

**A BILL**

**FOR**

**AN ACT TO ESTABLISH THE NIGERIAN SECURITY FORCES TAX FUND FOR PROVIDING EXTRA FUNDING FOR THE NIGERIAN POLICE AND THE SECURITY AND CIVIL DEFENCE CORPS, AND FOR RELATED MATTERS**

*Sponsored by Hon. Jacobson B. Nbina*

Commencement

[ ]

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

1           **1.-(1)** As from the commencement of this Act, there shall be  
2 charged and payable an Annual Nigerian Security Tax which shall be  
3 accessed, collected and administered in accordance with the Provisions of  
4 this Act.

5           **(2)** The Tax, which shall be at the rate of 0.2 percent, shall be  
6 charged on the assessable profit of every company registered in Nigeria (in  
7 this Act referred to as a Company).

8           **(3)** The assessable profit of a company shall be ascertained in a  
9 manner specified in the Companies Income Tax Act or Petroleum Profits  
10 Tax Act.

11           **2.-(1)** The Federal Inland Revenue Service (in this Act referred to  
12 as the "Service") shall assess and collect from a Company the Tax or  
13 Petroleum Profit Tax for an accounting period of the Company and also  
14 proceed to assess the Company for the tax imposed by this Act and  
15 accordingly:

16           **(a)** shall when assessing a company for Companies Income Tax or  
17 Petroleum Profit Tax for an accounting period of the Company, and also  
18 proceed to assess the Company for the tax due under this Act;

19           **(b)** the provisions of the Act relating to the collection of Companies  
20 Income Tax or Petroleum Profit Tax shall, subject to this Act, apply to the  
21

1 Tax due under this Act.

2 (2) The tax imposed by this Act shall be due and payable within 60  
3 days after the Service has served notice of the assessment on a Company.

4 (3) The Service may for the purpose of assessing and collecting the  
5 tax imposed by this act, devise such forms, as it may deem necessary.

Establishment  
of the Nigerian  
Security Tax  
Fund

6 3.-(1) There is hereby established a fund to be known as the Nigerian  
7 Security Tax Fund (in this Act referred to as the "Fund") which shall be  
8 managed by the Board of Trustees, established under Section 4 of this Act.

9 (2) The Fund:

10 (a) shall be a body corporate with perpetual succession and a common  
11 seal; and

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

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

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

17 (b) the amount collected for the funding of the Nigerian Police and  
18 Security and Civil Defence Corps;

19 (c) the assessable profit of the Company for the accounting period;

20 and

21 (d) such other information as may be required by the Board of  
22 Trustees for the proper administration of the Tax.

Establishment  
of Management  
of the Fund

23 4.-(1) There is hereby established for the management of the Fund, a  
24 Nigerian Security Tax Fund Board of Trustees (in this act referred to as "the  
25 Board of Trustees"), which shall consist of:

26 (a) a Chairman;

27 (b) Five other members;

28 (c) a representative each of the Federal Ministries of Finance, Interior  
29 and The Federal Ministry of Police Affairs and Defence who shall be from the  
30 Directorate cadre.

1 (d)The Executive Secretary who shall be the Secretary to the Board  
2 of Trustees who shall be from the Directorate cadre in the Public service of  
3 the federation.

4 (2) The membership of the Board of Trustees shall reflect the six  
5 geopolitical zones of the Federation.

6 (3) The members of the Board of Trustees shall:

7 (a) be persons with considerable requisite experience from both the  
8 public and private sectors;

9 (b) Be appointed by the President;

10 (c) A member of the Board other than the ex-officio members, each  
11 member shall hold office for a term of 4 years in the first instance and may be  
12 reappointed for a further term of 4 years and no more.

13 (4) The emoluments and salaries of the members of the Board of  
14 Trustees shall be determined by the Revenue Mobilization, Allocation and  
15 Fiscal Commission.

16 (5) The Supplementary provisions contained in the schedule to this  
17 act shall have effect with respect to the proceedings of the Board and other  
18 matters contained therein.

19 5.-(1) A member of the Board of Trustees shall cease to hold office  
20 if:

21 (a) He becomes of unsound mind;

22 (b) He becomes bankrupt or makes a compromise with his  
23 creditors;

24 (c) He is convicted of a felony or of offences involving dishonesty;

25 (d) He is guilty of serious misconduct in relation to his duties.

26 (2) A member of the Board of Trustees may be removed from office  
27 by the President on the recommendation of the Board if he is satisfied that it  
28 is not in the interest of the Fund or the interest of the public that the member  
29 should continue in office.

30 (3) A member of the Board of Trustees other than an ex-officio

- 1 member may resign his appointment by a notice in writing under his hand,  
 2 addressed to the Minister.
- 3 (4) Where a vacancy occurs in the membership of the Board of  
 4 Trustees, it shall be filled by the appointment of a successor to hold office for  
 5 the remainder of the term of office of his predecessor, as long as the successor  
 6 shall represent the same interest.
- 7 **6. The Board of Trustees shall have responsibility to:**
- 8 (a) Monitor and ensure the collection of the Tax by the Federal Inland  
 9 Revenue Service and ensure transfer to the Fund;
- 10 (b) manage and disburse the Tax Fund;
- 11 (c) liaise with the appropriate Ministries or bodies responsible for the  
 12 collection or safe-keeping of the Tax;
- 13 (d) receive requests and approve admissible projects after due  
 14 considerations;
- 15 (e) ensure disbursement to the Nigerian Police and Security and Civil  
 16 Defence Corps;
- 17 (f) monitor and evaluate the execution of the projects of the projects  
 18 of the Nigerian Police and Security and Civil Defence Corps funded with the  
 19 tax;
- 20 (g) invest funds in appropriate and safe securities;
- 21 (h) update the Federal Government on its activities and progress  
 22 through annual audited reports;
- 23 (i) receive progress reports and suggest improvement within the  
 24 provisions of this Act;
- 25 (j) do such other things as are necessary or incidental to the objects of  
 26 the fund under this Act.
- 27 **7. The Board of Trustees shall administer the Tax imposed by this Act**  
 28 **and disburse the amount in the Fund for:**
- 29 (a) the funding of the Nigerian Police and Security and Civil Defence  
 30 Corps.

Responsibility  
of Board of  
Trustees

- 1 (b) the provision of financial assistance by grants, loans or
- 2 otherwise for the purposes of the above mentioned objects.
- 3 8.-(1) A person who contravenes or fails to comply with any
- 4 provision of this Act is guilty of an offence under this Act;
- 5 (2) Subject to the provision of Subsection (3) of this section:
- 6 (a) if a tax due under Subsection (2) of this Section, is not paid
- 7 within the time specified in that Section, the Board shall serve on the
- 8 company, a demand note for the unpaid tax plus a sum which is equal to One
- 9 percent of the tax; and
- 10 (b) if the sum demanded under paragraph (a) of this subsection is
- 11 not paid within two months of the demand, the Company is guilty of an
- 12 offence under this Act;
- 13 (3) The Board shall with the approval of the Board of Trustees,
- 14 remit in whole or in part a sum added in unpaid tax under subsection (2) (a)
- 15 of this Section.
- 16 (4) Where an offence under this Act is committed by a body
- 17 corporate or firm or other association of individuals:
- 18 (a) every director, manager, secretary or other similar officer of the
- 19 body corporate;
- 20 (b) every partner or officer of the firm;
- 21 (c) every person concerned in the management of the affairs of the
- 22 association;
- 23 (d) every person who was purporting to act in the capacity as
- 24 aforesaid is guilty of that offence and is liable to be prosecuted against, and
- 25 punished for the offence in like manner as if he had committed the offence,
- 26 unless he proves that the act or omission constituting the offence took place
- 27 without his knowledge, consent or connivance.
- 28 9.-(1) Except as otherwise provided in this Act, a person who is
- 29 guilty of an offence under this Act shall on conviction be liable to:
- 30 (a) for a first offender, to a fine of N200,000 or imprisonment for a

1 term of two years; and

2 (b) for a second and subsequent offence, a fine of N50,000 or  
3 imprisonment for a term of four years or both.

4 (2) The institution of proceedings or imposition of a penalty under  
5 this act shall not relieve a company from liability to pay to the Service a tax  
6 which is or may become due under this act.

Regulations

7 **10.** The Minister President may make regulations generally for the  
8 purpose of the effective administration of this Act.

9 **11.**-(1) There shall be for the Fund an Executive Secretary who shall:

10 (a) be appointed by the President;

11 (b) be a person with good knowledge in administration;

12 (c) be the Chief Executive and Accounting Officer of the fund;

13 (d) have such qualifications and experience as are appropriate for a  
14 person required to perform the functions of that office under this Act; and

15 (e) hold office for a period of four years in the first instance and may  
16 be eligible for re-appointment for a further term of 4 years and no more on  
17 conditions as to emolument and conditions of service as may be specified in his  
18 letter of appointment.

19 (2) The Executive Secretary shall subject to the general direction of  
20 the Board of Trustees, be responsible:

21 (a) for the day to day administration of the fund;

22 (b) for keeping the books and proper records of the proceedings of the  
23 Board of Trustees;

24 (c) for the administration of the secretariat of the Board of Trustees,  
25 and the general direction and control of all other employees of the fund;

26 (3) The Board of Trustees shall have power-to:

27 (a) employ either directly or on transfer or secondment from any  
28 Public Service in the Federation, such number of employees as may in the  
29 opinion of the Board of Trustees be required in the discharge of any of their  
30 functions under this Act; and

1 (b) pay to persons so employed such remuneration (including  
2 allowances) as the Board of Trustees, may deem fit after due consultation  
3 with appropriate bodies.

4 12.-(1) It is hereby declared that service in the Board shall be  
5 approved service for the purpose of the Pensions Act, and accordingly, staff  
6 and employees of the Board shall be entitled to pensions, gratuities and other  
7 retirement benefits as prescribed under the Pensions Act.

Service in the  
Board

8 (2) Without prejudice to the provisions of subsection (1) of this  
9 section, nothing in this Act shall prevent the appointment of a person to any  
10 office on terms, which preclude the grant of a pension, gratuity or other  
11 retirement benefits in respect of that office.

12 (3) For the purpose of the application of the provisions of the  
13 Pensions Act, any power exercisable by a Minister or any other authority of  
14 the Federal Government, other than power to make regulations, under  
15 Section 23 thereof, is hereby vested in and shall be exercisable by the Board  
16 and not by any other person or authority.

17 13.-(1) Subject to the provisions of this Act, the provisions of the  
18 Public Officers Protection Act shall apply in relation to any suit instituted  
19 against any officer or employee of the fund.

20 (2) Notwithstanding anything contained in any other law or  
21 enactment, no suit shall be against any member of the Board of Trustees, the  
22 Executive Secretary or any other officer or employee of the fund for any act  
23 done in pursuance, or execution of this Act, or any other law, or enactment,  
24 or of any public duty, or authority, shall lie, or be instituted in any court  
25 unless:

26 (a) it is commenced within three months next after the Act, neglect  
27 or default complained of; or

28 (b) in the case of continuation of damage or injury, within six  
29 months next after the ceasing thereof.

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

1 Trustees, the Executive Secretary, officer or employee of the fund before the  
 2 expiration of a period of one month after written notice of intention to  
 3 commence the suit shall have been served on the fund by the intending plaintiff  
 4 or his agent.

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

8 14. A notice, summons, or other document required or authorized to  
 9 be served upon the fund under the provisions of this Act, or any other law or  
 10 enactment may be served by delivering it to the Executive Secretary or by  
 11 sending it by registered post and addressed to the Executive Secretary at the  
 12 Principal Office of the Fund.

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

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

21 (3) A member of the Board of Trustees, the Executive Secretary, any  
 22 officer or employee of the fund shall be indemnified out of the assets of the  
 23 fund against any proceeding whether civil or criminal, in which judgment is  
 24 given in his favour, or in which he is acquitted, if any such proceeding is  
 25 brought against him in his capacity as a member of the Board of Trustees, the  
 26 Executive Secretary, officer or employee of the fund.

27 16. Where no provision is made in this Act for a matter relating to the  
 28 assessment and collection of the tax imposed by this Act, the provisions of the  
 29 Act relating to the assessment and collection of Companies Income Tax or



1 Petroleum Profit Tax, as the case may be, shall apply mutatis mutandis to  
2 that matter.

3 17.-(1) In this act, unless the context otherwise requires:

Interpretation

4 "Act" means the Nigerian Security Tax Fund established by this Act;

5 "Board of Trustees" means the Nigerian Police and Security and Civil  
6 Defence Corps Tax Fund Board of Trustees established under section 4 of  
7 this Act;

8 "Company" means a Company registered in Nigeria;

9 "Fund" means the Fund established under Section 3 of this Act;

10 "President" means the President of the Federal Republic of Nigeria.

11 "Service" means the Federal Inland revenue Service established under the  
12 Federal Inland Revenue (Establishment etc) Act, 2007;

13 "Security Forces" means The Nigerian Police Force, The Nigerian Security  
14 and Civil Defence Corps.

15 18. This Bill may be cited as the Nigerian Security Forces Tax  
16 Fund Bill, 2017.

Short Title

#### EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Security Forces Tax Fund for providing extra funding for the Nigerian Police and the Security and Civil Defence Corps.

