

A BILL

FOR

AN ACT TO AMEND THE INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT CAP.17, LAWS OF THE FEDERATION OF NIGERIA, 2004 AND FOR RELATED MATTERS

Sponsored by Senator Mohammed Sabo Nakudu

[] Commencement

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

1 1. The Industrial Development (Income Tax Relief) Act CAP.17, Amendment of
 2 Laws of the Federation of Nigeria, 2004 (hereinafter referred to as "the CAP. 17 LFN,
 3 Principal Act") is amended as set out in this Bill: 2004

4 2. Section 1 of the Principal Act is amended: Amendment of
 5 (a) by inserting a new "subsection (4)" immediately after the Section 1
 6 existing "subsection (3)", and renumbering accordingly;

7 “(4) Notwithstanding the provisions of sections 10 (2) and (3), any
 8 company expanding its operations in a pioneer industry or pioneer product
 9 may apply under this Act for the issue of a new pioneer certificate, and
 10 nothing precludes any company whose application was rejected on the
 11 grounds of expansion from re-applying for reconsideration under this
 12 subsection”.

13 (b) In subsection (4) paragraph (a) and (b) by substituting for the
 14 figure " N50,000", the figure "N100,000,000", and the figure "N150,000,
 15 the figure "N120,000,000" respectively;

16 (c) In subsection (6) paragraph (b) by substituting for "paragraph
 17 (b)", a new "paragraph (b)".

18 “(b) Notwithstanding the provisions of the subsection (5) and
 19 (6)(a) of this section, any pending application made before the deletion or
 20 removal of the industry or product from the list of pioneer industries and

1 pioneer products shall be processed by the Minister and forwarded to the
2 President for approval or disapproval”.

3 (d) by inserting a proviso to read-

4 “provided that a three(3) year notice period is given for the
5 commencement of the amendment” immediately after subsection (5).

Amendment
of Section 2

6 3. Section 2 of the Principal Act is amended:

7 (a) in subsection (4) line 1, by substituting for the figure "N100", the
8 figure "N200 000";

9 (b) by inserting the following new subsections" (7) and (8) "
10 immediately after the existing" subsection (6)", that is:

11 “(7) All application for pioneer status certificate made pursuant to the
12 provisions of this Bill shall be processed by the Minister and forwarded to the
13 President and a Notice of disapproval or approval shall be issued within one (1)
14 year from the date of submission of application”.

Amendment of
Section 3

15 4. Section 3 of the Principal Act is amended by inserting a new
16 "subsection (7) "immediately after the existing "subsections (6)" to read as
17 follows:

18 “(7) where an application for the issue of a pioneer certificate is made
19 pursuant to section 1 (4) of this Bill, the company shall be required to prepare
20 and maintain separate audited accounts in respect of income and expenditure
21 from the expansion of the pioneer industry or pioneer product”.

Amendment of
Section 6

22 5. Section 6 of the Principal Act is amended in subsection (11)
23 paragraphs(a) and (b), by substituting for the sum "N50,000", the figure"
24 N100,000,000", and for the figure "N150,000", the figure "N120,000,000
25 respectively.

Amendment of
Section 25

26 6. Section 25 of the Principal Act is amended by inserting the
27 definition of the words "Council" means Nigerian Investment Promotion
28 Council (NIPC) immediately after the definition of the words "company".

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7. This Bill may be cited as the Industrial Development (Income Citation

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Tax Relief) Act (Amendment) Bill, 2018.

EXPLANATORY MEMORANDUM

This Bill seeks to increase the capital expenditure for companies applying for pioneer status under the provisions of this Bill from of N50,000 to N100,000,000 for indigenous controlled companies and from N150,000 as stipulated in the Principal Act for other companies to N120,000,000. The application fee of "N100 is also increased to N200,000 to reflect value of the Naira and recent administrative changes introduced by the Council. The Bill further recognizes the need to provide the necessary incentives for additional investments by companies. Fundamentally all proposed amendment is meant to ensure smooth implementation of the Pioneer status Incentive scheme by the NIPC.

