

A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIAN INTERNATIONAL FINANCIAL CENTRE TO PROVIDE FOR A FINANCIAL FREE ZONE OFFERING, A FULL RANGE OF FINANCIAL AND ALLIED SERVICES, 2016

Sponsored by Hon Uzoma Nkem Abonta

[] Commencement

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

1 PART 1 - ESTABLISHMENT OF THE NIGERIAN INTERNATIONAL
2 FINANCIAL CENTRES

3 1.-(1) There is established the Nigerian International Financial
4 Centre (in this Bill referred to as "the Centre").

Establishment
of Centre

5 (2) The Centre-

6 (a) is a body corporate with perpetual succession and a common
7 seal;

8 (b) may sue and be sued in its corporate name; and

9 (c) can acquire, hold, and dispose of property whether movable or
10 immovable.

11 (3) The President may, by order published in the gazette, designate
12 a defined geographic location or locations within Nigeria as a Centre.

13 (4) The Centre shall have the financial and administrative
14 independence to enable the Centre effectively carry out its duties and
15 responsibilities subject to the provisions of this Bill.

16 2. The objectives of the Centre are-

17 (a) to be an integrated, functional and full service financial centre
18 with a strong focus on banking, insurance, capital market and commodity
19 trading;

Objects of the
Centre

20 (b) to develop the economy of Nigeria and have a global outlook

1 that will focus on linking Africa with the rest of the world with a view to
2 making effective contribution to the international financial services industry;

3 (c) to attract local and international investors to establish operations
4 and invest in the Centre;

5 (d) to provide for professional and support services like accounting,
6 legal and auditing, offices and residential buildings, commerce and hospitality;
7 and

8 (e) to provide for and deal in services, products and goods from all
9 sources, whether local or foreign.

Establishment of
special bodies
for the Centre

10 3. There is established for the Centre the following bodies-

11 (i) the Nigerian International Financial Centre Authority;

12 (ii) the Nigerian International Financial Centre Regulatory Authority
13 (NIFCRA); and

14 (iii) the Nigerian International Financial Centre Judicial
15 Authority.

Governing Board

16 4.-(1) There shall be established for the Centre, a Governing Board
17 (hereinafter referred to as "the Board") which shall be comprised of executive
18 and non executive members.

19 (2) The non-executive members of the Board are-

20 (i) the Chairman of the Board, appointed by the President on the
21 recommendation of the Minister;

22 (ii) the Chief Executive Officer of the Centre appointed by the
23 President on the recommendation of the Minister;

24 (iii) the Commissioner for Finance from the State Government where
25 the Centre is located;

26 (iv) a representative, not below the position of a Director, from
27 Federal Ministry of Finance;

28 (v) a representative not below the position of a Director from the
29 Federal Ministry of Justice;

30 (vi) a representative of the Financial Services Regulation and Co-

- 1 ordination Committee;
- 2 (vii) a representative of the National Association of Chamber of
3 Commerce, Industry, Mines and Agriculture (NACIMA);
- 4 (viii) the National Security Adviser or his representative not below
5 the position of a Director;
- 6 (ix) a representative of the Governor of the Central Bank of Nigeria
7 not below the position of a Director;
- 8 (x) two Directors, appointed by the Board who are experts in the
9 relevant areas of the Centre's operation with international experience and
10 not representing the interest of any body or organization.

11 **5. The executive members of the Board are-**

Executive members
of the Board

- 12 (i) the Chief Executive Officer of the Centre;
- 13 (ii) the Chief Operating Officer of the Nigeria International
14 Financial Centre Authority who shall be appointed by the Board upon the
15 recommendation of the Financial Service Regulation and Co-ordinating
16 Committee;
- 17 (iii) the Director-General of the Nigeria International Financial
18 Centre Regulatory Authority.

19 **6. The Board shall-**

Functions of the
Board

- 20 (a) approve the policies, strategies and goals of the Centre;
- 21 (b) approve implementation plans for the Centre as proposed from
22 time to time;
- 23 (c) set up an implementation committee for continuous evaluation
24 and strategic review;
- 25 (d) periodically review the affairs of the bodies established under
26 this Bill;
- 27 (e) appoint the Nigeria International Financial Centre executives
28 as provided under this Bill;
- 29 (f) undertake such other activities as are necessary or expedient for
30 giving full effect to the provisions of this Bill.

Terms Office
and duties of
Chief Executive
Officer

1 7.-(1) The terms of Office and duties of Chief Executive Officer of the
2 Centre shall be 4 years in the first instance, subject to renewal for a further term
3 of 4 years of the Centre.

4 (2) The duties of the Chief Executive Officer of the Centre are-

5 (a) to submit rules and regulations of the Centre or any other proposal
6 to the Board for approval;

7 (b) to create and manage registries, including registries of real Estate
8 and securities of companies of the Centre;

9 (c) to make rules and regulations for the administration of the Centre;

10 (d) to, with the approval of the Board, appoint, dismiss, replace and
11 determine the duties, tenure of office and remuneration of the management and
12 other staff of the Centre;

13 (e) to create any other administrative body or entity necessary to
14 achieve the objectives of the Centre and to determine the form, powers,
15 functions and membership of the bodies created and dissolve or reconstitute
16 any of the bodies as may be required to meet the objectives of the Centre;

17 (f) to delegate any or part of his duties and functions specified in this
18 section to any person within the Centre; and

19 (g) to perform such functions incidental to or as may be required or
20 necessary for the good governance of the Centre;

21 (h) to appoint and employ such other staff as may be necessary in the
22 discharge of the functions.

23 PART II - MANAGEMENT OF THE CENTRE

Management of
the Centre

24 8.-(1) There shall be appointed for the Nigerian International
25 Financial Centre Authority (hereinafter referred to as "the Authority")
26 established under section 3 of this Bill a Chief Operating Officer charged with
27 the responsibility of ensuring the physical development of the Centre subject to
28 the provisions of this Bill.

29 (2) The Authority shall be independent in the exercise of its duties and

1 responsibilities on this Bill and shall report directly to the Chief Executive
2 Officer.

3 9. The Authority shall-

Functions of
Authority

4 (a) be responsible for establishing and maintaining the physical
5 infrastructure for the Centre;

6 (b) provide ancillary services including registry and
7 communication facilities;

8 (c) provide a Centre/location for licensing and registering work
9 permits, filing of records and any other similar services;

10 (d) market, advertise and build up appropriate brand and image for
11 the Centre to attract international firms;

12 (e) establish offices within the country and abroad to promote the
13 objectives and operation of the Centre;

14 (f) keep confidential any information obtained by it in the course of
15 performing its functions;

16 (g) impose administrative penalties as may be provided by
17 regulations made by it pursuant to this Bill;

18 (h) review and submit to the Chief Executive Officer any proposal
19 regulation prepared by the Authority for approval and issuance;

20 (i) prepare and implement human resources policy of the
21 Authority;

22 (j) incorporate and register companies in the Centre in accordance
23 with the laws, rules and regulations regulating the activities of the Centre;

24 (k) impose and collect fees or user charges for services rendered by
25 the Centre;

26 (l) source for and obtain loans negotiate, conclude and execute
27 agreements, contract, and memoranda of understanding; and

28 (m) perform such other functions or duties as the Chief Executive
29 Officer may assign to the Authority for the attainment of the objectives of
30 the Centre.

Staff of the Authority	1	10. The Authority may employ such other staff as it deems necessary
	2	for the effective discharge of its functions.
Establishment of the Financial Centre Regulatory Authority	3	11. -(1) The Nigerian International Financial Centre Regulatory
	4	Authority hereinafter referred to as the "NIFCRA" established under section 3
	5	of this Bill shall be responsible for regulating financial services in the Centre.
	6	(2) There shall be appointed for the NIFCRA a Director General who
	7	shall be the Chief Executive Officer of the NIFCRA.
	8	(3) The NIFCRA shall be independent in the performance of its
	9	functions and report directly to the Chief Executive Officer of the Centre.
Functions of the NIFCRA	10	12. The NIFCRA shall-
	11	(a) make regulations for the operation of financial services and for
	12	related activities in the Centre comparable with internationally acceptable
	13	global rules and regulations for effective supervision, reporting requirements
	14	and transparency;
	15	(b) develop policies on the regulation of financial services and related
	16	activities;
	17	(c) issue licenses, register and supervise Licensed Centre Operators in
	18	accordance with regulations made from to time by the NIFCRA;
	19	(d) keep confidential information obtained by the NIFCRA in the
	20	course of performing its functions;
	21	(e) liaise with other institutions and individuals within and outside the
	22	country, particular institutions with similar or same objectives, with the Centre
	23	for the purpose of discharging its functions under this Bill;
	24	(f) conclude and execute agreements, contracts and memoranda of
	25	understanding on financial and allied services in connection with its functions
	26	under this Bill;
	27	(g) collect fees and impose penalties for services provided by it under
	28	this Bill; and
	29	(h) render such other services as the Chief Executive Officer may
	30	consider necessary for the efficient discharge of its functions.

- 1 **13.** The NIFCRA may employ such staff as it deems necessary for
2 discharge of its functions. Other staff of
the NIFCRA
- 3 **14.**-(1) The Nigerian International Financial Centre Judicial
4 Authority (in this Bill referred to as "the NIFCRA Judicial Authority") Establishment of
the NIFCRA
Judicial Authority
5 establish under section 3 of this Bill shall be responsible for the
6 administration of justice in the Centre.
- 7 (2) The NIFCRA Judicial Authority shall establish for the Centre
8 an Independent Court and an Appeal Court for the determination of disputes
9 and controversies arising from the operations and activities in the Centre.
- 10 (3) The Court shall consist of five Judges headed by a Chief Judge.
- 11 (4) The Chief Judge and other Judges referred to in the subsection 3
12 of this section shall be appointed by the Chief Justice of Nigeria in
13 consultation with the National Judicial Council.
- 14 (5) The Court shall be situated within the Centre and may, where
15 necessary, hold hearing elsewhere within the country.
- 16 (6) The Chief Judge of the Centre may make rules for regulating
17 the practice and procedure of the Court at its sittings.
- 18 (7) The Courts shall have exclusive jurisdiction to hear or
19 determine-
- 20 (a) civil and commercial disputes involving the bodies established
21 for the Centre, corporate organizations, institutions, and establishments
22 operating within the Centre;
- 23 (b) civil and commercial disputes arising from or related to a
24 contract that has been executed or a transaction that has been concluded in
25 whole or in part in the Centre or an incident that has occurred in the Centre;
- 26 (c) objections file against decision made by any of the bodies
27 established for the Centre in accordance with the provisions of this Bill; and
- 28 (d) any application over which the court have jurisdiction in
29 accordance with the regulations made under this Bill.
- 30 (8) The judgment delivered by the Appeal Courts shall be final and

	1	not subject to any appeal.
Application of other laws	2	15. The Court shall apply the provisions of this Bill and regulations
	3	made by the Centre in the resolution of any dispute before it except where the
	4	parties have expressly agreed that another law shall govern the dispute and
	5	where such law is not against public policy.
Enforcement	6	16. Judgment, awards, directives or orders by the court shall be
	7	enforceable-
	8	(a) by the Chief Judge, if the execution takes place within the Centre;
	9	and
	10	(b) in accordance with the provisions of the Sheriff and Civil
	11	Processes Act where the execution takes place outside the Centre.
Staff of the NIFCRA Judicial Authority	12	17. The NIFCRA Judicial Authority shall employ such number of
	13	staff as it requires for the efficient discharge of its functions.
	14	PART III - FINANCIAL PROVISIONS
Funds of the Centre	15	18.-(1) The Centre shall have an independent budget funded through
	16	sources as may be determined by the Board.
	17	(2) The Federal Government and the State where a Centre is located
	18	may provide an initial take-off grant for the purposes of the Centre.
Annual report, account and audit	19	19.-(1) The Centre shall keep proper records and books of account in
	20	conformity with acceptable accounting standards.
	21	(2) The account of the Centre shall be audited in accordance with the
	22	guidelines provided by the Board.
	23	(3) The Board shall lay a copy of the Audited Annual Report and
	24	Statement of Accounts before the shareholders at the Annual General
	25	meeting.
	26	PART IV - MISCELLANEOUS
Licensed establishments	27	20. The Licensed Centre Operators may carry on business and
	28	services in accordance with the terms and conditions of their licenses or
	29	registration including, but not limited to-
	30	(a) financial and banking services;

- 1 (b) investment and financial companies;
2 (c) wholesale trading and electronic banking;
3 (d) insurance, re-insurance and insurance brokerage services;
4 (e) property and casualty insurance;
5 (f) trading and advising on securities, commodities and
6 derivatives;
7 (g) money management, investment and investment fund services
8 for the purpose of financing projects and providing capitals for companies
9 and establishments in the fields of investment;
10 (h) pension funds, investment fund and trust services;
11 (i) brokerage, clearing, settlement and custody services;
12 (j) investment services for all business activities carried on in the
13 Centre;
14 (k) legal, auditing and accounting services;
15 (l) supporting, assisting works and services;
16 (m) lifestyle and leisure services;
17 (n) information and communication services; and
18 (o) such other services as may be determined by the Board.

19 (2) The Licensed Centre Operators shall, in accordance with the
20 provisions of this Bill or regulations made under this Bill carry on business
21 within the Centre.

22 **21.** The Centre shall provide the following incentives for activities Incentives
23 carried on at the Centre-

- 24 (a) a competitive corporate and personal tax rate;
25 (b) a competitive VAT on products and services;(c) flexible
26 expatriate quota limits;
27 (d) centralized approach to business registration and other permit;
28 (e) 100% repatriation of funds;
29 (f) access to Nigeria double taxation treaties;
30 (g) low cost quality information services by the information

	1	services department;
	2	(h) 100% ownership of business; and
	3	(i) other specific incentives for industries.
Interpretation	4	22. In this Bill-
	5	"Authority" means Nigerian International Financial Centre Authority
	6	established under this Bill;
	7	"Board" means the governing Board of the Nigerian International Financial
	8	Centre established under this Bill;
	9	"Bodies" means the three bodies of the Centre established under this Bill;
	10	"Chief Judge" means the Chief Judge of the NIFC Judicial Authority refer
	11	under this Bill;
	12	"Chief Operating Officer" means the Chief Operating Officer of the Centre
	13	Authority appointed under this Bill;
	14	"Licensed Centre Operators" means establishments and Operators licensed to
	15	engage in specific activities or operations in the Centre;
	16	"Court" means the Court of the Centre established under section 15 of this Bill;
	17	"Director General" means Director General of the Nigeria International and
	18	Financial Centre Regulatory Authority appointed under section 11 of this Bill;
	19	"C. E. O." means the C. E. O. Of the Centre appointed under subsection (3) of
	20	section 3 of this Bill;
	21	"Judicial Authority" means the Judicial Authority of the Centre established
	22	under section 15 of this Bill;
	23	"NIFCRA" means the Nigeria International Financial Centre Regulatory
	24	Authority established under section 11 of this Bill;
	25	"Financial Service Regulatory Committee" means the Committee established
	26	under the Banks and other Financial Institution Act;
	27	"Minister" means the Minister responsible for investment.
Citation	28	23. This Bill may be cited as the Nigerian International Financial
	29	Centre Bill, 2016.

EXPLANATORY NOTE

This Bill seeks to establish the Nigerian International Financial Centre for the purpose of creating a world class financial zone that would act as a catalyst for economic growth in Africa. The NIFC will be established as a full service international financial centre focusing on a broad range of financial and ancillary services driven by a unique and separate regulatory, administrative, and judicial framework in line with global standards.

FINANCIAL CENTRE

The Bill seeks to establish the Nigerian International Financial Centre for the purpose of creating a world class financial zone that would act as a catalyst for economic growth in Africa. The NIFC will be established as a free zone financial centre focusing on a broad range of financial and ancillary services driven by a unique and separate regulatory and administrative and judicial framework in line with world standards.