

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

Following Government decision to abolish Pre-shipment Inspection Scheme (PSI) for imports to Nigeria and re-introduce Destination Inspection Scheme (DIS) 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. 1. 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) The form M shall have a validity period of six months for all imports except Plants and Machinery, which shall have a validity period of one year. Request for subsequent revalidation thereafter should be directed to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja.
- (3) Supporting documents shall be clearly marked '**VALID FOR FOREX or NOT VALID FOR FOREX**' as appropriate i.e. depending on whether or not foreign exchange remittance would be involved.
- (4) All applicants for goods subject to Destination Inspection shall carry the "**BA**" code, while those on exemption shall include "**CB**" in the prefix of the numbering system of the Form 'M'. The list of goods exempted from Destination Inspection shall be as approved by the Honorable Minister of Finance and the approval shall be a pre-condition for the completion of Form M exempted from Destination Inspection.
- (5) The Form 'M' and relevant pro-forma invoice (which have a validity period of three months) 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 number, where applicable
 - d. Description of the quality, grade, specification, capacity, size, performance etc.
 - e. Quantity and packaging and/ or packing.

- (6) 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)).
- (7) 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.
- (8) 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
- (9) All electronic equipment and instruments shall carry:
 - a) Instruction Manual;
 - b) Safety information and /or safety signs;
 - c) A guaranty/warranty of at least six months;
- (10) All computer hardware, software, operating and embedded system shall continue to be Year 2000 compliant.
- (11) Any wrong or fraudulent misrepresentation of facts will result in delays and or impoundment/seizures.
- (12) Importation of Blank products and/or without valid Form 'M' shall automatically qualify for seizure and destruction without warning.
- (13) Form 'M' shall be valid for importation only after acceptance by the relevant Scanning and Risk Service Provider. Consequently, Authorized dealers are to confirm acceptance of Form M before proceeding with other import processes.
- (14) **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.**
- (15) All imports into the country shall be accompanied by the following documents:
 - a. Combined Certificate of Value and Origin (CCVO) which shall contain the following information:
 - Form 'M' No.
 - Adequate description of goods.

- Port of destination. (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/ Clean on Board Bill of Lading/Airway bill/way bill/ Road 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.

(16) For transactions with post landing charges, 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 Form 'M'. In addition,

- 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 Industry.
- The Scanning Company 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 Company on the issuance of the RAR in respect of the retained value and the authorized dealer advised to remit same to the beneficiary.

2. IMPORT PROCEDURES

- (1) Each completed Form 'M' shall be submitted to an Authorized Dealer bank with the following detailed information, in addition to A.1 (5) above:
 - a. 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, (i.e. by Air/Sea/road).
 - g. Details of shipment; whether Full Container Load (FCL), Low Container Load (LCL), Bulk, loose, etc.
 - h. Other charges 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 and/or fax number of the supplier and e-mail (where applicable).
 - l. Other documents such as certificate of registration with NAFDAC, Pharmaceutical Board of Nigeria etc. and any additional documents that might be prescribed by relevant government agency.
- (2) All the copies of Form 'M' shall be legible, duly marked **“VALID”** or **“NOT VALID”** for foreign exchange as the case may be; otherwise the application shall be rejected.
- (3) Upon receipt of duly completed and signed copies of the Form 'M' from the importer, the Authorized dealer bank shall:
 - a. Ensure that the Form 'M' is duly completed with detailed description of goods clearly stated;
 - b. Ensure that the entire 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.
 - c. After (a) and (b) above, 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 and Risk Service Provider, who will distribution to the appropriate Customs Offices when satisfied with the submission.

3. SUBMISSION OF FORM M

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

4. SCANNING AND RISK SERVICE PROVIDERS (SC).

Upon receipt of the three copies of the Form 'M' and pro-forma invoice and other necessary pre-import documents, the SC shall:

- 1) Carry out a preliminary review on the application, using information provided therein and accept or reject the Form M within one working day.
- 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 Custom Area Command (CAC), Port of clearance of goods.
 - (c) Customs Headquarters.
- 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 SC shall return all the copies of the documents to the bank for necessary rectification.

5. 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 forwarded to the Authorized Dealer Bank.
4. The importer shall also advise the supplier on the status of the relevant Form M before shipment takes place.

6. **THE SUPPLIER**

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

- 1) Make available three copies of Combined Certificate of Value and Origin (CCVO), Transport document (B/L or Mawb) dependent upon the transportation mode used & a Packing List to the bank as indicated above.
- 2) For the avoidance of doubt, no Letter of Credit shall be negotiated without the presentation of the final documents as stated in (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.
- 3) The supplier shall also ensure that two sets of the documents are forwarded to the relevant overseas correspondent bank of the Nigerian authorized dealer bank, in case of transactions with foreign exchange transfers i.e. valid for foreign exchange transaction and those for which certificate of Capital Importation (CCI) would be issued. In the case of transactions "Not valid for foreign exchange", the attested documents should be forwarded to the Authorized dealer bank that opened the Form M. These documents must be forwarded, not later than three days after shipment, regardless of the mode of payment.
- 4) The Authorized Dealer bank shall thereafter make available a set of the documents to the SC for the issuance of the Assessment Report (RAR).

7. **SHIPPING COMPANIES/AIR 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 Form M.
2. The Form M number MUST be reflected on the Bill of Lading or Airway Bill or Roadway bill for such goods.
3. An advance summary of the manifest of the cargoes must be made available to the SC electronically within five working days after shipment of goods by sea and two working days by other modes of transport. This requirement shall be in addition to those forwarded to the Nigeria Customs Service.

8. 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 Form M.
2. All imports shall continue to be assessed for duty at C.I.F. value of the goods using the rate of exchange on the approved Form M.
3. It shall be the duty of the importer's 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 collection.
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 before clearance of the goods.
5. The draft for import duty and other charges shall be paid to any of the designated bank and receipt issued with serial number of SGD Form 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 transfer to the CBN Head Office on every Monday.

B. DOCUMENTATION REQUIREMENT FOR IMPORT PAYMENTS UNDER THE DESTINATION INSPECTION SCHEME

1. **CONFIRMED LETTERS OF CREDIT**

Original copies of:

- a. Approved Form 'M'
- b. CCVO attested
- c. Attested Manufacturer's Certificate with standards adopted stated thereon.
- d. Clean/Shipped on Board Bill of Lading/ Airway bill/ Roadway bill attested
- e. Packing List attested.
- f. Letter of Credit instrument (tested)

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

2. **Documents to be submitted after clearance of goods:**

- a) Risk Assessments Report (RAR) with Form M no.
- b) Single goods Declaration (SGD) Form duly completed and signed by either the importer or his appointed Agent
- c) CCVO
- d) Copy of the packing list attested
- e) Import Duty Payment receipt with the SGD number clearly stated thereon.
- f) Copy of attested Manufacturer's certificate with standards adopted stated thereon
- g) Copy of the Carrier certificate
- h) Laboratory test certificate for chemicals, food, beverages, e.t.c.

3. BILLS FOR COLLECTION TRANSACTIONS

- a) Approved Form 'M'.
- b) SGD Form.
- c) CCVO
- d) Attested Manufacturer's Certificate.
- e) Shipped / Clean on Board Bill of Lading/ Airways bill/ Road waybill attested.
- 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 attested

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 this Circular.

Authorized dealers are enjoined to bring the provisions of this circular to the attention of their customers (Importers), correspondent banks, suppliers, e.t.c, for their compliance.

Furthermore, Authorized Dealers, importers, suppliers, shipping lines, air carriers, e.t.c, are expected to ensure compliance with these guidelines as any breach and/or infraction shall attract appropriate sanctions in line with the provisions of the relevant guidelines, regulations and/or statutes.

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