

TRUSTEE INVESTMENTS ACT

ARRANGEMENT OF SECTIONS

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SCHEDULE

TRUSTEE INVESTMENTS ACT

An Act to facilitate the investment of trust and other funds in Nigeria in locally-issued securities, and for purposes connected therewith.

[1957 No. 16.]

[23rd May, 1957]

[Commencement.]

1. Short title

This Act may be cited as the Trustee Investments Act.

2. Securities to which the Act applies

(1) This Act shall apply to-

(a) all securities hereafter created or issued by or on behalf of the Government of the Federation;

(b) securities hereafter created or issued by or on behalf of the Government of a State which are declared by the President by notice in the *Federal Gazette* to be securities to which this Act applies;

(c) securities which are declared by the President by notice in the *Federal Gazette* to be securities to which this Act applies, being securities created or issued by companies or corporations incorporated directly by an Act enacted by the National Assembly or by a Law enacted by the House of Assembly of a State or by an Act or Law having effect as if it were so enacted, which companies or corporations are specified in the Schedule hereto or which may be added to such Schedule by the President by notification in the *Federal Gazette*;

[Schedule.]

(d) debentures and fully paid-up shares of any company incorporated by and registered under the Companies and Allied Matters Act (other than a private company within the meaning of that Act).

[Cap. C20.]

(2) The power conferred by the foregoing subsection shall not be exercisable unless, at the time when it is proposed to exercise it-

(a) the nominal value of the fully paid-up shares issued by the company in question is not less than one million naira; and

(b) the price of the debentures or shares of the class in question is quoted on the Nigerian Stock Exchange; and

(c) in the case of an investment in shares of a company, dividends have been paid during each of the three calendar years immediately preceding the current year on all the shares of the company issued when the dividends became due, and the aggregate amount of the dividends paid during each of those years in respect of each share ranking for dividend throughout that year was not less than five per cent of the nominal value of the share.

(3) No investment shall be made in exercise of the power conferred by subsection (1) of this section if the investment would cause-

(a) the value of the part of the trust fund invested in the exercise of that power to exceed one third of the total value of the fund; or

(b) the value of the part of the fund so invested in the shares and debentures of a particular company to exceed one tenth of the total value of the fund; or

(c) the value of the part of the fund so invested in the shares of a particular company to exceed one twentieth of the total value of the fund.

(4) For the purposes of this section-

(a) "share" includes stock, and "debenture" includes debenture stock;

(b) a trust fund shall consist of so much of the property (other than an interest in expectancy) as is held by the trustee on trusts which, either as respects the objects of the trust or the beneficiaries or their interests or the powers of the trustee, are not identical with the trusts on which he holds other property;

(c) a valuation in writing of, or of a part of, a trust fund obtained by a trustee from a person whom he reasonably believes to be competent to make it shall be conclusive as to the value of that fund or part on the date of the valuation.

3. Securities in which trustee may invest

(1) Without prejudice to the enabling provisions of any other law, a trustee may, under the powers of this Act, invest in any of the securities specified or referred to in section 2 of this Act.

(2) The power conferred by subsection (1) of this section shall be exercised according to the discretion of the trustee, but subject to any consent or direction required by the instrument, if any, creating the trust or by law with respect to the investment of the trust funds.

4. Cessation of authorisation of investment

A trustee shall not be liable for breach of trust by reason only of his continuing to hold an investment which has at any time ceased to be an investment authorised by the provisions of this Act.

5. Power to make regulations

The Minister of the Government of the Federation responsible for finance may by regulations provide for the application of this Act, subject to such additions, alterations or omissions as may be specified by the regulations-

(a) in cases where a company is amalgamated with or acquired or controlled by or has its business taken over by another company;

(b) in cases where shares are issued in place of the payment of the whole or part of any dividend, and the regulations may make different provision for different circumstances.

SCHEDULE

[Section 2 (1) (c).]

1. The Nigerian Coal Corporation.
2. The National Electric Power Authority.
3. The Nigerian Ports Authority.
4. The Nigerian Railway Corporation.

SUBSIDIARY LEGISLATION

No Subsidiary Legislation