

FAAC POSTMORTEM SUB-COMMITTEE

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

1.0 PREAMBLE:

- 1.1 The FAAC Post Mortem Sub-Committee (PMSC) meeting was held on Wednesday, 13th November, 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 September, 2024 Federation Account.

2.3.0 NNPCL PROJECT GAZELLE FUNDING ESCROW ACCOUNT

- 2.3.1 The total amount of transfers to Project Gazelle Funding Escrow Account for both NUPRC and FIRS was **\$1,523,023,066.70** out of which only **\$635,696,716.35** and **N681,168,944,909.48** was paid to the agencies and disbursed to the three Tiers of Government. The Sub-Committee noted that the exchange rate applied in the Naira payment was not provided.

2.3.2 However, the CBN representative inform the meeting that the bank applied the prevailing official exchange rate at each month of payment to monetize the dollar amount. The meeting then requested the Consultant to the Sub-Committee to examine the payments based on CBN exchange rate in order to determine the actual outstanding dollar amount. Details of the amount so far paid are indicated on **Table 1** below.

Table 1: Transfers and payments from Project Gazelle Escrow Account for the Period April to August, 2024

s/n	Agency	Value in USD (\$)	Payment in USD (\$)	Payment in Naira (N)
i.	NUPRC	912,874,403.66	466,720,204.40	242,364,314,152.72
ii.	FIRS	610,148,663.09	0.00	438,804,630,756.76
	Total	1,523,023,066.70	635,696,716.35	681,168,944,909.48

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

2.4.1 Members may recall that NNPC Ltd commenced deduction in respect of Road Infrastructure Tax Credit Scheme from the amount due to FIRS JV Gas and CIT taxes in February, 2024. FIRS was requested to provide detailed Tax Credit granted to NNPC Ltd and other organization. The Service responded that they are collating the data and will report back.

2.4.2 So far, a calenderized sum of **\$52,509,484.28** was deducted for the months of February to September, 2024 amounted to **\$420,075,874.24** as shown in **Table 2** below:

Table 2: Road Infrastructure Tax Credit Scheme Deductions

S/N	Month	NNPC Ltd. Monthly Calenderized 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

Source: FAAC PMSC Analysis October, 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 constituted a Committee to work on the issue and hope to report back at the next meeting. This assignment is still work in progress.

2.6 OUTSTANDING NNPC PAYABLES TO FIRS/NUPRC AND UNSHARED ELECTRONIC MONEY TRANSFER LEVY (EMTL)

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 was to be accounted for by the OAGF. The issue came up at the Sub-Committee's last meeting but OAGF was not present to respond. Accordingly, the Sub-Committee resolved to officially write to OAGF to provide explanation. Details of the outstanding are contained in **Table 3** below.

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

Receipt Month	NUPRC ROYALTY	FIRS TAX	GRAND TOTAL
	(=N=)	(=N=)	(=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 On the EMTL outstanding balance of **N13,953,481,584.12**, the OAGF, FIRS and CBN are meeting to reconcile the amount. The outcome of the reconciliation meeting will be reported at the next FAAC Plenary meeting.

3.0 PERFORMANCE OF THE REVENUE GENERATING AGENCIES REMITTANCES TO THE CBN COMPONENT STATEMENT IN SEPTEMBER, 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 September, 2024 are presented in **Table 4** as follows:

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

S/N	Detail	Revenue Inflow to CBN FA for the Month of September, 2024 (N)	Percentage Performance Contribution (%)
i.	NNPC Ltd. Federation Account	46,896,719,891.67	3.11
ii.	NUPRC/MPR Federation Account	434,534,974,116.04	28.66
iii.	FIRS Federation Account	751,891,580,250.02	49.63
iv.	NCS Federation Account	282,797,877,311.32	18.60
	Total (September, 2024 FA)	1,505,921,151,529.05	100.00

Source: FAAC PMSC Analysis October, 2024

3.2 Note that the sum of **N3,492,885,776.63** was collected by the FMSMD in the month of September 2024 Federation Account, while the balance in the Solid Mineral Account as of September, 2024 unshared stood at **N17,271,885,111.11**

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

4.1 For the Month of September, 2024 Federation Account, the PMSC will like to inform the Plenary that as a result of reconciliation with Revenue Generating Agencies, a total sum of **\$71,242,434.40** equivalent to **N114,025,533,067.08** was reconciled and confirmed paid to the CBN designated accounts as detailed in **Table 5** below:

Table 5: Impact PMSC on Revenue into the Federation Account from Outstanding Arrears for the Month of September, 2024

S/N	Detail	Amount in USD (\$)	Exchange Rate (N/\$)	Amount in Naira Equivalent due (N)
i.	FIRS MCA Gas, EDT arrears	1,030,099.27	1600.523	1,648,697,573.92
ii.	NUPRC MCA, RA, EX DSDP Recon. Arrears	6,565,518.00	1600.523	10,508,262,565.91
iii.	NNPCL PSC Crude Export July, 2024 Arrears	63,646,817.13	1600.523	101,868,572,927.45
	Sub-Total (September, 2024)	71,242,434.40		114,025,533,067.08

Source: FAAC PMSC Analysis, October, 2024

- 4.2 The cumulative outstanding arrears reconciled and paid to the Federation Account from January to September, 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 September, 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

Source: FAAC PMSC Analysis, October, 2024

5.0 OUTSTANDING FEDERATION ACCOUNT REVENUE ARISING FROM THE INTER-AGENCIES RECONCILIATION MEETING HELD IN NOVEMBER, 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 November, 2024 was **\$46,248,409.02** and **N3,376,184,402,621.45** 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	19,697,700.02	163,516,405,590.07
FIRS/NNPCL	26,550,709.00	1,126,769,589,632.00
OAGF		2,032,479,380,677.86
TOTAL	46,248,409.02	3,485,098,709,233.93

Source: FAAC PMSC Analysis, September, 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 30th September, 2024 are shown in **Table 8** below:

Table 8: Summary of Balances in the Special Accounts as of 30th September, 2024

S/N	ITEM	AMOUNT (N)	AMOUNT (\$)
A.	Stabilization Fund Account	58,593,396,843.40	
B.	Development of Natural Resources	15,877,745,905.42	
C.	Domestic Excess Crude Proceed	6,822,101,051.07	
D.	Solid Mineral Account	17,320,640,111.11	
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	386,370,856,505.66	
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	
M.	Excess Crude/PPT and Royalty Account		473,754.57
N.	Intervention to States Infrastructure & Security	149,000,000,000.00	
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	200,000,000,000.00	
Q.	Ledger of Refund due to States on withdrawals made from ECA and Signature Bonus	49,659,511.57	
R.	Ledger of 13% Derivation Refund on JVC and DECA	200,000,000,000.00	
S.	Ledger of Funding for Presidential Metering Initiative	200,000,000,000.00	
T.	Ledger of savings on FCT 1% of Signature Bonus/ ECA	100,000,000,000.00	
U.	Ledger of savings on Oil Theft Prevention	0.00	

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

7.0 Conclusion

7.1 I thank the Chairman and Members for your attention.



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November, 2024