



NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD TO AUDIT COMPLIANCE WITH THE NIGERIAN OIL AND GAS INDUSTRY CONTENT DEVELOPMENT ACT

Dear Esteemed Clients,

The Nigerian Content Development and Monitoring Board (“NCDMB”) has commenced the audit of companies operating in the oil and gas industry in Nigeria so as to ascertain the level of compliance on expatriate quota (EQ) utilization and succession plan implementation.

This exercise is in accordance with section 31 of the Nigerian Oil and Gas Industry Content Development Act (“the Act”) which mandates operators in the oil and gas industry to submit to the NCDMB, a succession plan for any position not held by Nigerians which will allow Nigerians to understudy each incumbent expatriate for a maximum period of four (4) years and at the end of the four year period, the position becomes Nigerianised. The Act further empowers the NCDMB to carry out regular audits on the Nigerian content performance of these companies for the purpose of monitoring and implementing compliance with the provisions of the Act. Consequently, companies who have failed to implement their EQ and succession plan would be liable to a penalty of 5% of a project sum for each project in relation to which an offence is committed, or cancellation of the project for non-compliance with the provisions of the Act.

Companies are therefore advised to review their compliance status to identify their gaps and regularize their position as the case may be.

DISCLAIMER

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