



House Sales: Banks Pay N46bn Proceeds to FGN

From Kunle Aderinokun in Abuja, 11.24.2008

About N46 billion has been paid into the Federal Government coffers by 15 banks, being outstanding proceeds from the sale of government's houses in the Federal Capital Territory (FCT).

President Umaru Musa Yar'Adua had two weeks ago at a meeting with some ministers ordered the supervising FCT Minister and Minister of State for Finance, Mr. Remi Babalola, to recover the money from the banks into government's coffers.

A Presidency source told THISDAY weekend, that the 15 banks, which had the funds since the administration of former FCT Minister, Mallam Nasir el-Rufai, had paid the money into Federal Government and the FCT administration's accounts in the Central Bank of Nigeria (CBN).

According to the source, N34.5 billion representing 75 per cent of the whole amount, was paid into the coffers of the Federal Government at the CBN, with the balance of N11.5 billion - 25 per cent - paid into the FCT account at the same apex bank.

"I can confirm to you that all the affected banks have complied with the presidential directive to remit the proceeds from the sale of FGN houses in FCT. The 15 banks in possession of the money have all paid into the Treasury. The amount is over N46 billion," the source said.

He said the presidential directive became necessary due to the decision of the Federal Government to wind-up activities of the sale of the properties.

Besides, the official disclosed that the proceeds from the sale had been captured in government's revenue in the 2008 budget as a financing item.

The latest development was sequel to attempts by the Federal Government to get the proceeds out of the banks within the last 12 months without positive results.

About three months ago, Finance Minister Shamsuddeen Usman was said to have directed the FCT administration to move the money from the banks to the CBN. The directive was, however, ignored.

Former President Olusegun Obasanjo had in 2005 approved the sale of the houses nationwide, including the ones in the FCT, in line with government's monetisation policy.

The Federal Government houses were sold to public and civil servants as well as the public through mortgage from banks and were required to pay 10 per cent as deposit for the houses.

The proceeds from the sale of the houses was among the reasons seven states dragged the Federal Government to court.

According to them, the Federal Government had breached the constitutional provisions by not remitting, amongst others, what they regarded as their entitlements to them.

The states included Abia, Bauchi, Benue, Niger, Ogun, Oyo and Osun.

According to the summons served the Attorney-General of the Federation by the respective states, they claimed that the Federal Government had violated the provisions of section 162 of the 1999 Constitution of the Federal Republic of Nigeria by refusing to remit to them revenues that had accrued from excess crude proceeds, signature bonus, sales of government properties, cost of collection from revenue agencies, waivers and concessions, NLNG dividends, privatisation proceeds, education tax proceeds and other dividends and IGR between 2004 and 2007.

Section 162 (1 & 3) of the 1999 Constitution of the Federal Republic of Nigeria states: "The federation shall maintain a special account to be called the Federation Account, into which shall be paid all revenues collected by the government of the federation except personal income tax of the members of the armed forces, police, workers in the foreign affairs ministry and the residents of the FCT.

"Any sum standing to the credit of the Federation Account must be distributed among the federal, state and the local government councils on such terms and in such a manner as may be prescribed by the National Assembly."