

FEDERAL MINISTRY OF FINANCE
IMPORT GUIDELINES, PROCEDURES AND
DOCUMENTATION REQUIREMENTS UNDER THE
DESTINATION INSPECTION SCHEME IN NIGERIA

In pursuit of the Government decision to seamlessly transfer the Destination Inspection Scheme for import from Scanning Service Providers (SSPs) to the Nigeria Customs Service (NCS) with effect from 1st December 2013, the following guidelines, procedures and documentation requirements shall apply in respect of import transactions with effect from that date.

A. GUIDELINES:

1. Any person intending to import physical goods into Nigeria shall in the first instance process e-Form 'M' through any Authorized dealer bank irrespective of the value and whether or not payment is involved.
2. The initial validity period of an approved e-Form 'M' for general merchandise shall be 180 days, which may be extended for 180 days by the Authorized Dealer. For capital goods, the initial validity of an approved e-Form 'M' shall be 365 days subject to a maximum extension of another 365 days. However, any subsequent request for subsequent revalidation of e-Form 'M' shall be forwarded to the Director, Trade and Exchange Department, Central Bank of Nigeria, for consideration.
3. Supporting documents shall be clearly marked "VALID FOR FOREX" or "NOT VALID FOR FOREX" as appropriate i.e. whether or not foreign exchange remittance would be involved.
4. All applications for goods subject to Destination inspection shall carry the "BA" code, while those exempted shall include "CB" in the prefix of the numbering system of the e-form 'M'. Payments for goods exempted from Destination Inspection, under the Scheme, would not be carried out in the Foreign Exchange Market, without a prior approval from the Central Bank of Nigeria. The list of goods exempted from Destination Inspection shall be as approved by the Honourable Minister of Finance and the approval shall be a pre-condition for the completion of e-Form 'M' exempted from Destination Inspection.
5. The e-Form 'M' and the relevant pro-forma invoice (which shall have a validity period of three months) shall carry a proper description of goods to be imported to facilitate price verification viz;
 - i. Generic product name i.e. product type, category;
 - ii. Mark or brand name of the product, where applicable;
 - iii. Model name and/or model or reference number, where applicable;
 - iv. Description of the quality, grade, specification, capacity, size, performance, etc;

- v. Quantity and packaging and/or packing.
- 6. e-Form 'M' shall be valid for importation only after acceptance by the Nigeria Customs Service (NCS). Consequently, Authorized Dealers are to confirm registration of the e-Form 'M' before proceeding with other import processes.
- 7. Documents in respect of each import transaction shall carry the name of the product, country of origin, specifications, date of manufacture, batch or lot number, Standards to which the goods have been produced (e.g. NIS, British Standards PD. ISO, IES, Din, etc).
- 8. **All goods to be imported into the country shall be labeled in ENGLISH in addition to any other language of transaction; otherwise the goods shall be confiscated.**
- 9. Where import items such as food, drinks, cosmetics, drugs, medical devices, chemicals, etc. are required for health or environmental reasons, they shall carry EXPIRY dates or the shelf life (minimum of half shelf life at the time of importation) and specify the active ingredients, where applicable.
- 10. Electrical appliances (fluorescent lamps, electric bulbs, electric irons and ties, etc) shall carry information on life performance while cables shall carry information on the ratings.
- 11. All electronic equipment and instruments shall carry:
 - i. Instructions Manual;
 - ii. Safety information and/or safety signs;
 - iii. A guaranty/warranty of at least six months.
- 12. Any wrong or fraudulent misrepresentation of facts will result in delays and or impoundment/seizures.
- 13. Importation of Blank products shall automatically qualify for seizure and destruction without warning, and subject to prosecution.
- 14. All imports into the country shall be accompanied by the following documents:
 - a. Combined Certificate of Value and Origin (CCVO), shall contain the following information.
 - i. e-Form 'M' No;
 - ii. Adequate description of goods;
 - iii. Port of destination. (The actual port shall be specified e.g. Tin-Can, Apapa, Kano, Onne, etc);
 - iv. Shipment identification, date of shipment, Country of Origin, Country of Supply.
 - b. Packing List.

- c. Shipped/Clean on Board Bill of Lading/Airway Bill/Railway Bill/Road Waybill.
 - d. Manufacturer's Certificate of production, the Phytosanitary Certificate or Chemical Analysis Report, which shall state standards, where applicable, should be made available.
 - e. Laboratory test certificates for chemicals, foods, beverages, pharmaceuticals, electrical appliances and other regulated products, where applicable.
15. The following procedures shall be adopted for payments:
- i. Letters of credit transactions: All negotiating documents and/or shipping documents (as may be applicable), must be routed from the Beneficiary/Supplier through his/her bank to the issuing bank and thereafter to the issuing bank. For the avoidance of doubt, on no account must banks endorse or pay on documents that do not comply with the routing outlined above.
 - ii. For Bills for Collection transactions and Unconfirmed Letters of Credit, documents must come to the issuing bank either directly from the supplier's bank or through the offshore correspondence of the issuing bank.
 - iii. For 'Not Valid' for foreign exchange transactions, the supplier should forward the documents directly to the applicant bank that validates the e-Form 'M'.
 - iv. In the case of personal effects, the relevant documents should be forwarded to Nigeria Customs Service. However where dutiable goods are found to be in excess of the approved passenger concession, they shall be liable to the clearance procedure applicable to the commercial goods and accordingly all import documentation requirements must be complied with, failing which they shall be liable to seizure.
16. For transactions with Post Landing charges, a retention fee of 5-15% of the project cost as agreed between the importer and the overseas supplier shall be indicated on both the Contract Agreement and the Pro-forma invoice which shall form part of the supporting documents for the registration of relevant e-Form 'M'. In addition,
- i. The stated fee shall not be remitted until a satisfactory evaluation of the project has been undertaken by the Industrial Inspectorate Department of the Federal Ministry of Trade, Industry & Investment.
 - ii. Nigeria Customs Service (NCS) shall forward to the Federal Ministry of Trade, Industry & Investment (Industrial Inspectorate Department) and the Central Bank of Nigeria, Trade and Exchange Department copies of the Contract Agreement and Pro-forma invoice of such projects for monitoring purposes.

- iii. During Destination Inspection, the Nigeria Customs Service shall take cognizance of the value of shipment and Post Landing charges as would have been indicated on the Pre-Arrival Assessment Report (PAAR).
 - iv. The Industrial Inspectorate Department, Federal Ministry of Trade, Industry & Investment shall thereafter carry out an evaluation of the project and advise the Central Bank of Nigeria accordingly.
 - v. On receipt of the report of the evaluation from the Federal Ministry of Trade, Industry & Investment (Industrial Inspectorate Department), the Central Bank of Nigeria shall advise NCS on the issuance of PAAR in respect of the retained value and the Authorized Dealer advised to remit same to the beneficiary.
17. Buying Commission: The percentage of buying commission to be paid to agents or confirming house acting as intermediary between importers and exporters is a maximum of 2% of the FOB value of the consignment, where applicable.

B. IMPORT PROCEDURES

1. Duly completed e-Form 'M' shall be submitted electronically to an Authorized Dealer bank with the following attached documents:
 - a) Profoma Invoice
 - b) Insurance Certificate
 - c) Regulatory Certificate/Permits (e.g. NAFDAC, SON, DPR, etc)
2. However the originals of the Documents listed 'a,b,c' should be submitted to the bank.
3. Upon receipt of duly completed and submitted copy of the e-Form 'M' from the importer, the Authorized dealer bank shall:
 - a) ensure that the e-Form 'M' is duly completed.;
 - b) compare the attached documents with the original;
 - c) ensure that proper Know-Your-Customer (K-Y-C) and be satisfied that all the relevant documents forwarded are genuine.
 - d) After completion of (a) to (c), the bank shall validate and transmit the e-Forms 'M', to the Nigeria Customs Service (NCS)

C. RESPONSIBILITIES OF NIGERIA CUSTOMS SERVICE

Upon receipt of the e-Form 'M' with other necessary pre-import documents, NCS shall:

1. Carry out a preliminary review on the application, using information provided therein and accept or reject the e-Form 'M' within one working day.

2. If “ACCEPTED”, NCS shall register the e-Form-M on the system.
3. If the e-Form ‘M’ is “REJECTED”, NCS shall state reason(s) for Rejection and the documents are automatically returned for necessary rectification.
4. After registration of the e-Form ‘M’ and the receipt of the Final Import Documents from the Authorized Dealer Banks, NCS shall generate Pre-Arrival Assessment Report (PAAR) within six (6) hours.

D. RESPONSIBILITIES OF IMPORTER

1. It shall be the duty of the importer to ensure that the supplier makes available the pro-forma invoice in accordance with the imports procedure of the country. As a result, there must be no ambiguity in the description of the goods.
2. The importer shall also ensure that all the documents to be forwarded to the Authorized Dealer Bank are genuine and verifiable.
3. All the requirements listed under the imports procedure must be complied with before documents are submitted to the Authorized Dealer Bank.
4. Upon Registration of the e-Form ‘M’ by NCS, the importer shall advise the Supplier to arrange for the shipment of the goods.

E. RESPONSIBILITIES OF THE SUPPLIERS

1. On consignment of goods for shipment, the overseas supplier shall:
 - a) Make available three sets each, of original Combined Certificate of value and Origin (CCVO); Transport document (depending on the mode of transport) and Packing list to his/her bank.
 - b) Forward only two (2) sets of the documents in (a) above through his/her banker to the relevant overseas correspondent bank of the Nigerian Authorized Dealer Bank, for transactions valid for foreign exchange as well as those requiring issuance of Certificate of Capital Importation and/or those involving supplier’s credit. The third copy should be forwarded to the Authorised Dealer Bank that validates the e-Form ‘M’.
 - c) Similarly, in the case of Bills for Collection and Unconfirmed Letters of Credit, two sets should be forwarded either through the supplier’s bank or the offshore correspondent of the issuing bank, to the issuing bank, while the third copy is forwarded directly to the Nigerian Authorised Dealer bank.
 - d) In the case of “Not-valid for foreign exchange” transactions, only two sets should be forwarded directly to the bank that validate the e-Form ‘M’.

- e) In the case of dutiable personal effects, two sets should be forwarded to the designated bank and if they are non-dutiable personal effects, the two sets should be forwarded to NCS.

F. RESPONSIBILITIES OF AUTHORIZED DEALERS:

These documents should be forwarded within 14 days after shipment.

1. Upon receipt of the third copy of the said documents, or copies received directly in the case of “Not-valid for foreign exchange” transactions or dutiable personal effect, authorised dealers shall upload all Final Import Documents to NCS for issuance of Pre-Arrival Assessment Report (PAAR).
2. The authorised dealer bank shall endorse all submitted Import Documents to NCS for the purpose of generating Pre-Arrival Assessment Report (PAAR)
3. In addition, for transactions involving foreign exchange transfer, the assessed value on Pre-Arrival Assessment Report (PAAR) shall be the amount payable. Where there is excess remittance, such must be repatriated within two weeks failing which appropriate sanction shall be imposed.
4. The authorised dealer is enjoined to bring the provisions of these guidelines to the attention of their customers (importers), correspondent banks, suppliers, etc for their compliance,
5. The authorised dealer shall be guided by the provisions of Memorandum 27(x) of the Foreign Exchange Manual on the need to refer policy issues in respect of which they are in doubt to the Director, Trade and Exchange Department for clarification.
6. Furthermore, Authorized Dealers, Importers, Suppliers, Shipping Lines, Air Carriers, etc, are expected to ensure compliance with these guidelines as any breach and/or infraction shall attract appropriate sanction(s) in line with the provisions of the relevant guidelines, regulations and/or statutes.

Authorised Dealers must keep and retain evidence of receipt of documents as outlined above for Bank Examiners.

G. RESPONSIBILITIES OF SHIPPING LINES/OTHER CARRIERS

1. It shall be the responsibility of Shipping lines/air carriers to ensure that all goods being consigned for shipment to Nigeria are covered by appropriate e-Form ‘M’.
2. The e-Form M number MUST be reflected on the Bill of Lading, Airway Bill or Roadway bill for such goods.

3. An advance summary of the manifest of the cargoes **must be** made available to the NCS electronically immediately the vessel depart the last port of call.

H. IMPORT DUTY PAYMENT

1. Importer shall continue to pay an administrative charge of 1% of FOB value of all imports based on the exchange rate on the approved e-Form 'M'.
2. All imports shall continue to be assessed for duty at the C.I.F. value of the goods using the rate of exchange on the approved e-Form 'M'.
3. It shall be the duty of the importer's bank through which the e-Form 'M' was processed to collect the amount of import duty as assessed. The Import Duty payment shall continue to be restricted to the bank that opened the e-Form 'M' in line with the existing regulation. However, for non e-form 'M' transactions, payment can be made at any preferred authorized dealer bank.
4. The Designated bank will match printed assessment notice with the electronically received assessment notice for the SGD. If the information tallies the bank will receive payments and issue signed Bank receipt.
5. The Bank then sends an e-confirmation message to NCS acknowledging receipt of duty and taxes in respect of the SGD.
6. The designated bank shall continue to electronically transfer all payments to the respective pool accounts with CBN.

I. DOCUMENTATION REQUIREMENTS FOR IMPORT PAYMENTS UNDER THE DESTINATION INSPECTION SLSCHEME

1. Confirmed letters of Credit
Original copies of:
 - a) Registered e-Form 'M'
 - b) CCVO
 - c) Manufacturer's Certificate with standards adopted stated thereon.
 - d) Clean/Shipped on Board Bill of Lading/Airway bill/Roadway bill.
 - e) Packing List
 - f) Letter of credit instrument (tested).
2. Bills for Collection Transactions
 - a) Registered e-Form 'M'
 - b) SGD print out

- c) CCVO
 - d) Attested Manufacturer's Certificate
 - e) Shipped / Clean on Board Bill of Lading/Airways Bill / Road waybill.
 - f) Certificate of Insurance.
 - g) Import Duty Payment receipt with SGD No. stated thereon.
 - h) Bill history/Bill of exchange.
 - i) Tally Sheet/Gate Pass.
 - j) Packing List.
3. Documents to be submitted after clearance of goods:
- a) Pre-Arrival Assessment Report (PAAR).
 - b) Single Goods Declaration (SGD) Print out.
 - c) CCVO
 - d) Copy of the packing list.
 - e) Import Duty Payment receipt with the SGD number clearly stated thereon.
 - f) Copy of the attested Manufacturer's Certificate with Standards adopted stated thereon.
 - g) Copy of Carrier Certificate.
 - h) Laboratory test certificate for chemicals, food, beverages, etc.
 - i) Terminal Delivery order.

It should be noted that these documentation requirements for imports under Destination Inspection Scheme are part of the provisions of the Foreign Exchange Manual. Consequently, the relevant provisions on imports as they relate to the Comprehensive Import Supervision Scheme (CISS) are hereby amended by the provisions of these guidelines.

J. CLEARANCE PROCEDURES

The procedures outlined in this document may be subject to change as the project progresses. More features may be added or removed as infrastructures are improved upon.

1. Preparation of Single Goods Declaration (SGD):

- a. Declarants prepare the SGD with information derived from relevant documents e.g. Final Invoice, CCVO, Bill of Lading/Air way Bill/ Road waybill, Packing List, Permits (where necessary), Insurance, e-Form 'M', PAAR etc. (these documents are obtained by the importer from the bank at which the e-Form 'M' was validated).

- b. The SGD is prepared using a **Private/Public DTIs** and;
 - Capture SGD Information
 - Assess the SGD
 - Print the SGD and Assessment Notice

****Direct Trader Input (DTI) is the unique procedure for submitting electronic manifests to customs***

Note:

- While capturing the SGD, specify the bank at which Customs Duty will be paid. It must be the bank indicated as the designated duty collection bank on the e-Form 'M'.
- If e-Form 'M' is not required Importer/Agent can pay at any preferred designated bank.
- Take extreme care that the correct designated bank code as indicated on the e-Form 'M' is captured to enable the system send the Assessment to the appropriate bank.
- After capturing the SGD correctly the Assessment option should be selected, an electronic message will be sent to the designated bank with details of what should be paid as customs duty and other charges.

2. Payment at Bank

- a. The Importer/Agent proceeds to the designated bank with the system generated Assessment Notice
- b. The Designated bank will match printed assessment notice with the electronically received assessment notice for the SGD. If the information tallies the bank will receive payments and issue signed Bank receipt.
- c. The Bank then sends an e-confirmation message to NCS acknowledging receipt of duty and taxes in respect of the SGD

3. Request for Release:

- a. After payment of Import duties and other charges at the bank, Importer/Agent will request for customs release through DTI
- b. NCS will release after Scanning or Physical examination.

Note:

The NCS system will not permit the release of goods if outstanding duty has not been fully paid.

However, if any discrepancy is found, then it shall be entered into the Inspection Act, and the declaration is modified. If a dispute continues to exist, then dispute settlement mechanism are followed. These may include allowing the importer to clear his goods on bank indemnity, application for a tariff/valuation decision from the Tariff and Trade Department of NCS, an appeal to Honourable Minister of Finance, World

Customs Organisation (WCO) or ultimately taking the dispute to a Court of competent jurisdiction.

4. Customs Control

- a. At the customs control, the release of consignment will be subject to selectivity of the Automated Customs Risk Management System.

5. Release of Consignment by Terminal Operator (T/O)

- a. After Customs have cleared the consignment Terminal Operators issue Exit Note to NCS.

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