



FEDERAL MINISTRY OF FINANCE

REVISED GUIDELINES ON THE APPROVAL/GRANT OF INCENTIVES ADMINISTERED BY THE FEDERAL MINISTRY OF FINANCE, BUDGET AND NATIONAL PLANNING

1.0. INTRODUCTION:

In line with the policy of the Federal Government of Nigeria to create an enabling environment for businesses by entrenching measures and strategies to promote transparency and efficiency in the administration of Fiscal Incentives, the Federal Ministry of Finance wish to notify the general public, especially potential beneficiaries that the processing of Import Duty Exemption Certificate (IDEC) has now been automated. Consequently, all application for IDEC will now be processed on-line using the IDEC portal www.idec.gov.ng

2.0. TYPES OF INCENTIVES ADMINISTERED BY THE FEDERAL MINISTRY OF FINANCE

The Federal Ministry of Finance, Budget and National Planning statutorily administer the following incentives under existing statutes, fiscal policy and international protocols or Agreements to benefitting sectors as follows:

- i. Concession for utilization of Nigerian Gas;
- ii. Goods obtained free as technical assistance or humanitarian purposes
- iii. Life Saving Appliances
- iv. Military Hardware and Uniforms
- v. Arms and Ammunitions imported by the Nigerian Police, Nigeria Customs Service and other para-military services
- vi. Machinery and Equipment of Chapters 84, 85 & 90 of the ECOWAS Common External Tariff for Agriculture (including Greenhouses), Solid Minerals, Iron and Steel, Power (Thermal, Hydro, Solar, Wind and other renewable sources), Automobile (including tyre manufacturing), Textile,
- vii. Aviation – Chapter 88 of the ECOWAS CET
- viii. Machinery, equipment and spare parts for the establishment of LPG Plant

- ix. 50 Percent (%) import duty rebate on personal vehicle of Public returning from Mission and tour of duty abroad

3.0. CONDITIONS TO BE FULFILLED BY APPLICANTS

3.1. GENERAL CONDITIONS

All requests for exemption from payment of Import Duty and other taxes shall be accompanied with the following documentation:

- i) Filling out the list of items with their HS Code on the IDEC Platform template
- ii) Certificate of Registration;
- iii) Current Tax Clearance Certificate;
- iv) Proforma Invoice indicating quantity, value and description of items;
- v) Bill of Lading/Airway Bill/Shipping Manifest (where purchase has already been made);
- vi) Comprehensive list of items to be imported;
- vii) List of imported items must be endorsed/certified and authenticated by the applicant/beneficiary.

3.2. Specific Conditions In Respect of Gas Utilization Projects (Upstream & Downstream), Power and Manufacturing

In addition to the general requirements, all requests for import duty exemption in respect of machinery, equipment and spare parts for gas utilization shall be accompanied with the following documents:

- i) Gas Sale and Purchase Agreement between supplier and consumer (applicable to companies converting to the use of Natural Gas to power machineries for their operations (fertilizer, Gas-Based Power Plants etc)

3.3. Specific Conditions In Respect of World Bank, ADB and Multilateral Institutions Assisted State

Health Water, Agricultural, Educational Etc. Projects

In addition to General Requirement, all requests for Sectoral Development Assisted Projects of the World Bank, ADB and Multilateral Institutions' for State Assisted Health, Water/Sanitation, Agriculture, Education etc, shall be accompanied with the following additional documentation:

- i) Signed Loan Agreement between the State and the Multilateral Institution supporting the project;

- ii) Contract Agreement between the State Government and the Contractor handling the Project.
- iii) All applicants for exemption in respect of multilateral items must be accompanied with Cooperation Agreement signed between International Agencies/Development partners and the Federal Government of Nigeria through the Federal Ministry of Finance, Budget and National Planning.

3.4. Specific Conditions for Donations

- i) All applicants for exemption in respect of donated items must be accompanied with Cooperation Agreement signed between International Donor Agencies and the Federal Government of Nigeria through the Federal Ministry of Finance, Budget and National Planning;
- ii) Applicants must be technically qualified to receive donation and must be a non-profit organization duly registered by the Corporate Affairs Commission under the Land Perpetual Act (Part C) Provision of the Companies and Allied Matters Act;
- iii) Evidence of Certificate of donation from the International donor to the recipient;
- iv) All International Donor Agencies must have a signed Cooperation Agreement with the Federal Government of Nigeria (FGN) through the Ministry of Budget and National Planning, to be eligible to give donation to local Non-Governmental Organisations (NGOs)
- v) All locally registered NGO receiving donation from International Donor Agencies must have a signed Memorandum of Understanding with the Federal Government of Nigeria (FGN) through the Ministry of Budget and National Planning, to be eligible to receive donation from international donor abroad.
- vi) Organizations registered as Limited Liability are not qualified to receive donation and therefore not qualified for Duty Exemption.

3.5. Specific Conditions for Public Officers Returning from Official Tour of Duty from Abroad

In addition to the General Requirement, all requests for Duty Rebate by Foreign Affairs Staff and Other Public Officers returning from official tour of duty shall fulfill the following additional criteria:

- i) Copy of Posting letter on official assignment abroad;
- ii) Stamped Passport of Applicant;

iii) Copy of the Entry visa to show that the applicant was actually out of the Country;

iv) Officer must be finally returning back to Nigeria

3.6. Specific Conditions for Government Contractors (Security Equipment)

In addition to the General Requirement, all requests for Import Duty Exemption for Security Equipment supplies, i.e. arms, ammunition and military hardware by contractors must be backed with copies of the contract Agreement.

4.0. PROCESSING FEES

4.1 **N60,000** (*Sixty Thousand Naira*) only, Non-refundable Administrative fees

4.2 **5% surcharge of the total value of the amount conceded** to be paid after approval.

5.0 All Applicants shall receive real time notification on the status of their application within 24 hours from receipt of their application, through e-mail. Applications that meet the required conditions with evidence of payment of the applicable administrative processing fee shall be processed within a period of five(5) working days.

NOTE: Comprehensive guidelines on incentives administered by the Federal Ministry of Finance can be accessed on the Ministry's website: www.finance.gov.ng