

FAAC POSTMORTEM SUB-COMMITTEE

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

1.0 PREAMBLE:

- 1.1 The FAAC Post Mortem Sub-Committee (PMSC) meeting was held on Monday, 17th February, 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 January, 2025 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 so far received **N945,054,732,033.82** and NUPRC also received the sum of **\$153,004,423.18** and **N701,358,571,061.47** 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 December, 2024

Month	FIRS (=N=)	NUPRC (=N=)
	0.00	\$153,004,423.18
April to December, 2024	N945,054,732,033.82	N701,358,571,061.47

2.2.2 The Sub-Committee is currently working with the Project Gazelle Committee to ensure that the actual exchange rate used in the conversion of the USD payments are provided on monthly basis.

2.3.0 UPDATE ON DEDUCTION FOR ROAD INFRASTRUCTURE TAX CREDIT SCHEME FOR THE PERIOD FEBRUARY TO DECEMBER, 2024

2.3.1 On the issue of Road Infrastructure Tax Credit Scheme, 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.

2.3.2 As at December 2024, the sum of **\$52,509,484.28** was deducted bringing the total amount to **\$577,604,432.08** 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
xi.	December, 2025	52,509,484.28	577,604,432.08

Source: FAAC PMSC Analysis January, 2025

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 The CBN representative at the Sub-Committee's meeting reiterated that the Bank had requested the Consultant to forward the soft copy of his report to enable the Bank scrutinize the amount established as outstanding but has not receive a respond from the Consultant yet.
- 2.4.3 In order to resolve the issue, the Sub-Committee requested that CBN should convey a meeting inviting the Consultant to present his submission in order to conclude the issue before the next FAAC 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 At the last FAAC meeting, the AGF said she would discuss the matter with the Ministry of Finance and revert. Members are awaiting feedback from the AGF on the matter. 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

3.0 NON-REMITTANCE OF GOLD ROYALTY TO THE FEDERATION ACCOUNT BY MSMD

3.1 Members of the Sub-Committee extensively deliberated on the increase in mining activities across the States without correspondent increase in the amount of Solid Mineral revenue being reported at FAAC. Members were particularly concern that despite the huge amount of gold being mined and exported out of the country, the FMSMD has never reported or remitted royalty accruing from gold to the Federation Account. The representative of FMSMD explained that all activities and collection of revenue in respect of gold were handled by the Solid Mineral Development Fund.

3.2 The Sub-Committee agreed to meet with Stakeholders for efficient revenue inflow from the sector and also to ascertain the operations of the Solid Mineral Development Fund in remitting revenue to the Federation Account.

4.0 PERFORMANCE OF THE REVENUE GENERATING AGENCIES REMITTANCES TO THE CBN COMPONENT STATEMENT IN DECEMBER, 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 December, 2024 are presented in **Table 4** as follows:

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

S/N	Detail	Revenue Inflow to CBN FA for the Month of December, 2024 (N)	Percentage Performance Contribution (%)
i.	NNPC Ltd. Federation Account	63,870,485,422.34	3.92
ii.	NUPRC/MPR Federation Account	574,102,809,490.73	35.25
iii.	FIRS Federation Account	731,200,394,207.46	44.89
iv.	NCS Federation Account	259,831,117,241.65	15.94

v.	FMSMD Federation Account	-	-
	Total (October, 2024 FA)	1,628,804,806,362.09	100.00

Source: FAAC PMSC Analysis January, 2025

- 4.2 Note that the sum of **N5,137,844,542.77** was collected by the FMSMD in the month of December 2024 Federation Account, while the balance in the Solid Mineral Account as of December, 2024 unshared stood at **N28,267,298,639.53**

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

- 5.1 The cumulative outstanding arrears reconciled and paid to the Federation Account from January to December, 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 December, 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
	December, 2024	0.00	1,364,820,911,952.70

Source: FAAC PMSC Analysis, January, 2025

6.0 OUTSTANDING FEDERATION ACCOUNT REVENUE ARISING FROM THE INTER-AGENCIES RECONCILIATION MEETING HELD IN FEBRUARY, 2025

- 6.1 The total outstanding amount undergoing reconciliation due to the Federation Account from the reconciliation meeting held with the Revenue Generating Agencies in February, 2025 was **\$37,233,120.02** and **N5,032,479,381,177.40** as shown in Table 6 below.

Table 6: Summary of Amount Undergoing Reconciliation from Federation Account Revenue as at January, 2025 Meeting

AGENCY	DOLLAR (\$)	NAIRA (N)
NNPCL		162,333,333,334.00
NUPRC/NNPCL	19,697,700.02	2,166,309,953,486.09
FIRS/NNPCL	17,535,420.00	1,392,998,439,737.80
OAGE	0.00	2,032,479,381,177.40
TOTAL	\$37,233,120.02	N5,032,479,381,177.40

Source: FAAC PMSC Analysis, January, 2025

- 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 Technical reconciliation meeting conveyed by Ministry of Finance.

7.0 UPDATE ON BALANCES IN SPECIAL RESERVE ACCOUNTS

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

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

S/N	ITEM	AMOUNT (N)	AMOUNT (\$)
A.	Development of Natural Resources	26,064,393,956.79	
B.	Stabilization Fund Account	59,948,581,996.92	
C.	Solid Mineral Account	28,267,298,639.53	
D.	Ledger of savings on Oil Theft Prevention	0.00	
E.	Ledger of savings on FCT 1% of Signature Bonus/ ECA	0.00	
F.	Ledger of Funding for Presidential Metering Initiative	0.00	
G.	Ledger of Refund due to States from the net off with States from the withdrawals made from ECA	100,000,000,000.00	
H.	Ledger of 13% Derivation Refund on JVC and DECA	100,000,000,000.00	
I.	Ledger of 13% Derivation Refund on Withdrawal from Signature Bonus:	100,000,000,000.00	
J.	Intervention to States Infrastructure & Security	116,000,000,000.00	
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	200,000,000,000.00	
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	7,120,855,493.07	
U.	Excess Crude/PPT and Royalty Account	0.00	473,754.57

Source: OAGF/FAAC/MMSD Record, January, 2025

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
February, 2025