



# Federal Republic of Nigeria

## Official Gazette

---

No. 131	Abuja - 31st December, 2007	Vol. 94
---------	-----------------------------	---------

---

*Government Notice No. 86*

The following is published as Supplement in this *Gazette* :

<i>Act No.</i>	<i>Short Title</i>	<i>Page</i>
36	Nigeria Extractive Industries Transparency Initiative, (NEITI) Act, 2007. .. .. .	A 1111-1124

---

Printed and Published by The Federal Government Printer, Abuja, Nigeria  
FGP 61/82008/1,200 (OL 27)

Annual Subscription from 1st January, 2008 is Local : ₦15,000.00 Overseas : ₦21,500.00 [Surface Mail] ₦24,500.00 [Second Class Air Mail]. Present issue ₦350.00 per copy. Subscribers who wish to obtain *Gazette* after 1st January should apply to the Federal Government Printer, Abuja for amended Subscriptions.

Printed and Published by the Government Printer, Lagos, for the Government of the Federal Republic of Nigeria.

Price 5000 Naira

Printed and Published by the Government Printer, Lagos, for the Government of the Federal Republic of Nigeria.

Page 1

Page 2

Printed and Published by the Government Printer, Lagos, for the Government of the Federal Republic of Nigeria.

Printed and Published by the Government Printer, Lagos, for the Government of the Federal Republic of Nigeria.

Page 3

# Official Gazette Federal Republic of Nigeria



**NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (NEITI) ACT, 2007**



**ARRANGEMENT OF SECTIONS**

**SECTION :**

1. Establishment of the Nigeria Extractive Industries Transparency Initiative.
2. Objectives of the Nigeria Extractive Industries Transparency Initiative.
3. Functions of the Nigeria Extractive Industries Transparency Initiative.
4. Appointment of Independent Auditors and Publication of Report.
5. Establishment of the National Stakeholders Working Group.
6. Composition of the National Stakeholders Working Group.
7. Tenure of office of National Stakeholders Working Group.
8. Payment of allowances to the National Stakeholders Working Group.
9. Meetings of the National Stakeholders Working Group.
10. Procedure.
11. Special Committees.
12. Appointment of Executive Secretary, consultants and other Staff of the National Stakeholders Working Group.
13. Financial provisions.
14. Audited account.
15. Bank account.
16. Offences and penalties.
17. Regulations.
20. Service of notices and process.
21. Interpretation.
22. Citation.



**NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (NEITI) ACT, 2007**

**ACT 2007 No. 36**

**AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NIGERIA  
EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI)  
AND ; FOR RELATED MATTERS.**

**[28th Day of May, 2007]**

**Commen-  
cement.**

**ENACTED by the National Assembly of the Federal Republic of Nigeria—**

**1.— (1) There is established a body to be known as the Nigeria Extractive Industries Transparency Initiative, (in this Act referred to as “the NEITI”).**

**Establishment  
the Nigeria  
Extractive  
Industries  
transparency  
Initiative.**

**(2) The NEITI :**

**(a) shall be an autonomous self-accounting body, which shall report to the President and the National Assembly ;**

**(b) shall be a body corporate with perpetual succession with a common seal ; and**

**(c) may :**

**(i) sue and be sued in its corporate name, and**

**(ii) acquire, hold and dispose of movable and immovable properties in the discharge of its functions under this Act.**

**2. The primary objectives of the NEITI are :**

**Objectives of  
NEITI.**

**(a) to ensure due process and transparency in the payments made by all extractive industry companies to the Federal Government and statutory recipients ;**

**(b) to monitor and ensure accountability in the revenue receipts of the Federal Government from extractive industry companies ;**

**(c) to eliminate all forms of corrupt practices in the determination, payments, receipts and posting of revenue accruing to the Federal Government from extractive industry companies ;**

**(d) to ensure transparency and accountability by government in the application of resources from payments received from extractive industry companies ; and**

**(e) to ensure conformity with the principles of Extractive Industries Transparency Initiative.**

Functions of the NEITI. 3. For the purpose of realizing its objectives under this Act, the NEITI shall perform the following functions :

(a) develop a framework for transparency and accountability in the reporting and disclosure by all extractive industry companies of revenue due to or paid to the Federal Government ;

(b) evaluate without prejudice to any relevant contractual obligations and sovereign obligations the practices of all extractive industry companies and government respectively regarding acquisition of acreages, budgeting, contracting, materials procurement and production cost profile in order to ensure due process, transparency and accountability ;

(c) ensure transparency and accountability in the management of the investment of the Federal Government in all extractive industry companies ;

(d) obtain, as may be deemed necessary, from any extractive industry company an accurate record of the cost of production and volume of sale of oil, gas or other minerals extracted by the company at any period ; provided that such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive industry company ;

(e) request from any company in the extractive industry, or from any relevant organ of the Federal, State or Local Government, an accurate account of money paid by and received from the company at any period, as revenue accruing to the Federal Government from such company for that period ; provided that such information shall not be used in a manner prejudicial to contractual obligations or proprietary interests of the extractive industry company or sovereign obligations of Government ;

(f) monitor and ensure that all payments due to the Federal Government from all extractive industry companies, including taxes, royalties, dividends, bonuses, penalties, levies and such like, are duly made ;

(g) identify lapses and undertake measures that shall enhance the capacity of any relevant organ of the Federal State or Local Government having statutory responsibility to monitor revenue payments by all extractive industry companies to the Federal Government ;

(h) disseminate by way of publication of records, report or otherwise any information concerning the revenues received by the Federal Government from all extractive industry companies, as it may consider necessary ;

(i) promote or undertake any other activity related to its functions and which, in its opinion, is calculated to help achieve its overall objectives as enumerated in section 2 of this Act ;

(j) ensure that all fiscal allocations and statutory disbursements due from the Federal Government to statutory recipients are duly made.

4.—(1) The NEITI shall in each financial year appoint independent auditors for the purpose of Appointment auditing the total revenue which accrued to the Federal Government for that year from extractive industry companies, in order to determine the accuracy of payments and receipts.

Appointment of independent auditors and publication of report.

(2) The independent auditors appointed under subsection (1) of this section shall undertake a physical, process and financial audit on such terms and conditions as may be approved by the National Stakeholders Working Group (NSWG).

(3) Upon the completion of an audit, the independent auditors shall submit the reports together with comments of the Extractive Industries Company to the NEITI, which shall cause same to be disseminated to the National Assembly and the Auditor-General of the Federation and also ensure their publication.

(4) The NEITI shall submit a bi-annual report of its activities to the President and National Assembly.

(5) An auditor or auditing firm that has audited any extractive industry company in any given year shall not be appointed in the same year for the purposes of subsection (2) of this section.

(6) An auditor or auditing firm shall not be engaged for more than two years consecutively for the purposes of subsection (2) of this section.

(7) The Auditor-General of the Federation shall not later than 3 months after the submission of the audit report to the National Assembly publish any comment made or action taken by the Government on the audit reports.

5.—(1) The governing body of the NEITI shall be the National Stakeholders Working Group (in this Act referred to as “the NSWG”).

Establishment of the National Stakeholders Workshop Group.

(2) The NSWG shall be responsible for the formulation of policies, programmes and strategies for the effective implementation of the objectives and the discharge of the functions of the NEITI.

(3) Without prejudice to subsection (2) of this section, the NSWG shall have powers to recommend the annual budget and work-plan of the NEITI and ensure the periodic review of programmes performance by the NEITI.

6.—(1) The NSWG shall be constituted by the President and shall consist of a chairman and not more than 14 other members one of whom shall be an Executive Secretary.

Composition of the NSWG.

(2) (a) In making appointment into the NSWG, the President shall include :

(i) representative of extractive industry companies,

- (ii) representative of Civil Society,
- (iii) representative of Labour Unions in the extractive industries,
- (iv) experts in the extractive industry, and
- (v) one member from each of the six geopolitical zones ;

(b) the Chairman and other members of NSWG other than the Executive Secretary shall serve on part-time basis.

(3) The appointment of Executive Secretary shall be for 5 years and no more.

Tenure of  
office of  
NSWG

7. A person appointed as a member of the NSWG shall hold office for 4 years and no more.

Payment of  
the  
allowances  
to the  
NSWG

8. The members of the NSWG as well as any person appointed to any of its special committees under section 2 may be paid such allowances out of the funds of the NEITI as the National Revenue Mobilization and Fiscal Commission may approve.

Meetings of  
the NSWG

9.—(1) The NSWG shall ordinarily meet quarterly for the dispatch of business at such times and places as it may determine, but not less than four times in a year.

(2) At every meeting of the NSWG, the Chairman shall preside and in his absence, a member of the NSWG appointed by the members from among themselves shall preside.

(3) Questions proposed at a meeting of NSWG shall be determined by a simple majority of members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.

(4) The NSWG may at any time co-opt any person to act as an adviser at any of its meetings but no person so co-opted shall be entitled to vote at any meeting.

(5) The validity of the proceedings of the NSWG shall not be affected by the absence of any member, vacancy among its membership or by any defect in the appointment of any of the members.

Quorum.

10. The quorum of the NSWG at any meeting shall be 8 members.

Special  
committees.

11. The NSWG may constitute such special committees as it considers fit to deal with different aspects of its responsibilities.