



THE SENATE
FEDERAL REPUBLIC OF NIGERIA

**NIGERIAN MARITIME SECURITY TRUST FUND
(ESTABLISHMENT) BILL, 2021
(HB. 1243)**

A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIAN MARITIME SECURITY TRUST FUND FOR THE
PURPOSE OF TRAINING, PROVISION OF SECURITY EQUIPMENT, AND RELATED FACILITIES,
ENHANCE THE SKILLS OF THE PERSONNEL OF THE NIGERIAN NAVY; AND FOR RELATED
MATTERS, 2021

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Nigerian Maritime Security Trust Fund (Establishment) Bill, 2021



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SCHEDULE

A BILL

FOR

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Commencement

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

PART I — OBJECTIVE, SCOPE AND DURATION

1. The objective of this Bill is to provide a legal framework for management and control of the special intervention fund established under section 3 of this Bill for platform acquisition, provision of state of the art security equipment and other related facilities for the Nigerian Navy and for the training and retraining of personnel for the enhancement of the institutional capacities of the Nigerian Navy in the provision of maritime security.

Objective.

2. (1) The Trust Fund established under section 3 of this Bill covers all personnel of the Nigerian Navy, including its auxiliary staff in Nigeria and abroad for the overall improvement and efficiency in the discharge of their duties and responsibilities.

Scope and duration.

(2) The Trust Fund is to operate for six years from the commencement of this Bill and shall, at the expiration of that period, cease to exist unless it is extended for any further period by an Act of the National Assembly.

PART II — ESTABLISHMENT AND MANAGEMENT OF THE NIGERIAN MARITIME SECURITY TRUST FUND

3. (1) There is established the Nigerian Maritime Security Trust Fund (in this Bill referred to as "the Trust Fund").

Establishment of the Nigerian Maritime Security Trust Fund.

(2) The Trust Fund:

(a) is a body corporate with perpetual succession and a common seal; and

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

4. (1) The Sources of the Trust Fund shall consist of:

Sources of the Trust Fund.

(a) an amount constituting 1% of the total revenue accruing to the Federation Account;
(b) an amount constituting 1% of the total revenue accruing to revenue generating Federal Government Agencies operating in the Nigerian Maritime Environment, which include:

(i) Nigeria Maritime Administration and Safety Agency (NIMASA);

- (ii) Nigeria Ports Authority (NPA);
- (iii) Nigeria National Petroleum Corporation (NNPC);
- (iv) Nigeria Inland Waterways Agency (NIWA);
- (v) Nigeria Liquefied Natural Gas (NLNG);
- (vi) 30% of Proceeds from forfeited vessels/maritime assets to the Federal Government;
- (vii) 30% of Charges for Illegal Unregulated Unreported Fishing;
- (viii) 30% of operating revenue of Private Maritime Logistics Support Companies;
- (ix) 30% of Fines on arrested and convicted vessels and persons in the Nigerian Maritime Environment;

(c) any take-off grant and special intervention fund as may be provided by the Federal, State and Local Government of the Federation;

(d) such money as may be appropriated to meet the objective of this Bill by the National Assembly in the budget;

(e) aids, grants and assistance from international bilateral and multilateral agencies, non-governmental organisations and the private sector;

(f) grants, donations, endowments, bequests and gifts, whether of money, land or any other property from any source;

(g) money derived from investment made by the Trust Fund.

(2) Subsection (1) (d) and (e) shall be acceptable to the Trust Fund except where the terms and conditions attached to an aid, grant, donation or gift are inconsistent with the objective of the Trust Fund and the provisions of this Bill.

(3) The collection of these revenues shall be in accordance with extant financial regulations.

5. The Trust Fund shall be utilised:

Purposes of the Trust Fund.

(a) acquisition and development of Operational Platforms for the Nigerian Navy;

(b) acquisition of Modern Equipment, Machineries and Systems for Machineries and Systems for Maritime Domain Awareness and Maritime Security Operations;

(c) provision of critical infrastructure of the Nigerian Navy for ship construction and maintenance as well as maritime operations;

(d) provision of maritime logistics for sustenance of Nigerian Navy fleet in furtherance of maritime security;

(e) development of bespoke human and allied capacities of the Nigerian Navy to provide effective and efficient maritime security;

(f) develop institutional capacity of the Nigerian Navy in furtherance of the objective of the Bill;

(g) for such other purposes incidental to, or connected with, the attainment of objective of this Bill.

6. (1) The Trust Fund shall:

Functions of the Trust Fund.

(a) receive all money accruing to it under this Bill;

(b) utilise all money accruing to the Trust Fund under this Bill to meet the stated objective of this Bill; and

(c) carry out such other activities considered necessary for the attainment of the objective of this Bill.

(2) A member of the Board of Trustee, other than an ex-officio member, shall hold office for a term of three years in the first instance and may be reappointed for a another term of three years and no more.

(3) Members of the Board of Trustee shall be paid such allowances as may be determined by the Board of Trustee in consultation with the National Revenue, Mobilisation, Allocation and Fiscal Commission.

7. (1) There is established the Nigerian Maritime Security Trust Fund Board of Trustee (in this Bill referred to as "the Board of Trustee").

Establishment, composition and remuneration of Nigerian Maritime Security Trust Fund Board of Trustees.

(2) The Board of Trustee shall consist of:

(a) a Retired Chief of Naval Staff;

(b) Chief of Naval Staff or his representatives, as an Ex-officio member;

(c) a representative of the Federal Ministry responsible for:

(i) Defence;

(ii) Transportation;

(iii) Petroleum Resources;

(iv) Justice; and

(v) Finance;

(d) a representative of:

(i) the civil society group;

(ii) the organised private sector; and

(e) Secretary to the Board of Trustee.

(3) A member of the Board of Trustee, other than an ex-officio member:

(a) shall be appointed by the President;

(b) shall hold office for three years in the first instance; and

(c) may be reappointed for a another three years and no more.

(4) A member, other than ex-officio member, may resign his appointment by a notice in writing under his hand addressed to the President.

8. A member, other than ex-officio member, may resign his appointment by a notice in writing under his hand addressed to the President.

Resignation by a member.

9. (1) A member of the Board of Trustee ceases to hold office if he:

Cessation of office.

(a) becomes of unsound mind;

(b) becomes bankrupt or makes compromises with his creditors;

(c) is convicted of a felony or any offence involving fraud dishonesty; or

(d) is guilty of corrupt practices or misconduct in relation to his duties.

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

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

(4) Where a vacancy occurs in the membership of the Board of Trustees, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor and the successor shall:

(a) represent the same interest; and

(b) be appointed by the President.

Schedule.

(5) The provisions of the Schedule to this Bill shall have effect with respect to the meetings and proceedings of the Board of Trustee and other related matters.

10. Notwithstanding the provisions of sections 7 and 8 of this Bill, the President may remove a member from the Board of Trustee if any circumstance which borders on corruption and other activities that negates the interest and security of the nation would require the removal of the member from the Board of Trustee.

Removal from office of a member.

11. The Board of Trustee is responsible for:

Functions of the Board of Trustee.

(a) setting out the policies and programmes in furtherance of the objectives of the Trust Fund under this Bill;

(b) approving the disbursement of money from the Trust Fund to finance projects or activities of the Nigerian Navy and Navy Institutions which are beneficiaries of the proceeds of Trust Fund;

(c) scrutinising and approving projects which qualify for financing under the Bill;

(d) exercising control over the management of the Trust Fund with a view to ensuring accountability and proper utilisation of money in the Trust Fund for the purposes set out in this Bill;

(e) carrying out such other activities as are considered necessary for the attainment of the objective of this Bill;

(f) updating the Federal Government on its activities and progress through annual and audited reports;

(g) reviewing progress and suggesting improvement within the provisions of this Bill;

(h) making and issuing guidelines, to all beneficiaries on disbursement from the Trust Fund on the use of money received from the Trust Fund; and

(i) generally regulating the administration, application and disbursement of money from the Trust Fund under this Bill.

12. (1) The Board of Trustee has powers to:

Powers of the Board of Trustee.

(a) award contracts of any kind or description for any amount, whether in local or foreign currency in conformity with the due process requirements as provided under relevant laws, rules, guidelines or regulations; and

(b) invest money accruing to the Trust Fund and approve the utilisation of the returns on investment in the same way as money accruing to the Trust Fund.

(2) In the discharge of its duty under this Bill, the Board of Trustee shall:

(a) through the Navy Board, identify the funding needs of the Nigerian Navy Institutions for the enhancement of its maritime security roles;

(b) enter into contractual arrangements for the purpose of executing approved projects on behalf of the Trust Fund;

(c) oversee the implementation of projects financed through money accruing to the Trust Fund; and

(d) enter into public-private partnership and private finance initiative arrangements and agreements necessary for the projects execution.

13. (1) For the purpose of implementing any project approved by the Board of Trustee under this Bill, there is established the Maritime Trust Fund Project Implementation Committee (in this Bill referred to as "the Implementation Committee").

Establishment of Maritime Trust Fund project implementation committee.

(2) The Implementation Committee shall consist of:

(a) an appointee of the Minister as Chairman; and

(b) such other members, not exceeding six in number with proven integrity, appointed by the Board of Trustee.

(3) The Implementation Committee is responsible to the Board of Trustee in the execution of the duties and responsibilities assigned to it by the Board of Trustee.

PART III — EXECUTIVE SECRETARY AND STAFF OF THE TRUST FUND

14. (1) The President shall appoint the Executive Secretary for the Trust Fund.

Appointment of the Executive Secretary and other staff of the Trust Fund.

(2) The Executive Secretary shall:

(a) be a person of unquestionable character and integrity; and

(b) have qualifications and experience as are appropriate for a person required to perform the functions of that office under this Bill; and

(3) The Executive Secretary shall hold office:

(a) for a time of three years in the first instance and may be eligible for re-appointment for another term of three years and no more; and

(b) on such other terms and conditions as may be specified in his letter of appointment.

15. The Executive Secretary:

(a) shall be the Chief Executive and Accounting Officer of the Trust Fund;

Functions of the Executive Secretary.

- (b) shall be responsible for the administration of the Trust Fund;
- (c) shall be the Secretary to the Board of Trustee;
- (d) shall keep proper records of the proceedings of the Board of Trustee;
- (e) shall work closely with the Implementation Committee in discharging out such duties and responsibilities as may be assigned to him by the Board of Trustee;
- (f) shall be in charge of the general direction and control of all other employees of the Trust Fund; and
- (g) shall discharge such other duties as may be directed by the Board of Trustees.

16. (1) The Executive Secretary may be removed from office by the President where any circumstances arise which in the opinion of the President makes the Executive Secretary no longer capable of discharging the duties and responsibilities of the office.

Removal of the Executive Secretary.

(2) A person appointed as the Executive Secretary to replace the former Executive Secretary shall serve the unexpired the term of his predecessor in office or the remainder of the term of the Trust Fund, whichever is shorter.

17. (1) The Board of Trustee may appoint such other staff as may, in the opinion of the Board of Trustee, be necessary to assist the Trust Fund in performing its functions under this Bill.

Staff of the Board of Trustee.

(2) The terms and conditions of service (including terms and conditions as to the remuneration, payment of allowances and other benefits) of person employed by the Board for the Trust Fund shall be in line with the general conditions of service as obtainable in the Public Service of the Federation.

(3) The Board of Trustee may appoint, either on transfer or secondment from any Public Service of the Federation, such number of employees required for the effective discharge of the duties of Trust Fund under this Bill.

18. Service in the Trust Fund shall be for the duration of the Trust Fund and employees of the Trust Fund, in respect of their services, are entitled to other retirement benefits and severance allowances as may be approved by the Board of Trustee.

Severance allowance.

PART IV — FINANCIAL PROVISIONS

19. (1) There is established under this Bill a general fund (in this Bill referred to as "the Fund") for the administration of the Trust Fund.

Fund of the Trust Fund.

(2) The Fund shall consist of:

(a) annual budgetary allocation appropriated by National Assembly for the management of the Trust Fund;

(b) take -off grants and such other money as may be made available to the Trust Fund to meet the cost of administration; and

(c) all other money which may be made available for the running of the Trust Fund.

20. (1) There shall be maintained for the Trust Fund, an account into which shall be paid all money accruing to the Trust Fund under section 4 of this Bill. Accounts of the Trust Fund.

(2) The Board of Trustee shall also open and maintain an account into which shall be paid money received for management of the Trust Fund under section 19 (2) of this Bill.

(3) The accounts referred to in subsections (1) and (2) shall be managed in accordance with the extant financial regulations.

(4) The Board of Trustee shall apply the proceeds of:

(a) the Trust Fund for the purposes set out in section 5 of the Bill; and

(b) the money referred to in subsection (2) to meet the cost of administration, including payment of salaries, fees, other remunerations and allowances payable:

(i) to members of the Board of Trustee and employees of the Trust Fund; and

(ii) for payment of experts, professionals and consultants engaged by the Board of Trustee for Trust Fund.

21. The Board of Trustee shall, not later than 30th June of every year, submit to the Minister an estimate of its income and expenditure during the succeeding year. Estimates of expenditure.

22. (1) The Trust Fund shall have powers to borrow/seek loans in line with extant rules. Borrowing powers.

(2) Borrowing needs to be established by the Navy Board.

23. The Board of Trustee shall cause to be kept for the Trust Fund proper accounts and records and when certified by the Board of Trustee, these accounts shall be audited by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation. Account and audit.

24. (1) The Trust Fund is exempted from the payment of income tax on any income accruing from investments made by the Trust Fund or otherwise. Exemption from tax.

(2) The provisions of any enactment relating to the taxation of companies or trust funds do not apply to the Trust Fund.

PART V — SUBMISSION OF REPORTS AND SUPPLEMENTARY PROVISIONS

25. The Board of Trustee shall, at the end of every three months, submit to the President a report on its activities and the administration of the Trust Fund. Quarterly report.

26. The Board of Trustee shall, not later than three months before end of each year, submit to the President a report on the activities and the administration of the Trust Fund during the preceding year and shall include in such reports the auditor's report. Annual report.

27. The President may give to the Board of Trustee directives of a general nature with regard to the performance by the Board of Trustee of its functions under this Bill for compliance by the Board of Trustee. Power of the President to issue directives.

28. The Board of Trustee may, with the prior approval of the President, make such regulations deemed necessary or expedient for giving full effect to the provisions of this Bill. Regulations.

29. Except as provided for under section 2 of this Bill, at the expiration of the six year duration of the Trust Fund referred to in that section, the Trust Fund shall have six months to wind up its activities, including the settlement of all liabilities and thereafter handover all outstanding assets of the Trust Fund to the Nigerian Navy. Transitional provisions.

30. In this Bill: Interpretation.

"Board" means the Maritime Security Trust Fund Management Board of Trustee, established under section 7 of this Bill;

"due process" means compliances with extant financial rules and regulations on public procurement of goods, works and services;

"Executive Secretary" means the Executive Secretary of the Trust Fund appointed under section 14 (1) of this Bill;

"Minister" means the Minister charged with responsibility for Defence, and Ministry shall be construed accordingly;

"personnel" means officers and men of the Nigerian Navy, its auxiliary staff and all of its staff, employees or officers within and outside Nigeria;

"Navy Institutions" includes the Naval Headquarters, Naval Commands, and Naval establishments and facilities;

"President" mean President of the Federal Republic of Nigeria; and

"Trust Fund" means the Nigerian Maritime Security Trust Fund established under section 3 (1) of this Bill.

31. This Bill may be cited as the Nigerian Maritime Security Trust Fund (Establishment) Bill, 2021. Citation.

SCHEDULE

Section 10 (5)

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD PROCEEDINGS

1. Subject to the provisions of this Bill and section 27 of the Interpretation Act, the Board of Trustee may make standing orders regulating its proceedings or those of its committee.
2. The quorum of the Board of Trustee shall be the Chairman and 10 other members, three of whom shall be from the private sector, and then determine the quorum of any committee.
3. The Board of Trustee shall meet at least four times in each year, and the Board of Trustee shall meet whenever it is summoned by the Chairman, or if the Chairman is required to do so by notice given to him by at least 10 members of the Board of Trustee, he shall summon a meeting of the Board of Trustee to be held within 14 days from the date on which the notice was given.
4. At any meeting of the Board of Trustee, the Chairman shall preside but, in his absence, the members present at the meeting shall appoint one of them to preside at the meeting.
5. Where the Board of Trustee desires to obtain the advice of any person on a particular matter, the Board of Trustee may co-opt the person to the Board of Trustee for such period as it deem fit, but a person who is in attendance by virtue of this subparagraph is not entitled to vote at any meeting of the Board of Trustee and does not count towards a quorum.
6. All members of the Board of Trustee shall have equal rights and privileges, and where there is equality in vote, the Chairman shall have a casting vote.

Committees

7. The Board of Trustee may set up such number of committees to perform, on behalf of the Board of Trustee such of its functions as the Board of Trustee may determine.
8. A committee set up under paragraph 7 shall consist of such number of persons (not necessarily members of the Board of Trustee as may be determined by the Board of Trustee, and the person, other than a member of the Board of Trustee, shall hold office on the committee in accordance with the terms of his appointment.
9. A decision of a committee of the Board of Trustee is of no effect until it is confirmed or ratified by the Board of Trustee.

Miscellaneous

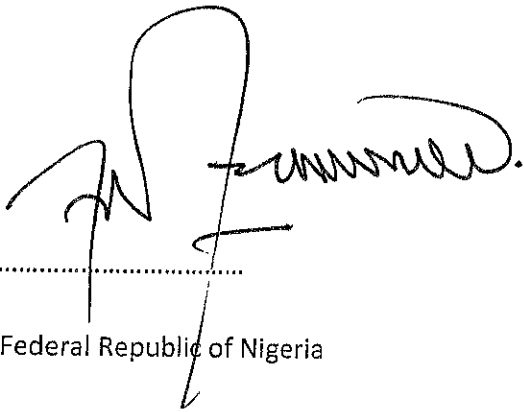
10. The fixing of the seal of the Trust Fund shall be authenticated by the signature of the Chairman or of any other person authorised generally or specially to act for that purpose by the Board of Trustee.
11. Any contract or instrument made or executed by a person not being a body corporate, that would not be required to be under seal may be made or executed on behalf of the Board of Trustee by the Chairman or any person generally or specifically authorised to act for that purpose by the Board of Trustee.
12. Any document purporting to be a document duly executed under the seal of the Trust Fund shall be received in evidence and is, unless the contrary is proved, presumed to be so executed.
13. The validity of any proceeding of the Board of Trustee or committee is not adversely affected by:
 - (a) any vacancy in the membership of the Board of Trustee or committee;

(b) any defect in the appointment of a member of the Board of Trustee or of a committee; or reason that a person not entitled to do so took part in the proceedings of the Board of Trustee or committee.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Maritime Security Trust Fund to among other things, provide funds for platform acquisition, provision of state of the art security equipment and other related facilities for the Nigerian Navy and for the training and retraining of personnel for the enhancement of the institutional capacities of the Nigerian Navy as well as its preparedness to effectively discharge its constitutional duties.

THIS BILL WAS PASSED BY THE SENATE ON WEDNESDAY, 1ST DECEMBER, 2021



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President,
Senate of the Federal Republic of Nigeria



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Clerk,
Senate of the Federal Republic of Nigeria