.00	
L.	Ledger of Refund due to States on withdrawals made from ECA(2009-2015) and Signature Bonus	450,000,000,000.00	
M.	EMTL Account	13,953,481,584.12	
N.	Police Trust Fund Account	27,389,773,732.83	
O.	Good and Valuable Consideration Account	0.00	0.00
P.	Forex Equalization Account	18,500,744,903.02	
Q.	Oil Excess Revenue Account	67,990,026.62	
R.	Non-oil Excess Revenue Account	786,370,856,505.66	
S.	Exchange Gain Account	80,230,572,340.52	
T.	Domestic Excess Crude Proceed	7,021,270,679.07	
U.	Excess Crude/PPT and Royalty Account	0.00	473,754.57

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

7.0 Conclusion

7.1 I thank the Chairman and Members for your attention.



M. B. Shehu, PhD, OFR

Chairman, Revenue Mobilization, Allocation and Fiscal Commission
January, 2025