

Tax & International Trade Alert

2026 Fiscal Policy Measures: Tariff Review, Excise Adjustments, and Trade Policy Updates

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Introduction

On 1 April 2026, the Federal Government through a Circular signed by the Honourable Minister of Finance and Coordinating Economy, approved the implementation of the 2026 Fiscal policy measures by introducing a comprehensive review of Nigeria's import tariff structure and excise regime. The new excise duty regime and the green tax surcharge are to take effect from 1 July 2026.

The Supplementary Protection Measures (SPM) introduced by the Minister are issued under the framework of Nigeria's commitments to the ECOWAS Common External Tariff (CET) 2022–2027 and the African Continental Free Trade Area (AfCFTA).

This alert outlines the key components of the policy measures and their practical implications for businesses.

Key Highlights of the 2026 Fiscal Policy Measures

Revision of Tariff Structure

The policy introduces a revised tariff framework designed to balance domestic industrial protection with regional trade obligations. As part of the implementation, a Schedule of 127 tariff lines has been approved, featuring adjusted import duty rates intended to stimulate productivity in priority sectors. The revised tariff framework affects a broad range of goods, including food products, industrial inputs, and capital equipment.

Some of the revised import duty rates include:

- Rice (in bulk or packing more than 5kg) reduced to **47.5%** from 70%
- Broken rice: reduced to **30%** from 70%
- Crude palm oil: reduced to **28.75%** from 35%
- Selected sugar categories: reduced to between **55% and 57.5%** depending on classification from 70%
- Refined salt: reduced to **55%** from 70%

Notably, agricultural and industrial machinery, cargo ships, railway locomotives, and medical breathing equipment now have zero import duty. Also, the measures feature lower import duty rates on selected electrical and construction equipment.

Key Highlights of the 2026 Fiscal Policy Measures

Import Adjustment Tax (IAT) Transition Framework

The policy also provides for a structured reform of Import Adjustment Taxes (IATs) on 192 tariff lines. From January 2027, all IATs excluding goods listed under the AfCFTA regime will begin a reduction process. The reduction is expected to continue annually until full elimination to 0% is achieved by 2036.

Some key IAT adjustments include:

- Reduced rate on crude palm oil to **28.75%**
- Reduced rate on fully built units of passenger motor vehicles, four-wheel drive motor vehicles and station wagons from 70% to **40%**

Import Prohibition and Trade Restriction List

The Import Prohibition List is applicable to certain goods originating from non-ECOWAS countries and is a protective trade instrument. The list consists of 17 items including starch, maize, sheep or goats and other selected agricultural products, animal derivatives and petroleum-based substances containing hazardous chemical compounds.

Green Tax Surcharge

The green tax surcharge will take effect from 1 July 2026, while the rates for 2027 and 2028 are to take effect from 1 January of each year. Smaller passenger vehicles below 2000cc, mass transit

buses, electric vehicles and locally manufactured vehicles within specified classifications are exempted from the surcharge.

Export Control Waste PET (rPET)

Waste polyethylene terephthalate (rPET) has been added to Nigeria's export prohibition list. This measure is intended to support domestic recycling

value chains and prevent the export of recyclable industrial waste materials that may be required for local production.

Transitional and Compliance Provisions

To support implementation, the government has introduced transitional arrangements, including, the recognition of openings of Form M by importers before **1 April 2026**, allowing clearance under prior tariff conditions for 90 days.

This is intended to mitigate disruption to ongoing trade transactions during the transition period.

Implications for Businesses

The policy represents a significant recalibration of Nigeria's trade and fiscal framework.

Businesses are likely to experience:

- Repricing of imported goods due to revised tariff structures
- Increased compliance obligations relating to classification and customs documentation
- Enhanced regulatory oversight into customs valuation and clearance processes.
- The phased reduction in certain tariffs may present opportunities for cost optimisation in selected sectors.

Recommended Actions

- Identify opportunities arising from reduced tariffs under the national tariff schedule.
- Engage professional advisers to support compliance planning, obtain relevant permits and approval letters and realign trade strategies.

Conclusion

The 2026 Fiscal Policy Measures introduce a broad restructuring of Nigeria's trade and excise framework. Businesses are advised to begin immediate reviews of their operations, take steps to comply and strategically reassess their operations to align with the new regime ahead of implementation deadlines.

SBP is ready to work the talk with you on this. Reach us via Disputes@strenandblan.com for immediate implementation guidance and advisory.

About Stren & Blan Partners

Stren and Blan Partners is a world-class ingenious law firm with a beautiful blend of the brightest minds and well-rounded individuals championed with sole responsibilities of providing solutions to business problems and equally finding answers to the questions of our clients. We are a team always guided by our professional ethics. Also, honesty and transparency have been our watchwords in practice.

Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations. We have developed a clear vision for anticipating our clients' business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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