

A BILL

FOR

AN ACT TO AMEND THE PETROLEUM INDUSTRY ACT, 2021, FEDERAL REPUBLIC OF NIGERIA OFFICIAL GAZETTE NO. 142 VOLUME 108, 27TH AUGUST, 2021 TO INCREASE THE AMOUNT PAYABLE BY EACH SETTLOR INTO THE HOST COMMUNITIES DEVELOPMENT TRUST FUND FROM 3% TO 10% AND FOR RELATED MATTERS

Sponsored by Hon. Whingan Sesi Oluseun

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows;

1 **1.** The Petroleum Industry Act, 2021 (herein referred to as the Amendment of
2 'Principal Act') is amended as set out in the Bill. the Principal Act

3 **2.** Section 240 (2) is amended by replacing 3% with 10% in the Amendment of
4 subsection as follows: Section 240 (2)

5 "Each settlor, where application through the operator, shall make an annual
6 contribution to the applicable host communities development trust fund of
7 an amount equal to 10% of its actual annual operating expenditure of the
8 preceding financial year in the upstream petroleum operations affecting the
9 host communities for which applicable host communities development trust
10 fund was established."

11 **3.** Section 318 is amended by altering the reference given to Amendment of
12 frontier exploration fund in the interpretation section from 9 (3) to 9 (4) as Section 318
13 follows:

14 "Frontier exploration fund means the fund established in section 9 (4) of this
15 Act"

16 **4.** The Bill shall be cited as the Petroleum Industry Act Citation
17 (Amendment) Bill, 2023.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Petroleum Industry Act, 2021, to increase the amount payable by each settlor into the host communities development trust fund from 3% to 10%.