

IMPORT GUIDELINES, PROCEDURES AND DOCUMENTATION
REQUIRMENTS UNDER THE DESTINATION INSPECTION SCHEME IN
NIGERIA

In pursuit of Government decision to abolish Pre-shipment Inspection Scheme for imports to Nigeria and the introduction of Destination Inspection Scheme for imports with effect from 1st January 2006, 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 Form 'M' through any Authorized dealer bank irrespective of the value and whether or not payment is involved;
- (2) Supporting documents shall be clearly marked '**VALID FOR FOREX/NOT VALID FOR FOREX**' as appropriate i.e. depending on whether or not foreign exchange remittance would be involved. The validity period of Form 'M' shall be six months for all general goods while Form 'M' for Plants and Machineries should have a validity period of one year.
- (3) All applications for goods subject to Destination Inspection shall carry the "**BA**" code; while those on exemption shall indicate "**CB**" in the prefix of the numbering system of the Form 'M'. Exemption shall be as approved by the Honorable Minister of Finance prior to completion of Form 'M'.
- (4) The Form 'M' and relevant pro-forma invoice shall carry a proper description of the goods to be imported to facilitate price verification viz.
 - a. Generic product name, i.e. product type, category.
 - b. Mark or brand name of the product where applicable.
 - c. Model name and or model or reference no. where applicable.
 - d. Description of the quality, grade , specification, capacity, size, performance etc.
 - e. Quantity and packaging and or packing.

- (5) 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. Nigeria Standards-NIS, British Standards – PD. ISO, IES, DIN (etc).
- (6) Where import items such as food, drinks, cosmetics, drugs, medical devices, chemicals etc., are regulated for health or environmental reasons, they shall carry **EXPIRY** dates or the shelf life and specify the active ingredients, where applicable.
- (7) Electrical appliances (fluorescent lamps, electric bulbs, electric irons and ties etc) shall carry information of life performance while cables shall carry information on the ratings.
- (8) All electronic equipment and instruments shall carry:
 - a. Instruction Manual;
 - b. Safety information and/or safety signs and;
 - c. A guaranty/warranty of at least six months;
- (9) All computer hardware, software, operating and embedded system shall continue to be Year 2000 compliant.
- (10) Any wrong or fraudulent misrepresentation of facts will result in delays and or impoundment/seizures and subject to prosecution.
- (11) Importation without valid Form 'M' and Blank products automatically qualify for seizure and destruction without warning and subject to prosecution.
- (12) Form 'M' shall be valid for importation only after acceptance by the relevant Scanning Company and Risk Management Service Provider.
- (13) **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.**
- (14) All imports into the country shall be accompanied by the following documents:

- a. Final invoice and Combined Certificate of Value and Origin (CCVO) which shall be duly attested to by the Chamber of Commerce of the exporting country and where not available notarized by a Notary Public who must indicate his Official address and registration number and contain the following details in addition to those on the pro-forma invoice:-
 - Form 'M' No.
 - Adequate description of goods.
 - Port of entry. (The actual port shall be specified e.g. Tin Can, Apapa, Kano, Onne, etc).
 - Shipment identification, date of shipment, Country of Origin, Country of supply.
 - b. Packing list.
 - c. Shipped on Board Bill of Lading/Airway bill/Way bill.
 - d. Carrier Certificate.
 - e. Insurance Certificate, Manufacturer's Certificate of production which shall state standards.
 - f. Laboratory test certificates of chemicals foods, beverages, pharmaceuticals electrical appliances and other regulated products, where applicable.
- (15) For transactions with post landing charges, a retention fee of 5-15% of the project cost as agreed between the importer and the exporter 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 Form 'M' in addition.
- The stated fee shall not be remitted until a satisfactory evaluation of the project has been undertaken by the Federal Ministry of Industry (Inspectorate Dept).
 - The Scanning and Risk Management Service Provider shall forward to the Federal Ministry of Industry (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.
 - 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 Risk Assessment Report (RAR).

- The Industrial Inspectorate Department, Federal Ministry of Industry shall thereafter carry out an evaluation of the project and advise the Central Bank of Nigeria accordingly.
- On receipt of the report of the evaluation from the Federal Ministry of Industry (Industrial Inspectorate Department), the Central Bank of Nigeria shall advise the respective Scanning and Risk Management Service Provider on the issuance of the RAR of the retained value and the authorized dealer advised to remit same to the beneficiary.

B. IMPORT PROCEDURES

- (1) Each completed Form 'M' shall be submitted to an Authorized Dealer Bank with the following detailed information, in addition to A(4) above:

Detailed description of the goods, including commercial name for each item, make, whether new, used or refurbished, and the standards adopted.

- b. Quantities and /or their measurements.
- c. Unit Cost of goods.
- d. Total cost of goods.
- e. Freight Cost.
- f. Mode of transportation, air/sea/land.
- g. Mode of shipment, Full Container Load (FCL), Less Container Load (LCL), Bulk, loose, etc.
- h. Other charges and reflected on the Form 'M' (if any).
- i. Country of Origin.
- j. Country of supply.
- k. Pro Forma Invoice; with details of physical address and telephone number of the supplier.

Other documents such as certificate of registration with NAFDAC, SONCAP, Pharmaceutical Board etc. and any additional documents that might be prescribed.

- (2) All the copies of Form 'M' submitted to Scanning and Risk Management Service Providers shall be legible, duly marked **"Accepted"** or **"Rejected"** as the case may be.
- (3) Upon receipt of duly completed and signed copies of the Forms 'M' from the importer, the Authorized dealer bank is required to:

Ensure that the Form 'M' is duly completed with detailed description of goods clearly stated;

- b. Ensure that all the relevant documents that are to accompany the completed Form 'M' are actually provided. It should be stated that the Authorized Dealer bank is expected to carry out proper Know Your Customer (K-Y-C) and be satisfied that all the relevant documents being forwarded are genuine.

After (a) and (b), the bank shall make necessary endorsements on the Form 'M', retain the original copy and thereafter forward the remaining three copies to the relevant Scanning Company and Risk Assessment Service Provider, who will ensure distribution to the appropriate customs offices.

C. IMPORT DUTY PAYMENT.

Importer shall continue to pay an administrative charge of 1% of FOB value of all imports based on the rate of exchange prevailing as of the time of opening of his Form 'M'.

2. All imports shall continue to be assessed on C.I.F. value of the goods using the rate of exchange prevailing at the time of opening of Form 'M'.

It shall be the duty of the importers' bank through which the Form 'M' was processed to issue the customer a draft in respect of the amount assessed as duty payable which is to be paid to any of the designated banks for customs revenue.

4. The issuance of bank draft by the customer's bank and the payment thereof into the designated bank shall be done and receipt issued by the designated bank.

The draft for import duty and other charges shall be paid to any of the designated bank and receipt issued with the SGD number stated thereon before goods are cleared.

6. The designated bank shall continue to transfer all payments of which effects have been cleared to CBN head office (banking office) in Lagos or the nearest CBN office or currency center for onward transfers to the CBN Head Office.

7. The designated banks shall on every Monday or first working day of the week transfer all payment of which effects have been cleared to CBN Head Office (Banking Office) in Lagos or the nearest CBN Branch Office or Currency Centre for onward transfer to the CBN Head Office.

D. 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 on the description of the goods.
2. The importer shall 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 forwarded to authorized dealer bank.
4. The importer shall also advise the supplier as to the time the shipment can take place.

E. SUBMISSION OF FORM M

1. Duly completed and approved Form 'M' should be submitted to the office of the respective Scanning Company in Lagos not later than five (5) working days after date of approval.
2. Authorized dealers are advised to confirm acceptance or rejection of the Form 'M' before proceeding on further action on the transaction.

F. THE SUPPLIER

On consignment of goods for shipment, the overseas supplier shall:

- (1) Submit six Final invoice/Combined Certificate of Value and Origin (CCVO) manufacturer's certificate with standards adopted stated

thereon, and bill of lading/airway bill/Way bill to the relevant Chamber of Commerce or Notary Public for attestation.

- (2) If found satisfactory, a final attestation is made thereunto on the documents.
- (3) The attested documents shall be presented, together with any of the relevant documents, for negotiation if it is a Letter of Credit transaction.
- (4) Provide the Shipping Company with appropriate details of accepted Form 'M'.
- (5) The attested documents shall also form part of the documentation required for payment in respect of bill for collection transaction after clearance of the goods in Nigeria.
- (6) For the avoidance of doubt, no Letter of Credit shall be negotiated without the presentation of the final documents listed in F(1) above. In addition, the responsibility rests on the supplier to ensure that what is shipped is in conformity with the terms in the pro-forma invoice and or letters of credit.
- (7) Irrespective of whether a transaction is valid for foreign exchange or not, it is a Letter of Credit transaction or not, the supplier shall transmit his final documents to the foreign corresponding bank of the authorized dealer bank in Nigeria where the Form 'M' was opened.

G. SHIPPING COMPANIES

Shall not carry any Cargo from the point of origin that does not have details from the accepted Form 'M'.

Shall include into the manifest the accepted Form 'M' number, name of the Importer as provided by the Scanning and Risk Management Service Provider.

Failure to comply with the provision of G(1) and (2) above shall attract severe sanctions including prosecution.

H. SCANNING AND RISK MANAGEMENT SERVICE PROVIDERS.

Upon receipt of the three copies of the Form 'M' and pro-forma invoice the companies shall:

- (1) Carry out a preliminary review on the application, using information provided therein.
- (2) If "ACCEPTED", the SC shall distribute copies of the form 'M' as follows:
 - a. One to be retained by them.
 - b. Copy to the CAC, Port of clearance of goods.
 - c. Customs Headquarter.
- (3) The importer shall then procure the foreign exchange through his bank, if it is a Letter of Credit transaction and also advice the supplier to arrange for shipment of the goods.
- (4) If the Form "M" is "REJECTED", the affected company shall return all the copies to the bank for necessary rectification.
- (5) The authorized dealer bank shall forward all the import documents to the Scanning Companies for the purpose of generating Risk Assessment Report (RAR).
- (6) The Scanning Company shall generate Risk Assessment Report (RAR) not latter than five (5) working days in the case of shipment by Sea and two (2) working days in the case of shipment by Air/Land after receipt of Import Document and Form 'M' from Authorized Dealer Bank.
- (7) Shall provide the Shipping Companies with relevant details from the accepted Form 'M'.

DOCUMENTATION REQUIREMENT FOR IMPORT PAYMENTS UNDER THE DESTINATION INSPECTION SCHEME

1. CONFIRMED LETTERS OF CREDIT

Original copies of:

- a. Approved Form 'M'.
- b. Final invoice/CCVO.
- c. Manufacturer's Certificate with standards adopted stated therein.
- d. Shipped on Board Bill of Lading/Airway bills/Way bill .
- e. Packing List.
- f. Letter of Credit instrument (tested).

Document in 'b' – 'e' shall be duly attested to as stated above.

BILLS FOR COLLECTION TRANSACTIONS

- a. Approved From 'M'.
- b. SGD Form.
- c. Attested final invoice /CCVO attested.
- d. Attested Manufacturer's Certificate.
- e. Shipped on Board Bill of Lading/Airways bill/Waybill, attested.
- f. Certificate of Insurance.
- g. Import duty Payment receipt with SGD copy duly released and authenticated by Customs.
- h. Bill history/bill of exchange.
- i. Tally Sheet/Gate Pass.
- j. Packing List (duly attested).

EXCHANGE CONTROL DOCUMENT THAT MUST BE PRODUCED AFTER CLEARANCE OF GOODS

- a. Risk Assessment Report (RAR) with the Form 'M' no.
- b. Single Goods Declaration (SGD) Form duly completed and signed by either the importer or his appointed Agent.
- c. Copy of the attested invoice/CCVO.
- d. Copy of the packing list.
- e. Import Duty Payment receipt with the SGD number clearly stated thereon.
- f. Copy of the Manufacturer's Certificate with Standards adopted stated thereon.
- g. Copy of the Carrier Certificate.