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INTRODUCTION

This Foreign Exchange Manual is compiled and issued by the Central Bank of Nigeria (CBN) pursuant to the powers conferred on it by the Foreign Exchange (Monitoring & Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34. The Manual is intended as a guide to Authorised Dealers, Authorised Buyers and the General Public in processing foreign exchange transactions.

This edition has been revised in line with the provisions of the Act of 1995 and, therefore, shall be used in conjunction with circulars issued by the CBN from time to time.

TRADE AND EXCHANGE DEPARTMENT
MARCH 2018

DEFINITIONS

In this Manual:

| | |
|---------------------|---|
| Authorised Buyer | Any Bureau De Change, Hotel or other corporate body licensed as such by the Central Bank of Nigeria. |
| Authorised Dealer | Any bank licensed under the Banks and Other Financial Institutions Act 1991 as amended and such other specialised banks issued with licence to deal in foreign exchange. |
| Bearer Securities | Securities upon which by delivery, with or without endorsement, the title to the securities is transferred. |
| Blocked Account | An account blocked by order of the Minister of Finance, at any office or branch of a bank in Nigeria under authority conferred on the Minister by the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34. Such an account cannot be operated without the Minister's express permission. |
| BOFIA | "Banks and other Financial Institutions Act 1991" as amended. |
| Bureau De Change | Any non-bank corporate body licensed as such by the Central Bank of Nigeria to buy and sell foreign currency in accordance with the provisions of the Foreign Exchange (Monitoring & Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34. |
| Central Bank/CBN | Central Bank of Nigeria. |
| Capital Importation | Inflow of foreign currency or goods (Plant, Machinery and Equipment), mainly as equity/loan. |

| | |
|--|--|
| Cash Gifts | Cash remittances on gratuitous grounds without <i>Quid pro quo</i> . These, therefore, do not represent settlement of business liabilities by individuals and organisations resident in Nigeria. |
| Electronic Certificate of Capital Importation (eCCI) | An electronic certificate generated by a bank confirming an inflow of foreign currency or goods as equity/loan. |
| Clean Certificate of Inspection (CCI) | Certificate issued by the Pre-shipment Inspection Agent for exports certifying that the item for export meets all the requirements. |
| Coupon | A coupon is the annual interest rate paid on a bond, expressed as a percentage of the face value |
| Credits | Facilities providing for payment of drafts drawn on banks against documents. |
| Debt Conversion currency-Programme (DCP) | An arrangement whereby holders of Nigerian foreign denominated debt instruments could convert them into Naira and utilise the proceeds for investment purposes or as gift to a charitable organisation in the country. |
| Demurrage | The charge for detaining a freight car or truck container beyond the time allowed for loading or unloading. A storage fee on goods (and containers) in transit not collected within a reasonable or predetermined time. |
| Designated Bank | Any bank appointed by the Government to collect import duty, levy and taxes and remit to Government Accounts. |
| Destination Inspection of Imports (DI) | A Customs process of inspecting imports on arrival at the port of discharge/entry. |
| Documents | Papers or other material things affording information, proof or evidence of any foreign exchange transaction e.g. invoice, Form 'M', Single Goods Declaration (SGD) Form, bill of lading, etc. |

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| Domiciliary Account | A convertible foreign currency account domiciled in Nigeria that is opened, maintained and operated with banks in Nigeria in accordance with provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34. |
| Exchange Rate | The exchange rate shall be the prevailing Market rate as published daily by the CBN. |
| Export Credit Certificate (ECC) | A Certificate signed and issued by the Nigerian Export Promotion Council and the Federal Ministry of Finance in respect of incentive for export to eligible beneficiaries. |
| External Accounts | A Nigerian Currency Account with a bank in Nigeria whose source of funding is external and operated in the name of a non-resident and designated by the Central Bank of Nigeria as an External Account. |
| Flexible Exchange Rate | A monetary system that allows the exchange rate to be determined by demand and supply in the Foreign Exchange Market. |
| Foreign Currency | Any currency other than the Nigerian currency and includes any note which is or has at any time been legal tender in any territory outside Nigeria. |
| Foreign Exchange | The Foreign Exchange as administered by the Central Bank in accordance with the Foreign Exchange (Monitoring & Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34. |
| Foreign Exchange Market | A forum in which Authorised Dealers, Authorised Buyers, foreign exchange end-users and the Central Bank are participants and may include any other participant that the Central Bank may from time to time recognize. |
| Foreign Notes & Coins | Currency notes and coins recognised as legal tender of any country other than Nigeria. |

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| FMDQ OTC | The Financial Market Dealers Quote (FMDQ) Over The Counter (OTC) is the licensed operator of the FMDQ OTC market securities exchange operating under a single governance structure and bringing together Nigeria's fixed income and currency operations market. |
| Inter-bank Foreign Exchange Market | A forum whereby Authorised Dealers buy and sell foreign exchange among themselves. |
| Intervention | An arrangement whereby the Central Bank buys and/or sells foreign exchange in the Foreign Exchange Market. |
| Minister | The Minister charged with responsibility for matters relating to Finance. |
| Miscellaneous | Transactions in respect of items not listed in this Manual. |
| Nigerian Currency | Notes and coins issued by the Central Bank. |
| Net Sales | The gross profit of a company in any given year. |
| Non-Negotiable Certificate of Inspection (NNCI) | Certificate issued by the Pre-shipment Inspection Agent for exports certifying that the item is unfit for export. |
| Nigerian Export Promotion Council (NEPC) | Federal Government Agency responsible for promoting non-oil exports |
| Resident | Any Nigerian Citizen, whether living in Nigeria or not and whose economic interest is permanently in Nigeria. However, in relation to the Companies and Allied Matters Act of 1990, resident shall be defined to include a company registered and individuals living in Nigeria for at least six months or with certified intention of living in Nigeria for at least six months. |
| Retail Dutch Auction System (RDAS) | A system of Foreign Exchange Market where the CBN sells Foreign Exchange to end-users through their Authorised Dealers. |

| | |
|--|--|
| Non-Resident | Any foreign individual or company whose economic interest is permanently outside Nigeria. |
| Non-Resident Account | Accounts opened in favour of non-residents but which are financed mainly with, but not limited to funds derived from local sources. |
| Pre-Arrival Assessment Report (PAAR) | A document issued by the Nigeria Customs Service (NCS) for the purpose of goods clearance upon arrival. |
| Securities | Shares, stocks, bonds (other than promissory notes), debentures, unit trust, letters of rights, coupons conferring rights to acquire securities, options, warrants and certificates of deposit. |
| Single Goods Declaration Form (SGD Form) | SGD (bill of entry) is an official document issued by the Nigerian Customs Service to the importers or their agents for recording information on their consignments as contained in the invoice. |
| Swap Contract | A foreign currency agreement between two parties to exchange a given amount of one currency for another and after a specified period of time, to give back the original amount swapped. |
| Visitors to Nigeria | Travelers to Nigeria other than residents of Nigeria. |
| Wholesale Dutch Auction System (WDAS) | A system of Foreign Exchange Market that allows Authorised Dealers buy Foreign Exchange from the CBN on their own accounts. |

Memorandum 1

FOREIGN EXCHANGE RESPONSIBILITIES

Responsibilities for the determination of applications for foreign exchange approval are designated as follows:-

1. Authorised Dealers

All applications in respect of the following transactions should be directed to Authorised Dealers for determination, subject to stipulated documentation requirements:

- i) Payment for imports including deferred payments, down-payments and instalmental payments;
- ii) Commission and brokerages;
- iii) Non-commercial export transactions;
- iv) Non-resident and external accounts;
- v) Charter/lease, maintenance/repair fees and outright purchase of Aircraft/shipping, fishing and dredging vessels/equipment;
- vi) Insurance (personal) and reinsurance;
- vii) Conferences and seminars (private sector);
- viii) Expatriate home remittances (family maintenance, leave pay, provident fund payments, bonus, gratuity and final balance);
- ix) Cash gifts;
- x) Credit and guarantees including issuance of performance bonds;
- xi) In-service training;

- xii) Personal and business travel allowances;
- xiii) Medical allowance (private sector);
- xiv) Education expenses - tuition and maintenance (private sector);
- xv) Contract services - management services, technical services, consultancy, professional and legal fees etc;
- xvi) Directors' fees;
- xvii) Membership subscriptions and examination fees by individuals and organisations (private sector);
- xviii) Judgement debt;
- xix) Copyright, patent and royalties;
- xx) Advertisement outside Nigeria;
- xxi) Remittance of capital, profits and dividends;
- xxii) Airline remittances;
- xxiii) Foreign borrowing and external loan payment – (Private Sector);
- xxiv) Dealings in securities;
- xxv) Pilgrims services;
- xxvi) Demurrage;
- xxvii) Credit cards settlements;
- xxviii) Mortgage repayments;
- xxix) Payment to rating agencies.
- xxx) Any other transaction as may be prescribed from time to time by the Central Bank of Nigeria.

2. The Central Bank of Nigeria

The CBN shall be responsible for the issuance of guidelines and regulations for the operations of the Foreign Exchange Market as provided for in the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 17, 1995 LFN Cap F34 and the CBN Act 2007.

In addition, it has direct responsibility for the following:-

- i) Maintain surveillance over the Nigerian Foreign Exchange Market;
- ii) Deploy appropriate technology for effective administration of the Foreign Exchange Market and International Trade;
- iii) Design, print, keep custody and distribute Foreign Exchange Forms;
- iv) Prescribe instruments and currencies for transactions in the Foreign Exchange Market from time to time;
- v) Miscellaneous foreign exchange transactions.

3. Hotels

All hotels licensed as Authorised Buyers may receive payment of hotel bills in foreign currency and buy foreign currency from foreign guests subject to a limit of US\$5,000. Such foreign currency receipts shall be paid into its Foreign Currency Domiciliary Accounts with any bank in Nigeria, and can be used for eligible transactions in accordance with subsisting guidelines on the operation of Domiciliary Accounts. They can also exchange into foreign currency any unused Naira balance received from foreign guests, subject to evidence of the initial conversion.

4. Bureaux De Change (BDCs)

Bureaux de Change are licensed Authorised Buyers charged with the following responsibilities:

- i) to buy foreign bank notes, coins and Travellers' Cheques (TCs) from members of the public and any other source as may be prescribed from time to time by CBN;
- ii) to sell foreign bank notes and coins as Business and Personal Travel Allowance (BTA and PTA) subject to prescribed limit as specified in the guideline set by the CBN;
- iii) Bureaux de Change are allowed to disburse funds for the underlisted items and/or any transactions that may be specified from time to time by the CBN, subject to prescribed limit per transaction:-

- a) Mortgage payment;
 - b) School Fees (abroad);
 - c) Medical bills (abroad);
 - d) Utility bills; and
 - e) Life Insurance Premium payment.
- iv) All Authorised Buyers are required to render daily/monthly returns or as may be required from time to time by the Central Bank in respect of their foreign exchange transactions.

Memorandum 2

EXTERNAL TRANSACTIONS

1. Residents of Nigeria are allowed, on application and subject to existing regulation and appropriate documentation to:
 - a) make any payment to a person resident outside Nigeria;
 - b) place any sum to the credit of a person resident outside Nigeria;
 - c) borrow foreign currency from outside Nigeria.
2. All payments in any foreign currency/security to or for the credit of any non-resident shall be subject to completion of the appropriate foreign exchange forms, with supporting documents.
3. All payments in respect of import of goods and services, purchases and sales of foreign currencies outside Nigeria shall be remitted through an Authorised Dealer.
4. All receipts in respect of export of goods and services by residents of Nigeria shall be remitted through an Authorised Dealer.

Memorandum 3

SPECIFIED CURRENCIES

The foreign currencies listed below are instruments of transactions in the Foreign Exchange Market (FEM):

- i) Australian Dollar;
- ii) Canadian Dollar;
- iii) CFA Franc;
- iv) Chinese Yuan/Renminbi;
- v) Japanese Yen;
- vi) Euro;
- vii) Indian Rupee;
- viii) South African Rand;
- ix) Swiss Francs;
- x) United Kingdom Pound Sterling;
- xi) United States Dollar;
- xii) Any other convertible currency as may be determined from time to time by the Central Bank of Nigeria.

Memorandum 4

FOREIGN EXCHANGE FORMS

1. The following forms shall be used for foreign exchange transactions and such forms as may be introduced from time to time by the Central Bank:-

| <u>Title</u> | <u>Description of Form</u> |
|--------------|--|
| Form A - | Application to pay for service transactions (invisible trade transactions). |
| Form M - | Application to import goods (visible trade transactions). |
| Form NXP - | Application for commercial export of goods and services. |
| Form NCX - | Application for non-commercial export of goods and services. |
| Form TE - | Declaration of export of foreign currency and financial instruments above US\$10,000.00 or its equivalent, precious stones, jewellery and works of art (including antiquities) from Nigeria. |
| Form TM - | Declaration of import of foreign currency and financial instruments above US\$10,000.00 or its equivalent, precious stones, jewellery and works of art (including antiquities) into Nigeria. |

Memorandum 5

DEALINGS IN FOREIGN EXCHANGE

1. **Authorised Dealers may deal in spot, forward, futures or Swap in foreign exchange at market rates;**
 - a) among themselves;
 - b) with the Central Bank;
 - c) any other party the CBN may prescribe from time to time.

2. **Spot and Derivative transactions**

- a) **Spot**
 - i) Authorised Dealers may deal spot in any foreign currency (for delivery within a maximum of T+2 days) with residents of Nigeria, provided, that such transactions are trade-backed and supported with appropriate documents.
 - ii) Authorised Dealers may deal in spot with non-residents on the following basis:-
 - a) any specified foreign currency against the Naira;
 - b) any specified foreign currency against any other foreign currency.
 - iii) Such sales/purchases shall be for eligible transactions.

- b) **Forward Contract**

A foreign exchange forward contract is a contract for the purchase or sale of any foreign currency for delivery at a future date at a pre-determined exchange rate. It therefore, should be reflected in the bank's foreign currency trading position on deal date;

- i) Authorised Dealers may engage in forward transactions among themselves, between them and their customers or between them and the CBN.
- ii) For a forward contract to be so recognised in the bank's foreign currency position, it shall have the following characteristics:
 - a) A master forex agreement duly executed shall exist between the counter parties to the forex transactions;
 - b) A forward contract shall exist for the specific forward deal;
 - c) A deal slip evidencing the deal shall be raised;
 - d) The deal shall be so captured on the bank's blotter/ledgers;
 - e) A confirmation of the forward deal shall be sent to the counter party; and
 - f) The transaction shall be reported to the Central Bank of Nigeria.
- iii) Authorised Dealers may deal in forward with non-residents on the following basis:-
 - a) any specified foreign currency against the Naira;
 - b) any specified foreign currency against any other foreign currency.
- iv) Such sales/purchases shall be for eligible transactions.
- v) In all cases of forward sales/purchases of foreign currency by Authorised Dealers, such transactions are restricted to a tenor of 3 years or as may be prescribed by the Central Bank of Nigeria, from time to time.
- vi) Extension of forward contracts, where necessary, is allowed provided it does not exceed the maximum tenor of 5 years and/or the period beyond three years approved as stipulated in (v) above.
- vii) Relevant documentation supporting the underlying transaction shall be in place on the maturity date before delivery of foreign exchange.
- viii) Forward contracts shall count as contingent liabilities when computing single obligor limits.
- ix) Banks shall render monthly returns on forward contracts (sales and

purchases) entered into, to the Director, Banking Supervision Department, Central Bank of Nigeria. The returns shall also capture all cancelled contracts.

c) **Futures Contract**

A futures contract is a legal agreement, generally made on the trading floor of a futures exchange, to buy or sell a particular commodity or financial instrument at a predetermined price at a specified time in the future.

d) **Swap Contract**

Foreign exchange swap contract is an agreement between two parties to exchange a given amount of one currency for another and after a specified period of time, to give back the original amounts swapped.

- i) Authorised Dealers may engage in swap transactions among themselves or between them and their customers or between them and the CBN.
- ii) Both legs of the swap contract – the 'near' (spot) and 'far' (forward) legs shall be booked on the deal date of the swap transaction by the Authorised Dealer.
- iii) For a swap contract to be so recognised in the bank's foreign currency position, it shall have the following characteristics:
 - a) A master agreement duly executed shall exist between the counter parties to the transaction;
 - b) A swap contract shall exist for each swap deal;
 - c) A deal slip evidencing each deal shall be raised;
 - d) Each deal shall be captured on the bank's blotter/ledgers;
 - e) A confirmation of the swap deal shall be sent to the counter party; and
 - f) The transaction shall be reported to the Central Bank of Nigeria.
- iv) In all cases of swap by Authorised Dealers, such transactions are restricted to a tenor of 3 years. However, for eligible transactions with longer tenor, the approval of Director, Trade and Exchange Department, Central Bank of Nigeria, shall be obtained.
- v) Extension of swap contracts, where necessary, is allowed provided it does not exceed the maximum tenor of 5 years stipulated in (iv) above.

- vi) On maturity of the swap contract, it is mandatory that such funds are used for eligible transactions only.
- vii) Relevant documentation supporting the underlying transaction shall be in place on the maturity date **before** delivery of foreign exchange.
- viii) Banks shall render monthly returns on swap contracts entered into, to the Director, Banking Supervision Department, CBN, Abuja. The returns shall also capture all cancelled contracts.

3. **Foreign Currency Trading Position and Reporting Format**

a) **Foreign Currency Trading Position Limit**

In furtherance of the need for all banks to operate within the Foreign Currency Trading Position limit set by the CBN, all Authorised Dealers are advised of the following details for guidance:

- i) The Foreign Currency Trading Position limit is the sum of the structural balance sheet position in each currency plus the dealing position. It is the maximum exposure (long or short) allowed in foreign currency and/or currencies;
- ii) The Foreign Currency Trading Position advised by the CBN is based on the tolerable exposure of a bank which will not adversely affect its operations.

b) **Monitoring Compliance**

In order to monitor compliance with the Foreign Currency Trading Position, banks shall render daily returns on their foreign currency exposure to the CBN. The report shall reflect the net balance sheet and off balance sheet items at the close of business on the reporting date, including the sum of all long and short positions in each currency or currencies.

Reports should be submitted on-line in prescribed format to the Director, Trade & Exchange Department, CBN not later than 10.00 a.m. on the day following the reporting date.

4. **International Inward Money Transfers**

1. All inbound money transfers to Nigeria shall be disbursed to beneficiaries who operate a bank account or mobile money wallets with the agent. The maximum allowable cash withdrawal for inbound

money transfer shall not be more than the Naira equivalent of US\$500.00 and any amount in excess of US\$500.00 shall be paid through an account.

2. Where the beneficiary does not have a bank account or mobile money wallet, payments shall only be made upon the provision of a satisfactory/acceptable means of identification.

3. The rate shall be as advised by the CBN from time to time.

Memorandum 6

DEALING IN FOREIGN CURRENCY NOTES AND COINS

1. Authorised Dealers may deal in specified foreign currency notes and coins on a commercial basis on their own account at the prevailing exchange rates with:
 - i) Other Authorised Dealers.
 - ii) Bureaux de Change:
 - iii) Individual and corporate entities resident in Nigeria;
 - iv) Non-resident individual and corporate entities;
 - v) Any other entity as may be licensed by the CBN.

2. Transactions with Individual and corporate entities resident in Nigeria
Authorised Dealers may:
 - i) buy foreign currency notes and coins;
 - ii) sell foreign currency notes and coins.

3. Transactions with non-resident individual and corporate entities (other than visitors to Nigeria):-
Authorised Dealers may:-
 - i) buy foreign currency notes and coins;
 - ii) import and export foreign currency notes and coins into or out of Nigeria, subject to prior approval of the CBN.

4. Transactions with visitors to Nigeria
Authorised Dealers and Buyers may purchase foreign currency notes, and coins from visitors to Nigeria. At the time of their departure, such visitors may exchange the unutilized balance of Nigerian currency to foreign currency provided there is evidence of initial conversion. Such an exchange is without limit if done through an Authorised Dealer, while an Authorised Buyer can exchange up to a limit of US\$5,000.00 or its equivalent in other foreign currency.

Memorandum 7

**IMPORT AND EXPORT OF FOREIGN CURRENCY,
BILLS OF EXCHANGE, ASSURANCE POLICIES,
ANNUITIES, ETC**

1. Import

- a) Foreign currency either in cash or any other credit instrument not exceeding US\$10,000.00 or its equivalent in other foreign currencies may be imported into Nigeria by a person without declaration.

However, any amount above US\$10,000.00 or its equivalent in other foreign currencies shall be declared at the point of entry.

- b) Authorised Dealers can import foreign currency to meet their local cash needs, subject to the prior approval of the CBN.

2. Export

- a) The following may be exported from Nigeria
 - i. without declaration, foreign currency either in cash or any other credit instruments not exceeding US\$10,000.00 or its equivalent in other foreign currencies;
 - ii. any amount in excess of US\$10,000.00 but not more than US\$50,000.00 or its equivalent in other foreign currency provided the whole amount is declared at the point of exit;
 - i) any amount above US\$50,000.00 or its equivalent in other foreign currencies subject to evidence of transaction/procurement through an Authorised Dealer.
- b) Foreign currency notes, drafts, etc, brought into the country less expenses incurred, except foreign currency notes and coins held as ship or aircraft fund.

- c) Authorised Dealers may export foreign currency notes and coins subject to the prior approval of the CBN.
- d) Authorised Dealers may send for collection, notes, bills of exchange, promissory notes, Travellers' Cheques and drafts denominated in foreign currency.

3. Assurance Policies and Annuities

Authorised Dealers may export:

- a) to any country proceeds of assurance policies and annuities taken by non-residents where such non-residents do not have non-resident accounts subject to CBN approval;
- b) proceeds of assurance policies and annuities denominated in foreign currency owned by residents for collection at maturity or for endorsement and return to Nigeria subject to CBN approval.

4. Importation/Exportation of Nigerian Currency Notes and Coins

- a) A traveller from/to Nigeria is allowed to carry Nigerian currency notes and coins not exceeding N100,000.00 without declaration;
- b) Any export or import of Nigerian currency notes and coins in excess of N100,000.00 is subject to declaration and prior approval of the CBN

Memorandum 8

TRAVELS

1. Personal, Business and Pilgrimage Travel Allowances

The allowable limit for Personal Travel Allowance (PTA) and Business Travel Allowance (BTA) is US\$4,000.00 and US\$5,000.00 per quarter, respectively.

- i) Authorised Dealers and Buyers may sell foreign exchange to Nigerians:-
 - a) For personal and business travel (PTA/BTA) outside Nigeria subject to the following documentation requirements:
 - Completed Form A;
 - valid international passport with visa;
 - International return ticket;
 - b) Intending pilgrims subject to the amount approved by the Federal Government.

For the avoidance of doubt, quarter means: January – March; April – June; July – September; and October – December. Only persons, 18 years old and above are qualified to purchase PTA.

2. Business Travel

Applications for foreign exchange for Business Travel shall be submitted to either Authorised Dealers or Authorised buyers (BDCs) supported with the following documents:-

- i) Duly completed Form 'A';
- ii) Letter of request from the corporate body stating the purpose of the visit addressed to the processing bank/BDC;

- iii) Certificate of the business registration/incorporation;
- iv) Travel documents – valid international passport with relevant visa and international return air ticket;
- v) Letter of invitation from overseas business partner.

However, travelers on business trip who are entitled to BTA shall not be eligible for PTA while on the same trip or vice versa.

3. Foreign Medical Treatment

Authorised Dealers may sell foreign exchange for medical treatment outside Nigeria supported with the following documents:-

- i) Duly completed Form A
- ii) A letter of reference from a *specialist doctor*, or a specialist hospital, in Nigeria.
- iii) Travel documents including valid international passport, visa and air ticket.
- iv) Letter issued by the overseas specialist doctor stating the cost of treatment and maintenance,
- v) Payment of the medical fees shall be remitted directly to the overseas hospital while the maintenance cost shall be in favour of the patient.

Authorised buyers can sell medical travel allowance subject to a limit of US\$5,000.00 per transaction.

4. Endorsement of International Passport

Authorised Dealers and buyers are required to endorse the amount of PTA/BTA, medical maintenance cost disbursed and the transaction date on the International Passport of the applicant. This shall be done at the time of release of foreign exchange with the official stamp of the Authorised Dealer or Bureaux de Change. Photocopies of the passport/travel documents shall be retained for record purposes.

5. Licensed Hotels

5.1 Hotels licensed as Authorised Buyers may purchase any foreign currency from guests subject to:-

- a) Issuance of a receipt to the guest indicating;

- i) the name, address and passport number;
 - ii) the amount purchased in foreign currency and the rate at which the amount was purchased.
- b) Record of transactions should be maintained by the hotel and be made available for inspection by authorised officers of the Central Bank of Nigeria;
- c) The proceeds shall be paid into a domiciliary account opened for that purpose. Such funds shall be used by the hotel for eligible transactions only;
- d) A maximum limit of US\$5,000.00 per approved transaction.

5.2 At the time of departure of the foreign guest, any unutilized Naira balance from the initial foreign currency conversion may be exchanged into foreign currency, subject to documentary evidence of the initial conversion.

5.3 Monthly returns on the total purchases and sales of foreign currency, including nil returns, where applicable, shall be submitted not later than 5 days after the end of each month to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja.

Memorandum 9

IMPORTS

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 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 360 days, which may be extended for another 180 days by the Authorized Dealer. For capital goods, the initial validity of an approved e-Form 'M' shall be 720 days' subject to a maximum extension of another 360 days. However, any subsequent request for 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 e-form 'M' 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, shall 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.
5. The e-Form 'M' (which shall have a validity period of one year) and the relevant pro-forma invoice 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 registration by the Nigeria Customs Service (NCS). Consequently, Authorized Dealer Banks 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 and 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. Instruction Manual;
 - ii. Safety information and/or safety signs;
 - iii. A guaranty/warranty of at least six months.
 12. Importation of products not properly labeled shall automatically qualify for seizure and destruction, without warning and subject to prosecution.
 13. Any false or fraudulent misrepresentation of facts will result in impoundment/seizures.
 14. All imports into the country shall be accompanied by the following documents

- a. Certificate of Origin, which 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 and Country of Supply.
- b. Final/Commercial Invoice;
- c. Packing List;
- d. Shipped/Clean on Board Bill of Lading/Airway Bill/Railway Bill/Road Waybill;
- e. Manufacturer's Certificate of production, the Phytosanitary Certificate or Chemical Analysis Report, which shall state standards, where applicable, should be made available;
- f. 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), shall be routed from the Beneficiary/Supplier through his/her bank to the issuing bank. For the avoidance of doubt, on no account shall a bank endorse or pay on documents that do not comply with the routing outlined above;
- ii. For Bills for Collection transactions, documents shall be routed 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 shall forward the documents directly to the applicant bank that validates the e-Form 'M'.

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 fees 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, Trade & Investment;
 - ii. The Authorized Dealer shall forward to the Nigeria Customs Service (NCS) Federal Ministry of Industry, Trade & Investment (Industrial Inspectorate Department) and the Trade and Exchange Department, Central Bank of Nigeria, copies of the Contract Agreement and Pro-forma invoice(s) of such projects for monitoring purposes;
 - iii. 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 Industry, Trade & 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 Industry, Trade & 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 subject to 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 documents attached:
 - a) Profoma Invoice;
 - b) Insurance Certificate;
 - c) Regulatory Certificate/Permits (e.g. NAFDAC, SON, DPR, NPQS, NESREA etc.).
2. However, the originals of the Documents listed in (1) above should be submitted to the processing bank prior to validation.

3. Upon receipt of duly completed and submitted copy of the e-Form 'M' from the importer, the Authorized Dealer shall:
 - a) ensure that the e-Form 'M' is duly completed;
 - b) compare the attached documents with the original;
 - c) carryout 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-Form '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 of 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. However, if the e-Form 'M' is "REJECTED", NCS shall state reason(s) for rejection and immediately return the e-Form 'M' for necessary rectification;
4. After registration of the e-Form 'M' and the receipt of the Final Import documents from the Authorized Dealer, NCS shall generate Pre-Arrival Assessment Report (PAAR) within six (6) hours;
5. Coordinate the Mandatory Joint Examination and sign-off Form within Official working hours, including Saturdays;
6. Circulate cargo manifests to other examination agencies, as soon they are received to enable enough time for risk assessment and profiling;
7. Strengthen the Nigeria Integrated Customs Information System (NICIS) to accommodate more agencies.

D. RESPONSIBILITIES OF IMPORTER

1. It shall be the duty of the importer to ensure that the supplier makes

- available the pro-forma invoice(s) in accordance with the imports procedure of the country. As a result, there shall 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 are genuine and verifiable;
 3. The importer shall ensure that Final Documents are forwarded to the Authorized Dealer by the Supplier before the arrival of the goods/consignment to facilitate quick clearance;
 4. All requirements listed under the imports procedure shall be complied with before documents are submitted to the Authorized Dealer;
 5. 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 SUPPLIER

1. On consignment of goods for shipment, the overseas supplier shall make available two sets each, of original Certificate of Origin (CO); Transport documents (Bill of Lading, Airway Bill, Road Waybill, etc) and Packing list to his/her bank;
2. On receipt of the documents listed in (1) above, the supplier's bank shall forward them through the relevant correspondent bank to the Authorized Dealer for Letters of Credit transactions;
3. For transactions requiring the issuance of electronic Certificate of Capital Importation and/or those involving supplier's credit, documents shall be forwarded by the supplier's bank to the Nigerian bank;
4. In the case of Bills for Collection transactions, two sets of original documents shall be forwarded to the Authorized Dealer through the supplier's bank or the offshore correspondent bank of the processing bank;
5. For transactions "Not-valid for foreign exchange" two sets of original documents shall be forwarded by the supplier directly to the bank that validates the e-Form 'M'.

F. RESPONSIBILITIES OF AUTHORIZED DEALERS:

1. Upon receipt of the documents listed in (E) above the Authorized Dealer shall endorse and upload them to Pre-Arrival Assessment Report (PAAR) system for issuance of PAAR;
2. For remittance in respect of imports, only the amount on the Commercial Invoice/Final Invoice shall be remitted;
3. Carry out proper Know-Your-Customer (K-Y-C) and be satisfied that all the relevant documents forwarded are genuine;
4. Authorised Dealer are to ensure that shipping documents are received within 21 days of shipment and shall retain evidence for the purpose of monitoring by CBN;
5. Authorised Dealers are to refer any policy issue of which they are in doubt to the Director, Trade and Exchange Department for clarification in accordance with the provisions of Memorandum 26 (10) of the Foreign Exchange Manual.

G. RESPONSIBILITIES OF NIGERIAN PORTS AUTHORITY (NPA)

1. Shall receive cargo manifests from shipping Lines before the ship leaves the Last Port of Call and circulate to other Regulatory Agencies for risk assessment and profiling;
2. Shall be responsible for Traffic Management of vessels;
3. Shall ensure Pilotage of vessels.

H. RESPONSIBILITIES OF SHIPPING LINES AND OTHER CARRIERS

1. It shall be the responsibility of Shipping lines and other 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 SHALL 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 shall be made available to the NCS electronically immediately the vessel departs the last port of call;

4. Shipping Lines shall transmit to NCS and NPA cargo manifests before leaving the last Port of Call;
5. Shipping Lines shall ensure that Nigeria bound containerized cargo are palletized.

I. SANCTION

1. Shipping Lines and other Carriers that fail to transmit cargo manifest, shall be denied berthing by NPA.

J. IMPORT DUTY PAYMENT

1. Importers shall continue to pay an administrative charge of 1% of FoB value of all imports, except where exempted;
2. Applicable exchange rate for the purpose of import duty payments shall be the daily FX closing rate on the date of the duty assessment as published on the CBN website. All imports shall continue to be assessed at the C.I.F. value of the goods;
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, if it is a Designated Bank. However, for e-Form 'M' transactions processed by non-Designated Banks, payment of import duty shall be at any of the Designated Banks, while a copy of the duty payment receipt shall be made available to the processing bank by the importer;
4. For transactions in respect of dutiable personal effects payment of duty can be made at any preferred Designated Bank;
5. The Designated Bank will match printed assessment notice with the electronically received assessment notice for the Single Goods Declaration (SGD). If the information tallies, the bank will receive payments and issue signed Bank receipt;
6. The Designated Bank shall send an e-confirmation message to NCS acknowledging receipt of duty and taxes in respect of the SGD;
7. All payments shall continue to be electronically transferred daily by Designated Banks to the respective pool accounts with CBN, failing which necessary sanctions shall apply.

8. **Import Duty Dispute Resolution Mechanism:-**
Dispute arising from import duty payment shall be resolved through the following processes:
- i. Any discrepancy on declaration shall be entered into Inspection Act and appropriately modified;
 - ii. If dispute persists, the importer shall be allowed to carry his goods on bank guarantee;
 - iii. Importer shall thereafter apply for a tariff/valuation decision;
 - iv. If not satisfied with the decision, the importer may appeal to the Honourable Minister of Finance, Federal Republic of Nigeria, any Court of competent jurisdiction and World Customs Organization (WCO) for redress.

K. DOCUMENTATION REQUIREMENTS FOR IMPORT PAYMENTS UNDER THE DESTINATION INSPECTION SCHEME

1. **Confirmed Letter of Credit**
 - i) Registered e-Form 'M';
 - ii) Certificate of Origin (CO);
 - iii) Manufacturer's Certificate with standards adopted stated thereon;
 - iv) Clean/Shipped on Board Bill of Lading/Airway bill/Roadway bill;
 - v) Final/Commercial Invoice;
 - vi) Packing List;
 - vii) Letter of Credit instrument.

2. **Bills for Collection Transactions**
 - i) Registered e-Form 'M';
 - ii) SGD print out;
 - iii) PAAR;

- iv) Certificate of Origin (CO);
- v) Manufacturer's Certificate;
- vi) Shipped / Clean on Board Bill of Lading/Airways Bill / Road waybill;
- vii) Final/Commercial Invoice;
- viii) Import Duty Payment receipt with SGD No. stated thereon;
- ix) Bill history;
- x) Bill of exchange;
- xi) Tally Sheet/Gate Pass;
- xii) Packing List.

L. DOCUMENTS TO BE SUBMITTED BY THE IMPORTER TO THE PROCESSING BANK AFTER CLEARANCE OF GOODS:

- i. Pre-Arrival Assessment Report (PAAR);
- ii. Single Goods Declaration (SGD) Print out;
- iii. Certificate of Origin (CO);
- iv. Packing List;
- v. Import Duty Payment receipt with the SGD number clearly stated thereon;
- vi. Manufacturer's Certificate with Standards adopted stated thereon;
- vii. Laboratory/Phytosanitary Test Certificate for chemicals, food, beverages, etc;
- viii. Terminal Delivery Order/Gate Pass;
- ix. Bill of Lading/Airway Bill/Road Waybill, etc.;
- x. DPR Product Certificate for Petroleum products;
- xi. SONCAP Certificate for SON regulated products.

M. CLEARANCE PROCEDURES

1. Preparation of Single Goods Declaration (SGD):

- a. Declarants shall 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.
- b. The SGD is prepared using **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 declaration to Customs**

Note:

- While capturing the SGD, specify the bank at which Customs Duty will be paid. It shall be the bank indicated as the designated duty collection bank on the e-Form 'M';
- 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 Notice to the appropriate bank;
- After capturing the SGD correctly, the Assessment option should be selected and 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's receipt;

- c. The bank then sends an e-confirmation message to NCS acknowledging receipt of duty and taxes in respect of the SGD.

3. Customs Control

At the Customs control, the release of consignment will be subject to selectivity of the Custom's Automated Risk Management System after payment of duty.

4. 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.

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

After Customs have cleared the consignment, Terminal Operators shall issue Exit Note to NCS.

6. Personal Effects:

In the case of personal effects, the applicant shall forward relevant documents to the 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 commercial imports.

Memorandum 10

EXPORTS

Any person intending to export any product from Nigeria shall in the first instance, process the Nigerian Export Proceeds Form (Form NXP) through an Authorized Dealer Bank irrespective of the value and whether or not payment is involved.

A) NON-OIL EXPORTS

1. All non-oil exports from Nigeria shall be subject to inspection by the Pre-shipment Inspection Agent(s) (PIA) appointed for that purpose by the Government.
2. Goods prohibited for exportation from Nigeria as contained in the annual Fiscal Policy measures shall not be inspected by a Pre-shipment Inspection Agent(s).
3. The focus of the Pre-shipment Inspection Agents (PIAs) shall be to ascertain the quality, quantity and price competitiveness of exports from Nigeria.
4. An exporter shall collect for completion a set of Form NXP in sextuplicate from any bank of his choice. The completed Form NXP shall be returned to the same bank not less than five (5) working days prior to loading. On receipt of the completed form, the bank shall assign a number to it, register and endorse same. The bank shall retain the original copy and send the remaining copies to the Pre-shipment Inspection Agent(s) within three (3) days of receipt and a photocopy to the exporter within twenty four (24) hours.
5. The exporter shall open an export domiciliary account with any bank in Nigeria with which the Form NXP was registered.
6. The exporter shall retain a photocopy of the Form NXP and use the NXP

- number as reference in all dealings with the issuing bank, Central Bank of Nigeria, Pre-shipment Inspection Agent(s), Nigeria Customs Service and any other relevant Agency.
7. The Form NXP shall be utilized within six (6) months from the date of registration. On expiration, the bank can process and approve an exporter's first request for the extension of an expired Form NXP for a period of not more than ninety (90) days. Any subsequent request for extension shall be forwarded by the bank to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja for determination.
 8. Following the completion of the Form NXP, the exporter shall collect a REQUEST FOR INFORMATION (RFI) Form from the Pre-shipment Inspection Agent. The purpose of the RFI Form is to enable the Inspection Agents to coordinate with the exporter, a date and time for the inspection.
 9.
 - (a) The exporter shall submit the completed RFI to the Pre-shipment Inspection Agent(s), along with all other relevant documents relating to the export transaction not less than 5 days prior to shipment.
 - (b) The PIA(s) shall set up websites for interaction and online processing of export applications.
 10. The exporter shall be required to pay to a designated bank immediately after inspection of the non-oil export but prior to the issuance of Clean Certificate of Inspection (CCI), the Nigerian Export Supervision Scheme (NESS) Levy which is currently 0.5% of the F.O.B value of the exported non-oil products and deliver the receipt to the PIA within five (5) days of the payment.
 11. The exporter shall also request and collect a BILL OF LADING DECLARATION FORM from the PIA which shall be completed after loading and submitted thereafter to the PIA.
 12. The Pre-shipment Inspection Agent(s) shall inspect the quality & quantity, determine the fair value of the exports and issue a (CCI) in respect of such exports after receipt of Form NXP and NESS Levy receipt. The PIA shall

collaborate with other relevant regulatory agencies (e.g. NAFDAC, SON, Plant and Animal Quarantine, Federal Produce Inspectorate, etc.) for quality inspection of regulated products.

13. The exporter shall retain a photocopy of the Form NXP and use the NXP number as reference in all dealings with the Central Bank of Nigeria, the Pre-shipment Inspection Agent(s) and the Nigeria Customs Service within five (5) days of the inspection.
14. The Pre-shipment Inspection Agent(s) shall complete its own section in the NXP Form, send the second copy to the Central Bank of Nigeria, retain a photocopy and forward the remaining four copies to the Nigeria Customs Service.
15. After completing its section of the form, the Nigeria Customs Service shall retain the third copy and distribute the remaining three copies as follows:
 - Fourth copy to the Central Bank of Nigeria;
 - Fifth copy to the Nigerian Export Promotion Council;
 - Sixth copy to the exporter. (The exporter shall make a photocopy and submit to the processing/collecting bank to update its records).
16. The Pre-shipment Inspection Agent(s) shall ensure the quality & quantity, advise the fair value of the products exported and shall, if satisfied, issue a Clean Certificate of Inspection (CCI) in respect of such products. The CCI shall comprise eight (8) original copies which shall be distributed as follows:
 - 1st to the exporter for the Buyer;
 - 2nd to the exporter for his bank;
 - 3rd to the exporter for ship/freight Agent;
 - 4th to the Nigerian Export Promotion Council;
 - 5th to the Nigeria Customs Service (Area Comptroller at the Port of shipment);
 - 6th to the Federal Ministry of Finance;

- 7th to the Central Bank of Nigeria;
 - 8th to the Nigerian Ports Authority;
 - A Certified True Copy each to the Nigeria Customs Service (Headquarters) and National Bureau of Statistics (NBS).
17. A Non-Negotiable Certificate of Inspection (NNCI) shall be issued by the PIA where discrepancy exists.
 18. The inspection shall take place at the approved location in the presence of the Nigeria Customs Service and other relevant Agencies. After the receipt of RFI and other relevant documents, the PIA shall schedule inspection within 48 hours and issue CCI within 72 hours after inspection of the consignment.
 19. The exporter shall provide necessary logistics at the export terminals/warehouses to enable the Pre-shipment Inspection Agent(s) perform the inspection.
 20. Where exports involve processed food, drugs, animals, plants or condensate, the relevant Government Agencies shall be invited for certification.
 21. Exporters should be aware that once goods have been inspected and CCI issued, any variation between goods presented for loading and those confirmed by the CCI will render the exporter liable to penalties in accordance with the Laws of the Federal Republic of Nigeria.
 22. The Nigeria Customs Service shall ensure that any cargo without a CCI duly issued by a Government appointed Pre-shipment Inspection Agent is not loaded into the sea-going vessel, aircraft or border crossing vessel.
 23. Repatriation of Export Proceeds:
 - (a) All exporters shall ensure that export proceeds are repatriated and credited to their export domiciliary account within 180 days from the Bill of Lading date;
 - (b) Letters of Credit (LC), Bills for Collection and Advance Payment shall be accepted for all exports from Nigeria;

- (c) It is the responsibility of the Central Bank of Nigeria to monitor Authorised Dealers on the repatriation of all export proceeds.
24. The Nigeria Customs Service shall submit to the Director, Trade and Exchange Department, Central Bank of Nigeria, on a monthly basis, shipment copies (Fourth copy) of the Form NXP to cover the period's export transactions.
25. The Pre-shipment Inspection Agent(s) shall submit monthly, quarterly and annual statistical returns on export transactions to the Federal Ministry of Finance, Central Bank of Nigeria, Nigerian Export Promotion Council, National Bureau of Statistics, Office of the Secretary to the Government of the Federation and the Nigeria Customs Service.

B) OIL AND GAS EXPORTS

Any person intending to export oil and gas and related products from Nigeria shall, in the first instance, process the Nigerian Export Proceeds Form (Form NXP and any other form so prescribed) through an Authorized Dealer irrespective of the value and whether or not payment is involved.

The following procedures shall apply in respect of all Oil, Gas and related products exported from Nigeria:

1. All Oil, Gas and related products exported from Nigeria shall be subject to inspection by Pre-shipment Inspection Agent(s) (PIAs) appointed for that purpose by the Government;
2. The focus of the Pre-shipment Inspection Agent(s) (PIAs) shall be to ascertain the quality, quantity and price competitiveness of the exports;
3. An exporter shall collect for completion a set of Form NXP in sextuplicate from any bank of choice. The completed Form NXP shall be returned not less than five (5) working days prior to loading. On receipt of the completed form, the bank shall assign a number to it, register and endorse same. The Bank shall retain the original copy and send the remaining copies to the Pre-shipment Inspection Agent(s) within three (3) working days of receipt and a photocopy to the exporter within twenty four (24) hours;

4. The exporter shall open an export domiciliary account with any bank in Nigeria with which the exporter registered the Form NXP in the first instance. The Form NXP shall be completed in sextuplicate in respect of each export transaction;
5. The Exporter shall retain a photocopy of the form NXP and use the NXP number as reference in all dealings with the bank, Central Bank of Nigeria, Pre-shipment Inspection Agent(s), Nigeria Customs Service and any other relevant agency.
6. The Form NXP shall be utilized within ninety (90) days from the date of registration. On expiration, the bank can process and determine an exporter's first request for the extension of an expired form NXP for a period not more than ninety (90) days. Any subsequent request for extension shall be forwarded by the bank to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja for determination.
7. The exporter shall be required to pay to a designated bank within thirty (30) days from the date of shipment, the Nigerian Export Supervision Scheme (NESS) Levy which is currently 0.12% of the F.O.B value of the exported crude oil/gas and related products.
8. (a) Following the completion of the Form NXP, the exporter shall collect a REQUEST FOR INFORMATION (RFI) Form from the Pre-shipment Inspection Agent. The purpose of the RFI form is to enable the PIA to coordinate with the exporter, a date and time for the export.
 (b) The PIAs/MEAs shall set up a website each for interaction and online processing of export applications.
9. After the receipt of RFI and other relevant documents, the PIA shall schedule inspection within 48 hours and issue CCI within 72 hours of inspection.
10. The exporter shall also collect and complete a BILL OF LADING DECLARATION FORM from the Pre-shipment Inspection Agent(s) after loading and submit thereafter to the Pre-shipment Inspection Agent(s).

11. The inspection shall take place at the oil/gas export terminals. The following Government Agencies shall be present during the exercise; Nigeria Customs Service (NCS), Department of Petroleum Resources (DPR), Weights and Measures Department (W&M) of the Federal Ministry of Industry, Trade and Investment, the Crude Oil Marketing Division (COMD) of the Nigerian National Petroleum Corporation (NNPC) and any other Government Agency that may be assigned.
12. The exporter shall liaise with the Terminal Operator for the provision of necessary logistics to enable the Pre-shipment Inspection Agent(s) perform the inspection at the export terminal.
13. Units of measurement with respect to quantity determination and quality specification in the oil and gas industry should be appropriately reflected in the NXP Form.
14. The Pre-shipment Inspection Agent(s) shall complete their respective section of the Form NXP, send the second copy to the Central Bank of Nigeria, retain a photocopy and forward the remaining four copies to the Nigeria Customs Service within five (5) days of the export date.
15. After completing its section in the Form NXP, the Nigeria Customs Service shall retain the third copy and distribute the remaining three copies as follows:
 - Fourth copy to the Central Bank of Nigeria;
 - Fifth copy to the Department of Petroleum Resources (DPR);
 - Sixth copy to the exporter (The exporter shall make a photocopy and submit to the processing/collecting bank to update its records).
16. The DPR shall submit monthly reports on the quality and quantity of Oil/Gas and related exports to NESS Technical Committee for the purpose of reconciliation.
17. The Pre-shipment Inspection Agent(s) shall ensure quality, quantity and advice the fair value of the products exported and if satisfied, issue a Clean Certificate of Inspection (CCI) in respect of such products. The CCI shall comprise eight (8) original copies which shall be distributed as follows:
 - a. 1st to Exporter for the Buyer;

- b. 2nd to Exporter for his bank;
 - c. 3rd to Exporter for ship/freight Agent;
 - d. 4th to the Department of Petroleum Resources (DPR);
 - e. 5th to the Nigeria Customs Service (Area Comptroller at the Port of shipment);
 - f. 6th to the Federal Ministry of Finance;
 - g. 7th to the Central Bank of Nigeria;
 - h. 8th to the Nigerian Ports Authority;
 - i. A Certified True Copy to the Nigeria Customs Service (Headquarters), National Bureau of Statistics (NBS) and the Weights and Measures Department of the Federal Ministry of Industry, Trade & Investment.
18. In the event of rejection of product(s) and other related issues, the exporter shall be contacted for explanation. A Non-Negotiable Certificate of Inspection (NNCI) is to be issued by the PIA where discrepancy exists between the assessed value and the value earlier declared by the exporter.
19. (a) No export permit shall be processed by the DPR for any exporter that defaults in filling the Form NXP and paying the required NESS levy.
- (b) On completion of loading but before sailing, the Pre-shipment Inspection Agent(s) shall issue to the exporter at the terminal, a Provisional Certificate of Inspection reflecting the information contained in the Bill of Lading and stating the NXP number. The Provisional Certificate of Inspection shall be distributed along the distribution pattern of the CCI.
20. Repatriation of Export Proceeds:
- (a) All exporters shall ensure that export proceeds are repatriated and credited to their export domiciliary account within 90 days from the Bill of Lading date;
- (b) Letters of Credit (LC), Bills for Collection, and Advance Payment shall be accepted for all exports from Nigeria;

- (c) It is the responsibility of the Central Bank of Nigeria to monitor the repatriation of all export proceeds.
21. The Nigeria Customs Service shall submit to the Director, Trade and Exchange Department of the Central Bank of Nigeria on a monthly basis, shipment copies (Fourth copy) of the NXP Form to cover that period's export transactions.
 22. The Pre-shipment Inspection Agent(s) shall submit monthly, quarterly and annual statistical returns on export transactions to the Federal Ministry of Finance, Central Bank of Nigeria, Federal Ministry of Industry, Trade & Investment, Directorate of Petroleum Resources, National Bureau of Statistics, Office of the Secretary to the Government of the Federation and the Nigeria Customs Service.
 23. For the Pre-shipment Inspection of oil and gas exports, the focus of the inspection shall be as follows:
 - (a) **Quality Inspection.**
 - i. The Terminal Operator shall inform the Pre-shipment Inspection Agent(s) of all scheduled exports and provide all relevant details relating to vessel(s) nomination;
 - ii. The Pre-shipment Inspection Agent(s) shall participate in the entire fiscalisation and defiscalisation processes at the export terminals (Land based, Floating Production Storage and Offtake (FPSO) and Floating Storage and Offtake (FSO), as members of the team charged with those responsibilities at the terminals;
 - (b) **Quantity Inspection**
 - i. The Pre-shipment Inspection Agent(s) shall compute the export volume data as other members of fiscalisation and defiscalisation team, using approved Standard, Guidelines and Procedures issued by the DPR;
 - ii. All parties that participate in the fiscalisation and defiscalisation processes shall reconcile their independent export volume data with the Terminal Operator and the DPR;
 - iii. The fiscalisation/defiscalisation team shall include the representatives of the following:

- a. Terminal Operator;
- b. DPR and independent cargo surveyors appointed by the buyer;
- c. NNPC-COMD (Crude Oil Marketing Division);
- d. NCS;
- e. PIA/MEA (Monitoring & Evaluation Agency);
- f. Weights and Measures Department of Federal Ministry of Industry, Trade and Investment.

(c) Price Competitiveness.

The PIA shall ensure that the quoted export prices are competitive with what obtains in the international market.

Memorandum II

GUARANTEES/PERFORMANCE BONDS

1. GUARANTEES/PERFORMANCE BONDS

Authorised Dealers may provide the following facilities to their customers without recourse to the Central Bank:

- a) Guarantees on behalf of their customers in the ordinary course of business, such as, guarantee given in respect of missing documents, the authenticity of signatures, the release of goods under trust, receipts, etc;
- b) Dealings in any guarantee or similar undertaking, the implementation of which would involve a payment to a resident outside Nigeria or a payment in any foreign currency; and
- c) Authorised dealers are allowed to purchase Foreign Exchange from the Foreign Exchange Market to settle claims, subject to the under-listed documents:
 - i) Duly completed Form 'A';
 - ii) Statement of Claim;
 - iii) Evidence of Underlying Contract;
 - iv) Independent Arbitrator confirming default in payment.

2. FOREIGN GUARANTEES ON NAIRA DENOMINATED LOANS

Foreign guarantees on Naira Loans shall be allowed subject to the following:

2.1 SCOPE

Foreign guarantees for Naira denominated loans shall be limited to a bank guarantee and/or foreign currency deposits whether in foreign banks or in a domiciliary account with a bank in Nigeria.

2.2 ELIGIBILITY

Only projects in the following sectors shall be considered eligible for the concession:

- a) Agriculture;
- b) Manufacturing;
- c) Building/Construction (equipment and real estate development);
- d) Solid Minerals;
- e) Telecommunications (excluding merchandising);
- f) Information Technology (software development, assembling of computer hardware and orbital satellite system installation);
- g) Oil, Gas and Energy;
- h) Tourism Development;
- D) Any other sector that the CBN may, from time to time approve.

2.3 STATUS OF FOREIGN GUARANTOR

The foreign guarantor shall be a bank that is acceptable to the Central Bank of Nigeria in the case of bank guarantee. Where the guarantee is based on foreign currency deposits, the funds shall be held in a bank acceptable to the Central Bank.

2.4 SINGLE OBLIGOR LIMIT

Banks are reminded at all times, to keep the risk exposure to customers within their single obligor and loan deposit limits as determined from time to time by the CBN.

Memorandum 12

INSURANCE PAYMENTS

1. Applications for imports shall be supported by documentary evidence of insurance which shall be taken in Nigeria. However, where an importer for one reason or the other, requires taking insurance overseas, it should be regarded as additional to the mandatory local insurance. For such insurance cover taken overseas, only own funds can be used. However, premium remittances on oil and gas and special risks which are handled by foreign broker/insurer can now be undertaken in the foreign exchange market subject to the following documentation requirements.
 - a) Duly completed Form 'A';
 - b) Demand/Invoice from foreign broker/insurer;
 - c) Policy document;
 - d) Letter of attestation from the National Insurance Commission (NAICOM).

Authorised Dealers are, therefore, enjoined to ensure strict compliance.

2.
 - a) Insurers in Nigeria shall not issue to citizens of Nigeria domiciled in Nigeria annuities and policies covering all classes of insurance which are expressed in foreign currency;
 - b) Annuities and policies covering all classes of insurance owned by residents of Nigeria shall not be assigned to non-residents.
3. Insurers in Nigeria may issue to citizens of Nigeria domiciled outside Nigeria, annuities and policies covering all classes of insurance which are expressed in Nigerian currency or in any foreign currency.
4. Claims in respect of (3) above will be made in the currency in which the premium was paid.

5. Nigerian insurers, without recourse to the Central Bank of Nigeria, can make insurance payments of the types listed below to beneficiaries outside Nigeria through Authorised Dealers:-
 - a) Death claims, maturity proceeds, surrender values, part surrenders and surrenders of bonus due to the insured under life or endowment assurance policies and payment to an annuitant under an annuity contract subject to the following documentation requirements:
 - i) Duly completed Form 'A';
 - ii) Demand Note/Debit Note from foreign Broker/Insurer;
 - iii) Policy document;
 - iv) Letter of attestation from NAICOM.

6. A resident of Nigeria who had taken an insurance policy abroad before returning to Nigeria is allowed to remit money to meet premium obligations. The Authorised Dealer through which the remittances are made shall require the policy-holder to deposit the policy or annuity with them. At maturity, the proceeds of the insurance policy shall be repatriated and lodged in the insured's Ordinary Domiciliary Account.

The documentation requirements for remittance for this category of personal insurance are:

 - a) Duly completed Form 'A';
 - b) Demand Note/Invoice;
 - c) Photocopy of insurance policy as evidence that it was taken abroad.

7. A foreign national who had taken an insurance policy before coming to Nigeria, shall pay for the premium from Personal Home remittance.

8. The following documents are required in respect of remittance for re-insurance:-
 - a) Duly completed Form 'A';
 - b) Re-insurance Agreement;

- c) Letter of Attestation in respect of the genuineness of the insurance contract and the reasonableness of the premium issued by the National Insurance Commission (NAICOM);
- d) Demand Note/Invoice.

9. **INSURANCE OF AIRCRAFTS OPERATING IN NIGERIA**

The following documents are required in respect of remittance of insurance for aircrafts:

- a) Duly completed Form 'A';
- b) Valid Air Operator's Certificate issued by NCAA;
- c) Insurance Policy;
- d) Demand note/Invoice;
- e) Letter of attestation issued by National Insurance Commission (NAICOM).

Memorandum 13

PAYMENTS IN RESPECT OF FISHING & SHIPPING VESSELS AND AIRCRAFTS

1. Applications for repair and maintenance as well as contracts for the lease/charter of aircraft and marine vessels are to be determined by Authorised Dealers.
2. i) A down payment not exceeding 15% of the cost of repairs/maintenance is Permissible, subject to the following documentation requirements:
 - a) Duly completed Form 'A' covering 100% of cost of repairs/maintenance;
 - b) Duly executed Agreement;
 - c) A guarantee or performance Bond for the value of the down payment, issued by a recognized bank in the Country where maintenance/repairs is to be carried out;
 - d) Demand note/Invoice;
 - e) Confirmation of reasonableness of the fees from the Nigerian Maritime Administration and Safety Agency (NIMASA) or Nigerian Civil Aviation Authority (NCAA) as applicable.
- ii) **Subsequent Payments:**
 - a) Duly completed Form 'A' for total cost (photocopy);
 - b) Demand Note/Invoice;
 - c) Duly executed Agreement.

**(Marine Vessels as used here refer to all watercrafts and ocean-going vessels).*

3. All applications for remittance of foreign exchange in respect of the under-listed transactions are required to be forwarded with supporting documents to Authorised Dealers for determination and approval as follows:

3.1 Charter Fees for Fishing Vessels (Trawlers)

- i) Charter Party Agreement;
- ii) Duly completed Form 'A';
- iii) Evidence of use of Vessel;
 - a) Certificate of Clearance issued by Nigerian Ports Authority Plc;
 - b) Statement of fish landed (quantity and value), issued by the Department of Fisheries;
 - c) Bill of Lading;
 - d) Ship manifest;
 - e) Confirmation of reasonableness of the charter fees by NIMASA.

3.2 Charter Fees for Bunkering Vessels

- i). Duly completed Form 'A';
- ii). Time Charter Party Agreement;
- iii) License issued by the Directorate of Petroleum Resources (DPR);
- iv) Evidence of loading schedule from DPR;
- iv) Demand note/Invoice;
- v) Confirmation of reasonableness of the fees by NIMASA.

3.3 Charter Fees for Marine Vessels

Procedure for the confirmation of reasonableness of freight rates/charter party fees by the Nigerian Shippers' Council (NSC):

3.3.1 Application for payment of freight rates/charter party fees by Individuals/Companies shall be routed through an Authorised Dealer.

Listed below are the documentation requirements:

- i. Duly completed Form 'A';
- ii. Sailing Certificate issued by NIMASA;
- iii. Charter Party Agreement;
- iv. Demand Note/Invoice;
- v. Confirmation of reasonableness by Nigerian Shippers' Council;
- vi. Form NXP/NCX;
- vii. Bill of Lading; and
- viii. Freight invoice.

3.3.2 Any such applications shall clearly state:

- a. The name of the individual/company on whose behalf the application is being made;
- b. The purpose of the application i.e. whether it is for confirmation of freight rates or charter party fees;
- c. The amount on the invoice by the beneficiary;
- d. As for applications for confirmation of Charter Party Fees, the applicant in addition to the invoice, shall also attach the Charter Party Agreement as well as a photograph/brochure of the vessel/vessels in question;
- e. The area of operation and the precise location of such vessel as at the time of the application shall also be clearly stated. (This applies to dredging and other specialized vessels)

3.4 Repairs and Maintenance of Marine Vessels

- i. Duly completed Form 'A';
- ii. Contract stating vessel type and registration;
- iii. Demand note/Invoice;
- iv. Evidence that the vessel is owned by a Nigerian Company or resident;

- v. Confirmation of reasonableness of fees by NIMASA;
- vi. Current certificate of seaworthiness of vessel issued by NIMASA.

3.5 Aircraft Lease Payment

a) Dry Lease (Lease of Aircraft without crew and insurance, but with maintenance reserve).

- i. Duly completed Form 'A';
- ii. Lease/Maintenance Agreement specifying type and residual value of the aircraft;
- iii. Federal Ministry of Aviation/NCAA license/permit to import the aircraft and/or operate the route or to use aircraft for any other purpose;
- iv. Aircraft usage as evidenced by the certified aircraft logbook and aircraft approved maintenance intervals;
- v. Confirmation of the reasonableness of the lease fee, stating the number of hours, rates and aircraft type by NCAA;
- vi. Valid Air Operator's Certificate issued by NCAA.

b) Wet Lease (Lease of aircraft with two sets of crew per aircraft).

- i. Duly completed Form 'A';
- ii. Lease/Maintenance agreement specifying the age of the aircraft and residual value;
- iii. Federal Ministry of Aviation/NCAA license/permit to import the aircraft and/or operate the route or for any other purpose;
- iv. Aircraft usage as evidenced by the certified aircraft logbook and aircraft approved maintenance interval;
- v. Confirmation of the reasonableness of the lease fee stating the number of hours, rates and aircraft type by NCAA;
- vi. Line maintenance cost per hour to be determined by aircraft usage;
- vii. Valid Air Operator's Certificate (AOC).

3.6 Aircraft Charter Fees

- i. Duly completed Form 'A';
- ii. Charter agreement specifying the purpose, duration, type of aircraft, age of aircraft, amongst others;
- iii. Federal Ministry of Aviation/NCAA license/permit to import the aircraft and/or operate the route or for any other purpose;
- iv. Aircraft usage as evidenced by the certified aircraft logbook;
- v. Valid Air Operator's Certificate (AOC);
- vi. Air Transport Operator's Licence (ATOL).

Authorised Dealers are to note that aircraft charter for religious pilgrimage will include aircraft total operating cost e.g. Aircraft Crew Maintenance Insurance (ACMI) plus fuel, handling, Landing & Parking, Navigational charges and Administration costs plus contingency which would have been paid by the relevant Pilgrims Board to the selected airlines. As a result no additional foreign exchange request would be entertained.

3.7 Repairs and Maintenance of Aircraft Overseas

- i. Duly completed Form 'A';
- ii. Maintenance Agreement stating aircraft type, age and residual value;
- iii. Certificate evidencing completion of job.
- iv. Demand Note or Invoice showing details of repairs/maintenance carried out;
- v. Valid Airworthiness certificate;
- vi. Engine Status Report by NCAA;
- vii. Evidence of usage/check cycles as per authenticated aircraft logbooks;
- viii. Certificate of registration of the aircraft;
- ix. Aircraft Maintenance Organisation (AMO) certificate of approval for the Workshop issued by the relevant agency in the home country where the repairs would take place and that issued by the Nigerian Civil Aviation Authority (NCAA).

Explanatory Notes

The Bill of Sale shall be presented during the initial flight. This will be in addition to:

- i. The residual value of the aircraft as at the time of lease should be used as a reference point for comparing and determining the amount to be paid for Lease/Maintenance of the aircraft;*
- ii. Evidence of usage of the aircraft should be determined from the log book certified by NCAA;*
- iii. Any aircraft for which any form of foreign exchange is being requested for, shall possess valid Air Worthiness Certificate bearing the aircraft's serial number;*
- iv. All signatures on documents emanating from the Ministry of Aviation and the Nigerian Civil Aviation Authority shall be duly verified by Authorised Dealers against those on the relevant specimen signature list before remittance is effected.*

3.8 Repairs and Maintenance of Aircrafts in Nigeria

- i. Duly completed Form 'A';**
- ii. Service contract stating aircraft type and maintenance check to be carried out in accordance with the approved maintenance schedule duly authenticated by NCAA;**
- iii. Engine Status Report by NCAA;**
- iv. Demand Note or Invoice showing details of repairs/maintenance to be done;**
- v. Valid Airworthiness Certificate;**
- vi. Evidence of usage/check cycles as per authenticated aircraft logbook by NCAA;**
- vii. Certificate of registration of the aircraft;**
- viii. Photocopies of relevant pages of passport and valid entry visa of the foreign aeronautic aviation experts;**
- ix. Certificate issued by the Nigerian Civil Aviation Authority (NCAA), confirming that the repair/maintenance was done in Nigeria;**
- x. Certificate of Satisfactory performance issued by the owner of the aircraft.**

4. NET PROCEEDS OF SALE OF INTERNATIONAL AIR TICKETS

- a) Duly completed Form 'A';
- b) Auditors report on passengers' revenue and expenditure (Naira and Dollar) for the period or month for which the remittance is to be made;
- c) Summary statement of sales and expenditure (in foreign currency and Naira);
- d) Direct sales report, including bank tellers (in foreign currency and Naira);
- e) Agent sales and bank draft (in currency of sale);
- f) Evidence of tax paid on the amount to be remitted issued by FIRS;
- g) Evidence of payment of stipulated taxes, fees and charges to relevant regulatory agencies (FAAN, NCAA, NAMA, NAHCO /SAHCOL, etc).

Explanatory Notes:

- i. *In the case of items (b, c and g) above, all expenditure and payments shall be supported by necessary receipts;*
- ii. *Airlines are also expected to render returns using the attached MTR 303 schedule while the bank may choose to request for the computer print out on ticket sales as the need arises;*
- iii. *Any Nigerian registered aircraft that engages in international operations shall report the foreign exchange generated from such operations and use same for only eligible transactions;*
- iv. *Banks should compare the 5% of flown ticket tax payment to NCAA with the Airline's total sales in foreign currency and Naira.*

Memorandum 14

MISCELLANEOUS PAYMENTS

Authorised Dealers may approve applications by residents of Nigeria to beneficiaries outside Nigeria for any of the following transactions subject to the listed documentation requirements:

1. **Correspondence Courses, Registration, Membership Subscription and Examination Fees (Individuals/Corporate)**
 - a) Duly completed Form 'A';
 - b) Demand note/Invoice;
 - c) Evidence of membership and/or enrolment;
 - d) Bank Verification Number (BVN).

2. **Correspondence Courses, Registration, Membership Subscription and Examination Fees (represented by local Corporate Bodies)**
 - a) Duly completed Form 'A';
 - b) Subscriber's list and amount paid;
 - c) Statement of account showing amount collected less local expenses;
 - d) Evidence of operation of non-resident account in favour of the overseas principal (only for foreign bodies);
 - e) An agreement between the overseas company and local body where the latter runs such a programme jointly with the overseas company;
 - f) Bank Verification Number (BVN).

3. **Subscription for Periodicals (Corporates/Individuals)**
 - a) Duly completed Form 'A';
 - b) Invoice;
 - c) Bank Verification Number (BVN).

4. **Books, Magazines and Periodicals (single copies)**
 - a) Duly completed Form 'A';
 - b) Invoice;
 - c) Bank Verification Number (BVN).

5. **Conference, Seminars, and Training (organised abroad)**
 - a) Duly completed Form 'A';
 - b) Letter of invitation and estimate of expenses issued by the organising body overseas;
 - c) Relevant pages of Passport and return air-ticket of the beneficiary;
 - d) Letter of authority to travel from the Nigerian organisation with the list of the nominees for the course/conference/seminar in case of corporate nominees;
 - e) Bank Verification Number (BVN).

6. **Conference, Seminars and Training (by Foreign Facilitators, organised locally)**
 - a) Duly completed Form 'A';
 - b) Letter of invitation and estimate of expenses issued by the Nigerian organization inviting the foreign facilitators;
 - c) Relevant pages of Passport and return air-ticket of the facilitators;
 - d) Hotel bills of the facilitator for the period;
 - e) Demand note from the facilitator or organizing company abroad;

7. **Board Meetings/Directors' Fees**
 - a) Duly completed Form 'A';
 - b) Board resolution for the meeting and/or Director's Fees;
 - c) Evidence of Board Membership, i.e. letter of appointment;
 - d) Evidence of tax paid on the amount to be remitted in the case of Director's fees;
 - e) Bank Verification Number (BVN).

8. **Information Technology (IT) Transfer**
 - a) Duly completed Form 'A';
 - b) License Agreement as approved by NOTAP;
 - c) Demand Note/Invoice;
 - d) Confirmation of Reasonableness of fees by NOTAP;
 - e) Copy of Certificate of registration from NOTAP.

Note:

All applications for IT Agreements shall provide concrete evidence of Letter of Award/contract for supply from the end-users of the products or third parties. The applicant should also submit a copy of certificate of installation for jobs done. All applicants for IT Agreements shall complete Technology Transfer Agreement (TTA)

Pre-Qualification Form in addition to the Application Form and NOTAP Questionnaire

- Applicants shall submit invoices from the licensor for the payment of software license fees. The invoice(s) shall cover the total remittable fees on the software license agreements and shall also contain the names of the licensor, the licensee, types of software products and the end users. Detailed information on the licensor including the website, postal address, etc. shall be provided.

8a Software License

- a) Duly completed Form 'A';
- b) License Agreement as approved by NOTAP;
- c) Demand Note/Invoice;
- d) Confirmation of Reasonableness of fees by NOTAP;
- e) Certificate of registration from NOTAP.

Note:

Three different types of fees are usually approved for Software License Agreements depending on the components of the agreement and the request from the parties.

The fees are:

- **Software License fees** – A lump-sum depending on the type of software product, the number of end-users and the prevailing rates of fees for similar products by the same licensor in the industry where the software is to be used;
- **Implementation fees** – A lump-sum depending on the obligations to be rendered by the licensor i.e. whether the implementation involves any/all of customization, upgrading, training etc.;
- **Annual Technical Support (ATS) fees** – fees between 15% to 23% of the Software License. The payment of the fee should commence after the first year of implementation of the agreement and shall not last for more than three (3) years.

8b. Local Vendor:

Local vendors shall be involved in the implementation, customization, etc. of all software used by companies in Nigeria and fees should be paid in Naira and not remitted abroad with licensors' fee.

Other conditions that apply to software License Agreements are as follows:

- Licensors shall partner with a Local Vendor with prerequisite professional expertise;
- Evidence of capacity building/ training of the end-users on the software should be Provided;
- Local Vendors shall also be involved in the Maintenance or Annual Technical Support for Software Agreements or updates and the Local Vendor shall be paid a minimum of 40% of the ATS fee in Naira, and evidence of payments to the local vendor shall be submitted;
- All agreements involving software should contain full details of the licensor, including website, postal address, etc.;
- Projects related to communication, petroleum products and broadcasting should be accompanied by Registration Certificates or Approval letters from Supervising Agencies or Authorities.

9. Manufacturing/Technical Service Agreement Fees

- a) Duly completed Form 'A';
- b) Technical Service Agreement as approved by NOTAP;
- c) Evidence that the services were rendered locally (e.g. hotel bills or relevant pages of passport (Entry and exit immigration stamp), visa and air-tickets of the technical experts);
- d) Certificate of satisfactory completion issued by the Nigerian employer;
- e) Evidence of tax paid on the amount to be remitted;
- f) Demand note/Invoice;
- g) Confirmation of the reasonableness of the fees by NOTAP;
- h) Certificate of registration from NOTAP.

Note

- *Technical Service fees shall be settled on per diem rate or man-hour, man-day or man-month basis and not tied to net sales/turnover.*
- *Detailed information about the technical experts coming to render the services in Nigeria i.e. the qualification, duration of stay, per diem/monthly rate shall be submitted. Evidence of entry of the experts*

into the country such as copy of the visa page of the expert's international passport shall also be submitted.

- *If the duration of stay of the experts is more than six months, they shall be paid salaries in local currency, which they can remit abroad through Personal Home Remittance (PHR).*

9.1 License (Franchise, Patent, Trademark, Know-How) Agreement fees

- a) Duly completed Form 'A';
- b) License Agreement as approved by NOTAP;
- c) Evidence of tax payment based on the audited account;
- d) Audited Account for the relevant period;
- e) Confirmation of Reasonableness of fees by NOTAP;
- f) Certificate of registration from NOTAP.

Note:

Approval for License Agreements in respect of Trademarks (0.5% of net sales); Franchise (initial/basic fee which is lump sum, franchise/continuing fee 0.5%-2% of net sales or revenue and marketing/advertising fee 1% of net sales or revenue); Patents, Know-How and other Industrial Property Rights shall range between 0.5% to 5% of net sales value or profit before tax where net sales value is not applicable. All patents, trademarks, industrial designs, etc. shall be registered in Nigeria, with proof of the registration.

Technology transfer fees shall be based on locally manufactured goods and not imported goods. Companies with several product lines should separate the net sales of each product in their audited accounts so as to pay royalty for specific products covered by the industrial property rights and not on the entire/total sales of the company.

Payment for Trademark License Agreement will only be allowed where:

- the trademark is internationally recognized;
- the trademark is accompanied with licensed know-how;
- the product involved in the agreement is locally manufactured and is also meant for export;

- the trademark owner does not have up to 75% of the equity in the local company.

9.2 Outright Purchase of Trademark, Franchise and Patent:

License Agreement which involves outright purchase of Trademark, Franchise and Patent shall be supported with the following documentation requirements:

- a) Duly completed Form 'A';
- b) Purchase Agreement as approved by NOTAP;
- c) Demand Note/Invoice;
- d) Confirmation of the reasonableness of the fees by NOTAP;
- e) Certificate of registration from NOTAP.

9.3 Management Services Agreement Fee

- a) Duly completed Form 'A';
- b) Copy of Management Service Agreement as stamped and approved by NOTAP;
- c) Certificate of registration issued by NOTAP;
- d) Demand Note/Invoice;
- e) Certificate of satisfactory completion of the job issued by the Nigerian employer;
- f) Evidence of tax payment on the amount to be remitted;
- g) Confirmation of Reasonableness of fees by NOTAP.

Note:

Management Services Agreement shall specify details of the services to be rendered including personnel, cost implications and other details. A management fee ranging from 1.0 to 5.0 per cent of profit before tax shall apply to management services, except for the management of Hotels by International Hotel chains. However, management services project where profit is not anticipated during the early years will attract a fee ranging from 1.0 to 2.0 per cent of net sales during the first three to five years only.

For the avoidance of doubt, Banks and other financial institutions are not allowed to engage Management or Technical Services.

Expatriate staff of banks should be paid salaries in local currency, which they can remit abroad through Personal Home Remittance (PHR).

9.4 Hotel Services

- a) Duly completed Form 'A';
- b) Management Service Agreement as approved by NOTAP;
- c) Demand Note/Invoice;
- d) Copy of the Audited accounts for the period of remittance;
- e) Evidence of tax payment;
- f) Confirmation of the reasonableness of the fees by NOTAP;
- g) Certificate of registration from NOTAP.

Note:

A basic fee or lump sum not exceeding 5.0 per cent of turnover plus an incentive fee not exceeding 8.0 per cent of Gross Operating Profit (GOP) shall be applicable. Other payments which are internationally accepted within the applicable hotel chains may also be allowed. Only hotels initially located in the disadvantaged areas will attract the upper limits of the basic and the incentive fees.

Hotels located in disadvantaged/rural areas shall attract higher rate, maximum rate being 8% of Gross Operating Profit (GOP) while Hotels located in cities like Abuja, Lagos, Port Harcourt, etc, shall attract lower percentage of Gross Operating Profit (GOP).

9.5 Consultancy Services Agreement fee

- a) Duly completed Form 'A';
- b) Certificate issued by NOTAP approving the consultancy service agreement;
- c) Evidence that the services were rendered locally (e.g. hotel bills or relevant pages of passport (Entry and exit immigration stamp), visa and air-tickets of the consultants);
- d) Certificate of satisfactory completion of the job issued by the Nigerian employer;
- e) Demand note from the beneficiary;
- f) Evidence of tax paid on the amount to be remitted.

Remittable consultancy fees shall be 1-3% of net sales subject to a maximum of 5.0 per cent of project cost and limited to projects of very high technology content for which indigenous expertise is not available. Service agreement for such high technology joint ventures shall continue to include a schedule for the training of Nigerian personnel for eventual takeover. In addition, Nigerian professionals shall be involved in the project implementation from the inception.

9.6 Service Charge for Repairs of Machinery and Equipment in Nigeria

- a) Duly completed Form 'A';
- b) Service Agreement;
- c) Evidence that the services were rendered locally (e.g. hotel bills, copies of relevant pages of passport (Entry and exit immigration stamp), visa and air-tickets of the foreign experts);
- d) Certificate of satisfactory completion of the job issued by the Nigerian company;
- e) Demand note from the beneficiary.

9.7 Service Charge for Repairs of Machinery and Equipment Overseas

- a) Duly completed Form 'A';
- b) Service Agreement/letter of authority to carry out repairs;
- c) Completed Form NCX duly endorsed by Nigeria Customs Service;
- d) Certificate of re-importation issued by NCS;
- e) Certificate of satisfactory completion of repairs issued by the Nigerian company.

9.8 Telecommunication Charges

Authorized Dealers are to note the following telecommunication charges for Determination;

- Satellite Bandwidth Charges;
- Marketing/Publicity (Overseas) Charges;
- Workshops, Trade (Exhibition) fare/charges;
- Roaming (Bills Settlement) charges;
- International Traffic (Bill Settlement) charges;
- Internet Hosting Charges.

Accordingly, the following documentation requirements shall apply;

- a) Duly completed Form "A";
- b) Service/License Agreement with off-shore Telecommunication Company as approved by NCC;
- c) Demand Note/ Invoice;
- d) Certificate of Registration/License with the NCC;
- e) Confirmation of reasonableness of fees by the NCC.

NOTE:**Payment for Technology Transfer Agreements**
General Requirements

All applications for Technology Transfer Agreements should be governed by the following rules:

- (a) Technology contracts should include a provision whereby the recipient enterprises in Nigeria acquires explicit rights for the use and exploitation of the technology in question, and the period covering these rights should be clearly specified in the contract.*
- (b) In cases where the Nigerian enterprise is acquiring the right to practice a process, the concept of know-how should be clearly expressed and defined in the contract. In this connection, concepts such as "technical information" or "technical services" should only be treated as complementary to the know-how*
- (c) Provision for capacity building shall be part of all Agreements signed, and details on the Nigerians understudying the experts should be readily available/submitted, to ensure that skill is domesticated.*
- (d) All contracts should make provision for deduction of appropriate local taxes, such as withholding tax, etc.*
- (e) All agreements should incorporate research activities carried out in-house and also in collaboration with the Nigerian National Innovation System such as Universities, Research Institutes, private laboratories, Polytechnics, etc.*
- (f) Companies which sell imported products should separate the net sales of the imported products from the net sales of the locally manufactured products and this should be reflected in their Audited Accounts. Payment of technology fees should be based only on the locally manufactured products.*
- (g) All Nigeria Government Projects shall be governed by Nigerian Laws of Arbitration and the seat of arbitration shall be in Nigeria.*
- (h) There would be no approval for agreement based on assembling of*

Completely Knocked Down (CKD) parts, finished products, (e.g. milk, coffee, etc) brought into the country except payment for short term technical services relating to such projects.

- (i) The scope of services in technology transfer agreements should clearly state the services to be rendered by the transferor/licensor.*
- (j) The technology content of the agreement should state the methods for the domestication of technology, local raw material development, skills acquisition, etc.*
- (k) A detailed plan for the local development and production of raw materials used in manufacture, as substitute for imported raw materials should be attached to the agreement.*
- (l) All fees for technology transfer agreements relating to packaging should be tied to profit before tax. However where the company's equity is wholly foreign owned, evidence of capital importation should be provided to enable transferors repatriate their earnings through Personal Home Remittance (PHR).*
- (m) Submission of Shareholders resolution that the Company should register or renew a Technology Transfer Agreement (signed with its technical partner) with NOTAP.*
- (n) Original copies of Annual Accounts should be submitted to the Office (not photocopies).*
- (o) In the Telecom sector, no Trademark License Agreement is allowed as the reputation of the service provider has been considered by the Nigerian Communications Commission (NCC) before License is granted for provision of such services. However, for purposes of ownership and also to prevent infringement, Trademarks can be registered at the Patent and Trademark Registry, Federal Ministry of Industry, Trade and Investment.*

10. Judgement Debt

Remittance in respect of judgement debt shall be allowed only after Approval-in-Principle has been obtained from the Central Bank of Nigeria.

Consequently, applications for Approval-in-Principle shall be forwarded to

the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja and supported with the following documents:

- a) Certified true copy of the judgement with the court proceedings;
- b) Audited accounts of the Defendant company for the last three (3) years and those for the period when the transaction took place, if not included among the three (3) years;
- c) Power of Attorney granted by the judgement creditor to the applicant;
- d) Certified copies of documents evidencing the underlying transaction such as Form 'M', CRF/CR/RAAR/PAAR, (where applicable), final attested invoice, Bill of Lading, Customs Bill of Entry/SGD Form, in the case of imports; Form 'A', service agreement, current invoice/demand note, NOTAP certificate where applicable, etc in the case of invisible trade transactions;
- e) Sources(s) of funding the remittance including statement of accounts of the defendant duly certified by the issuing bank(s).

Authorised Dealers shall be required to confirm the genuineness of supporting documents before submission to the CBN for determination and should have exercised due diligence as expected under the Know-Your-Customer (KYC) rules.

10.1 Advertisements Outside Nigeria (through Local Agent)

All payments for advertisements outside Nigeria shall be made into an approved non-resident account of the overseas advertising agency subject to the following documentation requirements:-

- a) Duly completed Form 'A';
- b) Agreement on the advertisement;
- c) Demand Note/Invoice;
- d) Evidence of operation of a non-resident account.

10.2 Advertisement Outside Nigeria (without Local Agent)

- a) Duly completed Form 'A';
- b) Agreement on the advertisement;

- c) Demand Note/Invoice.
- 11 Remittance of Proceeds from Trade Fair Participation by Non-Residents**
- a) Duly completed Form 'A';
 - b) Certificate of participation at the Trade Fair duly issued by the Chamber of Commerce/Organisers;
 - c) Letter of invitation and acceptance to participate;
 - d) Evidence of Sales (e.g. counterpart of sales invoice, etc.).
- 12. International Transportation and Delivery Service (Courier Service)**
- a) Duly completed Form 'A';
 - b) Agreement between the Nigerian company and the foreign company;
 - c) Current demand note/Invoice;
 - d) Evidence of delivery of messages/parcels in Nigeria;
 - e) Statement of account of the company with the evidence of netting of accounts.
- 13. Aerial Survey**
- a) Duly completed and approved Form 'A';
 - b) Service/contract Agreement;
 - c) Approval from the Federal Ministry of Aviation to carry out the aerial survey;
 - d) Evidence of tax payment on the amount to be remitted;
 - e) Demand note from the foreign company.
- 14. Down Payments on Invisible Trade Transactions**
Down payments on invisible trade transactions shall be 15% of invoice value subject to the following documentation requirements:
- a) Approved Form 'A' covering 100% of cost;
 - b) Executed Agreement between the two parties;
 - c) A guarantee or performance bond issued by a bank in the beneficiary's Country, to secure down payment;
 - f) Proforma invoice.
- 15. Payment for Demurrage**
There are essentially two (2) types of demurrage in commercial shipping operations:
- i. Ship demurrage
 - ii. Container demurrage

Fees collected for demurrage (ship or container) and deposited in a dedicated account specifically for this purpose can be repatriated subject to the following documentation requirements:

- a) Duly completed and approved Form 'A';
- b) Evidence of tax payment on the amount to be remitted;
- c) Audited Account for the relevant period;
- d) Manifest of the Ship;
- e) Copies of receipts issued to the Importer by the Shipping line;
- f) Agreement between the local shipping agent and the principal overseas;
- g) Demand Note/Invoice;
- h) Evidence of Payment of demurrage charges into the dedicated account;
- i) Certification of arrival of Vessel by the NPA;
- j) NSC confirmation of reasonableness of demurrage payment;
- k) Settlement shall be effected through interbank funds.

16. Mortgage Servicing

- a) Duly completed Form 'A';
- b) Mortgage agreement (copy) in the name of the applicant;
- c) Schedule of outstanding liability on the mortgage;
- d) Letter of request from the applicant;
- e) Evidence of tax payment in Nigeria.

17. International Rating Agency Fee

- a) Duly completed Form 'A';
- b) Duly executed Agreement for the rating;
- c) Demand Note/Invoice;
- d) Evidence of satisfactory completion of the rating, issued by the employer (Nigerian entity).

18. Payment of Foreign Solicitor's Fee

- a) Duly completed Form 'A';
- b) Agreement with the Foreign Solicitor specifying the type of service to be rendered;
- c) Evidence of provision of the service as stated by the employer (Nigerian entity);
- d) Demand note/Invoice.

19. Contract Service Fee

- a) The service agreement shall be scrutinized to ascertain the amount of the service fee payable in foreign exchange and approval of the terms of agreement sought from the relevant professional body.
- b) The bill submitted by the organisation rendering the service shall be scrutinized and compared with the amount of service fee specified in the service agreement.
- c) Where an attestation is required from a relevant professional body in the related field, indicating that the services to be rendered cannot be provided locally, it shall be called for, scrutinised, and the signature on it confirmed with the issuing professional body.
- d) It shall be certified that appropriate tax was paid on the amount to be remitted as service fee. The signature on the tax clearance certificate shall be verified against that on the specimen signature list.

Accordingly, the following documentation requirements shall apply;

- i) Duly completed Form 'A';
- ii) Service agreement;
- ii) Confirmation of service fee;
- iii) Demand note/invoice;
- iv) Evidence of tax paid on the amount to be remitted.

20. Brokerage/Margin Fees on investment paid to Offshore Brokers
(Fees charged by agents to facilitate transactions between buyers and sellers.)

Accordingly, the following documentation requirements shall apply;

- a) Duly completed Form 'A';
- b) Copy of duly executed broker agreement;
- c) Demand note/invoice from offshore broker;
- d) Evidence of equity or NGN security trade;
- e) Electronic Certificate of Capital Importation (eCCI).

For inflows converted via the inter-bank, payment of these fees should be sourced from the inter-bank segment of the Foreign Exchange Market.

21. **Operation of disbursement account**

All foreign shipping companies/local agents shall be required to maintain disbursement accounts with Authorised Dealers into which inflows from their principals shall be lodged for the purpose of payment of statutory fees and other related charges to Nigerian Ports Authority (NPA), Nigerian Maritime Administration & Safety Agency (NIMASA) and other local shipping charges that are foreign currency (FCY) denominated. Accordingly, foreign shipping companies with local agents shall not be allowed to access the interbank market to pay statutory charges/fees.

Memorandum 15

**REMITTANCE FOR SERVICES RENDERED IN
NIGERIA TO ANY NIGERIAN RESIDENT**

Payment in foreign exchange for products and services provided by a Nigerian company to another Nigerian company is not allowed. Consequently, pricing of products and services in Nigeria shall continue to be in Naira only.

However, the under listed revenue generating agencies of Government and Operators permitted by law, whose business transactions allow payments/receipts in foreign currencies are exempted. These include:

1. Federal Inland Revenue Service
2. Nigerian Ports Authority
3. Nigerian Maritime Administration and Safety Agency
4. Federal Maritime Agency of Nigeria
5. Nigerian Airspace Management Agency
6. Nigerian Shippers Council
7. Operators in the Oil and Gas including Oil Services Companies
8. Operators in the Maritime and Aviation industries
9. Licensed Operators in the Export Processing and Free Trade Zones; and
10. Any other agency or operator that may be prescribed from time to time by the Central Bank of Nigeria

Memorandum 16

CASH GIFTS

Authorised Dealers are required to determine applications from individuals, organizations or residents in Nigeria who want to make cash gifts not exceeding \$1,000.00 (one thousand US dollars) or its equivalent in other currencies to charitable organisations and \$500.00 (five hundred US dollars) or its equivalent in other currencies to individuals during any calendar year.

Such transactions should be determined subject to the following:

- a) Duly completed Form "A";
- b) Documentary evidence of the need and purpose of the gift, e.g. appeal or letter of request for aid or donation;

A cash gift allowance is not transferable from one resident to another for the purpose of obtaining tax exemption or rebate.

Memorandum 17

EXTERNAL AND NON-RESIDENT ACCOUNTS

Where an Authorised Dealer is satisfied that a customer is permanently resident outside Nigeria, the application to open an account with a bank in Nigeria shall be determined subject to the following guidelines:

1. ELIGIBILITY

1.1 Organisations eligible to open and operate external accounts include:

- a) Embassies;
- b) High Commissions;
- c) Legations/Consulates;
- d) Career and established members of the above bodies;
- e) Other International Organisations recognised and accorded diplomatic status and their expatriate officials – e.g. African Union, United Nations, Commonwealth of Nations, etc.

For the avoidance of doubt, persons employed in organizations listed in 1.1 above who do not enjoy diplomatic status and/or are not career or established members of staff do not qualify to operate external accounts.

1.2 Non-Resident Account

The following are eligible to open non-resident accounts:

- a) Overseas Correspondence and Examination Bodies;
- b) Foreign Companies executing approved contracts in Nigeria;
- c) Foreign professional bodies.

In cases that are not classified under a-c above, reference should be made to CBN for clarification.

2. DOCUMENTATION REQUIREMENTS

2.1 External Accounts

- a) Applicant's letter of request, showing official position/status and the probable duration of stay in Nigeria;
- b) Letter of introduction from the relevant Diplomatic Mission/International Organisation certifying the accredited status of the applicant;
- c) Relevant pages of applicant's international passport.

2.2 Non-Resident Account

a) Overseas Correspondence and Examination Bodies

- i. Letter of request from applicant;
- ii. Memorandum and Articles of Association of the Overseas company;
- iii. Letter of accreditation from the Federal Ministry of Education;
- iv. Power of attorney to the Agent in Nigeria.

b) Foreign Companies Executing Approved Contracts in Nigeria

- i. Contract document;
- ii Letter of request from applicant;
- iii Memorandum and Articles of Association of the company.

c) Foreign Professional Bodies

In addition to documents specified in 2.2(a) above, letter of certification from a relevant regulatory body in Nigeria shall be required.

3. CONDUCT OF EXTERNAL AND NON-RESIDENT ACCOUNTS

3.1 External Accounts - Credits

- a) Payments by residents of Nigeria in respect of which the appropriate approved foreign exchange are held;
- b) Payments from other external accounts;
- c) Proceeds of sale of foreign currency imported into the country subject to the following conditions:-

- i) Foreign currency imported shall be converted to Naira at the prevailing inter-bank rate;
- ii) Repurchases shall be executed at the prevailing inter-bank rate.

3.2 External Accounts - Debits

- a) Payments to residents of Nigeria;
- b) Payments to other External Accounts;
- c) The cost of purchases of foreign currency.

3.3 Non-Resident Accounts

- a) Non-Resident Accounts may be credited with proceeds from services rendered locally and may be debited with payment for services rendered locally;
- b) Payments into non-resident accounts for foreign companies executing approved contracts in Nigeria shall not exceed the Naira portion indicated in the contract.

3.4 All Non-Resident and External Accounts operated under the provisions of this Memorandum shall, on completion of the contract or the applicant's business in Nigeria, be closed and the balance on the account, if any, transferred abroad after proper documentation.

Memorandum 18

FOREIGN NATIONALS' PERSONAL HOME REMITTANCES

1. Family Maintenance Allowance

- 1.1 Remittances by resident foreign nationals/expatriates for the maintenance of dependants on their own accounts or for any purpose whatsoever are allowed up to 100% of their net income while physically resident in Nigeria. An expatriate with accompanying spouse (immigration status) and resident permit cannot enjoy the PHR facility, but can transfer funds outside Nigeria for any other purpose.
- 1.2 Authorised Dealers may approve applications made by foreign nationals resident in Nigeria to remit monies outside Nigeria for family maintenance subject to the following documentation requirements:-
 - a) Duly completed Form 'A';
 - b) Tax Certificate/receipt for the relevant period;
 - c) Photocopy of relevant pages of international passport;
 - d) Valid Resident Permit;
 - e) Evidence of operation of an account with the bank and of payment of salaries into the account.
- 1.3 Actual transfer may be made once in a month on the basis of the remuneration received for the previous month. However, where remittances have fallen into arrears, Authorised Dealers can determine the applications based on the documents listed in 1.2 above.
- 1.4 Family maintenance allowance may be continued only while the applicant is

actually resident in Nigeria and receives salary. This shall cease immediately the applicant leaves Nigeria.

2. **Naturalised Citizens Married to Nigerians**

2.1 A limit of 50 per cent of the annual income of naturalised aliens may be allowed to be remitted abroad in any fiscal year, subject to documentation requirements in paragraph 1.2 above, except (d).

2.2 Naturalised citizens shall be treated as Nigerians for the purpose of foreign exchange remittances. Consequently, remittances of premiums payable by them on any life or endowment policy expressed in foreign currency will be allowed until such policy matures, after which the foreign exchange proceeds shall be repatriated and credited into a Domiciliary Account operated by the beneficiary. Like other Nigerians holding such policies as provided under Memorandum 12, paragraph 6, they shall be required to deposit such policies with an Authorised Dealer until maturity.

3. **Annual Leave Pay**

Applications for leave pay shall be supported with the following documents:-

- a) Duly completed Form 'A';
- b) Photocopy of relevant pages of the applicant's international passport;
- c) Letter from employer stating that the applicant is going on leave and the amount of leave allowance paid to the applicant;
- d) Photocopy of Resident Permit (for the period applied for).

3.1 Foreign nationals working in Nigeria are allowed to remit 100% of their net annual leave allowance within any calendar year.

3.2 Authorized Dealers shall note that the leave pay allowance granted under this Memorandum is inclusive of travel allowance approved for the related leave period.

3.3 Applicants' passports shall be endorsed by the Authorised Dealers to reflect

the grant of leave pay remittance for each year. Where there is evidence of accumulated leave, the leave pay remittance shall be proportionate to the period(s) of accumulation and the passport shall be endorsed to indicate the period(s) accordingly.

4. Pension/Provident Fund Payments

Authorised Dealers may approve applications made by foreign nationals to remit Provident Fund Payments provided documentary evidence of the amount due is produced and income tax has been paid or that the monies are exempted from taxation. Such remittances form part of the repatriable 100% of net income.

Retirement benefits of foreign nationals who contributed to the pension scheme shall continue to be eligible for remittance subject to the following documentation requirements:

- (a) Duly completed Form 'A'
- (b) Resident permit and/or expatriate quota
- (c) Retirement savings account statement
- (d) National Pension Commission's (PENCOM) approval.

5. Bonus and Gratuity

Applications for permission to remit Gratuity/Bonus should be determined by the Authorised Dealers on presentation of the following documents:-

- i) Duly completed Form 'A';
- ii) A letter from the applicant's employer confirming payment;
- iii) Evidence of payment of tax on the amount to be remitted in the case of bonus.

6. Company's Share of Provident/Pension Fund Liabilities Due to Expatriate Staff

Such applications shall be determined by Authorised Dealers subject to the following documentation requirements:-

- i) Duly completed Form 'A';
- ii) Approved rules of the pension scheme;
- iii) Schedule of contribution (where applicable);
- iv) Joint Tax Board approval of the scheme/appraisal of the scheme by

National Social Insurance Trust Fund (NSITF) in the case of Provident Fund;

- v) Resident permit of individual contributor.

7. **Final Balance/Terminal Pay:**

All applications for remittance of terminal pay and proceeds from sales of assets (all within remittable limits) shall be determined by the Authorised Dealers, subject to the following documents:

- a) Duly completed Form 'A';
- b) Photocopy of Resident Permit;
- c) Photocopy of Relevant pages of applicant's international passport;
- d) Letter from the employer clearly stating the applicant's final exit from the country, where applicable;
- e) Notarized applicant's statement of assets in Nigeria;
- f) Receipts of sale of Personal effects (if any);
- g) Employer's confirmation of payment of fringe benefits (if any).

Note:

The Form titled "Foreign Nationals – particulars for Home Remittance" and evidence of tax payment in Nigeria such as copies of P.A.Y.E. tax certificates/receipts, etc. which are valid for at least one year shall be submitted to the Authorised Dealers at the time of making the initial application. Authorised Dealers are to retain such forms, certificates/receipts, etc., for use in dealing with subsequent applications.

Memorandum 19

PURCHASE AND SALE OF SECURITIES

I. SECURITIES PAYABLE IN NIGERIAN CURRENCY

- 1.1 A foreign national who wishes to establish an enterprise in Nigeria shall first of all comply with the provisions of the Companies and Allied Matters Act of 1990 (as amended) i.e., via registration with the Corporate Affairs Commission.
- 1.2 A foreign investor may buy the shares of any Nigerian quoted enterprise. Such purchase of shares, shall be completed through any of the Stock Exchanges in Nigeria.

1.3 Procedure for Purchase of Securities through the Stock Exchange

- i) The prospective investor appoints a local stock broker of choice.
- ii) The broker and investor agree on the bank in Nigeria; the investor then informs the bank on the amount to be invested.
- iii) The capital is imported e.g. by electronic transfer to the designated Bank.

Note: *Cash movement for dealing in securities is not allowed.*

- iv) On receipt of the funds, the bank issues the investor with an electronic Certificate of Capital Importation within 24 hours.
- v) With the certificate, the investor through the stock-broker, enters the market; invests in any company of his choice
- vi) At any time the investor wishes to divest, he shall go back to the bank with the following documents:-
- a) Evidence that the shares were sold in line with guidelines by the

Securities and Exchange Commission, the relevant Stock Exchange;

- b) Evidence of capital importation/approved status/evidence of previous remittance of dividends on the shares;
- c) Evidence of offer and acceptance (i.e. sales agreement).
- d) In the case of companies whose shares are not quoted on the stock exchange, a valuation report by a reputable Auditing Firm indicating the value of the shares is required in place of (a) above

1.4 Global Depository Receipts (GDRs) and electronic Certificate of Capital Importation (eCCI) Issuance

In order to align the issuance of GDRs with the requirements of eCCI issuance to foreign investors and also build confidence in the minds of investors who may want to invest in the GDRs, Authorised Dealers are to note the procedure as follows:

- i) Electronic Certificate of Capital Importation shall continue to be issued in respect of foreign exchange inflow for loans, investment purposes and/or capital, subject to existing guidelines;
- ii) Where foreign exchange inflow is in respect of GDR, a master eCCI should be issued in favour of the Depository Bank (DB) to the tune of the foreign exchange inflow;
- iii) Where the portion of the GDR is cancelled offshore by the investor, the DB shall inform the Custodian/sub-custodian of the cancellation and provide the latter with the necessary documentary evidence of same;
- iv) The Depository's nominee custodian shall have valid eCCI covering the number of shares withdrawn from the GDR and also effect a "mark down" of the eCCI from the master eCCI;
- v) With the valid eCCI covering the number of shares withdrawn from the GDR, the direct non-resident equity investor can trade with the underlying shares in the local market. The investor shall also be entitled to repatriate funds outside Nigeria.
- vi) Repatriation of funds outside Nigeria shall be through Authorised Dealers subject to the following:

- a) The guidelines on utilization of eCCI in this Manual and/or relevant circulars on same;
 - b) Duly completed Form 'A';
 - c) Letter of evidence of conversion from GDRs to shares and confirmed by the Depository and the nominee custodian;
 - d) Documentary evidence of cancellation of the GDR from the depository;
 - e) Letter from the direct non-resident equity investor, stating relevant details to the Authorised Dealer via the broker, requesting for repatriation of sales proceeds;
 - f) Evidence that eCCI was issued;
 - g) Sales Contract Note or evidence of sale of shares from a Nigerian broker.
- vii) The Authorised Dealer responsible for the repatriation of proceeds of sale on behalf of the GDR holder is required to perform book-keeping and paper trail procedures evidencing:
- a) Proof of sale of GDR
 - b) Identity of GDR holder
 - c) Proof of eCCI
 - d) "Mark down" of the original eCCI

2. SECURITIES PAYABLE IN FOREIGN CURRENCY

Residents of Nigeria may buy from or sell to an expatriate, any security denominated in Nigerian currency subject to the following documentations:

- i) Duly completed Form "A";
- ii) Broker's Quotation or Purchase Contract Note;
- iii) Certified evidence of offer for sale of the specified shares;
- iv) Prospectus or current annual report of company offering the shares for sale.

3. INVESTMENT IN SECURITIES DENOMINATED IN FOREIGN CURRENCY

- a) Duly completed Form 'A';
 - b) Purchase confirmation of the securities by the broker shall be forwarded to the dealing bank;
 - c) Submission of periodic statement of investment holdings by the broker to the dealing bank;
 - d) Monthly returns on the investment by the bank to the CBN;
 - e) Appointment of a custodian by the investor who shall be duly acceptable to the dealing bank;
- a) Authorised Dealers are required to apply KYC principles on the prospective investors before consideration of such application.

Authorised Dealers are to note that funds from the official foreign exchange window shall not be eligible for investment in securities denominated in foreign currencies abroad and setting up of offshore subsidiaries/branches of Nigerian companies. For the avoidance of doubt, only funds from other sources shall be used to finance such transactions.

Memorandum 20

PORTFOLIO INVESTMENT IN NIGERIA

A resident/non-resident Nigerian national and/or entity and foreign National or Entity may invest in Nigeria by way of purchase of money market instruments such as Commercial Papers, Negotiable Certificates of Deposits, Bankers Acceptances, Treasury Bills, etc. subject to the following documentation requirements:

1. Tested SWIFT message evidencing the remittance of funds.
 2. Board resolution of the local beneficiary authorising the investment (in case of a company).
 3. Purpose of capital importation specified in the SWIFT message.
 4. Evidence of incorporation where applicable.
1. **The following guidelines shall apply:**
- a. Investment in the Nigerian Treasury Bills (NTB) and Federal Government Bond (FGB) by foreign entities is allowed;
 - b. However, prior to the maturity of these instruments, foreign investors are allowed to discount their investment in the secondary market to either a local or foreign investor;
 - c. Where the new investor is local, the eCCI issued to the initial foreign investor who is now divesting, shall be cancelled after the repatriation of the proceeds of the divestment. The new investor (local) shall receive interest payment and on maturity collect the principal in Naira;
 - d. In the case where a foreign investor is buying over the instrument from the investor divesting, the eCCI issued to the foreign investor will be cancelled and a new eCCI issued to reflect the name of the buyer. The

new investor in this case is guaranteed easy remittance of interest that shall accrue from the investment as well as the remittance of the principal at the maturity of the instrument.

Note:

For the avoidance of doubt, it should be noted that in both cases in (c) and (d) above, the repatriation and or payment of the principal would only be effected to the holder of the instrument after its maturity.

2. Procedure for Portfolio Investment

- i) The prospective investor appoints a local bank or broker as an agent to purchase the instrument;
- ii) The funds for the investment are transferred electronically to a designated bank;
- iii) On receipt of the funds, the bank issues the investor with an electronic Certificate of Capital Importation within 24 hours;
- iv) Authorised Dealers shall keep separate records of the investment and render returns to CBN in a format that will be advised from time to time;
- v) With the eCCI, the investor through the bank or broker, accesses the market and invests in any instrument of choice;
- vi) If at any point in time the investor wants to divest, they shall go back to the bank with the following documents:-
 - a) Evidence of electronic Certificate of Capital Importation;
 - b) Evidence of redemption of the money market instrument.

Note:

Only funds in-flowed through Authorised Dealers by resident/non-resident Nigerian national and companies specifically for the purpose of investment shall be eligible. Exports and ordinary domiciliary account balances shall not be eligible for the investment.

Memorandum 21

FOREIGN DIRECT INVESTMENT IN NIGERIA

Any person whether resident in or outside Nigeria, or a citizen of Nigeria or not may invest in any enterprise in Nigeria except those specified in Section 13 of the Nigerian Investment Promotion Commission Act of 1995. However, a foreign national who wishes to establish an enterprise in Nigeria shall first of all comply with the provisions of the Companies and Allied Matters Act of 1990 (as amended), i.e. be incorporated by the Corporate Affairs Commission.

Authorised Dealers shall issue electronic Certificate of Capital Importation (eCCI) to an investor within 24 hours of receipt of the capital (where capital is in form of cash inflow), and within 24 hours of submission of final shipping and other relevant documents (where capital is in form of Plant, Machinery and Equipment).

However, where the issuance of eCCI exceeds 24 hours in respect of cash inflow and where documents exceed six (6) months in respect of Plant and Machinery, Authorised Dealers are required to seek and obtain the approval of the CBN before eCCI issuance.

The eCCI requirement applies also to foreign investors bringing capital to Nigeria for the purpose of loans and/or portfolio investments such as equities, treasury bills, bonds and other approved products in the Nigerian Foreign Exchange market. Authorised Dealers receiving such inflows shall issue the eCCI on the basis of the following documents:

1. Inflow of Funds:

- i) Tested SWIFT/telex message advising payment;
- ii) Board resolution of the local beneficiary authorising the investment;

- iii) Purpose of capital importation (e.g. equity, portfolio, loan);
- iv) Evidence of incorporation where applicable.

2. **Plant, Machinery and Equipment;**

- a) Bill of Lading;
- b) Certificate of Origin;
- c) Commercial invoice;
- d) Exit Note
- e) Form "M";
- f) Packing list;
- g) Single Goods Declaration (SGD);
- h) Product Certificate;
- i) Import duty receipt;
- j) Pre-Arrival Assessment Report;

Authorised Dealers are required to render daily, weekly and monthly returns to CBN on capital importation for the purpose of investment in Nigeria.

3. **Investment under the Debt Conversion Programme**

- a) A status report shall be obtained from the Debt Management Office (DMO) before repatriation of capital, profit, interest and/or dividends, in respect of transactions which have been approved under the DMO Scheme;
- b) Evidence of payment of the mandatory 2.5% transaction cost paid to the nostro account of CBN.

Note:

Registration of Foreign Investment

It is required that non-resident investors in Nigeria shall register their investments for records and statistical purposes with the Nigerian Investment Promotion Commission (NIPC). Authorised Dealers are to ensure that the NIPC registration certificate/evidence is provided before funds are repatriated on behalf of the non-resident investor.

Memorandum 22

**EXTERNAL LOANS, INCLUDING
SUPPLIERS' CREDIT**

1. PROCUREMENT OF FOREIGN LOAN

Request for foreign loans by companies incorporated in Nigeria from corporate bodies/institutions offshore shall be processed through Authorised Dealers who shall issue an electronic Certificate of Capital Importation (eCCI) to the lender within 24 hours of the receipt of loan supported with the following documents:

1.1 Inflow of Funds;

- a) Board Resolution to obtain the loan;
- b) A copy of agreement, showing terms and conditions of the facility, including moratorium, date of maturity, interest rate and schedule of repayment of principal and interest;
- c) Evidence of offer of the loan/facility or credit;
- d) Evidence of Acceptance;
- e) Tested SWIFT/telex message advising payment;
- f) Evidence of incorporation where applicable;

1.2. Plant, Machinery and Equipment;

- a) Bill of Lading;
- b) Certificate of Origin;
- c) Commercial invoice;

- d) Exit Note;
- e) Form "M";
- f) Packing list;
- g) Single Goods Declaration (SGD);
- h) Product Certificate;
- i) Import duty receipt;
- j) Pre-Arrival Assessment Report;

After such foreign loans/facilities have been obtained, Authorised Dealers shall forward the details of the loans/facilities to Home Finance Department, Federal Ministry of Finance, Trade and Exchange Department of CBN via eCCI & eFASS, and NIPC for record and monitoring purposes.

2. REPAYMENT OF EXTERNAL LOANS

- i) Duly completed Form 'A';
- ii) Copy of Agreement, showing schedule of repayment;
- iii) Schedule of drawdown of the loan/facility when not stated in the loan agreement;
- iv) Evidence that the loan/credit was brought into the country (documents in 1.2 above will apply) where applicable;
- v) Import duty receipt with SGD Form number;
- vi) Demand note/Invoice;
- vii) SWIFT reference in respect of inflow of funds;
- viii) Evidence of the issuance of eCCI;

Memorandum 23

CAPITAL OUTFLOWS AND OUTWARD TRANSFERS IN RESPECT OF DIVIDENDS, PROFITS AND DIVESTMENTS

Foreign investors are guaranteed unconditional transfer of their capital, profits and dividends attributable to their investments in any convertible currency through the Authorised Dealers.

1. Capital Transfer (other than Securities)

Applications for capital transfer or withdrawal of investment may be processed by the Authorised Dealers subject to the following documentation requirements:

- i) Duly completed Form 'A';
- ii) Copy of Sales Agreement;
- iii) Electronic Certificate of Capital Importation as evidence that the original investment was imported into Nigeria whether in the form of cash or plant, machinery and equipment;
- iv) Approved Status in the case of an old company/investment or evidence of previous remittance of profits and dividends;
- v) Documentary evidence that the beneficiary has sold or transferred the assets;
- vi) Valuation Report by an Audit Firm.

2. Transfer of Shares

Transfer of shares can be done by companies subject to:

- i) Duly completed Form 'A';

- ii) Board Resolution issued by the party transferring the shares;
- iii) Transfer agreement;
- iv) Letter of clearance from Securities and Exchange Commission that the transfer is duly authorized;
- iv) A valuation report by an Audit firm indicating the value of the shares, where the company is not quoted on the Stock Exchange.

After such transfer, companies are required to notify the Federal Ministry of Finance, NIPC and CBN for monitoring and record purposes.

3. Capitalisation/Rights Issue/Re-Investment/GDR

Capitalisation/Rights Issue can be carried out by companies subject to the following:

- a) Board Resolution authorising such capitalisation;
- b) Payment of relevant stamp duty;
- c) Approval from Securities and Exchange Commission (SEC).

4. Remittance of Dividends, Profits and Bonuses.

The documentation requirements for the remittance of dividends, profits and bonuses are as listed below:

- a) Duly completed Form 'A';
- b) Audited accounts for the year dividends were declared;
- c) Board of Directors/AGM resolution, authorising the payment of dividends/profits/bonuses to both local and foreign shareholders;
- d) Evidence of tax payment on the amount to be remitted outside Nigeria;
- e) Evidence of capital importation into Nigeria, e.g. CCI or Approved Status and evidence of previous remittance of dividends /profit/bonuses;

- f) Evidence of what is due to each shareholder for the period dividends is declared, and/or dividend warrant.
- g) Requirement for Interim dividend in respect of quoted companies shall include;
 - i. Duly Completed Form A
 - ii. Evidence of tax payment
 - iii. e-CCI
 - iv. NSE announcement of interim dividend payment
 - v. Evidence of what is due to each shareholder for the period dividend is declared, and/or dividend warrant.

Note:

For individuals, provisions in 4(b, c and d) above would not be applicable. Authorised Dealers are required to submit monthly returns to the Central Bank of Nigeria on capital transfer/repatriation and remittance of dividends, profits and bonuses.

5. Transfer of Electronic Certificate of Capital Importation (ECCI)

The electronic Certificate of Capital Importation issued by an Authorised Dealer shall be eligible for transfer to another Authorised Dealer subject to the following:

- i) A formal application by the customer to the resident bank in respect of the eCCI, requesting for transfer to another bank;
- ii) The transfer shall be effected within 2 working days.

Memorandum 24

EDUCATION OUTSIDE NIGERIA

Approval for remittance in respect of educational expenses of Nigerian students attending Universities outside Nigeria shall be granted by the Authorised Dealers subject to the documentation requirements listed below: -

1. **Undergraduate Studies (fresh and Returning Students) :**
 - a) Duly completed Form 'A';
 - b) Evidence of admission/course programme;
 - c) School bill for the period;

2. **Postgraduate Studies:**
 - a) Duly completed Form 'A';
 - b) Photocopy of first degree certificate (or its equivalent)/Certified True Copy of Statement of Result by the awarding institution;
 - c) Evidence of admission/course programme;
 - d) School bill for the period;

3. Approvals shall be issued only in favour of the educational institution which the student is attending and not in favour of the student, where both tuition and maintenance services are provided by the institution and they are stated as one amount. However, where the student is living off campus or the maintenance fees are stated separately, the maintenance fees may be made payable to the student while the tuition fee shall be paid to the school.

4. Applications for educational expenses by foreign nationals shall be treated as part of their remittable entitlement in accordance with the provisions of Memorandum 18, in respect of PHR.

Memorandum 25

FOREIGN CURRENCY DOMICILIARY ACCOUNTS

1. Eligibility

- i) All Authorised Dealers are eligible to open domiciliary accounts for their customers.
- ii) Foreign Currency domiciliary accounts may be opened by:
 - a) Citizens of Nigeria;
 - b) Foreign nationals
 - c) Foreign/indigenous companies;
 - d) Embassies, High Commissions, Diplomatic Missions, etc., operating in Nigeria including their staff.
 - e) External Account holders can also operate domiciliary accounts.

2. Mode of Operation

- a) Foreign Currency Domiciliary Accounts may be operated as current, deposit or savings accounts;
- b) Foreign currency Domiciliary Accounts may be opened, maintained and operated in any foreign currency specified in Memorandum 3 in respect to specified currencies in this Manual.
- c) A customer may open more than one Domiciliary Account denominated in the same or different foreign currencies and at the same or in different banks.
- d) Any person making an application to open a foreign currency Domiciliary Account or wishes to deposit any foreign currency therein, shall not be required or obliged to disclose the source of funds to be deposited in such account.

3. Designation of Account

Authorised dealers shall maintain two types of domiciliary accounts;

- a. Ordinary Domiciliary account;
- b. Export Proceeds Domiciliary account.

There shall be a separate Domiciliary Account for the repatriation of export proceeds, which should be called Foreign Currency Domiciliary Account (Exports proceeds). Only proceeds of exports can be credited into this account.

4. Ineligible Sources of Deposit into Domiciliary Accounts:

Proceeds from foreign exchange approvals for visible and invisible trade transactions.

5. Withdrawals:

a) Withdrawals or payment from foreign currency domiciliary accounts shall be done in any of the following ways:

- i) Foreign bank-notes;
- ii) Mail/Telegraphic transfer;
- iii) Bank draft.

b) Where a person imports foreign currency in excess of \$10,000.00 or its equivalent in other foreign currencies, in cash and deposits same in the Domiciliary Account, withdrawal from the account shall be in cash only.

c) Where an account holder converts part of his funds in foreign currency to Naira, a sale of foreign currency is deemed to have taken place. Such a transaction shall be at the prevailing inter-bank rate on the day of the transaction.

d) Holders of ordinary/export proceeds domiciliary account shall continue to have access to funds in their accounts for eligible transactions with minimum documentation. In other words, the instructions of the account holder shall be sufficient for own use of the funds in the account irrespective of the payment mode.

However, where the funds are to be transferred to third parties, the purpose for the transfer should be provided by the account holder.

6. Payment of Interest on Deposits

- i) Payment of interest on deposits shall be as negotiated and agreed between the bank and the customer.
- ii) Funds deposited in foreign currency domiciliary account and interest earned thereon shall be exempted from Nigerian tax.

7. Bank Charges:

- i) Bank charges shall be in foreign exchange at rates stipulated in the Guide to Bank Charges.
- ii) However, where a foreign currency account holder converts part of his deposits into Naira, the bank charges for such transaction shall be in Naira.

8. Management of Foreign Currency Deposits

- i) Foreign Currency deposits shall be managed by overseas banks of the Authorised Dealers.
- ii) Authorised Dealers shall invest the funds in such accounts in overseas securities and ensure that an investment portfolio mix, which satisfies the criteria of profitability, liquidity and security, is maintained.
- iii) Authorised Dealers are allowed to lend funds in domiciliary account to their needy customers, provided that funds for repayment are sourced from the inter-bank.

9. Returns to Central Bank of Nigeria

Authorised Dealers are required to render returns in respect of transactions listed below to the Central Bank of Nigeria on monthly basis not later than the 5th working day of the month following that to which the returns relate.

Aggregate deposits, withdrawals, opening and Closing balances of foreign currency deposits held by Nigerians and foreigners whether as individuals or corporate entities.

Memorandum 26

MISCELLANEOUS PROVISIONS

1. Notwithstanding the provisions of Memorandum 17 and 18 of this Manual, only "Nigerian residents" shall access funds from the Nigerian Foreign Exchange Market.
2. Transactions of Operators in The Free Trade Zones, (not being part of the Nigerian Customs Territory), shall not qualify for remittance with funds from the Nigerian Foreign Exchange Market.
3. All agreements for services rendered by non-resident experts that reflect provisions not covered by current foreign exchange regulations in this manual shall be referred to the CBN for consideration before funds are transferred to the beneficiary. Also, agreements that are not consistent with our domestic regulations will not be eligible for payment purposes.
4. It shall be the responsibility of Authorised Dealers to ensure that documentations on transactions, including documents forwarded to the Central Bank of Nigeria for approvals-in-principle are authenticated and certified genuine.
5. Authorised Dealers shall be free to deal in funds in the Foreign Exchange Market in their own right, subject to compliance with advised Foreign Currency Trading Position and Net Open Position. However, no bank shall purchase funds from any segment of the Foreign Exchange Market on behalf of a customer, or sell funds to any customer without a valid, duly documented underlying transaction.
6. Mixing of funds purchased from the CBN with any other acquired from autonomous sources shall be allowed, provided they are duly segregated and properly recorded to ease reconciliation. Consequently, banks shall continue to render appropriate returns on sources of funds and utilization to the CBN.
7. Authorised Dealers are to ensure that third party documents are

authenticated and certified genuine by issuer/stakeholder(s) before utilization of same for foreign exchange remittance. Accordingly, appropriate sanctions shall continue to be imposed on Authorised Dealers who:

- a) Release funds on the basis of forged documents;
 - b) engage in fraudulent transactions;
 - c) fail to transfer customs revenue to the CBN in accordance with the laid down procedures;
 - d) default in furnishing accurate returns on due dates;
 - e) fail to report defaulting customers, to the CBN for appropriate action, etc.
8. Authorised Dealers should carry out due diligence/KYC on all customers and counter-parties.
 9. Sanctions shall be imposed on Authorised Dealers/official(s) and bank customers who breach any of the foreign exchange regulations and guidelines spelt out in this Manual and any other regulations and/or provisions of relevant Acts relating to foreign exchange market.
 10. All Authorised Dealers/Buyers and the general public are required to refer policy issues in respect of foreign trade and exchange, of which they are in doubt, to the Director, Trade and Exchange Department of the Central Bank of Nigeria, Abuja, for clarification.
 11. Transactions with Shipping documents predating Form 'M' and Letter of Credit (LC) approval date are liable to sanction in line with the provisions of BOFIA, as well as other appropriate sanctions by the CBN.
 12. All imports and exports transactions shall be covered with duly completed Forms ('M', 'A', NXP, NCX) regardless of whether or not payment is involved.
 13. Authorised Dealers, Pre-shipment Inspection Agents, Importers, Exporters, Suppliers, Shipping Lines, Bureaux de Change and Air Carriers are expected to ensure compliance with the provisions of Memorandum 9 and 10 as any infraction shall attract appropriate sanction(s) in line with the provisions of the relevant guidelines, regulations and/or statutes.

APPENDIX I

ELIGIBLE TRANSACTIONS

1. **Visible Imports (Except Imports under Absolute Prohibition).**
2. **Invisible Transactions**
 - i) Educational Expenses -- Student Tuition and Maintenance
 - ii) Expatriate Personal Home Remittances:
 - a. Monthly Remittance;
 - b. Gratuity;
 - c. Leave Pay;
 - d. Final Balance;
 - e. Bonus;
 - f. Provident Fund;
 - g. Company's share of provident/pension fund liabilities to expatriate staff.
 - iii) Re-Insurance (all types);
 - iv) Insurance;
 - v) Net Proceeds of International Air-ticket sales;
 - vi) Aircraft Lease fees;
 - vii) Charter fees for bunkering, Fishing and other vessels;
 - viii) Repairs and Maintenance of all shipping vessels and aircraft;
 - ix) Travels
 - a. Personal Travel Allowance (PTA);
 - b. Business Trip Allowance (BTA);
 - c. Foreign Medical Treatment;
 - d. Pilgrimage.
 - x) Conferences, Seminars and Training;

- xi) In-service Training;
- xii) Contract Service Fees;
 - a. Management & Technical Services;
 - b. Service charges for work done in Nigeria by highly skilled expatriate personnel;
 - c. Service charges for repairs of machinery and equipment outside Nigeria;
 - d. Consultancy fees;
 - e. Directors' fees.
- xiii) Membership subscription and Examination fees;
- xiv) Single copies of books for personal use;
- xv) Subscription to periodicals;
- xvi) Correspondence Courses;
- xvii) Freight of Personal Effects for returning Students;
- xviii) Profits and dividends;
- xix) Judgement Debt;
- xx) Commissions and Brokerages;
- xxi) Copyright, Patent, Franchise and Royalties;
- xxii) Advertisement outside Nigeria;
- xxiii) Aerial Survey Photographs;
- xxiv) Demurrage;
- xxv) Mortgage payment (the monthly mortgage payments – to a maximum of US\$5,000.00 – servicing an existing mortgage) subject to appropriate documentations;
- xxvi) Credit Cards settlement;
- xxvii) Investment in securities denominated in foreign currency;
- xxviii) Others (This covers all transactions not listed, which are neither prohibited by law, nor suspended by current regulations. In case of doubt about the eligibility and documentation requirements of any transaction, reference should be made to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja).

APPENDIX II

OFFENCES AND SANCTIONS

A. The following extract from Sections 29 to 31 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 17 of 1995 LFN Cap F34 provides for offences and sanctions:

Part I:

In respect to transactions in the Foreign Exchange Market.

1. **Any person who:-**
 - a) With intent to defraud, forges, mutilates, alters or defaces any foreign currency, Travellers' Cheque or other instrument of exchange in the market; or
 - b) Converts any foreign currency to a use for which it is not intended under the Act; or
 - c) Negotiates any draft, foreign bank note, other foreign exchange or any other trading instrument otherwise than as permitted by the Act; or
 - d) Forges or produces as genuine to the Central Bank or the Market any false document with a view to utilising the document in any transaction in the market, is guilty of an offence under the Act.
2. **Any person convicted of any of these offences is liable:-**
 - a) In the case of an individual, to imprisonment for a term of five years or to a fine of five times the amount of foreign currency involved; and
 - b) In the case of a body corporate, to a fine of ten times the amount of the foreign currency involved.
3. All the assets, movable or immovable, of a person convicted of an offence shall be forfeited to the Federal Government.

4. Where the person convicted is an Authorised Dealer, the Central Bank shall revoke the Licence as an Authorised Dealer.
5. In addition to any other penalty imposed under this section, the foreign currency involved shall be forfeited to the Federal Government.

Part II:

With respect to operations of Foreign Currency Domiciliary Accounts:-

1. **Any person:-**
 - a) With intent to defraud, forges, mutilates, alters or defaces any Foreign Currency Domiciliary Account passbook maintained under the Act; or
 - b) Being a bank, converts the proceeds of any Domiciliary Account maintained in the bank to a use for which it was not intended; or
 - c) Being an Authorised Dealer, permits or in any way facilitates the withdrawals or deposit of foreign currencies contrary to section 21 of the Act; or
 - d) Making or accepting cash payments contrary to section 21 of the Act is guilty of an offence under this Act;
2. **A person convicted of any of these offences is liable:-**
 - a) In the case of an individual, to imprisonment for a term not exceeding two years.
 - b) In the case of a body corporate, to a fine of ten times the amount of foreign currency involved.
3. **In addition to the penalty imposed as indicated above:-**
 - a) The foreign currency involved, shall be forfeited to the Federal Government.
 - b) Where an offence is committed by a body corporate, the court or tribunal may order that the body corporate shall thereupon and

without any further assurance, but for the order, be wound up and all the assets and properties of the body corporate shall be forfeited to the Federal Government.

- c) Where an offence is committed by an Authorised Dealer, the court or tribunal may, in addition to the penalty prescribed in paragraph (b) of this subsection, recommend that the license of the Authorised Dealer be revoked.

4. Offences by Bodies Corporate:

Where an offence has been committed by a body corporate, any person who, at the time of the commission of the offence was a proprietor, director, manager, secretary or other similar officer of the body corporate, who was purporting to act in such capacity shall be deemed to be guilty of that offence and liable to be punished as specified in the decree unless it is proven that the offence was committed without their consent or connivance and that they had exercised all such diligence as ought to have been exercised with regards to the nature of their functions in that capacity.

Part III

With respect to Export Transactions from Nigeria:-

1. Exporters should be aware that once goods have been inspected and Clean Certificate of Inspection (CCI) issued, any variation between the goods presented for loading and those confirmed by the CCI will render the exporter liable to penalties in accordance with the laws of the Federal Republic of Nigeria.
2. All carriers of goods should be aware that it is an offence under the Enabling Law to carry goods from Nigeria without a CCI.
3. The enabling law of NESS makes it an offence to export goods not exempted from inspection without the issuance of CCI.
4. Any person found guilty of an offence under the Act is liable on conviction:
 - a) In the case of individuals, to a fine of ₦50,000.00 or the value of the goods, whichever is higher or to imprisonment for a term not more than 12 months or both;

- b) If a body corporate, to a fine of ₦100,000.00 or twice the value of the goods, whichever is higher;
- c) Offences under the Act shall be prosecuted at the instance of the Attorney General of the Federation.

B. SANCTIONS FOR CONTRAVENING REGULATIONS IN THE FOREIGN EXCHANGE MARKET (FEM)

Authorised dealers are notified of the following contraventions in the Foreign Exchange Market (FEM) and sanctions thereto:

Contravention 1:

Round – tripping of foreign exchange sourced from the Foreign Exchange Market:

- a) Use of customers name to source foreign exchange from the Foreign Exchange Market without the consent of such customers.
- b) Payment of forex with funds sourced from the Foreign Exchange Market for transactions supported with forged documents.

Sanctions:

- a) Suspension of the Authorised Dealership license for a minimum of six (6) months with “full effect.”
- b) Refund of the Naira equivalent of the gains, calculated by applying 5% above the rates prevailing on the dates of the transaction(s).
- c) Refer to the Sub-Committee on Ethics of the Bankers' Committee for notification.
- d) Refer case to the Police for prosecution.
- e) Revocation of the Authorised Dealership Licence on second occurrence of breach.

Contravention 2:

Failure to deliver funds (forex) sold by the banks to the CBN and vice versa.

Sanctions:

- a) Interest at LIBOR rate +1% or 2% to be charged until funds are credited.
- b) Bank's request for forex should not be entertained until delivery of funds as agreed in contract of sale.
- c) Banks are also entitled to interest on funds bought from CBN until such is delivered.

Note:

This also applies to Forward Contract transactions

Contravention 3:

Default in Rendition of Returns

i) **Late Rendition of Returns/Non-Rendition**

Sanction:

Penalty of four thousand five hundred naira only (N4,500.00) shall be imposed for non-rendition of daily returns, and in the case of monthly returns not rendered by the tenth day following the reporting month, N10,000.00 shall be paid daily until the returns are rendered.

ii) **Rendition of False Returns**

Sanction:

Suspension of Authorised Dealership licence for a minimum of six (6) months with "full effect."

Contravention 4:

Use of foreign exchange for non-eligible purposes.

Sanctions:

- a) The foreign exchange sold should be returned with interest of 1% above LIBOR rate and duly credited;
- b) Letter of warning to the bank;
- c) Companies involved to be blacklisted;
- d) Refer to the Sub-Committee on Ethics of the Bankers' Committee for notification.

Contravention 5:

Exceeding Approved Foreign Currency Trading Position (FCTP)

For the purpose of FCTP compliance, banks are to ensure that they do not exceed the assigned position. Where the daily FCTP is exceeded, false returns or returns not rendered, the CBN shall impose appropriate sanctions in line with the relevant sections of BOFIA and may include suspension from the Foreign Exchange Market.

Sanctions:

- a) First offender that exceeds the FCTP limits shall be given letter of warning;
- b) Second offender shall be suspended from the Foreign Exchange Market for three (3) working days;
- c) Third offender shall have its Authorised Dealership Licence withdrawn.

Note:

“Full effect” includes the requirement to:

- i) Set up Management and Board investigative panels to identify role of staff including Management staff in the malpractice.
- ii) Punish guilty staff accordingly with evidence.
- iii) Provide an undertaking by the bank not to be involved in such practices in the future.

Contravention 6:**Failure to return unutilized balance of CBN funds****Sanctions:**

Bank should return the funds with interest at LIBOR + 5%. Funds will be repurchased by the CBN at the ruling rate or CBN buying rate at the time the funds were purchased, whichever is lower, in addition to payment of N2million Naira penalty.

Contravention 7:**Consummating foreign exchange transactions with inadequate documentation****Sanctions:**

Bank should return the funds with interest at LIBOR + 5%. Funds will be repurchased by the CBN at the ruling rate or CBN buying rate at the time the funds were purchased, whichever is lower, in addition to payment of N2million naira penalty.

A) NON-OILEXPORT

Non-compliance with the requirements or provisions of the Export Guidelines will attract the following sanctions:

- a) Non- Repatriation of Export Proceeds within 180 days by any Exporter shall attract a penalty of 1% of the amount of the export proceeds that remains outstanding;
- b) Any violation of the Guidelines by banks including, but not limited to the following:
 - i) Late submission of NXP Forms received from Exporters to PIAs;
 - ii) Late/Non-remittance of NESS Fees paid by Exporters to CBN;
 - iii) Late submission of NESS Fees receipts to PIAs and Exporters;
 - iv) Late/Non-remittance of returns on Export Proceeds; shall attract appropriate sanctions by CBN.
- c) Any PIA that delays issuance of the CCIs later than 72 hours after inspection and the receipt of all relevant documents including NESS levy

payment receipts shall be liable to a fine of 25% of the service fee due to the PIA on the affected transaction. The documents to be attached to a completed (RFI) shall include:

- Copy of Form NXP;
- NESS receipt;
- RFI;
- Pro-forma invoice.

(d) Any PIA that consistently fails for a period of three (3) months to submit monthly report on or before the 10th day of the subsequent month shall receive a query from the Federal Ministry of Finance. Also, any PIA that fails to submit same for up to six (6) consecutive months within the same year shall be deemed as non-performing and would have its contract terminated;

e) Any PIA that consecutively fails for three (3) months to meet with the scheduled time of inspection shall lose the territory (State) to another PIA and it shall be re-assigned by the Ministry.

f) If it is established that it is the fault of the PIA that the export was done without NXP and proper issuance of CCI, the PIA shall be queried and warned. If the PIA persistently defaults in like manner for six (6) months, it shall have its contract terminated. On the other hand, if it is established that it is the fault of the shipping line/agent, it shall be reported to the Nigerian Shippers Council for appropriate sanction;

g) Failure of any PIA to report attempts to export substandard goods should immediately result in query, warning and subsequent suspension.

B) OIL EXPORT

Non-compliance with the requirements or provisions of these Guidelines will attract the following sanctions:

a). No export permit shall be processed by the DPR for any exporter that defaults in filling the Form NXP and or in the payment of NESS levy.

b). Non-payment of NESS Levy within thirty (30) days of the shipment date for oil and gas exports shall attract a penalty of 25% of the outstanding NESS levy.

c). Any exporter that defaults in the repatriation of export proceeds

within the time limit specified in the CBN Foreign Exchange Manual shall be liable to a penalty of 1% of the outstanding export proceeds.

d) Any violation of these Guidelines by banks including, but not limited to the following:

- i. Late submission of NXP Forms received from Exporters to PIAs;
- ii. Late/Non-remittance of NESS Fees paid by Exporters to CBN;
- iii. Late submission of NESS Fee receipts to PIAs and Exporters;
- iv. Late/Non-remittance of returns on Export Proceeds; shall attract appropriate sanctions by CBN.

e). Any PIA that delays issuance of the CCIs later than five (5) working days after the receipt of all relevant documents shall be liable to a fine of 25% of the service fee due to the PIA on the affected transaction.

f) Any PIA/MEA that consistently fails for a period of three (3) months to submit monthly report on or before the 5th day of the subsequent month for Oil shall receive a query from the Ministry. Also, any PIA/MEA that fails to submit same for up to six (6) consecutive months within the same year shall be deemed as non-performing and would have its contract terminated.

g) Any PIA/MEA that consecutively fails for three (3) months to meet with the scheduled time of inspection shall lose the terminal and it shall be re-assigned by the Ministry to another PIA/MEA.

h) If it is established that it is the fault of the PIA that the export was done without NXP and proper issuance of CCI, the PIA shall be queried and warned. If the PIA persistently defaults in like manner for six (6) months, it shall have its contract withdrawn. On the other hand, if it is established that it is the fault of the shipping line/agent, it shall be reported to the Nigerian Shippers' Council for appropriate sanction.

i) Failure of any PIA to report attempts to export substandard goods should immediately result in query, warning and subsequent suspension.

APPENDIX III

PROCESSING GUIDELINES

1. **Visible Imports:**
 - i) Before registering Form "M" for an applicant, the proforma invoice shall be scrutinised to identify the item to be imported and the F.O.B. price, and other charges.
 - ii) The amount specified on Form "M" shall agree with that in the proforma invoice.
 - iii) Where the item to be imported is subject to destination inspection, the Form "M" should have the prefix 'BA' and where the item does not require inspection the Form "M" numbering should have the prefix 'CB'.
 - iv) In the case of confirmed Letters of Credit, the cable shall be tested and certified to be valid, and payment may be made on the basis of the tested cable. The full documentation as specified in Memorandum 9 shall be submitted to the Authorised Dealer within the specified period. The amount specified on the accessed cable shall be verified and agreed with those on the attested invoice, bill for collection or letter of credit instrument, and the Form "M".
 - v) Where there is sufficient ground for doubt on the authenticity of documents presented, ADs should verify from the issuing body before foreign exchange is transferred to the overseas beneficiary. Any case of suspected forgery shall be reported promptly to the Central Bank.
2. **Invisible Transactions:**
 - a) **Monthly Home Remittances (including Leave Pay and Bonus)**

- i) Amount to be approved as monthly home remittances shall not exceed 100% of current monthly salary, net of tax.
- ii) 100% of bonus net of tax is allowed to be remitted
- iii) An applicant is entitled to a maximum of **two months** of his net pay as leave pay. 75% is taken before travelling and 25% on arrival. It shall be ascertained from the passport that the applicant actually travelled before the 25% is released. To confirm this, photocopies of the relevant pages of the passport should be attached.
- iv) The signature on the tax clearance certificate and resident permit shall be verified against the relevant specimen signature list for all forms of home remittances.

3. Gratuity

Procedure for Calculating Remittable Gratuity

- i) The processing Officer should check to ensure that the application is properly documented.
- ii) The gross income of the applicant for the period covered by the gratuity shall be determined.
- iii) The tax on the gross salary is deducted.
- iv) The remittable allotment is 75% income.
- v) The amount remitted under PHR during the period covered by the proposed gratuity is deducted from the remittable allotment in (iv) above.
- vi) All other remittances such as gratuities previously granted which are included in the statement of remittances should be added to the aggregate net income before deducting previous remittance(s).
- vii) Bonus payments are not regarded as part of the remittable income because they are remitted 100% net of tax (see 3 (iii) above).
- viii) A positive net remittable allotment (i.e. after necessary deductions as in (v) and (vi) above) implies that the applicant did not remit all that he

was entitled to. As a result, approval can be given for the full value of the gratuity. However, a negative net allotment implies that the applicant had remitted more than he was entitled to during the period. As a result, the figure of the negative net allotment shall be deducted from the value of the gratuity, after which the balance can be approved.

- ix) 15% of the gross income determined in 3(ii) above should be calculated to determine the applicant's gratuity entitlement. Gratuity allowed should not exceed 15% of the applicant's gross income during the period covered by the gratuity.

4. Final Balance

Procedure for Calculation

- i) The net income received in the last four years of stay in Nigeria is computed by deducting tax liability during the corresponding period as reflected on the tax clearance certificate duly issued by the competent state Inland Revenue Department. The signature on the tax clearance certificate shall be duly verified to ensure that it is valid. The income remittable is determined as 75% net of tax.
- ii) The terminal payments (i.e. gratuity, leave pay and terminal salary) are then added to the remittable income.
- iii) The difference between the remittable amounts (plus terminal payments) and total remittance made during the period represents the total remittable balance.

5. Overseas Conferences/Training:

- i) Approval shall be granted for course fees as stated in the course brochure and maintenance allowance in accordance with applicant's estimate.
- ii) The maintenance allowance should be on a per diem basis, and should be approved by an officer not below the grade of Assistant General Manager.

6. Net Proceeds of Sales of International Air-Tickets

The amount to be approved for remittance in respect of sale of air-tickets is total sales proceeds less local expenses incurred. The auditor's report shall support such a claim. Therefore, the auditor's report and the Company's statement of account shall be studied together in order to establish the actual amount remittable. Authorised Dealers should certify that appropriate tax is duly paid on the portion of international air-tickets sold in foreign exchange before remittance is approved.

7. Aircraft Lease and Maintenance Fees:

- i) The lease/maintenance agreement should be examined to determine the amount payable as either lease fee or maintenance fee. This should be used as reference point for comparing the amount to be remitted.
- ii) Evidence of use of aircraft shall be endorsed by the NCAA. The signatures on this shall be verified against those on the relevant specimen signature list.
- iii) The approval of the Nigerian Civil Aviation Authority (NCAA) should be examined to ascertain that the aircraft for which the application is being made is covered in the air-line's operating license. The signatures on this document shall be verified against those in the relevant specimen signature list. The aircraft's registration number should be stated in relevant documents presented.
- iv) A letter of confirmation from the NCAA on the reasonableness and competitiveness of the charter/maintenance fees as per the agreement should be called for. The signature on it should be duly verified.

8. Contract Service Fees

- i) The service agreement shall be scrutinised to ascertain the amount of the service fee payable in foreign exchange and approval of the terms of agreement sought from the relevant professional body.
- ii) The bill submitted by the organisation rendering the service shall be

scrutinised and compared with the amount of service fee specified in the service agreement.

- iii) Where an attestation is required from a relevant professional body in the related field, indicating that the services to be rendered cannot be provided locally, it shall be called for, scrutinised, and the signature on it confirmed with the issuing professional body.
- iv) It shall be certified that appropriate tax was paid on the amount to be remitted as service fee. The signature on the tax clearance certificate shall be verified against that on the specimen signature list.

9. **Re-Insurance**

The signature of the Commissioner, National Insurance Commission or any of his officers authorized to issue the attestation letter shall be verified and should agree with that on the specimen signature list.

10. **Demurrage Remittance**

Authorised Dealers should request the customer to provide evidence of arrival of the vessel, issued by the Nigeria Ports Authority (NPA) as well as pay-in-slips. The amount of total payment in the pay-in-slip should agree with amount lodged in the account during the relevant period.

Appendix IV

**SCHEDULE 'A' EXPORT GOODS EXEMPT
FROM INSPECTION:**

- Personal effects;
- Used motor vehicles;
- Perishables i.e. day old chicks, human eyes, human remains;
- Vaccines, Yeast;
- Objects of art;
- Explosives;
- Pyrotechnic products and Arms;
- Ammunition;
- Weapons;
- Implements of war;
- Live animals;
- Household and other non-commercial products;
- Gifts and personal effects, trade samples/printed business matter;
- Machineries and equipment for repairs abroad, machinery for the execution of specific contract, re-exports;
- Return of empty containers;
- Trans-shipments.

Supplies to Diplomatic/Consular Missions and supplies to United Nations (UN) for their own needs.

Appendix V

SCHEDULE 'B' PROHIBITED EXPORTS:

- Raw hides and skin;
- Timber (rough and sawn);
- Scrap metals;
- Unprocessed rubber latex and rubber lumps.

REVISED FOREX MANUAL MARCH 2018

MTR282

FOREIGN EXCHANGE FLOW STATEMENT

BANK CODE..... NAME OF AUTHORISED DEALER.....

AS AT.....

| INFLOW | | USD | OUTFLOW | | USD |
|---------------|--|------------|----------------|--|------------|
| VA 10000 | Forex opening balances for the Day Under review | | VA 20000 | Spot Sales From CBN IFEM Funds: | |
| VA 10100 | Repurchases of L/C balances | | VA 20100 | Imports | |
| VA 10110 | Unutilised CBN IFEM funds | | VA 20110 | Invisibles | |
| VA 10120 | Unutilised Autonomous funds | | VA 20200 | From Autonomous Funds - Valid For Forex | |
| VA 10210 | Not valid for Forex transactions (Sourced from Domiciliary Accounts) | | VA 20210 | Imports | |
| VA 10310 | Spot forex purchases / Own use for the | | VA 20220 | Invisibles | |
| VA 10311 | Export proceeds Dom. Accounts | | VA 20300 | Not Valid For Forex From Dom. Accounts | |
| VA 10312 | Ordinary Dom. Accounts | | VA 20310 | Imports | |
| VA 10400 | Interbank Purchases | | VA 20320 | Invisibles | |
| VA 10413 | From Other Authorised Dealers | | VA 20400 | Sales to other Authorised Dealers | |
| VA 10413A | Special Sales | | VA 20500 | Funds utilised by Dom. Account holders | |
| VA 10414 | From CBN | | VA 20510 | For own use | |
| VA 10415 | Other Spot Purchases | | VA 20520 | Export Levies | |
| VA 10416 | External Accounts | | VA 20600 | Sales to CBN | |
| VA 10417 | Over-the-counter purchases | | VA 20700 | Capital Transfers | |
| VA 10418 | Capital Importation | | VA 20800 | Transfers to other banks For syndication / accumulation Purposes | |
| VA 10419 | Home Remittance (e.g. Western union Money gram. Vigo etc) | | VA 20900 | Closing Position | |
| VA 10420 | Forex purchases from Oil & Oil Services Companies | | | | |
| VA 10421 | Other over-the-counter purchases | | | | |
| VA 10500 | Transfers from other banks for Syndication / accumulation Purposes | | | | |
| VA 10600 | Other sources (Please specify) | | | | |
| VA 10700 | TOTAL | | VA 30000 | (TOTAL) | |

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SUMMARY OF FOREIGN EXCHANGE POSITION REPORT

BANK CODE **NAME OF AUTHORISED DEALER**

AS AT

| | FOREIGN CURRENCY (US\$) |
|--|-------------------------|
| VB10000 OPENING POSITION FOR THE DAY UNDER REVIEW | |
| VB10100 ADD - SPOT PURCHASES | |
| VB10111 From CBN - IFEM | |
| VB10112 From other Authorised Dealers | |
| VB10113 From exporters (Dom. Accounts) | |
| VB10114 From ordinary Dom. Accounts | |
| VB10115 From External Accounts | |
| VB10116 From Special Accounts | |
| VB10117 Repurchased L/C Balances: | |
| VB10118 CBN Funds | |
| VB10119 Other Autonomous Funds | |
| VB10120 Capital importation | |
| VB10121 Home Remittance (e.g. Western Union, Money Gram, Virgo etc.) | |
| VB10122 From Oil & Oil Services Companies | |
| VB10123 From other Autonomous sources (spot) | |
| VB10130 SPOT PURCHASES | |
| VB10140 ADD - FORWARD CONTRACTS - FX PURCHASES | |
| VB10150 TOTAL PURCHASES (VB10130+VB10140) | |
| VB10160 LESS. SPOT SALES | |
| VB10161 TO CBN | |
| VB10162 To other Authorised Dealers | |

| | | |
|-----------|---|--|
| VB10163 | To cover imports | |
| VB10164 | To cover invisible transactions | |
| VB10165 | Others (Pls. Attach documentary evidence) | |
| VB10170 | SPOT SALES | |
| VB10180 | LESS FORWARD CONTRACTS/ FX SALES | |
| VB10190 | TOTAL SALES | |
| F.VB10200 | CLOSING POSITION (NET EXPOSURE) | |
| VB10210 | NET CHANGE IN THE DAY UNDER REVIEW | |
| VB10220 | APPROVED LIMIT | |
| VB10230 | EXCESS OVER LIMIT | |

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DTR206

**ANALYSIS OF FOREIGN EXCHANGE UTILISATION ON (FORM "A" AND "M")
AGGREGATE BY SOURCES OF FUNDING**

BANK CODE: **NAME OF AUTHORISED DEALER**
AS AT: **200**

| SOURCE OF FUNDING | VALUE (US\$) | EXCHANGE RATE | REMARKS |
|---|-----------------|------------------|---------|
| FORM 'A' | | | |
| SFA 10000 <u>VALID FOR FOREIGN EXCHANGE</u> | | | |
| SFA 10010 Funds from CBN | | | |
| SFA 10020 Autonomous funds from banks | | | |
| SFA 10100 <u>NOT VALID FOR FOREIGN EXCHANGE</u> | | | |
| SFA 10110 From own domiciliary accounts | | | |
| SFA 10120 From external accounts (SME, NERFUND, World bank assisted etc) | | | |
| SFA 10130 Independent off-shore sources | | | |
| SFA 10140 Other (please specify) | | | |
| SFA 101200 TOTAL | | | |
| FORM 'M' | | | |
| SFM 10000 <u>VALID FOR FOREIGN EXCHANGE</u> | | | |
| SFM 10010 Funds from CBN | | | |
| SFM 10020 Autonomous funds from banks | | | |
| SFM 10100 <u>NOT VALID FOR FOREIGN EXCHANGE</u> | | | |
| SFM10110 From own domiciliary accounts | | | |
| SFM10120 From external accounts (SME, NERFUND, World bank assisted etc) | | | |
| SFM10130 Independent off-shore sources | | | |
| SFM10140 Other (please specify) | | | |

| | | | |
|----------------------|--|--|--|
| SFM10200 TOTAL | | | |
| TSF10050 GRAND TOTAL | | | |

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MTR207

**ANALYSIS OF FOREIGN EXCHANGE UTILISATION ON FORM 'M'
(L/C VALID FOR FOREIGN EXCHANGE) SOURCED FROM CBN SALES**

BANK CODE: ASAT 200 NAME OF AUTHORISED DEALER

| FORM 'M' NUMBER | RC NUMBER | APPLICANT NAME | IMPORT ITEM | AMOUNT | | EXCHANGE RATE AT WHICH FUND WAS PURCHASED FROM CBN |
|-----------------|-----------|----------------|-------------|----------|-----------|--|
| | | | | UTILISED | ALLOCATED | |
| | | | | | | |
| 11B10000 | TOTAL | | | | | |

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MTR208

ANALYSIS OF FOREIGN EXCHANGE UTILISATION ON FORM 'M' (BILLS FOR COLLECTION VALID FOR FOREIGN EXCHANGE) SOURCED FROM CBN SALES

BANK CODE:.....NAME OF AUTHORISED DEALER

AS AT 200.....

| FORM 'M' NUMBER | RC NUMBER | APPLICANT NAME | IMPORT ITEM | AMOUNT US\$ | | EXCHANGE RATE AT WHICH FUND WAS PURCHASED FROM CBN |
|-----------------------|-----------|----------------|-------------|-------------|-----------|--|
| | | | | UTILISED | ALLOCATED | |
| | | | | | | |
| IIC10000 TOTAL | | | | | | |

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DTR209

CONSOLIDATED FOREIGN EXCHANGE UTILISATION**BANK CODE****NAME OF AUTHORISED DEALER****AS AT**

209

| | INTERBANK PURCHASES FROM CBN (US\$) | OTHER AUTONOMOUS FUNDS | |
|--|--|----------------------------|--------------------------------|
| | | VALID FOR FOREX US\$ | NOT VALID FOR FOREX US\$ |
| IV10000 IMPORTS | | | |
| IV10100 INDUSTRIAL SECTOR | | | |
| IV10101 Raw Materials | | | |
| IV10102 Capital Good including Machinery, Spare parts CKD etc | | | |
| IV10200 AGRICULTURAL SECTOR | | | |
| IV10300 FINISHED GOODS | | | |
| IV10301 Foods | | | |
| IV10302 General Merchandise | | | |
| IV10303 Drugs and Pharmaceuticals | | | |
| IV10304 Books and Educational Materials | | | |
| IV10305 Cement | | | |
| IV10306 Other building materials | | | |
| IV10307 Detergents | | | |
| IV10308 Alcohol | | | |
| IV10309 Insecticide | | | |
| IV10310 Lubricants | | | |
| IV10311 Glass products | | | |
| IV10312 Furniture/Wood products | | | |
| IV10313 Others | | | |
| IV10400 TRANSPORT | | | |
| IV10401 Aircraft/shipping | | | |
| IV10402 Motor vehicles/Cars | | | |
| IV10403 Buses/Trucks/Lorries | | | |
| IV10404 Rolling Stocks | | | |
| IV10405 Motorcycles & Bicycles | | | |
| IV10500 PERSONAL EFFECTS | | | |
| IV10600 INVISIBLES | | | |
| IV10601 Education | | | |
| IV10602 Personal home Remittance (PHR) | | | |
| IV10603 Airline Remittances | | | |
| IV10604 TRAVELS | | | |
| IV10604A Personal Travel Allowance | | | |

| | | | | |
|----------|---|--|--|--|
| IV10604B | Business Travel Allowance | | | |
| IV10614C | Estacode | | | |
| IV10605 | Re-Insurance | | | |
| IV10606 | Contact Service | | | |
| IV10607 | Technical Service Fees | | | |
| IV10608 | Royalty | | | |
| IV10609 | Licence | | | |
| IV10610 | Trade Mark | | | |
| IV10611 | Constancy Fees | | | |
| IV10612 | Management Service Fees | | | |
| IV10613 | Aircraft lease & Maintenance | | | |
| IV10614 | Shipping Vessels, Charter & Maintenance | | | |
| IV10615 | Investment Income-Profit & Dividends | | | |
| IV10616 | Repatriation of Capital | | | |
| IV10617 | Others | | | |
| IV10700 | Total | | | |

DTR210

ANALYSIS OF FOREIGN EXCHANGE UTILISATION - CLASSIFICATION BREAKDOWN (FORM M OTHERS UNDER FINISHED GOODS)

BANK CODENAME OF AUTHORISED DEALER

AS AT.....

| FORM 'M' NO | RC NUMBER | NAME OF APPLICANT (IMPORTER) | SOURCE OF FUND CODE | SOURCE OF FUND NAME | IMPORT ITEM DESCRIPTION OF GOODS | AMOUNT UTILISED (US\$) |
|--------------|-----------|------------------------------|---------------------|---------------------|----------------------------------|------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

PREPARED BY.....

AUTHORISED BY.....

DTR213

OPERATION OF DOMICILIARY AND EXTERNAL ACCOUNTS

BANK CODE.....
 DEALER.....NAME OF AUTHORISED
 AS AT

| | US DOLLAR | NAIRA EQUIVALENT |
|---|-----------|------------------|
| IX1000 EXPORT PROCEED ACCOUNT | | |
| IX10001 Opening balance for the day under review | | |
| IX10002 Total lodgement including transfer to the account | | |
| IX10100 WITHDRAWALS FOR EXPORT | | |
| IX10101 Sales to Authorised dealers | | |
| IX10102 Used by Account holders | | |
| IX10103 Withdrawal from account by account holders for Own use (only for cocoa export levies) | | |
| IX10104 Transfers out of the accounts for other dom A/Cs 2/ | | |
| IX10105 Closing Position | | |
| IX10200 ORDINARY DOMICILIARY ACCOUNT | | |
| IX10201 Opening balance for the day under review | | |
| IX10202 Total lodgement including transfers to the account | | |
| IX10203 Freight | | |
| IX10204 Passenger fares | | |
| IX10205 Port charges | | |
| IX10206 Travels | | |
| IX10207 Transfers (home remittance) | | |
| IX10208 Contract service fees | | |
| IX10209 Insurance | | |
| IX10210 Returns from direct investments | | |
| IX10211 Others (specify) | | |
| IX10300 WITHDRAWAL FOR DOM ACCOUNT | | |
| IX10301 Sales to Authorised dealers | | |
| IX10302 Used by account holders | | |
| IX10303 Withdrawal from account to account holder for own use | | |
| IX10304 Transfer out of the account to other dom accounts | | |
| IX10305 Closing balance | | |
| IX10400 EXTERNAL ACCOUNTS | | |
| IX10401 Opening balance for the day under review | | |
| IX10402 Total lodgement including transfers to | | |

| | | |
|---|--|--|
| the account | | |
| 1X10500 WITHDRAWALS FOR | | |
| 1X10501 Sales to authorised dealers | | |
| 1X10502 Used by account holder | | |
| 1X10503 Withdrawal from account to account holder for own use | | |
| 1X10504 Closing balance | | |

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MTR384

RETURN ON FOREIGN EXCHANGE SOLD BY OIL AND OIL SERVICE COMPANIES TO BANKS

RC NO OIL COMPANY NAME OF OIL COMPANY
 FOR THE MONTH ENDED 200.....

| BANK CODE | AMOUNT SOLD | DATE SOLD | EXCHANGE RATE | REMARKS |
|-----------|-------------|-----------|---------------|---------|
| TOTAL | | | | |

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MTR308

MONTHLY RETURN ON TRANSFER OF PROFIT, DIVIDEND AND CAPITAL

BANK CODENAME OF AUTHORISED DEALER
 FOR THE MONTH ENDED.....

| RC NO | NAME OF INVESTOR/ COMPANY | NATURE OF BUSINESS | DATE OF TRANSFER | AMOUNT IN NAIRA | FOREX EQUIVALENT IN US\$ | REMARKS (indicate profit, dividend, capital transfer or repayment of loan) |
|--------------|---------------------------|--------------------|------------------|-----------------|--------------------------|--|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

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AUTHORISED BY.....

DTR217

CUSTOMER INFORMATION
DATE

| RC NO/ PASSPORT NO | CLIENT NAME | NEPC NO | ADDRESS | CITY | STATE | DATE REGISTERED | DOM. A/C NO. |
|--------------------------|----------------|---------|---------|------|-------|--------------------|--------------------|
| | | | | | | | |

PREPARED BY.....

AUTHORISED BY.....

IMPORT INSPECTION

MTRJ09

INSPECTION AGENTS CODEINSPECTION AGENTS NAME.....
 FOR THE MONTH.....

| FORM 'M' | BILL OF LADING NO | FINAL INVOICE NO | FINAL INVOICE DATE | CRI NO | CRI DATE | IMPORT ITEM CODE | BANK NAME | DUTY PAY- ABLE | DUTY EXEMP- TION |
|-------------|-------------------------|------------------------|--------------------------|-----------|-------------|------------------------|--------------|----------------------|------------------------|
| | | | | | | | | | |

PREPARED BY

AUTHORISED BY.....

**SUMMARY OF DUTY EXEMPTION
INSPECTION AGENT CODE.....
FOR THE MONTH ENDED.....**

| SECTOR | PUBLIC SECTOR IMPORT GOVERNMENT) (VALUE NAIRA) | PRIVATE SECTOR IMPORT (VALUE NAIRA) |
|--|--|---|
| DE10000 IMPORTS | | |
| DE10100 INDUSTRIAL SECTOR | | |
| DE10101 Raw material | | |
| DE 10102 Capital goods including Machinery, spare parts CKD etc) | | |
| DE10200 AGRICULTURAL SECTOR | | |
| DE10300 FINISHED GOODS | | |
| DE 10301 Food | | |
| DE10302 General merchandise | | |
| DE10303 Drugs and pharmaceuticals | | |
| DE10304 Books and Educational materials | | |
| DE10305 Cement | | |
| DE10306 Other building materials | | |
| DE10307 Detergents | | |
| DE10308 Alcohol | | |
| DE10309 Insecticides | | |
| DE10310 Lubricants | | |
| DE10311 Glass products | | |
| DE10312 Furniture/wood products | | |
| DE10313 Others | | |
| DE10400 TRANSPORT | | |
| DE10401 Aircraft/shipping vessels | | |
| DE10402 Motor vehicle car | | |
| DE10403 Buses/trucks/lorries | | |
| DE10404 Rolling stock | | |
| DE10405 Motorcycles and bicycles | | |
| DE10500 MINING | | |
| DE10600 PERSONAL EFFECTS | | |
| DE10700 OTHERS | | |
| DE10800 TOTAL | | |

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AUTHORISED BY.....

MTR311

SUMMARY OF FORM 'M' PASSED FOR INSPECTION IN RESPECT OF GOODS VALID FOR FOREIGN EXCHANGE
INSPECTION AGENT CODE.....
FOR THE MONTH ENDED.....

| SECTOR | FOB VALUE | |
|---|-----------|---|
| | USD | N |
| VIA10000 IMPORTS | | |
| VIA10100 INDUSTRIAL SECTOR | | |
| VIA10101 Raw material | | |
| VIA 10102 Capital goods including Machinery, spare parts CKD etc) | | |
| VIA10200 AGRICULTURAL SECTOR | | |
| VIA10300 FINISHED GOODS | | |
| VIA10301 Food | | |
| VIA10302 General merchandise | | |
| VIA10303 Drugs and pharmaceuticals | | |
| VIA10304 Books and Education materials | | |
| VIA10305 Cement | | |
| VIA10306 Other building materials | | |
| VIA10307 Detergents | | |
| VIA10308 Alcohol | | |
| VIA10309 Insecticides | | |
| VIA10310 Lubricants | | |
| VIA10311 Glass products | | |
| VIA10312 Furniture/wood products | | |
| VIA10313 Others | | |
| VIA10400 TRANSPORT | | |
| VIA10401 Aircraft/shipping vessels | | |
| VIA10402 Motor vehicle car | | |
| VIA10403 Buses/trucks/torries | | |
| VIA10404 Rolling stock | | |
| VIA10405 Motorcycles and bicycles | | |
| VIA10500 MINING | | |
| VIA10600 PERSONAL EFFECTS | | |
| VIA10700 OTHERS | | |
| VIA10800 TOTAL | | |

PREPARED BY

AUTHORISED BY

MTR312

SUMMARY OF FORM 'M' PASSED FOR INSPECTION IN RESPECT OF GOODS VALID FOR FOREIGN EXCHANGE
INSPECTION AGENT CODE.....
FOR THE MONTH ENDED.....

| SECTOR | FOB VALUE | |
|---|-----------|---|
| | USD | N |
| VIA10000 IMPORTS | | |
| VIA10100 INDUSTRIAL SECTOR | | |
| VIA10101 Raw material | | |
| VIA 10102 Capital goods including Machinery, spare parts CKD etc) | | |
| VIA10200 AGRICULTURAL SECTOR | | |
| VIA10300 FINISHED GOODS | | |
| VIA10301 Food | | |
| VIA10302 General merchandises | | |
| VIA10303 Drugs and pharmaceuticals | | |
| VIA10304 Books and Education materials | | |
| VIA10305 Cement | | |
| VIA10306 Other building materials | | |
| VIA10307 Detergents | | |
| VIA10308 Alcohol | | |
| VIA10309 Insecticides | | |
| VIA10310 Lubricants | | |
| VIA10311 Glass products | | |
| VIA10312 Furniture/wood products | | |
| VIA10313 Others | | |
| VIA10400 TRANSPORT | | |
| VIA10401 Aircraft/shipping vessels | | |
| VIA10402 Motor vehicle car | | |
| VIA10403 Buses/trucks/torries | | |
| VIA10404 Rolling stock | | |
| VIA10405 Motorcycles and bicycles | | |
| VIA10500 MINING | | |
| VIA10600 PERSONAL EFFECTS | | |
| VIA10700 OTHERS | | |
| VIA10800 TOTAL | | |

PREPARED BY

AUTHORISED BY

MTR313

SUMMARY OF CIF VALUES IN USD OF CRI; FOR IMPORTS VALID FOR FOREX INSPECTION AGENT CODE..... FOR THE MONTH ENDED.....

| A SECTOR | CIF VALUE | |
|--|-----------|---|
| | US\$ | N |
| VIC10000 IMPORTS | | |
| VIC10100 INDUSTRIAL SECTOR | | |
| VIC10101 Raw material | | |
| VIC10102 Capital goods including Machinery, spare parts CKD etc) | | |
| VIC10200 AGRICULTURAL SECTOR | | |
| VIC10300 FINISHED GOODS | | |
| VIC 10301 Food | | |
| VIC10302 General merchandises | | |
| VIC10303 Drugs and pharmaceuticals | | |
| VIC10304 Books and Educational materials | | |
| VIC10305 Cement | | |
| VIC10306 Other building materials | | |
| VIC10307 Detergents | | |
| VIC10308 Alcohol | | |
| VIC10309 Insecticides | | |
| VIC10310 Lubricants | | |
| VIC10311 Glass products | | |
| VIC10312 Furniture/wood products | | |
| VIC10313 Others | | |
| VIC10400 TRANSPORT | | |
| VIC10401 Aircraft/shipping vessels | | |
| VIC10402 Motor vehicle car | | |
| VIC10403 Buses/trucks/lorries | | |
| VIC10404 Rolling stock | | |
| VIC10405 Motorcycles and bicycles | | |
| VIC10500 MINNING | | |
| VIC10600 PERSONAL EFFECTS | | |
| VIC10700 OTHERS | | |
| VIC10000 TOTAL | | |

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AUTHORISED BY.....

MTR314

SUMMARY OF CIF VALUES IN USD OF CRI: FOR IMPORTS VALID FOR FOREX INSPECTION AGENT CODE..... FOR THE MONTH ENDED.....

| A SECTOR | CIF VALUE | |
|--|-----------|---|
| | US\$ | N |
| VIC10000 IMPORTS | | |
| VIC10100 INDUSTRIAL SECTOR | | |
| VIC10101 Raw material | | |
| VIC10102 Capital goods including Machinery, spare parts CKD etc) | | |
| VIC10200 AGRICULTURAL SECTOR | | |
| VIC10300 FINISHED GOODS | | |
| VIC 10301 Food | | |
| VIC10302 General merchandises | | |
| VIC10303 Drugs and pharmaceuticals | | |
| VIC10304 Books and Educational materials | | |
| VIC10305 Cement | | |
| VIC10306 Other building materials | | |
| VIC10307 Detergents | | |
| VIC10308 Alcohol | | |
| VIC10309 Insecticides | | |
| VIC10310 Lubricants | | |
| VIC10311 Glass products | | |
| VIC10312 Furniture/wood products | | |
| VIC10313 Others | | |
| VIC10400 TRANSPORT | | |
| VIC10401 Aircraft/shipping vessels | | |
| VIC10402 Motor vehicles car | | |
| VIC10403 Buses/trucks/taxis | | |
| VIC10404 Rolling stock | | |
| VIC10405 Motorcycles and bicycles | | |
| VIC10500 MINING | | |
| VIC10600 PERSONAL EFFECTS | | |
| VIC10700 OTHERS | | |
| VIC10800 TOTAL | | |

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RETURN ON FOREIGN EXCHANGE PURCHASED BY BANKS FROM OIL AND OIL SERVICES CO.
 BANK CODE NAME OF AUTHORISED DEALER
 FOR THE MONTH ENDED.....

| RC NO OF OIL COMPANY | AMOUNT PURCHASED | DATE OF PURCHASE | EXCHANGE RATE | REMARKS |
|------------------------|------------------|------------------|---------------|---------|
| | | | | |
| TOTAL PURCHASED | | | | |

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AUTHORISED BY

MTR317

GOODS CLEARED BY THE NIGERIAN CUSTOM SERVICE

PORT CODE.....PORT NAME

FOR THE MONTH ENDING.....

| | FORM 'M' NO | GOOD CODE | DESCRIPTION OF GOODS | COUNTRY CODE | NAME OF COUNTRY | C.I.F VALUE |
|--------------|----------------|--------------|-------------------------|-----------------|--------------------|----------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

PREPARED BY.....

AUTHORISED BY.....

ISSUANCE OF LETTERS OF CREDIT

MTR319

BANK CODE.....AUTHORISED DEALERS

NAME.....

FOR MONTH ENDED.....

| FORM M | FORM &C NO OF APPLI- CANT | BENEFI- CIARY ABROAD | IMPORT ITEM CODE | DETAILS OF LETTERS OF CREDIT | | | | AMT | REMARKS |
|-----------|---------------------------------------|----------------------------|------------------------|------------------------------|--------------------------|-------|------------------|-----|---------|
| | | | | NO | DATE ESTABLI- SHED | TENOR | MATURITY DATE | | |
| | | | | | | | | | |

Prepared By

Authorised By

WTR 482

FOREIGN EXCHANGE MONITORING SYSTEM (FEMS)

FORM TYPE: IMPORT DUTY COLLECTION
(NDCC PAYMENTS)

ASSISTANT DIRECTOR,
EXPORT OFFICE,
TRADE & EXCHANGE DEPARTMENT
CBN, ABUJA

CBN BRANCH: _____ DESIGNATED BANK NAME: _____ BANK BRANCH CODE: _____

| S/N | NDCC NUMBER | FACE VALUE (N) | FORM NUMBER (IN RESPECT OF WHICH DUTY IS PAID) | IMPORT DUTY PAYABLE (N) | IMPORT DUTY PAID WITH NDCC (N) | RECEIPT NUMBER | REPORTING DATE (WEEKLY) | | | | REMARKS (PLEASE STATE THE AMOUNT (UNLESS)) | |
|-------|-------------|----------------|--|-------------------------|--------------------------------|----------------|-------------------------|----|---|----|--|--|
| | | | | | | | DD | MO | Y | YY | | |
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | |

| | | | |
|--------------------|-------|-----------|------|
| PREPARED BY: | NAME: | SIGNATURE | DATE |
| CHECKED BY: | | | |
| APPROVED BY: ('S') | | | |
| APPROVED BY: ('A') | | | |

FORM NAME: IMPORT DUTY COLLECTIONS (NDCC PAYMENTS)

