

Issues and Requests Relating to Foreign Trade and Investment - Nigeria

Category	No	Issue	Issue Details	Requests	References
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Delayed Customs Clearance	- Due to the delay in processing customs clearance at ports, from time to time goods remain in the customs pending clearance.	- It is requested that GON streamlines its operation to ensure a smooth customs clearance.	
	(2)	Abrupt Change in Import Duty Rate	- In the case of passenger cars, import duty rate (customs tariff and port development tax) has been raised on finished vehicles by 20.5% from the going rate of 26.75% to 47.25% after the raise.	- It is requested that Government of Nigeria discloses information in advance of implementing the changes.	
			(Actions) - <u>Since 1 January 2015, Economic Community of West African States (ECOWAS), including Nigeria has founded customs union, introducing the external common tariff. The other ECOWAS members are: Benin, Burkina Faso, Cabo Verde, Cote D'ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone, and Togo.</u>		
(3)	<u>Nebulous Import Restrictions</u>	- <u>Import of ballpoint pen is prohibited in Nigeria. Only, a visitor to Nigeria finds the products of member firm and competitor's' (imports) are on display in shop fronts.</u>	- <u>It is requested that Government of Nigeria (GON) makes transparent its import restrictions.</u>		
12 Exchange Controls	(1)	Difficult Conversion of NGN into Foreign Currencies	- GON disallows conversion of Nigerian Naira (NGN) into foreign currencies such as the U.S. dollars (USD). Moreover, withdrawal in USD from the bank account in Nigeria to which remittance is made in USD is allowable only when the statement giving the reason for remittance is accepted by GON. Otherwise withdrawal is possible only in NGN.	- It is requested that GON deregulates the restrictions.	
14 Taxation Systems	(1)	Unlawful Tax Levy	- Employees of Federal Inland Revenue Service (FIRS) frequently resort to illegal tax collection without showing the governing legislative provisions. FIRS employees hardly pay any respect at all to observance of laws and regulations.	- It is requested that GON ensures all its employees observe the laws and regulations.	
			(Reference) - Corporate Income Tax: 30%, Value Added Tax 5%, Educational Tax: 2%, Industrial Training Fund: 1%, Personal Income Tax: Maximum 24% (Progressive tax). From time to time, additional separate tax is levied at provincial, local government levels.		
16 Employment	(1)	Compulsory Registration of Foreign Engineers / Expensive Annual Membership Fees	- According to the administrative officer of Federal Republic of Nigeria in concern, registration at Nigerian Association of Technologists in Engineering (NATE) is necessary for technical engineers despatched from abroad, involving payment of substantial registration fees and annual membership fees.	- It is requested that GON deregulates the requirement.	

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		(2)	Compulsory Employment Ratio of Local Engineers	According to the administrative officer of Federal Republic of Nigeria in concern, there is a provision that requires employment of minimum 2-local indigenous engineers for each technical engineer despatched from abroad. Based on this provision, GON compels employment of local indigenous engineers.	It is requested that GON deregulates the requirement.	
26	Others	(1)	Hygienic Problems	Due to the poor spread of water and wastewater equipment, infectious disorders ordinarily occur on a daily basis at work place from water and food intake.	It is requested that GON improves the infrastructure for water and wastewater.	
		(2)	Public Security Problems	There is no sign of improvement in public security. Expatriates are under severe stress (from terrorism, kidnapping, etc.). Employers must secure safety of technical instructors, etc.	The primary step for the security measures is a matter for consultation under contract for tightening guard on site, and securing the transport between the site and the airport. However, it is requested that GOJ will induce GON for incorporation of the terms into the contract to ensure that the foremost security is assured for the technical instructors despatched from Japan.	