

A BILL FOR ACT TO MAKE PROVISIONS FOR NIGERIA GOLD RESERVE INDUSTRY FRAMEWORK AND FOR OTHER RELATED MATERS 2024 – THE GOLD RESERVE BILL

ARRANGEMENT OF SECTIONS

PART I: ESTABLISHMENT OF THE NIGERIAN GOLD RESERVE AUTHORITY.

Establishment Functions and Objectives of the Nigerian Gold Reserve Authority

Sections:

1. Establishment, Powers, Functions and Objectives
2. Power to make regulations by the Authority
3. Governing Body
4. Remuneration of Executive Directors of the Authority
5. Removal/Suspension of Members of the Board
6. Resignation/Vacancy
7. Funds of the Authority
8. Appointment of Secretary of the Board:
9. Employees of the Authority

PART II: EXPLORATION, EXPLOITATION, AND INCENTIVES FOR HARNESSING GOLD RESOURCES

10. Control of property in gold, vested in the State:
11. Prohibition of exploration or exploitation of gold without authority:
12. Lands excluded from gold exploration and exploitation

PART III: GOLD MINING CADASTRE DEPARTMENT

13. Establishment of the Gold Mining Cadastre Department
14. Competitive bidding

PART IV: Gold Mining Incentives

15. Eligible Persons:
16. Exemption from customs duty and other benefits:
17. Permission to retain and use earned foreign exchange
18. Free transferability of funds
19. Tax relief period
20. Application of Cap. F34 L.F.N. 2004 and the NIPC Act
21. Deductibility of environmental costs
22. Tax Incentives under the Pension Reform Act No.2, 2004
23. Annual capital cost indexation

PART V: ESTABLISHMENT AND MANAGEMENT OF THE OF THE GOLD RESERVE DEVELOPMENT FUND

24. Establishment of the gold reserve development fund
25. Management board of the Fund
26. Functions and powers of the Committee
27. Custodian of the Fund
28. Financial provisions
29. Annual budget
30. Investment of surplus monies in the Fund
31. Accounts and audit
32. Annual reports

PART VI: ARTISANAL GOLD MINING

33. Small Scale Gold Mining Area
34. Licensing, Registration, Environmental and Health Standards
35. Community Engagement:
36. Prohibition of Child Labour
37. Fair Labour Practices
38. Access to Finance:
39. Extension services

PART VII: HOST COMMUNITY DEVELOPMENT AND ENVIRONMENTAL PROTECTION

40. Community Development Agreement
41. Objectives of the Community Development Agreement
42. Environmental obligations
43. Environmental Impact Assessment
44. Contents of the Environmental Protection and Rehabilitation Program

PART VIII: ENVIRONMENTAL PROTECTION AND REHABILITATION FUND

45. ESTABLISHMENT OF FUND

PART IX: OBJECTIVES AND ROLE OF THE CENTRAL BANK OF NIGERIA WITH THE GOLD RESERVE MANAGEMENT INSTRUMENT

46. Objectives
47. Establishment and Management of the Nigerian Gold Reserve
- 48. GOLD RESERVE RATIO**
49. Gold Reserve Management Committee
50. Meetings of the Gold Reserve Committee
51. Secretary of the Gold Reserve Committee
52. Power to Purchase and Sell Gold
53. Borrowing Programmes
54. Cooperation with Commercial Banks and The Authority
55. Use of Gold in Banking Operation
56. Gold Reserve Custody and Storage

- 57. Audits and Periodic Reports
- 58. International Agreements and Partnerships
- 59. Educational and Enlightenment Programmes
- 60. Power to Make Regulations

PART X: POWERS OF THE MINISTER

- 61. Functions of the Minister
- 62. Delegation of powers by the Minister
- 63. Power to Make Regulations

PART XI: MISCELLANEOUS PROVISIONS OFFENCES AND INTERPRETATION

Miscellaneous

- 64. Recourse to the Mining Act
- 65. Dispute resolution
- 66. Jurisdiction of the Federal High Court
- 67. Boundary
- 68. Power to seize

Offences

- 69. Illegal mining; false and misleading statements; false or non-declaration; and, smuggling of gold
- 70. Punishment
- 71. Loans
- 72. Use of false or fraudulent scales
- 73. Misrepresentation
- 74. Unlawful interference
- 75. Obstruction
- 76. Offence by a body of persons
- 77. Offence by body corporate
- 78. Exporter of minerals to make declaration, etc.
- 79. Interpretation

CITATION:

- 80. This Bill may be cited as the Nigerian Gold Reserve Bill 2024**

SCHEDULE: Compendium and Consolidation of Financial Implication

A BILL FOR ACT TO MAKE PROVISIONS FOR NIGERIA GOLD RESERVE INDUSTRY FRAMEWORK AND FOR OTHER RELATED MATERS 2024 – THE GOLD RESERVE BILL

Sponsor: Sen. (Barr) Natasha H. Akpoti-Uduaghan

Preamble:

Whereas the Senate recognizing the importance of gold reserve in fostering economic stability and financial security of a nation; and,

Whereas the Senate, acknowledging the need for a legislative cum institutional framework to guide the creation and management of gold reserves in order to improve the value of the Naira, serve as a hedge against inflation and ensure stability of the economy and the monetary system of Nigeria,

Now, therefore;

Be it enacted by the National Assembly of the Federal Republic of Nigeria follows:

PART I: ESTABLISHMENT OF THE NIGERIAN GOLD RESERVE AUTHORITY.

Establishment Functions and Objectives of the Nigerian Gold Reserve Authority

Sections:

1. Establishment, Powers, Functions and Objectives

(1) There is established for the Nigeria gold industry the Nigeria Gold Reserve Authority (in this Act referred to as the Authority") which shall be a body corporate with perpetual succession and a common seal.

(2) The Authority shall have the power to acquire, hold and dispose property, sue and be sued in its own corporate name.

(3) The Authority shall be responsible for the implementation of the Minerals and Mining Act (hereinafter in this Bill referred to as the Mining Act) for the regulation of exploration, and exploitation of gold operations of the Nigerian gold industry.

(4) The Authority shall ensure the regular supply of gold to the Central Bank of Nigeria (hereinafter in this Bill referred to as the Bank) for the maintenance and management of the Nigerian Gold Reserve.

(5) The objects and for which the Authority is established are to:

- (a) regulate the exploration and exploitation of Nigerian gold resources;
- (b) ensure efficient, safe, effective and sustainable infrastructural development of for gold mining operations in Nigeria;
- (c) ensure compliance with applicable mining laws and regulations governing gold mining pursuant to the Mining Act;
- (e) ensure regular supply of gold to the Central Bank of Nigeria for the maintenance of the Nigerian Gold Reserve requirement;
- (f) determine, administer and ensure the implementation and maintenance of technical standards, codes, practices and specifications applicable to gold mining operations pursuant to the provisions of the Mining Act;
- (g) implement Government policies for gold mining operations as directed may be directed by the Minister and in accordance with the Mining Act;
- (h) promote, establish and develop a positive environment for international and domestic investment in gold mining operations;
- (i) ensure strict implementation of environmental policies, laws and regulations for gold mining operations;
- (j) develop in collaboration with the Central Bank of Nigeria a framework on tariff and pricing for gold; and
- (k) implement such other policies and objectives as are consistent with the provisions of this Act.

2. Power to make regulations by the Authority

Subject to the provisions of the Mining Act, the Authority may make regulations-

- (a) concerning the processing, refining, sale and storage of gold for the Nigerian gold industry;
- (b) establishing the application criteria and procedure for gold licences and permits for gold exploration and exploitation operations;
- (c) concerning environmental and health safety standards for the gold industry;
- (d) for the rights of host communities and host community development agreements

3. Governing Body

(1) There is established for the Authority a Governing Body (in this Bill hereinafter referred to as "the Board"), which shall be responsible for formulation of policy and general administration of the Authority.

(2) The Board shall consist of-

- (a) one non-executive chairman;
- (b) two non-executive members;

- (c) the Chief Executive of the Authority (in this Bill referred to as the Chief Executive") appointed;
- (d) two other executive directors responsible for finance and accounts;
- (e) one representative of the Ministry of Solid Minerals Development (in this Bill hereinafter referred to as the Ministry) not below the rank of Director
- (f) one representative of the Ministry of Finance not below the rank of Director.

(3) Appointments to the Board of the Authority under this section shall be made by the President and be subject to confirmation by the Senate. except for the appointments of ex-officio members under subsection (2) (e) and (f).

(4) A person appointed under subsection (2) (a) and (b) shall have at least 15 years post-qualification experience in gold mining operations and shall hold office for a period of five years and be re-appointed for a further term of five years, on such terms and conditions as may be specified in the letter of appointment.

(5) Other members of the Board shall hold office for five years and may be re-appointed for a further term of five years.

(6) A non-executive Board member shall hold office on part-time basis.

(7) The Board of the Authority may authorize in writing any executive director, committee of the Authority, the Chief Executive or any other officer or employee of the Authority to exercise or carry out any duty or function of the Authority under this Bill

(8) The proceedings of the Board and other ancillary matters shall be as prescribed by regulation made under this Bill.

(9). The Board shall-

- (a) be responsible for formulation of policy, supervision and giving strategic direction to the Authority;
- (b) provide general guidance for the carrying out of functions and objectives of the Authority;
- (c) consider and approve the annual budget of the authority before submission to the National Assembly for appropriation;
- (d) approve the management accounts and audited accounts of the Authority and consider the management letter from the external auditors:
- (e) determine the terms and conditions of service of employees of the Authority;
- (f) recommend remuneration, allowances, benefits and pensions of employees of the Authority in consultation with the National Salaries, Incomes and Wages Commission, having regards to the-
 - (i) specialized nature of work to be performed by the Authority,

- (ii) need to ensure the financial self-sufficiency of the Authority, and
- (iii) remuneration and allowances paid in the private sector to individuals with equivalent responsibilities, expertise and skills;
- (g) structure the Authority into such number of departments as it deems fit for the effective performance of the functions of the Authority; and
- (h) performance of other functions as may be necessary for the efficient and effective administration of the Authority under this Bill.

4. Remuneration of Executive Directors of the Authority

- (1) Executive directors of the Authority shall be paid from the funds of the Commission such remuneration and allowances as applicable.
- (2) The Authority shall comply with the policy guidelines of the National Salaries, Income Wages Commission regarding remuneration.

5. Removal/Suspension of Members of the Board

A member of the Board of the Authority may be suspended or removed from office by the President where the member-

- (a) is found to be unqualified for appointment under section 7 subsection (4) of this Bill;
- (b) in breach of conflict of interest provisions in the Companies and Allied Matters Act or any regulation regarding conflict of interest made pursuant to this Bill;
- (c) ceases to be an employee of the ministry or agency he represents on the Board;
- (d) has demonstrated inability to actively discharge the functions of his office;
- (e) has been absent from the meeting of the Board for three consecutive times without the consent of the Chairman of in the case of the Chairman, without the consent of the President, except where good reason is shown for the absence;
- (f) is found guilty of serious misconduct by a court or tribunal of competent jurisdiction: or
- (g) has, under the law in force in any country-
 - (i) been adjudged or declared bankrupt or insolvent;
 - (ii) made an assignment to or arrangement or composition with his creditors which has not been rescinded or set aside, or
 - (iii) been declared to be of unsound mind.

6. Resignation/Vacancy

- (1) A non-executive member of the Board or the Authority may resign his appointment by giving two months' written notice to the President.

(2). A vacancy on the Board or the Authority shall occur where a member of the Board-

- (a) dies;
- (b) is removed from office in accordance with section 37 of this Bill;
- (c) resigns from office;
- (d) completes his tenure of office: or
- (e) is incapacitated.

(3) A vacancy on the Board or the Authority shall be filled by that appointment of another person in accordance with section 34 of this Act.

7. Funds of the Authority

(1) The Authority shall maintain a Fund (in this Act referred to as "the Authority Fund") into which money accruing to the Authority shall be paid.

(2) The source of the Authority's Fund shall be-

- (a) money appropriated by the National Assembly for the Authority;
- (b) fees charged by the Authority for services rendered to licensees lessees, permit holders and other authorizations issued by the Authority;
- (c) 0.5% of the price of gold sold to the Bank which shall be collected from the Bank;
- (d) income derived from publications made by the Authority and other related activities, including data sales;
- (e) fees paid to the Authority for using facilities owned or managed by the Authority; and
- (f) money accruing to the Authority by way of grants, aids, gifts, testamentary dispositions, endowments and contributions.

(3) The Authority Fund shall be applied-

- (a) to meet the approved budgetary obligations of the Authority;
- (b) to meet the administrative and operating cost of the Authority;
- (c) to pay salaries, wages, fees or other remuneration or allowances. pensions and other retirement benefits payable to employees of the Authority;
- (cl) to acquire and maintain any property acquired by or vested in the Authority;
- (e) for investments, as provided under the Trustee Investments Act or any other applicable legislation. subject to the approval of Minister responsible for Finance; and
- (f) in connection with any of the functions of the Authority under this Bill.

(4) At the end of each financial year, any money that accrued to the Authority Fund under subsection (2). which have not been utilized for the purposes provided under subsection (3) of this section shall be paid into the Consolidated Revenue Fund of the Federation.

(5) The Authority may accept grants of money or property on such terms and conditions as may be specified by the person or organization making the grant, provided that-

(a) the terms and conditions of the grant are consistent with the objectives and functions of the Authority; or

(b) no such grant is accepted from any person or organization regulated by the Authority.

(6) Nothing in subsection (5) of this section shall be construed as authorizing the Chief Executive, directors, officer or employee of the Authority to accept any grant for their personal use.

(7) The Authority shall keep proper accounts of its income and expenditure for each financial year and cause it to be audited within six months after the end of each financial year by auditors appointed by the Authority from a list and in accordance with guidelines supplied by the Auditor-General for the Federation.

(8) The Authority shall submit to the Minister-

(a) a mid-year report of its operations and finances not later than the 31st of August of each year;

(b) an annual report of its operations and performance; and

(c) an audited financial account for the year, not later than 31st of March of the following year.

(9) The Authority shall, not later than the 31st of March of each year-

(a) submit to the Minister a summary of its annual report and audited financial accounts; and

(b) publish the annual report and audited financial accounts on its website.

(10) The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Authority.

8. Appointment of Secretary of the Board:

(1) There shall be appointed for the Board a Secretary who shall be -

(a) appointed by the Board; and

(b) be responsible to the Board through the Chief Executive.

(2) The Secretary shall be responsible for -

- (a) convening, on the authority of the Chief Executive, meetings of the Board;
- (b) recording the minutes of all meetings of the Board and such other meetings as the Board may direct;
- (c) acting as Secretary to any Committee of the Board;
- (d) maintaining and keeping minute books and a register of the Directors of the Authority;
- (e) keeping in safe custody the common seal of the Authority;
- (f) keeping in safe custody all title documents relating to the Authority's property;
- (g) keeping in safe custody all agreements entered into by the Authority with any party;
- (h) carrying out such other duties and responsibilities as may be assigned to him, from time to time by the Chief Executive;

(3) The Secretary of the Board shall be a lawyer, with at least ten years' cognate experience.

9. Employees of the Authority

(1) Appointment of employees of the Authority shall be in respect of positions created by the Authority and on such terms as may be laid down by the Board.

Provided that the appointment and removal of staff above the grade of Assistant Director shall be with the approval of the Board.

(2) The salaries fees, wages, or other remuneration payable to or in respect of employees of the Authority shall be as stipulated from time to time by the Board.

PART II: EXPLORATION, EXPLOITATION, AND INCENTIVES FOR HARNESSING GOLD RESOURCES

Exploration and Exploitation of Gold Resource

10. Control of property in gold, vested in the State:

(1) The entire property in and control of gold, under or upon any land in Nigeria, shall be vested in the Government of the Federation for and on behalf of the people of Nigeria.

(2) All lands in which gold have been found in commercial quantities shall, from the commencement of this Bill be acquired by the Government of the Federation in accordance with the provisions of the Land Use Act.

(3) The Authority shall administer and enforce the provisions of the Mining Act for the purposes of this Bill to the exclusion of any other authority.

11. Prohibition of exploration or exploitation of gold without authority:

(1) No person shall search for or exploit gold resources in Nigeria or divert or impound water for the purpose of gold mining except as provided in the Mining Act.

12. Lands excluded from gold exploration and exploitation

(1) No gold mining title granted under this Bill shall authorize, exploration or exploitation of gold resources on, or in, or the erection of beacons on or the occupation of any land-

(a) set apart for, or used for or appropriated or dedicated to any military purpose except with the prior approval of the President;

(b) within fifty metres of an oil pipeline licence area granted under the Oil Pipe-line Act;

(c) occupied by any town, village, market, burial ground or cemetery, ancestral, sacred or archaeological site, appropriated for a railway or situated within fifty metres of a railway, or which is the site of, or within fifty metres of, any Government or public building, reservoir, dam or public road;

(d) that is subject to the provisions of the National Commission for Museums and Monuments Act, Cap. N19, Laws of the Federation of Nigeria, 2004 and the National Parks Service Act, Cap. N65, Laws of the Federation of Nigeria, 2004; or

(e) over which a mineral title has previously been granted by the Mining Cadastre Office and where such mineral title is subsisting.

(2) No reconnaissance activity shall be carried out and no mineral title shall be granted under this Bill over any area that is designated as closed to gold mining operations.

(3). The Authority may issue the following classes of licences, permits and approvals to regulate, monitor, and sustainably manage gold mining activities, safeguarding environmental and social interests in order to promote responsible gold resource utilization:

(a) grant exploration licenses to operators to conduct geological and geophysical surveys to identify potential gold reserves within a specified area;

(b) issue prospecting licenses to operators for the systematic search and sampling of identified areas to assess the quality and quantity of gold deposits;

(c) issue mining leases to operators for the extraction of gold from a specific area, outlining the terms and conditions for mining operations, including environmental considerations;

(d) issue environmental compliance license to operators to ensure adherence to environmental standards and regulations for responsible and sustainable mining practices;

(e) issue processing permits for the establishment and operation of gold processing plants, specifying the methods and technologies to be used for extraction and refining;

(f) issue transportation license for the transportation of extracted gold from mining site to processing facilities or designated market points;

(g) issue export licences for the export of processed gold, ensuring compliance with international trade regulations and preventing smuggling;

(h) issue community engagement license requiring a detailed plan of engagement with the host communities, outlining initiatives and commitments to mitigate the social impact of mining activities on the host community.

(i) issue safety and occupational health license to ensure adherence to safety protocols and occupational health standards for all personnel involved in the mining operations;

(j) require the submission and approval of a comprehensive plan for land reclamation and site closure upon the cessation of mining activities.

(4). The following activities shall require a license from the Authority:

- (a) gold mining operations;
- (b) gold trading and brokerage;
- (c) gold refining and processing;
- (d) jewelry manufacturing;
- (e) export and import;
- (f) bullion dealers;
- (g) storage facilities;
- (h) gold exploration;
- (i) environmental compliance;
- (j) research and development.

PART III: GOLD MINING CADASTRE DEPARTMENT

13. Establishment of the Gold Mining Cadastre Department

(1) There shall be established for the Authority a Gold Mining Cadastre Department with the responsibility for the administration of gold mining titles and the maintenance of the gold cadastral registers.

(3) The Gold Mining Cadastre Department shall be administered by a Director who shall be assisted by such officers as shall be required for the efficient functioning of the gold cadastre system.

(4) In order to fulfil its functions under this Bill the Gold Mining Cadastre Department shall operate as the department of the Authority responsible for the administration of gold mining titles.

(5) The Gold Mining Cadastre Department shall in addition to any other functions prescribed by this Bill or under Mining Act perform the following-

- (a) consider applications for gold mining titles and permits, issue, suspend and upon the written approval of the Minister, revoke any gold mining title;
- (b) receive and dispose of applications for the transfer, renewal, modification, relinquishment of gold mining titles or extension of areas;
- (c) maintain a chronological record of all applications for gold mining title in;
- (d) undertake such other activities relating to exploration and exploitation of gold reasonably necessary for the purpose of carrying out its duties and responsibilities under the Mining Act and the provisions of this Bill.

(6) The provisions of the Mining Act with regards to the Mining Cadastre Office established pursuant to the Mining Act shall apply mutatis mutandis to the Gold Mining Cadastre Office established pursuant to the provisions of this Bill

14. Competitive bidding

(1) The Minister shall by regulations determine areas wherein a gold exploration licence and a gold mining lease shall be granted based on competitive bidding requirements.

(2) The Gold Mining Cadastre Department shall consider competing bids and shall, through an open and transparent method, select the bid which will promote the expeditious and beneficial development of the gold resources of the area having regard to-

- (a) the programme of exploration and mining operations which the applicant proposes to carry out and the commitments as regards expenditure which the applicant is prepared to make;

- (b) the financial and technical resources of the applicant; and
- (c) the previous experience of the applicant in the conduct of reconnaissance and mining operations.

(3) The successful application shall be treated as an application under section 59 or 65 of the Mining Act.

PART V: GOLD MINING INCENTIVES

15. Eligible Persons:

(1) Persons eligible for gold mining incentives under this Bill shall include companies or enterprises engaged in gold mining operations licensed pursuant to the provisions of this Bill.

(2) Any licence holder eligible under the provisions of this Bill shall be entitled, in determining its total profits, to deduct from its assessable profits a capital allowance of ninety-five percent of qualifying capital expenditure incurred in the year in which the investment is incurred-

- (a) all certified exploration, development and processing expenditure, including feasibility study and sample assaying costs; and
- (b) all infrastructure costs incurred regardless of ownership and replacement.

(3) The amount of any loss incurred by any person eligible under the provisions of this Bill shall be deducted as far as it is possible from the assessable profits of the first year of assessment after that in which the loss was incurred and in so far as it cannot be so made, then from such amounts of such assessable profits of the next year of assessment, and so on up to a limit of four years after which period any unrelieved loss shall lapse.

16. Exemption from customs duty and other benefits:

(1) All operators in the gold mining industry shall be granted the following benefits-

- (a) exemption from payment of customs and import duties in respect of plant, machinery, equipment and accessories imported specifically and exclusively for gold mining operations;
- (b) expatriate quota and resident permit in respect of the approved expatriate personnel; and
- (c) personal remittance quota for expatriate personnel, free from any tax imposed by any enactment for the transfer of external currency out of Nigeria.

(2) For the purpose of subsection (1) of this section the Mines Inspectorate Department of the Ministry shall approve the appropriate machinery, equipment and

accessories to be imported by the holder of a gold mining title for the purpose of this Bill.

(3) The plant, machinery, equipment and accessories imported pursuant to subsection (1) of this section may be disposed of by the holder of gold mining title upon the full payment of customs and import duties in respect thereof.

(4) The Mines Inspectorate Department of the Ministry shall ensure compliance with the provisions of this Bill.

17. Permission to retain and use earned foreign exchange

Where the Bank exercises its right of first refusal over any gold resource, and the holder of a gold mining title earns foreign exchange from the sale of his gold resource, such license holder may be permitted by the Bank of to retain in a foreign exchange domiciliary account a portion of his foreign exchange earnings for use in acquiring spare parts and other inputs required for the mining operations which would otherwise not be readily available without the use of such earning.

18. Free transferability of funds

Subject to the provisions of this Mining Act, a holder of a gold mining title shall be guaranteed free transferability through the Central Bank in convertible currency of-

- (a) payments in respect of loan servicing where a certified foreign loan has been obtained by the holder for his mining operations; and
- (b) the remittance of foreign capital in the event of sale or liquidation of the mining operations or any interest therein attributable to foreign investment.

19. Tax relief period

(1) The tax relief period of a company granted gold mining title under this Bill shall commence on the date of operation and subject to the provisions of this Bill or any other relevant financial enactment, the relief shall continue for three years.

(2) The tax relief period of a company granted a gold mining title under this Bill may, by the end of the three years, be extended by the Minister for a further period of two years.

(3) The Minister shall not extend the tax relief period of a company in exercise of the power conferred under subsection (2) of this section unless the Minister is satisfied as to-

- (a) the. rate of expansion, standard of efficiency and level of development of the company in gold mining operations for which the gold mining title was granted;

- (b) the implementation of any conditions upon which the lease was granted; and
- (c) the training and development of Nigerian personnel in gold mining operations.

20. Application of Cap. F34 L.F.N. 2004 and the NIPC Act

(1) The provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34 LFN shall apply to any investment in foreign currency made in respect of any gold mining title granted pursuant to the provisions of this Bill.

(2) The provisions of the Nigerian Investment Promotion Commission Act Cap N117 LFN shall apply to any foreign investment made in respect of any mineral title granted pursuant to this Bill.

21. Deductibility of environmental costs

A tax deductible reserve for environmental protection, mine rehabilitation, reclamation and mine closure costs shall be established by companies engaged in the exploitation of mineral resources; provided however, that the appropriateness of the reserve is certified by an independent qualified person taking into account the determination made under the provisions of this Bill-

- (a) the reserve is recorded in the audited financial statements of the companies;
- (b) tax deductibility will be restricted to actual amount incurred for the purpose of the reclamation; and
- (c) a sum equivalent to the reserve amount is set aside every year and invested in a dedicated account or trust fund managed by independent trustees appointed pursuant to the provisions of the Act.

22. Tax Incentives under the Pension Reform Act No.2, 2004

A tax deductible amount established in accordance with the applicable rate set out in the Pension Reform Act shall be imposed on mining companies or enterprises, towards the payment of pensions to each employee.

23. Annual capital cost indexation

An annual capital cost indexation, whereby the unclaimed balance of capital costs is increased yearly by five percent, shall apply to gold mines starting production within three years from the date of enactment of this Act.

PART V: ESTABLISHMENT OF THE GOLD RESERVE DEVELOPMENT FUND

24. (1) There is hereby established for the Authority, a fund to be known as the Gold Reserve Development Fund (in this Bill referred to as "the Fund").

(2) The Fund shall be utilized for the following-

- (a) development of both human and physical capacity in the gold mining subsector;
- (b) funding for geo-scientific data gathering, storage and retrieval to meet the needs of private sector-led mining industry;
- (c) equipping the mining institutions to enable them perform their statutory functions;
- (d) funding for the extension services to small-scale and artisanal gold mining operators pursuant to section 91 of this Act; and
- (e) provision of infrastructure in gold mines land.

25. Management board of the Fund

(1) The Fund shall be managed by a body to be known as the Gold Reserve Development Committee (in this Chapter of this Bill referred to as "the Committee") which shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

(2) The Committee shall comprise-

- (a) a chairman to be appointed by the President on recommendation of the Minister of Solid Minerals Development;
- (b) one person to represent the Central Bank of Nigeria;
- (c) one person to represent the Bankers' Committee;
- (d) three persons to be appointed by the Minister to represent private mining operators and mineral processors; and
- (e) the Secretary to the Board.

(3) The quorum for meeting of the Committee shall be three, of whom at least one shall be a member representing the Central Bank.

(4) The Committee shall meet not less than four times in each year and on such other occasion as the Board may consider necessary.

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

(6) Subject to section 27 of the Interpretation Act (which provides for decision of a statutory body to be taken by a majority of its members and for the person presiding

to have a casting vote), the Authority may make orders regulating its proceedings and those of any of its committees.

(7) Where the Committee desires to obtain the advice of any person on a particular matter, the Committee may co-opt him as a member for such period as it thinks fit, but a person who is a member by virtue of this subsection shall not be entitled to vote in any meeting of the Board and shall not count towards a quorum.

(8) The Secretariat of the Committee shall be located in such place as the Authority may determine.

(9) The administrative expenses of the Committee shall be borne by the Authority.

26. Functions and powers of the Committee

Notwithstanding any other provision of this Bill, the Committee shall-

- (a) monitor the operation and evaluate the progress of the Fund;
- (b) advise the Authority as to changes required to improve the operation of the Fund;
- (c) receive and consider the report of the management agent appointed under the provision of this Bill and advise the Minister on it;
- (d) determine the remuneration of external auditors and solicitors;
- (e) pursue defaulters through judicial action;
- (f) solicit the assistance of Government loan machinery in the recovery of loans granted under this Bill; and
- (g) perform such other functions relating to the Fund as may be assigned to it by the Minister.

27. Custodian of the Fund

The Central Bank shall be deemed to have been appointed as the Custodian of the Fund for the purpose of this section.

28. Financial provisions

The Fund shall consist of-

- (a) thirty percent of any sum appropriated for Solid Mineral Development under the Revenue Act or any other Federal Law;
- (b) thirty percent of any sum appropriated for Solid Minerals Development under the Small and Medium Industries Equity Investment Scheme (SMIEIS);
- (c) any fund received by the Authority for the purposes of the Fund, as grants, donations, foreign loans, bonds and long-term swaps;
- (d) any sums appropriated to it by the Authority's budgetary allocation.

29. Annual budget

The Authority shall through the Ministry of Solid Minerals Development present to the National Assembly a budget proposal for the administering of the Fund.

30. Investment of surplus monies in the Fund

Money in the Fund which may at any time be surplus to the current needs of the Fund may be invested in Government securities and bonds, as may, from time to time, be determined by the Authority.

31. Accounts and audit

(1) The Committee shall keep proper accounts in respect of monies forming part of the Fund and proper records in relation to those accounts and shall prepare annually, a statement of account.

(2) For the purpose of subsection (1) of this section, the financial year of the Fund shall be from 1st January to 31 st December of every year or such other period as may be determined by the Authority with the approval of the Minister.

(3) The account of the Fund shall be audited annually by an auditor appointed by the Authority from a list of auditors provided by the Auditor-General of the Federation.

32. Annual reports

(1) It shall be the duty of the Authority to prepare and submit to the Minister, not later than three months after the end of each financial year, a report which shall be in such form as the Minister may direct.

(2) The copy of the report shall be forwarded to the Minister of Solid Minerals Development for his information and comments.

(3) The report shall include the audited account of the Fund in respect of the period in question together with the auditor's report on the accounts and shall be presented by the Minister to the Federal Executive Council not later than one month thereof.

PART VI: ARTISANAL GOLD MINING

33. Small Scale Gold Mining Area

(1) The area covered by a Small-scale Gold Mining Lease shall not be less than 5 acres and shall not exceed 3 square kilometres.

(2) All lease holders shall carry out effective rehabilitation of the mined out areas to the satisfaction of the Mines Environmental Compliance Department and also pay

prescribed rehabilitation fee, proportionate to their profits as a way to defray further cost of rehabilitation and reclamation.

(3) The Small-scale and Artisanal Mining Department shall ensure that mining activities are restricted to the established zones of mineralization.

34. Licensing, Registration, Environmental and Health Standards

(1) The Authority shall pursuant to the Mining Act establish a comprehensive licensing system for small scale and artisanal gold miners requiring them to register with the Mining Cadastre Department.

(2) The Authority shall conduct regular assessments to ensure that small scale and artisanal miners comply with all safety and environmental standards applicable in the gold mining industry.

(3) The Authority shall enforce regulations to prevent environmental degradation by small scale and artisanal mining activities and implementing guidelines for responsible waste disposal and reclamation of mined sites.

(4) The Authority shall mandate the implementation of strict health and safety measures at small scale and artisanal mining sites to mitigate accidents and health hazards and provide training programmes for miners on safety protocols and the proper use of equipment

35. Community Engagement:

The Authority shall encourage collaboration between small scale and artisanal miners, the host communities and government agencies and establish mechanism for fair profit-sharing and host community development projects funded by mining revenues.

36. Prohibition of Child Labour

The Authority shall enforce all the Provisions of the Child Rights Act 2003 and the Convention on the Rights of a Child with regards to child labour and shall prohibit the use of child labour in small scale and artisanal gold mining operations and shall enforce strict penalties for violations.

37. Fair Labour Practices

The Authority shall promote fair labour practices, including reasonable working hours, fair wages and access to healthcare for artisanal miners.

38. Access to Finance:

The Authority shall provide access to the Fund established under this Bill for small scale and artisanal gold miners to promote responsible borrowing and investment in safer and more efficient equipment and collaborate with the Central Bank of Nigeria to create tailored loan programmes for small scale and artisanal mining ventures.

39. Extension services

The Authority shall provide the following extension services to duly registered and performing Gold Mining Co-operatives of small-scale and artisanal gold miners-

- (a) prospecting and exploration services shall be provided for registered gold mining co-operatives to determine the geological setting, structure and nature of occurrence, quantity and quality of gold being mined;
- (b) provide gold testing standards and the determination of grades;
- (c) provide proven gold reserve evaluation including feasibility reports;
- (d) assist small-scale gold miners on mine design and planning suitable for the gold deposit;
- (e) teach adequate skills in gold mining to small-scale and artisanal miners and regularly introduce them to new gold mining technology;
- (f) introduce appropriate gold processing technology skills in order to meet the Nigerian gold reserve and market demands and optimize profit;
- (g) provision of environmental impact assessment report and detailed guidelines on waste and tailing disposal;
- (h) introduction of health and safety procedure in the mines, provision of water and health facilities to large mining camps;
- (i) holding regular workshops to update miners' knowledge on legal, marketing, business skills and infrastructural support, mineral testing and the determination of gold grades; and
- (j) facilitate gold testing and the determination of gold grades.

PART VII: HOST COMMUNITY DEVELOPMENT AND ENVIRONMENTAL PROTECTION

40. Community Development Agreement

(1) Subject to the provisions of this section, the holder of a Gold Mining Lease, large or Small-scale lease shall, prior to the commencement of any development activity within the lease area, conclude with the host community where the operations are to be conducted an agreement referred to as a Community Development Agreement or other such agreement that will ensure the transfer of social and economic benefits to the community.

(2) The Community Development Agreement shall contain undertakings with respect to the social and economic contributions that the project will make to the sustainability of such community.

(3) The Community Development Agreement shall address all or some of the following issues when relevant to the host community-

- (a) educational scholarship, apprenticeship, technical training and employment opportunities for indigenes of the communities;
- (b) financial or other forms of contributory support for infrastructural development and maintenance such as education, health or other community services, roads, water and power;
- (c) assistance with the creation, development and support to small scale and micro enterprises;
- (d) agricultural product marketing; and
- (e) methods and procedures of environment and socio-economic management and local governance enhancement.

(4) In the event of the failure of the host community and the lessee, after several attempts to conclude the Community Development Agreement by the time the titleholder is ready to commence development work on the lease area, the matter shall be referred to the Minister for resolution.

(5) The Community Development Agreement shall be subject to review every 5 years and shall, until reviewed by the parties, have binding effect on the parties.

41. Objectives of the Community Development Agreement

The Community Development Agreement shall specify appropriate consultative and monitoring frameworks between the mineral titleholder and the host community, and the means by which the community may participate in the planning, implementation, management and monitoring of activities carried out under the Agreement.

42. Environmental obligations

Every holder of a gold mining title under this Bill shall as far as it is reasonably practicable-

(a) minimize, manage and mitigate any environmental impact resulting from activities carried out under this Bill; and

(b) rehabilitate and reclaim, where applicable, the land disturbed, excavated, explored, mined or covered and arising from gold mining operations to its natural or predetermined state or to such state as may be specified in this in the Mining Act, its Regulations and other pertinent laws in force, and in accordance with established best practices.

43. Environmental Impact Assessment

Every holder of an Exploration Licence, Small-scale Mining Lease, Mining Lease, shall-

- (a) prior to the commencement of gold mining operations; or
- (b) upon application for an extension of the term; or
- (c) upon an application for the conversion of a gold mining title, submit to the Mines Environmental Compliance Department-
 - (i) an environmental impact assessment statement approved by the Federal Ministry of Environment in respect of the exploration or gold mining operations to be conducted within the gold mining title area; and
 - (ii) an Environmental Protection and Rehabilitation Program containing such details as may be provided for in the environmental regulations issued pursuant to this Bill and the Mining Act.

44. Contents of the Environmental Protection and Rehabilitation Program

(1) The Environmental Protection and Rehabilitation Program required under the provisions of this Bill shall provide for-

- (a) provide for specific rehabilitation and reclamation actions, inspections, annual reports;
- (b) a reasonable estimate of the total cost of rehabilitation;
- (c) cost estimates for each specific rehabilitation and reclamation action; and
- (d) a timetable for the orderly and efficient rehabilitation and reclamation of the gold mining title area to a safe and environmentally sound condition suitable for future economic development or recreational use.

(2) The Mines Environmental Compliance Department shall exercise all its powers in respect of Environmental Protection and Rehabilitation Programs provided for in section 119 of the Mining Act in consultation with the State Mineral Resources and Environmental Management Committee established pursuant to section 19 of the Mining Act.

(3) The Mines Environmental Compliance Department may approve or reject an Environmental Protection and Rehabilitation Program submitted by a gold mining titleholder and shall notify the holder of the gold mining title of its decision thereon within sixty days of the submission of the Environmental Protection and Rehabilitation Programme.

(4) If the Mines Environmental Compliance Department does not notify the holder of a gold mining title within the period specified under subsection (3) of this section, the Environmental Protection and Rehabilitation Program shall be deemed to have been approved as submitted.

(5) In the case of a rejection of the Environmental Protection and Rehabilitation Program by the Mines Environmental Compliance Department, the gold mining titleholder may-

(a) submit such other number of Environmental Protection and Rehabilitation Programs as may be necessary in order to obtain the approval of the Mines Environmental Compliance Department; or

(b) if its application is rejected twice, the Holder may submit the matter to the arbitration of the Minister within thirty days of notification of the decision under subsection (3) of this section.

(6) In the case of its approval, the Mines Environmental Compliance Department shall ensure the implementation of the Environmental Protection and Rehabilitation Program.

PART VIII: ENVIRONMENTAL PROTECTION AND REHABILITATION FUND

45. Establishment of Fund

(1) The Minister shall establish an Environmental Protection and Rehabilitation Fund for the purpose of guaranteeing the environmental obligations of holders of gold mining titles as provided under this Bill.

(2) The Minister shall appoint a reputable institution customarily engaged in business of, or knowledgeable in, gold mining as trustees or fund managers to administer the Environmental Protection and Rehabilitation Fund.

(3) The trustees appointed pursuant to subsection (2) of this section shall operate the fund in accordance with the provisions of the Trustees Investments Act, Cap. T22 Laws of the Federation of Nigeria, 2010 or amendments thereof.

(4) Every holder of a gold mining title shall commence contributions to the Environmental Protection and Rehabilitation Fund in accordance with the amounts specified in the approved Environmental Protection and Rehabilitation Program not later than one year from such approval.

(5) If the Mines Environmental Compliance Department determines that the estimated cost of implementing the approved Environmental Protection and Rehabilitation Program is substantially less than the amount already deposited in the Environmental Protection and Rehabilitation Fund, it may-

(a) refund any excess amount in the Fund to the holder of the mineral title; or

(b) review the amount of future contributions or modify the contribution schedule as the circumstances may require.

(6) Where a gold mining title is renewed, the holder shall pay into the Environmental Protection and Rehabilitation Fund such annual amounts as may be specified in an amended Environmental Protection and Rehabilitation Program approved under section 120 of the Mining Act.

(7) The trustee shall keep proper records in respect of the operation of the Fund, and shall cause to be prepared by an independent firm of chartered accountants appointed by the Minister an audited statement of accounts in respect of each financial year.

(8) The trustee shall, not later than three months after the end of each financial year, cause a copy of the audited statement of account referred to in subsection (6) of this section to be sent to the Minister and each member of the State Mineral Resources and Environmental Management Committee.

(9) The Environmental Protection and Rehabilitation Fund and any sum accruing therefrom shall be applied only for the implementation of the Environmental Protection and Rehabilitation Program to which they relate in accordance with the timetable of payments established in the Environmental Protection and Rehabilitation Programme.

(10) The holder of a gold mining lease shall implement and meet all obligations described in the Environmental Protection and Rehabilitation Program during the term of the Gold Mining Lease.

(11) When the Environmental Protection and Rehabilitation Program has been fully implemented and completed further to a certification by an independent external audit that has confirmed that the implementation of the Environmental Protection and Rehabilitation Program has been satisfactorily completed, the Head of the Mines Environmental Compliance Department shall authorise the refund of any sum remaining in the Environmental Protection and Rehabilitation Fund to the titleholder within thirty days of the receipt of the certification.

PART IX: OBJECTIVES AND ROLE OF THE CENTRAL BANK OF NIGERIA WITH GOLD RESERVE INSTRUMENT

46. Objectives

The Objectives of the Bank in this Bill shall be to-

- (a) ensure the stability of the national economy by using gold reserves as a financial anchor, providing a secure foundation for currency value and overall economic health;
- (b) manage Nigeria gold reserves to mitigate inflation and deflation risks, thereby contributing to stable currency values and price levels within the country;

- (c) build and manage gold reserves as a strategic response to financial crises, offering a reliable source of value and liquidity during times of economic uncertainty;
- (d) safeguard Nigeria's economic interests by holding sufficient gold reserves, reducing vulnerability to external economic pressures and enhancing overall economic resilience;
- (e) utilize gold reserves to support and stabilize the national currency in the foreign exchange market, ensuring a favorable position in international trade and finance;
- (f) enhance the Nigeria's creditworthiness and financial standing by maintaining a robust gold reserve, instilling confidence in investors and creditors.
- (g) diversify the Nigeria's assets through substantial gold reserve holding in order to reduce dependence on a single currency or economic instrument, and promoting a more resilient and adaptive financial system;
- (h) provide a valuable tool for implementing effective monetary policies, using gold reserves as a buffer against unforeseen economic challenges;
- (i) safeguard the nation's wealth by holding and managing gold reserves as a long-term store of value, and protecting against the erosion of purchasing power over time.
- (j) foster public confidence in the financial system by transparently managing and communicating the role and importance of gold reserves in ensuring economic stability.

47. Establishment and Management of the Nigerian Gold Reserve

- (1) The Bank is hereby authorized as from the commencement of this Bill to establish and manage gold reserves in accordance with the provisions of this Bill.
- (2) The Bank shall serve as the ultimate off-taker of all gold resource produced pursuant to the provisions of this Bill and shall have the right of first refusal for all gold offered for sale by the Authority.

48. GOLD RESERVE RATIO

- (1) The Bank shall ensure, at all material times and from time to time, that its external assets consisting of gold coins or bullion is not less than 30% of its total external reserve.
- (2) The Bank shall use its best endeavour to maintain the external gold reserve ratio at the level provided in subsection (1) of this section and may increase or decrease the external reserve ratio to such levels as may be considered by the Bank to be appropriate for the economy and monetary system of Nigeria.

Provided always that the gold reserve ratio shall not at any time be decreased below the level stipulated in subsection (1) of this section.

(3) The Bank shall use its best endeavours to ensure that its gold reserves are sourced from domestic sources produced in accordance with the provisions of this Bill.

(4) Notwithstanding the provisions of subsection (3) of this section, the Bank may source its gold reserves from any source, person, institution, or authority within or outside Nigeria.

49. GOLD RESERVE MANAGEMENT COMMITTEE

(1) For the purpose of managing, coordinating, supervising and the attainment of the objectives of this Bill, there is hereby established a committee to be known as the "Gold Reserve Management Committee" (in this Bill referred to as "the Gold Reserve Committee").

(2) The Gold Reserve Committee shall consist of -

- (a) the Governor of the Bank who shall be the Chairman;
- (b) the four Deputy Governors of the Bank;
- (c) three Directors of the Bank versed in gold reserve management;
- (d) two members appointed by the President who shall be versed in gold reserve management;
- (e) a representative from the Ministry of Solid Mineral Development not below the rank of Director nominated by the minister;
- (f) a representative from the Mining Cadastre Department not below the rank of Director.

(3) The Gold Reserve Committee shall have the responsibility of formulating policies for the management and maintenance of Nigerian gold reserves and for the full implementation of the objectives of the Bank in this Bill.

(4) The remuneration, of members of the Gold Reserve Committee, filling of temporary vacancies, tenure of office and disqualification thereof shall be as may be stipulated by the Board of the Bank.

50. Meetings of the Gold Reserve Committee

(1) Meetings of the Gold Reserve Committee, shall take place as regularly as may be required, but not less than six times in every financial year of the Bank.

(2) The Governor of the Bank shall preside at every meeting of the Gold Reserve Committee and in his absence a Deputy Director of the Bank designated by him shall preside at such meeting.

(3) Six members of the Gold Reserve Committee, three of whom shall be directors of the Bank other than the Governor or Deputy Governors, shall form a quorum at any meeting.

(4) Decisions of the Gold Reserve Committee shall be by a simple majority of the votes of the members present, but in case of any equality of votes, the person presiding shall have a casting vote.

(5) The GRMC shall submit periodic report of its meetings and activities to the Board of the Bank

51. Secretary of the Gold Reserve Committee

(1) There shall be for the Gold Committee, a secretary who shall be appointed by the Board of the Bank and shall be responsible to the Board of the Bank Through the Governor of the Bank.

(2) The Secretary shall be responsible for:

(a) convening on the authority of the Governor of the Bank, meetings of the Gold Reserve Committee;

(b) recording the minutes of meetings of all meetings of the Gold Reserve Committee;

(c) maintaining and keeping minutes' books and a register of the members of the Gold Reserve Committee;

(d) carrying out such other duties as may be assigned to him from time to time by the Governor of the Bank.

(3) The Secretary of the Gold Committee shall be a lawyer with at least ten years cognate experience.

52. Power to Purchase and Sell Gold

(1) The Bank may purchase or sell gold coins or bullion for the purpose of maintaining the Nigerian gold reserve levels stipulated in this Bill.

(2) The Bank shall in collaboration with the Authority determine in relation to the international market price of gold, the buying and selling price of gold within Nigeria from time to time and shall publish such prices at intervals to be determined by the Bank.

(3) The Bank shall conduct regular risk management assessments related to gold price fluctuations.

(4) The Bank shall develop and implement strategies for mitigating risks associated with gold price volatility and ensure prudent risk management practices.

53. Borrowing Programmes

(1) The Bank shall develop and implement borrowing programmes for the benefit of artisanal gold miners and other holders of mining licenses and leases under this Bill in order to promote and boost the mining and processing of gold in the gold industry.

(2) The Bank shall serve as the ultimate offtaker of gold produced through its borrowing programmes.

54. Cooperation with Commercial Banks and The Authority

For the purposes of implementing the Bank's borrowing programmes and maintaining Nigeria's gold reserve ratio, the Bank may:

(a) seek the cooperation and cooperate with any bank, financial institution and the Authority to serve as interface for the implementation of the Bank's programmes;

(b) appoint or authorize anybody or person to serve as its agent for the purpose of buying or selling gold coins or bullions on its behalf.

55. Use of Gold in Banking Operation

The Bank may in the exercise of its powers with regards to the management of its banking, treasury, credit and liquidity operations specified in sections 27, 28, 29 and 30 of the Central Bank Act, use gold coins or bullions as may be appropriate in the circumstance to achieve the objectives of the Bank in this Bill.

56. Gold Reserve Custody and Storage

Any integral part of the Nigerian gold reserve specified in section 46 of this Bill within the custody of the Bank may be stored in any location within or outside Nigeria. Provided adequate arrangements are made as to the security and safety of the gold coins and bullions.

57. Audits and Periodic Reports

(1) The Bank shall develop guidelines for carrying out independent audits to ensure transparency and accountability in the management of Nigeria's gold reserves.

(2) The Bank shall render periodic reports to the Minister in charge of financial matters on its activities, policies and management of Nigeria's gold reserves, which

report shall be laid before the National Assembly by the Minister not later than the 30th of September of each financial year.

58. International Agreements and Partnerships

- (1) The Bank shall enter into collaborative agreements with international organizations for best practices in gold reserve management.
- (2) The Bank shall facilitate international partnerships to enhance Nigeria's global standing in the gold market.

59. Educational and Enlightenment Programmes

- (1) The Bank shall develop and implement educational programmes to enhance public understanding and awareness of the economic benefits of maintaining a gold reserve by Nigeria.
- (2) The Bank shall promote awareness among policymakers, financial institutions and the public regarding the role and advantages of holding gold reserves.

60 Power to Make Regulations

The Board of the Bank shall have the power to make rules and regulations for the management of Nigeria's gold reserve and shall do all things necessary and incidental towards achieving the objectives of the Bank in this Bill.

PART X: POWERS OF THE MINISTER

61. Functions of the Minister

Subject to the provision of this Bill and the Mining Act, the Minister shall-

- (a) ensure the orderly and sustainable development of Nigeria's gold resources;
- (b) develop a well-planned and coherent programme of exploitation of Nigeria's gold resources taking into account the economic development, ecological and environmental factors;
- (c) monitor compliance with Community Development Agreements by industry operators;
- (d) establish the procedure for monitoring developments in the gold mining subsector and encourage the private sector investment in gold resources development;
- (e) ensure that in the exploitation of Nigeria's gold resources, an equitable balance is maintained between foreign and indigenous interest;
- (f) create an enabling environment for the private investors, both foreign and domestic by providing adequate infrastructure for gold mining activities, and

identify areas where Government intervention is desirable in achieving policy goals and proper perspective in gold mineral resources development;

- (g) accelerate the development of technical and professional manpower required in the gold mining sector;
- (h) establish environmental procedures and requirements applicable to gold mining operations;
- (i) maintain liaison between investors and Government Departments and Agencies set up for the purpose of development of gold mineral resources;
- (j) collaborate with other Ministries and Agencies of the Federal Government whose functions relate to the objectives of this Bill;
- (k) prescribe measures for the general welfare and safety of workers and artisanal miners engaged in gold mining operations;
- (l) develop a geo-scientific databank, and collate detailed data concerning the identity, quantity of Nigeria's gold resources;
- (m) assist the private sector in identifying specific gold mining projects;
- (n) initiate, organize and participate in promotion activities in gold resources development, such as exhibitions, conferences, seminars and workshops geared towards the stimulation of investments in the gold mining industry;
- (o) provide and disseminate up to date information on incentives in gold mining operations available to investors under this Bill;
- (p) register and keep records of all enterprises and companies established and pursuing activities in gold mining and allied projects;
- (q) cause to be created, such departments and agencies as are necessary for the effective administration of this Bill;
- (r) introduce investment-friendly local contents measures for gold mining projects;
- (s) facilitate the development of indigenous technical and professional manpower required in the gold mining subsector;
- (t) co-operate on behalf of the Federal Government with other Governments and international agencies in respect of matters relating to Nigeria's gold resources;
- (u) do such other things as are reasonably necessary or expedient for the performance of his functions under this Bill.

62. Delegation of powers by the Minister

(1) The Minister in charge of Solid Mineral Development may, by notification in the Gazette, delegate to any department or officer of the Ministry the exercise or performance, subject to such conditions and restrictions as may be prescribed in the notification, of any function conferred on the Minister under this Act provided that it shall not apply to any function of the Minister to make Regulations.

(2) An officer authorised in writing by the officer in charge of the Mines Inspectorate Department may enter any gold mining title area where mining operations are being carried out under this Bill, or which is within the general area of the gold mining

title for the purposes of inspecting such operations and he shall be provided by the mining title holder with any information reasonably requested for the purpose of making a report.

(3) The failure of the gold mining titleholder to provide access to an officer for the purposes of inspection under subsection (2) shall constitute an offence under this Bill.

63. Power to Make Regulations

The Minister shall subject to the provisions of this Act make regulations in respect of any matter required to be prescribed by regulations under this Bill or the Mining Act and generally for giving full effect to the provisions of this Bill, including prescribing, amending or withdrawing any form that may be required under this Bill.

PART XI: MISCELLANEOUS PROVISIONS OFFENCES AND INTERPRETATION

Section 1: Miscellaneous

64. Recourse to the Mining Act

Any matter touching on the mandate of the Authority in this Bill that adequate provisions are not made hereof, recourse shall be had to the Mining Act for clarification.

65. Dispute resolution

(1) Any dispute arising between the holder of a gold mining title and the Government in respect of the interpretation and application of this Bill, its Regulations and the terms and conditions of gold mining titles shall be resolved, in the first instance, on an amicable basis.

(2) Where the dispute is in the nature of a bona fide investment dispute, and such dispute is not amicably settled as provided under subsection (1) of this section, it shall be resolved in accordance with the provisions of the Nigerian Investment Promotions Commission Act, Cap. N117, Laws of the Federation of Nigeria, 2010.

66. Jurisdiction of the Federal High Court

(1) An offence under this Act and the Regulations made under it shall be tried by the Federal High Court.

(2) Any other dispute between the holder of a gold mining title and the Government shall be resolved in the Federal High Court, if not settled in accordance with the provisions of subsection (1) or (2) of section 69 of this Bill.

67. Boundary

Every gold mining title, temporary title or gold mining lease shall be bounded by vertical planes from the surface boundary lines drawn downwards to an unlimited depth from surface.

68. Power to seize

(1) An officer of the Ministry authorized in that behalf may arrest without warrant, any person whom he finds committing or reasonably suspects to have committed an offence under this Bill or regulations made under it and may seize-

- (a) any tool, implement, or vehicles used in committing the offence; and
- (b) any gold had illegally.

(2) A person arrested and the items seized, shall be kept in the custody of the Police and taken within 48 hours before an appropriate Court and if the person is found guilty, he shall in addition to any other punishment provided for under this Bill, the Mining Act or any enactment, forfeit the seized items to the Federal Government.

(3) The Mines Inspectorate Department may, by notice in writing require any lessee, or any person employed by the lessee or holder to appear before the mines officer at a reasonable time and place and give information regarding mining operations in or about the area of the mining which he possesses, and the lessee, holder or other person shall comply with the notice and give the information.

(4) The Mines Inspectorate Department may, by order in writing, direct that prospecting or mining operations be suspended in an area, whether it is the subject of a gold mining lease or gold exploration licence or not, until such arrangements as are in his opinion necessary to prevent danger to life or property.

(5) The Mines Inspectorate Department may cancel or vary the terms of any notice or order issued by him under subsection (4) of this section.

(6) An order made under subsection (4) of this section shall lapse after 14 days of its issuance, unless it is confirmed by the Mines Inspectorate Department.

Section 2: Offences

69. Illegal mining; false and misleading statements; false or non-declaration; and, smuggling of gold

A person who--

- (a) conducts gold exploration or mines gold or otherwise than in accordance with the provisions of the Bill or the Mining Act;
- (b) in making application for gold mining title, knowingly makes a statement which is false or misleading in any material particular;
- (c) in any report, return or affidavit submitted in pursuance of the provisions of this Bill, knowingly gives any information which is false or misleading or fails to declare in any material particular;
- (d) removes, smuggles, possesses or disposes of any gold mineral contrary to the provisions of this Bill, commits an offence.

70. Punishment

A gold mining title holder or person who is guilty of an offence under section 73 is liable to have his licence revoked and on conviction at the first instance, to a fine not less than N20,000,000; and imprisonment of not less five years, if the offence is a continuing one, whether or not it is a first offence, the person convicted shall, in addition, be liable to a fine of N 20,000 in respect of each day during which the offence continues.

71. Loans

(1) No loan granted pursuant to the provisions of this Bill or the Mining Act shall be applied to any purpose other than that for which the loan was granted.

(2) Any person who applies a loan granted pursuant to the Provisions of this Bill or the Mining Act in contravention of subsection (1) of this section commits an offence and is liable on conviction to a fine of an amount not less than the amount of the loan and interest accruing thereof in respect of which the offence was committed or imprisonment for a term of not less than five years.

(3) Where an offence under this section is committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate (or any person purporting to act in any such capacity) he as well as the body corporate shall be deemed to be guilty of the offence and may be proceeded against and punished in accordance with subsection (2) above.

72. Use of false or fraudulent scales

A person who keeps or uses any false or fraudulent scale or weight for weighing gold ores, or uses any false or fraudulent measure to scale or weigh or purport to determine the value of gold or gold ores, knowing them to be false or fraudulent, commits an offence under this Bill, and is liable on conviction to a fine of not less

than N100,000.00 or more than N1,000,000.00 or to imprisonment for a term not less than 1 year or to both fine and imprisonment.

73. Misrepresentation

(1) A person who falsely represents that he obtained the grant of a gold exploration licence, temporary title, mining, or other mining title and by that representation, induces or attempts to induce any person to invest capital in a company or syndicate connected with the company, before he actually obtains the grant of the gold mining title, shall forfeit any claim to the grant of the gold mining title.

(2) Where a person who makes a false representation as in subsection (1) of this section is a holder of another mining title, that other mining title shall be revoked as well.

(3) Nothing in this section shall be construed as preventing a person who makes a false representation from liability to civil action or a criminal prosecution in respect of the representation.

74. Unlawful interference

A person who without lawful authority wilfully breaks, defaces or removes or in any other way interferes with any boundary mark, beacon pillar or post erected for any of the purposes of this Bill or the Regulations made under it, without necessary approval or authority under this Bill commits an offence.

(2) A person who commits an offence under subsection (1) of this section is liable on conviction-

(a) at the first instance, to a fine not exceeding N500,000.00 or to imprisonment for a term not exceeding 2 years or to both the fine or imprisonment; and

(b) at a second or subsequent offence, to imprisonment for a term not exceeding 5 years or below 2 years.

(3) If the offence is a continuing one whether or not it is a first offence, the person convicted shall, in addition, be liable to a fine of N10,000.00 in respect of each day or part of a day during which the offence continues.

75. Obstruction

(1) Any person who without lawful cause-

(a) interferes with or obstructs any gold mining operations authorized by or under this Bill; or

(b) interferes with any machinery, plant work or property on, in, under or over land in exercise of a right conferred by or under this Bill, commits an offence.

(2) A person who commits an offence under subsection (1) of this section is liable on conviction-

(a) at the first instance, to a fine not exceeding N500,000.00 or to imprisonment for a term not exceeding 2 years or to both the fine or imprisonment; and

(b) at a second or subsequent offence, to imprisonment for a term not exceeding 5 years or below 2 years.

(3) If the offence is a continuing one whether or not it is a first offence, the person convicted shall, in addition, be liable to a fine of N10,000.00 in respect of each day or part of a day during which the offence continues.

76. Offence by a body of persons

(1) Where an offence under this Bill, the Mining Act or under the Regulations made thereunder is committed by a body of persons-

(a) in the case of a body corporate, other than a partnership, every director of the body who took part in the management of the body shall be deemed to be guilty of that offence; and

(b) in the case of a partnership, every partner or officer of that body shall be deemed to be guilty of that offence.

(2) Nothing in this section shall be construed as exempting any person who actually committed an offence under this Bill, the Mining Act or other regulations, from the penalties provided for the offences committed by him.

77. Offence by body corporate

(1) Where an offence under this Bill or the Mining Act or regulations made thereunder, has been committed by a body corporate or firm or other association of individuals, a person who at the time the commission of the offence was an officer thereof or was purporting to act in such capacity is severally guilty of that offence and liable to be prosecuted against and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent or connivance.

(2) In this section and the other provisions of this Bill, or the Mining Act, officer-

(a) in relation to a body corporate, includes a director, chief executive, manager and secretary;

(b) in relation to a firm, includes a partner and other officer thereof;

(c) in relation to any other association of individuals, includes a person concerned in the management of the affairs of such association.

78. Exporter of minerals to make declaration, etc.

(1) Where the Bank exercises its right of refusal, an exporter of any gold mineral shall-

(a) before the mineral is entered for export declare on the appropriate customs entry from the State form which the gold was extracted; and

(b) on demand made by the prescribed authority, furnish the information relating to any gold which the exporter has exported under paragraph (a) of this subsection within the time and in the manner as may be required.

(2) A person who does not comply with any of the provisions of subsection (1) of this section, commits an offence and is liable on conviction-

(a) at the first instance, to a fine not exceeding N500,000.00 or to imprisonment for a term not exceeding 2 years or to both fine and imprisonment; and

(b) at a second or subsequent offence, to a fine not exceeding one million Naira or to imprisonment for a term not exceeding 5 years or both.

(3) A proper officer of the Nigerian Customs Service may refuse to accept the entry of any mineral in respect of which he is satisfied that the provisions of subsection (1) of this section have not been complied with.

79: Interpretation

In this Bill unless the context otherwise requires -

"Bank" means the Central Bank of Nigeria;

"Board of the Bank " means the Board of Directors of the Central Bank of Nigeria established under section 6(1) of the Central Bank of Nigeria Act;

"directors of the Bank" means directors of the Central Bank of Nigeria appointed under the Central Bank Act;

"Governor" and Deputy Governor means respectively the Governor and the Deputy Governors of the Central Bank of Nigeria appointed under the Central Bank of Nigeria Act;

"GRMC" means the Gold Reserve Management Committee established under section 5 of this Bill;

"Minister means the Minister of Finance;

"Ministry" means the Ministry of Finance"

"President" means the President of the Federal Republic of Nigeria.

Short title:

80. This Bill may be cited as the Nigerian Gold Reserve Bill 2024

Explanatory Memorandum

This Bill seeks to make provision for the Nigerian Gold Reserve in order to improve the value of the Naira, serve as a hedge against inflation and ensure stability of the economy and the monetary system of Nigeria.

SCHEDULE

COMPENDIUM AND CONSOLIDATION

**PROVIDING BACKGROUND INFORMATION ON THE FINANCIAL IMPLICATION OF A
BILL FOR AN ACT TO MAKE PROVISIONS FOR NIGERIA GOLD RESERVE INDUSTRY
FRAMEWORK AND FOR OTHER RELATED MATTERS, 2024.**

SEN. NATASHA H. AKPOTI-UDUAGHAN,

In compliance with Order 77 (3) of the Senate Standing Rules with respect to the procedure of Bills, compendium and consolidation which states *inter alia* that: “On the introduction of a Bill, a compendium of background information and financial implications of such Bill if passed into law shall be delivered to all Senators”, the following compilation as regards the aforementioned Bill is hereby presented for the general information of Senators.

The compilation shown below is the summary of anticipated recurrent and capital expenditure in the first twelve months immediately following the commencement of this Act:

- | | |
|--|----------------|
| 1. Projected Recurrent Expenditure
(Salaries and Allowances of Personnel) | N1,020,200,609 |
| 2. Projected Recurrent Expenditure
(Management costs, maintenance of vehicles,
offices and other contingencies) | N120,200,000 |
| 3. Estimated Capital Expenditure
(Office accommodation, furniture, etc.) | N117,000,000 |
| 4. Estimated Capital Expenditure
(Purchase of vehicles) | N600,000.000 |

**TOTAL PROJECTED / ESTIMATED COSTS
FOR THE FIRST YEAR**

N1,857,400,609

Surmises

The foregoing gives a fair and modest estimate of the financial implication for the establishment of the Nigerian Gold Reserve Authority in the first year immediately following the commencement of this Act, but ultimately, the remunerations of the Board and staff of the Authority shall be as may be determined from time to time by the Revenue Mobilization, Allocation and Fiscal Commission and as approved by the National Assembly through the annual budgetary process.