

# A BILL

## FOR

AN ACT TO ESTABLISH THE NIGERIAN TEXTILE INDUSTRY TRUST FUND TO PROVIDE FINANCIAL ASSISTANCE IN THE FORM OF LOANS AND GRANTS TO OPERATORS IN THE NIGERIAN TEXTILE INDUSTRY AND FOR RELATED MATTERS

*Sponsored by Hon. Jerry Alagbaoso*

[ ] Commencement

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

### PART I- ESTABLISHMENT OF THE NIGERIAN TEXTILE INDUSTRY

#### TRUST FUND

1. There is hereby established, the Nigerian Textile Industry Trust Fund (herein referred to as the "Trust Fund").

Establishment  
of the Nigerian  
Textile Industry  
Trust Fund

2. In every fiscal year, the government shall effect an appropriation of sums of money to the Fund;

3. The Board established by the provisions of (Part II, Subsection 6) shall manage the fund.

4. The aims and objectives of the fund are:

Aims and objectives  
of the Trust Fund

(a) To provide financial and material support in form of loans, grants and machinery to operators in the Nigerian Textile Industry;

(b) To serve as an intervention fund to the Nigerian Textile industry and related matters;

(c) To provide financial assistance to governmental and Non-governmental organizations involved in research and development in the Nigerian Textile Industry;

(d) To partake in educating the citizens on the need to patronize Nigerian fabrics and by extension the Nigerian Textile industry.

## PART II

Establishment  
of the Nigerian  
Textile Industry  
Trust Fund  
Board

1  
2 5.-(a) There is hereby established, a Nigerian Textile Industry Trust  
3 Fund Board (herein referred to as the Board);  
4 (b) The Board shall be under the supervision of the Federal Ministry of  
5 Industry;

Membership  
of the Board

6 (c) The Board shall comprise of the following members:  
7 (i) The Chairman of the Board, shall be appointed by the President  
8 Federal Republic of Nigeria subject to confirmation by the National Assembly;  
9 (ii) Two representative from the Textile Industry;  
10 (iii) a representative from the Ministries of industry in each state of  
11 the federation;  
12 (iv) A representative each of the following Ministries, not below the  
13 rank of a Director:  
14 (v) Ministry of Industry;  
15 (vi) Ministry of Finance;  
16 (vii) Ministry of Information and National Orientation;  
17 (viii) Two Ex-officio members nominated by the Minister of industry;

18 6. There shall be appointed for the Board, a Secretary who shall be the  
19 Permanent Secretary in the Federal Ministry of Industry;

20 The Secretary shall perform the following functions:

21 (i) Arranges meetings of the Board;  
22 (ii) To take minutes at meetings of the Board;  
23 (iii) Represents the Board in any capacity;  
24 (iv) Keeps the record of account of the Board;  
25 (v) Attends to any business on behalf of the Board;  
26 (vi) Prepares the eligible list of persons for to benefit from the fund;  
27 (vii) To perform any other duty, business or transaction as the Board  
28 may assign;

Functions of  
the Board

29 7. The Board shall maintain an account with the Central Bank of  
30 Nigeria for the purpose of managing and administering, operating and

1 applying the Trust Fund:

2 (i) The Chairman, Secretary and any other member of the Board  
3 shall be signatories to the account;

4 (ii) All allocations, monies, dues, gifts, loans, contingencies or  
5 fund due shall be paid to the Account;

6 (iii) Members of the Board shall, by virtue thereof, be entitled to  
7 allowances as may be recommended by the Revenue Mobilization and  
8 Fiscal Commission;

9 (iv) The Board shall maintain offices in each of the six geo-  
10 political zones of Nigeria;

11 8.-(i) Membership of the Board shall be for 4 years and may be Tenure of the  
Board  
12 renewed for another 4 years and no more;

13 (ii) The Board shall be answerable to the President Commander in  
14 chief of the armed forces;

15 (iii) The Board shall be responsible for the administration and  
16 application of the provisions of this Bill;

17 (iii) The Board shall maintain an office in the Federal Capital  
18 Territory for easy administration.

19 PART III

20 9.-(1) THE Board shall establish and maintain a fund from which Finances  
21 shall be defrayed all expenditure incurred by the Board;

22 (2) There shall be credited to the fund established by the provisions  
23 of part (1):

24 (a) Such monies and payments as may be made to it by the Federal  
25 government;

26 (b) 2% of import tariffs from imported fabrics and other textile  
27 materials;

28 (c) Contributions from state government as negotiated by the  
29 Board;

30 (d) Internally generated revenue;

1 (e) Gifts and donations; for the running of expenses of the Board and  
2 all other assets accruing, from time to time, to the Board;

3 10. The Board shall apply the proceeds of the Trust fund to:

4 (a) Defray the cost of administration of the Board;

5 (b) Pay members of the Board or of any committee set up by the Board  
6 or such expenses as may be expressly authorized by the Board in carrying out  
7 her duties;

8 (c) Publicize and promote the activities of the Board;

9 (d) Undertake all activities connected with its functions under this  
10 Bill;

11 (e) Maintain any property vested in the Board.

12 11.-(1) the Board may accept gifts of land, monies or other on such  
13 terms and conditions, if any, as may be specified.

14 (2) The Board shall not accept any gift if the conditions attached by  
15 any person or organization making the gift are inconsistent with the functions  
16 of the Board under this Bill;

17 PART IV

Records, Accounts  
and Audit

18 12.-(1) the Board shall prepare and submit to the presidency, not later  
19 than 30th September of each year, an estimate of the Board for the following  
20 year;

21 (2) The Board shall keep proper account of the Funds created under  
22 this Bill in respect of each year and proper account record in relation thereto  
23 and shall cause the accounts to be audited not later than 6 months after the end  
24 of each year by auditors appointed by the Board in accordance with the  
25 guidelines approved by the Auditor-General for the federation;

26 (3) The Board shall prepare and submit to the presidency, not later  
27 than 30th June in each year, a report on the activities and administration of  
28 Funds during the preceding year and shall include in the report a copy of  
29 audited accounts of the Funds for the year and the auditor's report thereof.

30 (4) the Board may, subject to the provisions of this Bill and the

1 conditions of any trust created in any securities as may, from time to time, be  
2 approved by the Board, creates, enters, or undertake any security, trust,  
3 mortgage; debenture, stock, trade, contract, equities and investment.

4 PART V

5 13.-(1) As stated in part (III) subsection 7, there shall be appointed Staff of the Board  
6 for the Board, a Secretary who shall be the permanent secretary in Federal  
7 Ministry of Industry.

8 (2) The Secretary shall be:

9 (a) The Chief Executive of the Board;

10 (b) be responsible for the day -to-day administration of the Board  
11 as provided in PART 2, subsection 7.

12 (3) The Secretary shall hold office for the duration of office as the Tenure of the Secretary  
13 Permanent Secretary Federal Ministry of Industry; and no more.

14 14.-(1) The Board may from time to time, appoint such other staff, Appointment of other staff  
15 as it may deem necessary to assist the Secretary in the performance of the  
16 function of the Board.

17 (2) The Terms and Conditions of service (including remuneration,  
18 allowances, benefits and pensions) of officers and employees shall be  
19 determined by the Board on the recommendation of the Federal Civil  
20 Service Commission.

21 (3) The staff of the Board shall be:

22 (a) Public servants as defined in the 1999 Constitution of the  
23 Federal Republic of Nigeria; and governed according to the Civil Service  
24 rules.

25 PART VI

26 15.-(1) The Board shall be exempted from the payment of income Exemption from Tax  
27 tax or any income derived by it under this act or accruing to it from any  
28 investments.

29 (2) The provision of any enactment relating to the taxation of the  
30 Trust Fund shall not apply to the Board.

## PART VII

Application of  
the Fund

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

**16.**-(a) At the commencement of any financial year, and for the purpose of applying the fund, the Board acting through the office of the Minister of Industry, shall compile and verify the list of operators in the Textile Industry who are qualified for any form of financial assistance from the Fund;

(b) In compiling the list, the Board shall verify the claims of the applicant as well as their financial background to ensure it is in compliance with the objectives of the Fund;

(c) The Board reserves the right to nullify the eligibility of any textile company to benefit from the fund.

**17.** The Board shall thereafter deliver the head copy of the list to the Secretary to the Government of the Federation, for the attention of the President, and copies shall be delivered to:

(a) The Accountant General of the Federation;

(b) The Minister of Finance;

(c) The Minister of Commerce, Trade and Industry;

(d) The Commissioners of Commerce and Industry/ Finance in all states of Federation;

**18.** The Accountant General of the Federation, the Minister of Industry and the finance Minister shall certify the list for statutory appropriation for the fiscal year.

**19.** In selecting companies to benefit from the Fund, the Board working with the information from the commercial bank where the account of the company is domiciled shall:

(i) Assess the viability of the company to repay the loan or grant given to it, unless where such intervention is non - refundable;

(ii) Verify the background of the persons involved in the management of such company to ensure they are persons of integrity;

(iii) Assess the long term business plan of the company to ensure their viability and long term economic benefit to the country;

(iv) Take other measures to ensure that the Fund is not diverted to other uses apart from those that will lead to the revamping of the Textile Company concerned;

PART VIII - THE NIGERIAN TEXTILE INDUSTRY TRUST FUND AND  
RELATED MATTERS SUBSCRIPTION TO THE TRUST FUND

20. This Bill shall apply to all organizations or establishments operating or promoting textile business in Nigeria.

21. Subject to the aforesaid, all foreign textile companies operating their factories outside Nigeria, shall subscribe 0.05 % of their profit after tax as contribution to the fund; and other contributions as may be determined by the Board

PART IX

22. The Board shall perform the following functions:

Other functions  
of the Board to  
the Trust Fund

(a) Collection of subscription from the entities and establishments prescribed under part (III) section 10 for maintenance of the trust fund;

(b) Obtain and maintain evidence and record of subscription to the fund;

(c) Open, maintain and operate a Bank Account with a Commercial bank for the collection, management, operation and disbursement of the Trust Fund;

(d) Collecting, collating, selecting, screening and approving applications from companies seeking to benefit from the Fund;

(e) Educating and promoting awareness among Nigerians on the activities, functions and achievements of the Board/Fund;

(f) Perform any other function for the purpose of realizing the objectives of the Fund.

PART X

23.-(1) Except a statutory Corporation or government parastatal or department, any establishment or person who fails to comply with or contravenes or abet the contravention of any provision of this Bill in relation

Offences and  
Punishment

1 to part (3) section 10, shall be guilty of an offence and shall be liable upon  
2 conviction to redeem the default with a fine of N500,000 or imprisonment for 3  
3 years or to both such fine and imprisonment:

4 Provided that in the case of statutory corporation where the offence is  
5 committed with the consent or connivance of or to be attributable to, any  
6 neglect on the part of any Director, Manager, Secretary or other official of the  
7 corporation or government parastatal or department, such Director, Manager,  
8 Secretary or other official shall be guilty and liable under this section.

9 (2) any person or group of persons that indulges in dishonest acts to  
10 benefit from the provisions of this Bill; either by providing false financial  
11 reports, shall be liable upon conviction to a prison term of 1 year and six  
12 months, or a fine of N200, 000 or to both such fine and imprisonment;

13 (3) In the case of connivance between an official of the Board and an  
14 applicant company, the company's head is liable to the punishment as  
15 prescribed under subsection (2). While the official shall be liable on conviction  
16 to a prison term of 2 years and dismissal thereafter;

17 PART XI

Interpretation

18 24. In this bill, unless the context otherwise requires:

19 "Trust Fund" means the Nigerian Textile Industry Trust Fund;

20 "Board" means the Nigerian Textile Industry Trust Fund Board;

21 "Textile Industry" means the group of companies involved in the manufacture  
22 and sale of fabrics and other textile materials;

23 "Company" means the Textile company;

24 "Eligible Companies" means companies or establishments that satisfy the  
25 provisions of part 3 sub-section 10 of this Bill.

26 PART XIV

Citation

27 25. This Bill may be cited as the Nigerian Textile Industry Trust Fund  
28 Bill, 2018.



## 1 THE SCHEDULE

## 2 PART A

## 3 RULES AND REGULATIONS OF THE BOARD

4 \* The Board is to maintain a register of all textile manufacturing companies  
5 both local and foreign registered in Nigeria;

6 \* The Board is to transmit the Bill when passed into an Act to all the related  
7 companies and organizations;

8 \* The Board shall issue subscription form to companies and organizations  
9 that subscribes to it;

10 \* The subscription form is to contain the account number of the Trust Fund;

11 \* The Companies are to pay directly to the credit of the Account of the Trust  
12 Fund;

13 \* The Board is to document all subscription forms for verification;

14 \* The Bank is to transmit a copy of the teller to the Board;

15 \* The Board is to maintain a book of payment to the Trust Fund;

16 The Board shall publish the names of companies and other subscribers to  
17 the Trust Fund in three national dailies;

18 \* The Board is to send one week demand notice to any defaulting companies  
19 and other subscribers;

20 \* The companies in default, are to redeem the default within one week of  
21 demand; .

22 \* The Board is to compile the list of subsequent defaulters and transmit  
23 same to the Attorney General of the Federation;

24 \* The office of the Attorney - General of the Federation is to prosecute  
25 defaulters;

26 \* The office of the Attorney-General is to compile the record of proceedings  
27 at the end of every case and transmit same to the Board.

## 28 PART B

## 29 SELECTION OF BENEFICIARIES

30 \* The Board shall set guidelines on the status of companies to be covered

- 1 under the Bill;
- 2 \* Applicants are to apply through the Chairman of the Board;
- 3 \* The Board or any entity acting on its behalf shall verify the financial state of
- 4 any applicant and the company's financial history and investment background
- 5 to determine whether the company qualified to benefit from the Fund;
- 6 \* Thus the Board shall set up an Audit Committee to verify the status of an
- 7 applicant company within the shortest possible time and make
- 8 recommendations to the Board for further action;
- 9 \* The applicant company shall provide all the information requested by the
- 10 Audit Committee;
- 11 \* The report of the Audit Committee shall be debated and approved or rejected
- 12 by the Board;
- 13 \* where the applying company requires urgent financial injection to redeem it
- 14 from an imminent collapse, the Board shall fasten the processes required to
- 15 decide on such application;
- 16 \* Where the company's financial status does not match the criteria set for
- 17 beneficiaries of the Fund by the Board, the Board's decision thereon is final;
- 18 \* The Company granted approval for financial assistance by the Fund shall
- 19 submit on a quarterly basis the financial status as well as investment portfolio
- 20 of the company to ensure compliance to the objectives of the fund;
- 21 \* The assets of the company shall serve as collateral for the refundable loans or
- 22 grants given to the company;
- 23 \* Only the President and Commander in Chief shall reserve the right to grant
- 24 waivers on loans or grants given to any textile company upon recommendation
- 25 by the Minister of Industry in agreement with the Minister of Finance;
- 26 \* Wherein the Minister of Finance is in objection to any waiver to any
- 27 company, the decision of the President and Commander in Chief on the matter
- 28 shall be final;
- 29 \* The Board is to supervise the Fund Account;
- 30 \* Notwithstanding any Bank Practices or regulations, the Board shall have

- 1 right and access to the Fund Account;
- 2 \* The decision of the Board on the Trust Fund Account shall be final;
- 3 \* The decision of the Board shall be made public through radio, television
- 4 and newspaper publications.

EXPLANATORY NOTE

This Bill seeks to establish the Nigerian Textile Industry Trust Fund to provide financial assistance in form of loans and grants to the already comatose Textile Industry in Nigeria with the aim of turning them into a robust industry that would create job for millions of Nigerians.

