



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Wednesday, 17 January, 2018

1. The House met at 11.18 a.m. Mr Speaker read the Prayers.
2. **Votes and Proceedings**
Mr Speaker announced that he had examined and approved the *Votes and Proceedings* of Tuesday, 16 January, 2018.

The Votes and Proceedings was adopted by unanimous consent.

3. **Announcements**

(i) **Defection:**

Mr Speaker read a communication from Hon. Odebunmi Olusegun Dokun (*Ogo-Oluwa/Surulere Federal Constituency*), announcing his defecting from the Peoples Democratic Party (PDP) to the All Progressive Congress (APC).

(ii) **Ad-hoc Committee on Incessant Killings and other Security Concerns in the Country:**

Mr Speaker announced the Membership of the *Ad-hoc* Committee as follows:

(1)	Hon. Pally Iriase	—	Chairman
(2)	Hon. Gafaar Amere	—	Member
(3)	Hon. Ismail Muazu	—	Member
(4)	Hon. Gaza Gbefwi	—	Member
(5)	Hon. Abdullahi Ibrahim	—	Member
(6)	Hon. Toby Okechukwu	—	Member
(7)	Hon. Diri Douye	—	Member

4. **Petitions**

Petitions from the following persons were presented and laid by Hon. Mark Gbillah Dickson (*Gwer East/Gwer West Federal Constituency*):

- (a) Pius Akuhe, on behalf of Mbasombo Development Association, Ikpayongo, Benue State, on unsatisfactory conduct of NORAD Security Feat engaged by the Nigerian National Petroleum Corporation and Pipelines and Products Marketing Corporation (NNPC/PPMC) Ltd to guard their facilities in the community; and
- (b) Ambrose Ahangba Boscol Ajio, on the termination of his appointment by the defunct Federal Office of Statistics, Abuja.

Petitions referred to the Committee on Public Petitions.

5. **Matters of Urgent Public Importance (Standing Order Eight, Rule 4)**

(i) ***Need to Avert the Escalating Effect of Clashes Between the Fulani Herdsmen and Farmers in Benue and Nasarawa States:***

Hon. Onawo Mohammed Ogoshi (*Awe/Doma/Keana Federal Constituency*) introduced the matter and prayed the House to:

(a) consider and approve the matter as one of urgent public importance; and

(b) suspend Order Eight, Rule 4 (3) to allow debate on the matter forthwith.

Question that the matter be considered as one of urgent public importance — Agreed to.

Question that the House do suspend Order Eight, Rule 4 (3) to enable it debate the matter forthwith — Agreed to.

Need to Avert the Escalating Effect of Clashes Between Herdsmen and Farmers in Benue and Nasarawa States:

The House:

Notes with regret the recent clashes between the armed herdsmen and members of the Tiv Communities in Guma and Logo Local Government Areas of Benue State and Awe, Doma and Keana LGAs of Nasarawa State;

Aware that the armed herdsmen reportedly attacked the communities following the commencement/implementation of the “Anti open grazing law” enacted by the Benue State House of Assembly sometimes last year;

Also aware that Guma and Logo Local Government Areas of Benue State share boarders with Awe, Doma and Keana Local Government Areas of Nasarawa State;

Also notes that because of the seriousness of clashes between the Tiv communities of Benue and Nasarawa States and the herdsmen, the inhabitants of these communities have fled their homes, because of the senseless killings of innocent civilians, forcing them to seek refuge in Awe, Keana and Dorna Local Government Areas of Nasarawa State;

Further notes that the migration and displacement of villages within the boundary communities of Benue and Nasarawa States have led to the emergence of Internally Displaced Persons Camps (IDPs) in Awe, Azara, Keana and Rukubi towns of Nasarawa States;

Laments that the establishment of IDP Camps in these areas have overstretched the social amenities in these areas thereby creating untold hardships on the people of these areas;

Acknowledges the need to provide food items, blankets, medical facilities, portable drinking water and mattresses to the Camps necessitated by the attacks;

Disturbed that if no help is rendered by the Federal Government, NGOs and spirited individuals to the IDPs, humanitarian crisis of unimaginable magnitude may result in those Camps that could cause the government more to handle;

Resolves to:

(i) condemn in the strongest terms the incessant attacks on the innocent citizens of Benue and Nasarawa State;

- (ii) urge the Nigeria Police Force to, as a remedial measure, send a mobile squad to provide security within the boarder communities by regularly conducting a surveillance in those areas;
- (iii) also urge the National Emergency Management Agency (NEMA) to provide relief materials, such as food items, blankets, medical facilities, mattresses, and portable water supply to the IDP Camps in Awe, Azara, Keana and Rukubi all in Awe/Doma/Keana Federal Constituency of Nasarawa State; and
- (iv) observe a minute silence in honour of those that lost their lives in the mayhem (*Hon. Onawo Mohammed Ogoshi — Awe/Doma/Keana Federal Constituency*)..

Debate.

Amendment Proposed:

Leave out Prayer (iv) (Hon. Hassan Saleh — Ado/Ogbadibo/Okpokwu Federal Constituency).

Question that the amendment be made — Agreed to.

Question on the Motion as amended — Agreed to.

The House:

Noted with regret the recent clashes between the armed herdsmen and members of the Tiv Communities in Guma and Logo Local Government Areas of Benue State and Awe, Doma and Keana LGAs of Nasarawa State;

Aware that the armed herdsmen reportedly attacked the communities following the commencement/implementation of the “Anti open grazing law” enacted by the Benue State House of Assembly sometimes last year;

Also aware that Guma and Logo Local Government Areas of Benue State share borders with Awe, Doma and Keana Local Government Areas of Nasarawa State;

Also noted that because of the seriousness of clashes between the Tiv communities of Benue and Nasarawa States and the herdsmen, the inhabitants of these communities have fled their homes, because of the senseless killings of innocent civilians, forcing them to seek refuge in Awe, Keana and Doma Local Government Areas of Nasarawa State;

Further noted that the migration and displacement of villages within the boundary communities of Benue and Nasarawa States have led to the emergence of Internally Displaced Persons Camps (IDPs) in Awe, Azara, Keana and Rukubi towns of Nasarawa States;

Lamented that the establishment of IDP Camps in these areas have overstretched the social amenities in these areas thereby creating untold hardships on the people of these areas;

Acknowledged the need to provide food items, blankets, medical facilities, portable drinking water and mattresses to the Camps necessitated by the attacks;

Disturbed that if no help is rendered by the Federal Government, NGOs and spirited individuals to the IDPs, humanitarian crisis of unimaginable magnitude may result in those Camps that could cause the government more to handle;

Resolved to:

- (i) condemn in the strongest terms the incessant attacks on the innocent citizens of Benue and Nasarawa State;

- (ii) urge the Nigeria Police Force to, as a remedial measure, send a mobile squad to provide security within the boarder communities by regularly conducting a surveillance in those areas; and
 - (iii) also urge the National Emergency Management Agency (NEMA) to provide relief materials, such as food items, blankets, medical facilities, mattresses, and portable water supply to the IDP Camps in Awe, Azara, Keana and Rukubi all in Awe/Doma/Keana Federal Constituency of Nasarawa State (**HR. 03/2018**).
- (ii) ***Need to Investigate the Fuel Subsidy Payment by Nigerian National Petroleum Corporation (NNPC):***
Hon. Karimi Steve Sunday (*Yagba East/Yagba West/Mopamuro Federal Constituency*) introduced the matter and prayed the House to:
- (a) consider and approve the matter as one of urgent public importance; and
 - (b) suspend Order Eight, Rule 4 (3) to allow debate on the matter forthwith.

Question that the matter be considered as one of urgent public importance — Agreed to.

Question that the House do suspend Order Eight, Rule 4 (3) to enable it debate the matter forthwith — Agreed to.

Need to Investigate the Fuel Subsidy Payment by Nigerian National Petroleum Corporation:

The House:

Notes that in December 2017, the Vice President of the Federal Republic of Nigeria, Professor Yemi Osinbajo and the Minister of state for Petroleum Resources, Mr Ibe Kachiku have both admitted that the current landing cost of Petrol is ₦171 per litre despite the fact that the Federal Government has pegged official rate at ₦145 per litre. At the moment, it is the Nigerian National Petroleum Corporation that is paying for the cost or deferential of ₦26 per liter, despite the fact that the Federal Executive has posited that it has removed Petroleum Subsidy and there is no Parliamentary Appropriation for Subsidy Payment in the 2017 Appropriation Act;

Also notes that earlier in 2017 January, the Nigerian National Petroleum Corporation (NNPC) conceded that fuel subsidy has returned because between January and March 2017 alone, NNPC recorded an **“UNDER RECOVERY”** of ₦46.86 Billion. This trend continued at an increasing rate all through 2017. As at 2017 December, over ₦300 billion has been expended on petrol subsidy for 2017 alone, this trend continues to date;

Aware that **‘Under Recovery’** in downstream petroleum marketing implies that expected open market price of PMS, which includes the cost of importation and distribution of the commodity such as marketers margins, landing costs and freight cost is below the approved retail price. As a result, NNPC has been absorbing the extra cost and paying subsidy by itself;

Also aware that the Under Recovery is caused by increase in price of crude in the international market from about \$20 per barrel in 2015 to \$50 per dollar barrel in 2017 and \$70 dollar per barrel currently. Increase in price of crude oil, low rate of the Naira and difficulties in assessing foreign exchange have caused marketers to discontinue petrol importation;

Concerned that section 80 (4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) prescribes that no monies shall be withdrawn from the Consolidated Revenue Fund or any other Public Fund of the Federation, except in a manner prescribed by the National Assembly. As such, the payment of Subsidy by the Nigerian National Petroleum Corporation without Appropriation or consent by National Assembly is illegal and unconstitutional. The 2018 Appropriation Bill does not include any provision;

Cognizant that by virtue of the Constitution of the Federal Republic of Nigeria, especially at Section 88 (1), (2) thereof, the National Assembly has the power to conduct an investigation into any matter in respect of which it has powers to make laws and conduct an investigation into the conduct of the affairs of the Ministry or Government Department charged with the responsibility for executing laws made by the National Assembly or disbursing monies appropriated by Parliament. As a result, this House can scrutinize the payment of subsidy by Nigerian National Petroleum Corporation;

Worried that the current Federal Executive claims that it has stopped fuel subsidy payments and that it is the Nigerian National Petroleum Corporation that is paying the subsidy through its routine trading activities and as such not requiring Budgetary Approval and without need for recourse to Parliament;

Also worried that such non-appropriated expenditure on petroleum subsidy, no matter how well intended is illegal and susceptible to corruption, embezzlement and mismanagement if not subjected to the approval and scrutiny of Parliament;

Resolves to:

- (i) invite the Minister of State for Petroleum Resources and the Group Managing Director of the Nigerian National Petroleum Corporation to appear before the Committee on Finance and Petroleum Downstream and explain the current subsidy payment by the Corporation;
- (ii) also invite the Minister of State for Petroleum Resources and the Group Managing Director of the Nigeria National Petroleum Corporation as well as the Executive Secretary of the Petroleum Products Pricing Regulatory Agency to appear before the Committee on Finance and Petroleum Downstream to account for the monies expended on the Subsidy payment since January 2017 till date and the current Petroleum Pricing Regime; and
- (iii) urge the Federal Executive should make provision for Subsidy Payment in the 2018 Appropriation Bill, should it deem it fit to continue Subsidy Payment under any guise whatsoever (*Hon. Karimi Steve Sunday — Yagba East/Yagba West/Mopamuro Federal Constituency*).

Debate.

Agreed to.

The House:

Noted that in December 2017, the Vice President of the Federal Republic of Nigeria, Professor Yemi Osinbajo and the Minister of state for Petroleum Resources, Mr Ibe Kachiku have both admitted that the current landing cost of Petrol is ₦171 per litre despite the fact that the Federal Government has pegged official rate at ₦145 per litre. At the moment, it is the Nigerian National Petroleum Corporation that is paying for the cost or deferential of ₦26 per liter, despite the fact that the Federal Executive has posited that it has removed Petroleum Subsidy and there is no Parliamentary Appropriation for Subsidy Payment in the 2017 Appropriation Act;

Also noted that earlier in 2017 January, the Nigerian National Petroleum Corporation (NNPC) conceded that fuel subsidy has returned because between January and March 2017 alone, NNPC recorded an “**UNDER RECOVERY**” of ₦46.86 Billion. This trend continued at an increasing rate all through 2017. As at 2017 December, over ₦300 billion has been expended on petrol subsidy for 2017 alone, this trend continues to date;

Aware that ‘**Under Recovery**’ in downstream petroleum marketing implies that expected open market price of PMS, which includes the cost of importation and distribution of the commodity such as marketers margins, landing costs and freight cost is below the approved retail price. As a result, NNPC has been absorbing the extra cost and paying subsidy by itself;

Also aware that the Under Recovery is caused by increase in price of crude in the international market from about \$20 per barrel in 2015 to \$50 per dollar barrel in 2017 and \$70 dollar per barrel currently. Increase in price of crude oil, low rate of the Naira and difficulties in assessing foreign exchange have caused marketers to discontinue petrol importation;

Concerned that section 80 (4) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) prescribes that no monies shall be withdrawn from the Consolidated Revenue Fund or any other Public Fund of the Federation, except in a manner prescribed by the National Assembly. As such, the payment of Subsidy by the Nigerian National Petroleum Corporation without Appropriation or consent by National Assembly is illegal and unconstitutional. The 2018 Appropriation Bill does not include any provision;

Cognizant that by virtue of the Constitution of the Federal Republic of Nigeria, especially at Section 88 (1), (2) thereof, the National Assembly has the power to conduct an investigation into any matter in respect of which it has powers to make laws and conduct an investigation into the conduct of the affairs of the Ministry or Government Department charged with the responsibility for executing laws made by the National Assembly or disbursing monies appropriated by Parliament. As a result, this House can scrutinize the payment of subsidy by Nigerian National Petroleum Corporation;

Worried that the current Federal Executive claims that it has stopped fuel subsidy payments and that it is the Nigerian National Petroleum Corporation that is paying the subsidy through its routine trading activities and as such not requiring Budgetary Approval and without need for recourse to Parliament;

Also worried that such non-appropriated expenditure on petroleum subsidy, no matter how well intended is illegal and susceptible to corruption, embezzlement and mismanagement if not subjected to the approval and scrutiny of Parliament.

Resolved to:

- (i) invite the Minister of State for Petroleum Resources and the Group Managing Director of the Nigerian National Petroleum Corporation to appear before the Committee on Finance and Petroleum Downstream and explain the current subsidy payment by the Corporation;
- (ii) also invite the Minister of State for Petroleum Resources and the Group Managing Director of the Nigeria National Petroleum Corporation as well as the Executive Secretary of the Petroleum Products Pricing Regulatory Agency to appear before the Committee on Finance and Petroleum Downstream to account for the monies expended on the Subsidy payment since January 2017 till date and the current Petroleum Pricing Regime; and

- (iii) urge the Federal Executive should make provision for Subsidy Payment in the 2018 Appropriation Bill, should it deem it fit to continue Subsidy Payment under any guise whatsoever (HR. 04/2018).

6. Presentation of Bills

The following Bills were read the *First Time*:

- (1) Federal Capital Territory Directorate of Road Traffic and Motor Vehicle Administration Services Bill, 2018 (HB.1279).
- (2) Personal Income Tax Act (Amendment) Bill, 2018 (HB.1280).
- (3) Trustee Investments Act (Amendment) Bill, 2018 (HB.1281).
- (4) National Automotive Council Act (Amendment) Bill, 2018 (HB.1282).
- (5) Raw Materials Research and Development Council Act (Amendment) Bill, 2018 (HB.1283).
- (6) Alex Ekwueme Federal University of Technology, Oke (Establishment) Bill, 2018 (HB.1284).
- (7) Private Detectives and Investigators Bill, 2018 (HB.1285).
- (8) Alcohol Advertisement (Health Warning) Bill, 2018 (HB.1286).
- (9) Advance Fee Fraud Act (Amendment) Bill, 2018 (HB.1287).
- (10) National Planning Commission Act (Amendment) Bill, 2018 (HB.1288).
- (11) Street Vendors (Protection of Livelihood and Regulation of Street Vending in the Federal Capital Territory) Bill, 2018 (HB.1289).
- (12) Energy Commission of Nigeria Act (Repeal and Re-Enactment) Bill, 2018 (HB.1290).
- (13) Commercial and Industrial Development Authority (Promotion and Incentive) Bill, 2018 (HB.1291).
- (14) National Infrastructure Development Bill, 2018 (HB.1292).
- (15) Federal University of Technology, Ogoja (Establishment) Bill, 2018 (HB.1293).

7. A Bill for an Act to Establish Federal College of Education, Jama'are, Bauchi State to Provide Full-Time Courses, Teaching Instructions and Training in Technology, Applied Science, Arts, Social Sciences, Humanities and Management; and for Related Matters (HB. 1216) — *Second Reading*

Order read; deferred by leave of the House.

8. A Bill for an Act to Repeal the Yaba College of Technology, Lagos and Establish Federal University of Technology, Lagos to Provide Training and Teaching Instructions in every aspect of Education and such other fields of Applied Learning Relevant to the Needs of the Development of Education in Nigeria, Matters of Administration and Discipline of Students; and for Related Matters (HB. 1197) — *Second Reading*

Motion made and Question proposed, "That a Bill for an Act to Repeal the Yaba College of Technology, Lagos and Establish Federal University of Technology, Lagos to Provide Training and Teaching Instructions in every aspect of Education and such other fields of Applied Learning Relevant to the Needs of the Development of Education in Nigeria, Matters of Administration and

Discipline of Students; and for Related Matters (HB. 1197) be now read a Second Time” (*Hon. Abbas Tajudeen — Zaria Federal Constituency*).

Debate.

Question that the Bill be read a Second Time — Agreed to.

Bill read the Second Time.

Bill referred to the Committee on Tertiary Education and Services.

9. **A Bill for an Act to Amend the Federal Radio Corporation of Nigeria Act, Cap. F18, Laws of the Federation of Nigeria, 2004 to Provide for National Stations in each of the Geopolitical Zones, Abuja and Lagos, to enhance its Efficient Service Delivery; and for Related Matters (HB. 1247) — Second Reading**

Motion made and Question proposed, “That a Bill for an Act to Amend the Federal Radio Corporation of Nigeria Act, Cap. F18, Laws of the Federation of Nigeria, 2004 to Provide for National Stations in each of the Geopolitical Zones, Abuja and Lagos, to enhance its Efficient Service Delivery; and for Related Matters (HB. 1247) be now read a Second Time” (*Hon. Garba I. Mohammed — Gwale Federal Constituency*).

Debate.

Question that the Bill be read a Second Time — Agreed to.

Bill read the Second Time.

Bill referred to the Committee on National Orientation and Information, Ethics and Values.

10. **A Bill for an Act to Amend the Federal Government Staff Housing Board to Administer a Housing Loan Scheme for Federal Public Officers and for Related Matters (HB.1224) — Second Reading**

Motion made and Question proposed, “That a Bill for an Act to Amend the Federal Government Staff Housing Board to Administer a Housing Loan Scheme for Federal Public Officers and for Related Matters (HB.1224) be now read a Second Time” (*Hon. Gogo Bright Tamuno — Okrika/Ogu/Bolo Federal Constituency*).

Debate.

Question that the Bill be read a Second Time — Agreed to.

Bill read the Second Time.

Bill referred to the Committee on Public Service Matters.

11. **Need to carry out a Comprehensive Audit of the Internally Generated Revenues (IGRs) and Remittances into the Federation Account by the Federal Medical Centers, Teaching Hospitals and Other Tertiary Health Institutions (Specialist Hospitals) Across the Country from 2011-2017**

Ordered: Committee on Rules and Business to determine the Committee with jurisdiction over the matter.

12. **Need to Investigate the Incessant Arrest, Brutality and Malicious Prosecution of Nigerian Students by Indian Police Authorities**

Motion made and Question proposed;

The House:

Notes that sometime in 2017, some Nigerians and other African students studying in India were attacked and beaten to a state of unconsciousness by unruly Indian mob in the district of Greater Noida, a suburb of Delhi;

Also notes another attack in Nodia, Uttar Pradesh State where five (5) Nigerians were beaten and badly wounded due to the belief of the mob that the death of an Indian student was as a result of drugs overdose allegedly supplied by his Nigerian colleague;

Informed of a new and rising trend of profiling, arrest, Police brutality and malicious prosecution of Nigerian students by the Police, including the incident of 30 December, 2017 at Yapratin Telangana State where some Nigerian students like Chidiebube Chukwuma, Priscilla Sunday and Shola were arrested and taken away, and it took the frantic efforts of colleagues and a human rights lawyer to locate their place of detention, where they had remained since;

Cognizant that since India is one of the Nigeria's biggest trading partners, there is the need to address those incidents of arrest and brutality so that they do not hurt the fruitful relationship that has been nurtured over the decades;

Resolves to:

- (i) urge the President of the Federal Republic of Nigeria to declare the issue as one of national interest requiring urgent Government attention;
- (ii) also urge the Nigerian High Commission in India to explore diplomatic channels in ensuring that those arrested are released in appropriate cases or on bail pending further investigation;
- (iii) send a delegation to India to ascertain the condition, state of health and mental wellbeing of the arrested students; and
- (iv) mandate the Committee on Foreign Affairs to investigate the immediate and remote causes of the police brutality, arrests and malicious prosecution of Nigerian students with a view to finding a lasting solution to it and report back within two (2) weeks for further legislative action (*Hon. Frederick Yietiemone Agbedi — Ekeremor/Sagbama Federal Constituency*).

Debate.

Agreed to.

The House:

Noted that sometime in 2017, some Nigerians and other African students studying in India were attacked and beaten to a state of unconsciousness by unruly Indian mob in the district of Greater Noida, a suburb of Delhi;

Also noted another attack in Nodia, Uttar Pradesh State where five (5) Nigerians were beaten and badly wounded due to the belief of the mob that the death of an Indian student was as a result of drugs overdose allegedly supplied by his Nigerian colleague;

Informed of a new and rising trend of profiling, arrest, Police brutality and malicious prosecution of Nigerian students by the Police, including the incident of 30 December, 2017 at Yapratin Telangana State where some Nigerian students like Chidiebube Chukwuma, Priscilla Sunday and Shola were arrested and taken away, and it took the frantic efforts of colleagues and a human rights lawyer to locate their place of detention, where they had remained since;

Cognizant that since India is one of the Nigeria's biggest trading partners, there is the need to address those incidents of arrest and brutality so that they do not hurt the fruitful relationship that has been nurtured over the decades;

Resolved to:

- (i) urge the President of the Federal Republic of Nigeria to declare the issue as one of national interest requiring urgent Government attention;
- (ii) also urge the Nigerian High Commission in India to explore diplomatic channels in ensuring that those arrested are released in appropriate cases or on bail pending further investigation;
- (iii) send a delegation to India to ascertain the condition, state of health and mental wellbeing of the arrested students; and
- (iv) mandate the Committee on Foreign Affairs to investigate the immediate and remote causes of the police brutality, arrests and malicious prosecution of Nigerian students with a view to finding a lasting solution to it and report back within two (2) weeks for further legislative action (**HR. 05/2018**).

13. Need to Investigate the Non-Remittance of \$3.78 Billion Gas Revenue to the Federation Account by the Nigerian National Petroleum Corporation

Order read; deferred by leave of the House.

14. Consideration of Reports

(i) *Ad-hoc Committee on Petroleum Industry Bill:*

Motion made and Question proposed, "That the House do consider the Report of the *Ad-hoc* Committee on Petroleum Industry on a Bill for an Act to Provide for the Governance and Institutional Framework for the Petroleum Industry and for Other Related Matters (HB. 477, HB. 878, HB. 1053) and approve the recommendations therein" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Question that the House do resolve into the Committee of the Whole to consider the Report — Agreed to.

(HOUSE IN COMMITTEE)

(Mr Deputy Speaker in the Chair)

A BILL FOR AN ACT TO PROVIDE FOR THE GOVERNANCE AND INSTITUTIONAL
FRAMEWORK FOR THE PETROLEUM INDUSTRY AND FOR OTHER
RELATED MATTERS (HB. 477, HB. 878, HB. 1053)

PART 1 — OBJECTIVES

Committee Recommendation:

Clause 1: Objectives.

The objectives of this Bill shall be to:

- (a) create efficient and effective governing institutions with clear and separate roles for the petroleum industry;
- (b) establish a framework for the creation of commercially oriented and profit driven petroleum entities to ensure value addition and internationalization of the petroleum industry;
- (c) promote transparency and accountability in the administration of petroleum resources of Nigeria; and
- (d) foster a conducive business environment for petroleum industry operations
(Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 1 stands part of the Bill — Agreed to.

PART 2 — THE MINISTER

Committee Recommendation:

Clause 2: Functions and powers of the Minister.

- (1) The Minister shall —
 - (a) be responsible for the determination, formulation and monitoring of Government policy for the petroleum industry;
 - (b) exercise general supervision over the affairs and operations of the petroleum industry subject to the provisions of this Bill;
 - (c) advise the Government on all matters pertaining to the petroleum industry;
 - (d) promote the development of local content in the Nigerian petroleum industry;
 - (e) represent Nigeria at international organisations that are primarily concerned with the petroleum industry;
 - (f) negotiate and execute international petroleum treaties and agreements with other countries, international organizations and other similar bodies on behalf of the Government;
 - (g) do all such other things as are incidental to and necessary for the performance of the functions of the Minister under this Bill.
- (2) The Minister may in writing delegate to any senior officer of the Ministry or institution any power or function conferred on him by or under this Bill
(Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 2 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 3: Rights of pre-emption.

- (1) In the event of a state of national emergency as specified in the Constitution of the Federal Republic of Nigeria, 1999, as amended, the Minister shall have the right of pre-emption of all petroleum and petroleum products obtained, marketed or otherwise dealt with under any license or lease granted under this Bill or any other enactment.

- (2) The provisions of the First Schedule to this Bill shall have effect in relation to the rights referred to in subsection (1) of this section.
- (3) Any person, who fails or neglects to comply with a requisition made by or on behalf of the Minister under paragraphs 1, 2 or 7 of the First Schedule to this Bill, or fails to conform or to obey a direction issued by the Minister under paragraph 8 of the First Schedule to this Bill, commits an offence and is liable on conviction to forfeiture of the petroleum product and facilities subject of the offence and to imprisonment for a period not exceeding ten years.
- (4) Any person who obstructs or interferes with the Minister, his servants or agents in the exercise of the powers conferred on the Minister under paragraph 8 of the First Schedule to this Bill, shall be guilty of an offence and is liable on conviction to forfeiture of the petroleum products and facilities subject of the offence and to imprisonment for a period not exceeding ten years (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 3 stands part of the Bill — Agreed to.

PART 3 — NIGERIA PETROLEUM REGULATORY COMMISSION

Committee Recommendation:

Clause 4: Establishment of the Nigeria Petroleum Regulatory Commission.

- (1) There is established under this Bill the Nigeria Petroleum Regulatory Commission ("the Commission") as a body corporate with perpetual succession and a common seal and which may sue or be sued in its corporate name.
- (2) The Commission shall have power to —
 - (a) enter into contracts and incur obligations;
 - (b) acquire, hold, mortgage, purchase and deal with property, whether movable or immovable, real or personal; and
 - (c) do all such things as are necessary for or incidental to the carrying out of its functions and duties under this Bill.
- (3) From the Effective Date, without further assurance, the Commission shall be vested with all assets, funds, resources and other movable and immovable properties which immediately before the Effective Date were held by the Petroleum Inspectorate, the Department of Petroleum Resources and the Petroleum Products Pricing Regulatory Agency.
- (4) As from the date of commencement of this Bill —
 - (a) the rights, interests, obligations and liabilities of the Petroleum Inspectorate, Department of Petroleum Resources and the Petroleum Products Pricing Regulatory Agency existing immediately before the Effective Date under any contract or instrument or law or in equity shall by virtue of this Bill be assigned to and vested in the Commission;

- (b) any instrument covered by subsection (1) shall have the same force and effect against or in favour of the Commission and shall be enforceable as fully and effectively as if instead of the Petroleum Inspectorate, Department of Petroleum Resources or the Petroleum Products Pricing Regulatory Agency, the Commission had been named therein or had been a party thereto; and
 - (c) the Commission shall be subject to all the obligations and liabilities to which the Petroleum Inspectorate, Department of Petroleum Resources and the Petroleum Products Pricing Regulatory Agency were subject immediately before the Effective Date and all other persons shall as from the Effective Date have the same rights, powers and remedies against the Commission as they had against the Petroleum Inspectorate, Department of Petroleum Resources and the Petroleum Products Pricing Regulatory Agency immediately before the Effective Date.
- (5) The Commission shall be structured into departments as its Board may, from time to time, deem appropriate for the effective discharge of its functions under this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 4 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 5: Objectives of the Commission.

The Commission shall —

- (a) promote the healthy, safe and efficient conduct of all petroleum operations in an environmentally friendly and sustainable manner;
- (b) promote the efficient, safe, effective and sustainable infrastructural development of the petroleum industry;
- (c) ensure compliance with all applicable laws and regulations governing the petroleum industry;
- (d) determine and ensure the implementation and maintenance of technical standards, codes and specifications applicable to the petroleum industry in line with global best practice;
- (e) subject to the provisions of this Bill, execute Government policies for the petroleum industry assigned to it by the Minister;
- (f) promote an enabling environment for investments in the petroleum industry;
- (g) ensure that regulations are fair and balanced for all classes of lessees, licensees, permit holders, consumers and other stakeholders;
- (h) ensure strict implementation of environmental policies, laws, regulations and standards as pertains to oil and gas operations; and
- (i) implement such other objectives as are consistent with the provisions of this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 5 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 6: Functions of the Commission.

(1) The Commission shall —

- (a)** administer and enforce policies, laws and regulations relating to all aspects of petroleum operations which are assigned to it under the provisions of this Bill or any regulations made in pursuance of this Bill or under any other enactment;
- (b)** monitor and enforce compliance with the terms and conditions of all leases, licences, permits and authorisations issued in respect of any petroleum operations;
- (c)** define and enforce approved standards for design, construction, fabrication, operation and maintenance for all plants, installations and facilities utilized or to be utilized in petroleum operations;
- (d)** in consultation with the Ministry of Environment or any other agency in charge of environmental issues, ensure adherence to applicable national and international environmental and other technical standards by all persons involved in petroleum operations;
- (e)** publish reports and statistics on the petroleum industry;
- (f)** develop and publish methodologies for tariffs and pricing relating to third party access to petroleum facilities from time to time by regulation ;
- (g)** establish the framework for the validation and certification of national hydrocarbon reserves; and
- (h)** advise the Minister on fiscal and other issues pertaining to the petroleum industry.
- (i)** undertake evaluation of national reserves and reservoir management studies;
- (j)** conduct regular audits of the activities of operators engaged in petroleum operations and oil service companies in order to ensure compliance with Nigerian laws and requirements for petroleum operations;
- (k)** maintain a petroleum industry data bank comprising all data acquired by or given to the Commission in the exercise of its statutory functions;
- (l)** supervise and ensure accurate calibration and certification of equipment used for fiscal measures for upstream and downstream petroleum operations;
- (m)** issue licences or permits and any other authorisations necessary for all activities connected with, but not limited to the following:
 - (i)** seismic,

- (ii) drilling.
- (iii) design, fabrication, construction, commissioning and decommissioning of all facilities for upstream and downstream petroleum operations, and
- (iv) maximum efficiency rate test and other well test/production related activities;
- (v) manage and administer all unallocated acreage of crude oil and natural gas and all upstream petroleum data;
- (vi) conduct bid rounds or other processes for the award of any licence or lease required for petroleum exploration or production;
- (n) issue, modify, amend, extend, suspend, review, cancel and reissue, revoke and / or terminate upstream licences made in compliance with applicable laws and regulations;
- (o) approve all field development programmes;
- (p) allocate petroleum production quotas in a non-discriminatory manner;
- (q) develop benchmarks and cost management strategies for petroleum operations performance monitoring;
- (r) compute, assess and ensure payment of royalties, rentals, fees, and other charges for upstream petroleum operations; and
- (s) issue clean certificates of inspection at the oil terminals to exporters of crude oil upon satisfaction that the requirements as to quality and quantity have been complied with.
- (t) regulate and co-ordinate the activities of the industry in a non-discriminatory and transparent manner;
- (u) establish the methodology for determining appropriate tariffs for gas processing, gas transportation, transmission and transportation of crude oil and bulk storage of oil and gas.
- (v) develop cost benchmarks for key elements of midstream & downstream petroleum operations;
- (w) regulate bulk storage, transportation and transmission of crude oil and gas and set rules for the common carrier systems for crude oil and gas;
- (x) promote the principles of sustainable infrastructural development;
- (y) promote competition and private sector participation;
- (z) ensure that all economic and strategic demands for gas in the domestic economy are met;

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- (aa) monitor and enforce the actual application of tariffs and pricing frameworks;
 - (bb) monitor market behaviour including the development and maintenance of competitive markets;
 - (cc) arrest situations of abuse of dominant power and restrictive business practices;
 - (dd) provide the standard for metering, inspect the metering of pumps and all other facilities and ensure their compliance with safety standards as prescribed by the Commission;
 - (ee) grant, issue and renew licences, permits and authorisations including but not limited to licences, permits or authorisations for downstream gas, petroleum products, storage depots, retail outlets, transportation and distribution facilities for the petroleum industry and the design, fabrication, construction, commissioning and decommissioning of all facilities and prescribe requirements to be satisfied by applicants for these purposes.
 - (ff) modify, amend, extend, suspend, review, cancel and reissue, revoke and / or terminate licences, permits and authorisations;
 - (gg) establish framework for calculating the fair market value of petroleum products;
 - (hh) regulate and set rules for petroleum products distribution, petroleum product pipelines, retail outlets, trucking of petroleum products and storage depots;
 - (ii) ensure security of petroleum products supply, market development and the development of competition;
 - (jj) develop market rules for trading in wholesale gas supplies to downstream gas distributors;
 - (kk) establish customer protection measures;
 - (ll) undertake consultation with customers, licensees and other industry participants, where necessary, for purpose of
 - (i) promoting and protecting the interests of consumers; and
 - (ii) promoting the principles of sustainable resource and infrastructural development through the efficient supply and use of downstream gas and other petroleum products;
 - (mm) regulate and ensure the supply, distribution, marketing and retail of petroleum products;
 - (nn) administer and monitor the national operating and strategic stocks as set by the Minister;
 - (oo) monitor and enforce the actual application of petroleum product pricing formulae or framework for petroleum products;

- (pp) enforce consumer rights in relation to petroleum products and services;
 - (qq) establish appropriate dispute settlement mechanisms relating to the commercial rights and obligations of operators and customers pursuant to the provisions of this Bill or any other enactment or; regulation, provided that operators and customers shall reserve the right to resolve disputes in accordance with the terms of their contracts or approach a court with jurisdiction in the matter;
 - (rr) inspect the metering of pumps and any other facilities at downstream retail outlets to ensure compliance with safety, measurement and technical standards;
 - (ss) establish, monitor and regulate health, environmental and safety measures relating to the management of downstream assets, including but not limited to refineries, petrochemical plants, lube plants, petroleum depots and pipelines and downstream gas plants;
 - (tt) monitor and ensure the quality and process of conversion or blending of whatever material by whatever method to fuels, bio-fuels or other petroleum derivatives for automotive use in Nigeria;
 - (uu) monitor and ensure the quality of petroleum products sold in Nigeria.
- (2) In addition to the functions specified above, the Commission shall:
- (a) develop open access rules applicable to crude oil and petroleum products and natural gas transportation pipelines, strategic depots, loading facilities, transportation, transmission and bulk storage facilities;
 - (b) notwithstanding the provisions of any other law or regulations, exclusively supervise and ensure accurate calibration and certification of equipment used for fiscal measures in the industry;
 - (c) undertake by itself or through qualified expertise such other activities as are necessary or expedient for giving full effect to the provisions of this Bill; and
 - (d) do such other things as are necessary and expedient for the effective and full discharge of any of its functions under this Bill.
- (3) The Commission shall, in addition to its other functions:
- (a) promote the exploration of the frontier basins of Nigeria;
 - (b) develop exploration strategies and portfolio management for the exploration of unassigned frontier acreages in Nigeria;
 - (c) identify opportunities and increase information about the petroleum resources base within all frontier acreages in Nigeria; and
 - (d) undertake studies, analyse and evaluate all unassigned frontier acreages in Nigeria;

- (4) Collaboration and Consultation with other Agencies:
- (a) in performing its functions as provided in this section, the Commission shall, where applicable, collaborate with other relevant Government agencies.
 - (b) notwithstanding the provisions of any other law or regulation, no Government agency shall exercise any powers and functions in relation to the petroleum industry in conflict with the powers and functions of the Commission.
 - (c) all Government agencies exercising any lawful powers and functions in relation to the petroleum industry shall consult with the Commission in the issuance of any regulations, guidelines and in the issuance of enforcement orders or directives which may impact the petroleum industry.
- (5) Responsibility for Environmental Matters in the Petroleum Industry:
- (a) the Commission shall have responsibility over all aspects of health, safety and environmental matters in respect of the petroleum industry.
 - (b) in exercising its functions in subsection (5)(a) of this section, the Commission may in conjunction with the Federal Ministry of Environment establish a joint committee to facilitate collaboration (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 6 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 7: Powers of the Commission.

In carrying out its functions under this Bill, the Commission shall have power to —

- (a) modify, extend, renew, suspend and revoke any licence or permit issued by it pursuant to the provisions of this Bill;
- (b) in accordance with the provisions of this Bill, designate facilities in the petroleum industry as third party access facilities, determine tariff methodology and pricing framework applicable to same, monitor and enforce the application of such tariff and pricing framework and mediate disputes in respect of third party access as may be determined by any regulation made pursuant to this Bill;
- (c) request and obtain any information or any document concerning licensed activities in the petroleum industry from any licensee, lessee or permit holder;
- (d) where it considers it to be in the public interest:
 - (i) publish information relating to petroleum operations provided by lessees, licensees and permit holders; and
 - (ii) require lessees, licensees and permit holders to publish particular information relating to petroleum operations subject to the provisions of Regulation 7(5) of the National Data Repository Regulation 2007;

- (e) enforce relevant lease, licence or permit conditions and the specific requirements of this Bill or any other enactment or regulation;
- (f) issue penalties and fines in accordance with the provisions of this Bill or any other enactment or regulation;
- (g) enforce the provisions of any enactments or regulations applicable to petroleum operations made prior to the Effective Date or any other enactment or regulation;
- (h) institute legal proceedings against any lessee, licensee or permit holder for failure to comply with lease, licence or permit conditions or other requirements of this Bill or any other enactment or regulation;
- (i) make and enforce regulations and prescribe fees in line with the provisions of this Bill or any other enactment or regulation; and
- (j) issue guidelines in line with the provisions of this Bill or any other enactment or regulation (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 7 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 8: Regulations.

- (1) The Commission may subject to the provisions of subsections (2) and (3) of this section, make regulations necessary to give proper effect to the provisions of this Bill.
- (2) The Commission shall prior to making any regulation under this Bill, conduct a public hearing in the manner specified in subsection (4) of this section on the subject matter of the proposed regulation.
- (3) The Commission shall, in making any regulation, take into consideration the findings of the public hearing conducted in pursuance of subsection (2) of this section.
- (4) Before holding a public hearing in pursuance of subsection (2) of this section, the Commission shall publish in at least two national newspapers and its website, notice of:
 - (a) the fact that it is holding the public hearing;
 - (b) invitation to major stakeholders and members of the public to participate in the public hearing;
 - (c) the venue and period during which the public hearing is to be held;
 - (d) the nature of the matter to which the public hearing relates;
 - (e) the matters that the Commission would like the submissions to deal with;
 - (f) the form in which members of the public are to make submissions to the Commission on the subject matter of the public hearing;

- (g) the period of public notice for the commencement of the public hearing, which shall not be less than twenty-one days; and
 - (h) the address or addresses to which the submissions may be sent.
- (2) Notwithstanding the provision of subsection (2) of this section, the Commission may, due to the exigency of the circumstances, make any regulation without conducting a public hearing, where it deems it necessary to do so.
 - (3) Any regulation made pursuant to sub-section (5) of this section shall be valid for not longer than six months with effect from its commencement date, unless it is confirmed after a public hearing.
 - (4) For the purpose of this section, a public hearing may take the form of an electronic consultation. After such consultation, the Commission shall issue a summary of the views expressed and how it has addressed them in the proposed regulations (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 8 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 9: Decisions and orders made by the Commission.

- (1) The Commission shall ensure that any decision or order made by the Commission:
 - (a) contains the basis for the decision or order;
 - (b) are properly recorded in writing; and
 - (c) are accessible to the public at reasonable times and places.
- (2) The Commission shall issue written reasons in respect of any decisions or orders affecting the existing rights of any person, if the affected person requests such written reasons.
- (3) The Commission may issue written reasons in respect of any other decision or order as the Commission deems necessary.
- (4) Every recommendation, declaration, decision or order of the Commission, if purporting to be signed by a person describing himself as the Chief Executive Commissioner of the Commission or by a person describing himself as a Commissioner acting in the capacity of the Chief Executive Commissioner, shall unless the contrary is shown, be deemed to be made by the Commission and to have been so signed and may be proved by the production of a copy thereof purporting to have been so signed.
- (5) The Commission may make interim orders pending the final disposition of a matter before it (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 9 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 10: Commission to give notice to interested parties.**

- (1) The Commission may hold a hearing on any matter, which under this Bill or any other enactment is required or permitted to be conducted or on which it is required or permitted to take any action and the Commission shall hold public hearing on matters which the Commission determines to be of significant interest to the general public.
- (2) Where the Commission is required to or otherwise decides to hold a hearing, all persons having an interest in such matter shall, as far as reasonably practicable, be notified of the questions at issue and given opportunities to make representations, if they so wish.
- (3) The Commission shall take into consideration the findings of any public hearing conducted in pursuance of subsection (1) of this section (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 10 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 11: Engagement of Expertise Support.**

When any matter arises which entails the consideration of any professional or technical question, the Commission may consult such persons or institutions as may be qualified to advice thereon (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 11 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 12: Question of law may be referred to the Federal High Court.**

- (1) If any question of law arises from an order or decision of the Commission, the Commission may, on its own initiative or at the request of any person directly affected by such order, reserve that question for the decision of the Federal High Court.
- (2) Where a question has been reserved under subsection (1) of this section, the Commission shall state the question in the form of a special case and file it with the Registrar of the Federal High Court (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 12 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 13: Governing Board of the Commission.**

- (1) There shall be established for the Commission a governing Board (in this Bill referred to as the "Board") which shall, be responsible for the policy and general administration of the Commission.
- (2) The Board shall consist of the following members:
 - (a) a non-executive Chairman;
 - (b) two non-executive Commissioners;
 - (c) the Chief Executive Commissioner;

- (d) four other Executive Commissioners;
 - (e) a representative of the Ministry of Petroleum Resources who shall not be below the rank of director;
 - (f) a representative of the Ministry of Finance who shall not be below the rank of director;
 - (g) a representative of the Ministry of Environment who shall not be below the rank of director;
- (3) The appointment to the Board in respect of persons appointed pursuant to paragraphs (a) to (d) of subsection (2) of this section shall be made by the President subject to confirmation of the Senate.
- (4) The board members shall be persons of high integrity and relevant experience and their appointment or replacement shall be in accordance with the principles of Federal Character;
- (5) The Commissioners shall be persons chosen for their expertise, experience or professional qualifications in the following fields or areas of competence:
 - (a) the planning, development, production, gathering, processing, transportation, distribution or supply of petroleum, petroleum products and gas; or
 - (b) the generation, transmission or distribution of electricity or other forms of power; or
 - (c) law, regulation, accountancy, economics, finance, engineering or geo-sciences particularly where such qualifications have been developed in connection with activities related to the petroleum industry; provided that a person shall not be appointed as a Commissioner unless he has graduated from a tertiary institution and possesses a university degree and a minimum of fifteen (15) years post-qualification experience.
- (6) The persons appointed in paragraphs (a) and (b) of subsection (2) of this section shall hold office for a term of four years in the first instance, which term may be renewed for another term of four years only on such terms and conditions as may be specified in their letters of appointment.
- (7) Appointment to the Board in respect of persons appointed pursuant to paragraphs (a) and (b) of subsection (2) of this section shall be in a non-executive and part-time basis.
- (8) For the avoidance of doubt, the non-executive commissioners appointed pursuant to paragraphs (a) and (b) of subsection (2) of this section and nominated under paragraphs (e) to (g) of subsection (2) shall not participate in the day to day operations of the Commission.
- (9) The proceedings of the Board and other ancillary matters shall be in accordance with the provisions of the Second Schedule to this Bill.
- (10) Subject to subsection (5) of this section, the Board shall have the power to make standing orders for the regulation of its proceedings and meetings.

- (11) The conflict of interest provisions contained in the Third Schedule to this Bill shall apply to all members of the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 13 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 14: Functions of the Governing Board.

(1) The Board shall:

- (a) be responsible for the general direction and supervision of the Commission;
- (b) oversee the operations of the Commission;
- (c) provide general guidelines for the carrying out of the functions of the Commission;
- (d) review and approve the business, strategic and operating plans of the Commission;
- (e) consider and approve the budget of the Commission prior to the submission to the National Assembly for appropriation and monitor its performance;
- (f) approve the management accounts and audited accounts of the Commission and undertake consideration of the management letter from the external auditors;
- (g) determine the terms and conditions of service of employees of the Commission;
- (h) stipulate remuneration, allowances, benefits and pensions of staff and employees of the Commission in consultation with the National Salaries, Incomes and Wages Commission;
- (i) structure the Commission into such number of departments as it deems fit for the effective discharge of the functions of the Commission; and
- (j) carry out such other functions and undertake such other activities which in the opinion of the Board are necessary to ensure the efficient and effective administration of the Commission in accordance with the provisions of this Bill or as may be delegated to the Commission by the Minister.

- (2) In carrying out their functions all members of the board shall have a duty to exercise independent judgment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 14 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 15: General policy directions.**

- (1) The Minister may issue general policy directions to the Commission on matters concerning the petroleum industry and the Commission shall implement such directions provided that the directions are not in conflict with the provisions of this Bill.
- (2) The Minister shall cause a copy of any directions given to the Commission in pursuance of subsection 1 of this section to be published in the Gazette.
- (3) The Commission shall, subject to subsection (1) of this section, be independent in the performance of its functions, duties and the exercise of its powers (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 15 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 16: Remuneration and allowances of members of the board.**

- (1) Members of the Board shall be paid from the funds of the Commission such remuneration and allowances as the Commission may from time to time determine, in consultation with the National Salaries, Incomes and Wages Commission.
- (2) While making recommendations, the National Salaries, Incomes and Wages Commission shall have due regard to the following principles:
 - (a) the specialised nature of work to be performed by the Commission;
 - (b) the need to ensure the financial self-sufficiency of the Commission; and
 - (c) the remuneration and allowances paid in the private sector to individuals with equivalent responsibilities, expertise and skills. (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 16 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 17: Disqualification and cessation of appointment.**

- (1) A member of the Board may be suspended or removed from office by the President if the member:
 - (a) is found to have been unqualified for appointment as a member of the Board pursuant to the provisions of section 22 of this Bill, or becomes so unqualified subsequent to his appointment, or is in a breach of the conflict of interest provision set out in the Third Schedule to this Bill after his appointment;
 - (b) if he ceases to be an employee of the ministry which he represents on the Board;
 - (c) has demonstrated inability to effectively perform the duties of the office;

- (d) has been absent from three consecutive meetings of the Board without the consent of the Chairman or when the Chairman is involved without the consent of the President except good reason is shown for such absence;
- (e) is guilty of serious misconduct.
- (2) The suspension of a Commissioner under subsection (1) of this section shall not exceed ninety days.
- (3) The removal of a Commissioner under subsection (1) of this section shall be subject to the approval of the Senate (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 17 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 18: Resignation of a non-executive member of the board.

A non-executive member of the Board may resign his appointment by giving two months' written notice addressed to the President (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 18 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 19: Vacancy on the board.

- (1) A vacancy on the Board shall occur if a member of the Board-
 - (a) dies;
 - (b) is removed from office in accordance with section 17 of this Bill;
 - (c) resigns from office;
 - (d) completes his tenure of office; or
 - (e) where the member is incapacitated.
- (2) A vacancy on the Board shall be filled by the appointment of another person by the President in accordance with section 13 of this Bill.
- (3) If a member of the Board dies, resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, there shall be appointed a fit and proper person in the manner prescribed by section 13 of this Bill to take his place on the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 19 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 20: The Chief Executive Commissioner and Executive Commissioners.

- (1) There shall be for the Commission a Chief Executive Commissioner who shall be the chief executive and accounting officer of the Commission responsible for the day-to-day running of the affairs of the Commission.
- (2) There shall be for the Commission four Executive Commissioners.

- (3) The persons to be appointed Chief Executive Commissioner and Executive Commissioners shall have extensive technical or professional knowledge of the petroleum industry with a minimum of fifteen years' experience with relevant cognate experience at management level (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 20 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 21: Appointment, tenure, remuneration and conditions of service of the Chief Executive Commissioner and the Executive Commissioners.

- (1) The Chief Executive Commissioner and Executive Commissioners shall be appointed by the President subject to confirmation by the Senate on such terms and conditions as may be set out in their respective letters of appointment.
- (2) The Chief Executive Commissioner shall be appointed in the first instance for a term of five years and shall be eligible for re-appointment for another term of five years, and no more.
- (3) The Executive Commissioners shall be appointed in the first instance for a term of four years and shall be eligible for re-appointment for another term of four years and no more.
- (4) No later than three months prior to the expiration of the tenure of the Chief Executive Commissioner or any of the Executive Commissioners, the President shall appoint or re-appoint such Chief Executive Commissioner or Executive Commissioners in accordance with the provisions of section 13 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 21 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 22: Disqualification from appointment.

A person shall not be appointed as a Commissioner if he or she:

- (a) has a financial interest in any business connected, either directly or indirectly with the Nigerian petroleum industry, or is engaged in any activity (whether for remuneration or otherwise) connected with the petroleum industry, provided that such person may be appointed if he or she declares their interest and makes the appropriate arrangements that ensures the avoidance of a conflict of interest, or is a relative of a person who has such an interest or is engaged in such an activity, unless the President is satisfied that the interest or activity is in effect passive and will not interfere with the person's impartial discharge of his duties as a Commissioner or unless the financial interest is terminated prior to the appointment taking effect, or
- (b) has, in terms of the laws in force in any country:
 - (i) been adjudged or declared bankrupt or insolvent and has not been rehabilitated or discharged, or
 - (ii) made an assignment to or arrangement or composition with his creditors which has not been rescinded or set aside;
 - (iii) been declared to be of unsound mind;

- (iv) been convicted of any criminal offence by a court of competent jurisdiction except for traffic offences or contempt proceedings arising in connection with the execution or intended execution of any power or duty conferred under this Bill; or
- (v) been disqualified or suspended from practising his profession by the order of a competent authority made in respect of him personally (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 22 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 23: Other staff, etc.

- (1) The Board may appoint for the Commission such number of persons as employees of the Commission as it may deem necessary.
- (2) The employment of the Commission's staff shall be subject to such terms and conditions as may from time to time be stipulated by the Board and contained in the respective employment contracts.
- (3) The Board shall determine and review from time to time, the remuneration and allowances payable to the Commission's staff, having regard to the recommendation of the National Salaries, Incomes and Wages Commission.
- (4) While making recommendations, the National Salaries, Incomes and Wages Commission shall have due regard to the following principles:
 - (a) the specialised nature of work to be performed by the Commission;
 - (b) the salaries paid in the private sector to individuals with equivalent responsibilities, expertise and skills.
- (5) The Board shall make staff regulations generally relating to the conditions of service of its employees and, in particular, but without prejudice to the generality of the foregoing, such regulations may provide for -
 - (a) the appointment, promotion, dismissal and discipline of employees;
 - (b) appeals by the employees against dismissal or other disciplinary measures; and
 - (c) the grant of pensions, gratuities and other retirement allowances to the employees;
- (6) Staff of the Commission shall be public officers as defined in the Constitution of the Federal Republic of Nigeria, 1999.
- (7) For the purpose of this section, appointment shall include secondment, transfer and contract appointments (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 23 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 24: Pensions.**

- (1) Any person employed in the Commission shall be subject to the provisions of the Pensions Reform Act and officers and employees of the Commission shall be entitled to pension and other retirement benefits as prescribed under the Pensions Reform Act.
- (2) Nothing in subsection (1) of this section shall prohibit the Commission from appointing a person to any office on terms that preclude the grant of a pension or other retirement benefits in respect of that office.
- (3) Subject to the Pensions Reform Act, and notwithstanding the provisions of this section, the Commission shall continue to fulfil all obligations in respect of pensions schemes to which the Department of Petroleum Resources and the Petroleum Products Price Regulatory Agency were obliged in respect of its employees, prior to the transfer of assets and liabilities to the Commission
(Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 24 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 25: Financial provisions.**

- (1) The Commission shall not later than 30th September or such other date to be determined by the Ministry responsible for Budgets in each financial year, prepare and present for appropriation to the National Assembly through the Federal Ministry responsible for Budgets, a statement of estimated income and expenditure for the following financial year.
- (2) Notwithstanding the provisions of subsection (1) of this section, the Commission may also, in any financial year, submit to the National Assembly through the Federal Ministry responsible for Budgets, supplementary or adjusted statements of estimated income and expenditure for appropriation.
- (3) The financial year of the Commission shall be a period of twelve calendar months commencing on the 1st of January in each year (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 25 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 26: Funding.**

- (1) The Commission shall establish and maintain a fund ('the Fund') from which all expenditures incurred by the Commission shall be defrayed.
- (2) The Fund shall comprise monies derived from the following sources:
 - (a) such moneys as may be determined and appropriated to the Commission from time to time by the National Assembly for its personnel cost;
 - (b) fees charged for services rendered to holders of licences, permits or other authorizations;
 - (c) income derived from publications produced by the Commission and from reviews, and other related activities;

- (d) fees for services rendered to non-petroleum producing companies and service companies and for other services performed generally;
 - (e) fees charged for sale of data acquired by the Commission; and
 - (f) grants, loans, grants-in-aid or grants of land from communities for facilities for use by the Communities.
- (3) Such moneys which shall be ten percent of the revenue generated by the Commission for the Government of the Federation as may be determined and appropriated to the Commission by the National Assembly;
- (4) Without prejudice to subsections (1), (2) and (3) of this section, the Commission may from time to time impose a special levy on licensees and/or lessees for the implementation of any project that is of common benefit and value to the oil and gas industry.
- (5) The Commission shall apply the proceeds of the Fund established pursuant to subsection (1) of this section:
- (a) to meet the administrative and operating costs of the Commission;
 - (b) to provide for the payment of salaries, wages, fees or other remuneration or allowances, pensions and other retirement benefits payable to staff or employees of the Commission;
 - (c) for the acquisition and maintenance of property acquired by or vested in the Commission;
 - (d) for purposes of investment, as prescribed by the Trustee Investments Act, or any other relevant legislation subject to the approval of the Minister responsible for finance; and
 - (e) generally, in connection with the carrying out of any of its functions under this Bill.
- (4) The Commission shall ensure that all monies accruing from upstream leases, bonuses, lease renewal fees, assignment fees and concession rentals charged under this Bill or any other enactment, or any subsidiary legislation or regulation made pursuant to such legislation are paid into the Federation Account.
- (5) For any particular year, if monies accruing to the Fund from appropriation established pursuant to subsection (2) of this section, have not been fully applied for the purposes provided for in subsection (3) of this section, such monies shall be paid into the Consolidated Revenue Fund (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 26 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 27: Power to accept grants.

- (1) The Commission may accept grants of money or other property upon such terms and conditions as may be specified by the person or organisation making the gift provided, such gifts are not:

- (a) inconsistent with the objectives and functions of the Commission under this Bill.
 - (b) accepted from persons or organizations regulated by the Commission.
- (2) Nothing in subsection (1) of this section or in this Bill shall be construed to allow any member of the Board or staff of the Commission to accept grants for their personal use (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 27 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 28: Accounts and audit.

The Commission shall keep proper accounts of its income and expenditure in respect of each financial year and shall cause its accounts to be audited within six months after the end of each year by auditors appointed by the Commission from a list and in accordance with the guidelines supplied by the Auditor-General of the Federation (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 28 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 29: Mid-year and annual reports.

- (1) The Commission shall submit to the Minister, a mid-year report of its operations and finances not later than 31st August of the following year and an annual report of its operations, performance and audited financial account of the preceding year not later than 31st March of the following year.
- (2) A summary of the annual report and audited financial account of the Commission for the preceding year shall be published on the website of the Commission for public notice not later than 31st of March of following year and submitted to the National Assembly (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 29 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 30: Exemption from income tax.

The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Commission (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 30 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 31: Limitation of suits against the Commission, etc.

- (1) The provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against the Commission, any member of the board, an officer or employee of the Commission.
- (2) No suit shall lie against the Commission, any member of the board, or any other officer or employee of the Commission for any act done in pursuance or execution of this Bill or any other law or enactment, or of any public duty or authority in respect of any alleged neglect or default in the execution of

this Bill or any other law or enactment, duty or authority, or be instituted in any court unless it is commenced —

- (a) within twelve months next after the act, neglect or default complained of; or
 - (b) in the case of a continuation of damage or injury, within 6 months next after the ceasing thereof.
- (3) No suit shall be commenced against the Commission, any member of the board, or any official or employee of the Commission before the expiration of a period of one month after written notice of the intention to commence the suit shall have been served on the Commission by the intending plaintiff or his agent.
- (4) The notice referred to in subsection (3) of this section shall clearly and explicitly state the cause of action, the particulars of the claim, the name and address of the intending plaintiff and the relief which he claims (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 31 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 32: Service of court process on the Commission.

A notice, summons or other document required or authorised to be served on the Commission under the provisions of this Bill or any other law or enactment may be served by delivering it to the office of the Chief Executive Commissioner of the Commission or any of its Commissioners (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 32 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 33: Restriction on execution against the Commission's property.

- (1) In any action or suit against the Commission, no execution or attachment of its physical property shall be issued. Any judgment against the Commission may be enforced through garnishee proceedings provided that not less than three months' notice of the intention to commence the garnishee proceedings shall have been given to the Commission.
- (2) Any sum of money which may by the judgment of any court be awarded against the Commission shall, subject to any direction given by the court where no notice of appeal against the judgment has been given, be paid from the Fund of the Commission (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 33 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 34: Special Investigation Unit.

- (1) For the effective conduct of its functions, the Commission shall have a Special Investigation Unit.
- (2) The Special Investigation Unit or an officer authorized on its behalf shall have powers, with respect to matters under the authority of the Commission in this Bill, to:

- (a) investigate acts which may constitute offences under this Bill or any other law relating to petroleum operations;
- (b) collaborate with other Government agencies and persons in relation to the detection or prosecution of offences under this Bill or any other law relating to petroleum operations;
- (c) keep surveillance on oil and gas installations, premises and vessels where it has reason to believe that illegal petroleum operations are going on; and
- (d) in conjunction with the Nigerian Police and other relevant law enforcement agencies arrest with a warrant obtained from a judicial officer, any person reasonably believed to have committed an offence under this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 34 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 35: Indemnity of board members and employees.

- (1) Every member of the Board and every employee of the Commission shall be indemnified out of the assets of the Inspectorate against any liability incurred in defending any proceeding against the Commission, whether civil or criminal, if such proceedings are brought against the person in the person's capacity as a member of the Board or employee.
- (2) Notwithstanding the provisions of subsection (1) of this section, the Commission shall not indemnify any member of the Board or employee of the Commission for any liability incurred as a result of the wilful negligence of the member or employee, as the case may be, or conduct or acts which such person knew or ought to have known to be unlawful (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 35 stands part of the Bill — Agreed to.

PART 4 — ESTABLISHMENT OF PETROLEUM EQUALISATION FUND

Committee Recommendation:

Clause 36: Establishment of the Petroleum Equalisation Fund.

- (1) There shall be established the Petroleum Equalisation Fund ("the Equalisation Fund") into which shall be paid all monies payable to the Equalisation Fund:
 - (a) by way of a fuel levy in respect of all fuel sold and distributed within the Federation which shall be charged subject to the approval of the Minister;
 - (b) all subventions, fees and charges for services rendered or publications made by the Fund; and
 - (c) all other funding which may, from time to time, accrue to the Fund.
 - (d) any net surplus revenue recovered from petroleum products marketing companies pursuant to this Bill; and

- (e) such sums as may be provided for purpose of the Equalisation Fund by the Federal Government.
- (2) The Equalisation Fund shall be a body corporate with perpetual succession, a common seal and may sue and be sued in its corporate name.
- (3) The Equalisation Fund shall have power to —
- (a) enter into contracts and incur obligations;
- (b) acquire, hold, mortgage, purchase and deal with property, whether movable or immovable, real or personal; and
- (c) do all such things as are necessary for or incidental to the carrying out of its functions and duties under this Bill.
- (4) From the date of the commencement of this Bill, without further assurance, the Equalisation Fund shall be vested with all assets, funds, resources and other movable and immovable properties which immediately before the commencement of this Bill were held by the Petroleum Equalisation Fund.
- (5) As from the date of commencement of this Bill —
- (a) the rights, interests, obligations and liabilities of the Petroleum Equalisation Fund existing immediately before the commencement Date under any contract or instrument or law or in equity shall by virtue of this Bill be assigned to and vested in the Equalisation Fund;
- (b) any such contract or instrument covered by subsection 4 (a) of this section shall be of the same force and effect against or in favour of the Equalisation Fund and shall be enforceable as fully and effectively as if instead of the Petroleum Equalisation Fund, the Commission had been named therein or had been a party thereto; and
- (c) the Equalisation Fund shall be subject to all the obligations and liabilities to which the Petroleum Equalisation Fund were subject immediately before the commencement Date and all other persons shall as from the Effective Date have the same rights, powers and remedies against the Equalisation Fund as they had against the Petroleum Equalisation Fund immediately before the commencement Date.
- (6) The Equalisation Fund shall be structured into departments as its Board may, from time to time, deem appropriate for the effective discharge of its functions under this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 36 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 37: Objectives of the Petroleum Equalisation Fund.

The objectives of the Equalisation Fund shall be to:

- (a) enhance development of all regions of the federation by ensuring economic balance in the price of petroleum products;

- (b) collect and provide funding for infrastructural development throughout the federation;
- (c) ensure efficient distribution of petroleum products throughout the federation
(Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 37 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 38: Functions of the Equalisation Fund.

The Equalisation Fund shall perform the following functions:

- (a) collecting all revenues and levies charged pursuant to the provisions of this Bill;
- (b) determining, at such intervals as the Board may direct, the net surplus revenue recoverable from any oil marketing company and accruing to that company from the sale by it of petroleum products at such uniform prices as may be fixed by the Minister;
- (c) determining the amount of reimbursement due to any oil marketing company for purposes of equalisation of price of products;
- (d) the payment of all disbursements authorised under or by virtue of this Bill;
- (e) accounting for all moneys collected, paid or otherwise expended under this Bill;
- (f) carrying out such other duties as may, from time to time be specified by the Board (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that Clause 38 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 39: Decisions and orders made by the Equalisation Fund.

- (1) The Equalisation Fund shall ensure that any decision or order made by it:
 - (a) contains the basis for the decision or order;
 - (b) are properly recorded in writing; and
 - (c) are accessible to the public at reasonable times and places.
- (2) The Equalisation Fund shall issue written reasons in respect of any decisions or orders affecting the existing rights of any person, if the affected person requests such written reasons.
- (3) The Equalisation Fund may issue written reasons in respect of any other decision or order as it deems necessary.

- (4) Every recommendation, declaration, decision or order of the Equalisation Fund, if purporting to be signed by a person describing himself as the Executive Secretary of the Equalisation Fund or by a person describing himself as a Director acting in the capacity of the Executive Secretary, shall unless the contrary is shown, be deemed to be made by the Equalisation Fund and to have been so signed and may be proved by the production of a copy thereof purporting to have been so signed.
- (5) The Equalisation Fund may make interim orders pending the final disposition of a matter before it (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 39 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 40: Equalisation Fund to give notice to interested parties.

- (1) The Equalisation Fund may hold a hearing on any matter, which under this Bill or any other enactment is required or permitted to be conducted or on which it is required or permitted to take any action and the Equalisation Fund shall hold public hearing on matters which the Equalisation Fund determines to be of significant interest to the general public.
- (2) Where the Equalisation Fund is required to or otherwise decides to hold a hearing, all persons having an interest in such matter shall, as far as reasonably practicable, be notified of the questions at issue and given opportunities to make representations, if they so wish.
- (3) The Equalisation Fund shall take into consideration the findings of any public hearing conducted in pursuance of subsection (1) of this section (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 40 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 41: Engagement of Expertise Support.

When any matter arises which entails the consideration of any professional or technical question, the Equalisation Fund may consult such persons or institutions as may be qualified to advise thereon (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 41 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 42: Question of law may be referred to the Federal High Court.

- (1) If any question of law arises from an order or decision of the Equalisation Fund, the Equalisation Fund may, on its own initiative or at the request of any person directly affected by such order, reserve that question for the decision of the Federal High Court.
- (2) Where a question has been reserved under subsection (1) of this section, the Equalisation Fund shall state the question in the form of a special case and file it with the Registrar of the Federal High Court (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 42 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 43: Governing Board of the Equalisation Fund.**

- (1) There shall be established for the Equalisation Fund a governing Board (in this Bill referred to as the "Equalisation Fund Board") which shall be responsible for the policy and general administration of the Equalisation Fund.
- (2) The Board shall consist of the following members:
 - (a) the chairman who shall be a representative of the ministry in charge of petroleum resources and shall be appointed by the Ministry;
 - (b) a representative of the Federal ministry in charge of Industry, Trade and Investment;
 - (c) a representative of the Federal Ministry in charge of Industry, Trade and Investment;
 - (d) a representative of the Commission;
 - (e) three representatives of petroleum marketing associations;
 - (f) three other executive directors;
 - (g) two persons to be appointed by the President who shall possess a minimum of fifteen years relevant professional experience ten of which shall be at senior management level.
 - (h) the Executive Secretary of the Equalisation Fund.
- (3) Membership of the Board shall be on a part-time basis.
- (4) Appointment to the Board in respect of persons appointed pursuant to subsection (2) (a) and (b) of this section shall be in a non-executive and part-time basis.
- (5) The provisions of the Second Schedule to this Bill shall have effect with respect to the proceeding of the Board and other matters contained therein (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 43 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 44: Functions of the Governing Board.**

- (1) The Board shall:
 - (a) be responsible for the general direction and supervision of the Equalisation Fund;
 - (b) oversee the operations of the Equalisation Fund;
 - (c) provide general guidelines for the carrying out of the functions of the Equalisation Fund;
 - (d) review and approve the business, strategic and operating plans of the Equalisation Fund;

- (e) consider and approve the budget of the Equalisation Fund and monitor its performance;
- (f) approve the audited accounts and management accounts of the Equalisation Fund and undertake consideration of the management letter from the external auditors;
- (g) determine the terms and conditions of service of employees of the Equalisation Fund;
- (h) stipulate remuneration, allowances, benefits and pensions of staff and employees of the Equalisation Fund in consultation with the National Salaries, Incomes and Wages Equalisation Fund;
- (i) structure the Equalisation Fund into such number of departments as it deems fit for the effective discharge of the functions of the Equalisation Fund; and
- (j) carry out such other functions and undertake such other activities which in the opinion of the Board are necessary to ensure the efficient and effective administration of the Equalisation Fund in accordance with the provisions of this Bill or as may be delegated to the Equalisation Fund by the Minister.
- (k) in carrying out their functions all members of the board shall have a duty to exercise independent judgment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 44 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 45: General policy directions.

- (1) The Minister may issue general policy directions to the Equalisation Fund on matters concerning the functions of the Equalisation Fund and the Commission shall implement such directions provided that the directions are not in conflict with the provisions of this Bill.
- (2) The Minister shall cause a copy of any directions given to the Equalisation Fund in pursuance of subsection 1 of this section to be published in the Gazette.
- (3) The Equalisation Fund shall, subject to subsection (1) of this section, be independent in the performance of its functions, duties and the exercise of its powers (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 45 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 46: Remuneration and allowances of members of the board.

- (1) Members of the Board shall be paid from the funds of the Equalisation Fund such remuneration and allowances as the Equalisation Fund may from time to time determine, in consultation with the National Salaries, Incomes and Wages Equalisation Fund.
- (2) While making recommendations, the National Salaries, Incomes and Wages Equalisation Fund shall have due regard to the following principles:

- (a) the specialised nature of work to be performed by the Equalisation Fund;
- (b) the need to ensure the financial self-sufficiency of the Equalisation Fund; and
- (c) the remuneration and allowances paid in the private sector to individuals with equivalent responsibilities, expertise and skills (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 46 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 47: Disqualification and cessation of appointment.

- (1) A member of the Board may be suspended or removed from office by the President if the member:
 - (a) is found to have been unqualified for appointment as a member of the Board pursuant to the provisions of section 44 of this Bill or is in a breach of the conflict of interest provision set out in the Third Schedule to this Bill after his appointment;
 - (b) if he ceases to be an employee of the ministry which he represents on the Board;
 - (c) has demonstrated inability to effectively perform the duties of the office;
 - (d) has been absent from three consecutive meetings of the Board without the consent of the Chairman or when the Chairman is involved without the consent of the Minister except good reason is shown for such absence;
 - (e) is guilty of serious misconduct;
- (2) Prior to the suspension or removal of a director under subsection (1) of this section, the President shall inform the Director by written notice, as soon as practicable, of his intention to suspend or remove the Director from office and the reasons therefor.
- (3) The affected Equalisation Fund under subsection (1) of this section shall be given a reasonable opportunity to make written submissions to the Minister within a time period specified in the notice and such time period shall not be less than 14 days from the date of the notice.
- (4) The affected Director may, within the time period specified in the notice, submit a written submission and the Minister shall consider the submission in making his final decision on the Director's suspension or removal from office (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 47 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 48: Resignation of a non-executive member of the board.**

A non-executive member of the Board may resign his appointment by giving two months' written notice addressed to the President (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 48 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 49: Vacancy on the board.**

- (1) A vacancy on the Board shall occur if a member of the Board—
 - (a) dies;
 - (b) is removed from office in accordance with section 47 of this Bill;
 - (c) resigns from office; or
 - (d) completes his tenure of office.
- (2) A vacancy on the Board shall be filled by the appointment of another person by the President in accordance with section 44 of this Bill.
- (3) If a member of the Board dies, resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, there shall be appointed a fit and proper person in the manner prescribed by section 44 of this Bill to take his place on the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 49 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 50: The Executive Secretary and Executive Directors.**

- (1) There shall be for the Equalisation Fund an Executive Secretary who shall be the chief executive and accounting officer of the Equalisation Fund responsible for the day-to-day running of the affairs of the Equalisation Fund.
- (2) There shall be for the Equalisation Fund three Executive Directors who shall be specifically assigned with the responsibility for core activities of the Equalisation Fund.
- (3) The persons to be appointed Executive Secretary and Executive Director shall have a minimum of ten years relevant cognate experience at management level (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 50 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 51: Appointment, tenure, remuneration and conditions of service of the Executive Secretary and the Directors.**

- (1) The Executive Secretary and Executive Directors shall be appointed by the President on such terms and conditions as may be set out in their respective letters of appointment.

- (2) The Executive Secretary shall be appointed in the first instance for a term of four years and shall be eligible for re-appointment for another term of four years, and no more.
- (3) The Executive Directors shall be appointed in the first instance for a term of four years and shall be eligible for re-appointment for another term of four years and no more (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 51 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 52: Disqualification from appointment.

A person shall not be appointed as an Executive Secretary or Executive Director if he;

- (a) has a financial interest in any business connected, either directly or indirectly with the functions of the Equalisation Fund or is engaged in any activity (whether for remuneration or otherwise) connected with the functions of the Equalisation Fund, provided that such person may be appointed if he declares their interest and makes the appropriate arrangements that ensures the avoidance of a conflict of interest or if the President is satisfied that the interest or activity is in effect passive and will not interfere with the person's impartial discharge of his duties as Executive Secretary or Executive Director, or
- (b) has, in terms of the laws in force in any country:
 - (i) been adjudged or declared bankrupt or insolvent and has not been rehabilitated or discharged, or
 - (ii) made an assignment to or arrangement or composition with his creditors which has not been rescinded or set aside;
- (c) been declared to be of unsound mind;
- (d) been convicted of any criminal offence by a court of competent jurisdiction except for traffic offences or contempt proceedings arising in connection with the execution or intended execution of any power or duty conferred under this Bill; or
- (e) been disqualified or suspended from practising his profession by the order of a competent authority made in respect of him personally (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 52 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 53: Other staff, etc.

- (1) The Board may appoint for the Equalisation Fund such number of persons as employees of the Equalisation Fund as it may deem necessary.
- (2) The employment of the Equalisation Fund's staff shall be subject to such terms and conditions as may from time to time be stipulated by the Board and contained in the respective employment contracts.

- (3) The Board shall determine and review from time to time, the remuneration and allowances payable to the Equalisation Fund's staff, having regard to the recommendation of the National Salaries, Incomes and Wages Equalisation Fund.
- (4) While making recommendations, the National Salaries, Incomes and Wages Equalisation Fund shall have due regard to the following principles:
- (a) the specialised nature of work to be performed by the Equalisation Fund;
 - (b) the salaries paid in the private sector to individuals with equivalent responsibilities, expertise and skills.
- (5) The Board shall make staff regulations generally relating to the conditions of service of employees of the Equalisation Fund and, in particular, but without prejudice to the generality of the foregoing, such regulations may provide for —
- (a) the appointment, promotion, dismissal and discipline of employees;
 - (b) appeals by the employees against dismissal or other disciplinary measures; and
 - (c) the grant of pensions, gratuities and other retirement allowances to the employees;
- (6) Staff of the Equalisation Fund shall be public officers as defined in the Constitution of the Federal Republic of Nigeria, 1999.
- (7) For the purpose of this section, appointment shall include secondment, transfer and contract appointments (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 53 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 54: Pensions.

- (1) Employment in the Equalisation Fund shall be subject to the provisions of the Pensions Reform Act and officers and employees of the Equalisation Fund shall be entitled to pension and other retirement benefits as prescribed under the Pensions Reform Act.
- (2) Nothing in subsection (1) of this section shall prohibit the Equalisation Fund from appointing a person to any office on terms that preclude the grant of a pension or other retirement benefits in respect of that office.
- (3) Subject to the Pensions Reform Act, and notwithstanding the provisions of this section, the Equalisation Fund shall continue to fulfil all obligations in respect of pensions schemes to which the Petroleum Equalisation Fund was obliged in respect of its employees, prior to the transfer of assets and liabilities to the Equalisation Fund (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 54 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 55: Financial provisions.**

- (1) The Equalisation Fund shall not later than 30th September or such other date to be determined by the ministry responsible for finance and budgets in each financial year, prepare and present for appropriation to the National Assembly through the Federal ministries responsible for finance and budgets, a statement of estimated income and expenditure for the following financial year.
- (2) Notwithstanding the provisions of subsection (1) of this section, the Equalisation Fund may also, in any financial year, submit to the National Assembly through the Federal ministry responsible for Budgets, supplementary or adjusted statements of estimated income and expenditure for appropriation (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 55 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 56: Utilisation of the fund.**

- (1) The Equalisation Fund shall utilise the funds received pursuant to section 36 in the following manner:
- (a) for reimbursement of oil marketing companies for any loss sustained by them solely and exclusively as a result of the sale by them of petroleum products at uniform prices throughout Nigeria as may be fixed by the Minister pursuant.
 - (b) for the provision of financing for infrastructural development throughout the federation;
 - (c) for the provision of financial and other financial support as may from time to time be determined by the Minister.
- (2) The financial year of the Equalisation Fund shall be a period of twelve calendar months commencing on the 1st of January in each year (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 56 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 57: Power to accept grants.**

- (1) The Equalisation Fund may accept grants of money or other property upon such terms and conditions as may be specified by the person or organisation making the gift provided, such gifts are not:
- (a) inconsistent with the objectives and functions of the Equalisation Fund under this Bill.
 - (b) accepted from persons or organizations regulated by the Equalisation Fund.
- (2) Nothing in subsection (1) of this section or in this Bill shall be construed to allow any member of the Board or staff of the Equalisation Fund to accept grants for their personal use (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 57 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 58: Accounts and audit.

The Equalisation Fund shall keep proper accounts of its income and expenditure in respect of each financial year and shall cause its accounts to be audited within six months after the end of each year by auditors appointed by the Equalisation Fund from a list and in accordance with the guidelines supplied by the Auditor-General of the Federation (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 58 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 59: Mid-year and annual reports.

- (1) The Equalisation Fund shall submit to the Minister, a mid-year report of its operations and finances not later than 31st August of each year and an annual report of its operations, performance and audited financial report of the preceding year not later than 31st March of the following year.
- (2) A summary of the annual report and audited financial report of the Equalisation Fund shall be published on the website of the Equalisation Fund for public notice not later than 31st of July of each year (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 59 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 60: Exemption from income tax .

The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Equalisation Fund (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 60 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 61: Limitation of suits against the Equalisation Fund, etc.

- (1) Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against the Equalisation Fund, any member of the board, an officer or employee of the Equalisation Fund.
- (2) No suit shall lie against the Equalisation Fund, any member of the board, or any other officer or employee of the Equalisation Fund for any act done in pursuance or execution of this Bill or any other law or enactment, or of any public duty or authority in respect of any alleged neglect or default in the execution of this Bill or any other law or enactment, duty or authority, or be instituted in any court unless it is commenced —
 - (a) within twelve months next after the act, neglect or default complained of; or
 - (b) in the case of a continuation of damage or injury, within 6 months next after the ceasing thereof.

- (3) No suit shall be commenced against the Equalisation Fund, any member of the board, or any official or employee of the Equalisation Fund before the expiration of a period of one month after written notice of the intention to commence the suit shall have been served on the Equalisation Fund by the intending plaintiff or his agent.
- (4) The notice referred to in subsection (3) of this section shall clearly and explicitly state the cause of action, the particulars of the claim, the name and address of the intending plaintiff and the relief which he claims (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 61 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 62: Service of court process on the Equalisation Fund.

A notice, summons or other document required or authorised to be served on the Equalisation Fund under the provisions of this Bill or any other law or enactment may be served by delivering it to the office of the Executive Secretary of the Equalisation Fund or any of its Executive Directors (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 62 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 63: Restriction on execution against the Equalisation Fund's property.

- (1) In any action or suit against the Equalisation Fund, no execution or attachment of its physical property shall be issued. Any judgment against the Equalisation Fund may be enforced through garnishee proceedings provided that not less than three months' notice of the intention to commence the garnishee proceedings shall have been given to the Equalisation Fund.
- (2) Any sum of money which may by the judgment of any court be awarded against the Equalisation Fund shall, subject to any direction given by the court where no notice of appeal against the judgment has been given, be paid from the Fund of the Equalisation Fund (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 63 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 64: Indemnity of board members and employees.

- (1) Every member of the Board and every employee of the Equalisation Fund shall be indemnified out of the assets of the Inspectorate against any liability incurred in defending any proceeding against the Equalisation Fund, whether civil or criminal, if such proceedings are brought against the person in the person's capacity as a member of the Board or employee.
- (2) Notwithstanding the provisions of subsection (1) of this section, the Equalisation Fund shall not indemnify any member of the Board or employee of the Equalisation Fund for any liability incurred as a result of the wilful negligence of the member or employee, as the case may be, or conduct or acts which such person knew or ought to have known to be unlawful (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 64 stands part of the Bill — Agreed to.

*Committee Recommendation:***Clause 65: Executive Secretary.**

- (1) There shall be for the Equalisation Fund an Executive Secretary, appointed by the President on the recommendation of the Minister.
- (2) The Executive Secretary shall be a person with vast knowledge and adequate professional experience in management and selected through a transparent merit-based recruitment process. The Executive Secretary shall be the chief executive and accounting officer of the Board and shall be responsible for running the day-to-day administration of the Equalisation Fund under the direction of the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 65 stands part of the Bill — Agreed to.

*Committee Recommendation:***Clause 66: Responsibilities of the Executive Secretary.**

The Executive Secretary shall —

- (a) determine the net surplus revenue recoverable from any petroleum products marketing company and accruing to such company from the sale by the company of petroleum products at such prices, as may be sold in accordance with the methodology established by the Agency;
- (b) determine the amount of reimbursement due to any petroleum products marketing company which has suffered loss as a result of the operation of any enactment or law;
- (c) ensure the disbursements of all authorized payments under of this Bill;
- (d) account for all monies collected, paid or otherwise expended under this Bill and publish same in the way and manner prescribed by the Board in consultation with the Agency; and
- (e) carry out such other functions as may, from time to time, be specified by the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 66 stands part of the Bill — Agreed to.

*Committee Recommendation:***Clause 67: Other officers of the Board.**

The Board may, on the advice of the Executive Secretary, appoint as employees of the Equalisation Fund such number of persons as may be necessary for the administration of the Equalisation Fund, who shall be subject to the general control of the Executive Secretary and perform such duties as the Executive Secretary may direct (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 67 stands part of the Bill — Agreed to.

*Committee Recommendation:***Clause 68: Collection of net surplus revenue.**

- (1) Net surplus revenue due and payable by petroleum products marketing companies shall be payable to the Equalisation Fund in accordance with directives issued by the Board from time to time,

- (2) The Equalisation Fund shall have no obligation to issue a demand notice in respect of the outstanding net surplus revenue and the failure to issue a demand notice shall not constitute a defence for non-payment of outstanding sums (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 68 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 69: Bridging and equalisation allowances.

Nothing in section 103 of this Bill shall derogate from the right of any petroleum products marketing company maintaining storage facilities to collect bridging and equalization allowances prior to the release of petroleum products to petroleum products marketing companies and to remit same to the Board in accordance with such directives as may be issued by the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 69 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 70: Claims by petroleum products marketing companies.

- (1) Petroleum products marketing companies may, as necessary, bring claims for the recovery of losses sustained under paragraph (b) of section 106 of this Bill in the manner prescribed by the Board.
- (2) Where a company brings a claim under subsection (1) of this section, the Board shall with the written request of the Executive Secretary, and with or without notice, have the right to enter upon, inspect and inquire about any activity relating to the movement or storage of petroleum products and to that event, to inspect books and facilities, take measurements, and inquire into the correctness of information provided in support of claims for reimbursement.
- (3) The Board shall have the power to —
- (a) demand details of production, supplies, loading and dispatches from refining companies, import terminals and storage facilities; and
- (b) gain unimpeded access to information relating to petroleum product imports, refining and sales collated and maintained by any government agency, including third party monitoring agencies, with authority to monitor or inspect petroleum products.
- (4) The power provided under subsection (3) of this section is limited to refining facilities, reception terminals, storage facilities and retail outlets.
- (5) Decisions as to payment of claims shall be made by the Board within thirty days from the date on which the claim was first made and where the claim is successful, payments shall be made within ten working days from the date of the decision.
- (6) Where a claim is successful and the Board fails to pay the claim to the company in accordance with the terms and conditions of this section, the Board shall pay a penalty to be prescribed by the Minister (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 70 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 71: Calculation of surplus revenue recoverable.**

The net surplus revenue recoverable from a petroleum products marketing company under this Bill shall be calculated by reference to the volume of the affected products sold on zonal basis and to the amount by which the uniform prices at which the products were sold exceeded, or were less than, the prices of those products prevailing immediately before the fixing of the uniform prices of the products (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 71 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 72: Prescribed dates for payment and penalty for non-payment.**

- (1) The Board shall by notice served on the petroleum products marketing company concerned, specify the date on which any surplus revenue due from that petroleum products marketing company shall be paid to the Board.
- (2) If any sum is not paid within twenty-one days of the specified date, a sum equal to ten per centum of the amount unpaid shall be added for each month or part of a month after the date on which payment should have been made.
- (3) The Board may for just cause, waive in whole or in part any penalty imposed under this section.
- (4) Where the Board waives a penalty under the provisions of subsection (3) of this section, the Board shall give its reasons in writing (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 72 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 73: Certificate as evidence.**

A copy of an entry in the accounts of the Board or other extract from the records of the Board shall, when certified by the Executive Secretary, be received in all courts as prima facie evidence of the truth of the contents thereof and as the case may be, of the debt to the Board by any petroleum products marketing company (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 73 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 74: Reporting obligations.**

- (1) All petroleum product importers, including the National Oil Company, and petroleum products marketing companies shall, prior to but not later than twenty-one days following each importation, report details of all petroleum products imported into Nigeria to the Equalisation Fund, and the reports shall include quantities, date of delivery and place of discharge.
- (2) All licensed petroleum product storage facilities, including storage facilities belonging to the National Oil Company, shall on a monthly basis, deliver to the Board:
 - (a) logs of product movements into and out of the facilities; and
 - (b) returns of bridging and equalization allowances collected from petroleum products marketing companies and remitted to the Board.

- (3) Marketing companies shall deliver quarterly statements of all petroleum products lifted and discharged, including details of load and discharge points, dates and times of loading and discharge to the Board.
- (4) The Executive Secretary may, with the approval of the Board —
 - (a) require any petroleum products marketing company to furnish returns and keep records or any other relevant information as may be determined to be necessary for the proper administration of the provisions of this Bill; and
 - (b) produce the records for examination by the Executive Secretary or any authorized officer of the Board necessary for the proper administration of the provisions of this Part (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 74 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 75: Dispute resolution.

- (1) Disputes between a company and the Equalisation Fund in respect of any matter under this Part shall be referred to the Agency and shall be subject to the dispute resolution mechanism referred to in subsection (2) of this section.
- (2) Where the Equalisation Fund is a party to a dispute under this Part, the relevant provisions of the Arbitration and Conciliation Act, shall apply (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 74 stands part of the Bill — Agreed to.

PART 5 — ESTABLISHMENT OF COMMERCIAL ENTITIES

Committee Recommendation:

Clause 76: Establishment of the Ministry of Petroleum Incorporated ("MOPI").

- (1) The Ministry of Petroleum Incorporated is hereby established as a corporation sole.
- (2) The Ministry of Petroleum Incorporated may sue and be sued in its said name and shall have perpetual succession and a corporate seal which may from time to time be broken, changed, altered and made anew as the Ministry of Petroleum Incorporated seems fit, and, until a seal is provided under this section, a stamp bearing the inscription "Federal Ministry of Petroleum" may be used as the corporate seal.
- (3) The Ministry of Petroleum Incorporated shall hold on behalf of the Government shares in the successor commercial entities incorporated pursuant to the provisions of this Bill.
- (4) The Ministry of Petroleum Incorporated shall have powers to do all such other things as are incidental to and necessary for the performance of its functions under this Bill.

- (5) All deeds and other instruments requiring the seal of the corporation shall be sealed, with the seal of the Ministry of Petroleum Incorporated in the presence of the Permanent Secretary and signed by the Permanent Secretary, and such signing shall be sufficient evidence that the said seal was duly and properly affixed and that the same is the lawful seal of the Ministry of Petroleum Incorporated.
- (6) Any other document requiring the signature of the Ministry of Petroleum Incorporated shall be signed by the Permanent Secretary.
- (7) The Minister may, by order, vest in any other authority or company any property, movable or immovable, for the time being vested in the Ministry of Petroleum Incorporated and, upon the coming into operation of any such order, the property to which such order relates shall, without any conveyance, assignment or transfer whatever, vest in such company or authority for the like title, estate or interest and on the like tenure and for the like purposes as the same was vested or held immediately before the coming into operation of the order (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 76 stands part of the Bill — Agreed to.

PART 6 — NIGERIA PETROLEUM ASSETS MANAGEMENT COMPANY

Committee Recommendation:

Clause 77: Incorporation of the Nigeria Petroleum Assets Management Company and the National Petroleum Company.

- (1) The Minister shall, within six months after the Effective Date, take such steps as are necessary under the Companies and Allied Matters Act to incorporate two entities - the first may be called the Nigeria Petroleum Assets Management Company, or such other name as may be available and the other may be called the National Petroleum Company, or such other name as may be available, as companies limited by shares, which shall be vested with certain assets and liabilities of the Nigerian National Petroleum Corporation ("NNPC").
- (2) Upon incorporation and the transfer of assets pursuant to this Bill:
 - (a) the Nigeria Petroleum Assets Management Company (hereinafter called the "Management Company" in this Bill) shall be responsible for the management of assets currently held by the Nigeria National Petroleum Corporation (NNPC) under the Production Sharing Contract and back-in right assets;
 - (b) the National Petroleum Company shall be responsible for the management of all other assets held by NNPC except the Production Sharing Contract assets currently held by the NNPC.
- (3) The Minister shall put in place a clear plan and timeline for transitioning into the new entities to prevent disruption of industry operations (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 77 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 78: Shareholding of the Nigeria Petroleum Assets Management Company.**

- (1) At the time of its incorporation, the initial shares of the National Petroleum Company shall be held in the ratio of 20% by the Bureau for Public Enterprises, 40% by the Ministry of Finance Incorporated and 40% by the Ministry of Petroleum Incorporated on behalf of the Government.
- (2) The Minister shall cause an order to be published in the Gazette stating the date on which the assets of the Management Company are transferred (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 78 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 79: Business or objects of the Management Company.**

The Minister shall ensure that the Memorandum of Association of the Management Company includes the following objects:

- (a) to hold and manage certain petroleum assets on behalf of the government of the Federation.
- (b) to ensure maximum value (in terms of return on investments) for the government of the Federation through prudent management of the assets.
- (c) to negotiate and enter into new exploration and production agreements with other petroleum companies as may be required by the government of the Federation.
- (d) to monitor the revenue and cost elements of the operation and the production output of its petroleum contracts and undertake the sale of crude oil or other petroleum derivatives produced from the assets (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 79 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 80: Engagement of technical support.**

In carrying out its business or objects, the Management Company shall have the power to enter into any arms-length arrangement with the National Petroleum Company incorporated pursuant to the provisions of this Bill, or any other reputable petroleum company or service company to provide the Management Company with technical support and expertise in relation to the performance of its functions including the marketing and sale of the Management Company's share of petroleum received in kind, pursuant to the provisions of its petroleum contracts (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 80 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 81: Transfer of employees, assets and liabilities.**

- (1) The Minister shall, within twelve months of incorporation of the Management Company, by an order as provided in subsection (2) of section 78, require the NNPC to transfer some employees, assets, liabilities, rights and obligations of the NNPC to the Management Company, as specified in the order.

- (2) A transfer order shall be binding on the NNPC, the Management Company and all other persons.
- (3) Subsection (2) of this section applies despite any general or special Act or any rule of law, including an Act or rule of law that requires notice or registration of transfers.
- (4) A transfer order may specify and describe employees, assets, liabilities, rights or obligations to be transferred:
 - (a) by reference to specific employees, assets, liabilities, rights or obligations;
 - (b) by reference to any class of employees, assets, liabilities, rights or obligations; or
 - (c) partly in accordance with subsection (4) (a) of this section and partly in accordance with subsection (4) (b) of this section.
- (5) With effect from the date specified in the relevant transfer order, all bonds, loans, financing agreements, alternative financing agreements, Production Sharing Contracts, hypothecations, securities, deeds, contracts, instruments, documents and such other working arrangements subsisting prior to the transfer date and relating to the assets to be transferred pursuant to this section and to which the NNPC was a party shall, on and after the Effective date, be as fully effective and enforceable against or in favour of the Management Company as if, instead of the NNPC, the Management Company had been named therein.
- (6) A transfer order may:
 - (a) specify the date that the transfer takes effect and any interest in property that is transferred by the order shall vest in the Management Company on that date;
 - (b) provide that the transfer shall be deemed to have taken effect on a date earlier than the date the transfer order is made, but the transfer date shall not be earlier than the day on which the Management Company was incorporated;
 - (c) provide that the transfer specified in the order and other transactions associated with the transfers shall be deemed to have occurred in a sequence and at times specified in the order;
 - (d) require the NNPC or the Management Company:
 - (i) to enter into any written agreement or execute any instrument specified in the order; and
 - (ii) to register in accordance with the order any agreement or instrument entered into or executed under subsection (6) (d) (i) of this section;

- (e) provide that any liability or obligation that is transferred by the order may be enforced against the NNPC or any relevant successor, the Management Company, or both of them; and that any right that is transferred by the order may be enforced against the NNPC, the Management Company or both of them; or
 - (f) impose conditions on the exercise of powers by the Management Company that are related to employees, assets, liabilities, rights or obligations transferred by the transfer order.
- (7) A transfer order may contain provisions dealing with other matters not specifically referred to in this Part that the Minister considers necessary or advisable in connection with a transfer.
 - (8) The Government may thereafter vest in the Management Company any further assets as the Government may from time to time deem fit.
 - (9) The Minister may by order require the NNPC to transfer certain employees, assets, liabilities, rights and obligations to any other successor entity incorporated by the Minister pursuant to subsection (3) of Section 37 of this Bill. Such transfer order shall be binding on the NNPC, such successor entities and all other persons (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 81 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 82: Conclusive evidence.

- (1) A statement, in a registered document to which the Management Company is a party, that land described in the document was transferred to it from the NNPC by or pursuant to a transfer order, or any other statement in the document relating to the transfer order, shall be deemed to be conclusive evidence of the facts stated.
- (2) Nothing in subsection (1) of this section shall create for any person an interest in land that the NNPC did not have (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 82 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 83: Release from liability or obligation.

Subject to subsection (6) (e) of section 81 of this Bill, the transfer of liability or obligation under this section without any further assurance other than this section releases the NNPC from any further liability or obligation in respect of the assets or liabilities (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 83 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 84: Enforcement or continuation of any cause of action or proceedings.

- (1) Subject to subsection (6) (e) of Section 81 of this Bill, the Management Company shall without further assurance be entitled to enforce or defend all obligations for or against the NNPC in respect of the portion of interests transferred pursuant to section 81 (1) as if the Management Company were the original party to such obligations.

- (2) Any pending action or proceedings in relation to the transferred assets, brought by or against the NNPC immediately before the initial transfer date may be enforced or continued, as the case may be, on and after that date by or against the Management Company in the same way as if this Bill had not been enacted (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 84 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 85: Transfer not deemed to constitute a breach of contract.

- (1) Notwithstanding the provisions of Section 43:
- (a) no action or other proceeding shall be commenced against the Management Company in respect of any employee, asset, liability, right or obligation if, had there been no transfer, the time for commencing the action or other proceeding would have expired; and
 - (b) the transfer of employees, assets and liabilities to the Management Company by or pursuant to a transfer order shall not be deemed to —
 - (i) constitute a breach, termination, repudiation or frustration of any contract, including a contract of employment or insurance;
 - (ii) constitute a breach of any Act, regulation or by-law;
 - (iii) constitute an event of default or force majeure;
 - (iv) give rise to a breach, termination, repudiation or frustration of any licence, permit or other right;
 - (v) give rise to any right to terminate or repudiate a contract, licence, permit or other right; or
 - (vi) give rise to any estoppel.
- (2) Subsection (1) (b) of this section shall not apply to such contracts as may be prescribed by any regulation made for that purpose.
- (3) Subject to subsection (2) of this section, nothing in this Bill and nothing done as a result of a transfer by or pursuant to a transfer order, shall create any new cause of action in favour of:
- (i) a holder of a debt instrument issued by the NNPC before the transfer date; or
 - (ii) a party to a contract with the NNPC that was entered into before the transfer date (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 85 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 86: Guarantee or surety.**

Any guarantee or surety which was given or made by the Government or any other person in respect of any debt or obligation of the NNPC and which was effective immediately before the transfer of the principal debt or obligation to the Management Company, shall remain fully effective against the guarantor or surety on and after the transfer date in relation to the repayment of the debt or the performance of the obligation, as the case may be, by the Management Company (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 86 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 87: Dividend policy.**

(1) The dividend policy of the Management Company shall be as determined by the Board of Directors in accordance with the provisions of the Companies and Allied Matters Act and shall be approved by the shareholders.

(2) All dividends accruable in respect of the shares held on behalf of the Government shall be paid directly into the Federation Account (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 87 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 88: Funding.**

(1) Not later than 6 months from the date of incorporation of the Management Company, the Minister, after consultation with the Ministers responsible for finance and budget, shall present a request for the appropriation of funds for the initial capitalisation of the Management Company.

(2) The Management Company shall pay from its revenue, reasonable operational expenses which shall be detailed in each annual budget and operating plan (and annual reports made by the Management Company as set out in section 98(d) of this Bill) to be approved by the shareholders and which shall at all times be in line with international best practices for efficiency and creation of value for the Shareholders and the Government. The surplus funds after deducting such reasonable operational expenses shall be paid as dividends to the Federation Account in accordance with the dividend policy established pursuant to section 87 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 88 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 89: Provision of records etc. to the Management Company.**

The NNPC shall provide the Management Company with all records or copies of records, that are in its custody or control and that relate to an officer, employee, asset, liability, right or obligation that is transferred by or pursuant to a transfer order, including personal information (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 89 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 90: Further order amending a transfer order**

The Minister may, at any time within one year after making a transfer order, make a further order amending the transfer order in any way that the Minister considers necessary or advisable, including such order or orders as may be necessary to rectify the transfer of any of the employees, assets, liabilities, rights and obligations pursuant to a verification or an audit of the employees, assets and liabilities of the Management Company as at the date of the relevant transfer order, and this Part applies with necessary modifications to the amendment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 90 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 91: Directions to the NNPC on matters related to transition.**

Prior to the vesting of assets and liabilities of the NNPC in the Management Company, the Minister may give the Board of Directors of the NNPC directions in writing to ensure the proper transfer of the assets and liabilities of the NNPC to the Management Company, and the Board of Directors shall, without delay, comply with such directions (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 91 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 92: Transfer of employees to the Management Company and conditions of service of transferred employees.**

- (1) Any employee of the NNPC transferred to the Management Company pursuant to section 81 or 90 of this Bill shall be transferred to the service of Management Company on terms not less favourable than those enjoyed by him immediately prior to the transfer.
- (2) The service rendered by an employee transferred pursuant to section 81 or 90 of this Bill to the NNPC shall be deemed to be service with the Management Company for the purpose of determining employment-related entitlements as specified by the relevant laws of employment in Nigeria.
- (3) Until such time as conditions of service are drawn up by the Management Company —
 - (a) the terms and conditions of service applicable to employees of the NNPC shall continue to apply to every person transferred to the Management Company as if every such person were still in the service of the NNPC;
 - (b) an employee may be permitted to continue to contribute towards a pension he was contributing to when he was in the employment of the NNPC; and
 - (c) the Management Company shall continue to contribute towards a pension scheme to which the NNPC was contributing in respect of employees in the employ of the NNPC prior to the date of transfer (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 92 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 93: Exemption from Stamp Duty and other charges.**

- (1) Stamp duty shall not be chargeable under the Stamp Duties Act in respect of any transfer made or transaction entered into pursuant to this Part on which, except for the exemption granted under this section, stamp duty would have been payable and in particular, and without derogation from the foregoing, no stamp duty shall be chargeable:
 - (a) during the incorporation of the Management Company, and any successor company created pursuant to section 77(3) or any subsequent increase to their authorised share capital, prior to the transfer of an interest to one or more private investors;
 - (b) in respect of any security issued in compliance with a transfer order issued under section 41(6);
 - (c) where any convertible securities were issued in compliance with a transfer order issued under section 41(6), in respect of the exercise of the conversion rights attached to any such security; or
 - (d) in respect of any other transfer of rights and assets pursuant to this Part.
- (2) The Corporate Affairs Commission shall not charge any fees with respect to the incorporation of any company pursuant to this Part or any subsequent increase to their authorised share capital, prior to the transfer of an interest to one or more private investors.
- (3) Capital gains tax shall not be chargeable under the Capital Gains Tax Act, in respect of any transfer made or transaction entered into pursuant to this Part on which, except for the exemption granted under this section, capital gains tax would have been payable (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 93 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 94: Certain exemption from rates.**

- (1) Oil pipelines and other installations transferred to the Management Company shall not be regarded as hereditaments or tenements to be valued for rating purposes.
- (2) For the purpose of this section, the expression "oil pipelines and other installations" include but not limited to floating production, storage and offloading vessels, oil rigs, refineries, processing plants, power generating plants, pumping stations, tank farms and similar installations but shall not include office or residential buildings.
- (3) Except as provided in subsection (1) of this section, nothing in this Bill shall be deemed to exempt the Management Company from liability for any tax, duty, rate, levy or other charge whatsoever, whether general or local; provided that the Management Company shall not be liable to pay any such tax, duty, rate, levy or charge unless every company involved in similar activities as the Management Company is also liable for such payment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 94 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 95: Composition and appointment of the board.**

- (1) The Management Company shall be subject to the Code of Corporate Governance of the Securities and Exchange Commission.
- (2) The Minister shall cause the Articles of Association of the Management Company to provide for the composition of the Board as follows:
 - (a) a non-executive Chairman who may be the Minister;
 - (b) the Managing Director of the Management Company who shall possess relevant experience with at least 10 years' experience at a senior management position in a petroleum exploration and production company;
 - (c) four other Executive Directors of the Management Company who shall possess petroleum exploration and production or other relevant experience with at least 10 years' cognate experience at a senior management position;
 - (d) four non-executive Directors who shall be persons with at least twenty years cognate professional or management experience;
 - (e) a representative of the Ministry of Petroleum Resources who shall not be below the rank of director.
- (3) Notwithstanding the provisions of the Companies and Allied Matters Act or any other enactment, the power of the shareholders to appoint or remove directors, shall be subject to subsections (4) and (5) of this section and the approval of the President.
- (4) For the purpose of making appointments to the Board of Directors, the shareholders shall constitute an independent committee ("the Board Nomination Committee") of five persons with proven qualifications and tested industry experience one of which shall include a representative of the Ministry of Petroleum Resources who shall not be below the rank of director, to identify and recommend highly qualified candidates for such positions in a competitive and transparent manner.
- (5) The two other non-Executive Directors to be appointed pursuant to subsection (2) (d) of this section, shall not be appointed to the Board unless such a person is a holder of a university degree or its equivalent in engineering, geological sciences, economics, law, finance or related subjects and possesses at least 10 years' relevant experience (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 95 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 96: Terms of office of members of the board.**

The Minister shall cause the Articles of Association of the Company to include the following:

- (1) An Executive member of the Board shall cease to be a Director of the Management Company if he ceases to be an employee of the company for any reason or if otherwise removed in accordance with the provisions of the Companies and Allied Matters Act.

- (2) The non-executive members of the Board may serve for an initial term of 4 years.
- (3) Upon the expiration of the initial term of any of the non-executive members of the Board appointed, such member may be eligible for re-appointment for another term of 4 years and no more (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 96 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 97: Management and governance of the Management Company.

Upon incorporation of the Management Company in pursuance of the provisions of this Bill, the Management Company shall be organized and managed on the basis of the provisions of this Bill and its Memorandum and Articles of Association (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 97 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 98: Matters reserved for the Shareholders.

The Minister shall cause the Articles of Association to provide that the Board of Directors of the Management Company shall submit the following matters to the annual general meeting —

- (a) plans for the coming year, as well as outlook for the intermediate term and significant changes in any of these;
- (b) main features of the budget for the coming year;
- (c) principles relating to engagement of managers; and
- (d) Annual Report and annual accounts in respect of the interest of the State (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 98 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 99: Publication of annual report and accounts of the Management Company.

The Board of Directors shall cause the annual reports and accounts submitted to the annual general meeting pursuant to section 98 (d) of this Bill to be published on its website and at least 3 widely circulating National Newspapers (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 99 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 100: Protection of land belonging to the Management Company.

- (1) Land vested in the Management Company shall not be liable to be acquired compulsorily under any enactment or law; and notwithstanding anything in any other enactment or law, no mining operations shall be carried on, in or under any land vested in the Management Company or any land over which the Management Company is entitled to rights of support for the benefit of lands so vested except with the prior consent in writing of the Minister.

- (2) For the purpose of this section, "land" includes any land under water beyond the territorial waters of Nigeria to which Nigeria is for the time being entitled to any exclusive rights (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 100 stands part of the Bill — Agreed to.

PART 7 — NATIONAL PETROLEUM COMPANY

Committee Recommendation:

Clause 101: Shareholding of the National Petroleum Company.

At the time of its incorporation, the initial shares of the National Petroleum Company shall be held in the ratio of 20% by the Bureau for Public Enterprises, 40% by the Ministry of Finance Incorporated and 40% by the Ministry of Petroleum Incorporated on behalf of the Government (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 101 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 102: Exemption from certain laws.

The National Petroleum Company shall not be subject to the provisions of the Fiscal Responsibility Act 2007 and the Public Procurement Act, 2007 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 102 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 103: Initial funding of the National Petroleum Company.

Not later than 6 months from the date of incorporation of the National Petroleum Company, the Minister, after consultation with the Ministers responsible for finance and budget, shall present a request for the appropriation of funds for the initial capitalisation of the National Petroleum Company (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 103 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 104: Assessment and offset of liabilities of the National Petroleum Company.

The Board of Directors of the National Petroleum Company may, with the approval of its shareholders, utilize any appropriate mechanism, including sale of assets and interests, to offset any liabilities of the National Petroleum Company, meet any of its future obligations or to achieve its strategic objectives (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 104 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 105: Retention of revenue and dividend policy.

- (1) Notwithstanding the provision of any other law to the contrary, the National Petroleum Company shall be entitled to retain its revenue from its operations and shall be entitled to defray from such revenue all its expenses including its cash call obligations in respect of its joint venture assets and its petroleum operations and its obligations to lenders and financiers.

- (2) The dividend policy of the National Petroleum Company shall be as determined by the Board of Directors in accordance with the provisions of the Companies and Allied Matters Act and shall be approved by the shareholders.
- (3) All dividends accruable in respect of the shares held on behalf of the Government shall be paid into the Federation Account (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 105 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 106: Divestment of shares of the National Petroleum Company and its Subsidiaries.

- (1) Notwithstanding the provisions of section 61 of this Bill, the shareholders shall within five years from the date of incorporation of the National Petroleum Company, divest, in a transparent manner not less than 10% of the shares of the National Petroleum Company and within ten years from the date of incorporation divest not less than an additional 30% of the shares of the National Petroleum Company to the public in a transparent manner.
- (2) The Board of the Petroleum Company may divest its shares in any of its subsidiary companies in order to achieve its strategic objectives as laid out by its shareholders (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 106 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 107: Transfer of employees, assets and liabilities.

- (1) The Minister shall, within twelve months of incorporation of the National Petroleum Company, by an order, require the NNPC to transfer employees, assets, liabilities, rights and obligations of the NNPC (including assets and liabilities held by the NNPC on behalf of the Government) to the National Petroleum Company, as specified in the order.
- (2) A transfer order shall be binding on the NNPC, the National Petroleum Company and all other persons.
- (3) Subsection (2) of this section applies despite any general or special Act or any rule of law, including an Act or rule of law that requires notice or registration of transfers.
- (4) A transfer order may specify and describe, employees, assets, liabilities, rights or obligations to be transferred:
 - (a) by reference to specific employees, assets, liabilities, rights or obligations;
 - (b) by reference to any class of employees, assets, liabilities, rights or obligations; or
 - (c) partly in accordance with subsection (4) (a) of this section and partly in accordance with subsection (4) (b) of this section.

- (5) With effect from the date specified in the relevant transfer order, all bonds, loans, financing agreements, alternative financing agreements, joint operating agreements, participation agreements, hypothecations, securities, deeds, contracts, instruments, documents and working arrangements subsisting prior to the transfer date and relating to the assets to be transferred pursuant to this section and to which the NNPC was a party shall, on and after the Effective Date, be as fully effective and enforceable against or in favour of the National Petroleum Company as if, instead of the NNPC, the National Petroleum Company had been named therein.
- (6) A transfer order may:
- (a) specify the date that the transfer takes effect and any interest in property that is transferred by the order shall vest in the National Petroleum Company on that date;
 - (b) provide that the transfer shall be deemed to have taken effect on a date earlier than the date the transfer order is made, but the transfer date shall not be earlier than the day on which the National Petroleum Company was incorporated;
 - (c) provide that the transfer specified in the order and other transactions associated with the transfers shall be deemed to have occurred in a sequence and at times specified in the order;
 - (d) require the NNPC or the National Petroleum Company:
 - (i) to enter into any written agreement or execute any instrument specified in the order; and
 - (ii) to register in accordance with the order any agreement or instrument entered into or executed under subsection (6) (d) (i) of this section;
 - (e) provide that any liability or obligation that is transferred by the order may be enforced against the NNPC, the National Petroleum Company, or both of them; and that any right that is transferred by the order may be enforced against the NNPC, the National Petroleum Company, or both of them; or
 - (f) impose conditions on the exercise of powers by the National Petroleum Company that are related to employees, assets, liabilities, rights or obligations transferred by the transfer order.
- (7) A transfer order may contain provisions dealing with other matters not specifically referred to in this Part that the Minister considers necessary or advisable in connection with a transfer.
- (8) The Government may thereafter vest in the National Petroleum Company any further upstream assets as the Government may from time to time deem fit (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 107 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 108: Conclusive evidence.**

- (1) A statement, in a registered document to which the National Petroleum Company is a party, that land described in the document was transferred to it from the NNPC by or pursuant to a transfer order, or any other statement in the document relating to the transfer order, shall be deemed to be conclusive evidence of the facts stated.
- (2) Nothing in subsection (1) of this section shall create for any person, an interest in land that the NNPC did not have (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 108 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 109: Release from liability or obligation.**

Subject to section 107 (6) (e), the transfer of liability or obligation under this section without any further assurance other than this section releases the NNPC from any further liability or obligation in respect of the assets or liabilities (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 109 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 110: Enforcement or continuation of any cause of action or proceedings.**

- (1) Subject to section 107 (6) (e) of this Bill, the National Petroleum Company shall without further assurance be entitled to enforce or defend all obligations for or against the NNPC in respect of the portion of interests transferred in accordance with section 67 as if the National Petroleum Company were the original party to such obligations.
- (2) Any pending action or proceeding in relation to the transferred assets, brought by or against the NNPC immediately before the initial transfer date may be enforced or continued, as the case may be, on and after that date by or against the National Petroleum Company in the same way as if this Bill had not been enacted (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 110 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 111: Transfer not deemed to constitute a breach of contract.**

- (1) Notwithstanding the provisions of section 69:
 - (a) no action or other proceeding shall be commenced against the National Petroleum Company in respect of any employee, asset, liability, right or obligation if, had there been no transfer, the time for commencing the action or other proceeding would have expired; and
 - (b) the transfer of assets and liabilities to the National Petroleum Company by or pursuant to a transfer order, shall not be deemed to —
 - (i) constitute a breach, termination, repudiation or frustration of any contract, including a contract of employment or insurance;

- (ii) constitute a breach of any Act, regulation or by-law;
 - (iii) constitute an event of default or force majeure;
 - (iv) give rise to a breach, termination, repudiation or frustration of any licence, permit or other right;
 - (v) give rise to any right to terminate or repudiate a contract, licence, permit or other right; or
 - (vi) give rise to any estoppel.
- (2) Subsection (1b) of this section shall not apply to such contracts as may be prescribed by any regulation made for that purpose.
- (3) Subject to subsection (2) of this section, nothing in this Bill and nothing done by or pursuant to a transfer order, shall create any new cause of action in favour of a -
- (i) holder of a debt instrument issued by the NNPC before the transfer date; or
 - (ii) party to a contract with the NNPC that was entered into before the transfer date (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 111 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 112: Guarantee or surety.

Any guarantee or surety which was given or made by the Government or any other person in respect of any debt or obligation of the NNPC and which was effective immediately before the transfer of the principal debt or obligation to the National Petroleum Company, shall remain fully effective against the guarantor or surety on and after the transfer date in relation to the repayment of the debt or the performance of the obligation, as the case may be, by the National Petroleum Company (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 112 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 113: Provision of Records etc. to the National Petroleum Company.

The NNPC shall provide the National Petroleum Company with all records or copies of records, that are in its custody or control and that relate to an officer, employee, asset, liability, right or obligation that is transferred by or pursuant to a transfer order, including personal information (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 113 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 114: Further order amending a transfer order.

The Minister may, at any time within one year after making a transfer order, make a further order amending the transfer order in any way that the Minister considers necessary or advisable, including such order or orders as may be necessary to rectify the transfer of any of the employees, assets, liabilities, rights and obligations pursuant to a verification or an audit of the employees, assets and liabilities of the

National Petroleum Company as at the date of the relevant transfer order, and this Part applies with necessary modifications to the amendment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 114 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 115: Directions to the NNPC on matters related to transition.

Prior to the vesting of assets and liabilities of the NNPC in the National Petroleum Company, the Minister may give the Board of Directors of the NNPC directions in writing to ensure the proper transfer of the assets and liabilities of the NNPC to the National Petroleum Company, and the Board of Directors shall, without delay, comply with such directions (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 115 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 116: Transfer of employees to the National Petroleum Company.

- (1) Any employee of the NNPC transferred to the National Petroleum Company pursuant to sections 97 and 114 of this Bill shall be transferred to the service of National Petroleum Company, on terms not less favourable than those enjoyed by him immediately prior to the transfer.
- (2) The service rendered by an employee transferred pursuant to sections 97 and 114 of this Bill shall be deemed to be service with the National Petroleum Company for the purpose of determining employment-related entitlements as specified by the relevant laws of employment in Nigeria
- (3) Until such time as conditions of service are drawn up by the National Petroleum Company —
 - (a) the terms and conditions of service applicable to employees of the NNPC shall continue to apply to every person transferred to the National Petroleum Company as if every such person were still in the service of the NNPC;
 - (b) an employee may be permitted to continue to contribute towards a pension he was contributing to when he was in the employment of the NNPC; and
 - (c) the National Petroleum Company shall continue to contribute towards a pension scheme to which the NNPC was contributing in respect of employees in the employ of the NNPC; prior to the date of transfer (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 116 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 117: Delisting of assets.

The assets or shares of the subsidiaries of the NNPC listed under the Public Enterprises Privatisation and Commercialisation Act shall be de-listed from the Effective Date of this Bill and the power of attorney earlier assigned to the Bureau of Public Enterprises shall stand vacated (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 117 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 118: Exemption from Stamp Duty and other charges.

- (1) Stamp duty shall not be chargeable under the Stamp Duties Act in respect of any transfer made or transaction entered into pursuant to this Part on which, except for the exemption granted under this section, stamp duty would have been payable and in particular, and without derogation from the foregoing, no stamp duty shall be chargeable:
 - (a) during the incorporation of the National Petroleum Company, or any subsequent increase to its authorised share capital, prior to the transfer of an interest to one or more private investors;
 - (b) in respect of any security issued in compliance with a transfer order issued under section 107 (6);
 - (c) where any convertible securities were issued in compliance with a transfer order issued under section 107 (6), in respect of the exercise of the conversion rights attached to any such security; or
 - (d) in respect of any other transfer of rights and assets pursuant to this Part.
- (2) The Corporate Affairs Commission shall not charge any fees with respect to the incorporation of any company pursuant to this Part or any subsequent increase to their authorised share capital, prior to the transfer of an interest to one or more private investors.
- (3) Capital gains tax shall not be chargeable under the Capital Gains Tax Act, in respect of any transfer made or transaction entered into pursuant to this Part on which, except for the exemption granted under this section, capital gains tax would have been payable (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 118 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 119: Composition and Appointment of the Board.

- (1) The National Petroleum Company shall be subject to the Code of Corporate Governance issued by the Securities and Exchange Commission.
- (2) The Minister shall cause the Articles of Association of the National Petroleum Company to provide for the composition of the Board as follows:
 - (a) a non-executive Chairman;
 - (b) the Managing Director of the National Petroleum Company shall be a person with at least 10 years' experience in a senior management position in the petroleum industry;
 - (c) four other Executive Directors of the National Petroleum Company shall be persons with at least 10 years' experience in a senior management position in petroleum exploration and production company;

- (d) four non-executive directors provided that one of the non-Executive Directors shall be a person with at least 20 years cognate professional or management experience;
- (e) a representative of the Ministry of Petroleum Resources who shall not be below the rank of director.
- (3) Notwithstanding the provisions of the Companies and Allied Matters Act or any other enactment, the power of the shareholders to appoint or remove the initial directors, shall be subject to subsections (4) and (5) of this section and the approval of the President.
- (4) For the purpose of making appointments to the Board of Directors, the shareholders shall constitute an independent committee ("the Board Nomination Committee") of five persons with proven qualifications and tested industry experience one of which shall include a representative of the Ministry of Petroleum Resources who shall not be below the rank of director, to identify and recommend highly qualified candidates for such positions in a transparent manner.
- (5) The provisions of subsection (2) to (5) of this section shall cease to have effect upon the divestment by the Government of 10% of its shares in the company to the public (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 119 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 120: Management and governance of the National Petroleum Company.

- (1) Upon incorporation of the National Petroleum Company pursuant to the provisions of this Bill, the National Petroleum Company shall be organized and managed on the basis of the provisions of this Bill, the Companies and Allied Matters Act and its Memorandum and Articles of Association, code of corporate governance of the Nigerian stock exchange and applicable rules of any other stock exchange where its shares are listed.
- (2) In addition to the Companies and Allied Matters Act as well as the respective Memorandum and Articles of Association, each subsidiary company of the National Petroleum Company shall be governed in accordance with the code of corporate governance of the Nigerian Securities and Exchange Commission (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 120 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 121: Terms of office of members of the board.

The Minister shall cause the Articles of Association of the Company to include the following:

- (1) An Executive member of the Board shall cease to be a Director of the National Petroleum Company if he ceases to be an employee of the company for any reason or if otherwise removed in accordance with the provisions of the Companies and Allied Matters Act.
- (2) The non-executive members of the Board may serve for an initial term of 4 years.

- (3) Upon the expiration of the initial term of any of the non-executive members of the Board appointed, such member may be eligible for appointment for another term of 4 years and no more (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 121 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 122: Matters reserved for the Shareholders.

The Minister shall cause the Articles of Association to provide that the Board of Directors of the National Petroleum Company shall submit the following matters to the annual general meeting —

- (a) plans for the coming year, as well as outlook for the intermediate term and significant changes in any of these;
- (b) main features of the budget for the coming year;
- (c) principles relating to engagement of managers; and

(d) Annual Report and annual accounts in respect of the participating interests of the State (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 122 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 123: Publication of Annual Report and annual accounts of the National Petroleum Company.

The Board of Directors shall cause the Annual Reports and annual accounts submitted to the annual general meeting pursuant to section 122 (d) to be published on its website and at least 3 widely circulating National Newspapers (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 123 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 124: Certain exemption from rates.

- (1) Oil pipelines and other installations belonging to the National Petroleum Company shall not be regarded as hereditaments or tenements to be valued for rating purposes.
- (2) For the purposes of this subsection, the expression "oil pipelines and other installations" include oil rigs, refineries, power generating plants, pumping stations, tank farms, and similar installations but do not include office or residential buildings.
- (3) Except as provided in subsection (1) of this section, nothing in this Bill shall be deemed to exempt the National Petroleum Company from liability for any tax, duty, rate, levy or other charge whatsoever, provided that the National Petroleum Company shall not be liable to pay any such tax, duty, rate, levy or charge unless every company involved in similar activities as the National Petroleum Company is also liable for such payment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 124 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 125: Protection of National Petroleum Company's land.**

- (1) Land vested in the National Petroleum Company shall not be liable to be acquired compulsorily under any enactment or law.
- (2) Notwithstanding anything in any other enactment or law, no mining operations shall be carried on, in or under any land vested in the National Petroleum Company or any land over which the National Petroleum Company is entitled to rights of support for the benefit of lands so vested except with the prior consent in writing of the Minister.
- (3) For the purpose of this section, "land" includes any land under water beyond the territorial waters of Nigeria to which Nigeria is for the time being entitled to any exclusive rights (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 125 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 126: Incorporation of the Nigeria Petroleum Liability Management Company.**

- (1) The Minister shall, within six months after the Effective Date, take such steps as are necessary under the Companies and Allied Matters Act to incorporate a company which may be called the Nigeria Petroleum Liability Management Company, or such other name as may be available, as a company limited by shares, which shall be vested with certain liabilities of the Nigerian National Petroleum Corporation and the pensions liabilities of the Department of Petroleum Resources.
- (2) Upon incorporation and the transfer of liabilities pursuant to this Bill:
 - (a) the Nigeria Petroleum Liability Management Company (hereinafter called the "Liability Management Company" in this Bill) shall assume and be responsible for the management of the liabilities of the Nigerian National Petroleum Corporation ("NNPC") and the pensions liabilities of the Department of Petroleum Resources transferred to it pursuant to the provisions of this Bill.
- (3) The initial shares or other ownership interest of the Liability Management Company shall be held by the National Petroleum Company, the National Asset Management Company and the Nigeria Petroleum Regulatory Commission in the ratio of their respective liabilities.
- (4) The Liability Management Company shall be governed and managed on the basis of the provisions of the Companies and Allied Matters Act and the Securities and Exchange Commission's Codes of Corporate Governance.
- (5) The Minister shall cause the Articles of Association of the Liability Management Company to provide for the composition and appointment of the Board of the entity on terms similar to the composition and appointment of the Board of the Management Company with such modifications as may be necessary or desirable.
- (6) The annual reports and annual accounts submitted to the annual general meeting shall be published on the website of the Liability Management Company and at least 3 widely circulating National Newspapers.

- (7) The Liability Management Company shall ascertain outstanding liabilities of the NNPC within twelve months of the Effective Date and layout a clear plan and timeline for the settlement of such liabilities.
- (8) The Minister shall in consultation with the shareholders of the Liability Management company take all necessary actions to provide the resources required by the Liability Management Company for settlement of the liabilities of the NNPC and the pension liabilities of the Department of Petroleum Resources in their respective ratios.
- (9) The Minister shall undertake the winding up of the Liability Management Company upon confirmation that the Liability Management Company has concluded the settlement of all outstanding liabilities (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 126 stands part of the Bill — Agreed to.

PART 8 — REPEALS, TRANSITIONAL AND SAVINGS PROVISIONS

Committee Recommendation:

Clause 127: Adaptation of laws.

- (1) The enactments specified in the Fifth Schedule to this Bill are hereby amended to the extent specified therein.
- (2) For the avoidance of doubt, the relevant provisions of all existing enactments or laws, including but not limited to the Petroleum Act, Oil Pipelines Act, Hydrocarbon Oil Refineries Act and the Companies and Allied Matters Act, to the extent that they deal with matters provided for in this Bill, shall be read with such modifications as to bring them into conformity with the provisions of this Bill.
- (3) If the provisions of any other enactment or law, including but not limited to the enactments specified in subsection (1) of this section, are inconsistent with the provisions of this Bill, the provisions of this Bill shall prevail and the provisions of that other enactment or law shall, to the extent of that inconsistency, be void in relation to matters provided for in this Bill.
- (4) Any regulatory functions conferred on the Minister pursuant to the Petroleum Act and the Oil Pipelines Act or on the chief executive of the Inspectorate pursuant to the Nigerian National Petroleum Corporation Act, shall be deemed to have been transferred to the Commission (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 127 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 128: Repeals.

- (1) From the Effective Date, the Petroleum Products Pricing Regulatory Agency (Establishment) Act, Cap. P43, Laws of the Federation of Nigeria, 2004 and Petroleum Equalisation Fund (Management Board, etc.) Act, Cap. P11, Laws of the Federation of Nigeria, 2004 are repealed; and
- (2) The Nigerian National Petroleum Corporation Act, Cap. N123, Laws of the Federation of Nigeria, 2004, Nigerian National Petroleum Corporation (Projects) Act, Cap. N124, Laws of the Federation of Nigeria, 2004 and Nigerian National Petroleum Corporation Amendment Act, Cap. N123, Laws of the Federation of Nigeria, 2004 shall be deemed to be repealed on

the date that the Minister signifies by legal notice in the Gazette that the assets and liabilities of the NNPC are fully vested in successor entities (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 128 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 129: Savings provisions.

- (1) Any licence, lease, certificate, authority or permit which was issued by the Department of Petroleum Resources and which had effect immediately before the Effective Date shall continue to have effect, mutatis mutandis, for the remainder of its period of validity as if it had been issued by the Commission.
- (2) The Minister shall set forward a clear transition plan within 30 days of the Effective Date to prevent disruption of industry operations.
- (3) Within three months from the Effective Date, the Minister on the advice of the Commission or the NNPC, as the case may be, may make any further transitional and savings provisions as are consistent with the transitional and savings provisions in this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 129 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 130: Transfer of staff, etc.

- (1) Upon the vesting of assets and liabilities of the Department of Petroleum Resources, Petroleum Products Pricing Regulatory Authority and the Petroleum Equalization Fund Management Board in the Commission, the Minister shall make an order in writing in which he shall give directions to the management of the Department of Petroleum Resources, the Board of Petroleum Products Pricing Regulatory Authority and the Petroleum Equalization Fund Management Board for the transfer of employees of each organisations respectively to the Commission and the Management of the Department of Petroleum Resources, the Board of Petroleum Products Pricing Regulatory Authority and the Petroleum Equalization Fund Management Board shall, without delay, comply with the directions in such order.
- (2) Any transfer of services by virtue of the provisions of subsection (1) of this section shall be regarded as continuous for the purposes of pension and gratuity (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 130 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 131: Cessation of employment.

- (1) Every person whose service has been transferred to the Commission from the Department of Petroleum Resources, the Petroleum Products Pricing Regulatory Agency and the Petroleum Equalization Management Board, in pursuance of section 129 of this Bill, as the case may be, shall be deemed to be an employee of the Commission or the Equalisation Fund with effect from

the date of transfer and shall be deemed to have ceased to be in the employment of the Department of Petroleum Resources, the Petroleum Products Pricing Regulatory Agency or the Petroleum Equalization Management Board forthwith.

- (2) Every person whose service has been transferred from the NNPC to the Asset Management Company in pursuance of subsection (1) of section 87 of this Bill or to the National Petroleum Company in pursuance of subsection (1) of section 107 of this Bill, as the case may be, shall be deemed to be an employee of the Management Company or the National Petroleum Company, as the case may be, with effect from the date of transfer and shall be deemed to have ceased to be in the employment of the NNPC forthwith (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 131 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 132: Application of subsisting contracts.

- (1) The provisions of this section shall apply to —
 - (a) all contracts or other instruments subsisting before the Effective Date entered into by the Petroleum Inspectorate, the Department of Petroleum Resources, the Petroleum Products Pricing Regulatory Agency and the Petroleum Equalization Fund Management Board;
- (2) By virtue of this Bill there is vested in the Commission as from the Effective Date and without further assurance all assets, funds, resources and other moveable or immovable property which immediately before the Effective Date were vested in the Petroleum Inspectorate, the Department of Petroleum Resources, the Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund Management Board.
- (3) Any proceedings or cause of action pending or existing or which could have been taken by or against the Petroleum Inspectorate, Department of Petroleum Resources the Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund Management Board immediately before the Effective Date in respect of any such right, interest, obligation or liability of the Petroleum Inspectorate, the Department of Petroleum Resources the Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund Management Board may be commenced, continued or enforced or taken by or against the Commission as if this Bill had not been made.
- (4) As from the Effective Date:
 - (a) the rights, interest, obligations and liabilities of the Inspectorate, Department of Petroleum Resources, Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund Management Board existing immediately before the Effective Date under any contract or instrument at law or in equity which shall have been held on behalf of or have accrued to or have been incurred for its own benefit or use, shall by virtue of this Bill be assigned to and vested in the Commission;

- (b) any such contract or instrument as is mentioned in subsection (4) (a) of this section, shall be of the same force and effect against or in favour of the Commission and shall be enforceable as fully and effectively as if instead of the Petroleum Inspectorate, Department of Petroleum Resources, Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund respectively, the Commission had been named therein or had been a party thereto; and
- (c) any proceeding or cause of action pending or existing or which could have been taken by or against the Petroleum Inspectorate, the Department of Petroleum Resources, the Petroleum Products Pricing and Regulatory Authority and the Petroleum Equalization Fund Management Board respectively immediately before the Effective Date in respect of any such rights, interest, obligation or liability of any of the organisations, may be commenced, continued or enforced or taken by or against the Commission as if this Bill had not been made (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 132 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 133: Interpretation.

In this Bill unless the context otherwise requires —

"Authorisation" means any authorisation issued by the Commission for any activity in the petroleum industry (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Authorisation" be as defined in the interpretation to this Bill — Agreed to.

"Board" means the governing board of any of the entities that is the subject matter of the Part within which the word has been used; unless it is specifically stated otherwise (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Board" be as defined in the interpretation to this Bill — Agreed to.

"Budget" means estimates of the revenues and expenditure of the Federation for the next following financial year which the President shall cause to be prepared and laid before each House of the National Assembly at any time in each financial year pursuant to Section 81 (1) of the Constitution of the Federal Republic of Nigeria (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Budget" be as defined in the interpretation to this Bill — Agreed to.

"Bureau of Public Enterprises" means the Bureau of Public Enterprises as provided for under the "Public Enterprises (Privatisation and Commercialisation) Act, Cap. P38, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Bureau of Public Enterprises" be as defined in the interpretation to this Bill — Agreed to.

"Commission" means the "Nigeria Petroleum Regulatory Commission" as provided for in Part 3 of this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Commission" be as defined in the interpretation to this Bill — Agreed to.

"Company" means any entity incorporated under any law in force in Nigeria or elsewhere (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Company" be as defined in the interpretation to this Bill — Agreed to.

"Companies and Allied Matters Act" means the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Companies and Allied Matters Act" be as defined in the interpretation to this Bill — Agreed to.

"Consolidated Revenue Fund" means the Consolidated Revenue Fund created by section 80 of the Constitution of the Federal Republic of Nigeria 1999 (as amended) (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Consolidated Revenue Fund" be as defined in the interpretation to this Bill — Agreed to.

"Constitution" means the Constitution of the Federal Republic of Nigeria 1999(as amended) (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Constitution" be as defined in the interpretation to this Bill — Agreed to.

"Court" means Federal High Court established by section 249 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Court" be as defined in the interpretation to this Bill — Agreed to.

"Department of Petroleum Resources" means the Department of Petroleum Resources under the Ministry of Petroleum Resources (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Department of Petroleum Resources" be as defined in the interpretation to this Bill — Agreed to.

"Effective Date" means the commencement date on which this Bill comes into force (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Effective Date" be as defined in the interpretation to this Bill — Agreed to.

"Federal Executive Council" means the Federal Executive Council stated in section 144 (5) of the Constitution of the Federal Republic of Nigeria 1999 (as amended) (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Federal Executive Council" be as defined in the interpretation to this Bill — Agreed to.

"Federation Account" means the Federation Account stated in section 162 of the Constitution of the Federal Republic of Nigeria 1999(as amended) (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the words "Federation Account" be as defined in the interpretation to this Bill — Agreed to.

"Fiscal Responsibility Act" means the Fiscal Responsibility Act 2007 (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the words "Fiscal Responsibility Act" be as defined in the interpretation to this Bill — Agreed to.

"Frontier acreages" means any or all licences or leases located in an area defined as frontier in a regulation issued by the Commission (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the words "Frontier acreages" be as defined in the interpretation to this Bill — Agreed to.

"Gazette" means the Official Gazette of the Government (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the word "Gazette" be as defined in the interpretation to this Bill — Agreed to.

"Government" means the Federal Government of Nigeria (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the word "Government" be as defined in the interpretation to this Bill — Agreed to.

"Management Company" means the Nigerian Petroleum Assets Management Company to be incorporated further to the provisions of section 37 of this Bill (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the words "Management Company" be as defined in the interpretation to this Bill — Agreed to.

"Minister" means the Minister in charge of petroleum resources and overseeing the petroleum industry in Nigeria (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the word "Minister" be as defined in the interpretation to this Bill — Agreed to.

"Ministry" means the Ministry of Petroleum Resources (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the word "Ministry" be as defined in the interpretation to this Bill — Agreed to.

"Ministry of Environment" means the federal ministry in charge of environmental matters (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the meaning of the words "Ministry of Environment" be as defined in the interpretation to this Bill — Agreed to.

"Ministry of Finance" means the Federal Ministry in charge of finance matters (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Ministry of Finance" be as defined in the interpretation to this Bill — Agreed to.

"Ministry of Finance Incorporated" means the corporation sole established by the Ministry of Finance Incorporated Act, Cap. M15, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Ministry of Finance Incorporated" be as defined in the interpretation to this Bill — Agreed to.

"Ministry of Petroleum Incorporated" means the corporation sole to be established by the proposed Ministry of Petroleum Incorporated Act (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Ministry of Petroleum Incorporated" be as defined in the interpretation to this Bill — Agreed to.

"National Petroleum Company" means the National Petroleum Company to be incorporated further to the provisions of section 37 of this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "National Petroleum Company" be as defined in the interpretation to this Bill — Agreed to.

"National Salaries, Incomes and Wages Commission" means the National Salaries, Incomes and Wages Commission established by section 1 of the National Salaries, Incomes and Wages Commission Act, Cap. N72, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "National Salaries, Incomes and Wages Commission" be as defined in the interpretation to this Bill — Agreed to.

"National strategic reserve" means the reserve of petroleum products kept in certain storage depots and facilities by the Government or on behalf of the Government to provide for emergency (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "National strategic reserve" be as defined in the interpretation to this Bill — Agreed to.

"Nigerian National Petroleum Corporation" or the "NNPC" means the Nigerian National Petroleum Corporation established by section 1 of the Nigerian National Petroleum Corporation Act, Cap. N123, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Nigerian National Petroleum Corporation" or the "NNPC" be as defined in the interpretation to this Bill — Agreed to.

"Nigerian Police" means the Nigeria Police Force established under section 3 of the Police Act, Cap. P19, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Nigerian Police" be as defined in the interpretation to this Bill — Agreed to.

"Pensions Reforms Act" means the Pensions Reforms Act, 2014 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Pensions Reforms Act" be as defined in the interpretation to this Bill — Agreed to.

"Permanent Secretary" means the Permanent Secretary having supervision over the departments of government under the Minister (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Permanent Secretary" be as defined in the interpretation to this Bill — Agreed to.

"Petroleum" means hydrocarbons and associated substances as exist in its natural state in strata, and includes crude oil, natural gas, condensate, and mixtures of any of them, but does not include coal, bitumen and tar sands (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Petroleum" be as defined in the interpretation to this Bill — Agreed to.

"Petroleum Inspectorate" means the Petroleum Inspectorate established under section 10 of the Nigerian National Petroleum Corporation Act, Cap. N123, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Petroleum Inspectorate" be as defined in the interpretation to this Bill — Agreed to.

"Petroleum operations" means upstream, midstream and downstream petroleum operations (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Petroleum operations" be as defined in the interpretation to this Bill — Agreed to.

"Petroleum Pricing and Product Regulatory Agency" means the Petroleum Pricing and Product Regulatory Agency established under section 1 of the "Petroleum Pricing and Product Regulatory Agency (Establishment) Act, Cap. P43, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Petroleum Pricing and Product Regulatory Agency" be as defined in the interpretation to this Bill — Agreed to.

"President" means President of the Federal Republic of Nigeria (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "President" be as defined in the interpretation to this Bill — Agreed to.

"Public hearing" means an organised forum for the discussion of issues relating to a regulation or decision that is to be made by the Commission for the purpose of receiving public or stakeholders input (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Public hearing" be as defined in the interpretation to this Bill — Agreed to.

"Permit" means an official certificate of permission to undertake an activity issued by the Commission (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Permit" be as defined in the interpretation to this Bill — Agreed to.

"Production Sharing Contract" means a contract between the NNPC and a contractor as defined in the Deep Offshore and Inland Basin Production Sharing Contract Acts (as amended), Cap. D3, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Production Sharing Contract" be as defined in the interpretation to this Bill — Agreed to.

"Public Enterprises Privatisation and Commercialisation Act" means the Public Enterprises (Privatisation and Commercialisation) Act CAP P38, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Public Enterprises Privatisation and Commercialisation Act" be as defined in the interpretation to this Bill — Agreed to.

"Public Procurement Act" means Public Procurement Act 2007 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Public Procurement Act" be as defined in the interpretation to this Bill — Agreed to.

"Regulations" mean rules or order having force of law issued by the competent authority in accordance with the provisions of this Bill or any other enactment (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the word "Regulations" be as defined in the interpretation to this Bill — Agreed to.

"Third party access" means the legal requirement for owners of certain infrastructure facilities to grant access to those facilities to parties other than their own customers, usually competitors in the provision of the relevant services, on terms stipulated in this Bill or regulations made pursuant to this Bill (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Third party access" be as defined in the interpretation to this Bill — Agreed to.

"Trustee Investment Act" means the Trustee Investment Act, Cap. T22, Laws of the Federation of Nigeria, 2004 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the meaning of the words "Trustee Investment Act" be as defined in the interpretation to this Bill — Agreed to.

Question that Clause 133 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 134: Short Title.**

This Bill may be cited as the Petroleum Industry Governance Bill, 2018 (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that Clause 134 stands part of the Bill — Agreed to.

SCHEDULES**FIRST SCHEDULE****RIGHT OF PRE-EMPTION**

1. The Minister shall have the right to require the holder of any licence or lease granted under this Bill or any other enactment (referred to in this Schedule as "the licensee or lessee") to —
 - (a) provide for the Government, to the extent of any refinery or petroleum products storage capacity he may have in Nigeria, petroleum products complying with specification given by the Minister; or
 - (b) deliver to any person holding a licence to operate a refinery, such quantity and quality of crude oil as may be specified by the Minister to the extent that the licensee or lessee has crude oil of that quantity and quality.
2. The licensee or lessee shall use his best endeavours to increase so far as possible with his existing facilities, the supply of petroleum or petroleum products, or both, for the Government to the extent required by the Minister.
3. The licensee or lessee shall, with all reasonable expedition and so as to avoid demurrage on the vessels conveying the same, use his best endeavours to deliver all petroleum or petroleum products purchases by the Minister under the right of pre-emption in such quantities, and at such places of shipment or storage in Nigeria, as may be determined by the Minister.
4. If a vessel employed to carry petroleum or petroleum products pursuant to paragraph 3 of this Schedule is detained on demurrage at the port of loading, the licensee or lessee shall pay the amount due for demurrage according to the terms of the charter-party or the rates of loading previously agreed by the licensee or lessee, unless the delay is due to causes beyond the control of the licensee or lessee.
5. Any dispute which may arise as to whether a delay is due to causes beyond the control of the licensee or lessee shall be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration.
6. The price to be paid for petroleum or petroleum products taken by the Minister in exercise of the right of pre-emption shall be —
 - (a) the reasonable value at the point of delivery, less discount to be agreed by both parties; or
 - (b) if no such agreement has been entered into prior to the exercise of the right of pre-emption, a fair price at the port of delivery to be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration.
7. To assist in arriving at a fair price for the purposes of paragraph 6 (b) of this Schedule, the licensee or lessee shall, if the Minister so requires—

- (a) furnish for the confidential information of the Minister particulars of quantities, descriptions and prices of petroleum or petroleum products sold to other customers and of charters or contracts entered into for their carriage; and
 - (b) exhibit original or authenticated copies of the relevant contracts or charter-parties.
- 8. The Minister may take control of any works, plants or premises of the licensee or lessee and if he does so, the licensee or lessee and his servants or agents shall conform to and obey all directions issued by the Minister or on his behalf.
- 9. Reasonable compensation shall be paid to the licensee or lessee for any loss or damage caused to him by reason of the exercise by the Minister of the powers conferred by paragraph 8 of this Schedule.
- 10. Any compensation payable under paragraph 9 of this Schedule shall be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the provisions of the First Schedule stands part of the Bill — Agreed to.

SECOND SCHEDULE

SUPPLEMENTARY PROVISIONS RELATING TO THE PROCEEDINGS OF THE BOARD OF THE COMMISSION

- 1. Subject to this Bill and the provisions of section 27 of the Interpretation Act, the Board ('the Board') shall have the power to regulate its proceedings and may make standing orders with respect to the holding of its meetings, and those of its committees, the notice to be given, the keeping of minutes of its proceedings, the custody and production for inspection of such minutes and such other matters as the Board may, from time to time, determine.
- 2.
 - (a) There shall be at least one ordinary meeting of the Board in every quarter of the year and subject thereto, the Board shall meet whenever it is summoned by the Chairman and if the Chairman is requested to do so by notice given to him by not less than three other members, the Chairman shall summon a meeting of the Board to be held within fourteen days from the date on which the notice is given.
 - (b) Every meeting of the Board shall be presided over by the Chairman and if the Chairman is unable to attend a particular meeting, the members present at the meeting shall elect one of the non-executive commissioners to preside at the meeting.
- 3. The quorum at the meeting of the Board shall consist of the Chairman (or in an appropriate case, the person presiding at the meeting pursuant to paragraph 2 of this Schedule) and the majority of the other members, as appropriate.
- 4. The Board shall meet for the conduct of its business at such places within Nigeria and on such days as the Chairman may appoint.
- 5. A question put before the Board at a meeting shall be decided by consensus, and where this is not possible, by a majority of the votes of the members present and voting.
- 6. The Chairman shall, in the case of an equality of votes, have the casting vote in addition to his deliberative vote.

7. Where the Board desires to seek the advice of any person on a particular matter, it may co-opt a person as a member for such period it thinks fit, but a person who is co-opted by virtue of this paragraph shall not be entitled to vote at any meeting of the Board, and shall not count towards the quorum.
8. The Board may constitute one or more committees for the purpose of carrying out any of its functions as the Board may determine and report on any matter with which the Board is concerned.
9. A committee appointed under this Schedule shall be presided over by a member of the Board and consist of such number of persons (not necessarily all members of the Board) as may be determined by the Board, and a person other than a member of the Board shall hold office on the committee in accordance with the terms of his appointment.
10. A decision of a committee of the Board shall be of no effect until it is confirmed by the Board.
11. The fixing of the seal of the entity shall be authenticated by the signature of the Secretary or some other person authorized generally by the Board to act for that purpose.
12. A contract or an instrument which, if made or executed by any person not being a body corporate, would not be required to be under seal, may be made or executed on behalf of the entity by the Chief Executive Commissioner, as the case may be, or any person generally or specially authorized to act for that purpose by the Board.
13. A document purporting to be a contract, an instrument or other document signed or sealed on behalf of the entity shall be received in evidence and, unless the contrary is proved, be presumed without further proof to have been signed and sealed.
14. The validity of any proceedings of the Board or its committees shall not be affected by —
 - (a) any vacancy in the membership of the Board or its committees; or
 - (b) reason that a person not entitled to do so took part in the proceedings; or
 - (c) any defect in the appointment of a member.
15. Any member of the Board and any person holding office on a committee of the Board, who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board or a committee shall —
 - (a) forthwith disclose his interest to the Board or committee, as the case may be; and
 - (b) not vote on any question relating to the contract or arrangement (*Hon. Victor Nwokolo — Ika North East Ika South Federal Constituency*).

Question that the provisions of the Second Schedule stands part of the Bill — Agreed to.

THIRD SCHEDULE

CONFLICT OF INTEREST AND CORPORATE RESPONSIBILITY

- (1) In the discharge of their responsibilities, members of the Board shall act in utmost good faith, with care, skill and diligence.
- (2) Members of the Board have fiduciary obligation to the Commission, and shall not be involved in any decision where their interests conflict with the interest of the Commission

- (3) Members of the Board shall adhere to all the duties and obligations specified for directors under the Company and Allied Matters Act.
- (4) Members of the Board shall submit a written statement of disclosure of interests and a statement of absence of conflicts with the Commission's activities and operations annually to the Board (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Question that the provisions of the Third Schedule stands part of the Bill — Agreed to.

FOURTH SCHEDULE

ASSETS TO BE TRANSFERRED TO THE MANAGEMENT COMPANY

1. OML123
2. OML124
3. OPL 209
4. OPL 90
5. OPL 225
6. OPL 211
7. OPL 125
8. OPLs 250
9. OPL 213
10. OPL 247
11. OPL 244
12. OPL 220
13. OPL 318
14. OPL 221
15. OPL 222
16. OPL 324
17. OPL 212
18. OPL 219
19. OPL 245
20. OPL 322
21. OPL 320
22. OPL 217

- 23. OPL 218
- 24. OPLs 242
- 25. OPL 256)
- 26. OPL 214

Committee Recommendation:

Leave out the provisions of the Fourth Schedule (Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency) — Agreed to.

FIFTH SCHEDULE

<i>Cap. Laws of the Federation of Nigeria 2004</i>	<i>Short Title or Citation</i>	<i>Amendments</i>
H5	Hydrocarbon Oil Refineries Act	Section 28 (1) shall be amended by substituting all references to "Minister" with "Commission" Section 29 shall be amended by inserting the words "Commission" means the "Nigeria Petroleum Regulatory Commission" as established under the Petroleum Industry Governance Act"; and deletion of the definition of Minister
N123	Nigerian National Petroleum Corporation Act	Sections 10 and 11 are hereby repealed.
O7	Oil Pipelines Act	(1) All references to "Minister" under the Oil Pipelines Act, Cap. 07 of the Laws of the Federation of Nigerian 2004 and any regulations made pursuant thereto shall from the Effective Date be deemed to refer to the Commission and the Commission shall accordingly exercise all the powers and functions of the Minister under the Oil Pipelines Act and all regulations made thereto provided that the Commission shall not be entitled to delegate its powers to make regulations pursuant to the Oil Pipelines Act. (2) Section 31 of the Oil Pipelines Act CAP 07 of the Laws of the Federation of Nigeria is hereby amended by substituting it with the following new section "The fees payable for applications, permits and licences or its variation under this Bill shall be prescribed by regulations issued pursuant to this Bill."

P10

Petroleum Act

1. Section 2(1) shall be amended by including "and the recommendation of the Commission" immediately after the word "Act".

2. Section 3 shall be amended by substituting all references to "Minister" with "Commission".

3. Section 4 shall be amended by substituting all references to "Minister" with "Commission".

4. Section 5(3) shall be amended by substituting "Minister" with "Commission".

5. Sections 6, 8 and 9 are hereby repealed.

(Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency).

Question that the provisions of the Fifth Schedule stands part of the Bill — Agreed to.

Explanatory Memorandum:

This Bill provides for the governance and institutional framework for the Nigeria petroleum industry and creates clear separation between the policy, regulatory and commercial institutions (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Agreed to.

Long Title:

A Bill for an Act to Provide for the Governance and Institutional Framework for the Petroleum Industry and for Other Related Matters (HB. 477, HB. 878, HB. 1053) (*Hon. Victor Nwokolo — Ika North East/Ika South Federal Constituency*).

Agreed to.

Chairman to report Bill.

(HOUSE IN PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in Committee of the Whole considered the Report of the *Ad-hoc* Committee on Petroleum Industry on a Bill for an Act to Provide for the Governance and Institutional Framework for the Petroleum Industry and for Other Related Matters (HB. 477, HB. 878, HB. 1053) and approved Clauses 1 - 134, the Schedules, the Explanatory Memorandum, and the Long Title of the Bill.

Question that the House do adopt the Report of the Committee of the Whole — Agreed to.

(ii) Committee on Maritime Safety, Education and Administration:

Motion made and Question proposed, "That the House do consider the Report of the Committee on Maritime Safety, Education and Administration on a Bill for an Act to Establish the Nigeria Maritime University, Okerenkoko, Delta State and for Related Matters (HB. 1032) and approve the recommendations therein" (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Agreed to.

Question that the House do resolve into the Committee of the Whole to consider the Report — Agreed to.

(HOUSE IN COMMITTEE)

(Mr Deputy Speaker in the Chair)

A BILL FOR AN ACT TO ESTABLISH THE NIGERIA MARITIME UNIVERSITY,
OKERENKOKO, DELTA STATE AND FOR RELATED MATTERS (HB. 1032)

PART I — ESTABLISHMENT, CONSTITUTION AND FUNCTIONS OF
NIGERIA MARITIME UNIVERSITY, OKERENKOKO

Committee Recommendation:

Clause 1: Establishment, Constitution and Functions of Nigeria Maritime University, Okerenkoko.

- (1) There is hereby established the Nigeria Maritime University, Okerenkoko.
- (2) The University shall be a body corporate with perpetual succession and a common seal and may sue or be sued in its corporate name.
- (3)
 - (a) The University shall be supervised by the Federal Ministry of Education.
 - (b) The Federal Ministry of Education through the National Universities Commission (NUC) shall be responsible for approving and regulating all academic programmes run in the University, to ensure quality compliance for academic and research programmes;
- (4) The objectives of the University shall be —
 - (a) to encourage the advancement of learning and to hold out to all persons without distinction of race, creed, sex or political conviction, the opportunity of acquiring higher education in maritime technology;
 - (b) to develop and offer academic and professional programmes leading to the award of diplomas, first degrees, post-graduate research and higher degrees with emphasis on planning, adaptive, technical, maintenance, developmental and productive skills in the engineering, scientific, and allied professional disciplines relating to Maritime resources with the aim of producing socially mature men and women with capability not only to understand, use and adapt existing technologies in the maritime industry, but also to improve on them and develop new ones;
 - (c) to act as agents and catalysts, through post-graduate training, research and innovation for the effective and economic utilization, exploitation and conservation of the country's maritime resources;
 - (d) to offer to the general population particularly the maritime industry, as a form of public service, the results of training and research and to foster the practical applications of these results;
 - (e) to establish appropriate relationships with other national institutions involved in training, research and development of technologies in the maritime sector;

- (f) to identify the technological problems and needs of the maritime industry and to find solutions to them within the context of overall national development;
- (g) to provide and promote sound basic scientific training as a foundation for the development of maritime technology and applied sciences, taking into account indigenous cultures and the need to enhance national unity; and
- (h) to undertake any other activities appropriate for a maritime university of the highest standard (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 1 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 2: Constitution and Principal Officers of the University.

(1) The University shall consist of —

- (a) a Chancellor;
 - (b) a Pro-Chancellor and a Council;
 - (c) a Vice-Chancellor and a Senate;
 - (d) a body to be called Congregation;
 - (e) a body to be called Convocation;
 - (f) the campuses and colleges of the University;
 - (g) the colleges, institutes and other teaching and research units of the University;
 - (h) the persons holding the offices constituted by the First Schedule to this bill other than those mentioned in paragraphs (a) to (c) of this subsection;
 - (i) all graduates and undergraduates of the University; and all other persons who are members of the university in accordance with provisions made by statute in that behalf.
- (2) The First Schedule to this Bill shall have effect with respect to the principal officers of the University.
- (3) Subject to section 5 of this Bill provision shall be made by statute with respect to the constitution of the Council, the Senate, Congregation and Convocation (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 2 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 3: Powers of the University and its exercise.

- (1) For the carrying out of its objects as specified in section 1 of this Bill, the University shall have power:

- (a) to establish such campuses, institutes, schools, extra-mural departments and other teaching and research units within the University as may from time to time be deemed necessary or desirable subject to the approval of the National Universities Commission;
- (b) to institute professorships, readerships or associate professorships, lectureships, and other posts and offices and to make appointments thereto;
- (c) to institute and award fellowships, scholarships, exhibitions, bursaries, medals, prizes and other titles, distinctions, awards and forms of assistance;
- (d) to provide for the discipline and welfare of members of the University;
- (e) to hold examinations and grant degrees, diplomas, certificates and other distinctions to persons who have pursued a course of study approved by the University and have satisfied such other requirements as the University may lay down;
- (f) to grant honorary degrees, fellowships or academic titles;
- (g) to demand and receive from any student or any other person attending the University for the purpose of instruction, such fees as the University may from time to time determine subject to the overall directives of the Council;
- (h) subject to section 19 of this Bill, to acquire, hold, grant, charge or otherwise deal with or dispose of movable and immovable property wherever situate;
- (i) to accept gifts, legacies and donations, but without obligation to accept the same for a particular purpose unless it approves the terms and conditions attaching thereto;
- (j) to enter into contracts, establish trusts, act as trustee, solely or jointly with any other person, and employ and act through agents;
- (k) to erect, provide, equip and maintain libraries, laboratories, lecture halls, halls of residence, refectories, sports grounds, playing fields and other buildings or things necessary, suitable or convenient for any of the objects of the University;
- (l) to hold public lectures and to undertake printing, publishing and book selling;
- (m) to engage students in distance learning programs while they are at sea or in areas of maritime business;

- (n) subject to any limitations or conditions imposed by statute, to invest any moneys appertaining to the University by way of endowment it, not being immediately required for current expenditure, not being immediately required for current expenditure, in any investments or securities or in the purchase or improvement of land, with power from time to time, to vary any such investments to deposit any moneys for the time being not invested with any bank on deposit or current account;
 - (o) to borrow, whether on interest or not and if need be upon the security of any or all of the property, movable or immovable, of the University, such moneys as the Council may from time to time in its discretion find it necessary or expedient to borrow or to guarantee any loan, advances or credit facilities;
 - (p) to engage income generating ventures as appropriate;
 - (q) to collaborate, co-operate, partner or associate with any other University, authority, Government, organization or institution of higher learning both in Nigeria and abroad;
 - (r) to invest outside of Nigeria which includes building replica institutions;
 - (s) the University may grant scholarships to both local and foreign students as may be deemed necessary;
 - (t) to adopt foreign maritime administration requirements for the purpose of raising standards of training above the minimum IMO requirements;
 - (u) to make gifts for any charitable purpose;
 - (v) to do anything which it is authorized or required by this Bill or by statute to do; and
 - (w) to do all such acts or things, whether or not incidental to the foregoing powers, as may advance the objects of the University.
- (2) Subject to the provisions of this Bill and of the statutes and without prejudice to section 7(2) of this Bill, the powers conferred on the University by subsection (1) of this section shall be exercisable on behalf of the University by the Council or by the Senate or in any other manner as may be authorized by the statute.
- (3) The power of the University to establish further campuses and colleges within the University shall be exercisable by statute and not otherwise (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 3 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 4: Sources of Funding for the University in addition to other sources of funding.

- (i) 1% of the total annual budget of Federal Ministry of Petroleum Resources;
- (ii) 0.5% of the total annual profit of Nigeria Liquefied Natural Gas Company;

- (iii) to be treated based on how NCMB gets its money;
- (iv) the Tertiary Education Trust Fund (TETFUND);
- (v) 5% and not 10% to be taken from Cabotage Vessel Finance Fund;
- (vi) 5% from the Maritime Fund and 5% from NIMASA Fund without recourse to any other Act;
- (vii) Petroleum Technology Development Fund (PTDF) should extend its statutory duties to the Nigeria Maritime University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 4 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 5: Functions of the Chancellor and the Pro-Chancellor.

- (1) The Chancellor shall, in relation to the University, take precedence before all other members of the University, and when he is present, shall preside at all meetings of Convocation held for conferring degrees.
- (2) The Pro-Chancellor shall, in relation to the University, take precedence before all other members of the University, except the Chancellor and except the Vice-Chancellor when acting as chairman of Congregation or Convocation and the Pro-Chancellor shall, when he is present, be the chairman at all meetings of the Council (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 5 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 6: Composition of the Council.

The Council of the University shall consist of —

- (a) the Pro-Chancellor;
- (b) the Vice-Chancellor;
- (c) two Deputy Vice-Chancellors;
- (d) one person from the Ministry responsible for education;
- (e) four persons representing a variety of interests with requisite knowledge and experience in maritime sector, and broadly, representatives of the whole Federation to be appointed by the President;
- (f) four persons appointed by the Senate from among its members;
- (g) two persons appointed by Congregation from among its members;
- (h) one person appointed by convocation from among its members.
- (i) Minister responsible for transportation or his representative;
- (j) Director-General of NIMASA or his representative.

- (2) The Council so constituted shall have a tenure of four years from the date of its inauguration provided that where a Council is found to be incompetent and corrupt, it shall be dissolved by the Visitor and a new Council shall be constituted for the effective functioning of the University.
- (3) The powers of the Council shall be exercised, as in this Bill and to that extent establishment circulars that are inconsistent with this Bill shall not apply to the University.
- (4) The Council shall be free in the discharge of its functions and exercise of its responsibilities for the good management, growth and development of the University.
- (5) The Council in the discharge of its functions shall ensure that disbursement of funds of the University complies with the approved budgetary ratio for:
 - (a) personnel cost;
 - (b) overhead cost;
 - (c) research and development;
 - (d) library developments, and;
 - (e) the balance in expenditure between academic vis-à-vis non-academic activities (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 6 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 7: Functions of the Council and its Finance and General Purpose Committee.

- (1) Subject to the provisions of this Bill relating to the Visitor, the Council shall be the governing body of the University and shall be charged with the general control and superintendence of the policy, finances and property of the University.
- (2) There shall be a committee of the Council, to be known as the Finance and General Purposes Committee, which shall, subject to the directions of the Council, exercise control over the property and expenditure of the University and perform such other functions of the Council as the Council may from time to time delegate to it.
- (3) Provision shall be made by statute with respect to the constitution of the Finance and General Purposes Committee.
- (4) The Council shall ensure that proper accounts of the University are kept and that the accounts of the University are audited annually by an independent firm of auditors approved by the Council and that an annual report is published by the University together with certified copies of the said accounts as audited.
- (5) Subject to this Bill and the statutes, the Council and the Finance and General Purposes Committee may each make rules for the purpose of exercising any of their respective functions or of regulating their own procedure.

- (6) Rules made under subsection (5) of this section by the Finance and General Purposes Committee shall not come into force unless approved by the Council; and in so far and to the extent that any rules so made by that Committee conflict with any direction given by the Council whether before or after the coming into force of the rules in question, the directions of the Council shall prevail.
- (7) There shall be paid to the members respectively of the Council, the Finance and General Purposes Committee and of any other committee set up by the Council, allowances in respect of travelling and other reasonable expenses at such rates as may from time to time be fixed by the Council.
- (8) The Council shall meet for the performance of its functions under this Bill and shall meet at least three times a year.
- (9) If requested in writing by any five members of the Council, the chairman shall within 28 days after the receipt of such request call a meeting of the Council.
- (10) Any request made under subsection (9) of this section shall specify the business to be considered at the meeting and no business not so specified shall be transacted at that meeting (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 7 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 8: Functions of the Senate.

- (1) Subject to section 6 of this Bill and subsections (3) and (4) of this section and the provisions of this Bill relating to the Visitor, it shall be the general function of the Senate to organise and control the teaching by the University, the admission of student where no other enactment provides to the contrary and the discipline of students; and to promote research at the University.
- (2) Without prejudice to the generality of subsection (1) of this section and subject as there mentioned, it shall in particular be the function of the Senate to make provision for —
 - (a) the establishment, organization and control of campuses, colleges, schools, institutes and other teaching and research units of the University and the allocation of responsibility for different branches of learning;
 - (b) the organization and control of courses of study at the University and of the examinations held in conjunction with those courses, including the appointment of examiners, both internal and external;
 - (c) the award of degrees, and such other qualifications as may be prescribed in connection with examinations held as aforesaid;
 - (d) the making of recommendations to the Council with respect to the award to any person of an honorary fellowship or honorary degree or the title of professor emeritus;
 - (e) the establishment, organization and control of halls or residence and similar institutions at the University;

- (f) the supervision of the welfare of students at the university and the regulation of their conduct;
 - (g) the granting of fellowships, scholarships, prizes and similar awards in so far as the awards are within the control of the University; and
 - (h) determining what descriptions of dress shall be academic dress for the purposes of the University, and regulating the use of academic dress,
- (3) The Senate shall not establish any new campus, college, school, department, institute or other teaching and research units of the university, or any hall of residence or similar institution at the University without the approval of the Council.
 - (4) Subject to this Bill and the statutes, the Senate may make regulations for the purpose of exercising any function conferred on it either by the foregoing provisions of this section or otherwise or for the purpose of making provision for any matter for which provision by regulations is authorized or required by this Bill or by statute.
 - (5) Regulations shall provide that at least one of the persons appointed as the examiners at each final or professional examination held in conjunction with any course of study at the University is not a teacher at the university but is a teacher of the branch of learning to which the course relates at some other university of high repute or a person engaged in practicing the profession in a reputable organization or institution.
 - (6) Subject to a right of appeal to the Council from a decision of the Senate under this sub-section, the Senate may deprive any person of any degree, diploma or other award of the University which has been conferred upon him if after due enquiry he is shown to have been guilty of dishonourable or scandalous conduct in gaining admission into the University or obtaining that award (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 8 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 9: Functions of the Vice Chancellor.

- (1) The Vice-Chancellor shall, in relation to the University, take precedence before all other members of the University except the Chancellor and subject to section 4 of this Bill except the Pro-Chancellor and any other person for the time being acting as chairman of the Council.
- (2) Subject to sections 6, 7 and 14 of this Bill, the Vice-Chancellor shall have the general function, in addition to any other functions conferred on him by this Bill or otherwise of directing the activities of the University and shall be the chief executive and accounting officer of the University and ex-officio chairman of the Senate.
- (3) The Vice Chancellor shall be the Chairman of the University Tenders' Board, which is saddled with the responsibility of approving the conduct of public procurement of goods, works and services within the approved threshold from time to time.

- (4) It shall be the responsibility of the Vice-Chancellor to establish and appoint members of the Tenders' Board in line with the extant Public Procurement Rules and Regulations (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 9 stands part of the Bill — Agreed to.

PART II — TRANSFER OF PROPERTY, ETC., TO THE UNIVERSITY

Committee Recommendation:

Clause 10: Transfer of Property.

- (1) All property held by or on behalf of the provisional council of the University shall by virtue of this sub-section and without further assurance, vest in the University and be held by it for the purpose of the University,

Second Schedule.

- (2) The provisions of the Second Schedule to this Bill shall have effect with respect to, and to matters arising from, the transfer of property by this section and with respect to the other matters mentioned in that Schedule.

Conditions of Service of the Employees.

- (3) The Condition of Service of Employees in the University shall be in line with what is obtainable in the maritime industry to enable the University ~~attract best brains~~ for training and research (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 10 stands part of the Bill — Agreed to.

PART III — STATUTES OF THE UNIVERSITY

Committee Recommendation:

Clause 11: Power of the University to make Statutes.

- (1) Subject to his Bill, the University may make statutes for any of the following purposes, that to say:
- (a) making provision with respect to the composition and constitution of any authority of the University;
 - (b) specifying and regulating the powers and duties of any authority of the University, and regulating any other matter connected with the University or any of its authorities;
 - (c) regulating the admission of students (where no other enactment provides to the contrary), and their discipline and welfare;
 - (d) determining whether any particular matter is to be treated as an academic or non-academic matter for the purposes of this Bill and of any statute, regulation or other instrument made there under;
 - (e) making provision for any other matter for which provision by statute is authorized or required by this Bill.
- (2) Subject to section 2 (6) of this Bill, the Interpretation Act shall apply in relation to any statute made under this section as it applies to a subsidiary instrument within the meaning of section 29 (1) of that Act.

Third Schedule.

- (3) The Statute contained in the Third Schedule to this Bill shall be deemed to have come into force on the commencement of this Bill and shall be deemed to have been made under this section by the University.
- (4) The power to make statutes conferred by this section shall not be prejudiced or limited in any way by reason of the inclusion or omission of any matter in or from the statute contained in the Third Schedule to this Bill or any subsequent statute (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 11 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 12: Mode of exercising powers to make statutes.**

- (1) The power of the University to make statutes shall be exercised in accordance with the provisions of this section and not otherwise.
- (2) A proposed statute shall not become law unless it has been approved —
 - (a) at a meeting of the Senate, by the votes of not less than two thirds of the members present and voting; and
 - (b) at a meeting of the Council, by the votes of not less than two thirds of the members present and voting.
- (3) A proposed statute may originate either in the Senate or in the Council, and may be approved as required by subsection (2) of this section by either of the body.
- (4) A statute which —
 - (a) makes provision for or alters the composition or constitution of the Council, the Senate or any other authority of the University; or
 - (b) provides for the establishment of a new campus or college or for the amendment or revocation of any statute whereby a campus or college is established, shall not come into operation unless it has been approved by the President.
- (5) For the purpose of section 2 (2) of the Interpretation act, a statute shall be treated as being made on the date on which it is duly approved by the Council after having been duly approved by the Senate, or on the date on which it is duly approved by the Senate after having been duly approved by the Council, as the case may be or, in the case of a statute falling within subsection (4) of this section, on the date on which it is approved by the President.
- (6) In the event of any doubt or dispute arising at any time —
 - (a) as to the meaning of any provision of a statute; or
 - (b) as to whether any matter is for the purposes of this Bill an academic or non-academic matter as they relate to such doubt or dispute, the matter may be referred to the Visitor, who shall take such advice and make such decision thereon as he deem fit.

- (7) The decision of the Visitor on any matter referred to him under subsection (6) of this section shall be binding upon the authorities, staff and students of the University and where any question as to the meaning of any provision of a statute has been decided by the Visitor under that sub-section, no question as to the meaning of that provision shall be entertained except court of competent Jurisdiction in Nigeria.
- (8) Nothing in subsection (7) of this section shall affect any power of a court of competent jurisdiction to determine whether any provision of a statute is wholly or partly void as being ultra vires or as being inconsistent with the provision of Constitution of the Federal Republic of Nigeria, 1999 as amended (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 12 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 13: Proof of Statutes.

A statute may be proved in any court by the production of a copy thereof bearing or having affixed to it a certificate purporting to be signed by the Vice-chancellor or the secretary to the Council to the effect that the copy is a true copy of a statute of the University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 13 stands part of the Bill — Agreed to.

PART IV — SUPERVISION AND DISCIPLINE

Committee Recommendation:

Clause 14: The Visitor.

- (1) The President shall be the Visitor of the University.
- (2) The Visitor shall as often as the circumstances may require, not being less than once every five years, conduct a visitation of the University or direct (that such a visitation be conducted by such person or persons as the Visitor may deem fit and in respect of any of the affairs of the University).
- (3) It shall be the duty of the bodies and persons comprising the University to make available to the Visitor and to any other person conducting a visitation in pursuance of this section, such facilities and assistance as he or they may reasonably require for the purposes of a visitation.
- (4) The Visitor shall make the report of such visitations and white paper thereon available to the Council which shall implement same (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 14 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 15: Removal of certain members of Council.

- (1) If it appears to the Council that a member of the Council (other than the Pro-Chancellor or the Vice-chancellor) should be removed from office on the ground of misconduct or inability to perform the functions of his office or employment, the Council shall make a recommendation to that effect through the Minister to the President, and the President, after making such enquiries (if any) as he may consider appropriate approves the recommendation, he may direct the removal of the person in question from office.

- (2) It shall be the duty of the Minister to use his best endeavours to cause a copy of the instrument embodying a direction under subsection (1) of this section to be served as soon as reasonably practicable on the person to whom it relates (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 15 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 16: Removal and discipline of academic, administrative and professional staff.

- (1) If it appears to the Council that there are reasons for believing that any person employed as a member of the academic, administrative or professional staff of the University, other than the Vice-chancellor, should be removed from his office or employment on the ground of misconduct or of inability to perform the functions of his office or employment, the Council shall —
- (a) give notice of those reasons to the person in question;
 - (b) afford him an opportunity of making representations in person on the matter by the Council; and
 - (c) for the person in question to be afforded an opportunity of appearing before and being heard by the investigating committee with respect to the matter, and if the Council, after considering the report of the investigating committee, is satisfied that the person in question should be removed as aforesaid, the Council may so remove him by an instrument in writing signed on the directions of the Council.
- (2) The Vice-chancellor may, in a case of misconduct by a member of the staff which in the opinion of the Vice-chancellor is prejudicial to the interest of the university, suspend such member and any such suspension shall forthwith be reported to the Council.
- (3) For good cause, any member of the staff may be suspended from his duties or his appointment may be terminated by the Council; and for the purposes of this subsection "good cause" means:
- (a) conviction for any offence which the Council considers to be such as to render the person concerned unfit for the discharge of the functions of his office; or
 - (b) any physical or mental incapacity which the Council, after obtaining medical advice, considers to be such as to render the person concerned unfit to continue to hold his office; or
 - (c) conduct of a scandalous or other disgraceful nature which the Council considers to be such as to render the person concerned unfit to continue to hold his office; or
 - (d) conduct which the Council considers to be such as to constitute failure or inability of the person concerned to discharge the functions of his office or to comply with the terms and conditions of his service; or
 - (e) conduct which the Council considers to be generally of such nature as to render the continued appointment or service of the person concerned prejudicial or detrimental to the interest of the University.

- (4) Any person suspended pursuant to subsection (2) or (3) of this section shall be on half pay and the Council shall before the expiration of a period of three months after the date of such suspension consider the case against that person and come to a decision as -
- (a) whether to continue such person's suspension and if so on what terms (including the proportion of his emoluments to be paid to him);
 - (b) whether to reinstate such person, in which case the Council shall restore his full emoluments to him with effect from the date of suspension;
 - (c) whether to terminate the appointment of the person concerned, in which case such a person shall not be entitled to the proportion of his emoluments withheld during the period of suspension; or
 - (d) whether to take such lesser disciplinary action against such person (including the restoration of such proportion of his emoluments that might have been withheld) as the Council may determine.
- (5) In any case where the Council, pursuant to this section, decides to continue a person's suspension or decides to take further disciplinary action against a person. The Council shall before the expiration of a period of three months from such decision come to a final determination in respect of the case concerning any such person.
- (6) It shall be the duty of the person by whom an instrument of removal is signed in pursuance of subsection (1) of this section to use his best endeavours to cause a copy of the instrument to be served as soon as reasonably practicable on the person to whom it relates.
- (7) Nothing in the foregoing provisions of this section shall:
- (a) apply to any directive given by the Visitor in consequence of any visitation; or
 - (b) prevent the Council from making regulations for the discipline of other categories of workers of the University as may be prescribed (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 16 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 17: Removal of Examiners.

- (1) If on the recommendation of the Senate it appears to the Vice-Chancellor that a person appointed as an examiner for any examination of the University ought to be removed from his office or appointment, then except in such cases as may be prescribed, the Vice-chancellor may after affording the examiner an opportunity of making representations in person remove the examiner from the appointment by an instrument in writing signed by the Vice-chancellor.

- (2) Subject to the provisions of regulations made in pursuance of section 7 (5) of this Bill. The Vice-Chancellor may on recommendation of the Senate, appoint an appropriate person as examiner in the place of the examine removed in pursuance of subsection (1) of this section.
- (3) It shall be the duty of the Vice-Chancellor on signing an instrument of removal pursuant to this section, to use his best endeavours to cause a copy of the instrument to be served as soon as reasonably practicable on the person to whom it relates (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 17 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 18: Discipline of Students.

- (1) Subject to the provisions of this section, where it appears to the Vice-chancellor that any student of the University has been guilty of misconduct, the Vice-chancellor may, without prejudice to any other disciplinary powers conferred on him by statute or regulations, direct:
 - (a) that the student shall not, during such period as may be specified in the directions, participate in such activities of the University, or make use of such facilities of the University, as may be so specified; or
 - (b) that the activities of the student shall, during such period as may be specified in the direction, be restricted in such manner as may be so specified, or
 - (c) that the student be rusticated for such period as may be specified in the direction; or
 - (d) that the student be expelled from the University.
- (2) Where a direction is given under subsection (1) (c) or (d) of this section in respect of any student, that student may, within the prescribed period and in the prescribed manner, appeal to the Council; and where such an appeal is brought, the Council shall, after causing such inquiry to be made in the matter as the Council considers just either confirm or set aside the direction or modify it in such manner as the Council deems fit.
- (3) The fact that an appeal from a direction is brought in pursuance of subsection (2) of this section shall not affect the operation of the direction while the appeal is pending.
- (4) The Vice-chancellor may delegate his powers under this section to a disciplinary board consisting of such members of the University as he may nominate.
- (5) Nothing in this section shall be construed as preventing the restriction or termination of a student's activities at the University otherwise than on the ground of misconduct.
- (6) A direction under subsection (1) (a) of this section may be combined with a direction under subsection (1) (b) of this section (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 18 stands part of the Bill — Agreed to.

PART V — MISCELLANEOUS AND GENERAL

Committee Recommendation:

Clause 19: Exclusion of discretion on account of race, religion, etc.

- (1) No person shall be required to satisfy requirements as to any of the following matters, that is to say, race (including ethnic grouping), sex, place of birth or of family origin, or religious or political persuasion, as a condition of becoming or continuing to be a student at the university, the ~~holder of any~~ degree of the University or of any appointment or employment at the University, or a member of any body established by virtue of this Bill; and no person shall be subject to any disadvantage or accorded any advantage relating to the University, by reference to any of those matters.
- (2) Nothing in subsection (1) of this section shall be construed as preventing the University from imposing any disability or restriction on any of the persons mentioned in that subsection where such person willfully refuses or fails on grounds of religious belief to undertake any duty generally and uniformly imposed on all such person or any group of them which duty, having regard to its nature and the special circumstances pertaining thereto, is in the opinion of the University reasonably justifiable in the national interest (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 19 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 20: Restriction on disposal of Land by University.

Without prejudice to the provisions of the Land Use Act, the University shall not dispose of or charge any land or an interest in any land (including any land transferred to the University by this Bill) except with the prior written consent, either general or special, of the President:

Provided that such consent shall not be required in the case of any lease or tenancy at a rack-rent for a term not exceeding 21 years or any lease or tenancy to a member of the University for residential purpose (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 20 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 21: Quorum and procedure of bodies established by this Bill.

Except as may be otherwise provided by statute or by regulations, the quorum and procedure of any body of persons established by this Bill shall be as determined by that body (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 21 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 22: Appointment of Committees, etc.

- (1) Any body of persons established by this Bill shall, without prejudice Appointment of to the generality of the powers of that body, have power to appoint which need not consist exclusively of members of that body and to authorize a committee established by it.
 - (a) to exercise, on its behalf, such of its functions as it may determine;

- (b) to co-opt members, and
- (2) Any two or more such bodies may arrange for the holding of joint meetings of those bodies, or for the appointment of committees consisting of members of those bodies, for the purpose of considering any matter within the competence of those bodies or any of them, and either of dealing with it or of reporting on it to those bodies or any of them.
- (3) Except as may be otherwise provided by statute or by regulations, the quorum and procedure of a committee established or meeting held in pursuance of this section, shall be such as may be determined by the body or bodies which have decided to establish the committee or hold the meeting.
- (4) Nothing in the provisions of subsection (1), (2) and (3) of this section shall be construed as —
 - (a) enabling the statutes to be made otherwise than in accordance with section 1 of this Bill; or
 - (b) enabling the Senate to empower any other body to make regulations of the award degrees or other qualifications.
- (5) The Pro-Chancellor and the Vice-chancellor shall be members of every committee of which the members are wholly or partly appointed by the Council (other than a committee appointed to inquire into the conduct of the officer in question); and the Vice-chancellor shall be a member of every committee of which the members are wholly or partly appointed by the Senate (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 22 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 23: Retiring age of staff of the University.

- (1) Notwithstanding anything to the contrary in the Pension Act, the compulsory retiring age of staff shall be as follows:
 - (a) Academic staff of the University in the non-Professional cadre shall be 65 years;
 - (b) Academic staff of the University in the Professional cadre shall be 70 years;
 - (c) Non-academic staff of the University shall be 65 years.
- (2) A law or rule requiring a person to retire from the public service after serving for 35 years shall not apply to academic staff of the University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 23 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 24: Special provisions relating to pension of Professors.

- (1) An academic staff who retires as a professor in a recognized University shall be entitled to a pension at a rate equivalent to his annual salary provided that the professor has served continuously in a recognized University up to the retirement age.

- (2) Notwithstanding subsection (1), where the professor has not served up to the retirement age, he shall be entitled to the rate of pension mentioned under subsection (1) provided that he has served a minimum of 20 years as professor in a recognized University.
- (3) Where an academic joins a Nigerian University as a professor, such a professor shall have served continuously for at least 20 years in a recognized University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 24 stands part of the Bill — Agreed to.

Committee Recommendation:

Clause 25: Miscellaneous administrative provisions.

- (1) The seal of the University shall be such as may be determined by the Council and approved by the Chancellor, and the affixing of the seal shall be authenticated by any member of the Council and by the Vice-Chancellor, secretary to the Council or any other person authorized by statute.
- (2) Any document purporting to be a document executed under the seal of the University shall be received in evidence and shall, unless the contrary is proved, be presumed to be so executed.
- (3) Any contract or instrument which if made or executed by a person not being a body corporate would not be required to be under seal, may be made or executed on behalf of the University by any person generally or specially authorized to do so by the Council.
- (4) The validity of any proceedings of anybody established in pursuance of this Bill shall not be affected by any vacancy in the membership of the body, or by any defect in the appointment of a member of the body or by reason that any person not entitled to do so took part in the proceedings.
- (5) Any member of any such body who has a personal interest in any matter proposed to be considered by that body shall forthwith disclose his interest to the body and shall vote on any question relating to that matter.
- (6) Nothing in section 12 of the Interpretation Act (which provides for the application in relation to subordinate legislation of certain incidental provisions) shall apply to statutes or regulations made in pursuance of this Bill.
- (7) The power conferred by this Bill on anybody to make statutes or regulations shall include power to revoke or vary any statute (including the statute contained in the Third Schedule of this Bill) or any regulation by a subsequent statute or as the case may be, by a subsequent regulation and statutes and regulations may make different provisions in relation to different circumstances.
- (8) No stamp or other duty shall be payable in respect of any transfer of property to the University by virtue of section 8 or section 18 of this Bill or the Second Schedule to this Bill.
- (9) Any notice or other instrument authorized to be served by virtue of this Bill may, without prejudice to any other mode of service, be served by post.

Pre-Action Notice.

- (10) (a) No legal proceedings shall be instituted and /or commenced against the University or any of its agents in the course of their official duties unless a 3 months Pre-Action Notice of such intention is served on the University by an aggrieved party.
- (b) The Notice shall state the reason and the cause of action intended to be taken against the University, the particulars of the claim, the name and place of abode of the intending plaintiff and the relief which he claims.
- (c) For the avoidance of doubt, it is hereby declared that no suit shall be commenced against an officer or servant of the University, in any case where the University is vicariously liable for any alleged act, neglect or default of the officer or servant in the performance or intended performances of his duties, unless three months at least have elapsed after written notice of intention to commence the same shall have been served on the University by the intending plaintiff or his agent.
- (d) In any suit against this University, no execution or attachment or process in the nature thereof shall be issued against the University, but any sums of money which may be judgment of the Court be awarded against the University shall, subject to any direction given by the Court where notice of appeal has been given by the University in respect of the said judgment, be paid by the University from its general fund.

Service of Notice.

- (11) Service upon the University of any notice, order or other document may be effected by delivering the same or by sending it by registered post addressed to the Registrar and Secretary of the Council (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 25 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 26: Interpretation.**

- (1) In this Bill, unless the context otherwise requires:

"Campus" means any campus which may be established by each University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the meaning of the word "Campus" be as defined in the interpretation to this Bill — Agreed to.

"College" means the Council established pursuant to section 2 (1) (g) of this Bill for the University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the meaning of the word "College" be as defined in the interpretation to this Bill — Agreed to.

"Graduate" means a person on whom a degree, other than an honorary degree has been conferred by the University (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the meaning of the word "Graduate" be as defined in the interpretation to this Bill — Agreed to.

"Minister" means the Minister charged with responsibility for matters relating to higher education (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Minister" be as defined in the interpretation to this Bill — Agreed to.

"Notice" means notice in writing (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Notice" be as defined in the interpretation to this Bill — Agreed to.

"Officer" does not include the Visitor (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Officer" be as defined in the interpretation to this Bill — Agreed to.

"Prescribed" means prescribed by statute or regulations (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Prescribed" be as defined in the interpretation to this Bill — Agreed to.

"Professor" means a person designated as a professor of the University in accordance with provisions made in that behalf by statute or by regulations (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Professor" be as defined in the interpretation to this Bill — Agreed to.

"Property" includes rights, liabilities and obligations (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Property" be as defined in the interpretation to this Bill — Agreed to.

"Provisional Council" means the provisional council appointed for the University (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the words "Provisional Council" be as defined in the interpretation to this Bill — Agreed to.

"Regulations" means regulations made by the Senate or the Council (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Regulations" be as defined in the interpretation to this Bill — Agreed to.

"Senate" means the Senate of the University established pursuant to section 2 (1) (c) of this Bill (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Senate" be as defined in the interpretation to this Bill — Agreed to.

"School" means a unit of closely related academic programmes (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

- *Question that the meaning of the word "School" be as defined in the interpretation to this Bill — Agreed to.*

"Statute" means a statute made by the University under section 11 of this Bill and in accordance with the provisions of section 12 of this Bill, and "the statutes" means all such statutes as are in force from time to time (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Statute" be as defined in the interpretation to this Bill — Agreed to.

"Teacher" means a person holding a full-time appointment as a member of the teaching or research staff of the University (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Teacher" be as defined in the interpretation to this Bill — Agreed to.

"Undergraduate" means a person in *statu pupil lariat* the University other than —

- (a) a graduate; and
- (b) a person of such description as may be prescribed for the purpose of the definition;

"University" means Nigeria Maritime University, Okerekenko established under section 1 of this Bill (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "University" be as defined in the interpretation to this Bill — Agreed to.

"Visitor" means the President of the Federal Republic of Nigeria (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that the meaning of the word "Visitor" be as defined in the interpretation to this Bill — Agreed to.

- (2) It is hereby declared that where in any provision of this Bill it is laid down that the proposals are to be submitted or a recommendation is to be made by one authority or another through one or more intermediate authorities; it shall be the duty of every such intermediate authority to forward any proposals or recommendations received by it in pursuance of that provision to the appropriate authority; but any such intermediate authority may, if it thinks fit, forward therewith its own comments thereon (Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency).

Question that Clause 26 stands part of the Bill — Agreed to.

Committee Recommendation:**Clause 27: Short Title.**

This Bill shall be cited as Nigeria Maritime University, Okorenkoko (Establishment) Bill, 2018 (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that Clause 27 stands part of the Bill — Agreed to.

SCHEDULES**FIRST SCHEDULE****PRINCIPAL OFFICERS OF THE UNIVERSITY***The Chancellor*

1. The Chancellor shall be appointed by and hold office at the pleasure of the President.

The Pro-Chancellor

2. (1) The Pro-Chancellor shall be appointed or removed from office by the President.
- (2) Subject to the provisions of this Bill, the Pro-Chancellor shall hold office for a period of four years beginning with the date of his appointment

The Vice-Chancellor

3. (1) The First Vice-Chancellor of the University who shall be appointed by the President while the subsequent Vice-Chancellors shall be appointed by the Governing Council in accordance with the provisions of the University Miscellaneous Act as amended 1993.
- (2) Where a vacancy occurs in the post of a Vice-chancellor, the Council shall -
 - (a) advertise the vacancy in a reputable journal or a widely read newspaper in Nigeria, specifying:
 - (i) the qualities of the persons who may apply for the post; and
 - (ii) the terms of conditions of service applicable to the post, and thereafter draw up a short list of suitable candidates for the post for consideration;
 - (b) constitute a Search Team consisting of:
 - (i) a member of the Council, who is not a member of the Senate, as chairman;
 - (ii) two members of the Senate who are not members of the Council, one of whom shall be a professor;
 - (iii) two members of Congregation who are not members of the Council one of whom shall be a professor, to identify and nominate for consideration, suitable persons who are not likely to apply for the post on their own volition because they felt that it is not proper to do so.
- (3) A Joint Council and Senate Selection Board consisting of:

- (a) the Pro-Chancellor, as chairman;
 - (b) two members of the Council, not being members of the Senate;
 - (c) two members of the Senate who are professors, but who were not members of the Search Team, shall consider the candidates and persons in the short list drawn up under subparagraph (2) of this paragraph through an examination of their curriculum vitae and Interaction with them, and recommend to the Council suitable candidates for further consideration.
- (4) The Joint Council and Senate selection Board shall select three candidates from among the candidates recommended to it under subparagraph (3) of this paragraph and may indicate its order of preference.
 - (5) The Council shall select and appoint as Vice-Chancellor one candidate from among the three candidates recommended thereafter inform the Visitor.
 - (6) The Vice-Chancellor shall hold office for a single term of five years only on such terms and conditions as may be specified in his letter of appointment.
 - (7) When the proposal for the removal of the Vice-Chancellor is made, the Council shall constitute a Joint Committee of Council and Senate consisting of:
 - (i) three members of the Council, one of whom shall be the Chairman of the Committee, and
 - (ii) two members of the Senate:

Provided that where the ground for removal is infirmity of the body or mind, the Council shall seek appropriate medical opinion.
 - (8) The Committee shall conduct investigation into the allegation made against the Vice-Chancellor and shall report its findings to the Council.
 - (9) The Council may where the allegations are proved remove the Vice-Chancellor or apply any other disciplinary action it may deem fit and notify the Visitor accordingly provided that a Vice-Chancellor who is removed shall have right of Appeal to the Visitor.
 - (10) There shall be no sole administrator in the University.
 - (11) In any case of a vacancy in the office of the Vice-Chancellor, the Council shall appoint an acting Vice-Chancellor on recommendation of the Senate.
 - (12) An acting Vice-Chancellor in all circumstances shall not be in office for more than 6 months.

Deputy Vice-Chancellors

- 4. (1) There shall be for the University such number of Deputy Vice-Chancellors as Council may from time to time, deem necessary for the proper administration of the University.
- (2) Where a vacancy occurs in the post of Deputy Vice-chancellor, the Vice-chancellor shall forward to the Senate a list of two candidates for each post of Deputy Vice-Chancellor that is vacant.

- (3) The Senate shall select for each vacant post one candidate from each list forward to it under subparagraph (2) of this paragraph and forward his name to the Council for confirmation.
- (4) A Deputy Vice-chancellor shall:
 - (a) assist the Vice-chancellor in the performance of his functions;
 - (b) act in the place of the Vice-Chancellor when the post of the Vice-Chancellor is vacant or if the Vice-Chancellor is, for any reason, absent or unable to perform his functions as Vice-Chancellor; and
 - (c) perform such other functions as the Vice-chancellor of the Council may, from time to time, assign to him.
- (5) A Deputy Vice-Chancellor:
 - (a) shall hold office for a period of two years beginning from the effective date his appointment and on such terms and conditions as may be specified in his letter of appointment; and
 - (b) may be reappointed for one further period of two years and no more.
 - (c) may be removed from office for good cause by the Council acting on the recommendations of the Vice-Chancellor and Senate.
 - (d) "Good cause" for the purpose of this section means gross misconduct or inability to discharge the functions of his office arising from infirmity of the body or mind.

Office of the Registrar

- 5. (1) There shall be for each University, a Registrar, who shall be the chief administrative officer of the University and shall be responsible to the Vice-chancellor for the day-to-day administrative work of the University except as regards matters for which the Bursar is responsible in accordance with paragraph 6 (2) of this Schedule.
- (2) The person holding the office of the Registrar shall by virtue of that office be (3) Secretary to the Council, the Senate, Congregation and Convocation.

Other Principal Officers of the University

- 6. (1) There shall be for each University the following principal officers, in addition to the Registrar, that is —
 - (a) the Bursar; and
 - (b) the University Librarian, who shall be appointed by the Council on the recommendation of the Selection Board constituted under paragraph 7 of this Schedule.
- (2) The Bursar shall be the Chief Financial Officer of the University and responsible to the Vice-chancellor for the day-to-day administration and control of the financial affairs of the University.

- (3) The University Librarian shall be responsible to the Vice-chancellor for the administration of the university library and the co-ordination of the library services in the University and its campuses, colleges, faculties, schools, departments, institutes and other teaching or research units.
- (4) Any question as to the scope of the responsibilities of the aforesaid officers shall be determined by the Vice-chancellor.

Selection Board for other Principal Officers

7. (1) There shall be, for the University, a Selection Board for the appointment of principal officers, other than the Vice-chancellor or Deputy Vice-chancellor, which shall consist of -
 - (a) the Pro-Chancellor, as chairman;
 - (b) the Vice-chancellor;
 - (c) four members of the Council not being members of the Senate; and
 - (d) two members of the Senate.
- (2) The functions, procedure and other matters relating to the Selection Board constituted under subparagraph (1) of this paragraph shall be as the Council may, from time to time, determine.
- (3) The Registrar, Bursar or Librarian shall hold office for a single term of five years only beginning from the effective date of his appointment and on such terms and conditions as may be specified in his letter of appointment.
- (4) Notwithstanding subsection (3) of this section, the Council may, upon satisfactory performance, extend the tenure of the Registrar, Bursar or Librarian for a further period of one year only and thereafter such principal officer shall relinquish his post and be assigned to other duties in the University.

Resignation and Reappointment

8. (1) Any officer mentioned in the foregoing provisions of this Schedule may resign his office —
 - (a) in the case of the Chancellor or Pro-Chancellor, by notice to the President;
 - (b) in any other case, by notice to the Council and the Council shall, in the case of the Vice-chancellor, immediately notify the Minister.
- (2) Without prejudice to paragraph 4 of this Schedule, a person who has ceased to hold an office so mentioned otherwise than by removal for misconduct shall be eligible for re-appointment to that office (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the provisions of the First Schedule stands part of the Bill — Agreed to.

TRANSITIONAL PROVISIONS AS TO PROPERTY, FUNCTIONS, ETC.

Transfer of Property to University

1. (1) Without prejudice to the generality of section 9 (1) of this Bill —
 - (a) the reference in that subsection to property held by the Provisional Council shall include a reference to the right to receive and give a good discharge for any grants or contributions which may have been voted or promised to the provisional council;
 - (b) all debts and liabilities of the provisional council outstanding shall become debts or liabilities of the University.
2. (1) All agreements, contracts, deeds and other instruments to which the provisional council was a party shall, so far as possible and subject to any necessary modifications, have effect as if the University had been a party thereto in place of the provisional council.
- (2) Documents not falling within subparagraph (1) of this paragraph, including enactment" which refer, whether specially or generally, to the provisional council, shall be construed in accordance with that sub-paragraph so far as applicable.
- (3) Any legal proceedings or application to any authority pending by or against the provisional council may be continued by or against the University.

Registration of transfers

3. (1) If the law in force at the place where any property transferred by this Bill is situated provides for the registration of transfers of property of the kind in question (whether by reference to an instrument of transfer or otherwise), the law shall, so far as it provides for alterations of a register (but not for avoidance of transfers, the payment of fees or any other matter) apply, with necessary modifications, to the property aforesaid.
- (2) It shall be the duty of the body to which any property is transferred by this Bill to furnish the necessary particulars of the transfer to the proper officer of the registration authority, and of that officer to register the transfer accordingly.

Transfer of Functions, etc.

4. (1) The first meeting of the Council shall be convened by the Pro-Chancellor on such date and in such manner as he may determine.
- (2) The persons who were members of the provisional council shall be deemed to constitute the Council until the date when the Council as set up under the Third Schedule to this Bill shall have been duly constituted.
- (3) The first meeting of the Senate as constituted by this Bill shall be convened by the Vice-chancellor on such date and in such manner as he may determine.
- (4) The person who were members of the Senate immediately before the coming into force of this Bill shall be deemed to constitute the Senate of the University until the date when the Senate as set up under the Third Schedule to this Bill shall have been duly constituted.

- (5) Subject to any regulations which may be made by the Senate after the date on which this Bill is made, the schools, school boards and students of the University immediately before the coming into force of this Bill shall on that day become schools, school boards and students of the University as constituted by this Bill.
- (6) Persons who were Deans or associate Deans of schools or members of school boards shall continue to be Deans or associate Deans or become members of the corresponding school boards, until new appointments are made in pursuance of the statutes.
- (7) Any person who was a member of the staff of the University as established or was otherwise employed by the provisional council shall become the holder of an appointment at the University with the status, designation and functions which correspond as nearly as may be to those which appertained to him as member of that staff or as such an employee (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the provisions of the Second Schedule stands part of the Bill — Agreed to.

THIRD SCHEDULE

NIGERIA MARITIME UNIVERSITY, OKERENKOKO

Statute No. 1

ARRANGEMENT OF ARTICLES

Articles:

1. The Council.
2. The Finance and General Purposes Committee;
3. The Senate
4. The Congregation.
5. Convocation.
6. Division of schools.
7. School boards.
8. Dean of the school.
9. Selection of certain principal officers.
10. Creation of academic posts.
11. Appointment of academic staff.
12. Appointment of administrative and professional staff.
13. Interpretation.
14. Short Title.

1. The Council.

- (1) The composition of the Council shall be as provided in section 5 of this Bill.
- (2) Any member of the Council holding office otherwise than in pursuance of section 5 (a), (b), (c), or (d) of this Bill may, by notice to the Council, resign his office.
- (3) A member of the Council holding office otherwise than in pursuance of section 5 (a), (b), (c), or (d) of this Bill shall, unless he previously vacates it, vacate that office on the expiration of the period of four years beginning with effect from 1 August in the year which he was appointed.

- (4) Where a member of the Council holding office otherwise than in pursuance of section 5 (a), (b), (g), or (h) of this Bill vacates office before the expiration of the period aforesaid, the body or person by whom he was appointed may appoint a successor to hold office for the residue of the term of his predecessor.
- (5) A person ceasing to hold office as a member of the Council otherwise than by removal for misconduct shall be eligible for re-appointment for only one further period of four years.
- (6) The quorum of the Council shall be five, at least one of whom shall be a member appointed pursuant to section 5 (d) or (e) of this Bill.
- (7) If the Pro-Chancellor is not present at a meeting of the Council, such other member of the Council present at the meeting as the Council may appoint as respects that meeting shall be the chairman at that meeting, and subject to section 4 of this Bill and the foregoing provisions of this paragraph, the Council may regulate its own procedure.
- (8) Where the Council desires to obtain advice with respect to any particular matter may co-opt not more than two persons for that purpose, and the persons co-opted may take part in the deliberations of the Council at any meeting but shall not be entitled to vote.

2. The Finance and General Purposes Committee.

- (1) The Finance and General Purposes Committee of the Council shall consist of:
 - (a) the Pro-Chancellor, who shall be the chairman of the Committee at any meeting at which he is present;
 - (b) the Vice-chancellor and Deputy Vice-Chancellors;
 - (c) six other members of the Council appointed by the Council, two of whom shall be selected from among the three members of the Council appointed by the Senate and one member appointed to the Council by Congregation;
 - (d) the Permanent Secretary of the Federal Ministry of Education, or in his absence, Such member of his Ministry as he may designate to represent him; and
- (2) The quorum Of the Committee shall be five.
- (3) Subject to any directions given by the Council, the Committee may regulate its own procedure.

Annual budget and estimates, etc.

- (4) (i) The estimates of income and expenditure for a financial year shall be presented by the Vice-Chancellor to the Council and may be approved by the Council before the beginning of that financial year.

Provided that the Vice-Chancellor may during any financial year present and the Council may supplementary estimates of income or expenditure.

- (ii) The annual and supplementary estimates shall be prepared in such form and shall contain such information as the Council may direct.

Gifts, donations, etc.

- (5) (i) The Council may on behalf of the University accept by way of grants, gifts, testamentary disposition or otherwise, property and money in aid of the finances of the University on such conditions as it may approve;

- (ii) Registers shall be kept of all donations to the University including the names of donors and any special conditions under which any donation may have been given:

Provided that the University shall not be obliged to accept a donation for a particular purpose unless it approves of the terms and conditions attached to such donation.

- (iii) All property, money or funds donated for any specific purposes shall be applied and administered in accordance with the purposes for which they are donated and shall be accounted for separately.

Payment into bank.

- (6) All sums of money received on account of the University shall be paid into such bank as may be approved by the Council for the credit of the University's general, current or deposit account:

Provided that the Council may invest, as it deems fit, any money not required for immediate use other than donations of money referred to in subsection (1) of this section.

Audit.

- (7) (i) The Council shall cause the accounts of the University to be audited by auditors appointed by the Council as soon as may be after the end of each financial year or for any such other period as the Council may require.

- (ii) The appointment and other matters relative to the auditors, their continuance in office and their functions, as the case may be, shall, subject to the provisions of this section, be prescribed by statute.

3. The Senate.

- (1) The Senate shall consist of:

- (i) the Vice-chancellor;

- (ii) Deputy Vice Chancellors;

- (iii) all Professors of the University;

- (iv) all Deans, Provosts, and Directors of Academic Units of the University;

- (v) all Heads of Academic Departments, Units and research institutes of the University;

- (vi) the Librarian;

- (vii) all Academic Members of the Congregation who are not Professors as specified in the law of the University;

- (viii) such teachers, not being more than one third of the, total number of non-elected members, elected by Congregation and at least one of whom shall come from each school; and

- (ix) two members representing a variety of interests of the professional bodies outside the University appointed by the Senate on the recommendation of the Vice-chancellor.
- (2) The Vice-chancellor shall be the chairman at all meetings of the Senate when he is present, and in his absence any of the Deputy Vice-Chancellors present at the meeting as the Senate may appoint for that meeting shall be the Chairman at the meeting.
- (3) The quorum of the Senate shall be one quarter or the nearest whole number less than one quarter; and subject to paragraph (2) of this article, the Senate may regulate its own procedure.
- (4) All elected member may, by notice to the Senate, resign his office.
- (5) Subject to paragraph (7) of this article, there shall be elections for the selection of elected members which shall be held in the prescribed manner on such day in the month of May or June in each year as the Vice-chancellor may from time to time determine.
- (6) An elected member shall hold office for the period of two years beginning with 1st August in the year of his election, and may be a candidate at any election held in pursuance of paragraph (5) of this article in the year in which his period of office expires so however that no person shall be such a candidate if at the end of his current period of office he will have held office as all elected member for a Continuous period of six years or would have so held office if he had not resigned it.
- (7) No election shall be held in pursuance of this article in any year if the number specified in the certificate given in pursuance of paragraph (10) of this article does not exceed by more than one the figure which is thrice the number of those elected members holding office on the date of the certificate who do not vacate office during that year in pursuance of paragraph (6) of this article.
- (8) For the avoidance of doubt it is hereby declared that no person shall be precluded from continuing in or taking office as all elected member by reason only of reduction in the number of non-elected members occurring on or after 30 April in any year in which he is to continue in or take office as all elected member.
- (9) If so requested in writing by any fifteen members of the Senate, the vice-chancellors or in his absence any of the Deputy Vice Chancellors duly appointed by him, shall convene a meeting of the Senate to be held not later than the tenth day following that on which the request was received.
- (10) In this article "total of non-elected members" means as respect any year, such number as may be certified by the Vice-chancellor on 30 April of that year to be the number of persons holding office as members of the Senate on that day otherwise than as elected members.

4. Congregation.

- (1) Congregation shall consist of:
 - (i) Vice-chancellor and the Deputy Vice Chancellors;
 - (ii) The full -time members of the academic staff;
 - (iii) The Registrar;

- (iv) The Bursar;
 - (v) The Librarian;
 - (vi) The Director of Works;
 - (vii) The Director of Health Services; and
 - (viii) Every member of the administrative staff who holds a degree, other than honorary degree, of any University recognized for the purposes of this statute by the Vice-Chancellor.
- (2) Subject to section 4 of this Bill, the Vice-chancellor shall be the chairman at all meetings of Congregation when he is present; and in his absence any of the Deputy Vice Chancellors present at the meeting as Congregation may appoint for that meeting, shall be the chairman at the meeting.
- (3) The quorum of Congregation shall be one third or the whole number nearest to one third of the total number of members of Congregation of fifty, whichever is less.
- (4) A certificate signed by the Vice-Chancellor specifying:
- (a) the total number of members of Congregation for the purpose of any particular meeting or meetings of Congregation; or
 - (b) the names of the persons who are members of Congregation during a particular period, shall be conclusive evidence of that number or, as the case may be, of the names of those persons.
- (5) Subject to the foregoing provisions of this article, Congregation may regulate its own procedure.
- (6) Congregation shall be entitled to express by resolutions or otherwise its opinion on all matters affecting the interest and welfare of the University and shall have such other functions, in addition to the function of electing a member of the Council, as may be provided by statute or regulations.

5. Convocation.

- (1) Convocation shall consist of:
- (i) the officers of the University mentioned in the First Schedule to this Bill;
 - (ii) all teachers within the meaning of this Bill;
 - (iii) all other persons whose names are registered in accordance with paragraph (2) of this article.
- (2) A person shall be entitled to have his name registered as a member of convocation if he:
- (a) is either a graduate of the University or a person satisfying such requirements as may be prescribed for the purposes of this paragraph; and
 - (b) applies for the registration of his name in the prescribed manner and pay the prescribed fees.

- (3) Regulations shall provide for the establishment and maintenance of a register for the purpose of this paragraph and subject to paragraph (4) of this article may provide for the payment, from time to time, of further fees by persons whose names are on the register and for the removal from the register of the name of any person who fails to pay those fees.
- (4) The person responsible for maintaining the register shall, without the payment of any fees ensure that the names of all persons who are for the time being members of the Convocation by virtue of paragraph (a) or (b) of this article are entered and retained on the register.
- (5) A person who reasonably claims that he is entitled to have his name on the register shall be entitled on demand to inspect the register or a copy of the register at the principal times of the University at all reasonable times.
- (6) The register shall, unless the contrary is proved, be sufficient evidence that any person named therein is not, a member of Convocation; but for the purpose of ascertaining whether a particular person was such a member on a particular date, any entries in and deletions from the register made on or after that date shall be disregarded.
- (7) The quorum of Convocation shall be fifty or one third or the whole number nearest to one third or the whole number of members of Convocation whichever is less.
- (8) Subject 10 section 4 of the Act, the Chancellor shall be chairman at all meetings of Convocation when he is present, and in his absence the Vice-chancellor shall be the chairman at the meeting.
- (9) Convocation shall have such functions, in addition to the function of appointing a member of the Council, as may be provided by statute or regulations.

6. Division of Faculties/Schools.

The faculties' shall be divided into such number of branches as may be prescribed.

7. Faculties/School Boards.

- (1) There shall be established in respect of each faculty/school, a board of studies which, subject to the provisions of this Statute, and subject to the directions of the Vice-Chancellor, shall:
 - (a) regulate the teaching and study of, and the conduct of examinations connected with the subjects assigned to the college;
 - (b) deal with any other matter assigned to it by statute or by the Vice-Chancellor or by the Senate; and
 - (c) advice the Vice-chancellor or the Senate on any matter referred to it by the Vice-Chancellor or the Senate.
- (2) Each faculty/school board of studies shall consist of:
 - (a) the Vice-chancellor;
 - (b) the Dean;
 - (c) the persons severally in charge of the branches of the school;

- (d) such other teachers assigned to the college and having the prescribed qualifications as the board may determine; and
 - (e) such persons, whether or not members of the University, as the Board may determine with the general or special approval of the Senate.
- (3) The quorum of the board shall be eight members or one quarter. Whichever is greater, of the members for the time being of the board; and subject to the provisions of this statute and to any provision made by regulations in that behalf, the board may regulate its own procedure.

8. Deans of the Faculties/Schools.

- (1) The Board of Provost shall, at a meeting in the last term of any academic year which the term of office of the Dean expires, nominate one of its members, being one of the professors assigned to that teaching unit, for appointment by the Senate as Dean of the school.
- (2) The person appointed under paragraph 1 of this article shall act as Dean of the faculty and chairman of all meetings of the University board when he is present and shall be a member of all committees and other boards appointed by the University.
- (3) The Dean shall hold office for two years and shall be eligible for reappointment One further period of two years, thereafter he shall not be eligible for reappointment.
- (4) The Dean of a faculty shall exercise general superintendence over the academic and administrative affairs of the University.
- (5) It shall be the function of the Dean to present to Convocation for the conferment of degrees persons who have qualified for the degrees of the University at examination held in the branches of learning for which responsibility is allocated to the University.
- (6) There shall be a committee to be known as the Committee of Deans consisting of all the Deans of the several faculties and that Committee shall advise the Vice-chancellor on all academic matters and on particular matters referred to the University by the Senate.
- (7) The Dean of faculty/school may be removed from office for good cause by the faculty/school board after a vote would have been taken at a meeting of the board, and in the event of a vacancy occurring following the removal of a Dean, an acting Dean may be appointed by the Vice-chancellor provided that at the next school board meeting an election shall be held.
- (8) In this article "good cause" has the same meaning as in section 14(3) of the Act.

9. Selection of Director of Works.

- (1) When a vacancy occurs in the office of the Director of Works, a selection board shall be constituted by the council which shall consist of:
 - (a) the Pro-Chancellor;
 - (b) the Vice-chancellor;
 - (c) two members appointed by the Council, not being members of the Senate;
 - (d) two members appointed by the Senate.

- (2) The selection board after making such inquiries as it thinks fit, shall recommend a candidate to the Council for appointment to the vacant office; and after, considering the recommendation of the board the Council may make an appointment to that office.

10. Creation of Academic Posts.

Recommendations for the creation of academic posts other than principal officers shall be made by the Senate to the council through the Finance and General purposes Committee.

11. Appointment of Academic Staff.

- (1) Subject to the Act and statutes, the filling of vacancies in academic posts (including newly created ones) shall be the responsibility of the Senate.
- (2) For the purpose of filling such vacancies, suitable selection boards to select and make appointments on behalf of the Council shall be set up.
- (3) For appointment to professorships, associate professorship or readerships or equivalent posts, a board of selection, with power to appoint, shall consist of:
 - (a) the Vice-chancellor;
 - (b) two members appointed by the Council;
 - (c) four members appointed by the Senate, at least two of whom shall be members of the Senate, while the other two members shall be professional peers in the professional area in which an appointment is to be considered;
 - (d) if the post is tenable at a faculty/school, the Dean of the faculty/school;
 - (e) if the post is within a school, institute or other teaching unit in the University, the Dean of the school or the teaching unit, or the director of the institute, as the case may be; and
 - (f) such other persons, not exceeding two in number, deemed capable of helping the board in assessing both the professional and academic suitability of a candidate under consideration, as the Senate may from time to time appoint.
- (4) For other academic posts, a selection board, with power to appoint, shall consist of:
 - (a) the Vice-chancellor;
 - (b) four members appointed by the Senate, at least two of whom shall be members of the Senate, while the other two members shall be professional peers in the professional area in which an appointment is to be considered;
 - (c) if the post is tenable at a faculty/school, the Dean of faculty/school;
 - (d) if the post is within a school, institute or other teaching unit in the University, the Dean of the school or the teaching unit or the director of the institute, as the case may be; and
 - (e) such other persons, not exceeding two in number, deemed capable of helping the board in assessing both the professional and academic suitability of a candidate under consideration, as the Senate may from time to time appoint.

- (5) All appointments to senior library posts shall be made in the same way as equivalent appointments in the academic cadre; and for all such posts other than that of the Librarian, the Librarian shall be a Member of the selection Board.
- (6) Boards of selection may interview candidates directly or consider the reports of specialist interviewing panels and shall in addition, in the case of professorships, associate professorship, readerships or equivalent posts, consider the reports of external assessors relevant to the area in which the appointment is being considered.
- 12. Appointment of Administrative and Professional Staff.**
- (1) The administrative and professional staff of the University other than principal officers shall be appointed by the Council on its behalf by the vice-chancellors or the Registrar in accordance with delegation of any powers made by the Council in that behalf.
- (2) In the case of administrative or professional staff who have close and important connection with the academic staff, there shall be Senate participation in the process of selection.
- 13. Interpretation.**
In this Statute, the expression "the Act" means the Nigeria Maritime University, Okerenkoko Bill and any word or expression defined in the Bill has the same meaning in this Statute.
- 14. Short Title.**
This Statute may be cited as Nigeria Maritime University, Okerenkoko Statute No. 1 (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Question that the provisions of the Third Schedule stands part of the Bill — Agreed to.

Explanatory Memorandum:

This Bill seeks to establish the Nigeria Maritime University, Okerenkoko, Delta State (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Agreed to.

Long Title:

A Bill for an Act to Establish the Nigeria Maritime University, Okerenkoko, Delta State and for Related Matters (HB. 1032) (*Hon. Mohammed Umaru Bago — Chanchaga Federal Constituency*).

Agreed to.

Chairman to report Bill.

(HOUSE IN PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in Committee of the Whole considered the Report of the Committee on Maritime Safety, Education and Administration on a Bill for an Act to Establish the Nigeria Maritime University, Okerenkoko, Delta State and for Related Matters (HB. 1032) and approved Clauses 1 - 27, the Schedules, the Explanatory Memorandum, and the Long Title of the Bill.

Question that the House do adopt the Report of the Committee of the Whole — Agreed to.

- (iii) **Committees on Petroleum Resources (Upstream), and Public Procurement:**
Motion made and Question proposed, "That the House do consider the Report of the Committees on Petroleum Resources (Upstream), and Public Procurement on the Investigation into the \$260 Million Contract Awarded by the National Petroleum Investment Management Services (NAPIMS) and approve the recommendations therein" (Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency).

Agreed to.

Question that the House do resolve into the Committee of the Whole to consider the Report — Agreed to.

(HOUSE IN COMMITTEE)

(Mr Deputy Speaker in the Chair)

Recommendation (i):

"Urge the Nigerian National Petroleum Corporation (NNPC) to strengthen the National Petroleum Investment Management Services (NAPIMS) to ensure strict monitoring of the activities of Joint Venture Partners in order to protect the nation's interests" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Recommendation (ii):

"Also urge the NNPC and its Joint Venture Partners to always adhere to due process in their transactions to eliminate prolonged disputes that may negatively impact on investments" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Recommendation (iii):

"Given that since the contract for the provision of the DP2-DP3 Construction Platform Support Vessel single sourced to GMT Energy Limited is already ongoing, the Contractor should be given enough termination notice by demobilizing it at a date not later than the first year anniversary of the commencement date of the contract" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Recommendation (iv):

"That given both the Nigerian content human capital development and financial investments already made by Tilone Subsea Limited, the Committee recommends that the NNPC Board do approve the NAPIMS memorandum of 30 December, 2013, which cleared NAPIMS Contract Review Committee on 10 July, 2014 referenced A10-190614 for the provision of OIMR Vessel and WROV Services for Usan operations in OML 138" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Recommendation (v):

"That EEPNL should mobilise Tilone Subsea Limited to provide OIMR Vessel and WROV Services to meet its requirement after the demobilization of GMT Energy Limited" (*Hon. Victor Nwokolo — Ika Northeast/Ika South Federal Constituency*).

Agreed to.

Chairman to report proceedings.

(HOUSE IN PLENARY)

Mr Deputy Speaker in the Chair, reported that the House in Committee of the Whole considered the Report of the Committees on Petroleum Resources (Upstream), and Public Procurement on the Investigation into the S260 Million Contract Awarded by the National Petroleum Investment Management Services (NAPIMS) and approved Recommendations (i) - (v) of the Report.

Question that the House do adopt the Report of the Committee of the Whole — Agreed to.

(vi) Committee on Interior:

That the House do consider the Report of the Committee on Interior on the investigation into the Outsourcing of Issuance of Travel Documents, International Passports, Residence Permits and Border Surveillance and Patrol by the Ministry of Interior and the Nigeria Immigration Service and approve the recommendations therein.

Order read; deferred by leave of the House.

15. Adjournment

That the House do adjourn till Thursday, 18 January, 2018 at 11.00 a.m. (Hon. Mohammed Tahir Monguno — Munguno/Marte/Nganzai Federal Constituency).

The House adjourned accordingly at 3.11 p.m.

Yakubu Dogara
Speaker