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11th October, 2004

To: All Authorised Dealers and
The General Public

**THE PRE-SHIPMENT INSPECTION OF NON-OIL EXPORTS
IN NIGERIA**

Pursuant to the provisions of the Pre-shipment Inspection of Exports Act (No. 10) of 1996, Authorised Dealers and the General Public are hereby notified that the Federal Government of Nigeria has appointed **Messrs Cobalt International Services Limited** as a Pre-shipment Inspection Agent for non-oil exports. The current listing of the 16 offices of the company is as follows:

<u>S/N</u>	<u>STATE</u>	<u>ADDRESS</u>	<u>S/N</u>	<u>STATE</u>	<u>ADDRESS</u>
1	Abia/Imo	No. 32/34 Faulks Road, 4 th Floor, U.T.B. Building, Aba. Tel. 080-3815-3947 080-3815-3847	5	Borno/Yobe	9, Shehu Laminu Road, Maiduguri. Tel. 080-3618-1909
2	Adamawa/Taraba	First Floor, Sabru House, No. 30, Atiku Abubakar Way, Jimeta-Yola. Tel. 080-3614-4997	6	Delta/Edo	Warri Dockyard, Warri/Sapele Road, Warri. Tel. 080-3614-5012
3	Anambra/Ebonyi/Enugu	National Inland Waterways Authority(NIWA) Port Complex, P.M.B. 1625, Onitsha. Tel. 080-3815-3945	7	Kano/Jigawa	No. 7 Sardauna Crescent, Off Lamido Crescent, Nasarawa, Kano. Tel. 064-317-785
4	Benue/Kogi	62 Old Otukpo Road, High Level, Makurdi. Tel. 080-3614-4989	8	Katsina	No. 60, Hassan Usman Road, Katsina. Tel. 080-3618-1938

9	Lagos/Oyo/Ogun	9, Duala Road, Apapa, Lagos. Tel. 01-587-0295 080-3618-1938 01-794-3040	13	Sokoto/Kebbi	39, Gusau Road, (Former Nigerian Airways Office) Sokoto. Tel. 080-3616- 0602
10	Ondo/Osun/Ekiti	Tisco House, Ado/Owo Road, Akure. Tel 080-3474- 4729	14	Zamfara	No. 23, Sokoto Road, Adjacent to Government House, Opposite Meyetti Allah, Gusau. Tel. 080-3614- 5003
11	Plateau/Bauchi/ Gombe	9, Bauchi Road, By Total Filling Station, Jos. Tel. 080-3614- 4994	15	F.C.T./Kaduna/ Niger/Nasarawa	Plot 9 LS (F) Close, Off Yedserem Street, Maitama, Abuja. Tel. 09-413-6007
12	Rivers, Bayelsa/ Akwa Ibom/ Cross River	301, Port Harcourt- Aba Express Way, Port Harcourt. Tel. 084-482-600	16	Osun/Ekiti	Ado/Owo Road, Akure. Tel. 080-474- 4729
<u>AREA OFFICES</u>					
1.	Lagos	19, Duala Road, Apapa, Lagos.	2.	Port Harcourt	301, Port Harcourt-Aba Express Way, Port Harcourt. Tel. 084-482-600
3.	Kano	No. 7 Sardauna Crescent, Off Lamido Crescent, Nasarawa, Kano. Tel. 064-317-785			

1.0 The following procedures shall apply with effect from 15th October, 2004 in respect of all non-oil exports from Nigeria:

1.1 All non-oil exports from Nigeria shall be subject to inspection by an Inspection Agent appointed for that purpose by the Federal Government of Nigeria, except the following:

- personal effects,
- used motor vehicles,
- day old chicks,
- human eyes,
- human remains,

- vaccines
- yeast,
- periodicals/magazines,
- non-commercial exports, such as gifts, trade samples/printed business matter, machinery and equipment for repairs abroad and return to Nigeria, machinery and equipment for replacement, return of machinery and equipment after execution of a specific contract, re-exports and trans-shipments
- supplies to diplomatic consular missions and international organizations for their own use.

1.2 Payment for exports shall be by letter of credit, bills for collection, advance payment and/or any other approved mode of payment.

1.3 The inspection shall take place at the points of production and/or storage, farm gates, seaports, airports, terminals or other points of exit.

1.4 To avoid multiple examination and thereby minimise delay as well as ensure that Nigerian exports are competitive in the international market, all the relevant agencies, including the Nigeria Customs Service, NAFDAC, Standards Organisation of Nigeria (SON), Plant Quarantine Service Division of the Federal Ministry of Agriculture, Produce Inspectorate Service Division of the Federal Ministry of Commerce, NDLEA, etc, shall simultaneously witness the sealing of the container by the Inspection Agent. The exporter shall invite all the relevant Government Agencies that have responsibility for export certification, depending on the nature of the goods, before inspection by the Inspection Agents.

A. RESPONSIBILITIES OF THE EXPORTER

1.0 The exporter shall:

- (i) Obtain a Nigeria Export Proceeds (NXP) form and a Request For Information (RFI) form from his/her bankers.

- (ii) Complete all six copies of the NXP form and submit to his/her Bankers along with a Nigerian Export Promotion Council (NEPC) registration certificate, contract of sale/purchase order/pro-forma invoice and details of how proceeds are to be repatriated.
- (iii) Complete the RFI form and submit to the Pre-Shipment Inspection Agent.
- (iv) Based on the information on the NXP and the RFI forms, the exporter shall pay 1% FOB value of the intended export consignment to any designated bank and obtain an appropriate receipt.
- (v) Submit the final invoice promptly to the Inspection Agent, to facilitate issuance of Clean Certificate of Inspection.
- (vi) Provide the necessary facilities, such as ladder, fork lift trucks, labour, etc, to enable the Inspection Agent perform quality/quantity and pricing analysis.
- (vii) The exporter shall invite all the relevant Government Agencies that have responsibility for export certification, depending on the nature of the goods.
- (viii) Submit to the carrier of the goods, a copy of the Clean Certificate of Inspection (CCI) to facilitate loading and shipment.
- (ix) Submit to the processing bank, a photocopy of the NXP form duly endorsed and stamped by the Nigeria Customs Service, evidencing the shipment of the goods, within one week of the endorsement of the form.
- (x) Submit to the Inspection Agent a copy of the Bill of Lading/Waybill/Airway Bill, bearing the CCI number, evidencing shipment.
- (xi) Open a Non-Oil Export Domiciliary Account with the processing bank in Nigeria and ensure that the export proceeds are credited to this account, within 90 days from the date of shipment of the goods.

2.0 For the export of perishable products, such as fruits, vegetables, flowers, etc, it is the responsibility of the exporter to provide refrigerated container(s) and packaging acceptable to the Nigeria Customs Service.

B. RESPONSIBILITIES OF BANKS

I. Processing Banks:

1. The bank shall issue the NXP and Request For Information (RFI) forms to the exporter.
2. The bank shall receive from the exporter a duly completed NXP form together with the required supporting documents.
3. The processing bank shall number the NXP form in the format stated below:

XXX/YYYY/ZZZZ/0001

Where,

XXX - Authorised Dealer's Code

YYYY - Year of registration of the NXP form

ZZZZ - Bank Branch code

0001 - Transaction serial number, which allows up to 9999 transactions in a year at the registering branch.

4. The processing bank shall endorse and stamp section (6) of the completed NXP form, give the exporter its photocopy, retain the original copy and forward the remaining five copies of the NXP form to the Pre-shipment Inspection Agent.
5. The processing/collecting bank shall ensure the repatriation of the proceeds within 90 days of shipment of the goods.
6. The processing /collecting bank shall certify the repatriation of the export proceeds on the original copy of the NXP form, on receipt of the funds and the SWIFT message. In addition to the other relevant information, **the telex/swift message shall bear the name of the exporter (the beneficiary) and the relevant NXP number.**
7. The bank shall make a photo copy of the duly certified NXP form for its records.
8. The original of the duly certified NXP form together with a copy of the relevant telex/SWIFT message shall be submitted to the Director, Trade and Exchange Department, Central Bank of Nigeria, Abuja.

II. Designated Banks:

1. The designated bank shall collect from the exporter, the self assessed NESS administrative fee and pay same into the appropriate NESS account with the nearest branch of the Central Bank of Nigeria on the Monday following the week to which the collection relates.
2. The designated bank shall ensure that an appropriate receipt is issued upon the payment of the assessed NESS administrative fees, with the NXP number stated thereon.
3. The designated bank shall forward directly to the Pre-shipment Inspection Agent, the original of the receipt, give a duplicate to the exporter and retain a triplicate for its records.

C. RESPONSIBILITIES OF THE PRE-SHIPMENT INSPECTION AGENT

1. The Inspection Agent shall respond promptly to requests for inspection.
2. The Inspection Agent shall carry out an assessment based on the quality, quantity and price competitiveness of the goods to be exported.
3. Where there is a discrepancy in value vis-à-vis the earlier self assessment made by the exporter, a non-negotiable certificate of inspection or a discrepancy report addressing an additional payment will be issued to the exporter to make the necessary payments/amendment.
4. Where there is a discrepancy in quality, quantity and price, a non-negotiable report of inspection shall be issued to enable the exporter rectify the inadequacies. On certification of additional payments, where applicable, and satisfactory inspection result as well as the receipt of final invoice, the Inspection Agent shall issue a Clean Certificate of Inspection (CCI). In the event that observed discrepancies cannot be corrected within 72 hours, the exporter shall be issued with a “Non-Negotiable Certificate of Inspection” (NNCI), prohibiting the shipment of the goods.

5. Eight originals of the CCI shall be distributed as follows:
 - Federal Ministry of Finance
 - Nigeria Customs Service (Area Comptroller at the port of shipment)
 - Nigerian Ports Authority
 - Exporter
 - Exporter's shipping/freight agent, for the vessel conveying the goods.
 - Exporter's bank, for onward transmission to the importer's bank overseas and
 - Central Bank of Nigeria ;
 - Nigerian Export Promotion Council (NEPC)
while **certified true copies** shall be forwarded to:
 - Nigeria Customs Service, Headquarters and
 - Federal Office of Statistics (FOS).
6. After a satisfactory inspection of the goods, the Inspection Agent shall complete the relevant section of the NXP form, retain the duplicate copy and forward the remaining four copies to the Nigeria Customs Service.
7. The Inspection Agent shall submit monthly returns on the inspections carried out (whether CCI or NNCI) to the Federal Ministry of Finance, Central Bank of Nigeria, Federal Ministry of Commerce, Federal Office of Statistics, Office of the Secretary to the Government of the Federation of Nigeria, Nigeria Customs Service and the Nigerian Export Promotion Council (NEPC).
8. The Inspection Agent shall seal the container after loading of the goods in the presence of the Nigeria Customs Service and the other Government Agencies (e. g. NAFDAC, SON, Plant Quarantine Service Division of the Federal Ministry of Agriculture, Produce Inspectorate Division of the Federal Ministry of Commerce, NDLEA, etc), depending on the type and nature of goods. The seal number of the container shall be stated on the CCI.
9. It is the continuous responsibility of the Inspection Agent to keep Nigerian exporters informed on international market standards, packaging, prices, etc.
10. Where the goods inspected are less than a full container load, the Inspection Agent shall specify on the CCI the estimated percentage of the container load that was inspected.

D. RESPONSIBILITIES OF THE NIGERIA CUSTOMS SERVICE AND OTHER GOVERNMENT AGENCIES

1. Where there is the need for the goods to be inspected and certified by other Government Agencies (e. g. NAFDAC, SON, Plant Quarantine Service Division of the Federal Ministry of Agriculture, Produce Inspectorate Division of the Federal Ministry of Commerce, NDLEA, etc) along with the Nigeria Customs Service, all the agencies shall simultaneously and expeditiously carry out examination of the goods, so as to facilitate the export transaction.
2. Upon the shipment of the goods, the Nigeria Customs Service shall complete the respective section of the NXP form, retain the triplicate copy and distribute the remaining three copies as follows:
 - i. Fourth copy to Central Bank of Nigeria (CBN)
 - ii. Fifth copy to Nigerian Export Promotion Council (NEPC)
 - iii. Sixth copy to the Exporter. (The exporter shall make a photocopy and submit to his bankers to update their records).
3. Other responsibilities of the Nigeria Customs Service shall be as contained in the Customs and Excise Management Act (CEMA).

E. OFFENCES AND PENALTIES

1. Exporters should be aware that once goods have been inspected and a 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 and issuance of the CCI.
4. Any person found guilty of an offence under the Act is liable on conviction:
 - a. in the case of an individual, to a fine of N50,000.00 or the value of the goods, whichever is higher or to imprisonment for a term of not more than 12 months or to both such fine and imprisonment.

- b. if a body corporate, to a fine of N100,000.00 or twice the value of the goods, whichever is higher.
- c. offences under the Act shall be prosecuted at the instance of the Federal Attorney General of the Federation.

All Authorised Dealers are advised to take note and bring the provisions of this circular to the attention of their customers for appropriate guidance and compliance, please.



O. A. DEMUREN (MRS)
DIRECTOR,
TRADE & EXCHANGE DEPARTMENT