

A BILL

FOR

AN ACT TO AMEND THE NATIONAL AUTOMOTIVE COUNCIL ACT CAP N8 LFN, 2004 TO INTRODUCE NEW ALTERNATIVE VEHICULAR TRANSPORTATION TO UTILIZE NIGERIAN GAS AND FOR RELATED MATTERS, 2017

Sponsored by Hon. Igarwey Iduma Enwo

[] Commencement

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

1 1. The objective of this Bill is to amend the National Automotive
2 Council Act, by providing a legal framework to encourage Nigerian
3 entrepreneurs and vehicle manufacturers to invest in natural gas refuelling
4 infrastructure and the production and purchasing of natural gas vehicles and
5 trucks that utilise the abundant and currently underutilized/wasted Nigerian
6 gas resources as a way of moving persons and goods across Nigeria, as
7 follows:

Objective

8 2. Section 3 (m) of the Principal Act is amended by inserting a new
9 sub-section (m) and the subsequent subsection renumbered accordingly.

Amendment of Section 3

10 (m) encourage the manufacture and utilization of gas-powered
11 vehicles in Nigeria through incentive to entrepreneurs and manufacturers of
12 vehicles in Nigeria by:

13 (i) Extending 100% tax holidays for 5 years for pioneer companies
14 investing in alternative fuels and fuel mixtures involving compressed or
15 liquefied natural gas;

Incentives

16 (ii) Increase investment capital allowance up to 50% for 5 years for
17 companies involved in the manufacture of vehicles that utilise compressed
18 or liquified natural gas;

19 (iii) Import duty rebate of 50% for infrastructure or equipment

1 relating to vehicles that utilize natural gas;
 2 (iv) Federal Inland Revenue Service to design and implement any
 3 other tax regime as a support measure to incentivise investments in this
 4 industry;

5 (v) The Central Bank of Nigeria to establish a special single digit
 6 interest fund for the promotion of this industry;

7 (vi) Government Ministries, Departments and Agencies to give
 8 preference to the purchase of gas-powered vehicles in the award of contracts.

9 3. The Minister of Transport (or any other appropriate Minister) shall
 10 make targeted financial grants (as deemed necessary) to actors in this industry
 11 to ameliorate the high start-up cost of gas powered investments

Application and Regulation

12 4. The Minister for Transport shall make regulations for giving effect
 13 to the Provisions of this Bill.

Short Title

14 5. This Bill may be cited as the National Automotive Council Act
 15 (Amendment) Bill, 2017.

EXPLANATORY NOTE

This Bill seeks to amend the National Automotive Council Act to promote the use of natural gas to power vehicles in Nigeria by introducing a regime of tax incentives to promote private sector investment in the utilization of gas powered vehicles in transportation, and to encourage local vehicle manufacturers to invest in natural gas powered vehicles.