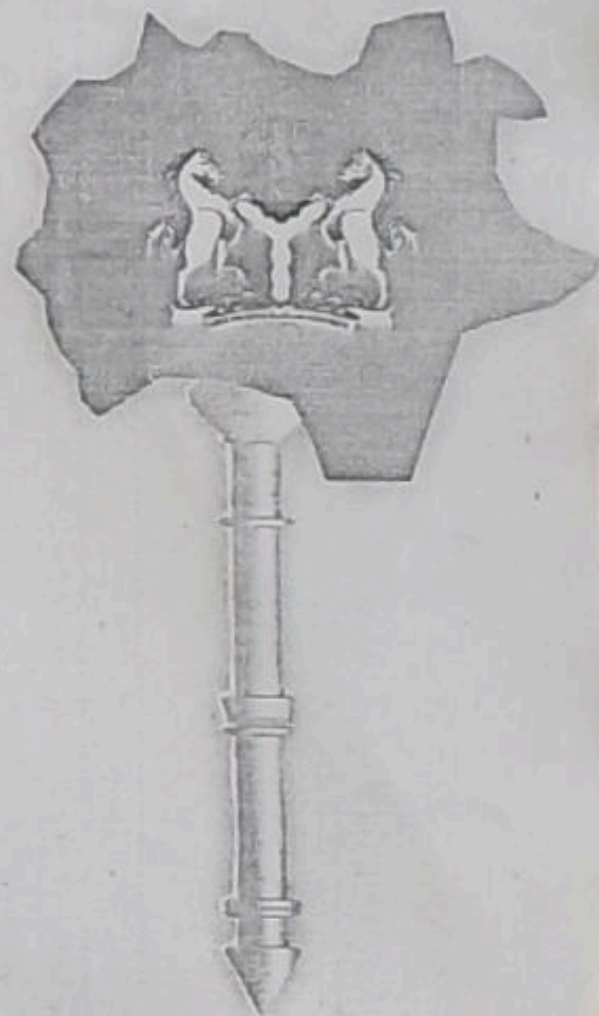
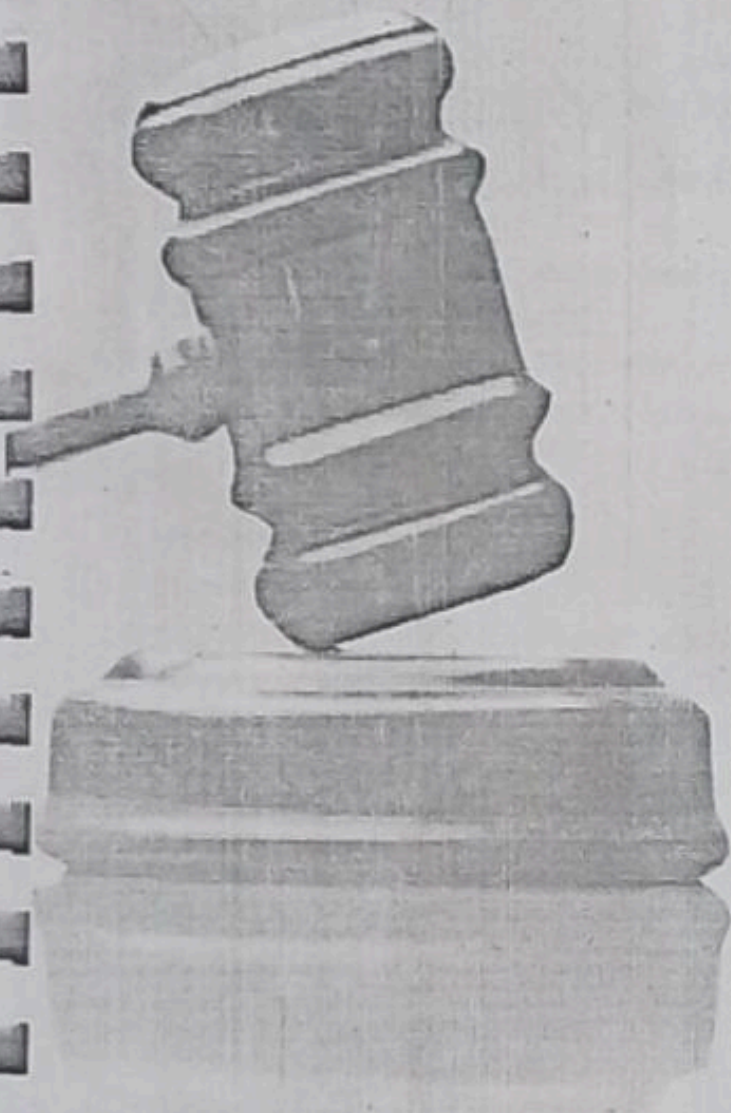


EKITI STATE WEALTH FUND LAW, 2023

NO. 1 OF 2023



EKITI STATE OF NIGERIA

EKITI STATE WEALTH FUND LAW, 2023.

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EKITI STATE WEALTH FUND LAW, 2023.

NO. 1 OF 2023.

A LAW TO ESTABLISH THE EKITI STATE WEALTH FUND TO RECEIVE, MANAGE AND INVEST IN A DIVERSIFIED PORTFOLIO OF MEDIUM AND LONG-TERM ASSETS FOR THE BENEFIT OF THE STATE AND FUTURE GENERATIONS OF ITS INDIGENES AND RESIDENTS AND FOR OTHER RELATED MATTERS.

EKITI STATE OF NIGERIA.

Commencement / /

ENACTED BY THE HOUSE OF ASSEMBLY OF EKITI STATE AS FOLLOWS:

PART I

ESTABLISHMENT, OBJECTIVES AND FUNCTIONS OF THE STATE WEALTH FUND.

Establishment of the State Wealth Fund.

1. (1) There is established the State Wealth Fund (in this Law referred to as the "Fund").
- (2) The Fund -
 - (a) shall be a body corporate with perpetual succession and a common seal;
 - (b) may sue and be sued in its corporate name; and
 - (c) may acquire, hold and dispose of moveable and immoveable property for the purpose of its functions and objectives under this Law.
- (3) Except as otherwise provided in this Law, the Fund shall be independent in the discharge of its functions and shall not be subject to the direction or control of any other person or authority.
- (4) The State Government shall not transfer, redeem, assign, dispose of, sell, mortgage, pledge or otherwise encumber any interest of any kind in the Fund except in accordance with the provisions of this Law.

- (5) The Fund shall issue documentary evidence to the State Government on the amount of its contribution to the Fund.

Head Office of the Fund.

2. The Fund shall have its Head Office in Ado Ekiti, Ekiti State.

Objectives of the Fund.

3. The objectives of the Fund are to -
- (a) build a savings base for Ekiti State;
 - (b) enhance the development of infrastructure in the State;
 - (c) provide for the facilitation of investments in the State;
 - (d) provide stabilisation support to the State Government in times of economic stress; and
 - (e) carry out such other matters as may be related to the above objectives.

Functions of the Fund.

4. (1) The functions of the Fund shall be to -
- (a) invest in, purchase, maintain, divest from, sell or otherwise realise assets and investments of any kind;
 - (b) pay from the proceeds of investments for the Fund's reasonable operational expenses, which shall be detailed in each annual budget and operating plan (and annual reports made by the Fund as set out in this Law) and which shall at all times be in line with international best practice for efficiency and the creation of value for the beneficiaries of the Fund's activities;
 - (c) undertake, do or agree to do any activity, incur such expenditures and carry out such functions which in the opinion of the Board are necessary, incidental or conducive to the attainment of the objectives and functions of the Fund;
 - (d) receive, manage and invest the initial and future contributions on behalf of the State pursuant to contributions of the State and Local Governments, made in accordance with this Law;
 - (e) reinvest the profits and proceeds of its investments in any of the funds to generate further risk-adjusted return in service of the State, as provided in this Law;
 - (f) implement best practices with respect to management independence and accountability, corporate governance, transparency and reporting on

performance as provided in this Law, including with due regard as appropriate for the Santiago Principles or other similar principles or conventions as may be adopted by the Board as representing international best

practice;

(g) attract co-investment from other investors, including strategic investors, sovereign and internationally recognised investment funds and private companies, to enhance the Fund's capital and maximise risk adjusted returns;

(h) manage other funds and or investments for the State Government or any other Government, sovereign or corporate entity on beneficial commercial terms; and

- (i) obtain the best achievable financial returns on all capital and assets of the Fund having regard to:
 - (i) the need to protect and enhance the long-term economic value of that capital and those assets;
 - (ii) internationally recognised asset allocation and risk management principles and practices;
 - (iii) the cost of acquiring, dealing with, safe-keeping, transferring and monitoring of assets;
 - (iv) opportunities in the international equity, debt, private equity, real estate, infrastructure, fixed-income securities and all other asset classes generally utilised by best-in-class investment fund managers;
 - (v) opportunities and challenges in the international investment market;
 - (vi) the advantages of maintaining the sub-sovereign nature of the Fund and, whenever possible and appropriate in making investments, benefit from any available sovereign and or sub-sovereign immunity from imports, taxes, charges or other impacts on the Fund's financial returns;
 - (vii) the Fund's cost of capital and other costs;
 - (viii) any regulation, guideline or direction developed by the Fund in pursuance of the provisions of this Law;
 - (ix) the benefits of maintaining adequate liquidity to pursue its investment objectives; and
 - (x) any other factor reflective of best practices in investment and asset management which the Fund considers relevant to the

achievement of its objectives, including more details as may be specified in the investment policies and guidelines developed by the Fund and reported upon in accordance with this Law.

PART II

ESTABLISHMENT OF THE BOARD AND EXECUTIVE MANAGEMENT.

Establishment, Composition and Qualification of Board of Trustees.

5. There is established for the State Wealth Fund a Board of Trustees (referred to this Law as the "Board") which shall be responsible for the attainment of the objectives of the Fund, the making of the policy and the supervision and oversight of the management and affairs of the Fund and such other functions conferred upon it by any other provision of this Law.

Composition of the Board.

6. (1) The Board shall consist of the following nine (9) members:
- (a) the Chairman of the Board;
 - (b) the Commissioner for Finance and Economic Development;
 - (c) the Commissioner for Economic Planning and Budget;
 - (d) the Attorney General and Commissioner for Justice;
 - (e) the Commissioner for Investment, Trade and Industry;
 - (f) Managing Director of the Fund; and
 - (g) three (3) non-Executive Directors of the Fund.
- (2) In the composition of the membership of the Board, due regard shall be given to inclusivity and the diversity, as well as equitable gender representation.
- (3) Members of the Board shall be appointed by the Governor and such appointments shall be subject to the ratification and approval of the State House of Assembly.

Qualification for appointment to the Board.

7. (1) The appointments in Section 6 of this Law shall be undertaken in line with the criteria set out in Schedule II of this Law.
- (2) In addition to the criteria set out in subsection (1) of this Section, a

person to be appointed as a member of the Board shall not be so appointed if he or she is:

- (a) adjudged bankrupt, or suspends payment to, or composes or makes an arrangement with his or her creditors;
- (b) imprisoned or convicted of an offence involving fraud or dishonesty, or of any offence not involving fraud or dishonesty, the maximum penalty for which exceeds imprisonment for six (6) months;
- (c) disqualified or suspended from practicing his or her profession in Nigeria or any other country by order of a competent authority made in respect of him or her personally; or
- (d) disqualified or restricted from being a Board member of any corporate institution by any law or regulatory body.

Tenure of office of the Board.

8. (1) The members of the Board appointed pursuant to Section 6 (1) (b)-(e) of this Law shall serve on the Board during such time as they are in office and in that position.
- (2) Other members of the Board referred to in Section 6 (f) and (g) of this Law shall serve for a term of four (4) years renewable only for one additional term of four (4) years.

Resignation and removal of members of the Board.

9. (1) A member of the Board may at any time resign his or her appointment by giving at least one (1) month prior notice in writing to the Fund through the Secretary of the Board of his or her intention to do so.
- (2) The Managing Director may at any time resign his or her appointment by giving at least six (6) months prior notice in writing to the Chairman of his or her intention to do so.
- (3) If any of the circumstances set out in Section 7(2) of this Law applies at any time to a member of the Board or if he or she is determined by the Board to be in material breach of his or her duties to the Fund, the member of the Board in question may be removed from office by the Governor on a resolution of the Board passed by a majority of at least three-quarters (3/4) of the Board recommending the removal of such member of the Board and the defaulting member shall not be entitled to vote on the resolution.

- (4) Where on the recommendation of the Board, a member is adjudged incapable of holding office, the Governor shall remove such member.

Remuneration and allowances of members of the Board.

10. (1) Members of the Board are entitled to reasonable remuneration, sitting allowances, and such other appropriate entitlements as the Governor may determine from time to time consistent with best practices and the objectives of the Fund.
- (2) All remuneration and other costs of the Board specified in subsection (1) of this Section shall be reported in the annual report of the Fund.
- (3) The remuneration of the Managing Director shall be determined by the Board subject to the approval of the Governor.

Proceedings of the Board.

11. The supplementary provisions set out in Schedule 1 to this Law shall have effect with respect to the proceedings of the Board under this Law.

Powers of the Board.

12. (1) The powers of the Board shall be to -
- (a) issue policy and guidelines on financial returns applicable to the Board;
 - (b) supervise and carry out oversight of the management and affairs of the Fund;
 - (c) engage on a competitive basis such fund managers, solicitors, trustees, custodians, consultants and advisers and other service providers as are necessary or expedient for the performance of its functions;
 - (d) enter into such contracts as may be expedient for the carrying into effect the provisions of this Law;
 - (e) insure the Board against -
 - (i) any loss, damage or risk; or
 - (ii) any liability it may incur in the application of this Law;
 - (f) draw up and conclude agreements with organs of State and other persons;
 - (g) take all such other lawful measures as may be considered necessary to assist in carrying out the functions of the Fund and the purposes of this Law.

- (2) The Board may delegate any part of its functions, in each case on such terms and conditions, in relation to such matters and such extent as it deem fit, to committees of the Board or, unless reserved to the Board by this Law, to the Executive Management.
- (3) The Board shall be empowered to issue guidelines and policies on financial returns applicable to the Board.

Committees of the Board.

13. (1) The Board may constitute the following committees for the effective implementation of its functions under this Law:
 - (a) Finance and General Purpose;
 - (b) Investment and Risk management;
 - (c) Audit, and
 - (d) such other committees as the Board may deem necessary for the effective performance of its functions.
- (2) A decision of the committee appointed under this Section shall not have effect until ratified by the Board.
- (3) The supplementary provisions set out in Schedule I to this Law shall have effect with respect to the proceedings of the Committees.
- (4) Nothing in this Section shall prevent the Board from merging any of the committees created under subsection (1) of this Section.

Power to co-opt.

14. The Board may co-opt persons who are not members of the Board to any meeting of the Board or any sub-committee and such person may take part in the deliberation of the Board or any sub-committee but shall not be entitled to vote at the meeting of the Board or any of its sub-committee.

Appointment, qualification and removal of the Managing Director of the Fund.

15. (1) There shall be for the Fund a Managing Director who shall be appointed by the Governor on the recommendation of the Board and he/she shall be:
 - (a) appointed on such terms and conditions subject to Section 7 of this Law, and paid such emoluments and allowances as may be specified in his or her contract of employment; and
 - (b) the Chief Executive Officer responsible for the execution of the policies formulated by the Board and the day-to-day administration of the Fund.

- (2) Without prejudice to any other provision of this Law, the appointment of the Managing Director shall be by the Governor and subject to the approval of the House of Assembly.
- (3) Each recruitment exercise to appoint the Managing Director pursuant to the provisions of this Law shall be undertaken in line with a competitive process.

Secretary/Legal Adviser to the Board.

16. (1) The Secretary/Legal Adviser for the Fund shall be appointed by the Governor from the legal Officers in Ekiti State Ministry of Justice on the recommendation of the Attorney General on such allowances as may be determined by the Board.
- (2) The Secretary/Adviser shall be responsible for:
 - (a) issuing notices of meetings of the Board;
 - (b) keeping records of the proceedings of meetings of the Board; and
 - (c) carrying out other duties as the Managing Director or the Board may direct.
- (3) The Secretary/Legal Adviser shall be appointed in accordance with the criteria set out in Section 7 and Schedule II of this Law.

Appointment of Asset Managers and Custodian.

17. (1) The Fund may at any time appoint asset managers outside the Fund to manage its assets as may be specified by the Board.
- (2) Asset managers appointed in accordance with this Section shall be selected on a competitive or special skills basis based on comprehensive assessment criteria, policies and procedures developed from time to time by the Fund, including but not limited to the Fund's portfolio scope, prudence, diversification, cost and regular reporting consistent with the Fund's needs.
- (3) Asset manager appointed by the Fund shall not act as custodian in respect of the Fund's assets that it has responsibility for managing

Conflict of interest and corporate responsibility.

18. (1) In the discharge of their responsibilities, members of the Board shall act in good faith, with care, skill and diligence.
- (2) Members of the Board have fiduciary obligations to the Fund and shall not act in any circumstance where their personal interests conflict with the interests of the Fund.
- (3) Members of the Board shall adhere to all the duties and obligations

- specified for Board members under the Companies and Allied Matters Act.
- (4) Members of the Board shall every year, submit a written statement of disclosure of interests and statement of absence of conflicts with the Fund's investments and annual investment plan to the Secretary of the Board.

PART III

FINANCIAL PROVISIONS: FUNDING, DISTRIBUTION, ACCOUNT, AUDIT AND REPORTING.

Initial funding and set-up cost.

19. (1) The initial funds provided by the State pursuant to the decision of the State Executive Council to be managed by the Fund shall be a minimum of One Billion Naira (N1,000,000,000.00) only.
- (2) Other subsequent Sources of fund of the Authority shall be:
- (a) Minimum of 5% of the net statutory allocation due to the State;
 - (b) Minimum of 10% of the net monthly Internally Generated Revenue;
 - (c) 0.5% of contract sum of all contracts awarded by the State; and
 - (d) Minimum of 15% of all exceptional revenue by the State Government;
 - (e) Donations by the Local Governments;
 - (f) Diaspora Remittance; and
 - (g) any other sources.
- (3) The State shall be responsible for the Set-up Cost up until the initial funding specified in subsection (1) of this Section is made and the Board has been duly constituted.

Establishment of other funds.

20. There is established the following investment funds separate from any other fund, money or assets:
- (a) a diversified portfolio of appropriate growth investments for the benefit of future generations of the indigenes of as well as residents in Ekiti State (the "Future Security Investment Fund") as set out in this Law and the investment policies and guidelines developed by the Fund;
 - (b) portfolio of investments and monies specifically dedicated to funding the development of revenue generating infrastructure in the State and either in partnership, joint venture, or collaboration with other investors, Nigerian or

foreign or as a stand-alone investment to enable, economic diversification and growth (the "State Infrastructure and Investment Facilitation Fund") as set out in this Law and in the investment policies and Infrastructure Investment Promotion guidelines developed by the Fund;

- (c) portfolio of investments to provide supplemental stabilisation funding for the State Government based upon specified criteria and at such time as other funds available to State for economic and financial stabilisation may need to be supplemented (the "Stabilisation Fund") as set out in this Law and in the investment policies and guidelines developed by the Fund;

Funding allocation.

21. The initial and subsequent funding shall be allocated to each of the Funds in percentages to be determined by a resolution of the Board. However, the initial Fund would be allowed to make short and medium term Investments pending the Investments in qualifying subsidiary Funds.

Holding of assets in different currencies.

22. The Fund may hold all deposited funds in such currencies as the Board may from time to time determine in line with the objects of the Fund as set out in this Law and any regulation made by the Fund.

Reinvestment of profits and income of the Fund.

23. (1) For at least five (5) years after the initial funds are received, all profits and income from investments shall be reinvested into the Fund and same shall constitute part of the subsequent funding.
- (2) From the sixth (6th) year after the initial funds were received and subject to receipt of subsequent funds in each year, the Board may determine dividend to the State same not exceeding fifty percent (50%) of the annual profit of the Fund.

Withdrawals from the Fund.

24. (1) Subject to the provisions of Section 23 of this Law, the Fund shall not make any distributions from or withdrawals of any part of the income or profits of the Fund, except in accordance with the provisions of Section 23 (2) of this Law.
- (2) The Fund shall upon the application of the Commissioner for Finance and the unanimous resolution of the Board, and the State House of Assembly

distribute a sum not exceeding [20%] of the retained earnings of the Stabilisation Fund in the following instances:

- (i) in the event of a pandemic or natural disaster duly designated as such by either of the relevant institutions of the United Nations, the Federal Government of Nigeria and/or State Government;
- (ii) in the event of a budget deficit of the State Government where the deficit exceeds [50%] of the annual income of State:
Provided that this withdrawal option can only be triggered once in every four (4) years;
- (iii) in the event of economic crises with severe impact on the State duly designated as such by relevant international and federal institutions.

Accounting records.

25. The Fund shall keep proper books of accounts with respect to all the transactions and business of the Fund in conformity with recognized National and International Financial Reporting Standards as applied in the Federal Republic of Nigeria.

Reporting obligations of the Fund and Annual Report.

26. (1) Not later than four (4) months after the end of each financial year of the Fund, which shall be determined by the Board, the Fund shall submit and present a report (the "Annual Report") to the State Executive Council and the State House of Assembly of its activities during the financial year concerned.
- (2) The Fund shall make the Annual Report, together with quarterly financial reports and key policy documents prepared by the Fund, accessible to the public.
- (3) The Annual Report will be summarised and such summary printed at the Fund's expense in two (2) widely-circulated newspapers in Nigeria.
- (4) Where for two (2) consecutive financial years or for three (3) financial years in a five (5) year period the Fund posts a loss, the Governor may dissolve the Board or remove the Chairman and/or the Managing Director or any member of the Board regardless of any other provisions of this Law or the terms of the provisions of any contract of employment of the Managing Director.
- (5) The provisions of subsection (4) of this Section shall not become effective within the first two (2) years of the establishment of the Fund.

Audit.

27. (1) The Fund's operations and financial statements shall be audited by internal auditors in line with timelines set by the audit committee in accordance with recognized National and International Financial Reporting Standards, as applied in the Federal Republic of Nigeria.
- (2) The Board shall on the recommendation of the audit committee, cause the accounts of the Fund to be audited annually by external auditors appointed by the Board from a list of auditors provided by the Auditor-General of the State.
- (3) An Auditor of the Fund appointed by the Board shall not serve for a term more than five (5) years and shall only become eligible to be reappointed after seven (7) years from when it last served as Auditor.

PART IV

FUTURE SECURITY INVESTMENT FUND.

Investment plan for Future Security Investment Fund.

28. (1) The Fund shall develop a rolling five (5) years investment plan, which shall be reviewed annually for the Future Security Investment pursuant to such strategies, regulations, policies and guidelines as it may determine from time to time to achieve the objective of providing future generations of residents of the State with a solid savings base having regard to macroeconomic factors.
- (2) To preserve the Fund's ability to make investments, the investment plan may be subject to strict confidentiality restrictions and the Fund may, however, publish its investment plans, policies and procedures, in any manner prescribed by the Board.

Reinvestment of Future Security Investment Fund's proceeds.

29. The Fund shall, subject to the provisions of this Law with respect to distributions and with respect to the reasonable costs and expenses of the Fund, reinvest all realised proceeds and dividends from and interest on portfolio investments of the Future Security Investment Fund into new or existing assets of the Future Security Investment Fund.

PART V

STATE INFRASTRUCTURE AND INVESTMENT FACILITATION FUND.

Investment plan for State Infrastructure and Investment Facilitation Fund.

30. (1) The Fund shall develop a rolling five (5) years investment plan, which shall be reviewed annually for the State Infrastructure Fund pursuant to such strategies, regulations, policies and guidelines as it may determine from time to time.
- (2) The investment plan shall be to develop efficient infrastructure such as Power generation, distribution and transmission, agriculture, dams, water and sewage treatment and delivery, roads, port, rail, airport facilities and similar assets, in order to stimulate the growth and diversification of the economy of the State, attract foreign investment and create jobs for the residents of the State.
- (3) The Fund may make short to medium term financial investments with funds of the State Infrastructure Fund pending determination of investments in qualifying revenue yielding infrastructure.
- (4) Upon a majority decision of the Board, the Fund may invest in revenue yielding infrastructure projects in other parts of Nigeria or in strategic co-investments with companies in the infrastructure sector, or to acquire strategic stakes in international companies active in the sector.
- (5) Any written request or proposal for investment in specific initiatives from the State Government shall be made by the Honourable Commissioner of Investment, Trade and Industry to the Fund, and shall be subjected to the same standard criteria that the Fund utilizes as a part of its investment screening process.
- (6) The Fund may invest up to a maximum of five percent (5%) as of the funds in the State Infrastructure Fund available for investment in any fiscal year in social infrastructure projects which promote economic development but still yields financial returns in under-served sectors or areas in the State that may present less favourable economic return potential.
- (7) The Fund may invest in development projects in accordance with the process and procedures outlined in subsection (8) of this Section or it may appoint an asset or fund manager with appropriate experience in projects of this kind to source, evaluate and invest in such development projects on behalf of the Fund.
- (8) The Fund shall -

- (a) make such rules, procedures and regulations as it deems necessary in respect of the submission and evaluation parameters for such development projects; and
 - (b) evaluate the economic returns and summarise the non-financial social welfare enhancing attributes of each development project.
- (9) The Fund shall utilise any sector and engineering advisors or Professionals as it may deem advisable to ensure the economic and service delivery viability of each potential infrastructure investment:

Provided that the Fund shall seek to develop appropriate in-house capabilities in this regard over time.

Reinvestment of the State Infrastructure and Investment Facilitation Fund, proceeds, interest and dividends.

31. The Fund shall, subject to the provisions of this Law with respect to dividends and with respect to the reasonable costs and expenses of the Fund, reinvest all realised income and profits from and interest on portfolio investments of the State Infrastructure and Investment Facilitation Fund in new or existing assets of the Fund.

Guarantees.

32. (1) The Fund may provide any guarantee or surety, whether of payment or of performance, to or on behalf of the interest, rights or obligations of any person, company or entity involved or participating in or related to an infrastructure project, other than a wholly-owned subsidiary or affiliate of the Fund.
- (2) The specific limit of any guarantee will be determined by the Board.

Co-investment priority.

33. (1) The Fund may co-invest with companies in the development of infrastructure projects in Nigeria.
- (2) The Fund, in making such co-investments mentioned in subsection (1) of this Section, shall exercise any voting right its equity share may entitle it to in a financially prudent and economically focused manner.
- (3) The Fund can invest in investment preparation activities for public private partnership in the State.

PART VI

STABILIZATION INVESTMENT FUND.

Stabilization objective.

34. (1) The Board shall ensure the prudent investment of the Stabilisation Fund in a way that supports the objectives of the Fund to stabilise State revenues.
- (2) The Board may also invest in or sell all such assets and use such derivative instruments for the purpose of efficient asset management, as the Board may determine to serve such objective.

Special disbursement of Stabilization Fund.

35. Upon the application of the Commissioner for Finance, where the Board considers it urgent and confirms that a withdrawal event outlined in Section 24 of this Law has occurred, the Fund shall authorize the disbursement of relevant funds from the Stabilisation Fund to supplement the available resources of the State.

PART VII

COMMUNICATION POLICY AND PROCEDURES.

Communications.

36. (1) The Fund shall develop policies and procedures required for communicating its investment objectives in a manner generally consistent with the guiding objectives underpinning the Santiago Principles and the establishment of the Fund.
- (2) The Fund's communication shall have due regard to the Fund's potential influence on financial and other markets at all times.

PART VIII

TRUSTEES' AND OFFICERS' INSURANCE AND INDEMNITIES.

Insurance and indemnity.

37. (1) The Fund shall obtain trustee's and officer's liability insurance policies in line with international standards for the benefit of the members of the Board and officers of the Fund.

- (2) The Fund shall indemnify each of the members of the Board and the officers of the Fund out of the Fund's assets or insurance for and against all losses, charges, claims, expenses and liabilities incurred by such member of the Board or officer of the Fund in the execution or discharge of their duties, or in relation to defending any criminal or civil proceedings in which judgment is given in their favour, or in which they are otherwise acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part, or in which the court grants them in such capacity as a member of the Board or officer of the Fund, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Fund or any of its affiliated affairs.

PART IX

MISCELLANEOUS.

Regulations.

38. (1) In furtherance of the Fund's objectives and in connection with the performance of any of the its functions under this Law, the Board shall develop, adopt, and as appropriate from time to time, amend, revoke or supplement appropriate regulations including without limitation, subject to the Regulations Approval Law of the State.
- (2) Such regulations referred to in subsection (1) of this Section shall govern the following matters:
- (a) the conduct of the business and operations of the Fund in a manner that fosters accountability and good corporate governance, is transparent and consistent with the highest ethical standards, and further ensures the maintenance of best practices in line with the Santiago Principles;
 - (b) an environmental, health and safety policy that is designed to ensure compliance with all applicable legislation and industry standards, in order to minimise the impact of its activities on the environment;
 - (c) monitoring standards for investments, interests, and dividends;
 - (d) risk management for investments;
 - (e) treasury and cash management; and

- (f) such other matters relevant to the operations of the Fund, as a best-in-class investment fund, as may be directed by the Board from time to time.

Guidelines and procedures.

39. The Board may develop codes, internal guidelines, manual of policies and procedures in the performance of its functions under this Law.

Documentation.

40. All investments made by the Fund shall be documented and the Fund's rights shall be protected by appropriate contractual provisions approved by the legal and risk management personnel and advisors of the Fund.

Limitation of suits against the Fund.

41. (1) An Officer of the Fund shall not be sued in a personal capacity for any act done or omitted to be done in the lawful performance of such officer's duties under this Law.
- (2) Legal proceedings shall not be instituted against an Officer of the Fund for any act done or omitted to be done in the lawful performance of such officer's duties, unless it is commenced within three (3) months after the act or omission complained of.
- (3) Subject to the provisions of this Law, no suit shall be commenced against the Fund before the expiration of two (2) months after a written notice of intention to commence such suit has been served on the Fund by the intending Claimant or his agent.
- (4) The notice of intention to commence any suit shall clearly state the -
- (a) cause of action;
 - (b) Particulars of claim;
 - (c) the name and address of the claimant; and
 - (d) the relief(s) sought.
- (5) For the purpose of this Section, "suit" includes actions or any civil proceedings commenced by way of writ of summons or in such other manner as may be prescribed by the Rules of Court but does not include criminal proceedings.

Authentication and service of documents.

42. The notice and or any summons, or other document required or authorised to be served on the Fund in connection with a suit by or against the Fund, may be served by:
- (a) delivering it to the Managing Director (electronically or otherwise); or
 - (b) sending it by registered post of the Fund and addressed to the Managing Director.

Restriction on execution against property of the Fund.

43. In any action or suit against the Fund, no execution or attachment or process shall be issued against the Fund, but any sum of money which may by the judgment of the court be awarded against the Fund, shall, subject to any direction given by the court where notice of appeal of the said judgment has been given, be paid by the Fund from the general reserve of the Fund.

Restriction on waiver.

44. Nothing in this Law shall be construed as a waiver of any regulatory or statutory power or function of the Central Bank of Nigeria, the State Ministry of Finance or the State Ministry of Budget and Economic Planning.

Tax and investment exemptions.

45. (1) The Fund and its wholly-owned subsidiaries and affiliates shall be exempted from the provisions of any and all taxes, fees or similar fiscal laws or regulations of the State, and Local Governments in the State including without limitation to the Stamp Duties Law of State, or other imposts, taxes on interest and dividends, income accruing from investments made by the Fund or any similar law or regulation.
- (2) The provisions of any other legislation of the State that may impose levies, charges or taxes on the Fund, or its operations shall not apply to the Fund.
- (3) Notwithstanding the provisions of Section 40 of this Law, nothing in this Law shall be construed as exempting employees of the Fund or its wholly owned subsidiaries and affiliates from payment of personal income tax, in so far as such employment is not affected by an international treaty obligation of Nigeria.

Interpretation.

46. In this Law, unless the context otherwise requires -

“**Board of Trustees**” means the Board of Trustees of the State Wealth Fund established under this Law;

“**Fund**” means the State Wealth Fund established under this Law; “**Gazette**” means the State’s Official Gazette;

“**Governor**” means the Governor of Ekiti State;

“**International Reporting Financial Standard**” means the principles-based Standards, Interpretation and the Framework (2018) adopted by the International Accounting Standards Board;

“**MDA**” means ministries, departments and agencies of the State;

“**State**” means Ekiti State of Nigeria; and

“**Santiago Principles**” means the generally accepted principles and practices of Sovereign Wealth Funds made by the International Working Group of Sovereign Wealth Funds.

Citation.

47. This Law may be cited as the Ekiti State Wealth Fund Law, 2023.

SCHEDULE I.

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD OF TRUSTEES.

Proceedings of the Board of Trustees.

1. The Board may make rules as it deems appropriate for regulating its proceedings.

Meetings of the Board of Trustees.

2. (1) Any three (3) members or a member and the Secretary/Legal Adviser may call a Board meeting by giving fourteen (14) days' written notice of the meeting to each of the Members or by authorising the Secretary/Legal Adviser to give such notice.
- (2) Members may waive their entitlement to such notice and the Board shall meet once each quarter.
- (3) The Chairman of the Board (being a non-Executive Member approved by the Governor in line with the provisions of this Law) shall chair the meetings of the Board, unless he or she is absent, in which case the attending Members shall appoint one of the members to chair such meeting.
- (4) The Chairman of the Board shall have a deciding vote in the event the numbers of votes for and against a proposal at a meeting of the Board are equal.
- (5) Unless a quorum of the Member of the Board is present, no decision other than to call another meeting of the Board may be made and the quorum for the transaction of business shall be not less than 5 Members (inclusive of the Managing Director).
- (6) Where the Board seeks advice of any person on a particular matter, the Board may invite that person to attend a meeting of the Board for such period as it deems fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards the quorum.
- (7) In addition to meetings at which all participants physically are present, the Board may hold or continue a meeting by the use of any means of communication by which all the participants can hear and be heard at the same time and a member of the Board who participates in such a meeting shall be taken for all purposes to have been present at the meeting and the Board may establish procedures for teleconference

meeting (including recording the minutes of such meetings) in its minute book.

- (8) The Board may pass a resolution without a meeting being held if all its members entitled to vote on the resolution sign and date on one or more copies a document containing a statement that they are in favour of the resolution in the document and any such resolution shall be deemed passed on the date of the last signature to be appended on the document.
- (9) The Secretary/Legal Adviser shall ensure that the Fund keeps a record, in writing, of every decision of the Board.
- (10) A majority of Members of the Board may allow for the observance of meetings of the Board by an Observer as the Board may deem appropriate.

Conflict of Interest and Refusal.

3. (1) Where a member of the Board has pecuniary interest or other beneficial interest in, and material to, a matter that falls to be considered by the Board of Trustees, he or she shall:
 - (a) disclose to the other Members of the Board the nature of his or her interest in advance of any consideration of the matter;
 - (b) not influence nor seek to influence a decision to be made in relation to the matter;
 - (c) take no part in any consideration of the matter; and
 - (d) recuse himself or herself from the meeting or that part of the meeting during which the matter is discussed.
- (2) Where a member of the Board declares an obligation or discloses an interest pursuant to paragraph 3(1)(a), the declaration or disclosure shall be recorded in the minutes of the meeting of the Board of Trustees.
- (3) A member of the Board or any employee of the Fund shall not in a personal capacity, either directly or indirectly be involved in the purchase of any assets of the Fund or being acquired by the Fund.

Seal of the Fund.

4. (1) The fixing of the seal of the Fund shall be authenticated by the signature of the Chairman or of any officer of the Fund specifically authorised to act for that purpose by the Board of Trustees.
- (2) Any contract or instrument which, if made or executed by a person not being a body corporate, would not be required to be under seal may be

made by the Chairman or any person specifically authorised to act for that purpose by the Board of Trustees.

- (3) Any document purporting to be a document duly executed under the seal of the Fund shall be received in evidence and unless and until the contrary is proved, be presumed to be so executed.

SCHEDULE II

CRITERIA FOR THE APPOINTMENT OF MEMBERS OF THE BOARD OF TRUSTEES AND MANAGEMENT OF THE FUND.

1. Chairman shall possess:
 - (a) a first degree or its equivalent in any discipline
 - (b) membership of any other relevant and recognised professional institute.
 - (c) a minimum of fifteen (15) years post-graduation experience.
 - (d) a minimum of ten (10) years board experience.
 - (e) proven skills and competencies in their fields.
 - (f) knowledge of the operations of finance institutions/ [fund/asset management] and relevant laws and regulations guiding the financial services industry.
 - (g) has occupied the role of a chairman or managing director of a company (listed or an unlisted) with turnover of two billion Naira (₦2,000,000,000).

2. Other Members of the Board shall possess:
 - (a) minimum of first degree or its equivalent in any relevant discipline.
 - (b) membership of any other relevant and recognised professional institute.
 - (c) Proven skills and competencies in their respective fields; and
 - (d) knowledge of the operations of finance institutions/ [fund/asset management] and relevant laws and regulations guiding the financial services industry.

3. Managing Director/ Chief Executive Officer
 - (a) a minimum of three (3) years' experience as Director/Chief managing a fund/ firm with a minimum of the Executive Officer of Two Billion Naira (₦2,000,000,000) in asset under management.
 - (b) has managed an asset management and/or financial institution that has generated returns not less than five percent (5%) per annum within a concurrent period of three (3) years.
 - (c) a minimum of first degree or its equivalent in any discipline.
 - (d) a higher degree or professional qualification in any business, finance and economics related discipline.
 - (e) a minimum of ten (10) years post graduate experience, out of which at least five (5) must have been in the financial services industry.

This printed impression has been carefully compared by me with the Bill, which has been passed by the Ekiti State House of Assembly and found by me to be a true copy of the said Bill.

SS E

.....
MR. TOLA ESAN
Clerk of the House of Assembly

Olubunmi Adelugba
.....
RT. HON. OLUBUNMI ADELUGBA
Speaker of the House

Governor's Assent

I hereby signify my assent to this Bill



SS
MR. BIODUN ABAYOMI OYEBANJI
Executive Governor of Ekiti State

MADE AT ADO EKITI THIS *8th* DAY OF *JUNE* 2023