



FEDERAL MINISTRY OF FINANCE

Office of the Co-ordinating Minister for the Economy / Hon. Minister

Ahmadu Bello Way,
Central Business District,
P.M.B. 14 Garki, Abuja,
Nigeria.

☎ 09-6702444
08180147408

Ref. No.BD/FP/DO/09/1/224

28th February, 2014

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

REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE INDUSTRY

This is to confirm that Mr. President has granted approval for the following fiscal policy measures in the Automotive Industry as enumerated hereunder:-

1. With effect from 1st January, 2014:
 - (i) Fully Built Unit (FBU) Cars falling under H.S. Code 87:03 shall attract a duty of 35% and 35% levy. All FBU imports (except used vehicles) with Bill of Lading dated not later than 31st March, 2014 and arrival date not later than 30th June, 2014 will pay the old duty rate, irrespective of the dates of the opening of Form 'M' and the letter of Credit. Used vehicles will be imported at 35% duty without levy till 30th June, 2014, renewable as required by the Ministry/National Automotive Council (NAC) to manage market conditions;
 - (ii) Fully Built Unit (FBU) Commercial Vehicles falling under H. S. Code 87.02, 87.04, 87.05, 87.06, 87.07, 87.16 shall attract 35% duty without levy;
 - (iii) Fully Built Unit (FBU) Tractors under H. S. Code 87.01 shall attract 0% duty without levy, until local capacity is ascertained by National Automotive Council (NAC);

- (iv) Green Cars (Electric and Hybrid with electric motor drive and petrol or diesel engine) shall be imported at 35% duty without levy;
- (v) Local Assembly Plants shall import their:-
 - (a) Completely Knocked Down (CKD) at 0% duty
 - (b) Semi Knocked Down (SKD I) at 5% duty
 - (c) Semi Knocked Down (SKD II) at 10% duty.
- (vi) All Machinery and Equipment imported for the purpose of vehicle assembly shall attract zero percent (0%) import duty and VAT free; and
- (vii) Local Assembly Plants shall import Fully Built Unit (FBU) Cars at 35% duty and 20% duty for commercial vehicles without levy respectively in numbers equal to twice their imported CKD/SKD kits.

The above measures are to create an environment to support existing assembly plants and attract other Original Equipment Manufacturers who have expressed interest in Nigeria.

2. In order to revive the Tyre Industry, the following measures have been approved with effect from 1st January, 2014.

- (a) Duty payable on tyres is now harmonized as below:-
 - (i) Car tyres H. S. Code 4011.1000.00 - 20% duty 5% VAT
 - (ii) Lorry/Bus tyres H.S. Code 4011.2000.00 - 20% duty 5% VAT.
- (b) Importation of machinery and equipment for tyre production is now duty and VAT free;
- (c) Pioneer status is hereby given to all tyre plants; and
- (d) Local tyre manufacturing plants are to import tyres at 5% duty in numbers equal to twice their production for two years from the date of commencement of production.

3. To control under declaration of vehicle value to reduce duty paid:-
 - (a) The Nigeria Customs Service (NCS) shall publish the price of new vehicles annually; and
 - (b) To provide a transparent benchmark to determine the value of used vehicles, the Nigeria Customs Service (NCS) shall use the value of a new vehicle depreciated by 10% per annum implying a ten (10) year period for cars and by 7% per annum implying a fifteen (15) year period for commercial vehicles. In either case, depreciation should never be below 30% of the value of the new vehicle equivalent.
4. To effectively combat smuggling, monitoring and control of used and grey vehicle imports and to also facilitate the resolution of consumer complaints, all vehicle dealers and importers for sale to the public shall be licensed by the National Automotive Council (NAC) of Nigeria.
5. This superceeds our earlier Circular Ref. No. BD/FP/DO/09/1/189 dated 14th November, 2013 on the above subject.
6. Please ensure strict compliance.


Dr. Ngozi Okonjo-Iweala
Co-ordinating Minister for the Economy and
Honourable Minister of Finance



FEDERAL MINISTRY OF FINANCE

Office of the Honourable Minister

Ahmadu Bello Way,
Central District,
P.M.B. 14 Garki, Abuja,
Nigeria.

☎: 09-6270932
-6276928
Fax: 09-6270903
6702444

Ref. No. BD/FP/DO/09/1/230

18th June, 2014

The Comptroller-General,
Nigeria Customs Service,
Zone 3. Wuse,

RE: REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE INDUSTRY

I draw your attention to the Revised Fiscal Policy Measures for the Automotive Industry which were issued via a letter Ref. No. BD/FP/DO/09/1/224 dated 28th February, 2014 and to make the following clarifications:-

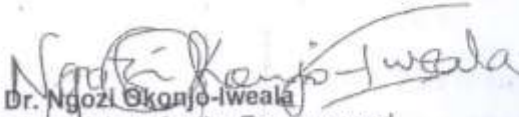
- (i) The importation of Brand New Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 with Bill of Lading dated not later than 31st March, 2014 and arrival date not later than 30th June, 2014 shall still attract import duty at the rate of 35%.
- (ii) With effect from 1st July, 2014, the importation of Brand New Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall attract 35% duty and 35% levy;
- (iii) Importation of used Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall attract 35% duty without levy from 1st January, 2014 to 30th June, 2014, renewable thereafter as required by the Ministry/National Automotive Council (NAC) to manage market conditions.

2. With effect from 1st January, 2014, the following shall prevail:-

- (i) Fully Built Units (FBU) of Agricultural Tractors under H. S. Code 8701.4000.92 shall attract 0% duty without levy, until local capacity is ascertained by the National Automotive Council (NAC);
- (ii) Duty payable on tyres is now harmonised as given below:-
 - (a) Car tyres H. S. Code 4011.1000.00 - 20% duty 5% VAT without levy; and
 - (b) Lorry/Bus tyres H.S. Code 4011.2000.00 - 20% duty 5% VAT without levy.

3. All other items as contained in the earlier Circular Ref. No. COM/PRO/09/1724 dated 28th February, 2014 on the above subject matter remain valid. A copy of the Circular is attached herewith for necessary guidance.

4. Please ensure strict and prompt compliance.



Dr. Ngozi Okonjo-Iweala
Co-ordinating Minister for the Economy and
Honourable Minister of Finance

NAIDP LATEST CIRCULAR DATED 18/06/2014

Ref. No. BD/FP/DO/09/I/230

18th June, 2014

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

RE: REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE INDUSTRY

I draw your attention to the Revised Fiscal Policy Measures for the Automotive Industry which were issued via a letter Ref. No. BD/FP/DO/09/I/224 dated 28th February, 2014 and to make the following clarifications:-

- (i) The importation of Brand New Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 with Bill of Lading dated not later than 31st March, 2014 and arrival date not later than 30th June, 2014 shall still attract import duty at the old rate;
 - (ii) With effect from 1st July, 2014, the importation of Brand New Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall attract 35% duty and 35% levy;
 - (iii) Importation of used Fully Built Units of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall attract 35% duty without levy from 1st January, 2014 to 30th June, 2014, renewable thereafter as required by the Ministry/National Automotive Council (NAC) to manage market conditions.
2. With effect from 1st January, 2014, the following shall prevail:-
- (i) Fully Built Units (FBU) of Agricultural Tractors under H.S. Code 8701.9000.92 shall attract 0% duty without levy, until local capacity is ascertained by the National Automotive Council (NAC);
 - (ii) Duty payable on tyres is now harmonised as given below:-

- (a) Car tyres H.S. Code 4011.1000.00 – 20% duty 5% VAT without levy; and
 - (b) Lorry/Bus tyres H.S. Code 4011.2000.00 – 20% duty 5% VAT without levy.
- 3. All other items as contained in the earlier Circular Ref. No. BD/FP/DO/09/I/224 dated 28th February, 2014 on the above subject matter remain valid. A copy of the Circular is attached herewith for necessary guidance.
- 4. Please ensure strict and prompt compliance.

Dr. Ngozi Okonjo-Iweala
Co-ordinating Minister for the Economy and
Honourable Minister of Finance.



FEDERAL MINISTRY OF FINANCE

Office of the Co-ordinating Minister for the Economy / Hon. Minister

Ahmadu Bello Way,
Central Business District,
P.M.B. 14 Garki, Abuja,
Nigeria.

☎: 09-6702444
08180147408

Ref. No. BD/FP/DO/09/I/248

1st July, 2014

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

**RE: REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE
INDUSTRY: USED MOTOR VEHICLES**

Further to our Circular Ref. No. BD/FP/DO/09/I/230 dated 18th June, 2014, on the above subject matter; you are hereby informed that, a 6-month extension has been granted to the importation of used Vehicles due to the fact that market information reveals that Nigeria-made Cars will only become available in sufficient numbers towards end of the year 2014.

2. Accordingly, the tariff on the importation of Used Fully Built Units (FBU) of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall now be 35% duty without levy till 31st of December, 2014.
3. Please ensure strict and prompt compliance.


Dr. Ngozi Okonjo-Iweala

Co-ordinating Minister for the Economy and
Honourable Minister of Finance



FEDERAL MINISTRY OF FINANCE

Office of the Co-ordinating Minister for the Economy / Honourable Minister

Ref. No. BD/FP/DO/09/1/254

12th September, 2014

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

**RE: REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE INDUSTRY:
USED MOTOR VEHICLES
CLARIFICATION**

I wish to draw your attention to our earlier circular Ref. No. BD/FP/DO/09/248 dated 1st July 2014, on the above subject matter and to, in particular, refer to paragraph 2, which states as follows:

"Accordingly, the tariff on the importation of Used Fully Built Units (FBU) of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall now be 35% duty without levy till 31st of December 2014."

2. I am furthermore to inform you that, as stated in the heading, as well as paragraphs 1 and 2 of the circular referred to, only Used Fully Built Units (FBU) of Motor Cars and other Used Motor Vehicles classified under Heading 87.03 should attract 35% duty without levy till 31st of December 2014. A copy of the circular is attached for your ease of reference.

3. For the avoidance of doubt the import duty rates and levies for all other vehicles are as given in the table below:

S/N	HEADING	IMPORT DUTY		LEVIES	REMARKS
		NEW	USED		
1.	87.01	35	35	0	All Tractors except Agric Tractors
		0	0	0	H.S. Code 8701.9000.92 Agric Tractors only.
2.	87.02	35	35	0	
3.	87.03	35	35	35	New Cars and other New Vehicles under this heading.
		35	35	0	Used Cars and other Used Vehicles under this heading.

S/N	HEADING	IMPORT DUTY		LEVIES	REMARKS
		NEW	USED		
4.	87.04	35	35	0	
5.	87.05	10	10	0	
6.	87.06	10	NA	0	For assembly plants only
7.	87.07	35	35	0	
8.	87.16	35	35	0	

The above duty rates and levies are valid till 31st December, 2014 as a new Common External Tariff is expected to commence with effect from 1st January, 2015.

4. You are therefore requested to ensure strict compliance accordingly, please.


Dr. Ngozi Okonjo-Iweala

Co-ordinating Minister for the Economy and Honourable Minister of Finance



FEDERAL MINISTRY OF FINANCE

Office of the Co-ordinating Minister for the Economy / Hon. Minister

Amsou Bello Wa,
Central Business District,
M.B. 14 Garki, Abuja,
Nigeria.

T: 09-8702444
08180147408

Ref. No. BD/FP/DO/09/1/248


1st July, 2014

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

RE: REVISED FISCAL POLICY MEASURES FOR AUTOMOTIVE INDUSTRY: USED MOTOR VEHICLES

Further to our Circular Ref. No. BD/FP/DO/09/1/230 dated 18th June, 2014, on the above subject matter, you are hereby informed that, a 6-month extension has been granted to the importation of used Vehicles due to the fact that market information reveals that Nigeria-made Cars will only become available in sufficient numbers towards end of the year 2014.

2. Accordingly, the tariff on the importation of Used Fully Built Units (FBU) of Motor Cars and other Motor Vehicles classified under Heading 87.03 shall now be 35% duty without levy till 31st of December, 2014.
3. Please ensure strict and prompt compliance.


Dr. Ngozi Okonjo-Iweala

Co-ordinating Minister for the Economy and
Honourable Minister of Finance