



NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB)

GUIDELINE FOR NIGERIAN CONTENT EQUIPMENT CERTIFICATE (NCEC) INITIATIVE

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REASON FOR ISSUE		Drive the growth of in-country value addition in the Nigerian Oil and Gas Industry through Ownership of Equipment and Facilities.					

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1.0 Introduction

The Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010 empowers the Nigerian Content Development and Monitoring Board (NCDMB) to develop viable and robust initiatives, strategies, frameworks, and guidelines to drive and further the attainment of the sustainable development and utilization of local capacities and capabilities in the Nigerian Oil and Gas Industry. This Guideline is part of the Board's unflinching commitment towards the realization of the objectives and aspirations of the NOGICD Act.

The Nigerian Content Equipment Certificate (NCEC) is a requirement of the Equipment Component Manufacturing Initiative (ECMI), which was conceived by the Board to address the gaps in:

- Local manufacturing, assembly, fabrication, threading, coating, repair/maintenance, calibration and testing of equipment/equipment components etc.
- Local supply of equipment/equipment components in the Nigerian Oil and Gas Industry.
- Ownership of equipment used for onshore and offshore services in the Nigerian Oil and Gas Industry.

This Guideline, which is consistent with sections 4, 5, 6, 12, 13, 15, 53 and 70 of the NOGICD Act, the objectives, and aspirations of the Schedule to the NOGICD Act, the ECMI and the Board's 10-Year Strategic Road Map, covers the following:

- I. General manufacturing of equipment/equipment components, materials and goods including paints used in oil and gas activities and operations.
- II. Fabrication, assembly, threading, coating, maintenance, calibration and testing of equipment/equipment components used in the Oil and Gas Industry.
- III. Facilities and equipment required for engineering services and support of oil and gas project execution and operations, and assets for onshore and offshore operations and services.
- IV. Construction equipment and moveable equipment with value exceeding ₦10 Million.
- V. Facilities and appurtenances required for logistics, catering, health safety and environment, medical and all other activities required for support operations and project execution in the Oil and Gas Industry.

In view of the above and in exercise of the powers conferred by the Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010, the Board issues the following

Guidelines for the implementation of the Nigerian Content Equipment Certificate Initiative in the Nigerian Oil and Gas Industry.

2.0 Definitions

S/N	Acronyms/Terminologies	Description
1.	CBD	Capacity Building Division of the Board
2.	DLS	Directorate of Legal Services of the Board
3.	DPR	Department of Petroleum Resources
4.	DPRS	Director Planning, Research and Statistics of the Board
5.	ECMI	Equipment Component Manufacturing Initiative
6.	ES	Executive Secretary of the Board
7.	GM	General Manager
8.	LCV	Local Content Value
9.	MED	Monitoring and Evaluation Directorate of the Board
10.	Mgr.	Manager
11.	MOA	Memorandum of Agreement
12.	Nigerian Company	A company formed and registered in Nigeria in accordance with the provision of Companies and Allied Matters Act with not less than 51% equity shares by Nigerians.
13.	NCDMB	Nigerian Content Development and Monitoring Board (the Board)
14.	NCEC	Nigerian Content Equipment Certificate
15.	NCS	NCEC Category for new or proposed Consultancy and Studies Facilities and Services
16.	NEC	NCEC Category for new or proposed Construction and Movable Equipment

17.	NFC	NCEC Category for new or proposed Fabrication and Construction
18.	Nigerian Oil and Gas Industry	All activities connected with the exploration, development, exploitation, transportation and sale of Nigerian oil and gas resources including upstream, midstream, and downstream oil and gas operations.
19.	NMS	NCEC Category for new or proposed Manufacturing and Related Services
20.	NOGICD Act	Nigerian Oil and Gas Industry Content Development Act of 2010
21.	NOGIC JQS	Nigerian Oil and Gas Industry Content Joint Qualification System
22.	NPS	NCEC Category for new or proposed Procurement and Supply
23.	NQS	NCEC Category for new or proposed Quality Inspection and Quality Control Services
24.	NSS	NCEC Category for new or proposed Logistics and Support Services
25.	OEMs	Original Equipment Manufacturers
26.	PCAD	Projects Certification and Authorization Division of the Board
27.	SBD	Strategic Business Development Department of CBD
28.	SME	Small and Medium Scale Enterprise
29.	Contract Type 1	Contracts with value from \$200 Million or the Naira equivalent
30.	Contract Type 2	Contracts with value from \$100 Million to \$199.9 Million or the Naira equivalent
31.	Contract Type 3	Contracts with value from \$50 Million to \$99.9 Million or the Naira equivalent

32.	Contract Type 4	Contracts with value from \$10 Million to \$49.9 Million or the Naira equivalent
33.	Contract Type 5	Contracts with value below \$9.9 Million or the Naira equivalent

2.1 Definition of Equipment

For the purposes of this Guideline, equipment shall be defined as follows:

Set of tools, instruments, implements, apparatus, machines and mechanical components, electrical/electronic appliances/components, devices, appurtenances, accessories, vehicles and similar sets of materials; things of value required for and applied in the process of production of goods and services; items used in the execution of activities; materials used for manufacturing, production process and related operations, and provision of services including logistic services in the Oil and Gas Industry and its linkage sectors.

3.0 Application

In line with sections 4, 5, 6, 12, 13, 15, 53 and 70 of the NOGICD Act of 2010, the Schedule to the NOGICD Act and the aspirations of the Board's 10-Year Strategic Road Map, this Guideline shall apply to materials, goods, equipment/equipment components, facilities, and assets including assets for logistics, catering, health safety and environment, medical and general oil and gas services in Nigeria. The exceptions to this Guideline include Marine Vessels, Rigs and Dock Yards, which are covered by Guideline for Marine Vessel Categorization Implementation Strategy, and Guideline for Rig Ownership and Utilization Strategy respectively.

4.0 Objectives

The key objectives of this Guideline include:

1. Encourage and drive the establishment and development of facilities and infrastructure for local manufacturing and related activities in collaboration with OEMs, investors, and technical partners.
2. Drive the growth of equipment and assets ownership by Nigerian companies.
3. Encourage technology transfer and stimulate local innovation and technology development.
4. Promote the development and growth of human capital, especially local skilled manpower and industry/technology experts.

5. Drive the sustainable growth of local supply and service value chain in the Nigerian Oil and Gas Industry.
6. Attract investments and maximize opportunities in the Nigerian Oil and Gas Industry.
7. Drive and ensure maximum patronage and utilization of locally produced goods and services, as well as equipment and assets owned by Nigerian companies.
8. Maximize retention of periodic and annual industry spends in-country.

Additional objectives and aspirations of this Guideline include:

- I. Drive enforcement of Nigerian Content Equipment Certificate (NCEC) as a mandatory requirement for companies to participate in Tenders and in the award of contracts in the Nigerian Oil and Gas Industry.
- II. Stimulate and drive the development and growth of local SMEs, vendors and entrepreneurs in the Nigerian Oil and Gas Industry.
- III. Link the oil and gas sector to other sectors of the Nigerian economy and stimulate the growth of national GDP.
- IV. Create sustainable value addition and opportunities for employment and economic productivity/growth in-country.
- V. Create viable framework for the gathering of information on new investments; growth and ownership of facilities, infrastructures and equipment by Nigerian companies; local manufacturing and related activities; local supply of equipment/equipment components, materials and goods; technology transfer and local technology development; skilled manpower/experts development; employment and growth of Nigerian personnel in the Nigerian Oil and Gas Industry; industry spends and in-country retention; and oil and gas sector contribution to national GDP etc.
- VI. Further the attainment of the objectives and aspirations of the NOGICD Act and the Board's 10-Year Strategic Road Map.

5.0 Nigerian Content Equipment Certificate (NCEC) Categorization

The Nigerian Content Equipment Certificate shall be classified into Eight (8) groups. Each group is subdivided into Five (5) categories based on:

- (a) Capitalisation - showing assets and amount invested so far in Nigeria as represented by the gross value of the fixed assets and current assets of the company as stated in the

Audited Account and/or presentation of Assets Revaluation Report carried out by an accredited member of the Nigerian Institution of Estate Surveyors and Valuers (NIESV).

(b) the level of investment, the percentage equity holding by Nigerian investors, the number of employees, and national and international certification(s) relevant to and/or required for the facilities, services, equipment, and assets for which the application is being made as shown in Annexure A.

- I. **Consultancy and Studies Group - CS:** For existing capacities commissioned and operational in Nigeria for the delivery of engineering designs, studies, professional and expertise advisory services and other related specialized services in the Oil and Gas Industry. This Group is assigned the Code CS and the 5 categories shall be designated as CS1 - CS5. Upcoming or proposed capacities in this category shall carry the code NCS and the five categories shall be assigned NCS1 to NCS5.
- II. **Fabrication and Construction Group - FC:** For existing capacities commissioned and operational in Nigeria for fabrication and construction activities in the Oil and Gas Industry. This Group is assigned the Code FC and the 5 categories shall be designated as FC1 - FC5. Upcoming or proposed capacities in this group shall carry the code NFC and the five categories shall be assigned NFC1 - NFC5.
- III. **Manufacturing and Related Activities Group – MS:** For existing capacities commissioned and operational in Nigeria for manufacturing and related activities. It covers all materials, goods and equipment/equipment components manufactured in Nigeria for the Oil and Gas Industry and its linkage sectors. All materials listed under this category must be ring-fenced and tendered amongst only companies carrying out such manufacturing in Nigeria. This group is assigned the Code MS and the 5 categories shall be designated as MS1 - MS5. Upcoming or proposed manufacturing capacities in this group shall carry the code NMS and the 5 categories shall be designated as NMS1 - NMS5.
- IV. **Procurement and Supplies Group - PS:** For existing capacities commissioned and operational in Nigeria for procurement and supply of materials, tools and equipment/equipment components, and related services required in oil and gas operations and activities. This Group is assigned the Code PS and the 5 categories shall be designated as PS1 - PS5. Upcoming or proposed capacities in this group shall carry the code NPS and the 5 categories shall be designated as NPS1 - NPS5.
- V. **Quality Inspection and Quality Control Group - QS:** For existing capacities commissioned and operational in Nigeria for quality inspection and quality control activities and services. This group is assigned the Code QS and the 5 categories shall

be designated as QS1 - QS5. Upcoming or proposed capacities in this category shall carry the code NQS and the 5 categories shall be designated as NQS1 - NQS5.

- VI. **Services and Support Group - SS:** For existing capacities commissioned and operational to provide services and support for oil and gas production services such as drilling, solid control, Mud, Wireline, Perforation, PVT Sampling, well completion excluding marine logistics and drilling rigs. This group is assigned the Code SS and the 5 categories shall be designated as SS1 - SS5. Upcoming or proposed capacities in this group shall carry the code NQS and the 5 categories shall be designated as NSS1 - NSS5.
- VII. **Construction and Movable Equipment Group - EC:** For movable equipment used to provide and support operations, activities and services in the Oil and Gas Industry and Linkage Sectors. This Group is assigned the Code EC and the 5 categories will be designated as EC1 - EC5. Details of the equipment covered in this group are contained in Annexure B.
- VIII. **Assets for Onshore and Offshore Services Group - DA:** For non-moveable assets used for **oil and gas operations**, including catering, health safety and environment, Logistics, medical and related services in the Nigerian Oil and Gas Industry. This Group is assigned the Code DA and the 5 categories shall be designated as DA1 - DA5.

5.1 Key Documentation Required for NCEC Issuance

All applicants are expected to provide documentary evidence to support the group they are applying for. Specifically, the following documentation shall be required.

1. Evidence of capitalization showing assets and amounts so far invested in Nigeria.
2. Evidence of registration with Nigerian Social Insurance Trust Fund (NSITF) Scheme, showing the actual number of employees and company organizational structure.
3. Tax certificate or receipt showing the actual tax paid in the previous year.
4. Audited annual report showing the Annual Turnover, Tax paid, etc.
5. Investment plan.
6. Receipt of purchased equipment.
7. Copies of international certifications and Nigerian certifications.

All applications for new facilities or new capacities to be developed must be accompanied with a viable and realistic implementation plan, indicating detailed requirements including timeline, investment cost, agreement with original equipment manufacturers, production capacity, number of personnel required and Nigerians to be trained etc.

5.2 Statutory Documentation Required for NCEC Issuance

All companies applying for NCEC must submit valid copies of all the statutory documents required for the processing and issuance of NCEC and get confirmation that the documents have been received. Failure to submit a valid statutory document shall be a fatal flaw and will lead to stoppage of processing the application and issuance of the NCEC. The statutory documents required are listed in Table 5.2.

Table 5.2: List of Statutory Documents

STATUTORY REQUIREMENTS						
	DPR CERTIFICATE	CAC Form C02 and CO7	Evidence of Nigerian Bank Account	Evidence of Nigeian Insurance	Evidence of Nigerian Legal Retainership	Current Tax Certificate
All Categories	Yes	Yes	Yes	Yes	Yes	Yes

In addition to the statutory documents, companies must provide evidence of valid national and international certifications recognized in the industry (ISO, API, ASME etc.) and relevant to, or as may be applicable to the facility, asset, equipment/equipment components or service for which the application is being made for.

5.3 Application and Implication of NCEC Categories at Tenders and in the Award of Contracts in the Nigerian Oil and Gas Industry

- 1. Holders of Category 1 NCEC in each Group as contained in this Guideline, shall be given exclusive consideration to participate in Tenders, and in the award of contracts for Contract Type 1 contracts and below under the activities of the Group, in the Nigerian Oil and Gas Industry.**
- 2. Holders of Category 2 NCEC in each group as contained in this Guideline, shall be given consideration to participate in Tenders and in the award of contracts for Contract Type 2 and below, under the activities of the Group, in the Nigerian oil and Gas industry.**

- 3. Holders of Category 3 NCEC in each Group as contained in this Guideline, shall be given consideration to participate in Tenders and in the award of Contract Type 3 and below, under the activities of the Group, in the Nigerian Oil and Gas industry.**
- 4. Holders of Category 4 NCEC in each Group as contained in this Guideline, shall be given consideration to participate in Tenders, and in the award of Contract Type 4 and below, under the activities of the Group in the Nigerian Oil and Gas Industry.**
- 5. Holders of Category 5 NCEC in each Group as contained in this Guideline, shall be given consideration to participate in Tenders, and in the award Type 4 Contracts under the activities of the Group, in the Nigerian Oil and Gas Industry.**

6.0 NCEC Application Process

Companies shall apply for NCEC through the Nigerian Oil and Gas Industry Content Joint Qualification System (NOGIC JQS) at www.nogicjqs.gov.ng and ensure that all information and documents uploaded are accurate, authentic, and not misleading.

The Board shall carry out mandatory facility, equipment and assets inspection and verification exercise within fifteen (15) working days upon receipt of the application. The objective of the exercise is to ascertain the status of the domiciliation plan for facilities being developed or new facility development plans; existence of facility; the functionality of completed and existing facility; facility, equipment, and assets ownership; and authenticity of the documents and information uploaded on the NOGIC JQS portal for each application. Accordingly, companies shall provide original copies of all documents and information uploaded on the NOGIC JQS portal for sighting and authentication during the inspection and verification exercise.

The simplified requirements and processes for obtaining the NCEC shall be as follows:

- a. The company shall apply for NCEC through the Nigerian Content Portal at www.nogicjqs.gov.ng
- b. The company shall upload the required documentation. The required documentation is shown in Section 5.1 and Table 5.2.
- c. Documents in Table 5.2 are statutory documents and failure to provide any of them shall result in rejection of the application.

Figure 6.1 Summarizes the processes to be followed in obtaining NCEC from NCDMB.

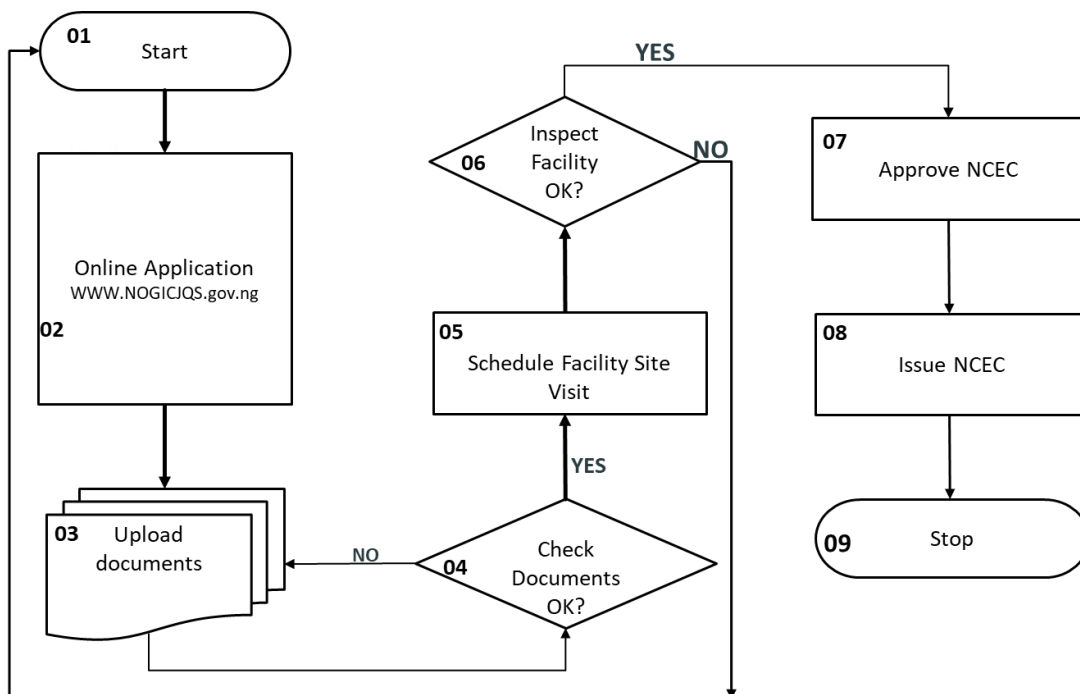


Fig 6.1 Flow Chart of NCEC Application (All categories) Steps 04-09 are NCDMB processes

7.0 NCEC Processing Timeline

The Board shall process all applications upon receipt and issue the completed and duly approved certificates within fifteen (15) working days after the facility visit. However, if the applicant cannot provide the required documents to enable the processing and issuance of the NCEC within 15 working days, the application shall be rejected, and the applicant informed of the reason for rejection. All processed NCECs shall be approved by the Executive Secretary (ES)

8.0 Consequences of Non-Compliance

Companies and industry stakeholders are required to strictly comply with this Guideline. The consequences of non-compliance with this Guideline shall include the following:

- i. Refusal of the Board to issue Certificate of Authorization to the operator, project promoter, contractor.
- ii. Refusal of the Board to participate in the Operator`s Tender or issuance of Nigerian Content Compliance Certificate (NCCC).
- iii. Withdrawal of the Nigerian Content Equipment Certificate.
- iv. Denial of the issuance of the Nigerian Content Equipment Certificate for a period to be determined by the Board.
- v. Initiation of penal sanctions as provided in section 68 of the NOGICD Act of 2010.
- vi. Invoking of administrative sanctions in line with section 70(i) and (p) of the NOGICD Act.

- vii. Any other penalties including imposition of Capacity Development Initiative (CDI) as may be determined and deemed fit by the Board in line with the provisions and aspirations of the NOGICD Act of 2010.

9.0 Validity period of approved NCEC

All approved NCECs for completed and functional facilities shall have a validity period of two (2) calendar years, while NCECs for new facilities, facilities being developed, and equipment ownership shall have a validity period of one (1) calendar year. All NCECs shall be renewable at the expiration of the validity period.

10.0 NCEC Implementation Framework

The implementation and enforcement of this Guideline shall be the sole responsibility of the Board in line with the provisions of the NOGIC Act of 2010.

The following information shall be strictly adhered to in ensuring the full implementation and enforcement of this Guideline:

- i. The Guideline shall take effect from the date of approval by the Board.
- ii. The Guideline shall be subject to review by the Board every three (3) years or as the need arises.
- iii. Provision of valid and relevant NCEC (i.e., in relation to scope of project/contract or required service) is a mandatory requirement for companies to participate in Tenders, and in the award of contracts in the Nigerian Oil and Gas Industry.
- iv. Only companies with valid NCEC shall be qualified to participate in Tenders, and for the award of contracts in the Nigerian Oil and Gas Industry.
- v. NCEC issued to companies by the Board can only be considered at Tenders and in the award of contracts in relation to the activity or service it is issued for and its relevance to the scope of project/contract or service required in the Nigerian Oil and Gas Industry. This implies that category FC NCECs shall not be considered for contracts for activities or services under category PS NCECs without the express approval of the Board.
- vi. Companies with irrelevant NCEC (i.e., in relation to the scope of project/contract or required service), expired NCEC or without NCEC shall be disqualified to participate in Tenders, and in the award of contracts in the Nigerian Oil and Gas Industry.
- vii. Companies with expired NCEC certificate but renewal of the certificate is being processed by the Board at the time of tendering, shall not be disqualified to participate in tenders but award of contracts to such companies shall require the provision of the renewed NCEC certificate as approved by the Board. Also, the company shall meet the provisions of items iii and vi above in addition to other requirements and provisions as contained in this Guideline.**

- viii. NCEC issued to companies by the Board cannot be used by their subsidiaries, other Nigerian companies, or local and foreign partners in Tenders except the companies are jointly bidding for the project/contract with verifiable supporting evidence and documents, including legally binding agreement i.e., Memorandum of Agreement (MOA) to the satisfaction of and approval by the Board.
- ix. Companies and their subsidiaries or local partners cannot apply for or obtain NCEC as separate companies using the same facilities, equipment, assets, or documentations.
- x. International or multinational companies working through or in partnership with their Nigerian subsidiaries shall demonstrate that a minimum of 50% of the equipment, assets and materials required or deployed for execution of projects/contracts in the Nigerian Oil and Gas Industry are owned by the Nigerian subsidiaries and or produced and sourced in Nigeria respectively.
- xi. The authenticity, validity, and relevance (i.e., in relation to the scope of project/contract or required service) of every NCEC shall be verified and ascertained by the operator/project promoter and Projects Certification and Authorization Division (PCAD) in Tenders, and in the award of contracts in the Nigerian Oil and Gas Industry.
- xii. The Board may or may not notify companies of its facilities, equipment and assets inspection and verification exercise **while** processing NCECs.
- xiii. Companies shall ensure that their information on the NOGICD JQS Portal are accurate, authentic, and up to date before issuance of all approved NCECs by the Board.
- xiv. Companies that fail to meet their milestones delivery as captured in the domiciliation plan (i.e., in the case of facilities being developed or new facility development plans) **for a period of two (2) years without justification to the satisfaction of and approval by the Board**, shall be denied NCEC renewal for a minimum period of One (1) year and maximum period of Three (3) years by the Board.
- xv. All processed NCECs shall be approved by the Executive Secretary (ES) and sealed by the Directorate of Legal Services of the Board before issuance.
- xvi. All NCECs issued by the Board shall be profiled and published monthly on the NOGICJQS Portal for referencing and authentication by PCAD, companies and industry stakeholders.
- xvii. Capacity Building Division (CBD) of the Board shall be responsible for the full implementation of the Guideline, including the processing and issuance of all categories of NCECs.
- xviii. Projects Certification and Authorization Division (PCAD) of the Board shall ensure and enforce strict application of this Guideline in Tenders, and in the award of contracts in the Nigerian Oil and Gas Industry in line with Sections 2, 6, 10 (a), 12, 13, 14 and 15 of the NOGICD Act of 2010 and the provisions of this Guideline.

- xix. Monitoring and Evaluation Directorate (MED) of the Board shall monitor non-compliance with the Guideline and facilitate sanctions in collaboration with Capacity Building Division and Directorate of Legal Services (DLS) of the Board in line with the provisions of the NOGICD Act.
- xx. All categories of NCEC shall be subject to renewal by the Board at the expiration of the validity period as indicated in section 9.0 above.
- xxi. The Board shall ensure full implementation and enforcement of this Guideline in line with the provisions and aspirations of the NOGICD Act of 2010.

Annexure A NCEC Groups (old)

			CATEGORIES					
S/N	NCEC Category	Group Code	Activities Description	1	2	3	4	5
1	FABRICATION AND CONSTRUCTION	FC	All modules, subassemblies, products, fixtures and components related to Construction Activities required in the Oil and Gas Industry that can be fabricated in-country.	Capitalisation > \$500m Employees > 500 Annual Turnover > \$2bln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$200m Employees > 200 Annual Turnover > \$500mln Tax paid > \$1m Nigerian Equity > 50%	Capitalisation > \$100m Employees > 100 Annual Turnover > \$200mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$50mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$20m Annual Turnover > \$50mln Nigerian Equity > 50%
2	PRODUCTION SERVICES	SP	All Activities related to provision of Services and Support to the Oil and Gas Industry, excluding marine logistics and drilling services	Capitalisation > \$500m Employees > 500 Annual Turnover > \$2bln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$200m Employees > 200 Annual Turnover > \$500mln Tax paid > \$1m Nigerian Equity > 50%	Capitalisation > \$100m Employees > 100 Annual Turnover > \$200mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$50mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$20m Annual Turnover > \$50mln Nigerian Equity > 50%
3	Manufactured Services	MS	Materials in this category are manufactured in Nigeria and are to be exclusively procured and supplied by the in-country manufacturers as listed.	Capitalisation > \$100m Employees > 50 Tax paid > \$5m	Capitalisation > \$20m Employees > 20 Tax paid > \$1m	Capitalisation > \$20m Employees > 20 Tax paid > \$1m	Capitalisation > \$20m Employees > 20 Tax paid > \$0.1m	Capitalisation < \$20m Employees < 20 Tax paid < \$0.1m
		MS	Production Chemicals					
		MS	Drilling Fluids and Chemicals					
		MS	Cables					
		MS	Paints					
		MS	Line Pipes					
		MS	Personal Protection Equipment					
		MS	Shaker Screens					
		MS	LV, MV and HV panels					
		MS	GLASS REINFORCED EPOXY (GRE) PIPES					
		MS	Bolts and Nuts					
		MS	Steel Pipes					
		MS	Steel plates					
		MS	Gaskets					
		MS	Flare Units					
		MS	Cable trays and ladders					
		MS	Switches and gears					
		MS	ICSS cabinets					
		MS	Pig Launcher accessories					
		MS	Flanges and fittings					
		MS	Valves					
4	PROCUREMENT AND SUPPLIES	PS	Procurement, maintenance and supply of materials, tools, equipment required for oil and gas production activities	Capitalisation > \$500m Employees > 500 Annual Turnover > \$2bln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$200m Employees > 200 Annual Turnover > \$500mln Tax paid > \$1m Nigerian Equity > 50%	Capitalisation > \$100m Employees > 100 Annual Turnover > \$200mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$50mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$20m Annual Turnover > \$50mln Nigerian Equity > 50%
5	Consultancy Services	CS	Delivery of Engineering Designs, Studies, advisory services and other specialised services to the oil and Gas industry	Capitalisation > \$50m Employees > 50 Annual Turnover > \$20mln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$20m Employees > 20 Annual Turnover > \$10mln Tax paid > \$2m Nigerian Equity > 50%	Capitalisation > \$10m Employees > 20 Annual Turnover > \$2mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$2m Employees > 20 Annual Turnover > \$1mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$2m Employees < 20 Annual Turnover < \$1mln Tax paid < \$0.1m Nigerian Equity > 50%
		CS	Technical Consultancy Services					
		CS	Environmental and ESHIA Consultancy Services					
		CS	Engineering Design Services					
		CS	Studies (Feasibility, research and associated services).					
6	Quality Control, Inspection and Testing	QS	Testing and certification services, such as Nondestructive testing and all forms of quality control and quality assurance certifications.	Capitalisation > \$50m Employees > 50 Annual Turnover > \$20mln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$10mln Tax paid > \$2m Nigerian Equity > 50%	Capitalisation > \$10m Employees > 20 Annual Turnover > \$2mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$2m Employees > 20 Annual Turnover > \$1mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$2m Employees < 20 Annual Turnover < \$1mln Tax paid < \$0.1m Nigerian Equity > 50%
7	Moveable Equipment	EC	Movable equipment and materials that form only a part of what is required for value creation in the Oil and Gas Industry	Capitalisation > \$50m Employees > 50 Annual Turnover > \$20mln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$10mln Tax paid > \$2m Nigerian Equity > 50%	Capitalisation > \$10m Employees > 20 Annual Turnover > \$2mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$2m Employees > 20 Annual Turnover > \$1mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$2m Employees < 20 Annual Turnover < \$1mln Tax paid < \$0.1m Nigerian Equity > 50%
8	Non Moveable Assets	DA	Assets used for onshore and offshore services, including, Training Facilities Logistics, Catering, Health safety and environment, Medical and oil and Gas related services in the Nigerian Oil and Gas Industry	Capitalisation > \$50m Employees > 50 Annual Turnover > \$20mln Tax paid > \$10m Nigerian Equity > 60%	Capitalisation > \$20m Employees > 50 Annual Turnover > \$10mln Tax paid > \$2m Nigerian Equity > 50%	Capitalisation > \$10m Employees > 20 Annual Turnover > \$2mln Tax paid > \$0.5m Nigerian Equity > 50%	Capitalisation > \$2m Employees > 20 Annual Turnover > \$1mln Tax paid > \$0.1m Nigerian Equity > 50%	Capitalisation < \$2m Employees < 20 Annual Turnover < \$1mln Tax paid < \$0.1m Nigerian Equity > 50%

Annexure A NCEC Groups (New)

Annexure A NCEC Groups

			CATEGORIES					
S/N	NCEC Category	Group Code	Activities Description	Category 1, Type 1 Contract >\$200m	Category 2, Type 2 Contract >\$100m - \$200m	Category 3, Type 3 Contract >\$50m - \$100m	Category 4, Type 4 Contract >\$10-\$50m	Category 5, Type 5 Contract <\$10m
1	FABRICATION AND CONSTRUCTION	FC	All modules, subassemblies, products, fixtures and components related to Construction Activities required in the Oil and Gas Industry that can be fabricated in-country.	Capitalisation >\$200m Employees>200 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$100m Employees>200 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$50m Employees>100 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees>50 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<50 Nigerian Equity >51% Tax Payment Evidence
2	PRODUCTION SERVICES	SS	All Activities related to provision of Services and Support to the Oil and Gas Industry, Maintenance Services, excluding marine logistics and drilling services for Onshore and Offshore services	Capitalisation >\$200m Employees>200 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$100m Employees>200 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$50m Employees>100 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees>50 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<50 Nigerian Equity >51% Tax Payment Evidence
3	Manufactured Services	MS	Materials in this category are manufactured in Nigeria and are to be exclusively procured and supplied by the in-country manufacturers as listed below.	Capitalisation >\$100m Employees>200 Nigerian Equity >51% Tax Payment Evidence	Capitalisation >\$50m Employees>100 Nigerian Equity >51% Tax Payment Evidence	Capitalisation >\$25m Employees>50 Nigerian Equity >51% Tax Payment Evidence	Capitalisation >\$10m Employees<50 Nigerian Equity >51% Tax Payment Evidence	Capitalisation <\$10m Employees<50 Tax Payment Evidence
		MS	Production Chemicals					
		MS	Drilling Fluids and Chemicals					
		MS	Cables					
		MS	Paints					
		MS	Line Pipes					
		MS	Steel Pipes					
		MS	Shaker Screens					
		MS	Steel Plates					
		MS	Glass Reinforced Epoxy, (GRE) pipes					
		MS	Bolts and Nuts					
		MS	Valves					
		MS	Gaskets					
		MS	Flare Units					
		MS	Cable trays and ladders					
		MS	Switches and gears					
		MS	ICSS cabinets					
		MS	Pig Launcher accessories					
		MS	Flanges and fittings					
		MS	LV, MV and HV panels					
		MS	PPE					
4	PROCUREMENT AND SUPPLIES	PS	Procurement and supply of materials, new tools and new equipment required for oil and gas production activities	Capitalisation >\$200m Employees>100 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$100m Employees>50 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$50m Employees>20 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees<20 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<20 Nigerian Equity >51% Tax Payment Evidence
5	Consultancy Services	CS	Delivery of Engineering Designs, Studies, advisory services and other specialised services to the oil and Gas industry	Capitalisation >\$50m Employees>50 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$30m Employees>25 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$20m Employees>20 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees<20 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<20 Nigerian Equity >51% Tax Payment Evidence
		CS	Technical Consultancy Services					
		CS	Environmental and ESHIA Consultancy Services					
		CS	Engineering Design Services					
		CS	Studies (Feasibility, research and associated services).					
6	Quality Control, Inspection and Testing	QS	Testing and certification services, such as Nondestructive testing and all forms of quality control and quality assurance certifications.	Capitalisation >\$50m Employees>50 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$30m Employees>25 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$20m Employees>20 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$10m Employees<20 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation >\$10m Employees<20 Nigerian Equity >51% Single contract Executed<\$10m Tax Payment Evidence
7	Moveable Equipment	EC	Movable equipment and tools that form only a part of what is required for value creation in the Oil and Gas Industry, Equipment hire services.	Capitalisation >\$200m Employees>200 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$100m Employees>200 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$50m Employees>100 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees>50 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<50 Nigerian Equity >51% Tax Payment Evidence
8	Non Moveable Assets	DA	Assets used for onshore and offshore services, including, Training Facilities, Installation, Logistics, Catering, Health safety and environment, Medical and oil and Gas related services in the Nigerian Oil and Gas Industry	Capitalisation >\$200m Employees>200 Nigerian Equity >51% Single contract Executed>\$100m Tax Payment Evidence	Capitalisation >\$100m Employees>200 Nigerian Equity >51% Single contract Executed>\$50m Tax Payment Evidence	Capitalisation >\$50m Employees>100 Nigerian Equity >51% Single contract Executed>\$20m Tax Payment Evidence	Capitalisation >\$20m Employees>50 Nigerian Equity >51% Single contract Executed>\$10m Tax Payment Evidence	Capitalisation <\$20m Employees<50 Nigerian Equity >51% Tax Payment Evidence

Annexure B – List of Equipment Requiring Category EC NCEC.

The following equipment shall be issued category **EC NCEC**.

1. Construction equipment valued above one hundred thousand US Dollars or the Naira equivalent. This can be a single equipment, or a combination of equipment owned by the same company example include cranes, self-loaders, Drilling Machine, amphibious excavators (swamp buggies), payloaders, earthmovers, trucks, Backhoe Loader, Excavator, Wheel Loader, Bulldozer, Motor Grader, Grader, Concrete Mixer, Man Diesel Lowbed Truck, Welding Machine, Hydraulic Breaker, Service Truck, Mobile water Tanker, Compactors, Road Rollers, Pay-loader, Concrete Mixer, Tanker Truck, Asphalt Paver, Roller, Poker Vibrator, Manlift, Lathe Machine, Slurry Mixing Tank, Sand Blasting Machine, Batching Plant, Spraying Paint Machine, Milling Machine, Band Saw Machine, Avometer, Electric Drilling Machines, Bridge Meggers, Stock And Dices, Vices, Capacitance Bridge, Assorted Electrical Tools And Instruments, Bending Machine, etc.
2. Logistical equipment, except marine vessels, valued above one hundred thousand US Dollars or the Naira equivalent. This can be a single equipment, or a combination of equipment owned by the same company.
3. Hoses, examples include: FPSO Export hose, Sub-sea Flexible chemical hose, Fireproof hose.
4. Electrical and Instrumentation Equipment: Avometer, Electric Drilling Machines, Bridge Meggers, Stock and Dices, Vices, Capacitance Bridge, Assorted Electrical Tools and Instruments, Bending Machine,
5. Instrument Calibration & Testing Equipment (calibration Bench, Air Compressor, Master Gauges, Hydraulic Pumps, Vacuum Pump, Multifunction Calibrator, Flow Detector, UT Machine, Deadweight Tester, Load Cell, Hydrotest Testing Unit, PIT Gauge, Insulator Tester, IR Thermometer, Acoustic Pig Detector, Corrosion under Insulation Detector, Spectrum Analyzer, Acoustic Well Collision Detector, Vibration Monitor, Corrosion/Erosion Monitor, Acoustic Sand Detector, Leader Transmitter checker, Multigas Detector Test System, Distance Meter, Insulator Tester, Field Communicator, Deadweight Tester, Temperature Calibrator, Process Meter, Digital Multimeter, Pressure Calibrator, Hydraulic Comparator, Hydraulic Comparator, Loop Calibrator, UR Test Lamps, True RMS Multimeter, Clamp Meter, Gas Detector, RMS Multimeter, Multifunctional Calibrator, Eddy Current Testing Equipment, Ultrasonic Flaw Detector, Ultra UT Meter, Earth Tester, Heart Communicator, Test Pump, DC Yoke, Multimeter, Multifunction Calibrator, Megger Insulation Resistance Tester, Fluke True RMS

Multimeter, Fluke Process Meter, Earth Resistance Tester, Phase Rotation Meter, Frequency Meter, Electronic Micrometer, etc.

Annexure C– List of Assets Requiring Category **DA NCEC**.

- I. Logistics – Logistics services equipment other than marine vessels such as Aviation equipment, helicopters, light planes; Cars; Delivery vans; etc.
- II. Catering equipment
- III. Health services equipment, safety and environment, medical and related services in the Nigerian Oil and Gas Industry.