

A BILL

FOR

AN ACT TO ESTABLISH A TRUST FUND FOR THE PURPOSES OF FINANCING AND STRENGTHENING NIGERIA ENTERTAINMENT INDUSTRY TO SPARK JOB CREATION AND ECONOMIC GROWTH; TO PROVIDE FOR THE MANAGEMENT OF THE FUND; AND FOR RELATED MATTERS

Sponsored by Hon. Yusuf Ahmed Tijani

[] Commencement

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

PART I - INSTITUTION

- 1
- 2 1. There is established a body to be known as the Nigeria
- 3 Entertainment Trust Fund which shall be managed by the Board of Trustees
- 4 constituted under Section 4 of this Act. Nigeria
Entertainment
Trust Fund
- 5 2. The Fund is a body corporate with perpetual succession and a
- 6 common seal, and shall in its corporate name, be capable of- The Fund
- 7 (a) suing and being sued;
- 8 (b) taking, purchasing or otherwise acquiring, holding, charging or
- 9 disposing of movable and immovable property;
- 10 (c) borrowing money or making investments;
- 11 (d) entering into contracts; and
- 12 (e) doing or performing all other acts or things for the proper
- 13 performance of its functions under this Act which may lawfully be done or
- 14 performed by a body corporate.
- 15 3. The headquarters shall be located in the Federal Capital
- 16 Territory, Abuja. Headquarters of
the Fund
- 17 4. The object of the Fund is-
- 18 (a) to provide financial and other assistance to the entertainment
- 19 industry in carrying out the industry's activities in Nigeria and to Object of the
Fund

- 1 disseminate information about those activities;
- 2 (b) to provide financial and other assistance for persons in the
- 3 industry whose work merits encouragement;
- 4 (c) to provide financial and other assistance for project development
- 5 for the industry;
- 6 (d) to contribute, financially and otherwise, to the work of film
- 7 festivals and markets;
- 8 (e) to assist in the promotion of public interest in film, music and
- 9 comedy as a medium of communication and as an art form and in the
- 10 development of an informed and critical audience;
- 11 (f) to provide policy and support services and advice to Government
- 12 agencies on the production of films and sound recordings; and
- 13 (g) to provide monies to support all entertainment activities and
- 14 programmes for the promotion of education as the Minister in consultation
- 15 with the Board may determine.
- 16 **5. The sources of money for the Fund are as follow-**
- 17 (a) the initial take-off grant from the Federal Government of Nigeria;
- 18 (b) as from the commencement of this Act, there shall be charged and
- 19 payable an annual entertainment tax which shall be assessed, collected and
- 20 administered in accordance with the provisions of this Act;
- 21 (c) an amount of money, equivalent to two and a half percent out of the
- 22 prevailing rate of the Value Added Tax to be paid by the Federal Inland
- 23 Revenue Service to the Fund;
- 24 (d) fees and other charges received by the Fund pursuant to this Act;
- 25 (e) money that accrues to the Fund from investment made by the
- 26 Board of Trustees of the Fund;
- 27 (f) grants, donations, gifts and other voluntary contributions to the
- 28 Fund; and
- 29 (g) other monies or property that may in any manner become lawfully
- 30 payable and vested in the Board of Trustees for the Fund.

Sources of money
for the Fund

1 6.-(1) Monies of the Fund shall vest in the Board of Trustees and
2 shall be paid into bank accounts that shall be opened by the Board with the
3 approval of the Accountant-General.

Bank account
for the Fund

4 (2) The Service shall within 30 days of receipt of Value Added Tax
5 revenue pay directly into the bank accounts opened under Subsection (1) the
6 proportion of the Value Added Tax revenue that is required to be paid into the
7 Fund.

8 (3) The Service shall pay the tax collected under this Act into the
9 Fund and shall, when doing so, submit to the Fund, in such form as the Board
10 of Trustees shall approve, a return showing-

11 (a) the name of the company making the payment;

12 (b) the amount collected;

13 (c) the assessable profit of the company for the accounting period;

14 and

15 (d) such other information as may be required by the Fund for the
16 proper administration of the tax.

17 (4) The Fund shall, before disbursement of the amount in the Fund,
18 set aside in each year, an amount not exceeding 5 percent of the total monies
19 accruing to the Fund in the preceding year which shall be applied-

20 (a) for the cost of administration and management of the Fund;

21 (b) for the maintenance of any property acquired by or vested in the
22 Fund and generally to pay for services rendered to the Fund;

23 (c) for project monitoring;

24 (d) to meet all the needs of the Fund necessary for the due
25 administration and implementation of the purpose of this Act.

26 PART II - BOARD OF TRUSTEES

27 7.-(1) There is established for the Fund, a Board of Trustees (in this
28 Act referred to as "the Board of Trustees") which shall consist of-

Establishment of
the Board of
Trustees

29 (a) a chairman who shall-

1 (i) be appointed by the President on the recommendation of the
2 Minister;

3 (ii) be a person with good knowledge in finance and administrative
4 matters;

5 (iii) have qualifications and experiences as are required to perform the
6 functions of that office under this Act.

Membership of
the Board

7 8. The membership of the Board of Trustees shall-

8 (a) reflect the six geo-political zones of the Federation;

9 (b) be persons with considerable experience from both the public and
10 private sectors to represent the business and financial sectors;

11 (c) be appointed by the President on the recommendation of the
12 Minister; and

13 (d) other than the ex-officio members, each hold office for a term of 4
14 years in the first instance and may be eligible for reappointment for a further
15 term of 4 years and no more.

Representatives

16 9. -(1) There shall be a representative in the Board of each of the
17 following Federal Ministries, who shall not be below the rank of a Director-

18 (a) Culture and Tourism,

19 (b) Labour and Employment, and

20 (c) Finance.

21 (2) one representative of the Nigerian Labour Congress;

22 (3) the Executive Secretary of the Fund shall be the Secretary to the
23 Board of Trustees.

Disqualification
from membership
of Board

24 10.-(1) A person may not be appointed as or remain a member of the
25 Board, as the case may be, if that person-

26 (a) Is an insolvent or becomes insolvent and the insolvency results in
27 the sequestration of that person's estate;

28 (b) has been convicted, in Nigeria or elsewhere, of theft, fraud,
29 forgery, perjury or any other offence involving corruption;

30 (c) has been convicted of any other offence, whether in Nigeria or

1 elsewhere; and

2 (d) has been, or is, removed from an office of trust on account of
3 misconduct in respect of fraud or the misappropriation of money.

4 (2) A member of the Board of Trustees may be removed from
5 office by the President if he is satisfied that it is not in the interest of the Fund
6 or Public that the member should continue in that office.

7 (3) A member of the Board of Trustees, other than an ex-officio,
8 may resign his appointment by a notice in writing under his hand, addressed
9 to the President.

10 (4) Where a vacancy occurs in the membership of the Board of
11 Trustees, it shall be filled by the appointment of a successor to hold office for
12 the remainder of the term of office of his predecessor, so that the successor
13 shall represent the same interest and shall be appointed by the President.

14 11. The Board of Trustees shall-

Functions of the
Board of Trustees

15 (a) pursue policies to achieve the object of the Fund;

16 (b) monitor and ensure collection of entertainment tax by the
17 Service and ensure transfer of same to the Fund;

18 (c) organise fund-raising activities to raise money for the Fund;

19 (d) manage and disburse the tax imposed by this Act;

20 (e) liaise with the appropriate ministries or bodies responsible for
21 collection or safe keeping of the tax;

22 (f) receive requests and approve admissible projects after due
23 consideration;

24 (g) monitor and evaluate execution of the projects;

25 (h) invest funds in appropriate and safe securities;

26 (i) update the Federal Government on its activities and progress
27 through annual and audited reports;

28 (j) review progress and suggest improvement within the provisions
29 of this Act;

30 (k) make and issue guidelines, from time to time, to all

1 beneficiaries on disbursement from the Fund on the use of monies received
2 from the Fund; and

3 (1) perform any other function conferred on it under this Act or
4 incidental to the achievement of the object of the Fund.

Fund-Raising
activities of the
Board

5 12.-(1) There is established by this Act an Entertainment Industry
6 Fund-Raising Committee of the Board.

7 (2) The chairman shall upon the request of not less than five members
8 of the Board and such other persons as the Board shall in consultation with the
9 Minister determine except that there shall be on the Committee at least one
10 representative from each region of the country.

11 (3) The Entertainment Industry Fund-Raising Committee shall be
12 assigned such functions as the Board shall determine.

Meetings of the
Board

13 13.-(1) The Board shall meet for the dispatch of business at a time and
14 place determined by the Board but shall meet at least once every three months.

15 (2) The chairman shall upon the request of not less than five members
16 of the Board convene a special meeting of the Board. The quorum at a meeting
17 of the Board shall be ten members and shall include the Executive Secretary.

18 (3) The chairman shall preside at every meeting at which he is present
19 and in his absence a member of the Board elected by the members present from
20 among their number shall preside.

21 (4) Questions before the Board shall be decided by a majority of the
22 members present and voting.

23 (5) The person presiding at a meeting of the Board shall in the event of
24 equality of votes have a second or casting vote.

25 (6) The Board may co-opt any person to act as an adviser at its
26 meetings but no co-opted person is entitled to vote at the meeting.

27 (7) The validity of the proceedings of the Board shall not be affected
28 by a vacancy among its members or by a defect in the appointment or
29 qualification of a member.

30 (8) Except as otherwise provided under this section, the Board shall

1 determine and regulate the procedure for its meetings.

2 **14.** The chairman and the other members of the Board shall be paid
3 from the Fund such allowances as the Minister in consultation with the
4 Minister of Finance may determine.

Allowances for
members of the
Board

5 **15.**-(1) The chairman or any other member of the Board and the
6 Executive Secretary shall hold office for a period eligible for re-
7 appointment except that no member shall serve for more than two
8 consecutive terms.

Tenure of
members of the
Board

9 (2) A member of the Board other than the Executive Secretary may
10 at any time by letter addressed to the President through the Minister resign
11 from office.

12 (3) A member who is absent from four consecutive meetings of the
13 Board without sufficient cause ceases to be a member of the Board.

14 (4) The chairman or any other member of the Board may be
15 removed from office by the President for inability to perform the functions
16 of his office, for stated misbehaviour or for any other just cause.

17 (5) The chairman of the Board shall notify the Minister of
18 vacancies that occur in the membership of the Board within one month of the
19 occurrence of the vacancy.

20 (6) Where a person is appointed to fill a vacancy, that person shall
21 subject to the provisions of this Act be eligible for re-appointment.

22 **16.**-(1) There shall be appointed by the President in accordance
23 with the advice of the Board given in consultation with the Federal Civil
24 Service Commission an Executive Secretary.

Appointment of
the Executive
Secretary and
other staff of the
Fund

25 (2) The Executive Secretary shall be the head of the secretariat of
26 the Fund.

27 (3) Subject to the directives of the Board, the Executive Secretary
28 shall be responsible for the day to day management of the Fund and shall
29 ensure the implementation of the decisions of the Board.

30 (4) The Executive Secretary may subject to such conditions as he

1 may determine, delegate some functions of his office to any officer of the
2 secretariat of the Fund except that he shall be relieved from ultimate
3 responsibility for the discharge of the delegated functions.

4 PART III - STAFF

Appointment of
internal auditor

5 17.-(1) There shall be appointed an internal auditor for the Fund who
6 shall be responsible for the internal audit of the Fund.

7 (2) The internal auditor shall at the end of every three months submit a
8 report of the audit of the Fund carried out by the auditor in respect of that period
9 to the chairman of the Board.

10 (3) The chairman of the Board shall submit a copy of the report to the
11 Minister and the Minister responsible for Finance.

Appointment of
other staff

12 18. The Board of Trustees shall have power to-

13 (a) employ either directly or on transfer or secondment from any civil
14 service in the Federation such number of employees as may, in the opinion of
15 the Board, be required to assist the Board of Trustees and the Executive
16 Secretary in the discharge of their functions under this Act; and

17 (b) pay to persons so employed such remuneration (including
18 allowances) as the Board of Trustees may, with the approval of the National
19 Salaries, Incomes and Wages Commission, determine.

20 PART IV - FINANCIAL PROVISION

Expenses of the
Fund

21 19.-(1) The salaries of employees of the Fund shall be the same as
22 those applicable to employees of equivalent status in the Civil Service and shall
23 be paid out of such monies as may be allocated by Parliament from the Fund.

24 (2) All administrative expenses of the Fund shall be paid out of the
25 Fund subject to the approval of the Minister acting in consultation with the
26 Minister for Finance.

Pension

27 20.-(1) Service in the Fund shall be approved service for purposes of
28 Pension.

29 (2) Employees of the Fund shall be entitled to pension, gratuity and
30 other retirement benefits as are enjoyed by persons holding equivalent grades

1 in the Civil Service of the Federation.

2 (3) Notwithstanding in Subsection (1) or (2) of this section,
3 nothing in this Act shall prevent the appointment of a person to any office on
4 terms which preclude the grant of pension and gratuity in respect of that
5 office.

6 21. The administration expenses incurred pursuant to this Act shall
7 be paid by the Minister of Finance to the Fund from the Federation Account
8 of the Federal Government and are not a charge upon the Fund.

Administration
expenses

9 22.-(1) The Fund may accept gifts of land, money or other property
10 on such terms and conditions, if any, as may be specified by the person or
11 organisation making the gift.

Gift to the Fund

12 (2) The Fund shall not accept any gift if the conditions attached by
13 the person or organisation making the gift are inconsistent with the functions
14 of the Fund under this Act.

15 23. The President, upon the recommendation of the Minister, may
16 from time to time transfer to the Fund such amounts as are considered
17 necessary for the purposes of this Act and may charge the same to Capital
18 Account, Special Reserve Account for any year or years.

Amounts
transferred to
Fund

19 24. The system of accounting and the books and records of the
20 Fund are subject to the approval of the Minister of Finance and subject to
21 audit by the Auditor General or any person designated by the President.

Accounting

22 25. The Fund shall, not later than the thirtieth day of September in
23 each year, prepare and submit to the Minister a financial statement setting
24 forth the assets and liabilities of the Fund, the income and expenditures of
25 the Fund for the previous fiscal year, together with a report concerning the
26 work and activities of the Fund during the previous fiscal year, and such
27 report shall be tabled by the Minister at the next ensuing session of the
28 Legislature.

Financial
statement

29 26. The Fund shall prepare and submit to the Minister for approval
30 a detailed business plan for the following fiscal year including estimates of

Business plans

1 budgetary requirements.

Quarterly report

2 27. The Fund shall, at the end of every quarter in each year, submit to
3 the President, through the Minister, report on the activities and administration
4 of the Fund.

Annual report

5 28. The Board shall prepare and submit to the President, through the
6 Minister, not later than 30th June in each year, a report in such form as the
7 Minister may direct on the activities of the Fund during the immediately
8 preceding year, and shall include in the report a copy of the audited accounts of
9 the Fund for that year and the auditor's report thereon.

10 PART V - MISCELLANEOUS

Consultative and
expert bodies

11 29.-(1) With the Executive Secretary, consultative and expert bodies
12 are being established as follows-

- 13 (a) National Entertainment Council;
14 (b) National Creativity Committee; and
15 (c) Finance Committee.

Remuneration

16 30.-(a) Members of the consulting and expert bodies pursuant to and
17 in compliance with Section 31 are paid for their participation in the aforesaid
18 bodies.

19 (b) The activities of the bodies pursuant to and in compliance with
20 Section 31 are being serviced by the administrative units of the Fund.

National
Entertainment
Council

21 31.-(1) There is hereby established for the Fund, a National
22 Entertainment Council which shall be appointed for a 2-year term of office by
23 the order of the Executive Secretary and shall comprise twelve members which
24 includes-

- 25 (a) one representative of the Fund;
26 (b) one representative from the Nigerian film industry;
27 (c) one representative from the Nigerian music industry;
28 (d) one representative from the Nigerian comedy industry; and
29 (e) six representatives each from the professional and guild

1 organizations and persons carrying out activities in the field of
2 entertainment industry.

3 32.-(1) Draws up and proposes to the Minister through the
4 Executive Secretary a National program of the development of the industry.

Functions of the
National
Entertainment
Council

5 (2) Proposes and grounds together with the Executive Secretary to
6 the Minister the amount of state support for implementing the national
7 policy in the field of entertainment industry.

8 33.-(1) There is hereby established for the Fund, a National
9 Creativity Committee which will be appointed for a 2-year term of office by
10 the order of the Executive Secretary and shall consist of six members,
11 including-

National Creativity
Committee

- 12 (a) one representative from the Nigerian film industry;
13 (b) one representative from the Nigerian music industry;
14 (c) one representative from the Nigerian comedy industry;
15 (d) two members of the National Entertainment Council; and
16 (e) one is a representative of the Fund.

17 34.-(1) Considers and selects the projects for support.

Functions of the
National Creativity
Committee

18 (2) Accomplishes work requirements by orienting, training,
19 assigning, scheduling, coaching people in the industry.

20 (3) Meets work standards by following production, productivity,
21 quality; resolving operational problems; identifying work process
22 improvements.

23 (4) Meets cost standards by monitoring expenses; implementing
24 cost-saving actions.

25 (5) Develops basic presentation approaches by reviewing
26 materials and information presented by applicants.

27 (6) Determines production requirements by reviewing applicant
28 requirements; considering scheduling factors.

29 (7) Determines project content by reviewing and approving art and
30 copy materials developed by the management of the Fund.

Finance
Committee

1 35.-(1) There shall be for the Fund a Finance Committee which shall
2 be appointed for a 2-year term of office by the order of the Executive Secretary,
3 and shall consist of seven members of proven skills in organizing and financing
4 in the field of entertainment industry. Membership shall include-

- 5 (a) four representatives of the National Entertainment Council;
6 (b) one representative of the Ministry of Culture;
7 (c) one representative of the Ministry of Finance; and
8 (d) one representative of the Fund.

Function of the
Finance Committee

9 36.-(1) Proposes to the Executive Secretary the amounts of support
10 for each of the projects that have been selected by the National Creative
11 Committee on the ground of expert evaluation.

12 (2) Establishes such budget tracking and reporting standards as are
13 appropriate to the needs of the committee.

14 (3) Monitors expenditures and income and report significant
15 variances to the Board.

16 (4) Reviews and provide guidance to the Board and management
17 about policies or recommendations having potential financial implications,
18 and financial strategies for major projects.

Expiration of the
terms of office

19 37.-(1) Two months prior to the expiration of the terms of office of
20 each of the bodies pursuant to Section 31, the Minister makes public a list of the
21 professional and guild organizations and associations, implementing activities
22 in the field of entertainment industry, as well as their quotas. In compliance
23 with their constituent acts and their fixed quotas the professional and guild
24 organizations and associations nominate their representatives for participation
25 in the bodies.

26 (2) One and the same person may not be nominated for a member of
27 the same body for two successive terms of office.

The evaluation
criteria for projects

28 38. The evaluation criteria for projects, applying for support, are as
29 follows-

(a) artistic potential of the project in the context of African cultural diversity;

(b) commercial and circulation potential of the project;

(c) economic validity of the draft budget;

(d) completeness of the strategic plan, submitted by the applicant, in line with the management and promotion of the project; and

(e) artistic experience of the applicant, recognition of their previous works gained from spectators, at world festivals, nominations by professional associations and organizations.

39. -(1) Support in the field of entertainment industry is provided for-

Support for
Entertainment
Industry

(a) making Nigerian films;

(b) making Nigerian music;

(c) making Nigerian comedy;

(d) making films or music or both under circumstances of coproduction with the Nigerian Television or other TV national station; and

(e) developing entertainment projects.

(2) The Fund shall take an initiative to identify the talents hidden up to the remotest corner of the country and provide them appropriate incentives to grow.

40.-(a) The financial support pursuant to and in compliance with Section 30 must not be less than 25 percent of the average previous-year budget for the respective kind of projects and must not exceed 75 percent of the budget of the respective aspiring project;

Financial support

(b) The National Entertainment Council proposes a quota each year for financing entertainment projects pursuant to and in compliance with Section 29;

(c) The National Entertainment Council may set higher rates for these expenditures each year;

(d) No less than 75 percent of the special-purpose financial means

1 allotted under this Act must be spent within Nigeria.

Eligibility

2 **41.** Projects that incite violence, religious, racial or ethnic intolerance
3 or pornography are banned from support.

Procedure

4 **42.**-(1) Support pursuant to and in compliance with Section 29 is
5 carried out through granting special-purpose means after holding a
6 competition.

7 (2) The Executive Secretary opens the competition procedure by an
8 order containing-

9 (a) kinds of entertainment projects pursuant to and in compliance with
10 Section 41;

11 (b) the total of the financial means to support the aspiring projects;

12 (c) deadline for applications;

13 (d) date, place and hour of the competition; and

14 (e) special requirements from the applicants, when necessary.

15 (3) The National Creativity Committee considers the submitted
16 projects and evaluates them applying the criteria pursuant to and in compliance
17 with Section 40.

18 (4) The decision taken by the National Creativity Committee pursuant
19 to and in compliance with the Section 40 is considered by the Finance
20 Committee who proposes to the Executive Secretary of the Fund the amount of
21 the support for each of the projects.

22 (5) The Executive Secretary issues an order to select the supported
23 project and fix the amount of the support on the basis of the decisions made by
24 the National Creativity and Finance Committees.

25 (6) The Executive Secretary, giving his rationales, refuses to issue an
26 order pursuant to and in compliance with Subsection 5, if the decisions
27 pursuant to and in compliance with Subsection 3 and 4 are made in violation of
28 this Act;

29 (7) The order pursuant to and in compliance with Subsection 5 and the
30 refusal pursuant to and in compliance with Subsection 6 are issued in a 7-day

1 term as of the date of the decision taken by the Finance Committee and are
2 aired in the office building of the Fund in a place accessible to all persons
3 concerned, and the applicant is informed in written form in a 3-day term.

4 (8) On the basis of the validated order pursuant to and in
5 compliance with Subsection 5, the Executive Secretary seals a contract on
6 support with the winner.

7 43. In this Bill, unless the context otherwise requires-

Interpretation

8 "Act" means Nigeria Entertainment Trust Fund Act;

9 "Fund" means the Nigeria Entertainment Trust Fund established by Section
10 3;

11 "Industry" means Nigeria Entertainment Industry;

12 "entertainment industry" means an industry that is active in the fields of
13 film, music, comedy or any other field that involves digital, audio-visual,
14 sound recording or performance art;

15 "film" means a recording in or on any material from which images, with or
16 without associated sounds, may be produced and includes a film made for
17 television or for any other means of dissemination;

18 "music" means a vocal or instrumental sound, or both, combined in such a
19 way as to produce beauty of form, harmony, and expression of emotion, may
20 be produced and includes a music made for television or for any other means
21 of dissemination;

22 "comedy" means an entertainment consisting of jokes and satirical sketches,
23 in which a comedian performs in front of a live audience, speaking directly
24 to them in order to make them laugh, may be produced and includes a
25 comedy made for television or for any other means of dissemination;

26 "Board" means the governing board of the Fund established by Section 9;

27 "Executive Secretary" means the Executive Secretary of the Fund;

28 "Service" means the Federal Inland Revenue Service;

29 "Minister" means the Minister of Culture and Tourism;

30 "President" means the President of the Federal Republic of Nigeria;

- 1 "Accountant-General" means the Accountant-General for the Federation;
2 "Auditor-General" means the Auditor-General for the Federation;
3 "Federation" means the Federation of Nigeria;
4 "employee" means a person employed for wages or a salary and includes an
5 apprentice, intern and indentured learner;
6 "the talents" means people with a high degree of aptitude for either film, music
7 or comedy as referred in Section 41;
8 "Film Industry" means cinematography, television programme, film
9 production, documentary, scriptwriting, pre-production, post-production, film
10 festivals, distribution, actors, film directors, and other film crew;
11 "Music Industry" consists of the companies and individuals that create live
12 music performances, sound recordings and music videos of songs and
13 instrumental pieces;
14 "Comedy Industry" means stand-up comedy, radio comedy, and audio comedy.
15 **44.** This Act may be cited as the Nigeria Entertainment Trust Fund
16 Bill, 2016.

Short Title

EXPLANATORY NOTE

This Bill seeks to establish a Trust Fund for the purposes of financing and strengthening Nigeria entertainment industry to spark job creation and economic growth to deliver Nigeria from the paralysis of mono product dependent economy as practiced in some countries around the world.