

NIGERIAN MARITIME TRUST FUND (ESTABLISHMENT) BILL, 2021

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- 1 (2) The Trust Fund:
2 (a) is a body corporate with perpetual succession and a common seal;
3 and
4 (b) may sue and be sued in its corporate name.

Sources of the
Trust Fund

- 5 4.-(1) The Trust Fund shall consist of:
6 (a) an amount constituting 0.5% of the total revenue accruing to the
7 Federation Account;
8 (b) a levy of 0.005% of the net profit of companies operating business
9 in Nigeria;
10 (c) any take-off grant and special intervention fund as may be
11 provided by the Federal, State and Local Government of the Federation;
12 (d) such money as may be appropriated to meet the objective of this
13 Act by the National Assembly in the budget;
14 (e) aids, grants and assistance from international bilateral and
15 multilateral agencies, non-governmental organisations and the private sector;
16 (f) grants, donations, endowments, bequests and gifts, whether of
17 money, land or any other property from any source;
18 (g) money derived from investment made by the Trust Fund.

19 (2) Subsection (1) (e) and (f) shall be acceptable to the Trust Fund
20 except where the terms and conditions attached to an aid, grant, donation or gift
21 are inconsistent with the objective of the Trust Fund and the provisions of this
22 Act.

Purpose of the
Trust Fund

- 23 5. The Trust Fund shall be utilised:
24 (a) for meeting the training and re-training needs of the personnel of
25 the Nigerian Navy and its auxiliary staff within and outside Nigeria;
26 (b) for the enhancement of the skills of the personnel of the Nigerian
27 Navy and its auxiliary staff for improved proficiency in the use of operational
28 equipment and machineries;
29 (c) for the overall improvement, performance and efficiency in the
30 discharge of the duties and responsibilities of the Nigerian Navy;

1 (d) for the purchase of equipment, machineries, including
2 operational vehicles for the Nigerian Navy;

3 (e) for the construction of Navy Commands, provision of living
4 facilities, such as quarters or barracks for the Nigerian Navy;

5 (f) to finance the procurement of books, instructional materials,
6 training equipment for use at Navy Colleges and such other similar training
7 institutions;

8 (g) to meet the cost of participation by the personnel of the
9 Nigerian Navy at seminars and conferences relevant to sea or intelligence
10 gathering; and

11 (h) for such other purposes incidental to, or connected with, the
12 attainment of objective of this Act.

13 6.-(1) The Trust Fund shall:

14 (a) receive all money accruing to it under this Act;

15 (b) utilise all money accruing to the Trust Fund under this Act to
16 meet the stated objective of this Act; and

17 (c) carry out such other activities considered necessary for the
18 attainment of the objective of this Act.

19 (2) A member of the Board of Trustee, other than an ex-officio
20 member, shall hold office for a term of three years in the first instance and
21 may be reappointed for a another term of three years and no more.

22 (3) Members of the Board of Trustee shall be paid such allowances
23 as may be determined by the Board of Trustee in consultation with the
24 National Revenue, Mobilisation, Allocation and Fiscal Commission.

25 7.-(1) There is established the Nigerian Maritime Trust Fund Board
26 of Trustee (in this Act referred to as "the Board of Trustee").

27 (2) The Board of Trustee shall consist of:

28 (a) a Retired Chief of Naval Staff;

29 (b) Chief of Naval Staff or his representatives, as an Ex-officio
30 member;

Functions of
the Trust Fund

Establishment
and composition
of Nigerian Maritime
Trust Fund Board
of Trustee

- 1 (c) a representative of the Federal Ministry responsible for:
2 (i) Defence,
3 (ii) justice, and
4 (iii) finance;
5 (d) a representative of:
6 (i) the civil society group,
7 (ii) the organised private sector and;
8 (e) Secretary to the Board of Trustee.

9 (3) A member of the Board of Trustee, other than an ex-officio
10 member:

- 11 (a) shall be appointed by the President;
12 (b) shall hold office for three years in the first instance; and
13 (c) may be reappointed for a another three years and no more.

14 (4) A member, other than ex-officio member, may resign his
15 appointment by a notice in writing under his hand addressed to the President.

Resignation by
a member

16 8. A member, other than ex-officio member, may resign his
17 appointment by a notice in writing under his hand addressed to the President.

Cessation of
office

18 9.-(1) A member of the Board of Trustee ceases to hold office if he:

- 19 (a) becomes of unsound mind;
20 (b) becomes bankrupt or makes compromises with his creditors;
21 (c) is convicted of a felony or any offence involving fraud dishonesty;
22 (d) is guilty of corrupt practices or misconduct in relation to his duties.

23 (2) A member of the Board of Trustees may be removed from office by
24 the President if he is satisfied that it is not in the interest of the Trust Fund or
25 Public that the member should continue in that office.

26 (3) A member of the Board of Trustees, other than an ex-officio
27 members, may resign his appointment by a notice in writing under his hand
28 addressed to the President.

29 (4) Where a vacancy occurs in the membership of the Board of
30 Trustees, it shall be filled by the appointment of a successor to hold office for

1 the remainder of the term of office of his predecessor and the successor shall:

2 (a) represent the same interest; and

3 (b) be appointed by the President.

4 (5) The provisions of the Schedule to this Act shall have effect with
5 respect to the meetings and proceedings of the Board of Trustee and other
6 related matters.

Schedule

7 10. Notwithstanding the provisions of sections 7 and 8 of this Act,
8 the President may remove a member from the Board of Trustee if any
9 circumstance which borders on corruption and other activities that negates
10 the interest and security of the nation would require the removal of the
11 member from the Board of Trustee.

Removal from
office of a member

12 11. The Board of Trustee is responsible for:

Functions of the
Board of Trustee

13 (a) setting out the policies and programmes for the training and
14 training of personnel of the Nigerian Navy and its auxiliary staff in Nigeria
15 and abroad in accordance with objective of this Act;

16 (b) approving the disbursement of money from the Trust Fund to
17 finance projects or activities of the Nigerian Navy and Navy Institutions
18 beneficiaries of the proceeds of Trust Fund;

19 (c) scrutinising and approving projects which qualify for financing
20 under the Act;

21 (d) exercising control over the management of the Trust Fund with
22 a view to ensuring accountability and proper utilisation of money in the
23 Trust Fund for the purposes set out in this Act;

24 (e) carrying out such other activities as are considered necessary
25 for the attainment of the objective of this Act;

26 (f) updating the Federal Government on its activities and progress
27 through annual and audited reports;

28 (g) reviewing progress and suggesting improvement within the
29 provisions of this Act;

30 (h) making and issuing guidelines, to all beneficiaries on

1 disbursement from the Trust Fund on the use of money received from the Trust
2 Fund; and

3 (i) generally regulating the administration, application and
4 disbursement of money from the Trust Fund under this Act.

Powers of the
Board of Trustee

5 12.-(1) The Board of Trustee has powers to:

6 (a) award contracts of any kind or description for any amount,
7 whether in local or foreign currency in conformity with the due process
8 requirements as provided under any law, rule, guideline or regulation; and

9 (b) invest money accruing to the Trust Fund and approve the
10 utilisation of the returns on investment in the same way as money accruing to
11 the Trust Fund.

12 (2) In the discharge of its duty under this Act, the Board of Trustee
13 shall:

14 (a) through the Ministry, identify the funding needs of the various
15 Navy Institutions for the enhancement of the performance of the Nigerian
16 Navy;

17 (b) enter into contractual arrangements for the purpose of executing
18 approved projects on behalf of the Trust Fund;

19 (c) oversee the implementation of projects financed through money
20 accruing to the Trust Fund; and

21 (d) enter into public-private partnership and private finance initiative
22 arrangements and agreements necessary for the projects execution.

Establishment
of Maritime Trust
Fund Project
Implementation
Committee

23 13.-(1) For the purpose of implementing any project approved by the
24 Board of Trustee under this Act, there is established the Maritime Trust Fund
25 Project Implementation Committee (in this Act referred to as "the
26 Implementation Committee").

27 (2) The Implementation Committee shall consist of:

28 (a) the Minister as Chairman; and

29 (b) such other members, not exceeding six in number with proven
30 integrity, appointed by the Board of Trustee.

1 (3) The Implementation Committee is responsible to the Board of
2 Trustee in the execution of the duties and responsibilities assigned to it by
3 the Board of Trustee.

4 PART III - EXECUTIVE SECRETARY AND STAFF OF THE TRUST FUND

5 14.-(1) The President shall, on the recommendation of the
6 Minister, appoint the Executive Secretary for the Trust Fund.

Appointment of
the Executive
Secretary and other
staff of the Trust
Fund

7 (2) The Executive Secretary shall:

8 (a) be a person of unquestionable character and integrity; and

9 (b) have qualifications and experience as are appropriate for a
10 person required to perform the functions of that office under this Act; and

11 (3) The Executive Secretary shall hold office:

12 (a) for a time of three years in the first instance and may be eligible
13 for re-appointment for another term of three years and no more; and

14 (b) on such other terms and conditions as may be specified in his
15 letter of appointment.

16 15. The Executive Secretary:

Functions of the
Executive Secretary

17 (a) to be the Chief Executive and Accounting Officer of the Trust
18 Fund;

19 (b) to be responsible for the administration of the Trust Fund;

20 (c) to be the Secretary to the Board of Trustee;

21 (d) shall keep proper records of the proceedings of the Board of
22 Trustee;

23 (e) shall work closely with the Implementation Committee in
24 discharging out such duties and responsibilities as may be assigned to him
25 by the Board of Trustee;

26 (f) is in charge of the general direction and control of all other
27 employees of the Trust Fund; and

28 (g) discharge such other duties as may be directed by the Board of
29 Trustee.

Removal of the
Executive
Secretary

1 16.--(1) The Executive Secretary may be removed from office by the
2 President where any circumstances arise which in the opinion of the President
3 makes the Executive Secretary no longer capable of discharging the duties and
4 responsibilities of his office.

5 (2) A person appointed as the Executive Secretary to replace the
6 former Executive Secretary shall serve the unexpired the term of his
7 predecessor in office or the remainder of the term of the Trust Fund, whichever
8 is shorter.

Staff of the Board
of Trustee

9 17.--(1) The Board of Trustee may appoint such other staff as may, in
10 the opinion of the Board of Trustee, be necessary to assist the Trust Fund in
11 performing its functions under this Act.

12 (2) The terms and conditions of service (including terms and
13 conditions as to the remuneration, payment of allowances and other benefits)
14 of person employed by the Board for the Trust Fund shall be in line with the
15 general conditions of service as obtainable in the Public Service of the
16 Federation.

17 (3) The Board of Trustee may appoint, either on transfer or
18 secondment from any Public Service of the Federation, such number of
19 employees required for the effective discharge of the duties of Trust Fund
20 under this Act.

Severance
allowance

21 18. Service in the Trust Fund shall be for the duration of the Trust
22 Fund and employees of the Trust Fund, in respect of their services, are entitled
23 to other retirement benefits and severance allowances as may be approved by
24 the Board of Trustee.

25 PART IV - FINANCIAL PROVISIONS

Fund of the
Trust Fund

26 19.--(1) There is established under this Act a general fund (in this Act
27 referred to as "the Fund") for the administration of the Trust Fund.

28 (2) The Fund shall consist of:

29 (a) annual budgetary allocation appropriated by National Assembly
30 for the management of the Trust Fund;

1 (b) take-off grants and such other money as may be made available
2 to the Trust Fund to meet the cost of administration; and

3 (c) all other money which may be made available for the running of
4 the Trust Fund.

5 20.-(1) There shall be maintained for the Trust Fund, an account
6 into which shall be paid all money accruing to the Trust Fund under section 4
7 of this Act.

Accounts of the
Trust Fund

8 (2) The Board of Trustee shall also open and maintain an account
9 into which shall be paid money received for management of the Trust Fund
10 under section 19(2) of this Act.

11 (3) The accounts referred to in subsections (1) and (2) shall be
12 managed in accordance with the extant financial regulations.

13 (4) The Board of Trustee shall apply the proceeds of:

14 (a) the Trust Fund for the purposes set out in section 5 of the Act;
15 and

16 (b) the money referred to in subsection (2) to meet the cost of
17 administration, including payment of salaries, fees, other remunerations and
18 allowances payable:

19 (i) to members of the Board of Trustee and employees of the Trust
20 Fund, and

21 (ii) for payment of experts, professionals and consultants engaged
22 by the Board of Trustee for Trust Fund.

23 21. The Board of Trustee shall, not later than 30th June of every
24 year, submit to the Minister an estimate of its income and expenditure during
25 the succeeding year.

Estimates of
expenditure

26 22. The Board of Trustee shall cause to be kept for the Trust Fund
27 proper accounts and records and when certified by the Board of Trustee,
28 these accounts shall be audited by auditors appointed from the list and in
29 accordance with the guidelines supplied by the Auditor-General for the
30 Federation.

Account and
audit

Exemption from
tax

1 23.-(1) The Trust Fund is exempted from the payment of income tax
2 on any income accruing from investments made by the Trust Fund or
3 otherwise.

4 (2) The provisions of any enactment relating to the taxation of
5 companies or trust funds do not apply to the Trust Fund.

6 PART V - SUBMISSION OF REPORTS AND SUPPLEMENTARY PROVISIONS

Quarterly report

7 24. The Board of Trustee shall, at the end of every three months,
8 submit to the President a report on its activities and the administration of the
9 Trust Fund.

Annual report

10 25. The Board of Trustee shall, not later than three months before end
11 of each year, submit to the President a report on the activities and the
12 administration of the Trust Fund during the preceding year and shall include in
13 such reports the auditor's report.

Power of the
President to
issue directives

14 26. The President may give to the Board of Trustee directives of a
15 general nature with regard to the performance by the Board of Trustee of its
16 functions under this Act for compliance by the Board of Trustee.

Regulations

17 27. The Board of Trustee may, with the prior approval of the
18 President, make such regulations deemed necessary or expedient for giving
19 full effect to the provisions of this Act.

Transitional
provisions

20 28. Except as provided for under section 2 of this Act, at the
21 expiration of the six year duration of the Trust Fund referred to in that section,
22 the Trust Fund shall have six months to wind up its activities, including the
23 settlement of all liabilities and thereafter handover all outstanding assets of the
24 Trust Fund to the Nigerian Navy.

Interpretation

25 29. In this Bill:

26 "Board" means the Maritime Trust Fund Management Board of Trustee,
27 established under section 7 of this Act;

28 "due process" means compliances with extant financial rules and regulations
29 on public procurement of goods, works and services.

30 "Executive Secretary" means the Executive Secretary of the Trust Fund

1 appointed under section 14 (1) of this Act;
2 "Minister" means the Minister charged with responsibility for Defence, and
3 Ministry shall be constructed accordingly;
4 "personnel" means officers and men of the Nigerian Navy, its auxiliary staff
5 and all of its staff, employees or officers within and outside Nigeria;
6 "Navy Institutions" includes the Naval Headquarters, Naval Commands,
7 and Naval training institutions;
8 "President" mean "President of the Federal Republic of Nigeria; and
9 "Trust Fund" means the Nigerian Maritime Trust Fund established under
10 section 3 (1) of this Act;

11 30. This Bill may be cited as the Nigerian Maritime Trust Fund Citation
12 (Establishment) Bill, 2021.

13 SCHEDULE

14 Section 9 (5)

15 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD PROCEEDINGS

16 1. Subject to the provisions of this Act and section 27 of the
17 Interpretation Act, the Board of Trustee may make standing orders
18 regulating its proceedings or those of its committee.

19 2. The quorum of the Board of Trustee shall be the Chairman and
20 10 other members, three of whom shall be from the private sector, and the
21 Board of Trustee shall determine the quorum of any committee.

22 3: The Board of Trustee shall meet at least four times in each year,
23 and the Board of Trustee shall meet whenever it is summoned by the
24 Chairman, or if the Chairman is required to do so by notice given to him by at
25 least 10 members of the Board of Trustee, he shall summon a meeting of the
26 Board of Trustee to be held within 14 days from the date on which the notice
27 was given.

28 4. At any meeting of the Board of Trustee, the Chairman shall
29 preside but, in his absence, the members present at the meeting shall appoint
30 one of them to preside at the meeting.

1 contrary is proved, presumed to be so executed.

2 13. The validity of any proceeding of the Board of Trustee or
3 committee is not adversely affected by:

4 (a) any vacancy in the membership of the Board of Trustee or
5 committee;

6 (b) any defect in the appointment of a member of the Board of
7 Trustee or of a committee; or

8 (c) reason that a person not entitled to do so took part in the
9 proceedings of the Board of Trustee or committee

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Maritime Trust Fund to among other things, provide funds for the training and retraining of the personnel of the Nigerian Navy, provide state of the art security equipment and machineries to improve the general welfare of the personnel of the Nigerian Navy and enhance their preparedness to effectively discharge their constitutional duties.

