

# A BILL

## FOR

AN ACT TO ESTABLISH THE NIGERIAN NATIONAL EMPLOYMENT TRUST FUND TO ADDRESS FROM THE SOURCE PERSISTENT YOUTH UNEMPLOYMENT RESULTING FROM INADEQUATE FUNDING AND FOR RELATED MATTERS

*Sponsored by Hon. Yakub Abiodun Balogun, Hon. Sani Bala*

[ ] Commencement

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

1           1.-(1) There is hereby established a Fund to be known as the  
2 National Employment Trust Fund (in this Act referred to as "the Fund") for  
3 the purpose of creating, supporting and promoting job-creating and job-  
4 preparatory endeavours in both the Public and Private Sectors.

Establishment  
of the Fund, etc.

5           (2) The Fund shall be a body corporate with perpetual succession  
6 and a common seal and may sue or be sued in its corporate name.

7           (3) Aims and objectives of the Fund:

8           (a) The main objective of the Fund is to provide financial support to  
9 the teeming unemployed Nigerian Youths, for job and wealth creation in  
10 order to tackle the problem of unemployment in the Country and give equal  
11 opportunities to all citizens in a level playing environment;

12           (b) To correct any observed inadequacies in the provision of  
13 financing job-creating endeavours in both the public and private sectors;

14           (c) To organize and finance job preparatory trainings for  
15 employment-seeking youths to make them suitable for identified job  
16 placement openings in the Public Service of the Federation of Nigeria;

17           (d) To identify, promote and encourage job-creating projects,  
18 enterprises, inventions and other endeavours.

Inflows into the  
Fund

1                    2.-(1) The primary funding source shall be 1% direct charge to the  
2 Consolidated Revenue Fund (CRF);

3                    (2) The Board shall have power to raise money for the Fund through  
4 voluntary subscription and donations from all interested Government  
5 Agencies, Private Organisations and individuals, including but not limited to-

6                    (a) Federal Government subventions;

7                    (b) financial or material donations from any person whether corporate  
8 or otherwise;

9                    (c) other financial or material aid, gifts, awards; or

10                   (c) any other form of levy or support from any other source.

Establishment  
of the Board

11                   3.-(1) There is hereby established for the Fund a Board which shall  
12 consist of;

13                   (a) a Chairman who shall;

14                   (i) be a person with good knowledge in finance and administrative  
15 matters;

16                   (ii) have a qualification and experiences as are required to perform the  
17 functions of that office under this Act.

18                   (b) 6 persons representing the geo-political zones in Nigeria;

19                   (c) a representative each of the following Federal  
20 Ministries/Agencies/Ministerial Departments, who shall not be below the rank  
21 of a Director:

22                   (i) Office of the Head of the Civil Service of the Federation;

23                   (ii) Labour and Employment;

24                   (iii) Finance;

25                   (iv) a representative of the Civil Society Organizations;

26                   (v) a representative of the Organized Private Sector;

27                   (vi) the Executive Secretary who shall also be the secretary to the  
28 Board.

29                   (2) The Members shall;:

30                   (a) be persons with considerable experience from both the public and

1 private sectors to represent the business, financial and education sectors;

2 (b) be appointed by the President on the recommendation of the  
3 Minister of Labour and Employment;

4 (c) Other than the ex-officio members, each member shall hold  
5 office for a term of four (4) years in the first instance and may be eligible for  
6 reappointment for a further term of four (4) years and no more;

7 (d) be paid such remuneration and allowances as the President may  
8 from time to time determine.

9 (3) The Board shall meet for the conduct of its ordinary businesses  
10 4 times in a calendar year.

11 (4) Notwithstanding sub-section (3) of this section, the Board may  
12 meet to conduct such other businesses as exigencies may demand.

13 4. The functions of the Board shall be to;

Functions of  
Board

14 (a) Liaise effectively with the Tax Authorities with a view to  
15 collecting the prescribed tax revenues;

16 (b) devise ways of raising contributions, donations, subventions  
17 and other funding for the Fund pursuant to the provisions of this Act;

18 (c) manage and disburse the Fund established under this Act;

19 (d) sensitize the generality of the citizenry towards achieving the  
20 purpose of this Fund;

21 (e) acquire, maintain and hold assets for and on behalf of the Fund  
22 including, but not limited to, all kinds of machines, equipment, properties,  
23 gadgets, instruments, tools, vehicles, trucks and stationeries to be  
24 distributed to beneficiaries of approved projects and ventures under this Act;

25 (f) take out and maintain all forms of policies of insurance as it may  
26 deem expedient for the protection of the property of the Fund;

27 (g) disburse funds to beneficiaries for the purpose of carrying out  
28 activities in line with the objectives of the Fund;

29 (i) ensure that disbursed funds are expended for the purpose for  
30 which they are disbursed;

1 (j) receive requests and approve admittance projects, ventures and  
2 proposals after due consideration;

3 (k) monitor and evaluate execution of the projects;

4 (l) invest surplus funds in appropriate and safe securities.

5 (m) update the Federal Government on its activities and progress  
6 through annual audited reports;

7 (n) update the National Assembly on its activities and progress  
8 through annual audited reports;

9 (o) review progress and suggest improvement within the provisions  
10 of this Act;

11 (p) ensure that the beneficiaries of the Fund repay the loans and  
12 accrued interests within the stipulated period;

13 (q) advise the President on the activities and on any other matter  
14 relating to the operation and activities of the Fund;

15 (r) Do such other things as are necessary or incidental to the objects of  
16 the Fund under this Act or as may be assigned by the Federal Government or in  
17 line with the provisions of any other statute or amendment as may be made by  
18 the National Assembly.

19 5.-(1) The Chairman or a member of the Board shall cease to hold  
20 office if he:

21 (a) becomes of unsound mind;

22 (b) becomes bankrupt or makes a compromise with his creditors;

23 (c) is convicted of a felony or any offence involving dishonesty; or

24 (d) is guilty of serious misconduct in relation to his duties.

25 (2) A member of the Board may be removed from office by the  
26 President if he is satisfied that it is not in the interest of the Fund or the interest  
27 of the Public that the member should continue in office.

28 (3) A member of the Board, other than an ex-officio member, may  
29 resign his appointment by a month's notice in writing under his hand, addressed  
30 to the President.

1 .(4) Where a vacancy occurs in the membership of the Board, it  
2 shall be filled by the appointment of a successor to hold office for the  
3 remainder of the term of office of his predecessor, so however that the  
4 successor shall represent the same interest and shall be appointed by the  
5 President.

6 6.-(1) There shall be for the Fund an Executive Secretary to;

7 (a) be appointed by the President on the recommendation of the  
8 Minister;

9 (b) be a person with good knowledge in administrative matters;

10 (c) be the Chief Executive and Accounting officer of the Fund;

11 (d) have such qualifications and experience as are appropriate for a  
12 person required to perform the functions of that office under this Act; and

13 (e) hold office for a period of five years in the first instance and may  
14 be eligible for reappointment for a further term of five years and no more and  
15 on such terms and conditions as to emolument, conditions of service as may  
16 be specified in his letter of appointment.

17 (2) The Executive Secretary shall subject to the general direction of  
18 the Board, be responsible-

19 (a) for the day-to-day administration of the Fund;

20 (b) for keeping the books and proper records of the proceedings of  
21 the Board;

22 (c) for-

23 (i) the administration of the secretariat of the Board; and

24 (ii) The general direction and control of all other employees of the  
25 Fund.

26 (3) The Board shall have power to-

27 (a) employ either directly or on transfer or secondment from any  
28 civil or public service in the Federation such number of employees as may,  
29 in the opinion of the Board, be required to assist the Board and the Executive  
30 Secretary in the discharge of any of their functions under this Act; and

Appointment of  
the Executive  
Secretary and  
other staff of the  
Fund

1 (b) pay to persons so employed such remuneration (including  
2 allowances) as the Board may, after consultation with appropriate bodies,  
3 determine.

Management  
and Administration  
of the Fund

4 7.-(1) In deploying its funds and other resources, the Board shall give  
5 preference to programmes geared towards more jobs and wealth creation.

6 (2) The Board shall administer the Fund and disburse the amount in  
7 the Fund to beneficiaries of deserving projects and proposals.

8 (3) The Board shall administer, manage and disburse the Fund herein  
9 on the basis of:

10 (a) equality among the six geo-political zones of the Federation;

11 (b) equality among the States within a zone;

12 (c) equality among the Local Governments or Area Councils within a  
13 State or the Federal Capital Territory, Abuja respectively.

14 (4) Notwithstanding the provisions of subsection (3)(a),(b) &(c) of  
15 this section, the Board shall have power to give due consideration to the  
16 peculiarities of each geo- political zone in the disbursement and management  
17 of this Fund.

Remuneration

18 8. The Chairman and other members of the Board with the exception  
19 of ex-officio members shall be paid such remuneration and allowances as the  
20 President may determine.

Eligibility

21 9.-(1) Beneficiaries of the Fund shall be any of the following-

22 (a) entrepreneurs desirous of starting and expanding their businesses;

23 (b) persons who are interested in acquiring and upgrading their skills;

24 and

25 (c) skilled persons interested in re-skilling from informal to formal  
26 sector.

27 (2) Beneficiaries shall comply with any other condition(s) stated in  
28 the administrative guideline to this Law.

Account and  
Audit of the  
Board

29 10. The Fund shall establish and maintain an account into which shall  
30 be paid and credited-

- 1 (a) 1% charge from the Consolidated Revenue Fund (CRF), all  
2 subventions and other budgetary allocations from the Federal Government;  
3 (b) gifts, loans, grants-in-aid from national, bilateral and  
4 multilateral organisations and Agencies;  
5 (c) rents, fees and internally generated revenues from services  
6 provided by the Fund; and  
7 (d) all other sums accruing to the Fund from time to time.

8 **11.** The Board may, from time to time, apply the proceeds of the  
9 Fund established under this Act-

Expenditure of  
the Board

- 10 (a) to the cost of administration of the Fund;  
11 (b) to the payment of the emoluments, allowances and benefits of  
12 members of the Board and for reimbursing members of the Board or of any  
13 committee set up by the Board and for such expenses as may be expressly  
14 authorized by the Board;  
15 (c) to the payment of the salaries, fees or other remuneration or  
16 allowances, gratuities and pensions, and other benefits payable to the staff  
17 and other employees of the Fund, so however that no payment of any kind  
18 under this paragraph (except such as may be expressly authorized by the  
19 Board) shall be made to any person who is in receipt of emoluments from the  
20 Government of the Federation or of a State;  
21 (d) for the development and maintenance of any property vested in  
22 or owned by the Fund;  
23 (e) for maintaining general financial reserves subject to general or  
24 special directive that may be given in that behalf by the Minister in  
25 accordance with the provisions of this Act; and  
26 (f) to any other expenditure in connection with all or any of its  
27 functions under this Act.  
28 (2) Proceeds from then Fund established under this Act shall be  
29 applied for the purpose which such gifts, loans or grants-in-aid were made.  
30 (3) Proceeds from the Fund established under this Act shall be

- 1       remitted to the Treasury of the Federal Government.
- Annual Estimates  
and Accounts   2               **12.**-(1) The Fund shall, not later than 30th September in each year,  
3       submit to the Minister an estimate of its expenditure and income (including  
4       payments to the Fund) for the next succeeding year.
- 5               (2) The Fund shall keep proper accounts in respect of each year and  
6       proper records in relation to those accounts and shall cause its accounts to be  
7       audited within six months after the end of each year by auditors appointed from  
8       the list and in accordance with the guideline supplied by the Auditor-General  
9       for the Federation.
- Annual Reports   10              **13.** The Fund shall prepare and submit to the Minister not later than  
11      30th June in each year a report in such form as prescribed in this Act on the  
12      activities of the Fund during the immediate preceding year, and shall include in  
13      the report a copy of the audited accounts of the Fund for that year and of the  
14      auditor's report thereon.
- Power to accept  
gifts           15              **14.**-(1) The Fund may accept gift of land, money or other property on  
16      such terms and conditions, if any, as may be specified by the person or  
17      organization making the gift.
- 18              (2) The Fund shall not accept any gift if the conditions attached by the  
19      person or organization making the gift are inconsistent with the functions of the  
20      Fund under this Act.
- Power to Borrow   21              **15.** The Fund may, in accordance with the general authority of the  
22      Minister, borrow such sums of money as the Fund may require in the exercise  
23      of its functions under this Act or its subsidiary legislation.
- Exemption from  
Tax             24              **16.**-(1) The Fund shall be exempted from the payment of income tax  
25      on any income accruing from investments made by the Board or otherwise  
26      howsoever.
- 27              (2) The provisions of any enactment relating to the taxation of  
28      companies or trust funds shall not apply to the Fund or the Board.
- Service in the  
Fund to be  
pensionable   29              **17.**-(1) Service in the Fund shall be approved service for purposes of  
30      the Pensions Act.



1 (2) Employees of the Fund shall be entitled to pension, gratuities  
2 and other retirement benefits as are enjoyed by pensions holding equivalent  
3 grades in the civil service of the Federation.

4 18.-(1) A person who contravenes or fails to comply with Offences  
5 provisions of this Bill is guilty of an offence under this Bill.

6 (2) Where an offence under this Act is committed by a body  
7 corporate of firm or other association of individuals-

8 (a) every director, manager, secretary or other similar officers of  
9 the body corporate;

10 (b) every partner or officer of the firm;

11 (c) every person concerned in the management of the affairs of the  
12 association; or

13 (d) every person who was purporting to act in the capacity as  
14 aforesaid, is severally guilty of that offence and liable to be proceeded  
15 against and punished for the offence in like manner as if he had himself  
16 committed the offence, unless he proves that the act or omission constituting  
17 the offence took place without his knowledge, consent or connivance.

18 19.-(1) Except as otherwise provided in this Act, a person who is Penalties  
19 guilty of an offence under this Act shall on conviction be liable-

20 (a) for a first offence, to a fine of N10,000 or imprisonment for a  
21 term of three years;

22 (b) for a second and subsequent offence, to a fine of N20,000 or  
23 imprisonment for a term of five years or to both such fine and imprisonment.

24 (2) The institution of proceedings or imposition of a penalty under  
25 this Act shall not relieve a company from liability to pay to the Board a tax  
26 which is or may become due under this Act.

27 20.-(1) Subject to the provisions of this Act, the provisions of the  
28 Public Officers Protection Act shall apply in relation to any suit instituted  
29 against any officer or employee of the Fund. Limitation of  
suits against the  
Fund, etc.

30 (2) Notwithstanding anything contained in any other law or

1 enactment, no suit against any member of the Board, the executive secretary or  
2 any other officer or employee of the Fund for any act done in pursuance or  
3 execution of this Act or any other law or enactment, or of any public duty or  
4 authority or in respect of any alleged neglect or default in the execution of this  
5 Act or such law or enactment, duty or authority, shall lie or be instituted in any  
6 court unless-

7 (a) it is commenced within three months next after the act, neglect or  
8 default complained of; or

9 (b) in the case of a continuation of damage or injury, within six  
10 months next after the ceasing thereof.

11 (3) No suit shall be commenced against a member of the Board, the  
12 executive secretary, officer or employee of the Fund before the expiration of a  
13 period of one month after written notice of intention to commence the suit shall  
14 have been served upon the Fund by the intending plaintiff or his representative  
15 containing the relief which he claims.

Service of  
documents

16 21. A notice, summons or other documents required or authorized to  
17 be served upon the Fund under the provisions of this Act or any other law or  
18 enactment may be served by delivering it to the executive secretary or by  
19 sending it by registered post and addressed to the executive secretary at the  
20 principal office of the Fund.

Restriction on  
execution against  
property of the  
Fund

21 22.-(1) In any action or suit against the Fund, no execution or  
22 attachment of process in the nature thereof shall be issued against the Fund.

23 (2) Any sum of money which may by the judgement of any court be  
24 awarded against the Fund shall, subject to any direction given by the court  
25 where notice of appeal of the said judgment has been given, be paid from the  
26 general reserve fund of the Fund.

Indemnity of  
Officers

27 23. A member of the Board, the executive secretary, any officer or  
28 employee of the Fund, shall be indemnified out of the assets of the Fund against  
29 any proceeding, whether civil or criminal, in which judgement is given in his  
30 favour, or in which he is acquitted, if any such proceeding is brought against

1 him in his capacity as a member of the Board, the executive secretary, officer  
2 or employee of the Fund.

3 24. The Minister may, with the approval of the President, make Regulations  
4 regulations generally for the purposes of this Act and the due administration  
5 thereof.

6 25.-(1) In this Act, unless the context otherwise requires- Interpretation  
7 "Act" means the Companies Income Tax Act or the Petroleum Profits Tax  
8 Act, or the Value Added Tax Act as the case may be;  
9 "Board" means the Board established under this Act;  
10 "Company" means a company registered in Nigeria;  
11 "Fund" means the Fund established under section 1 of this Act;  
12 "Minister" means the Minister charged with responsibility for matters  
13 relating to matters covered by this Act.

14 (2) Where no provision is made in this Act for a matter relating to  
15 the assessment and collection of the tax imposed by this Act, the provisions  
16 of the Acts relating to the assessment and collection of companies income  
17 tax or petroleum profit tax, as the case may be, shall apply mutatis mutandis  
18 to that matter.

19 26. This Bill may be cited as the Nigerian National Employment Short Title  
20 Trust Fund Bill, 2017.

#### EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian National Employment Trust Fund to address from the source persistent Youth Employment resulting from inadequate funding.

