

FAAC POSTMORTEM SUB-COMMITTEE

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

1.0 PREAMBLE:

- 1.1 The FAAC Post Mortem Sub-Committee (PMSC) meeting was held on Monday, 17th March, 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 had reported 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 February, 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 Regarding NNPCL Project Gazelle funding, the sum of **N1,346,958,014,637.75** and **N1,288,516,088,518.47** totaling **N2,635,474,103,156.22** has so far been paid to FIRS and NUPRC

respectively and the amount had been disbursed. Details of the amount are indicated on **Table 1** below.

Table 1: Payments from Project Gazelle Escrow Account for the Period April to January, 2025

Month	NUPRC (=N=)	FIRS (=N=)	
April to January, 2025	N1,346,958,014,637.75	N1,288,516,088,518.47	N2,635,474,103,156.22

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.

2.3.0 UPDATE ON DEDUCTION FOR ROAD INFRASTRUCTURE TAX CREDIT SCHEME FOR THE PERIOD FEBRUARY, 2024 TO JANUARY, 2025

2.3.1 The Sub-Committee observed that there was no deduction for Road Infrastructure Tax Credit Scheme in January, 2025 Federation Account. As at January 2025, a total sum of **\$577,604,432.08** has so far been deducted for the Scheme 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
Xii.	January, 2025	0.00	577,604,432.08

Source: FAAC PMSC Analysis January, 2025

2.3.2 Members discussed it extensively as NNPC's position was that there must be an authorization or instruction from Mr. President to stop funding the Road Projects, and so far, there was no such instruction.

2.3.3 In conclusion, members agreed that the Sub-Nationals has to take it up because it is Federation revenue that was divested to road projects. The share of the States and Local Governments should be calculated and paid to them as the Projects are Federal Roads. The Chairman of the Commission had written to FIRS to provide list of other Companies on such Scheme and the Sub-Committee still awaits FIRS response.

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 CBN was asked to respond to the alleged **N3.2 trillion** shortfall. CBN representative reported that the Bank had reconciled 90% of the transactions from the Account and requested the Consultant to forward the soft copy of his Report to enable the Bank confirm how the amount was established as outstanding. The Consultant was contacted and he requested that there is need for a joint reconciliation meeting to enable him disclose how the amount was established. CBN promised to convene a meeting with the Consultant and the Secretariat of the Sub-Committee to close-out on the issue. However, CBN has not been able to call for the meeting.

2.4.2 In order to resolve the issue, the Sub-Committee decided to call for a meeting last week but CBN representatives were unable to attend the meeting because they were engaged with other assignment. The assignment is still work in progress.

2.5 UPDATE ON OUTSTANDING NNPC PAYABLES TO FIRS AND NUPRC BY THE OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION (OAGF)

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 Sub-Committee is awaiting feedback from the AGF on the matter. Details of the outstanding are contained in **Table 3** below:

Table 3: NNPCL 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 UNSHARED BALANCES

A. FOREX EQUALIZATION ACCOUNT BALANCE AS AT JANUARY, 2025

- 3.1 The Sub-Committee observed that the sum of **N18,500,744,903.02** has been standing as balance in the Forex Equalization Account since 21st August, 2023 (see attached Appendix 1). The Sub-Committee therefore recommends that the **N18,500,744,903.02** be shared to the beneficiaries of the Federation Account in line with the existing Revenue Allocation Formulae.

B. SOLID MINERALS REVENUE ACCOUNT BALANCE

- 3.2 The Sub-Committee noted that the sum of **N4,175,834,877.91** was collected by the Federal Ministry of Solid Mineral Development (FMSMD) in the month of January, 2025 Federation Account and the balance in the Solid Mineral Account as of January, 2025 unshared stood at **N32,394,653,233.33** as shown in the table below:

Table 4: SOLID MINERAL REVENUE ACCOUNT

S/NO.	MONTHS	AMOUNT (N)	CUMULATIVE TOTAL(N)
1.	b/f	28,218,818,355.42	28,218,818,355.42

2.	January	4,175,834,877.91	32,394,653,233.33
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3.3 Recall that in our last Report to FAAC, it was discussed that the sum of **N28,218,818,355.42** be shared while the inflow of January, 2025 be left in the Account.

3.4 In conclusion, the Sub-Committee recommend that the balance of **N18,500,744,903.02** in the Forex Equalization Account and the sum of **N28,218,818,355.42** in the Solid Mineral Account be shared.

4.0 PERFORMANCE OF THE REVENUE GENERATING AGENCIES REMITTANCES TO THE CBN COMPONENT STATEMENT IN JANUARY, 2025 FEDERATION ACCOUNT

4.1 The contributions of the Revenue Generating Agencies as contained in the CBN Federation Account Component Statement for the month of January, 2025 are presented in **Table 5** as follows:

Table 5: Summary of Performance of the Agencies in the month of January, 2025

S/N	Details	Revenue Collectors Inflow for the Month (N)	Percentage Performance (%)
i.	NNPC Ltd. Federation Account	64,375,955,269.89	3.480
ii.	NUPRC/MPR FA	566,130,159,299.03	30.630
iii.	FIRS Federation Account	817,367,448,032.22	44.230
iv.	NCS Federation Account	400,341,158,606.31	21.660
v.	MMSD Federation Account	-	0.000
	Total	1,848,214,721,207.45	100.000

Source: FAAC PMSC Analysis February, 2025

5.0 ASSESSING THE IMPACT OF THE FAAC PMSC ON OUTSTANDING ARREARS OF REVENUE INFLOWS DUE TO THE FEDERATION ACCOUNT IN JANUARY, 2025

5.1 The outstanding arrears reconciled and paid to the Federation Account in January 2025 was **N367,370,034,037.26**. 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 in January, 2025

S/N	Detail	Amount of Receipt in USD (\$)	CBN Exchange Rate (N/\$)	Amount in Naira Equivalent (N)
i.	NNPC Ltd. Crude Sales Receipt December, 2024 Arrears	179,894.03	1534.8176	276,104,523.38
	Gas Sales Receipt December, 2024 Arrears	10,697,738.54	1534.8176	16,419,077,391.39
	Sub-Total	10,877,632.57		16,695,181,914.77
ii.	NNPC Ltd. Gas Receipt in December, 2024	-	-	16,419,077,391.39
iii.	August, 2023 Crude Revenue to Federation	-	-	13,043,883,434.55
iv.	FIRS PSC Domestic PPT Arrears	27,535,545.00	1650.37	45,447,138,151.64
v.	NNPC Ltd. PSC Crude Oil (Export) Arrears	390,943.50	1662.896	650,098,382.38
vi.	NNPC Ltd. NEPL Royalty Oil Sales Value	42,590,062.40	1669.470	71,102,831,641.88
vii.	NNPC Ltd. November, 2024 PSC Royalty Project Gazelle	77,822,640.71	-	114,670,334,426.64
viii.	NNPC Ltd. October, 2024 NUPRC Royalty			89,341,488,694.01
	Total	159,216,824.18		367,370,034,037.26

Source: FAAC PMSC Analysis, February, 2025

6.0 OUTSTANDING FEDERATION ACCOUNT REVENUE ARISING FROM THE INTER-AGENCIES RECONCILIATION MEETING HELD IN MARCH, 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 March, 2025 was **\$55,002,924.02** and **N6,108,454,402,702.58** as shown in **Table 7** below:

Table 7: Summary of Amount Undergoing Reconciliation from Federation Account Revenue as at March, 2025 Meeting

AGENCY	DOLLAR (\$)	NAIRA (N)
NNPCL		390,695,076,779.77
NUPRC/NNPCL	37,467,504.02	2,218,793,116,202.18
FIRS/NNPCL	17,535,420.00	1,466,486,829,042.77
OAGE	0.00	2,032,479,381,177.40
TOTAL	\$55,002,924.02	N6,108,454,402,702.58

Source: FAAC PMSC Analysis, February, 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 assigned to look into the new position forwarded to the Ministry of Finance by NNPC Ltd alongside the former Report submitted on the issue.

7.0 UPDATE ON BALANCES IN SPECIAL RESERVE ACCOUNTS

7.1 The balances in the Special Reserve Accounts as at 31st January, 2025 are shown in **Table 8** below:

Table 8: Summary of Balances in the Special Accounts as of 31st January, 2025

S/N	ITEM	AMOUNT (₦)	AMOUNT (\$)
A.	Development of Natural Resources	35,320,496,071.42	
B.	Stabilization Fund Account	62,394,477,874.84	
C.	Solid Mineral Account	32,443,133,517.44	
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	163,417,515,339.90	
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	216,000,000,000.00	
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	00.0	
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	675,888,229,252.39	
S.	Exchange Gain Account	57,228,473,463.82	
T.	Domestic Excess Crude Proceed	7,220,440,307.07	
U.	Excess Crude/PPT and Royalty Account	0.00	473,754.57

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

8.0 Conclusion

8.1 I thank the Chairman and Members for your attention.

Ahmed Yusuf

Vice-Chairman (1)

For: Chairman, Revenue Mobilization, Allocation and Fiscal Commission
March, 2025

Stakeholders Alignment Committee and the Sub-Committee awaits the outcome of the Technical reconciliation meeting assigned to look into the new position forwarded to the Ministry of Finance by NNPC Ltd alongside the former Report submitted on the issue.

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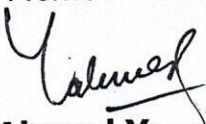
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Ahmed Yusuf
Vice-Chairman (1)

For: Chairman, Revenue Mobilization, Allocation and Fiscal Commission
March, 2025