



Federal Republic of Nigeria
Official Gazette

No. 83

Lagos – 30th May, 2014

Vol. 101

Government Notice No. 97



**NATIONAL AUTOMOTIVE DESIGN
AND DEVELOPMENT COUNCIL**

www.nac.org.ng

Extraordinary



Federal Republic of Nigeria

Official Gazette

No. 83

Lagos – 30th May, 2014

Vol. 101

Government Notice No. 97

The following is published as supplement to this Gazette:

| <i>Act No.</i> | <i>Short Title</i> | <i>Page</i> |
|----------------|--|-------------|
| 6 | National Automotive Design and Development Council Act, 2014 | A 019-121 |

Printed and Published by The Federal Government Printer, Lagos, Nigeria
FGP 128/22015/400

Annual Subscription from 1st January, 2015 is Local: N25,000.00 Overseas: N37,500.00 [Surface Mail] N49,500.00 [Second Class Air Mail]. Present issue N1,000 per copy. Subscribers who wish to obtain Gazette after 1st January should apply to the Federal Government Printer, Lagos for amended Subscriptions.



**NATIONAL AUTOMOTIVE DESIGN AND DEVELOPMENT
COUNCIL ACT, 2014**



ARRANGEMENT OF SECTIONS

Sections:

**PART 1 - ESTABLISHMENT OF THE NATIONAL AUTOMOTIVE DESIGN
AND DEVELOPMENT COUNCIL**

1. Establishment of the National Automotive Design and Development Council.
2. Appointment of members of the Council.
3. Functions of the Council.
4. Power of the Minister to give directive.

PART II - STAFF OF THE COUNCIL

5. Appointment of the Director-General of the Council.
6. Other Staff of the Council.
7. Service in the Council to be pensionable.
8. Conditions of service.
9. Removal and discipline of staff of the Council.

PART III - FINANCIAL PROVISIONS

10. Fund of the Council.
11. Power to borrow and invest.
12. Annual estimates, accounts and audit.
13. Annual reports and accounts.

PART IV - MISCELLANEOUS

14. Repeal of Cap. C5 and Cap. N8, LFN 2004.
15. Power to make regulations.
16. Interpretation.
17. Citation.

**NATIONAL AUTOMOTIVE DESIGN AND DEVELOPMENT
COUNCIL ACT, 2014
A BILL FOR**

AN ACT TO REPEAL THE CENTRE FOR AUTOMOTIVE DESIGN AND DEVELOPMENT ACT CAP. C5 AND NATIONAL AUTOMOTIVE COUNCIL ACT CAP. N8. LAWS OF THE FEDERATION OF NIGERIA, 2004 AND ESTABLISH THE NATIONAL AUTOMOTIVE DESIGN AND DEVELOPMENT COUNCIL; AND FOR RELATED MATTERS.

[28th May, 2014] Commencement.

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

**PART 1 - ESTABLISHMENT OF THE NATIONAL AUTOMOTIVE DESIGN
AND DEVELOPMENT COUNCIL**

1. - (1) There is established the National Automotive Design and Development Council (in this Act referred to as “the council”).

Establishment of National Automotive Design and Development Council.

2. The Council.

- (a) shall be a body corporate with perpetual succession; and
- (b) may sue and be sued in its corporate name.

2. - (1) The Council shall consist of a chairman to be appointed by the President, and the following other members who shall be appointed by the Minister on the recommendation of the bodies they represent:

Appointment of members of the Council.

(a) a representative of:

- (I) the Nigerian Society of Engineers,
- (ii) Federal Ministry of Industry, Trade and Investment,
- (iii) the Manufacturers Association of Nigeria,
- (iv) the Standards Organization of Nigeria,
- (v) the Nigerian Automotive Manufacturers Association,
- (vi) the Raw Materials Research and Development Council,
- (vii) the Automotive Local Contents Manufacturers Association of Nigeria,
- (viii) new vehicles’ importers who have the ability to attract establishment of a motor plant in Nigeria,
- (ix) the Motorcycles Manufacturers Association of Nigeria, and
- (x) the Bicycle Manufacturers Association of Nigeria:

(b) an individual to be appointed on his merit: and

(c) the Director-General of the Council.



A 112 Act No. 6 of 2014

National Automotive Design And Development Council

schedule

(2) The supplementary provisions contained in the Schedule to this Act shall have effect with respect to the tenure of office of members, proceedings of the Council and the other matters therein contained.

Functions of
the Council.

The Council shall:

(a) regularly study and review the automotive parts and component development industry in Nigeria;

(b) evolve a local content programme specifying which components and parts are to be continually deleted from the imported Completely Knocked Down (CKD) parts;

(c) recommend incentives and protective measures for the development of the Nigerian Automotive Industry;

(d) appraise and recommend new models of vehicles envisaged for the Nigerian market to ensure model rationalisation;

(e) identify and classify the components and parts which can be standardized to ensure their interchangeability;

(f) regularly evaluate the pricing structures and quality of the products of the assembly plants as well as imported vehicles and parts to ensure international competitiveness;

(g) forecast the demand and supply patterns for various types of automotive vehicles produced in Nigeria and the basic raw materials and equipment;

(h) encourage the development and production of raw materials such as metal sheets, alloys and special steel needed by the automotive industry;

(i) regularly review the penalties to be imposed for non-compliance with the guidelines and programmes specified by the Council;

(j) carry out inspection and other quality assurance activities in factories, ports and roads in pursuance of the functions specified in this section;

(k) research, design, develop and test low cost vehicle prototypes;

(l) establish referral auto-test centres to provide technical support services to automotive sub-sector;

(m) liaise with the Association of Local Content Manufacturers of Nigeria, Manufacturers Association of Nigeria and other stakeholders to ensure that the existing installed capabilities are fully

utilized;

- (n) draft and recommend standard for the automotive industry;
- (o) develop programmes for the acquisition of technology for vehicles and component design, manufacture and assembly;
- (p) implement the National Automotive Policy;
- (q) develop and regularly review criteria for determining an automotive manufacturing plant; and
- (r) mandate vehicle manufacturing companies that import more than 10,000 vehicles of any brand per annum in Nigeria to establish assembly plant in Nigeria;
- (s) monitor and ensure compliance with paragraph (r) of this section by setting a procedure for enforcement under this Act; and
- (t) perform such other functions as may be assigned to it by the Minister from time to time.

(4) Subject to this Act, the Minister may give directives of a general character or relating generally to particular matters (but not to any individual person or matter) with regard to the carrying out of the functions of the Council under this Act.

Power of the Minister to give directive

PART II - STAFF OF THE COUNCIL

5. - (1) There shall be appointed for the Council a Director-General, who shall be;

Appointment of Director-General of the Council

- (a) the Chief Executive Officer of the Council; and
 - (b) responsible for the day-to-day running and management of affairs of the Council.
- (2) The Director-General shall be appointed by the President.
- (3) The Director-General shall be a person who possesses appropriate professional qualifications.
- (4) The Director-General shall hold office in the first instance for a period of 4 years and may be reappointed for another term of 4 years only.
- (5) Subject to the provisions of this section, the Director-General shall hold office on such terms and conditions as may be specified in the letter of appointment.

6. - (1) The Council may appoint such other persons as employees of the Council as it may consider necessary.

Other staff of the Council.

(2) Where the Council thinks it expedient that a staff vacancy in the Council should be filled by a person holding an office in any of the Public Services in

the Federation, the Council may appoint that person by way of transfer or secondment from the service concerned.

(3) Where a person is seconded under subsection (2) of this section, he shall be notified of the terms and conditions of the secondment and the secondment shall be without prejudice to any pension right which, but for the secondment, would still accrue to him.

(4) A person seconded under subsection (2) of this section may elect to be transferred to the Council in which case any previous service in any of the public services shall count as service for the purposes of any pension subsequently payable to the person by the Council.

(5) Where a person is transferred from public service to the Council:

Act No. 2
2004 (a) that person's former service in the relevant public service shall be taken into account in applying the provisions of the Pensions Reform Act; and

Act No. 2
2004 (b) the Pensions Reform Act shall have effect as if that person's service with the Council were service in the relevant public service.

Service in
the Council
to be
pensionable **7. - (1) Service in the Council shall be approved service for the purpose of this Act and officers and other employees in the Council shall be entitled to such pensions and other retirement benefits as prescribed by the Pensions Reform Act.**

Act No. 2
2004 (2) Nothing in this Act shall prevent the Council from appointing a person to the office on terms which preclude the grant of pension and gratuity in respect of that office.

Act No. 2
2004 (3) For the purpose of the application of the Pensions Reform Act, any power exercised by the Minister or other authority of the Government of the Federation, other than the power to make regulations under section 15 is vested in, and shall be exercisable by, the Council and not by any other person or authority.

Conditions
of Service **8. Without prejudice to the provision of section 6 (3) of this Act, the terms and conditions of service including terms and conditions as to remuneration, allowance, retiring and other benefits of the officer and servants of the Council shall be such as may be determined by the Council with the approval of the Minister.**

Removal
and discipline
of staff of the
Council **9. - (1) If it appears to the Council that there are reasons for believing that a person employed as a member of staff of the Council other than the Director-General should be removed from office or employment on the ground of misconduct or 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 a representation in person on the matter to the Council;
- (c) if the person so requests within the period of one month beginning from the date of the notice, the Council may set up a Committee not exceeding 5 members to hear the concerned staff and report back its findings to the Council within two weeks and if the Council is satisfied with findings of the Committee, such report shall be sent to the Council; and
- (d) after considering the report of the investigating Committee and is satisfied that the person in question should be removed, shall direct the Management to remove the officer concerned.

(2) For a good cause, a member of staff on Grade Level 01-06 may be suspended from his duties or may have his appointment terminated by the Council and for the purpose of this section, “good cause” means;

- (a) conviction for any offence which the Council considers such as to render the person concerned unfit for the discharge of the functions of his office;
- (b) Scandalous conduct or such other action of a disgraceful nature which the Council considers to be such as to render the person concerned unfit to continue to hold office; or
- (c) 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.

(3) A person suspended shall, subject to subsection (2) of this section, be on 50% payment of salary within the period and the Council shall, before the expiration of period of 3 months after the date of such suspension, consider the case against that person and reach a decision as to whether to:

- (a) continue such a person's suspension, and if so on what terms (including the proportion of his emolument to be paid to him);
- (b) reinstate such a person in which case the Council shall restore his full emolument to him with effect from the date of his suspension;
- (c) terminate the appointment of the person concerned in which case such a person shall not be entitled to the proportion of his emolument withheld during the period of suspension; or
- (d) take such lesser disciplinary action against such a person (including the restoration of his emolument that might have been withheld as the Council may determine) and in any case where the Council under this section decides to

continue the person's suspension or decides to take further disciplinary action against the person, the Council shall, before the expiration of the period of 3 months of such a decision, come to a final determination of the case.

(4) The Regulations set out under subsection (1) of this section need not be published in the Gazette but the Council shall bring them to the notice of all affected persons.

(5) If a junior staff is accused of misconduct or inefficiency, the Director-General may suspend him for not more than 3 months and shall forthwith direct a Committee to.

(a) consider the case; and

(b) make recommendations as to the appropriate action to be taken by the Director-General.

(6) The Director-General may, after considering the recommendations made under subsection (5) (b) of this section, dismiss or take such other disciplinary action against the officer concerned.

(7) A person aggrieved by the Director-General's decision under subsection (6) of this section may, within a period of 21 days from the date of the letter communicating the decision to him, address a petition to the Council to reconsider his case.

PART III - FINANCIAL PROVISIONS

Fund of the 10. - (1) The Council shall establish a fund which shall consist of :

Council (a) two percent of the Cost, Insurance and Freight (CIF), value of all imported automotive Fully Built Units (FBU) and auto component spare parts and Semi-Knocked Down (SKD), units;

(b) such sums as may be provided to it by the Government of the Federation for running and managing the affairs of the Council.

(c) such sums as may be collected or received by the Council for services rendered by the Council;

(d) contributions from the organized private sector;

(e) such sums as may, from time to time, be lent to the Council by any person or organization; and

(2) The other resources of the Council consisting of all other assets which may, from time to time, be vested in or accrue to the Council in the course of discharging its function under this Act.

(3) The Council may, from time to time, apply the proceeds of the Fund

established under subsection (1) of this section to:

- (a) the cost of administration of the Council and any research work carried on by or on behalf of the Council; and
- (b) the provision of such training for employees of the Council as the Council may deem necessary.

11. - (1) The Council may, with the consent of or in accordance with any general authority given by the Minister, borrow, by way of a loan from the Federal Government or by way of temporary overdraft approved by the Minister, sums required by the Council for meeting its functions under this Act.

Power of borrow
and invest.

(2) The Council may invest all or part of its funds in such manner as may be approved by the Minister.

(3) Subject to section 4 of this Act, the Minister may, with the approval of the Federal Executive Council, issue to the Council direction as to the disposal of surplus funds.

12. - (1) The Council shall prepare and submit to the Minister, not later than the 30th day of October of the year in which this Act comes into force and of each subsequent year, an estimate of its income and expenditure for the next succeeding year for the approval of the National Assembly.

Annual estimates,
accounts and
audit.

(2) The Council shall keep proper account in respect of each year and proper records in relation to those accounts and shall cause its account to be audited within 6 months after the end of each year to which the accounts relate by auditors appointed from the list of auditors supplied by the Auditor-General of the Federation and in accordance with laid down guidelines.

13. - (1) The Council shall prepare and submit to the Minister, not later than 18 clear months after its establishment, and once every year thereafter, a report in such form as the Minister may direct, on the activities of the Council during the last preceding year and shall include in the reports a copy of the audited accounts of the Council for that year and of the auditor's report on the accounts.

Annual reports
and accounts.

(2) The Minister shall cause a copy of each report made to him under this section to be laid before the Federal Executive Council and National Assembly after receipt thereof.

(3) For the purpose of the first report of the Council under this section, the last preceding year shall be deemed to include so much of any period before the beginning of that year as with the date of first meeting of the Council.

PART IV – MISCELLANEOUS

- Repeal of
Cap.C5
and
Cap.N8,
LFN. 2004
14. - (1) The Centre for Automotive Design and Development Act, Cap C5, and the National Automotive Council Act Cap. N8, Laws of the Federation of Nigeria, 2004 are repealed.
- (2) Any approval granted under the enactments repealed under subsection (1) of this section shall continue to be in force notwithstanding the repeal of the enactments.
- (3) All assets, moveable and immoveable which immediately before the commencement of this Act were vested in the repealed statutory bodies shall, by virtue of this Act, be vested in the statutory body established by this Act.
- (4) All rights, interests, obligations and liabilities of the repealed statutory bodies existing immediately before the commencement of this Act under any contract or instrument or at law or in equity are deemed to be assigned and vested in the statutory body established by this Act.
- (5) All proceedings or causes of actions pending or existing immediately before the commencement of this Act by or against the repealed statutory bodies, in respect of their rights, interest, obligations and liabilities may be commenced or continued and any determination of a court of law, tribunal or other authority or person may be enforced by or against the statutory body established by this Act to the same extent that any such proceeding, cause of action or determination might have been commenced, continued or enforced by or against the repealed statutory bodies if this Act had not been made.
- Power to
Make
Regulations
15. The Council may make regulations generally for carrying into effect the provisions of this Act.
- Interpretation
16. In this Act:
“*Council*” means the National Automotive Design and Development Council established under section 1 (1) of this Act;
“*Chairman*” means the Chairman of the Council appointed under section 2 (1) of this Act;
“*Minister*” means the Minister in charge of Industry matters;
“*President*” means the President of the Federal Republic of Nigeria.
- Citation
17. This Act may be cited as the National Automotive Design and Development Council Act, 2014.

SCHEDULE
SUPPLEMENTARY PROVISIONS RELATING TO
THE BOARD OF THE COUNCIL

Tenure of office of members of the Board.

1. Subject to paragraph 3 of this Schedule, a member who is not a public officer shall hold office on first appointment for a period of four years beginning with the date of his appointment and at the expiration of that period for a further term of four years and no more.

2. A member of the Board who is a public officer shall cease to be a member upon his ceasing to hold the office entitling him to be appointed as a member of the Board.

3. A member of the Board may, at any time, be removed from office for his inability to discharge the functions of his office or for misconduct or on conviction for a criminal offence.

4. A member of the Board shall be paid such allowances as may be determined by the Board with the approval of the Minister as may be determined by the Revenue Mobilisation and Fiscal Commission in line with what obtains in other similar agencies.

5. Any member of Board not being an officer may resign from office by a letter addressed to the Minister and the resignation shall have effect from the date of approval by the Minister.

6. The Minister may, with the approval of the President and the advice of the Board terminate the appointment of a member of the Board and effect his replacement if it has been satisfactorily demonstrated that it is not in the interest of the Board that such a person should continue to hold office.

Proceedings of the Board

7. Subject to the provisions of this Schedule and section 27 of the Interpretation Act, the Board may make standing orders for regulating the proceedings of any of its Committees.

8. The quorum at any meeting of the Board shall not be less than 5 members and the Chairman if he is present and the quorum for any Committee set up by the Board shall be as determined by the Board.

9. The Chairman shall preside at all meetings at which he is present and, in his absence, the members may elect one in their number to preside over the meetings as long as a quorum is present.

10. - (1) The Board shall meet not less than once in every quarter (three months) and subject to the provisions of any standing orders of the Board, it shall meet at such times

as it may be summoned by the Chairman.

(2) If the Chairman is required to do so by notice in writing to him by not less than three other members, he shall summon a meeting of the Board to be held within 14 days from the date on which the notice is given.

(11) Where the Board desires to obtain the advice or services of any person on any particular matter, it may co-opt that person as a member for such a period as it deems fit, provided that a person so co-opted shall not be entitled to vote nor shall he count towards a quorum.

12. The first meeting of the Board shall, notwithstanding the other provisions of this Schedule, be summoned by the Minister and subject as hereafter provided, any other meeting shall be convened by the Chairman.

Committees

13. - (1) The Board may appoint such number of Committees, whether standing or ad-hoc, to perform such functions as the Board may direct.

(2) No decision of any Committee of the Board shall take effect until it is confirmed by the Board.

(3) Every Committee appointed by the Board under this paragraph shall be presided over by a member of the Board and shall be made up of such number of persons not necessarily all members of the Board, as the Board may determine in each case.

Miscellaneous

14. The fixing of the seal of the Board shall be authenticated by signatures of the Chairman (or any other member so authorized either generally or specifically by the Board to act on his behalf) and of the Direct-General.

15. Any contract or instrument which if made or executed by a person not being a body corporate will not be required to be under seal may be executed on behalf of the Board by any person generally or specially authorized by the Board to act for that purpose.

16. Any document purporting to be a document executed under the seal of the Board and authenticated shall be received in evidence and shall, unless the contrary is proved, be presumed to be so executed.

17. Any member of the Board who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board shall disclose his interest to the Board and shall not vote on any question relating to that contract or arrangement.

I certify, in accordance with section 2 (1) of the Acts Authentication Act, Cap. A2, Laws of the Federation of Nigeria 2004, that this is a true copy of the Bill passed by both Houses of the National Assembly.

SALISU ABUBAKAR MAIKASUWA, OON, mni
Clerk to the National Assembly
23rd Day of May, 2014.

EXPLANATORY MEMORANDUM

This Act establishes the National Automotive Design and Development Council to among other things, regularly study and review the automotive parts and components development industry in Nigeria.

**SCHEDULE TO THE NATIONAL AUTOMOTIVE DESIGN AND
DEVELOPMENT COUNCIL BILL, 2014**

| (1) <i>Short Title of the Bill</i> | (2) <i>Long Title of the Bill</i> | (3) <i>Summary of the Contents of the Bill</i> | (4) <i>Date Passed by the Senate</i> | (5) <i>Date Passed by the House of Representatives</i> |
|--|---|---|---|---|
| National Automotive Design and Development Council Act, 2014. | A Bill for an Act to repeal the Centre for Automotive Design and Development Act Cap. C5 and National Automotive Council Act Cap. N8, Laws of the Federation of Nigeria, 2004 and establish the National Automotive Design and Development Council charged with the responsibility for, among other things, giving technical support services to the engineering sector; and for related matters. | This Act repeals the Centre for Automotive Design and Development Act Cap. C5 and National Automotive Council Act Cap. N8, Laws of the Federation of Nigeria, 2004 and establish the National Automotive Design and Development Council charged with the responsibility for, among other things, giving technical support services to the engineering sector. | 19th Feb, 2014 | 20th Feb, 2014. |

Federation of Nigeria, 2004.

I ASSENT



SALISU ABUBAKAR MAIKASUWA, OON, mni
Clerk to the National Assembly
23rd Day of May, 2014

Dr. Goodluck Ebele Jonathan, GCFR
President of the Federal Republic of Nigeria
28th Day of May, 2014



www.nac.org.ng