

**A  
BILL  
FOR  
AN ACT TO PROVIDE FOR THE NIGERIAN CONTENT  
DEVELOPMENT IN THE NIGERIAN ECONOMY AND FOR  
MATTERS CONNECTED THEREWITH.**

[ ]

Commencement

**BE IT ENACTED** by the National Assembly of the Federal Republic of Nigeria as follows:

**PART I- ESTABLISHMENT OF THE NIGERIAN CONTENT  
DEVELOPMENT AGENCY AND ITS MANAGEMENT BOARD, ETC.**

**1. -(1)** There is hereby established a body known as the Nigerian content Development Agency (in this Act referred to as "the Agency")

Establishment of the  
Nigerian Content  
Development Agency.

(2) The Agency -

(a) shall be a body corporate with perpetual succession and a common seal;

(b) may be sue and be sued in its name; and

(c) may acquire, hold or dispose of any property, movable or immovable for the purpose of any carrying out any of its function under this Act.

(3) The Agency shall have powers and duties as are conferred on it by this Act or by any other enactment or law on such matters on which the National Assembly has power to make law.

**2.** The Nigerian Content Development Agency has the objectives of putting in place a framework for continuous growth of Nigerian Content in the Nigerian Economy through a balanced programme of planning, target setting, monitoring, stimulating employment, improving contractor capability and capacity, while ensuring international competitiveness of the materials, equipments and services provided by Nigerian companies.

Objects of the Agency.

**3.-(1)** There is hereby established for the Agency a board to be known as the Nigerian Content Development Management Board (in this Act referred to as "the Board" which shall have overall control of the Agency as specified under this Act.

Establishment and  
composition of the  
management Board.

(2) The Board shall consist of-

(a) a Chairman;

(b) one representative each of the following Federal Government Ministries and Agencies, who shall not be below the rank of a Director or its equivalent-

(i) the Federal Ministry of Science and Technology,

(ii) the Federal Ministry of Health,

- (iii) the Federal Ministry of Petroleum Resources,
- (iv) the Federal Ministry of Finance,
- (v) the Federal Ministry of Commerce,
- (vi) the Federal Ministry of Agriculture and Rural Development,
- (vii) the Federal Ministry of Industry,
- (viii) the Federal Ministry of Justice,
- (ix) the Federal Ministry of Power and Steel,
- (x) the Federal Ministry of Solid Minerals,
- (xi) the Nigerian National Petroleum Corporation,
- (xii) the Nigerian Customs Service, and
- (xiii) The Nigerian Immigration Service.

(3) The Chairman and members of the Board, other than the Director-General of the Agency shall serve on part-time basis.

(4) The Chairman and the members of the Board shall be appointed by the President.

(5) The supplementary provision set out in the schedule to this Act shall have effect with respect to the proceedings of the Board and the other matters mentioned therein.

Schedule.

4. The Chairman and members of the Board appointed, other than the *ex-officio* members, shall each hold office for a period of four years, and subject to the provisions of this section may be re-appointed for one further term of four years and no more on such terms and conditions as may be specified in their letter of appointment.

Tenure of office.

5. Notwithstanding the provisions of section 4 of this Act, a member of the Board shall cease to hold office as a member of the Board if-

Cessation of membership

- (a) he resigns his appointment as a member of the Board by notice, under his hand, addressed to the President, or
- (b) he becomes of unsound mind; or
- (c) he becomes bankrupt; or
- (d) he is convicted of a felony, or any offence involving dishonesty or corruption; or
- (e) he becomes incapable of carrying on the functions of his

office either arising

from an infirmity of mind or body; or

(f) the President is satisfied that it is not in the interest of the Agency or in the interest of the public for the person to continue in office and the President removes him from office; or

(g) he has been found guilty of the code of conduct or serious misconduct in relation to his duties; or

(h) in the case of a person who becomes a member by virtue of the office he occupies, he ceases to hold such office.

6. The Chairman and members of the Board shall be paid such emoluments, allowances and benefits as the President may, from time to time, approve.

Emoluments, etc. of members.

## **PART II- POWERS AND FUNCTIONS OF THE BOARD AND THE AGENCY**

7.-(1) The Board shall have power to-

Powers of the Board.

(a) provide the general policy guidelines relating to the functions of the Agency;

(b) manage and superintend the policies of the Agency on matters relating to the administration of the revenue collecting system under this Act or any enactment or law;

(c) review and approve the strategic plans of the Agency including plans and training;

(d) determine the terms and condition of service including disciplinary measures of the employees of the Agency;

(e) fix the remuneration, allowances and benefits of the staff and employees of the Agency subject to the approval of the President; and

(f) do such other things which in its opinion are necessary to ensure the efficient performance of the functions of the Agency under this Act.

8.-(1) The Agency shall be responsible for formulating the guidelines for the implementation of this Act and ensure compliance with all the provisions of this Act as part of its overall regulatory responsibility to the Nigerian Economy.

Functions of the Agency.

(2) It shall be the duty of the Agency as provided in subsection(1) of this section to monitor and co-ordinate the Nigerian Content performance in all sectors of the Nigerian Economy.

## **PART III - STAFF OF THE AGENCY**

9. -(1) There shall be appointed for the Agency, a Director-General who shall-

Appointment of the Director-General of the Agency.

(a) be appointed by the President;

(b) be responsible for the execution of the policy and the day- to

day administration

of the affairs of the Agency;

(c) be chief executive and accounting officer of the Agency; and

(d) have cognate experience and skills not less than 15 years past qualification as a professional;

(2) The Director-General shall hold office for five years in the first instance and may be re-appointed for another term of five years and no more on such terms and conditions as may be specified in his letter of appointment

**10.-(1)** There shall be a Secretary for the Agency who shall be a Legal Practitioner of not less than 15 years post call -

Appointment of Secretary to the Agency and other staff of the Agency.

(a) be appointed by the President;

(b) issues notice of meetings of the Agency;

(c) keeps the record of proceedings of meetings;

(d) carry out duties as the Director-General or the Board may from time to time, direct; and

(e) be the head of administration and personnel matters.

(2) Subject to the provisions of this section, the Board may appoint such other persons to be employees of the Agency on positions created by the Board and on such terms and conditions as shall be laid down by the Board subject as prescribed by this section or otherwise provided for.

(3) If the Board thinks it expedient that any vacancy in the Agency should be filled by a person holding office in the civil service of the Federation or of a state, it shall notify the appropriate Public Service through the Civil Service Commission concerned, and cause such vacancy to be filled by way of transfer of service.

**11.** It is hereby declared that employment in the Agency shall be subject to the provisions of the Pension Reform Act and accordingly, officers and employees of the Agency shall be entitled to provisions and other retirement benefits as are prescribed under the Pension Reform Act .

Pensions, etc.  
No 2 of 2004

**12.-(1)** Subject to the provisions of this Act, the Board may make staff regulations relating generally to the conditions of service of the staff and, in particular such regulations may provide for-

(a) the appointment, promotion, termination, dismissal and disciplinary control of staff of employees of the service ; and

(b) appeals by staff or employees against dismissal or other disciplinary measures, and until such regulations are made, any instrument relating to conditions of service in the public service of the Federation shall be applicable, with such modifications as may be necessary, to the employees of the Agency.

Staff regulations.

(2) The staff regulations made under subsection (1) of this section shall not have effect until approved by the President, and when so approved shall be published in the Federal Gazette but the Agency shall cause a notice of the staff regulations to be issued to all affected staff in such manner as the Agency may, from time to time, determine.

#### **PART IV- FINANCIAL PROVISIONS**

**13.-(1)** The Agency shall establish and maintain a fund from which shall be defrayed all expenditure of the Agency.

Fund of the Agency.

(2) There shall be paid and credited to the fund established in pursuance of subsection (1) of this section -

(a) such moneys as may, from time to time, be granted to the Agency by the Federal Government;

(b) all moneys raised for the purposes of the Agency by way of grants, loans, subsidies and donations; and

(c) fees, charges and funds approved by the Agency in respect of services provided by the Agency.

(3) Notwithstanding the provisions of schedule (2) of this section, every application for the registration of a trade mark shall pay a fee which shall be credited and maintained in a separate account by the Agency part of which funds shall be used for the publication of the trade marks journal.

(4) The fines referred to in subsection (3) of this section shall be as determined, from time to time, by the Board upon approval by the President in Council.

**14.** The Agency may, from time to time, apply the proceeds of the fund established in pursuance of section 13 of this Act -

Expenditure of the Agency.

(a) to the cost of administration of the Agency;

(b) to the payment of the emoluments, allowances and benefits of members of the Board and for reimbursing members of the Board or of any committee set up by the Board of such expenses as may be expressly authorised by the Board.;

(c) for the payment of the salaries, fees or other remuneration or allowances, gratuities and pensions and other benefits payable to the officers and other employees of the Agency, so however that no payment of any kind under this paragraph (except such as may be expressly authorised by the Board.) shall be made to any person who is in receipt of emoluments from the Federal or State Government;

(d) for and in connection with all or any of its functions under this Act.

**15.-(1)** The Agency shall not later than 30<sup>th</sup> September in each year, submit to the President on estimate expenditure and income (including payments to the Agency) for the next succeeding year.

(2) The Agency shall keep proper accounts and records and shall prepare in respect of each year a statement of accounts in such form as may be directed by

the Auditor-General for the Federation.

Annual estimates accounts and audit of the Agency.

(3) The accounts of the Agency shall be audited not later than six months after the end of each financial year by auditors from a list appointed by the Board, and in accordance with the guidelines supplied by the Auditor-General of the Federation.

16. The Agency shall prepare and submit to the Federal Executive Council, through the Secretary to the Government of the Federation, not later than six months after the end of each year, a report in such form as he may direct on the activities of the Agency during the immediately preceeding year and shall include in the report a copy of the audited accounts of the Agency for that year and the auditor's report on the accounts.

Annual report.

17.-(1) The Agency may accept any gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift.

Power to accept gifts.

(2) The Agency shall not accept any gift if the conditions attached by the person or organisation making the gift are inconsistent with the functions of the Agency.

18.-(1) The Agency may, from time to time, with the approval of the President borrow by way of overdraft or otherwise such sums as it may require for the performance of its functions under this Act.

Power to borrow.

(2) Notwithstanding subsection (1) of this section, where the sum to be borrowed is in foreign currency, the Agency shall not borrow the sum without the prior approval of the President, through the Secretary to the Government of the Federation.

19. The Agency may, subject to the provisions of this Act and the conditions of any trust created in respect of any property, invest all or any of its funds in any security prescribed by the Trustee Investments Act or in such other securities as may, from time to time, be approved by the President.

Investment.

20.-(1) The Agency shall be exempted from the payment of income tax on any income accruing from investments made by the Board for the Agency or otherwise howsoever.

Cap. T22 LFN.  
2004  
Exemption from tax.

(2) The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Agency or the Board.

## **PART V- CAPACITY BUILDING**

21. The Agency shall make Regulations to establish minimum standards, facilities, personnel and technology for training in a Nigerian Training Institute and the Regulations shall specify modalities for involving industry stakeholders as partners for development and managing of the Institute.

Capacity building.

22.-(1) The Agency in consultation with stakeholders shall establish a Nigerian Content Performance Monitoring procedure to be complied with by the Oil Companies and Service Companies in the award

and execution of contracts in the Nigerian Economy

Establishment of Nigerian Content Performance Monitoring Procedure.

(2) The Agency shall require all oil, gas, companies, manufacturing and services companies in the economy and their respective contractors to submit to it on annual basis, the value of the Nigerian Content in contracts, jobs and Operations executed, using a pre-approved value matrix as set out in the Regulations made by Agency.

**23.** All Oil Manufacturing and Services Companies shall be required to submit to the Agency on an annual basis, a Nigerian Content Development plan in accordance with the Regulations issued by the Agency.

Nigerian content plan.

**24.** The Agency shall impose conditions and set targets for the formation of joint ventures or partnerships between multinational services and manufacturing or Service companies in all sectors of the economy and certified Indigenous Service Companies for the purpose of technology acquisition.

Joint Venture targets for Technology acquisition.

**25.** -(1) Upon the commencement of this Act, no expatriate quota shall be granted to any Company in the Nigeria without obtaining the approval of the Agency through the process stipulated in the Regulations and the Agency Procedure Guide.

Expatriate Quota.

(2) The Agency shall have an Immigration and Customs seat in-house.

**26.** The Agency shall make Regulations with targets to ensure full utilization and steady growth of in-country capacity of Indigenous Oil, Gas and Services Companies engaged in Seismic Data Processing, Engineering Design, Reservoir Studies, manufacturing and fabrication of equipment, Agriculture, Health, Science and Information Technology, Building, Construction, Transport Maritime etc. and other facilities for the Nigerian Economy.

Targets for In-Country Engineering and Fabrication etc.

**27.** For all major projects in all the sectors of the Nigerian Economy as appearing in the schedule but not limited thereto as every bearer, used by the Agency. The Agency shall make Regulation that requires the establishment in Nigeria of the key Procurement centre. The centre shall serve as a hub for all procurement activities on the project.

Procurement hub to be located in Nigeria

Schedule.

**28.** The Agency, taking cognizance of the data, shall on an annual basis consult with the relevant arms of Government on appropriate fiscal framework and incentives for Oil, Gas, Manufacturing and Service Companies providing equipment, materials and services for the all sectors of the economy as listed in the schedule but not limited thereto, and to promote active participation and growth of the local manufacturing industry.

Fiscal framework

Schedule.

**29.** The Agency shall make regulations which require that any company and/or its professional employees engaged in the provision of engineering or other professional services in the economy in sectors listed

in the schedule but not limited thereto as may be reviewed

by the Agency, particular industry shall be registered with the relevant professional body in Nigeria.

Engineering and other professional practice.

**30.** The Agency shall make Regulations with requirements and targets for the growth of Research and Development in the sectors listed in the schedule but not limited thereto as may be reviewed by the Agency in the particular Nigerian Industry.

Research and Development.

#### **PART VI - JOINT QUALIFICATION SYSTEM**

**31.** There shall be established by the Nigerian National Petroleum Corporation a body to be known as the Joint Qualification System in consultation with industry stakeholders in the economy in accordance with provisions set out in the Regulations to this Act.

Establishment of the Joint Qualification System .

**32.** The Joint Qualification System shall constitute an Industry Databank of available capabilities and shall be used for the following functions;

Constitution.

- a) Exchange system for Nigerian Content registration and pre-qualification of contractors;
- b) Verification of Contractors' capacities and capabilities;
- c) Evaluation of application of Nigerian Content in the operations of Oil Gas, Manufacturing Services and other sectors listed in the schedule;
- d) Tracking and monitoring of performance with provision of relevant feed back in relation to the compliance with Nigerian Contents Regulations implementation; and
- e) Ranking and categorization of Service Companies based on capabilities and Nigerian Content.

**33.** The Joint Qualification System shall be funded in accordance with Regulations made pursuant to this Act and its operations shall be audited annually.

Funding.

**34.** The President shall make Regulations governing minimum levels of Nigerian Content and price premium that may be applied for Nigerian Content, for specific work categories and/or projects and contracts in the Nigerian Economy.

Regulation.

**35.** The price premium on contracts shall be based on the Joint Qualification System data, which Nigerian National Petroleum Corporation shall enforce in contracts entered into by its Subsidiaries, Affiliates and Joint Operations Partners.

Enforcement.

**36.** After completion of a contract, the awarding Oil , Gas,

Manufacturing,



Maritime, Transport, Construction, etc Companies shall issue a Competency Certificate designed with input from Joint Qualification System to a Service Company based on the performance feedback for that particular contract provided in the Joint Qualification System and the feedback shall form one of the assessment criteria for future pre-qualification and renewal of Department of Petroleum Resources permits for contractors.

Competency Certificate.

**37.-(1)** Any person, body or authority that does not comply with any regulations, guidelines or standards prescribed for the purposes of local content pursuant to this Act is guilty of offence.

Offences and penalties.

(2) Any person found guilty of an offence under this Act shall, if a body corporate be liable to a fine not exceeding ₦5,000,000, but if a natural person, shall be liable to imprisonment for a term of not more than 3 years or a fine not exceeding ₦ 500,000 or to both such imprisonment and fine.

## **PART VII- MISCELLANEOUS PROVISIONS**

**38.-(1)** Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Agency.

Limitations of suit against the Agency, etc. Cap. P41 LFN.

(2) Notwithstanding anything contained in any other enactment or law, no suit shall lie or be instituted in any court against any member of the Agency, the Director-General, the Secretary or any other officer or employee of the Agency for any act done in pursuance or execution of this Act or any other enactment or law, or of any public duty or authority in respect of any alleged neglect or default in the execution of this Act or such enactment or law, duty or authority unless-

(a) it is commenced within 3 months next after the act, neglect or default complained of, or

(b) in the case of a continuation of damage or injury, within 6 months next after the cessation thereof.

**39.-(1)** Any notice given by the Agency under or for the purpose of this Act shall be sufficiently given if it is in writing, under the seal of the Agency or is signed by the Director-General, or Secretary by one or more of the Principal Officers of the Agency, or by any person purporting to act by direction of the Agency, and is served in accordance with section 40 of this Act on the person or persons primarily concerned therewith or on any person or organisation deemed by the Agency to represent the person or persons primarily concerned therewith.

Notices.

(2) All documents purporting to be signed by or on behalf of the Agency or to be sealed with the seal of the Agency shall, in all courts and in all proceedings under this Act, be deemed to have been so signed or

sealed with due authority, unless the contrary is

established.

**40.-(1)** Any notice or other document required or authorised to be served on or given to any person for the purpose of this Act may be served or given by delivering it to that person, or by leaving it at his usual or last known place of residence or business or at the address specified by him in any notice, application, or other document made, given or tendered to the Agency under this Act, or by posting it by registered mail to him at that place of residence or business or at that address.

Service of Notices.

(2) If any such notice or other document is sent to any person by registered mail, then, unless the contrary is shown, it shall be deemed to have been delivered to him when it would have been delivered in the ordinary course of posting a mail unless the contrary is established; and in proving the delivery it shall be sufficient to prove that there is return post office slip showing actual delivery.

(3) Where for any purpose under this Act a notice or document is required to be served on a firm or company, the notice or document may be served on the secretary, executive officer, manager, or other officer holding a similar position in the association or body; and for the purpose of this Act, service on the association or body shall, unless otherwise directed by the Agency, be deemed to be service on all persons who are members of the association or body or who are represented on the association or body by those members.

(4) Any Service Notice or process on the Agency shall be by proven Registered post or by personal service on any principal officer of the Agency.

**41.** In this Act, unless the context otherwise requires;

Interpretation

“Joint Operations Partners” means oil companies that executed various petroleum agreements with NNPC;

“Labour Clause” means a clause mandating the use of a minimum percentage of Nigerian Labour in professional cadres in all contracts awarded in the Nigerian Petroleum Industry above a threshold value as stipulated by the President from time to time;

“Nigerian Content” means the quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilization of Nigerian human and material resources and services in the Nigerian Petroleum Industry;

“Nigerian Content Indicator” means a percentage rating of a company based on specific criteria defined on the basis of values ascribed to each criterion;

“Nigerian Petroleum Industry” means all activities connected with the exploration, development, exploitation, transportation and sale of Nigerian Petroleum Resources including Downstream Petroleum Operations;

“Oil Company” means an Oil Exploration and Production Company;

“Petroleum e-Market place” means a virtual platform for buyers and sellers of goods and services in the Economy that allows for speedy and transparent transactions;

“President” means the President of the Federal Republic of Nigeria;

“Principal Officer” means any officer of the Agency in a position of Director, and above;

“Service Company” means an Oil and Gas Service Manufacturing and other Company rendering services in all the sectors of the Nigerian economy;

“Training Institute” means all Training Institutes (including Universities, Petroleum Training Institute, Polytechnics and Colleges of Technology;

“Procedure Guide” means the procedure guide adopted by whatever Department from time to time for the regulation of Nigerian Content in the Nigerian Economy; and

“Value Matrix” means the set of criteria to be used for establishing the Nigerian Content values for various operations, services and contracts performed by the Oil manufacturing and Service companies.

2005. 42. This Act may be cited as the Nigeria Content Development Act

Short Title.

## **SCHEDULE**

*Section 2(3)*

### **SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD.**

#### ***Proceedings of the Board.***

1.-(1) Subject to this Act and section 27 of the Interpretation Act, the Board may make standing orders regulating its proceedings or those of any of its committees.

(2) The quorum of the Board shall be the Chairman or the person presiding at the meeting and five other members of the Board and the quorum of any committee of the Board shall be as determined by the Board..

Cap 123 LFN.  
2004

2.-(1) The Board shall meet not less than four times in each year and subject thereto, the Board shall meet whenever it is summoned by the Chairman and if the Chairman is required to do so by notice given to him by not less than 4 other members, he shall summon a meeting of the Board to be held within 28 days from the date on which the notice is given.

(2) At any meeting of the Board, the Chairman shall preside but if he is absent, the members present at the meeting shall appoint one of their number to preside at that meeting.

(3) Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt such person for such period as it deems fit, but a person who is in attendance by virtue of this subparagraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

### ***Committees***

3.-(1) The Board may appoint one or more committees to carry out, on behalf of the Board, such functions as the Board may determine.

(2) A committee appointed under this paragraph shall consist of such number of persons as may be determined by the Board and a person shall hold office on the committee in accordance with the terms of his appointment.

(3) A decision of a committee shall be of no effect until it is confirmed by the Board.

4. The validity of any proceedings of the Board or of a committee thereof shall not be affected by any vacancy in the membership of the Board or of a committee or by reason that a person not entitled to do so, took part in the proceedings of the Board or committee.

5.-(1) Any member of the Board and any person holding office on a committee of the Board, who has a personal interest in any contract or arrangement shall disclose his interest to the Board and shall not vote on any matter relating to the contract or arrangement.

### ***Miscellaneous***

6.-(1) The fixing of the seal of the Agency shall be authenticated by the signature of the Director-General or any person generally or specifically authorized by the Agency to act for that purpose.

(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 or executed on behalf of the Agency by the Director-General or any person generally or specifically authorized by the Agency to act for that purpose.

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

(4) The validity of any proceedings of the Board or of a committee shall not be affected by -

- (a) a vacancy in the membership of the Board or committee;  
or
- (b) a defect in the appointment of a member of the Board or committee; or
- (c) reason that a person not entitled to do so took part in the proceedings of the Board or committee.

#### **EXPLANATORY MEMORANDUM**

The Bill seeks among other things to put in place a Legal framework for the continuous growth of Nigerian Content in the Nigerian Economy