

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF CROSS RIVER STATE REPRESENTED BY MR
MICHEAL ODERE, THE HONOURABLE COMMISSIONER FOR FINANCE**

AND

**PRINCE EDWIN OKON, THE EXECUTIVE CHAIRMAN OF THE CROSS
RIVER STATE INTERNAL REVENUE SERVICE**

AND

**LOCAL GOVERNMENT COUNCILS IN CROSS RIVER STATE AS
REPRESENTED BY THE HEAD OF LOCAL GOVERNMENT
ADMINISTRATION**

ON

**ADOPTION OF CONSOLIDATED DEMAND NOTICE FOR BUSINESS
RELATED STATE AND LOCAL GOVERNMENT CHARGES/FEES AND
TAXES**

This **MEMORANDUM OF UNDERSTANDING** is made theday of, 2023

BETWEEN

THE GOVERNMENT OF CROSS RIVER STATE OF NIGERIA represented by the Honourable Commissioner for Finance of the State and Prince Edwin Okon, the Executive Chairman of Cross River State Internal Revenue Service (Hereinafter referred to as '**the State Government**' which expression shall where the context admit includes its servants, agents, successors –in – office and assigns) of the one part.

AND

THE LOCAL GOVERNMENT COUNCILS IN CROSS RIVER STATE, more particularly named by the attestation to the Memorandum of Understanding jointly and severally (Hereinafter collectively referred to as '**the Councils**' which expression shall where the context admit includes their respective servants, agents, successors- in office and assigns) of the other part.

WHEREAS:

1. The Councils in contemplation of their need for effective, economical and convenient revenue drive, have by the delegation of each Chairman or Head of Local Government Administration as the case may be, met and agreed to collaborate with the State Government in the collection of Revenue for Cross River State as provided for under Section 4 of the Cross River State Land Use Charge Law, Law No 6 of 2020.
2. The items of revenue involved include taxes, fees, property taxes, land use charges, ground rents, tenement rates, market stall rates, signage, advertisement, permits, licenses, tickets and other revenues as expressly and impliedly provided under the functions of Local Government Councils as contained in the 4th Schedule to

the 1999 Constitution of the Federal Republic of Nigeria as amended, particularly paragraphs 1 (a-k) and 2 (a-d) thereof, and The Taxes and levies Act of 2013, under schedules 1, 11, 111.

3. The State Government has agreed with the councils and accepted this delegation of responsibilities subject to the terms and conditions hereinafter appearing.

HOW THIS MEMORANDUM OF UNDERSTANDING WITNESSES as follows:

1. POWER OF ATTORNEY

In addition to what is contained in the Memorandum of Understanding, the State Government shall be given a Power of Attorney jointly and severally donated to it by the Councils to collect Internally Generated Revenue (IGR), which shall be annexed to and be part of this Memorandum of Understanding.

2. SOURCES OF REVENUE

- a. The revenue from the following sources are to be collected by the State Government on behalf of the Local Council to wit: taxes, fees, property taxes, signage, advertisement fees, permits, licenses, kindred revenue and all other revenues as provided in section 4 of the Cross River State Land Use Charge Law, Law No. 6 of 2020.
- b. That the power of revenue collection on the above sources by the State Government hereby granted shall be as expressly provided for under the functions of Local Government Councils as enshrined in the 4th Schedule to the 1999 Constitution of the Federal Republic of Nigeria as amended particularly paragraph 1 (a-k) and 2 (1-d) thereof.

3. SHARING FORMULA

- a. The State Government has the consent of the Councils to generate, impose, collect and to remit to each Council eighty (80) percent of the funds collected in its area of jurisdiction monthly, according to the incidence or calendar of collection.

However, the Eighty (80) percent remittance shall exclude generations where the State finance is involved.

- b. The amount collected from each heads from the Local Government Area shall be remitted on or before the 10th of every month.

4. EXCLUSION OF HOST COMMUNITIES

Host communities' accruals from oil Companies are excluded from this Memorandum of Understanding.

5. SUPERVISION

Each Council shall provide the personnel in conjunction with the State Government to oversee and carry out this exercise in its Council Area.

6. DURATION

- a. Both parties shall meet to review this Memorandum of Understanding from time to time and at the point of a particular need, to take stock of its workability and fashion out the ways and means of obviating difficulties if any.

However, this Memorandum of Understanding shall be reviewed every five (5) years.

- b. No party shall impose any other right, duty or obligation except as expressly provided under the Memorandum of Understanding or as may be further agreed at the review period.

7. CESSATION OF CONSULTING CONTRACTS

All consulting contracts entered into Local Government shall reviewed upon the signing of this Memorandum of Understanding

8. NON-ASSIGNMENT

No party shall assign or transfer its duty, right, interest or obligations in this Memorandum of Agreement or any part thereof to a third party without the prior written consent of the other party.

9. ARBITRATION

- a. If at any time, any question, dispute or difference shall, arise between the parties upon, in relation to or in connection with this Memorandum of Understanding, either of the parties shall as soon as is practicable, give to the other notice in writing of the existence of such question, dispute or difference and the same shall falling mutual settlement be referred to an Arbitration Board of three members upon the application of either party.
- b. The Arbitration Board shall consist of one Representative of each party and a third representative to be appointed by the first two members.
- c. The Arbitration Board's decision on the dispute, question or difference shall be binding on all the parties.
- d. The Language of the Arbitration shall be English and the seat of Arbitration shall be Calabar, Cross River State.
- e. The Arbitration shall be under the Arbitration and Conciliation Act, Laws of the Federation of Nigeria, 2004.

10. APPLICABLE LAW

This Memorandum of Understanding shall be governed by and construed in accordance with The Laws of the Federal Republic of Nigeria.

11. DETRIMENTAL ACTS

No party shall undertake any acts as would expose the other to liability or detriment, and if any party is in default of the forgoing, the party not in default shall be entitled to claim damages as a result thereof.

12. INDEMNITY

Each party shall indemnify the other party from any and all claims, causes of action, suits, arising out of any breach of this agreement by the indemnifying party.

13. SEVERABILITY OF PROVISIONS.

Any provision of the Memorandum of Understanding which is prohibited or unenforceable under the Nigerian Law shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provision hereof.

The parties may in good faith replace such provision and thereby define their respective rights, interest, obligations and functions in the context of the new situation.

14. CONFIDENTIALITY

All terms and conditions of the Memorandum of Understanding and all other information pertaining hereto shall at all times be held in confidence and shall not be disclosed by any party hereto to any third party except strictly on a need to know basis.

15. TERMINATION

In the event that either party shall commit or permit a breach of any material part of the Memorandum of Understanding, the other shall have the right to terminate this Memorandum of Understanding by giving fourteen (14) days' notice in writing to the party in default PROVIDED THAT if such defaulting party shall make good the breach to the satisfaction of other within seven (7) days

after such notice has been given, , the notice of termination shall be regarded as void and of no effect.

16. ENTIRE MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding constitute the entire understanding of the parties hereto, and it may only be altered or amended with an instrument in writing.

17. FORCE MAJEURE

Should either party to this Memorandum of Understanding fail to comply with any of the provisions herein contained by reason of 'Force Majeure' such failure shall not be regarded as a breach of the Memorandum of Understanding.

'Force Majeure' shall be construed as unforeseeable events or circumstances beyond the control of the party charged with non-compliance including but not limited to war, extra-ordinary flood, Act of God, fire, strikes or any regulation order or direction prohibiting work by any government body, the State Government shall give notice to the Council within Seven (7) days of the commencement of the 'Force Majeure'.

However, if such situation continues, in excess of one (1) calendar month, the parties shall consult with each other regarding the appropriate steps to be taken for the implementation of this Memorandum of Understanding.


IN WITNESS WHEREOF the representatives of the parties have set their hands and seals to be affixed hereunto the day and year first above written.


SIGNED, SEALED AND DELIVERED BY:

HONOURABLE COMMISSIONER
Ministry of Finance,
Cross River State
FOR AND ON BEHALF OF THE
GOVERNMENT OF CROSS RIVER
STATE OF NIGERIA

The Executive Chairman of State
Internal Revenue Service, Calabar,
Cross River State
FOR AND ON BEHALF OF THE
GOVERNMENT OF CROSS RIVER
STATE OF NIGERIA

IN THE PRESENCE OF:

SIGNATURE: 
NAME: Odeh, Michael Irenkane
ADDRESS: Ministry of Finance
OCCUPATION: Public Servant.

SIGNATURE: 
NAME: Prince Edwin Okon
ADDRESS: NEW SECRETARIAT, CROSS RIVER STATE
OCCUPATION: PUBLIC SERVANT

Angela Igbin

5. BEKWARRA LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Boshet Ukech Ashesha
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

6. BIASE LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Effiom O. Ubi
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION


7. BOKI LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Etta Obase Obi
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

Ephraim Eyo Effiom


8. CAL. MUN. LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION


Efrom Bassey Edot

9. CAL. SOUTH LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:


Nsar M. Patricia
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION


Ede Anthony Egar


10. ETUNG LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:


Jonah O. Ikpe

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

11. IKOM LOCAL GOVERNMENT AREA
IN THE PRESENCE OF:


Ugaru M. Morijok
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION



Mary N. Obun

12. OBANLIKU LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:


Oko Janet Godwin
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION


Ike Ibanga Bassey

13. OBUBRA LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:


Florence Egar
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

- Nome
Michael Egbunabo
14. OBUDU LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Ogidi Godwin
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

- Esebang E. Nwach
15. ODUKPANI LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Ignatius Ekp
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

- Ekunke Odah Lelela
16. OGOJA LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Friday Odah Adagi
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

- Ekun Abeng Egor
17. YALA LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

Rita Ayuk Egb
HEAD OF LOCAL GOVERNMENT
ADMINISTRATION

- Gregory Bassey
18. YAKURR LOCAL GOVERNMENT COUNCIL
IN THE PRESENCE OF:

HEAD OF LOCAL GOVERNMENT
ADMINISTRATION