

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA

(SMEDAN) BILL, 2016

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SCHEDULE

A BILL

FOR

AN ACT TO REPEAL THE SMALL AND MEDIUM SCALE INDUSTRIES DEVELOPMENT AGENCY (ESTABLISHMENT) ACT AND TO RE-ENACT THE SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA (SMEDAN) AND FOR RELATED MATTERS

Sponsored by Hon. Ossai Nicholas Ossai

[] Commencement

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

1 PART I - ESTABLISHMENT OF THE AGENCY AND MEMBERSHIP OF THE
2 GOVERNING BOARD

3 1.-(1) There is established an Agency to be known as Small and
4 Medium Development Agency of Nigeria (SMEDAN) (in this Act referred
5 to as "the Agency")

Establishment of
Small and Medium
Enterprises
Development
Agency of Nigeria
(SMRDAN)

6 (2) The Agency-

7 (a) shall be a body corporate with perpetual succession and a
8 common seal; and

9 (b) may sue and be sued in its corporate name.

10 2.-(1) There is established for the Agency a Governing Board
11 consisting of a Non-Executive Chairman, a Director General and two other
12 members to be appointed by the President.

Establishment of
Membership of
the Governing
Board

13 (2) In appointing members of the Agency, the President shall
14 ensure that they are persons who-

15 (a) have experience in business or administration; or

16 (b) on account of their training or experience-

17 (i) are knowledgeable about trade, industry, finance or the
18 economy; or

19 (iii) have legal knowledge of matters pertaining to Micro, Small

1 and Medium Enterprises;

2 (c) have experience in matters connected with Micro, Small and
3 Medium Enterprises.

4 (3) The appointment of two Part-time Members shall be from the
5 Northern and Southern parts of the country.

6 (4) One representative each from the following shall be ex-officio
7 members of the Board-

8 (a) the Federal Ministry of Industry, Trade and Investment;

9 (b) the Federal Ministry of Science and technology;

10 (c) the Federal Ministry of Budget and National Planning;

11 (d) the Federal Ministry of Finance;

12 (e) the Bank of Industry, Trade and Investment;

13 (f) the Bank of Agriculture;

14 (g) the Central Bank of Nigeria;

15 (h) the Nigerian Association of Small-Scale Industrialists (NASSI);

16 (i) the Nigerian Association of Small and Medium Enterprises
17 (NASME);

18 (j) Representative from the Financial Institution.

19 (5) Each of the representatives in subsection (4) (a-j) shall not be
20 below the rank of a Director.

21 (6) There shall be a Secretary to the Board who shall also be the Legal
22 Adviser to the Agency.

23 (7) The supplementary provisions set out in the Schedule to this Act
24 shall have effect with respect to the proceedings of the Board and other matters
25 contained therein.

Tenure of office,
etc

26 3. The Chairman and members of the Governing Board, other than
27 the Director General and ex-officio members-

28 (a) shall hold office for a period of four years on such terms and
29 conditions as may be specified in their letters of appointment; and

30 (b) may be re-appointed for another period of four years and no more.

1 4. Notwithstanding the provisions of section 3 of this Act, a Cessation of
2 member of the Board ceases to hold office if- Membership

3 (a) he resigns his appointment as a member of the Board by a
4 notice, under his hand, addressed to the President;

5 (b) he becomes of unsound mind;

6 (c) he becomes bankrupt or makes a compromise with his
7 creditors;

8 (d) he is convicted of a felony or of any offence involving
9 dishonesty or corruption;

10 (e) he becomes incapable of carrying out the functions of his office
11 either arising from an infirmity of mind or body; or

12 (f) the President is satisfied that it is not in the interest of the
13 Agency or in the interest of the public for the person to continue in office and
14 notifies the member in writing to that effect.

15 5. A member of the Board shall be paid such emoluments, Emoluments, etc.
16 allowances and benefits as the President may, from time to time, approve.

17 6.-(1) A member of the Board who is directly or indirectly Disclosure of
18 interested in any disclosure of interest in a matter being deliberated upon by Interest
19 the Board or is interested in any contract made or proposed to be made by the
20 Agency, shall as soon as possible after the relevant facts have come to his
21 knowledge, disclose the nature of his interest at meeting of the Board.

22 (2) A disclosure under subsection (1) of this section shall be
23 recorded in the minutes of meeting of the Board and member concerned
24 shall-

25 (a) not, after the disclosure, take part in any deliberation or decision
26 of the Board, and

27 (b) be excluded for the purpose of constituting a quorum of any
28 meeting of the Board for the deliberation or taking decision with respect to
29 the subject matter in which his interest has been so disclosed.

Functions of
the Agency

- 1 PART II - FUNCTIONS AND POWERS OF THE AGENCY
- 2 7. The Agency shall be responsible for-
- 3 (a) Initiating and formulating policies for the development of Micro,
- 4 Small and Medium Enterprises;
- 5 (b) serving as the leading Government agency and focal point,
- 6 responsible for rural industrialization, poverty alleviation and eradication,
- 7 technology acquisition and adaptation, job creation and sustainable livelihood;
- 8 (c) Recommending to the Federal Government, from time to time, in
- 9 consultation with other relevant agencies and organizations, on applicable tax
- 10 and tariff regimes and other financial incentives for promoting the
- 11 development of Micro, Small and Medium Enterprises;
- 12 (d) promoting, accrediting and regulating the establishment and
- 13 activities of business development centers and enterprise/business
- 14 development service providers;
- 15 (e) regulating the activities of the Micro, Small and Medium
- 16 Enterprises sub-sector in Nigeria;
- 17 (f) mobilizing internal and external resources, including technical
- 18 assistance for Micro, Small and Medium Enterprises, their support institutions,
- 19 trade associations and non-governmental organizations;
- 20 (g) overseeing, coordinating, monitoring and evaluating
- 21 developmental activities in the Micro, Small and Medium Enterprises (MSMs)
- 22 sub-sector;
- 23 (h) designing, packaging and promoting MSMEs programmes;
- 24 (i) providing extension services to MSMEs, fabricators of machinery
- 25 and beneficiaries of micro credit loans;
- 26 (j) establish and liaise between research institutions, local fabricators
- 27 and agro industrial schemes;
- 28 (k) Providing and facilitating vocational, technical and
- 29 entrepreneurial training to MSMEs;
- 30 (l) Providing and linking MSMEs to sources of finance, access to

1 technology and industrial infrastructure including estates, layouts and
2 Incubators;

3 (m) promoting and facilitating the development and
4 commercialization of standard designs, quality assurance of machineries
5 and equipment for MSMEs.

6 (n) providing assistance to MSMEs in marketing their products
7 and services.

8 (o) Promoting ancillarisation, sub-contracting and clustering;

9 (p) establishing and coordinating the institutional development
10 and activities of industrial development centers (IDCs) in Nigeria;

11 (q) liaising with external agencies for support and development of
12 MSMEs in Nigeria;

13 (r) listing products that MSMEs have substantial internal
14 capacities to manufacture to meet domestic demands for Federal
15 Government's patronage and deletion of restriction on the schedule of
16 importable goods;

17 (s) promoting and facilitating enterprise development
18 programmes, instruments and support services to accelerate development,
19 modernization, networking and linkage within the MSMEs and between
20 MSMEs and large enterprises;

21 (t) promoting the use of Alternative Dispute Resolution (ADR)
22 mechanisms for the speedy resolution of commercial disputes amongst
23 MSMEs, business development providers and other stakeholders;

24 (u) monitoring the implementation of and compliance with Federal
25 Government directives, incentives and facilities for the development of
26 MSMEs in Nigeria;

27 (v) carrying out such other activities connected with or incidental
28 to the functions of the Agency in order to promote government policies
29 outside Nigeria to the attainment of these objectives;

30 8. -(1) The Agency shall have power to-

1 (a) set standards and ensure compliance for the promotion,
2 development advancement of MSMEs in Nigeria

3 (b) demand and obtain relevant information, data and reports on
4 activities relating to the promotion and development of micro, small and
5 medium enterprises from banks, research and development institutions and
6 support organizations.

7 (c) enter into joint-venture, memorandum of understanding (MoU)
8 and other agreements for the promotion and development of MSMEs;

9 (d) establish a comprehensive database and information system on
10 MSMEs development programmes and to this end shall be entitled to demand
11 from all MSMEs such information as it shall deem appropriate for the purpose
12 of maintaining database;

13 (e) charge fees for the use of facilities and services provided by the
14 Agency as considered appropriate;

15 (f) serve as a center for the collection, reference and dissemination of
16 information relating to MSMEs;

17 (g) facilitate the establishment of the National Enterprise
18 Development Funds (NEDFUND);

19 (h) do such other things as are necessary or expedient for the
20 successful performance of its functions under this Act.

21 (2) Where the Federal Government or any of its agencies undertake to
22 publicly announced procurement, public construction or commissioning of
23 research development work, the Agency shall depending on actual needs, assist
24 and establish a system for the qualification and registration of MSMEs wishing
25 to serve as suppliers or to bid for a tender.

26 **PART III - STAFF OF THE AGENCY**

Director General

27 9.-(1) There shall be for the Agency, a Director General who shall be
28 appointed by the President.

29 (2) In appointing the Director General, the President shall ensure that
30 the person so appointed-

- 1 (a) has a university degree or its equivalent;
- 2 (b) has a minimum of 15 years' experience post-graduation
- 3 (c) has experience in matters connected with and conversant with
- 4 MSMEs

5 (3) The Director General shall be the Chief Executive of the

6 Agency and shall be responsible for the execution of the policy and the day-

7 to-day administration of the Agency.

8 (4) The Director General shall hold office for a term of five years in

9 the first instance may be re-appointed on such terms and conditions as may

10 be specified in the letter of appointment for a further term of five years and

11 no more.

12 **10. The Agency-**

Other employees

13 (1) may appoint such officers and other employees as it may, from

14 time to time deem necessary for the purpose of carrying out the functions of

15 the Agency such appointment shall be ratified by the Board.

16 (2) shall determine the terms and conditions of service including

17 remuneration, allowances, benefits and pensions of officers and employees

18 of the Agency.

19 (3) may, subject to the provisions of this Act, make staff regulations

20 relating to conditions of service of employees of the Agency and without

21 prejudice to the foregoing, such regulations may provide for-

22 (a) the appointment, promotion and disciplinary control including

23 dismissal of the employees of the Agency; and

24 (b) appeals by such employees against dismissal or other

25 disciplinary measures.

26 **11.-(1)** The service in the Agency shall be approved service for the

27 purpose of the Pensions and employees of the Agency shall be entitled to

28 pensions, gratuities and other benefits as are prescribed under the Pensions

29 Act.

Pensions and
Gratuities

30 (2) Nothing in this Act shall prevent the appointment of a person to

1 any office on which preclude the grant of a pension, gratuity or other retirement
2 benefit in respect office.

3 (3) For the purpose of the application of the provisions of the Pensions
4 Reform Act, any power exercisable by a Minister or other authority of the
5 Federal Government, other than the power to make regulations under the
6 Pensions Reform Act is hereby vested in and be exercisable by the Agency and
7 not by any other person or authority.

8 PART IV - FINANCIAL PROVISIONS

Funds

9 12.-(1) The Agency shall establish and maintain a fund into which
10 shall be paid and credited-

11 (a) the take off grant from the Federal Government;

12 (b) annual subvention from the Federal Government;

13 (c) loans and grant-in-aid from national, bilateral and multilateral
14 agencies;

15 (d) all subscriptions, rents, fees, charges, other internally generated
16 revenues from services provided by the Agency; and

17 (e) all other sums accruing to the Agency and including NEDFUND
18 from time to time.

Expenditure

19 13.-(1) The Agency may, from time to time, with the appropriate
20 approval shall apply the proceeds of the fund established in pursuant to section
21 12 of this Act-

22 (a) to the cost of administration of the Agency;

23 (b) to the paying of the emoluments, allowances and benefits of
24 members of the Board and for reimbursing members of the Board or of any
25 committee set up by the Board for such expenses as may be expressly
26 authorized by the Board;

27 (c) to the payment of salaries, fees or other remuneration and benefits
28 or allowances, gratuities and pensions, and other benefits payable to the
29 officers and other employees of the Agency;

30 (d) for the development and maintenance of any property vested in or

1 owned by the Agency; and

2 (e) for and in connection with all or any of its functions under this
3 Act or in such other securities as may, from time to time, be approved by the
4 President.

5 14.-(1) The Agency shall, not later than 31st of August in each year,
6 submit to the President, estimate of its expenditure and income including
7 payments to the Agency Fund for the succeeding year.

Annual Estimates
and Accounts

8 (2) The Agency shall keep proper records in relation to those
9 accounts in respect of each year and shall cause its accounts to be audited
10 within six months after the end of each year by the auditor appointed from
11 the list in accordance with guidelines supplied by the Auditor-General of the
12 Federation.

13 15. The Agency shall, not later than six months after the end of
14 each year, prepare and submit to the Federal Executive Council, through the
15 Minister, a report on the activities of the Agency during the immediate
16 preceding year, and shall include in such report the accounts of the Agency
17 for that year and the auditor's report on the accounts.

Annual reports

18 16.-(1) The Agency may accept any gift of land, money or other
19 property on such terms and conditions, if any, as may be specified by the
20 person or organization making the gift.

Power to accept
gifts

21 (2) The Agency shall not accept any gift if the conditions attached
22 by the person or organization offering the gift are inconsistent with the
23 functions of the Agency and the provisions of the Independent Corrupt
24 Practices and Allied Offences Agency Act, any other existing Law.

25 17.-(1) The Agency may, from time to time, borrow by overdraft or
26 otherwise such sums as it may require for the performance of its functions
27 under this Act.

Powers to borrow

28 (2) The Agency shall not, without the approval of the Minister,
29 borrow money which exceeds, at any time, the amount set by the Minister.

30 (3) Notwithstanding subsection (1) of this section, where the sum

1 to be borrowed is in foreign currency, the Agency shall not borrow the sum
2 without the prior approval of Minister and in consultation with the Central
3 Bank of Nigeria.

Investments

4 **18.** The Agency may, subject to the provisions of this Act, the Fiscal
5 Responsibility Act, other relevant laws and the conditions of any trust created
6 in respect of any property, invest its surplus funds in any security prescribed by
7 the Trustee Investments Act or in such securities as may, from time to time, be
8 approved by the Minister.

Exemption
from Tax

9 **19.-(1)** The Agency shall be exempted from the payment of Income
10 Tax under the Income Tax Act or any subsequent amendment thereto.

11 (2) The Agency shall not be liable for the payment of tenement rate,
12 ground rent or other property tax imposed under any legislation dealing with
13 real property.

14 **PART V - ESTABLISHMENT OF THE NATIONAL ENTERPRISE**

15 **DEVELOPMENT FUND (NEDFUND)**

Establishment
and Management
of the National
Enterprise
Development
Fund (NEDFUND)

16 **20.-(1)** Notwithstanding the provisions of section 12 of the Act, the
17 Agency shall facilitate the establishment of a National Enterprise
18 Development Fund (in this Act referred to as "National Enterprise Fund" or
19 "The Fund")

20 (2) There shall be paid and credited into the National Enterprise Fund-

21 (a) a percentage of levies collected from the following sources:

22 (1) 0.25% of profit before tax of large enterprises with a turnover
23 above 500,000,000.00. This will be tax deductible;

24 (2) 1% levy on all imports except Rice, Sugar, Automobile and all
25 non-tax chargeable items;

26 (3) 5% of all unclaimed dividends from all Nigerian Banks;

27 (4) 5% from the registration fees of all MSMEs;

28 (5) 5% on all luxury goods/items.

29 (b) such monies that may be raised and/or contributed specifically for
30 the MSMEs by private investors both local and foreign, LGA, State and

1 Federal Governments;

2 (c) special grants from development partners and international
3 organizations and agencies;

4 (d) donations to the Fund;

5 (e) budgetary appropriation especially allocated by the Federal
6 Government to the Fund;

7 (f) interests earned on the Fund;

8 (g) Federal Government Bonds and

9 (h) such other monies as may, from time to time, accrue to the
10 Fund.

11 (3) The National Enterprise Development Fund shall be dedicated
12 to the specific needs of MSMEs including, but not limited, to the following-

13 (a) provision of loans, grants and equity financing for the
14 development and Sustenance of MSMEs in Nigeria;

15 (b) guaranteeing Banks against default risks incurred in lending to
16 MSMEs;

17 (c) promotion of Business Development Services (BDS) to
18 enhance access of MSMEs to finance, market and equity investment and to
19 strengthen business fundamentals of MSMEs;

20 (d) promotion of Business Innovation and Creative business
21 activities in specific areas of the MSMEs sub sector;

22 (e) development and promotion of MSMEs clusters and
23 formalization of the informal sector; and

24 (f) other measures capable of creating an enabling environment for
25 the smooth operation and activities of MSMEs.

26 (4) The President of the Federal Republic of Nigeria shall appoint
27 the Chairman of the National Enterprise Development Fund from the
28 Private Sector

29 (5) There shall be established a National Enterprise Development
30 Fund Trust (hereinafter referred to as "Fund Trustees") for the Fund made up

- 1 of one representative each from:
- 2 (a) The Federal Ministry of Industry, Trade and Investment;
 - 3 (b) The Federal Ministry of Finance;
 - 4 (c) The Central Bank of Nigeria;
 - 5 (d) Federal Inland Revenue Services (FIRS)
 - 6 (e) Director General SMEDAN
 - 7 (f) Corporate Affairs Commission (CAC)
 - 8 (g) Nigerian Custom Services
 - 9 (h) National Chamber of Commerce Industry Mines and Agriculture
 - 10 (i) Manufacturing Association of Nigeria.
- 11 (6) The Agency shall serve as the Secretariat of the Fund
- 12 (7) The Fund Trustees shall be responsible for the provision of
- 13 operational guidelines, appointment of Fund Managers and the general
- 14 administration and management of the Fund.

15 PART VI - LEGAL PROCEEDINGS

Limitations of
suit against the
Agency

16 21.-(1) Subject to the provisions of this Act, the provisions of the

17 Public Officers Act shall apply in relation to any suit instituted against the

18 Agency, any officer or employee of the Agency.

19 [Cap. P41 LFN, 2004]

20 (2) Notwithstanding anything contained in any other law or

21 enactment, no suit shall be instituted in any court against any member of the

22 Board, the Director General or other officer or employee of the Agency for any

23 act done in pursuance or execution of this Act or any other law, enactment or of

24 any public duty or authority in respect of any neglect or default in the execution

25 of this Act or any other enactment or law, duty or authority unless it is

26 commenced:

- 27 (a) within three months after the act or default complained of; or
- 28 (b) in the case of a continuation of damage or injury, within six
- 29 months after the ceasing thereof.

30 (3) No suit shall be commenced against the Agency, a member of the

1 Board, the Director-General or any other officer or employee of the Agency
2 before the expiration of one month after written notice of the intention to
3 commence the suit has been served on the Agency by the intending plaintiff
4 or his agent.

5 (4) The notice referred to in subsection (3) of this section shall
6 clearly and explicitly state the cause of action, the particulars of the claim,
7 the name of the place of abode of the intending plaintiff and relief which he
8 claims.

9 22. A notice, summons or other document required or authorized
10 to be served on Agency under the provisions of this Act or any other
11 enactment or law may serve by delivering it to the Director General or at the
12 principal office of the Agency.

Service of
documents

13 23.-(1) In any action or suit against the Agency, no execution or
14 attachment of process in nature thereof shall be issued against the Agency
15 unless not less than thirty (30) days of the intention to execute or attach has
16 been given to the Agency.

Restriction on
execution against
property of the
Agency

17 (2) Any sum of money which by the judgment of any court has been
18 awarded against Agency shall, subject to any direction given by the court
19 where notice of appeal judgment has been given, be paid from the fund of the
20 Agency.

21 24. A member of the Board, the Director-General or any officer or
22 employee of the Agency shall be indemnified out of the assets of the Agency
23 against any liability incurred by him in defending any proceeding, whether
24 civil or criminal, if the proceeding is brought against him in his capacity as a
25 member, Director General, officer or other employee of the Agency.

Indemnity of
officers and
members

26 25.-(1) A member of the Board, the Director General, or any officer
27 or employee of the Agency shall-

Secrecy

28 (a) not, for his personal gain, make use of any information which
29 has come to his knowledge in the exercise of his duty, or is obtained by him
30 in the ordinary course of his duty as a member of the Board or as the Director

1 General, officer or employee of the Agency;

2 (b) treat as confidential any information which has come to his
3 knowledge in the exercise of power or is obtained by him in the performance of
4 his duties under the Act;

5 (c) not disclose any information referred to under paragraph (b) of this
6 subsection, except when required to do so by a court or in such other
7 circumstances as may be prescribed by the Board from time to time.

8 (2) Any person who contravenes the provisions of subsection (1) of
9 this section commits an offence and is liable on conviction to a fine of not less
10 than N50,000 or imprisonment term not exceeding 2 years or to both such fine
11 and imprisonment.

Directives by the
Minister

12 26. The Minister may give to the Agency or the Director General such
13 directives of a nature or relating to matters of policy with regard to the exercise
14 of his functions as he may consider necessary and it shall be the duty of the
15 Agency or the Director General to comply with the directive or cause them to
16 be complied with.

Regulations

17 27. The Agency may, with the approval of the Minister, make such
18 regulations as necessary or expedient for giving full effect to the provisions of
19 the Act and for the due administration of its provisions.

Interpretation

20 28. In this Act-

21 "Agency" means the Small and Medium Enterprise Development Agency of
22 Nigeria established under section 1 of this Act;

23 "BDS" means Business Development Services which include capacity
24 Building, Mentoring, counseling, and other related activities;

25 "BDSPs" means Business Development Service Providers;

26 "Board" means the Governing Board established for the Agency under section
27 2 of Act;

28 "BOARD OF TRUSTEES" means the people responsible for making rules and
29 financial decisions on behalf of the Fund Trust;

30 "LUXURY GOODS" means goods for which demand increases more than

1 proportionally, income or positional goods;
2 "Minister" means the Minister in charge with the responsibility for
3 Industries, Trade and Investment and Micro, Small and Medium Enterprises
4 (MSMEs);
5 "NACCIMA" National Chamber of Commerce Industry Mines and
6 agriculture;
7 "NASSIMA" means National Association of Small Scale Industrialists and
8 Manufacturers Association;
9 "President" means the President of the Federal Republic of Nigeria;
10 "SMEDAN" as an acronym that means Small and Medium Enterprises
11 Development Agency of Nigeria;

12 29.-(1) The following Acts are hereby repealed: Repeal

13 (a) Small and Medium Scale Industries Development Agency
14 (Establishment) Act 2003; and

15 (b) Small and Medium Scale Enterprises Development Agency
16 (Amendment) Act 2004.

17 (2) The rights, interests, obligations and liabilities of the Agency
18 existing before the commencement of this Act under any contract or
19 instruments, or in law or in equity apart from any contract or instrument,
20 shall by virtue of this Act be assigned to and vested in the Agency.

21 30. This Act may be cited as the Small and Medium Enterprises Citation
22 Development Agency of Nigeria (SMEDAN) Bill, 2016.

23 SCHEDULE

24 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD, ETC

25 *Proceedings of the Board*

26 1. Subject to Section 27 of the Interpretation Act which provides
27 for decisions of a statutory body to be taken by a majority of its members and
28 for the person presiding at any meeting when a vote is ordered to have a
29 second or casting vote, the Board may make standing orders regulating its
30 proceedings or that of any of its Committees.

1 *[Cap. 1.23 LFN, 2004]*

2 2. At every meeting of the Board, the Chairman shall preside and in
3 his absence the members present at the meeting shall appoint one of them to
4 preside at the meeting.

5 3. The quorum at a meeting of the Board shall consist of the Chairman
6 or, in appropriate case, the person presiding at the meeting pursuant to
7 paragraph 2 of the Schedule and other members provided that at least one third
8 of the total membership of the Board is present.

9 4. The Board shall for the purpose of this Act, meet not less than three
10 times in year and whenever it is summoned by the Chairman, or if required to
11 do so, by notice to him by not less than five other members, within 14 days from
12 the date on which the notice is given.

13 5. Where the Board desires to obtain the advice of any person on a
14 particular matter, the Board may invite the person to the Board for such period
15 at its discretion, but such a person shall not be entitled to vote at any meeting of
16 the Board and shall not be counted to form a quorum.

17 6.-(1) Subject to its standing orders, the Board may appoint such
18 member of standing and ad-hoc committees as it thinks fit to consider and
19 report on any matter which the Agency is concerned.

20 (2) A Committee appointed under this paragraph shall-

21 (a) consist of such number of persons not necessarily members of the
22 Board may be determined by the Board, and a person, other than a member of
23 Board, shall hold office on the committee in accordance with the terms of his
24 appointment; and

25 (b) be presided over by a member of the Board.

26 (3) The quorum of any committee set up by the Board shall be as may
27 be determined by the Board.

28 7. The fixing of the seal of the Agency shall be authorized by the
29 Chairman or other person generally or specifically authorized by the Board to
30 act for that purpose and that of the Director General.

1 8. Any contract or instrument which, if made by a person not being
2 a body corporate, would not be required to be under seal may be made or
3 executed on behalf of the Agency by the Director General or by any other
4 person generally authorized by the act for that purpose.

5 9. The validity of the membership of the Board, or of its
6 Committees shall not be affected by-

7 (a) any vacancy in the membership of the Board or Committee; or

8 (b) any defect in the appointment of a member of the Board or
9 Committee; or

10 (c) reason that any person not entitled to do so took part in the
11 proceedings of the Board or Committee.

12 10. A member of a Committee who has a personal interest in any
13 contract or arrangement entered into or proposed to be considered by the
14 committee shall disclose his interest to the Committee and shall not vote on
15 any question relating to the contract or arrangement.

16 11. No member of the Board shall be personally liable for any act
17 or omission done or made in good faith while engaged in the business of the
18 Agency.

EXPLANATORY MEMORANDUM

The Bill seeks to enact the Small and Medium Enterprises Development Agency of Nigeria Act 2016 charged with the responsibility for promoting and facilitating the development programmes in the Small and Medium Scale Industries and sub-sectors.

It also aims at serving as the leading Government agency and focal point responsible for enhancing and supporting services to accelerate rural industrialization, poverty alleviation and eradication, technology acquisition and adaptation, job creation and sustainable livelihood.

