

ELECTRIC VEHICLE TRANSITION AND GREEN MOBILITY BILL, 2025

EXPLANATORY MEMORANDUM

This Bill seeks to establish a comprehensive legal framework for Nigeria's transition to electric vehicles, ensuring environmental sustainability, economic growth, and energy security. It outlines clear objectives, incentives, and penalties to drive compliance and adoption.

ELECTRIC VEHICLE TRANSITION AND GREEN MOBILITY BILL, 2025

ARRANGEMENT OF CLAUSES

Clause:

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PART II - LOCAL CONTENT REQUIREMENTS

2. Mandatory Local Partnership for Foreign Automakers.
3. Requirements for Licensed Nigerian Assemblers.
4. Prohibition of Unlicensed Dealers.
5. Enforcement of Local Content Compliance.
6. Prohibition of Unauthorised Research and Development Partnerships.
7. Regulations by the Ministry responsible for Industry, Trade, and Investment.

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ELECTRIC VEHICLE TRANSITION AND GREEN MOBILITY BILL, 2025

A Bill

For

An Act to establish a comprehensive framework for the transition to electric vehicles in Nigeria, promote local manufacturing, ensure environmental sustainability, and drive economic growth; and for related matters.

Sponsor: Sen. Orji Uzor Kalu

[] Commencement

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

PART I – OBJECTIVES OF THE BILL

- 1 The objectives of this Bill include to- Objectives.
- (a) promote the development of a local electric vehicle manufacturing industry;
 - (b) accelerate the adoption of electric vehicles by individuals, businesses, and government agencies;
 - (c) develop nationwide electric vehicles charging infrastructures;
 - (d) establish Nigeria as a regional leader in clean energy transportation;
 - (e) create employment opportunities in the electric vehicle value chain; and
 - (f) integrate renewable energy into electric vehicle infrastructure development.

PART II - LOCAL CONTENT REQUIREMENTS

- 2(1) Foreign Automakers shall have mandatory local partnerships and- Mandatory Partnership for Local Automakers.
- (a) no foreign company shall import, sell, or distribute electric vehicles in Nigeria except through a partnership with a licensed Nigerian assembler; and
 - (b) a foreign automaker seeking to operate in Nigeria shall-
 - (i) establish an electric vehicle assembly plant in Nigeria within three years of commencing operations; and
 - (ii) attain a minimum of thirty percent local sourcing of vehicle components by the year 2030.

- (2) A foreign automaker who violates sub-clause 1 of this clause shall have their operations suspended by the Federal government and be subject to a fine of N250 million for each act of non-compliance.
- 3 Any Nigerian entity seeking a license to assemble electric vehicles shall demonstrate-
- Requirements for Licensed Nigerian Assemblers.
- (a) a minimum production capacity of 5,000 vehicles annually;
 - (b) compliance with international safety and quality standards as determined by the Standards Organisation of Nigeria; and
 - (c) evidence of financial and technical capacity to sustain operators.
- 4(1) A person or entity shall not engage in the importation, assembly, distribution, or sale of electric vehicles in Nigeria without obtaining the appropriate license from the Ministry of Transportation.
- Prohibition of Unlicensed Dealers.
- (2) Any unlicensed dealer found in violation of this provision shall-
- (a) be liable to a fine of N500 million per shipment of unauthorised electric vehicles; and
 - (b) have their goods confiscated.
- 5(1) The National Automotive Design and Development Council (in this Bill referred to as “the Council”) shall be responsible for monitoring and enforcing compliance with local content requirements under this Bill.
- Enforcement of Local Content Compliance.
- (2) The Council shall with the aid of external auditors, conduct annual audits of all licensed assemblers and automakers registered in Nigeria.
- 6(1) A foreign automaker or entity shall not receive government funding or grants for electric vehicles-related research and development except through partnerships with licensed Nigerian assemblers or institutions.
- Prohibition of Unauthorised Research and Development Partnerships.
- (2) Any foreign entity found in violation of this provision shall-
- (a) refund in full any government grants received;
 - (b) pay a fine of N250 million; and

- (c) have the partnership agreement terminated with immediate effect.

- 7(1) The Minister of Industry, Trade, and Investment shall issue regulations for the implementation of local content requirements under this part. Regulations by the Ministry responsible for Industry, Trade, and Investment.
- (2) Such regulations shall include detailed criteria for licensing, monitoring, and enforcement mechanisms.

PART III – REGULATORY FRAMEWORK AND INSTITUTIONAL RESPONSIBILITIES

- 8(1) The Federal Ministry responsible for Industry, Trade, and Investment shall serve as the primary coordinating body for the implementation of this Bill. Oversight and Coordination.
- (2) The Ministry shall-
 - (a) monitor the achievement of the objectives of the Bill;
 - (b) collaborate with other relevant agencies to ensure effective implementation of the provisions of the Bill; and
 - (c) submit an annual report to the National Assembly on the progress of electric vehicle adoption and compliance with the Bill.
- 9 The relevant agencies under this Bill include- Roles and Responsibilities of Relevant Agencies.
 - (a) Standards Organisation of Nigeria, its functions in this Bill include to-
 - (i) ensure that all electric vehicles, components, and charging equipment meet international safety and quality standards,
 - (ii) develop and publish specific standards for electric vehicle batteries, motors, and charging stations, and
 - (iii) conduct routine inspections of electronic vehicle manufacturing and assembly facilities to ensure compliance;
 - (b) Federal Ministry responsible for Transportation, its functions in this Bill include to-

- (i) review and revise transition targets every three years in line with global trends and national priorities,
 - (ii) collaborate with state governments to facilitate the integration of electric vehicles into public transportation systems, and
 - (iii) oversee the licensing and regulation of electric vehicle charging networks;
- (c) Federal Ministry responsible for Power, its function in this Bill include to-
 - (i) promote the integration of renewable energy into electric vehicle charging infrastructure,
 - (ii) develop policies to ensure adequate power supply for electric vehicle charging stations, and
 - (iii) collaborate with the Nigerian Electricity Regulatory Commission to establish tariffs for electric vehicle charging services;
- (d) Federal Inland Revenue Services, its functions in this Bill include to-
 - (i) administer tax incentives and waivers provided for in this Bill,
 - (ii) monitor compliance with tax-related provisions for electric vehicle manufacturers, assemblers, and users, and
 - (iii) publish an annual report on the fiscal impact of electric vehicle-related incentives; and
- (e) Federal Ministry responsible for Environment, its functions in this Bill include to-
 - (i) develop guidelines for the safe recycling and disposal of electric vehicle batteries;
 - (ii) monitor and mitigate the environmental impact of electric vehicle production and usage; and
 - (iii) ensure the alignment of electric vehicle-related policies with Nigeria's commitments under the Paris Agreement.

PART IV – MISCELLANEOUS

- 10(1) There shall be incentives for individuals and businesses who undertake the business of electric vehicles and it shall include-
- (a) waivers;
 - (b) subsidies;
 - (c) tax holiday;
 - (d) exemption from road tax and emission testing for electric vehicles; and
 - (e) toll-free access to highways for electric vehicles.
- (2) The Ministry of Transportation shall make detailed guidelines on the incentives provided in this clause.
- 11(1) From the commencement of this Bill, all fuel stations in Nigeria shall be required to install electric vehicle charging points.
- (2) Private investors establishing electric vehicle charging stations shall be eligible for grants and tax credits.
- 12 In this Bill-
- “Electric Vehicle” means a vehicle powered wholly or partly by an electric motor;
 - “Licensed Nigerian Assembler” means a company authorised by the Federal Government to produce or assemble electric vehicles locally; and
 - “Minister” means the Minister responsible for Industry, Trade, and Investment.
- 13 This Bill may be cited as the Electric Vehicle Transition and Green Mobility Bill, 2025.

Incentives for Electric Vehicle Adoption and Ministry of Transportation Guidelines.

Electric Vehicles Charging Stations.

Interpretation.

Citation.