

OIL AND GAS INVESTMENT AND FREE ZONES BILL, 2016

ARRANGEMENT OF SECTIONS

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# A BILL

## FOR

AN ACT TO REPEAL THE OIL AND GAS EXPORT FREE ZONE AUTHORITY ACT; AND TO PROVIDE FOR THE DESIGNATION AND ESTABLISHMENT OF OIL AND GAS FREE ZONES AND SPECIAL INVESTMENT AREAS IN NIGERIA; ESTABLISHMENT OF THE OIL AND GAS INVESTMENT AND FREE ZONES AUTHORITY; AND FOR RELATED MATTERS

*Sponsored by Hon. Sylvester Ogbaga*

[ ] Commencement

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

1           1.-(1) The President, on the recommendation of the Authority, may  
2 by Order:

3           (a) designate any area within the Federal Republic of Nigeria as an  
4 Oil and Gas Free Zone (in this Act referred to as "Free Zone");

5           (b) designate any area within the Federal Republic of Nigeria as an  
6 Oil and Gas Special Investment Area (in this Act referred to as "Special  
7 Investment Area");

8           (c) amend, vary or add to the limit of any Free Zone or Special  
9 Investment Area as the case may be.

10           (2) The President hereby designates the Onne/Ikpokiri area and  
11 Ogu Creek area of Rivers State as an Oil and Gas Free Zone, (in this Act  
12 referred to as "the Onne/Ikpokiri Free Zone") and as further specified in  
13 First Schedule to this Act.

14           (3) Free Zones and Special Investment Areas established pursuant  
15 to subsection (1) of this section, may be designed, developed, funded or  
16 operated by the Authority or a combination of both the Authority and a  
17 private or public enterprise.

18           2.-(1) There is hereby established an authority to be known as the

1 Oil and Gas Investment and Free Zones Authority (in this Act referred to as "the  
2 Authority").

3 (2) The Authority shall be a body corporate, with perpetual succession  
4 and a common seal and may sue and be sued in its corporate name and shall be  
5 capable of acquiring, holding or disposing of any property movable or  
6 immovable for the purpose of carrying out its functions.

7 3.-(1) There shall be for the Authority a governing board (in this Act  
8 referred to as "the Board") which shall consist of the following members, that  
9 is:

10 (a) a Chairman, who shall be appointed by the President, being a  
11 person who by reason of his ability, experience or specialized knowledge of  
12 trade and investment promotion, commercial or economic matters is capable of  
13 making outstanding contributions to the functions of the authority;

14 (b) one representative each of the following, not below the rank of a  
15 Director in the public service of the Federation, that is:

16 (i) Federal Ministry of Trade and Investment,

17 (ii) Department of Petroleum Resource,

18 (iii) Federal Ministry of Justice;

19 (c) the Managing Director of the Nigeria Ports Authority or his  
20 representative not below the rank of General Manager;

21 (d) the Comptroller-General of Customs or his representative not  
22 below the rank of a Assistant Comptroller-General;

23 (e) One representative each of the following bodies, not below the  
24 rank of a Director in the public service of the Federation, that is:

25 (i) the Nigerian Association of Chambers of Commerce, Industry and  
26 Mines and Agriculture,

27 (ii) the Corporate Affairs Commission,

28 (iii) Commissioner for Commerce in the Government of a state in  
29 which a Zone is located or his representative not below the rank of a Director in  
30 the public service of that State;

1 (f) the Managing Director of the Federal Aviation Authority of  
2 Nigeria or his representative not below the rank of a Director in the  
3 Authority;

4 (g) the Chairman of the Federal Inland Revenue Service or his  
5 representative not below the rank of a Director;

6 (h) the Governor of the Central Bank of Nigeria or his  
7 representative not below the rank of a Director; and

8 (i) the Managing Director of the Authority.

9 (2) A member of the Board other than ex-officio member shall hold  
10 office for a period of three years from the date of his appointment as a  
11 member and shall be eligible for re-appointment for one further period of  
12 two years and no more.

13 (3) Notwithstanding subsection (2) of this section, the President  
14 may, on the recommendation of the Minister, require any member of the  
15 Board to vacate his office if he is satisfied that it is not in the interest of the  
16 public that the member should continue in office.

17 (4) A member of the Board other than an ex-officio member may,  
18 by notice in writing addressed to the Board, resign his appointment.

19 (5) The supplementary provisions contained in the First Schedule  
20 to this Act shall have effect with respect to the proceedings of the Board and  
21 other matters relating to the Board.

22 4.-(1) If it appears to the Board that a member of the Board should  
23 be removed from office on grounds of misconduct or inability to perform the  
24 functions of his office, the Board shall, after consultations with the interests,  
25 if any, represented by that member, make recommendations to that effect to  
26 the Minister and if the Minister approves the recommendations, he may  
27 declare in writing the office of that member vacant.

28 (2) Without prejudice to subsection (1) of this section any member  
29 who is absent from two consecutive ordinary meetings of the Board shall file  
30 his explanation in writing with the Secretary for consideration by the Board

1 and if the explanation is not accepted by the Board, the Board shall recommend  
2 to the Minister that the member be removed from office and the Minister may  
3 declare, in writing, the office of that member vacant.

4 5.-(1) In addition to any other functions conferred on the Authority by  
5 this Act, the functions and responsibilities of the Authority shall include:

6 (a) the administration of the Authority and management of Free Zones  
7 and Special Investment Areas;

8 (b) the grant of all requisite permits and licences to conduct approved  
9 enterprises within Free Zones and Special Investment Areas;

10 (c) the approval of development plans for Free Zones and Special  
11 Investment Areas, the annual budget in respect of infrastructures,  
12 administrative buildings, promotion of Free Zones and Special Investment  
13 Areas, the provision and maintenance of services and facilities;

14 (d) the establishment of customs, police, immigration and similar  
15 posts in Free Zones and Special Investment Areas;

16 (e) the supervision and co-ordination of the functions of various  
17 public and private sector organisations operating within Free Zones and  
18 Special Investment Areas and resolving any dispute which may arise amongst  
19 them;

20 (f) the resolution of trade disputes between employers and employees  
21 in Free Zones on the recommendation of the Labour Council established  
22 pursuant to section 20 of this Act;

23 (g) attract, facilitate and encourage the retention of investments,  
24 leading to value addition, into Free Zones and Special Investment Areas;

25 (h) regulate activities and monitor the operations of Free Zones and  
26 Special Investment Areas, enterprises as well as organizations that provide  
27 services within and to Free Zones and Special Investment Areas;

28 (i) develop and monitor performance standards and indices relating  
29 to Free Zones and Special Investment Areas;

30 (j) act as a "one-stop shop" for all government services for Free Zones

1 and Special Investment Areas;

2 (k) shall establish and maintain a registry as specified in the Fourth  
3 Schedule to this Act; and

4 (1) carry out such activities as may be necessary or expedient for  
5 the full discharge of all functions and activities of the Authority under this  
6 Act.

7 (2) As from the commencement of this Act, the Authority shall  
8 without further assurance, take over and perform such functions being  
9 hitherto performed by the Nigeria Export Processing Zones Authority  
10 established by the Nigeria Export Processing Zone Act, Cap N107, Laws of  
11 the Federation of Nigerian, 2004, as they relate to the export of oil and gas.

12 (3) The Authority may, from time to time, approve activities which  
13 may be carried on In Free Zones and Special Investment Areas as specified  
14 in the Second Schedule to this Act.

15 6.-(1) There shall be for the Authority, a Managing Director who  
16 shall:

17 (a) be the chief executive; and

18 (b) be appointed by the President on the recommendation of the  
19 Minister.

20 (2) The Managing Director shall be responsible for:

21 (a) the preparation of plans, annual programmes and budget of the  
22 Authority;

23 (b) the recommendation to the Minister, of such bye-laws which  
24 may be applicable in Free Zones and Special Investment Areas;

25 (c) the implementation of approved plans, programmes and budget  
26 of the Authority; and (d) the day-day administration of the Authority.

27 (3) The Managing Director shall hold office for a period of four  
28 years and may be eligible and no more.

29 (4) Without prejudice to the generality of subsections (1) and (3) of  
30 this section, the Authority shall have power to employ such number and

1 category of staff as it may deem fit, including the power to:

2 (a) appoint a Secretary who shall be qualified to practice as a legal  
3 practitioner in Nigeria and shall have been so qualified for not less than fifteen  
4 years;

5 (b) pay the employees such remuneration and allowances as it may,  
6 from time to time, determine;

7 (c) pay the employees such pensions and gratuities as are payable to  
8 persons of equivalent grades in the public service of the Federation.

9 (5) The Authority may make staff regulations relating generally to the  
10 conditions of service of the employees of the Authority and without prejudice  
11 to the generally of the foregoing such regulations may provide for:

12 (a) the appointment, promotion and disciplinary control of all  
13 employees of the Authority; and

14 (b) appeal by such employees against dismissal or other disciplinary  
15 measures and until such regulations are made, the regulations relating to the  
16 conditions of service of the officers in the civil service of the Federation and the  
17 provisions of the pensions Act shall be applicable with such modifications as  
18 may be necessary to the staff of the Authority.

19 (6) Approved enterprises operating within the Export Free Zone shall  
20 make provisions for the pensions and gratuities for their employees.

21 (7) The Secretary of the Authority appointed pursuant to subsection  
22 (4)(a) of this section shall:

23 (a) serve as Secretary to the Board;

24 (b) oversee the activities of the Registry established pursuant to  
25 section 5(1)(k) of this Act; and

26 (c) perform such other duties as the Chairman of the Board or the  
27 Managing Director respectively may from time to time direct.

28 7. The President or the Governor of a State respectively may by Order,  
29 transfer to the Authority, any property belonging to the Federal or State  
30 Government which appears to be necessary or expedient to the Authority in



1 registration for the purposes of company registration within Free Zones and  
2 Special Investment Areas.

3 (3) A body corporate licensed to operate within Free Zones and  
4 Special Investment Areas and undertaking an approved activity shall notify the  
5 Authority of any purchase, assignment or transfer of shares in the body  
6 corporate, except where its shares are quoted and are freely transferable on any  
7 international Stock Exchange.

8 (4) The Authority shall by order, from time to time, prescribe the  
9 regulations governing Free Zones and Special Investment Areas.

10 (5) In addition to any other powers conferred on the Authority by this  
11 Act, the powers of the Authority shall include:

12 (a) to undertake, or purchase, or otherwise acquire any asset in  
13 furtherance of the objectives of the Act;

14 (b) when it is expedient, to take loans from banks licenced by the  
15 Central Bank of Nigeria;

16 (c) to enter into contracts, partnerships and collaborative agreements  
17 or arrangements with any company or firm or body which in the opinion of the  
18 Authority will facilitate the discharge of its functions under this Act; and

19 (d) to exercise such other powers as are necessary or expedient for  
20 giving effect to the provisions of this Act.

21 **11.-(1)** Where an approved enterprise operating in Free Zones and  
22 Special Investment Areas supplies goods and services to customers within the  
23 customs territory, that enterprise shall be entitled to receive payment for such  
24 goods and services in foreign currency and for the purposes of such payment,  
25 the rules and regulations applicable to importation of goods and services into  
26 Nigeria and repatriation of the proceeds of sales or services shall apply.

27 (2) Where a person within the customs territory supplies goods and  
28 services to an approved enterprises established within the Free Zones and  
29 Special Investment Areas, that person shall be entitled to receive payment for  
30 such goods or services in foreign currency and the rules and regulations

1 applicable to export from Nigeria and the repatriation of proceeds from sales  
2 or services shall apply.

3 12.-(1) The Authority and any approved enterprises shall be  
4 entitled to import into Free Zones, free of customs duty, any capital goods,  
5 consumer goods, raw materials, components or articles intended to be used  
6 for the purposes of and in connection with an approved activity, including;  
7 any article for the construction, alteration, reconstruction, extension or  
8 repair of premises in Free Zones or for equipping such premises.

9 (2) For the purposes of this section, articles for equipping premises  
10 shall be deemed to include equipment for offices and other ancillary  
11 facilities necessary for the proper administration of the premises and for the  
12 health, safety, hygiene and welfare of the premises and of persons employed  
13 therein.

14 (3) All goods brought into Free Zones shall be consigned:

15 (a) to the Authority or to an approved enterprise and the goods may,  
16 with the approval of the Authority, be transferred from one approved  
17 enterprise to another or from the Authority to an approved enterprise or from  
18 an approved enterprise to the Authority; and

19 (b) without prejudice to the provisions of subsection (2) of this  
20 section, to a bank acting on behalf of any party to a transaction involving the  
21 Authority or an approved enterprise.

22 (4) The Authority may take such steps as it deems necessary to  
23 preserve goods within Free Zones, whether by moving the goods from one  
24 place to another or by storing the goods and where any expenses are incurred  
25 by the Authority in so doing, the owner or consignee of the goods shall  
26 reimburse the Authority for the expenses.

27 (5) Subject to the provisions of this Act and any regulations made  
28 thereunder, goods brought into Free Zones pursuant to this section may:

29 (a) unless otherwise directed by the Authority, be stored, sold,  
30 exhibited, broken up, packed, graded, cleaned, marked, re-marked, loaded,

1 unloaded, re-loaded, divided, mixed, separated or otherwise manipulated;

2 (b) be worked, processed or re-processed or otherwise manipulated or  
3 manufactured; or

4 (c) be consumed if the goods are meant for consumption in Free  
5 Zones, unless otherwise directed by the Authority;

6 (d) subject to subsection (6) of this section, be removed from Free  
7 Zones or sent into the customs territory, whether as originally packed or  
8 otherwise; or

9 (e) subject to any enactment pertaining thereto, be destroyed.

10 (6) Where any goods which are dutiable on entry into the customs  
11 territory are sent from Free Zones into the customs territory, the goods shall be  
12 subject to the provisions of the Customs, Excise Tariff, Etc. (Consolidation)  
13 Act and any regulations made thereunder, and if the goods are intended to be  
14 disposed of in the customs territory, shall not be removed from Free Zones  
15 unless:

16 (a) the consent of the Authority has been obtained; and

17 (b) the relevant customs authorities are satisfied that all import  
18 restrictions relevant thereto have been complied with and all duties payable in  
19 connection with the importation thereof into the customs territory have been  
20 paid.

21 (7) Samples of goods being taken into the customs territory shall be  
22 subject to the provisions of subsection (5) of this section, except in cases where  
23 the relevant customs authority is satisfied that such goods are of no commercial  
24 value.

25 (8) Where goods being taken into the customs territory into Free  
26 Zones for the purposes of an approved activity, the good shall be deemed to be  
27 exported.

28 (9) The President shall, appoint for Free Zones, an inspecting agent  
29 who shall be charged with responsibility of inspecting goods imported from  
30 Free Zones into Nigeria for use by an approved enterprise within Free Zones.

1           13.-(1) No person shall, without the prior permission of the  
2 Authority, enter remain in or reside in Free Zones.

3           (2) Any person who contravenes the provisions of subsection (1) of  
4 this section shall have his permit revoked by the Authority.

5           14.-(1) No retail trade shall be conducted within Free Zones  
6 without the prior approval of the Authority and which may be subject to such  
7 terms and conditions as may be imposed, from time to time, by the  
8 Authority.

9           (2) Any person who contravenes the provisions of subsection (1) of  
10 this section or of a term or condition imposed pursuant to that subsection  
11 shall have his licence revoked by the Authority.

12           15.-(1) An approved enterprise which imports into Free Zones an  
13 article with a benefit in respect of customs duty under the provisions of this  
14 Act shall:

15           (a) keep such record on the articles so imported in such forms and  
16 containing such particulars as may be required by the Authority;

17           (b) causes the articles to be marked with such mark and in such  
18 manner as may be required by the Authority;

19           (c) permit the Authority or person authorised by the Authority at all  
20 reasonable times:

21           (i) to inspect the records relating to those articles, and

22           (ii) to have access to any factory, warehouse, assembly plant or  
23 other premises under the control of the approved enterprise for the purpose  
24 of examining the article which the Authority believes to be therein and of  
25 satisfying itself of the contained in such records.

26           (2) Any person who contravenes the provisions of subsection (1) of  
27 this section is guilty of an offence.

28           16.-(1) Notwithstanding any other provision of this Act, the  
29 following goods shall not be imported, taken into or stored in Free Zones:

30           (a) firearms and ammunition, other than by members of the Nigeria

1 Police Force, the Armed Forces of the Federation;

2 (b) dangerous explosives, without prior approval of the Authority;

3 (c) petrol, inflammable materials, hazardous cargoes or oil fuels,  
4 other than in such quantities and such terms and conditions as may be  
5 prescribed by the Authority;

6 (d) goods which the authority by order has imposed specific or  
7 absolute prohibition on their importation into the Export Free Zone.

8 (2) Any person who contravenes the provisions of subsection (1) of  
9 this section is guilty of an offence.

10 **17.** Export of goods from Free Zones to the customs territory shall,  
11 except as otherwise prescribed by or pursuant to this Act, be subject to the same  
12 customs and licensing requirements as apply to goods imported from other  
13 countries.

14 **18.**-(1) Approved enterprises within Free Zones shall be entitled to  
15 the following incentives:

16 (a) legislative provisions pertaining to taxes, levies, duties and  
17 foreign exchange regulations shall not apply within Free Zones;

18 (b) repatriation of foreign capital investment in Free Zones at any  
19 time with capital appreciation of the investment;

20 (c) remittance of profits and dividends earned by foreign investors in  
21 Free Zones;

22 (d) no import or export licences shall be required;

23 (e) up to 100 per cent of production may be sold in the territory against  
24 a valid permit, and on payment of appropriate duties;

25 (f) no form of expropriation of foreign investment;

26 (g) up to 100 per-cent foreign ownership of business in Free Zones  
27 allowable;

28 (h) foreign managers and qualified personnel may be employed by  
29 companies operating in Free Zones;

30 (i) simplification of visa and work permits for expatriate staff of

1 approved enterprises in the Free Zones;

2 (j) up to 75 per cent import duty tariff rebate on any special product  
3 imported into Free Zones on which value has been added without changing  
4 the essential character of the product after processing in the Free Zone and  
5 intended for the customs territory.

6 (k) Government of the Federation to guarantee the supply of crude  
7 oil to Free Zones;

8 (l) Government of the Federation to guarantee the protection of  
9 critical infrastructure servicing Free Zones; and

10 (m) Government of the Federation to provide market assurance for  
11 value added products from Free Zones.

12 (2) The Authority shall be the only agency qualified to:

13 (a) give all approvals; and

14 (b) cancel all licenses.

15 (3) The Authority shall simplify all procedure necessary for  
16 authorization of investments in Free Zones and state by Order from time to  
17 time its requirements for the grant of authorisations for investments in Free  
18 Zones.

19 (4) Operations within a Free Zone shall commence on the date  
20 determined by the Authority provided that there shall be consultation with  
21 the developer of the Free Zone.

22 (5) There shall be no strikes or lockouts for a period of 10 years  
23 following the commencement of operations within Free Zones and any trade  
24 dispute arising within Free Zones shall be resolved by the Authority.

25 **19.-(1)** Approved enterprises within Special Investment Areas  
26 shall be entitled to the following incentives:

27 (a) legislative provisions pertaining to taxes, levies, duties and  
28 foreign exchange regulations shall with such modification authorized by an  
29 Order of the Minister apply within Special Investment Areas;

30 (b) repatriation of foreign capital investment in Special Investment

- 1 Areas at any time with capital appreciation of the investment;
- 2 (c) remittance of profits and dividends earned by foreign investors in
- 3 Special Investment Areas;
- 4 (d) no form of expropriation of foreign investment;
- 5 (e) foreign managers and qualified personnel may be employed by
- 6 companies operating in Special Investment Areas;
- 7 (f) simplification of visa and work permits for expatriate staff of
- 8 approved enterprises in the Special Investment Areas;
- 9 (g) up to 75 per cent import duty tariff rebate on any special product
- 10 imported into Special Investment Areas on which value has been added
- 11 without changing the essential character of the product after processing in the
- 12 Special Investment Areas and intended for the customs territory
- 13 (h) Government of the Federation to guarantee the supply of crude oil
- 14 to Special Investment Areas;
- 15 (i) Government of the Federation to guarantee the protection of
- 16 critical infrastructure servicing Special Investment Areas;
- 17 (j) Government of the Federation to provide market assurance for
- 18 value added products from Special Investment Areas; and
- 19 (k) ownership of investments may be structured to accommodate
- 20 local communities.
- 21 (2) The Authority shall be the only agency qualified to:
- 22 (a) give all approvals; and
- 23 (b) cancel all licenses.
- 24 (3) The Authority shall simplify all procedure necessary for
- 25 authorization of investments in Special Investment Areas and state by Order
- 26 from time to time its requirements for the grant of authorisations for
- 27 investments Special Investment Areas.
- 28 (4) Operations within a Special Investment Area shall commence on
- 29 the date determined together by the Authority" and the developer of the Free
- 30 Zone.

1           20.-(1) There is established a council to be known as the Oil and  
2 Gas Free Zones Labour Council (in this Act referred to as "Labour Council")  
3 which shall:

4           (a) be responsible for dialogue and resolution of labour issues  
5 within Free Zones;

6           (b) from time to time, make recommendations to the Authority on  
7 resolution of labour issues within Free Zones.

8           (2) The Labour Council shall comprise of:

9           (a) a representative of the Managing Director of the Authority, who  
10 shall be the Chairman;

11           (b) a representative of the Federal Ministry of Labour,  
12 Employment and Productivity;

13           (c) one representative each of the following:

14           (i) Nigeria Labour Congress (NLC),

15           (ii) National Union of Petroleum and Natural Gas Workers  
16 (NUPENG),

17           (iii) Petroleum and Natural Gas Senior Staff Association of Nigeria  
18 (PEN GAS SAN), and (iv) Maritime Workers Union of Nigeria (MWUN);  
19 and

20           (d) two persons to represent operators of Free Zones, provided  
21 howsoever that they shall be rotated among operators of Free Zones.

22           (3) The tenure of each Labour Council shall be a period of three  
23 years.

24           (4) The Labour Council shall regulate its proceedings.

25           21. An approved enterprise shall submit to the Authority at such  
26 intervals as may be prescribed, such statistical data, and such information  
27 and returns as regards the sales and purchases and other operations of the  
28 enterprise as the Authority may require or as may be prescribed, from time to  
29 time.

30           22. Where a person who is a non-Nigerian citizen is employed by nt



1 the Authority or by an approved enterprise established in Free Zones and  
2 Special Investment Areas, upon application by the enterprise for a licence to  
3 establish itself within Free Zones and Special Investment Areas or at any time  
4 thereafter, the enterprise shall apply on behalf of the non-Nigerian citizen,  
5 direct to the Authority for the purpose of immigration and employment  
6 permits, in such manner as may be prescribed by the Authority.

7           23.-(1) The Authority shall establish and maintain a fund which shall  
8 consist of:

- 9           (a) all moneys received from the Federal Government;  
10           (b) proceeds from all activities, services and operations of the  
11 Authority;  
12           (c) grants, loans, gifts and donations made to the Authority; and  
13           (d) such other sum as may accrue, from time to time to the Authority.

14           (2) The Authority shall, from time to time, apply the proceeds of the  
15 fund established pursuant to subsection (1) of this section:

- 16           (a) to the cost of administration of the Authority;  
17           (b) to the payment of the salaries, fees or other remuneration or  
18 allowances, pension and gratuities payable to the officers and employees of the  
19 Authority;  
20           (c) for reimbursing members of the Board or of any committee set up  
21 by the Board for such expenses as may be expressly authorised by the Authority  
22 in accordance with the rates approved by the Federal Executive Council;  
23           (d) for the maintenance of any property vested in the Authority; and  
24           (e) for investment, maintenance of Free Zones and Special  
25 Investment Areas, marketing, promotion, training, research and similar  
26 activities.

27           24.-(1) The Authority shall, not later than 31st October in each year,  
28 submit to the Minister an estimate of its expenditure and income (including  
29 payments into the fund of the Authority) during next succeeding year.

30           (2) The Authority shall keep proper accounts in respect of each year

1 (and proper records in relation thereto) and shall cause its accounts to be  
2 audited within six months after the end of each year by auditors appointed  
3 from the list and in accordance with the guidelines supplied by the Auditor-  
4 General of the Federation.

5 25.-(1) Except as provided under this Act, an enactment applicable  
6 in a customs territory shall apply within Free Zones.

7 (2) The Minister may, by Order published in the Gazette modify the  
8 application of any enactment which is made applicable in Free Zones by  
9 subsection (1) of this section, where the enactment concerned restricts or  
10 interferes with the smooth running of Free Zones or operation of licences  
11 therein.

12 26.-(1) There is hereby established a Fund to be known as the Oil  
13 and Gas Free Zones Training Fund (in this Act referred to as the "Fund") into  
14 which shall be paid all contributions prescribed under this section.

15 (2) The Fund shall be utilized to promote and encourage the  
16 acquisition of skills in activities in the Free Zones with a view to generating  
17 a pool of indigenous trained manpower.

18 (3) Every approved enterprise having ten or more employees in its  
19 establishment, shall in respect of each calendar year and or the date  
20 prescribed by the Authority, contribute to the Fund 0.5 per cent of its annual  
21 payroll.

22 (4) The Provisions of the Industrial Training Fund Act, Cap 19  
23 LPN 2004 and the Industrial Training Fund Act (Amendment) Act, 2011  
24 shall not apply in Free Zones under this Act.

25 27.-(1) Every omission or neglect to comply with and every act  
26 done or attempted to be done contrary to the provisions of this Act or any  
27 regulations made thereunder shall be an offence and in respect of any such  
28 offence for which no penalty is expressly provided the offender shall be  
29 liable on conviction to a fine of N100,000 or to a term of imprisonment for  
30 three months or to both such fine and imprisonment.

1 (2) Whoever attempts to commit any offence punishable under this  
2 Act or any regulations made thereunder or abets the commission of such  
3 offence shall be punished with the punishment provided for such an  
4 offence.

5 (3) Where a body corporate is guilty of an offence under this Act, and  
6 that offence is provided to have been committed with the consent or  
7 connivance of, or to be attributable to any neglect on the part of any director,  
8 manager, secretary or other similar officer of the body corporate, or any person  
9 who was purporting to act in any such capacity; he, as well as the body  
10 corporate, is guilty of that offence and liable to be proceeded against and  
11 punished accordingly.

12 **28.**-(1) The Authority may make regulations for:

- 13 (a) investment procedures in the zones;
- 14 (b) written authorizations, permits assignments and licences granted  
15 under this Act;
- 16 (c) any fees, charges rates or fines to be imposed pursuant to this Act;
- 17 (d) variation of rates of taxes after the expiration of tax-free period  
18 specified under this Act; and
- 19 (e) such other matters as are necessary for giving full effect to the  
20 provisions of this Act and for their due administration.

21 **29.**-(1) No suit shall be commenced against the Authority before the  
22 expiration of a period of one month after written notice of intention to  
23 commence the suit shall have been served on the Authority by the intending  
24 plaintiff or his agent and the notice shall clearly and explicitly state:

- 25 (a) the cause of action;
- 26 (b) the particulars of the claim;
- 27 (c) the name and place of abode of the intending plaintiff; and (d) the  
28 relief which it claims.

29 (2) In an action or suit against the Authority, no execution or  
30 attachment or process in the nature thereof shall be issued against the money

1 Authority, but any sum of money which may, by the judgement of the court,  
2 be awarded against the Authority shall, subject to any directives given by the  
3 Authority, be paid from the general reserve of the Authority.

4 (3) For the purpose of this section:

5 "suit" means a civil proceeding commenced by writ of summons or in such  
6 other manner as may be prescribed by rules of court and includes an action,  
7 but not a criminal proceeding.

8 (4) The notice referred to in this section and any summons, notice  
9 or other document required or authorized to be served on the authority in  
10 connection with a suit by or against the Authority, may be served by sending  
11 it by registered post, addressed to the Managing Director, at the Head Office  
12 of the Authority.

13 (5) In any action or suit against the Authority, no execution or  
14 attachment or process in the nature thereof, shall be issued against the  
15 Authority, but any sum of money which may by the judgement of the court  
16 be awarded to the plaintiff shall be paid by the Authority from the funds of  
17 the Authority.

18 (6) A person connected with the direct working of the Authority  
19 shall not be removed under arrest when his immediate removal from duty  
20 might result in danger of life or goods, whether in execution of a warrant or  
21 otherwise, while actually engaged in the performance of his duties until:

22 (a) the head of department in which he is employed; or

23 (b) the officer in immediate charge of the work in which the person  
24 is engaged, has been given an opportunity of providing a substitute.

25 (7) In any suit pending before the court, the Authority may be  
26 represented in court at any stage of the proceeding by an employee of the  
27 Authority.

28 **30.**-(1) The Oil and Gas Export Free Zone Act, Cap as, Laws of the  
29 Federation of Nigeria, 2004 is hereby repealed.

30 (2) Any subsidiary legislation made under the repealed Act shall, in

1 so far as it is not inconsistent with this Act, remains in operation until revoked  
2 or replaced by a subsidiary legislation made under this Act, and shall be  
3 deemed for all purposes to have been made under this Act.

4 (3) The transitional and savings provisions in the Third Schedule to  
5 this Act shall have effect in relation to employees, assets and liabilities of the  
6 Board dissolved under this section and other matters mentioned therein  
7 notwithstanding anything to the contrary in this Act or any other enactment.

8 (4) Notwithstanding subsection (1) of this section, any order made,  
9 registration effected, licence or permit made or other thing done under the  
10 repealed act, which before the commencement of this Act was in force or effect,  
11 shall continue in force and have effect as if made, effected, issued, given or  
12 done under the corresponding provisions of this Act.

## Interpretation

13 **31.** In this Act, unless the context otherwise requires:

14 "approved activities" means activities specified and approved by the  
15 Authority; "approved enterprise" means any enterprise established within the  
16 Free Zone approved by the Authority;

17 "Authority" means the Oil and Gas Investment and Free Zone Authority  
18 established by section 2 of this Act;

19 "Commissioner" means the Commissioner in a State responsible for commerce  
20 or trade; "customs territory" means the territory within the Federal Republic of  
21 Nigeria, but excluding the Free Zone;

22 "Free Zone" includes but not restricted to water ways, public and public/private  
23 free zones and sub-zones established under this Act;

24 "Government" means the Federal Government or Government of a State;

25 "inspection agent" means the agent or agents employed by Federal  
26 Government to undertake pre-shipment inspection of goods imported into  
27 Nigeria;

28 "member" means a member of the Board and includes the Chairman;

29 "Minister" means the Minister charged with responsibility for matters relating

1 to trade; "President" means the President of the Federal Republic of Nigeria;

2 and

3 "security agencies" means private or public security services operating in  
4 the Free Zone with the approval of the Authority;

5 "Special Investment Area" means an area deemed to be within the customs  
6 territory and which does not have the full status of a Free Zone, but enhanced  
7 for the purposes of accelerating investments into value addition into oil and  
8 gas, and includes but not restricted to water ways, public and public/private  
9 Special Investment Areas and sub--'areas established under this Act;

10 "special product" means any article imported into the Free Zone on which  
11 value has been added without changing the essential character of the product  
12 after processing; and "value" means any additional process added on a  
13 product.

14 **32.** This Bill may be cited as the Oil and Gas Investment and Free Short title  
15 Zones Bill, 2016.

## 1 SCHEDULES

## 2 FIRST SCHEDULE

3 *Section 3(5)*

## 4 SUPPLEMENTARY PROVISIONS RELATING TO THE AUTHORITY

5 *Proceedings of the Board*

6 1. -(1) Subject to this Act and to section 26 of the Interpretation Act,  
7 the Board may make standing orders regulating the proceedings of the  
8 Authority or of any committee thereof. (2) The quorum of the Board shall be  
9 eight and the quorum of any committee of the Board shall be as may be  
10 determined by the Board from time to time.

11 2. -(1) The Board shall meet not less than four times in each year and,  
12 subject thereto the Board shall meet whenever it is summoned by the  
13 Chairman, and if the Chairman is required to do so by notice given to him by  
14 not less than three other members; he shall summon a meeting of the Board to  
15 be held within fourteen days from the date on which the notice is given.

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

19 (3) Where the Board desires to obtain the advice of any person on a  
20 particular matter the Board may co-opt him as a member for such period as it  
21 thinks fit:

22 Provided that a person who is a member by virtue of this sub-paragraph shall  
23 not be entitled to vote at any meeting of the Board and shall not count towards  
24 the quorum.

25 *Committees*

26 3.-(1) The Board may appoint one or more committees to carry out on  
27 behalf of the Board such of its functions as the Authority may determine.

28 (2) A committee appointed under this paragraph shall consist of such  
29 number of persons (not necessarily members of the Board) as may be  
30 determined by the Board; and a person other than a member of the Board shall

1 hold office on the committee in accordance with the terms of his  
2 appointment.

3 *Miscellaneous*

4 4.-(1) The fixing of the seal of the Authority shall be authenticated  
5 by the signature of the Chairman and of any other member authorised  
6 generally or specially by the Board to act for that purpose.

7 (2) Any contract or instrument which, if made or executed by a  
8 person not being a body corporate, would not be required to be under seal  
9 may be made or executed on behalf of the Board by the Chairman and the  
10 Managing Director or any person authorised generally or specially by the  
11 Authority to act for that purpose.

12 5. Members of the Board shall be paid out of moneys at the  
13 disposal of the Board such remuneration, fee or allowances in accordance  
14 with such scales as may be approved, from time to time, by the Minister.

15 6. The validity of any proceedings of the Board or of a committee  
16 thereof shall not be adversely affected by any vacancy in the membership of  
17 the Board or of a committee or by the defect in the appointment of any  
18 member of the Board or committee or by reason that a person not entitled to  
19 do so took part in the proceedings.

20 7.-(1) A member of the Board who is:

21 (a) directly or indirectly interested in any company or enterprise  
22 the affairs of which are being deliberated upon by the Authority; or

23 (b) is interested in any contract made or proposed to be made by the  
24 Authority; shall as soon as possible after the relevant facts have come to his  
25 knowledge disclose the nature of his interest at a meeting of the Board.

26 (2) A disclosure under subparagraph (1) of this paragraph, shall be  
27 recorded in the minutes of the meeting of the Board and the member shall:

28 (a) not take part after such disclosure in any deliberation or  
29 decision of the Board with regard to the subject matter in respect of which  
30 his interest is thus disclosed;



1 (b) be excluded for the purpose of constituting a quorum of the Board  
2 for any such deliberation or decision.

3 SECOND SCHEDULE

4 *Section 5(3)*

5 *Approved Activities*

- 6 1. manufacturing, processing and assembling of goods;
- 7 2. warehousing, trading, merchandising, freight forwarding and  
8 customs clearance;
- 9 3. packaging, storage, repairing and labeling;
- 10 4. handling of duty free goods including transferring goods in transit  
11 through land routes, trans-shipment, sorting, marketing activities;
- 12 5. banking, insurance, stock exchange and leasing activities and  
13 auctioneering;
- 14 6. import of goods for special services, consultancy;
- 15 7. import of building materials, raw materials, equipment, semi-  
16 finished inputs and intermediate goods and services for industrial, commercial,  
17 residential, financial and other operations;
- 18 8. property development and leasing, real estate management,  
19 provision and operations of utility services;
- 20 9. international commercial arbitration services;
- 21 10. Oil and gas activities;
- 22 11. ship building and repairs;
- 23 12. education, training, research and development;
- 24 13. hotels and catering, tourism
- 25 14. information and communication technology;
- 26 15. Recycling
- 27 16. other activities that the Authority may from time to time approve.

## THIRD SCHEDULE

*Duty Free Articles*

1. building materials

2. tools

3. plants

4. machinery

5. pipes

6. Pumps

7. Conveyor belts

8. Other appliances and materials necessary for construction, alteration and repair of premises.

9. Capital and consumer goods, raw materials, components of all articles intended to be used for the purpose of reconstruction, extension or repair of premises in a free zone or for equipping such premises and any other items approved by the Authority in a zone or for equipping such Premises and any other items approved by the Commission.

## FOURTH SCHEDULE

*Section 5(1)(k)**Registry*

1. -(1) The Authority shall keep in a form as it considers appropriate, a register of holders of current licences issued under this Act specifying:

(a) the company name; and

(b) the address of the principal place at which the company carried on business.

(2) Where:

(a) the holder of the licence ceases to carry on the business to which the licence relates; or

(b) a change occurs in any particulars which are required to be entered in the register of licence holders with respect to the holder of a

1 licence, the holder shall within fourteen days of the occurrence of the event  
2 give to the Authority particulars of the change in the prescribed form.

3 2.-(1) The Authority shall maintain a register in both physical form  
4 and electronic media of all matters that are required to be registered under this  
5 Act and Rules made pursuant to this Act.

6 (2) The Authority may at its discretion summarize the content of a  
7 material for inclusion in the register and exclude therefrom aspects of the  
8 material if it considers such exclusion necessary and justified on grounds of  
9 public interest among others.

10 3.-(1) Any person may on payment of the charge if any to be decided  
11 by the Authority:

12 (a) inspect the register; and

13 (b) make a copy of or take an extract from the register.

14 (2) If a person requests that a copy be provided in electronic media,  
15 the Authority may provide the relevant information.

16 (3) The Authority shall from time to time publish guidelines in regard  
17 to its various registers, giving details of the registers and indicating among  
18 others, assets, processes and procedures for members of the public.

19 4.-(1) A party to a written agreement or debenture who is subject to  
20 this Act shall apply to the Authority for the registration of the agreement.

21 (2) The Authority shall register the written agreement or debenture if  
22 the Authority is satisfied that it is consistent with the objective of this Act.

23 (3) The Authority shall maintain a register of all agreements or  
24 debentures required to be registered under this Act.

25 FIFTH SCHEDULE

26 *Section 30(3)*

27 *Transfer of Assets and Liabilities*

28 1. By virtue of this Act, there shall be vested in the Authority  
29 established under this Act, all assets, funds, resources and other moveable or  
30 immoveable property which immediately before the commencement of this

1 Act were vested in the Authority established under the repealed Act.

2 2. Subject to the provisions of paragraph 1 of this Schedule:

3 (a) the rights, interests, obligations and liabilities of the former  
4 Authority existing immediately before commencement of this Act under  
5 any contract or instrument, or at law or in equity apart from any contract or  
6 instrument, shall be by virtue of this Act be deemed to have been assigned to  
7 and vested in the Authority:

8 (b) any such contract or instrument as is mentioned in sub-  
9 paragraph (a) of this paragraph shall be vi the same force and effect against  
10 or in favour of Authority and shall be enforceable as fully and effectively as  
11 if instead of the former Authority the Authority had been named therein or  
12 had been a party thereto; and

13 (c) the Authority shall be subject to all the obligations and  
14 liabilities to which the former Authority was subject immediately before the  
15 commencement of this Act and all persons shall, from the commencement of  
16 the Act have the same rights, powers and remedies against the Authority as  
17 they had against the former Authority.

18 3. Any proceeding or cause of action pending or existing before  
19 the commencement of this Act, by or against the former Authority in respect  
20 of any rights, interests, obligation or liability of the former Authority, may  
21 be continued or as the case may require, commence and the determination of  
22 a court of law, tribunal or other authority or person may be enforced by or  
23 against the Authority to the same extent commenced or enforced by or  
24 against the former Authority as if the Act had not been made.

25 4. Any person who before the commencement of this Act held  
26 office under the Authority shall, on the commencement of this Act be  
27 deemed to have been transferred to the Authority on terms and conditions  
28 obtained before the commencement of this Act and the service under the  
29 former Authority shall be deemed to be service under the Authority for  
30 pension purposes.

## EXPLANATORY MEMORANDUM

The Bill empowers the President to designate the certain areas in Nigeria as Oil and Gas Free Zones and Special Investment Areas. The Bill also establishes the Oil and Gas Free Zones Authority to manage, control and co-ordinate an activities within Oil and Gas Free Zones as well as Special Investment Areas.