

A BILL

FOR

AN ACT TO AMEND THE NIGERIAN OIL AND GAS INDUSTRY CONTENT DEVELOPMENT ACT, 2010 TO PROVIDE FOR 50% LOCAL CONTENT FROM OIL PRODUCING AREAS AND FOR RELATED MATTERS

Sponsored by Hon. Francis Ejiroghene Waive

[] Commencement

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

1 1. The Nigerian Oil and Gas Industry Content Development Act
2 2010 (in this Bill referred to as the "Principal Act") is amended as set out in
3 this Bill.

Amendment of
the Nigerian Oil
and Gas Industry
Content
Development
Act 2010

4 2. Section 10 (a) of the Principal Act is amended as follow:
5 "First consideration shall be given to services provided from
6 within the oil producing areas in particular and Nigeria in general and to
7 goods manufactured and Nigeria."

Amendment of
Section 10 (a)

8 3.-(1) Section 11 of the Principal Act is amended by introducing
9 new sub-section 2, and the existing sub-section (2-4) re-number as sub-
10 section (3-5) accordingly:

Amendment of
Section 11

11 Section 11 (1) As .from the commencement of this Act, the
12 minimum Nigerian content in any project to be executed in Nigeria oil and
13 gas industry shall be consistent with the level set in Schedule to this Act.

14 (2) Notwithstanding the provisions of Section 1 and subsection 5
15 of this Act the oil producing areas shall maintain 50% local content
16 participation either directly or by outsourcing to local businesses.

17 (3) Where a project is not specified in the schedule to this Act, the
18 Board shall set a minimum content level for that project or project item
19 pending the inclusion of minimum content level for that project or project
20 item pending the inclusion of the minimum content level for that project or

1 project item through an amendment of the schedule to this Act by the National
2 Assembly.

3 (4) All operators, alliance partners and contractors shall comply with
4 the minimum Nigerian content for particular item, service or product
5 specification set out in the schedule of this Act.

6 (5) Notwithstanding the provisions of subsection (1) where there is
7 inadequate capacity to any of the targets in the Schedule to this Act, the
8 Minister may authorize the continued importation of the relevant items and
9 such approval by the Minister shall not exceed 3 years from the
10 commencement of this Act.

Citation 11 4. This Bill may be cited as the Nigerian Oil and Gas Industry Content
12 Development Act (Amendment) Bill, 2021.

EXPLANATORY MEMORANDUM

This Bill seeks to enhance and strengthen the local content conditions to provide for higher percentage of participation and benefit by oil producing areas affected by the activities carried out in their communities.