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2. The orders, regulations, rules, notices, and other instruments of the Government.
3. The notices of the Government.
4. The notices of the States.
5. The notices of the Local Government Areas.
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NIGERIAN INVESTMENT PROMOTION COMMISSION
ACT (CAP. N117 LFN 2004)

PIONEER STATUS INCENTIVE REGULATIONS 2014



ARRANGEMENT OF REGULATIONS

Regulations

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2. Application

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S. I. No. 2 of 2014

NIGERIAN INVESTMENT PROMOTION COMMISSION ACT

(CAP. N117 LFN 2004)

PIONEER STATUS INCENTIVE REGULATIONS 2014

[30th January, 2014]

Commence-
ment.

In exercise of the powers conferred on the Commission by section 30 of the Nigerian Investment Promotion Commission Act, Cap N117 LFN 2004 and all other powers enabling it in that behalf, the NIGERIAN INVESTMENT PROMOTION COMMISSION makes the following Regulations—

PART I—OBJECTIVE AND APPLICATION

1. The Objective of these Regulations is to provide policy clarification, consistency and transparency in applying for Pioneer Status Incentive. Objective.
2. These Regulations shall apply to every applicant company for Pioneer Status Incentive. Application.

PART II—APPLICATION FOR A PIONEER STATUS INCENTIVE

3. —(1) An applicant for a Pioneer Status Incentive—

- (a) shall be a corporate body registered in Nigeria ; and
- (b) must have incurred a capital expenditure of not less than ten million naira.

Conditions
for
application
for a Pioneer
Status
Incentive.

(2) An application for a Pioneer Status Incentive shall be made to the Commission in the prescribed application form downloaded from the Commission's website or obtainable from the Commission's offices free of charge.

(3) The completed application form shall be submitted to the Commission, accompanied with the following—

- (a) a covering letter addressed to the Executive Secretary of the Commission ;
- (b) a copy of the Nigerian Investment Promotion Commission Registration Certificate ;
- (c) a copy of the applicant's Corporate Affairs Commission Incorporation Certificate ;
- (d) a copy of the applicant's Memorandum and Articles of Association ;
- (e) a copy each of the applicant's statement of share capital, form CAC 2 and particulars of persons who are first directors, form CAC 7 ;
- (f) tax clearance certificate ;
- (g) the relevant regulatory license to operate in the sector or business activity where required ;
- (h) a copy of the business plan of the proposed or actual project which the pioneer status is sought ; and

(i) evidence of payment of a non-refundable processing fee of Two hundred thousand naira (N200,000.00).

(4) The Application must be submitted within one year of the applicant's commencement of commercial production.

Disqualifica-
tion of
application
for Pioneer
Status.

4. The Pioneer Status application of an applicant shall be disqualified where—

(a) the qualifying share capital is less than Ten thousand naira (N10,000,000) ;

(b) the information provided by the applicant company for the consideration of its application is discovered to be false or misleading ; and

(e) there is an established case of abuse of the incentive.

PART III—SERVICE CHARGE AND ISSUANCE OF PIONEER STATUS CERTIFICATE

Payment of
Service
Charge.

5. An applicant company shall pay to the Commission, a 2 per cent service charge to be determined from its estimated savings.

Submission
of financial
statement of
applicant
companies.

6.—(1) An applicant company shall submit to the commission, its five years financial projections to assist the Commission in determining the service charge pursuant to regulation 5 of these regulations.

(2) Where an applicant company records negative pre-tax earnings, the higher of the following—

(a) 0.5 per cent of its net asset ; or

(b) 0.25 per cent of its turnover,
shall be applied in determining the service charge.

Notification
of service
charge.

7. The Commission shall within two days after it has determined the service charge of an applicant company, issue to the applicant company a notification letter and invoice stating payment details into the account of the commission.

Issuance of
approval
letter.

8. The applicant company shall be issued an approval letter upon presentation of evidence of payment of the 2 per cent service charge.

Production
day
certificate.

9. A copy of the approval letter issued under regulation 8 of these Regulations shall be forwarded to the Industrial Inspectorate Department of the Federal Ministry of Industry, Trade and Investment for the processing of the Production day Certificate.

Issuance of
Pioneer
Status
Certificate.

10. The Commission shall issue a Pioneer Status Certificate to the applicant company upon receipt of the Production day Certificate from the Industrial Inspectorate Department of the Federal Ministry of Industry, Trade Investment.

Impact
assessment.

11. The Commission shall carry out periodic impact assessment and evaluate the utilization of the savings accruing from the incentives to—

(a) measure the effectiveness of the Incentives ; and

(b) ensure that the savings accruing from the Incentives are utilized for the intended purposes.

12.—(1) Where a company that has been granted a Pioneer Status is unable to enjoy the incentive due to the fact that it is constrained or compelled to suspend its operations as a result of the following extenuating circumstances.

Extenuating
circumstances.

- (a) host community hostility ;
- (b) natural disasters ;
- (c) strikes ;
- (d) insurgency ; or
- (e) such other circumstances,

the company shall within 3 months of the continuous occurrence or persistence of the effect of the circumstance, notify the Commission.

(2) The Commission shall, upon receipt of the Notification referred to in sub regulation (1) of this regulation, verify the veracity of the company's claim and its effect on the company's operations.

(3) The Commission shall in liaison with the Federal Inland Revenue Service, after the company's claim has been verified pursuant to sub regulation (2) of this regulation, suspend the tenure of the incentive.

13. The certificate of a company that has been granted Pioneer Status Incentive shall be revoked where—

Revocation
of Pioneer
Status
Certificate.

(a) in the opinion of the Council, the company has contravened any of the provisions of the Act or has failed to fulfil any of the conditions of the certificate ;

(b) the information provided by the company for the processing of its application are falsified or misleading ;

(c) the company is engaged in any tax evasion under the cover of the Pioneer Status Incentive ;

(d) the company reneges on its commitment on the utilization of its tax savings accruing from the incentive without justifiable cause ;

(e) the financial books of the company are compromised with the intent of short changing the Commission of the 2 per cent service charge pursuant to regulation 6 of these Regulations ; and

(f) there is an established case of abuse of the incentive.

PART IV—MISCELLANEOUS

14. "*Act*" means the Nigerian Investment Promotion Act ;

Interpreta-
tion.

"*Applicant company*" means a company applying for a Pioneer Status Certificate ; and

"*Council*" means Governing Council of the Nigerian Investment Promotion Council.

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Citation.

15. These Regulations may be cited as the Pioneer Status Incentive Regulations, 2014.

MADE at Abuja this 30th day of January, 2014.

HON. ISA IBRAHIM BIO
Chairman Governing Council
Nigerian Investment Promotion Council