

# **NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP)**

## **REVISED GUIDELINES FOR REGISTRATION AND MONITORING OF TECHNOLOGY TRANSFER AGREEMENTS IN NIGERIA**

*February 2020*

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## FOREWORD

The National Office for Technology Acquisition and Promotion (NOTAP) is a parastatal under the supervision of the Federal Ministry of Science and Technology. It was established by NOTAP Act, Cap. N62 LFN 2004 to regulate the inflow of foreign technology into Nigerian economy and develop appropriate means of adapting the acquired technology. The mandate is implemented through the evaluation, registration and monitoring of all technology transfer agreements signed by Nigerian entrepreneurs, institutions and their foreign technical partners. NOTAP evaluates the agreements in terms of its legal, economic and technical merits to the economy.

In consideration of the legal perspective, the office ensures that the provisions of the agreements are in tandem with the laws of the local jurisdiction and does not contain onerous or restrictive clauses. The economic perspective is considered to ensure that the services being rendered are commensurate with the fees payable while the technical consideration is to ensure that the agreement has provisions for capacity development and knowledge transfer.

The Revised Guidelines on Acquisition of Foreign Technology under the NOIP Act Cap 268 LFN 1990 was originally published in 1984 to provide information on the requirements for registration of technology transfer agreements in addition to providing information on the Foreign Exchange policies of the Central Bank of Nigeria. The guideline was first revised in 2003 and then in 2011 to comply with the dynamics in technology transfer strategies.

Due to policy changes and the focus of the Federal Government of Nigeria on local content, ease of doing business, the present review became necessary to incorporate the new trends in doing businesses and aspirations of both government and the Organised Private Sector (OPS).

This present publication incorporates the essential element of the previous publications but introduced changes in the operational guideline of the office in response to government policies.

The objectives of the publication include facilitating the acquisition of foreign technology and ensuring the domestication of same. It is also a guide to all stakeholders, the industry, MDAs and foreign partners in understanding the processes and procedures of making application for registration of technology transfer agreement in NOTAP. This edition contains the timeline for granting NOTAP approval for an appropriately filed application.

It is hoped that adequate compliance to the provision of the Guidelines will ease the burden of entrepreneurs in processing applications in NOTAP and improve the ease of doing business in NOTAP for ultimate technological development of our country, Nigeria.

I strongly recommend the Guidelines to Nigerian entrepreneurs in the Organised Private Sector and their technical partners.

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**Dr. (Mrs.) Amina Bello M. Shamaki**  
**Permanent Secretary/Chairman of Council**

## ACKNOWLEDGEMENT

This Revised Guideline is produced by the National Office for Technology Acquisition and Promotion (NOTAP) in response to the need to enhance its service delivery to its numerous clients and in response to the current global realities, particularly on the Registration and Monitoring of Technology Transfer Agreements.

The objective of the publication is to serve as a guide to applicants for registration of Technology Transfer Agreements and also to create awareness on the functions of the National Office in relation to monitoring of Technology Transfer Agreements.

The production of this invaluable document would not have been possible without the painstaking and relentless contributions of some key officials of the Office.

I am particularly grateful to the Director, Technology Transfer Registration Department of NOTAP, Dr. Ephraim Okejiri and his able staff whose works provided the background information for this publication. I also commend specially the unquantifiable and untiring efforts of the Director, Corporate Planning Department, NOTAP, Mrs Caroline Ojo for coordinating the compilation and review of the relevant materials for the production of this Guideline. Furthermore, I appreciate the immense contributions of the Director, Consultancy Services Department of NOTAP, Mr. Adamu Tandama, who provided relevant editorial inputs towards the successful production of this document.

My deep appreciation also goes to the following officers: Mrs. Caroline Anie-Osuagwu, Deputy Director (TTR), Mrs Y. O. Akinkunmi, Deputy Director (TTR) and Mr. Jonas Nzeagwu Chief Technology Officer (TTR) for their vital inputs to the Guideline. Similarly, I thank Mrs Nonyelum Ibe, Assistant Chief Confidential Secretary for providing secretarial assistance in the production of the Guideline and to the entire staff of the TTR department for their contributions. I appreciate your commitments and dedication to duty.

I sincerely acknowledge the Consultant to the Office on this publication, Mrs Oyefunke Araba – Lashman of the Knowledge Transfer Consulting Limited, for providing additional inputs to enrich this publication.

I also appreciate the observations and vital inputs from the private sector, particularly NOTAP clients/companies on registration of Technology Transfer Agreements. Your inputs and suggestions were very useful for finalising the production of this document.

I wish to further extend my profound appreciation and gratitude to the Honourable Minister, Federal Ministry of Science and Technology, Dr Ogbonnaya Onu for the usual support and understanding NOTAP enjoys from him. The Permanent Secretary, Federal Ministry of Science and Technology, Dr (Mrs) Amina Bello Shamaki who is also the Chairperson of NOTAP Governing Board deserves commendation for writing the Foreword and for her total support and push in moving NOTAP forward.

Finally and most importantly, I give glory to God for his guidance and assistance to me since I took over the mantle of leadership of the national Office for Technology Acquisition and Promotion (NOTAP) as the Director General and Chief Executive Officer.

**Dr. Dan-Azumi Mohammed Ibrahim**  
Director General/Chief Executive Officer

## ABBREVIATIONS

- i. CBN - Central Bank of Nigeria
- ii. CP - Corporate Planning
- iii. CS - Consultancy Services
- iv. FIRS - Federal Inland Revenue Service
- v. HRFM - Human Resources and Finance Management
- vi. ICT - Information and Communication Technology
- (vii) LVA – Local Value Addition
- (viii) MDAs - Ministries, Departments and Agencies
- (ix) NBC - National Broadcasting Corporation
- (x) NCC – Nigeria Communication Commission
- (xi) NIMASA – Nigerian Maritime Administrative and Safety Agency
- (xii) NITDA – National Information Technology Development
- (xiii) NNPC – Nigeria National Petroleum Corporation
- (xiv) NOIP - National Office of Industrial Property
- (xv) NOTAP - National Office for Technology Acquisition and Promotion
- (xvi) NS - Net Sales
- (xvii) OPS - Organised Private Sector
- (xviii) PBT - Profit before Tax
- (xix) TAR - Technology Acquisition and Research
- (xx) TAS - Technology Advisory Services
- (xxi) TIC - Technology Innovation and Commercialisation
- (xxii) TIN - Tax Identification Number
- (xxiii) TTR - Technology Transfer Registration

## **CHAPTER ONE**

### **1. Establishment of NOTAP**

#### **1.1 Introduction**

The National Office for Technology Acquisition and Promotion (NOTAP), an agency under the aegis of the Federal Ministry of Science and Technology was established by Decree No. 70 of 1979, as the National Office of Industrial Property (NOIP).

It is a corporate body with a mandate to implement the acquisition, promotion and development of technology and at the same time correct certain imperfections in the acquisition of foreign technology into the country. In 1992, the name of the Office was changed to National Office for Technology Acquisition and Promotion (NOTAP) by Decree No. 82 of 1992. This was to ensure that the name adequately reflects the entire functions of the Office and to also remove any ambiguity or misconception that may arise in relation to the functions of any other Government agency.

In line with globalization and liberalization of the world economy, NOTAP has shifted its emphasis from regulatory and control to promotional and developmental roles. The new areas of focus are aimed at attracting foreign technologies, investment and the development of indigenous technology. NOTAP was therefore established as one of the main instruments to carry out the National Policy on Technology Development. Part of this policy stipulates the encouragement of the flow of technology into the country in order to strengthen industrial development and encourage domestic enterprises to acquire foreign technologies that are suitable to the local environment.

#### **Vision**

To move Nigeria from the periphery to the dominant centre of global industrial power structure within the shortest possible time and make her a major global power house of the 21st Century through an efficient Technology Acquisition Strategy and a vibrant innovation and R&D commercialization programme.

#### **Mission**

To ensure the acceleration of Nigeria's drive towards a rapid technological revolution by an efficient acquisition/absorption of foreign technology and a concerted development of indigenous technological capability through a proactive promotion of innovation and commercialisation of technology.

#### **Major Operational Activities**

- Registration of Technology Transfer Agreements
- Monitoring of Technology Transfer Agreements
- Technology Acquisition Activities
- Innovation Promotion
- Research-Industry Linkage
- NOTAP-Industry Partnership



## **1.2 Mandate of NOTAP**

Amongst the several responsibilities of the National Office for Technology Acquisition and Promotion (NOTAP) since 1979, are the following activities:

- a. Encouragement of a more efficient process for the identification and selection of foreign technology;
- b. Development of the negotiating skills of Nigerians with a view to ensuring the acquirement of the best contractual terms and conditions by Nigerian parties entering into any contract or agreement for the transfer of foreign technology;
- c. Provision of a more efficient process for the adaptation of imported technology;
- d. Registration of all contracts or agreements having effect in Nigeria for the transfer of foreign technology to Nigerian parties. Every such contract or agreement shall be so registrable if its purpose or intent is in the opinion of NOTAP, wholly or partially for or in connection with any of the following purposes, that is to say -
  - i. the use of trademarks,
  - ii. the right to use patented inventions,
  - iii. the supply of technical expertise in the form of the preparation of plans, diagrams, operating manuals or any other form of technical assistance of any description whatsoever,
  - iv. the supply of basic or detailed engineering,
  - v. the supply of machinery and plant, and
  - vi. the provision of operation staff or managerial assistance and the training of personnel;and
- e. Monitoring, on a continuous basis, of the execution of any contracts or agreements registered by NOTAP.
- f. Commercialization of viable R&D results emanating from both private and public research institutions.
- g. Promotion of intellectual property rights and encouragement of innovation among Nigerian scientists, researchers and inventors.
- h. Establishment of network of linkages among researchers, inventors, industry and research institutions.

## **1.3 Activities of NOTAP**

The activities of the Office include:

- Facilitating the transfer of foreign technology.
- Registration of technology transfer agreements/contracts.
- Monitoring of technology transfer agreements/contracts.
- Establishing relationship with national agencies, research and development institutions etc for focused activities on priority areas of domestic technological needs.
- Linkages between and among research institutions, industry and venture capitalists, financial institutions, Governments (Local, State and Federal) and NGOs.
- Collation and preparation of compendium of R&D results emanating from the nation's research institutions, universities, polytechnics, and colleges of technology.
- Evaluation and assessment of data gathered from the various research institutions nationwide.
- Sectoral analysis of registered technology agreements to monitor technology trends in the country.
- Publication of project profiles for the promotion and establishment of industrial ventures and SMEs.
- Consultancy services on investment and selection of process technologies.
- Promoting the establishment of SMEs through the exploitation of locally motivated technologies.
- Preparation of feasibility studies on selected viable research results;

- Promotion of viable R&D results and inventions at trade fairs, techmarts, etc. at both National and International levels.
- Commercialization of viable R&D results and inventions.
- Partnership with Industries to execute Public Private Partnership (PPP) Projects, etc
- Promotion of innovation, patenting, intellectual property rights (IPR) and related matters through workshops, seminars, and awareness building programmes.
- Collaboration with International agencies (WIPO, ISESCO and UNECA) in capacity building for researchers.

#### **1.4 Structure of NOTAP**

To ensure that the mandate of the Office is logically implemented, the National Office for Technology Acquisition and Promotion is structured into six main departments - viz:

- Technology Transfer Registration (TTR) – which mainly anchors the registration and monitoring processes on Technology Transfer Agreements;
- Technology Acquisition and Research (TAR) – which anchors the linkage between the National Research Focus of the National Innovation System and the needs of industries as identified through the process of Technology Transfer Agreements;
- Technology Innovation and Commercialization (TIC) – which anchors the promotion of the outputs of National Research Development efforts;
- Corporate Planning (CP) – coordinates the preparation of strategic plans, Annual work plan, Annual reports, Capital budgets and also coordinates the zonal offices;
- Consultancy Services (CS) – provides technology advisory, extension services, implements national and international partnerships;
- Human Resources and Finance Management (HRFM) – serves as the main service Department of the Agency.

In addition to the six departments, there are five other units which assist the main Departments to carry out the activities of the Office. These are the Protocol/Public Relations, Legal & Council Secretariat, Internal Audit, Procurement and Reforms (SERVICOM & Anti-Corruption).

The Office has a Director General/Chief Executive Officer as head assisted by the Six Directors heading the departments. The Directors are assisted by Deputy Directors and other Principal Officers in the discharge of their responsibilities.

## CHAPTER TWO: REQUIREMENTS FOR REGISTRATION

### 2.1 General Requirements

All applications for Technology Transfer Agreements shall be governed by the following rules:

- (a) Technology Transfer Agreements should provide that the recipient enterprises in Nigeria acquires explicit rights for the use and exploitation of the technology in question and the term of the contract should be clearly specified in the contract.
- (b) In cases where the Nigerian enterprise is acquiring the right to use a process, the details of the right granted should be clearly specified and defined in the technology transfer agreement. In this connection, concepts such as “technical information” or “technical services” should only be treated as complementary to the know-how;
- (c) Provision for capacity building must be part of all Agreements signed, and details on the Nigerians understudying the experts should be readily available/submitted, to ensure that skill is domesticated.
- (d) All contracts should make provision for deduction of appropriate local taxes, such as withholding tax, etc.
- (e) All agreements should incorporate research activities carried out in-house and also in collaboration with the Nigerian National Innovation System such as Universities, Research Institutes, private laboratories, Polytechnics, etc.
- (f) Companies which sell imported products should separate the net sales of the imported products from the net sales of the locally manufactured products and this should be reflected in their Audited Accounts. Payment of technology fees should be based only on the locally manufactured products.
- (g) All Nigeria Government Projects must be governed by Nigerian Laws of Arbitration and the seat of arbitration should be in Nigeria.
- (h) There would be no approval for agreement based on assembling of Completely Knocked Down (CKD) parts brought into the country except where such agreements require payment for only short term technical services relating to such project.
- (i) The scope of services in technology transfer agreements should clearly state the services to be rendered by the transferor/licensor.
- (j) The technology content of the agreement should state the methods for the domestication of technology, local raw material development, skills acquisition, etc.
- (k) A detailed plan for the domestication of the technology to be acquired in terms of substitution of the imported raw materials used in the manufacture of products under the agreement, acquisition of skills, etc, should be provided.
- (l) Any company sourcing over 75% of its raw materials from abroad will not enjoy enhanced technology transfer fees, particularly, if it has been in operation in Nigeria for more than 5years

without making efforts to source its raw materials locally. Companies in this category should render Technical Support Service and encourage indigenous entrepreneurs in that sector to produce raw materials or intermediary products that will meet the required standard.

- (m) Evidence of registration or pending registration of intellectual property in Nigeria e.g. trademark, patent, know-how at the Patent Registry should be provided where applicable;
- (n) Technology Transfer Agreements relating to food items such as bread, noodles, sausage, etc will no longer be approved because there is no technology content. Payment will only be approved where the agreement is for short technical services for installation, commissioning of plants, training, etc to enable the recipient company commence operation. However, 1-2% of net sales may be approved for a start-up company involved in this type of business to enhance its smooth take off.
- (o) All fees for Technology Transfer Agreements relating to packaging using state of the art technology should be tied to profit before tax. However where the transferee company's equity is wholly foreign owned, evidence of capital importation should be provided to enable transferors repatriate their earnings through Personal Home Remittance (PHR).
- (p) Details of expatriates including entry visas and other immigration documents should be submitted along with evidence of non – availability of skills in Nigeria.
- (q) Submission of Board Resolution authorising the Management of a transferee company to enter into a Technology Transfer Agreement with foreign technical partner on its behalf.
- (r) Original copies of Annual Accounts should be submitted to the Office (not photocopies).
- (s) In the telecom sector, no Trademark License Agreement is allowed as the reputation of the service provider has been considered by the Nigerian Communications Commission (NCC) before License is granted for provision of such services. However, for purposes of ownership and also to prevent infringement, Trademarks can be registered at the Patent and Trademark Registry, Federal Ministry of Commerce & Industry.

## 2.2 Specific Requirements

Agreements are registered in these sectors in the following titles:

- a. Trademark Licence
- b. Technical Know-How
- c. Management Services
- d. Technical Services
- e. Consultancy
- f. Software License
- g. Franchise
- h. Research and Development (R&D)
- i. Trademark Licence and Technical Know-How Agreement
- j. Technical Know-How & Management Services
- k. Hotel Management Agreement
- l. Consultancy and Technical Know-How
- m. Value Added Services
- n. Shared Services

## **2.2.1 License Agreement: Trademarks, Patent and Design**

### **Trademark License Agreement**

Trademark Licence Agreement deals with the grant of exclusive or non exclusive right by a trademark owner to the recipient company to use the trade mark to sell its goods or market its services. Trademarks are signs, marks, names, letters, logo or a combination of any of these. It is mandatory that a Trademark Licence Agreement must be accompanied by technical know-how Agreement to ensure that the goods for which the trademark is to be used meets the specified standard.

The condition for Trademark agreement is that the mark must be internationally recognized and locally registered and should have an inherent know-how. Payment for Trademark ranges between 0 – 0.5% of Net Sales and it is strictly allowed where the trademark is applied on goods that are locally manufactured. Transferor or an affiliate must not own more than 75% of the company's equity seeking for Trademark registration. Trademark Agreement is usually registered for 3 years but renewable.

#### **Application Requirements:**

- A trademark License Agreement
- Net sales of locally manufactured goods that is covered by the trademark
- Ownership structure of the company
- Evidence of registration of trademark locally and internationally.
- All other documents as contained in the Know-How agreement

## **2.2.2 Technical Know-How Agreement**

This is usually the type of agreement registered in the manufacturing sector for the provision of skills, knowledge, and information, raw materials sourcing and processing for manufacturing of products. The agreement is usually registered for 3 years in consideration of period of earning turnover or profit from the company. The technology fee is usually based on percentage of turnover and ranges between 0 - 5% of Net Sales depending on the complexity of the technology. It may be renewable subsequently for periods of 3 years at a time.

Agreements involving high technology such as petro chemicals, space, biotechnology, complex engineering etc usually attract high percentage.

#### **General requirements of registration of Technical Know-How Agreement:**

- The transferee must be involved in manufacturing in Nigeria
- The agreement must be for products produced in Nigeria.
- Company involved in sales of imported finished products are not eligible for applying for registration of agreements in Nigeria.
- The transferee must demonstrate physical presence of a factory in Nigeria
- Payment of requisite NOTAP's fees such as presentation, registration and penalty (if applicable) for late submission.

#### **Documentation Requirement:**

Companies seeking to register Technology Know-How agreement should submit:

- Two copies of technology transfer agreement whose scope amongst others clearly spells out in sector oriented technical terms the services to be rendered by both parties involved in the agreement. Generic scope of services is not acceptable.
- Two copies of completed NOTAP forms (Questionnaire and Application forms)

- Memorandum and Article of Association of the company
- Profile of the foreign company
- TIN and Tax Clearance Certificate
- Audited accounts for the last 3 years
- Turnover and profit of locally manufactured goods covered by the agreement.
- Evidence of capital importation where applicable.

All agreements submitted to NOTAP are subject to pre-approval and/or post approval monitoring visit to the company. The visits are at the discretion of the National Office.

### **Renewal of Technical Know-How Agreement**

Technical Know-How agreement is renewable upon submission of:

- Validated agreement whose scope is a modified version of the expired one with inclusion of new technologies, developments and expansion programs that will guarantee the renewal
- Evidence of full remittance of the previous approved fee (“SWIFT” Documents)
- Tax clearance certificate for the last three (3) years
- Audited Account for the last three years
- Duly completed NOTAP forms

### **2.2.3 Management Services Agreement**

Management Service fees are based on a percentage of profit before tax (PBT) except for the management of Hotels by International Chains. These fees range from 2 - 5% of PBT depending on the extent of management services to be rendered by the technical partner.

The upper limit is strictly for agreements which involve high technology management. The basis for this fee is that the technical partner who is charged with the responsibility of managing the business of the Nigerian company should derive his fee from the profit made by the company instead of the net sales or turnover of the company.

However, where profit is not anticipated in the early years of implementation of the project, 1-2% of net sales may be approved for the first 3-5 years only.

Also for Agricultural and Agro-Allied projects where no sales or profit are anticipated during the gestation period, lump sum payments are allowed. After the gestation period payments shall be based on net sales or profit like other sectors depending on the type of technology agreement.

This type of agreement is allowed in the manufacturing sector and involves services that are related to the day-to-day management of the factory by the expatriates to ensure that the business is profitable and that the products meet the international standards of the transferor. The agreement is approved at Profit before tax (PBT) with value ranging from 0% -5% PBT. The scope of the agreement must clearly state the roles of foreign party (licensor).

### **Application requirements**

This involves submission of Management services agreement and all other requirements/conditions in Technical know-how agreement are applicable

### **2.2.4 Technical Services Agreement**

This is an agreement for short-time services (maximum of 6 months) within which the expatriate comes to render specific services in a project/contract for a short period. Payment in this type of agreement is usually based on per diem basis.

Technical service fees are based on man hours, per diem or monthly rates, of the experts coming to render short term services in Nigeria, not tied to net sales. These are determined based on international standards. For Technical Services Agreement with duration longer than six months payment based on per diem/monthly rate is not allowed. The technical service fees and salaries of expatriates should be remitted through Personal Home Remittance (PHR).

**Requirements:**

NOTAP requires that the entry and exit documents stamped by Nigeria Immigration Service be provided and the per diem rate be used to compute the technology fee. Renewal of Technical Service agreement is not usually desirable but duration of work can be extended with justifiable documentation.

**2.2.5 Consultancy Services Agreement**

Consultancy Services Agreement is a type of agreement entered into when a certain part of a contract/project is handled by a consultant whose payment will also be a certain portion of the contract sum. Depending on the type of contract on which the consultancy agreement is entered, the duration of the agreement mostly ends with the contract duration. In other words, the duration of service in consultancy agreement is usually longer than that of Technical Service agreement. NOTAP approves a fee not more than 5% of the entire project cost as consultancy fee. The upper limit is reserved for complex projects. The agreement usually has local and foreign component of fees. In this case, the foreign components are usually approved as lump-sum.

In line with the international technology market prices, the maximum payment allowed is 5% of the total project cost as contained in the letter of award of the project issued to the licensee company so as to ensure that the consultancy fee payable by the licensee on a particular project does not take a lion share of the total project cost. The office will take into account the nature and complexity of the services to be rendered. Also services that can be rendered by local experts will not be considered for approval.

**Application requirements:**

- Consultancy Agreement between the parties
- Profile of the foreign consultant
- Evidence of involvement of local companies in the execution of the contract
- Project status report
- Letter of offer of contract and Acceptance Letter
- Invoice for payment.

The rule for extension of certificate as indicated above applies except that companies in addition should submit:

- Status report
- Invoice for outstanding payment
- New program for completion

**2.2.6 Software License Agreement**

This type of agreement involves the deployment and/or resale of software products in any desired sector of the economy. It can be entered into between an end-user and Original Equipment Manufacturer (OEM) or between the end-user and local representative of the OEM. When the

agreement is between the regional representative of the OEM and a local vendor it is a Reseller agreement. All Payments are usually in lump-sum.

-Payment for Software license is 1 - 3 years depending on the scope of the service.

-Payment of Annual Technical Support (ATS) fee should commence after the first year of implementation of the Software License Agreement

### **Approval Requirements**

- Submission of software license agreement or reseller agreement as the case may be
- Provision of evidence of appointment of local software company (vendor) or an accredited Reseller in case of Reseller Agreement
- Submission of authorisation letter from distributor in the case of reseller agreement.
- Evidence of appointment of a local vendor (in the case of agreement between OEM or regional representative of OEM and end user)
- Invoices for payment
- Evidence of offer of contract by end-user(s)

#### **2.2.6.1 Software License Fee**

There are different types of fees that are usually approved for Software License Agreements depending on the components of the agreement and based on international standards and practices. The fees are:

- **Software License Fee:** A lump sum depending on the type of software product, the number of end users and the prevailing rates of fees for similar products by the same licensor in the industry where the software is to be used
- **Implementation Fee:** A lump sum depending on the obligations to be rendered by the licensor e.g. whether the implementation involves any or a combination of customization, upgrading, training etc.
- **Annual Technical Support/ Upgrade fee:** A fee in the range of 15 - 23% of the Software License fee. The payment of this fee should commence after the first year of implementation of the agreement. A local vendor must be appointed and be involved in the implementation of the software license agreement and must be paid a minimum of 40% of the Annual Technical Support Fee in Naira. Evidence of Payment made to the Local vendor should also be submitted.
- **Information for Ministries Departments and Agencies (MDAs)**  
All Federal Ministries, Departments and Agencies (MDAs) seeking to procure foreign software products should provide evidence of NITDA's clearance before approval will be granted by NOTAP on the importation of such software products.

#### **2.2.7 Franchise Agreement**

Franchise Agreement is a business arrangement whereby the franchisor grants the rights to exploit the system developed by the franchisor which is generally a package including the intellectual property rights (IPR) to another party, the franchisee, to conduct the business or provide and sell the associated goods or services. Usually a franchise agreement includes the right to use the trademarks, trade secrets, trade names or logos and designs associated with the business; patents and know-how of the business and any relevant brochures, advertising or copyright works related to the manufacture, sales of goods or the provision of services to customers.

Franchising can be applied to any area of economic endeavour. It encompasses the manufacture of products, provision of services, supply of manufacturing processes, distribution and sales of goods, provision and marketing of services.



Franchise agreement is a technology transfer agreement in which tested business model operations of a company is licensed. A franchise agreement is usually accompanied by different types of proprietary rights including know-how, Training, Operating Manuals, etc. A franchise agreement can be approved for departmental stores, manufacturing and Hotel business. It contains trade names that are unique, for the business model. In the case of departmental stores (Retail shops), there must be evidence of the local sourcing of the raw materials from local producers. A Training manual must also be submitted with the agreement.

The fees approvable are:

- Initial/Basic fee: A lump sum (to be reasonably fixed),
- Franchise/Continuing fee: 0.5%- 2% of net Sales or revenue,
- Marketing/ Advertising fee: 1% of net sales or revenue.

**Registration Requirement:**

- A franchise agreement and other relevant documents as in Technical Know-How agreements are required.

**2.2.8 Research and Development (R & D) Agreement**

**This type of agreement focuses on the following:**

- Grant of access to the patents, inventions and results of research and development activities carried out by the transferor in respect of the specified products;
- Advice on engineering product design and product development services;
- Advice on international research and development works carried out on the specified products including new or modified methods of manufacture, formulation product and process improvements
- Provision of specialist staff to assist the licensee company overcome its technical problem as they arise
- Making available the licensor's specialist departments and the specialist departments of any of its subsidiary or associated companies for the licensee's use when required.

This is an aspect of know-how agreement in the manufacturing sector which allows for a minimum of 0.5 -1% Net Sales as technical fee for Research and Development that may lead to new product development in situation where it is not preconceived in the Technical Know How agreement. Its documentation procedure is the same as that of Technical know-How. However the R&D Agreement should have a scope that is explicit on the R&D activities, process and procedure for arriving at the end result of the research. Furthermore, part of the R&D cost must be spent in Nigerian R&D institutions.

**Application requirements**

- R&D Agreement plus other requirements as contained in Technical Know-How.
- Concrete evidence of the purpose of the agreement
- Evidence of local content development e.g. substitution of imported raw materials with local raw materials

- Establishment of R&D centre in the company prior to the second renewal of the agreement to enhance the standard of local products for home consumption and export.

## 2.2.9 Other Types of Agreement

### 2.2.9.1 Technical Know-How and Management Services (Composite Agreement)

A composite agreement can be a combination of two titles such as Technical Knowhow and Management Services, Consultancy & Technical, etc. NOTAP approves composite agreements such as Technical Know-How and Management Services agreement in the Manufacturing Sector. The conditions and application requirements remain the same with know-how and Management service agreement.

### 2.2.9.2 Hotel Management Agreement

This is the agreement registered for the management and running of hotels. It normally has a duration of 5 years in the first instance and is subject to renewal. It registers the Intellectual Property Rights of the management including trade name. For Hotels, the management service fee is based on standard rates of fees acceptable internationally. The rates also vary according to the Hotel chain to which the licensor belongs.

Presently the typical rates of fees allowed are as follows:

- **Basic License fee:** A lump sum fee or a 1-2% of Net Sales;
- **Incentive fee:** 8-10% of Gross Operating Profit (GOP) depending on the location of the Hotel.
- **Marketing/Advertising fee:** 1-2% of net sales. Approval for any of these fees is however based on request.

#### Registration Requirements

- Hotel Management Services Agreement
- All other documents as in Technical Know-How agreement

#### **Note:**

- i. *For computation of Revenue, Gross Operating Income, Adjusted Gross Operating Income, Gross Operating Profit, see Annexure II.*
- ii. *Only hotels initially located in the disadvantaged areas of the country will attract the upper limit of the basic and incentive fees while those located in cities like Lagos, Abuja and Port- Harcourt will attract the lower limit.*

### 2.2.9.3 Value Added Services Agreement

This is the type of agreement entered by IT companies in Nigeria and foreign technical partners to render some specific IT Services to telecom companies to enhance their services delivery to their subscribers. Payment for these services is based on invoices attached to the agreement and subject to monitoring of the project sites where the software are deployed. The duration is usually one (1) year.

#### Application Requirements

- Valued Added Services Agreement between the parties

- Evidence of offer of contract by a local Telecom company the scope of which is explicit on the services to be rendered
- Invoices for the payment
- Other documents as required in Know-How Agreement

#### **2.2.7.4 Shared Services Agreement**

Shared Services Agreements are registered subject to provision of the following:

- i. A list of the companies in the group that share the services
- ii. Evidence that the services shared are not readily available locally
- iii. The sharing formula for all companies in the group.

## **CHAPTER THREE: APPLICATION FOR REGISTRATION OF TECHNOLOGY TRANSFER AGREEMENT**

### **3.1 Format of Application**

The application for registration /renewal of technology transfer agreements shall be made in the applicant company's letter head paper or through its authorised representative (accompanied by authority letter) to the Director General within 30 days from the effective date of the agreement accompanied by the required documents, information and payment of the applicable fees. All applicants are expected to pay the presentation fee of N50, 000 via NOTAP's portal and generate their Remita Retrieval Reference (RRR).

### **3.2 Completion of NOTAP Forms**

Presently, NOTAP application and registration forms are completed manually. However upon the completion of the Automation process, the forms would have to be completed online. The annexes would also be downloaded online.

### **3.3 Documentation**

**The relevant documents required are as follows:**

- i. A copy of the Application Form duly completed
- ii. Certificate of incorporation (for new companies).
- iii. Memorandum and Articles of Association of the company.
- iv. A copy of the Agreement to be registered.
- v. A copy of the Questionnaire duly completed.
- vi. A copy of the feasibility study (for new companies).
- vii. Annual audited accounts for 3 years.
- viii. Evidence of Tax payment (Company Tax) for the last 3 years
- ix. Tax Payer Identification Number (TIN) (for new companies only)
- x. Profile on Transferor/Technical Partner (Website, Brochure, etc)
- xi. Comprehensive training programme (number of personnel, skill or knowledge to be acquired).

### **3.4 Payment of Applicable Fee**

• Presentation Fee	-	N 50,000.00
• Penalty Fee	-	N 100,000.00
• Registration Fee (Ranges from)	-	N 100,000.00 – 20 Million & above
• Processing Fee for Extension of Certificate	-	N 100,000.00

The details on the table of fees are contained in the Supplementary Information on Registration of Technology Transfer Agreements, also attached as Annexure to the Guidelines.

**NOTE: The Applicable fees are subject to periodic changes by the Office.**

## **CHAPTER FOUR: EVALUATION OF TECHNOLOGY TRANSFER AGREEMENT**

### **4.1 Checklist for Submission of Application Documents**

- (i) Completed Application Form
- (ii) Completed NOTAP Questionnaire
- (iii) Completed TAA Pre-Qualification Form
- (iv) Draft Copy of the Technology Transfer Agreement to be Registered
- (v) Company's Memorandum and Article of Association
- (vi) Certificate of Incorporation
- (vii) Completed Monitoring Form – for Renewal Agreement
- (viii) Annual Report
- (ix) Tax Clearance Certificate and Tax Identification Number (TIN)
- (x) Performance Bond for Advance Payment
- (xi) Engineering Drawings, Feasibility Study Report etc, where applicable
- (xii) Approval/Licenses Obtained from Appropriate Authorities and Bodies e.g.
  - NCC for Agreements on Communications
  - NNPC for Agreements on Oil Exploration
  - NBC for Agreements on Broadcasting Rights, etc
  - Transferor/Licensor Profile.

Note:

- (a) Any application that fails to conform with the requirements will be returned to the applicant unprocessed until it conforms with the necessary requirements.
- (b) Where application conforms with all the requirements with respect to the documentation and fees, it will be received at the Director General's Office from where it will be sent to the relevant department for processing.

### **4.2 Technical Evaluation of the Agreement**

This involves the following:

- Examining whether the technology to be acquired is defined with its age
- Ensuring that the scope of services in the agreement are clearly specified in detail;
- Examining whether the training schedule indicating the number to be trained, specific area of training, location and duration of training is attached to the agreement;
- Ensuring that agreement which involve expatriates, detailed information about the calibre, number, duration and monthly per diem/rate; qualification should be provided;
- Assessing the percentage of Local Value Addition (LVA) i.e. the content of the raw materials, packaging materials, equipment and other inputs are specified;
- Conducting searches on the website, on the status of the transferor, its activities and capabilities in respect of its obligations under the technology transfer agreement;

- Ensuring that companies which have variety of products specify the products and the net sales values of the specific product(s). The calculation of net sales and/ or profit before tax should be based on the specific products involved in the technology transfer agreement which are manufactured locally;
- Assessing the detailed process technology to be acquired
- Ensuring that sources of imported raw materials, packaging materials equipment/machinery are stated;
- Tracing the history of the previous agreements submitted to the Office for registration by the company;
- Making references to similar agreements previously registered by company (s) in the same sector for guidance and uniformity.

### **4.3 Economic Evaluation of the Agreement**

This involves the following:

- Ensuring that the remuneration or payment clause (s) falls within the approved CBN guidelines;
- Ensuring that companies incorporate technology fees into the Technology Transfer Agreements or in an addendum to the agreement and that the breakdown of fee is provided
- Ensuring that the agreement makes provision for employment generation in the country;
- Examining the agreement if it provides for local value addition (LVA) and export to other countries, etc; the components of the LVA in terms of raw materials, local fabrication of spare parts and other local inputs must be stated.
- Ensuring that the sources of their raw materials are stated;
- Finding out whether the agreement permits the establishment of spin-off firms to provide ancillary services, etc;
- Ensuring that the percentage of equity participation is clearly stated (local and foreign);
- Ensuring that the projected figures for net sales, profits, production volume, etc are stated in the completed questionnaire for the duration of the agreement
- Ensuring that the percentage of plant capacity utilization, actual production volume, actual net sales/profit and technology fees remitted in the last 3 years etc are properly completed in the Questionnaire;
- Ensuring that the projected net sales and profit before tax (PBT) figures stated in the completed NOTAP Questionnaire are reasonable vis-à-vis the figures in the company's Audited Accounts.

#### **4.4 Legal Evaluation of the Agreement**

This involves the following:

- Conformity with the provisions of S.6(2) (a – r) of NOTAP Act Cap N62 LFN, 2004;
- Provision for warrantee and guarantee clauses in the case of agreements which involve the provision of process technology, supply and installation of equipment and machinery, etc;
- Examination of an agreement to determine if it contains restrictive and onerous clauses, such as export restriction, restriction on volume of production, prohibition of complementary technologies, etc;
- Ensuring that the initial duration of the agreement or contract is a maximum of 3 years and 5years in the case of Hotel or Agricultural industries to take care of the construction or gestation period. The agreement can be subject to renewal thereafter, if need be;
- Any clause in the agreement which prohibits the payment of tax by the licensor contrary to the Nigerian Tax Law should be amended/ expunged as the case may be, to ensure payment of tax by the licensor on income earned.
- All Nigerian government projects must be governed by Nigerian Laws of Arbitration and the seat of arbitration should be in Nigeria being the place of execution of the project.
- Ensuring that the names of signatories to the agreement and their signatures are incorporated into the technology agreement to be registered or renewed.

#### **4.5 Other Aspects of Evaluation**

##### **4.5.1 Pre- Execution Evaluation**

This is a process whereby companies submit their technology transfer agreements to NOTAP for analysis and comments in order to improve on the standards of the agreements before they are concluded and executed. The comments from the Office serve as veritable guide to the respective companies in finalizing and executing such agreements with the technical partners. Thereafter, the agreement is submitted formally to NOTAP for registration. This service which is referred to as Technical Advisory Service (TAS) by NOTAP attracts a fee of N50, 000.00 and many companies have benefitted from it.

##### **4.5.2 Post- Execution Evaluation**

This is a process whereby companies submit the technology transfer agreements already executed with their technical partners to NOTAP for registration. Such agreements are evaluated and where observations are raised, the applicant company is expected to renegotiate the agreement with its technical partners in line with the necessary amendments. Unlike the pre-execution evaluation process, this process sometimes cause delay as it takes time for the parties especially the technical partners to agree with the required amendments on the agreements having been earlier concluded and executed. In most cases this is done reluctantly. Unfortunately most agreements being submitted for registration fall under this category. It is in this regard that NOTAP encourages companies to seek proper guidance from NOTAP on their technology transfer agreements before the agreements are concluded and executed.

### 4.5.3 Contents of Agreements

- (i) The technology contents must comprise any or a combination of the following:
- Utilization of local raw materials
  - Process of Skill acquisition and development
  - Plans by company to substitute imported inputs by local inputs
- (ii) The scope must specify the obligations or services of the technical partners in concrete and measurable terms. For instance, the scope must specify the following:
- Objective of the agreement
  - Obligations/services to be rendered by the technical partners
  - Training/capacity building. The company should provide the list and qualifications of Nigerian Professionals who will understudy the expatriates to enable them absorb the technology within a short period.

The scope of a renewal agreement must be different from the scope of the previous agreement for it to be considered for approval, e.g. it must specify the following:

- (iii) Linkages with National Innovation System ( such as Universities, Mono/Polytechnics and Research Institutes), especially in case of renewal Agreements
- (iv) Cutting edge technology
- (v) Corporate responsibilities of the technology recipient companies which should be science and technology based
- (vi) Technology fees incorporated into the agreement
- (vii) Names of signatories to the agreement and their signatures incorporated into the agreement

### 4.5.4 Verification from other MDAs and other relevant bodies

In the course of registration of technology transfer agreements, NOTAP seeks verification from relevant agencies where necessary as indicated in the table below:

<b>i. Documentation</b>	<b>Verification from other MDAs and other relevant bodies</b>
• Tax Clearance Certificate for the last three (3) years)	Federal Inland Revenue Service (FIRS)
• Remittance made on approval (SWIFT)	Central Bank of Nigeria and Commercial Bank
• Verification for Telecommunications	Nigerian Communication Commission
• Letters of Authority/Verification from Professional bodies	Council for the Regulatory Engineering of Nigeria/Nigeria Society of Engineers
• Certificate of Incorporation	Corporate Affairs Commission
• Trademark registration	Patent and Trademark Registry
• Letters of Award	End Users
• Authorization Letter of software related services for MDAs	Nigerian Information Technology Development Agency (NITDA)
• Performance Bond for Advance Payment	Commercial banks
• Engineering Drawing , Feasibility	Institute of Quantity Surveyor/Nigerian



Study Report etc, where applicable	Society of Engineers
<ul style="list-style-type: none"> <li>• Approval/Licenses obtained from appropriate authorities and bodies</li> </ul>	<ul style="list-style-type: none"> <li>○ NCC for agreements on Communications</li> <li>○ NNPC for agreements on oil exploration</li> <li>○ Shippers Council and NIMASA on vessels inspection</li> <li>○ NBC for agreements on Broadcasting Rights, etc</li> <li>○ Transferor/Licensor Profile</li> </ul>

**4.5.5 Pre- Consultative meeting with Applicant**

From time to time NOTAP schedules consultative meetings with the representatives of applicant companies or Ministries, departments and Agencies (MDAs) to resolve outstanding issues in respect of technology transfer agreements submitted for registration. The office uses this medium to explain government policies and its stand on technology transfer matters and other issues to the representatives of the companies as it relates to their operation and activities. The representatives of the companies also seize the opportunities of such meetings to explain some situations and circumstances that are peculiar to their operations and the justifications for the technologies to be acquired. The outcome of such meetings usually facilitates the process of registration of the respective agreements.

## **CHAPTER FIVE: COMMUNICATIONS WITH APPLICANTS**

### **5.1 Conveyance of Pre-approval issues to Applicants**

Upon evaluation of the technology transfer agreements submitted, all issues, observations and comments to be addressed prior to approval relating to the agreement submitted are conveyed via official letter to the applicant.

### **5.2 Approval of Agreements with condition**

The National Office for Technology Acquisition and Promotion in some cases, grants approval of Agreement registration with conditions where the Office is satisfied that it would be in the national interest to do so. Such technology transfer agreements are subject to adjustments, modification of the scope of services and submission of requisite documents (e.g. invoices, tax clearance certificate, Annual Audited account etc as the case may be).

### **5.3. Approval of Agreement without Conditions**

In the interest of the Nigerian entrepreneurs and other end users referred to as Applicants, the inflow of technologies and expertise need to be properly and transparently regulated in accordance with the Nigerian laws on technology transfer. Once it is ascertained that the scope of services in the technology transfer agreements are fair to both parties involved and there is value for money, the National Office for Technology Acquisition and Promotion grants approval without condition to applicants provided the specifications mentioned in sub section 2 of section 6 of NOTAP Act is not violated.

### **5.4 Rejection of Registration of Agreement**

Where it is observed that the technological interest and integrity of Nigeria is not given adequate consideration in the negotiation, drafting and implementation of the technology transfer agreements/projects such agreements are rejected by the Office, more so when the provisions of the agreements contravene the laws of Nigeria and fall within the specifications in section 6.2 (a-r) of NOTAP Act. (Please consult NOTAP Act under Annexure).

### **5.5 Response of Companies regarding Approval**

It is expected of companies to respond timely when approval has been granted in writing by the National Office for Technology Acquisition and Promotion (NOTAP) for the implementation of the technology transfer agreement submitted for registration. The companies need to fulfil all the conditions specified in the approval letter by acknowledging the receipt of NOTAP's letter of approval in addition to payment of requisite applicable fees online through NOTAP Remita Platform and submission of the agreements and invoice(s) where applicable for stamping.

### **5.6 Documentation Required after Approval**

After approval of an agreement, the following documentation are required, two copies of the amended agreement incorporating the revised fee and invoices where applicable are stamped. The second copy of the agreement submitted for processing is filed in the company's file within the Office for record purposes. However, if requested by a company and subject to approval by the Director General, an extra copy of the agreement may be certified for the company after proper documentation.

### **5.7 Issuance of the Certificate of Registration**

Certificate of Registration is issued and given to the applicant or his representative (with Proof of identification) with the original copy of the agreement certified by the Office at the Director General's Office. Where the Certificate of Registration is requested by a representative, the request should be accompanied by the following before collection:

- ❖ submission of letter of authority,
- ❖ Company's identification card and
- ❖ passport photograph of the representative

## CHAPTER SIX: REMITTANCE OF APPROVED TECHNOLOGY FEES

### 6.1 The Role of Applicants

After the issuance of certificate of registration to the applicant company, the next stage is for the company to approach its bank for remittance of the approved fee. The company is required to submit copies of the agreement and invoices (where applicable) stamped and the certificate of registration issued by NOTAP to the bank.

### 6.2 The Role of Banks: Confirmation of Reasonableness of fee to be remitted from NOTAP

Payments using NOTAP certificates requires that the remitting banks seek the confirmation or otherwise of the fees and agreements submitted to them by their clients (companies) according to CBN guidelines on Foreign Exchange remittance.

To enable the bank process the remittance at CBN, the bank will request NOTAP to confirm the authenticity of the certificate of registration, and the approved fee.

### 6.3 Documents required for confirmation of reasonableness

Request for confirmation by remitting banks should be accompanied by:

- Forwarding letter from the bank to NOTAP stating the amount their client seek to remit out of the approved fee (must be in the currency on the certificate of registration)
- Photocopy of NOTAP Certificate of Registration
- Photocopy of Agreement registered (with the stamped invoices if any)
- Demand note from the company to the bank
- Confirmation of the entire fees at once may be allowed for some lumpsum approval.

### 6.4 Documents issued by NOTAP on confirmation of Reasonableness of Fee

After due diligence, upon receipt of such request and it is ascertained that the fee is reasonable, NOTAP issues:

- Letter of confirmation of the reasonableness of fee of the requested amount to be remitted to the bank on behalf of the company
- the endorsed copy of the Certified True Copy (CTC)
- Upon the receipt of such request, Officers are directed to verify and confirm the authenticity of the documents.
- The amount requested for confirmation is also verified vis-à-vis the fee approved by the Office.
- During this process, Officers are to prepare the details of the customers transactions up to date as follows:
  - Approved fee
  - Amount remitted up to date
  - Outstanding balance, if any.
- Thereafter the request and findings are forwarded to the Director General's Office for endorsement of the certified true copy (CTC) of the certificate of registration earlier issued.
- Finally the endorsed copy of the CTC is forwarded with a covering letter confirming the requested amount for remittance. A copy of the letter is also sent to the company.
- Where the company has exceeded the remittance approved, the bank and the company will be informed accordingly and the request will not be confirmed.

- Sometimes, it is discovered that some companies over remit the approved fee at the point of renewal through the submission of Form M and SWIFT documents submitted to the office. When this happens, companies are asked to provide explanation for this and pay registration fee on the amount over remitted

## **CHAPTER SEVEN: MONITORING THE IMPLEMENTATION OF TECHNOLOGY TRANSFER AGREEMENTS**

### **7.1 General Objectives of Monitoring**

Monitoring the implementation of technology transfer agreements/contracts is one of the mandates of the office. The fundamental objective of the monitoring exercise is to ensure that there is an efficient and effective adaptation, absorption and diffusion of foreign technologies acquired by Nigerians through collaboration with their technical partners in the execution of industrial projects. The monitoring programme provides the window through which technology gaps and other technical and socio-economic deficiencies in the system could be identified and corrected for rapid industrial development. It also provides the platform for interacting with technology suppliers and managers with a view to identifying the problems/constraints and also obtain primary data for sustainable technology development planning and policy formulation.

### **7.2 Specific Objectives of Monitoring**

Some of the specific objectives of the monitoring programme are to:

- (i) Ensure that the technology acquired or to be acquired meets the long-term sustainable development objectives of the country and to ensure that technology acquisition is made under fair and equitable conditions;
- (ii) Assess the extent to which technology being transferred is assimilated by Nigerians through adequate implementation of the training, research and development programmes,
- (iii) Determine the level of self-reliance attained by Nigerian Engineers;
- (iv) Identify the problems and constraints which inhibit the absorption of foreign technology and/or technology development;
- (v) Assess the rate of substitution of foreign raw materials and components by local inputs and its effects on the quality of the products,
- (vi) Determine the factors affecting capacity utilization with a view to recommending appropriate policy measures;
- (vii) Provide opportunity to discuss some of the issues emanating from the evaluation of technology transfer agreements submitted by the companies with view to finding amicable solutions and way forward.

### **7.3 Types of Monitoring**

The monitoring programme is in two phases namely:

- (i) Pre-monitoring
- (ii) Post –monitoring

#### **7.3.1 Pre Registration Monitoring**

It involves the monitoring of new technology agreements signed for new investments or projects. This visit is necessary to ensure that the project is on ground and genuine and that the outflow of foreign exchange is not encouraging capital flight but is channelled to projects that will add value to the national economy. The focus is also to assess the activities and operations of companies in respect of technology transfer agreements submitted for registration.

#### **7.3.2 Post Registration Monitoring**

This exercise on the other hand involves the monitoring of agreements submitted for renewal. Monitoring visits are made to companies to ensure that Nigerian personnel in these companies are

actually absorbing the technology involved in the industry and that the agreement is being implemented as approved.

In a nutshell when the Office informs a company about its plan to carry out monitoring visit to a company, the essence is to assess the extent of implementation of the acquired technology using certain parameters. Usually the focus is the production plant in the case of a manufacturing plant, the project site in the case of a construction project and the centre of operation in the case of service providers.

#### **7.4 Modalities for Monitoring**

The modalities for the monitoring programme involve the following:

- (i) Distribution of monitoring forms for completion by the selected companies
- (ii) Discussion with the company's representatives
- (iii) Tour of the plant/ company facilities

#### **7.5 Parameters for Monitoring**

The parameters used during monitoring visits usually include the following:

- Background Information/ History of the company
- Nature of products/ Types of services
- Plant capacity utilization
- Production volume
- Programmes put in place to ensure gradual import substitution through local sourcing or manufacturing of the products
- Level of employment and categories of Nigerian professionals understudying the expatriates to facilitate the absorption of technology
- Local Value Addition i. e Local content or local inputs in terms of raw materials, spare parts/fabrication of equipment and machinery, local skills/expertise available etc
- Replacement of expatriates by Nigerians
- Brief description of the technology in use
- Establishment of research and development activities/status of Research and Development (R&D)
- Investment made in the last three years
- Development of new products/Diversification of products or services
- Installation of new plants and machineries /equipment in the last three years
- Programmes put in place for local adaptation of the imported technology
- Economic performance of recipient companies in terms of net sales, profit, production volume, etc
- Extent of implementation of technology agreements in the case of renewal of agreements
- Backward integration programmes by the company
- Collaboration with tertiary and research institutions and other companies
- Corporate Social Responsibilities which should be technology focused.
- Issues raised on the technology agreement(s) submitted for registration by the company
- Constraints/challenges facing the companies in the course of implementation of technology agreements.

#### **7.6 Monitoring Reports**

After each monitoring visit, a report is generated based on the discussions and observations made on the production process, the interactions with professionals on site, the plans or efforts being made to domesticate the technology in the country and general operations of the company. These are compared

with the information provided in the monitoring forms submitted by the company and form the basis of approval of the technology transfer agreements submitted for registration and the technology fee(s) to be approved.



## CHAPTER EIGHT: OTHER ISSUES

### 8.1 Extension of Validity of Agreements/Certificates

In the event that the approved fee is not fully remitted before the expiration of the agreement, company can seek for the extension of the certificate for the purpose of remitting the outstanding fee. Company should therefore submit an addendum that states the outstanding amount and the validity period (not more than one year). If however after extension is granted for one year and the company is still unable to complete remittance of the outstanding fees, no further extension can be granted but full payment of Registration fee on the outstanding remittance will apply.

#### **Addendum**

For all extension of certificates for the payment of outstanding fees, companies are to submit addendum that contains the title, new duration, the outstanding amount to be remitted and names and signatories of parties involved in the agreement.

### 8.2 Submission of Additional Invoices

Companies seeking approval of additional invoices based on new award letter/purchase order from end user on new services especially when the agreement is subsisting must clearly justify the need for such services and payment for additional fee with a clear technology contents. Companies are to submit letter of award of contract/purchase order from the end user.

### 8.3 Renewal of Agreement

Upon expiration of a subsisting agreement, Company can seek for its renewal where necessary. However, such renewal is not automatic but will be considered on merit based on submission of annual progress report, agreement with a modified scope of services and swift documents used for remittance. Generally, payments in respect of renewal agreements may attract lower remunerations.

### 8.4 Incentives by NOTAP

As a form of incentive, grant of approval for payment of technology fees by NOTAP shall take into consideration the following in determining the range of fees to be approved for a particular agreement or project within the acceptable limit if:

- (a) The local value addition or local content of the products or services involved in the agreement is not lower than 70%;
- (b) The products/services involved in the agreement are also meant for export;
- (c) The research and development efforts of the company are carried out within Nigeria, in-house or in collaboration with the National Innovation System (i.e. Universities, Polytechnics and Research Institutes).
- (d) The benefits to be derived from the implementation of the agreement/project by the enterprise is considered desirable in the national interest.

## 8.5 Timelines for Registration of Agreement

### Stages involved in the Technology Transfer Registration Process and Timelines NOTE:

S/N	Stages	Action by	Timeline	Method of communication	Remarks
1.	Filing of new agreement for registration accompanied by required documents, information & payment	Applicant	Within <b>30 Days</b> from the date of execution of the agreement	Hand delivery in person or by the dispatch riders from accredited courier service provider to:  - NOTAP headquarter in Abuja or  - The Lagos Zonal Office (19, Kingsway Road, Ikoyi, Lagos)	Filing of application can be for a new or renewing of agreement
2.	Filing of renewal agreement for registration accompanied by required documents, information & payment	Applicant	Within <b>30 Days</b> from the date of execution of the agreement	Hand delivery in person or by the dispatch riders from accredited courier service provider to:  - NOTAP headquarter in Abuja or  - The Lagos Zonal Office (19, Kingsway Road, Ikoyi, Lagos)	
3.	Extension of Agreement/Certificate of Registration. (where necessary)	Applicant	Within <b>30 Days</b> from the date the previously registered agreement expires	Submission of letter of request to NOTAP @ the Headquarter  Or  the Lagos	This is relevant only where an applicant could not remit or complete the remittance

				Zonal Office	of the approved fee for the previously registered agreement before the certificate of registration lapse
4.	Screening of the Required documents as contained in the office checklist	Director General Office	<b>1 Day</b>		
5.	Acknowledgement	Director General Office	Immediately upon the filing of an application	Official stamping of the duplicate copy of application	
6.	Notice of Additional Requirements, where necessary	Director	Within <b>3 Days</b> from the date of filing the application	By Letter & E-mail	
7.	Response	Applicant	Within <b>12 Days</b> from the Date of receiving such notice, failure upon which the agreement shall be construed to have been abandoned		
8.	Extension of the Response time by an Application	Applicant	Within <b>10 Days</b> from the Date of expiration of the initial Response		
9.	Notice of Official Acceptance i.e. the Date of full compliance by the Applicant with all the pertinent requirements of NOTAP further to which Evaluation and Analysis of the Agreements shall commence on the said Date	Director	Within <b>3 Days</b> of receipt of the Applicant's Response		
10.	Evaluation and	i. CTO	<b>3 Days</b>	Documentation	

	Analysis of technology transfer agreement	ii. ACTO iii. ACTO iv. PTO v. STO vi. TO Is vii. TO IIs		of the evaluation report	
11.	Preliminary review of the Evaluation report	i. CTO ii. CTO iii. ACTO iv. PTO	<b>2 Days</b>		
12.	Secondary review	i. Deputy Director ii. Deputy Director	<b>2 Days</b>		
13.	Final Review	Director	<b>2 Days</b>		
14.	Monitoring visit to the Applicant's company	From the Technology Officers listed above	<b>6 Days</b>	Visit to the companies	Pre-monitoring visit incase of new agreement  Post-monitoring visit incase of renew agreement
15.	Approval or Rejection	Director General	<b>2 Days</b>		
16.	Issuance of Letter of Approval/Rejection/ Requests for Submission of additional information	Director	<b>2 Days</b>	Letter & E-mail	
17.	Response from Companies and payment of Registration fee	Applicant	<b>3 Days</b> from the date of payment of the registration fee	Strictly by letter	For only approved agreement
18.	Issuance of Certificate of Registration	Director General	<b>Within 3 Days</b>	Stamping of the approved agreement and issuance of the certificate of registration	Some companies are represented by Law/Accounting firms for the processing of their applications

19.	Notification of applicant for the collection of his certificate of registration	ACTO/PA-DG	<b>1 Day</b> after the signing the certificate of registration	Phone calls and E-mail	
20.	Proof of Identification for collection of certificate of registration	Action by: (i) Applicant/ Authorized representative (ii) Director General	<b>1 Day</b> (As soon as the Applicant/ Representative appear in the office for the collection	Issuance of the certificate of registration to the Applicant/repre sentative	
21.	Confirmation of Reasonableness	Applicant's Bank	To be determined by an applicant's bank	Letter from the bank attaching all necessary documents.	Banks usually issue this letter before processing the remittance of the fee to the Transfer Licensors
22.	Review of the confirmation	PTO STO	<b>1 Day</b>		
23.	Secondary Review	Deputy Directors	<b>1 Day</b>		
24.	Final Review	Director	<b>1 Day</b>		
25.	Issuing a letter confirming the reasonableness of the payment	Director	<b>1 Day</b> from the date of receiving the bank's letter of confirmation of reasonableness	By Letter & E-mail	A copy of the letter is usually forwarded to the Applicant (bank) with the certified true copy of the certificate of registration signed by the Director General.

**NOTE:** Days refer to business days.

Total number of days for processing a technology transfer agreement by NOTAP from the date of filing the application by the Applicant to the issuance of confirmation of reasonableness is **60 Days** subject to compliance with the registration requirements on the date of filing the application.

### **8.5 Penalties/Sanctions**

The applicable penalty includes:

- i. Issuing Query
- ii. Reduction in rank
- iii. Withholding or deferment of increment
- iv. Dismissal in case of serious misconduct, etc.

### **8.6 Location/Address of the Office**

Below are the location and addresses of the National Office for Technology Acquisition and Promotion (NOTAP).

#### **Head Office**

4 Blantyre Street,  
Wuse II  
P.M.B. 5074 Wuse,  
Abuja- Nigeria  
Tel: 09-5239823  
Tel/Fax: 09-5236954  
Email: [info@notaponline.net](mailto:info@notaponline.net)  
Websites – [www.notaponline.net](http://www.notaponline.net);  
[www.notap2@yahoo.com](http://www.notap2@yahoo.com)

#### **Lagos Zonal Office**

19 Kingsway Road,  
Ikoyi- Lagos  
Tel/Fax: 01-2696123

## ANNEXURE I

### DETERMINATION OF ADJUSTED GROSS OPERATING PROFIT

“Adjusted Gross Operating Profit” as used in this Agreement shall be computed as follows:

A. All revenues and income of any kind derived directly from the operation of the Hotel by transferor including rental or other payment, from tenancies and concessionaires (not the gross receipts of such tenant its or concessionaires), and the proceeds of use and occupancy insurance actually received by the transferor after deduct therefrom necessary expenses in connection with the adjustment or collection thereof (here in called revenue)

B. From the Revenue shall be deducted the entire cost and expense of maintaining, conducting and supervising the operation of Hotel, including without limiting the generality of the foregoing the following:

1. The cost of all food and beverages and operating supplies sold or consumed and the total payroll,
2. The cost of replacements of or additions to Operating Equipment
3. The cost of Group Services and Benefits and Hotel Specific Services provided by the transferor in accordance with this Agreement.
4. The cost of all other goods and service, purchased by or on behalf of the Hotel,
5. Expenses incurred for the account of or in connection with the Hotel operation, including reasonable travelling expenses of employees and executives of the transferor company and as affiliates to connection with the management and operation of the Hotel
6. All costs and expenses of any advertising, business promotion or personnel training program of the Hotel, separate and distinct from other hotels or its affiliated companies.
7. All expenditures made by the transferor for maintenance, repairs or decoration to keep the Hotel in good operation condition in accordance with the terms of this Agreement.
8. All taxes and public dues, other than income and withholding taxes, payable by or assessed against Hilton with respect to the operation of the Hotel.
9. Hotel operating licence fee
10. The balance shall be called “**Gross Operating Income**”

C. From the Gross Operating Income shall be deducted:

- (1) Hilton's Basic Management Fee as provided for in this Agreement.
- (2) Premiums for insurance maintained in accordance with this Agreement (premiums on policies for more than one year to be prorated over the period of insurance and premiums under blanket policies to be allocated among properties covered) and losses incurred on self-insured risks.

The balance shall be called "**Gross Operating Profit**".

D. Adjusted Gross Operating Profit for any fiscal period shall be determined by deducting from the Gross Operating Profit for such period, to the extent such Gross Operating Profit is available, four percent (4%) of Revenue, which sums shall be paid into the FF&E Account.

E. In determining the Adjusted Gross Operating Profit for any fiscal year, no adjustment shall be made for or on account of any deficiency in the Gross Operating Profit for any prior Fiscal Year.

## ANNEXURE II

### NOTAP ACT CAP. N62 LFN 2004

CAP.N62

National Office for Technology Acquisition and Promotion Act

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#### CHAPTER N62

#### NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION ACT

#### ARRANGEMENT OF SECTIONS

##### SECTION

1. Establishment of the National Office for Technology Acquisition and Promotion.
2. Governing Council.
3. Power of the Minister to give directions.
4. Functions of the National Office.

##### **Registration of Contracts, etc.**

5. Application for registration of contracts and agreements.
6. Registration.
7. Effect of registration.
8. Cancellation of registration.
9. Appeals, etc

##### **Provisions as to staff and finances**

10. Director and other staff of the National Office.
11. Service in the National Office to be pensionable.
12. Financial provisions.
13. Annual estimates, accounts and audit.

##### **Miscellaneous and supplementary**

14. Power to obtain information.
15. Penalties for false returns, obstruction, etc.
16. Restriction on disclosure of information by staff and penalty therefore.
17. Offences by bodies corporate and unincorporated.
18. Annual reports.
19. Staff regulations.
20. Fees.



21. Savings and transfer of liabilities, staff, etc.
22. Interpretation.
23. Short title.

## SCHEDULE

Supplementary provisions relating to the Council

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[Issue 1]

**CAP. N62**

National Office for Technology Acquisition and Promotion Act

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### CHAPTER N62

#### NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION ACT

An Act to establish the National Office for Technology Acquisition and Promotion to monitor, on a continuing basis, for transfer of foreign technology to Nigeria and to provide for other related matters.

[1979 No. 70.]

[24<sup>th</sup> September, 1979]

Commencement

National Office for Technology Acquisition and Promotion

#### 1. Establishment of the National Office for Technology Acquisition and Promotion

(i) There is hereby established a body to be known as the National Office for Technology Acquisition and Promotion (in this Act referred to as “the National Office”) which shall have the functions conferred on it under or pursuant to this Act.

[1992 No. 82]

(ii) The National Office shall be a body corporate with perpetual succession and a common seal and may sue or be sued in its corporate name.

#### 2. Governing Council

(1) There shall be as the governing body of the National Office a council to be known as the Governing Council of the National Office for Technology Acquisition and Promotion (in this Act referred to as “the Council”) which shall be responsible for the formulation of policy for the National Office and for the discharge of the other functions conferred on it by this Act.

(2) The Council shall consist of a chairman and the following other members, that is-

- (a) one representative each of the following Federal Ministries—
  - (i) Finance;
  - (ii) Internal Affairs;

- (iii) Justice;
- (iv) Commerce; and
- (v) Works and Housing;
- (b) one representative of the National Science and Technology Development Agency;
- (c) one representative of the universities in Nigeria to be appointed by the Minister after due consultation;
- (d) one representative of polytechnics and colleges of technology in Nigeria to be appointed by the Minister after consultation with the rectors and principals thereof; and the director.

(3) The chairman shall be the Permanent Secretary of the Federal Ministry of Industry or such other officer of that Ministry not below the rank of Assistant Director as the Permanent Secretary may designate in that behalf.

(4) The supplementary provisions in the Schedule to this Act shall have effect with respect to the proceedings of the Council and the other matters therein mentioned.

### **3. Power of the Minister to give directions**

The Minister may give to the Council directions of a general character or generally to particular matters but not to any individual or case with regard to the exercise by the Council or the National Office of its functions under this Act and it shall be the duty of the Council and the National Office to comply with the directions or cause them to be complied with.

### **4. Functions of the National Office**

Subject to section 2(1) of this Act, the National Office shall carry out the following functions--

- (a) the encouragement of a more efficient process for the identification and selection of foreign technology;
- (b) the development of the negotiation skills of Nigerians with a view to ensuring the acquirement of the best contractual terms and conditions by Nigerian parties entering into any contract or agreement for the transfer of foreign technology;
- (c) the provision of a more efficient process for the adaptation of imported technology;
- (d) the registration of all contracts or agreements having effect in Nigeria on the date of the coming into force of this Act, and of all contracts and agreements hereafter entered into, for the transfer of foreign technology to Nigerian parties; and without prejudice to the generality of the foregoing, every such contract or agreement shall be so registrable if its purpose or intent is, in the opinion of the National Office, wholly or partially for or in connection with any of the following purposes, that is to say;
  - (i) the use of trademarks;
  - (ii) the right to use patented inventions;
  - (iii) the supply of technical expertise in the form of the preparation of plans, diagrams, operating manuals or any other form of technical assistance of any description whatsoever;
  - (iv) the supply of basic or detailed engineering;
  - (v) the supply of machinery and plant; and
  - (vi) the provision of operating staff or managerial assistance and the training of personnel; and

- (e) the monitoring, on a continuous basis, of the execution of any contract or agreement registered pursuant to this Act.
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[Issue1]

**CAP. N62**

National Office for Technology Acquisition and Promotion Act

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[Schedule]

Registration of contracts, etc

**5. Application for registration of contracts and agreements**

(1) Every contract or agreement which on the date of the coming into force of this Act had been entered into by any person in Nigeria and which still has effect on the commencement of this Act in relation to any matter referred to in section 4 (d) of this Act shall be registered with the National Office in the prescribed manner not later than six months after the commencement of this Act.

(2) As from the commencement of this Act, every contract or agreement entered into by any person in Nigeria with another person outside Nigeria in relation to any matter referred to in section 4 (d) of this Act shall be registered with the National Office in the prescribed manner not later than sixty days from the execution or conclusion thereof.

(3) Every application for the registration of a contract or agreement under this section shall be addressed to the director and shall be accompanied by such number of certified true copies of such contract and agreement and by all other related documents including annexures thereto and such other documents and information as may be specified in any particular case by the director.

**6. Registration**

(1) Where the director is satisfied that none of the specifications mentioned in sub-section (2) of this section has been contravened he shall issue the applicant therefore a certificate in such form as may be prescribed.

(2) The director shall not register any contract or agreement where he is satisfied that it falls within any of the following specification, that is to say--

- (a) where its purpose is the transfer of technology freely available in Nigeria;

- (b) where the price or other valuable consideration therefore is not commensurate with the technology acquired or to be acquired;

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[Issue 1]

**CAP. N62**

National Office for Technology Acquisition and Promotion Act

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- (c) where provisions are included therein which permit the supplier to regulate or intervene directly or indirectly in the administration of any undertaking belonging to the transferee of the technology and are, in his opinion, unnecessary for the due implementation or execution of such contract or agreement;
- (d) where there is an onerous or gratuitous obligation on the transferee of the technology to assign to the transferor or any other person designated by the transferor, patents, trademarks, technical information, innovations or improvements obtained by such transferee with no assistance from the transferor or such person;
- (e) where limitations are imposed on technological research or development by the transferee;
- (f) where there is an obligation therein to acquire equipment, tools, parts or raw materials exclusively from the transferor or any other person or given source;
- (g) where it is provided that the exportation of the transferee's products or services is prohibited or unreasonably restricted or where there is an obligation on such transferee to sell the products manufactured by it exclusive to the supplier of the technology concerned or any other person or source designated by the transferor;
- (h) where the use by the transferee of complementary technologies is prohibited;
- (i) where the transferee is required to use permanently or for any unconscionable period personnel designated by the supplier of the technology;
- (j) where the volume of production is limited for sale and where resale prices are, in contravention of the Price Control Act or any other enactment relating to prices, imposed for domestic consumption or for exportation;
- (k) where the transferee is required to appoint the supplier of technology as the exclusive sales agent or representative in Nigeria or elsewhere;
- (l) Where the contract or agreement is expressed to exceed a period of ten years or other unreasonable term where this is less than ten years;
- (m) Where the consent of the transferor is required before any modification to products, processes or plant can be effected by the transferee;
- (n) Where an obligation is imposed on the transferee to introduce unnecessary design changes;
- (o) Where the transferor, by means of quality controls or prescription of standards, seeks to impose unnecessary and onerous obligations on the transferee;
- (p) Where there is provision for payment in full by the transferee for transferred technology which remains unexploited by him;

- (q) Where there is a requirement for the acceptance by the transferee of additional technology or other matter, such as consultancy services, international sub-contracting, turn-key projects and similar package arrangements, not required by the transferee for or in connection with the principal purpose for which technology is to be or has been acquired by him;
- (r) Where the transferee is obliged to submit to foreign jurisdiction in any controversy arising for decision concerning the interpretation or enforcement in Nigeria of any such contract or agreement or any provisions thereof.

(3) Notwithstanding the foregoing provisions of this section, in any case where the Council is satisfied that it would be in the national interest so to do, it may direct the director to issue a certificate to an applicant notwithstanding any convergence between the terms and conditions of a contractor agreement and the specifications laid down in sub-section (2) of this section.

(4) Where the parties, on the director or advice of the director, subsequent to a refusal by the director to issue a certificate of registration, make required adjustments in respect of any contract or agreement or terms and conditions thereof, the director may issue the requisite certificate of registration.

#### **7. Effect of registration**

(i) Subject to section 8 of this Act, no payment shall be made in Nigeria to the credit of any person outside Nigeria by or on the authority of the Federal Ministry of Finance, the Central Bank of Nigeria or any licensed bank in Nigeria in respect of any payments due under a contract or agreement mentioned in section 4 (d) of this Act, unless a certificate of registration issued under this Act is presented by the party or parties concerned together with a copy of the contract or agreement certified by the National Office in that behalf.

[Cap. P28]

#### **8. Cancellation of registration**

(1) Where the director is satisfied that any contract or agreement has, to the registration thereof, been amended or modified in contravention of the provisions of this Act, he shall give notice in writing to the parties concerned of his intention to cancel the certificate of registration and the provisions of section 9 of this Act relating to appeals shall apply to any such notice as if it were a notice to reject an application for registration.

(2) Where no appeal is lodged as provided under subsection (1) of this section, the Director shall, with the approval of the Council, cancel the certificate of the party concerned.

9. **Appeals, etc.**

(1) Any person aggrieved by the proposal of the director to reject an application for registration may, within sixty days after the date of notice of intention to reject the application given to him, lodge with the secretary a notice of appeal to the Council.

(2) The notice of appeal shall be in writing setting out the grounds on which it is made and the secretary shall lay it before the meeting of the Council next holding after the notice of appeal was lodged with him.

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[Issue 1]

**CAP. N62**

National Office for Technology Acquisition and Promotion Act

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(3) Where an appeal is allowed, the Council shall cause the director to issue a certificate of registration in that behalf and where an appeal is disallowed, the aggrieved party shall, subject to the applicable rules of court, have a right of further appeal to the Federal High Court.

(4) Appeals shall lie from decisions of the Federal High Court under this section in the same manner and to the same extent as appeals from the decisions of the court in civil proceedings given by that Court sitting at first instance.

Provisions as to staff and finances

10. **Director and other staff of the National Office**

(1) There shall be an officer of the National Office to be known as the director who shall be appointed by the President on the recommendation of the Minister.

(2) The director shall be the chief executive officer of the National Office and shall hold office on such terms and conditions as may be specified in his letter of appointment or on such other terms and conditions as may be determined, from time to time, by the President and, generally, by the Council in relation to the other staff of the National Office.

(3) There shall be appointed by the Council, a secretary who shall carry out such duties as the Council or the director may specify or as may be imposed on him by this Act.

(4) There may be appointed, from time to time, by the Council such other staff as may be required for the purposes of the efficient performance of the functions conferred on the National Office under or pursuant to this Act.

**11. Service in the National Office to be pensionable.**

(1) Notwithstanding the provisions of the Pensions Act, it is hereby declared that service in the National Office shall be approved service for the purposes of that Act and, accordingly, officers and other staff of the National Office shall in respect of their service in the National Office be entitled to such pensions, gratuities and other retirement benefits as are enjoyed by persons holding equivalent grades in the public service of the Federation, so however that nothing in this Act shall prevent the appointment of a person to any office in the National Office on terms which preclude the grant of a pension or gratuity in respect of that office.



National Office for Technology Acquisition and Promotion Act

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(2) For the purposes of the application of the provisions of the Pensions Act in accordance with this Act, any power exercisable thereunder by a Minister or other authority of the Government of the Federation, other than the power to make regulations under section 23 thereof, is hereby vested in and shall be exercisable by the Council and not by any other person or authority.

**12. Financial provisions**

(1) The National Office shall establish and maintain a fund the proceeds of which shall be applied--

- (a) to the cost of administration of the National Office and the Council;
- (b) for reimbursing members of the Council or of any committees set up by the Council for such expenses as may be authorized by the Council and in accordance with the rates approved in that behalf by the President;
- (c) to the payment of salaries, allowances or other emoluments and pensions, gratuities and other terminal benefits of the employees of the National Office;
- (d) for the maintenance of any property vested in or acquired by the National Office; and
- (e) for or in connection with all or any of the functions of the National Office or the Council under or pursuant to this Act.

(2) There shall be paid and credited to the fund established pursuant to subsection (1) of this section--

- (a) such sums as may be provided in each financial year by the Government of the Federation for payment into the fund;
- (b) fees charged for registration of contracts and agreements and for other services rendered by the National Office;
- (c) all other sums accruing to the National Office under or pursuant to this Act.

**13. Annual estimates, accounts and audit**

(1) The Council shall cause to be prepared not later than 31 December in each year, an estimate of the expenditure and income of the National Office during the next succeeding financial year, and when prepared they shall be submitted through the Minister for approval by the Federal Government.

(2) The Council shall cause to be kept proper accounts of the National Office and proper records in relation thereto and when certified by the Council the accounts shall be audited as provided in subsection (3) of this section.

National Office for Technology Acquisition and Promotion Act

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[Cap. P4.]

(3) The accounts of the National Office shall be audited as soon as may be after the end of each financial year by auditors appointed from the list of auditors and in accordance with the guidelines supplied by the Auditor-General for the Federation.

Miscellaneous and supplementary

**14. Power to obtain information**

(1) The director or any other staff of the National Office may be notified in writing served on any person carrying on an industrial or commercial undertaking require that person to furnish in such form as he may direct, information on such matters as may be specified by him.

(2) A person required to furnish returns pursuant to subsection (1) of this section, shall within 45 days of the notice comply with such notice.

**15. Penalties for false returns, obstruction, etc**

(1) If any person required to furnish returns pursuant to section 14 of this Act fails to furnish those returns as required thereunder he is guilty of an offence and liable on conviction to a fine of N2,000 or to imprisonment for a term of six months or both such fine and imprisonment.

(2) If a person in purported compliance with a requirement to furnish returns as aforesaid, knowingly or recklessly makes any statement in the returns which is false in a material particular, he shall be guilty of an offence and liable on conviction to a fine of N1,000 or to imprisonment for a term of six months or to both such fine and imprisonment.

(3) Any person who--

- (a) willfully obstructs any employee of the National Office acting in the execution of his duties under this Act; or without reasonable cause fails to give any such employee acting as aforesaid any information or other assistance which such employee may reasonably require of him for the purposes of the performance by such employee of his functions under this Act, or of any subsidiary legislation made hereunder, is guilty of an offence and liable on conviction to a fine of N1,000 or to imprisonment for a term of six months or to both such fine and imprisonment.

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National Office for Technology Acquisition and Promotion Act

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**16. Restriction on disclosure of information by staff and penalty therefore**

- (1) Any person appointed or employed for the due administration of this Act who communicates to any other person (not being a member of the Council or another employee of the National Office authorized to receive such communication) any document, drawing, photograph, plan, model or other information whatsoever which to his knowledge

describes, represents or illustrates--

- (a) any existing or proposed machinery, plant, installation or other structure whatsoever; or
  - (b) any patent, process or any design, submitted by any person to the National Office for or in connection with any application for registration under this Act is guilty of an offence.
- (2) Any person found guilty of an offence under this section shall on conviction be liable to a fine of N2,000 or to imprisonment for a term of two years or to both such fine and imprisonment.

**17. Offences by bodies corporate and unincorporated**

Where an offence under this Act is committed by a body corporate or firm or other Association of individuals-

- (a) every director, manager, secretary or other similar officer of the body corporate;
- (b) every particular or officer of the firm;
- (c) every person concerned in the management of the affairs of the association; or every person who was purporting to act in such capacity as aforesaid, shall severally be guilty of that offence and liable to be proceeded against and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent
- (d) or connivance.

National Office for Technology Acquisition and Promotion Act

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18. **Annual reports**

The Council shall, not later than 30 June in each year, submit to the Minister a report on the activities of the National Office during the immediately preceding year and shall include in such report the audited accounts of the National Office.

19. **Staff regulations**

(1) Subject to the provisions of this Act, the Council may make staff regulations relating generally to the conditions of service of the employees of the National Office and, without prejudice to the generality of the foregoing, such regulations may provide for:

- (a) the appointment, promotion and disciplinary control (including dismissal) of the employees of the National Office; and
- (b) appeals by such employees against dismissal or other disciplinary measures, and until such regulations are made, any instrument relating to the conditions of service of public officers shall, with such modifications as may be necessary, be applicable to the employees of the National Office.

(2) Staff regulations made under subsection (1) of this section, shall not have effect until approved by the Minister; when so approved they may not be published in the Federal Gazette but the Council shall cause them to be brought to the notice of all affected persons in such manner as it may, from time to time, determine.

20. **Fees**

The fees payable for registration of a contract or agreement or for other services rendered by the National Office (and any variations to such fees) shall be such as may be fixed by the Council with the prior approval of the Minister.

21. **Savings and transfer of liabilities, staff, etc.**

(1) The statutory functions, rights, interests, obligations and liabilities of the National Office existing before the commencement of this Act under any contract or instrument, or in law or in equity apart from any contract or instrument, shall be virtue of this Act, be deemed to have been assigned to and vested in the National Office established under this Act.

[1992 No. 82.]

National Office for Technology Acquisition and Promotion Act

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- (2) Any such contract or instrument as is mentioned in subsection (1) of this section, shall be of the same force and effect against or in favour of the National Office and shall be enforceable as fully and effectively as if instead of that National Office, the National Office established under this Act had been named therein or had been a party thereto.

[1992 No. 82.]

- (3) The National Office for Technology Acquisition and Promotion shall be subject to all the obligations and liabilities to which the National Office was subject immediately before the commencement of this Act and all other persons shall have the same rights, powers and remedies against the National Office for Technology Acquisition and Promotion as they had against the National Office immediately before the commencement of this Act.

[1992 No. 82.]

- (4) Any proceedings or cause of action pending or existing immediately before the commencement of this Act, by or against the National Office, in respect of any right, interest, obligation or liability of the National Office may be continued or as the case may be, commenced and any determination of a court of law, tribunal or other authority or person may be enforced by or against the National Office for Technology Acquisition and Promotion to the same extent that such proceedings, cause of action or determination might have been continued, commenced or enforced by or against the National Office established under the redesignated Act.

[1992 No. 82.]

- (5) All assets, funds, resources and other movable or immovable property which immediately before the commencement of this Act, were vested in the National Office under the redesignated Act shall by virtue of this Act and without further assurance, be vested in the renamed National Office.

[1992 No. 82.]

22. **Interpretation**

In this Act, unless the context otherwise requires-

“**Chairman**” means the chairman of the Council;

“**contract or agreement**” includes any arrangement whatsoever which is capable of enforcement between the parties concerned or by an interested or affected third party;

“**Council**” means the Governing Council of the National Office established by section 2 of this Act;

“**Director**” means the director of the National Office appointed under section 10 of this Act;

“**Member**” means any member of the Council including the chairman;

“**Minister**” means the Minister charged with responsibility for matters relating to industry;

“**National Office**” means the National Office for Technology Acquisition and Promotion established by section 1 of this Act;

“**Prescribed**” means prescribed by regulations made by the Minister;

“**Secretary**” means the secretary to the Council appointed under section 10 of this Act.

23. **Short title**

This Act may be cited as the National Office for Technology Acquisition and Promotion Act.

[Section 2 (4)]

Supplementary provision relating to the Council

**Proceedings of the Council**

1. (1) Subject to this Act and to section 27 of the Interpretation Act (which provides for the decisions of a statutory body to be taken by a majority of the members of the body and for the person presiding to have a second or casting vote), the Council may make standing orders regulating the proceedings of the Council or of any committee thereof.

[Cap. 123.]

National Office for Technology Acquisition and Promotion Act

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- (2) The quorum of the Council shall be the Chairman and four other members, and the quorum of any committee of the Council shall be determined by the Council.
2. (1) The Council shall meet not less than four times in each year and, subject thereto, the Council shall meet whenever it is summoned by the chairman; and if the chairman is required to do so by notice given to him by not less than three other members he shall summon a meeting of the Council to be held within fourteen days from the date on which the notice is given.
  - (2) At any meeting of the Council, the chairman shall preside, but if he is absent, the members present at the meeting shall appoint one of their members to preside at that meeting.
- (3) Where the Council desires to obtain the advice of any person on a
  - (1) The Council may appoint one or more committees to carry out, on behalf of the Council, such of its functions as the Council may determine.
  - (2) A committee appointed under this paragraph shall consist of the number of persons determined by the Council, who need not necessarily all be members of the Council; and a person other than a member of the Council shall hold office on the committee in accordance with the terms of his appointment.
  - (3) A decision of a committee of the Council shall be of no effect until it is confirmed particular matter, the Council may co-opt him as a member for such period as it thinks fit; but a person who is a member by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Council and shall not count towards the quorum.
- (4) Notwithstanding anything in the foregoing provisions of this paragraph, the first meeting of the Council shall be summoned by the Minister.

**Committees**

by the Council.

National Office for Technology Acquisition and Promotion Act

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**Miscellaneous**

4. (1) The fixing of the seal of the National Office shall be authenticated by the signature of the chairman or of some other member authorized generally or specially to act for that purpose by the Council.
  - (2) Any contract or instrument which, if made or executed by a person not being a body corporate, would not be required to be under seal, may be made or executed on behalf of the National Office by any person generally or specially authorized to act for that purpose by the Council
  - (3) Any document purporting to be a document duly executed under the seal of the National Office shall be received in evidence and shall, unless the contrary is proved, be presumed to be so executed.
5. Members of the Council who are not public officers, shall be paid out of monies at the disposal of the Council such remuneration, fees or allowances in accordance with such scales as may be approved, from time to time, by the President.
6. The validity of any proceedings of the Council, or of a committee thereof, shall not be affected by any vacancy in the membership of the Council or committee, or by any defect in the appointment of a member of the Council or of a committee, or by reason that a person not entitled to do so took part in the proceedings.
7. Any member of the Council, and any person holding office on a committee of the Council, who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Council or a committee thereof shall forthwith disclose his interest to the Council and shall not vote on any question relating to the contract or arrangement.



**CHAPTER N62**

**NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION  
AND PROMOTION ACT**

**SUBSIDIARY LEGISLATION**

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No Subsidiary Legislation

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**NOTE:**

The Act is currently under review for necessary amendments by the National Assembly.

**ANNEXURE II: NOTAP APPLICATION FORM**

Distribution Free

REVISED FORM NOTAP 1-2018

**NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION**  
*(Established by NOTAP Act Cap N62 LFN 2004)*

**APPLICATION FORM**  
*(To be used for the registration of Technology Transfer Agreements)*

**DIRECTOR GENERAL/CHIEF EXECUTIVE OFFICER**  
National Office for Technology Acquisition and Promotion (NOTAP)  
4, Blantyre Crescent, Off Adetokunbo Ademola Crescent  
Wuse II, P.M.B 5074, Wuse, Abuja, Nigeria

Date:.....

Name:.....

.....

Position ..... in

Company:.....

Citizen

of.....

This application form is to be duly completed by a Company incorporated under the Laws of Nigeria, whose Memorandum and Articles of Association are annexed as Schedule 1 to the present application form and in compliance with the provision of NOTAP Act Cap N62 LFN 2004. The Company hereby applies for the registration of the agreement which details are stated below and a copy of which is attached.

**DATA OF THE AGREEMENT**

Title of the agreement.....

Transferee.....

**(Name of the Nigerian Company)**

Address.....

**(Indicate Number, Street, City, State)**

Transferor.....

**(Name of the Foreign Company)**

Address:.....

**(Indicate Number, Street, City, State)**

Date of signing the agreement.....

Duration of the Agreement.....

Effective date of the agreement.....

Expiry date of the agreement.....

I am duly authorized to furnish the foregoing information and confirm that the said information is to the best of my knowledge, true and correct. I hereby depose and say that I am perfectly aware of the provisions of the said Act and especially of the penalties therein for false statement.

Name.....

Signature.....

Phone No.....

Email .....

**ANNEXES**

- i. Certificate of incorporation (for new Companies).
- ii. Memorandum and Articles of Association of the Company.
- iii. A copy of the Agreement to be registered.
- iv. A copy of the Questionnaire duly completed.
- v. A copy of the feasibility study (for new Companies).
- vi. Annual audited accounts for 3 years.
- vii. Evidence of Tax payments (Company tax) for the last 3 years
- viii. Tax Payer Identification Number (TIN) (for new companies only)
- ix. Profile on Transferor/Technical Partner (Website, Brochure, etc)
- x. Comprehensive training programme (number of personnel, skill or knowledge to be acquired).
- xi. Evidence of remittance on previous approval (for renewal, SWIFT document).
- xii. Power of Attorney (where a client is being represented)
- xiii. Provide agreement with Original Equipment Manufacturer (for Reseller agreements).
- xiv. Evidence of capital importation (where applicable).
- xv. Letter of Award from End Users (where applicable).

**ANNEXURE III: QUESTIONNAIRE FOR MANUFACTURING/  
ENGINEERING/CONSTRUCTION SECTOR**

*Distribution Free*

REVISED FORM NOTAP 2(i) - 2018

**QUESTIONNAIRE FOR MANUFACTURING/ ENGINEERING/CONSTRUCTION SECTOR**

**NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION  
(Established by NOTAP Act Cap N62 LFN 2004)**

*Questionnaire to be completed for the Registration  
of Technology Transfer Agreement*

Date..... and Place.....

**1. INFORMATION ABOUT THE (TRANSFEREE) OR RECIPIENT PARTY.**

1.1 Name of the Enterprise.....

1.2 Legal address.....

1.3 Date of establishment of company.....

1.4 Location of the plant/operations where production of goods related to the agreement is going to take place

.....

*(Indicate number and street)*

1.4.1 Town .....

1.4.2 State .....

1.5 Main business activities .....

.....

1.6 Capital Structure:

1.6.1 Nigerian equity (state names of main shareholders) Percentage of equity

.....  
.....

1.6.2 Foreign equity (state names and nationality of main shareholders) Percentage of equity

.....  
.....

**2. INFORMATION ABOUT THE TRANSFEROR (SUPPLIER)**

2.1 Name of enterprise:.....

2.2 Legal address .....

(indicate number, street, city, country)

2.3 Name and address of the parent company

.....

2.4 Main business activities .....

3. **GENERAL INFORMATION ABOUT THE AGREEMENT**

3.1 This agreement is: A new agreement   
 A renewal

3.1.1 If renewal, give reference number.....

3.2 Title of the agreement .....

3.3 Nature and purpose of the Agreement .....

.....

3.4 Grant of Trademark accompanied with knowhow or Patent License? Trademark Yes/No   Patent Yes/No

3.4.1 If Registered in Nigeria (Submit Evidence)

3.4.2 Supply of Technical Expertise, if yes, supply details (caliber, duration, no. of expatriate, rate of fees (per diem/month)

.....

.....

.....

3.7.3 Products covered by the agreement .....

.....

.....

4. **INFORMATION ABOUT THE TECHNOLOGY TO BE ACQUIRED**

4.1 Briefly describe the technology to be acquired .....

.....

.....

5. **ECONOMIC DATA OF THE RECIPIENT ENTERPRISE (TRANSFeree)**

5.1 Total employment level of the transferee for the last 5 years

YEAR	Employment level
.....	.....
.....	.....
.....	.....

5.2 Total net sales of the recipient enterprise for the last 5 years and projected net sales for the next 5 years:

Last 5 Years	Amount of sales in Naira	Next 5 years	Amount of sales in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

5.3 Total net profit before tax of the recipient enterprises for the last 5 years and projected net profits before tax for the next 5 years

LAST 5 YEARS	Amount in Naira	NEXT 5 YEARS	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

5.4 Capital importation for the last 5 years (with evidence)  
 .....  
 .....  
 .....  
 .....  
 .....

6. **ECONOMIC AND TECHNICAL INFORMATION ABOUT THE PLANNED IMPLEMENTATION OF THE AGREEMENT**

*(Note: all data supplied in this section should be strictly related to the agreement to be registered)*

6.1 What is your capacity utilization in the last 5 years?

YEAR	Installed Capacity (Units)	Capacity Utilization (%)
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

6.2 Total net sales of the products manufactured locally for the last 5 years and Projected net sales for the next 5 years

Last Five Yrs	Amount in Naira (N)	Next Five Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.3 Total net profit before tax of the products manufactured locally for the last 5 years and projected net profit before tax for the next 5 years

Last 5 Years	Amount in Naira (N)	Next 5 Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.4 Total net sales of products involved in the agreement for the last five years and projected net sales for the next 5 years

Last 5 Years	Amount in Naira (N)	Next 5 Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.5 Total net profit before tax of products involved in the agreement for last 5 years and projected profit before tax for the next 5 years

Last 5 Years	Amount in Naira (N)	Next Five Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.6 Specify the main imported raw materials, sources and cost used in the in the manufacture of the products (use additional sheet if required)

(1) Year	Raw Materials	Supplier/Nationality	Cost N
.....	.....	.....	.....
.....	.....	.....	.....



.....  
.....  
.....

7.1.2 Would you be willing to contribute towards the cost of the research under 7.1.1?  
..... Yes  No

7.1.3 Would you wish to contract any of your R&D activities to government institutions/professional bodies of proven capacity  
..... Yes No

7.1.4 Specify the services under the project that will be carried out at facilities abroad.  
.....  
.....  
.....  
.....



8. **FINAL STATEMENT**

I ..... am

Residing at.....

.....

...

*Number, Street, City, State, Country*

Citizen of .....

Position in the company .....

After having been sworn in accordance with the Laws of Nigeria hereby depose that I am duly authorized to furnish the above information which are true and correct to the best of my knowledge.

*Signature:* .....

*Phone No:* .....

*Email:* .....

*Date:* .....

# ANNEXURE IV: QUESTIONNAIRE FOR SERVICES SECTOR

Distribution Free

REVISED FORM NOTAP 2(ii) – 2018

## QUESTIONNAIRE FOR SERVICES SECTOR

### NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (Established by NOTAP Act Cap N62 LFN 2004)

*Questionnaire to be completed for the Registration  
of Technology Transfer Agreement*

Date..... and Place.....

#### 1. INFORMATION ABOUT THE (TRANSFEREE) OR RECIPIENT PARTY.

1.1 Name of the Enterprise.....

1.2 Legal address.....

1.3 Date of establishment of company.....

1.4 Location of operations where goods/services in the agreement is going to take place

.....  
*(Indicate number and street)*

1.4.1 Town .....

1.4.2 State .....

1.5 Main business activities .....

.....  
1.6 Capital Structure:

1.6.1	Nigerian equity (state names of main shareholders)	Percentage of equity
.....	.....	.....

1.6.2	Foreign equity (state names and nationality of main shareholders)	Percentage of equity
.....	.....	.....

#### 2. INFORMATION ABOUT THE TRANSFEROR (SUPPLIER)

2.1 Name of enterprise:.....

2.2 Legal address .....

(indicate number, street, city, country)

2.3 Name and address of the parent company

.....  
2.4 Main business activities .....



5.3 Total net profit before tax of the recipient enterprises for the last 5 years and projected net profits before tax for the next 5 years

Last 5 Years	Amount in Naira	Next 5 Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

5.4 Capital importation for the last 5 years (with evidence)

.....  
 .....  
 .....  
 .....  
 .....

**6. ECONOMIC AND TECHNICAL INFORMATION ABOUT THE PLANNED IMPLEMENTATION OF THE AGREEMENT**

*(Note: all data supplied in this section should be strictly related to the agreement to be registered)*

6.1 What is your capacity utilization in the last 5 years?

YEAR	Installed Capacity (Units)	Capacity Utilization (%)
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

6.2 Total net sales of the products involved locally for the last 5 years and projected net sales for the next 5 years

Last Five Years	Amount of Sales (N)	Next Five Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.3 Total net profit before tax of the products involved locally for the last 5 years and projected net profit before tax for the next 5 years

Last 5 Years	Amount of Sales (N)	Next 5 Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.4 Total net sales of products involved in the agreement for the last five years and projected net sales for the next 5 years

Last 5 Years	Amount of Sales (N)	Next 5 Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.5 Total net profit before tax of products involved in the agreement for last 5 years and projected profit before tax for the next 5 years

Last 5 Year	Amount of Sales (N)	Next Five Years	Amount in Naira
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.6 Specify the main imported equipment, plant/machinery, their sources and costs for the manufacture of the products

<i>Year</i>	<i>Equipment/Plant/Machinery</i>	<i>Supplier/Nationality</i>	<i>Cost N</i>
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

6.7 Specify the total amount of investment needed to achieve the purposes of the technology transfer

.....  
 .....

6.8 Are the products for export? Yes  No

7.0 Total export earnings (if any) of the licensed products for the last five years and the next five years.

<i>Last five</i> Years	<i>Earnings in</i> (Dollars USD)	<i>Countries of</i> export	<i>Next five</i> Years	<i>Earnings in</i> (Dollars USD)	<i>Countries of</i> Export
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

7.1 Specify the planned research and development programme aimed at adapting and improving the imported technology

.....  
.....  
.....

7.1.1 Please specify R&D activities, which will be beneficial to your operations and be conducted by Research institutions in Nigeria.

.....  
.....

7.1.2 Would you be willing to contribute towards the cost of the research under 7.1.4?

..... s no

7.1.3 Would you wish to contract any of your R&D activities to government institutions/professional bodies of proven capacity

..... Yes  No

7.1.4 Specify the services under the project that will be carried out at facilities abroad.

.....  
.....  
.....  
.....

8. **FINAL STATEMENT**

I am .....

Residing at .....

...

*Number, Street, City, State, Country*

Citizen of .....

Position in the company .....

After having been sworn in accordance with the Laws of Nigeria hereby depose that I am duly authorized to furnish the above information which are true and correct to the best of my knowledge.

*Signature:* .....

*Phone No:* .....

*Email:* .....

*Date:* .....

# ANNEXURE V: QUESTIONNAIRE FOR ICT SECTOR

Distribution Free

REVISED FORM NOTAP 2(iii) - 2018

## QUESTIONNAIRE FOR ICT SECTOR

### NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (Established by NOTAP Act Cap N62 LFN 2004)

Date..... and Place.....

#### 1. INFORMATION ABOUT THE LICENSEE.

1.1 Name of the Enterprise.....

1.2 Legal address.....

1.3 Date of establishment of company.....

1.4 Location of the plant/operations where services related to the agreement is going to be deployed

.....  
(Indicate number and street)

1.4.1 Town .....

1.4.2 State .....

1.5 Main business activities .....

.....

#### 1.6 Capital Structure:

1.6.1 Nigerian equity (state names of main shareholders) Percentage of equity

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

1.6.2 Foreign equity (state names and nationality of main shareholders) Percentage of equity

.....  
.....  
.....  
.....





3.2 Supply information on the foreign technicians/ consultants who will be rendering services locally, if any

.....  
.....

3.3 Agreement and License Type

*(Tick where applicable)*

- Proprietary Software       Software       SHARWARE  
 Public Domain Software       Location Software License       SHRINK WRAP license

OTHERS: .....

3.4 Operating systems:

- Server  
 Advanced Server  
 QL       cle      ..........  
 Workstation  
    MS W/S license .....
- |   |   |
|---|---|
| <input type="checkbox"/> Banking application          | <input type="checkbox"/> Oil Drilling Application |
| <input type="checkbox"/> Gas Processing Application   | <input type="checkbox"/> Finance Application      |
| <input type="checkbox"/> Medical/Hospital Application | <input type="checkbox"/> Office Suite Application |
| <input type="checkbox"/> Word Processing              | <input type="checkbox"/> Spreadsheet              |
| <input type="checkbox"/> Accounting Application       | <input type="checkbox"/> Training Applications    |
| <input type="checkbox"/> R&D Applications             |   |

*(Please specify product brand Name Where applicable.)*

3.5 User license

Projected Volume Sale

- |   |   |
|---|---|
| <input type="checkbox"/> 1-10 User Product License    | <input type="checkbox"/> 1-10 User Product License  |
| <input type="checkbox"/> 21 – 50 User Product License | <input type="checkbox"/> 5-100 User Product License |
| <input type="checkbox"/> 100– 200 “ “ “               | <input type="checkbox"/> 1- 500 “ “ “               |
| <input type="checkbox"/> 501– 1000 “ “ “              | <input type="checkbox"/> 1- 2000 “ “ “              |
| <input type="checkbox"/> 2001– 3000 “ “ “             | <input type="checkbox"/> 3-5000 “ “ “               |
| <input type="checkbox"/> above 5000 User Product      |   |

4. **GENERAL INFORMATION ABOUT THE AGREEMENT**

4.1 This agreement is: A new agreement   
A renewal

4.1.1 If renewal, give reference number.....

4.2 Title of the agreement .....

4.3 Nature and purpose of the Agreement .....

4.4 State Total Fund License fee: USD\$.....

4.5 Location and address of OEM (Original Equipment Manufacturer)  
.....  
.....  
.....

4.6 Name/s of the brand(s) to be Licensed  
.....  
.....  
.....

5. **FINAL STATEMENT**

I am .....

Residing at.....

.....  
*Number, Street, City, State, Country*

Citizen of .....

Position in the company .....

After having been sworn in accordance with the Laws of Nigeria hereby depose that I am duly authorized to furnish the above information which are true and correct to the best of my knowledge.

*Signature:* .....

*Phone No:* .....

*Email:* .....

*Date:* .....

# ANNEXURE VI: MONITORING FORM

Distribution Free

REVISED FORM NOTAP 2(iv) - 2018

## MONITORING FORM

**NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP)  
4 Blantyre Street, Off Adetokunbo Ademola Crescent  
Wuse II, P.M.B. 5074  
Abuja**

MONITORING QUESTIONNAIRE ON THE IMPLEMENTATION OF  
TECHNOLOGY ACQUISITION AGREEMENT  
(to be completed annually by the company – transferee)

Reporting Year

1. **DATA OF THE AGREEMENT**

.1 Title of the Agreement

.....

.2 Registration

No:.....

.....

.3 Effective date of the Agreement:

.....

.4 Expiry date of the

Agreement.....

.5 Transferee:.....

.....

*(name of company)*

Address:.....

.. *(indicate number, street, city, state)*

.6 *Transferor:*.....

.....

*(name of company)*

Address:.....

.....

*(indicate number, street, city, state)*

2. **ECONOMIC INDICATORS OF THE RECIPIENT ENTERPRISE (TRANSFEREE IN THE REPORTING YEAR)**

2.1 *Average employment level of the transferee (Recipient over the three year reporting period).*

Year	Calibre	Expatriate Personnel	Nigerian Personnel
	Production Engineering Technical Management Administration Unskilled		
	Production Engineering Technical Management Administration Unskilled		
	Production Engineering Technical Management Administration Unskilled		

**3. TECHNICAL INFORMATION ON THE IMPLEMENTATION OF TECHNOLOGY TRANSFER AGREEMENT**

*(Note: All data supplied in this section should be related to the registered agreement).*

**3.1 Nature of products and services:**

.....

.....

.....

.....

.....

.....

.....

**3.2 What is the percentage (%) of plant capacity utilization in the last three years:**

*Year*

\_\_\_\_\_ .....

\_\_\_\_\_ .....

\_\_\_\_\_ .....

**3.3 What is the actual production volume of the products/services in the agreement in the last years. (indicate unit)**

*Year*

\_\_\_\_\_ .....

\_\_\_\_\_ .....

\_\_\_\_\_ .....

3.4 *What are the constraints for the shortfall in the capacity utilization (where applicable)?*

.....  
.....  
.....  
.....  
.....  
.....  
.....

3.5 *Actual net sales of the **specific product/locally manufactured** involved in the agreement in the last years*

*Year:*

\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....

3.6 *Net Sales of **Locally manufactured** goods using **foreign Trademarks License**.*

*Year:*

\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....

3.7 *Actual Net Sales of Company's **total products** involved in the agreement for the last 3 years*

*Year:*

\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....

3.8 *Actual net profit before tax derived from the activities covered by the agreement in the last three years.*

*Year:*

\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....

3.9 *What are the programmes of your company to ensure gradual import substitution through local sourcing or manufacturing of the inputs?*

.....  
.....  
.....  
.....  
.....

3.10 *Actual export earnings of the products/services in the reporting year (state the product and specify in foreign currency of sales)*

.....  
.....

3.11 Actual remittance made as technology fees, royalties, lump sum payments. Fixed fees and other forms of payments in the last three years.  
Attach evidence/returns

<i>Year</i>	<i>Royalties</i>	<i>Lump sum</i>	<i>Technical/management Fees</i>	<i>Total</i>
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

3.12 Actual employment generated by this technology acquisition agreement (end of reporting year)

**4. TECHNICAL ASSISTANCE AND TRAINING**

4.1. Foreign Engineers Technicians/consultants who rendered services to the recipient enterprise in the reporting year.

<i>Number of technicians/consultants</i>	<i>Rate per day or per month</i>	<i>Duration and field of activities</i>
.....	.....	.....
.....	.....	.....
.....	.....	.....

4.2 Specify training programmes for Nigerian personnel conducted in the reporting year:  
(Indicate the number of Nigerians trained, type, place and duration of training).

<i>Actual Number Trained</i>	<i>Type of Training</i>	<i>Place of Training</i>	<i>Duration</i>
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

*Attach to the monitoring form the details on 4.1*

4.3 Specify the number of expatriates replaced by Nigerians during the last three years under following Categories.

<i>Year</i>	<i>Number of expatriates position Nigerianised</i>
	<i>Production Engineering</i>
	<i>Technical Management</i>
	<i>Administration</i>

	<i>Production Engineering</i> <i>Technical Management</i> <i>Administration</i>	
	<i>Production Engineering</i> <i>Technical Management</i> <i>Administration</i>	

5 **TECHNOLOGY ASSIMILATION**

***Technology***

5.1 *Give brief description of the technology in use:*

.....

.....

.....

.....

.....

5.2 *What aspect of the technology has been acquired?*

.....

.....

.....

.....

.....

.....

5.3 *Why has the technology not been fully assimilated?*

.....

.....

.....

.....

.....

.....

.....

5.4 *What aspect of the foreign technology has been adopted, absorbed or improved?*

.....

.....

.....

.....

.....

.....

5.5 *How long will it take for the imported technology to be completely assimilated?*



.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

5.6 *What are the programmes put in place for the local adaptation of the imported technology?*

.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

6. **RESEARCH AND DEVELOPMENT**

6.1 Specify R&D activities carried out locally using indigenous institutions or expertise and/or your R&D staff.

<i>Type of R&amp;D</i>	<i>Source</i>	<i>Benefit(s) derived from the R&amp;D</i>
.....	.....	.....
.....	.....	.....
.....	.....	.....

6.2 i) Do you maintain a Research laboratory locally? Yes / No

ii) What impact does the R&D facilities in your company has on the total assimilation of the imported technology.  
 .....  
 .....  
 .....  
 .....

.....  
.....  
.....  
.....

- 6.3 i) Do you contract out your research activities locally or abroad?  
ii) If yes, what percentage?

Locally \_\_\_\_\_  
Abroad \_\_\_\_\_

- 6.4 i) What percentage of your turnover do you expend on research locally?

.....  
.....

- ii) What percentage of your turnover do you expend on research abroad?

.....

- 6.5 State the number and calibre of personnel in the R&D Department.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

7. **RAW MATERIALS**

- 7.1 Do you source your raw materials/other components locally? Yes / No

7.2 If Yes, what percentage? .....

7.3 What constitutes the percentage stated as local value addition?.....

.....  
.....  
.....

- 7.4 Indicate the type of raw materials/components sourced locally and their sources.

Type of raw materials	Sources
.....	.....

.....

.....

.....

.....

7.5 Indicate the raw materials sourced abroad (imported) and their sources.

Type of imported raw materials	Sources
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

8. **LOCAL FABRICATION OF COMPONENTS/SPARE PARTS**

8.1 Do you fabricate some of your equipment/components/spare parts locally? Yes / No

8.2 If yes, what percentage?  
 .....

8.3 Indicate the type of equipment/components/spare parts fabricated locally and their sources.

Type of equipment/components/spare parts	Sources
.....	.....
.....	.....
.....	.....
.....	.....

8.4 Indicate the type of equipment/components/spare parts fabricated/sourced abroad (imported).

Type of imported equipment/components/spare parts	Sources
.....	.....
.....	.....
.....	.....

9. **COMMENTS**

Other remarks about the implementation of the registered agreements in the reporting year.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

10 **FINAL STATEMENT**

I  
.....  
.....

(name)

Citizen of ..... and residing at .....  
.....

(number, street, city, state, country)

after having been sworn in accordance with the laws of Nigeria hereby depose and say:

a) I  
am.....  
.....

(Position in the company)

of the .....

(name of the company)

- b) that I am duly authorized to furnish the foregoing information:
- c) that the foregoing information is true and correct to the best of my knowledge.

Name: .....

Signature: .....

**ANNEXURE VII: SCHEDULE OF FEES FOR REGISTRATION OF TECHNOLOGY  
TRANSFER AGREEMENTS AND OTHER SERVICES OF NOTAP**

# NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP)

## SUPPLEMENTARY INFORMATION FOR REGISTRATION OF TECHNOLOGY AGREEMENTS

In accordance with the provision of Section 20 Cap 268 Laws of the Federation of Nigeria establishing the National Office for Technology Acquisition and Promotion (NOTAP), the Honourable Minister of Science and Technology has approved the following revised rates of fees applicable for the registration of technology acquisition agreements and other services rendered by the Office:

A	<b><u>Presentation and Registration Fees</u></b>	<b><u>Revised Rate</u></b>
	1. <b>Presentation Fee</b>	= ₦50,000.00
	2. <b>Penalty Fee</b>	= ₦100,000.00

Contracts involving payment between

(i)	under ₦5m	₦100,000.00
(ii)	₦5m – ₦10m	₦150,000.00
(iii)	₦10m – ₦20m	₦250,000.00
(iv)	₦20m – ₦50m	₦500,000.00
(v)	₦50m – ₦100m	₦1,000,000.00
(vi)	₦100m – ₦250m	₦1,250,000.00
(vii)	₦250m – ₦500m	₦1,500,000.00
(viii)	₦500m – ₦1bn	₦1,750,000.00
(ix)	₦1bn – ₦1.5bn	₦2,000,000.00
(x)	₦1.5bn – ₦2bn	₦2,500,000.00
(xi)	₦2bn – ₦2.5bn	₦3,000,000.00
(xii)	₦2.5bn – ₦5bn	₦5,000,000.00
(xiii)	₦5bn – ₦10bn	₦10,000,000.00
(xiv)	10bn and above	₦20,000,000.00

B. **Penalty Fees**

Every contract or agreement, which is not presented for Registration with NOTAP within 30 days from the effective date, shall be subject to penalty of ₦100,000.00 for late submission.

C. **Processing fee for extension of the duration of agreements** - ₦100,000.00

D. **Other Services/Sales of Publication**

(1)	Revised Guidelines on Acquisition of Foreign Technology	₦1,000.00
(2)	Directories of Licensors	₦1,000.00
(3)	Technology Advisory Services	Free
(4)	Brief of “Patent Information and Documentation Centre”(PIDC)	₦100.00
(5)	Registered Industry Design	₦300.00
(6)	Typical Patent Vol. I, II, III	₦800.00 each

E. **Method of Payment**

(i) All payments should be made through NOTAP Remita Platform and submit the printout page containing the Remita Retrieval Reference (RRR)

(iii) Only the ₦50,000.00 Presentation fee and ₦100,000.00 Penalty fee (where applicable) should be presented with the Contracts/Agreements, while the registration fee should be paid after the approval for registration of the Agreements/Contracts has been granted. Any payment made shall not be refunded.

F. **Commencement**

The above rates of fees take effect from January 1, 2010

**Management**