



Central Bank of Nigeria

FOREIGN EXCHANGE MANUAL

4TH EDITION

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Introduction

The Foreign Exchange Manual is issued by the Central Bank of Nigeria (CBN) pursuant to the powers conferred on it by the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995 (Sections 1(2) and 4), the Central Bank of Nigeria Act 2007 (Sections 2 and 47) and the Banks and Other Financial Institutions Act 2020 (Sections 2(1), 30, 33 and 56). Collectively these Acts, other extant laws, and subsequent amendments empower the Bank to regulate, supervise, and provide guidance on the conduct of foreign exchange transactions in Nigeria.

The Trade and Exchange Department is vested with the specific responsibility of issuing and administering the provisions of this Manual. The Department serves as the operational authority for all matters relating to international trade and payments, processing of foreign exchange applications, and the issuance of guidelines, circulars, and clarifications to ensure that market participants comply with established procedures. This Manual is designed to serve as a practical guide for Authorized Dealers, Authorized buyers, Investors, and the Public. It codifies the procedures, documentation, and compliance requirements necessary for aligning effective utilization of foreign exchange with Nigeria's broader economic and developmental priorities. This Manual, therefore, serves both as a regulatory instrument and a policy guide.

Objectives of the Manual

1. Promoting order, consistency, and transparency in the inflow and outflow of foreign exchange.
2. Establishing clear documentation and reporting standards to ensure accountability and traceability of transactions.
3. Supporting national economic priorities by ensuring that foreign exchange is channelled towards productive and essential uses.
4. Strengthening enforcement and compliance mechanisms, with clear penalties for infractions.
5. Enhancing confidence in the Nigerian foreign exchange market, thereby encouraging foreign investment and discouraging capital flight.
6. Safeguarding Nigeria's external reserves, curbing market abuses, and strengthening confidence among all stakeholders in the financial system.

The Central Bank remains resolute in ensuring that the foreign exchange market operates in a fair, transparent, and accountable manner.

The Bank enjoins all market participants to familiarise themselves with the provisions of this Manual and to comply fully with its requirements.

**TRADE & EXCHANGE DEPARTMENT
MAY 2026.**

Definitions of Terms

IN THIS MANUAL:

AUTHORISED BUYER	Any hotel or other corporate body licensed as such by the Central Bank of Nigeria (CBN).
AUTHORISED DEALERS	Any Financial Institution licensed by the CBN under the Banks and Other Financial Institutions Act 2020 to deal in foreign exchange.
BOFIA	Banks and Other Financial Institutions Act 2020.
BUREAU DE CHANGE	Any corporate body licensed by the CBN to carry on only retail foreign exchange business in Nigeria and whose sole objective shall be the carrying on of such business.
CAPITAL IMPORTATION	Inflow of foreign currency and importation of goods (plant, machinery and equipment) for the purpose of investment/loan at inception.
CASH GIFTS	Cash remittances on gratuitous grounds without Quid pro quo. These, therefore, do not represent settlement of business liabilities by individuals and organisations resident in Nigeria.
CBN ACT	The Central Bank of Nigeria Act 2007
CLEAN CERTIFICATE OF INSPECTION (CCI)	Certificate issued by the Pre-shipment Inspection Agent for commercial exports certifying that the item of export meets all the requirements
CIT	Company Income Tax
COUPON	A coupon is a periodic interest payment, made on a debt instrument, typically expressed as a percentage of the face value.
DEBT CONVERSION PROGRAMME (DCP)	An arrangement whereby holders of Nigerian foreign currency denominated debt instruments could be converted into Naira and utilise the proceeds for investment purposes or as a gift to a charitable organisation in the country.
DELIVERY AT PLACE (DAP)	This is an INCOTERM (International Commercial Term) under which the seller is responsible for delivering goods to a specified location in the buyer's country.
DEMURRAGE	The charge or fee imposed on goods or containers for staying at the port, terminal or depot beyond the allowed free time for loading or unloading.
DESIGNATED BANK	Any bank appointed by the Government to collect import duty, levy and taxes and remit to the Government Accounts.

Definitions of Terms

IN THIS MANUAL:

DESTINATION INSPECTION (DI)	A Customs process of inspecting imports on arrival at the port of discharge/entry.
DOMICILIARY ACCOUNT	A foreign currency account other than Naira 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.
eCERTIFICATE OF CAPITAL IMPORTATION (eCCI)	An electronic certificate issued by an authorised dealer bank within 24 hours of confirming receipt of foreign currency inflow and its conversion to Naira or plants/machinery and equity/loan.
EXCHANGE RATE	The reference NFEM rate as published on the CBN Website
EXTERNAL ACCOUNTS	A foreign 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.
FOREIGN CURRENCY	Any currency other than the Nigerian currency, including any notes and coins (physical or digital) which are or have at any time been legal tender in any territory outside Nigeria.
FOREIGN EXCHANGE ACT	The Foreign Exchange (Monitoring & Miscellaneous Provisions) Act 17, of 1995 LFN Cap F34.
FOREIGN EXCHANGE MARKET	A forum in which Authorised Dealers, Authorised Buyers, and the Central Bank participate for the pricing, buying, selling, and exchange of foreign currencies, and may include any other participant that the Central Bank may, from time to time, recognise.
FLEXIBLE EXCHANGE RATE	A monetary system that allows the exchange rate to be determined by demand and supply in the Foreign Exchange Market.
IMTO	International Money Transfer Operators
MINISTER	The Minister charged with responsibility for matters relating to finance and “Ministry” shall be construed accordingly.
MISCELLANEOUS	Transactions in respect of items not listed in this Manual.

Definitions of Terms

IN THIS MANUAL:

NIGERIAN CURRENCY	Legal tender issued by the Central Bank of Nigeria.
NON-NEGOTIABLE CERTIFICATE OF INSPECTION (NNCI)	Certificate issued by the Pre-shipment Inspection Agent for commercial exports certifying that the item is unfit for export.
NIGERIAN EX-PORT PROMOTION COUNCIL (NEPC)	Federal Government Agency responsible for promoting, developing and diversifying the country's non-oil exports.
NESS	Nigerian Export Supervision Scheme
PERSONS	Any individual human being (natural person) or legal entity/company that can sue and be sued (as defined in the Companies and Allied Matters Act of 2020).
RESIDENT	Any Nigerian Citizen or non-citizen living in Nigeria (permanently or temporarily) and who has an economic interest in Nigeria. However, under the Companies and Allied Matters Act of 2020, a resident shall be defined to include a company registered in Nigeria.
NON-RESIDENT	Any individual or company whose economic interest is permanently outside Nigeria.
NON-RESIDENT ACCOUNT	A Naira account held by individuals or entities not residing in Nigeria.
PRE-ARRIVAL ASSESSMENT REPORT (PAAR)	A document issued by the Nigeria Customs Service (NCS) for the purpose of goods clearance
SECURITIES	<ul style="list-style-type: none">a) Debentures, stocks or bonds issued by a Government;b) Debentures, stocks, shares, bonds, notes, issued by a body corporate, any right option in respect of any such debentures, stocks, shares, bonds or notes;c) Virtual and digital assets;d) Investment contracts;e) Commodities, futures, contracts, options and other derivatives; orf) Any other instrument deemed as securities which may be transferred by means of any electronic mode or which may be deposited, kept or stored with any depository or custodian.

Definitions of Terms

IN THIS MANUAL:

**SINGLE GOODS
DECLARATION
(SGD) FORM**

Form SGD is an official document issued by the Nigeria Customs Service (NCS) used in the customs clearance process (for both imports and exports) to record information on consignments as contained in the invoice.

SCUML

Special Control Unit against Money Laundering

SEC

Securities and Exchange Commission

**SWAP
CONTRACT**

A type of derivative agreement between Two parties to exchange financial obligations or cash flows over a set period.

VENDOR

A supplier of Information technology related products, services, or solutions to a business under a contractual or commercial arrangement.

**WITHHOLDING
TAX (WHT)**

A tax deducted at source from income payments such as salary, interest, rent, dividends, royalties or contract fees and remitted to tax authorities.

MEMORANDUM 1

FOREIGN EXCHANGE RESPONSIBILITIES

Foreign exchange responsibilities involve the roles of CBN and other regulators, banks and other participants in handling foreign exchange transactions as outlined below:

1. 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 in the Foreign Exchange (Monitoring and Miscellaneous Provisions) 1995, the CBN Act 2007 and the Banks and Other Financial Institutions Act (BOFIA) 2020.

In addition, it has the following responsibilities: -

- i. Issue and review the guidelines of the Nigerian Foreign Exchange Market;
- ii. Maintain surveillance over the Nigerian Foreign Exchange Market;
- iii. Deploy appropriate technology for effective administration of the Foreign Exchange Market and International Trade;
- iv. License Authorised Dealers, Authorised Buyers, and any other market participants in the foreign exchange market ;
- v. Prescribe instruments and currencies for transactions in the Foreign Exchange Market from time to time;
- vi. Prescribe offences and impose appropriate sanctions to promote responsible market conduct;
- vii. Carry out any other action deemed to promote the effective operation of the foreign exchange market.

2. Authorised Dealers

Applications in respect of eligible transactions listed in Appendix 1 of this Manual and other transactions prescribed by the Central Bank of Nigeria from time to time shall be directed to Authorised Dealers for determination, subject to stipulated documentation requirements.

3. Authorised Buyers (Hotels)

A Hotel licensed as an Authorised Buyer may receive payment for hotel bills in foreign currency and buy foreign currency from foreign guests, subject to a limit of USD10,000 or its equivalent in other foreign currencies in cash per stay. Such foreign currency receipts shall be paid into the hotel's Domiciliary Account with any bank in Nigeria and can be used for eligible transactions in accordance with the operation of domiciliary accounts.

4. Bureau De Change (BDCs)

Bureau de Change is an entity licensed by the Central Bank of Nigeria to carry on retail foreign exchange business in Nigeria, and such other transactions as may be prescribed by the CBN.

Note: For detailed functions of BDCs, reference shall be made to the extant BDC guidelines. APPROVED BDC GUIDELINES May 22, 2024 FPRD/DIR/PUB/CIR/002/010.

5. International Money Transfer Operators (IMTOs)

These are companies licensed by the Central Bank of Nigeria (CBN) to facilitate cross-border money transfers on behalf of individuals or businesses to recipients in Nigeria via digital platforms.

Note: For detailed functions of IMTOs, reference shall be made to the extant IMTO guidelines. APPROVED IMTO GUIDELINES JANUARY 31, 2024 TED/FEM/FPC/GEN/001/002

6. The Public

The public refers to persons who are not licensed market participants, but engage in foreign currency transactions for personal, business, or investment purposes. Their responsibilities include;

- i. Compliance with documentation requirements;
- ii. Use of official channels;
- iii. Ethical conduct and transparency;
- iv. Adherence to transaction limits

MEMORANDUM 2

EXTERNAL TRANSACTIONS

1. Residents of Nigeria are allowed, on application and subject to existing regulations 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. Payments in any foreign currency/security to or for the credit of any non-resident shall be subject to the completion of the appropriate forms, where necessary 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 Bank.
4. All receipts in respect of export of goods and services by residents of Nigeria shall be remitted through an Authorised Dealer Bank.

MEMORANDUM 3

SPECIFIED CURRENCIES

The foreign currencies listed below are instruments of transactions in the Nigerian Foreign Exchange Market:

- 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 currency as may be determined from time to time by the Central Bank of Nigeria.

MEMORANDUM 4

FOREIGN EXCHANGE & DECLARATION FORMS

1. The following Forms and any other form as may be introduced from time to time by the CBN shall be used for foreign exchange transactions:-
2. The following forms shall be used for the declaration of foreign currencies above USD10,000.00 or its equivalent in other currencies.

Title	Description of Form
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.

Title	Description of Form
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 Dealer Banks may deal spot, forward, futures or swaps in foreign currency with:
 - a. Market participants;
 - b. Central Bank;
 - c. Their customers; and
 - d. Any other party the CBN may prescribe from time to time;

2. Spot and Derivative Transactions

a. Spot

Authorised Dealers may engage in spot foreign exchange transactions among themselves, with their customers subject to appropriate documentation, or with the CBN, in any acceptable foreign currency, for delivery within a maximum of T+2 days. All interbank spot transactions shall be executed on an electronic trading system duly approved by the CBN. Authorised Dealer Banks shall maintain adequate credit, settlement, and risk limits for all counterparties participating on the approved trading system and shall strictly comply with the NOP limits, ensuring that no breach occurs at the close of any trading session.

Authorised Dealer Banks may also conduct spot foreign exchange transactions in any acceptable foreign currency with non-resident customers/clients, for delivery within a maximum of T+2 days. Where an Authorised Dealer Bank is selling foreign exchange to a customer/client, such transactions shall be eligible and supported by appropriate and verifiable documentation, in line with applicable regulations.

All spot transactions shall be subject to applicable regulatory, AML/CFT, and reporting requirements, as may be prescribed by the Bank or other relevant authorities.

b. Forward Contract

A foreign exchange forward contract is a contract to purchase or sell a foreign currency for delivery at a future date at a pre-determined exchange rate. It shall be reflected in the bank's foreign currency trading position on the deal date subject to appropriate documentation:

- i. Authorised Dealer Banks may engage in forward transactions among themselves, with their customers, or with the CBN.
- ii. For a forward contract to be recognised in the bank's foreign currency position, it shall have the following characteristics:
 - a. A forward contract shall exist for the specific forward deal;
 - b. A deal slip evidencing the deal shall be raised;
 - c. A master foreign exchange agreement duly executed shall exist between the counterparties to the foreign exchange transactions;
 - d. The deal shall be so captured on the bank's approved trading platform and blotter/ledgers;
 - e. A confirmation of the forward deal shall be sent to the counterparty; and
 - f. The transaction shall be reported to the Central Bank of Nigeria.
- iii. Authorised Dealers may deal 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. In all cases of forward sales/purchases of foreign currency by Authorised Dealer Banks, the tenor of such transactions shall be as mutually agreed by the counterparties, or as may be prescribed by the Central Bank of Nigeria.
- v. For customer transactions, relevant documentation supporting the underlying transaction shall be in place on the maturity date before delivery of foreign exchange.
- vi. Forward contracts shall count as contingent liabilities when computing single obligor limits.

- vii. Banks shall render monthly returns on forward contracts (sales and purchases) entered into, to the Directors, Banking Supervision Department, Trade & Exchange Department and Financial Markets Departments, Central Bank of Nigeria..

c. Futures Contract

A future 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 on a specified future date.

d. FX Swap Contract

A foreign exchange swap contract is an agreement between two parties to buy and sell a specified amount of one currency against another for settlement on an initial date, and to reverse the transaction on a specified future date by a corresponding sale and purchase of the same currencies at agreed rates.

- i. Authorised Dealers may engage in swap transactions among themselves, with their customers, or with 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. All FX swap contracts must be governed by an ISDA Master Agreement or a Repo Master Agreement, where applicable to ensure standard.
- iv. 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 counterparties 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 approved trading platform and blotter/ledgers;

- e. A confirmation of the swap deal shall be sent to the counterparty; and

- f. The transaction shall be reported to the CBN.

- v. In all cases of swap by Authorised Dealer Banks, such transactions are restricted to a tenor mutually agreed by the counterparties, subject to any tenor limits that may be prescribed from time to time by CBN.

- vi. Extension of swap contracts, where necessary, is allowed, subject to mutual agreement by counterparties.

- vii. On maturity of the swap contract, it is mandatory that such funds are used for eligible transactions only (**subject to customer transaction**).

- viii. Relevant documentation supporting the underlying transaction shall be in place on the maturity date before delivery of foreign exchange (**subject to customer transaction**).

- ix. Banks shall render monthly returns on swap contracts entered into to the Directors, Banking Supervision Department, Trade & Exchange Department and Financial Markets Department, CBN. The returns shall also capture all cancelled contracts.

3. Reporting Requirements on Foreign Currency Exposures of Banks

a. Net Open Position Limit

- i. The Net Open Position (NOP) limit of the overall foreign currency assets and liabilities, taking into cognisance both those on and off-balance sheet, the long and short positions of the CBN’s NOP limit shall not exceed proportions of their shareholders’ funds, as prescribed by the Bank from time to time.
- ii. Reports shall be submitted electronically to the Directors, Banking Supervision Department and Trade & Exchange Department, Central Bank of Nigeria in the prescribed format, not later than 10 a.m. on the day preceding the reporting date (Business Day).

4. International Inward Money Transfers

1. All inbound FX transfers to Nigeria shall be disbursed to beneficiaries' bank accounts in Naira or any currency as may be determined by the CBN from time to time.
2. Maximum allowable cash withdrawal for inbound money transfer shall not be more than the Naira equivalent of USD200.00, and any amount in excess of USD200 shall be paid through an account.

Note: Reference shall be made to the IMTO guidelines for detailed information on International Inward Money Transfers.

5. Settlement Account

All IMTOs shall open Naira settlement accounts and ensure that all transactions are routed strictly through their designated settlement accounts, maintained with Authorised Dealer Banks in Nigeria.

MEMORANDUM 6

PARTIES TO FOREIGN EXCHANGE TRANSACTION

1. Authorised Dealer Banks may deal in specified foreign currency on their own account at prevailing exchange rates with:

- i. Other Authorised Dealer Banks;
- ii. Bureau de Change;
- iii. Authorised Buyers (Hotels);
- iv. Resident individual and corporate entities;
- v. Non-resident individual and corporate entities;
- vi. Any other entity as may be approved by the CBN.

2. Transactions with Resident Individuals and Corporate Entities

- i. Authorised Dealers may buy and sell foreign currency.

3. Transactions with Non-resident Individuals and Corporate Entities (Other than Visitors to Nigeria)

Authorised Dealers may: -

- i. Buy or sell foreign currency;
- ii. Import and export foreign currency 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 from individuals visiting Nigeria. At the time of their departure, such visitors may exchange the unutilized balance of Nigerian currency for foreign currency, provided there is evidence of initial conversion. Such an exchange is limited to the amount converted at entry if done through an Authorised Dealer, while an Authorised Buyer can exchange the unutilised balance of the converted amount.

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 Dealer Banks can import foreign currency to meet their local cash needs, subject to 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 currencies, provided the whole amount is declared at the point of exit.
 - iii. Any amount above US\$50,000.00 or its equivalent in other foreign currency, subject to evidence of transaction/procurement through an Authorised Dealer.
 - iv. Foreign currency, drafts, etc, brought into the country less expenses incurred, except foreign currency held as a ship or aircraft fund.
- b. Authorised Dealer Banks may export foreign currency subject to the prior approval of the CBN.
- c. Authorised Dealer Banks may send for collection, notes, bills of exchange, promissory notes and drafts denominated in foreign currency.

3. Assurance Policies and Annuities

Authorised Dealers may remit:

- a. 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.

MEMORANDUM 8

TRAVELS

1. Personal Travel Allowance and Pilgrimage

The allowable limit for Personal Travel Allowance (PTA) is US\$4,000.00 (or its equivalent in other currencies) per quarter, or as may be prescribed by the CBN from time to time.

The disbursement of PTA shall be a minimum of 75% via cards and other approved digital channels, while the remaining 25% shall be paid in cash.

Authorised Dealers and Buyers may sell foreign exchange to Nigerians, subject to the following documentation requirements:

a. Personal Travel

- i. Completed Form A
- ii. Valid international passport
- iii. International return ticket
- iv. Valid visa or foreign passports of Nigerians with dual citizenship/residence permit

b. Pilgrimage

Subject to the amount approved by the Federal Government for intending pilgrims.

Note

- i. **Travellers on Pilgrimage and Medical Treatment shall be entitled to PTA.**
- iii. **All international air travellers from Nigeria are qualified to access PTA.**

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

2. Foreign Medical Treatment

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

- i. A letter of referral from a specialist hospital in Nigeria.
- ii. A letter issued by the overseas specialist doctor/hospital stating the cost of treatment and maintenance,

- iii. Payment of the medical fees shall be remitted directly to the overseas hospital, while the maintenance cost shall be in favour of the patient.
- iv. Where a refund is applicable, the overseas hospital shall transfer the funds directly to the remitting bank in Nigeria.

This is in addition to the documents listed in (1a) above.

3. Licensed Hotels

- 3.1 Hotels licensed as Authorised Buyers may purchase any foreign currency from foreign 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. The proceeds shall be paid into a domiciliary account opened for that purpose. Such funds shall be used by the hotel for eligible transactions or sold to any Authorised Dealer bank in the NFEM;
 - c. A maximum limit of US\$10,000.00 or its equivalent in other foreign currencies per approved transaction.
- 3.2 Authorised Dealer Banks are to ensure that hotels obtain an Authorised Buyer License and a Nigerian Tourism Development Authority (NTDA) certificate before opening a Domiciliary account.
- 3.3 At the time of departure of the foreign guest, any unutilized Naira balance from the initial foreign currency converted may be exchanged, subject to documentary evidence of the initial conversion.
- 3.4 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.

MEMORANDUM 9

IMPORTS

Imports into Nigeria shall be on a Cost and Freight (CFR) basis, except for Oil Importation, where the parties may also choose DAP as an INCOTERM.

Note: The allowable limit for imports shortfall/excess shall be +/- 10% of the CFR value on the Form M.

A. Guidelines

1. Any person intending to import physical goods into Nigeria shall, in the first instance, process Form 'M' through any Authorised Dealer Bank, irrespective of the value and whether or not payment is involved.
2. The initial validity period of an approved Form 'M' shall be as follows:
 - **General merchandise:** 360 days + 180-day extension by the Authorised Dealer Bank
 - **Capital goods:** 720 days + up to 360-day extension by the Authorised Dealer Bank
 - **Further revalidation:** Refer to the Director, Trade & Exchange Department, Central Bank of Nigeria
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 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 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 relevant pro-forma invoice (which shall have a validity period of 90 days).
6. The Form 'M' shall be valid for importation only after registration by the Nigeria Customs Service (NCS). Consequently, Authorised Dealer Banks are to confirm registration of the Form 'M' before proceeding with other import processes.
7. In instances where petroleum product transactions do not involve a Ship-to-Ship (STS) transfer from a mother vessel to a daughter vessel, the discharge date as recorded on the Out Turn Certificate (OTC) shall be deemed the effective shipment date for foreign exchange documentation purposes. The Out Turn Certificate shall be accepted in lieu of the Daughter Vessel Bill of Lading. A copy of the Mother Vessel Bill of Lading must be submitted/presented alongside the Out Turn Certificate.
8. All imports into the country shall be accompanied by the following documents:
 - a. Certificate of Origin, which shall contain the following information:
 - i. Form 'M' application No;
 - ii. Detailed description of goods;
 - iii. The port of destination should be specified.
 - iv. Shipment identification, date of shipment, Country of Origin, Country of Supply.
 - b. Final/Commercial Invoice;
 - c. Packing List;
 - d. Shipped/Clean on Board Bill of Lading/Airway Bill/Railway Bill/Road Waybill, and other transport documents;
 - 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.
9. The following procedures shall be adopted for payments:
 - a. **Letter of Credit**
 - i. An approved Form "M" with validity not exceeding three years (i.e. 1,080 days).
 - ii. Funds purchased on a Letter of Credit that are subsequently cancelled shall be refunded at the buying rate on the day of purchase or sale (whichever is lower).

- iii. Submission of Exchange Control Document (ECD) to the Authorised Dealer Banks not later than 90 days from the date of negotiation.
- iv. For petroleum products, submission of the final shipping documents, including the product certification report issued by the Nigerian Mid-stream and Downstream Petroleum Regulatory Authority (NMDPRA), shall be made within 30 days of the cargo's arrival.
- v. 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.

b. Bills for Collection

Documents (financial, shipping/commercial, and collection order) shall be routed to the presenting/collecting (buyer's) bank either directly from the supplier's/remitting bank or through any bank chosen by the supplier, including offshore correspondent bank of the buyer's bank;

For 'Not Valid' for foreign exchange transactions, the supplier shall forward the documents directly to the applicant bank that validates the Form 'M'.

10. 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 Form 'M'.

In addition to the provision in 10 above, the following are required:

- i. The stated fees shall be remitted upon satisfactory evaluation of the project by the Industrial Inspectorate Department of the Federal Ministry of Industry, Trade & Investment;
- ii. Copies of the Contract Agreement and Pro-forma invoice(s) shall be submitted to:

- a. Authorised Dealer Bank;
- b. Nigeria Customs Service;
- c. Federal Ministry of Industry; Trade & Investment (Industrial Inspectorate Department);
- d. Trade & Exchange Department, Central Bank of Nigeria.

- iii. The Nigeria Customs Service shall take cognisance of the value of the shipment and Post-Landing charges as would have been indicated on the Pre-Arrival Assessment Report (PAAR);
- iv. 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 Authorised Dealer Bank to remit the same to the beneficiary.

B. Import Procedures

Completed Form 'M' shall be submitted electronically to an Authorised Dealer Bank with the following documents:

- a. Proforma Invoice;
- b. Insurance Certificate (local insurance);
- c. Regulatory Certificate/Permits (e.g. NAFDAC, SON, NMDPRA, NAQS, NESREA etc.).

However, the originals of the Documents listed in (1) above shall be sighted by the processing bank prior to validation.

C. Responsibilities of Importer

- i. Provide clear, unambiguous pro-forma invoice(s) in line with applicable import procedures.
- ii. Ensure exchange control documents are forwarded to the Authorised Dealer Bank before goods arrival.
- iii. Submit only genuine and verifiable documents.
- iv. Comply with all import procedure requirements before submission to the Authorised Dealer Bank.
- v. Upon registration of the Form 'M' by NCS, the importer shall advise the supplier to arrange for the shipment of the goods.
- vi. Ensure shipping documents reach the Authorised Dealer Bank within 21 days of shipment.

- vii. For all transactions (Valid or not valid), submit shipping documents evidencing receipt of goods to the processing Authorised Dealer Bank.
- viii. Non-compliance attracts penalties under this Manual.

D. Responsibilities of the Supplier

- i. 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 their bank;
- ii. On receipt of the documents listed in (i) above, the supplier's bank shall forward them through the relevant correspondent bank to the Authorised Dealer Bank for Letter of Credit transactions;
- iii. For transactions requiring the issuance of eCCI and/or those involving suppliers' credit, documents shall be submitted by the supplier's bank to the Nigerian bank;
- iv. In the case of Bills for Collection transactions, two sets of original documents shall be forwarded to the Authorised Dealer Bank through the supplier's bank or the offshore correspondent bank of the processing bank;
- v. 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 Form 'M'.

E. Responsibilities of Authorised Dealer Banks

- i. Upon receipt of the documents listed in C above, the Authorised Dealer Bank shall endorse and validate the documents for the issuance of Pre-Arrival Assessment Report by NCS;
- ii. For remittance in respect of imports, only the amount on the Commercial Invoice/Final Invoice shall be remitted. Authorised Dealer Banks are to ensure that shipping documents are received within 21 days after shipment and shall retain evidence for the purpose of monitoring by CBN;

F. Responsibilities of Shipping Lines and Other Carriers

- i. 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 the appropriate Form 'M';
- ii. The Form 'M' number shall be reflected on the Bill of Lading, Airway Bill or Roadway bill for such goods.

G. Import Duty Payment

- i. Importers shall continue to pay administrative charges as prescribed by the NCS.
- ii. Applicable exchange rate for the purpose of import duty payments shall be the daily NFEM rate on the date of the duty assessment as published on the CBN website. All imports shall continue to be assessed at the C.F.R. value of the goods;
- iii. It shall be the duty of the importer's bank through which the Form 'M' was processed to collect the amount of import duty as assessed, if it is a Designated Bank. However, for Form 'M' transactions processed by a non-Designated Bank, 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;
- iv. For transactions in respect of dutiable personal effects, payment of duty can be made at any preferred Designated Bank;
- v. The Designated Bank will match the 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 a signed Bank receipt;
- vi. The Designated Bank shall send a confirmation message to NCS acknowledging receipt of duty and taxes in respect of the SGD;
- vii. 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.

H. Documentation Requirements for Import Payments under the Destination Inspection Scheme

1. Letter of Credit Transactions

- i. Registered 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, and other transport documents;
- v. Final/Commercial Invoice;
- vi. Packing List;
- vii. Letter of Credit instrument.

For Petroleum products:

In addition to the documents in H (1) above, the following shall be provided:

a. Documents for Negotiation:

- i. Certificate of quality/ inspection, detailing petroleum products specification and issued at the port of loading by the refinery/ independent inspectors.
- ii. In the case of delivery from a mother vessel, a copy of the bill of Lading of the mother vessel shall be an additional requirement.

b. Documents for Registration

- i. Authorised Dealers shall forward applications for the establishment of a Letter of Credit in respect of petroleum products to the Director, Trade & Exchange Department, CBN, for necessary action.

2. Bills for Collection Transactions

- i. Registered 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, and other transport documents;
- 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.

For Petroleum products:

In addition to the documents in H (2) above, the following shall be provided:

- i. Certificate of quality/inspection, detailing the petroleum products specification and issued at the port of loading by the refinery/independent inspectors.
- ii. In the case of delivery from a mother vessel, a copy of the bill of Lading of the mother vessel shall be an additional requirement.

I. 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, and other transport documents from NPA;
- x. Product Certificate for Petroleum products from NMD-PRA;
- xi. SONCAP Certificate for SON-regulated products.

J. Down and Instalment Payments for Imports

Applications for the importation of capital goods requiring down (advance), instalment or deferred payment shall be made to the Authorised Dealer Bank.

Down payments shall not exceed 30% of the FOB value of the transaction.

The following documents are required:-

- i. Approved Form 'M' covering 100% of the cost;
- ii. Executed Agreement between importer and exporter;
- iii. A guarantee or a performance bond issued by a bank in the exporter's country to secure the down payment;
- iv. Proforma invoice.
- v. Invoice or Demand Note (required for subsequent instalment payments)

At every stage of the manufacture of Plant and Machinery on down/instalment payment arrangement, a performance bond and/or bank guarantee by a licensed bank in the exporter's country shall be put in place to cover the advance payments.

K. Partial Shipments

For transactions requiring partial shipment, payment shall be made on the basis of the following documents:

1. Letter of Credit

a. 1st Shipment

- i. Approved Form 'M'
- ii. Certificate of Origin (CO)
- iii. Clean/shipped on Board Bill of Lading/Airway Bill/Roadway Bill, etc.
- iv. Letter of Credit Instrument (tested)
- v. Packing List
- vi. Product Certificate

b. Subsequent Shipments

Copy of approved Form 'M' and documents in (i) – (vi) of (1) above

2. Bills for Collection

a. 1st Shipment

- i. Approved Form 'M'
- ii. Duly completed Single Goods Declaration

- (SGD) form endorsed by NCS
- iii. Original Clean/shipped on Board Bill of Lading/Airway Bill/Roadway bill, etc.
- iv. Certificate of Origin (CO)
- v. Packing list
- vi. Product Certificate
- vii. Bill of exchange
- viii. Exit Note

b. Subsequent Shipments

Copy of approved Form 'M' and documents in (i) – (viii) of (2) above

L. Interest Payable on Bills for Collection

Interest on tenured Bills in respect of transactions executed in the Foreign Exchange Market is eligible for payment, subject to a maximum rate of 0.5% above SOFR or any benchmarked interest rate as may be advised by the CBN from time to time and a maximum period of 180 days, calculated on the C&F value on the final invoice.

M. 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 exceed the approved passenger concession, they shall be subject to the clearance procedure applicable to commercial imports.

Note:

The provision in the above Memorandum remains, subject to review of the Import Guidelines by the Federal Ministry of Finance (FMF).

N. Importation of Petroleum Products using Delivery at Place (DAP)

In instances where petroleum product transactions do not involve a Ship-to-Ship (STS) transfer from a mother vessel to a daughter vessel, the discharge date as recorded on the Outturn Certificate (OTC) shall be deemed the effective shipment date for foreign exchange documentation purposes. The Outturn Certificate shall be accepted in lieu of the Daughter Vessel Bill of Lading. A copy of the Mother Vessel Bill of Lading must be submitted/presented alongside the Outturn Certificate.

O. Payment of Freight for Importation of Petroleum Products using Ship-to-Ship Transfer (Transfer from a Mother Vessel to a Daughter Vessel)

The documentation requirements in respect of payment of freight for importation of petroleum products involving ship-to-ship transfer includes:

- i. Completed Form
- ii. Invoice
- iii. Charter Party Agreement
- iv. Mother vessel bill of lading
- v. Reasonableness of freight by the Nigerian Shippers Council.

MEMORANDUM 10

EXPORTS

Any person intending to export any product out of Nigeria shall process Form NXP through an Authorised Dealer Bank, irrespective of the value and shall reference the NXP number in all dealings.

The processing of the Form NXP shall be free of charge.

Note:

The allowable limit for export shortfall/excess shall be +/- 10% of the FOB value on the Form NXP.

A. Non-Oil Exports

- i. Exports out of Nigeria shall either be on Free on Board (FOB) or Cost and Freight (CFR) basis and be subject to inspection by the Pre-shipment Inspection Agent(s) (PIA) appointed for that purpose by the Government.
- ii. The exporter shall open an export domiciliary account with any Authorised Dealer Bank in Nigeria with which the Form NXP was registered.
- iii. The Exporter shall deliver originals of the shipped or clean on board Bills of Lading and the relevant documents relating to commercial exports directly to the processing/collecting Authorised Dealer Bank named on the Form NXP. The bank shall then submit the documents through a foreign correspondent bank to the consignee on a collection or negotiation basis and ensure that payment for the shipment is credited to the exporter's Domiciliary Account within the stipulated period of one hundred and eighty (180) days from the date of shipment.
- iv. The exporter shall use the NXP number as a reference in all dealings with the issuing bank, the Central Bank of Nigeria, the Pre-shipment Inspection Agent(s), the Nigeria Customs Service, and any other relevant agency.
- v. The Form NXP shall be utilised within one hundred and eighty (180) days from the date of registration. Upon expiration, the bank may process and approve an exporter's first request to extend an expired Form NXP for a period of not more than ninety (90) days. Any subsequent request for extension shall be submitted by the Authorised Dealer Bank to the Director, Trade & Exchange Department, Central Bank of Nigeria, Abuja, for determination.
- vi. Upon approval of the Form NXP by the processing bank, the PIA shall forward the Request For Information (RFI) link to the exporter for completion through the Stakeholders Verification Portal (SVP). The purpose of the RFI Form is to enable Inspection Agents to coordinate with the exporter on a date and time for the inspection.
- vii. The Pre-shipment Inspection Agent(s) shall inspect the quantity and quality to determine the fair value of goods in collaboration with relevant regulators.
- viii. The exporter shall be required to pay the assessed Nigerian Export Supervision Scheme (NESS) Levy on the exported non-oil products (0.5% of the FOB value) through a designated bank after inspection of the non-oil export and deliver the receipt to the PIA.
- ix. The PIA shall issue a Clean Certificate of Inspection (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.) to conduct quality inspections of regulated products. A Non-negotiable Certificate of Inspection (NNCI) shall be issued by the PIA where a discrepancy exists.
- x. The exporter shall use the NXP number as reference in all dealings with the Central Bank of Nigeria, the Pre-shipment Agent(s) and the Nigeria Customs Service within five (5) days of the inspection.
- xi. Upon receipt of the RFI and other relevant documents, the PIA shall schedule an inspection at the approved location in the presence of the Nigeria Customs Service and other relevant Agencies within 48 hours, and issue the CCI within 72 hours after inspection of the consignment.
- xii. Exporters should be aware that once goods have been inspected and a 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.
- xiii. 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.
- xiv. Repatriation of Export Proceeds:
 - a. All exporters shall ensure that export proceeds are repatriated and credited to their export domiciliary

account in the bank where the NXP was established, within 180 days from the Bill of Lading date;

- b. Letter 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 Dealer Banks on the repatriation of all export proceeds.
- xv. 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.
 - xvi. Goods prohibited for exportation from Nigeria, as contained in the annual Fiscal Policy measures, shall not be inspected by Pre-shipment Inspection Agents.
 - xvii. Export proceeds may be sold to the exporter's bank or any other bank of the exporter's choice, in the foreign exchange market, or utilised for eligible transactions.

B. Oil and Gas Exports

Any person intending to export oil and gas and related products shall process Form NXP and any other form so prescribed through an Authorised Dealer Bank.

The following procedures shall apply from the date of issuance of these Guidelines in respect of all Oil, Gas and related products exported from Nigeria:

- i. All Oil, Gas and related products exported from Nigeria shall be subject to inspection by Pre-shipment Inspection Agent(s) (PIA) appointed for that purpose by the Government;
- ii. The exporter shall deliver all originals of shipped or clean on-board bills of lading and all relevant documents relating to commercial exports directly to the processing/collecting bank named on the Form NXP. The bank shall then forward the documents through a foreign correspondent bank to the consignees on a collection or negotiation basis and ensure that payment for the shipment is made and credited to the exporters' Domiciliary Account in Nigeria within the stipulated period of ninety (90) days from the date of shipment of the goods.
- iii. The exporter shall open an export domiciliary account with any bank in Nigeria with which the exporter registered the Form NXP initially.
- iv. The Form NXP shall be utilised within ninety (90) days from the date of registration. Upon expiration, the bank can process and determine an exporter's first request for extension of an expired Form NXP for a period not exceeding ninety (90) days. Any subsequent request for extension shall be forwarded by the bank to the Director, Trade & Exchange Department, Central Bank of Nigeria, for determination.
- v. Upon approval of the Form NXP by the processing bank, the PIA shall forward the Request For Information (RFI) link to the exporter for completion through the SVP. The purpose of the RFI Form is to enable Inspection Agents to coordinate with the exporter on a date and time for the inspection.
- vi. Upon receipt of the RFI and other relevant documents, the PIA shall schedule an inspection within 48 hours and issue the CCI within 72 hours of the inspection.
- vii. 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), Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigerian Midstream, and Downstream Petroleum Regulatory Authority (NMDPRA), 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 Company Limited (NNPCL) and any other Government Agency that may be assigned.
- viii. The exporter shall liaise with the Terminal Operator for the provision of necessary logistics to enable the Pre-shipment Inspection Agent(s) to perform the inspection at the export terminal.
- ix. Units of measurement with respect to quantity determination and quality specification in the oil and gas industry should be appropriately reflected on the NXP Form.
- x. On completion of loading but before sailing, the Pre-ship-

ment 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.

- xi. 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.
- xii. 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 a discrepancy exists between the assessed value and the value earlier declared by the exporter.
- xiii. No export permit shall be processed by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) or the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) for any exporter that defaults in filling out Form NXP and paying the required NESS levy.

Note: NUPRC is responsible for the issuance of the Certificate of Quantity upon completion of loading at the terminal.
- xiv. Export proceeds may be sold to the exporter's bank or any other bank of the exporter's choice, or by issuing instructions to the bank to transfer to any beneficiary to utilise the proceeds for eligible transactions;
 - a. All exporters shall ensure that export proceeds are repatriated and credited to their export domiciliary account in the bank where the NXP was established, within 90 days from the Bill of Lading date;
 - b. Letter 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.
- xv. 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,

Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigerian Midstream, and Downstream Petroleum Regulatory Authority (NMDPRA), National Bureau of Statistics, Office of the Secretary to the Government of the Federation and the Nigeria Customs Service.

C. Non-Commercial Exports

When payments are not expected for goods to be shipped to any destination outside Nigeria, the Non-Commercial Exports (NCX) Form shall be completed by shippers or their agents and submitted to the Authorised Dealer Bank for approval, subject to the following guidelines:-

i. Gifts and Personal Effects

- a. Packing list showing the number, quantity and Naira value of items.
- b. Clearance from the relevant Government Agency, if any work of art is included.
- c. Veterinary Certificate of Health, if a pet is included.
- d. Insurance Certificate and Vehicle License in case of a motor vehicle.
- e. Resident Permit and Passport, in the case of non-residents.

ii. Trade samples and printed business matter

- a. A letter stating the purpose of exportation, showing the quantity and approximate Naira value of the items.
- b. Correspondence with the consignee.
- c. Certificate of Incorporation.
- d. NEPC registration certificate.

iii. Plant, Machinery and Equipment for repairs and return

- a. Certificate of Re-importation issued by the Nigeria Customs Service.
- b. Correspondence from the consignee agreeing to repair the item(s).
- c. Duly signed packing list, showing the number of items, quantity and approximate Naira value.

iv. Plant, Machinery and Equipment for replacement

- a. Correspondence from the consignee agreeing to replace item(s).
- b. Import documents such as
 - i. Copy of SGD Form
 - ii. Supplier's invoice
 - iii. Clean/shipped on Board Bill of Lading/Airway Bill/Road Way Bill, etc.
 - iv. PAAR
 - v. Duty Payment Receipt.
- c. Duly signed packing list, showing the number of items, quantity and approximate Naira value.

v. Return of Plant, Machinery and Equipment after execution of the specific contract

- a. Documentary evidence of temporary importation issued by the Nigeria Customs Service.
- b. Contract/Hire Agreement
- c. The original documents used to import the items, to confirm that no foreign exchange had previously been released.

D. Service Exports from Nigeria

Authorised Dealer Banks are to ensure that they capture all receipts in respect of service exports by their customers.

Service exports include:

- i. Transportation
- ii. Travel
- iii. ICT & digital services
- iv. Professional & business services
- v. Entertainment
- vi. Energy, etc.

Service export earnings are to be recorded using the following key documents:

- i. Service export invoices
- ii. Contracts/service agreements
- iii. Evidence of Foreign exchange inflow.

Banks are to submit periodic returns to the Central Bank of Nigeria (CBN).

Note:

The provision in the above Memorandum remains subject to review by the Federal Ministry of Finance (FMF) of the Export Guidelines.

MEMORANDUM 11

INSURANCE PAYMENTS

1. Applications for imports shall be supported by documentary evidence of insurance, which shall be taken in Nigeria and by a company registered in Nigeria. For such insurance cover taken overseas, only one's own funds can be used.

However, premium remittances on oil and gas and special risks that have been approved or received prior to Approval-in-Principle from the National Insurance Commission can be undertaken in the foreign exchange market, subject to the following documentation requirements.

- a. Completed Form 'A';
 - b. Demand/Invoice from foreign broker/insurer;
 - c. Insurance Policy document;
 - d. Letter of attestation from the National Insurance Commission (NAICOM).
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 the Authorised Dealer Banks:-
 - 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 documentation requirements:
 - i. Completed Form 'A';
 - ii. Discharge Voucher
 - 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 policyholder to provide the original of the policy or annuity for sighting. At maturity, the proceeds of the insurance policy shall be repatriated and lodged in the insured's Ordinary Domiciliary Account. Non-repatriation of matured annuity will attract sanctions.

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

- a) Completed Form 'A';
 - b) Demand Note/Invoice for payment of premium
 - c) Photocopy of the insurance policy as evidence that it was taken abroad.
 - d) Letter of attestation from NAICOM
7. A foreign national who had taken an insurance policy before coming to Nigeria is allowed to pay premium from Personal Home remittance.
8. The following documents are required in respect of remittance for re-insurance:-
 - a) 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. The following documents are required in respect of remittance of insurance for aircraft operating in Nigeria:
 - a) Completed Form 'A';
 - b) Valid Air Operator's Certificate issued by NCAA;
 - c) Insurance Policy;
 - d) Demand note/Invoice from foreign broker/insurer
 - e) Letter of attestation issued by the National Insurance Commission (NAICOM).

MEMORANDUM 12

PAYMENTS IN RESPECT OF MARINE FISHING & SHIPPING VESSELS AND AIRCRAFTS

All applications for remittance of foreign exchange in respect of the under-listed transactions are required to be submitted with a completed Form 'A' and supporting documents to Authorised Dealer Banks for determination and approval as follows:

1. Down Payment not exceeding 30% of the cost of repairs / maintenance:

- i. Form 'A' must cover 100% of the cost of repairs/ maintenance;
- ii. Duly executed Agreement;
- iii. A guarantee or performance Bond for the value of the down payment, issued by a recognised bank in the Country where maintenance/repairs are to be carried out;
- iv. Demand note/Invoice;
- v. Confirmation of the reasonableness of the fees from the Nigeria Maritime Administration and Safety Agency (NIMASA) or Nigerian Civil Aviation Authority (NCAA), as applicable.

2. Charter Fees for Fishing Vessels (Trawlers)

- i. Charter Party Agreement;
- ii. Evidence of use of the 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, Federal Ministry of Agriculture and Food Security;
 - c. Bill of Lading;
 - d. Ship manifest;
 - e. Confirmation of the reasonableness of the charter fees by the NIMASA.

3. Charter Fees for Bunkering Vessels

- i. Time Charter Party Agreement;
- ii. License issued by the Nigerian Mid and Downstream Petroleum Regulatory Agency (NMDPRA);
- iii. Evidence of the loading schedule from NMDPRA
- iv. Demand note/Invoice
- v. Confirmation of the reasonableness of the fees by NIMASA.

4. Charter Fees for Marine Vessels

- a. Applications for payment of freight rates/ charter party fees by individuals or companies shall be routed through an Authorised Dealer. Listed below are

the documentation requirements:

- i. Sailing Certificate issued by NPA ;
- ii. Charter Party Agreement;
- iii. Demand Note/Invoice;
- iv. Confirmation of reasonableness by the Nigerian Shippers' Council;
- v. Form NXP/NCX;
- vi. Transport Documents (e.g. Bill of Lading, Air waybill and Road waybill) must be submitted by the Shipper to the Nigerian Shippers Council within 30 days of confirmation of payment of fees
- vii. Freight invoice.

b. Any such applications shall clearly state:

- i. The name of the individual/company on whose behalf the application is being made;
- ii. The purpose of the application, i.e. whether it is for confirmation of freight rates or charter party fees;
- iii. The amount on the invoice by the beneficiary;
- iv. 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(s);
- v. The area of operation and the precise location of such a vessel at the time of the application shall also be clearly stated. (This applies to dredging and other specialised vessels)

c. Repairs and Maintenance of Marine Vessels

- i. Contract stating vessel type and registration;
- ii. Demand note/Invoice;
- iii. Evidence that the vessel is owned by a resident;
- iv. Confirmation of the reasonableness of fees by NIMASA;
- v. Current certificate of seaworthiness of the vessel issued by NIMASA.

NOTE: Marine Vessels, as used here, refer to all watercraft and ocean-going vessels.

5. Aircraft Lease Payment

- a. **Dry Lease** (Lease of Aircraft without crew and insurance, but with maintenance reserve).
 - i. Lease/Maintenance Agreement specifying the type and residual value of the aircraft;
 - ii. Federal Ministry of Aviation/NCAA license/permit to import the aircraft and/or operate the route or to use the aircraft for any other purpose;
 - iii. Aircraft usage as evidenced by the certified aircraft logbook and aircraft approved maintenance intervals;
 - iv. Confirmation of the reasonableness of the lease fee, stating the number of hours, rates and aircraft type by the NCAA;
 - v. Valid Air Operator's Certificate issued by the NCAA.
- b. **Wet Lease** (Lease of aircraft with two sets of crew per aircraft).
 - i. Lease/Maintenance agreement specifying the age of the aircraft and residual value;
 - ii. Federal Ministry of Aviation/NCAA license/permit to import the aircraft and/or operate the route, or for any other purpose;
 - iii. Aircraft usage as evidenced by the certified aircraft logbook and aircraft approved maintenance interval;
 - iv. Confirmation of the reasonableness of the lease fee, stating the number of hours, rates and aircraft type by the NCAA;
 - v. Line maintenance cost per hour to be determined by aircraft usage;
 - vi. Valid Air Operator's Certificate (AOC) issued by the NCAA.

6. Aircraft Charter Fees

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

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

7. Repairs and Maintenance of Aircraft Overseas

- i. Maintenance Agreement stating aircraft type, age and residual value;
- ii. Certificate evidencing completion of the job. Certificate of Maintenance Release issued by the MRO upon receipt of payment for maintenance.
- iii. Demand Note or Invoice showing details of repairs/maintenance carried out;
- iv. Valid Airworthiness certificate;
- v. Evidence of usage/check cycles as per authenticated aircraft logbooks;
- vi. Certificate of registration of the aircraft;
- vii. 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 Nigeria Civil Aviation Authority (NCAA).

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

- i. The residual value of the aircraft at the time of lease should be used as a reference point for comparing and determining the amount to be paid for the Lease/ Maintenance of the aircraft;
- ii. Evidence of usage of the aircraft should be determined from the logbook certified by the NCAA;
- iii. Any aircraft for which any form of foreign exchange is being requested shall possess a valid Airworthiness 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.

7.2 Repairs and Maintenance of Aircraft 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 the NCAA;
- iii. Demand Note or Invoice showing details of repairs/maintenance to be done;
- iv. Valid Airworthiness Certificate;
- v. Evidence of usage/check cycles as per the authenticated aircraft logbook by the NCAA;
- vii. Certificate of registration of the aircraft;
- vi. Photocopies of relevant pages of the passport and a valid entry visa of the foreign aeronautic aviation experts;
- vii. Certificate issued by the Nigeria Civil Aviation Authority (NCAA), confirming that the repair/maintenance was done in Nigeria;
- viii. Certificate of Satisfactory performance issued by the owner of the aircraft.

8. Net Proceeds of Sale of International Air Tickets

- i. Duly completed Form 'A';
- ii. Auditors report on passengers' revenue and expenditure (Naira and Dollar) for the period or month for which the remittance is to be made;
- iii. Summary statement of sales and expenditure (in foreign currency and Naira);
- iv. Direct sales report, including bank tellers (in foreign currency and Naira);
- v. Agent sales and bank draft (in currency of sale);
- vi. Evidence of tax paid on the amount to be remitted issued by FIRS;
- vii. Evidence of Regulatory fees (FAAN, NCAA, NAMA, NAHCO and SAHCOL) supported by necessary receipts or an IATA report showing debits.

Explanatory Notes:

- i. ***In the case of items (ii, iii and vii), all expenditure and payments shall be supported by necessary receipts;***
- ii. ***Any Nigerian registered aircraft that engages in***

international operations shall repatriate the foreign exchange generated from such operations and use the same for only eligible transactions;

- iii. ***Banks should compare the 5% of flown ticket tax payment to the NCAA with the Airline's total sales in foreign currency and Naira.***

9. Documentation in respect of Importation of Marine Vessels and Aircraft**Marine Vessels**

- i. Duly completed Form 'M'
- ii. Copy of the purchase agreement, along with the specifications and designs of the vessel
- iii. Copy of valuation report from a reputable Marine engineer from the country of supply.
- iv. Certificate of seaworthiness duly issued by NIMASA in the case of Marine Vessels (this is applicable to second-hand vessels).
- v. Reasonableness of price to be approved by NIMASA
- vi. Bill of Sale
- vii. Manufacturer's Certificate (in the case of a new vessel)
- viii. Letter of credit instrument (where applicable)
- ix. Approval of the Federal Ministry of Transport to operate the vessel.

10. Resale/Trade-in of Marine Vessels

- i. Completed Form NXP
- ii. Valuation report from the Federal Ministry of Transport in conjunction with NIMASA.
- iii. Clean Certificate of Inspection (CCI)
- iv. Bill of Sale, which must be presented during the initial sail.

Aircraft

- i. Duly completed Form 'M'
- ii. Copy of the purchase agreement along with the specifications and designs of the aircraft.
- iii. Copy of valuation report from a reputable Aircraft engineer from the country of supply.
- iv. Certificate of airworthiness duly issued by the Nigerian Civil Aviation Authority (NCAA).
- v. Reasonableness of the price to be approved by the NCAA
- vi. Bill of Sale
- vii. Manufacturer's Certificate

- viii. Letter of credit instrument (where applicable)
- ix. Approval of the Federal Ministry of Aviation to operate the aircraft

Resale/Trade-in of Aircraft

- i. Completed Form NXP
- ii. Valuation report from the Federal Ministry of Aviation in conjunction with the NCAA.
- iii. Clean Certificate of Inspection (CCI)
- iv. Bill of Sale, which must be presented during the initial flight.

MEMORANDUM 13

MISCELLANEOUS PAYMENTS

Authorised Dealer Banks may approve applications by residents of Nigeria to beneficiaries outside Nigeria for any of the following transactions, subject to the submission of completed Form A and the documentation requirements listed below:

1. Correspondence Courses, Registration, Membership Subscription and Examination Fees (Individuals and Corporate Entities)

- a) Demand Note/Invoice;
- b) Evidence of membership and/or enrolment;

2. Correspondence Courses, Registration, Subscription and Examination Fees (represented by Local Corporate Entities)

- a) Subscriber's list and amount paid;
- b) Statement of account showing amount collected less local expenses;
- c) Evidence of operation of a non-resident account in favour of the overseas principal (only for foreign bodies);
- d) An agreement between the overseas company and local body where the latter runs such a programme jointly with the overseas company;

3. Subscription for Periodicals (Corporates/Individuals Entities)

- a) Invoice;
- b) Bank Verification Number (BVN).

4. Books, Magazines and Periodicals

- a) Invoice;
- b) Bank Verification Number (BVN).

5. Conference, Seminars, and Training Courses (organised abroad)

- a) Letter of invitation and estimate of expenses issued by the organising body overseas;
- b) International Passport biodata page and return air-ticket of the beneficiary/nominee;
- c) 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

6. Conference, Seminars and Training Courses (by foreign facilitators, organised locally)

- a) Letter of invitation and estimate of expenses issued by the Nigerian organisation inviting the foreign facilitators;
- b) Biodata page of International Passport, (Entry and

exit immigration stamp and return air-ticket of the facilitators;

- c) Hotel bills of the facilitator for the period;
- d) Demand Note from the facilitator or organising company abroad;

7. Board Meetings/Directors' Fees

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

8. Information Technology (IT) Transfer

- a) License Agreement as approved by NOTAP;
- b) Demand Note/Invoice;
- c) Confirmation of Reasonableness of fees by NOTAP;
- d) Copy of Certificate of registration from NOTAP.

Note:

- i. **All applications for IT Agreements shall provide concrete evidence of a Letter of Award/Contract for supply from the end-users of the products or third parties.**
- ii. **The applicant should also submit a copy of the certificate of installation for the work completed.**
- iii. **All applicants for IT Agreements shall complete the Technology Transfer Agreement (TTA) Pre-Qualification Form in addition to the Application Form and NOTAP Questionnaire**
- iv. **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 about the licensor, including their website, postal address, and other relevant details, shall be provided.**

9. Software License/Subscription

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

Note: Three types of fees are usually approved under Software License Agreements, depending on the agreement's components and the parties' request. The fees are:

- i. 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;
- ii. Implementation fees – A lump-sum depending on the obligations to be rendered by the licensor, i.e. whether the implementation involves any/all of customisation, upgrading, training, etc.;
- iii. Annual Technical Support (ATS) fees – A fee not exceeding 23% of the Software License. The payment of the fee should commence after the first year of the agreement's implementation.

10. Manufacturing/Technical/Consultancy Service Agreement Fees

- a) Technical Service Agreement as approved by NOTAP;
- b) Evidence that the services were rendered locally (e.g. hotel bills or relevant Biodata page of the International passport, (Entry and exit immigration stamp), visa and air-tickets of the technical experts);
- c) Certificate of satisfactory completion issued by the Nigerian employer;
- d) Demand Note/Invoice;
- e) Certificate of registration and confirmation of the reasonableness of the fees from NOTAP.

Note

- i. **Technical Service fees shall be settled on a per diem, man-hour, man-day, or man-month basis, and not tied to net sales/turnover.**
- ii. **Detailed information about the technical experts coming to tender the services in Nigeria, i.e. qualifications, duration of stay, per diem/monthly rate, shall be submitted.**
- iii. **If the duration of stay for the experts exceeds six months, they should be paid salaries in the local currency, which they can remit abroad through Personal Home Remittance (PHR).**
- iv. **Remittable consultancy fees shall be 1-3% of net sales, subject to a maximum of 5%**

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.

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

- a) License Agreement as approved by NOTAP;
- b) Evidence of tax payment based on the audited account;
- c) Audited Account for the period of remittance;
- d) Confirmation of Reasonableness of fees by NOTAP;
- e) 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 should be based on locally manufactured goods, rather than imported goods. Companies with multiple product lines should separate the net sales of each product in their audited accounts, so as to pay royalties for specific products covered by industrial property rights, rather than on the company's total sales.

Payment for the Trademark License Agreement will only be allowed where:

- **it is internationally recognised and accompanied by licensed know-how;**
- **the product involved in the agreement is locally manufactured and is for export;**
- **the owner does not have up to 75% of the equity in the local company.**

12. Outright Purchase of Trademark, Franchise and Patent:

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

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

13. Management Services Agreement Fee

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

Note:

- i. **The Management Services Agreement shall specify the details of the services to be rendered, including personnel, cost implications, and other relevant details.**
- ii. **A management fee ranging from 1% to 5% of profit before tax should apply to management services, except for the management of Hotels by International Hotel chains. However, management services projects where profit is not anticipated during the early years will attract a fee ranging from 1% to 2% 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 in Management or Technical Services.

14. Hotel Services

- a) Management Service Agreement as approved by NOTAP;
- b) Demand Note/Invoice;
- c) The Audited accounts for the period of remittance;
- d) Evidence of tax payment;
- e) Confirmation of the reasonableness of the fees by

NOTAP;

- f) Certificate of registration from NOTAP.

Note: A basic fee or lump sum not exceeding 5% of turnover plus an incentive fee not exceeding 8% of Gross Operating Profit (GOP) - is Total Revenue minus Operating Expenses, shall be applicable. Other payments which are internationally accepted within the applicable hotel chains may also be allowed. Only hotels initially located in disadvantaged areas will be subject to the upper limits of the basic and incentive fees.

Hotels located in disadvantaged/rural areas shall attract a higher rate, the maximum being 8% of GOP, while Hotels located in cities like Abuja, Lagos, Port Harcourt, etc., shall attract a lower rate, the maximum being 5% of GOP.

15. Service Charge for Repairs of Machinery and Equipment in Nigeria

- a) Service Agreement;
- b) 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);
- c) Certificate of satisfactory completion of the job issued by the Nigerian company;
- d) Demand Note from the beneficiary.

16. Service Charge for Repairs of Machinery and Equipment Overseas

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

17. Telecommunication Charges

Authorised Dealer Banks are to note the following telecommunication charges for Determination;

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

Accordingly, the following documentation requirements shall apply;

- i. Service/License Agreement with an offshore Telecommunication Company as approved by the NCC;
- ii. Demand Note/Invoice;
- iii. Certificate of Registration/License with the NCC;
- iv. Confirmation of reasonableness of fees by the NCC.

18. Payment for Technology Transfer Agreements

General Requirements

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

- i. Technology contracts should include a provision whereby the recipient enterprises in Nigeria acquire 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.
- ii. In cases where a Nigerian enterprise acquires 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.
- iii. Provision for capacity building shall be part of all Agreements signed, and details on Nigerians understudying the experts should be readily available/ submitted, to ensure that the skills acquired, are domesticated.
- iv. All contracts should provide for the deduction of appropriate local taxes, such as withholding tax.
- v. All agreements should incorporate research activities carried out in-house and in collaboration with the Nigerian National Innovation System, such as Universities, Research Institutes, private laboratories, Polytechnics, etc.
- vi. Companies that sell imported products should separate the net sales of imported products from those of 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.
- vii. All Nigerian Government Projects shall be governed

by Nigerian Laws of Arbitration, and the seat of arbitration shall be in Nigeria.

- viii. There would be no approval for an agreement based on the assembly of Completely Knocked Down (CKD) parts or finished products brought into the country, except for payment for short-term technical services relating to such a project.
- ix. The scope of services in technology transfer agreements should clearly state the services to be rendered by the transferor/licensor.
- x. The technology content of the agreement should outline the methods for domesticating technology, developing local raw materials, and acquiring skills, among other relevant aspects.
- xi. A detailed plan for the local development and production of raw materials used in manufacture, as a substitute for imported raw materials, should be attached to the agreement.
- xii. 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 to repatriate their earnings.
- xiii. Submission of Shareholders' resolution that the Company should register or renew a Technology Transfer Agreement (signed with its technical partner) with NOTAP.
- xiv. Original copies of Audited Annual Accounts should be submitted to NOTAP.
- xv. 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 a License is granted for the provision of such services. However, for purposes of ownership and also to prevent in fringement, Trademarks should be registered at the Patent and Trademark Registry, Federal Ministry of Industry, Trade and Investment.
- xvi. Payments involving foreign technology shall be subject to NOTAP's registration.

19. 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 & Exchange Department, Central Bank of Nigeria and supported with the following documents:

- i. Certified true copy of the judgement;
- ii. Audited accounts of the Defendant(s) company for the last three (3) years and that of the period when the transaction took place, if not included among the three (3) years;
- iii. Power of Attorney granted by the judgement creditor to the applicant;
- iv. Certified copies of documents evidencing the underlying transaction, such as Form 'M', PAAR, (where applicable), final attested invoice, Bill of Lading, Customs Bill of Entry/SGD Form. In the case of invisible imports, Form 'A', service agreement, current invoice/demand note, NOTAP certificate, where applicable, etc,
- v. Source(s) of funding the remittance, including statement of accounts of the Defendant(s), duly certified by the issuing bank(s).

20. 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 submission of a completed Form 'A' and the following documentation requirements:-

- i. Agreement on the advertisement;
- ii. Demand Note/Invoice;
- iii. Evidence of operation of a non-resident account.

20.1. **Advertisement Outside Nigeria (without Local Agent) shall not be valid for forex**

- i. Agreement on the advertisement;
- ii. Demand Note/Invoice.

21. Remittance of Proceeds from Trade Fair Participation by Non-Residents

- i. Certificate of participation at the Trade Fair, duly issued by the Chamber of Commerce/Organisers;
- ii. Letter of invitation and acceptance to participate;
- iii. Evidence of Sales (e.g. counterpart of sales invoice, etc.).

22. International Transportation and Delivery Service (Courier Service)

- i. Agreement between the Nigerian company and the foreign company;

- ii. Current Demand Note/Invoice;
- iii. Evidence of delivery of messages/parcels in Nigeria;
- iv. Statement of account of the company with the evidence of netting of accounts.

23. Aerial Survey

- i. Service/contract Agreement;
- ii. Approval from the Federal Ministry of Aviation to carry out the aerial survey;
- iii. Evidence of tax payment on the amount to be remitted;
- iv. Demand Note from the foreign company.

24. Down Payments on Invisible Trade Transactions

Down payments on invisible trade transactions shall be 30% of the invoice value, subject to the following documentation requirements:

- i. Form 'A' covering 100% of the cost;
- ii. Executed Agreement between the two parties;
- iii. A guarantee or performance bond issued by a bank in the beneficiary's country, to secure a down payment;
- iv. Proforma invoice.

25. Payment for Demurrage

Procedure for the confirmation of reasonableness of Demurrage Payments by the Nigerian Shippers' Council (NSC);

- i. Obtain a certificate of registration with NSC.
- ii. Applications for Confirmation of reasonableness of Demurrage Payments shall be submitted to the Nigerian Shippers' Council on the approved NSC Portal.

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) Evidence of tax payment on the amount to be remitted;
- b) Audited Account for the relevant period;
- c) Manifest of the Ship;
- d) Copies of receipts issued to the Importer by the

- Shipping line;
- e) Agreement between the local shipping agent and the principal overseas;
- f) Demand Note/Invoice;
- g) Evidence of Payment of demurrage charges into the dedicated account;
- h) Certification of arrival of the Vessel by the NPA;
- i) NSC confirmation of reasonableness of demurrage payment;

26. Mortgage Servicing

- i. Mortgage agreement (copy) in the name of the resident;
- ii. Schedule of outstanding liability on the mortgage;
- iii. Letter of request from the applicant;
- iv. Evidence of tax payment in Nigeria.

Note:

However, for the avoidance of doubt, the amount of foreign exchange paid for Mortgage Servicing shall not exceed the taxable value on the income earned. There shall be no advance or arrears payment; payment shall be a maximum of \$5,000 per month.

27. International Rating Agency Fee

- i. Duly executed agreement for the rating;
- ii. Demand Note/Invoice;
- iii. Evidence of satisfactory completion of the rating, issued by the employer (Nigerian entity).

28. Payment of Foreign Solicitor's Fee

- i. Agreement with the Foreign Solicitor specifying the type of service to be rendered;
- ii. Award letter;
- iii. Evidence of tax payment in Nigeria;
- iv. Evidence of provision of the service as stated by the employer (Nigerian entity);
- v. Demand Note/Invoice;

29. Contract Service Fee

- 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 the agreement shall be 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 a 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;

- a. Service agreement;
- b. Confirmation of service fee;
- c. Demand Note/invoice;
- d. Evidence of tax paid on the amount to be remitted.

30. Brokerage/Margin Fees on investment paid to Off-shore Brokers

(Fees charged by agents to facilitate transactions between buyers and sellers.)

Accordingly, the following documentation requirements shall apply;

- i. Copy of duly executed broker agreement;
- ii. Demand Note/invoice from offshore broker;
- iii. Evidence of equity or NGN security trade;
- iv. Certificate of Capital Importation.

31. Operation of the disbursement account

All foreign shipping companies/local agents shall be required to maintain disbursement accounts with Authorised Dealer Banks 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 denominated. Accordingly, foreign shipping companies with local agents shall not be allowed to access the market to pay statutory charges/fees.

32. Remittance by Technology Companies

The following documents are required.

- i) Schedule of collections breakdown for the period (showing product type, number of customers, cost of subscription and total remittance value in Naira)
- ii) Evidence of Tax remittance for the period

- iii) Copy of a valid SCUML certificate
- iv) Where investment proceeds are being remitted, the investment history is also required.

The Authorised Dealers are required to note the following.

- i) Technology Companies are required to be incorporated in Nigeria.
- ii) Remittance can only be made to the parent company's account. Third-party remittance is not allowed.
- iii) Technology Companies are required to open a dedicated collection account with any bank of their choice.
- iv) Where the vendor decides to utilise proceeds from the collections account to invest (e.g. Money Market, Treasury Bills, etc), proceeds of such investment will be eligible; however, investment history shall be required as additional documentation.
- v) Auditor's report on the revenue and expenditure for the period for which remittance is to be made.
- vi) Companies such as adult entertainment, gambling, drugs, weapons, ammunition and any company that the Bank may prescribe from time to time are exempted from this program.
- vii) Authorised Dealers are mandated to perform KYC on the vendors.

33. Pan African Payments Settlement System (PAPSS)

PAPSS transactions in Nigeria are guided by the following:

- i. The use of basic documentation (KYC & AML) provided by the customers to the Authorised Dealer Banks for transactions with thresholds below is now allowable.
 - a. For individuals: From USD2,000 and below or its equivalent monthly.
 - b. For corporates: From USD5,000.00 and below or its equivalent monthly.
- ii. For transactions above USD2,000 and USD5,000 for individual and corporate respectively, all relevant documentation requirement according to extant regulations are mandatory.
- iii. Applicants shall be responsible for ensuring that regulatory documents are made available to facilitate the clearance of goods (as may be requested by the relevant Government Agencies).
- iv. ADBs are allowed to source foreign exchange for the settlement of PAPSS transactions through the

Nigerian Foreign Exchange Market.

- v. All export proceeds repatriated under PAPSS shall be subject to certification by the respective processing banks

34. Guarantees/Performance Bonds

Authorised Dealers may provide the following facilities to their customers without recourse to the Central Bank of Nigeria.

- i. Guarantees on behalf of their customers in the ordinary course of business, such as guarantees given in respect of missing documents, the authenticity of signatures, the release of goods under trust, receipts, e.t.c.;
- ii. Dealings in any guarantee or similar undertaking, the implementation of which involves or would involve a payment to a resident outside Nigeria or a payment in any foreign currency.

Note:

For the avoidance of doubt, payments for Guarantees/Performance Bonds shall be without recourse to the Nigerian Foreign Exchange Market (NFEM).

MEMORANDUM 14

REMITTANCE FOR SERVICES RENDERED IN NIGERIA TO ANY NIGERIAN RESIDENT

Pricing and payment of products and services provided by a Nigerian company to another Nigerian company shall be in Naira only.

Except in instances where such has been expressly permitted by law or statute, the use of foreign currency for the payment of goods and services in Nigeria is prohibited.

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

1. Nigeria Revenue Service
2. Nigerian Ports Authority
3. Nigerian Maritime Administration and Safety Agency
4. Nigerian Airspace Management Agency
5. Nigerian Shippers Council
6. Licensed Operators in the Oil and Gas including Oil Services Companies and the Extractive Industry
7. Licensed Operators in the Maritime
8. Licensed Operators in the 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 or as otherwise stated by Acts of National Assembly.

For the avoidance of doubt, where receipts are generated in Naira, payments for such services and charges shall be made in Naira, conversely, where receipts are generated in foreign currency, payment for such services and applicable charges shall be made in foreign currency.

MEMORANDUM 15

CASH GIFTS

Authorised Dealer Banks are required to determine applications from individuals, organisations 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:

- i. Completed Form "A";
- ii. Documentary evidence of the need and purpose of the gift, e.g. appeal or a letter of request for aid or donation;

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

MEMORANDUM 16

NON-RESIDENT AND EXTERNAL ACCOUNTS

A. Non-resident Accounts for Foreign Entities Operating In Nigeria

An entity that permanently resides outside Nigeria is eligible to open an external account or a non-resident account with any ADB in Nigeria.

1. External Account: -

A Foreign 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.

1.1. Eligibility

The following are qualified to open and operate external accounts in Nigeria:

- Embassies;
- High Commissions;
- Legations/Consulates;
- Career and established members of the above entities;
- 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 organisations 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.

2. Non-Resident Account:

A Naira account held by individuals or entities not residing in Nigeria.

2.1. Eligibility

The following are eligible to open non-resident accounts:

- Overseas Correspondence and examination bodies;
- Foreign Companies executing approved contracts in Nigeria;
- Foreign professional bodies.
- Digital platforms and Technology Services Providers.

For entities not classified under a-d above, reference

should be made to the CBN for clarification.

3. Documentation Requirements

3.1. External Accounts

- Applicant's letter of request, showing official position/status and the probable duration of stay in Nigeria;
- Letter of introduction from the relevant Diplomatic Mission/International Organisation certifying the accredited status of the applicant;
- International passport biodata page of signatories.

3.2. Non-Resident Accounts

- Overseas Correspondence and Examination Bodies
 - Letter of request from applicant;
 - Memorandum and Articles of Association of the Overseas company;
 - Letter of accreditation from the Federal Ministry of Education;
 - Power of attorney to their Agent in Nigeria.
- Foreign Companies Executing Approved Contracts in Nigeria.
 - Contract document;
 - Letter of request from applicant;
 - Memorandum and Articles of Association of the company.
- Foreign Professional Bodies
In addition to documents specified in 2.2(a) above, a letter of certification from a relevant regulatory body in Nigeria shall be required.

4. Conduct of External and Non-resident Accounts

4.1 External Accounts - Credits

- Payments by residents of Nigeria in respect of which the appropriate approved foreign exchange is held;
- Payments from other external accounts;
- Proceeds of the sale of foreign currency imported into the country, subject to the following conditions:-
 - Foreign currency imported shall be converted to Naira at the prevail-

- ing Foreign Exchange Market rate;
- ii) Repurchases shall be executed at the prevailing Foreign Exchange Market rate.

4.2 External Accounts - Debits

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

Note:

External Account holders can also operate domiciliary accounts.

4.3 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.

- 4.4 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 documentation.

B. Non-resident Account for Nigerians Residing in the Diaspora

1. Non-Resident Nigerian Ordinary Account (NRNOA):

This account enables Non-Resident Nigerians (NRNs) to remit their foreign earnings to Nigeria and manage funds in both foreign and local currencies.

- 1.1 Currency held in freely convertible foreign currencies as specified by CBN. Account holders may also

maintain a Naira (NGN) account, with funds remitted directly from offshore or convertible from a FCY account at prevailing exchange rates through Authorised dealers.

- 1.2 Purpose: depositing foreign income by individuals residing outside Nigeria (e.g., salaries, business proceeds).
- 1.3. Repatriation: Fully repatriable without restrictions.
- 1.4 Interest Rates: Interest rates on balances are negotiable with the preferred bank.
- 1.5 Conversion Flexibility: Funds can be freely converted into Naira at prevailing exchange rates through Authorised Dealers.
- 1.6 Regulatory Compliance: Aligns with International AML/CTF standards to ensure transparent fund flows and mitigate risks.

2. Non-Resident Nigerian Investment Account (NRNIA):

This account enables Non-Resident Nigerians (NRNs) to invest in assets in either Foreign Currency (FCY) or local Currency (Naira). Account holders may maintain both a foreign currency (FCY) account and/or a local currency (Naira) account to facilitate diverse investment opportunities.

- 2.1. Currency: Held in freely convertible foreign currencies as specified by the Central Bank of Nigeria (CBN). Account balances will be held in major foreign currencies without the need for mandatory conversion to Naira.
- 2.2 Purpose: To facilitate investments in Nigerian assets, such as real estate, stocks, and government securities.
- 2.3 Tax and Fiscal Policy: All investments are subject to applicable taxes under Nigerian laws. Specific exemptions, such as those for government bonds.
- 2.4 Interest Rates: Interest rates on deposits are negotiable with the preferred bank.
- 2.5 Repatriation of Funds: FCY balances held in the NRNIA account, including investment principal and profits, can be fully repatriated without restrictions, ensuring ease of capital.
- 2.6 Flexibility for Dual Investments: Allows account

holders to seamlessly invest in either local or foreign currency-denominated assets, promoting greater investment diversification.

2.7 Regulatory Compliance: Aligns with global AML/CTF standards to ensure transparent and secure investment transactions.

3. Eligibility for both NRNOA & NRNIA

Any Nigerian citizen residing outside Nigeria, with documented proof of residence (e.g., work permit, student visa, or proof of address), is eligible to open an NRNOA & NRNIA, and the documentation below shall apply.

3.1 Individuals must present the following:

- a) Valid Nigerian passport
- b) Proof of non-resident status (e.g., visa, work permit)
- c) Bank Verification Number (NRBVN) and or Tax Identification Number (TIN)

MEMORANDUM 17

PERSONAL HOME REMITTANCES (PHR)

Applications shall be determined based on the following documentation.

1. Family Maintenance Allowance/ Annual Leave Pay/ Bonus and Gratuity

Authorised Dealer Banks may approve applications made by residents to remit 100%, subject to the following documentation requirements:-

- i. Form A;
- ii. Evidence of tax paid on the income to be remitted;
- iii. International Passport biodata page and immigration entry/exit stamp;
- iv. Valid Resident Permit;
- v. Evidence of the operation of an account with the bank and payment of salaries into the account;
- vi. A letter from the applicant's employer confirming payment shall apply, for the purpose of bonus and gratuity.

Remittances by residents for the maintenance of dependents on their own accounts or for any purpose whatsoever are allowed up to 100% of their net income while physically resident in Nigeria. PHR is restricted to net income credited to the bank account.

Actual transfer may be made once a month on the basis of the remuneration received for the previous month. However, where remittances have fallen into arrears, the Authorised Dealer Banks can determine the applications based on the documents listed above.

The family maintenance allowance may be continued only while the applicant is resident in Nigeria and is receiving a salary. This shall cease immediately upon the applicant's departure from Nigeria.

Authorised Dealer Banks shall note that the leave pay allowance granted under this memorandum is inclusive of the travel allowance approved for the related leave period.

Applicants' International passports shall be endorsed by the Authorised Dealer Banks 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 international passport shall be endorsed to indicate the period(s) accordingly. Pension/Provident Fund Payments.

2. Pension/Provident Fund Payments

Authorised Dealer Banks 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:

- i. Completed Form 'A'
- ii. Resident permit and/or expatriate quota
- iii. Retirement savings account statement
- iv. Pension Fund Administrators (PFA) approval.

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

Such applications shall be determined by Authorised Dealer Banks, subject to the following documentation requirements:-

- i) Approved rules of the pension scheme;
- ii) Schedule of contribution (where applicable);
- iii) Joint Tax Board approval of the scheme/appraisal of the scheme by the National Social Insurance Trust Fund (NSITF) in the case of the Provident Fund;
- iv) Resident permit of an individual contributor.

4. Final Balance/Terminal Pay

All applications for remittance of terminal pay and proceeds from sales of assets shall be determined by the Authorised Dealer Banks, subject to the following documents:

- i. Copy of Resident Permit;
- ii. Copy of relevant pages of the applicant's International Passport;
- iii. Letter from the employer clearly stating the applicant's final exit from the country, where applicable;
- iv. Notarised applicant's statement of assets in Nigeria;
- v. Receipts of sale of personal effects (if any);
- vi. Employer's confirmation of payment of fringe benefits (if any).

MEMORANDUM 18

CAPITAL TRANSFERS, SECURITIES & FOREIGN LOANS

An electronic Certificate of Capital Importation (e-CCI) MUST be issued for all capital transfers into Nigeria, within 24 hours of the conversion of funds into Naira by an Authorised Dealer Bank.

A. Purchase and Sale of Securities

1. Purchase of Securities

- i. Investors are permitted to invest in Nigeria, provided that investment funds are remitted through an Authorised Dealer Bank and a eCCI be issued.
- ii. Export proceeds and ordinary domiciliary account balances are not permitted for investment purposes.

2. eCCI Issuance for Global Depository Receipts (GDRs)

- i. For GDR inflows, a master eCCI shall be issued to the Depository Bank for the total foreign currency received.
- ii. Where GDRs are cancelled offshore, the Depository Bank shall notify the custodian/subcustodian with underlisted documentation.
- iii. The nominee custodian shall maintain a valid eCCI for shares withdrawn from the GDR and "mark down" the quantity from the master eCCI.
- iv. With the valid eCCI, a non-resident investor may trade the underlying shares locally and is entitled to repatriate proceeds.
- v. Repatriation of proceeds shall be through ADBs with:
 - a. Completed Form A and eCCI;
 - b. Evidence of conversion from GDR to shares confirmed by Depository/Custodian;
 - c. Proof of GDR cancellation;
 - d. Investor's written request;
 - e. Contract Note/evidence of sale of shares.

3. Securities Denominated in Naira but Payable in Foreign Currency

Residents may buy securities from non-residents subject to:

- i. Broker's quotation or Purchase Contract Note;
- ii. Certified evidence of offer for sale and executed sales agreement;
- iii. Company prospectus or current annual report.

Note:

- i. **ADB's must apply KYC.**
- ii. **Funds sourced from the NFEM cannot be used to purchase foreign currency securities or to establish subsidiaries or any other entities.**

B. Foreign Portfolio Investment (FPI)

Required documentation for FPI inflows:

- a. SWIFT message evidencing remittance indicating the purpose of capital importation;
- b. Customer instruction
- c. Evidence of Naira investment

Guidelines:

- a. Investors may discount money market instruments in the secondary market.
- b. Where a local investor buys from a foreign investor, the foreign investor's eCCI is cancelled after repatriation; the local investor thereafter receives interest and principal in Naira.
- c. Where the instrument is acquired by another foreign investor, the seller's eCCI is amended with details of the new buyer, ensuring repatriation of both interest and principal at maturity.

C. Foreign Direct Investment (FDI)

FDI documentation requirements:

(i) Cash inflows:

- a. SWIFT/telex message;
- b. Board resolution of beneficiary authorising investment;
- c. Purpose/Type of capital importation (equity, loan, etc.);
- d. Incorporation documents of the beneficiary.

Note: Items a, b and c above does not apply to individuals.

(ii) Plant, Machinery & Equipment:

In addition to documentation listed above; Bill of Lading; Certificate of Origin; Commercial Invoice; Exit Note; Form M; Packing List; SGD; Product Certificate; Import Duty Receipt; PAAR.

(iii) Debt Conversion Programme:

- i. Written confirmation from DMO before repatriation of capital, profit, interest or dividends;
- ii. Evidence of payment of the mandatory 2.5% transaction cost to CBN.

(iv) Divestment (FPI or FDI)

- i. At divestment, the investor submits:
 - a. Completed Form A and eCCI;
 - b. Evidence of investment and/or redemption.
 - c. Evidence of registration with NIPC for FDI.

D. Foreign loans, including Suppliers' Credit

1. Procurement of Foreign Loans

Requests for foreign loans by companies must be processed through ADBs, which are required to issue an eCCI.

1.1 Cash Documentation:

- a. Board Resolution of the beneficiary;
- b. Loan Agreement including terms, moratorium, maturity, interest rate, repayment schedule with dates;
- c. Executed offer & Acceptance Letter;
- d. SWIFT/Telex;
- e. Certificate of incorporation of the beneficiary.

1.2 Plant, Machinery & Equipment Documentation:

In addition to documentation listed above;
a–e. Bill of Lading; Certificate of Origin; Commercial Invoice; Exit Note; Form M; Packing List; SGD number; Product Certificate; Import Duty Receipt; PAAR.

2. Repayment of Foreign Loans**2.1 Cash**

Completed Form A, Demand note/invoice and eCCI in addition to the documents listed in 1.1 above.

2.2 Plant, Machinery & Equipment Documents listed in 1.2 and 2.1 above.

E. Corporate Actions (Capitalisation / Rights Issue / Reinvestment / GDR)

Requirements:

- a. Board Resolution;
- b. Payment of stamp duty;
- c. SEC approval.

F. Capital Outflows & Outward Transfers (Dividends, profits & DivestmentsP

1. Capital Transfer after Divestment

Required documentation:

- i. Completed Form A and eCCI;
- ii. Executed Sales Agreement / transfer of investment.
For unlisted companies, a valuation report from an audit firm recognised by law.; for listed companies, evidence of a sale compliant with SEC/Exchange rules.
- iii. Board Resolution authorising sale;
- iv. SEC clearance letter (where applicable);
- v. Valuation report for unlisted companies.

2. Dividend, Profit & Bonus Remittance

- i. Completed Form A and eCCI;
- ii. Audited accounts and evidence of CIT paid for the relevant year;
- iii. Board/AGM resolution authorising payment;
- iv. Dividend warrants and evidence of WHT paid where applicable.

MEMORANDUM 19

EDUCATION OUTSIDE NIGERIA

1. Remittance in respect of educational expenses of Nigerian students attending Universities and Polytechnics overseas shall be granted by the Authorised Dealer Banks. Nursery, Primary, Secondary, Foundation and A-level are not eligible for foreign exchange.
2. Approval for **Undergraduate Studies (Fresh and Returning Students)** and **Postgraduate Studies** is subject to the submission of completed Form 'A' and the documentation requirements listed below: -
 - i. Evidence of admission/course programme;
 - ii. Tuition fees for the period;
 - iii. International Passport biodata page of the student
 - iv. Student ID Card for returning students
 - v. First degree certificate (or its equivalent)/Certified True Copy of Statement of Result by the awarding institution (for Postgraduate students only)
3. Maintenance Allowance:

Payments of maintenance allowance shall be subject to the following provisions.

 - i) When tuition and maintenance services are billed together, remittance shall be made only to the educational institution. Such beneficiary shall no longer be eligible for living allowance. However, where the student is living off-campus or the maintenance fee is stated separately, the maintenance fee shall be paid to the student and capped at **\$5,000.00** per quarter, while the tuition fee shall be paid directly to the school.
 - ii) Applications for educational expenses by foreign nationals shall be treated as part of their remittable entitlement in accordance with the provisions of Memorandum 17, in respect of PHR.

Note:

Payment of tuition fees for undergraduate/postgraduate studies shall be subject to a maximum limit of USD25,000.00 per semester

This is in addition to the documentation requirements listed in 2 (i-v) above.

MEMORANDUM 20

DOMICILIARY ACCOUNTS

1. Eligibility

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

2. Mode of Operation

- a) Domiciliary Accounts may be operated as current, deposit or savings accounts;
- b) 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 different banks.
- d) Any person making an application to open a foreign currency Domiciliary Account or who 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.
- e) Management, operations and withdrawals from domiciliary accounts must comply with extant money laundering, including AML/CFT, CPF and other regulations guiding FX.

3. Designation of Account

Authorised Dealer Banks shall maintain for their customers the following types of domiciliary accounts;

- a. Ordinary
- b. Export proceeds
- c. External
- d. Non-resident.

4. Withdrawals

Withdrawals:

- a) Withdrawals or payments from domiciliary accounts shall be made in any of the following ways:
 - i) Foreign banknotes;
 - ii) Mail/Telegraphic transfer;
 - iii) Bank draft.
- b) Ordinary Domiciliary Account holders shall have unfettered and unrestricted access to funds in their accounts. Domiciliary account holders are permitted to utilise cash deposits not exceeding USD10,000 per day or its equivalent via telegraphic transfer. Authorised Dealer Banks shall provide returns to the CBN, including the "purpose" for such transactions.
- c) Holders of export proceeds Domiciliary Accounts shall have unfettered access to funds in their accounts for use in eligible transactions, subject to submission of documentation relating to the specific transaction (no cash withdrawals shall be allowed).

Unfettered access to export proceeds shall be in compliance with extant AML/CFT regulations.

Where funds are to be transferred to third parties, the account holder must provide the purpose for the transfer.

Authorised Dealer Banks shall ensure that the transaction purpose is duly captured in accordance with the foreign exchange sectoral utilisation code as specified in the Foreign Exchange Management Systems (FEMS) Code Book.

Note

- i. Completion of Form A is mandatory for all FX sourced from NFEM.**
- ii. Transfer of funds from an export proceeds domiciliary account in a bank to an Ordinary Domiciliary Account in another bank to fund eligible transactions shall be allowed.**
- iii. Export proceeds can be sold to any Authorised Dealer bank in NFEM.**
- iv. International companies in the Extractive Industry with an exception to indigenous companies are allowed to repatriate 100% of their export proceeds through Authorised Dealer Banks, who shall ensure adequate documentation and submit a monthly report to the Director, Trade & Exchange Department**

(d) Holders of Ordinary Domiciliary accounts shall continue to have access to funds in their accounts for eligible transactions.

It should be noted that the use of Form A for remittance using an Ordinary Domiciliary Account is not mandatory. However, the Authorised Dealer Bank shall ensure that the purpose of the transaction is duly captured in accordance with the foreign exchange sectoral utilisation code as specified in the FEMS Code Book.

MEMORANDUM 21

MISCELLANEOUS PROVISIONS

Except in instances where such has been expressly permitted by law or statute, the use of foreign currency for the payment of goods and services in Nigeria is prohibited.

1. Notwithstanding the provisions of Memoranda 16 and 17 of this Manual, only "Nigerian residents" shall access funds from the Foreign Exchange Market.
2. Transactions of Operators in the Free Trade Zones (not being part of the Nigeria Customs Territory) shall not qualify for remittance with funds from the Foreign Exchange Market.
3. All agreements for services rendered by non-residents that reflect activities not covered in this Manual shall be referred to the CBN for consideration before remittance, through the Director, Trade & Exchange Department.
4. It shall be the responsibility of Authorised Dealer Banks to ensure that documentation on transactions and third-party documents is authenticated by the issuer before utilisation for foreign exchange remittance, including documents forwarded to the Central Bank of Nigeria for approval-in-principle. Authorised Dealer Banks are to ensure that third-party documents are authenticated by the issuer/stakeholder(s) before utilisation for foreign exchange remittance or forwarding to the Central Bank of Nigeria for approval-in-principle. Accordingly, appropriate sanctions shall continue to be imposed on Authorised Dealer Banks who:
 - i. Release funds on the basis of forged documents;
 - ii. Engage in fraudulent transactions;
 - iii. Fail to transfer customs revenue to the CBN in accordance with the laid down procedures;
 - iv. Default in furnishing accurate returns on due dates;
 - v. Fail to report defaulting customers to the CBN for appropriate action, etc.
5. Authorised Dealers shall be free to deal in funds in the Foreign Exchange Market in their own right, subject to compliance with the advised 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. Authorised Dealer Banks shall render returns as required by the CBN.
7. Authorised Dealer Banks shall carry out due diligence/ KYC on all customers and counter-parties.
8. Sanctions shall be imposed on Authorised Dealer Banks/ official(s) and bank customers who breach any of the foreign exchange regulations and guidelines in this Manual and any other regulations and/or provisions of relevant Acts relating to the Nigerian Foreign Exchange Market.
9. All Authorised Dealer Banks/Buyers and the general public are required to refer policy issues in respect of foreign Trade & Exchange, of which they are in doubt, to the Director, Trade & Exchange Department of the Central Bank of Nigeria, for clarification.
10. All import and export transactions shall be covered with completed Forms ('M', 'A', NXP, NCX) regardless of whether or not payment is involved.
11. Authorised Dealer Banks, 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.
12. Authorised Dealer Banks are allowed to lend funds in domiciliary accounts only to their customers with foreign currency receivables.
13. 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 CBN.
14. Unutilised foreign exchange is to be returned to the Foreign Exchange Market within 72 hours from the value date at the prevailing market rate.
15. Authorised Dealer Banks are to note that only transactions for which Letters of Credit are cash-backed, or with matured Clean Lines or matured Bills for Collection are eligible for delivery of foreign exchange purchased in the Foreign Exchange Market. "Front Loading" purchase of foreign exchange and the delivery of foreign exchange for obligations that are not due for payment shall not be permitted.

APPENDIX I

ELIGIBLE TRANSACTIONS

Approval and processing of trade transactions shall be guided by the documentation requirements outlined in this Manual.

1. Visible Imports (Except Imports under Absolute Prohibition).
2. Invisible Trade
 - i. Payment for imports, including deferred payments, down-payments and instalment payments;
 - ii. Commission and brokerages for insurance payments;
 - iii. Commercial and Non-commercial export transactions;
 - iv. Domiciliary account transactions;
 - v. Non-resident and external accounts;
 - vi. Charter/lease, maintenance and repair fees and outright purchase of Aircraft/shipping, fishing and dredging vessels/equipment;
 - vii. Insurance (personal) and reinsurance;
 - viii. Conferences, seminars and training;
 - ix. Expatriate home remittances (family maintenance, leave pay, provident fund payments, bonus, gratuity and final balance);
 - x. Cash gifts;
 - xi. Loans, Advances and guarantees, including issuance of performance bonds;
 - xii. Personal and business travel allowances; Education expenses - tuition and maintenance;
 - xiii. Contract services, management services, technical services, consultancy, professional and legal fees, etc;
 - xiv. Directors' fees;
 - xv. Membership subscriptions and examination fees
 - by individuals and organisations;
 - xvi. Judgement debt;
 - xvii. Copyright, patent and royalties;
 - xviii. Advertisement outside Nigeria;
 - xix. Remittance of capital, profits and dividends;
 - xx. Airline remittances;
 - xxi. Foreign borrowing and external loan repayments;
 - xxii. Dealings in securities;
 - xxiii. Pilgrims services;
 - xxiv. Demurrage;
 - xxv. Mortgage repayments;
 - xxvi. Single copies of books for personal use;
 - xxvii. Subscription to periodicals;
 - xxviii. Correspondence Courses;
 - xxix. Freight of Personal Effects for Returning Students;
 - xxx. Profits and dividends;
 - xxxi. Aerial Survey Photographs;
 - xxxii. Investment in securities denominated in foreign currency;
 - xxxiii. Digital Platforms and Technology Services;
 - xxxiv. Transit Fees (Export);
 - xxxv. Authorised Dealers are required to forward transactions not listed in this Manual, which are neither prohibited by law nor suspended by current regulations, to the Director, Trade & Exchange Department, Central Bank of Nigeria, for determination of the transactions' eligibility and documentation requirements.

Note: Credit cards are considered loans and should only be issued to customers with verifiable FX inflows.

APPENDIX II

OFFENCES AND SANCTIONS

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

Part I: Offences and sanctions with respect to transactions in the Foreign Exchange Market.

1. Any person who:-
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 this Manual.
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 its appointment 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 the operation of Domiciliary Accounts:-

1. Any person:-
 - a. Being an Authorised Dealer, permits or in any way facilitates the withdrawals or deposit of foreign currency contrary to the memorandum of this Manual; or
 - b. Making or accepting cash payments contrary to 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, 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.

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

Authorised Dealers are notified of the following contraventions in the NFEM and sanctions thereto:

Contravention 1: Default in Rendition of Returns

- i. Late Rendition of Returns/Non-Rendition
Authorised Dealer Banks are required to forward via the Financial Institution Forex Reporting System (FIFX) the following returns to the CBN:
 - a. Daily Returns on or before 10:00am for the preceding day's transactions.
 - b. Monthly Returns: Within five (5) working days after the end of the month. Where the month-end falls on a weekend or public holiday, the last working day shall apply.

Note:

Returns not sent to the Bank as prescribed in 3(i) a & b above are considered late rendition and shall attract sanctions.

Sanctions for late/non-rendition of returns

- a. Late Rendition
A Penalty of Five Hundred Thousand Naira (₦500,000) for the day such contravention is established.
- b. Non-Rendition
A Penalty of a minimum of Five Million Naira only (₦5,000,000.00) shall be imposed for non-rendition of returns, and Five Hundred Thousand Naira (₦500,000) for each day during which the contravention continues
 - i. Rendition of Inaccurate/Misleading Returns
Sanction: Monetary fines, suspension of Authorised Dealership licence for a minimum of six (6) months or revocation of the license, depending on the severity of the offence

Contravention 2: Reallocation of funds without CBN's approval**Sanctions:**

- a. Letter of warning to the bank;
- b. The bank shall be sanctioned ₦10 million per transaction;
- c. Refer to Sub-Committee on Ethics of the Bankers' Committee for notification.

Contravention 3: Failure to submit Exchange Control Documents:

Where the importer fails to submit the exchange control documents within the stipulated period or documentation is inadequate or falsified, the Authorised Dealer Bank shall submit a report electronically to the Director, Trade & Exchange Department, Central Bank of Nigeria, giving full details of the default. Defaulting importers, as well as Authorised Dealer Banks which fail to report any default, shall be liable to penalties.

Sanctions:

Any importer that fails to submit an Exchange Control

Document (ECD) within the stipulated timeline (90 days from negotiation of shipping documents with the overseas correspondent bank) shall be restricted from all valid and non-valid foreign exchange transactions, including processing of Form M for further transactions, until compliance is achieved. The importer shall be identified by the TIN or RC number.

- a) First offender that exceeds the timeline shall be restricted for 90 days;
- b) Second offender that exceeds the timeline shall be restricted for 180 days;
- c) Third offender that exceeds the timeline shall be restricted for 360 days;
- d) Fourth offender that exceeds the timeline shall be banned.

Contravention 4: Exceeding the Approved Limit of the Net Open Position (NOP)

For NOP compliance, banks must ensure they do not exceed their assigned position. Where the daily NOP is exceeded or false returns or returns not rendered occur, the CBN shall impose appropriate sanctions in line with the relevant sections of BOFIA, which may include suspension from the Foreign Exchange Market.

Sanctions:

- a) First offender that exceeds the NOP limits shall be given a letter of warning;
- b) Second offender shall be suspended from the Foreign Exchange Market for ten (10) working days;
- c) Third offender shall be suspended for 90 days from NFEM.

Contravention 5: Consummating Foreign Exchange Transactions with inadequate documentation.**Sanctions:**

Authorised Dealers shall pay ₦100.00 million in addition to ₦10 million per transaction

Contravention 6: Export Transactions**A) Non-Oil Export**

- 1. Non-oil Exporters shall 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.

Non-compliance with the requirements or provisions of the Export Guidelines issued by FMF 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 Naira equivalent of the export proceeds that remain outstanding as at the time repatriation was due. The rate applied will be the prevailing rate as at the due date.
- (b) Authorised Dealer Banks (ADB) shall ensure that export proceeds are repatriated within 180 days, failing which a penalty of 0.5% shall apply to the bank on the outstanding value at the time the repatriation was due.
- (c) Any violation of the Guidelines by banks, including, but not limited to, the following:
 - i) Late approvals of NXP Forms received from Exporters to PIAs;
 - ii) Late/Non-remittance of NESS Fees paid by Exporters to CBN;
 - iii) Late confirmation of NESS Fees receipts to PIAs and Exporters;
 - iv) Late/Non-remittance of returns on Export Proceeds shall attract appropriate sanctions by CBN.
- (d) 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.
- (e) Any PIA that consistently fails for a period of three (3) months to submit a monthly report on or before the 10th day of the subsequent month shall receive a query. Also,

any PIA that fails to submit the same for up to six (6) consecutive months within the same year shall be deemed as non-performing and will have its contract terminated;

- (f) 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. where the PIA persistently defaults in like manner for six (6) months, its contract shall be terminated. On the other hand, if it is established that the fault lies with 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 a query, a 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 NUPRC for any exporter that defaults in filling the Form NXP and or in the payment of NESS levy, as well as non-repatriation of export proceeds within the stipulated period.
- 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 90 days shall be liable to a penalty of 1% of the outstanding export proceeds.
- d) Authorised Dealer Banks (ADB) shall ensure that export proceeds are repatriated within 90 days, failing which a penalty of

- 0.5% shall apply to the bank on the outstanding value at the time the repatriation was due.
- e) 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 the CBN.
- f) Any PIA that delays issuance of the CCIs later than five (5) working days after the receipt of all relevant documents shall be liable for a fine of 25% of the service fee due to the PIA on the affected transaction.
- g) Any PIA/MEA that consistently fails for a period of three (3) months to submit a 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 the same for up to six (6) consecutive months within the same year shall be deemed non-performing and its contract terminated.
- h) Any PIA/MEA that consecutively fails for three (3) months to meet the scheduled time of inspection shall lose the terminal, and it shall be re-assigned by the Ministry to another PIA/MEA.
- i) 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 warned and queried. If the PIA persistently defaults in like manner for six (6) months, its contract shall be withdrawn. On the other hand, if it is established that the fault lies with the shipping line/agent, it shall be reported to the Nigerian Shippers Council for appropriate sanction.
- j) Failure of any PIA to report attempts to export substandard goods should immediately result in a query, a warning and subsequent suspension.
- In addition to the provisions of contravention 8 A & B above, Authorized Dealer Banks are required to note the following:
1. All carriers of goods should be aware that it is an offence under the Enabling Law to carry goods from Nigeria without a CCI.
 2. The Enabling Law of NESS makes it an offence to export goods not exempted from inspection without the issuance of a CCI.
 3. 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 a minimum of ₦5,000,000.00 or the value of the goods (whichever is higher) or to imprisonment for a term not more than 12 months or both;
 - b) In the case of a body corporate, to a fine of a minimum of ₦10,000,000.00 or twice the value of the goods, whichever is higher.

Part IV General Sanctions

The above notwithstanding by virtue of Section 50, 95 and 96 of BOFIA 2020, any person found contravening the provisions of this Manual shall incur additional penalty to be determined by the Governor.

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 FOB value, 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" shall have the prefix 'BA', and where the item does not require inspection, the Form "M" shall have the prefix 'CB'.
- iv) In the case of a confirmed Letter of Credit, the cable shall be tested and certified as valid, and payment may be made based on the tested cable. The full documentation as specified in Memorandum 9 shall be submitted to the Authorised Dealer Bank within the specified period. The amount specified on the accessed cable shall be verified and agreed with that on the attested invoice, bill for collection or letter of credit instrument, and the Form "M".
- v) Where there is sufficient ground for doubt regarding the authenticity of the documents presented, ADBs shall verify with the issuing body before transferring foreign exchange 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 the current monthly salary, net of tax.
 - ii) 100% of the bonus net of tax is allowed to be remitted
 - iii) 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 applicant's gross income for the period covered

by the gratuity shall be determined.

- iii) The tax on the gross salary is deducted.
 - iv) The remittable allotment shall be up to 100% of 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.
 - 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 granted for the full gratuity amount. 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 shall not exceed 15% of the applicant's gross income during the period covered by the gratuity.

4. Final Balance

Procedures 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 must be duly verified to ensure its validity. The income remittable is determined as up to 100% 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 Courses:

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

6. Net Proceeds of Sales of International Air-Ticket

The amount to be approved for remittance in respect of the sale of air-tickets is the 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 to establish the actual amount remittable. Authorised Dealer Banks 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 a lease fee or a maintenance fee. This should be used as a reference point for comparing the amount to be remitted.
- ii) Evidence of the use of aircraft shall be endorsed by the Airport Authority. 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 airline'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 the relevant documents presented.
- iv) A letter of confirmation from the NCAA regarding the reasonableness and competitiveness of the

charter/maintenance fees under the agreement should be requested. 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 the agreement shall be 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 a 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 authorised to issue the attestation letter shall be verified and should agree with that on the specimen signature list.

10. Demurrage Remittance

Authorised Dealer Banks shall request the customer to provide evidence of the vessel's arrival, issued by the Nigeria Ports Authority (NPA), as well as pay-in-slips. The total payment amount on the pay-in-slip should match the amount lodged into the account during the relevant period.

APPENDIX IV

EXPORT GOODS EXEMPT FROM INSPECTION:

Please refer to the Federal Ministry of Finance for guidance.

APPENDIX V

PROHIBITED EXPORTS:

Please refer to the Federal Ministry of Finance for guidance.

CBN reserves the right to restrict access to the market for entities that contravene any of the regulations or refuse to oblige CBN's request for information that would improve market intelligence.



Central Bank of Nigeria