

# A BILL

## FOR

AN ACT TO REPEAL THE CENTRE FOR AUTOMOTIVE DESIGN AND DEVELOPMENT ACT, 1992, THE NATIONAL AUTOMOTIVE COUNCIL ACT 1993 AND PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL AUTOMOTIVE DESIGN AND DEVELOPMENT COUNCIL AND FOR RELATED MATTERS

*Sponsored by Hon. Uzoma Nkem-Abonta*

[ ] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria-

1 PART I - ESTABLISHMENT OF THE NATIONAL AUTOMOTIVE DESIGN AND  
2 DEVELOPMENT COUNCIL, ETC.

3 1.-(1) There is hereby established a body to be known as the  
4 National Automotive Design and Development Council, (in this Bill  
5 referred to as "the Council").

Establishment of the National Automotive Design and Development Agency

6 (2) The Council shall be a body corporate with perpetual  
7 succession and may sue and be sued in its corporate name.

8 2.-(1) The Council which shall consist of a Chairman to be  
9 appointed by the President, on the recommendation of the Minister, and the  
10 following other members who shall be appointed by the Minister on the  
11 recommendation of the bodies they represent, that is-

Appointment of members of the Council

- 12 (a) a representative of the Nigerian Society of Engineers;
- 13 (b) a representative of the Federal Ministry of Commerce and  
14 Industry;
- 15 (c) a representative of the Manufacturers Association of Nigeria;
- 16 (d) a representative of the Standard Organisation of Nigeria;
- 17 (e) a representative of the Nigerian Automotive Manufacturers  
18 Association;

1 (f) a representative of the Raw Materials Research and Development  
2 Council;

3 (g) a representative of the Automotive of Local Content  
4 Manufacturers Association of Nigeria;

5 (h) a representative of the Motorcycles Manufacturers Association of  
6 Nigeria;

7 (i) a representative of the Bicycle Manufacturers Association of  
8 Nigeria;

9 (j) an individual to be appointed on his merits;

10 (k) the Director-General of the Council.

11 (2) The supplementary provisions contained in the Schedule to this  
12 Bill shall have effect with respect to the tenure of office of members, the  
13 proceedings of the Council and the other matters therein contained.

14 3. The Council shall have responsibility to-

15 (a) regularly study and review the automotive parts and component  
16 development industry in Nigeria;

17 (b) evolve a local content programme specifying which components  
18 and parts are to be continually deleted from the imported Completely Knocked  
19 Down (CKD) parts;

20 (c) recommend incentives and protective measures for the  
21 development of the Nigerian Automotive Industry;

22 (d) appraise and recommend new models of vehicles envisaged for  
23 the Nigerian market to ensure model rationalisation;

24 (e) identify and classify the components and parts which can be  
25 standardised to ensure their interchangeability;

26 (f) monitor and ensure compliance of vehicles with environmental  
27 and technical safety regulations;

28 (g) regularly evaluate the pricing structures and quality of the  
29 products of the assembly plants to ensure international competitiveness;

30 (h) forecast the demand and supply patterns for various types of

- 1 automotive vehicles produced in Nigeria and the basic raw materials and  
2 equipment;
- 3 (i) encourage the development and production of raw materials  
4 (such as metal sheets, alloys and special steel) needed by the automotive  
5 industry;
- 6 (j) regularly review the penalties to be imposed for non compliance  
7 with the guidelines and programmes specified by it;
- 8 (k) carry out inspection and other quality assurance activities in  
9 factories, ports and roads in pursuance of the functions specified in this  
10 section;
- 11 (l) research, design, develop and test low cost vehicle prototypes;
- 12 (m) establish referral auto-test centres to provide technical support  
13 services to automotive subsector;
- 14 (n) liaise with the Association of Local Content Manufacturers of  
15 Nigeria, Manufacturers Association of Nigeria and other stakeholders to  
16 ensure that the existing installed capabilities are fully utilised;
- 17 (o) draft and recommend standards for the automotive industry;
- 18 (p) develop programmes for the acquisition of technology for  
19 vehicles and component design, manufacture and assembly;
- 20 (q) implement the National Automotive policy;
- 21 (r) develop and regularly review criteria for determining an  
22 automotive manufacturing plant;
- 23 (s) perform such other functions as may be assigned to it by the  
24 Minister from time to time;
- 25 (t) mandate vehicle manufacturing companies that sell more than  
26 one thousand (1000) vehicles of any brand per annum in Nigeria to establish  
27 assembly plant in Nigeria; and
- 28 (u) monitor and ensure compliance with the provisions of  
29 subsection (t) of this section by setting a procedure for enforcement under  
30 the regulations made pursuant to section 3 of this Bill.



1 to be transferred to the Council in which case any previous service in any of  
2 the public services shall count as service for the purposes of any pension  
3 subsequently payable to the person in the Council.

4 (5) Where a person is transferred from a public service to the  
5 Council-

6 (a) that person's former service in the relevant public service shall  
7 be taken into account in applying the provisions of the Pensions Reform Act  
8 and;

9 (b) the Pensions Reform Act shall have effect as if that person's  
10 service with the Council were service in the relevant public service.

11 7.-(1) Service in the Council shall be approved service for the  
12 purpose of the Act and accordingly, officers and other employees in the  
13 Council shall be entitled to such pensions and other retirement benefits as  
14 are prescribed by the Pensions Reform Act, 2004. However, nothing in this  
15 Bill shall prevent the appointment of a person to the office on terms which  
16 preclude the grant of pension and gratuity in respect of that office.

Service in the  
Council to be  
Pensionable  
CAP. 346 LFN

17 (2) For the purpose of the application of the provisions of the  
18 Pensions Act, any power exercised by a Minister or other authority of the  
19 Government of the Federation, other than the power to make regulations  
20 under section 16 thereof is hereby vested in and shall be exercisable by the  
21 Council and not by any other person or authority.

22 8. Without prejudice to the provision of section 6 of this Bill, the  
23 terms and conditions of service including terms and conditions as to  
24 remuneration, allowance, retiring and other benefits of the officer and  
25 servants of the Council shall be such as may be determined by the Council  
26 with the approval of the Minister.

Condition of  
Service

27 9.-(1) If it appears to the Council that there are reasons for  
28 believing that any person employed as a member of staff of the Council  
29 other than the Director-General should be removed from office or  
30 employment on the ground of misconduct or of inability to perform the

Removal and  
discipline of staff  
of the Council

- 1 functions of his office or employment, the council shall-
- 2 (a) give notice of those reasons to the person in question;
- 3 (b) afford him an opportunity of making representations in person on  
4 the matter to the Council; and
- 5 (c) if he so requests within the period of one month beginning from the  
6 date of the notice, the Council may set up a committee of the Council not  
7 exceeding five (5) members to-
- 8 (i) hear the concerned staff and report back its findings to the Council  
9 within two weeks; and
- 10 (ii) if the Council is satisfied with the findings of the committee, such  
11 report shall be sent to the Board.
- 12 (d) the Board, after considering the report of the investigating  
13 committee, and is satisfied that the person in question should be removed shall  
14 direct the Management to remove the officer concerned.
- 15 (2) For a good cause any member of staff of Grade Level 01-06 may  
16 be suspended from his duties or may have his appointment terminated by the  
17 Board and for the purpose of this section "Good cause" means-
- 18 (a) conviction for any offence which the Board considers such as to  
19 render the person concerned unfit for the discharge of the functions of his  
20 office; or
- 21 (b) scandalous conduct or such other action of a disgraceful nature  
22 which the Board considers to be such as to render the person concerned unfit to  
23 continue to hold office;
- 24 (c) conduct which the Board considers to be, such as to constitute  
25 failure or inability of the person concerned to discharge the functions of his  
26 office.
- 27 (3) Any person suspended shall subject to subsections (2) and (3)  
28 above shall be on part payment of salary within the period, and the Board shall  
29 before the expiration of a period of 3 months after the date of such suspension,  
30 consider the case against that person and reach a decision as to-

1 (a) whether to continue such a person's suspension, and if so on  
2 what terms (including the proportion of his emolument to be paid to him);

3 (b) whether to reinstate such a person in which case the Board shall  
4 restore his full emolument to him with effect from the date of his suspension;

5 (c) whether to terminate the appointment of the person concerned  
6 in which case such a person will not be entitled to the proportion of his  
7 emolument withheld during the period of suspension; or

8 (d) whether to take such lesser disciplinary action against such a  
9 person (including the restoration of his emolument that might have been  
10 withheld as the Board may determine) and in any case where the Board  
11 pursuant to this section decides to continue the person's suspension or  
12 decides to take further disciplinary action against the person, the Board shall  
13 before the expiration of the period of 3 months of such a decision come to a  
14 final determination in the case.

15 (4) Regulations made under subsection (1) above need not be  
16 published in the Gazette but the Board shall bring them to the notice of all  
17 affected persons in such a manner as it may from time to time determine.

18 (5) If any junior staff is accused of misconduct or inefficiency the  
19 Director-General may suspend him for not more than 3 months and  
20 forthwith shall direct a committee to-

21 (a) consider the case; and

22 (b) make recommendations as to the appropriate action to be taken  
23 by the Director-General.

24 (6) The Director-General may after considering the  
25 recommendations made pursuant to subsection (1)(b) of this section-

26 (a) dismiss or take such other disciplinary action against the officer  
27 concerned; and

28 (b) any person aggrieved by the Director-General's decision under  
29 subsection (ii) above may within a period of 21 days from the date of the  
30 letter communicating the decision to him address a petition to the Board to

1 reconsider his case.

2 PART III - FINANCIAL PROVISIONS

Fund of the  
Council

3 10.-(1) The Council shall establish a fund which shall consist of-

4 (a) 0.50 percent of the Cost, Insurance and Freight (CIF), value of all  
5 imported automotive Fully Built Units (FBU); and auto component spare parts  
6 and Semi-Knocked Down (SKD) units or as the Council may deem fit based on  
7 the prevailing standards in the international auto industry;

8 (b) such sums as may be provided to it by the Government of the  
9 Federation for running and managing the affairs of the Council;

10 (c) such sums as may be collected or received by the Council for  
11 services rendered by the Council;

12 (d) contributions from the organized private sector;

13 (e) such sums as may, from time to time, be lent to the Council by any  
14 person or organization; and

15 (2) The other resources of the Council shall consist of all other assets  
16 which may, from time to time, be vested in or accrue to the Council in the  
17 course of discharging its functions under or pursuant to this Bill.

18 *Application of the Funds*

19 (3) The Council may, from time to time, apply the proceeds of the  
20 fund established pursuant to subsection (1) of this section for the following  
21 purposes subject to appropriation by the National Assembly-

22 (a) to the cost of administration of the Council and any research work  
23 carried on by or on behalf of the Council;

24 (b) to the provision of such training for employees of the Council as  
25 the Council may deem necessary;

26 (c) to reimburse members of the Board and committees of the board  
27 for such expenses as may be expressly authorized by the Board.

Power to borrow  
and invest

28 11.-(1) The Council may with the consent of or in accordance with  
29 any general authority given by the Minister, borrow by way of a loan from the  
30 Federal Government or by way of temporary overdraft approved by the

1 Minister, sums required by the Council for meeting its functions under this  
2 Bill.

3 (2) The Council may invest all or part of its fund in such manner as  
4 may be approved by the Minister.

5 (3) Subject to section 5 of this Bill, the Minister may with the  
6 approval of the Federal Executive Council issue to the Council direction as  
7 to the disposal of surplus funds.

8 12.-(1) The Council shall prepare and submit to the Minister not  
9 later than the 30th day of October of the year in which this subsection comes  
10 into force and of each subsequent year, an estimate of its income and  
11 expenditure for the next succeeding year subject to the approval of the  
12 National Assembly.

Annual estimates,  
accounts and  
audit

13 (2) The Council shall keep proper accounts in respect of each year  
14 and proper records in relation to those accounts and shall cause its account to  
15 be audited within 6 months after the end of each year to which the accounts  
16 relate by auditors appointed from the list of Auditors supplied by the  
17 Auditor-General of the Federation and in accordance with laid down  
18 guidelines.

19 13.-(1) The Council shall prepare and submit to the Minister its  
20 annual account not later than eighteen clear months after its establishment,  
21 and once every year thereafter, a report in such form as the Minister may  
22 direct, on the activities of the Council during the last preceding year and  
23 shall include in the reports a copy of the audited accounts of the Council for  
24 that year and of the auditor's report on the accounts.

Annual reports  
and accounts

25 (2) The Minister shall cause a copy of each report made to him  
26 under this section to be laid before the Federal Executive Council so soon  
27 after receipt thereof, as may be convenient.

28 (3) For the purposes of the first report of the Council under this  
29 section, the last preceding year shall be deemed to include so much of any

1 period before the beginning of that year as with the date of first meeting of the  
2 Board.

3 PART IV - MISCELLANEOUS

4 14.-(1) The Centre for Automotive Design and Development Act,  
5 Cap. C5, LFN 2004 and the National Automotive Council Act, Cap. N8, LFN  
6 2004 are hereby repealed.

7 (2) Any approval granted under the enactments repealed under  
8 subsection (1) of this section, shall continue to be in force notwithstanding the  
9 repeal of the enactments.

10 (3) All assets, moveable and immoveable which immediately before  
11 the commencement of this Bill were vested in the repealed statutory bodies  
12 shall, by virtue of this Bill, be vested in the statutory established by this Bill,  
13 shall not withstanding the repeal of the enactment to be vested in the body  
14 established by this Bill.

15 (4) All rights, interests, obligations and liabilities of the repealed  
16 ~~statutory~~ bodies existing immediately before the commencement of this Bill  
17 under any contract or instrument or at Law or in equity are, hereby deemed to  
18 be assigned and vested in the statutory body established by this Bill.

19 ~~(5)~~ ~~Proceedings~~ or causes of actions pending or existing  
20 immediately before the commencement of this Bill by or against the repealed  
21 statutory bodies, in respect of their rights, interest, obligations and liabilities  
22 may be, commenced and or continued and any determination of a court of law,  
23 tribunal or other authority or person may, be enforced by or against the  
24 statutory body established by this Bill to the same extent that any such  
25 proceeding, cause of action or determination might have been commenced,  
26 continued or enforced by or against the repealed statutory bodies if this act had  
27 not been made.

28 15. The Council may make regulations generally for carrying into  
29 effect the provision of this Bill.

Repeal of Cap.  
LFN 2004  
and Cap. N8  
LFN 2004

Power to make  
regulations



1 advice of the Board terminate the appointment of a member of the Board and  
2 effect his replacement if it has been satisfactorily demonstrated that it is not in  
3 the interest of the Council that such a person should continue to hold office.

4 *Proceedings of the Board of the Council*

5 7. Subject to the provisions of this schedule and section 27 of the  
6 Interpretation Act the Board may make standing orders for regulating the  
7 proceedings of any of its committees.

8 8. The quorum at any meeting of the Board shall not be less than Five  
9 members and the Chairman if he is present. The quorum for any committee set  
10 up by the Board shall be as determined by the Board.

11 9. The Chairman shall preside at all meetings at which he is present  
12 and in his absence the members may elect one in their number to preside over  
13 the meetings as long as a quorum is present.

14 10.-(1) The Board shall meet not less than once in every quarter (three  
15 months) and subject to provisions of any standing orders of the Board it shall  
16 meet at such times as it may be summoned by the Chairman.

17 (2) If the Chairman is required so to do by notice in writing to him by  
18 not less than three other members, he shall summon a meeting of the Board to  
19 be held within fourteen (14) days from the date on which the notice is given.

20 11. Where the Board desires to obtain the advice or services of any  
21 person on any particular matter, it may co-opt that person as a member for such  
22 a period as it thinks fit, provided that a person so co-opted shall not be entitled  
23 to vote nor shall he count towards a quorum.

24 12. The first meeting of the Board shall, notwithstanding the other  
25 provisions of this schedule, be summoned by the Minister and subject as  
26 hereafter provided, any other meeting shall be convened by the Chairman.

27 *Committees*

28 13.-(1) The Board may appoint such number of committees, whether  
29 standing or ad-hoc, to perform such functions as the Board may direct.

30 (2) No decision of any committee of the Board shall take effect until it

1 is confirmed by the Board.

2 (3) Every committee appointed by the Board under the foregoing  
3 provisions of this paragraph shall be presided over by a member of the Board  
4 and shall be made up of such number of persons not necessarily all members  
5 of the Council, as the Board may determine in each case.

6 *Miscellaneous.*

7 14. The fixing of the seal of the Council shall be authenticated by  
8 signatures of the Chairman (or any other member so authorised either  
9 generally or specifically by the Board to act on his behalf) and of the  
10 Director-General.

11 15. Any contract or instrument which if made or executed by a  
12 person not being a body corporate will not be required to be under seal may  
13 be or executed on behalf of the Council by any person generally or specially  
14 authorised by the Council to act for that purpose.

15 16. Any document purporting to be a document executed under the  
16 seal of the Council and authenticated as aforesaid shall be received in  
17 evidence and shall unless the contrary is proved be presumed to be so  
18 executed.

19 17. Any Member of the Board who has a personal interest in any  
20 contract or arrangement entered into or purpose to be considered by the  
21 Board shall forthwith disclose his interest to the Board and shall not vote on  
22 any question relating to the contract or arrangement.

#### EXPLANATORY MEMORANDUM

The Bill establishes the National Automotive Design and Development Council to among other things, regularly study and review the automotive parts and components development industry in Nigeria.

