

OIL AND GAS FREE ZONES ACT (REPEAL AND RE-ENACTMENT)

BILL, 2019

ARRANGEMENT OF SECTIONS

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A BILL

FOR

AN ACT TO REPEAL THE OIL AND GAS EXPORT FREE ZONE AUTHORITY ACT; AND TO PROVIDE FOR THE DESIGNATION AND ESTABLISHMENT OF OIL AND GAS FREE ZONES IN NIGERIA; ESTABLISHMENT OF THE OIL AND GAS FREE ZONES AUTHORITY; AND FOR RELATED MATTERS

Sponsored by Hon. Benjamin Okezie Kalu

[] Commencement

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

1 1.-(1) The President, on the recommendation of the Authority, may
2 by Order:

Designation and establishment of the Oil and Gas Free Zones, etc.

3 (a) designate any area within the Federal Republic of Nigeria as an
4 Oil and Gas Free Zone (in this Bill referred to as "Free Zone");

5 (b) designate any area within the Federal Republic of Nigeria as an
6 Oil and Gas Special Investment Area (in this Bill referred to as "Special
7 Investment Area");

8 (c) amend, vary or add to the limit of any Free Zone or Special
9 Investment Area as the case may be.

10 (2) The President hereby designates the Onne/Ikpokiri area and
11 Ogu Creek area of Rivers State as an Oil and Gas Free Zone, (in this Bill
12 referred to as "the Onne/Ikpokiri Free Zone") and as further specified in
13 First Schedule to this Bill.

14 (3) Free Zones and Special Investment Areas established pursuant
15 to subsection (1) of this section, may be designed, developed, funded or
16 operated by the Authority or a combination of both the Authority and a
17 private or public enterprise.

18 2.-(1) There is hereby established an authority to be known as the
19 Oil and Gas Free Zones Authority (in this Bill referred to as "the Authority").

Establishment of the Oil and Gas Free Zones Authority

1 (2) The Authority shall be a body corporate, with perpetual succession
2 and a common seal and may sue and be sued in its corporate name and shall be
3 capable of acquiring, holding or disposing of any property movable or
4 immovable for the purpose of carrying out its functions.

Establishment
and membership
of the Governing
Board, etc.

5 3.-(1) There shall be for the Authority a governing board (in this Bill
6 referred to as "the Board") which shall consist of the following members, that
7 is:

8 (a) a Chairman, who shall be appointed by the President, being a
9 person who by reason of his ability, experience or specialized knowledge of
10 trade and investment promotion, commercial or economic matters is capable of
11 making outstanding contributions to the functions of the authority;

12 (b) one representative each of the following, not below the rank of a
13 Director in the public service of the Federation, that is:

14 (i) Federal Ministry of Trade and Investment,

15 (ii) Department of Petroleum Resource,

16 (iii) Federal Ministry of Justice.

17 (c) the Managing Director of the Nigeria Ports Authority or his
18 representative not below the rank of General Manager;

19 (d) the Comptroller-General of Customs or his representative not
20 below the rank of a Assistant Comptroller-General;

21 (e) One representative each of the following bodies, not below the
22 rank of a Director in the public service of the Federation, that is:

23 (i) the Nigerian Association of Chambers of Commerce, Industry and
24 Mines and Agriculture,

25 (ii) the Corporate Affairs Commission,

26 (iii) Commissioner for Commerce in the Government of a state in
27 which a Zone is located or his representative not below the rank of a Director
28 in the public service of that State.

29 (f) the Managing Director of the Federal Aviation Authority of
30 Nigeria or his representative not below the rank of a Director in the Authority;

1 (g) the Chairman of the Federal Inland Revenue Service or his
2 representative not below the rank of a Director;

3 (h) the Governor of the Central Bank of Nigeria or his
4 representative not below the rank of a Director; and

5 (i) the Managing Director of the Authority.

6 (2) A member of the Board other than ex-officio member shall hold
7 office for a period of three years from the date of his appointment as a
8 member and shall be eligible for re-appointment for one further period of
9 two years and no more.

10 (3) Notwithstanding subsection (2) of this section, the President
11 may, on the recommendation of the Minister, require any member of the
12 Board to vacate his office if he is satisfied that it is not in the interest of the
13 public that the member should continue in office.

14 (4) A member of the Board other than an ex-officio member may,
15 by notice in writing addressed to the Board, resign his appointment.

16 (5) The supplementary provisions contained in the First Schedule
17 to this Bill shall have effect with respect to the proceedings of the Board and
18 other matters relating to the Board.

19 4.-(1) If it appears to the Board that a member of the Board should
20 be removed from office on grounds of misconduct or inability to perform the
21 functions of his office, the Board shall, after consultations with the interests,
22 if any, represented by that member, make recommendations to that effect to
23 the Minister and if the Minister approves the recommendations, he may
24 declare in writing the office of that member vacant.

Removal from
office

25 (2) Without prejudice to subsection (1) of this section any member
26 who is absent from two consecutive ordinary meetings of the Board shall file
27 his explanation in writing with the Secretary for consideration by the Board
28 and if the explanation is not accepted by the Board, the Board shall
29 recommend to the Minister that the member be removed from office and the
30 Minister may declare, in writing, the office of that member vacant.

Functions of the
Authority

- 1 5.--(1) In addition to any other functions conferred on the Authority by
2 this Bill, the functions and responsibilities of the Authority shall include:
3 (a) the administration of the Authority and management of Free Zones
4 and Special Investment Areas;
5 (b) the grant of all requisite permits and licences to conduct approved
6 enterprises within Free Zones and Special Investment Areas;
7 (c) the approval of development plans for Free Zones and Special
8 Investment Areas, the annual budget in respect of infrastructures,
9 administrative buildings, promotion of Free Zones and Special Investment
10 Areas, the provision and maintenance of services and facilities;
11 (d) the establishment of customs, police, immigration and similar
12 posts in Free Zones and Special Investment Areas;
13 (e) the supervision and co-ordination of the functions of various
14 public and private sector organisations operating within Free Zones and
15 Special Investment Areas and resolving any dispute which may arise amongst
16 them;
17 (f) the resolution of trade disputes between employers and employees
18 in Free Zones on the recommendation of the Labour Council established
19 pursuant to section 20 of this Bill;
20 (g) attract, facilitate and encourage the retention of investments,
21 leading to value addition, into Free Zones and Special Investment Areas;
22 (h) regulate activities and monitor the operations of Free Zones and
23 Special Investment Areas, enterprises as well as organizations that provide
24 services within and to Free Zones and Special Investment Areas;
25 (i) develop and monitor performance standards and indicies relating
26 to Free Zones and Special Investment Areas;
27 (j) act as a "one-stop shop" for all government services for Free Zones
28 and Special Investment Areas;
29 (k) shall establish and maintain a registry as specified in the Fourth
30 Schedule to this Bill; and

1 (1) carry out such activities as may be necessary or expedient for the
2 full discharge of all functions and activities of the Authority under this Bill.

3 (2) As from the commencement of this Bill, the Authority shall
4 without further assurance, take over and perform such functions being
5 hitherto performed by the Nigeria Export Processing Zones Authority
6 established by the Nigeria Export Processing Zone Act, Cap N107, Laws of
7 the Federation of Nigerian, 2004, as they relate to the export of oil and gas.

8 (3) The Authority may, from time to time, approve activities which
9 may be carried on in Free Zones and Special Investment Areas as specified
10 in the Second Schedule to this Bill.

11 6.-(1) There shall be for the Authority, a Managing Director who
12 shall:

Appointment of
the Managing
Director, Secretary
and other employees,
etc.

13 (a) be the chief executive; and

14 (b) be appointed by the President on the recommendation of the
15 Minister.

16 (2) The Managing Director shall be responsible for:

17 (a) the preparation of plans, annual programmes and budget of the
18 Authority;

19 (b) the recommendation to the Minister, of such bye-laws which
20 may be applicable in Free Zones and Special Investment Areas;

21 (c) the implementation of approved plans, programmes and budget
22 of the Authority; and

23 (d) the day-day administration of the Authority.

24 (3) The Managing Director shall hold office for a period of four
25 years and may be eligible for re-appointment for another period of two years
26 and no more.

27 (4) Without prejudice to the generality of subsections (1) and (3) of
28 this section, the Authority shall have power to employ such number and
29 category of staff as it may deem fit, including the power to:

30 (a) appoint a Secretary who shall be qualified to practice as a legal

1 practitioner in Nigeria and shall have been so qualified for not less than fifteen
2 years;

3 (b) pay the employees such remuneration and allowances as it may,
4 from time to time, determine;

5 (c) pay the employees such pensions and gratuities as are payable to
6 persons of equivalent grades in the public service of the Federation.

7 (5) The Authority may make staff regulations relating generally to the
8 conditions of service of the employees of the Authority and without prejudice
9 to the generally of the foregoing such regulations may provide for:

10 (a) the appointment, promotion and disciplinary control of all
11 employees of the Authority; and

12 (b) appeal by such employees against dismissal or other disciplinary
13 measures and until such regulations are made, the regulations relating to the
14 conditions of service of the officers in the civil service of the Federation and the
15 provisions of the pensions Act shall be applicable with such modifications as
16 may be necessary to the staff of the Authority.

17 (6) Approved enterprises operating within the Export Free Zone shall
18 make provisions for the pensions and gratuities for their employees.

19 (7) The Secretary of the Authority appointed pursuant to subsection
20 (4)(a) of this section shall:

21 (a) serve as Secretary to the Board;

22 (b) oversee the activities of the Registry established pursuant to
23 section 5 (1) (k) of this Bill; and

24 (c) perform such other duties as the Chairman of the Board or the
25 Managing Director respectively may from time to time direct.

Vesting of
property in the
Authority

26 7. The President or the Governor of a State respectively may by
27 Order, transfer to the Authority, any property belonging to the Federal or State
28 Government which appears to be necessary or expedient to the Authority in
29 carrying out its functions under this Act and such property shall vest in the
30 Authority by virtue of that Order and without further assurance.

1 8.-(1) Notwithstanding the provisions of any tax law or any Exemption from
2 enactment in force, an approved enterprise or body corporate or firm taxes
3 operating within Free Zones shall be exempted from the payment of Federal,
4 State and Local Government taxes, value added tax, levies, customs duties,
5 rates, withholding tax and deductions for the period (in this Bill referred to
6 as lithe tax free period") specified in this section.

7 (2) The tax free period shall be fifteen (15) years, starting from the
8 date an enterprise commences operation in a Free Zone.

9 (3) Upon application by an enterprise, the Minister may extend the
10 tax free period for a further period of five (5) years and no more.

11 (4) Without prejudice to the provisions of subsection (1) of this
12 section, all employees in the Free Zones shall comply with the provisions of
13 the Personal Income Tax Act.

14 9.-(1) Any enterprise which proposes to undertake an approved Approval of
15 activity, within Free Zones and Special Investment Areas shall apply to the enterprise to
16 Authority in writing for permission to do so and shall submit such undertake
17 documents and information in support of the application, as the Authority approved activity
18 may require from time to time.

19 (2) Subject to the provisions of this Act, the Authority may grant,
20 subject to such terms and conditions as it thinks fit, approval for an
21 enterprise to undertake the approved activity specified in its application
22 brought under subsection (1) of this section.

23 10.-(1) The authority shall, to the exclusion of any other person or Power to grant
24 authority grant licence for Free Zones and Special Investment Areas and for licence
25 any approved activity in Free Zones and Special Investment Areas to an
26 individual or business concern whether or not the business is incorporated in
27 the customs territory.

28 (2) The grant of licence by the Authority shall constitute
29 registration for the purposes of company registration within Free Zones and
30 Special Investment Areas.

1 (3) A body corporate licensed to operate within Free Zones and
2 Special Investment Areas and undertaking an approved activity shall notify the
3 Authority of any purchase, assignment or transfer of shares in the body
4 corporate, except where its shares are quoted and are freely transferable on any
5 international Stock Exchange.

6 (4) The Authority shall by order, from time to time, prescribe the
7 regulations governing Free Zones and Special Investment Areas.

8 (5) In addition to any other powers conferred on the Authority by this
9 Bill, the powers of the Authority shall include:

10 (a) to undertake, or purchase, or otherwise acquire any asset in
11 furtherance of the objectives of the Bill;

12 (b) when it is expedient, to take loans from banks licenced by the
13 Central Bank of Nigeria;

14 (c) to enter into contracts, partnerships and collaborative agreements
15 or arrangements with any company or firm or body which in the opinion of the
16 Authority will facilitate the discharge of its functions under this Bill; and

17 (d) to exercise such other powers as are necessary or expedient for
18 giving effect to the provisions of this Bill.

Payments for
goods and
services

19 11.-(1) Where an approved enterprise operating in Free Zones and
20 Special Investment Areas supplies goods and services to customers within the
21 customs territory, that enterprise shall be entitled to receive payment for such
22 goods and services in foreign currency and for the purposes of such payment,
23 the rules and regulations applicable to importation of goods and services into
24 Nigeria and repatriation of the proceeds of sales or services shall apply.

25 (2) Where a person within the customs territory supplies goods and
26 services to an approved enterprises established within the Free Zones and
27 Special Investment Areas, that person shall be entitled to receive payment for
28 such goods or services in foreign currency and the rules and regulations
29 applicable to export from Nigeria and the repatriation of proceeds from sales or
30 services shall apply.

1 12.-(1) The Authority and any approved enterprises shall be
2 entitled to import into Free Zones, free of customs duty, any capital goods,
3 consumer goods, raw materials, components or articles intended to be used
4 for the purposes of and in connection with an approved activity, including;
5 any article for the construction, alteration, reconstruction, extension or
6 repair of premises in Free Zones or for equipping such premises.

Import of goods
into the Export
Free Zone

7 (2) For the purposes of this section, articles for equipping premises
8 shall be deemed to include equipment for offices and other ancillary
9 facilities necessary for the proper administration of the premises and for the
10 health, safety, hygiene and welfare of the premises and of persons employed
11 therein.

12 (3) All goods brought into Free Zones shall be consigned:

13 (a) to the Authority or to an approved enterprise and the goods may,
14 with the approval of the Authority, be transferred from one approved
15 enterprise to another or from the Authority to an approved enterprise or from
16 an approved enterprise to the Authority; and

17 (b) without prejudice to the provisions of subsection (2) of this
18 section, to a bank acting on behalf of any party to a transaction involving the
19 Authority or an approved enterprise.

20 (4) The Authority may take such steps as it deems necessary to
21 preserve goods within Free Zones, whether by moving the goods from one
22 place to another or by storing the goods and where any expenses are incurred
23 by the Authority in so doing, the owner or consignee of the goods shall
24 reimburse the Authority for the expenses.

25 (5) Subject to the provisions of this Bill and any regulations made
26 thereunder, goods brought into Free Zones pursuant to this section may:

27 (a) unless otherwise directed by the Authority, be stored, sold,
28 exhibited, broken up, packed, graded, cleaned, marked, re-marked, loaded,
29 unloaded, re-loaded, divided, mixed, separated or otherwise manipulated;

30 (b) be worked, processed or re-processed or otherwise

1 manipulated or manufactured;

2 (c) be consumed if the goods are meant for consumption in Free
3 Zones, unless otherwise directed by the Authority;

4 (d) subject to subsection (6) of this section, be removed from Free
5 Zones or sent into the customs territory, whether as originally packed or
6 otherwise; or

7 (e) subject to any enactment pertaining thereto, be destroyed.

8 (6) Where any goods which are dutiable on entry into the customs
9 territory are sent from Free Zones into the customs territory, the goods shall be
10 subject to the provisions of the Customs, Excise Tariff, Etc. (Consolidation)
11 Act and any regulations made thereunder, and if the goods are intended to be
12 disposed of in the customs territory, shall not be removed from Free Zones
13 unless:

14 (a) the consent of the Authority has been obtained; and

15 (b) the relevant customs authorities are satisfied that all import
16 restrictions relevant thereto have been complied with and all duties payable in
17 connection with the importation thereof into the customs territory have been
18 paid.

19 (7) Samples of goods being taken into the customs territory shall be
20 subject to the provisions of subsection (5) of this section, except in cases where
21 the relevant customs authority is satisfied that such goods are of no commercial
22 value.

23 (8) Where goods being taken into the customs territory into Free
24 Zones for the purposes of an approved activity, the good shall be deemed to be
25 exported.

26 (9) The President shall, appoint for Free Zones, an inspecting agent
27 who shall be charged with responsibility of inspecting goods imported from
28 Free Zones into Nigeria for use by an approved enterprise within Free Zones.

29 13.-(1) No person shall, without the prior permission of the Authority,
30 enter remain in or reside in Free Zones.

1 (2) Any person who contravenes the provisions of subsection (1) of
2 this section shall have his permit revoked by the Authority.

3 14.-(1) No retail trade shall be conducted within Free Zones
4 without the prior approval of the Authority and which may be subject to such
5 terms and conditions as may be imposed, from time to time, by the
6 Authority.

Prohibition of
retail trade

7 (2) Any person who contravenes the provisions of subsection (1) of
8 this section or of a term or condition imposed pursuant to that subsection
9 shall have his licence revoked by the Authority.

10 15.-(1) An approved enterprise which imports into Free Zones an
11 article with a benefit in respect of customs duty under the provisions of this
12 Bill shall:

Special provisions
relating to articles
imported with
custom duty
cessions

13 (a) keep such record on the articles so imported in such forms and
14 containing such particulars as may be required by the Authority;

15 (b) causes the articles to be marked with such mark and in such
16 manner as may be required by the Authority;

17 (c) permit the Authority or person authorised by the Authority at all
18 reasonable times:

19 (i) to inspect the records relating to those articles, and

20 (ii) to have access to any factory, warehouse, assembly plant or
21 other premises under the control of the approved enterprise for the purpose
22 of examining the article which the Authority believes to be therein and of
23 satisfying itself of the contained in such records.

24 (2) Any person who contravenes the provisions of subsection (1) of
25 this section is guilty of an offence.

26 16.-(1) Notwithstanding any other provision of this Bill, the
27 following goods shall not be imported, taken into or stored in Free Zones:

Prohibition of
storage of
ammunition and
dangerous
explosives

28 (a) firearms and ammunition, other than by members of the Nigeria
29 Police Force, the Armed Forces of the Federation;

30 (b) dangerous explosives, without prior approval of the Authority;

1 (c) petrol, inflammable materials, hazardous cargoes or oil fuels,
2 other than in such quantities and such terms and conditions as may be
3 prescribed by the Authority;

4 (d) goods which the authority by Order has imposed specific or
5 absolute prohibition on their importation into the Export Free Zone.

6 (2) Any person who contravenes the provisions of subsection (1) of
7 this section is guilty of an offence.

Export of goods
from the Free
Zone

8 17. Export of goods from Free Zones to the customs territory shall,
9 except as otherwise prescribed by or pursuant to this Bill, be subject to the same
10 customs and licensing requirements as apply to goods imported from other
11 countries.

Incentives, etc.
for Free Zones

12 18.-(1) Approved enterprises within Free Zones shall be entitled to
13 the following incentives:

14 (a) legislative provisions pertaining to taxes, levies, duties and
15 foreign exchange regulations shall not apply within Free Zones;

16 (b) repatriation of foreign capital investment in Free Zones at any
17 time with capital appreciation of the investment;

18 (c) remittance of profits and dividends earned by foreign investors in
19 Free Zones;

20 (d) no import or export licences shall be required;

21 (e) up to 100 per cent of production may be sold in the territory against
22 a valid permit, and on payment of appropriate duties;

23 (f) no form of expropriation of foreign investment;

24 (g) up to 100 per-cent foreign ownership of business in Free Zones
25 allowable;

26 (h) foreign managers and qualified personnel may be employed by
27 companies operating in Free Zones;

28 (i) simplification of visa and work permits for expatriate staff of
29 approved enterprises in the Free Zones;

30 (j) up to 75 per cent import duty tariff rebate on any special product

1 imported into Free Zones on which value has been added without changing
2 the essential character of the product after processing in the Free Zone and
3 intended for the customs territory;

4 (k) Government of the Federation to guarantee the supply of crude
5 oil to Free Zones;

6 (l) Government of the Federation to guarantee the protection of
7 critical infrastructure servicing Free Zones; and

8 (m) Government of the Federation to provide market assurance for
9 value added products from Free Zones.

10 (2) The Authority shall be the only agency qualified to:

11 (a) give all approvals; and

12 (b) cancel all licenses.

13 (3) The Authority shall simplify all procedure necessary for
14 authorization of investments in Free Zones and state by Order from time to
15 time its requirements for the grant of authorisations for investments in Free
16 Zones.

17 (4) Operations within a Free Zone shall commence on the date
18 determined by the Authority provided that there shall be consultation with
19 the developer of the Free Zone.

20 (5) There shall be no strikes or lockouts for a period of 10 years
21 following the commencement of operations within Free Zones and any trade
22 dispute arising within Free Zones shall be resolved by the Authority.

23 19.-(1) Approved enterprises within Special Investment Areas
24 shall be entitled to the following incentives:

Incentives, etc.
for Special
investment Areas

25 (a) legislative provisions pertaining to taxes, levies, duties and
26 foreign exchange regulations shall with such modification authorized by an
27 Order of the Minister apply within Special Investment Areas;

28 (b) repatriation of foreign capital investment in Special Investment
29 Areas at any time with capital appreciation of the investment;

30 (c) remittance of profits and dividends earned by foreign investors

1 in Special Investment Areas;

2 (d) no form of expropriation of foreign investment;

3 (e) foreign managers and qualified personnel may be employed by
4 companies operating in Special Investment Areas;

5 (f) simplification of visa and work permits for expatriate staff of
6 approved enterprises in the Special Investment Areas;

7 (g) up to 75 per cent import duty tariff rebate on any special product
8 imported into Special Investment Areas on which value has been added
9 without changing the essential character of the product after processing in the
10 Special Investment Areas and intended for the customs territory

11 (h) Government of the Federation to guarantee the supply of crude oil
12 to Special Investment Areas;

13 (i) Government of the Federation to guarantee the protection of
14 critical infrastructure servicing Special Investment Areas;

15 (j) Government of the Federation to provide market assurance for
16 value added products from Special Investment Areas; and

17 (k) ownership of investments may be structured to accommodate
18 local communities.

19 (2) The Authority shall be the only agency qualified to:

20 (a) give all approvals; and

21 (b) cancel all licenses.

22 (3) The Authority shall simplify all procedure necessary for
23 authorization of investments in Special Investment Areas and state by Order
24 from time to time its requirements for the grant of authorisations for
25 investments Special Investment Areas.

26 (4) Operations within a Special Investment Area shall commence on
27 the date determined together by the Authority and the developer of the Free
28 Zone.

1 20.-(1) There is established a council to be known as the Oil and
2 Gas Free Zones Labour Council (in this Bill referred to as "Labour
3 Council") which shall:

Establishment,
etc. of Oil and
Gas Free Zones/
Labour Council

4 (a) be responsible for dialogue and resolution of labour issues
5 within Free Zones;

6 (b) from time to time, make recommendations to the Authority on
7 resolution of labour issues within Free Zones.

8 (2) The Labour Council shall comprise of:

9 (a) a representative of the Managing Director of the Authority, who
10 shall be the Chairman;

11 (b) a representative of the Federal Ministry of Labour,
12 Employment and Productivity;

13 (c) one representative each of the following:

14 (i) Nigeria Labour Congress (NLC),

15 (ii) National Union of Petroleum and Natural Gas Workers
16 (NUPENG),

17 (iii) Petroleum and Natural Gas Senior Staff Association of Nigeria
18 (PENGASSAN), and

19 (iv) Maritime Workers Union of Nigeria (MWUN); and

20 (d) two persons to represent operators of Free Zones, provided
21 howsoever that they shall be rotated among operators of Free Zones.

22 (3) The tenure of each Labour Council shall be a period of three
23 years.

24 (4) The Labour Council shall regulate its proceedings.

25 21. An approved enterprise shall submit to the Authority at such
26 intervals as may be prescribed, such statistical data, and such information
27 and returns as regards the sales and purchases and other operations of the
28 enterprise as the Authority may require or as may be prescribed, from time to
29 time.

Enterprises to
submit returns

30 22. Where a person who is a non-Nigerian citizen is employed by

Work permit

1 the Authority or by an approved enterprise established in Free Zones and
2 Special Investment Areas, upon application by the enterprise for a licence to
3 establish itself within Free Zones and Special Investment Areas or at any time
4 thereafter, the enterprise shall apply on behalf of the non-Nigerian citizen,
5 direct to the Authority for the purpose of immigration and employment
6 permits, in such manner as may be prescribed by the Authority.

Fund of the
Authority

7 **23.-(1)** The Authority shall establish and maintain a fund which shall
8 consist of:

- 9 (a) all moneys received from the Federal Government;
10 (b) proceeds from all activities, services and operations of the
11 Authority;
12 (c) grants, loans, gifts and donations made to the Authority; and
13 (d) such other sum as may accrue, from time to time to the Authority.

14 **(2)** The Authority shall, from time to time, apply the proceeds of the
15 fund established pursuant to subsection (1) of this section:

- 16 (a) to the cost of administration of the Authority;
17 (b) to the payment of the salaries, fees or other remuneration or
18 allowances, pension and gratuities payable to the officers and employees of the
19 Authority;
20 (c) for reimbursing members of the Board or of any committee set up
21 by the Board for such expenses as may be expressly authorised by the Authority
22 in accordance with the rates approved by the Federal Executive Council;
23 (d) for the maintenance of any property vested in the Authority; and
24 (e) for investment, maintenance of Free Zones and Special
25 Investment Areas, marketing, promotion, training, research and similar
26 activities.

Annual estimates,
accounts, etc.

27 **24.-(1)** The Authority shall, not later than 31st October in each year,
28 submit to the Minister an estimate of its expenditure and income (including
29 payments into the fund of the Authority) during next succeeding year.

30 **(2)** The Authority shall keep proper accounts in respect of each year

1 (and proper records in relation thereto)and shall cause its accounts to be
2 audited within six months after the end of each year by auditors appointed
3 from the list and in accordance with the guidelines supplied by the Auditor-
4 General of the Federation.

5 25.-(1) Except as provided under this Bill, an enactment applicable
6 in a customs territory shall apply within Free Zones.

Enactments
applicable in
customs territory
to apply

7 (2) The Minister may, by Order published in the Gazette modify the
8 application of any enactment which is made applicable in Free Zones by
9 subsection (1) of this section, where the enactment concerned restricts or
10 interferes with the smooth running of Free Zones or operation of licences
11 therein.

12 26.-(1) There is hereby established a Fund to be known as the Oil
13 and Gas Free Zones Training Fund (in this Bill referred to as the "Fund") into
14 which shall be paid all contributions prescribed under this section.

Establishment, etc.
of Free Zones
Training Fund

15 (2) The Fund shall be utilized to promote and encourage the
16 acquisition of skills in activities in the Free Zones with a view to generating
17 a pool of indigenous trained manpower.

18 (3) Every approved enterprise having ten or more employees in its
19 establishment, shall in respect of each calendar year and or the date
20 prescribed by the Authority, contribute to the Fund 0.5 per cent of its annual
21 payroll.

22 (4) The Provisions of the Industrial Training Fund Act, Cap 19
23 LFN 2004 and the Industrial Training Fund Act (Amendment) Act, 2011
24 shall not apply in Free Zones under this Bill.

25 27.-(1) Every omission or neglect to comply with and every act
26 done or attempted to be done contrary to the provisions of this Bill or any
27 regulations made thereunder shall be an offence and in respect of any such
28 offence for which no penalty is expressly provided the offender shall be
29 liable on conviction to a fine of N100,000 or to a term of imprisonment for
30 three months or to both such fine and imprisonment.

Omission and
non-compliance

1 (2) Whoever attempts to commit any offence punishable under this
2 Bill or any regulations made thereunder or abets the commission of such
3 offence shall be punished with the punishment provided for such an offence.

4 (3) Where a body corporate is guilty of an offence under this Bill, and
5 that offence is provided to have been committed with the consent or
6 connivance of, or to be attributable to any neglect on the part of any director,
7 manager, secretary or other similar officer of the body corporate, or any person
8 who was purporting to act in any such capacity; he, as well as the body
9 corporate, is guilty of that offence and liable to be proceeded against and
10 punished accordingly.

Regulations

11 28.-(1) The Authority may make regulations for:

12 (a) investment procedures in the zones;

13 (b) written authorizations, permits assignments and licences granted
14 under this Bill;

15 (c) any fees, charges rates or fines to be imposed pursuant to this Bill;

16 (d) variation of rates of taxes after the expiration of tax-free period
17 specified under this Bill; and

18 (e) such other matters as are necessary for giving full effect to the
19 provisions of this Bill and for their due administration.

Legal proceedings.
etc.

20 29.-(1) No suit shall be commenced against the Authority before the
21 expiration of a period of one month after written notice of intention to
22 commence the suit shall have been served on the Authority by the intending
23 plaintiff or his agent and the notice shall clearly and explicitly state:

24 (a) the cause of action;

25 (b) the particulars of the claim;

26 (c) the name and place of abode of the intending plaintiff; and

27 (d) the relief which it claims.

28 (2) In an action or suit against the Authority, no execution or
29 attachment or process in the nature thereof shall be issued against the
30 Authority, but any sum of money which may, by the judgement of the court, be

1 awarded against the Authority shall, subject to any directives given by the
2 Authority, be paid from the general reserve of the Authority.

3 (3) For the purpose of this section:

4 "suit" means a civil proceeding commenced by writ of summons or in such
5 other manner as may be prescribed by rules of court and includes an action,
6 but not a criminal proceeding.

7 (4) The notice referred to in this section and any summons, notice
8 or other document required or authorized to be served on the authority in
9 connection with a suit by or against the Authority, may be served by sending
10 it by registered post, addressed to the Managing Director, at the Head Office
11 of the Authority.

12 (5) In any action or suit against the Authority, no execution or
13 attachment or process in the nature thereof, shall be issued against the
14 Authority, but any sum of money which may by the judgement of the court
15 be awarded to the plaintiff shall be paid by the Authority from the funds of
16 the Authority.

17 (6) A person connected with the direct working of the Authority
18 shall not be removed under arrest when his immediate removal from duty
19 might result in danger of life or goods, whether in execution of a warrant or
20 otherwise, while actually engaged in the performance of his duties until:

21 (a) the head of department in which he is employed; or

22 (b) the officer in immediate charge of the work in which the person
23 is engaged, has been given an opportunity of providing a substitute.

24 (7) In any suit pending before the court, the Authority may be
25 represented in court at any stage of the proceeding by an employee of the
26 Authority.

27 **30.**-(1) The Oil and Gas Export Free Zone Act, Cap OS, Laws of
28 the Federation of Nigeria, 2004 is hereby repealed.

Repeal, savings,
etc.

29 (2) Any subsidiary legislation made under the repealed Act shall, in
30 so far as it is not inconsistent with this Bill, remains in operation until

1 revoked or replaced by a subsidiary legislation made under this Bill, and shall
2 be deemed for all purposes to have been made under this Bill.

3 (3) The transitional and savings provisions in the Third Schedule to
4 this Bill shall have effect in relation to employees, assets and liabilities of the
5 Board dissolved under this section and other matters mentioned therein
6 notwithstanding anything to the contrary in this Bill or any other enactment.

7 (4) Notwithstanding subsection (1) of this section, any order made,
8 registration effected, licence or permit made or other thing done under the
9 repealed Act, which before the commencement of this Bill was in force or
10 effect, shall continue in force and have effect as if made, effected, issued, given
11 or done under the corresponding provisions of this Bill.

Interpretation

12 **31.** In this Act, unless the context otherwise requires:

13 "approved activities" means activities specified and approved by the
14 Authority;

15 "approved enterprise" means any enterprise established within the Free Zone
16 approved by the Authority;

17 "Authority" means the Oil and Gas Free Zone Authority established by section
18 2 of this Bill;

19 "Commissioner" means the Commissioner in a State responsible for commerce
20 or trade;

21 "customs territory" means the territory within the Federal Republic of Nigeria,
22 but excluding the Free Zone;

23 "Free Zone" includes but not restricted to water ways, public and public/private
24 free zones and sub-zones established under this Bill;

25 "Government" means the Federal Government or Government of a State;

26 "inspection agent" means the agent or agents employed by Federal
27 Government to undertake pre-shipment inspection of goods imported into
28 Nigeria;

29 "member" means a member of the Board and includes the Chairman;

1 "Minister" means the Minister charged with responsibility for matters
2 relating to trade;

3 "President" means the President of the Federal Republic of Nigeria; and

4 "security agencies" means private or public security services operating in
5 the Free Zone with the approval of the Authority;

6 "Special Investment Area" means an area deemed to be within the customs
7 territory and which does not have the full status of a Free Zone, but enhanced
8 for the purposes of accelerating investments into value addition into oil and
9 gas, and includes but not restricted to water ways, public and public/private
10 Special Investment Areas and sub-areas established under this Bill;

11 "special product" means any article imported into the Free Zone on which
12 value has been added without changing the essential character of the product
13 after processing; and

14 "value" means any additional process added on a product.

15 **32.** This Bill may be cited as the Oil and Gas Free Zones Act Short title
16 (Repeal and Re-enactment) Bill, 2019.

17 SCHEDULES

18 FIRST SCHEDULE

19 *Section 3(5)*

20 SUPPLEMENTARY PROVISIONS RELATING TO THE AUTHORITY

21 *Proceedings of the Board*

22 1.-(1) Subject to this Bill and to section 26 of the Interpretation Act,
23 the Board may make standing orders regulating the proceedings of the
24 Authority or of any committee thereof.

25 (2) The quorum of the Board shall be eight and the quorum of any
26 committee of the Board shall be as may be determined by the Board from
27 time to time.

28 2.-(1) The Board shall meet not less than four times in each year
29 and, subject thereto the Board shall meet whenever it is summoned by the
30 Chairman, and if the Chairman is required to do so by notice given to him by

1 not less than three other members; he shall summon a meeting of the Board to
2 be held within fourteen days from the date on which the notice is given.

3 (2) At any meeting of the Board, the Chairman shall preside, but if he
4 is absent, the members present at the meeting shall appoint one of their number
5 to preside at that meeting.

6 (3) Where the Board desires to obtain the advice of any person on a
7 particular matter, the Board may co-opt him as a member for such period as it
8 thinks fit:

9 Provided that a person who is a member by virtue of this sub-
10 paragraph shall not be entitled to vote at any meeting of the Board and shall not
11 count towards the quorum.

12 *Committees*

13 3.-(1) The Board may appoint one or more committees to carry out on
14 behalf of the Board such of its functions as the Authority may determine.

15 (2) A committee appointed under this paragraph shall consist of such
16 number of persons (not necessarily members of the Board) as may be
17 determined by the Board; and a person other than a member of the Board shall
18 hold office on the committee in accordance with the terms of his appointment.

19 *Miscellaneous*

20 4.-(1) The fixing of the seal of the Authority shall be authenticated by
21 the signature of the Chairman and of any other member authorised generally or
22 specially by the Board to act for that purpose.

23 (2) Any contract or instrument which, if made or executed by a person
24 not being a body corporate, would not be required to be under seal may be made
25 or executed on behalf of the Board by the Chairman and the Managing Director
26 or any person authorised generally or specially by the Authority to act for that
27 purpose.

28 5. Members of the Board shall be paid out of moneys at the disposal
29 of the Board such remuneration, fee or allowances in accordance with such
30 scales as may be approved, from time to time, by the Minister.

- 1 7. import of building materials, raw materials, equipment, semi-
- 2 finished inputs and intermediate goods and services for industrial, commercial,
- 3 residential, financial and other operations;
- 4 8. property development and leasing, real estate management,
- 5 provision and operations of utility services;
- 6 9. international commercial arbitration services;
- 7 10. Oil and gas activities;
- 8 11. ship building and repairs;
- 9 12. education, training, research and development;
- 10 13. hotels and catering, tourism
- 11 14. information and communication technology;
- 12 15. Recycling
- 13 16. other activities that the Authority may from time to time approve.

14 THIRD SCHEDULE

15 *Duty Free Articles*

- 16 1. building materials
- 17 2. tools
- 18 3. plants
- 19 4. machinery
- 20 5. pipes
- 21 6. Pumps
- 22 7. Conveyor belts
- 23 8. Other appliances and materials necessary for construction,
- 24 alteration and repair of premises.
- 25 9. Capital and consumer goods, raw materials, components of all
- 26 articles intended to be used for the purpose of reconstruction, extension or
- 27 repair of premises in a free zone or for equipping such premises and any other
- 28 items approved by the Authority in a zone or for equipping such Premises and
- 29 any other items approved by the Commission.

FOURTH SCHEDULE

*Section 5(1)(k)**Registry*

1.-(1) The Authority shall keep in a form as it considers appropriate, a register of holders of current licences issued under this Act specifying:

(a) the company name; and

(b) the address of the principal place at which the company carried on business.

(2) Where:

(a) the holder of the licence ceases to carry on the business to which the licence relates;

(b) a change occurs in any particulars which are required to be entered in the register of licence holders with respect to the holder of a licence, the holder shall within fourteen days of the occurrence of the event give to the Authority particulars of the change in the prescribed form.

2.-(1) The Authority shall maintain a register in both physical form and electronic media of all matters that are required to be registered under this Act and Rules made pursuant to this Act.

(2) The Authority may at its discretion summarize the content of a material for inclusion in the register and exclude therefrom aspects of the material if it considers such exclusion necessary and justified on grounds of public interest among others.

3.-(1) Any person may on payment of the charge if any to be decided by the Authority:

(a) inspect the register; and

(b) make a copy of or take an extract from the register.

(2) If a person requests that a copy be provided in electronic media, the Authority may provide the relevant information.

(3) The Authority shall from time to time publish guidelines in

1 regard to its various registers, giving details of the registers and indicating
2 among others, assets, processes and procedures for members of the public.

3 4.-(1) A party to a written agreement or debenture who is subject to
4 this Bill shall apply to the Authority for the registration of the agreement.

5 (2) The Authority shall register the written agreement or debenture if
6 the Authority is satisfied that it is consistent with the objective of this Bill.

7 (3) The Authority shall maintain a register of all agreements or
8 debentures required to be registered under this Bill.

9 FIFTH SCHEDULE

10 *Section 30(3)*

11 *Transfer of Assets and Liabilities*

12 1. By virtue of this Bill, there shall be vested in the Authority
13 established under this Bill, all assets, funds, resources and other moveable or
14 immovable property which immediately before the commencement of this
15 Bill were vested in the Authority established under the repealed Bill.

16 2. Subject to the provisions of paragraph 1 of this Schedule:

17 (a) the rights, interests, obligations and liabilities of the former
18 Authority existing immediately before commencement of this Bill under any
19 contract or instrument, or at law or in equity apart from any contract or
20 instrument, shall be by virtue of this Bill be deemed to have been assigned to
21 and vested in the Authority;

22 (b) any such contract or instrument as is mentioned in sub-paragraph
23 (a) of this paragraph shall be of the same force and effect against or in favour of
24 Authority and shall be enforceable as fully and effectively as if instead of the
25 former Authority the Authority had been named therein or had been a party
26 thereto; and

27 (c) the Authority shall be subject to all the obligations and liabilities to
28 which the former Authority was subject immediately before the
29 commencement of this Bill and all persons shall, from the commencement of
30 the Bill have the same rights, powers and remedies against the Authority as

1 they had against the former Authority.

2 3. Any proceeding or cause of action pending or existing before
3 the commencement of this Act, by or against the former Authority in respect
4 of any rights, interests, obligation or liability of the former Authority, may
5 be continued or as the case may require, commence and the determination of
6 a court of law, tribunal or other authority or person may be enforced by or
7 against the Authority to the same extent commenced or enforced by or
8 against the former Authority as if the act had not been made.

9 4. Any person who before the commencement of this Bill held
10 office under the Authority shall, on the commencement of this Bill be
11 deemed to have been transferred to the Authority on terms and conditions
12 obtained before the commencement of this Bill and the service under the
13 former Authority shall be deemed to be service under the Authority for
14 pension purposes.

EXPLANATORY MEMORANDUM

The Bill seeks to empower the President to designate the certain areas in Nigeria as Oil and Gas Free Zones and Special Investment Areas. The Bill also establishes the Oil and Gas Free Zones Authority to manage, control and co-ordinate all activities within Oil and Gas Free Zones as well as Special Investment Areas.

