

A BILL

FOR

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NIGERIAN GAS
PROCESSING AND MARKETING REGULATORY BOARD AND FOR RELATED
MATTERS

Sponsored by Hon. Agbedi Yeitiemone Frederick

[] Commencement

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

1 PART 1- ESTABLISHMENT OF THE NIGERIAN GAS PROCESSING AND
2 MARKETING REGULATORY BOARD

3 1.-(1) There is hereby established a body to be known as the
4 Nigerian Gas Processing and Marketing Regulatory Board (in this Act
5 referred to as "the Board") which shall be a body corporate with perpetual
6 succession and a common seal and may sue and be sued in its corporate
7 name.

Establishment of
the Nigerian Gas
Processing and
Marketing
Regulatory Board

8 (2) The supplementary provisions in the schedule to this Act shall
9 have effect with respect to the proceedings of the board or its committees
10 and other matters.

11 2. There shall be established for the board a governing council (in
12 this Act referred to as "the Council") which shall consist of a Chairman, who
13 shall be appointed by the President, and the following other members, that
14 is:

Governing
Council of the
Board

15 (i) one person to represent the Ministry responsible for Petroleum
16 Resources;

17 (ii) one person to represent the Ministry responsible for Trade and
18 Investment;

19 (iii) one person to represent the National Oil Company;

20 (iv) one person to represent the Association of Nigerian Gas

1 Companies in the downstream sector;

2 (v) one person to represent the Nigerian Association of Gas
3 Engineers;

4 (vi) one person to represent the Manufacturers Association of
5 Nigeria;

6 (vii) two persons to be appointed on individual merit on a nationwide
7 basis who shall have wide experience of service in the public or private sector;
8 and

9 (viii) the Director-General of the board but shall not have the right to
10 vote at the meetings of the council.

Tenure of Office

11 3.-(1) A member of the council other than an ex-officio shall hold
12 office for a term of four years and no more

13 (2) Members of the council shall be paid allowances as may be
14 determined by the council in consultation with the National Salaries, Wages
15 and Income Commission.

Resignation of
member of the
Council

16 4. A member may resign his appointment by a notice in writing,
17 addressed to the President.

Cessation of
membership

18 5. A member ceases to hold office if he:

19 (a) becomes of unsound mind;

20 (b) is withdrawn by the body he represents;

21 (c) is convicted of felony or any offence involving dishonesty;

22 (d) is guilty of misconduct in relation to his duties.

Removal from
of a member

23 6. Notwithstanding the provisions of section 3 of this Act, the
24 President may remove a member from the council if any circumstance arises
25 which would require the removal of the member from the council.

Functions of the
Board

26 7. The functions of the board shall be to:

27 (i) carry out operational regulations and monitoring of technological
28 modeling or transfer and infrastructure engaged in the construction and
29 management of standard natural gas and petroleum liquefaction and other
30 formats of gas to energy plants.

- 1 (ii) to monitor and regulate the technological modeling or transfer
- 2 and infrastructure engaged in the construction and management of small
- 3 scale liquefied natural gas projects;
- 4 (iii) to ensure standard and safety in the operation of gas barges and
- 5 small unit gas tankers;
- 6 (iv) to undertake research, development, designing and monitoring
- 7 of operational regulations and management of the nation's internal strategic
- 8 gas pipelines and supply networks including gas assets right of way;
- 9 (v) to formulate and implement all policies aimed at ensuring the
- 10 safety and security of gas processing, transportation and distribution;
- 11 (vi) to formulate policies that would enhance the distribution and
- 12 utilization of gas for domestic and industrial purposes;
- 13 (vii) to regulate the distribution, supply and sale of gas to foreign
- 14 importers and ensure the realization of appropriate revenues for the
- 15 government of the federation in the distribution and sale of the product;
- 16 (viii) to grant downstream licences, which shall include but not
- 17 limited to licences for:
 - 18 (a) constructing and operating process plants for gas liquefaction;
 - 19 (b) constructing and operating a transportation pipeline for gas;
 - 20 (c) constructing and operating a gas distribution network;
 - 21 (d) undertaking the supply of natural gas;
 - 22 (e) owning and running a natural gas processing or retail facility.
- 23 (ix) to regulate the prices charged for downstream gas and the
- 24 revenues earned by downstream gas licensees in the component elements of
- 25 the supply chain, including the costs of wholesale gas, transportation,
- 26 distribution and supply;
- 27 (x) to grant transportation owner pipeline licences which may
- 28 include the right to own, operate and maintain a transportation pipeline
- 29 within a route as defined in the licence;
- 30 (xi) inspect any facility used in the storage and transportation of

1 gas in whatever quantity to ensure that gas is not transported or stored in a
2 manner capable of creating scarcity or artificial hikes in the price of the
3 product;

4 (xii) to inspect the facilities at retail outlets to ensure that they
5 conform to existing national standards;

6 (xiii) to monitor the prices of gas to ensure that there is no pricing
7 collusion or manipulation;

8 (xiv) to monitor the state of the gas market so as:

9 (a) to assess whether the downstream gas sector is operating properly
10 or whether the existing market arrangements may constitute barriers to entry
11 into the market for new players;

12 (b) to determine whether there is any anti-competitive activity being
13 carried on, in which case the board will be required to exercise its powers under
14 this Act to prevent the continuance of such activity;

15 (c) to determine any pre-conditions and any transitional arrangements
16 required for any services to be offered competitively.

Appointment of
the Director-
General of the
Board

17 8.-(1) There shall be appointed by the President on the
18 recommendation of the minister, a Director-General to the board, who shall
19 have appropriate qualification and experience in mining or petroleum
20 technology.

21 (2) The Director-General shall be the Chief Executive of the Board
22 and shall be responsible for the execution of the policy of the Board and the
23 day-to-day running of the affairs of the Board.

24 (3) The Director-General shall hold office in the first instance for a
25 period of four years and shall be eligible for re-appointment for one further
26 term of two years and no more.

Removal of the
Director-General

27 9.-(1) Notwithstanding the provisions of subsection 3 of section 8 of
28 this Act, the Director-General may be removed from office by the President if
29 he deems it necessary for the attainment of the objectives of the Board.

30 (2) A person appointed as the Director-General after such removal in

1 subsection (1) shall serve the unexpired period of the term of his
2 predecessor-in-office.

3 10.-(1) The Board may, from time to time, appoint such other staff
4 as it may deem necessary to assist the Director-General in the performance
5 of the functions of the Board.

Appointment of
other staff

6 (2) the remuneration and tenure of office of the other employees of
7 the Board shall be determined by the Board after consultation with the
8 minister.

9 (3) Notwithstanding the provisions of sub-section (1) of this
10 section, employees of the Board may be appointed by the Board by way of
11 transfer or secondment from the public service of the Federation.

12 11.-(1) It is hereby declared that service in the Board shall be
13 pensionable under the Pensions Act and accordingly, employees of the
14 Board shall, in respect of their services in the Board, be entitled to pensions,
15 gratuities, and other retirement benefits as are prescribed thereunder.

Application of
Pensions Act

16 (2) Notwithstanding the provisions of subsection (1) of this
17 section, nothing in this Act shall prevent the appointment of a person to any
18 office on terms which preclude the grant of pension and gratuity in respect of
19 that office.

20 (3) For the purposes of the application of the Pensions Act, any
21 power exercisable thereunder by the Minister or authority of the Federal
22 Government (not being the power to make regulations under Section 23
23 thereof) is hereby vested in and shall be exercisable by the Board and not by
24 any other person or authority.

25 (4) Subject to subsection (2) of this section, the Pensions Act shall
26 in its application by virtue of subsection (3) of this section to any office, have
27 effect as if the office were in the civil service of the federation or any other
28 such similar parastatal or Agency within the meaning of the Constitution of
29 the Federal Republic of Nigeria 1999.

PART III - FINANCIAL PROVISIONS

Fund of the Board

1
2 **12.**-(1) The Board shall establish a fund from which shall be defrayed
3 all expenditure incurred by the Board for the purpose of this Act.

4 (2) There shall be paid and credited to the fund established in
5 pursuance of sub section (1) of this section, such payments as may be made to
6 the Board by the Federal Ministry of Petroleum Resources for the running
7 expense of the Board and all other payments or monies, from time to time
8 accruing to the Board.

Expenditure of the Board

9 **13.** The Board may, from time to time, apply the proceeds of the fund
10 established in pursuance of section 12 of this Act:

11 (a) to the cost of administration of the Board;

12 (b) to payment of salaries, fees, or other remunerations or allowances
13 and pensions, superannuation, allowances and gratuities payable to members
14 or employees of the Board, so however that no payment of any kind under this
15 paragraph shall be made to any person who is in receipt of emoluments from
16 the Government of the Federation or of a state;

17 (c) for the maintenance of any property vested in the Board; and

18 (d) for and in connection with any of its functions under this Act.

Annual estimates and accounts

19 **14.**-(1) The board shall submit to the minister not later than 30th
20 September in each year, an estimate of its expenditure and income during the
21 next succeeding year.

22 (2) The board shall keep proper accounts in respect of each year (and
23 proper records in relation thereto) and shall cause the account to be audited by
24 an auditor appointed from the list in accordance with the guidelines supplied by
25 the Auditor-General of the Federation.

Annual Reports

26 **15.** The board shall prepare and submit to the President through the
27 Minister, not later than 30th June in each year, a report in such form as he may
28 direct on the activities of the Board, on or during the immediate preceding year,
29 and shall include in such report a copy of the audited accounts of the Board for
30 that year and the Auditor-General's report thereon.

1 **16.** Subject to the provisions of this Act, the minister may give to
2 the Board directives of a general character or relating generally to matters of
3 policy with regards to the exercise by the Board of its functions and it shall
4 be the duty of the Board to comply with such directives.

Power of Minister to give directives

5 **17.** In this Act, unless the context otherwise requires:

6 "board" means the Nigerian Gas Processing and Marketing Regulatory

7 Board;

8 "chairman" means the chairman of the governing council of the board;

9 "function" includes power and duty;

10 "minister" means the Federal Minister in charge of Petroleum Resources;

11 "president" means the President of the Federal Republic of Nigeria.

Interpretation

12 **18.** This Bill may be cited as the Nigerian Gas Processing and
13 Marketing Regulatory Board Bill, 2016.

Short Title

SCHEDULE

[Section 1(2).]

SUPPLEMENTARY PROVISIONS RELATING TO THE PROCEEDINGS

OF THE BOARD

18 1. Subject to this Act and section 27 of the Interpretation Act
19 (which provides for decisions of a statutory body to be taken by a majority of
20 its members and for the chairman to have a second or casting vote), the
21 council may make standing orders regulating the proceedings of the Council
22 or any committee thereof.

23 2. Every meeting of the council shall be presided over by the
24 chairman or if the chairman is unable to attend a particular meeting, the
25 members present at the meeting shall elect one of their numbers to preside at
26 the meeting.

27 3. The quorum at a meeting of the Council shall consist the
28 chairman (or, in an appropriate case, the person presiding at the meeting
29 pursuant to paragraph 2 of this schedule) and six other members.

30 4. Where upon any special occasion, the Council desires to obtain

1 the advice of any person on any particular matter, the Council may co-opt that
2 person to be member for as many meetings as may be necessary, and that
3 person, while co-opted, shall have all the rights and privileges of a member,
4 except that he shall not be entitled to vote or count towards a quorum.

5 5.-(1) Subject to its standing orders, the council may appoint such
6 number of standing and ad-hoc committees as it thinks fit, to consider and
7 report on any matter with which the council is concerned.

8 (2) Every committee appointed under the provisions of sub-
9 paragraph (1) of this paragraph shall be presided over by a member of the
10 council and shall be made up of such number of persons, not necessarily
11 members of the council, as the council may determine in each case.

12 6. The decision of a committee shall be of no effect until confirmed
13 by the council.

14 7. The fixing of the seal of the Board shall be authenticated by the
15 signature of the Chairman or of the Director-General of the Board.

16 8. Any contract or instrument which, if made by a person not being a
17 body corporate, would not be required to be under seal, may be made or
18 executed on behalf of the Board by the Director-General or by any other person
19 generally or specifically authorized to act for that purpose by the Board.

20 9. Any document purporting to be a contract, instrument or other
21 document signed or sealed on behalf of the board shall be received in evidence
22 and, unless the contrary is proved, be presumed without further proof, to have
23 been so signed or sealed.

24 10. The validity of any proceedings of the Council or a committee
25 thereof shall not be adversely affected:

26 (a) by any vacancy in the membership of the Council or committee;

27 (b) by any defect in the appointment of a member of the Council or
28 committee; or

29 (c) by reason that a person not entitled to do so took part in the
30 proceedings.

1 **11.** Any member of the Council or a committee thereof, who has a
2 personal interest in any contract or arrangement entered into or proposal to
3 be considered by the Council or committee, shall forthwith disclose his
4 interest to the councilor committee and shall not vote on any question
5 relating to the contract or arrangement.

EXPLANATORY MEMORANDUM

This bill seeks to provide for the establishment of the Nigerian Gas Processing and Marketing Regulatory Board to regulate the processing, distribution and marketing of gas in Nigeria.

