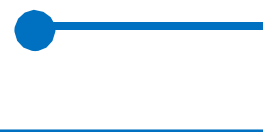




GUIDELINES ON INTRODUCTION OF E-VALUATOR, E-INVOICING FOR IMPORT AND EXPORT IN NIGERIA

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“... the aim of the Guideline is to ensure that import and export items are accurately measured. ”

In a bid to enhance the ease of doing business as well as ensure fiscal and market accountability, Central Bank of Nigeria (CBN) on 21st January, 2022 approved the new Guidelines on the Introduction of E-Valuator, E-Invoicing for Import and Export in Nigeria. The aim of the Guideline is to ensure that import and export items are accurately measured.

The Guidelines which will take effect from the 1st of February, 2022 and which will adopt a benchmark price is expected to operate on a global price mechanism.

According to the CBN, though advise on the necessary fees will be provided from time to time as the system progresses, all concerned individuals and businesses should ensure a maximum level of compliance from the effective date.

Provisions of the Guideline



Below are the salient provisions of the new Guideline which all stakeholders in the import/export business need to be aware of in order to avoid regulatory pitfalls:

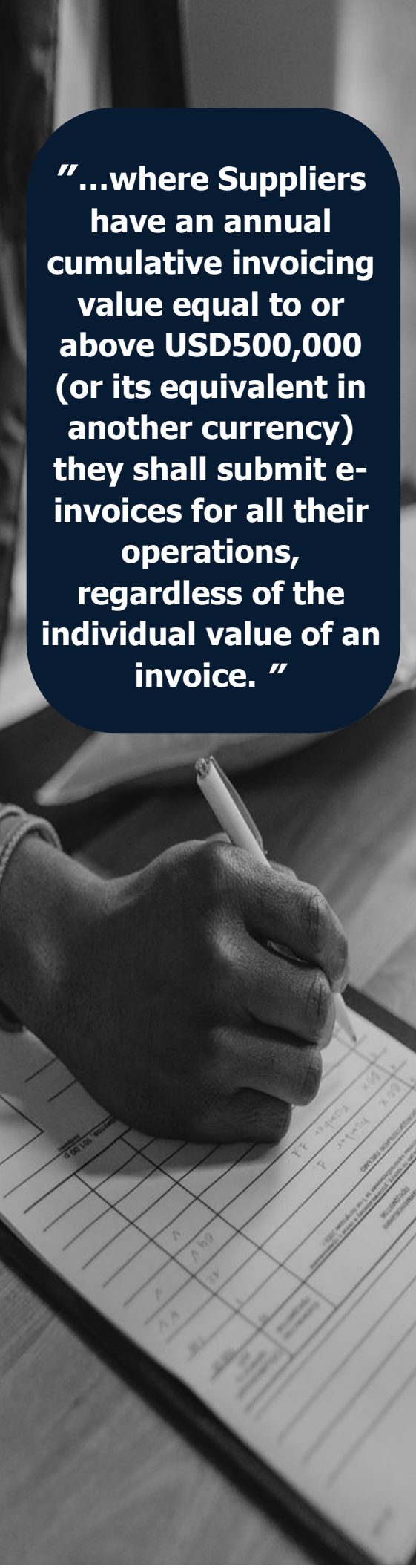
1. Products that are more than 2.5 percent around the vertical price would be queried and will not be allowed successful completion of Form M or Form NXP as the case may be.
2. In order to ensure that compliance cuts across board, the Guidelines maintain among other things that before a purchase/sale contract will be executed with a foreign supplier/buyer, a Nigerian based importer/exporter shall put adequate measures in place to ensure that such a contract makes provision for compliance with the obligations set out under the Guideline.

This is coupled with a requirement for the submission of an electronic and Authorised Dealer Bank (ADB)'s duly authenticated copy of the Supplier's/seller's invoice.

3. A duly authenticated electronic invoice as described above together with all relevant payment documents is a crucial requirement for any importer/exporter who may want to effect payment to the credit of any foreign Supplier. The absence of which such transaction becomes impossible.

“ ... a Nigerian based importer/exporter shall put adequate measures in place to ensure that such a contract makes provision for compliance with the obligations set out under the Guideline. ”

5. It is now mandatory that all persons and entities that are into the import/export of various goods and services into the Nigerian environment shall in line with the operational manual for Form M for Form M and Form NXP e-invoicing, register on a platform provided by the CBN or one that is currently being managed by any of its agent service providers.
6. Every supplier must now utilise a digital certificate when signing an e-invoice to be submitted. This certificate which is valid for a year from the issue date alongside a verification report is delivered to the supplier/buyer by the earlier mentioned service provider upon a satisfactory registration and authentication.
7. Also, based on the bank's specifications, all Suppliers/buyers are to register or submit e-invoices in the dedicated portal for their validation and authentication.
8. It is the duty of the CBN appointed Service Provider to deliver the authenticated e-invoices to the Supplier/buyer for transmission to the buyer and negotiation of payment as well as to transmit the e- invoices to Nigeria Single Window portal known as the Trade Monitoring System (TRMS).
9. All suppliers who are desirous of being verified/authenticated on the system must now pay an annual subscription fee of US\$350 upon each of such authentication exercise.
10. A Supplier/buyer is advised that an electronic invoice that has been authenticated is required for payment. Any printed version of the electronic invoice will display a QR code to permit verification of its authenticity online.
11. It is important to note that the content of the authenticated electronic invoice authenticated is only advisory for the Nigeria Customs Service (NCS).



“...where Suppliers have an annual cumulative invoicing value equal to or above USD500,000 (or its equivalent in another currency) they shall submit e-invoices for all their operations, regardless of the individual value of an invoice. ”

The Guideline however, with the intention of not jeopardizing security, international relations and budding SME (Small and Medium Scale Enterprises) exempts the following import and export operations from full compliance with the whole requirements of submission of an e-invoice:

- (a) All individual invoices with a value of less than USD10,000 (or its equivalent in another currency) [Typical caps threshold for most countries] except where Suppliers have an annual cumulative invoicing value equal to or above USD500,000 (or its equivalent in another currency) they shall submit e-invoices for all their operations, regardless of the individual value of an invoice.
- (b) Import and export transactions made by all security agencies in the Country; supplies to diplomatic and consular missions and supplies to international agencies dependent on the United Nations.
- (c) Donations made by foreign governments or international organisations to foundations, charities and recognised humanitarian organisations, and Goods directly supplied by a foreign government. This is in a bid to protect the humanitarian supports which Nigeria currently enjoys from various countries.



“ ... CBN should consider rejigging the laws governing FINTECHs so that they can take on more responsibilities and come up with many creative solutions as they have done in the past. ”

1. It is a welcome development that the CBN is adopting technology to guarantee the ease of doing business, more efforts should be directed this way.
2. The use of the platform to check possible arbitrage is also very commendable. However, CBN must be careful in the implementation of the directive so as to ensure that it does not devolve into an unofficial price control scheme.
3. With the bold adoption of technology-based solutions, the CBN has shown determination to usher Nigeria into the next evolutionary stage of banking and fiscal policies. The CBN should consider rejigging the laws governing FINTECHs so that they can take on more responsibilities and come up with many creative solutions as they have done in the past.



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