

C1267

**[SB. 420] NIGERIAN LOCAL CONTENT DEVELOPMENT AND  
ENFORCEMENT COMMISSION BILL, 2020**

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# A BILL

## FOR

AN ACT TO REPEAL THE NIGERIAN OIL AND GAS INDUSTRY CONTENT ACT 2010 AND TO ENACT THE NIGERIAN LOCAL CONTENT DEVELOPMENT AND ENFORCEMENT COMMISSION ACT TO ESTABLISH THE NIGERIAN LOCAL CONTENT DEVELOPMENT COMMISSION AND TO PROVIDE FOR COMPREHENSIVE FRAMEWORK, STRUCTURES, PROGRAMMES AND SCHEMES FOR THE INSTITUTIONALISATION AND STRENGTHENING OF NIGERIAN LOCAL CONTENT IN ALL SECTORS OF THE NIGERIAN ECONOMY FOR SELF SUFFICIENCY, JOB CREATION, INTERNATIONAL COMPETITIVENESS OF NIGERIAN DOMESTIC BUSINESSES AND ECONOMIC DIVERSIFICATION AND FOR MATTERS CONNECTED THEREWITH

*Sponsored by* SENATOR ALIYU SABI ABDULLAHI  
(Niger North)

[

]

Commence-  
ment.

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

### PART I — PRELIMINARY

#### 1. The objectives of this Bill include —

- (1) the imposition of the application of Nigerian Local Content to any transaction in which public fund belonging to the Federal Government of Nigeria or any of its arms and/or agencies is used in any sector of the Nigerian economy, in donor or loan funded projects and in activities carried out by any entity in possession of an investment agreement with any arm of the Federal Government of Nigeria or any of its agencies;
- (2) the imposition of Nigerian Local Content to transactions in all sectors of the Nigerian economy where regulated activities are carried out especially in the petroleum, solid minerals mining, construction, power, information and communication technology, manufacturing and health sectors of the Nigerian economy;

Objectives  
of the Bill.

1 (3) the giving of preference to goods and services produced in  
2 Nigeria;

3 (4) the granting of preference to Nigerian citizens, indigenous  
4 Nigerian companies in the procurement of goods and services in  
5 all sectors of the Nigerian economy;

6 (5) the prioritization of Nigerian citizens in employment in all  
7 activities where public money belonging to any arm or agency of  
8 the Federal Government of Nigeria is used, in any sector of the  
9 Nigerian economy, in donor or loan funded projects and in activities  
10 carried out by any entity in possession of an investment agreement  
11 with any arm of the Federal Government of Nigeria or any of its  
12 agencies;

13 (6) the transfer of skills and technology to Nigerians during  
14 execution of activities where public funds belonging to the Federal  
15 Government of Nigeria or any of its arms or agencies are used, in  
16 any sector of the Nigerian economy, in donor or loan funded projects  
17 and in activities carried out by an entity in possession of an investment  
18 agreement;

19 (7) the development and implementation of Nigerian Content  
20 Plans and Programmes by persons carrying out public works and  
21 persons in possession of a permit, license, lease, approvals in  
22 respect of any activity regulated by any arm and/or agency of the  
23 Federal Government of Nigeria;

24 (8) the maximization of value-addition and job creation through  
25 the use of local expertise, goods and services, businesses and  
26 financing in the value chain of the Nigerian economy and their  
27 retention in Nigeria;

28 (9) the development of the local capacities in the value chain of  
29 the Nigerian economy through education, skills transfer and expertise  
30 development, transfer of technology and know-how and active  
31 research and development programmes;

(10) the achievement of minimum local employment level and in-country spend for the provision of the goods and services in the value chain of the Nigerian economy;

(11) the increment of the capability and international competitiveness of Nigerian domestic businesses;

(12) the achievement and maintenance of a substantial degree of control by Nigerians over development initiatives in Nigeria;

(13) the provision of a robust and transparent monitoring and reporting system to ensure delivery of Nigerian Content policy objectives; and

(14) supervision and coordination of the implementation and monitoring of Nigerian Content development in the Nigerian economy.

2.—(1) Notwithstanding anything to the contrary contained in any enactment or law, the provisions of this Bill shall be applicable to all arms and agencies of the Federal Government of Nigeria and entities and individuals carrying out business activities in all sectors of the Nigerian economy and more specifically this Bill shall apply to any person, whether natural or artificial —

Application  
and Scope.

(a) carrying out an activity where public money belonging to the Federal Government of Nigeria or any of its agencies is used;

(b) carrying out a public procurement in accordance with the Public Procurement Act, 2007;

(c) carrying out a regulated activity or operation within the provisions of —

(i) Petroleum Act,

(ii) Oil Pipeline Act,

(iii) Nigerian Minerals and Mining Act, 2007,

(iv) the Electric Power Sector Reform Act, 2005,

(v) the Nigerian Communications Act, 2003,

(vi) Nigerian Information Technology Development Agency

1 Act,  
2 (vii) Nigerian Export Processing Zones Act,  
3 (viii) Oil and Gas Export Free Zone Act 1996, and  
4 (ix) any other Act or deemed Act of the National Assembly;  
5 (d) who is in possession of an investment license or being an  
6 entity or individual being a beneficiary of a tax remission or any  
7 such similar tax incentives granted by the Federal Government of  
8 Nigeria or any of its agency;  
9 (e) being a private party under a Public Private Partnership  
10 Agreement;  
11 (f) carrying out a public works,  
12 (g) whose activities are financed through public borrowing or  
13 any such similar arrangement;  
14 (h) the activity or procurement is carried out by a person, body  
15 or entity contracted or subcontracted by the Federal Government  
16 of Nigeria or any of its agencies or subcontracted by any company  
17 involved in extractive industry, information communication  
18 technology sector, construction sector, power sector, etc. in the  
19 Nigerian economy.

20 (2) For the avoidance of doubt, the provisions of this Bill shall  
21 apply to all matters pertaining to Nigerian Local Content with respect  
22 to operations or transactions carried out in, or connected with, the  
23 Nigerian economy in the broadcasting, petroleum, mining, service,  
24 agriculture, transportation, maritime, aviation, tourism, public works,  
25 construction, power, Information and Communication technology,  
26 manufacturing and health sectors.

27 PART II — NIGERIAN LOCAL CONTENT DEVELOPMENT AND  
28 ENFORCEMENT COMMISSION

Establishment  
of Nigerian  
Local  
Content

29 3.—(1) There is hereby established for the Federation, a  
30 Commission to be known as Nigerian Local Content Development  
31 and Enforcement Commission (in this Bill referred to as “the

1 Commission”)

2 (2) The Nigerian Local Content Development and Enforcement  
3 Commission:

Development  
and  
Enforcement  
Commission.

4 (a) shall be a body corporate with perpetual succession and a  
5 common seal; and

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

7 4.—(1) The functions of the Commission shall be to —

8 (a) implement the provisions of this Bill and Regulations made  
9 thereunder;

Functions of  
the  
Commission.

10 (b) supervise, coordinate, administer, monitor, manage and  
11 enforce the implementation and development of Nigerian content  
12 in the Nigerian economy;

13 (c) appraise, evaluate and approve the Nigerian content plans  
14 and reports submitted in compliance with any provision of this Bill;

15 (d) award Certificate of Authorization and conduct reviews of  
16 the Nigerian Local Content Plans and reports submitted in  
17 compliance with the provisions of this Bill;

18 (e) administer and operate Nigerian Content e-market place  
19 and Joint Qualifications Systems for the Nigerian content  
20 development in accordance with the provisions of this Bill;

21 (f) assist local contractors and Nigerian companies to develop  
22 their capabilities and capacities in the Nigerian economy to further  
23 the attainment of the goal of developing Nigerian content in the  
24 Nigerian economy;

25 (g) make procedures to guide the implementation of this Bill in  
26 respect of the development and enforcement of Nigerian content in  
27 the Nigerian economy;

28 (h) monitor and coordinate the Nigerian content performance of  
29 critical operators in the Nigerian economy in accordance with the  
30 provisions of this Bill;

31 (i) make auditing procedures and conduct regular audits for the

1 purposes of monitoring and enforcing compliances with the  
2 provisions of this Bill and any Regulation made in pursuant to this  
3 Bill;

4 (j) provide guidelines, definitions and measurement of Nigerian  
5 content indicator to be utilized in all sectors covered by this Bill;

6 (k) conduct studies, researches and investigations that may further  
7 the attainment of the goal of developing Nigerian content in all sectors  
8 of the Nigerian economy covered by this Bill;

9 (l) organize conferences, workshops, seminars, symposia,  
10 trainings, road shows and other public education fora to further the  
11 attainment of the goal of developing Nigerian content in all sectors  
12 of the Nigerian economy covered by this Bill;

13 (m) take steps to encourage indigenous professionals in the  
14 Diaspora to collaborate with resident Nigerian professionals and  
15 technical facilities and use their expertise to develop the Nigerian  
16 content in all sectors of the Nigerian economy to which this bill  
17 applies;

18 (n) promote mutually beneficial Public Private Partnership (PPP)  
19 by encouraging direct collaboration in the production and  
20 manufacturing ventures of products, such as fittings, spare parts,  
21 domestic wares, etc. between foreign manufacturers and indigenous  
22 engineering facilities, and those to be brought in by foreign investors  
23 at reasonable cost;

24 (o) establish Centres for Acquisition of Technology in or round  
25 the producing areas of the product (i.e. oil and gas, solid minerals,  
26 power, health, etc.) in the Country for the promotion of technology  
27 utilization, strengthening of technology management capabilities and  
28 capacities;

29 (p) collaboration with any reasonable and responsible entity to  
30 promote Research and Development of the Nigerian content in the  
31 Nigerian economy;

1 (q) enforce the provisions of this Bill and subject to the provisions  
2 of the Constitution of the Federal Republic of Nigeria, to prosecute  
3 any person that violates any provision of this Bill;

4 (r) promote the acquisition of bulk product manufacturing licenses  
5 from foreign manufactures for the use of locally trained medium  
6 and large scale manufacturers; and

7 (s) do legally anything necessary to be done to facilitate the  
8 carrying out of its functions under this Bill.

9 (2) The functions of the Commission enumerated in subclause  
10 (1) of this clause except as the nature of the function will otherwise  
11 dictate, shall be performed by the Commission through the Board,  
12 Secretariat and Directorates of the Commission established under  
13 this Bill.

14 **5.—**(1) There shall be established the following Directorates for  
15 the Commission —

Establishment  
of  
Directorates.

16 (a) Directorate of Nigerian Local Content on Oil and Gas;

17 (b) Directorate of Nigerian Local Content on Information and  
18 Communication Technology;

19 (c) Directorate of Nigerian Local Content on Solid Minerals and  
20 Metallurgy;

21 (d) Directorate of Nigerian Local Content on Construction;

22 (e) Directorate of Nigerian Local Content on Power;

23 (f) Directorate of Nigerian Local Content on Manufacturing;

24 (g) Directorate of Nigerian Content on Health.

25 (2) Each Directorate shall have among others the following  
26 departments —

27 (a) Department of Finance and Supply;

28 (b) Department of Human Resources;

29 (c) Department of Monitoring, Evaluation and Enforcement;

30 (d) Department of Planning, Research and Statistics;

31 (e) Department of Legal Services;

- 1 (f) Department of Projects; and  
2 (g) Department of Capacity Building.
- Delimitation of the Responsibilities of the Directorates of Nigerian Local Content on Oil and Gas. 3 6. The scope of the responsibilities for each of the Directorates  
4 established under this Bill shall be as set out in the provisions of this  
5 Bill.
- 6 7.—(1) The Directorate of Nigerian Local Content on Oil and  
7 Gas shall be responsible for overseeing, coordinating, monitoring,  
8 administering and enforcing the implementation of the provisions of  
9 this Bill in relation to the operations, transactions and activities arising  
10 from the exploration, production and exploitation of petroleum  
11 resources in Nigeria provided that such responsibility shall not be  
12 extended to transactions and activities carried out in the information  
13 and communication technology sector or extend to any ancillary  
14 transaction or activity which any other Directorate or body has been  
15 specifically assigned responsibility under this Bill.
- 16 (2) For the avoidance of doubt, the responsibilities of the  
17 Directorate of Nigerian Local Content on Oil and Gas shall include:
- 18 (a) the construction of —  
19 (i) petroleum installations including oil and gas pipelines,  
20 (ii) platforms for petroleum rigs,  
21 (iii) petroleum exploration, production and exploitation site  
22 buildings,  
23 (iv) oil wells,  
24 (v) gas plants, and  
25 (vi) any other construction to aid petroleum exploitation;
- 26 (b) the transportation of crude oil and gas in the Nigerian  
27 Petroleum Sector.
- Directorate of Nigerian Local Content on Information and Communication Technology. 28 8. The Directorate of Nigerian Local Content on Information  
29 and Communication Technology shall be responsible for overseeing,  
30 coordinating, monitoring, administering and enforcing the  
31 implementation of the provisions of this Bill in relation to the operations,



1 transactions and activities in the Nigerian Information and  
2 Communication Technology Sector provided that such responsibility  
3 shall not extend to any ancillary transaction or activity which any  
4 other Directorate or body had been specifically assigned responsibility  
5 under this Bill.

6       9. The Directorate of Nigerian Local Content on Solid Minerals  
7 and Metallurgy shall be responsible for overseeing, coordinating,  
8 monitoring, administering and enforcing the implementation of the  
9 provisions of this Bill in relation to the operations, transactions and  
10 activities in the Solid Minerals and Metallurgy sector in Nigeria  
11 provided that such responsibility shall not extend to any transaction  
12 or activity that is ancillary to the exploration and exploitation of solid  
13 minerals and metallurgical resources which any other Directorate or  
14 body had been specifically assigned responsibility under this Bill.

Directorate  
of Nigerian  
Local  
Content on  
Solid  
Minerals  
and  
Metallurgy.

15       10. The Directorate of Nigerian Local Content on Construction  
16 shall be responsible for overseeing, coordinating, monitoring,  
17 administering and enforcing the implementation of the provisions of  
18 this Bill in relation to the operations, transactions and activities in the  
19 Nigerian Construction Sector provided that such responsibility shall  
20 not extend to construction carried out in the oil and gas industry in aid  
21 of exploration, production and exploitation of petroleum resources,  
22 or to any activity ancillary to construction which any other Directorate  
23 or body had been specifically assigned responsibility under this Bill.

Directorate  
of Nigerian  
Local  
Content on  
Construction.

24       11. The Directorate of Nigerian Local Content on Power shall  
25 be responsible for overseeing, coordinating, monitoring, administering  
26 and enforcing the implementation of the provisions of this Bill in relation  
27 to the operations, transactions and activities in the power sector in  
28 Nigeria provided that such responsibility shall not extend to any  
29 transaction or activity which any other Directorate or body had been  
30 specifically assigned responsibility under this Bill.

Directorate  
of Nigerian  
Local  
Content on  
Power.

Directorate  
of Nigerian  
Local  
Content on  
Manufacturing.

1           **12.** The Directorate of Nigerian Local Content on Manufacturing  
2 shall be responsible for overseeing, coordinating, monitoring,  
3 administering and enforcing the implementation of the provisions of  
4 this Bill in relation to the operations, transactions and activities in the  
5 manufacturing sector in Nigeria provided that such responsibility shall  
6 not extend to any transaction or activity which any other Directorate  
7 or body had been specifically assigned responsibility under this Bill.

Directorate  
of Nigerian  
Local  
Content on  
Health.

8           **13.—**(1) The Directorate of Nigerian Local Content on Health  
9 shall be responsible for overseeing, coordinating, monitoring,  
10 administering and enforcing the implementation of the provisions of  
11 this Bill in relation to the operations, transactions and activities in the  
12 health sector in Nigeria provided that such responsibility shall not  
13 extend to any transaction or activity which any other Directorate or  
14 body had been specifically assigned responsibility under this Bill.

15           (2) For the avoidance of doubt, the responsibilities of the  
16 Directorate of Nigerian Local Content on Health shall include:

17           (a) taking all necessary steps to ensure that Nigerian indigenous  
18 companies independently produce medicines and medical equipment  
19 to meet up domestic needs and for exports where there is a surplus  
20 in the quantity produced for domestic need;

21           (b) the promotion of the use of locally produced pharmaceutical  
22 products and medical devices in Nigeria; and

23           (c) prioritising pharmaceutical preparations paying attention to  
24 the use of locally sourced raw materials and medical devices at  
25 different stages of the preparations.

Appointment  
of heads of  
Directorates.

26           **14.—**(1) Each Directorate shall be headed by an Executive  
27 Commissioner who shall be appointed by the President and Commander  
28 in Chief of the Armed Forces of the Federal Republic of Nigeria subject  
29 to the approval of the Senate.

30           (2) The President and Commander in Chief of the Armed Forces  
31 of the Federal Republic of Nigeria shall pursuant to subclause (1) of

1 this clause appoint —

2 (a) in the case of clause 7 of this Bill, a person who is a graduate  
3 of at least 15 years out of which he has gained cognate experience  
4 in matters relating to Nigerian Local Content Development in the  
5 oil and gas industry and shall be appointed on the recommendation  
6 of the Minister responsible for oil and gas;

7 (b) in the case of clause 8 of this Bill, a person who is a graduate  
8 of at least 15 years out of which he has gained cognate experience  
9 in matters relating to Nigerian Local Content Development in the  
10 Information and Communication Technology Industry and shall be  
11 appointed on the recommendation of the Minister responsible for  
12 Information and Communication Technology;

13 (c) in the case of clause 9 of this Bill, a person who is a graduate  
14 of at least 15 years out of which he has gained cognate experience  
15 in matters relating to Nigerian Local Content Development in the  
16 solid minerals and metallurgy industry and shall be appointed on the  
17 recommendation of the Minister responsible for solid minerals  
18 development;

19 (d) in the case of clause 10 of this Bill, a person who is a graduate  
20 of at least 15 years out of which he has gained cognate experience  
21 in matters relating to Nigerian Local Content Development in the  
22 construction industry and shall be appointed on the recommendation  
23 of the Minister responsible for works;

24 (e) in the case of clause 11 of this Bill, a person who is a  
25 graduate of at least 15 years out of which he has gained cognate  
26 experience in matters relating to Nigerian Local Content  
27 Development in the power sector and shall be appointed on the  
28 recommendation of the Minister responsible for power; and

29 (f) in the case of clause 12 of this Bill, a person who is a  
30 graduate of at least 15 years out of which he has gained cognate  
31 experience in matters relating to Nigerian Local Content

1 Development in the manufacturing sector and shall be appointed on  
2 the recommendation of the Minister responsible for Trade and  
3 Investment.

4 (g) in the case of clause 13 of this Bill, a person who is a  
5 graduate of at least 15 years out of which he has gained cognate  
6 experience in matters relating to Nigerian Local Content  
7 Development in the health sector and shall be appointed on the  
8 recommendation of the Minister responsible for Health.

9 (3) A person to be appointed an Executive Commissioner under  
10 sub clauses (1) and (2) of this clause shall also be a person of proven  
11 integrity, experience, knowledge and interest in the development of  
12 Nigerian Local Content in the Nigerian economy and who by reason  
13 of his professional, business or occupational attainment is a fit and  
14 proper person capable of making useful contribution to the work of the  
15 Directorate he is appointed an executive commissioner to oversee  
16 under this Bill.

Powers of  
the  
Directorates.

17 **15.—**(1) A Directorate established under this Bill shall have the  
18 following powers —

19 (a) verification of Nigerian indigenous companies' capacities and  
20 capabilities vis- a- vis the Nigerian Local Content requirements of  
21 this Bill as applicable to the responsibility of the Directorate;

22 (b) evaluation of application of local content plan, reports and  
23 other documents submitted by Nigerian Local Content Entities or  
24 other entities upon whom obligation to submit such plan, report and  
25 other documents is imposed under this Bill;

26 (c) tracking and monitoring of performance of Nigerian Local  
27 Content entities in fulfilling local content obligations in respect of  
28 any work, transaction or operation that the Directorate issued a  
29 Certificate of Authorisation; and

30 (d) ranking and categorization of companies or entities operating  
31 in the sector that the Directorate oversees local content development

1 based on capabilities and capacities.

2 (2) A Directorate shall have and exercise powers to oversee,  
3 coordinate, monitor, administer and enforce the implementation of  
4 the provisions of this Bill and ensure measurable and continuous growth  
5 in local content in relation to the responsibilities of the Directorate  
6 under this Bill .

7 (3) Each Directorate established under this Bill shall also have  
8 and exercise all the powers and rights of a natural person.

9 16. In the exercise of the functions and powers conferred upon  
10 the Directorates under this Bill, the Directorates shall not be subject  
11 to the direction or control of any other person except the Board of the  
12 Commission which shall ensure that the Directorates implement the  
13 tenor and spirit of the provisions of the Bill in relation to the  
14 responsibilities of the Directorates.

Independence  
of the  
Directorates.

15 17.—(1) For the purposes of close proximity to the areas of  
16 greater activities of the sectors for which the directorates are  
17 responsible, and also to foster frequent beneficial interactions between  
18 the directorates and key stakeholders of the sectors, the headquarters  
19 of the Directorates shall be as set out hereunder —

Headquarters  
of the  
Directorates.

20 (a) the headquarters of the Directorate of Nigerian Local Content  
21 on Oil and Gas shall be sited in Yenagoa, Bayelsa State;

22 (b) the headquarters of the Directorate of Nigerian Local Content  
23 on Information and Communication Technology shall be sited in  
24 Lagos; Lagos State;

25 (c) the headquarters of the Directorate of Nigerian Local Content  
26 on Solid Minerals and Metallurgy shall be sited in Lafia, Nasarawa  
27 State;

28 (d) the headquarters of the Directorate of Nigerian Local Content  
29 on Construction shall be sited in Abuja;

30 (e) the headquarters of the Directorate of Nigerian Local Content  
31 on Power shall be sited in Abuja;

1 (f) the headquarters of the Directorate of Nigerian Local Content  
2 on Manufacturing shall be sited in Lagos in Lagos State; and

3 (g) the headquarters of the Directorate of Nigerian Local Content  
4 on Health shall be sited in Abuja.

5 (2) Each of the Directorates may set up an office in any state of  
6 the Federation.

7 PART III — NIGERIAN LOCAL CONTENT DEVELOPMENT PLAN

Submission  
of Nigerian  
Local  
Content  
Development  
Plan.

8 18.—(1) Any Nigerian Local Content entity bidding for or applying  
9 for any licence, permit, lease, approval or any interest to undertake  
10 any regulated activity in any sector of the Nigerian economy to which  
11 this Bill applies, shall submit a Nigerian Local Content Development  
12 Plan (“the Plan”) to the relevant Directorate and also to the Authority  
13 which is to grant the licence, permit, lease, approval or the interest  
14 for the undertaking of the activity (also called “Awarding Authority”).

15 (2) A Nigerian Local Content Entity shall, for the purposes of  
16 sub clause(1) of this clause submit a long term Nigerian Local Content  
17 Development Plan relating to the work programme with respect to the  
18 entire project which shall be submitted together with the bid or  
19 application to engage in the regulated activity.

20 (3) A Directorate to whom a Nigerian Local Content  
21 Development Plan is to be submitted may prescribe fees for the  
22 submission and processing of such Plan.

Duty to set  
out certain  
prescribed  
information  
in the  
Nigerian  
Local  
Content  
Development  
Plan.

23 19.—(1) A Nigerian Local Content entity shall, in preparing a  
24 Nigerian Local Content Development Plan, set out the following  
25 information —

26 (a) the expected quantity and quality of goods and services that  
27 may be required for the execution of the project;

28 (b) the estimated quantum of Nigerian produced goods and  
29 services that meet the required standards in the industry to be used  
30 out of the total estimated quantity and quality of goods and services  
31 that may be required for the execution of the entire project;

1 (c) the projected number and qualification requirements of  
2 Nigerians to be engaged in the execution of the project and the  
3 standards for the remuneration of such employees;

4 (d) strategies for the support of Nigerians' participation in the  
5 activities to which the plan relate;

6 (e) total budget estimate with regard to the implementation of  
7 the Nigerian local content components of the entire project.

8 (2) An entity shall, subject to the provisions of this Bill and for  
9 the purposes of sub clause (2) of clause 18 of this Bill, include in its  
10 Nigerian Local Content Development Plan, the following --

11 (a) employment and skills development plan;

12 (b) research and development plan;

13 (c) technology transfer plan;

14 (d) financial services plan;

15 (e) legal services plan;

16 (f) insurance services plan;

17 (g) succession plans for positions not held by Nigerians; and

18 (h) such other plans as may be prescribed in an appropriate  
19 Regulation pursuant to this Bill.

20 **20.** A Directorate to whom a Nigerian Local Content  
21 Development Plan is submitted shall acknowledge the receipt of the  
22 submission within seven days from the date of the receipt of the Plan.

23 **21.—(1)** A Directorate upon the receipt of an application for  
24 Authorisation from a Nigerian Local Content entity shall within sixty  
25 days review and assess the Plan and, if satisfied that the Plan complies  
26 with the provisions of this Bill in relation to the Nigerian Content  
27 Development, issue a Certificate of Authorisation ("the Certificate")  
28 to the entity.

29 (2) For the purposes of reviewing or assessing the Plan vis - a-  
30 vis, the Nigerian Content requirements of this Bill, a Directorate to  
31 which an application for a Certificate of Authorisation is made may

Duty to  
acknowledge  
receipt of the  
submission  
of Plan.

Issuance of  
Certificate of  
Authorisation.

	1	conduct a public hearing in relation to the exercise of any of its powers
	2	or/and functions under this Bill provided that any such review or
	3	assessment is completed and certificate issued or denied within sixty
	4	days from the date of the receipt of the application for Authorisation.
Public	5	<b>22.—</b> (1) The Directorate shall, in reviewing and assessing the
Participation	6	Nigerian Local Content Development Plan under clause 21 of this Bill
in the review	7	ensure public participation and shall, for this purpose —
and	8	(a) publicize the plan in at least three widely circulated national
assessment	9	newspaper, the website of the Directorate and the Commission and
of plans.	10	through such other media as the Directorate may consider
	11	appropriate;
	12	(b) involve the relevant stakeholders in the industry to which the
	13	plan relates and afford such stakeholders an opportunity to be heard;
	14	and
	15	(c) take into account any representations that may be made to the
	16	Directorate by any person prior to making its decision.
	17	(2) The Directorate shall publicize the plan as stipulated in
	18	subclause (1) (a) of this clause within a period of 14 days upon the
	19	receipt of the plan.
Duty to	20	<b>23.—</b> (1) The Directorate shall, upon reviewing and assessing a
inform an	21	Nigerian Local Content Development Plan, inform the applicant of its
applicant of	22	decision to approve or refuse the approval of the plan within a period
decision on	23	of seven days from the date of its decision.
the approval	24	(2) Where the Directorate refuses to approve a plan, it shall
or refusal of	25	furnish the applicant with a written statement of the reasons for the
plan.	26	refusal which may include recommendations to the applicant.
Submission	27	<b>24.—</b> (1) An applicant may, where applicable, within a period of
of a	28	thirty days from the date of notification of the decision by the
Revised	29	Directorate refusing to approve the Nigerian Local Content
Plan where	30	Development Plan and receipt of the written statement under sub clause
a previous	31	(2) of clause 23 of this Bill, -
plan was		
refused.		



1 (a) revise the Nigerian Local Content Development Plan taking  
2 into account the reasons given for the refusal; and

3 (b) submit the revised Nigerian Local Content Development Plan  
to the Directorate.

4 (2) The revise plan submitted shall be reviewed and assessed  
5 and approval given or denied within fifteen days from the date of the  
6 receipt of the said revised plan.

7 **25.** Where a Directorate upon the receipt of an application for a  
8 Certificate of Authorisation fails to inform the applicant of the approval  
9 or denial of the application within sixty days from the receipt of the  
10 application, the failure shall be deemed to be an approval for the  
11 Nigerian Local Content entity to commence the utilisation of the  
12 instrument and/or execute the project.

Deemed  
Grant of  
Approval of  
Plan.

13 **26.—(1)** A Nigerian Content Plan once approved shall not be  
14 deviated from except in exceptional circumstances and with the approval  
15 of the relevant Directorate that issued the Letter of Authorisation in  
16 relation to the plan.

Deviation  
from  
Approved  
Nigerian  
Content  
Plan.

17 (2) A Nigerian Local Content Entity intending to deviate from  
18 an approved Nigerian Local Content Plan shall apply in writing to the  
19 Directorate that approved the plan, stating the grounds for which the  
20 deviation is sought.

21 (3) The exceptional circumstances referred to in sub clause (1)  
22 of this clause is where the performance of a matter contained in the  
23 Nigerian Content Plan has due to reasonable unforeseen circumstances  
24 at the time of submitting the Plan has become impracticable to be  
25 performed or adhere to, and the applicant cannot reasonably be  
26 expected to do anything to overcome the impracticability.

27 (4) The relevant Directorate in approving deviation shall impose  
28 such condition including but not limited to a condition that a proper and  
29 fit alternative to the item in the Plan sought to be deviated from should  
30 replace the item.

Commencement  
of the  
utilisation of  
instrument  
or execution  
of project.

1           **27.** The utilisation of any instrument or execution of any project  
2 to which the provisions of this Bill apply shall not commence until the  
3 Nigerian Local Content Entity who is to utilise the instrument or execute  
4 the project has applied for and obtained from the relevant Directorate,  
5 a Certificate of Authorisation showing that the Nigerian Local Content  
6 Development Plan that the entity submitted to the Directorate met the  
7 requirements of the provisions of this Bill and has been accordingly  
8 approved by the Directorate.

Duty of  
Directorates  
to transfer  
applications  
in respect of  
plans.

9           **28.** Where a Nigerian Local Content Entity in its/his bid to fulfil  
10 any obligation imposed on it/him to make an application to obtain an  
11 approval from a Directorate under this Bill makes an application to a  
12 wrong Directorate, such Directorate shall upon discovery of the error  
13 immediately transfer the application to the appropriate Directorate  
14 and shall accordingly inform the applicant of the transfer.

15                               **PART IV — NIGERIAN CONTENT ON EMPLOYMENT**  
16   **AND SKILL DEVELOPMENT.**

Preparation  
and  
implementation  
of strategies  
and plans  
for the  
development  
of local  
skills and  
capacities.

17           **29.** A Nigerian Local Content Entity shall, in order to develop  
18 the skills and capacity of Nigerians to participate effectively in the  
19 sector or sectors it operates, prepare and implement strategies and  
20 plans for the utilization of —

- 21           (a) technical service contracts, joint ventures and strategic  
22 alliances to broaden opportunities for Nigerians to build capacities;  
23           (b) technology transfer programmes with indigenous Nigerian  
24 companies to provide credible and measurable plans on incremental  
25 transfer of technological know-how to Nigerians, where the Nigerian  
26 Local Content Entity is not a Nigerian indigenous company; and  
27           (c) internships to equip Nigerians at all levels of the value chain  
28 in the Nigerian economy with the view to developing a critical  
29 mass of knowledgeable and competent national skills pool.

Submission  
of Nigerian  
Local

30           **30.—** (1) A Nigerian Local Content Entity shall, for the purpose  
31 of clause 29, prepare a Nigerian Local Content Employment and Skill

1 Development Plan which shall be an Appendix to the Nigerian Local  
2 Content Development Plan to be submitted to the Directorate under  
3 clause 18 of this Bill.

Content on  
Employment  
and Skill  
Development  
Plan.

4 (2) A Nigerian Local Content Employment and Skill Development  
5 Plan shall include —

6 (a) a forecast of the employment and training needs of the Nigerian  
7 Local Content Entity or other connected entity which shall also include  
8 —

9 (i) a specification of the skills needed;

10 (ii) the anticipated skill shortages in the local workforce;

11 (iii) the specific training requirements; and

12 (iv) the anticipated expenditure that will be incurred by the  
13 operator or other connected entity in implementing the  
14 employment and training plan;

15 (b) a time frame within which the Nigerian Local Content Entity,  
16 or other entities involved in the business activities of the Nigerian  
17 Local Content Entity shall provide employment opportunities for  
18 the Nigerian workforce for each phase of the project to enable  
19 Nigerians prepare for such opportunities;

20 (c) efforts made and procedures adopted for the accelerated  
21 training of Nigerians; and

22 (d) the information in the implementation of the strategies and  
23 plans set out under clause 19 (1) of this Bill

24 **31.—**(1) A Nigerian Local Content Entity shall, in addition to the  
25 requirement under subclause (1) of clause 30 of this Bill and upon  
26 commencing its regulated activities under this Bill, submit to the  
27 relevant Directorate a quarterly report setting out —

Submission  
of quarterly  
Report on  
Employment  
and  
Training.

28 (a) the employment and training activities undertaken during the  
29 reporting period; and

30 (b) a comparative analysis of the employment and training plan  
31 to monitor compliance.

1 (2) The quarterly report submitted to the Directorate under this  
2 clause shall specify the number of Nigerians recently employed during  
3 the respective quarter and their job descriptions.

4 (3) The Directorate may request for such further information  
5 with respect to the employment and skills development plan as the  
6 Directorate considers necessary for the purpose of the implementation  
7 of this Bill.

Research  
and  
Development  
Plan.

8 32.—(1) A Nigerian Local Content Entity shall, before the  
9 commencement of its activities, prepare and submit to the relevant  
10 Directorate, its research and development plan.

11 (2) A Research and Development Plan shall contain —

12 (a) a not more than five year plan of the research initiatives to  
13 be undertaken in Nigeria by the Nigerian Local Content Entity  
14 seeking to commence the activities;

15 (b) a plan on the expenditure to be incurred in implementing the  
16 research and development plan; and

17 (c) request for proposals for research and development initiatives  
18 related to the activities of the entity.

19 (3) A Nigerian Local Content Entity shall —

20 (a) annually review and update the research and development  
21 plan submitted to the Directorate under subclause (1); and

22 (b) submit the updated plan to the Directorate, annually.

Abridgement  
of  
knowledge  
gap by  
promoting  
research and  
development.

23 33.—(1) Each Directorate shall, pursuant to the objectives of  
24 this Bill, put in place measures and implement strategies including but  
25 not limited to the promotion of research and development in order to  
26 bridge the knowledge gap in relation to any area in the sector that the  
27 Directorate is responsible for where there exists any deficit in skill  
28 and knowledge.

29 (2) Each Directorate shall, for the purpose of subclause (1) of  
30 this clause, liaise with research institutions and regulatory bodies in  
31 the formation and review of local training curricula and equipment of

1 training facilities to meet up with the need for the relevant skill and  
2 knowledge.

3 34.—(1) A Nigerian Local Content Entity shall set aside, annually  
4 and for the purpose of carrying out research and development activities  
5 in Nigeria, five percent of the net profit made by the entity which sum  
6 shall be used for Research and Development activities.

Fund on  
Research  
Development.

7 (2) The funds set aside under subclause (1) shall be applied as  
8 follows —

9 (a) fifty percent shall be allocated to research and development  
10 programmes in Nigerian tertiary or research institution(s); and

11 (b) fifty percent shall be applied to research and development  
12 activities within the facilities of the entity, established in Nigeria.

13 (3) For the purposes of this clause, a Nigerian Local Entity to  
14 which the provisions of this Bill apply, shall establish a Fund domiciled  
15 in the Central Bank of Nigeria into which the five percent of the net  
16 profit for Research and Development shall be paid.

17 (4) The five percent of the net profit of such entities paid into the  
18 Fund established for Research and Development under this clause  
19 shall be tax deductible.

20 PART V — TRANSFER OF TECHNOLOGY FOR NIGERIAN CONTENT

21 DEVELOPMENT AND SUCCESSION PLAN

22 35.—(1) Each Directorate shall, in consultation with the Board  
23 of the Commission and in collaboration with relevant stakeholders in  
24 the sector that the Directorate is responsible for —

Transfer of  
Technology  
to promote  
the  
development  
of Nigerian  
content.

25 (a) formulate a strategic plan on the transfer of emerging  
26 technologies with respect to various operations in the sector that the  
27 Directorate is responsible for, from non-Nigerian indigenous  
28 companies to Nigerian indigenous companies or Nigerians, and  
29 ensure that any arrangement for such transfer of technology is  
30 registered with the National Office for Technology Acquisition and  
31 Promotion; and

1 (b) publicize in such manner as it shall consider appropriate, the  
2 strategic plan.

3 (2) The Directorate shall set out in the strategic plan formulated  
4 under subclause (1) of this clause —

5 (a) the provisions to be included in contracts, agreements,  
6 concessions and licences granted to a non- Nigerian indigenous  
7 companies for the transfer of technological know- how to Nigerians  
8 in the sector value chain;

9 (b) a framework for the monitoring and evaluation of the  
10 implementation of the policy on transfer of technology;

11 (c) the strategies designed to increase the capability and  
12 international competitiveness of Nigerians and indigenous Nigerian  
13 companies; and

14 (d) programmes specifically designed to achieve and maintain a  
15 degree of control by indigenous Nigerian companies over operations  
16 in the relevant sector.

Submission  
of  
Implementation  
Plan for  
transfer of  
technology.

17 **36.—**(1) A Nigerian Local Content Entity shall prepare and submit  
18 to the Directorate, together with its Nigerian Local Content Plan  
19 submitted under clause 18 of this Bill, a plan for the implementation  
20 of any programme for the transfer of technology to Nigerians or  
21 Nigerian indigenous companies.

22 (2) A plan submitted under subsection (1) shall include-

23 (a) a plan of activities aimed at promoting the effective transfer  
24 of technology from the Nigerian Local Content Entity to a Nigerian  
25 or an indigenous Nigerian company;

26 (b) the specific requirement for the transfer of technology;

27 (c) the expected outputs;

28 (d) timeframe for the implementation of the activities set out in  
29 the plan; and

30 (e) the anticipated expenditure that will be incurred by the  
31 operator.

1        37.—(1) A non- Nigerian Local Content Entity where it has  
2 knowledge of, and skill for, an emerging or existing technology, shall  
3 facilitate the transfer of such technology to Nigerians and for this  
4 purpose shall —

Duty to  
facilitate the  
transfer of  
technology.

5        (a) prepare and adopt technology transfer agreements with  
6 Nigerians or indigenous Nigerian companies to provide credible  
7 and measurable plans on incremental transfer of emerging or existing  
8 technological know-how to Nigerians and indigenous Nigerian  
9 companies; and

10        (b) facilitate the formation or entry into joint ventures and  
11 partnering through licensing agreements between Nigerians and  
12 foreign operators or supply companies.

13        (2) The relevant Directorate shall, for the purpose of this clause,  
14 prepare an assessment tool for the monitoring and evaluation of the  
15 transfer of technology by a non- Nigerian Local Content Entity under  
16 this Bill.

17        38. Each Directorate upon the consultation with the Board of  
18 the Commission and other relevant agencies, shall submit  
19 recommendations to the President and Commander in-Chief of the  
20 Armed Forces of the Federal Republic of Nigeria for the setting up of  
21 criteria for obtaining fiscal and other incentives by entities that  
22 facilitate the transfer of technology and expertise to Nigerians or  
23 indigenous Nigerian companies especially by —

Incentives  
to facilitate  
transfer of  
technology.

24        (a) foreign companies which demonstrate substantial commitment  
25 to develop technological and expertise capacities and skills of  
26 indigenous Nigerian companies and Nigerians; and

27        (b) indigenous Nigerian companies and Nigerians who establish  
28 factories and production units in the country in respect of goods that  
29 are largely imported.

30        39.—(1) A person who engages in an activity to which this Bill  
31 applies shall submit to the relevant Directorate and the agency

Succession  
Plan.

1 responsible for the grant of expatriate quota a succession plan for  
2 every position not held by a Nigerian citizen within a period of six  
3 months from the commencement of its operations.

4 (2) A succession plan shall provide for the understudy, by  
5 Nigerians, of each incumbent foreigner for such period as shall be  
6 determined by the Directorate on a case by case basis and at the end  
7 of such period, the position shall be assumed by the Nigerian.

8 (3) All positions held by Nigerians shall attract salaries, wages  
9 and benefits as may be set out in the conditions of service of the Nigerian  
10 Local Content Entity with respect to Nigerian employees.

11 (4) A Nigerian Local Content Entity shall submit to the relevant  
12 Directorate in respect of the activities of the entity, a report on the  
13 conditions of service and staff demography of all persons employed or  
14 contracted by the entity in connection with its operations.

15 PART VI — INSURANCE, LEGAL AND FINANCIAL PLAN

Submission  
of  
Insurance,  
Legal and  
Financial  
Services  
Plan.

16 40. A Nigerian Local Content Entity required under this Bill to  
17 submit a Nigerian Local Content Development Plan shall submit to  
18 the relevant Directorate, together with its Nigerian Local Content  
19 Development Plan required to be submitted under clause 18 of this  
20 Bill, an Insurance, Legal and Financial Services Plan setting out —

21 (a) the nature of Insurance, Legal and Financial Services  
22 required by the entity;

23 (b) a projection of the Insurance, Legal and Financial Services  
24 required for the duration of the project; and

25 (c) the expenditure plan relating to the use of Insurance, Legal  
26 and Financial Services in relation to the project.

Duty to  
patronise  
Nigeria  
insurance,  
legal and  
financial  
services.

27 41.—(1) All operators, project promoters, alliance partners and  
28 Nigerian indigenous companies engaged in any form of business,  
29 operations or contract in any sector of the Nigerian economy, shall  
30 insure all insurable risks related to their businesses, operations or  
31 contracts with an insurance company, through an insurance broker



1 registered in Nigeria under the provisions of the extant Insurance Act.

2 (2) All operators, project promoters, alliance partners and  
3 Nigerian indigenous companies engaged in any form of business,  
4 operations or contract in any sector of the Nigerian economy, shall  
5 submit to the relevant Directorate responsible for the sector under  
6 this Bill, a list of all insurance companies and insurance brokers through  
7 which insurance covers were obtained in the past one year, the class  
8 of insurance cover obtained and the expenditures made by the operator;

9 (3) The insurance programme shall include —

10 (a) a comprehensive report of —

11 (i) insurance covers obtained in the past six months of all  
12 insurance by expenditure,

13 (ii) a forecast of insurance covers required during the next  
14 one year, and

15 (iii) the projected expenditure for the covers;

16 (b) a list of —

17 (i) all insurance companies brokers through which insurance  
18 covers were obtained in the past one year,

19 (ii) the class of insurance cover obtained, and

20 (iii) the expenditures made by the operator; and

21 (c) the annual insurance premium budget for the past one year in  
22 Naira and foreign currencies.

23 **42.** No insurance risk in Nigeria shall be placed offshore without  
24 the written approval of the relevant Directorate and the Minister  
25 responsible for insurance matters in Nigeria both of whom shall ensure  
26 that Nigerian local insurance capacity has been fully exhausted.

Offshore  
placement of  
insurance  
risk.

27 **43.—**(1) All operators, contractors and other entities engaged in  
28 any operation, business or transaction in any sector of the Nigerian  
29 economy requiring legal services shall retain only the services of a  
30 Nigerian legal practitioner or a firm of Nigerian legal practitioners  
31 whose office shall be located in any part of Nigeria.

Engagement  
of Nigerian  
legal  
practitioners.

1 (2) All operators shall submit to the relevant Directorate every  
2 year, its Legal Services Plan (LSP).

3 (3) The Legal Services Plan (LSP) shall include —

4 (a) comprehensive report on —

5 (i) legal services utilized in the past one year by expenditure,

6 (ii) a forecast of legal services required during the next one  
7 year, and

8 (iii) the projected expenditure for the services;

9 (b) a list of —

10 (i) external solicitors utilized for legal services in the past one  
11 year,

12 (ii) the nature of work done, and

13 (iii) the expenditure made by the operator; and

14 (c) the annual legal services budget for the past one year in Naira  
15 and foreign currencies.

Nigerian  
Financial  
Institutions  
and foreign  
loans.

16 44.—(1) All operators, contractors and any other entity engaged  
17 in any operation, business or transaction in any sector of the Nigerian  
18 economy requiring financial services shall retain only the services of  
19 indigenous Nigerian financial institutions, except where the transaction  
20 relates to securing loan from a foreign financial institution at a lower  
21 interest rate compared to what is obtainable in the financial sector in  
22 Nigeria, provided also that in other any case of deviation from using  
23 financial institutions in Nigeria, the operator, contractor and/or entity  
24 shall obtain an approval from the Directorate with cogent and verifiable  
25 reason(s) for justification.

26 (2) All operators, contractors and any other entity engaged in  
27 any operation, business or transaction in any sector of the Nigerian  
28 economy shall submit to the relevant Directorate, every year its  
29 Financial Services Plan (FSP).

30 (3) The Financial Services Plan shall include —

31 (a) financial services utilized in the past one year by expenditure;

1 (b) a forecast of financial services required during the next one  
2 year;

3 (c) the projected expenditure for the services;

4 (d) a list of —

5 (i) financial services utilized in the past six months,

6 (ii) the nature of financial services provided, and

7 (iii) the expenditure for financial services made by the operator  
8 or its main contractors.

9 45. The Federal Government of Nigeria shall, for the purpose  
10 of enhancing the local capabilities to participate in the value chain of  
11 the Nigerian economy, put in place measures, including financial  
12 incentives that encourage the use of indigenous Nigerian financial  
13 institutions in financing the development of Nigerian Local Content in  
14 all sectors of the Nigerian economy.

Federal  
Government  
of Nigeria to  
encourage  
use of local  
financial  
institutions.

15 PART VII — PREFERENCE FOR NIGERIAN CONTENT

16 46.—(1) Every arm and agency of the Federal Government of  
17 Nigeria shall develop a Nigerian Local Content Development Plan  
18 indicating the minimum Nigerian Local Content requirement for  
19 materials, services and labor required to execute any major project  
20 provided that the Nigerian Content Development Plan so developed  
21 shall not be inconsistent with any subsisting minimum Nigerian Local  
22 Content prescribed for an item in a Regulation made by the Nigerian  
23 Local Content Development and Enforcement Commission under this  
24 Bill.

Setting  
Nigerian  
Local  
Content  
Preference  
in  
Government  
contracts.

25 (2) The Nigerian Local Content Development Plan to be made  
26 pursuant to subclause (1) of this clause shall include a plan on  
27 procurement for the project.

28 (3) The Nigerian Local Content Development Plan developed  
29 pursuant to this clause shall constitute the threshold for the evaluation  
30 of Nigerian Local Content in bids from entities bidding for contracts  
31 for the execution of projects by the arm and/or agency of the Federal

	1	Government.
Duty to give first Consideration to indigenous Nigerian companies and firms.	2	47. Every arm and agency of the Federal Government of Nigeria
	3	and any Nigerian Local Content Entity shall consider Nigerian Local
	4	Content Development as an important element of their overall business
	5	development and management and consequently shall ensure any
	6	contract, grant, permit, license, lease or any other instrument
	7	conferring any right on a person to undertake any regulated activity
	8	under the control of the Federal Government of Nigeria or any of its
	9	agencies in any part of Nigeria shall subject to the provisions of this
	10	Bill, be given to an indigenous Nigerian company and/or firm that
	11	demonstrate capacity to effectively and efficiently undertake the subject
	12	activity.
Maintenance of a transparent, fair and liberalised bidding system.	13	48.—(1) Every arm and agency of the Federal Government of
	14	Nigeria and any Nigerian Local Content Entity shall maintain a
	15	transparent, fair and liberalised bidding process for acquiring goods
	16	and services which process shall give indigenous Nigerian contractors
	17	and companies possible preferential positions to win bids provided
	18	qualities of the goods and services met the required standard set by the
	19	Standard Organisation of Nigeria(SON) or any other regulatory body.
	20	(2) An indigenous Nigerian company shall not be disqualified in
	21	a competitive bidding exclusively on the basis that it is not the lowest
	22	financial bidder, provided that the value tendered by the indigenous
	23	Nigerian company in the bid does not exceed the lowest bid price by
	24	15% margin of preference for international competitive bidding in
	25	respect of competitive bidding for Goods and 7.5% in respect of
	26	competitive bidding for Works.
Solicitation documents to indicate preference for locally produced goods and services.	27	49.—(1) Any document issued by any arm and/or agency of the
	28	Federal Government of Nigeria or any Nigerian Local Content Entity
	29	for the solicitation of offers, bids, or quotations for the supply or
	30	provision of goods and works shall expressly indicate the preference
	31	to be granted to domestic manufacturers, contractors and suppliers

1 and service providers.

2 (2) Solicitation documents shall obligate bidders or potential  
3 manufacturers, suppliers, contractors and consultants to provide cogent  
4 and verifiable statement on the quantum or percentage of  
5 locally sourced materials, personnel, financing, goods and services  
6 that would be involved and added to the value chain and which can  
7 be measured in monetary terms in the execution of the proposed project.

8 (3) Where a bidder, potential manufacturer, supplier, contractor  
9 or consultant is a foreign company or firm, it shall as part of its  
10 qualification to bid for the project show proof of the existence of a  
11 Joint Venture Agreement between itself and an indigenous Nigerian  
12 company which Agreement shall reflect the rights and obligations,  
13 including but not limited to the sharing of profits and losses between  
14 the foreign company or firm and the indigenous Nigerian company or  
15 firm.

16 **50.** An indigenous Nigerian company or firm shall not be  
17 disqualified from an award of contracts on the basis of the year of  
18 incorporation; but rather, on the basis of qualification, competence  
19 and experience of the management in the execution of similar contracts.

Disqualification  
from an  
award.

20 **51.** Notwithstanding anything to the contrary contained in any  
21 enactment, law or Regulation, the Bureau for Public Procurement  
22 (BPP) shall not issue any Certificate of No Objection for the award of  
23 any contract to which the provisions of this Bill apply without a  
24 Certificate of Authorisation issued in respect of the contract by the  
25 relevant Directorate.

Duty on  
Bureau for  
Public  
Procurement  
(BPP).

26 **52.—(1)** A person who engages in an activity to which this Bill  
27 applies shall in the recruitment of employees, give preference to  
28 Nigerian citizens.

Employment  
for  
Nigerians.

29 (2) A person to whom subclause (1) of this clause applies may  
30 only employ non-Nigerians where —

31 (a) qualified Nigerians are not available or are incapable of

1 effectively and efficiently performing the particular type of work;  
2 and

3 (b) prior authorization has been granted by the Directorate that  
4 oversees the sector in which the non -Nigerian skill would be  
5 employed.

6 (3) The Directorate may grant authorization to the employment  
7 of a non-citizen where it is satisfactorily shown that every reasonable  
8 effort was made to find a suitably qualified Nigerian citizen and none  
9 exists.

10 (4) Every employment position held by a non-Nigerian shall as  
11 much as possible be deputized by a Nigerian citizen for purposes of  
12 skills transfer and development.

13 PART VIII — PUBLIC PROJECTS FUNDED THROUGH LOANS

Nigerian  
Content for  
public works  
funded  
through  
loans.

14 **53.**—(1) Each Directorate shall within its scope of responsibilities  
15 under this Bill ensure that projects funded through loans comply with  
16 the Nigerian Local Content obligations imposed on Nigerian Local  
17 Content entities under this Bill.

18 (2) Where —

19 (a) a public works or project is funded through borrowing provided  
20 by a foreign financial institution, directly to the Federal  
21 Government, any agency of the Federal Government, supplier,  
22 provider or contractor, or

23 (b) a contractor for a public works project is contracted by a  
24 foreign entity through the application of a procurement process other  
25 than public procurement prescribed under the Public Procurement  
26 Act 2007, to the Federal Government, any agency of the Federal  
27 Government, supplier, provider or contractor, such foreign entity  
28 shall before commencing the contracted activities or public works  
29 project, submit for approval, a Nigerian Local Content Development  
30 Plan to the relevant Directorate overseeing the sector associated  
31 with the public works project for approval.

1 (3) The Nigerian Local Content Development Plan referred to  
2 - in sub clause (2) of this clause shall specifically contain sub plans to

3 —

4 (a) ensure that there are existing facilities or facilities are to be  
5 established in Nigeria to repair and/or maintain the project built in  
6 order to eliminate or reduce reliance on imported goods and services  
7 for the maintenance of such project after the completion of the  
8 project;

9 (b) subcontract at least forty percent of the value of the contracted  
10 activities to indigenous Nigerian company or companies;

11 (c) procure goods and services produced in Nigeria provided  
12 that the goods and services are certified by the relevant regulatory  
13 body to be of quality standard;

14 (d) dedicate and spend at least forty per cent of the cost of the  
15 execution of the contract on the procurement of goods manufactured  
16 or readily available and services provided in Nigeria;

17 (e) employ Nigerian citizens in the project and ensure that at  
18 least ninety per cent of its total staff are Nigerian nationals;

19 (f) ensure that its contractors and subcontractors comply fully  
20 with the Nigerian Local Content provisions in this Bill;

21 (g) undertake training of its Nigerian staff in all spheres of the  
22 project and dedicate at least two per cent of its total contract sum to  
23 this activity;

24 (h) have as much as practicable all positions occupied by non-  
25 citizens deputized by Nigerian citizens;

26 (i) implement workforce development strategies in relation to  
27 Nigerian citizens including training plans and projections to address  
28 any skill gaps that may have been identified in relation to the Nigerian  
29 labour force;

30 (j) implement strategies to transfer technology, knowledge and  
31 skills to Nigerian citizens;





1 and particulars of the indigenous Nigerian company or citizen the  
2 foreign company or foreigner sub-contracted the work to.

3 (3) Each Directorate may on case by case basis prescribe the  
4 minimum portion of a contract that is to be exclusively subcontracted  
5 to indigenous Nigerian company, companies or citizen(s) in subclause  
6 (1) of this clause in respect of a particular public works awarded under  
7 subclause (1) of this clause.

8 **55.** A person who subcontracts part of its contracted works under  
9 this Bill shall at all times be responsible for the performance of the  
10 contract without prejudice to any arrangement for indemnity between  
11 the contractor and the subcontractor.

Liability for  
Subcontracted  
Works.

12 **56.** An indigenous Nigerian company shall be eligible to be  
13 subcontracted to works under this Bill if —

Eligibility of  
indigenous  
Nigerian  
company to  
be  
subcontractor.

14 (a) it is not a subsidiary or it is not owned or does not form part of  
15 the same company group as the entity subcontracting its obligations;

16 (b) it is not an agent of the entity subcontracting its obligations;

17 (c) it is registered and operated as an indigenous Nigerian  
18 company;

19 (d) it possesses the necessary skills, equipment and technical  
20 expertise to undertake the works to be subcontracted;

21 (e) it is not in receivership, the subject of any form of insolvency  
22 or bankruptcy proceedings or the subject of any form of winding up  
23 petition or proceedings;

24 (f) it has fulfilled all its obligations to pay taxes, pensions and  
25 social security contributions and have obtained clearances from the  
26 bodies regulating these statutory obligations; and

27 (g) none of its directors has been convicted in any country for any  
28 criminal offence relating to fraud or financial impropriety or criminal  
29 misrepresentation or falsification of facts relating to any matter.

30 **57.—**(1) A contractor, supplier or subcontractor shall ensure that  
31 all their contractors and subcontractors comply with the Nigerian

Compliance  
by  
Subcontractors.

1 Content requirements under this Bill and any regulation made pursuant  
2 to this Bill.

3 (2) The obligations under this Bill accruing to a contractor,  
4 supplier or subcontractor, shall in equal measure accrue to a contractor,  
5 subcontractor, agent or successor in title of such person, body or entity.

6 (3) Parties who jointly undertake to execute any activity subject  
7 to this Bill shall be jointly and severally required to comply and ensure  
8 the compliance with the provisions of this Bill.

9 PART X — STANDARDISATION

Standardisation  
of goods  
and services.

10 **58.—**(1) All Nigerian Local Content entities shall ensure that —

11 (a) manufacturers meet set standards of the relevant regulatory  
12 bodies and agencies before presenting goods for procurement under  
13 the national competitive bidding or any other type of Public  
14 Procurement Process;

15 (b) suppliers and contractors under national competitive bidding  
16 process shall disclose local materials (processed or unprocessed),  
17 where available, needed for the execution of the project;

18 (c) shall ensure that for all consultancy contracts awarded to  
19 foreign companies, engineering drawings with the necessary  
20 calculations, design, etc., are made available to their corresponding  
21 Nigerian partners, including arrangements with Small and Medium  
22 Enterprises (SMEs) as partners towards local production of needed  
23 materials;

24 (d) foreign companies or firms are not to be engaged in contracts  
25 for works, goods and services in the country in violation of the  
26 international best practice and/or any provision of an extant law  
27 regulating the acquisition of technology and process of public  
28 procurement where public fund of the Federal Government of  
29 Nigeria is to be involved.

30 (2) The Standard Organization of Nigeria (SON) in collaboration  
31 with relevant Ministries, Extra Ministerial Department, Agencies of

1 the Federal Government, Federal Government Owned Companies  
2 (either fully or partially owned) Federal Institutions and Public  
3 Corporations shall standardize and certify SME's raw materials,  
4 products, processes and personnel, in accordance with international  
5 best practices, and the certificate issued shall be included in the  
6 solicitation documents.

7 **59.**—(1) Except where it is unavoidable to use foreign standards, a  
8 Nigerian Local Content entity shall not require the provision of a good or  
9 service or the use of material in carrying on any public works based on  
10 standards other than those developed or approved by Standard Organization  
11 of Nigeria (SON) or any other national standards body in Nigeria.

Prohibition  
of  
imposition  
of foreign  
standards.

12 (2) Wherever it is unavoidable to use foreign standards, the  
13 Nigerian Local Content entity shall apply to the Directorate of Nigerian  
14 Content Development that issued the Certificate of Authorization for  
15 the project for authorization to use a standard that is acceptable to the  
16 Directorate provided that the Directorate shall immediately take steps  
17 and consult with relevant regulatory body or bodies for the development  
18 of a Nigerian standard to substitute for the foreign standard.

19 **60.** No Nigerian Local Content entity shall consider the  
20 engagement of the services of Non Nigerian professionals for any  
21 contract award, employment, or otherwise except such professional  
22 has had his professional certificate(s) domesticated with the relevant  
23 professional body in Nigeria.

Domestication  
of foreign  
professional  
certificates.

24 **PART XI — CAPACITY DEVELOPMENT**

25 **61.**—(1) No agreement between any Ministry, Extra Ministerial  
26 Department or Agency of the Federal Government, Federal  
27 Government Owned Company (either fully or partially owned) Federal  
28 Institution and Public Corporation with any foreign company or firm  
29 in respect of any Joint Venture and Public Private Partnership (PPP)  
30 for any acquisition of technology shall be effective except the said  
31 agreement is registered with the National Office for Technology

Registration  
of Joint  
Venture and  
Public  
Private  
Partnership  
Agreements.

1 Acquisition and Promotion (NOTAP) in accordance with National  
2 Office for Technology Acquisition and Promotion Act.

3 (2) The approval of the Nigerian Concession Regulatory  
4 Commission shall be sought where the transfer of technology pursuant  
5 to subclause (1) of this clause may involve the development of public  
6 infrastructure.

Collaboration  
with  
Nigerian  
professionals  
in the  
Diaspora.

7 **62.** Nigerian Local Content Entities shall take active steps to —

8 (a) encourage indigenous Nigerian professionals in the Diaspora  
9 to collaborate with professionals working in these Nigerian Local  
10 Content entities and use their expertise to develop, improve and  
11 promote Nigerian Content in the work of such Nigerian Local  
12 Content entities;

13 (b) promote mutually beneficial Public Private Partnership (PPP)  
14 by encouraging direct collaboration in production and manufacturing  
15 ventures of products between foreign manufacturers and indigenous  
16 engineering facilities, and those to be brought in by investors at  
17 reasonable cost to the indigenous Nigerian companies.

Inculcation  
of Local  
Content  
Programmes  
in schools.

18 **63.—**(1) To inculcate in the students interest to develop local  
19 capacities and capabilities, the Federal Ministry of Education shall  
20 encourage the inclusion of Nigerian Local Content Development  
21 Programmes in the curricula of Secondary Schools and Tertiary  
22 institutions especially in-;

23 (i) science education;

24 (ii) skills transfer;

25 (iii) expertise development;

26 (iv) transfer of technology and know-how; and

27 (v) active research and development on emerging technologies.

28 (2) The Commission shall partner with the Federal Ministry of  
29 Education, International Training Fund and Federal Ministry of  
30 Labour and Employment to ensure that all local Content trainings are  
31 harmonised and aligned to appropriate skill set for all the sectors of

1 the Nigerian economy.

2       **64.** All Nigerian Local Content entities shall ensure that the Maintenance  
3 standards of control and regulation of infrastructural development in of  
4 the country are maintained, so as to promote effective and sustainable infrastructural  
5 participation of Nigerian Professionals and contractors in the realization development  
6 of economic and other beneficial goals in Nigeria. to encourage  
Nigerian  
professionals.

7       **65.** Every Ministry, Extra Ministerial Department, Agency of MDAs to  
8 the Federal Government, Federal Government Owned Company (either work with  
9 fully or partially owned) Federal Institution and Public Corporation private  
10 shall work with the organized private sector (OPS), to achieve sector to  
11 sustainable personnel Development, Training of Nigerian professionals, achieve  
12 contractors, and technocrats. sustainable  
training of  
Nigerians.

13       **66.** The Federal Ministry responsible for Industry, Trade and Acquisition  
14 Investment in collaboration with the Federal Ministry responsible for of bulk  
15 Science and Technology shall promote the acquisition of bulk product product  
16 manufacturing licenses from foreign manufacturers for the use of manufacturing  
17 locally trained medium and large scale manufacturers. licenses  
from foreign  
manufacturers.

18       PART XII — REGULATION AND MONITORING OF AWARDS

19       **67.—(1)** For any proposed project, contract, subcontract and Submission  
20 purchase order in any sector covered by this Bill estimated by a Nigerian of proposed  
21 Local Content Entity to be in excess of one hundred million Naira bidders lists  
22 (₦100, 000, 000.00) the Entity shall provide to the relevant Directorate and other  
23 for approval, advertisements, pre-qualification criteria, technical bid documents  
24 documents, technical evaluation criteria and the proposed bidders lists. for  
approval.

25       (2) The Nigerian Local Content Entity shall submit sufficient  
26 information with the notifications to enable the relevant Directorate  
27 assess the subject matter and to be satisfied that the requirements for  
28 Nigerian local content have been complied with by the Entity.

29       **68.—(1)** A Nigerian Local Content Entity shall submit to the Submission  
30 relevant directorate, 30 days prior to the first day of each quarter, a of list of all  
31 list of all contracts, subcontracts and purchase orders exceeding one contracts,  
subcontracts  
and purchase  
orders.

1 hundred million Naira (₦100,000,000.00) which will be bided for or  
2 executed in the upcoming quarter.

3 (2) For each contract, subcontract and purchase order, the list  
4 shall with necessary modification provide —

5 (a) a description of the service or item to be contracted or  
6 purchased (material and equipment specifications shall be provided  
7 upon request) ;

8 (b) estimated value of contract, subcontract or purchase order;

9 (c) the Invitation To Tender (ITT) issuance date, ITT closure  
10 date and award date; and

11 (d) any other information requested by the directorate for the  
12 purposes of implementing the provisions of this Bill.

Directorate  
to advice  
upon  
compliance.

13 69. The Directorate upon being satisfied that the provisions of  
14 clauses 67 and 68 had been complied with by a Nigerian Local Content  
15 Entity, shall advise the entity by the first day of each quarter, which  
16 contracts and sub-contracts have been designated by the Directorate  
17 for review and shall advise the said entity of the outcome of such  
18 contract review.

Submissions  
to be made  
prior to  
issuing of  
adverts or  
pre-  
qualification  
notice.

19 70. Prior to issuing of adverts or pre-qualification notification to  
20 prospective bidders, a Nigerian Local Content Entity shall submit to  
21 the relevant Directorate the following for review and approval —

22 (a) a description of the scope of work;

23 (b) a copy of the pre-qualification notification, if these documents  
24 differ from the standard pre-qualification notification previously  
25 reviewed by the relevant Directorate;

26 (c) a list of companies, indicating locations of head offices, to  
27 whom questionnaires shall be issued ; and

28 (d) anticipated dates for closure of prequalification and  
29 commencement of technical evaluation and issuance of an Invitation  
30 To Tender (ITT).

- 1       **71.** For the purposes of compiling a bidding list for any project, a       Submissions  
2 Nigerian Local Content Entity shall submit to the relevant Directorate,       to be made  
3 prior to issuing an Invitation To Tender (ITT) —       for purposes  
4       (a) a list of bidders;       of compiling  
5       (b) a copy of the Invitation To Tender (ITT) (the directorate shall       a bidding  
6 advise the operator of its requirements in this regard on a case by       list.  
7 case basis);  
8       (c) a description of corporate ownership (main shareholders by  
9 percentage) of bidders;  
10       (d) location of any Nigerian based office, plant or facility;  
11       (e) anticipated dates for closure of bids and award of contract or  
12 purchase order; and  
13       (f) any other information requested by the Directorate.  
14       **72.** Prior to the award of contract, subcontract or purchase order       Submissions  
15 to the selected bidder, a Nigerian Local Content Entity shall submit to       to be made  
16 the Directorate —       prior to an  
17       (a) the name of the selected contractor or vendor;       award of  
18       (b) a list of designated sub-contractors or sub-vendors;       contract,  
19       (c) where applicable, a list of proposed sub-suppliers;       subcontract,  
20       (d) for construction or service contracts, the estimated Nigerian       etc.  
21 employment (in person-hours);  
22       (e) contract or purchase order commencement and completion  
23 dates;  
24       (f) award Notification Form signed by an appropriate official of  
25 the operator ; and  
26       (g) statement of award rationale (evaluation of bids) showing —  
27       (i) percentage difference in price between selected bidder and  
28 each bid,  
29       (ii) a primary location of work associated with each bidder,  
30       (iii) estimates of Nigerian Local content associated with the  
31 bid of each bidder calculated in accordance with the definition of

	1	Nigerian content to be provided by the Commission, and
	2	(iv) other information relevant to the evaluation of bidders including
	3	where applicable, a summary of the technical, commercial and
	4	Nigerian Local Content aspects of the bid evaluations.
	5	73. Upon assessment of the documentation received in compliance
Directorate to advise on contract, subcontract and purchase orders.	6	with Clauses 70 to 72 of this Bill, the Directorate shall advise the
	7	Nigerian Local Content Entity, within 10 days, which contracts,
	8	subcontracts and purchase orders have been designated by the
	9	Directorate for review, and the designated contracts, subcontracts
	10	and purchase orders shall be reviewed to the satisfaction of the
	11	Directorate.
Submission of List of contracts, subcontracts and purchase orders.	12	74.—(1) A Nigerian Local Content Entity shall submit to the
	13	Directorate, within 30 days at the end of each quarter, a list of all
	14	contracts, subcontracts and purchase orders amounting to one hundred
	15	million Naira (₦100,000,000.00) or such other limit as the Directorate
	16	may determine, awarded in the previous quarter.
	17	(2) This listing shall provide —
	18	(a) a list of all items and services;
	19	(b) value of contract or purchase order;
	20	(c) name of successful contractor or vendor;
	21	(d) a primary location of work;
	22	(e) estimates of Nigerian Local Content;
	23	(f) commencement and completion date; and
	24	(g) any other information required by the Board for the purposes
	25	of implementing the provisions of this Bill.
	26	PART XIII — ESTABLISHMENT OF PROJECT OFFICE
	27	IN CATCHMENT AREAS
Project office to be established as directed by a Directorate.	28	75.—(1) Where necessary and before carrying out any work or
	29	activity in respect of a project to which the provisions of this Bill
	30	apply, the relevant Directorate may when approving a Nigerian Local
	31	Content Development Plan require a Nigerian Local Content Entity to



1 establish in the Catchment Area where the project is to be located, a  
2 project office where project management and procurement decisions  
3 are to be made.

4 (2) A Nigerian Local Content Entity shall locate, within the project  
5 office, personnel with decision- making authority in accordance with  
6 a list of personnel to be approved by the directorate.

7 76.—(1) A relevant Directorate may require a Nigerian Local  
8 Content Entity, to maintain an office in a Community where the entity  
9 has significant operations.

Maintenance  
of a  
Community  
Office by a  
Nigerian  
Local  
Content  
Entity.

10 (2) The Directorate shall ensure that the Nigerian Local Content  
11 Entity, maintains a reasonable number of personnel from areas it has  
12 significant operations.

13 PART XIV — NATIONAL SUPPLIER DATABASE

14 77.—(1) The Nigerian Local Content Commission shall in  
15 consultation with the Federal Ministries responsible for, labour,  
16 Petroleum, Power, Solid Minerals, Works, Trade and Investment,  
17 National Planning, Science and Technology, the National Office for  
18 Technology Acquisition and Promotion (NOTAP), Bureau for Public  
19 Procurement (BPP) and other relevant agencies of the Federal  
20 Government and Nigerian professional bodies and trade associations  
21 develop a national supplier database for every sector of the economy  
22 covered by this Bill.

National  
supplier  
database for  
indigenous  
Nigerian  
companies  
and citizens.

23 (2) Every indigenous Nigerian company or Nigerian citizen with  
24 expertise in Science, Engineering, Technology and other fields of  
25 expertise shall be captured in the database.

26 (3) The Commission may remove an entity or citizen from the  
27 database where the entity or citizen no longer meets the requirements  
28 to be captured in the database.

29 PART XV — ISSUANCE OF WORK PERMITS AND EXPATRIATE QUOTAS

30 78. Upon the commencement of this Bill, every non Nigerian  
31 employed or to be employed in any sector of the Nigerian economy to

Duty to  
obtain work  
permit.

	1	which this Bill applies shall apply for and obtain a Work Permit from
	2	the Nigerian Immigration Service.
Indiscriminate issuance of expatriate quota and work permits	3	<b>79.</b> Indiscriminate approval(s) for expatriate quota(s) and work
	4	permit(s) or the indiscriminate renewal of these instruments are
	5	hereby prohibited.
Duties on ministry and agency responsible for issuance of expatriate quota.	6	<b>80.</b> —(1) The Ministry responsible for Interior shall —
	7	(a) ensure that Expatriate Quota for projects, contracts and
	8	programmes are granted in line with the provisions of the
	9	Immigration Act and other relevant laws, where qualifications and
	10	competency of Nigerian are not available or cannot be ascertained,
	11	which shall be contingent on training such number of persons as
	12	may be required for the execution of the contract or project.
	13	(b) where necessary, create a special immigration classification
	14	to encourage foreign expatriates, particularly from African
	15	countries, with skills that are not available in Nigeria, to reside and
	16	work in Nigeria upon obtaining a work permit for the purpose of
	17	sharing knowledge with Nigerians.
	18	(2) The Federal Ministry responsible for the issuance of
	19	expatriate quota and the agency responsible for the issuance of work
	20	permit in Nigeria shall take into consideration the manpower data
	21	base of relevant professional bodies in determining the availability of
	22	local skilled manpower in the Nigerian economy to which this Bill
	23	applies before any approval of expatriate quota or work permit
	24	respectively, is made.
Restriction of grant or renewal of work permit.	25	<b>81.</b> A person who engages in an activity to which this Bill applies
	26	shall not be issued with a work permit or have his or her work permit
	27	renewed unless his or her application for a work permit or its renewal
	28	is supported by a letter from the Directorate responsible for the area
	29	of skill for which the work permit or its renewal is applied for,
	30	certifying that the applicant possesses the skills necessary for the
	31	employment and there is no or ascertainable Nigerian citizen possessing

1 such skills.

2 **82.—(1)** Notwithstanding anything to the contrary contained in  
3 any existing enactment, law, Regulation including but not limited to  
4 any provision in the Nigerian Immigration Act, a Nigerian Local  
5 Content Entity shall not make an application to, and receive the approval  
6 of, the Ministry of Interior or any other agency or Ministry of the  
7 Federal Government for any expatriate quota or renewal of any  
8 expatriate quota without a prior approval from the relevant Directorate  
9 to make such an application.

Restriction  
of grant or  
renewal of  
expatriate  
quota.

10 (2) The application to be made to the relevant Directorate for an  
11 approval under subclause (1) of this Clause shall be detailed and shall  
12 among other information, include —

13 (a) job Titles;

14 (b) description of responsibilities;

15 (c) the duration of the proposed employment in Nigeria;

16 (d) exceptional reason(s) why the services of an expatriate is  
17 required;

18 (e) the likely countries where the expatriate(s) would be engaged  
19 from;

20 (f) the remuneration budgeted for the payment of the services of  
21 the expatriate(s); and

22 (g) any other information required by the Directorate for the  
23 purposes of determining the merit of the application in view of the  
24 applicable provisions of this Bill.

25 **PART XVI — NIGERIAN GOODS AND SERVICES**

26 **83.** All Nigerian Local Content Entities shall ensure that  
27 companies or firms working on subcontract arrangement under such  
28 entities utilise local materials where available and comply with  
29 approved standard and quality set by the appropriate regulatory agency  
30 in Nigeria.

Local  
Materials to  
comply with  
approved  
standards.

Rejection of  
Nigerian  
produced.  
goods and  
services  
during  
procurement.

1           **84.**—(1) A Nigerian Local Content Entity shall only reject a good  
2 locally manufactured in Nigeria or a service provided by a Nigerian  
3 or an indigenous Nigerian company where such good does not meet  
4 the required quality, quantity or timeline for delivery.

5           (2) Where a good locally manufactured in Nigeria or a service  
6 provided by a Nigerian citizen or an indigenous Nigerian company  
7 does not meet the required quality, quantity or timeline for delivery or  
8 completion, the Nigerian Local Content Entity may, with the written  
9 authorization of the Directorate procure the good or service as directed  
10 by the Directorate.

11          (3) Where a good or service is procured in circumstances  
12 prescribed in subsection (2), the Nigerian Local Content Entity shall  
13 ensure that the good is supplied or the service is provided by an entity  
14 that has entered into a joint venture with an indigenous Nigerian  
15 company or Nigerian citizen.

16          (4) The request for authorization under subsection (2) shall state —

17           (a) the nature of the good or service to be procured;

18           (b) the availability of similar goods or services in Nigerian;

19           (c) the purpose for which the good or service is required;

20           (d) the minimum quality, quantity and timeline for delivery  
21 required by the local content entity;

22           (e) the market price for the good or service;

23           (f) the market price for similar goods or services; and

24           (g) any other information that may be prescribed by the Minister.

25          (5) A good locally manufactured in Nigeria or service provided  
26 by a Nigerian citizen or company shall not be solely rejected on grounds  
27 of —

28           (a) quality, if —

29           (i) in case of a good, such a good is certified by a national  
30 standards agency in Nigeria to meet the standards developed or  
31 approved for that good or service;

1           (ii) in case of a service, such a service is provided in accordance  
2           with best industry practices; or

3           (iii) the manufacturer of such a good or the person rendering the  
4           service is willing and able to produce goods or provide services  
5           meeting the required quality within a reasonable time;

6           (b) price, if —

7           (i) such a good or service is required by this Act or any other  
8           law to be exclusively procured within Nigerian;

9           (ii) the manufacturer of such a good or the person providing  
10          the service is willing and able to negotiate the price for such a  
11          good or service; or

12          (iii) such a good or service is competitive as regards to price  
13          when compared with similar goods manufactured or services  
14          rendered by persons or entities from member states of the African  
15          Union (AU); or

16          (c) quantity or timeline for delivery, if it can be demonstrated by  
17          the manufacturer of the good or the person providing the service  
18          that it can meet the quantity and timelines for delivery of such a  
19          good or a portion of the required goods or services.

20          **85.—**(1) Each Directorate established under this Bill shall by a  
21          published Regulation reserve in relation to its sector, contracts for  
22          goods or services to be exclusively procured from Nigeria and supplied  
23          by an indigenous Nigerian Company or citizen.

Reservation  
of goods to  
be  
exclusively  
procured  
from  
Nigeria.

24          (2) Notwithstanding sub clause (1) of this clause, where it appears  
25          that there is no suitably qualified indigenous Nigerian company or  
26          qualified Nigerian citizen or by its nature, the good cannot be supplied  
27          within the required time line, the contract shall be awarded to a resident  
28          company or any other company that has entered into a joint venture  
29          agreement with an indigenous Nigerian company or citizen.

	1	PART XVII — LOCAL REFINING OF CRUDE OIL AND UTILIZATION OF GAS
Duty to improve on existing local technologies in Crude Oil Refining and Gas Utilization.	2	<b>86.—</b> (1) To optimize the retention of value from the exploitation
	3	of petroleum resources in Nigeria and also to strongly support,
	4	encourage and improve on the existing indigenous Nigerian
	5	technologies in the refining of crude oil and exploitation of gas, the
	6	Directorate of Nigerian Local Content on Oil and Gas shall upon the
	7	commencement of this Bill, establish plans, programmes and train
	8	Nigerians to acquire high levels of skill and technical know-how needed
	9	to —
	10	(a) construct, repair, maintain and operate modular refineries
	11	with components capable of refining standardised quality of
	12	petroleum products including but not limited to, gasoline, kerosene,
	13	liquefied petroleum gas, distillate fuels, residual fuels, coke and
	14	asphalt, solvents, petrochemicals and lubricants in Nigeria; and
	15	(b) construct, repair, maintain and operate modular gas processing
	16	plants.
	17	(2) Notwithstanding anything to the contrary contained in any
	18	enactment, rule, regulation or any law, the Directorate of Nigerian
	19	Local Content on Oil and Gas shall undertake mutually beneficial
	20	Public Private Partnership (PPP) by entering into direct collaboration
	21	with responsible foreign and indigenous engineering companies and/
	22	or firms to discharge the duty imposed on the Directorate in sub
	23	clause (1) of this clause.
Establishment of Artisanal Refineries Technical Evaluation Team.	24	<b>87.</b> The Directorate of Nigerian Local Content on Oil and Gas
	25	in order to improve local content in petroleum refining shall upon the
	26	commencement of this Bill take immediate step to consult with the
	27	Department of Petroleum Resources, Nigerian National Petroleum
	28	Corporation, Standard Organisation of Nigeria, National Oil Spill
	29	Detection Response Agency, Nigerian Environmental Standards
	30	Regulatory Agency and any other entity the Directorate considers
	31	necessary and thereafter establish a Team to be known as “ Artisanal

1 Refineries Technical Evaluation Team” (also referred to as the  
2 “Team” in this Bill) which shall comprise of representatives of all the  
3 entities mentioned in this clause.

4 **88.**—(1) Subject to the provisions of subclause (2) of this clause,  
5 the Artisanal Refineries Technical Evaluation Team shall immediately  
6 upon its constitution inspect all existing artisanal refineries in the country  
7 and integrate the operations of these artisanal refineries into the existing  
8 formal refineries in the country.

Artisanal  
Refineries  
Technical  
Evaluation  
Team to  
inspect  
artisanal  
refineries for  
integration.

9 (2) An integration of an artisanal refinery shall not be made except  
10 the Team has subjected the artisanal refinery to a technical appraisal  
11 and the subject artisanal refinery passed such technical appraisal as  
12 being suitable to efficiently operate as a refinery.

13 **89.**—(1) Where the Artisanal Refineries Technical Evaluation  
14 Team upon evaluation of an artisanal refinery finds that the artisanal  
15 refinery did not pass the technical appraisal of the Team but possesses  
16 domestic technological potentials in petroleum refining, may  
17 recommend that the artisanal refinery be upgraded in respect of the  
18 area where the Team noticed the technical gap.

Artisanal  
Refineries  
Technical  
Evaluation  
Team may  
recommend  
the  
upgrading of  
an artisanal  
refinery for  
integration.

19 (2) The Team shall integrate the artisanal once the operation of  
20 the refinery has been upgraded to the standard recommended by the  
21 Team.

22 **90.** The Directorate of Nigerian Local Content on Oil and Gas  
23 upon the recommendation of the Artisanal Refineries Technical  
24 Evaluation Team may direct that existing artisanal refiners form  
25 themselves into cooperative societies, business units and merge their  
26 operations to gain the benefits of economies of scale.

Mergence of  
artisanal  
refineries.

27 **91.** The Directorate of Nigerian Local Content on Oil and Gas  
28 shall consult with the Central Bank of Nigeria, other financial  
29 institutions and the Department of Petroleum Resources to put in place  
30 fiscal and other strategic measures to encourage Nigerian artisanal  
31 petroleum refiners to formalise their petroleum refining activities to

Duty to put  
in place  
fiscal and  
other  
strategic  
measures to  
formalise  
artisanal  
refining in  
Nigeria.

	1	bring such refining activities within the acceptable legal framework
	2	established for refining petroleum in Nigeria.
Liberalisation of concessionary terms for artisanal petroleum refiners.	3	92.—(1) Any artisanal petroleum refiner who voluntarily applies
	4	for a permit or license to formalise his artisanal petroleum refining
	5	activities shall be issued with the permit or license applied for, on
	6	liberalise terms provided his formalised refining activities shall be
	7	carried out in a petroleum refining facility that is technically suitable
	8	and capable of ensuring environmental health and safety.
	9	(2) An applicant in subclause (1) of this clause shall not pay any
	10	application or processing fees for the permit or license and shall make
	11	his application through the Directorate of Nigerian Local Content on
	12	Oil and Gas which shall within seven days from the date of the receipt
	13	of the application forward the application to the relevant regulatory
	14	body for the issuance or otherwise of the permit or license.
	15	(3) Any agency or department of the Federal Government who
	16	has the responsibility to grant the permit or the license shall within
	17	sixty days from the date of the receipt of the application communicate
	18	to the Directorate of Nigerian Local Content on Oil and Gas its decision
	19	on the application and where the decision is a refusal to grant the
	20	permit or license, the agency or department must shall state the reason
	21	for the refusal.
Promotion of campaign to sensitize the people on the benefits of formalisation of artisanal petroleum refining.	22	93.—(1) The Directorate of Nigerian Local Content on Oil and
	23	Gas shall promote an education and sensitization campaign on the
	24	socio economic and environmental benefits for the formalisation of
	25	artisanal petroleum refining activities in the petroleum bearing areas.
Joint establishment of modular refineries with local communities.	26	(2) The Directorate shall pursuant to sub - clause (1) of this clause
	27	engage political, community and youth leaders of these areas.
	28	94.—(1) The Directorate of Nigerian Local Content on Oil and
	29	Gas shall partner with the Niger Delta Development Commission,
	30	Nigerian National Petroleum Corporation and oil mining lease holders
	31	to actively encourage the formation and operation of petroleum



1 bearing communities based cooperatives societies or similar entities  
2 with a view to jointly establishing and operating modular refineries  
3 and identifying and training persons involved in artisanal petroleum  
4 refining activities to work in these refineries so established.

5 (2) Any agreement to jointly establish and operate modular  
6 refinery pursuant to this clause, shall be reduced into writing wherein  
7 the rights and obligations of all the parties in relation to the joint  
8 establishment and operation of the modular refinery shall be clearly  
9 stated and signed by the parties or their accredited representatives.

10 95. The Directorate of Nigerian Local Content on Oil and Gas  
11 shall liaise with oil lease holders for the construction and utilisation of  
12 modular and other refineries proximate to their oil wells.

Directorate to  
liaise with  
marginal and  
other oil well  
lessees in the  
construction  
of modular  
refineries.

13 96. Locally sourced materials shall wholly or substantially be  
14 used for the construction, repairs or maintenance of modular  
15 refineries, modular gas plants and any other facility to be built  
16 pursuant to clause 86 of this Bill.

Local  
materials to  
be used for  
modular  
refineries  
and modular  
gas plants.

17 97.—(1) The Directorate of Nigerian Local Content on Oil and  
18 Gas shall in conjunction with the Department of Petroleum Resources  
19 and any other relevant Federal Government agency establish extension  
20 services for the benefit of artisanal crude oil refiners who are  
21 recognised by the Department of Petroleum Resources.

Registered  
Artisanal  
Crude Oil  
Refiners to  
enjoy  
extension  
services.

22 (2) The extension services to be enjoyed by the artisanal crude  
23 oil refiners pursuant to sub clause (1) of this clause shall include but  
24 not limited to advisory services on growth and development of the  
25 businesses of the artisanal crude oil refiners by encouraging them to  
26 always strive to adopt more modern and environmentally friendly  
27 equipment, devices and practices, sensitising of the artisanal refiners  
28 on the need to access loan facilities and participating in equipment

	1	leasing programmes where available.
Freedom from prosecution for previously operating artisanal refineries.	2	<b>98.</b> From the commencement of this Bill, no person shall be
	3	prosecuted or no further prosecution shall be maintained against any
	4	person on the ground that such person previous to the commencement
	5	of this Bill established, operated or participated in the operation of an
	6	artisanal refinery in Nigeria.
Establishment of Natural Gas Development Fund.	7	<b>99.</b> There is hereby established a Fund to be known as the “
	8	Natural Gas Development Fund” into which shall be paid the
	9	following —
	10	(a) a two per cent surcharge on the monetary value of every ton
	11	of gas imported into Nigeria by any company or entity;
	12	(b) fifty per cent of every sum accruing to the Federal Government
	13	of Nigeria derived from the pay payment of fines for flaring natural
	14	gas in the course of the production of crude oil;
	15	(c) a two per cent surcharge on the monetary value of every ton
	16	of gas sold by the Nigerian Liquefied Natural Gas Company or any
	17	other company engaged in the local production of gas in Nigeria;
	18	and
	19	(d) a two per cent surcharge on the monetary value of every
	20	contract awarded to any operator, contractor, sub- contractor,
	21	alliance partner or any other entity involved in any project, operation,
	22	activity or transaction in the gas sub-sector of the oil and gas industry
	23	in Nigeria which shall be deducted at source and paid into the Fund.
Management of Natural Gas Development Fund.	24	<b>100.</b> The Natural Gas Development Fund shall be managed by
	25	the Directorate of Nigerian Local Content on Oil and Gas and shall be
	26	exclusively used for the construction, repairs and maintenance of
	27	modular gas processing plants in Nigeria.
	28	<b>PART XVIII — FORMALISATION OF ARTISANAL MINERS OF</b>
	29	<b>SOLID MINERALS</b>
Duty to improve on existing local	30	<b>101.</b> To retain the maximum economic and social benefits of the
	31	mining activities of Artisanal and Small Scale Miners in the country

1 and to improve on the existing indigenous Nigerian technologies on technologies  
2 mining solid minerals, the Directorate of Nigerian Local Content on in solid  
3 Solid Minerals and Metallurgy shall on the commencement of this mineral  
4 Bill, establish plans, programmes and train artisanal and small scale mining.  
5 miners to acquire high levels of skill and technical know-how needed  
6 to boost the mining businesses of the artisanal and small scale miners.

7 **102.—**(1) The Directorate of Nigerian Local Content on Solid Directorate  
8 Minerals and Metallurgy shall partner with sub-national governments to partner  
9 in the mineral bearing areas of Nigeria with a view to actively with sub-  
10 encouraging solid minerals bearing communities to form and operate national  
11 community based cooperatives societies or similar entities to exploit governments  
12 solid mineral resources within their communities with environmentally to encourage  
13 friendly equipment and devices. artisanal and  
Small Scale  
Miners to  
form  
cooperatives  
societies or  
other  
business  
units.

14 (2) Any agreement to jointly form and operate community based  
15 cooperatives societies or similar entities shall be reduced into writing  
16 wherein the rights and obligations of all the parties in relation to the  
17 joint entity shall be clearly stated and signed by the parties or their  
18 accredited representatives.

19 **103.—**(1) The Directorate of Nigerian Local Content on Solid Registered  
20 Minerals and Metallurgy shall in conjunction with the Ministry of Artisanal  
21 Mines and Steel Development and other relevant agencies establish and Small  
22 extension services for the benefit of artisanal and small scale miners Scale  
23 who are registered with cooperative societies recognised by the Federal Miners to  
24 Ministry of Mines and Steel Development. enjoy  
extension  
services.

25 (2) The extension services to be enjoyed by the artisanal and  
26 small scale miners under this clause shall include advisory services  
27 on the growth and development of the businesses of the artisanal and  
28 small scale miners, environmental safety and management, sensitising  
29 the miners on the need to access mineral buying centres, accessing of  
30 loan facilities and the benefits of participating in equipment leasing  
31 programmes where available to boost business yield.

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Establishment  
of Buying  
Centres.

1           **104.**—(1) The Directorate of Nigerian Local Content on Solid  
2 Minerals and Metallurgy shall promote the establishment and operation  
3 of Minerals Buying Centres in the Country and shall for this purpose  
4 partner with the Central Bank of Nigeria to grant credit scheme to the  
5 Directorate for the purchase of minerals that the Directorate may  
6 identify as marketable and commercially viable.

7           (2) The Directorate of Nigerian Local Content on Solid Minerals  
8 and Metallurgy may appoint buying agents who shall be operate under  
9 guidelines to be made by the Directorate with the approval of the Board  
10 of the Commission.

Construction  
of Minerals  
Processing  
Plants in  
Nigeria.

11           **105.** To optimize the retention of value from the exploitation of  
12 petroleum resources in Nigeria and also to strongly support, encourage  
13 and improve on the existing indigenous Nigerian technologies in the  
14 processing of solid minerals in Nigeria, the Directorate of Nigerian  
15 Local Content on Solid Minerals and Metallurgy shall on the  
16 commencement of this Bill, establish plans, programmes and train  
17 Nigerians to acquire high levels of skill and technical know-how needed  
18 to construct, repair, maintain and operate solid minerals processing  
19 plants with components capable of refining and processing standardised  
20 quality of solid minerals in Nigeria; and

Local mate-  
rials to be  
used for the  
construction  
of minerals  
processing  
plants.

21           **106.** Locally sourced materials shall wholly or substantially be  
22 used for the construction, repairs or maintenance of minerals  
23 processing plants and any other facility to be built pursuant to clause  
24 105 of this Bill.

Directorate  
to enter into  
direct  
collaboration  
with  
responsible  
entities to  
assist  
artisanal and  
small scale  
miners.

25           **107.** Notwithstanding anything to the contrary contained in any  
26 enactment, rule, regulation or any law, the Directorate of Nigerian  
27 Local Content on Solid Minerals and Metallurgy shall undertake  
28 mutually beneficial Public Private Partnership (PPP) by entering into  
29 direct collaboration with responsible foreign and indigenous engineering  
30 companies and/or firms to discharge the duty imposed on the  
31 Directorate in clause 105 of this Bill.

1       **108.** From the commencement of this Bill, no Nigerian citizen  
2 shall be prosecuted or no further prosecution shall be maintained  
3 against any Nigerian citizen on the ground that such person previous  
4 to the commencement of this Bill established, operated or participated  
5 in the operation of an artisanal mining in Nigeria.

Exclusion  
from  
prosecution  
for  
previously  
operating  
artisanal  
mining.

6       PART XIX — ESTABLISHMENT OF E- MARKET PLACE , JOINT

7                               QUALIFICATION SYSTEM

8       **109.** Each Directorate of the Commission shall establish an e-  
9 marketplace for the sector it is responsible for and the e-marketplace  
10 so established shall —

Establishment  
of e-  
marketplace.

11       (a) provide a virtual platform to facilitate the transactions required  
12 for efficient delivery of goods and services in the relevant sector;

13       (b) provide functional interface with the Joint Qualification System  
14 and provide a universal and transparent governance structure drawn  
15 from industry stakeholder ;

16       (c) track and monitor the Nigerian content performance of  
17 Nigerian Local Content Entities with the provision of relevant  
18 feedback; and

19       (d) perform all other functions, roles and responsibilities to be  
20 set out in the regulations to be made by the Board in accordance  
21 with the provisions of this Bill.

22       **110.—**(1) Each Directorate upon the consultation with relevant  
23 key stakeholders, shall establish, maintain and operate a Joint  
24 Qualification System for the sector that the Directorate is responsible  
25 for under this Bill.

Establishment  
for Joint  
Qualification  
System.

26       (2) The Joint Qualification System established under subclause  
27 (1) of this clause shall be administered in accordance with the provisions  
28 set out in Regulations made by the Board of the Commission in  
29 accordance with the provisions of this Bill.

30       (3) The Joint Qualification System shall constitute an industrial  
31 databank of available capabilities for the sector and shall be used —

- 1 (a) as the sole system for Nigerian content registration and pre-  
2 qualification of contractors in the sector the Directorate oversees;  
3 (b) for verification of contractors' capacities and capabilities;  
4 (c) for evaluation of application of Nigerian content in the  
5 operations of the sector;  
6 (d) as the data base for indigenous skills development pool for  
7 the sector; and  
8 (e) for ranking and categorization of companies based on  
9 capabilities and Nigerian content.

10 (4) A Directorate shall be at liberty to utilise any existing Joint  
11 Qualification System suitable for the relevant sector the Directorate  
12 oversees where the Board of the Commission had not made any  
13 regulation establishing a Joint Qualification System for the sector.

14 PART XX — ESTABLISHMENT AND MANAGEMENT OF FUNDS  
15 FOR THE DIRECTORATES

Establishment  
of Funds.

16 111.—(1) For the purpose of providing financial support for the  
17 development and enforcement of Nigerian Local Content in the  
18 Nigerian economy, the following Funds are hereby established;-

19 (a) Nigerian Oil and Gas Content Development (Special) Fund  
20 which shall consist of —

21 (i) a two per cent surcharge on the monetary value of every  
22 contract awarded to any operator, contractor, subcontractor,  
23 alliance partner or any other entity involved in any project,  
24 contract, operation, activity or transaction in the upstream and  
25 downstream sectors except retail outlets in the downstream sub  
26 - sector, which sum for the avoidance of doubt shall be deducted  
27 at source and paid into the Fund;

28 (ii) all sums paid as fees, fines, etc. derived from matters  
29 arising from the operation of this Bill in relation to the oil and  
30 gas sector;

31 (iii) all sums derived from all subventions and budgetary

1 allocations provided by the Federal Government;

2 (iv) sums accruing to the Directorate of Nigerian Local Content  
3 on Oil and Gas by way of donations, gifts, grants, endowment,  
4 bequest or otherwise; and

5 (v) interest and revenue accruing from savings and investments  
6 made by the Directorate of Nigerian Local Content on Oil and  
7 Gas;

8 (b) Nigerian Information and Communication Technology  
9 Content Development (Special) Fund which shall consist of —

10 (i) a two per cent surcharge on the monetary value of every  
11 contract awarded to any operator, contractor, sub- contractor,  
12 alliance partner or any other entity involved in any project,  
13 operation, activity or transaction in the Nigerian Information  
14 Communication Technology industry which shall be deducted at  
15 source and paid into the Fund.

16 (ii) 30% of every sum accruing from surcharges on electronic  
17 transactions in Nigeria;

18 (iii) 10% of all sums accruing from Universal Service  
19 Provision Fund (USPF);

20 (iv) 30% of all sums accruing from National Information  
21 Development Fund;

22 (v) all sums paid as fees, fines etc. derived from matters  
23 arising from the operation of this Bill in relation to the  
24 Information and Communication Technology sector;

25 (vi) all sums derived from all subventions and budgetary  
26 allocations provided by the Federal Government; and

27 (vii) interest and revenue accruing from savings and  
28 investments made by the Directorate of Nigerian Local Content  
29 on Information and Communication Technology;

30 (c) Nigerian Power Content Development (Special) Fund which  
31 shall consist of —

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1 (i) a two per cent surcharge on the monetary value of every  
2 contract awarded to any licensee, operator, contractor,  
3 subcontractor, alliance partner or any other entity involved in  
4 any project, operation, activity or transaction in the generation,  
5 transmission and distribution activities in the Nigeria Power  
6 Sector which sum to wit, the said two per cent shall be deducted  
7 at source and shall be paid to the Fund;

8 (ii) 30% of every sum accruing from surcharges on electronic  
9 transactions in Nigeria;

10 (iii) all sums paid as fees, fines, etc. derived from matters  
11 arising from the operation of this Bill in relation to the power  
12 sector;

13 (iv) all sums derived from all subventions and budgetary  
14 allocations provided by the Federal Government;

15 (v) sums accruing to the Directorate of Nigerian Local Content  
16 on Power by way of donations, gifts, grants, endowment, bequest  
17 or otherwise; and

18 (vi) interest and revenue accruing from savings and investments  
19 made by the Directorate of Nigerian Local Content on Power;

20 (d) Nigerian Solid Minerals and Metallurgical Content  
21 Development (Special) Fund which shall consist of —

22 (i) a two per cent surcharge on the monetary value of every  
23 contract awarded to any operator, contractor, subcontractor,  
24 alliance partner or any other entity involved in any project,  
25 operation, activity or transaction in the Nigerian Solid Minerals  
26 and Metallurgical Sector of the Nigerian economy shall be  
27 deducted at source and paid into the Fund;

28 (ii) 30% of the royalty payable by mineral rights' operators  
29 under the provisions of the Nigerian Minerals Mining Act 2007  
30 or any enactment succeeding the said Nigerian Minerals Mining  
31 Act 2007 or under any Regulation having the force of law;



1 (iii) 30% of all sums accruing from electronic transactions in

2 Nigeria;

3 (iv) all sums paid as fees, fines, etc. derived from matters  
4 arising from the operation of this Bill in relation to the solid  
5 mineral and metallurgical sector;

6 (v) all sums derived from all subventions and budgetary  
7 allocations provided by the Federal Government;

8 (vi) sums accruing to the Directorate of Nigerian Local  
9 Content on Solid Minerals and Metallurgy by way of donations,  
10 gifts, grants, endowment, bequest or otherwise; and

11 (vii) interest and revenue accruing from savings and  
12 investments made by the Directorate of Nigerian Local Content  
13 on Solid Minerals and Metallurgy.

14 (e) Nigerian Construction Content Development (Special) Fund  
15 which shall consist of —

16 (i) a two per cent surcharge on the monetary value of every  
17 contract awarded to any operator, contractor, subcontractor,  
18 alliance partner or any other entity involved in any project,  
19 operation, activity or transaction in the Nigerian Construction  
20 Sector of the Nigerian economy shall be deducted at source and  
21 paid into the Fund;

22 (ii) all sums paid as fees, fines, etc. derived from matters  
23 arising from the operation of this Bill in relation to construction;

24 (iii) all sums derived from all subventions and budgetary  
25 allocations provided by the Federal Government;

26 (iv) sums accruing to the Directorate of Nigerian Local  
27 Content Development on Construction by way of donations, gifts,  
28 grants, endowment, bequest or otherwise; and

29 (v) interest and revenue accruing from savings and investments  
30 made by the Directorate of Nigerian Local Content Development  
31 on Construction.

1 (f) Nigerian Manufacturing Content Development (Special) Fund  
2 which shall consist of —

3 (i) a two per cent surcharge on the monetary value of every  
4 contract awarded to any operator, contractor, subcontractor,  
5 alliance partner or any other entity involved in any contract,  
6 operation, activity or transaction in the manufacturing sector of  
7 the Nigerian economy to which the provisions of this Bill apply  
8 which sum for the avoidance of doubt shall be deducted at source  
9 and be paid into the Fund;

10 (ii) all sums paid as fees, fines, etc. derived from matters  
11 arising from the operation of this Bill in relation to  
12 manufacturing;

13 (iii) all sums derived from all subventions and budgetary  
14 allocations provided by the Federal Government;

15 (iv) sums accruing to the Directorate of Nigerian Local  
16 Content Development on Manufacturing by way of donations,  
17 gifts, grants, endowment, bequest or otherwise; and

18 (v) interest and revenue accruing from savings and investments  
19 made by the Directorate of Nigerian Local Content Development  
20 on Manufacturing.

21 (g) Nigerian Health Content Development (Special) Fund which  
22 shall consist of —

23 (i) a two per cent surcharge on the monetary value of every  
24 activity or transaction in the health sector of the Nigerian economy  
25 to which the provisions of this Bill apply which sum for the  
26 avoidance of doubt shall be deducted at source and be paid into  
27 the Fund;

28 (ii) all sums paid as fees, fines etc. derived from matters  
29 arising from the operation of this Bill in relation to the health  
30 sector;

31 (iii) all sums derived from all subventions and budgetary

allocations provided by the Federal Government;

(iv) sums accruing to the Directorate of Nigerian Local Content Development on Health by way of donations, gifts, grants, endowment, bequest or otherwise; and

(v) interest and revenue accruing from savings and investments made by the Directorate of Nigerian Local Content Development on Health.

(2) Each Fund established under this clause shall be managed separately and for the purposes set out in this Bill against such Fund.

**112.** The Funds to wit —

(a) Nigerian Oil and Gas Content Development (Special) Fund shall be exclusively administered by the Directorate of Nigerian Local Content on Oil and Gas;

(b) Nigerian Information and Communication Technology Development (Special) Fund shall be exclusively administered by the Directorate of Nigerian Local Content on Information and Communication Technology under this Bill;

(c) Nigerian Power Content Development (Special) Fund, shall be exclusively administered by the Directorate of Nigerian Local Content on Power established under this Bill;

(d) Nigerian Solid Minerals and Metallurgical Content Development (Special) Fund shall exclusively be administered by the Directorate of Nigerian Local Content on Solid Minerals and Metallurgical established under this Bill;

(e) Nigerian Construction Content Development (Special) Fund shall be exclusively managed by the Directorate of Nigerian Local Content on Construction;

(f) Nigerian Manufacturing Content Development (Special) Fund shall be exclusively managed by the Directorate of Nigerian Local Content on Manufacturing established under this Bill; and

(g) Nigerian Health Content Development (Special) Fund shall

Directorates  
to manage  
Funds.

	1	be exclusively managed by the Directorate of Nigerian Local Content
	2	on Health established under this Bill.
Use of Funds for Administering the Directorates.	3	<b>113.</b> Each Directorate shall be entitled to twenty per cent from
	4	the fund established for its management in clauses 111 and 112 of
	5	this Bill from which fund shall be defrayed all expenditures incurred
	6	by the Directorate in running the day to day affairs of the Directorate
	7	including payment of salaries, remunerations, training of staff and
	8	other expenses.
Special Use of the Nigerian Oil and Gas Content Development (Special) Fund.	9	<b>114.</b> Subject to clause 113 of this Bill, the fund in respect of sub
	10	clause (1) (a) of clause 111 of this Bill to wit, Nigerian Oil and Gas
	11	Content Development Special Fund, shall only be administered for
	12	the execution of plans, programmes, projects and other relevant
	13	activities specifically aimed at increasing the development of Nigerian
	14	content in the oil and gas industry.
Special Use of the Nigerian Information and Communication Technology Development (Special) Fund.	15	<b>115.</b> Subject to clause 113 of this Bill, the funds in respect of sub
	16	clause (1) (b) of clause 111 of this Bill to wit, Nigerian Information
	17	and Communication Technology Development (Special) Fund shall
	18	only be administered to fund activities designed to:
	19	(i) proactively address perception of quality of Nigerian made
	20	ICT products and services by working with leading national and
	21	global quality organizations, and Nigerian industry groups to train
	22	and assist Nigerian ICT companies and firms to improve their
	23	products, services and processes;
	24	(ii) promote capacity building in relevant ICT thematic
	25	proficiencies in tertiary institutions and designated Centres of
	26	Excellence;
	27	(iii) empower Centres of Excellence around key emerging
	28	technologies and promote the creation of a minimum of six Centres
	29	of Excellence in partnership with Nigerian tertiary institutions;
	30	(iv) designate Centres of Excellence based on set eligibility
	31	criteria, application and evaluation in line with the defined criteria;

(v) produce National ICT skills gap report in collaboration with relevant stakeholders;

(vi) support academic research projects being conducted by Nigerian scholars and educational institutions in Nigeria which focus on developing the ICT sector in the country;

(vii) promote and support the commercialisation of research activities in order to engender and encourage Nigerian entrepreneurship and skills development in the Nigerian Information and Communication Technology Sector;

(viii) provide incentives for Nigerian indigenous companies and firms to support and develop leading and emerging ICT;

(ix) support technology incubation programs, Startups communities, ICT clusters and other IT development networks to stimulate the growth and promotion of the Nigerian content in the Information and Communication Technology sector;

(x) partner with relevant organizations and other appropriate bodies to setup a Technical and Vocational Skill Acquisition and Training Programme for ICT practitioners and small-scale entrepreneurs;

(xi) mandate all IT third service providers with existing IT contracts, partnerships or service agreements with the Federal Government to engage graduate interns as a necessary component of IT service delivery for the Federal Government;

Internship duration, stipend and number of interns shall be evaluated on a case by case basis.

116. Subject to clause 113 of this Bill, the Fund mentioned in sub clause (1) (c) of clause 111 to wit, Nigerian Power Content Development (Special) Fund shall only be administered for the following activities —

(a) promotion of high quality standard of Nigerian content in the manufacturing of critical components like transformers, cable

Special Use  
of the  
Nigerian  
Power  
Content  
Development  
(Special)  
Fund.

1 wire, smart meters for billing of electricity consumption, Relay  
2 and Control Panels, Instrument Transformers, Disconnect Switches  
3 and Surge Arresters, etc. required in the power sector by actively  
4 partnering with Nigerians to manufacture these and other allied  
5 products using totally or substantially locally sourced materials in  
6 Nigeria;

7 (b) encourage Nigerian businesses in the power sector to  
8 immediately identify, incubate and execute commercially viable  
9 Off Grid and mini grid renewable energy projects in solar, wind,  
10 biomass, small hydropower, etc. in Country; and

11 (c) engage Nigerian professionals to undertake projects to enhance  
12 unabridged transmission and security of generated qualities and  
13 quantities of power from the point of generation to the point of  
14 distribution to final consumers.

Special Use  
of the  
Nigerian  
Solid  
Minerals and  
Metallurgical  
Content  
Development  
(Special)  
Fund.

15 117. Subject to clause 113 of this Bill, the Fund mentioned in sub  
16 clause (1) (d) of clause 111 of this Bill to wit, Nigerian Solid Minerals  
17 and Metallurgical Content Development (Special) Fund shall only be  
18 administered —

19 (a) for the execution of projects that will enhance acquisition of  
20 equipment and technologies by indigenous Nigerian artisan miners  
21 to independently explore and exploit solid mineral resources in  
22 Nigeria;

23 (b) to undertake mutually beneficial Public Private Partnership  
24 (PPP) by entering into direct collaboration with responsible foreign  
25 and indigenous engineering companies and/or firms for the  
26 construction, operation, repairs and/or maintenance of modern  
27 equipment for the exploration and exploitation of solid mineral  
28 resources in Nigeria; and

29 (c) to partner with indigenous Nigerian companies for the  
30 establishment of centres for the purchase and processing of mined  
31 solid mineral resources in - Country.

- 1        **118.** Subject to clause 113 of this Bill, the Fund mentioned in sub  
 2 clause (1) (e) of clause 111 of this Bill to wit, Nigerian Construction  
 3 Content Development (Special) Fund shall only be administered to —  
 4        (a) engage the services of small and medium scale industries for  
 5 the local production of construction materials, such as burnt clay  
 6 bricks, roofing sheets, timber products and sanitary wares, for the  
 7 construction and infrastructural development of projects in Nigeria;  
 8        (b) ensure that indigenous small and medium scale producers of  
 9 building and Infrastructural development materials are encouraged  
 10 with incentives, including single digit interest on loans to  
 11 manufacture products to meet the need of the construction sector in  
 12 Nigeria.
- 13        **119.** Subject to clause 113 of this Bill, the Fund mentioned in sub  
 14 clause (1) (f) of clause 111 of this Bill to wit, Nigerian Manufacturing  
 15 Content Development (Special) Fund shall only be administered to  
 16 promote the development of the manufacturing sector to locally  
 17 manufacture goods that will effectively and efficiently replace  
 18 imported goods in Nigeria.
- 19        **120.** Subject to clause 113 of this Bill, the Fund mentioned in sub  
 20 clause (1) (g) of clause 111 of this Bill to wit, Nigerian Health Content  
 21 Development (Special) Fund shall only be administered to promote  
 22 the development of the health sector to locally develop medicines and  
 23 medical devices that will effectively and efficiently substitute for  
 24 imported products and possibly create a fresh technological  
 25 breakthrough in the medical industry.
- 26        **121.—**(1) There shall be imposed on every electronic transaction  
 27 in Nigeria a one per cent (1%) Nigerian Local Content Development  
 28 surcharge which shall be used for the development of the Nigerian  
 29 Content in some critical sectors of the Nigerian economy as stipulated  
 30 in sub-clause (b) (ii), (b) (ii) and (d) (iii) of subclause (1) of clause  
 31 111 of this Bill.

Special Use  
of the  
Nigerian  
Construction  
Content  
Development  
(Special)  
Fund.

Special Use  
of the  
Nigerian  
Manufacturing  
Content  
Development  
(Special)  
Fund.

Special Use  
of the  
Nigerian  
Health  
Content  
Development  
(Special)  
Fund.

Imposition  
of  
surcharges  
on  
Electronic  
transactions.

1 (2) The money accruable from the surcharge shall be remitted  
2 directly to the Central bank of Nigeria which shall at the end of every  
3 month credit as per the proportion prescribed in sub- subclause (b) (i),  
4 (b) (ii) and (d) (iii) of subclause (1) of clause 111 of this Bill, the  
5 account of the designated Directorates entitled to the monies.

6 (3) All monies accruing to the Funds and accounts of the  
7 Directorates shall be exempted from income tax and all contributions  
8 to any Fund established under this Bill shall also be tax deductible.

9 **PART XXI — LIBERALISED LOANS ON SOLID MINERALS**

10 **AND PURCHASE OF VESSELS**

Liberalised  
loan for the  
exploitation  
of solid  
mineral  
resources.

11 **122.—**(1) In order to encourage and promote indigenous Nigerian  
12 companies to directly engage in the exploitation of the solid minerals  
13 resources in Nigeria and to avoid undue delay and difficulties in  
14 assessing loan facilities from the Central Bank of Nigeria, the Bank  
15 of Industry or any other financial institution wholly or partially owned  
16 by the Federal Government of Nigeria, the Central Bank of Nigeria,  
17 the Bank of Industry or any other financial institution wholly or partially  
18 owned by the Federal Government of Nigeria shall subject to the  
19 availability of Funds, make adequate provisions for loans on liberal  
20 terms to be given to indigenous Nigerian companies seeking for loan(s)  
21 to purchase equipment to exploit Nigerian solid mineral resources.

22 (2) For the avoidance of doubt and notwithstanding anything to  
23 the contrary contained in any enactment including the Central Bank of  
24 Nigeria Act, the Central Bank of Nigeria, the Bank of Industry or  
25 any other financial institution wholly or partially owned by the Federal  
26 Government of Nigeria shall subject to availability of funds and the  
27 fulfilment of the conditions stipulated for the enjoyment of loan under  
28 this Bill, disburse loan directly to qualified indigenous Nigerian  
29 companies for the purposes of purchasing equipment to exploit solid  
30 mineral resources in Nigeria.

31 (3) Such indigenous Nigerian company to be qualified to borrow



1 from the Central Bank of Nigeria, the Bank of Industry or any other  
2 financial institution wholly or partially owned by the Federal  
3 Government of Nigeria shall be a holder of mineral title with an  
4 unexpired duration of at least four years and shall demonstrate that  
5 the monetary value of the solid mineral resources over which the  
6 mineral title subsists is not less than four times the value of the loan  
7 sought for.

8 (4) Before the grant of the loan, the applicant for the loan shall  
9 execute a mortgage to the effect that the Directorate of Nigerian Local  
10 Content on Solid Minerals and Metallurgical shall during the subsistence  
11 of the loan have interest and maintain a lien in the ownership and  
12 management of the subject minerals title and all businesses associated  
13 with the said title until when the entire loan and the accrued interest  
14 thereupon had been finally liquidated.

15 (5) It shall be obligatory for the Directorate of Nigerian Local  
16 Content on Solid Minerals and Metallurgical to act as a guarantor to  
17 any qualified indigenous Nigerian company seeking for loan from the  
18 Central Bank of Nigeria, the Bank of Industry or any other financial  
19 institution wholly or partially owned by the Federal Government of  
20 Nigeria to purchase equipment to commence, continue and/or maintain  
21 exploitation of solid mineral resources in Nigeria.

22 (6) For any period the loan or an interest accrued therefrom  
23 remained unpaid, the Guarantor to wit, the Directorate of Nigerian  
24 Local Content on Solid Minerals and Metallurgical shall appoint a  
25 competent and responsible Receiver who shall be a person or entity  
26 that has been in the solid minerals exploitation business for not less  
27 than twenty five years and does not have any case of dishonesty and/or  
28 bankruptcy proceedings pending against him/it or had such case  
29 determined against him, to immediately take over the entire business  
30 of the company and run the business till the entire money remaining  
31 unpaid has been fully recovered.

1 (7) Where necessary and whether or not, there is any arrears of  
2 un-paid debt, the Directorate of Nigerian Local Content on Solid  
3 Minerals and Metallurgical in its absolute discretion shall have and  
4 exercise the right to appoint a representative of the Directorate to act  
5 as a surveillance personnel to oversee the business of the Borrower  
6 especially in respect of inflow and outflow of funds from any business  
7 of the Borrower associated with the loan.

8 (8) Where the Directorate of Nigerian Local Content on Solid  
9 Minerals and Metallurgical acts as a guarantor in favour of any  
10 qualified applicant for loan under this clause and there are available  
11 funds for disbursement by the Central Bank of Nigeria, the Bank of  
12 Industry or any other financial institution wholly or partially owned by  
13 the Federal Government of Nigeria, the applicant shall not be required  
14 to furnish any further security/collateral for the applicant to be granted  
15 the loan.

Equipment  
bought on  
loan to  
jointly bear  
the name of  
the Seller,  
the Central  
Bank of  
Nigeria and  
the  
indigenous  
Nigerian  
company.

16 **123.**—(1) Any equipment bought on loan by virtue of clauses  
17 122, 124 and 125 of this Bill, shall be on the name of the Seller, the  
18 Central Bank of Nigeria and the indigenous Nigerian company and  
19 shall not be transferred to any person or entity until the loan upon  
20 which the equipment was bought and the interest accrued thereupon  
21 had been fully liquidated.

22 (2) Where any loan and the accrued interest had been fully  
23 liquidated, the seller shall effect a transfer of ownership of the  
24 equipment in favour of the Borrower to wit, the indigenous Nigerian  
25 company that took the loan.

Incentives  
for the  
acquisition  
of vessels  
by  
Nigerians.

26 **124.**—(1) The Central Bank of Nigeria shall give full and effective  
27 financial support to qualified indigenous Nigerian companies to acquire  
28 vessels to enable indigenous Nigerian companies fully participate in  
29 the global and competitive shipping businesses.

30 (2) The Central Bank of Nigeria shall in the discharge of its  
31 obligation under subclause (1) of this Clause and subject to availability

1 of funds, be a guarantor to any indigenous Nigerian company seeking  
2 ~~for loan to purchase, repair and/or maintain vessel(s) provided that~~  
3 there is proof that such company has a good business standing and has  
4 maintained a sincere and honest business deposition for an unbroken  
5 period of at least ten (10) years immediately preceding the date the  
6 loan is applied for.

7 (3) In order to encourage and promote indigenous companies to  
8 directly engage in the transportation of goods including oil and gas  
9 within, and outside Nigeria and to ensure easy access to available  
10 funds established under any Act, Regulation or policy, in so far as the  
11 said fund was designated for the grant of loan to indigenous Nigerians  
12 involved in shipping entrepreneurship, the Central Bank of Nigeria  
13 shall consult with the Directorate of Nigerian Local Content on Oil  
14 and Gas and upon such consultation directly grant loan to indigenous  
15 Nigerian companies seeking for loan(s) to purchase vessels for shipping  
16 business especially for the transportation of petroleum and petroleum  
17 products within and outside Nigeria.

18 (4) For the avoidance of doubt and notwithstanding anything to  
19 the contrary contained in any enactment including the Central Bank of  
20 Nigeria Act, it shall be lawful for the Central Bank of Nigeria to  
21 disburse loan directly to qualified indigenous Nigerian companies for  
22 the purposes of purchasing vessels for shipping business especially  
23 for the transportation of petroleum and petroleum products within and  
24 outside Nigeria.

25 (5) Such indigenous Nigerian companies to be qualified to borrow  
26 from the Central Bank of Nigeria and/or the Bank of Industry shall be  
27 a company validly registered with the Nigerian Petroleum Exchange  
28 (NIPEX) and the Department of Petroleum Resources and had been  
29 doing business in the oil and gas sector of the Nigerian economy for a  
30 period not less than fifteen (15) years preceding the date of the  
31 application for loan, and shall also have deposited with the Central

1 Bank of Nigeria, a contributory deposit of thirty per cent (30%) of the  
2 total cost of the purchase of the vessel(s).

3 (6) Where the Directorate of Nigerian Local Content on Oil and  
4 Gas acts as a guarantor to any loan, the applicant for loan under this  
5 Clause shall not be required to furnish any further security/collateral  
6 in favour of the loan sought.

7 (7) Before the grant of such loan, the applicant for the loan shall  
8 execute a mortgage to the effect that the Central Bank of Nigeria  
9 shall during the subsistence of the loan have interest in the ownership  
10 and management of the business of the Borrower until such a time  
11 that the entire loan and the accrued interest thereupon had been finally  
12 liquidated.

13 (8) For any period the loan or an interest accrued therefrom  
14 remained unpaid, the Guarantor to wit, the Central Bank of Nigeria,  
15 shall appoint a Receiver who shall immediately take over the entire  
16 business of the company and run the business till the entire money  
17 remaining unpaid has been fully recovered.

18 (9) Where necessary and in the absolute discretion of the Central  
19 Bank of Nigeria, a representative of the Central Bank of Nigeria shall  
20 act as a surveillance personnel to oversee the business of the Borrower  
21 especially in respect of inflow and outflow of funds from the business  
22 of the Borrower.

23 **PART XXII — TRANSPORTATION OF NIGERIAN OIL AND GAS**

Foreign  
Vessel  
Owners to  
partner with  
indigenous  
Nigerian  
companies to  
transport  
Nigerian oil  
and gas.

24 **125.—**(1) For the purpose of developing and increasing the  
25 Nigerian Content in the transportation of petroleum and petroleum  
26 products in the Nigerian Oil and Gas Industry and notwithstanding  
27 any provision in any enactment, law, agreement, regulation and/or  
28 contract, no foreign vessel or company shall be competent to bid for  
29 any contract or be awarded any contract or be involved in any form  
30 of transportation of oil and gas within, from and to, Nigeria without  
31 first obtaining a Letter of Confirmation from the Directorate of

1 Nigerian Local Content on Oil and Gas that such foreign Vessel or/  
2 and Company is in partnership with an indigenous Nigerian Company  
3 that is involved in coastal trade.

4 (2) Upon the receipt of an application for a Letter of Confirmation  
5 in view of subclause (1) of this Clause, the Directorate of Nigerian  
6 Local Content on Oil and Gas shall require a proof of the existence of  
7 a Partnership Agreement between the foreign company and the  
8 indigenous Nigerian company which Partnership Agreement shall  
9 reflect the rights and obligations, including but not limited to the  
10 sharing of profits and losses, of each of the partners to the said  
11 Partnership Agreement.

12 (3) Notwithstanding the provisions in sub clauses (1) and (2) of  
13 this Clause or any other provision in this Bill, the Directorate of  
14 Nigerian Local Content on Oil and Gas shall not give any Letter of  
15 Confirmation to any Vessel or Company to operate a foreign vessel  
16 to transport oil and/or gas from any drilling rig, oil platform, offshore  
17 platform etc. without due and adequate consultation with relevant  
18 indigenous Nigerian stakeholders involved in maritime transportation  
19 of petroleum and petroleum products in Nigeria.

20 **126.** Except where it is impracticable, all shipments of Nigerian  
21 oil and gas for export shall be done on the basis of Cost, Insurance and  
22 Freight (CIF).

23 PART XXIII — NIGERIAN LOCAL CONTENT DEVELOPMENT CREDIT  
24 GUARANTEE SCHEME

25 **127.** The Central Bank of Nigeria shall establish Local Content  
26 Development Credit Guarantee Scheme to —

27 (a) guarantee any investment or any loan given by any foreign  
28 investor who invests in, or grant foreign loan to any indigenous  
29 Nigerian company, for the construction, use and operation of  
30 modular refinery in Nigeria using wholly or partially locally sourced  
31 material;

Shipments  
of Nigerian  
Oil and Gas  
to be on the  
basis of  
Cost,  
Insurance  
and Freight.

Establishment  
of Local  
Content  
Development  
Credit  
Guarantee  
Scheme for  
the acquisition  
of equipment  
for local  
production.

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1 (b) guarantee the payment of the price of any equipment to an  
2 original equipment manufacturer who sells any equipment to a  
3 qualified indigenous Nigerian company on credit for the exploitation  
4 of mineral and petroleum resources;

5 (c) guarantee the payment of the price of any medical equipment  
6 in favour of an original equipment manufacturer who sells such  
7 medical equipment to a qualified indigenous Nigerian company on  
8 credit for use in the Nigerian health sector;

9 (d) guarantee the payment of the price of any vessel for shipping  
10 activities especially for the transportation of petroleum, petroleum  
11 products and other goods within and outside Nigeria; and

12 (e) guarantee the payment of the price of any equipment in favour  
13 of an original equipment manufacturer who sells the equipment to a  
14 qualified indigenous Nigerian company for use to manufacture goods  
15 that will substitute any imported good in any sector of the Nigerian  
16 economy.

Application  
for  
Guaranteed  
Local  
Content  
Development  
Loan.

17 **128.—**(1) Any indigenous Nigerian company engaged in  
18 economic productive activities in the sectors covered by this Bill and  
19 seeking for a guaranteed loan to purchase equipment for the production  
20 of goods as mentioned in clause 127 of this Bill shall submit an  
21 application to an accredited financial institution with which such person  
22 maintains an account, for a loan to be known as “Guaranteed Local  
23 Content Development Loan (guaranteed loan).

24 (2) The application shall be accompanied with a “Guaranteed  
25 Local Content Development Loan Utilisation Plan” which shall relate  
26 to the work programme with respect to the entire project for which  
27 the guaranteed local content development loan (guaranteed loan) is  
28 sought.

Information  
required in  
the  
Guaranteed  
Local

29 **129.** A “Guaranteed Local Content Development Loan Utilisation  
30 Plan” shall set out the following information among others —

31 (a) the total amount required for the execution of the entire project;

1	(b) cost of each component in the project;	Content
2	(c) the estimated monetary value of an on-going business of the	Development
3	applicant;	Loan
4	(d) the expected quantity and quality of goods and/or services	Utilisation
5	that may be produced from the execution of the project for which	Plan.
6	the loan is required;	
7	(e) the expected revenue to be derived from the project;	
8	(f) evidence that there is availability of market for the expected	
9	goods; and,	
10	(g) evidence that the goods have the capacity to substitute an	
11	imported good in Nigeria.	
12	<b>130.</b> An accredited financial institution to whom an applicant for	Duty to
13	a guaranteed local content development loan submits an application	acknowledge
14	for such loan shall acknowledge the receipt of the submission within	receipt of
15	seven days and shall within fourteen days of the receipt of the	the
16	application review and assess the application.	submission
17	<b>131.—</b> (1) An accredited financial institution upon the receipt of	of
18	an application for a guaranteed loan under this Bill shall within fourteen	Application.
19	days from the date of the receipt of the application review and assess	
20	the application with the attached Loan Utilisation Plan and, if satisfied	Duty of
21	that the application and the Loan Utilisation Plan substantially comply	Banks to
22	with the provisions of this Bill and the applicant is capable of repaying	forward the
23	the guaranteed loan applied for, forward the application with its	reviewed
24	findings to the Central Bank of Nigeria.	and assessed
25	(2) In reviewing and/or assessing the application, an accredited	application
26	financial institution shall always ensure that there is established	to the
27	evidence that the applicant is capable of paying back the guaranteed	Central
28	loan sought.	Bank of
29	<b>132.—</b> (1) An accredited financial institution shall, upon reviewing	Nigeria.
30	and assessing an application, inform the applicant of its decision to	
31	recommend for approval or refusal to the Central Bank of Nigeria,	Duty to
		inform an
		applicant of
		decision on
		the approval

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or refusal of  
his  
application. 1 the applicant's application for the guaranteed loan submitted to the  
2 financial institution.

3 (2) Where for any reason any request for a guaranteed loan for  
4 the purposes of this Bill is rejected by any financial institution, the  
5 financial institution shall give reasons therefor to the indigenous  
6 Nigerian company making the request and shall specify what steps  
7 should be taken by the company to enable it comply with the appropriate  
8 requirements and resubmit the application for the guaranteed loan.

Submission  
of a  
Revised  
Application  
for  
guaranteed  
local content  
development  
loan where a  
previous  
application  
was refused. 9 133. An applicant may, where the financial institution refused to  
10 recommend its application for approval to the Central Bank of Nigeria,  
11 within a period of sixty days from the date of the notification of the  
12 decision and receipt of the written statement under sub clause (2) of  
13 clause 132 of this Bill —

14 (a) amend the application taking into account the reasons given  
15 by the financial institution for the refusal; and

16 (b) submit the Revised Application for a guaranteed local content  
17 development loan attached with appropriate Guaranteed Local  
18 Content Loan Utilisation Plan to the Bank.

Time frame  
for the review  
of a re-sub-  
mitted Revi-  
sed Applica-  
tion for gua-  
ranteed local  
content deve-  
lopment loan. 19 134. A Revised Application submitted upon the rejection of a  
20 previous application for a guaranteed loan shall be reviewed, assessed  
21 and approval given or denied within fifteen days from the date of the  
22 receipt of the said revised application.

Rate of  
interest to be  
charged on  
guaranteed  
local content  
development  
loan. 23 135. The rate of interest payable on a guaranteed local content  
24 development loan granted pursuant to this Bill shall not be more than  
25 five per cent and no management and/or processing fees shall be  
26 charged by the financial institution in respect of any such loan granted.

Collateral  
required to  
be furnished  
for  
guaranteed  
local content 27 136. Security required by a financial institution for the purpose  
28 of any guaranteed local content development loan under this Bill may  
29 be one or more of the following, that is to say —

30 (a) a charge on land in which the borrower holds a legal interest



1 or a right to use;

development  
loan.

2 ~~(b) a charge on the goods to be produced from the project for~~

3 which the equipment to be purchased is to be used;

4 (c) a charge on the movable property of the borrower;

5 (d) a life assurance policy, a promissory note or other negotiable  
6 security;

7 (e) stocks and shares;

8 (f) a personal guarantee; or

9 (g) any other security acceptable to the financial institution.

10 **137.** Where a guaranteed local content development loan or any  
11 portion thereof, in respect of which a guarantee is to be given under  
12 this Bill, is to be applied to the purchase of raw materials, machinery  
13 or other equipment, the loan or portion thereof, as the case may be,  
14 shall not be paid to the borrower but shall instead be paid by the financial  
15 institution directly to the supplier who shall furnish the institution with  
16 a copy of the delivery note or other document in evidence of the delivery  
17 of the item to the borrower.

Safeguards  
in respect of  
certain  
guaranteed  
local content  
development  
loan.

18 **138.—(1)** Where there has been a default in the repayment of the  
19 interest or principal of any guaranteed local content development loan  
20 under this Bill, the financial institution concerned shall in the first  
21 instance endeavour to recover the amount outstanding from the  
22 borrower or his sureties, if any, and may for that purpose dispose of  
23 any security obtained in respect of the guaranteed local content  
24 development loan.

Recovery of  
outstanding  
loans.

25 **(2)** Where any part of the interest or principal remains outstanding  
26 after the steps specified in sub clause (1) of this clause have been  
27 taken, or where the recovery of any amount outstanding is  
28 impracticable, the financial institution may apply to the Central Bank  
29 of Nigeria for payment and the Central Bank of Nigeria shall, in  
30 accordance with the terms of the guarantee, settle the claim.

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Loans to be  
applied for  
purposes for  
which they  
were made  
and offences  
thereto.

1           **139.**—(1) No guaranteed local content development loan granted  
2 pursuant to this Bill shall be applied to any purpose other than that for  
3 which the guaranteed loan was granted.

4           (2) Any person who applies any guaranteed local content  
5 development loan granted pursuant to this Bill in contravention of  
6 sub- clause(1) of this clause shall be guilty of an offence and shall be  
7 liable on conviction to a fine of an amount not less than the amount of  
8 the guaranteed loan in respect of which the offence was committed or  
9 to imprisonment for not less than five years.

10          (3) Where an offence under this clause committed by a body  
11 corporate is proved to have been committed with the consent or  
12 connivance of, or to be attributable to any neglect on the part of any  
13 director, manager, secretary or other similar officer of the body  
14 corporate (or any person purporting to act in any such capacity) he as  
15 well as the body corporate shall be deemed to be guilty of the offence  
16 and may be proceeded against and punished accordingly.

Financial  
institutions  
to establish  
Local  
Content  
Finance  
Departments.

17          **140.** A lending financial institution shall establish at its head  
18 office, a department to be known as the Local Content Finance  
19 Department which shall be responsible for —

20          (a) the local content development credit administration in the  
21 financial institution;

22          (b) the formulation and implementation of local content credit  
23 policies of the financial institution; and

24          (c) the co-ordination of the activities of the Local Content Credit  
25 Units in its zonal or area offices and branches.

Financial  
Institutions  
to make  
return to the  
Central Bank  
of Nigeria.

26          **141.**—(1) A lending financial institution shall prepare and submit  
27 to the Central Bank of Nigeria every month, a return on its activities  
28 with regard to guaranteed loans granted by the financial institution for  
29 the purposes of this Bill.

30          (2) The Central Bank of Nigeria may impose on any financial  
31 institution that fails to submit a return under subclause (1) of this clause

1 the following penalties, that is —

2 ~~(a) ₦500,000.00 for each day on which the bank fails to submit~~  
3 the return, for a maximum of 30 days; and

4 (b) thereafter ₦1,000, 000.00 for each day the failure persists.

5 **142.** All legal proceedings of a civil nature arising —

Legal  
Proceedings.

6 (a) from the failure of any borrower to repay a guaranteed loan  
7 granted by a financial institution and guaranteed under this Bill,  
8 shall be instituted and conducted by or against the financial institution;

9 (b) from any matter pertaining to any guarantee given pursuant  
10 to this Bill, shall be instituted and conducted by or against the Central  
11 Bank of Nigeria.

12 **143.** It shall be the duty of the Central Bank of Nigeria to prepare  
13 and submit to the National Assembly, not later than three months  
14 after the end of each financial year, the Annual Performance Report  
15 in respect of the activities relating to the utilization of and achievements  
16 if any, of the guaranteed local content development loan programmes.

Annual  
Performance  
Report on  
progress of  
guaranteed  
local content  
development  
loan scheme

17 **144.** The Central Bank of Nigeria shall upon consultation with  
18 relevant bodies that the Central Bank of Nigeria deems fit and necessary  
19 to consult, make guidelines prescribing the tenure of the guaranteed  
20 local content development loan for various categories of equipment to  
21 be bought under the guaranteed local content development loan scheme  
22 established under clause 127 of this Bill.

Central  
Bank of  
Nigeria to  
prescribe  
conditions  
before  
companies  
could access  
the Credit  
Guarantee  
Scheme.

23 **145.** A foreign investor or lender under clause 127 of this Bill  
24 shall be entitled to repatriate the total sum of money he/it invested or  
25 lent at the official foreign exchange rate provided that such money  
26 was brought into the country at the official foreign exchange rate.

Entitlement  
of foreign  
investors  
and lenders  
to repatriate  
funds at  
official ex-  
change rate.

27 **PART XXIV — ADMINISTRATIVE POWERS OF THE DIRECTORATES**

28 **146.—(1)**Where a person or entity fails, refuses or neglects to  
29 comply with any of the provisions of this Bill or directives or orders  
30 issued by the relevant Directorate under this Bill, the Directorate

Administrative  
measures for  
compliance  
with the  
provisions  
of the Bill.

1 may —

2 (a) blacklist such a person, contractor, supplier or subcontractor,  
3 for a period of not less than five (5) years. as to when such person,  
4 contractor, supplier or sub contractor had fully complied with the  
5 provisions of the Bill, directives or orders he or the entity infringed  
6 upon;

7 (b) suspend or direct the suspension of the activity being carried  
8 out by such person for a period that the contractor, supplier or  
9 subcontractor had fully complied with the provisions of the Bill,  
10 directives or orders he infringed upon;

11 (c) impose an administrative fine on the contractor, supplier or  
12 subcontractor, or any other individual as empowered under this  
13 Bill;

14 (d) require the contractor, supplier or subcontractor to pay into  
15 a designated account with the Central Bank of Nigeria, a percentage  
16 of the total contract sum representing a sum such a person, body or  
17 entity was obligated to incur to comply with the Nigerian Content  
18 obligations under this clause;

19 (e) withhold or direct the withholding of any payment due to the  
20 contractor, supplier or subcontractor;

21 (f) order for the costs and expenses incurred by the contractor,  
22 supplier or subcontractor, not be deductible as a cost of doing business  
23 in determining the chargeable income by tax authorities; and

24 (g) take any other action as it deems fit or as maybe prescribed  
25 by regulations.

26 (2) Whenever a contractor, supplier or subcontractor, is suspended  
27 or blacklisted by a Directorate such entity shall —

28 (a) in case of suspension, cease or suspend all its activities until  
29 the suspension is lifted;

30 (b) in case of being blacklisted, be barred from doing business  
31 with Government or participating in any public procurement or being

1 awarded a subcontract for a period of ten years.

2 (3) The Directorate shall within five days of making a decision  
3 in this clause communicate the same to the contractor, supplier or  
4 subcontractor, and shall also communicate its decision —

5 (a) in case of an order under subsection (1) (a), to the Bureau of  
6 Public Procurement;

7 (b) in case of an order made under subsection (1) (f), to the  
8 relevant tax Commission and the Ministry responsible for Finance;

9 (c) in case of an order under subsection (1) (c), to the Ministry  
10 responsible for Finance and Tax authorities; and

11 (d) in case of orders under subsection (1) (e), to the relevant  
12 person, body or entity responsible for making such payment.

13 (4) The entity that receives a notification in sub clause (3) shall  
14 immediately take action as required in the notification and report back  
15 on the actions taken to the Directorate that did the notification.

16 147. A Directorate may require a contractor, subcontractor or  
17 supplier to make arrangements for the execution of a bond or other  
18 form of security for the performance and observance of the obligations  
19 under this Bill or any contract to which such an entity may be subject  
20 to.

Security for  
performance  
of  
obligations.

21 PART XXV — ESTABLISHMENT AND PROCEEDINGS OF THE BOARD

22 148. There is hereby established for the Commission a Board  
23 (in this Bill referred to as the “Board”) which shall supervise the  
24 activities of the Directorates established under this Bill.

Establishment  
of the  
Board.

25 149.—(1) The Board shall consist of the following —

Composition  
of the  
Board.

26 (a) a Chairman who shall be the Vice President of the Federal  
27 Republic of Nigeria;

28 (b) Ministers of the following ministries —

29 (i) Finance,

30 (ii) Health,

31 (iii) Information and Communication Technology,

- 1 (iv) Petroleum,
- 2 (v) Power,
- 3 (vi) Science and Technology,
- 4 (vii) Solid Minerals and Steel Development,
- 5 (viii) Trade and Investment,
- 6 (ix) Transport, and
- 7 (x) Works;
- 8 (c) a representative of —
- 9 (i) Nigerian Society of Engineers,
- 10 (ii) Nigerian Medical Association,
- 11 (iii) Pharmaceutical Society of Nigeria,
- 12 (iv) Nigerian Institute for Biomedical Engineering,
- 13 (v) Manufacturers Association of Nigeria,
- 14 (vi) Nigerian Association of Chambers of Commerce,
- 15 Industry, Mines and Agriculture,
- 16 (vii) Nigerian Bar Association,
- 17 (viii) Association of Telecommunication Companies of Nigeria,
- 18 (ix) Licensed Electrical Contractors Association of Nigeria,
- 19 (x) Nigerian Labour Congress,
- 20 (xi) Petroleum Technology Association of Nigeria,
- 21 (xii) Nigerian Institute of Architects, and
- 22 (xiii) Miners Association of Nigeria;
- 23 (d) the Governor, Central Bank of Nigeria;
- 24 (e) Managing Director, Bank of Industry;
- 25 (f) Executive Secretary to the Commission.
- 26 (g) all Commissioners in charge of the Directorates established
- 27 under this Bill.

28 (2) The Board shall meet at least once in every month to review  
29 the activities of the Directorates and to take decisions on other matters.

Tenure of  
members.

30 **150.—(1).** Any person appointed under sub clause (1) (c) of clause  
31 149 of this Bill to represent interest shall have a non renewable

1 tenure of four years.

2 ~~(2) A person appointed under sub clause (1) (c) of clause 149 of~~

3 this Bill shall cease to hold office if —

4 (a) he dies;

5 (b) he becomes bankrupt;

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

8 (d) he becomes of unsound mind or is incapable for any reason of  
9 carrying out his duties;

10 (e) he is guilty of a serious misconduct in relation to his duties;

11 (f) in the case of a person possessed of a professional qualification,  
12 he is disqualified or suspended from practising his profession in any  
13 part of the world by an order of a competent authority made in  
14 respect of that member; or

15 (g) he resigns his appointment by written notice under his hand to  
16 the President.

17 (3) Where a member ceases to hold office for any reason before  
18 the expiration of his term, another person representing the same interest  
19 as that member shall be appointed in his place to finish the unexpired  
20 residue of the term.

21 (4) A person appointed under sub clause (1) (c) of clause 149  
22 shall be on part time.

23 **151.—**(1) The Board shall meet for the despatch of its businesses  
24 at least once every month and at such time as the Chairman may  
25 determine;

Meeting of  
the Board.

26 (2) The Chairman shall preside at every meeting of the Board,  
27 and in his absence, the members present shall appoint a member from  
28 among themselves to preside at that meeting.

29 **152.** The Chairman and members of the Board shall be paid  
30 such allowances and expenses as may be determined by Revenue  
31 Mobilization, Allocation and Fiscal Board.

Remunerations  
and  
Allowances.

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Powers of  
the Board.

1       **153.** The Board shall have the following powers to —  
2       (a) supervise the activities of the Directorates; and  
3       (b) make rules and regulations for the proper functioning of the  
4       Directorates.

Employees  
of the  
Directorates  
and the  
Board.

5       **154.—**(1) Each Directorate established under this Bill shall subject  
6 to Regulations made by the Board of the Commission in respect of  
7 appointment, promotion and disciplinary matters for the Directorates  
8 appoint such number of persons as in the opinion of the Directorate  
9 may be expedient and necessary for the proper and efficient  
10 performance of the functions of the Directorate and shall pay them  
11 remunerations and allowances as the Directorate determines using  
12 the scale applicable in similar organisation in the sector the Directorate  
13 is responsible for.

14       (2) The Board shall subject to Regulations it made on appointment,  
15 promotion and disciplinary matters have powers to appoint such number  
16 of persons as in the opinion of the Board may be expedient and  
17 necessary for the proper and efficient performance of the functions of  
18 the Secretariat of the Board and shall pay them remunerations and  
19 allowances as the Board determines using the scale applicable in  
20 similar organisation in the public service.

Secondment.

21       **155.** The Directorates and the Board may also appoint persons  
22 on secondment from the Public Service of the Federation, as may, in  
23 the opinion of the Directorate or the Secretariat of the Board, be  
24 required to assist the Directorate or the Board in the discharge of any  
25 of its functions under this Bill.

Transfer of  
Service.

26       **156.** The person seconded under clause 155 may elect to be  
27 transferred to the service of the Directorate or the Board and the  
28 previous service he may have rendered in the public service shall  
29 count as service to the Directorate or the Secretariat of the Board for  
30 the purpose of any pension subsequently payable by the Directorate or  
31 the Board.



1       **157.**—(1) The Service in the Directorate or the Secretariat of Services in  
2 ~~the Board shall be approved service for the purposes of the Pension~~ ~~the~~ Directorates  
3 Reform Act. and the Secretariat of

4       (2) The officers and other persons employed in the Secretariat of the Board to  
5 the Board shall be entitled to pension, gratuities and other retirement be  
6 benefits as are enjoyed by persons holding equivalent ranks in similar pensionable.  
7 organisations.

8       (3) Nothing in sub clauses (1) and (2) of this clause shall prevent  
9 the appointment of a person to any office- on terms which preclude the  
10 grant of pension and gratuity in respect of that office.

11       **158.**—(1) The Board shall establish and maintain a fund to which Fund of the  
12 all monies accruing to it shall be paid into or from which shall be Board.  
13 defrayed all expenditures incurred by the Board or the Secretariat of  
14 the Board.

15       (2) The Fund of the Board shall consist of —

16       (a) five per cent of the Fund of each of the Directorates  
17 established under clause 111 of this Bill shall be deducted from the  
18 Fund of the Directorates and be paid into this Fund;

19       (b) all subventions and budgetary allocations provided by the  
20 Federal Government;

21       (c) sums accruing to the Board by way of donations, gifts, grants,  
22 endowment, bequest or otherwise;

23       (d) interest and revenue accruing from savings and investments  
24 made by the Board;

25       (e) loans, which may be required from time to time for the objects  
26 of the Board, provided that the Board shall not, without the prior  
27 approval of the President, borrow money in compliance with the  
28 provisions of the Fiscal Responsibility Act; and

29       (f) other revenues accruing to the Board from any other source.

30       **159.**—(1) Neither the Directorates nor the Board of the Acceptance  
31 Commission may accept gifts of money, land or other property on and Limitation

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of gifts by the Directorates and the Board.	1 such terms and conditions, if any, as may be specified by the person 2 or organization making the gift.
	3 (2) The Directorates and the Board shall not accept any gift if the 4 conditions attached thereto are inconsistent with the functions of the 5 Board under this Bill.
Approval of Expenditure by the Board.	6 160. The Board may approve any expenditure of the Directorates 7 and shall — 8 (a) issue proper accounts and records of the transactions and 9 affairs of the Directorate and ensure that all expenditure is duly 10 authorized; and 11 (b) prepare in respect of each financial year, a statement of 12 account in such form as the Auditor-General may direct.
Purchase of land and construction of offices.	13 161.—(1) For the purpose of providing offices and premises 14 necessary for the performance of its functions under this Bill, each 15 Directorate or the Board of the Commission may, subject to the Land 16 Use Act — 17 (a) purchase or lease any interest in land or other property; and 18 (b) construct offices and premises, equip and maintain same. 19 (2) Each Directorate may, subject to the Land Use Act, sell or 20 lease out any office or premises held by it, which office or premises is 21 no longer required for the performance of its functions under this Bill.
	22 PART XXVI — ESTABLISHMENT OF SECRETARIAT AND 23 THE OFFICE OF THE EXECUTIVE SECRETARY
Establishment of Secretariat.	24 162.—(1) There shall be established a Secretariat for the Board 25 of the Nigerian Local Content Development and Enforcement 26 Commission which shall be responsible for the following — 27 (a) ensuring that the meetings of the Board of the Commission 28 are effectively and efficiently organized and proper records of 29 minutes made and kept; 30 (b) acting as the custodian of the Board's documents and other 31 property;

1 (c) communicating the decisions of the Board to the Directorates  
2 ~~established under this Bill and any other relevant entity;~~

3 (d) liaise with the Directorates and other relevant entities to  
4 ensure that the decisions of the Board to the Directorates or such  
5 entities are complied with; and

6 (e) do anything legally necessary to be done to facilitate the  
7 carrying out of its functions under this Bill.

8 (2) The Secretariat of the Board shall be sited in Abuja.

9 **163.** There shall be an Executive Secretary to the Board, who  
10 shall be appointed by the President on the recommendation of the  
11 Secretary to the Government of the Federation. Appointment  
of the  
Executive  
Secretary.

12 **164.** The person to be appointed as an Executive Secretary shall Qualification  
for the  
Executive  
Secretary.  
13 be a graduate of at least 15 years out of which he has gained cognate  
14 experience in matters relating to Nigerian Local Content Development.

15 **165.** The Executive Secretary shall be — Functions of  
the  
Executive  
Secretary.  
16 (a) the Chief Executive and Accounting Officer of the Secretariat  
17 of the Commission;

18 (b) responsible for the day to day management of the affairs of  
19 the Secretariat of the Commission; and

20 (c) perform any other functions assigned to him by the Board.

21 **166.** The Executive Secretary —

22 (a) shall be appointed for a term of four years in the first instance; Tenure of  
the  
Executive  
Secretary.  
23 and

24 (b) may be re-appointed where as an incumbent he has shown  
25 significant achievement in the development of the Nigerian Local  
26 Content in his first tenure, for a further term of four years and no  
27 more.

28 **167.** The Executive Secretary shall be paid such remuneration Remuneration  
of Executive  
Secretary.  
29 as may be specified in his letter of appointment or as determined by  
30 the Revenue Mobilization, Allocation and Fiscal Commission using  
31 the scale applicable in similar organisation.

Removal and  
resignation  
of the  
Executive  
Secretary.

168.—(1) The President may remove the Executive Secretary if he is satisfied that it is not in the interest of the Commission or the public that the Secretary continues in that office.

(2) The Executive Secretary may resign his appointment by a written notice under his hand delivered to the President and Commander in - Chief of the Armed Forces of the Federal Republic of Nigeria.

## PART XXVII — LEGAL PROCEEDINGS

Limitation of time within which to sue the Commission or Directorate.

169. No suit against any of the Commission nor any of its Directorates for any act done in pursuance or execution of any enactment or law, or of any public duties or authority, or in respect of any alleged neglect or default in the execution of such enactment or law, duties or authority, shall lie or be instituted in any court unless it is commenced within twelve months next after the act, neglect or default complained of or, in the case of a continuance of damage or injury, within twelve months next after the ceasing thereof.

Pre action  
notice to be  
issued  
before filing  
a suit.

170. No suit shall be commenced against any of the Directorates nor the Commission before the expiration of a period of three month after written notice of intention to commence the suit shall have been served upon the Commission by the intending plaintiff or his agent; and the notice shall clearly and explicitly state the cause of action, the particulars of the claim, the name and place of abode of the intending plaintiff and the relief which he intends to claim.

Pre action  
notice to be  
served on  
Executive  
Secretary or  
Executive  
Commissioner.

171. The notice referred to in Clause 170 of this Bill and any summons, notice or other document required or authorised to be served upon any of the Directorates nor the Commission under the provisions of this Bill or any other enactment or law may be served by delivering the same to the Executive Commissioner in the case of a Directorate or the Executive Secretary in case of the Commission, or by sending it by registered post addressed to the Executive Commissioner in the case of a Directorate or the Executive Secretary in case of the Commission.

1           **172.** In any action or suit against the Commission or any of the           Payment of  
2 Directorates, no execution or attachment or process in the nature thereof           Judgment  
3 shall be issued against the Commission or the Directorate but any sum           sum.  
4 of money which may, by the judgment of the court, be awarded against  
5 the Commission or a Directorate shall, subject to any directions given  
6 by the court where no notice of appeal has been given by the  
7 Commission, be paid from the fund of the Board of the Commission,  
8 in the case of the Commission or be paid from the fund of the particular  
9 Directorate in the case of a Directorate.

10	173. To ensure the distinct status of the Fund of each Directorate	Limitation
11	established under this Bill, no judgment against the Commission or	of
12	any other Directorate shall be enforced against the Fund of any	Enforcement
13	Directorate that is not specifically mentioned as a party in the suit	of Judgment
14	from which the judgment emanated.	against
		funds of
		Directorates.

15           **174.** A member of the Board, Executive Secretary, agent, auditor  
16 or employee for the time being of the Board or any employee of the  
17 Directorates shall be indemnified out of the Fund of the Board against  
18 any liability incurred by him in defending any proceedings whether  
19 civil or criminal, if any such proceeding is brought against him in his  
20 capacity as such member, agent, auditor or employee as aforesaid  
21 where he acted in good faith in respect of the conduct complained  
22 against him that furnished the cause of action resulting to the  
23 unfavourable judgment.

Indemnity  
for  
defending  
proceedings.

24           **175.** The provisions of the Public Officer's Protection Act shall  
25 apply in relation to any suit instituted against any officer or employee  
26 of the Commission or the Directorate in his capacity as such.

Application  
of Public  
Officer's  
Protection  
Act

27           **176.** The audit of the Commission and its Directorates shall be           Audit of the  
28   in accordance with the provisions of the Constitution of the Federal           Commission.  
29   Republic of Nigeria as amended.

30 PART XXVIII — SETTING UP NIGERIAN CONTENT MONITORING UNITS IN  
31 MINISTRIES, EXTRA MINISTERIAL DEPARTMENTS, AGENCIES AND OTHERS

**C 1360 2020 No. *Nigerian Local Content Development and Enforcement Commission***

Establishment of Nigerian Local Content Development and Monitoring Units in MDAs.	1	177.— (1) The Nigerian Local Content Development and
	2	Enforcement Commission shall set up in each Federal Government
	3	Ministry, Extra Ministerial Department and Agency, a unit to be
	4	known as Nigerian Local Content Development and Monitoring Unit.
	5	(2) The Nigerian Local Content Development and Monitoring
	6	Unit set up pursuant to subclause (1) of this clause, shall be headed by
	7	an officer of the Commission who shall not be less than the rank of an
	8	Assistant Director in the public service.
Functions of the Nigerian Local Content Development and Monitoring Units.	9	178. A Nigerian Local Content Development and Monitoring
	10	Unit shall —
	11	(a) be responsible for overseeing, coordinating, monitoring,
	12	administering and enforcing the implementation of the provisions
	13	of this Bill and ensuring measurable and continuous growth in
	14	Nigerian Local Content in relation to the activities of the ministry,
	15	extra ministerial department or agency under which the Nigerian
	16	Local Content Development and Monitoring Unit operates.
	17	(b) prepare guidelines, to include targets and formats for local
	18	content plans and reporting in the ministry, extra ministerial
	19	department, agency including any agency under any arm of the
	20	Federal Government of Nigeria under its supervision;
	21	(c) promote the maximization of value-addition and job creation
	22	through the use of local expertise, goods and services, businesses
	23	and financing in the value chain of the Nigerian economy and
	24	their retention in Nigeria;
	25	(d) make appropriate recommendations to the Minister or to
	26	the head of the extra ministerial department, agency or any agency
	27	under any arm of the Federal Government of Nigeria under which
	28	the Unit operates for the smooth implementation of relevant
	29	provisions of this Bill as they relate to the activities of such ministry,
	30	extra ministerial department or agency under the supervision of
	31	the Nigerian Local Content Development and Monitoring Unit;

1 (e) undertake public education to promote public awareness of  
2 the benefits of application of Nigerian Content in the work of the  
3 ministry, extra ministerial department, agency or any agency under  
4 any arm of the Federal Government of Nigeria that is under the  
5 supervision of the Nigerian Local Content Development and  
6 Monitoring Unit;

7 (f) assist Nigerians and indigenous Nigerian entities to develop  
8 their capabilities and capacities in respect of the area of work of  
9 the ministry, extra ministerial department or agency under any arm  
10 of the Federal Government of Nigeria under which the Nigerian  
11 Local Content Development and Monitoring Unit operates in order  
12 to further the attainment of the goal of developing Nigerian content  
13 in the work of such ministry, extra ministerial department or agency;

14 (g) conduct studies, researches and investigations that may further  
15 the attainment of the goal of developing Nigerian Content in the  
16 ministry, extra ministerial department or any agency under the  
17 supervision of the Nigerian Local Content Development and  
18 Monitoring Unit;

19 (h) to comply and enforce compliance with any Regulation made  
20 by the Nigerian Local Content Development and Enforcement  
21 Commission that is applicable to the ministry, extra ministerial  
22 department or any agency in which the Nigerian Local Content  
23 Development and Monitoring Unit operates; and

24 (k) perform any other function conferred on the Nigerian Local  
25 Content Development and Monitoring Unit by the Nigerian Local  
26 Content Development and Enforcement Commission.

27 **179.** The Nigerian Local Content Development and Enforcement  
28 Commission shall deploy its staff to every ministry, extra ministerial  
29 department, agency including any agency under any arm of the Federal  
30 Government of Nigeria to perform the functions stipulated under clause  
31 178 of this Bill.

Commission  
to deploy its  
staff to  
administer  
Nigerian  
Content  
Development  
and Moni-  
toring Unit.

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Duty of  
Ministry,  
Extra-  
Ministerial  
Department  
and  
Agency to  
disclose  
information.

1       **180.** Every ministry, extra ministerial department, agency  
2 -- including any agency under any arm of the Federal Government of  
3 Nigeria shall disclose any piece of information to a Nigerian Content  
4 Development and Monitoring Unit set up pursuant to the provisions of  
5 this Bill provided that the information is required to assist the Nigerian  
6 Local Content Development and Monitoring Unit to discharge its  
7 functions under the provisions of this Bill.

Nigerian  
Local  
Content  
Development  
and Monito-  
ring Unit to  
advise on  
activities in  
relation to  
Nigerian  
content.

8       **181.** Ministries, extra ministerial departments, agencies including  
9 any agency under any arm of the Federal Government of Nigeria  
10 shall seek and obtain the advice of the Nigerian Local Content  
11 Development and Monitoring Unit in their ministries, extra ministerial  
12 departments and agencies, in all matters relating to the development  
13 of, and/or, compliance with Nigerian content. ministries, extra  
14 ministerial departments and agencies.

Staff of the Commission deployed to ministries, extra ministerial departments and agencies to be independent.

15       182. In the performances of its obligations under this Bill, a  
16 Nigerian Local Content Development and Monitoring Unit shall not  
17 be subject to the direction or control of any other person except the  
18 Commission which shall ensure that the Nigerian Local Content  
19 Development and Monitoring Unit implements the tenor and spirit of  
20 the provisions of the Bill in the ministry, extra ministerial department  
21 or agency of the Federal Government.

Nigerian  
Content  
Development  
and  
Monitoring  
Unit to  
submit  
monthly  
report.

22       **183.** It shall be obligatory on a Nigerian Local Content  
23 Development and Monitoring Unit to submit a monthly report to the  
24 Commission within ten days from the beginning of each month on the  
25 development of, and compliance with the requirements of, Nigerian  
26 content in the ministry, extra ministerial department or agency that  
27 the Nigerian Local Content Development and Monitoring Unit is  
28 overseeing.

PART XXIX — SUBMISSION OF ANNUAL NIGERIAN  
CONTENT PERFORMANCE REPORT



184.—(1) Within ninety days of the beginning of each year, every Ministry and agency of any arm of the Federal Government of Nigeria shall for itself and on behalf of all agencies of the Federal Government under such Ministry submit to the Board of the Nigerian Local Content Development and Enforcement Commission, a Report to be known as Annual Nigerian Content Performance Report which shall cover all the projects, contracts and activities of the Ministry or agency for the preceding year under review.

Duty of all  
ministries and  
agencies of  
the Federal  
Government  
and Nigerian  
Local  
Content  
Entities to  
submit  
Annual  
Nigerian  
Content  
Performance  
Report.

(2) Within sixty days of the beginning of each year, every operator, contractor and partner who carried out any regulated activity shall submit to the relevant Directorate its Annual Nigerian Content Performance Report which shall cover all the projects and activities of such operator, contractor and partner for the preceding year under review

(3) The Annual Nigerian Content Performance Report to be submitted under sub clauses (1) and (2) of this clause shall specify by category of expenditures on the development of Nigerian content on both a current and cumulative cost basis and shall also set out —

(a) remarkable achievement(s) made in the development of Nigerian Local Content made by the entity submitting the Report and how such development has improved on any sector of the Nigerian economy;

(b) employment achievements in terms of hours or days worked by Nigerians and foreign workers and their status;

(c) level of compliance where applicable, with any instruction issued by the any relevant Directorate under this Bill for the employment of people from the catchment Areas of the operation; and

(d) quantity and quality of goods of locally manufactured goods and goods of foreign origin procured.

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Regular Assessment and Verification of Nigerian Content Performance Report.	1	<b>185.</b> A Directorate shall undertake regular assessment and
	2	verification of the Nigerian Content Performance Report filed by each
	3	Nigerian Local Content entity in compliance with the provisions of
	4	this Bill as may be considered appropriate by the relevant Directorate.
Issuance of Directives to facilitate Reporting activities.	5	<b>186.</b> Each Directorate shall issue directives to Nigerian Local
	6	Content entities and other entities or persons in order to develop a
	7	process to facilitate reporting of activities relating to any aspect of
	8	Nigerian Content Development and enforcement covered under this
	9	Bill.
Right of Access to information to substantiate Report.	10	<b>187.</b> For the purposes of assessment and verification, all Nigerian
	11	Local Content entities shall provide the relevant Directorate or its
	12	designated agent with access to their facilities and all documentation
	13	and information required for substantiating the Nigerian content
	14	reported.
Nigerian Local Content Entities to make Reports.	15	<b>188.—(1)</b> A Nigerian Local Content entity shall ensure that its
	16	partners, contractors and subcontractors are contractually bound to
	17	report Nigerian content information to the Entity and, if so requested
	18	by a relevant Directorate, directly to the Directorate, and to allow
	19	the Directorate or its designated agent access to their records for the
	20	purposes of assessment and verification of Nigerian content information
	21	reported to the operator or the Directorate.
	22	(2) A Nigerian Local Content Entity shall effectively communicate
	23	its Nigerian content policies and procedures to its contractors and
	24	subcontractors and to monitor and enforce the compliance of applicable
	25	provisions of the Bill to their contractors and sub-contractors.
Submission of Projected Expenditure to the National Assembly.	26	<b>189.—(1)</b> Each Directorate established under this Bill shall, not
	27	later than 30th September of each year, submit to the National
	28	Assembly, through the Board, an estimate of the projected expenditure
	29	of the Directorate during the next succeeding year and shall include a
	30	copy of the audited accounts of that year and a copy of the auditor's
	31	report.

1 (2) The Board shall, not later than 30th September of each year,  
2 submit to the National Assembly, an estimate of the projected  
3 expenditure of the Directorate during the next succeeding year and  
4 shall include a copy of the audited accounts of that year and a copy of  
5 the auditor's report.

6 PART XXX — PENAL AND ADMINISTRATIVE SANCTIONS

7 **190.**—(1) It is a criminal offence for any person or entity — Penal  
offences.

8 (a) to neglect, fail or refuse to submit a report or other documents  
9 but excluding a Nigerian Local Content Plan required to be submitted  
10 under this Bill;

11 (b) to knowingly make a false statement in a plan, report or other  
12 documents required to be submitted under this Bill;

13 (c) to connive with any person or entity to circumvent the  
14 performance of any duty imposed under this Bill;

15 (d) to hinder, obstruct or attempt to corruptly influence any public  
16 officer exercising any power or performing any duty under this Bill  
17 to do or omit to do anything contrary to the stipulation of any provision  
18 of this Bill;

19 (e) to fraudulently misrepresent or attempt to fraudulently  
20 misrepresent the fulfillment of Nigeria content obligation(s) under  
21 this Bill;

22 (f) to contravene any lawful directive(s) issued under this Bill;

23 (g) to engage in fronting practice(s);

24 (h) to engage in illicit fund transfer;

25 (i) to sell, transfer or assign any contract, licence, lease or any  
26 interest obtained on the basis of being an indigenous Nigerian  
27 company or a Nigerian citizen to any non Nigerian or a foreigner  
28 or a foreign company the subcontract without the authorization  
29 from the designated Department;

30 (j) to whom a contract or part of a contract has been under this  
31 Act, to connive or receive, in lieu of carrying out the contracted

1 work, payment from a foreigner or foreign company;  
2 (k) to fail or neglect to perform the contracted works or to abscond  
3 or abandon a contract before completion when the said contract  
4 was exclusively awarded to the person or company on the basis that  
5 such person is a Nigerian or an indigenous Nigerian company;

6 (l) to assign or sell its shares or otherwise cease to be a Nigerian  
7 entity or citizen at any time after being awarded a contract or a  
8 subcontract on the basis of the entity or person being a Nigerian  
9 company or Nigerian citizen;

10 (m) having lost being an indigenous Nigerian company or  
11 individual continues to carry on business under such status;

12 (o) to obtain a contract or subcontract by fraud or  
13 misrepresentation of its true ownership or origin; and

14 (p) to carry out Shoddy work.

15 (2) A person or entity who commits an offence prescribed in —

16 (a) subclause (1) (a), (b), (c), (d), (e) and (f) is liable on  
17 conviction, to a term of imprisonment not exceeding five years or  
18 to a fine of an amount not less than twenty million naira but not  
19 exceeding fifty million Naira or to both imprisonment and fine.

20 (b) subclause (1) (g), (h), (i), (j), (k), (l), (m), (n), (o) and (p) is  
21 liable on conviction, to a term of imprisonment not exceeding ten  
22 years or to a fine of an amount not less than thirty million naira but  
23 not exceeding sixty million Naira or to both imprisonment and fine.

24 (3) Where an offence prescribed in sub-clause (1) is committed  
25 by a body corporate, such body corporate and a director, manager,  
26 secretary or other similar officer of the body corporate or any local  
27 content entity who was purporting to act in any such capacity shall be  
28 taken to have committed that offence and shall be liable to be prosecuted  
29 and punished as required in sub clause (2).

30 (4) A person convicted of an offence referred to in subsection (1)  
31 shall in addition to the penalty prescribed in subsection (2) and (3), be

1 barred from contracting with a person, or acting as director, manager,  
2 secretary or other similar officer of the body corporate for a period of  
3 ten years from the date of conviction.

4 (5) In this clause —

5 (a) “illicit fund transfer” means an initiative implemented where  
6 the financial benefits which ought to have been received by a Nigerian  
7 or a Nigerian indigenous company as a result of the implementation  
8 of the provisions of this Bill is diverted to a non Nigerian indigenous  
9 company under whatever guise;

10 (b) “unlawful fronting practice” means a transaction,  
11 arrangement or other act or conduct that is fraudulently made which  
12 directly or indirectly undermines or frustrates the achievement of  
13 the objectives of this Bill or the implementation of any of the  
14 provisions of this Bill or any other law relating to Nigerian Local  
15 Content development.

16 **191.** Any public officer charged with the responsibility of issuing  
17 work permits to non-Nigerians and/or granting expatriate quota to  
18 companies who issues any such work permit to any non-Nigerian  
19 and/or grant such expatriate quota to a company without verification  
20 from the relevant body as to the availability in Nigeria of the skill  
21 and/or services such to be rendered by the applicant for the work  
22 permit or expatriate quota shall upon conviction be sentenced to  
23 prison for a period of Two (2) years without an option of fine in a  
24 Correctional Facility.

Criminal  
offence  
relating to  
issuance of  
work permit  
and  
expatriate  
quota.

25 **192.** A person who breaches any provision of this Bill for which  
26 no penalty is provided shall be liable to a fine not exceeding twenty  
27 million naira or a term of imprisonment not exceeding three years or  
28 to both.

General  
penalty.

29 **193.—**(1) The Directorate where the offender in clause 190 of  
30 this Bill admits culpability in writing and undertake as a first offender  
31 not to repeat the infringement of the provisions of this Bill, may as an

Imposition  
of  
administrative  
penalties.

1 alternative to the prescribed penalty if the matter had proceeded to  
2 court for judicial determination and the offender had been found guilty,  
3 impose administrative penalties on such offender as follows —

4 (a) in case of infringement of clause 190 (1) (a), (b), (c), (d), (e)  
5 and (f), an administrative fine not exceeding Sixty Million Naira  
6 for the infringement and one hundred million naira for a repeated  
7 infringement in respect of the same offence;

8 (b) in case of infringement of clause 190 (1) (g), (h), (i), (j), (k),  
9 (l), (m), (n), (o) and (p) an administrative penalty not exceeding  
10 eighty million naira for the infringement and one hundred and twenty  
11 million Naira for a repeated infringement in respect of the same  
12 offence;

13 (c) in cases prescribed in clause 192 of the Bill, to an  
14 administrative penalty not exceeding thirty million naira for the  
15 infringement and one hundred & twenty million naira for a repeated  
16 infringement in respect of the same offence.

17 (2) The fines prescribed in subsection (1) shall be taken to be a  
18 civil debt and shall be paid into the consolidated fund within seven  
19 working days of their imposition and until the same are paid, the local  
20 content entity, contractor, supplier or subcontractor to which they are  
21 imposed shall cease carrying on the contracted activity.

22 (3) An administrative penalty in form of monetary sanction  
23 imposed under this clause shall carry interest at the prevailing bank  
24 rate from the date they are imposed.

25 PART XXXI — COMPLAINTS AND DISPUTE RESOLUTION

Right of  
members of  
the public to  
complain.

26 194.—(1) Any person who has any reason to believe that the  
27 provision(s) of this Bill has not been complied with by any Nigerian  
28 Local Content entity or any ministry, extra ministerial department or  
29 agency of any arm of the Federal Government of Nigeria in respect  
30 of any matter contemplated under this Bill shall have and exercise a  
31 right to complain to the Directorate or the Nigerian Local Content

1 Development Unit of the ministry, extra ministerial department or  
~~2 agency responsible for the overseeing, monitoring and implementing~~  
3 the provisions of this Bill in respect of the sector or the ministry,  
4 extra ministerial department or agency in which the violation is  
5 believed to have been occurred.

6 (2) The Directorate or the Nigerian Local Content Development  
7 Unit in the ministry, extra ministerial department or agency shall within  
8 two weeks from the date of the receipt of a complain pursuant to sub -  
9 clause (1) of this clause, take a decision on the complaint and accordingly  
10 inform the complainant of its decision and where the Directorate or  
11 the Nigerian Local Content Development Unit in the ministry, extra  
12 ministerial department or agency neglects or fails to take a decision  
13 within two weeks from the date of the receipt of the complaint, or  
14 takes a decision that is unsatisfactory to the Complainant, the  
15 Complainant shall in either case have the right to make a complaint  
16 directly to the Board of the Commission and the Board shall within  
17 thirty-days of the receipt of the complaint take a decision on the complaint  
18 and inform the complainant accordingly.

19 **195.**—(1) Without prejudice to the effect of clause 194 of this  
20 Bill, any dispute in respect of any civil right and obligation between  
21 parties arising from the implementation of the provisions of this Bill  
22 shall be resolved, in the first instance, on an amicable basis and where  
23 parties cannot resolve their dispute by an amicable settlement, any of  
24 the parties to the dispute shall in writing make a complaint to the  
25 appropriate Directorate for resolution, or where there is no Directorate  
26 responsible for the sector, to the Nigerian Local Content Development  
27 Unit in the ministry or agency responsible for the sector or industry.

Procedure  
for resolving  
civil  
disputes  
arising from  
local content  
disputes.

28 (2) A Directorate or a Nigerian Local Content Development Unit  
29 who in pursuant to clause (1) of this clause receives a complaint shall  
30 within two weeks from the date of the receipt of the complaint resolve  
31 the dispute between the parties and where the Directorate or Nigerian

1 Local Content Development Unit cannot resolve such dispute, the  
2 ~~Directorate or Nigerian Local Content Development Unit shall refer~~  
3 same to the Dispute Resolution Committee of the Board of the  
4 Commission for resolution within thirty days from the date of the  
5 receipt of the letter referring the Committee.

6 (3) Where the dispute is in the nature of a bona fide investment  
7 dispute, and such dispute is not amicably settled as provided under  
8 subclause (1) of this Clause, it shall be resolved in accordance with  
9 the provisions of the Nigerian Investment Promotions Board Act, Cap.  
10 N117, Laws of the Federation of Nigeria, 2004.

11 (4) Where the dispute cannot be resolved in accordance with the  
12 provisions of sub clauses (1) and (4) of this clause, any of the parties  
13 shall have the right to institute action for the enforcement of his/her  
14 right in a court of law with competent jurisdiction.

Establishment  
of Dispute  
Resolution  
Committee.

15 **196.**—(1) The Board of the Commission shall establish a Dispute  
16 Resolution Committee to be comprised of not more than seven members  
17 of the Board of the Commission, one of whom shall be made the  
18 chairman, and a secretary who shall not be a member of the Board of  
19 the Commission.

20 (2) The Chairman of the Board of the Commission shall appoint  
21 the chairman and members of the Dispute Resolution Committee.

Functions of  
the Dispute  
Resolution  
Committee.

22 **197.** The functions of the Dispute Resolution Committee shall  
23 include —

24 (a) bringing disputing parties together in a safe and non -  
25 adversarial environment for the resolution of their dispute;

26 (b) ensuring peaceful resolution of grievances, where possible,  
27 through mutually accepted compromise;

28 (c) issuing of interim orders for the maintenance of the status  
29 quo in respect of all matters relating to the compliant pending the  
30 final resolution of the dispute; and

31 (d) to lawfully do anything to perform its functions under this



1 clause.

2 ~~198. The Dispute Resolution Committee shall not issue any interim~~ Interim  
3 orders for the maintenance of the status quo of all matters relation to Orders of  
4 the complaint except there is exceptional circumstances demonstrating the Committee  
5 that if such an order is not given an irreparable loss or damage may to be issued  
6 occur to the party asking for the order. only in  
exceptional  
circumstances.

7 199. The Dispute Resolution Committee shall not issue any interim Interim  
8 order for the maintenance of the status quo in any dispute before it Orders not  
9 except all the disputing parties and where necessary any other party to be issued  
10 that the interim order may affect have been given adequate opportunity without  
11 to be heard on the proprietary or otherwise of the issuance of the all parties  
12 order. opportunity  
of fair  
hearing on  
the issuance.

13 200. An interim order issued pursuant to the provisions of this Interim  
14 Bill shall be respected and be binding on all parties, their agents, servants orders to be  
15 and privies until same has been vacated pursuant to the order of the binding.  
16 Committee.

17 201. The Dispute Resolution Committee shall involve the Chairman of the Board of the Commission where it appears to the  
18 Chairman of the Board of the Commission where it appears to the the  
19 Committee during the resolution of a dispute that the resolution of the Commission to be  
20 dispute could be achieved more effectively, efficiently and involved in  
21 expeditiously by involving the Chairman of the Commission in the the resolu-  
22 resolution. tion of dis-  
pute where  
necessary.

23 202. The Dispute Resolution Committee shall adopt conciliation Dispute  
24 and mediation approaches in its resolution of disputes and shall ensure Resolution  
25 that all disputes referred to it are expeditiously resolved within fourteen Committee  
26 days from the date of such referral. to adopt  
Conciliation  
and  
Mediation  
Approaches.

27 PART XXXII — MISCELLANEOUS PROVISIONS

28 203. Notwithstanding any provision contained in this Bill or any Transfer of  
29 other enactment, any power conferred on, and/or functions assigned Regulatory  
30 to any authority or agency pertaining to the development and functions to  
31 enforcement of Nigerian content in any area covered by this Bill are the  
Directorates.

1 hereby transferred to the relevant Directorate responsible for the sector  
2 under the provisions of this Bill.

Regulations.

3 **204.—**(1)The Board of the Nigerian Local Content Development  
4 Commission upon consultation with relevant key industry stakeholders,  
5 government and regulatory agencies, chambers of commerce,  
6 professional associations of the sectors that this Bill covers shall  
7 make regulations for carrying out the purposes of this Bill particularly  
8 for —

9 (a) establishing the minimum standards, facilities, personnel and  
10 technology for Nigerian Contents in the sectors covered by this  
11 Bill;

12 (b) specifying modalities involving operators as partners in training  
13 and development;

14 (c) setting out targets to ensure —

15 (i) maximum utilization and steady growth of Nigerian  
16 companies engaged in exploration in the case of the extractive  
17 sector and in other preliminary activities or operations in the  
18 other sectors covered by this Bill,

19 (ii) seismic data processing in the case of the mining sector,

20 (iii) engineering design,

21 (iv) reservoir studies,

22 (v) gps surveys in the case of agriculture,

23 (vi) manufacturing and fabrication of equipment, and

24 (vii) other facilities as well as provisions of other support  
25 services in the Nigerian economy in the sectors covered by this  
26 Bill;

27 (d) setting targets for Nigerian Local Content on the type of  
28 joint venture or alliances to be achieved for public project (s);

29 (e) setting Nigerian Content targets for the growth of research  
30 and development in the sectors covered by this Bill ;

31 (f) require any operator or company or its professional employees

1 engaged in the provision of engineering or other professional  
2 services in the sectors covered by this Bill to be registered with the  
3 relevant professional bodies in Nigeria;

4 (g) requiring any operator to invest in or set up a facility, factory,  
5 production units or other operations in Nigeria for the purposes of  
6 carrying out any production, manufacturing or providing a service  
7 otherwise imported into Nigeria;

8 (h) setting auditing procedures to enable the Directorates to  
9 conduct regular audits for the purposes of monitoring and enforcing  
10 compliances with the provisions of this Bill in their various sphere  
11 of operations; and

12 (i) setting out the qualifications and other relevant criteria for the  
13 capturing of indigenous Nigerian companies and Nigerian citizens  
14 on the National Supplier database and the maintenance and regular  
15 update of the database.

16 (2) The Board of the Nigerian Local Content Development  
17 Commission shall within 180 days from the date of the commencement  
18 of this Bill make the Regulations under this clause.

19 **205.**—(1) Subject to the provisions of the Constitution, the  
20 provisions of this Bill shall take precedence over all existing laws  
21 relating to Nigerian Content in Nigeria and where there is a conflict  
22 between the provisions of this Bill and any other law, the provisions of  
23 this Bill shall prevail.

Superiority  
of this Bill  
over other  
enactments.

24 (2) From the commencement of this Bill, any local content  
25 reservation scheme in respect of which this Bill applies, issued for the  
26 promotion of Nigerian Content in public procurements that is  
27 inconsistent with the provisions of this Bill shall, to the extent of the  
28 inconsistency, be void.

29 **206.**—(1) The Nigerian Oil and Gas Industry Content Act 2010 is  
30 hereby repealed and all transactions especially made and concluded in  
31 the name and style of Nigerian Content Development Monitoring Board

Repeal.

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1 shall not be invalid solely on the ground that the name Nigerian Content  
2 Development Monitoring Board was used in respect of the concluded  
3 transaction.

4 (2) All assets, liabilities and on-going transactions carried out in  
5 the name and style of the Nigerian Content Development Monitoring  
6 Board shall be deemed transferred to the Directorate of Nigerian  
7 Local Content on Oil and Gas established under this Bill.

Savings and  
Transitional.

8 **207.** Upon the commencement of this Bill, a contractor,  
9 subcontractor or supplier carrying on an activity under any Nigerian  
10 Local Content arrangement shall continue carrying on that activity as  
11 if the same was contracted under this Bill.

Interpretation.

12 **208.** In this Bill, except the context indicates otherwise —  
13 “artisanal miner or scale - miner refiner” means a subsistence  
14 miner who is not officially employed by a licensed mining company,  
15 but works independently, mining minerals using their own resources,  
16 usually by hand or other locally fabricated tools or equipment;

17 “artisanal petroleum refiner” means any person who uses locally  
18 sourced technological device to refine crude oil into various  
19 petroleum products;

20 “Board” means the Board of the Nigerian Local Content  
21 Development and Enforcement Commission established under this  
22 Bill;

23 “Commission” means the Nigerian Local Content Development  
24 and Enforcement Commission established under this Bill;

25 “Committee” means the Dispute Resolution Committee  
26 established under this Bill;

27 “Directorate” means any Directorate established under this  
28 Bill;

29 “Electronic transaction” includes the sale or purchase of goods  
30 or services, whether between businesses, households, individuals,  
31 governments, and other public or private organisations, conducted

1 over computer-mediated networks wherein the goods and services  
2 ~~are ordered over those networks, but the payment and the ultimate~~  
3 delivery of the good or service may be conducted on or off-line;

4 “Federal Government” means the Government of the Federal  
5 Republic of Nigeria;

6 “fronting” means to deceive or behave in a particular  
7 manner intended to conceal the fact that a company is not an  
8 indigenous Nigerian company;

9 “in-country spend” means the amount of money spent in Nigeria  
10 in relation to economic activities carried out by a person or an entity;

11 “Information and Communication Technology” includes all the  
12 technology used to handle telecommunications, broadcast media,  
13 intelligent building management systems, audiovisual processing  
14 and transmission systems, and network-based control and monitoring  
15 functions;

16 “Indigenous Nigerian Company” means a legal entity:

17 (a) Incorporated under the Laws of the Federal Republic of  
18 Nigeria; and

19 (b) having its principal place of business located in Nigeria;  
20 and

21 (c) having at least 90% of its equity held by Nigerian citizens;  
22 and

23 (d) not having its assets controlled by foreign national or  
24 organization incorporated or organized outside Nigeria; and

25 (e) with not less than 95% of persons who will perform services  
26 under the contract whether employed directly or by a  
27 subcontractor being Nigeria citizens;

28 “indigenous Nigerian financial institution” means a financial  
29 institution that has one hundred percent Nigerian or a majority  
30 Nigerian shareholding;

31 “major project” includes a project whose cost or appraised value

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1 is not less than one billion Naira;

2 “joint venture” means an association where firms or persons  
3 are jointly and severally liable for the entire contract and shall  
4 designate one party to act as a leader with a mandate to bind the  
5 joint venture and to sign contract with the procurement entity;

6 “instrument” means a written approval from a regulatory agency  
7 in Nigeria to undertake a regulated activity;

8 “licensee” means a person granted a licence to undertake any  
9 regulated activity in any sector of the Nigerian economy except,  
10 the oil and gas sector;

11 “Lessee” means a person granted a lease to undertake any  
12 regulated activity in any sector in the Nigerian economy except, in  
13 the oil and gas sector;

14 “Manufacture” means —

15 (a) to produce, assemble or process good or the making of any  
16 good or part of any good;

17 (b) the altering, ornamenting, finishing, assembling or  
18 processing in any form of any good; or

19 (c) the adapting for sale of any good, in which machinery  
20 operated by mechanical power is used;

21 “Margin of Preference” means extra mark up on price allowed  
22 an indigenous Nigerian Company under competitive bidding;

23 “MDAs” means ministries, extra- ministerial departments and  
24 agencies of the Federal Government of Nigeria;

25 “Minister” means a person appointed by the President and  
26 Commander in Chief of the Armed Forces of the Federal Republic  
27 of Nigeria under the Constitution of the Federal Republic of Nigeria,  
28 1999 as amended, as the political head of a Federal Government  
29 Ministry;

30 “Nigerian Electricity Supply Industry” means the totality of  
31 activities in the production, transportation and delivery of electrical

1 energy to consumers and customers within Nigeria, including  
2 the generation, transmission, system operations, distribution, retail,  
3 and trading of electricity energy, as well as the provision of support  
4 services to any of these regulated activities;

5 “Nigerian Content” refers to the quantum of composite value  
6 added to or created in the Nigerian economy by a systematic  
7 development of capacity and capabilities through the deliberate  
8 utilization of Nigerian human and material resources and  
9 services in the Nigerian economy;

10 “Nigerian Local Content entities” means an operator or any  
11 entity carrying out or seeking to carry out any regulated activity in  
12 any sector of the Nigerian economy covered by this Bill;

13 “Operator” includes every licensee, lessee, any minerals title  
14 holder, their subsidiaries and joint venture partners and any  
15 indigenous Nigerian company, any foreign company operating in  
16 any sector of the Nigerian economy;

17 “Plan” means Nigerian Local Content Development Plan  
18 required to be submitted under this Bill;

19 “Petroleum Down Stream Sector” means the refining of  
20 petroleum crude oil into gasoline, diesel, jet, and other fuels and  
21 the processing and purifying of raw natural gas, as well as the  
22 marketing and distribution of products derived from crude oil and  
23 natural gas;

24 “Petroleum Exploitation” includes the operation of producing oil  
25 and gas from the deposit, their separation and initial processing,  
26 preparation of the produced oil or gas for transport and storage,  
27 the transportation of the oil and gas to the terminal, oil refining, as  
28 well as oil and liquefaction of gas;

29 “Petroleum Exploration” is the employment of geological and  
30 geophysical testing, exploratory drilling or other forms of detailed  
31 testing of the Earth’s crust, by application of the appropriate methods

1 with the goal of determining the characteristics of the deposit,  
2 existence, location and form of oil and gas deposit, quality and  
3 quantity, as well as deposit exploitation conditions;

4 “Petroleum Facilities” are one or several installations, machines,  
5 plants, devices, pipelines or lines used for exploration, production  
6 of oil and gas or transport and storage related to petroleum  
7 exploitation;

8 “Petroleum upstream” means operations pertaining to the  
9 extraction of oil and gas from the deposit, and construction or use  
10 of the facility for the purposes of exploitation and delivery of oil and  
11 gas, including exploration, drilling petroleum boreholes, production,  
12 transport and use of oil and gas for the purposes of exploitation,  
13 except the transport of oil or gas on large trains, aircraft, road  
14 vehicles or vessels;

15 “Public private partnership agreement” means an agreement  
16 entered into between the Federal Government of Nigeria or any of  
17 its agencies and a private sector company or companies pursuant to  
18 the provisions of the Infrastructure Concession Regulatory  
19 Commission (Establishment) Act, 2005 or any enactment of like  
20 effect;

21 “Public works” includes any construction work undertaken by a  
22 person, body or entity on behalf of the Federal Government of  
23 Nigeria or any of her agencies which is funded or financed in  
24 whole or in part with public money or with loan obtained on behalf  
25 of the Federal Government of Nigeria or any of her agencies;

26 “Regulated Activity” means an activity that could only be lawfully  
27 undertaken with the consent of the Federal Government of Nigeria  
28 or any of her agencies;

29 “SMEs” means Small and Medium Enterprises;

30 “sub contractor” means a third party to whom a contractor  
31 has entered into a contract for the supply of goods and/or provision



1 of services;

2 ~~“technology transfer” means activities and mechanisms aimed~~

3 at transferring skills, knowledge, technologies and methods from

4 foreign entity to an indigenous Nigerian company or citizen;

5 “value-addition” means the economic improvement of a product

6 or service in the business activities in country.

7 **209.** This Bill may be cited as the Nigerian Local Content Short Title.

8 Development and Enforcement Commission Bill 2020.

#### EXPLANATORY MEMORANDUM

This Bill seeks to ensure —

\*the application of Local Content principles to transactions in all sectors of the Nigerian economy where regulated activities are carried in all the sectors of the Nigerian economy;

\*the development of the local capacities and capabilities in the value chain of all the sectors of the Nigerian economy through education, skills transfer and expertise development, transfer of technology and know-how and active research and development programmes;

\*the achievement of minimum local employment level and in-country spend for the provision of goods and services in the value chain of all the sectors of the Nigerian economy;

\*strengthening of the international competitiveness of Nigerian domestic businesses;

\*the achievement and maintenance of control by Nigerians over the economic developmental initiatives and activities in Nigeria;

\*the provision of a robust and transparent monitoring and reporting system to ensure delivery of Nigerian Content policies; and

\*supervision and coordination of the implementation and monitoring of Nigerian Content development in the Nigerian economy.

