

# A BILL

## FOR

AN ACT TO AMEND THE COASTAL AND INLAND SHIPPING (CABOTAGE ACT)  
NO 5, 2003 AND FOR RELATED MATTERS

*Sponsored by Hon. Hassan Saleh*

[ ] Commencement

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

1           1. The Coastal and Inland Shipping (Cabotage) Act No.5, of 2003  
2 (in this Act referred to as "the Principal Act") is amended as set out in this  
3 Act.

Amendment of  
Cobotage Act  
No. 5, 2003

4           2. Deletion of Section 2(a) of the Principal Act.

5           3. Substitute Section 2(a) of the Principal Act thereof deleted for a  
6 new Section 2(a) as follows:

Amendment of  
Section 2(a)(b)  
(c)&(d)

7           "2(a) The carriage of persons or goods by vessels from any place in  
8 Nigeria to any place above or under Nigerian waters to any place in Nigeria,  
9 or from any place above Nigerian waters to the same place or to any other  
place above or under Nigerian waters where the carriage of the persons or  
goods in relation to the exploration and or exploitation of the mineral or non-  
living resources in or under Nigerian waters"

4. Delete the word "passengers" appearing in Section 2(b) of the  
Principal Act for the word "Person(s)".

5. Substitute the word "Passenger" appearing in Section 2(b) of  
the Principal Act for the word "Person(s)".

6. Section 2 (c) of the Principal Act is hereby deleted.

7. Substitute Section 2 (c) for a new subsection as follows:

"2(c) the carriage of persons or goods or any substance whatsoever  
whether or not of commercial value by vessel from any place in Nigeria to  
any place in Nigeria or from a place above Nigerian waters or from under

1 Nigerian waters whose carriage of persons or goods is in relation to the  
2 exploration of the Mineral or non- living resources in or under Nigeria”.

3 8. Section 2 (d) of the Principal Act is hereby deleted.

4 9. Substitute Section 2(d) of the Principal Act for a new subsection  
5 thus:

6 “2 (d) the engaging, by vessel, in any other marine activity of a  
7 commercial nature in Nigerian waters and, the carriage of any goods or  
8 substances whether or not of commercial value within the waters of Nigeria;”

New Interpretation

9 10. Substitute the interpretation of "in-transit call" for a new  
10 definition as follows:

11 "in-transit call" means any call, other than an emergency or technical  
12 call, by a vessel at any place where persons or goods go ashore temporarily but  
13 re-load the vessel before the vessel leaves that place or through land to another  
14 location to re-toed or re-load the same vessel or another and include the cargo  
15 not discharged at the transit call”;

16 11. Delete the Definition of “place above Nigerian Waters”.

New Interpretation

17 12. Substitute the interpretation of "place above Nigeria Waters"  
18 appearing in the principal Act thus:

19 “place above Nigerian Waters” means in the context of Coastal trade  
20 include any vessel, offshore drilling unit production platform, artificial island,  
21 subsea installation, pumping station living accommodation storage structure,  
22 loading or landing platforms, dredge, floating crane, pipe laying or other barge  
23 or pipe, rigs, floating, production storage and offloading platform (FPSO)  
24 floating, storage and offloading platforms (FPSO) and any anchor cable or rig  
25 pad used in connection therewith”.

New Interpretation

26 13. Substitute the interpretation of "Vessel" appearing in the principal  
27 Act for a new interpretation thus:

28 "vessel" includes any description of vessel, ship, boat hovercraft or  
29 craft, including air cushion vehicles and dynamically supported craft,  
30 designed, used or capable of being used solely or partly for marine navigation

1 and used for the carriage on, through or under water of persons or property  
2 without regard to method or lack of propulsion and include rigs, floating,  
3 production, storage and offloading platforms (FPSOJ floating, storage and  
4 offloading platforms (FPSO));”

5 14. Substitute the word "Rebuilding" in Section 7(1) for the word  
6 "Rehabilitation". Amendment of  
Section 7

7 15. The new Section 7(1) is to read as follows:

8 “(7)(1) In the case of rehabilitation of a vessel, such vessel, shall be  
9 eligible for cabotage services if the entire rehabilitation including the  
10 construction of any major components of the hull or superstructure of  
11 vessels is effected in Nigeria”.

12 16. Deletion of Section 8 (1)(a) of the Principal Act.

Amendment of  
Section 8

13 17. Substitute Section (8)(1)(a) of the Principal Act thereof  
14 deleted for a new subsection 8(1)(a) as follows:

15 “(a) engaged in salvage operations provided such salvage  
16 operation is in compliance with international Convention (Salvage  
17 Convention 1989) and Industry Standards”.

18 18. Deletion of Section 9 of the Principal Act.

Amendment of  
Section 9

19 19. Substitution of Section 9 of the Principal Act thereof deleted for  
20 a new section 9(1) (2), (3) and (4) as follows:

21 “(1) On the receipt of an application for the grant of a waiver to a  
22 duly registered vessel on the requirement for a vessel under this Act to be  
23 wholly owned by Nigerian citizens, the Minister shall within 7 days,  
24 forward such application to NIMASA, who shall within 30 days of receipt,  
25 review the application to ascertain if it fulfills the requirements of this  
26 Act and its guidelines and advise the Minister to issue the waiver or  
27 otherwise;

28 (2) The minister shall within 7 days of receipt of the advice of  
29 NIMASA grant waiver approval or otherwise.

30 (3) If the Minister does not communicate his decision within 45

1 days of receipt of the application, then the waiver is deemed to have been  
2 granted.

3 (4) In granting the waiver under this section the Minister shall be  
4 satisfied that there is no wholly Nigerian owned vessel that is suitable and  
5 available to provide the services or perform the activity described in the  
6 application”.

Amendment of  
Section 10

7 20. Deletion of Section 10 of the Principal Act

8 21. Substitution of Section 10 of the Principal Act thereof deleted for a  
9 new section 10(1), (2), (3) and (4) as follows:

10 10(1) On the receipt of an application for grant of a waiver to a duly  
11 registered vessel on the requirement for a vessel under this Act to be wholly  
12 manned by Nigerians, the Minister shall within 7 days forward such  
13 application to NIMASA who shall within 30 days of receipt, review the  
14 application to ascertain if it fulfills the requirements of this Act and its  
15 guidelines and advise the Minister to issue the waiver or otherwise.

16 (2) The Minister shall within 14 days of receipt of the advice of the  
17 NIMASA grant waiver approval or otherwise.

18 (3) If the Minister does not communicate his decision within 45 days  
19 of receipt of the application, then the waiver is deemed to have been granted.

20 (4) In granting the waiver under this section the Minister shall be  
21 satisfied that there is no qualified officer or crew for the position specified in  
22 the application.

Amendment of  
Section 11

23 22. Deletion of Section 11 of the Principal Act

24 23. Substitute Section 11 of the Principal Act thereof deleted for a new  
25 Section 11 (1), (2), (3), (4) and (5) as follows:

26 11(1) On the receipt of an application for grant of a waiver to a duly  
27 registered vessel on the requirement for the vessel under this Act to be built in  
28 Nigeria, the Minister shall within 7 days forward such application to NIMASA,  
29 who shall within 30 days of receipt; review the application to ascertain if it  
30 fulfills the requirements of this Act and its guidelines and advise the Minister to



1 issue the waiver or otherwise.

2 (2) The Minister shall within 14 days of receipt of the advice of  
3 NIMASA grant waiver approval or otherwise.

4 (3) If the Minister does not communicate his decision within 45  
5 days of receipt of the application, then the waiver is deemed to have been  
6 granted.

7 (4) In granting the waiver under this section the minister shall be  
8 satisfied that there is no other Nigerian ship building Company that has the  
9 capacity to construct the particular type and size of vessel specified in the  
10 application

11 (5) The Ministry shall immediately after the commencement of  
12 this Act compile and publish information on the type, size and characteristic  
13 of vessels and craft which were built in Nigeria.

14 24. Inclusion of the word "security" after the word "pollution" in  
15 Section 15(1)(f).

Amendment of  
Section 15

16 25. Inclusion of the word "security" after safety in Section 15(3).

17 26. Deletion of Section 22(5) of the Principal Act.

Amendment of  
Section 22

18 27. Substitute Section 22(5) of the Principle Act thereof deleted  
19 for a new Section 22(5) as follows:

20 (5) Vessels eligible for registration under this Act include:

21 (a) passenger vessels;

22 (b) crew boats ;

23 (c) bunkering vessels;

24 (d) barges;

25 (e) off-shore service vessels;

26 (g) tugs;

27 (f) anchor handling tugs and supply vessels; (h) floating Petroleum  
28 storage;

29 (i) dredgers;

30 (j) tankers;

- 1 (k) carriers;  
2 (l) Floating/ storage and offloading Platforms (FSO);  
3 (m) Floating/ Production storage and offloading platforms (FPSO)  
4 (n) Rigs; and  
5 (o) any other craft or vessel used for Carriage on through or  
6 underwater of persons/ property or any substance whatsoever.

Amendment of  
offences in  
Section 35, 36,  
37 and 40

7 **28.** Substitute the figure "N10,000,000.00" in Sec.35 (1) (a) of the  
8 Principal Act for "N20,000,000.00",

9 **29.** Substitute the figure "N15,000,000.00" in Sec. 35(1) (b) of the  
10 Principal Act for "N25,000,000.00"

11 **30.** Substitute the figure "N5,000,000.00" in Sec. 35(1)(c) of the  
12 Principal Act for N10,000,000.00.

13 **31.** Substitute the amounts of N 100,000.00 and N 5,000,000.00 in  
14 Sec.36 of the principal Act for N500,000.00 & N10,000,000.00 respectively.

15 **32.** Substitute the figures "N500,000" & "N15,000,000.00" in Sec.  
16 37(2)of the principal Act for "N1,000,000.00" and "N25,000,000.00"  
17 respectively.

18 **33.** Substitute the figure "N500,000.00" in Sec. 40 of the principal Act  
19 for "N1,000,000".

20 **34.** Inclusion of the words "Ship building" and "ship repair" after the  
21 word "capacity" in Section 42 (2) of the Principal Act.

22 **35.** This Bill may be cited as the Coastal and Inland Shipping  
23 (Cabotage Act)(Amendment) Bill, 2016.

#### EXPLANATORY MEMORANDUM

This Act restricts the use of foreign vessels in domestic Coastal Trade, promotes the development of indigenous tonnage and establishes a Cabotage Vessel Financing Fund.