

**NIGERIAN OIL AND GAS INDUSTRY
CONTENT DEVELOPMENT ACT 2010
AND FOR PURPOSES CONNETED
THEREWITH HB. 99 AND 118 AS
CONSOLIDATED**

PART 1 - NIGERIAN IN OIL AND GAS INDUSTRY CONTENT DEVELOPMENT ACT 2010			
PRINCIPAL PROVISION OF THE BILL	COMMITTEE RECOMMENDATIONS	EXPLANATIONS	COMMITTEE OF THE WHOLE
<p>First Consideration to be given to Nigerian Operators.</p> <p>3. — (l) Nigerian independent operators shall be given first consideration in the award of oil blocks, oil field licenses, oil lifting licenses and in all projects for which contract is to be awarded in the Nigerian oil and gas industry subject to the fulfillment of such conditions as may be specified by the Minister.</p> <p>Schedule</p> <p>(2) There shall be exclusive consideration to Nigerian indigenous service companies which demonstrate ownership of equipment, Nigerian personnel and capacity to execute such work to bid on land and swamp operating areas of the Nigerian oil and gas industry for contracts and services contained in the Schedule to this Act.</p> <p>(3) Compliance with the provisions of</p>	<p>First consideration to be given to Nigerian operators.</p> <p>(1) Nigerian independent operators shall be given first consideration in the award and selection of operators, of oil blocks, oil field licenses, oil lifting licenses and in all projects for which contract is to be awarded in the Nigerian oil and gas industry subject to the fulfillment of such conditions as may be specified by the Minister.</p> <p>(2) There shall be exclusive consideration to Nigerian indigenous service companies which demonstrate ownership of equipment, Nigerian personnel and capacity to execute such work to bid on land and swamp operating areas of the Nigerian oil and gas industry for contracts and services contained in the Schedule to this Act.</p> <p>(3) Compliance with the provisions of this Act and promotion of Nigerian content development shall be a major criterion for award of licenses, permits and any other interest in bidding for Oil exploration,</p>	<p>Addition of the word "operator" added to ensure non circumvention of the Act.</p>	

<p>this Act and promotion of Nigerian content development shall be a major criterion for award of licenses, permits and any other interest in bidding for oil exploration, production, transportation and development or any other operations in Nigerian oil and gas industry</p>	<p>production, transportation and development or any other operations in Nigerian Oil and Gas industry.</p>		
<p>Role of Nigerian Content Monitoring Board.</p> <p>4. — The Nigerian Content Development and Monitoring Board (the "Board") established in accordance with this Act shall make procedure that will guide, monitor, coordinating and implement the provisions of this Act.</p>	<p>Role of Nigerian Content <i>Development and</i> Monitoring Board.</p> <p>The Nigerian Content Development and Monitoring Board (the "Board") established in accordance with this Act shall make procedure that will guide, monitor, coordinate and implement the provisions of this Act.</p>	<p>Editorial change of the title.</p>	

<p>Promotion of Measurable Growth of Nigerian Content.</p> <p>5. — The Board shall implement the provisions of this Act with a view to ensuring a measurable and continuous growth of Nigerian content in all oil and gas arrangements, projects, operations, activities or transactions in the Nigerian oil and gas industry.</p>	<p>Promotion of measurable growth of Nigerian content.</p> <p>The Board shall implement the provisions of this Act with a view to ensuring a measurable and continuous growth of Nigerian content in all oil and gas arrangements, projects, operations, activities or transactions in the Nigerian oil and gas industry.</p>	Retained
<p>Conformity of Petroleum Arrangements and other Agreements.</p> <p>6. — Upon the commencement of this Act, all subsequent oil and gas arrangements, agreements, contracts or memoranda of understanding relating to any operation or transaction in the Nigerian oil and gas industry shall be in conformity with the provisions of this Act.</p>	<p>Conformity of petroleum arrangements and other agreements.</p> <p>Upon the commencement of this Act, all subsequent oil and gas arrangements, agreements, contracts or memoranda of understanding relating to any operation or transaction in the Nigerian oil and gas industry shall be in conformity with the provisions of this Act.</p>	Retained

<p>Submission of Nigerian Content Plan for All Projects.</p> <p>7. — In the bidding for any license, permit or interest and before carrying out any project in the Nigerian oil and gas industry, an operator shall submit a Nigerian Content Plan (the Plan") to the Board demonstrating compliance with the Nigerian content requirements of this Act.</p>	<p>Submission of Nigerian content plan for all projects.</p> <p>In the bidding for any license, permit or interest and before carrying out any project in the Nigerian oil and gas industry, an operator, <i>contractor, sub-contractor, alliance partner or any other entity involved in a project</i> shall <i>each</i> submit a <i>Nigerian</i> Content Plan ("the Plan") to the Board demonstrating compliance with the Nigerian content requirements of this Act.</p>	<p>This will help identify rent seeking companies that are not keen on developing indigenous capacity. It will also help the NCDMB to validate submissions on the implementation of the Nigerian Content Plan (NCP).</p>
<p>Certificate of Authorization.</p> <p>8. — The Board shall review and assess the plan and, if satisfied that the plan complies with the provisions of this Act, issue a Certificate of Authorization ("the Certificate") to the operator for that project.</p>	<p>Certificate of Authorization</p> <p>The Board shall review and assess the plan and, if satisfied that the plan complies with the provisions of this Act, issue a Certificate of Authorization ("the Certificate") to the operator for that project</p>	<p>Retained</p>
<p>Minimum and Specification of Nigerian Content.</p> <p>11. — (1) As from the commencement of this Act the</p>	<p>Minimum and Specification of Nigerian Content</p> <p><i>(1) As from the commencement of</i></p>	<p>The proposed non time-constrained waiver framework in section 11 (4) & (5) will:</p>

<p>minimum Nigerian content in any project to be executed in the Nigerian oil and gas industry shall be consistent with the level set in Schedule to this Act.</p> <p>Promotion of measurable growth of Nigerian content.</p> <p>(2) Where a project description is not specified in the Schedule to this Act, the Board shall Schedule set the minimum content level for that project or project item pending the inclusion of the minimum content level for that project or project item through an amendment of the Schedule to this Act by the National Assembly.</p> <p>(3) All operators, alliance partners and contractors shall comply with the minimum Schedule Nigerian content for particular project item, service or product specification set out in the schedule to this Act.</p> <p>(4) Notwithstanding the provisions of subsection (1) of this section, where there is inadequate capacity to any of the targets in the Schedule to this</p>	<p><i>this Act the minimum Nigerian content in any project to be executed in the Nigerian oil and gas industry shall be consistent with the level set in Schedule to this Act.</i></p> <p><i>(2) Where a project description is not specified in the Schedule to this Act, the Board shall set the minimum content level for that project or project item pending the inclusion of the minimum content level for that project or project item through an amendment of the Schedule to this Act by the National Assembly.</i></p> <p><i>(3) All operators, alliance partners and contractors shall comply with the minimum Nigerian content for particular project item, service or product specification set out in the schedule to this Act</i></p> <p><i>(4) Notwithstanding the provisions of subsection (1) of this section, where there is inadequate</i></p>	<p>a) Eliminate the need for frequent amendment(s) of the Act due to the expiration of the fixed time waiver periods.</p> <p>b) Effectively link importation of goods and services covered in the Schedule to the Act to the implementation of CDIs directed at closing in-country capacity gaps.</p> <p>c) Will ensure a focused and coordinated approach to the development of in-country capacity by leveraging synergies across existing capacity, various initiatives and stakeholders within and outside the industry.</p> <p>d) Prescribes a more rigorous procedure for the grant of waivers to ensure that waivers are only granted where absolutely necessary.</p>
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<p>Act, the Minister may authorize the continued importation of the relevant items and such approval by the Minister shall not exceed 3 years from the commencement of this Act.</p>	<p><i>capacity to meet any of the targets in the schedule to this Act, the Board may recommend to the Minister for approval, the importation of the relevant items. Any authorization to import an item shall be subject to an approved Capacity Development Initiative (CDI) to develop the relevant capacity. The approval for such CDIs shall be based on the following considerations:</i></p> <p><i>a. An entity requesting for approval to import goods or service into the country (herein referred to as the Applicant) shall advertise the need for the goods and service on the JQS for a period not less than 30 days before submitting application to the Board. The advert shall at a minimum indicate the description of the goods or service required, relevant category in the Schedule to the Act, the quantity required and when it is required. Where a Nigerian company is able to demonstrate ability to</i></p>	<p>New Subsections 5 and 6 created.</p>
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	<p><i>provide the relevant goods or service, the Applicant shall utilize the services of such Nigerian company, in which case an application for authorization to import shall not be made.</i></p> <p><i>b. An application for importation shall include the quantity and description of the goods or service to be imported and sufficient evidence for the importation of the goods or service such as evidence of lack of capacity in-country within the duration of the project or operation where the goods or service is required including outcome of (a) above.</i></p> <p><i>c. The Applicant shall submit a detailed CDI or collaboration plan with an existing CDI which is related to the item to be imported. Such CDI or collaboration plan shall indicate the CDI sponsors, existing in-country capacity, list of</i></p>	
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	<p><i>stakeholders including technical partners and their roles, expected outcomes, timing of the project, indicative cost and other relevant information as may be required by the Board.</i></p> <p><i>d. The Board may hold a joint evaluation with the Applicant to establish or disprove the case for importation of the good or service; and</i></p> <p><i>e. Any other conditions as may be prescribed in the guidelines to be issued by the Board.</i></p> <p><i>(5) The Board shall prior to January 31 of each year convene a stakeholders meeting to determine areas of inadequate capacity, and agree on CDIs to upgrade existing capacity or develop new capacity in specific demand areas for the industry.</i></p>	
<p>Research and Development Regulations.</p> <p>36. — The Minister shall make</p>	<p>Research and development regulations</p> <p>The Minister shall make regulations with requirements and targets for the growth of</p>	<p>Typographical error corrected.</p>

regulations with requirements and targets for the growth of research and development in the Nigerian Oil and Gas Industry.	Research and Development in the Nigerian oil and gas industry.	
<p>Programme for Research and Development.</p> <p>37. — For every project for which a plan is submitted, an operator shall carry out a programme and make expenditure, to the satisfaction of the Board, for the promotion of education, attachments, training, Research and Development in Nigeria in relation to its work programme and activities.</p>	<p>Programme for Research and development regulations.</p> <p>For every project for which a plan is submitted, an operator shall carry out a programme and make expenditure, to the satisfaction of the Board, for the promotion of education, attachments, training, Research and Development in Nigeria in relation to its work programme and activities.</p>	Typographical error corrected.
<p>Submission and Content of R and D Plan.</p> <p>38. — (1) The operator shall submit to the Board and update, every six months, the operator's Research and Development Plan (R and D Plan).</p>	<p>Submission and content of R and D plan.</p> <p>1) The operator shall submit to the Board and update, every six months, the operator's Research and Development Plan (R and D Plan).</p>	Typographical error corrected.

<p>(a) outline a revolving three to five year plan for oil and gas related Research and Development initiatives to be undertaken in Nigeria, together with a breakdown of the expected expenditures that will be made in implementing the R and D Plan; and</p> <p>(b) provide for public calls for proposals for research and development initiatives associated with the operators activities.</p>	<p>2) The R and D Plan shall-</p> <p>a) outline a revolving three to five year plan for oil and gas related Research and Development initiatives to be undertaken in Nigeria, together with a breakdown of the expected expenditures that will be made in implementing the R and D Plan; and</p> <p>b) Provide for public calls for proposals for Research and Development initiatives associated with the operator's activities.</p>		
<p>Report on R and D plan.</p> <p>39. — The operator shall report to the Board, on quarterly basis, with respect to its R and D activities and the Board shall compare these activities to the operators R and D Plan.</p>	<p>Report on R and D plan.</p> <p>The operator shall report to the Board, on quarterly basis, with respect to its R and D activities and the Board shall compare these activities to the operators R and D Plan.</p>	Typographical error corrected.	
<p>Fiscal Incentives.</p> <p>48. — The Minister shall consult with the relevant arms of Government on</p>	<p>Incentives.</p> <p>48(1) The Minister shall consult with the relevant arms of Government on</p>	The proposed Section 48 (2) will help avoid bottlenecks in the industry and ensure adequate investment levels are maintained in the long term.	

<p>appropriate fiscal framework and tax incentives for foreign and indigenous companies which establish facilities, factories, production units or other operations in Nigeria for purposes of carrying out production, manufacturing or for providing services and goods otherwise imported into Nigeria.</p>	<p>appropriate fiscal framework and tax incentives for foreign and indigenous companies which establish facilities, factories, production units or other operations in Nigeria for purposes of carrying out production, manufacturing or for providing services and goods otherwise imported into Nigeria.</p> <p><i>48(2) Where there are established contractual and procedural impediments to local capacity development, the Minister shall on the recommendation of the Board approve definitive incentives that will eliminate such impediments and aid investment.</i></p>		
<p>Functions of the Joint Qualification System.</p> <p>56. — The Joint Qualification System shall constitute an industry databank of available capabilities and shall be used for —</p> <p>(a) sole system for Nigerian content registration and pre-qualification of contractors in the industry;</p> <p>(c) evaluation of application of Nigerian content in the operations of</p>	<p>Functions of the Joint Qualification System.</p> <p>The Joint Qualification System shall constitute an industry databank of available capabilities and shall be used for</p> <p>(a) sole system for Nigerian content registration and pre-qualification of contractors in the industry;</p> <p>(c) evaluation of application of Nigerian content in the operations of oil companies and contractors;</p> <p>(e) ranking and categorization of <i>all</i> service companies based on capabilities and</p>	<p>Correction of a typographical error in section 56(e).</p>	

oil companies and contractors; (e) ranking and categorization of all service companies based on capabilities and Nigerian content.	Nigerian content.		
Setting up of Nigerian Content Consultative Forum. 57. — The Board shall set up a consultative body to be known as the Nigerian Content Consultative Forum (NCCF) which shall provide a platform for information sharing and collaboration in the Nigerian oil and gas industry with respect to — (a) upcoming projects in the Oil and Gas Industry; (b) information on available local capabilities; and (c) other policy proposals that may be relevant to Nigerian Content Development.	Setting up of Nigerian Content Consultative Forum 1) The Board shall set up a consultative body to be known as the Nigerian Content Consultative Forum (NCCF) which shall provide a platform for information sharing and collaboration in the Nigerian oil and gas industry with respect to <ol style="list-style-type: none"> Upcoming projects in the oil and gas industry; Information on available local capabilities; and Screening and ranking of qualifying capacity development initiatives from Indigenous Nigerian Companies for financing support by Nigerian Content Development Fund subject to Section 104 (5). Other policy proposals that may be relevant to Nigerian Content Development 	The role of the Forum was expanded to provide a basis for its role in section 104(5) in the disbursement of the Fund.	

	<p>2) <i>There shall be a standing committee of the NCCF (NCCF Standing Committee) to be comprised of members of the NCCF as follows: one member representing the Nigerian Content Development and Monitoring Board who shall also serve as the Chairman of the standing committee, two members nominated by the Petroleum Technology Association of Nigeria, two members nominated by the International Operators, One member nominated by Nigerian Independent Operators, one member nominated by the Board to represent the other NCCF sectorial groups.</i></p> <p>3) The NCCF Standing Committee shall perform the functions set out in Section 104 (4)(a).</p>		
<p>Composition of Nigerian Content Consultative Forum.</p> <p>58 — The Nigerian Content Consultative Forum shall be made up of key industry stakeholders, government and regulatory agencies</p>	<p>Composition of Nigerian Content Consultative Forum</p> <p>The Nigerian Content Consultative Forum shall be made up of key industry stakeholders, <i>international operators, Nigerian independent operators,</i></p>	<p>International operators and Nigerian independent operators were named as entities to form part of the NCCF to ensure that they are not overlooked given</p>	

<p>and representatives from the following sectors —</p> <p>(a) fabrication;</p> <p>(b) engineering;</p> <p>(c) finance services, legal and insurance;</p> <p>(d) shipping and logistics;</p> <p>(e) materials and manufacturing;</p> <p>(f) Information and communication technology;</p> <p>(g) Petroleum technology association of Nigeria;</p> <p>(h) Education and training and</p> <p>(i) Any other professional services by the board.</p>	<p>government and regulatory agencies and representatives from the following sectors-</p> <p>a) fabrication;</p> <p>b) engineering;</p> <p>c) finance services, legal and insurance;</p> <p>d) shipping and logistics;</p> <p>e) materials and manufacturing;</p> <p>f) information and communication technology;</p> <p>g) petroleum technology association of nigeria;</p> <p>h) education and training; and</p> <p>i) any other professional services nominated by the Board.</p>	<p>their importance.</p>	
<p>Powers of NCMB to Monitor Implementation of this Act.</p> <p>59. — The Nigerian Content Monitoring Board shall undertake an</p>	<p>Powers of the <i>Board</i> to Monitor Implementation of this Act.</p> <p>The Nigerian Content Development and</p>	<p>Title changed to ensure consistency with other provisions.</p>	

effective monitoring of the implementation of the provisions of this Act.	Monitoring Board shall undertake an effective monitoring of the implementation of the provisions of this Act		
PART II — ESTABLISHMENT OF THE NIGERIAN CONTENT MONITORING BOARD.	PART 11 - ESTABLISHMENT OF THE NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD.	Editorial change was made to the title to ensure consistency.	
Establishment of the Nigerian Content Monitoring Board. 69. — (1) There is established the Nigerian Content Monitoring Board (in this Act referred to as "the Board") which shall have the functions and powers conferred on it by this Act. (2) The Board — (a) shall be a body corporate with perpetual succession and a common seal; and (b) may sue and be sued in its corporate name.	Establishment of the Nigerian Content Development and Monitoring Board. 1) There is established the Nigerian Content <i>Development and</i> Monitoring Board (in this Act referred to as "the Board") which shall have the functions and powers conferred on it by this Act. 2) The Board — a) shall be a body corporate with perpetual succession and a common seal; and b) may sue and be sued in its corporate name..	Editorial change made to section 69(1) to ensure consistency.	
Functions of the Board. 70. — The Functions of the Board shall be — (a) implement the provisions of the	The functions of the Board shall be to- a) implement the provisions of this Act; b) implement the regulations made by	A typographical error corrected in section 70(g)	

<p>this Act;</p> <p>(b) implement the regulations made by the Minister in relation to any aspect of this Act;</p> <p>(c) supervise, coordinate, administer, monitor and manage the development of Nigerian content in the Nigerian oil and gas industry;</p> <p>(d) supervise, coordinate, administer and monitor the implementation and Schedule development of Nigerian content as specified in the Schedule to this Act in the operations of operators, contractors and all other entities in the Nigerian oil and gas industry;</p> <p>(e) appraise, evaluate and approve the Nigerian content plans and reports submitted to the Board in compliance with the provisions of this Act;</p> <p>(f) award Certificate of Authorization and conduct reviews of the Nigerian content plans and reports submitted to the Board in compliance with the provisions of this Act;</p> <p>(g) administer and operate an e-</p>	<p>the Minister in relation to any aspect of this Act;</p> <p>c) supervise, coordinate, administer, monitor and manage the development of Nigerian content in the Nigerian oil and gas industry;</p> <p>d) supervise, coordinate, administer and monitor the implementation and development of Nigerian content as specified in the Schedule to this Act in the operations of operators, contractors and all other entities in the Nigerian oil and gas industry;</p> <p>e) appraise, evaluate and approve the Nigerian content plans and reports submitted to the Board in compliance with the provisions of this Act;</p> <p>f) award Certificate of Authorization and conduct reviews of the Nigerian content plans and reports submitted to the Board in compliance with the provisions of this Act;</p> <p>g) administer and operate <i>an</i> e-market place and Joint Qualifications Systems set up in accordance with the provisions of this Act;</p> <p>h) assist local contractors and Nigerian companies to develop their</p>		
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<p>market place and Joint Qualifications Systems set up in accordance with the provisions of this Act ;</p> <p>(h) assist local contractors and Nigerian companies to develop their capabilities and capacities to further the attainment of the goal of developing Nigerian content in the Nigerian oil and gas industry;</p> <p>(i) make procedures to guide the implementation of this Act and ensure compliance with all the provisions of this Act;</p> <p>(j) monitor and coordinate the Nigerian content performance of all operators in accordance with the provisions of this Act;</p> <p>(k) make auditing procedures and conduct regular audits for the purposes of monitoring and implementing compliances with the provisions of this Act;</p> <p>(1) provide guidelines, definitions and measurement of Nigerian content and Nigerian content indicator to be utilized throughout the industry;</p>	<p>capabilities and capacities to further the attainment of the goal of developing Nigerian content in the Nigerian oil and gas industry;</p> <p>i) make procedures to guide the implementation of this Act and ensure compliance with all the provisions of this Act;</p> <p>j) monitor and coordinate the Nigerian content performance of all operators in accordance with the provisions of this Act;</p> <p>k) make auditing procedures and conduct regular audits for the purposes of monitoring and implementing compliances with the provisions of this Act;</p> <p>l) provide guidelines, definitions and measurement of Nigerian content and Nigerian content indicator to be utilized throughout the industry;</p> <p>m) conduct studies, researches and investigations that may further the attainment of the goal of developing Nigerian content in the Nigerian oil and gas industry ;</p> <p>n) organize conferences, workshops, seminars, symposia, trainings, road shows and other public education fora to further the attainment of the goal of developing Nigerian content</p>		
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<p>(m) conduct studies, researches and investigations that may further the attainment of the goal of developing Nigerian content in the Nigerian oil and gas industry;</p> <p>(n) organize conferences, workshops, seminars, symposia, trainings, road shows and other public education fora to further the attainment of the goal of developing Nigerian content in "the Nigerian oil and gas industry;</p> <p>(o) delegate any of its functions to any agent or operative appointed by the Council; and</p> <p>(P) do legally anything necessary to be done to facilitate the carrying out of its functions.</p>	<p>in the Nigerian oil and gas industry ;</p> <p>o) delegate any of its functions to any agent or operative appointed by the Council ; and</p> <p>p) do legally anything necessary to be done to facilitate the carrying out of its functions.</p>		
<p>Appointment of Chairman and Membership of the Council.</p> <p>73. — (1) The Chairman and members of the Council shall be appointed by the President and shall be persons of proven integrity and</p>	<p>Appointment of Chairman and Membership of the Council.</p> <p>1) The Chairman and members of the Council shall be appointed by the President <i>on the recommendation of the organization to be represented</i></p>	<p>Editorial change was made in 73(1) "on the further recommendation of the organizations to be represented by the members"</p>	

<p>ability.</p> <p>(2) The membership of the Council shall be on part time basis.</p>	<p><i>by the member</i> and shall be persons of proven integrity and ability</p> <p>2) The membership of the Council shall be on part time basis.</p>		
<p>Powers of the Council.</p> <p>75. — (4) The Council shall have power to —</p> <p>(a) manage and superintend the affairs of the Board;</p> <p>(b) make rules and regulations for the proper functioning of the Board;</p> <p>(c) employ and pay the staff of the Board appropriate remuneration commensurate in scale with that of staff in organizations of similar stature; and</p> <p>(d) enter into any negotiation, agreement and contractual relationship as may be necessary or expedient for the discharge of the functions of the Board.</p>	<p>Powers of the Council.</p> <p>75.The Council shall have power to-</p> <p>a) manage and superintend the affairs of the Board;</p> <p>b) make rules and regulations for the proper functioning of the Board;</p> <p>c) employ and pay the staff of the Board appropriate remuneration commensurate in scale with that of staff in organizations of similar stature; and</p> <p>d) enter into any negotiation, agreement and contractual relationship as may be necessary or expedient for the discharge of the functions of the Board.</p>	Renumbered as 75 instead of 75(4).	

<p>Board Budgetary and Estimates Report.</p> <p>91. — The Council shall, not later than 30th September of each year, submit to the National Assembly, through the Minister, an estimate of the projected expenditure of the Board during the next succeeding year and shall include a copy of the audited accounts of that year and a copy of the auditor's report.</p>	<p><i>Budgetary Estimates and Audit Report.</i></p> <p>The Council shall, not later than 30th September of each year, submit to the National Assembly, through the Minister, an estimate of the projected expenditure of the Board during the next succeeding year and shall include a copy of the audited accounts of that year and a copy of the auditor's report.</p>	<p>Editorial changes made to the title of the section to reflect the provisions of the section.</p>	
<p>Gift to the Board.</p> <p>92. — (1) The Board may accept gifts of money, land or other property on such term and the conditions, if any, as may be specified by the person or organization making the gift.</p> <p>(2) The Board shall not accept any gift if the conditions attached thereto are inconsistent with the functions of the Board under this Act.</p>	<p>Gift to <i>the</i> Board.</p> <p>1) The Board may accept gifts of money, land or other property on such term and the conditions, if any, as may be specified by the person or organization making the gift.</p> <p>2) The Board shall not accept any gift if the conditions attached thereto are inconsistent with the functions of the Board under this Act.</p>	<p>Typographical error corrected.</p>	
<p>Savings and Transitional Provision.</p> <p>103. — Upon the commencement of this Act, all functions and powers</p>	<p>Savings and Transitional Provision.</p> <p>Upon the commencement of this Act, all</p>		

conferred on any agency or department of the Federal Government of Nigeria to carry out the implementation of Nigerian content development or policy in the Nigerian oil and gas industry by any law or enactment is hereby transferred to the Nigerian Content Monitoring Board established under this Act.	functions and powers conferred on any agency or department of the Federal Government of Nigeria to carry out the implementation of Nigerian content development or policy in the Nigerian oil and gas industry by any law or enactment is hereby transferred to the Nigerian Content Development and Monitoring Board established under this Act.	Typographical error corrected.	
<p>Establishment of Nigerian Content Development Fund.</p> <p>104. — (1) A Fund to be known as the Nigerian Content Development Fund (the "Fund") is established for purposes of funding the implementation of Nigerian content development in the Nigeria oil and gas industry.</p> <p>(2) The sum of one per cent of every contract awarded to any operator, contractor, subcontractor, alliance partner or any other entity involved in any project, operation, activity or transaction in the upstream sector of the Nigeria oil and gas industry shall be deducted at source and paid into the Fund.</p> <p>(3) The Fund shall be managed by</p>	<p>Establishment of Nigerian Content Development Fund</p> <p>1) A Fund to be known as the Nigerian Content Development Fund (the "Fund") is established for purposes of funding the implementation of Nigerian content development in the Nigeria oil and gas industry.</p> <p>2) The sum of one per cent of every contract awarded to any operator, contractor, subcontractor, alliance partner or any other entity involved in any project, operation, activity or transaction in the upstream sector of the Nigeria Content oil and gas industry shall be deducted at source and paid into the Fund.</p>	<p>The Fund is contributed by the industry for the development of the Nigerian Content. As such there should be provisions in the Act to ensure that this objective is met. The proposed amendments to section 104 are to achieve this purpose.</p>	

<p>the Nigerian Content Development Board and employed for projects, programmes, and activities directed at increasing Nigerian content in the oil and gas industry.</p>	<p>3) Subject to section 104(4) the Fund shall be managed by the Nigerian Content Development and Monitoring Board and employed for projects, programmes, and activities directed at increasing Nigerian Content in the oil and gas industry provided that:</p> <p>a) Not more than ten per cent (10%) of the monies accruing to the Fund in any year shall be spent by the Board on its operations including General and Administrative expenses, whether as operating or capital expenditure.</p> <p>b) At least Seventy per cent (70%) of the Fund shall be disbursed to qualified Nigerian Indigenous Companies for in-country capacity development by way of long-term, low cost asset acquisition loans and infrastructure or facilities development support, equity investment, direct grants for in-country Research and Development (R&D), technology</p>		
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	<p>c) <i>A half-yearly disbursement report in respect of the funds will be published in the JQS and in at least two (2) national newspapers, specifying beneficiary companies, amounts disbursed, recovery-to-date, assets acquired and infrastructure / facility developed.</i></p> <p>d) <i>If any of funds referred to in section 104(4)(b) are not spent in any one year, it may be allocated and disbursed in the succeeding years.</i></p>		
<p>Compliance Act</p> <p>Nigerian Content in conjunction with have powers to ce with relevant stal and Inland e) Act in relation ning to Nigerian</p>	<p>Enforcement of Compliance Act No. 5, 2003.</p> <p>The Board in conjunction with NIMASA shall have powers to enforce compliance with relevant sections of Coastal and Inland Shipping (Cabotage) Act in relation to matters pertaining to Nigerian content development.</p>	<p>Editorial change made to ensure consistency.</p>	

content development.			
<p>Interpretation.</p> <p>106. — "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 Minister from time to time;</p> <p>"Nigerian company" means a company formed and registered in Nigeria in accordance with the provision of Companies and Allied Matters Act with not less than 51 % equity shares by Nigerians;</p> <p>"NNPC Joint Ventures Partners" means oil companies that executed various petroleum agreements with NNPC;</p> <p>"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</p>	<p>Interpretation</p> <p>In this Act:</p> <p>"Joint Qualification System" means the industry databank of available capacities and capabilities in the Nigerian oil and gas industry;</p> <p>"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 Minister from time to time;</p> <p>"Minister" means the Minister of Petroleum Resources;</p> <p><i>Nigerian Indigenous Company means a company which:</i></p> <p><i>a) entire issued share capital is owned by Nigerians.</i></p>		

<p>rian human, and services in s industry;</p> <p>ator" means a a company a defined on cribed to each</p> <p>Gas industry" onnected. with development, ation and sale gas resources d downstream</p> <p>the Nigeria Company ries and joint any Nigerian, al oil and gas he Nigerian oil under any t;</p> <p>any foreign any project in</p>	<p>b) Board of directors comprises only Nigerians</p> <p>c) owns all its assets</p> <p>"Nigerian Company" means a company formed and registered in Nigeria in accordance with the provision of Companies and Allied Matters Act with not less than 51 % equity shares by Nigerians;</p> <p>"NNPC" means Nigeria National Petroleum Corporation;</p> <p>"NNPC Joint Ventures Partners" means oil companies that executed various petroleum agreements with NNPC ;</p> <p>"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, material resources and services in the Nigerian oil and gas industry;</p> <p>"Nigerian Content Indicator" means a percentage rating of a company based on</p>	<p>Editorial change to include (a0(b)(c)</p> <p>There already exist several terms in the act which can only be applicable to Nigerian Indigenous companies. This category needs to be clearly defined to avoid abuse and circumvention of the Act.</p> <p>The amendment is to put beyond doubt that midstream activities such as development of pipeline systems, LNG</p>	
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	virtual platform for buyers and sellers of goods and services in the oil and gas industry that allows for speedy and transparent transactions.		
Citation. 107. — This Act may be cited as the Nigerian Oil and Gas Industry Content Development Act, 2010.	Citation This Act may be cited as the Nigerian Oil and Gas Industry Content Development Act, 2010.	Retained	
EXPLANATORY MEMORANDUM	EXPLANATORY MEMORANDUM		
This Bill Seeks to provide for the Development of Nigerian Content in the Nigerian Oil and Gas Industry, Nigerian Content plan, Supervision, Coordination, Monitoring and Implementation of the Nigerian Content.	<i>This Bill Seeks to Amend the Nigerian Oil and Gas Content Development Act by Extending the Waiver Window, Removing Difficulties of Access to Funds and Correcting an Obvious Heading Error.</i>	Modified	