

A BILL

FOR

AN ACT TO AMEND THE INDUSTRIAL TRAINING FUND (ITF) ACT, 2011 TO CLARIFY AMBIGUITIES IN THE INTERPRETATION OF KEY WORDS IN THE PRINCIPAL ACT, DEFINE IMPORTANT TERMS, PROVIDE CLARITY AND PRECISION AND ENHANCE THE FUND'S SOURCES OF REVENUE AND FOR RELATED MATTERS

Sponsored by Hon.Dolapo Enitan Badru

Co - Sponsors

Hon. Isiaka Ibrahim Hon. Jaha Usman Ahmodu
Hon. Sa'ad Taura Wada Hon. Mitema Obordor
Hon. Mark Esset

[] Commencement

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

- | | | |
|----|---|-------------------|
| 1 | 1. The Industrial Training Fund (IRF) Act, 2011 (in this Bill | Amendment of |
| 2 | Referred to as the “Principal Act”) is amended as set out in this Bill. | the Principal Act |
| 3 | 2. Section 2 of the Principal Act is amended by substituting for the | Amendment of |
| 4 | existing paragraphs (a), (c) and (d), new paragraphs (a), (c) and (d) and | Section 2 |
| 5 | introducing new paragraphs (e)-(l) as follows: | Utilization of |
| 6 | (a) Provide, promote, and drive the acquisition and development of | Funs |
| 7 | skills in industry and commerce to meet the manpower needs of the private | |
| 8 | and public sectors of the economy in line with current trends in innovation | |
| 9 | and technology; | |
| 10 | (b) Provide training for skills in Management for Technical and | |
| 11 | Entrepreneurial development in the Public and Private sectors of the | |
| 12 | Economy; | |
| 13 | (c) Set and regulate training standards and National Occupational | |
| 14 | Standards in all sectors of the economy, monitor and ensure compliance in | |

1 line with set standards.

2 (d) Regulate, Evaluate, Certify and Licence all Training Providers,
3 Assessment Centres; and Vocational Skills acquired by Apprentices,
4 Craftsmen, Technicians and Artisans in Private and Public sectors of the
5 economy;

6 (e) Set and regulate standards on Industrial and Occupational Health
7 and Safety (IOHS) in public and private sectors of the economy; monitor and
8 ensure compliance;

9 (f) Register and maintain a databank of apprentices, craftsmen,
10 technicians and artisans along with their relevant qualifications;

11 (g) Develop, Implement and apply the National Apprenticeship and
12 Traineeship System, Nigerian Skills Qualification Framework, Artisans'
13 certification framework and other such frameworks and their respective
14 qualification levels that maybe approved from time to time;

15 (h) Regulate and harmonize National and International Vocational
16 Skills Certificates for seamless talent exchange;

17 (i) Establish National Quality Assurance System for Skills Training
18 Providers and ensure adherence to set standards;

19 (j) Regulate the implementation of-

20 (i) National Skills Qualification Framework (NSQF);

21 (ii) Artisans' Certification Framework (ACF);

22 (iii) Any other Qualification Framework as it relates to Skills
23 Development as may be approved from time to time;

24 (k) Ensure regular up-skilling and re-skilling of certified apprentices,
25 technicians, craftsmen and artisans in public and private sectors of the
26 economy, utilising appropriate skills programme;

27 (l) Register, Licence and Regulate all foreign Apprentices,
28 Technicians, Craftsmen and Artisans as requirement to practice in all sector of
29 the Nigerian economy.

1	3. Section 4 of the Principal Act is amended as follows:	Amendment of Section 4 - Powers of the Council
2	The Council shall have powers:	
3	(a) in subsection (1) by inserting new paragraphs (c) and	
4	introducing new paragraphs (g)-(q);	
5	(b) by deleting subsection (2):	
6	(a) to provide or secure the provision of such courses and other	
7	facilities (which may include residential accommodation) for the training of	
8	persons employed or intending to be employed in Industry and Commerce	
9	as may be required, having regard to any courses or facilities available to	
10	such person;	
11	(b) to approve such courses and facilities provided by other	
12	persons;	
13	(c) from time to time, to consider the employment in Industry and	
14	Commerce as appears to require special consideration, develop and publish	
15	guidelines, rules, procedures and regulations about the nature, length, and	
16	levels of qualifications of training for any such employment and further	
17	education to be associated with the training, the persons to and by whom the	
18	training ought to be given, the standards to be attained as a result of the	
19	training and the methods of ascertaining whether those standards have been	
20	attained;	
21	(d) to apply or make arrangement for the application of selection	
22	tests and of tests or other methods for ascertaining the attainment of any	
23	standards;	
24	(e) to assist persons in carrying on research into any matter relating	
25	to training for employment in industry and commerce in all public and	
26	private sectors of the economy;	
27	(g) to publish guidelines on Industrial and Occupational Health	
28	and Safety to employers in the public and private sectors of the economy;	
29	(h) from time to time, conduct workplace risk assessment on	
30	Industrial and Occupational Health and Safety for organisations in the	

- 1 public and private sectors of the economy;
- 2 (i) to determine and regulate standards for awarding bodies for
3 certification in skills development in the economy;
- 4 (j) to award certificates on skills to apprentices, craftsmen,
5 technicians and artisans; and other programmes as maybe approved by the
6 Council;
- 7 (k) to prescribe fees to be paid for Certification and Licencing by
8 Training Providers, Assessment Centres, Apprentices, Technicians, Craftsmen
9 and Artisans;
- 10 (m) issue licence to all foreign Apprentices, Technicians, Craftsmen
11 and Artisans to operate in Nigeria;
- 12 (m) to approve all Sector Skills Councils and regulate their activities;
- 13 (n) to acquire, hold and dispose property, whether movable or
14 immovable;
- 15 (o) to register Consultancy Services Limited and manage all profits
16 derived therefrom to advance the objectives of the Fund;
- 17 (p) to accept donations and grants from Local and International
18 donors;
- 19 (q) to undertake all such acts or activities that may increase revenue
20 generation to advance the objectives of the Fund.
- 21 **4.** Section 6 of the Principal Act is amended as follows: by
22 substituting for the existing paragraphs (1) -(4), and introducing new
23 paragraph (1)-(4) as follows-
- 24 6(1) Every employer having 5 or a more employees in its
25 establishment or having less than 5 employees but with a turnover of N20M
26 and above per annum shall, in respect of each calendar year and or prescribed
27 date, contribute to the Fund one per centum (1%) of its total annual payroll.
- 28 6(2) Any supplier, contractor or consultant having 5 or more
29 employees in its establishment bidding or soliciting contracts, businesses,
30 goods and services from any Federal Government ministry, department,

Amendment
of Section 6

Liability to
contribute to
the Fund

1 agency, commercial, industrial and private entity shall fulfil statutory
2 obligation of its employees with respect to payment of training contribution
3 to the fund.

4 6(3) Any liable organization, public or private including
5 companies situate in the Free Trade Zones requiring approval for expatriate
6 quota and/or utilizing custom services in matters of export and import, must
7 show proof of compliance with this Act in respect of payment of training
8 contribution of its employees and all regulatory agencies of the Federal
9 Government shall ensure compliance with section 6(1) - (3) of this Act

10 6(4) The Minister may, with the approval of the Federal Executive
11 Council by order published in the Federal Government Gazette, vary the rate
12 of contribution prescribed in subsection (1)

13 5. Section 8 of the Principal Act is amended by substituting for the
14 existing provisions, new provisions as follows:

15 "(1) All employers who pay their annual training contributions and
16 shall:

17 (a) At all times, provide adequate training for their indigenous staff
18 with a view to improving on skills related to their job and evidence of such
19 training shall be forwarded to the Council;

20 (b) Accept students for industrial attachment purposes;

21 (c) Employ or Engage only Apprentices, Craftsmen, Technicians
22 and Artisans that are duly registered and licenced by the ITF.

23 (2) Any employer who is in breach of the provision of sub-section
24 (1) of this section shall be guilty of an offence under this Act and liable on
25 conviction-

26 (a) In the case of a body corporate to loss of reimbursement
27 benefits and a fine of 5% of the amount due as assessed by the Director-
28 General for the first breach; and a fine of 10% of the amount due for each
29 subsequent breach;

30 (b) In the case of a Chief Executive, Secretary, Principal Officers

Amendment of
Section 8
Duty of employees
to train indigenous
staff and engage
licensed Apprentices ,
Technicians, Craftmen
and Artisans

	1	and any other Officer of the company, to a fine of N5, 000,000.00 (Five Million
	2	Naira) or two years' imprisonment for the first breach and three years'
	3	imprisonment without an option of fine for each subsequent breach."
Insertion of new Section 9	4	6. A new Section 9 is introduced with, new provisions as follows:
Duty of employers to adhere to industrial and occupational health and safety guidelines	5	"(1) All employers shall adhere to the set standard on Industrial and
	6	Occupational Health and Safety as prescribed in any guidelines to be published
	7	by the Council:
	8	(a) At all times, provide adequate training for their indigenous staff
	9	with a view to improving on skills related to Industrial Health and Safety and
	10	evidence of such training shall be forwarded to the Council;
	11	(2) Any employer who is in breach of the provision of sub-section (1)
	12	of this section shall be guilty of an offence under this Act and liable on
	13	conviction-
	14	(i) In the case of a body corporate, to a fine of N5,000,000 for the first
	15	offence and N10,000,000 for each subsequent breach;
	16	(ii) ii. In the case of a Chief Executive, Secretary, Principal Officers
	17	and any other officer of the Company, to a fine of N5,000,000.00 (Five Million
	18	Naira) or two years' imprisonment for the first breach and three years'
	19	imprisonment without an option of fine for each subsequent breach.'
Amendment of Section 9	20	7. Section 9 of the Principal Act is the new Section 10:
Penalty for non-payment	21	10.-(1) If any contribution is not paid within the time prescribed in the
	22	Act, a sum equal to five per centum of the amount unpaid shall be added for
	23	each monthly or part of a month after the date on which payment should have
	24	been made.
	25	(2) Notwithstanding the provision of sub-section (1) of this section,
	26	the Director- General may, if he thinks fit, waive in whole or in part, any
	27	penalty imposed under this section.
Amendment of Section 10	28	8. Section 10 of the Principal Act is the new Section 11:
Accounts and Audits	29	11.-(1) The Council shall keep proper accounts and proper records in
	30	relation thereto, and shall prepare in respect of each financial year, a statement

1 of accounts in accordance with the relevant laws of the Federal Republic of
2 Nigeria.

3 (2) The Council shall as soon as may be, after the end of each
4 financial year to which the account relates cause the accounts to be audited
5 by auditors appointed from a list and in accordance with the guidelines
6 prepared by the Auditor-General of the Federation.

7 (3) The auditors shall on the completion of the account of each
8 financial year, prepare and submit to the Council a report setting out their
9 observations and recommendation on all aspects of the accounts of the
10 Council for that year, and the Council shall forward a copy of the report to
11 the Minister.

12 **9.** Section 11 of the Principal Act is the new Section 12.

13 **10.** Section 12 of the Principal Act is the New section 13.

14 13. A copy of an entry in the accounts of the Fund or other extracts
15 from the records of the Fund shall, when certified by the Director-General be
16 received in all Courts as prima facie evidence of the truth of the contents
17 there of, and as the case may be, of the debt owed the Fund by any person.

18 **11.** Section 13 of the Principal Act is renumbered as new section
19 14.

Amendment of
Section 13-
Power of the court
to decide in dispute
relating to liability

20 **Returns**

21 **12.** Section 14 of the Principal Act is renumbered as new section
22 15.

Amendment of
Section 14

23 **13.** Amendment of section 15 of the Principal Act renumbered as
24 section 16 of the Bill.

Amendment of
Section 15

Offences

25 Section 16 of the Principal Act is amended as follows:

26 (1) If any employer fails, neglects or refuses to furnish the required
27 returns specified in section 14 of this Act, the Director-General of the Fund
28 or any staff authorized on his behalf shall be and is hereby empowered to
29 assess, according to his best of judgment, the appropriate contribution the
30 employer shall pay to the Fund; but such assessment shall not affect the

1 authority of the Director-General or any staff authorized on his behalf to assess
2 the actual amount of the employer's liability when the employer subsequently
3 makes its returns.

4 (2) Any person who-

5 (a) Knowingly or recklessly furnishes, in pursuance of any
6 requirement under section 14 of this Act, any returns or information which is
7 false in a material particular; or

8 (b) Willfully makes a false entry in any record required to be produced
9 under that section or with intent to deceive, make use of any entry which he
10 knows to be false, shall be guilty of an offence

11 "(c) Knowingly or negligently presents any forged or falsified official
12 documents including but not limited to compliance certificate, receipts, letter
13 headed papers, etc. purported to have emanated from the Fund shall be guilty of
14 an offence under this section".

15 (3) Any person who is found guilty of an offence under sub-section (2)
16 of this section shall be liable on conviction:

17 (a) In the case of a body corporate to a fine N5,000,000.00 (Five
18 Million Naira) for a first offence and N10,000,000,00 (Ten Million Naira) for
19 each subsequent breach, and

20 (b) In the case of a Chief Executive, Secretary, Principal Officers and
21 any other officer of the Company, to a fine of N5, 000,000.00 (Five Million
22 Naira) or two years' imprisonment for the first breach and three years'
23 imprisonment without an option of fine for each subsequent breach."

Duties of Training
Providers,
Assessment
Centres,
Apprentices,
Technicians, and
Craftsmen,
Artisans

24 Insertion of a new section 17.-

25 (1) All training providers and assessment centres shall be accredited
26 and obtain licence to operate in line with section 2 of this Act.

27 (2) All apprentices, technicians, craftsmen and artisans shall obtain
28 licence to practice in line with section 2 of this Act

29 (3) Any person who is in breach of any of the provisions of
30 subsections (1) - (2) of this section shall be guilty of an offence under this

1 section and liable upon conviction-

2 (a) In the case of non-accredited and non-complying training
3 providers and assessment centres to a fine of N500,000 for the first breach
4 and N1,000,000 for each subsequent breach;

5 (b) In the case of unlicensed apprentices, technicians, craftsmen
6 and artisans to a fine of N100,000 for the first breach and N200,000 for each
7 subsequent breach.

8 **14.**(1) The Industrial Training Fund shall serve as secretariat of the
9 National Skills Council (NSC).

Insertion of a
new Section 18-
Establishment
of the National
Skills Council
(NSSC) Secretariat

10 **I 15.** Section 16 of the Principal Act is amended to become a new
11 section 19 as follows:

Interpretation

12 "In this Bill:

13 "contribution" means one per centum (1%) of the payroll and/or staff costs;
14 it includes underpayment and any interest or penalty payable or for late
15 payment as the case may be;

16 "Employees" means all persons whether they are Nigerians or foreigners,
17 working or employed in any establishment in return for salary, wages, or
18 other consideration and whether employed full time or part-time, and
19 includes temporary or permanent workers;

20 "Employer" means any persons juristic or non-juristic, public or private,
21 national or international organization with whom an employee entered into a
22 contract for salary, wages, or other consideration; operating in Nigeria
23 having either 5 or more employees in its establishment, or having less than 5
24 but with a turnover of N20 Million and above per annum;

25 "Industry" means a group of productive enterprises or organizations that
26 produce or supply goods, services, or sources of income. In Economics,
27 Industries are customarily classified as primary, secondary, tertiary and
28 Quaternary; which are defined as follows:

29 Primary Industry: "this sector of a nation's economy includes agriculture,
30 forestry, fishing, mining, quarrying and extraction of minerals. It is divided

1 into 2 categories - GENETIC Industries includes production of raw materials
2 that may be increased by human intervention in the process and
3 EXTRACTIVE INDUSTRY including the production of exhaustible raw
4 materials that cannot be augmented through cultivation;

5 Secondary Industry: This sector is also called manufacturing industry. They
6 (a) take raw materials supplied by primary Industries and process them into
7 consumer goods or (b) further process goods that other secondary Industries
8 have transformed into products or (c) builds capital goods used to manufacture
9 consumer and non-consumer goods. Secondary industry also includes energy
10 producing industries {e.g., hydroelectric industries} as well as the construction
11 industry, petroleum refining, steel and iron manufacturing, motor vehicle, and
12 heavy machinery manufacture, cement production, nonferrous metal refining,
13 meat packaging, and hydro-electric power; light or small scale industry
14 characterized by the non-durability of manufactured products and a smaller
15 investment in plants and equipment including textile work and clothing
16 manufacture, food processing, and plastics manufacture, or highly skilled as in
17 electronics and computer hardware manufacture, precision instrument
18 manufacture, gemstone cutting, and craft work.

19 Tertiary Industry: This sector also called service industry includes industries
20 that while producing no tangible goods, provide services or intangible gains or
21 generate wealth in free market and mixed economy; this sector generally has a
22 mix of private and government enterprise. The industries of this sector includes
23 banking, finance, revenue generation/tax collection services, insurance,
24 aviation, maritime, investment and real estate services, wholesale, retail and
25 resale trade, transportation, information and communication services,
26 professional, consulting, personal services, tourism, hotels, restaurant and
27 entertainment, repair and maintenance services, education and teaching, health
28 and social welfare, administrative, security outfits, gaming, sports,
29 transportation,

30 Quaternary Industry: This sector includes information-based or knowledge-

1 oriented products and services, private and government endeavours in
2 information systems and information technology (IT); research and
3 development, including technological development and scientific research;
4 financial and strategic analysis and consulting; media and communications
5 technologies and services; education including teaching and educational
6 technology and services

7 "Manpower needs" means the requisite human resource capabilities and
8 skills in industry and commerce in line with current global trends in
9 innovation and technology, including but not limited to: Artificial
10 Intelligence, Robotics, Genetic Engineering, Internet of Things and
11 Quantum Computing;

12 "Commerce" means part of business which is concerned with the exchange
13 of goods and services and includes all those activities which directly or
14 indirectly facilitate that exchange;

15 "Payroll" means the sum of all basic pay, allowances and other entitlement
16 and benefits enjoyed within and outside Nigeria by any employee in any
17 establishment, public or private, such as:

- 18 1. Basic salary
- 19 2. Overtime Pay
- 20 3. Housing/Rent Allowance
- 21 4. Furniture Allowance
- 22 5. Transport / Motor Vehicle Grant/Allowance
- 23 6. Director's Fee/Remuneration
- 24 7. Non-Executive Directors Sitting Allowance and other expenses
- 25 8. Bonuses/Severance Costs/Ex-Gracia Severances
- 26 9. Commissions
- 27 10. Acting Allowance
- 28 11. Domestic Staff Allowance
- 29 12. Employees Share Profits
- 30 13. Casual Worker's Wages

- 1 14. Direct Labour Costs
- 2 15. Utility Allowance
- 3 16. Meal Subsidy
- 4 17. Entertainment Allowance
- 5 18. Pension (Employers Contribution)
- 6 19. Other Benefits (cash or kind)
- 7 20. Holiday/Leave Allowance,
- 8 21. Out-sourced Services,
- 9 22. Hazard Allowance,
- 10 23. Gratuity,
- 11 24. Traveling & Passage Allowance (e.g. Estacode),
- 12 25. NSITF (Employers' Contribution/Workmen
- 13 Compensation/Insurance),
- 14 26. Holiday Allowance,
- 15 27. Redundancy/Terminal Salary/Wages,
- 16 28. Tools Allowance.

17 "Training Provider" Any person or organization established for the purpose of
18 conducting skills training;

19 "Assessment Centre" Any approved establishment that has a process where
20 candidates are examined for the award of qualifications according to standards;

21 "Sector Skills Council" These are industry led organisations that aim to reduce
22 skills gap and shortages, improve productivity and opportunities for the
23 workforce;

24 "Licence" An official permit issued periodically which can be suspended,
25 withdrawn or cancelled under the seal of the Director-General;

26 "Subsequent Breach" Any succeeding failure to make payment upon demand
27 by the Director-General, Agent or Officers of the Fund.

Amendment of
Section 17 now
New Section 20

28 **16.**Section 17 of the Principal Act is now amended as Section 20 as
29 follows:

Citation

30 This Bill may be cited as the Industrial Training Fund (Amendment)
Bill, 2024.

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SCHEDULE

The Schedule of the Principal Act is amended by substituting section (4) of the schedule with the new provision as follows:

The fixing of the seal of the Council shall be authenticated by the signature of the Director-General on behalf of the Council

The Schedule to the Principal Act is amended:

(1) Section 1(d) by substituting for the existing paragraph a new paragraph (d) as follows:

(1) The Governing Council shall consist of thirteen members to be appointed by the Minister and shall comprise;

(a) The Chairman;

(b) The Director-General;

(c) One representative each, from the following ministries-

(i) Industry;

(ii) Education;

(iii) Labour and Productivity;

(iv) Budget and Economic Planning.

(d) One representative of the Nigeria Labour Congress/Trade Union Congress in rotation at each Council Tenure;

(e) One representative of the National Employers Consultative Association;

(f) One representative of the National Association of Chambers of Commerce, Industries, Mines and Agriculture;

(g) One representative of Manufacturers Association of Nigeria;

(h) One representative with extensive knowledge of and close association with industrial training; and

(I) Two persons who shall not come from the same State, to represent the States for two years at a time.

(2) Section 4 by substituting for the word "Chairman" the word "Director-General.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Industrial Training Fund Act, to address the challenges brought about by the ambiguities of interpretation of key words used in the Principal Act. It also seeks to clarify the definition of important terms in the Act, and to enhance the Fund's sources of revenue..