

## THE DECIMAL CURRENCY DECREE 1971



## ARRANGEMENT OF SECTIONS

## Section

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## Decree No. 21

[See section 11 (2)]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1.—(1) The unit of currency in Nigeria shall be the *naira* which shall be divided into one hundred *kobo*.

Currency of  
Nigeria.

(2) Every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of or the liability to pay any money which, but for this subsection, would have been deemed to be made, executed, entered into, done and had, in and in relation to Nigerian pounds shall in Nigeria be deemed instead to be made, executed, entered into, done and had, in and in relation to *naira* on the basis that one Nigerian pound equals two *naira*.

(3) Accordingly and unless the context otherwise requires, any reference in any existing law to an amount expressed in Nigerian pounds or any fraction thereof shall, upon the coming into force of this Decree, be construed as a reference to the corresponding amount of *naira* or any fraction thereof.

2.—(1) Subject to the provisions of subsection (2) of this section, the parity of the *naira* shall be equivalent to 1.24414 grams fine gold.

Parity of  
*naira*.

(2) The parity of the *naira* may from time to time be changed by the Bank with the approval of the Federal Executive Council ; and the notice of the change shall as soon as possible thereafter be published in the Federal Gazette.

Denomina-  
tion and form  
of notes and  
coins.

3.—(1) Notes and coins issued by the Bank—

(a) shall be in such denominations of the *naira* or fractions thereof as are approved by the Commissioner on the recommendation of the Bank,

(b) shall be of such form and designs and bear such devices as are approved by the Commissioner on the recommendation of the Bank.

(2) The standard weight and composition of coins issued by the Bank and the amount of remedy and variation shall be determined by the Commissioner on the recommendation of the Bank.

Bank  
currency to  
be legal  
tender.

4.—(1) Notes issued by the Bank shall be legal tender in Nigeria at their face value for payment of any amount.

(2) Coins issued by the Bank shall, if such coins have not been tampered with, be legal tender in Nigeria at their face value up to an amount not exceeding twenty *naira* in the case of coins of denominations of not less than five *kobo* and up to an amount not exceeding ten *kobo* in the case of coins of a lower denomination.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section, the Bank shall have power, on giving not less than three months' notice in the Federal Gazette, to call in any of its notes and coins on payment of the face value thereof and any such notes or coins with respect to which a notice has been given under this subsection shall, on the expiration of the notice, cease to be legal tender but, subject to the provisions of section 23 of the Act, shall be redeemed by the Bank upon demand.

Obligation  
in respect  
of currency.

5. Unless otherwise prohibited by any law relating to the control of exchange the Bank shall, at its head office in Lagos, issue and redeem Nigerian currency against gold or such currencies as are eligible for inclusion in the reserve of external assets under the Act :

Provided that the rates of exchange quoted by the Bank for spot transactions shall not differ by more than one per cent from the parity of the *naira* with the parity of any such currency.

Existing  
currency.

6. Currency notes and coins issued by the Bank by virtue of section 18 of the Act which are legal tender in Nigeria shall on and after the day on which this Decree comes into operation remain legal tender until such further day as the Bank giving at least three months' notice in the Federal Gazette, may specify and shall then cease to be legal tender in Nigeria :

Provided that—

(a) the Bank may so specify different days in relation to different denominations of such currency notes and coins,

(b) with effect from the coming into operation of this Decree, and thereafter while coins issued by the Bank which are legal tender in Nigeria on the coming into operation of this Decree remain legal tender in Nigeria, such coins shall be legal tender at their face value up to an amount not exceeding ten Nigerian pounds in the case of coins of denominations of not less than sixpence and up to an amount not exceeding one shilling in the case of coins of a lower denomination.

7. There is hereby established a body to be known as the Decimal Currency Board and the functions of the Board shall be—

Establishment of  
Decimal  
Currency  
Board.

(a) to inform and educate the public in all matters concerning the change-over to the decimal currency system,

(b) to co-ordinate all administrative arrangements to ensure a smooth transition to the decimal currency system,

(c) to advise on the conversion of machines and on other technical aspects of the decimalisation of the currency, and

(d) to perform such other functions relating to the decimalisation of the currency as the Commissioner may determine.

8.—(1) Subject to this section, the Board shall consist of fifteen members to be appointed by the Commissioner with the prior approval of the Federal Executive Council and shall comprise—

Membership  
of the Board.

(a) a Chairman, being a person appearing to the Commissioner to be capable of conducting the affairs of the Board,

(b) a representative of the Bank,

(c) one representative from each of the following Federal Ministries, that is—

(i) Finance,

(ii) Economic Development and Reconstruction,

(iii) Trade,

(iv) Industries,

(v) Education, and

(vi) Information, and

(d) seven representatives drawn from the following bodies, that is—

(i) the universities,

(ii) the Bankers Committee, and

(iii) chambers of commerce, industry and mines.

(2) Subject to this section and to section 11 of the Interpretation Act 1964 (which relates to appointments), a member of the Board shall hold office from the effective date of his appointment to 30th June 1973 or for such further period as the Commissioner, with the approval of the Federal Executive Council, may determine.

1964 No. 1.

9.—(1) Subject to this section and section 26 of the Interpretation Act 1964 (which provides for decisions of a statutory body to be taken by a majority of its members and for the chairman to have a second or casting vote), the Board may make such standing orders regulating the proceedings of the Board or any committee thereof.

Proceedings  
of the Board.

(2) The Chairman shall preside at every meeting of the Board, but in his absence the members present at the meeting shall elect one of their number to preside at the meeting.

(3) The quorum of the Board shall be six and the quorum of any committee of the Board shall be determined by the Board.

(4) Subject to its standing orders, the Board may appoint such committees as it thinks fit, but the decision of any committee appointed under this subsection shall be of no effect until confirmed by the Board.

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

Interpreta-  
tion.  
Cap. 30.

10. In this Decree, unless the context otherwise requires—  
“the Act” means the Central Bank of Nigeria Act ;  
“the Bank” means the Central Bank of Nigeria established in pursuance of the Central Bank of Nigeria Act ;  
“the Board” means the Decimal Currency Board established under section 7 of this Decree ;  
“Chairman” means the Chairman of the Decimal Currency Board ;  
“the Commissioner” means the Federal Commissioner charged with responsibility for finance ;  
“member” means a member of the Decimal Currency Board and includes the Chairman.

Citation,  
commence-  
ment and  
repeal.

11.—(1) This Decree may be cited as the Decimal Currency Decree 1971 and shall apply throughout the Federation.

(2) This Decree shall come into force on such day as the Head of the Federal Military Government may by order published in the Federal Gazette appoint and different dates may be appointed for different provisions.

1962 No. 17.

(3) Subject to subsection (2) above, sections 16, 20, 21 and 47 of the Act and sections 2 and 5 of the Central Bank of Nigeria (Amendment) Act 1962 are hereby repealed.

MADE at Lagos this 1st day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

#### EXPLANATORY NOTE

*(This note does not form part of the above Decree but is intended to explain its purpose)*

The Decree establishes a decimal currency for Nigeria. The unit of currency will be the *naira*, which will be divided into one hundred *kobo*. One *naira* will be equivalent to ten shillings in the existing currency. There will be a Decimal Currency Board to superintend the change-over.

# INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) DECREE 1971



## ARRANGEMENT OF SECTIONS

### Section

#### PIONEER CONDITIONS

1. Publication of list of pioneer industries and products and issuing of pioneer certificates.
2. Mode of application for pioneer certificate, etc. and fee payable.
3. Terms of pioneer certificate.
4. Amending of pioneer certificate by adding additional pioneer product.
5. Provisions where pioneer certificate operates retrospectively.
6. Certifying the date of production day and the amount of qualifying capital expenditure, etc.
7. Cancellation of pioneer certificates.
8. Information.
9. Publication of pioneer certificate, etc.

#### INCOME TAX RELIEF

10. Tax relief period.
11. Provisions governing old and new trade or business.
12. Restrictions on trading prior to end of tax relief period, etc.

13. Power to direct in certain events.
14. Capital allowances and losses.
15. Returns of profits.
16. Profits exempted from income tax.
17. Exemption of certain dividends from income tax.
18. Restrictions on distribution of dividends and on the granting of loans.
19. Exclusion of small companies' relief.
20. Provisions for plantation industry.

#### MISCELLANEOUS AND GENERAL

21. False Information.
22. Offences by body corporate, etc.
23. Liability under undertaking enforceable notwithstanding proceedings.
24. Repeal, savings and transitional provisions.
25. Interpretation.
26. Citation, construction, commencement and extent.

## Decree No. 22

[1st April 1970]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

## PIONEER CONDITIONS

1.—(1) Where the Federal Executive Council (hereinafter in this Decree referred to as "the Council") is satisfied that—

(a) any industry is not being carried on in Nigeria on a scale suitable to the economic requirements of Nigeria or at all, or there are favourable prospects of further development in Nigeria of any industry ; or

(b) it is expedient in the public interest to encourage the development or establishment of any industry in Nigeria by declaring the industry to be a pioneer industry and any product of the industry to be a pioneer product,

the Council may direct publication in the Gazette of a list of such industries and products (hereinafter in this Decree referred to as "the list of pioneer industries and pioneer products") and upon publication as aforesaid, but subject to subsections (5) and (6) below, application may at any time thereafter be made under this Decree, for the issue of a pioneer certificate to any company in relation to any such pioneer industry or pioneer product, and the Council may, in accordance with the provisions of this Decree, issue the certificate to the company in any proper case.

(2) An application may also be made under this section for any industry to be included in the list of pioneer industries and pioneer products.

(3) Any application under this section may be made by a company incorporated in Nigeria, or by a group of persons on behalf of a company which is to be so incorporated.

(4) No application for the issue of a pioneer certificate to any company shall be made under this section unless the estimated cost of qualifying capital expenditure to be incurred by the company on or before production day (if the application is approved) is an amount which—

(a) in the case of an indigenous-controlled company, is not less than £25,000 ; or

(b) in the case of any other company, is not less than £75,000.

(5) The Council may from time to time, on any ground which appears to it sufficient, amend the list of pioneer industries and pioneer products.

(6) Where, in exercise of the powers conferred under subsection (5) of this section, any industry or product is deleted from the list of pioneer industries and pioneer products, then—

(a) no application under this section shall thereafter be made by any company in relation to that industry or product ; and

(b) as respects any pending application made under subsection (1) of this section, no pioneer certificate shall be issued under this Decree to any company in relation to that industry or product.

Publication  
of list of  
pioneer  
industries  
and products  
and issuing  
of pioneer  
certificates.



Mode of application for pioneer certificate, etc. and fee payable.

2.—(1) Subject to the provisions of this Decree, every application under section 1 of this Decree shall be addressed to the Commissioner and shall be in such form as he may from time to time specify.

(2) Every such application shall state the grounds upon which the applicant relies and, if the application is for the issue of a pioneer certificate to any company, the applicant shall—

(a) state whether the company is, or the proposed company when incorporated shall be, an indigenous-controlled company ;

(b) give particulars of the assets on which qualifying capital expenditure will be incurred by the company, including their source and estimated cost—

(i) on or before production day, and

(ii) during a period of three years following production day ;

(c) specify the place in which the assets, in respect of which qualifying expenditure will be incurred by the company or proposed company, are to be situated ;

(d) estimate and state the probable date of production day of the company or proposed company ;

(e) specify any product and by-product (not being a pioneer product) proposed to be produced by the company or proposed company, and give a reasonable estimate of the quantities and value of such product and by-product during a period of one year from production day ;

(f) give particulars of the loan and share capital, or the proposed loan and share capital, of the company, or proposed company, including the amount and date of each issue or proposed issue, and the source from which the capital is to be or has been raised ;

(g) in the case of a company already incorporated, give the name, address and nationality of each director of the company and the number of shares held by him ; and

(h) in the case of a proposed company, give the name, address and nationality of each promoter of the company.

(3) Every such application shall contain a declaration signed by the applicant that all the particulars contained in the application are true and an undertaking to produce proof, if required, to the satisfaction of the Commissioner, of the truth of any such particulars and of any further particulars which, under subsection (5) below, the Commissioner may require the applicant to furnish.

(4) The application shall be accompanied by a fee of £50 (which sum shall not be refundable to the applicant, whether the application is approved or not) and the fee shall be credited to the Consolidated Revenue Fund of the Federation.

(5) Where an application is submitted to the Commissioner under this section he may require the applicant to furnish such further particulars as the Commissioner may consider necessary to enable the Council to consider the application.

(6) As soon as may be after the application is submitted to the Commissioner or, as the case may be, after any further particular required by the Commissioner under subsection (5) above has been furnished to him by the applicant, the Commissioner shall submit the application (together with his observations thereon) to the Council for consideration and, subject to the provisions of this Decree, the Council may approve or disapprove the application.

3.—(1) Without prejudice to subsection (3) of this section, every pioneer certificate shall be in the terms of the application to which it relates : Provided that the Council may make any variation in any such application.

Terms of  
pioneer  
certificate.

(2) A pioneer certificate may specify any permissible by-product which may be produced by the pioneer company in addition to the pioneer product and, if the Council thinks fit, the pioneer certificate may limit the proportion of the permissible by-product in relation to the pioneer product, either in quantity or in value or both.

(3) Where an application for the issue of a pioneer certificate made on behalf of a proposed company is approved by the Council, it shall—

(a) specify the period within which the company must be incorporated, not being later than four months after the date of notification of the approval to the applicants ;

(b) specify any other conditions to be endorsed on the pioneer certificate when it is issued.

(4) Any pioneer certificate to be issued to any company to which subsection (3) relates shall be issued only after the company has been incorporated and the certificate shall be effective from a date not earlier than the date on which the application for the pioneer certificate was submitted to the Commissioner or the date on which the company is so incorporated, whichever is the later, and the Council may require that an undertaking shall be given by the company for the purpose of ensuring the due compliance by the company with any conditions endorsed on its pioneer certificate.

(5) Notice of any condition specified by the Council under subsection (3) of this section, or of any undertaking required under subsection (4) thereof, shall be given by the Commissioner to the applicants concerned.

(6) Notwithstanding anything contained in section 10 of this Decree, in any case where a pioneer company—

(a) has acquired or proposes to acquire assets from any company to which a pioneer certificate has been granted under the Aid to Pioneer Industries Act 1952, the Industrial Development (Income Tax Relief) Act or this Decree ; or

1952 No. 10,  
Cap. 87.

(b) has taken over or proposes to take over the whole assets of any other company which is not a pioneer company,  
the pioneer certificate may specify the maximum tax relief period, not exceeding five years, to be enjoyed by the pioneer company.

4.—(1) At any time during its tax relief period, a pioneer company may make an application in writing to the Commissioner for its pioneer certificate to be amended by the Council by adding any additional product to the pioneer product or products specified in the certificate.

Amending  
of pioneer  
certificate  
by adding  
additional  
pioneer  
product.

(2) Every such application shall specify the additional pioneer product and the reasons for the application and, subject as aforesaid, the provisions of subsections (3), (5) and (6) of section 2 of this Decree shall apply in relation to an application made under this section as they apply in relation to an application made under section 1 of this Decree.

(3) Where an application under this section is approved by the Council, (with or without variations) it shall amend the pioneer certificate of the pioneer company in such terms and subject to such conditions as the Council may think fit,



Provisions where pioneer certificate operates retrospectively.

5.—(1) Subject to the provisions of section 6 of this Decree, where a pioneer certificate is to be operative from a retrospective date, then any act or thing which has been done or which has happened for the purposes of the principal Act since that date but which would not have been done or happened if the pioneer certificate had been in force at that date, shall, whenever necessary for the purposes of this Decree and the principal Act, be treated as not having been done or not having happened, and if the act consists of the payment of any tax by a company certified to be a pioneer company, that tax shall, as soon as may be after the expiration of three months from the production day of that company, be repaid to the company by the Board.

Certifying the date of production day and the amount of qualifying capital expenditure, etc.

6.—(1) Not later than one month after the material date a pioneer company shall make an application in writing to the Director to certify the date of its production day and shall propose a date to be so certified and give reasons for proposing that date.

(2) Not later than one month after the production day of a pioneer company has been finally determined and certified under this section, or within such extended time as the Board may allow, a pioneer company shall make an application in writing to the Board to certify the amount of the qualifying capital expenditure incurred by the pioneer company prior to production day and the company shall supply full particulars of the capital expenditure so incurred.

(3) In determining the amount of qualifying capital expenditure incurred by a pioneer company prior to its production day, any sum derived directly or indirectly by that company from any disposal (made before that day) of any asset on which qualifying capital expenditure has been incurred shall be taken into account for the purpose of reducing the amount of the qualifying capital expenditure; but where the disposal of such asset is by way of bargain not made at arm's length or is to any person who is controlled by the pioneer company or who has control over the pioneer company, the asset shall be deemed to have been disposed of for an amount which in the opinion of the Board the asset would have fetched if sold in the open market at the date of the disposal, less the amount of any expenses which the company might reasonably be expected to incur if the asset were so sold.

(4) After considering any application made under subsection (1) of this section, together with such further information as he may call for, the Director shall issue a certificate to the pioneer company certifying the date of its production day.

(5) After considering any application made under subsection (2) of this section, together with such further information as it may call for, the Board shall issue a certificate to the pioneer company certifying the amount of qualifying capital expenditure incurred by the company prior to production day.

(6) The provisions of Parts X and XI of the principal Act (which relate to objections and appeals) and of any rules made thereunder shall apply, *mutatis mutandis*, to any certificate issued by the Director or the Board under this section as if such certificate were a notice of assessment given under the said provisions of the principal Act.

(7) The Director shall notify the Commissioner and the Board of the date of the production day of the pioneer company when the same has been finally determined and certified by the Director.

(8) When the amount of the qualifying capital expenditure incurred by the pioneer company prior to production day has been finally determined and certified by the Board, the Board shall notify the Commissioner of that amount.

(9) On the receipt of the notifications mentioned in subsections (7) and (8) of this section, the Commissioner shall require the pioneer company to declare within a period not exceeding thirty days in what respects the proposals and estimates made in its application for a pioneer certificate, or any conditions contained in its pioneer certificate, have not been fulfilled.

(10) Where a certificate issued by the Director under subsection (4) of this section certifies that the date of the production day of a pioneer company is more than one year later than the estimate thereof given in the company's application for a pioneer certificate, the Commissioner shall report that fact to the Council and the Council shall cancel the pioneer certificate of that company unless it is satisfied that the delay is due to causes outside the control of the company or to other good and sufficient cause.

(11) Where a certificate issued by the Board under subsection (5) of this section certifies that the pioneer company has on or before production day incurred qualifying capital expenditure of an amount which—

(a) in the case of an indigenous-controlled company, is less than £25,000; or

(b) in the case of any other company, is less than £75,000,

the Commissioner shall report that fact to the Council and the Council shall cancel the pioneer certificate of the company.

(12) For the purposes of subsection (1) of this section, "material date" means—

(a) in relation to a pioneer company engaged in a pioneer industry consisting of the provision of services, the date on which the company is ready to provide such services on a commercial scale; and

(b) in relation to a pioneer company engaged in a manufacturing, processing, mining, agricultural or any other pioneer industry, the date on which the company begins to produce a pioneer product in marketable quantities.

7.—(1) The Commissioner shall cancel a pioneer certificate upon the application of the pioneer company concerned.

**Cancellation  
of pioneer  
certificates.**

(2) Subject to the provision of this section and without prejudice to section 6 (10) and (11) of this Decree, if the Commissioner is of the opinion that a pioneer company has contravened any provision of this Decree or has failed to fulfil any estimate or proposal made in its application for a pioneer certificate or any conditions contained in its pioneer certificate, the Commissioner shall report the circumstances to the Council which may either cancel the pioneer certificate of the company or restrict the tax relief of that company to such period as the Council may, notwithstanding the provisions of section 10 of this Decree, consider appropriate.

(3) The effective date of cancellation of a pioneer certificate of a company shall be—

(a) where the company has been in operation as a pioneer company for a period less than one year after the pioneer date, the pioneer date; and

(b) where the company has been in operation as a pioneer company for a period of not less than one year after the pioneer date, the date of the last anniversary of the pioneer date,  
and in this subsection "the pioneer date" means the date from which a pioneer certificate takes effect.

(4) Where the pioneer certificate of a pioneer company is cancelled or the tax relief period of a company is restricted under subsection (2) of this section, the Commissioner shall give notice of the cancellation (specifying the effective date thereof) or of the restriction, to the pioneer company concerned.

Information.

8. When authorised to do so by the Commissioner, an officer of the Federal Ministry of Industries not below the rank of Assistant Secretary may require a pioneer company to give information in sufficient detail to his satisfaction—

(a) as to the local production costs and factory prices of the products of the company ;

(b) in any appropriate case, as to the relative cost (including freight and insurance) of imported products equivalent or similar to the pioneer products produced by the company ;

(c) as to any other matter which the Commissioner may, in the case of that company, reasonably require for the purposes of this Decree.

Publication of pioneer certificate, etc.

9.—(1) The Commissioner shall cause to be published in the Gazette—

(a) the name of any company to which a pioneer certificate has been given and the pioneer industry or pioneer product to which the certificate relates ;

(b) the name of any company the pioneer certificate of which has been cancelled and the effective date of the cancellation ;

(c) any restriction of the tax relief period of a pioneer company.

(2) Subject to the provisions of subsection (1) of this section, the contents of any application made, or of any pioneer certificate given, under this Decree with respect to a pioneer company shall not, except at the instance of the company, be published in the Gazette or in any other manner.

#### INCOME TAX RELIEF

Tax relief period.

10.—(1) The tax relief period of a pioneer company shall commence on the date of the production day of the company, and subject to sections 3 (6) and of 7 (2) of this Decree the tax relief period shall continue for three years.

(2) The tax relief period of a pioneer company may at the end of the three years be extended by the Council—

(a) for a period of one year and thereafter for another period of one year commencing from the end of the first period of extension ; or

(b) for one period of two years.

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

(a) the rate of expansion, standard of efficiency and the level of development of the company ;

(b) the implementation of any scheme—

(i) for the utilisation of local raw materials in the processes of the company ; and

(ii) for the training and development of Nigerian personnel in the relevant industry ;

(c) the relative importance of the industry in the economy of the country ;

(d) the need for the extension, having regard to the location of the industry ; and

(e) such other relevant matters as may be required.

(4) A pioneer company wishing to obtain a certificate for the purposes of subsection (2) of this section shall make an application in writing to the Board not later than one month after the expiration of its initial tax relief period of three years or of any extension thereof, and such application shall contain particulars of all capital expenditure incurred by the company by the requisite date which the company claims should be accepted as qualifying capital expenditure.

(5) The Board shall, after considering any application made under subsection (4) of this section together with such information as it may call for, issue a certificate to the company certifying the amount of the qualifying capital expenditure incurred by the company by the requisite date ; and section 6 (3) of this Decree shall apply for the purposes of determining the amount of the qualifying capital expenditure incurred by the requisite date as it applies for the purposes of determining the amount of qualifying capital expenditure incurred prior to a production day as if for the reference in that subsection to the words "prior to its production day" there were substituted a reference to the words "by the requisite date."

(6) Where the Board is satisfied that a pioneer company has incurred a loss in any accounting period falling within a tax relief period specified in the foregoing provisions of subsections (1) and (2) of this section, it shall issue a certificate to the company accordingly.

(7) The provisions of Parts X and XI of the principal Act (which relate to objections and appeals) and of any rule made thereunder shall apply, *mutatis mutandis*, to any certificate given by the Board under the provisions of this section, or any notice of refusal to give a certificate under this section, as if the certificate or the notice of refusal were a notice of assessment given under the said provisions of the principal Act.

(8) In this section "the requisite date" means the date when a tax relief period expires.

11. Where a trade or business of a pioneer company is carried on by the company before and after the end of its tax relief period, then for the purposes of the principal Act and this Decree—

(a) the trade or business of that company shall be deemed to have permanently ceased at the end of the tax relief period of the pioneer company ;

(b) in respect of that trade or business, the pioneer company shall be deemed to have set up and commenced a new trade or business on the day next following the end of its tax relief period ;

Provisions governing old and new trade or business.



(c) the pioneer company shall make up accounts of its old trade or business for the following periods, that is to say—

(i) a period not exceeding one year commencing on its production day ;

(ii) successive periods of one year thereafter ; and

(iii) a period not exceeding one year ending at the date when its tax relief period (determined under subsections (1) and (2) of section 10 of this Decree) ends ;

(d) in making up the first accounts of its new trade or business the pioneer company shall take as the opening figure for those accounts the closing figures in respect of its assets and liabilities as shown in its last accounts in respect of its tax relief period ; and its next accounts of its new trade or business shall be made up by reference to the closing figures in the said first accounts and any subsequent accounts shall be similarly made up by reference to the closing figures of the preceding accounts of its new trade or business.

Restrictions  
on trading  
prior to end  
of tax relief  
period, etc.

12.—(1) Prior to the expiration of its tax relief period, a pioneer company shall not carry on any trade or business other than a trade or business the whole of the profits of which are derived from its pioneer enterprise.

(2) Where, prior to the expiration of its tax relief period, any profit is earned by a pioneer company from any operations or activities whatsoever other than its pioneer enterprise, the profit shall be deemed, for the purposes of the principal Act, to be derived from Nigeria and shall be liable to tax under that Act.

Power to  
direct in  
certain  
events.

13.—(1) For the purposes of the principal Act and this Decree, the Board may direct that—

(a) any sums payable to a pioneer company in any accounting period which, but for the provisions of this Decree, might reasonably and properly have been expected to have been payable in the normal course of business after the end of that period shall be treated as not having been payable in that period but as having been payable on such date after that period as the Board thinks fit, and where such date is after the end of the tax relief period of the pioneer company, as having been so payable on that date as a sum payable in respect of its new trade or business ; and

(b) any expense incurred by a pioneer company within one year after the end of its tax relief period which, but for the provisions of this Decree, might reasonably and properly have been expected to have been incurred in the normal course of business during its tax relief period, shall be treated as not having been incurred within that year but as having been incurred for the purposes of its old trade or business and on such date during its tax relief period as the Board thinks fit.

(2) Where a direction has been given under this section with respect to a pioneer company and thereafter the length of the tax relief period of the pioneer company is varied under any of the provisions of this Decree, the Board may amend that direction accordingly.

(3) In determining whether a loss has been made in an accounting period for the purpose of section 10 (6) of this Decree, and for that purpose only, the

Board may in its absolute discretion exclude such sum as may be in excess of an amount appearing to the Board to be just and reasonable paid or payable by a pioneer company in respect of—

(a) remuneration to directors of the company ;

(b) interest, service, agency or other similar charges made by a person who is a shareholder of the company or by a person controlled by such shareholder.

14.—(1) The profits of a pioneer company in respect of its old trade or business falling to be ascertained in accordance with the provisions of the principal Act for any accounting period shall be so ascertained, after making any necessary adjustments in consequence of a direction under section 13 of this Decree, without any regard to the provisions of sections 27 and 27A of the principal Act.

Capital allowances and losses.

(2) Where any asset is used for the purposes of the new trade or business of a pioneer company, any capital expenditure incurred by the pioneer company in respect of that asset before the end of its tax relief period shall, for the purposes of the Third Schedule of the principal Act, be deemed to have been incurred on the day next following the end of its tax relief period.

(3) Where a pioneer company incurs a net loss during an accounting period in its old trade or business that loss shall be deemed for the purposes of computing total profits (but not profits) to have been incurred by the company on the day on which its new trade or business commences.

(4) For each accounting period the Board shall issue to the pioneer company a statement showing the amount of income ascertained under subsection (1) of this section or loss computed in accordance with subsection (3) thereof ; and the provisions of Parts X and XI of the principal Act (which relate to objections and appeals) and of any rules made thereunder shall apply, *mutatis mutandis*, to the statement as if such statement were a notice of assessment given under the said provisions of the principal Act.

(5) For the purposes of subsection (3) of this section, "net loss" means the aggregate of losses incurred during the tax relief period after deduction of profits, if any, made at any time during that period ; and a loss shall be computed in the same manner as profits are computed under the provision of subsection (1) of this section and without regard to the provisions of section 13 (3) of this Decree.

15. The provisions of Part IX of the principal Act shall apply in all respects to the profits of a pioneer company from its old trade or business as if those profits were chargeable to tax under that Act.

Returns of profits.

16.—(1) Subject to the provisions of subsection (2) of this section and section 17 (6) of this Decree, where in the application of Parts X and XI of the principal Act, a statement issued under section 14 (4) of this Decree has become final and conclusive, any profits shown by that statement shall not form part of the assessable profits or total profits of the pioneer company for any year of assessment and shall be exempt from tax under the principal Act.

Profits exempted from income tax.

(2) The Board may, in relation to any statement issued under section 14 (4) of this Decree, declare that the whole or a specified part of the profits is not in dispute, and any such undisputed profits shall be exempt from tax under the principal Act pending the statement becoming final and conclusive,



Exemption  
of certain  
dividends  
from income  
tax.

17.—(1) Wherever any amount of profits of a pioneer company is exempt from tax under section 16 of this Decree, that amount shall immediately be credited by the pioneer company to an account to be kept by it for the purposes of this section.

1961 No. 21.

(2) Where at the date of payment of any dividends by the pioneer company the said account is in credit, the dividends, or so much of the dividends where (after the end of its tax relief period) the amount thereof exceeds such credit as equal the amount of such credit, shall be debited to the account.

(3) So much of the amount of any dividends so debited to the account as are received by a shareholder in the pioneer company shall, if the Board is satisfied with the entries in the account, be exempt from tax in the hands of that shareholder and shall for the purposes of the principal Act and the Income Tax Management Act 1961 be deemed to be paid out of profits on which tax is not paid or payable.

(4) Any dividends so debited to the account shall be treated as having been distributed to the shareholders or any particular class of shareholders of the pioneer company in the same proportions as those shareholders were entitled to payment of the dividends giving rise to the debit.

(5) Whenever called upon so to do by notice in writing sent by the Board to the registered office of a pioneer company, the company shall, until such time as the Board is satisfied that there is no further need for maintaining the account, deliver to the Board a copy of the account made up to a date specified by the Board in the notice.

(6) Notwithstanding the provisions of section 16 of this Decree and of this section, where it appears to the relevant tax authority that any amount of exempted profits of a pioneer company, or any dividend exempted in the hands of a shareholder, ought not to have been exempted by reason of—

(a) a direction under section 13 of this Decree having been made with respect to a pioneer company, after any profits of that company has been exempted under the provisions of section 16 of this Decree; or

(b) the cancellation of a pioneer certificate,

the relevant tax authority may at any time within six years of the direction or cancellation make such additional assessment upon the pioneer company or shareholder as may appear to the relevant tax authority necessary in order to counteract any benefit obtained from the amount which ought not to have been exempted.

1961 No. 21.

(7) For the purposes of subsection (6) of this section "relevant tax authority" has the same meaning as in section 2 of the Income Tax Management Act 1961, and in relation to any additional assessment to be made on a company under the said subsection (6) it means the Board.

Restrictions  
on distribu-  
tion of  
dividends  
and on the  
granting of  
loans.

18. During its tax relief period a pioneer company shall not—

(a) make any distribution to its shareholders, by way of dividend or bonus, in excess of the amount by which the account, to be kept by the company under section 17 of this Decree, is in credit at the date of any such distribution; or

(b) grant any loan without first obtaining the consent of the Commissioner, whose consent shall only be given if he is satisfied that the pioneer company is obtaining adequate security and a reasonable rate of interest for any such loan,

19. A pioneer company shall not be entitled to any relief under section 33 of the principal Act.

Exclusion of small companies' relief.

20. For the purposes of the principal Act and this Decree, the trade of a company which operates a plantation and to which a pioneer certificate has been granted shall be deemed to have commenced on the date when planting first reaches maturity, and any expenditure incurred on the maintenance of a planted area up to that date shall be deemed to have brought into existence an asset and the expenditure shall be qualifying plantation expenditure for the purposes of the Third Schedule of the principal Act.

Provisions for plantation industry.

#### MISCELLANEOUS AND GENERAL

21.—(1) Any person who for the purpose of obtaining a pioneer certificate or of complying with any provisions of this Decree—

False information.

(a) makes or presents any declaration or statement which is false in any material particular; or

(b) produces any invoice or undertaking which is false in any material particular or has not been given by the person by whom it purports to have been given or which has been in any way altered or tampered with, shall be guilty of an offence under this section unless he proves that he has taken all reasonable steps to ascertain the truth of the statement made or contained in any document so presented or produced or to satisfy himself of the genuineness of the invoice or undertaking.

(2) Any person who is guilty of an offence under this section shall be liable on conviction to a fine not exceeding £500 or to imprisonment for five years or to both such fine and imprisonment.

22. Where an offence under this Decree is committed by a body corporate, or firm or other association of individuals—

Offences by body corporate, etc.

(a) every director, manager, secretary or other similar officer of the body corporate;

(b) every partner or officer of the firm;

(c) every person concerned in the management of the affairs of the association; or

(d) every person who was purporting to act in any such capacity as aforesaid,

shall severally be guilty of that offence and liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless the act or omission constituting the offence took place without his knowledge, consent or connivance.

23. The institution of proceedings for, or imposition of, a fine or term of imprisonment under this Decree shall not relieve any person from liability to payment of any sum for which he is or may be liable under any undertaking given by him under any provision of this Decree.

Liability under undertaking enforceable notwithstanding proceedings.

Repeal,  
savings and  
transitional  
provisions.

Cap. 87.  
1964 No. 1.

24.—(1) Subject to the provisions of this section, the Industrial Development (Income Tax Relief) Act is hereby repealed.

(2) Subject as aforesaid, and notwithstanding the provisions of section 6 of the Interpretation Act 1964 (which relates to the effect of repeals) any pioneer certificate given under the Industrial Development (Income Tax Relief) Act (hereafter in this section referred to as the "repealed Act") by which an industry was declared to be a pioneer industry or a company was declared to be a pioneer company (being a certificate which was in force immediately before the relevant date), shall from that date have effect as if it were a pioneer certificate issued under this Decree.

(3) Where any part of an initial tax relief period of two years granted to a company before the relevant date under the repealed Act has not expired at the relevant date and the qualifying capital expenditure incurred by the company concerned on or before its production day is—

(a) in the case of an indigenous-controlled company, not less than £25,000; or

(b) in the case of any other company, not less than £75,000,  
the initial tax relief period shall be construed as if that period were three years instead of two years; and thereafter an application may be made by the company for an extension of the tax relief period under section 10 (2) of this Decree.

(4) Where, in any case other than a case mentioned in subsection (3) of this section, a pioneer certificate granted under the repealed Act to any company is in force immediately before the relevant date, the company may, on or before the expiry date of its pioneer certificate or tax relief period, apply under the provisions of section 10 (2) of this Decree for an extension of its tax relief period; and the provisions of section 1 (4) of this Decree shall apply in relation to any application under this section as it applies in relation to an application under section 1 of this Decree for the issue of a pioneer certificate.

(5) A further tax relief period may be granted under section 10 (2) of this Decree, to a pioneer company to which subsection (3) or (4) of this section applies, but nothing in this section shall have effect or be construed so as to authorise the grant, in any such case, of a tax relief period (under the repealed Act and this Decree) in excess of five years from the production date of the pioneer company.

(6) Notwithstanding anything in this section the Council may amend or cancel any pioneer certificate to which subsection (2), (3), (4) or (5) of this section applies.

(7) Where an application for a pioneer certificate made under the repealed Act is pending on the relevant date, the provisions of section 2 of this Decree shall apply thereto as if the application had been made under this Decree, and the Commissioner may—

(a) require the applicant to furnish any particulars, or enter into any undertaking, which if the application had been made under this Decree, would have been required to be included in the application or to be given in respect thereto;

(b) require the applicant to pay the fee prescribed under the said section 2, before the application is proceeded with under this Decree.

(8) In this section "relevant date" means the date of the making of this Decree.

25.—(1) In this Decree, except where the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say—

Interpretation.

“accounting period” means a period for which accounts have been made up in accordance with paragraph (c) of section 11 of this Decree ;

“Board” means the Federal Board of Inland Revenue established under section 3 of the principal Act ;

“company” means a company (other than a private company) limited by shares and incorporated and registered in Nigeria and resident in Nigeria ;

“the Council” means the Federal Executive Council ;

“the Commissioner” means the Federal Commissioner for Industries ;

“the Director ” means the director appointed pursuant to section 1 (3) of the Industrial Inspectorate Decree 1970 ;

1970 No. 53.

“Gazette” means the Federal Gazette and includes the Gazette of any State in the Federation ;

“new trade or business” means the trade or business of a pioneer company deemed under the provisions of section 11 of this Decree to have been set up and commenced on the day following the end of its tax relief period ;

“old trade or business” means the trade or business of a pioneer company carried on by it during its tax relief period in accordance with the provisions of section 11 of this Decree and which either ceases within that period or is deemed, under those provisions, to cease at the end of that period ;

“permissible by-product” means any goods or services so described in any certificate given under section 1 of this Decree being goods or services necessarily or ordinarily produced in the course of producing a pioneer product ;

“pioneer certificate” means a certificate given under this Decree certifying, among other things, a company to be a pioneer company, or any such certificate as amended under this Decree ;

“pioneer company” means a company certified by any pioneer certificate to be a pioneer company ;

“pioneer enterprise”, in relation to a pioneer company, means the production and sale of its relevant pioneer product or products ;

“pioneer industry” means any trade or business of the kind included in any list published under section 1 of this Decree ;

“pioneer product” means goods or service of the kind included in any list published under section 1 of this Decree ;

“principal Act” means the Companies Income Tax Act 1961 ;

1961 No. 22.

“production day” means the day on which the trade or business of a pioneer company commences for the purposes of the principal Act ;

“qualifying capital expenditure” means capital expenditure of such a nature as to rank as qualifying expenditure for the purposes of the Third Schedule of the principal Act ;

“relevant pioneer product”, in relation to any pioneer company, means the pioneer product or products and the permissible by-product or products specified in its pioneer certificate ; and

"tax relief period" means the period specified under subsection (1) of section 10 of this Decree and any extension of that period made under that section.

(2) References in this Decree to an indigenous-controlled company are references to any company in which—

(a) the beneficial ownership of the whole of the equity capital of the company and of all other class of shares conferring voting rights in the company is vested in persons who are citizens of Nigeria, otherwise than by naturalization or registration; and

(b) the persons mentioned in paragraph (a) of this subsection control the composition of the board of directors of the company.

1970 No. 53.

(3) Nothing in this Decree shall be taken as prejudicing the effect of section 3 of the Industrial Inspectorate Decree 1970 (which relates to notice of intention to incur capital expenditure) or any other provision of that Decree.

Citation,  
construc-  
tion,  
commence-  
ment and  
extent.

26.—(1) This Decree may be cited as the Industrial Development (Income Tax Relief) Decree 1971 and shall be read as one with the principal Act.

(2) This Decree shall be deemed to have come into force on 1st April 1970 and shall apply throughout the Federation.

MADE at Lagos this 3rd day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

#### EXPLANATORY NOTE

*(This note does not form part of the above Decree but is intended to explain its effect)*

The Decree repeals the Industrial Development (Income Tax Relief) Act and re-enacts the same with certain major changes.

2. The Decree provides that the Federal Executive Council may in certain cases direct publication in the Official Gazette of a list of pioneer industries and products, and upon such publication, application may be made for the issue of a pioneer certificate to any company in respect of any such industry or product.

3. An application for a pioneer certificate can only be made if the cost of qualifying capital expenditure to be incurred by the company, on or before its production day, is not less than the sum of £25,000 in the case of an "indigenous-controlled company" and £75,000 in the case of any other company. Every such application must be accompanied by a fee of £50 (which is not refundable) and the applicant must furnish certain information and make a declaration that all the particulars contained in the application are true.



4. The initial tax relief period of a pioneer company is now three years, at the end of which the tax relief period may be extended either (a) for a period of one year and thereafter for another year, or (b) for one single period of two years, if the prescribed conditions are fulfilled.

5. A pioneer company must not, during its tax relief period, carry on any trade or business other than its pioneer enterprise. Any profit earned by the pioneer company from any activities other than its pioneer enterprise is liable to tax, otherwise the profits of a pioneer company are exempted from tax under section 16.



**COMPANIES INCOME TAX (AMENDMENT) (No. 2)  
DECREE 1971**



**Decree No. 23**

[1st April 1970]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1. In subsection (3) of section 27A of the Companies Income Tax Act 1961 (as inserted by the Companies Income Tax (Amendment) Decree 1971), for the words "for that year" there shall be substituted the words "for that year as ascertained before any deduction is made under this section".

Amendment  
of section  
27A of 1961  
No. 22.  
1971 No. 10.

2. For subsection (2) of section 33A of the Companies Income Tax Act 1961 (as inserted by the Companies Income Tax (Amendment) Decree 1971) there shall be substituted the following subsection, that is—

Amendment  
of section  
33A of 1961  
No. 22.  
1971 No. 10.

"(2) In respect of any such company, relief from tax under this section for any relevant year of assessment mentioned in subsection (3) of this section shall be granted upon the total profits assessed for that year and the amount of profits to be relieved of tax shall be a sum which is equal to forty *per centum* of the total profits of the company for that year of assessment :

Provided however that, in the case of any such company, the aggregate amount of profits to be relieved under this section for all relevant years of assessment shall not exceed a sum which is equal to the amount of the civil war damage suffered by that company."

3. In Schedule 1 of the Companies Income Tax (Amendment) Decree 1971, in paragraph 20, for the word "otherwise" there shall be substituted the words "otherwise than".

Amendment  
of Schedule 1  
of 1971  
No. 10.

4.—(1) This Decree may be cited as the Companies Income Tax (Amendment) (No. 2) Decree 1971 and shall apply throughout the Federation.

Citation,  
extent and  
commence-  
ment.

(2) This Decree shall be deemed to have come into force on 1st April 1970.

MADE at Lagos this 3rd day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

## EXPLANATORY NOTE

*(This note does not form part of the above Decree but is intended to explain its effect)*

The Decree makes minor amendments to section 27A and the Sixth Schedule to the Companies Income Tax Act 1961.

2. It also amends section 33A of the said Act of 1961 by limiting the aggregate amount of relief which may be granted under that section to any company for all relevant years of assessment to a sum not exceeding the actual amount of the civil war damage suffered by the company.

# INCOME TAX MANAGEMENT (AMENDMENT) DECREE 1971



## Decree No. 24

[1st April 1971]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1. In paragraph 3 (2) of the First Schedule to the Income Tax Management Act 1961 (which, for the purposes of income tax, deems certain persons employed in the armed forces to be resident in Lagos) for the words "in a combatant, non-combatant or civilian capacity in the armed forces" (as substituted by the Adaptation of Laws (Miscellaneous Provisions) Order 1965) there shall be substituted the words "in the Nigerian Army, the Nigerian Navy or the Nigerian Air Force, other than in a civilian capacity,".

Amendment  
of First  
Schedule to  
1961 No. 21.

L.N. 139 of  
1965.

2.—(1) This Decree may be cited as the Income Tax Management (Amendment) Decree 1971 and shall apply throughout the Federation.

Citation,  
extent and  
commence-  
ment.

(2) This Decree shall be deemed to have come into force on 1st April 1971.

MADE at Lagos this 3rd day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

### EXPLANATORY NOTE

*(This note does not form part of the above Decree, but is  
intended to explain its effect)*

The Decree excludes individuals who are employed in the Nigerian armed forces in a civilian capacity from the provisions of paragraph 3 (2) of the First Schedule to the Income Tax Management Act 1961. Accordingly, for each year of assessment, such individuals will now be liable to income tax in the state in which they are actually resident on the 1st of April in that year.

# THE AGRICULTURAL RESEARCH COUNCIL OF NIGERIA DECREE 1971



## ARRANGEMENT OF SECTIONS

### Section

- |   |   |
|---|---|
| 1. Establishment of the Agricultural Research Council of Nigeria. | 10. Secretary and other officers of the Council.            |
| 2. Functions of the Council.                                      | 11. Application of Pensions Act to officers of the Council. |
| 3. Membership of the Council.                                     | 12. Offices and premises.                                   |
| 4. Tenure of office of Chairman and members.                      | 13. Power to accept gifts.                                  |
| 5. Travelling and subsistence allowances.                         | 14. Financial provisions.                                   |
| 6. Temporary appointments.  | 15. Report on the activities of the Council.                |
| 7. Power of certain persons to attend meetings of Council.        | 16. Compulsory acquisition of land.                         |
| 8. Proceedings of the Council.                                    | 17. Regulations.  |
| 9. Committees of the Council.                                     | 18. Interpretation.   |
|   | 19. Citation, extent and commencement.                      |

## Decree No. 25

[See section 19(2)]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows :—

1.—(1) There is hereby established a body to be known as the Agricultural Research Council of Nigeria (in this Decree referred to as “the Council”) which shall have the functions assigned to it by this Decree and which shall be a Research Council for the purposes of the Nigerian Council for Science and Technology Decree 1970.

Establish-  
ment of the  
Agricul-  
tural  
Research  
Council of  
Nigeria.  
1970 No. 6.

(2) The Council shall be a body corporate with perpetual succession and a common seal.

2. The functions of the Council shall be—

Functions  
of the  
Council.

(a) to advise the Nigerian Council for Science and Technology and through it the Federal Military Government and the State governments on national science policy and financial requirements for the implementation of such policy in respect of research and training in the agricultural sciences and the application of the results of such research and training to promote the national economy ;

(b) to ensure the implementation of national science policy laid down by the Nigerian Council for Science and Technology in respect of research and training in the agricultural sciences ;

(c) to survey and maintain an up-to-date record of all the existing facilities and personnel for research and training in the agricultural sciences throughout Nigeria and advise the Nigerian Council for Science and Technology and through it the Federal Military Government and the State governments on their adequacy and efficient utilization in the interest of the national economy ;

(d) to co-ordinate the research and training carried on by institutions mentioned in paragraph (c) above and to allocate priorities to them in accordance with the policy laid down by the Nigerian Council for Science and Technology ;

(e) to advise the Nigerian Council for Science and Technology, and through it the Federal Military Government and the State Governments on such organisational changes, including the establishment of institutes, as are required to implement or further the efficiency of research in the agricultural sciences, and to bring under the aegis of the Council such institutes as may from time to time be agreed by the Federal Military Government or, as the case may be, the State Governments ;

(f) to encourage general education in the agricultural sciences and to sponsor the training of post-graduate students for research work ;

(g) to publish or sponsor the publication of the results of research and training in the agricultural sciences particularly in relation to Nigerian problems and to popularise such results where their general recognition is, in the Council's opinion, of national importance ;

(h) to encourage and promote collaboration between those engaged in research in the agricultural sciences in Nigeria and those so engaged in other countries ;

(i) to carry out such other activities as may, in the opinion of the Council, further the advancement of research and training in the agricultural sciences.

Member-  
ship of the  
Council.

3.—(1) The Council shall, subject to subsection (4) below consist of twenty-two members as follows—

(a) a Chairman who must be a person of distinction in one or more of the agricultural sciences and who shall be appointed by the Federal Executive Council on the recommendation of the Commissioner ;

(b) one member chosen from amongst the Directors of the Federal Departments of Agriculture, Livestock, Forestry, Fisheries and Meteorology ;

(c) one member representing each State in the Federation such member being an Agriculturist, Veterinarian or Forester in the service of the government of the State concerned ;

(d) six scientists from the universities in Nigeria chosen from the faculties of Agriculture, Veterinary Science and Forestry of such universities ; and

(e) two persons with extensive technical knowledge of and close association with the development of the agricultural sciences.

(2) All appointments under paragraphs (b) to (e) of subsection (1) above shall be made by the Commissioner.

(3) The Commissioner shall, in appointing members under paragraph (c) of subsection (1) above, give preference to the most senior Agriculturist, Veterinarian or Forester in the service of the government of the State concerned but may appoint another person who is not the most senior (but who is

otherwise qualified under paragraph (c) as aforesaid) if the Commissioner is satisfied that it is necessary to do so in order to maintain a proper balance of the different professions on the Council.

(4) The Federal Executive Council may by notice in the Gazette increase or reduce the membership of the Council.

4.—(1) Subject to the provisions of this section, a person appointed as Chairman of the Council or as a member thereof shall hold office for a period of three years from the date of his appointment and shall be eligible for re-appointment for one further period of three years ; thereafter he shall no longer be eligible for re-appointment :

Tenure of office of Chairman and members.

Provided that nothing in this subsection shall be construed as entitling any person who has held office as Chairman for a term and who is being re-appointed under this section to be appointed again as Chairman.

(2) The Federal Executive Council may at any time remove the Chairman from his office and if so removed the Chairman shall cease to be a member of the Council.

(3) The Chairman may resign his appointment by a letter addressed to the Secretary to the Federal Military Government and the resignation shall have effect from the date of the receipt of the letter by the Secretary to the Federal Military Government.

(4) A member other than the Chairman may resign his office by a letter addressed to the Commissioner and that member's resignation shall have effect as from the date of the receipt of the letter by the Commissioner.

(5) The foregoing provisions of this section shall be without prejudice to the provisions of section 11 of the Interpretation Act 1964 relating to appointment.

1964 No. 1.

5. There shall be paid to every member of the Council, out of the moneys at the disposal of the Council, such travelling and subsistence allowances in respect of any periods spent on the business of the Council as the Commissioner may determine, but no other remuneration shall be paid to any member of the Council.

Travelling and subsistence allowances.

6.—(1) The Federal Executive Council may, on the recommendation of the Commissioner, appoint a person to act in the place of the Chairman during a long absence or during the temporary incapacity from illness of the Chairman ; and that person while so acting may exercise all the functions of the Chairman under this Decree.

Temporary appointments.

(2) The Commissioner may appoint any person to be a temporary member during a long absence or during the temporary incapacity from illness of any member ; and that person, while the appointment subsists, may exercise all the functions of a member under this Decree.

7. The following persons, that is to say—

(a) the Permanent Secretary, Federal Ministry of Agriculture and Natural Resources, or his representative,

(b) not more than two members of the Nigerian Council for Science and Technology, and

(c) any of the Directors of Federal Departments of Agriculture, Live-stock, Forestry, Fisheries and Meteorology not appointed a member of the Council under paragraph (b) of section 3 (1) of this Decree,

may attend any meeting of the Council and may take part in its deliberations but shall not be entitled to vote.

Power of certain persons to attend meetings of Council.



Proceed-  
ings of the  
Council.  
1964 No. 1.

8.—(1) Subject to the provisions of section 26 of the Interpretation Act 1964 (which provides for decisions of a statutory body to be taken by a majority of its members and for the chairman to have a second or casting vote), the Council may make standing orders regulating the proceedings of the Council or any committee thereof.

(2) The quorum of the Council shall be ten, and the quorum of any committee of the Council shall be determined by the Council.

(3) The validity of any proceedings of the Council or of its committees shall not be affected—

(a) by any vacancy in the membership of the Council or any such committee;

(b) by any defect in the appointment of any such member;

(c) by reason of the fact that any person not entitled to do so took part in the proceedings.

(4) Any member of the Council or any committee thereof who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Council or any committee thereof shall forthwith declare his interest to the Council and shall not vote on any question relating to the contract or arrangement.

(5) The Council shall meet not less than twice in each year and on such other occasions as may be necessary.

(6) The secretary shall attend meetings of the Council but shall not be entitled to vote.

Commit-  
tees of the  
Council.

9.—(1) The Council shall appoint a committee each for agriculture, veterinary science, forestry, fisheries and manpower training; and, without prejudice to the foregoing, the Council may appoint such other standing, steering and ad hoc committees as the Council thinks fit to carry out, consider and report on any matter with which the Council is concerned.

(2) The Council shall appoint one of its members to be chairman of any committee appointed under this section.

(3) A committee appointed under this section may include persons who are not members of the Council; and if such members are appointed or co-opted on the committee, they may take part in the deliberations thereof but shall not be entitled to vote thereon.

Secretary  
and other  
officers of  
the Council.

10.—(1) The Council shall appoint a secretary to manage the affairs of the Council under its direction.

(2) The Council may appoint such other persons to be officers and servants of the Council as the Council may determine to assist the secretary in the exercise of his functions.

(3) The remuneration and tenure of office and conditions of service of the secretary and other officers and servants of the Council shall be as determined by the Council with the approval of the Federal Commissioner for Establishments.

Application  
of Pensions  
Act to offi-  
cers of the  
Council.

Cap. 147.

1963  
No. 20.

11.—(1) The Federal Commissioner for Establishments may by order published in the Gazette declare the office of the secretary of the Council or of any person employed by the Council to be a pensionable office for the purposes of the Pensions Act.

(2) Subject to subsections (3) and (4) below, the Pensions Act shall, in its application by virtue of the foregoing subsection to any office, have effect as if the office were in the public service of the Federation within the meaning of the Constitution of the Federation.

(3) For the purposes of the application of the provisions of the Pensions Act in accordance with subsection (2) above—

(a) paragraph (1) of section 7 of that Act (which confers on the Commissioner power to waive the requirement to give notice of desire to retire at the age of forty-five) shall have effect as if for the references to the Commissioner there were substituted references to the Council ; and

(b) the power under section 9 (1) of the Act to require an officer to retire at any time after attaining the age of forty-five shall be exercisable by the Council and not by any other authority.

(4) Nothing in the foregoing provisions shall prevent the appointment of a person to any office on terms which preclude the grant of a pension or gratuity in respect of service in that office.

12.—(1) For the purpose of providing offices and premises necessary for the performance of its functions, the Council may—

Offices and premises.

(a) purchase or take on lease any land, and

(b) build, equip and maintain offices and premises.

(2) The Council may sell or lease any land, offices or premises held by it and no longer required for the performance of its functions.

13.—(1) The Council may accept gifts of land, money or other property, upon such trusts and conditions, if any, as may be specified by the person making the gift.

Power to accept gifts.

(2) The Council shall not accept any gift if the conditions attached by the person making the gift to the acceptance thereof are inconsistent with the functions of the Council.

14.—(1) The Council shall establish and maintain a fund from which there shall be defrayed all expenditure incurred by the Council.

Financial provisions.

(2) There shall be paid and credited to the fund established pursuant to subsection (1) above—

(a) such moneys as may be supplied to the Council by the Federal Military Government or the government of a State ;

(b) all moneys as may be raised for the purposes of the Council by way of gift, loan, grants in aid, testamentary disposition or otherwise ;

(c) all interests received in respect of moneys invested by the Council ; and

(d) all other assets from time to time accruing to the Council.

(3) The fund shall be managed in accordance with rules made by the Federal Executive Council ; and without prejudice to the generality of the power to make rules under this subsection, the rules shall in particular contain provisions—

(a) specifying the manner in which the assets of the fund are to be held, and regulating the making of payments into and out of the fund ;

(b) requiring the keeping of proper accounts and records for the purposes of the fund in such form as may be specified in the rules ;

(c) for securing that the accounts are audited periodically by an auditor appointed from a panel approved by the Federal Executive Council ; and

(d) requiring copies of the accounts and of the auditor's report on them to be furnished to the Federal Ministry of Finance and the Federal Ministry of Agriculture and Natural Resources.

Report on the activities of the Council.

15. The Council shall as soon as possible after the end of each year submit to the Federal Executive Council and to the Nigerian Council for Science and Technology a report on the activities of the Council and any research institute under its administration during the last preceding year.

Compulsory acquisition of land.

16.—(1) For the purposes of the Public Lands Acquisition Act the purposes of the Council shall be public purposes of the Federation within the meaning of that Act.

Cap 167.

(2) The Chief Federal Land Officer may, by an instrument under his hand and seal, vest in the Council any property acquired pursuant to subsection (1) above; and the Council shall pay into the Consolidated Revenue Fund of the Federation a sum equal to the aggregate amount of any expenses (including compensation) incurred on behalf of the Federal Military Government by virtue of that subsection in respect of any property vested in the Council by such an instrument.

Regulations.

17. The Council may make regulations generally for its purposes under this Decree; and without prejudice to the generality of the foregoing, regulations may provide for—

- (a) the functions and responsibilities of the secretary, and
- (b) the disciplinary control of all officers and servants of the Council.

Interpretation.

18. In this Decree, unless the context otherwise requires,—

“agricultural sciences” includes agrometeorology, fisheries, forestry and veterinary sciences;

“the Chairman” means the chairman of the Council;

“the Commissioner” means the Federal Commissioner for Agriculture and Natural Resources;

“the Council” means the Agricultural Research Council of Nigeria;

“the secretary” means the secretary appointed under section 10 of this Decree.

Citation, extent and commencement.

19.—(1) This Decree may be cited as the Agricultural Research Council of Nigeria Decree 1971 and shall apply throughout the Federation.

(2) This Decree shall be deemed to have come into force on 1st May 1971.

MADE at Lagos this 3rd day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

#### EXPLANATORY NOTE

*(This note does not form part of the above Decree but is intended to explain its purpose)*

The Decree establishes the Agricultural Research Council as a body corporate with the general duty of advising on, promoting, supervising and co-ordinating research in the agricultural sciences. The Council is to be one of the major Research Councils under the general surveillance of the Nigerian Council for Science and Technology.

# AHMADU BELLO UNIVERSITY LAW (AMENDMENT) DECREE 1971



## ARRANGEMENT OF SECTIONS

### Section

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Sundry amendments of Ahmadu Bello University Law.</li> <li>2. Amendment of section 7 (1).</li> <li>3. Amendment of section 9.</li> <li>4. Amendment of section 15.</li> <li>5. Amendment of section 16.</li> <li>6. Replacement of section 21.</li> </ol> | <ol style="list-style-type: none"> <li>7. Amendment of section 22.</li> <li>8. Replacement of Part V.</li> <li>9. Amendment of section 31.</li> <li>10. Amendment of section 37.</li> <li>11. Amendment of Fourth Schedule.</li> <li>12. Repeal of the First, Second, Fifth, Sixth and Seventh Schedules.</li> <li>13. Citation, extent and commencement.</li> </ol> |
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## Decree No. 26

[1st June 1971]

Commence-  
ment.

THE FEDERAL MILITARY GOVERNMENT hereby decrees as follows:—

1. The Ahmadu Bello University Law (in this Decree hereinafter referred to as "the principal Law") is hereby amended in the manner set out in the following provisions of this Decree.

Sundry  
amendments  
of Ahmadu  
Bello  
University  
Law.  
L.N.N.  
Cap. 4.

2. In section 7 (1) of the principal Law (which relates to the appointment of the Visitor), for the words "The Governor of Northern Nigeria shall" there shall be substituted the words "A fit person shall be appointed by the Military Governors of the Benue-Plateau, Kano, Kwara, North-Central, North-Eastern and North-Western States of Nigeria to".

Amendment  
of  
section 7 (1).

3. In section 9 of the principal Law (which relates to the appointment of the Chancellor), for subsection (1) thereof there shall be substituted the following—

Amendment  
of section 9.

“(1) The Chancellor shall be the Head of the University and shall be appointed by the Visitor on the recommendation of the Council.”

4. In section 15 of the principal Law (which deals with the functions of the Council)—

Amendment  
of section 15.

(a) in subsection (2) thereof, there shall be deleted the words "and exercise"; and

(b) in subsection (2) (k) thereof, for the words "a Board of Selection" there shall be substituted the words "the appropriate Appointments and Promotions Committee".

Amendment  
of section 16.

5. In section 16 of the principal Law (which relates to the delegation of powers by the Council), immediately after the words "Chairman of the Council" there shall be inserted the following—

" , the Vice-Chancellor, the Board of Governors of an Institute or other unit of the University established under this Law".

Replace-  
ment of  
section 21.

6. For section 21 of the principal Law, there shall be substituted the following section—

"Congrega- 21. There shall be a body to be known as Congregation, the  
tion and its constitution and functions of which shall be determined by  
functions. Statute."

Amendment  
of section 22.

7. In section 22 of the principal Law (which relates to the Faculties), immediately after the word "Statutes" there shall be deleted the words from " , and every member" to the end of the section.

Replace-  
ment of  
Part V.

8. For Part V of the principal Law (which relates to special institutes within the University) there shall be substituted the following—

"PART V.—INSTITUTES, COLLEGES AND OTHER UNITS  
WITHIN THE UNIVERSITY

Institutes. 25. There shall be within the University the following  
Institutes—

(a) The Institute of Administration ;

(b) The Institute of Agricultural Research and Special  
Services ;

(c) The Institute of Education ; and

(d) The Institute of Health.

Constitution, 26.—(1) The functions and constitution of each Institute shall  
etc. of be prescribed by Statute.  
Institutes.

(2) For each Institute the Statutes shall provide for the  
functions and constitution of a Board of Governors and an  
Academic and Professional Board.

(3) The Statutes of each Institute shall provide that the  
Military Governors of the Benue-Plateau, Kano, Kwara, North-  
Central, North-Eastern and North-Western States of Nigeria  
shall each be entitled to appoint at least one member of each  
Board of Governors.

Constitution 27.—(1) There shall be such colleges as may be prescribed by  
of Colleges. Statute as administrative units within which the University may  
provide instruction for degree and other courses, conduct  
research and carry out such other functions as may be prescribed  
by Statute.

(2) The constitution of and other matters relating to any  
college may be prescribed by Statute.



Other units  
within the  
University.

28. Subject to the provisions of this Law, the Council may establish units for special purposes within the university, other than Faculties, Institutes or Colleges, and the name, constitution and functions of any such unit may be prescribed by Statute or by direction of the Council."

9. Section 31 of the principal Law (which deals with method of enactment of Statutes) is hereby amended as follows—

Amendment  
of section 31.

(a) in subsection (1) thereof, there shall be deleted the words "Subject to subsection (4)",

L.N.N. 10  
of 1965.

(b) for subsections (3) and (4) thereof, there shall be substituted the following—

"(3) Unless otherwise specified therein, a Statute shall come into force when it has received the approval of the Council, the Senate and the Chancellor in accordance with subsection (2) and when it has been published in the Federal Gazette."

10. In section 37 of the principal Law (which relates to the superannuation of staff), for the word "Statutes" there shall be substituted the word "Council".

Amendment  
of section 37.

11. The Fourth Schedule to the principal Law (which relates to the transfer of assets of Government institutions) is hereby amended as follows—

Amendment  
of Fourth  
Schedule.

(a) in Part II thereof after paragraph 1, there shall be added the following new paragraph—

"1A.—(a) The interest of the Interim Common Services Agency in—

(i) the School of Agriculture, Samaru, School of Agriculture, Kabba, General Hospitals, Kaduna, Zaria and Malumfashi, Nursing Home, Kaduna, and Orthopaedic Hospital, Kano ;

(ii) the Livestock Services Training Centre, Kaduna ;

(iii) the Advanced Teachers College, Zaria, Advanced Teachers College, Kano ; and

(iv) the School of Hygiene, Kano, and Medical Auxiliaries Training School, Kaduna,

which immediately before the appointed day were vested in the Agency shall on the appointed day be deemed to have vested in the University without further assurance and shall be deemed to be held and applied for the objects for which the University is by this Law incorporated.

(b) For the purpose of this paragraph "appointed day" means—

(i) in so far as it relates to sub-paragraph (a) (i) above, 1st April 1968 ;

(ii) in so far as it relates to sub-paragraph (a) (ii) above, 1st October 1969 ;

(iii) in so far as it relates to sub-paragraph (a) (iii) above, 1st January 1970 ; and

(iv) in so far as it relates to sub-paragraph (a) (iv) above, 1st April 1970."



(b) in the said Part II, in paragraph 2 thereof—

(i) for the expression “paragraph 1” there shall be substituted the expression “paragraphs 1 and 1A”; and

(ii) immediately after the word “Government” where it first occurs there shall be inserted the words “and such Agency”.

Repeal of the  
First,  
Second,  
Fifth, Sixth  
and Seventh  
Schedules.

12. The First, Second, Fifth, Sixth and Seventh Schedules to the principal Law are hereby respectively repealed.

Citation,  
extent and  
commence-  
ment.

13.—(1) This Decree may be cited as the Ahmadu Bello University Law (Amendment) Decree 1971 and shall have the same application as the principal Law.

(2) This Decree shall come into force on 1st June 1971.

MADE at Lagos this 3rd day of May 1971.

MAJOR-GENERAL Y. GOWON,  
*Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria*

#### EXPLANATORY NOTE

*(This note does not form part of the above Decree but is  
intended to explain its effect)*

The Decree makes sundry amendments to the Ahmadu Bello University Law. It amends the provision for the appointment of the Visitor which will now be made by all the Military Governors of Northern States of Nigeria.

2. It also deletes the whole of Part V of the principal Law and substitutes new provisions in relation to the Institutes, Colleges and other units within the University.

3. The Decree also vests the interests of the Interim Common Services Agency in certain Institutions in the University without further assurance from various dates mentioned in the Decree.