



FEDERAL MINISTRY OF FINANCE

Office of the Director General

BUDGET OFFICE OF THE FEDERATION

Central Area,
P.M.B. 251, Garki
Abuja - Nigeria.

BD.12237/S.714/I/238

12th August, 2008

☎: 09 - 2346941

The Secretary to the Government of the Federation,
Federal Secretariat Complex,
Phase I,
Shehu Shagari Way, Abuja.

The Honourable Minister,
Federal Ministry of Commerce & Industry,
Old Secretariat – Garki,
Abuja.

The Honourable Minister,
Federal Ministry of Agriculture & Water Resources,
FCDA Secretariat, Area II, Abuja

The Comptroller General,
Nigeria Customs Service,
Customs House,
Wuse Zone 3, - Abuja

The Director General,
Raw Materials Research & Dev. Council,
Maitama – Abuja

The Executive Secretary,
Nigeria Investment Promotion Council,
Maitama – Abuja.

The Executive Director,
Nigeria Export Promotion Council (NEPC)
Kumba Street,
Wuse Zone 2, - Abuja.

The Governor,
Central Bank of Nigeria,
Central Area,
Abuja.

The Director General,
Nig. Assoc. of Chambers of Commerce,
Mines & Agriculture (NACCIMA),
15A Ikorodu Road, Maryland – Lagos.

The Director General,
Manufacturers Association of Nig.
77, Obafemi Awolowo Way,
Ikeja – Lagos.

The Chief Liaison Officer,
SGS Nigeria Limited,
SGS House,
7B Etim Inyang Crescent,
P.M.B. 800084,
Victoria Island - Lagos.

The Chief Liaison Officer,
Cotecna Inspection Limited,
10, Engineering Close,
10, Engineering Close,
Off Idowu Taylor Street,
Victoria Island – Lagos.

The Managing Director,
Global Scan System,
5B Okoawo Close,
Off Adetokunbo Ademola Street,
Victoria Island – Lagos.

The Director,
Revenue Department,
Budget Office of the Federation,
Federal Ministry of Finance,
Abuja

**IMPLEMENTATION OF THE YEAR 2008 FISCAL POLICY MEASURES AND
TARIFF AMENDMENTS:**

This is to inform you that the Federal Government has approved a number of Fiscal Policy Measures and Tariff Amendments with immediate effect.

2. The measures are as follows:-

(A) IMPORT DUTY TARIFF CHANGES:

| S/N | Description of Items | HS.Code | New Duty Rate |
|-----|--|--|-----------------------------|
| 1. | Coffee powder in Bulk. of 25kg | 0901.9000.00 | 10% |
| 2. | Oat Meal in Bulk of 25kg | 1104.1200.00 | 10% |
| 3. | Tomato Paste in Pouches and Tins | 2002.9000 | 20% |
| 4. | Ethanol Denatured | 2207.2000.00 | 10% |
| | Ethanol undenatured | 2207.1000.00 | 20% |
| 5. | --Other: Writing Ink in bulk | 3215.9000.12 | 5% |
| | -Other: In retail pack | 3215.9000.13 | 20% |
| 6. | Soap Noodles and Flakes | 3402 | 20% (prohibition lifted) |
| 7. | Printed Flexible Packaging Material | 3920.2000.21 3920.4300.42 3920.4900.44 3920.5100.52 3921.9000.91 7607.1900.11 7607.2000.21 | 20% |
| 8. | Polymers of Ethylene and Polypropylene (Low Density Polyethylene LLDPE and High density) in primary forms | 3901.1000.- 2000 3902.1000-9000 3907.9100-9900 | 5% 5% 5% |
| 9. | Melamine Impregnated Adhesive paper | 3921.9000.99 | 10% |
| 10. | Baby Diapers | 4818.4000.20 | 20% |
| 11. | Incontinence Pad (Adult diapers) | 4818.4000.22 | 5% |

BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA.

| | | | |
|-----|-------------------------------|---------------------------------|------------------|
| 12. | Finished Tea bags | 4823.2000.20 | 10% |
| | Tea bag filters | 4823.2000.22 | 5% |
| 13. | Alkaline Batteries R20 and R6 | 8506.8000.82 | 20% |
| 14. | Cigarettes | 2402.1000-9000 and 2403.1000 | 35% 100% levy |

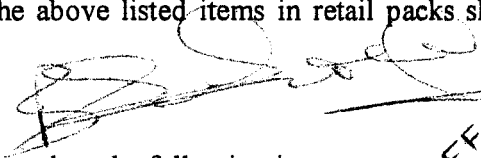
(B) EXCISE DUTY

| S/N | Description of Items | HS.Code | New Duty Rate |
|-----|-------------------------|---------------------------------|---------------------------------|
| 1. | Wines and Spirits | 2208.2000-9000 | 20% |
| 2. | Manufactured Cigarettes | 2402.1000-9000 and 2403.1000 | 40% Status quo maintained |

(C) FISCAL POLICY MEASURES

Fiscal Policy Measures are also approved as follows:-

- (1) **Baby Diapers:** The removal of Baby Diapers HS.Code 4818.4000.20 from Import Prohibition shall continue with 20% duty rate to remain.
- (2) **Incontinence Pad:** Incontinence pads have been removed from import prohibition and to attract 5% with a new HS. Code 4818.4000.22 as created from baby diapers.
- (3) **Exemption of Vegetable Oil from VAT:** Vegetable oil shall be exempted from Value Added Tax payment, in line with the provision for VAT exemption on food items.
- (4) **Bulk Food Packaging:** Importation of bulk food items like Malted Beverage Powder, Instant Coffee powder, Seasoning powder, Mono sodium Glutamate, Oat Meal, which are not locally available shall attract 10% duty rate due to local value addition in hygienic handling and packaging into retail packs. However, the bulk items to be imported must not be less than 25kg. Importation of the above listed items in retail packs shall continue to attract 20%.
- (5) **Excise Duty:**
 - (i) Excise duty rate has been reduced on the following items manufactured locally- Wines, Spirits, Vermont, Liquor and


BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA.

Fermented Beverages etc HS. Code 2204.1000- 2206.0000 and 2208.2200.00 – 2208.9000.00 from 40% to 20% while imported Wines, Spirits and Vermont shall now attract 20% duty rate plus 30% levy .

- (6) **Removal of Levy on Furniture and Denim Fabrics:** The import levy of 30% as contained in circular Ref. No.BD.12237/S.731/Vol.I/42 dated 31st October, 2006 has been removed for furniture and Denim fabrics. These types of fabrics shall now attract only 20% duty rates and are exempted from import levy. However, this provision is subject to certification that the importers are not trading importers but are the users of those fabrics for the manufacture of furniture and Denim jeans production.

- (7) **Raw Materials for Embroidery Lace:**

Embroidery Lace Manufacturers shall continue to enjoy the Special Concession granted them on the importation of their raw materials of Specialised Yarn and Base Fabrics (Base Cloth) at 10% duty rate. The approval covers the following items:

- (i) Yarn of HS. Codes 5401.2000,5402.3300 and 5402.6200
- (ii) Metallic Yarn HS.Code 5605.0000
- (iii) Viscose Yarn (Rayon and Filament) HS.Code 5403.3100, 5403.3200 and 5403.4100.
- (iv) Base Fabrics HS.Code 5208.1100, 5208.2100, 5208.3100, 5512.1100 – 5512.1900.,

- (8) **Removal of Soap Noodles and Flakes from Import Prohibition:**

Soap Noodles and Flakes under chapters 3401 & 3402 shall be removed from Import prohibition and are to attract 20% duty rate.

- (9) **Specialized Carpet Yarn:** Carpet Manufacturers shall continue to import their specialized Yarn at 10%.

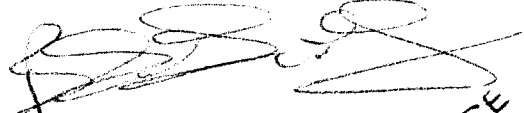
The Yarns are as follows:

- a Jute Yarn HS.Code 5307.1000.00 – 2000.00
- b Acrylic yarn HS.Code 5509.3100 – 3200
- c Polypropylene yarn and High Tenacity yarn of nylon
HS. Codes:5402.1000,5402.3100,5402.3200,5402.3900,

BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
F A K I - ABUJA

5402.4100, 5402.4900, 5402.51, 5402.5900, 5402.61 and 5402.6900.

- (10) **Gas Incentive:**
Importation of plants, machinery, equipments, parts and accessories by establishments engaged in the exploration, processing or power generation through the utilization of Nigerian gas for their operations shall attract zero percent duty rates and are exempted from VAT payment in the 2008 Fiscal Year.
- (11) **LLITNs:** Long Lasting Insecticides Treated Nets (LLITNs) must be certified by World Health Organization Pesticides Evaluation Scheme (WHOPES) and are to attract zero percent.
- (12) **Extension of Incentive for CKD Shoes, bags and suitcase Producers:**
Parts of shoes, bags and suitcases and their CKDs, including blanks, shall continue to enjoy 10% duty rate.
- (13) **Prohibited Goods Manufactured in Free Trade Zones:** Goods manufactured or produced in the free trade zones shall be imported into the Customs territory irrespective of whether the goods are prohibited or not, on payment of the appropriate duty. However, prohibited goods that have been assembled or packaged without meeting the 35% value addition requirement shall not be allowed into the Customs territory.
- (14) **Ceramic Products (Sanitary Wares)**
The extant Fiscal Policy on Ceramic products which provides 50% duty rate on Ceramic tiles with a bench mark price of \$3.50 per sq meter C&F, has been extended to Sanitary-wares at 20% duty and 30% levy, with a bench mark price of \$30 per set CIF.
- (15) **Extension of Circular No. BD.12237/S731/Vol.I/42**
Circular No. BD.12237/S.731/Vol.I/42 dated 31st October, 2006 on the Removal of Some Textiles and Articles Textiles from Import Prohibition, which expired on 31st December, 2007 has been extended until 31st December, 2008.
- (16) **Bicycle Rims**
The removal of bicycle Rims from Import Prohibition shall continue but with 20% duty rate. However, only members of bicycle

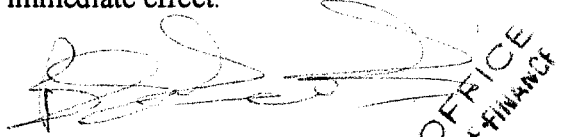


BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
CARAKI-ABUJA
5

Manufacturers Association (BIMAN) of MAN are allowed to import
rims for their factories.

Extension of 2005 – 2006 Tariff Book

3. Also approved is a six-month extension of the 2005 – 2006 Tariff Book, which expired on the 30th June, 2008, effective from 1st July, 2008
4. Please note that this Circular takes immediate effect.
5. Please ensure strict compliance.



Dr. Bright Okogu
Director-General
Budget Office of the Federation

BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA