

A BILL

FOR

AN ACT TO ENCOURAGE, PROMOTE AND REGULATE THE CONCEPT AND PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY BY BUSINESS CONCERNS, COMMUNITY, ORGANISATIONS AND PUBLIC BODIES, TO ENABLE VOLUNTARY CONTRIBUTIONS, ETC. TO BE MADE BY ANY SUCH ORGANISATIONS TO MAJOR NATIONAL CHALLENGES SUCH AS EDUCATION, ENERGY, THE ENVIRONMENT, CREATION OF JOBS AND ENHANCEMENT OF EMPLOYEE SKILLS, NEIGHBOURHOOD REGENERATION, AGRICULTURAL ADVANCEMENTS, REDUCTION OF POVERTY, ETC. AND FOR RELATED MATTERS

Sponsored by Hon. Abass A. Adigun

[] Commencement

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

1 1.-(1) Subject to this Act, and the social and economic policies
2 adopted or propagated by the Government of the Federal under any law,
3 every private, voluntary and public sector organization (in this Act referred
4 to as "organization(s)" shall, as from the commencement of this Act, be
5 obliged to take ethical and complimentary action, to the best of its capability,
6 to address key social, economic and environmental challenges confronting
7 any part or parts of the Federation in which the operations and activities of
8 any such organization is prevalent (in this Act referred to as "Corporate
9 Social Responsibility"), and as prescribed under and pursuant to this Act.

Activities,
initiatives, etc.
that constitute
Corporate Social
Responsibility
contributions, etc.

10 (2) Accordingly, the Corporate Social Responsibility obligations,
11 expectations and contributions from any organization to the social,
12 environmental and economic challenges confronting any part or parts of the
13 Federation shall, without prejudice to the preferences that may be made
14 from time to time by the Government of the Federation, by resolution or law,

1 include any or a combination of any of the following national challenges that is
2 to say:

3 (a) improvements and progressions as regards:

4 (i) educational structures, facilities, learning processes, standards,
5 learning aids, and materials,

6 (ii) setting up education centers for the enhancement of adult literacy
7 and numeracy levels of members of rural communities, suburban areas, etc., in
8 which activities of an organization is prevalent,

9 (iii) sponsorship of or scholarship for individuals, workers or other
10 group of persons to educational institutions for learning , research studies or
11 acquisition of special skills in industry or other enterprise, within or outside
12 Nigeria;

13 (b) initiatives and programmes that enhance the application of varied
14 sources of energy generation and distribution for the benefit of inhabitants of
15 any areas or community in which an organisation's operations and business
16 activities is prevalent;

17 (c) programmes and activities aimed at:

18 (i) protecting the environment and bringing environmental benefits,

19 (ii) cleaning and detoxification of polluted or degraded environments,

20 (iii) nurturing shelter belts and providing other erosion control
21 mechanisms for environmentally degraded areas in the Federation,

22 (iv) promotion of designs and approaches for the prudent use and
23 conservation of natural resources, water and ecology,

24 (v) reporting or disclosing environmental information and data that is
25 beneficial to the purposes of government, and for tackling environmental
26 problems in any part of the Federation;

27 (d) programmes and initiatives that seek to:

28 (i) improve the quality of life of members of any community and
29 renew the outlook and aesthetic values of neighbourhoods, communities, etc.
30 in which an organisation operates or carries on its business,

1 (ii) carry on repairs, improvements or construction of roads,
2 streets, alley ways, public facilities and structures,

3 (iii) improve existing healthcare structures and healthcare delivery
4 for clinics, medical centres, maternities, or set up new ones,

5 (iv) facilitate the proper functioning of water works, and construct
6 boreholes, public conveniences and shelter for economically disadvantaged
7 persons,

8 (v) provide and equip playing grounds, recreational centres, sports
9 facilities and structures, etc. within and around any such neighbourhoods, in
10 which it carries on its business or other activities;

11 (e) activities and programmes that:

12 (i) create jobs, enhance the skills and knowledge of its workforce
13 and those of the wider community in which it operates, and provide housing
14 facilities for its workforce or members of the community thereof,

15 (ii) empower members of the community in which an organisation
16 operates, to be involved in the economic and social mainstream of modern
17 developments, and carry on other initiatives that are designed to alleviate
18 poverty in any such community;

19 (j) improvements and programmes that seek to galvanize the
20 agricultural sector as regards;

21 (i) enhancement of the agricultural skills and knowledge of
22 farmers,

23 (ii) application or distribution of modern technological methods,
24 equipment, inputs and processes to enhance agricultural production yields
25 of farmers,

26 (iii) promotion and implementation of activities and other
27 arrangements in which improved seedlings, variety of fingerlings, poultry
28 and animal stocks, feeds, medicaments, etc. are distributed at subsidized
29 rates or freely to farmers to assist in boosting crop yields, improving the
30 flourishing of fisheries, poultry, animal husbandry, etc.;

1 (g) any other activity, initiatives, improvements or programmes
2 which are incidental or supplementary to the foregoing national challenges
3 mentioned and described under this subsection of this section.

4 (3) Subject to this Act, any activity, initiatives or programme carried
5 on by any organisation, to which this Act relates, that essentially deviates or
6 departs from the national challenges enumerated under subsection (2) of this
7 section, shall not be regarded, counted, recorded or classified as Corporate
8 Social Responsibility contribution of any such organisation to any part of the
9 Federation.

10 (4) For the avoidance of any doubt, any activity, initiative or
11 programme of any organisation in the Federation that purports or proposes to
12 offer, to members of the public and consumers of the products, goods or
13 services of any such organisation, gifts of money, materials, benefits,
14 equipages, etc. under certain terms and conditions stipulated under any such
15 activity, initiative or programme, shall not be regarded, counted, recorded or
16 classified as Corporate Social Responsibility contribution of any such
17 organisation to the national challenges enumerated under subsection (2) of this
18 section.

19 (5) Without prejudice to the foregoing provisions of this section of
20 this Act, an organisation which proposes to carry on Corporate Social
21 Responsibility contribution to any number of the national challenges
22 enumerated under subsection (2) of this section, shall notify the Minister in
23 writing under its seal of such intention, and the Minister shall acknowledge any
24 such notification.

Duty of
organisations
to report Corporate
Social Responsibility
performance to
the Minister, etc.

25 2.-(1) Every organisation to which section 1 (5) of this Act relates,
26 shall be required to present a report, on its Corporate Social Responsibility
27 performance on one or more of the national challenges enumerated under
28 section 1 (2) of this Act, to the Minister not later than the last day of June of a
29 financial year.

30 (2) The report required to be presented to the Minister in terms of

1 subsection (1) of this section shall provide the following information, that is
2 to say:

3 (a) description of the particular national challenges or challenges
4 which the organisation in question selected for implementation;

5 (b) the objects and intendment of the organisation in question for
6 selecting any particular national challenge or challenges as its Corporate
7 Social Responsibility contribution;

8 (c) description of the part or parts of the Federation in which it
9 carried out its preferred Corporate Social Responsibility, and the list of
10 authorities, credible persons, etc. in that part or parts of the Federation that
11 can attest to its claims of performance of Corporate Social Responsibility
12 with respect to its selected national challenge or challenges, including any
13 other evidence to attest to its purported performance;

14 (d) a compendium of the expenditure incurred for the
15 implementation of its Corporate Social Responsibility with respect to its
16 preferred national challenge or challenges;

17 (e) the extent of the organisation's estimation of the impact or level
18 of success or otherwise of its Corporate Social Responsibility contribution
19 to any part or parts of the Federation in which its activities, etc. is prevalent
20 or targeted;

21 (f) any other information which the organisation in question may
22 wish to disclose in respect of problems and impediments encountered in the
23 course of its implementation of its Corporate Social Responsibility,
24 including lessons learned in carrying out the exercise thereof; and

25 (g) a synopsis of the organisation's plans or contemplations as
26 regards its future, Corporate Social Responsibility contributions to any
27 number of national challenges in any part or parts of the Federation.

28 (3) Every report on the Corporate Social Responsibility
29 performance of each organisation compiled in accordance with subsection
30 (2) of this section, shall be authenticated by a reputable accounting body,

1 and an auditor appointed by the organisation in question, from the list of
2 auditors and in accordance with the guidelines supplied by the Auditor-General
3 for the Federation.

4 (4) Notwithstanding the foregoing provisions of this section of this
5 Act, an organisation to which this section applies may, in addition to its
6 compliance with the requirements of this section of this Act, elect to publish or
7 disseminate its own report of Corporate Social Responsibility performance in
8 or through any medium of information, for its own purposes.

Minister to verify
claims of Corporate
Social Responsibility
performance of
organisations, etc.

9 3.-(1) Upon his receipt of a report in terms of subsection 2 (1) of this
10 Act, the Minister shall appoint a team of its officers in his Ministry to carryon
11 verification of the claims made by each organisation in their respective reports,
12 not later than one month after receiving the reports thereof.

13 (2) On completion of the verification exercise specified under
14 subsection (1) of this section, the Minister shall prepare and present to the
15 President, as soon as may be, a comprehensive report containing his
16 observations, findings and recommendations with respect to each report
17 presented to him in terms of section 2 (1) of this Act.

18 (3) The President shall upon receipt of the Minister's report in
19 pursuance of subsection (2) of this section, declare as satisfactory or
20 unsatisfactory the Corporate Social Responsibility performance report of each
21 organisation brought before him, in consonance with the Minister's
22 observations, findings, and recommendations thereof, not later than one month
23 of his receipt of the Minister's report.

Satisfactory
conduct of
Corporate Social
Responsibility
to attract incentives,
etc.

24 4.-(1) Where an organisation's report of its purported Corporate
25 Social Responsibility performance is declared to be satisfactory by the
26 President in accordance with section 3 (3) of this Act, the organisation in
27 question shall be eligible to obtain the benefits, incentives and privileges
28 described under section 5 (1) of this Act.

29 (2) Where an organisation's report on its purported Corporate Social
30 Responsibility performance is declared by the President to be unsatisfactory, in

1 terms of section 3 (3) of this Act, the organisation in question shall not be
2 entitled, or eligible to obtain any of the benefits, incentives and privileges
3 described under section 5 (1) of this Act.

4 (3) Where the report of an organisation in respect of its purported
5 Corporate Social Responsibility performance is found to be false in every
6 material particular or calculated to deceive the relevant authorities under
7 this Act, the organisation shall be guilty of an offence, and liable on
8 conviction by a court of competent jurisdiction to a fine of an amount not
9 exceeding ten million Naira, in addition to any other sanctions or
10 punishment that the court may, in its discretion, impose on the organisation
11 in question or any of its high ranking officers found to be involved in
12 committing the offence.

13 (4) A court of competent jurisdiction under this Act shall be a
14 Federal High Court.

15 5.-(1) Subject to this Act, an organisation to which this Act relates,
16 whose Corporate Social Responsibility performance in any part or parts of
17 the Federation has been declared by the President to be satisfactory, shall be
18 eligible and entitled:

Incentives,
benefits, etc. for
organisations with
satisfactorily
Corporate Social
Responsibility
performance

19 (a) to obtain a variety of tax incentives, holidays, deductions, etc.
20 from the Federal Inland Revenue Service, in consonance with the extent and
21 volume of its Corporate Social Responsibility performance ratings,
22 compiled and maintained by the Minister;

23 (b) to obtain waivers and other concessions for any import of
24 goods, equipment, raw materials, etc. which is may require for carrying on
25 its business, subject to the extent which the President may determine and
26 approve, from time to time;

27 (c) be registered and appropriately ranked in the register of
28 organisations with the best corporate practice, which register shall be kept
29 and maintained by the Minister;

30 (d) to obtain government grants-in-aid, bailout packages or other

1 forms of compensation in the event of any economic losses it may suffer as a
 2 result of any natural disaster, non physical disaster or other economic recession
 3 or down turn that may affect its operations, provided that any of the foregoing
 4 occurrences is not as a result of any negligence or poor management by the
 5 affected organisation; and

6 (e) to be invited to send its representatives to State functions and
 7 ceremonies, and be listed to accompany presidential business delegations and
 8 trade missions to any part of the world.

9 (2) The incentives, benefits, privileges, etc. enumerated in subsection
 10 (1) of this section shall become effective immediately after the publication, in
 11 the Federal Government Gazette of the President's declaration of satisfactory
 12 conduct of an organisation made pursuant to section 3 (3) of this Act, by the
 13 Minister.

14 (3) Without prejudice to the provisions of the last foregoing
 15 subsection of this section, the incentives, benefits, etc. contained in subsection
 16 (1) (a), (b) and (d) of this section, made available to an organisation whose
 17 Corporate Social Responsibility performance is declared to be satisfactory by
 18 the President in terms of section 3 (3) of this Act, shall be valid for a period of
 19 two years beginning from the date of the publication made pursuant to
 20 subsection (2) of this section.

21 (4) Notwithstanding the provisions of subsection (3) of this section,
 22 the registration of an organisation made pursuant to subsection (1) (c) of this
 23 section shall not be expunged from the register kept thereof at the expiration of
 24 the period specified in that paragraph of the subsection of the section, but its
 25 ranking thereof for best corporate practice, and its eligibility contained in
 26 subsection (1) (e) of this same section, shall be subject to review and variations
 27 annually in consonance with other entries made in the said register, kept and
 28 maintained by the Minister.

29 6. Without prejudice to the relevant provisions of this Act, the
 30 Minister shall have responsibility for furnishing each House of the National

1 Assembly with copies of every report, declaration, etc. authorised to be
2 prepared and presented pursuant to the relevant provisions of this Act
3 thereof, as soon as they become available in terms of any such relevant
4 provision of this Act, for their information and records.

5 7. The Minister shall, by regulations of a general nature, prescribe
6 anything falling to be prescribed for the purposes of giving full effect to the
7 provisions of this Act.

Regulations

8 8.-(1) In this Act, unless the context otherwise requires, the
9 following words and expressions have the meanings respectively assigned
10 to them, that is to say:

Interpretation

11 "Corporate Social Responsibility" refers to the ethical, complimentary or
12 obligatory actions taken by an organisation to address key social, economic
13 and environmental challenges confronting any part or parts of the
14 Federation in which the operations or business activities of any such
15 organisation is prevalent;

16 "Minister" means the Minister of the Government of the Federation
17 charged, for the time being, with responsibility on matters relating to
18 commerce and industry, and "Ministry" shall be construed accordingly;

19 "national challenges" refers to the enumerates aspects of social, economic
20 and environmental challenges under section 1(2) of this Act, which an
21 organisation may elect to choose from, and take complimentary action on, as
22 its Corporate Social Responsibility and contribution to any part or parts of
23 the Federation;

24 "organisation(s)" includes business concerns, firms, companies,
25 enterprises, conglomerates, trusts, etc., community based organizations,
26 associations, cooperatives, societies, non-governmental organizations,
27 labour organizations, etc and public bodies, corporations, agencies,
28 institutions, etc., registered under the Companies and Allied Matters Act, or
29 established or recognized under any law or under any credible arrangement
30 by the government;

	1	"President" means the President of the Federal Republic of Nigeria.
	2	(2) The Interpretation Act shall apply for the purposes of interpreting
	3	the provisions of this Act.
Provisions of this Act severable	4	9. If any provision of this Act or the application to any person, body
	5	corporate or circumstances is held invalid, such invalidity shall not affect other
	6	provisions or applications of this Act which can be given effect without that
	7	invalid provision or application, and to this end, the provisions of this Act is
	8	severable.
Citation	9	10.-(1) This Bill may be cited as Corporate Social Responsibility
	10	(Special Provisions, etc.) Bill, 2021.
	11	(2) The provisions of this Act are IN addition to, and in derogation of,
	12	any other existing law, regulation, rule or direction relating to the obligations of
	13	employers, business concern or other bodies corporate to the Government of
	14	the Federation and its people.

EXPLANATORY MEMORANDUM

This Bill seeks to define the limits to which the obligatory, ethical, complimentary actions of business concerns, community organizations and public bodies may be carried out for the purpose of enabling the organizations thereof to address key social, economic, and environmental problems confronting any part or parts of the Federation in which their operations and activities are prevalent. Such obligatory, ethical and complimentary actions are defined as Corporate Social Responsibility.

Wherefore, the concept and practice of Corporate Social Responsibility is encouraged under this proposed law through the provision of incentives, benefits and other privileges for organizations that are ranked for best corporate practice.