

IMPORT FORMALITIES

GUIDELINES FOR IMPORTERS AND EXPORTERS OF GOODS TO NIGERIA

This section outlines the formalities to be observed by importers and other parties in Nigeria wishing to import and/or pay for goods into the country.

1. All persons intending to import physical goods into Nigeria are required in the first instance to process their Form "M" through any bank irrespective of the value and whether payment is involved or not.
2. Consignments shall bear name of products, country of origin, specifications, date of manufacture, batch or lot number, standard(s) to which they were produced (e.g. BS, DIN, ISO/IEC, NIS etc.) Foodstuffs (including drinks), pharmaceuticals and chemicals should carry expiry dates and/or shelf life and specify active ingredients where applicable on their packaging. The expiry date should be at least half the shelf life as at the time of inspection.
3. All electronic equipment/items and instruments **MUST** carry **INSTRUCTIONAL MANUAL** and not diagrams and notation on the containers. All electronic equipment/items and instruments **MUST** carry **SAFETY** information and/or safety signs. All electronic equipment/items and other items where applicable **MUST** carry a **GUARANTY/WARRANTY** of at least six months.
4. Computer hardware and software must be year 2000 compliant.
5. Plant materials, whether for planting, consumption of industry shall be covered with phytosanitary certificate of the country of export, certifying that the plant material was inspected and found free from pests and that some

treatment has been made where applicable in line with the International Plant Protection Convention of FAO.

6. Every manufactured item including components and spare parts shall be branded and bear manufacturers' names. Electrical appliances (fluorescent lamps, electric bulbs, electric irons, kettles etc) are required to carry information about their life performance whilst cables must carry information on their rating.
7. Misrepresentation of product specifications will result in delays and/or seizure. Supply of wrong information with an intention to cheat will also result in delays and/or impoundment/seizure with attendant consequences. Blank products will be automatically seized and destroyed.
8. All goods imported into the country shall be labelled in English in addition to any other language or render themselves liable to confiscation.
9. Manufactured goods and materials are subject to Standard Organization of Nigeria's (SON) certification in accordance with the provision of its enabling law.

Form "M" and Clean Report of Inspection Procedure

Since September 1, 1999 all goods except personal effects, used motor vehicles and perishables i.e. day-old-chicks, human eyes, human remains, vaccines, yeast, periodicals/magazines imported into the Federal Republic of Nigeria shall be subject to Pre-shipment Inspection in the country of supply. However, used motor vehicles and perishables though exempted from pre-shipment inspection shall require the completion of Form "M".

Any person importing goods into Nigeria shall process Form "M" through any authorized commercial/merchant bank. The authorized banks shall be responsible for delivering all Forms

"M" (including those for imports excluded from inspection) to the appointed inspection agents liaison offices in Nigeria.

The Form "M" and supporting documents submitted to the inspection companies through the authorized dealers shall be clearly marked "Valid for Forex" or "Not Valid for Forex" depending upon whether or not foreign exchange remittance would be involved.

The Form "M" and relevant proforma invoice must contain a proper description of the goods to be imported, including relevant specifications, etc. Form "M" shall be in sextuplicate of which three copies shall be sent to the Pre-shipment Inspection Agents and one each to the Importer's bank, the Nigeria Customs Service and NMA.

Form "M" is obtainable from all the offices of the Pre-shipment Inspection Agents, Nigerian Embassies, Local Banks, branches of Nigerian Banks overseas and their correspondent banks

The completed Form "M" (Not Valid for Foreign Exchange) originating from abroad will be returned through the appropriate Pre-shipment Inspection agents abroad to any of the designated banks or any bank of importer's choice in Nigeria. The introduction of 100 percent destination inspection is aimed at checking a growing incidence of under-valuation of imports and smuggling, most specifically of arms and ammunitions.

To reduce delays in the import clearing process, a Central Clearing System (CCS) has been introduced as a one-stop shop to replace the "long-room" method, which most importers associate with corrupt practices.

Issuance of the CRI or a Discrepancy Report shall be mandatory for all imports except those exempted from inspection and those expressly exempted by the Honourable

Minister of Finance, provided approval would have been obtained before shipment of goods.

Seller's Responsibilities

The seller of the goods (i.e. the party with whom the Nigerian importer has a contractual relationship) shall be required to arrange for the physical inspection of goods with the appointed inspection company in the country of supply. The pre-shipment inspection agent shall be given at least three working days notice prior to the expected date of inspection.

The seller shall make the necessary arrangements for handling and presentation, of the goods for the purpose of inspection and any expenses incurred therefore shall be for his account. In the event that the seller has called in the Company without having prepared the goods for inspection, or in the event that the goods have been inspected and are found not to be up to requirements or specifications, the expenses of any additional intervention by the Company shall be borne by the seller.

The seller shall provide the appointed inspection agent with a copy of the packing list, final invoice and any other document as would be requested by the inspection agent.

Importer's Responsibilities

The importer shall advise his supplier on the need to submit after the completion of inspection, the final or commercial invoice within 72 hours to the Inspection Agent to facilitate the issuance of the Clean Report of Inspection (CRI). Importers of cargoes in excess of the declaration on the manifest will continue to be penalized according to the provisions of the law.

Import Duty Payment and Clearance of Goods

It shall be the duty of the importer's bank or the bank, which processed the Form "M" to issue a bank draft in

respect of the amount stated on the CRI to the customer who shall pay same to any of the designated banks.

All commercial imports into Nigeria shall be accompanied by a final invoice bearing the CRI number with adequate description of the goods, packing list, transportation document (B/L, AWB/Way Bill), and manufacturers' certificate of analysis (where applicable).

The CRI number shall be stated on the Bill of Lading and also written against each item on the cargo manifest. The relevant inspection agent shall affix a security label on the final invoice submitted by the seller attesting the fact that pre-shipment inspection as been successfully performed. The final invoice will confirm, in L/C transactions to the negotiating bank overseas, that the goods have been inspected in accordance with the import requirement of the Federal Republic of Nigeria. The Final Invoice shall bear the CRI Number and the certified value. Relevant CRIs must accompany goods imported through neighboring countries.

Importers shall pay a CISS Administrative charge of 1% of Free On Board (F.O.B) value of all imports assessed based on the average rate of exchange prevailing at the time of inspection of the goods as submitted by the Central Bank of Nigeria. All imports shall be assessed for duty at the average rate of exchange prevailing at the time of issuance of CRI of the goods as submitted to the agents by the Central Bank of Nigeria.

The Nigeria Customs Service shall inform the appointed pre-shipment Inspection agents through the issuance of Form C 101 A in the event of a discrepancy on duty assessed on the CRI and duty assessed by the NCS.

Payments for Customs Duties and CISS Administrative charge shall be based on the Clean Report of Inspection (CRI) without any amendment. However, the Nigeria Customs Service (NCS) may with the prior permission of the

Minister of Finance assess additional duties if it is found that the duty on the CRI is not correct. In such a case, the goods will be cleared on the assessment on the CRI upon a guarantee for the value of the difference issued by a designated bank. Additional duty may be imposed, therefore only after clearance with the Honourable Minister of Finance.

The issuance of bank draft by the customer's bank and the payment thereof into the designated bank shall be done and cleared and receipt issued by the designated bank before the counterpart original CRI for customs purpose is released to the importer for clearance of goods.

The bank draft for import duties must be paid to the designated banks and receipt issued with the number of the SGD Form stated thereon before goods are cleared. All designated banks are to open branch offices at the ports where customs duties shall be paid.

Where the guidelines are satisfactorily. Implemented by importers, the Nigeria Customs Service shall release the goods within 48 hours