

Ministry of Finance issues addendum to modify the 2017 Revised Import Guidelines



The Federal Ministry of Finance recently issued an addendum to the 2017 Revised Import Guidelines, Procedures and Documentation Requirements under the Destination Inspection Scheme to clarify certain provisions of the Guidelines and improve ease of cross-border trade.

For a deeper discussion, please contact any member of our **Indirect Tax Team** below or your usual contact with PwC Nigeria:

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Overview

The Revised Import Guidelines, Procedures and Documentation Requirements under the Destination Inspection Scheme (the “Guidelines”) were issued in 2013 to improve the importation process at Nigerian ports.

To provide clarity to certain provisions in the Guidelines, the Federal Ministry of Finance recently issued an addendum to the Guidelines. The addendum has an effective date of 1 January 2018.

Highlights of the Addendum

- e-Form M:** The initial validity period of an approved e-Form M has been increased to 360 days and 720 days for general merchandise and capital goods respectively. Both can be further extended by a maximum period of 360 and 720 days first by the Authorised Dealer and then the Central Bank of Nigeria (CBN).
- Form M:** Form ‘M’s are deemed cancelled if no shipment has been imported within 2 and 5 years from issuance for general merchandise and capital goods respectively.
- Language:** All imported goods are to be labelled in English Language otherwise shall be confiscated.
- Combined Certificate of Value and Origin (CCVO):** CCVO is now replaced with Certificate of Origin (CoO).
- Multiple e-Form M:** Importers or banks operating multiple e-Form ‘M’s for the same transactions would have their licences seized or blacklisted from doing business in Nigeria.
- Shipment:** An e-Form M must first be accepted by the Nigeria Customs Service (NCS) before shipment of goods.
- Mandatory palletization:** All containerized cargo (except specifically exempt or for which an e-Form M has been issued before 1 January 2018 and the goods arrive not later than 31 March 2018) are now required to be palletised otherwise the importer is liable to a fine of 25% of Freight on Board (FoB) value of non-palletised goods.

Takeaway

The Guidelines seek to support government’s overall objective to improve the ease of doing business in Nigeria by, amongst other things, reducing the number of times to re-apply for expired Form ‘M’s, penalising abuse of the system and improving product handling at the ports.

However, a more robust review of the principal Act regulating imports – the Customs and Excise Management Act 1959 is required to bring it in line with current trade realities, regional agreements and secure the border while eliminating revenue leakages.

