

EXPORT (INCENTIVES AND MISCELLANEOUS PROVISIONS) ACT

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EXPORT (INCENTIVES AND MISCELLANEOUS PROVISIONS) ACT

An Act to provide incentives to manufacturing exporters of exportable products and for matters connected therewith.

[1986 No. 18.]

[11th July, 1986]

[Commencement.]

PART I

Export incentives

1. Retention of export proceeds in foreign currency

(1) Notwithstanding the provisions of any enactment to the contrary, a Nigerian exporter may retain all his export proceeds in foreign currency in his bank account in Nigeria.

[1992 No. 65.]

(2) The foreign currency retained pursuant to subsection (1) of this section, shall be effected as soon as the foreign exchange earned on the export sales is received in Nigeria.

[1992 No. 65.]

(3) The foreign currency retained pursuant to subsection (1) of this section, shall be for the purpose of enabling the exporter have at his disposal, foreign currencies to pay for such export related activities as may be prescribed by regulations made by the Nigerian Export Promotion Council in consultation with the Central Bank of Nigeria.

[1992 No. 65.]

2. Administration of incentives

The Nigerian Export Promotion Council shall, to the exclusion of any other Government body or authority, be charged with responsibilities for administering the incentives contained in this Act.

[1992 No. 65.]

3. Exportation of raw and unprocessed goods and commodities

(1) As from the commencement of this Act, all raw or unprocessed commodities, whether mineral or agricultural, shall be exportable on the payment of a levy as may be prescribed, from time to time, by order of the Nigerian Export Promotion Council.

[1992 No. 65.]

(2) Subject to subsection (1) of this section, all exports from Nigeria shall be exportable without the production of an export licence, provided all existing foreign exchange regulations are complied with.

[1992 No. 65.]

(3) The monopoly of exportation of commodities granted to the Commodity Boards pursuant to the Commodity Boards Act, is hereby cancelled.

[1992 No. 65.]

PART II

Establishment of fund

A. Export Development Fund

4. Establishment, etc., of Export Development Fund

(1) There is hereby established a fund to be known as the Export Development Fund (in this Act referred to as "the Development Fund").

(2) The Development Fund shall consist of such money as the Federal Government may, from time to time, pay into the Development Fund and contributions made to the Development Fund by private sector exporters.

(3) The Development Fund shall be used to provide financial assistance to private sector exporting companies to cover part of their initial expenses in respect of export promotion activities, that is-

- (a) participation in training courses, symposia, seminars and workshops in all aspects of export promotion;
- (b) advertising and publicity campaigns in foreign markets;
- (c) export market research and studies;
- (d) product design and consultancy;
- (e) participation in trade missions, buyer-oriented activities, overseas trade fairs, exhibitions and stores promotion;
- (f) cost of collecting trade information;
- (g) organisation of joint export groups and mutual export guarantee associations;
- (h) backing up the development of export oriented industries.

(4) The Trustees of the Development Fund shall consist of-

- (a) a representative of the Nigerian Export Promotion Council as chairman;
- (b) a representative of the Federal Ministry of Finance;
- (c) a representative of the Federal Ministry of Commerce;
- (d) a representative of the Federal Ministry of Industry;
- (e) a representative of the National Planning Commission;

(f) a representative of the Manufacturers Association of Nigeria;

(g) a representative of the Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture.

(5) It shall be the duty of the Trustees of the Development Fund to-

- (a) oversee the Development Fund by approving the annual budget, including proposals for investments;
- (b) determine the use of incomes and profits accruing from investments; and
- (c) cover the cost of official involvement of the Nigerian Export Promotion Council in the activities of the Development Fund.

(6) It shall be the duty of the Nigerian Export Promotion Council to-

- (a) recommend applications for financial assistance for the approval of the Exchange Control Department of the Central Bank of Nigeria;
- (b) disburse the sum approved by the Central Bank of Nigeria;
- (c) be responsible for the day-to-day running of the Development Fund through a special unit maintained by the Development Fund; and
- (d) issue guidelines for the operation of the Development Fund.

B. Export Expansion Grant Fund

5. Establishment, etc., of Export Expansion Grant Fund

(1) There is hereby established a fund to be known as the Export Expansion Grant Fund (in this Act referred to as "the Expansion Fund").

(2) The Expansion Fund shall be used to provide cash inducement for exporters who qualify to benefit from the Expansion Fund based on the value of their semi-manufactured or manufactured products as prescribed by order, from time to time, made by the Nigerian Export Promotion Council to enable the exporters to-

- (a) increase their volume and value of exports; and
- (b) diversify export products and coverage.

[1992 No. 65.]

(3) The Expansion Fund shall be made available only to exporters who produce evidence of exporting with the proceeds paid into the foreign account of the Central Bank of Nigeria:

Provided that if there are divergences between the contents of the documents on the exports in the exporter's bank as against those of the Central Bank of Nigeria, the Nigerian Export Promotion Council shall rely on figures in the documents of the Central Bank of Nigeria.

(4) The Nigerian Export Promotion Council shall be responsible for the day-to-day administration of the Expansion Fund established pursuant to subsection (1) of this section.

(5) The Nigerian Export Promotion Council shall issue, from time to time, guidelines for the effective administration of the Expansion Fund.

(6) The Minister charged with responsibility for commerce may make rules or regulations for the effective administration of the Expansion Fund established pursuant to subsection (1) of this section.

C. Export Adjustment Scheme Fund

6. Establishment, etc., of Export Adjustment Scheme Fund

(1) There is hereby established a fund to be known as the Export Adjustment Scheme Fund (in this Act referred to as the "Adjustment Fund").

(2) The Adjustment Fund shall serve as a supplementary export subsidy or as an additional fund for dealing with-

- (a) high costs of production arising mainly from infrastructural deficiencies;
- (b) other factors beyond the control of the exporter.

(3) The Nigerian Export Promotion Council shall be responsible for the day-to-day administration of the Adjustment Fund established pursuant to subsection (1) of this section.

(4) An exporter wishing to benefit from the Adjustment Fund shall supply to the Nigerian Export Promotion Council accurate information on the costs of his export activities.

(5) The Nigerian Export Promotion Council shall issue, from time to time, guidelines for the effective administration of the Adjustment Fund.

7. Participation in Schemes

An exporter wishing to benefit from the Duty Draw-back, Duty Suspension or Manufacture-in-Bond schemes shall direct his application for participation in any or all of the said schemes to the Nigerian Export Promotion Council.

[1992 No. 65.]

8. Administration of Schemes

The Nigerian Export Promotion Council shall, to the exclusion of any government body or authority, after consultation with the Duty Draw-back Committee established under section 9 of this Act, be charged with the responsibility for the due administration of the Schemes.

[1992 No. 65.]

9. Establishment of Duty Draw-back Committee

(1) There is hereby established a Duty Draw-back Committee (in this Act referred to "the Committee") which shall advise the Nigerian Export Promotion Council on the formulation of regulations for the efficient operation and administration of the Duty Draw-back, Duty Suspension and Manufacture-in-Bond Schemes.

[1992 No. 65.]

(2) The Committee shall consist of a representative each of-

- (a) the Nigerian Export Promotion Council;

- (b) the Standard Organisation of Nigeria;
- (c) the Central Bank of Nigeria;
- (d) the Bankers' Committee;
- (e) the Federal Ministry of Commerce;
- (f) the Federal Ministry of Finance;
- (g) the Manufacturers Association of Nigeria; and
- (h) the Nigerian Customs Service.

[1992 No. 65.]

(3) Without prejudice to the provisions of subsection (1) of this section, it shall be the duty of the Committee to-

- (a) fix the unit or rate of duty draw-back for each export product;
- (b) fix the rate of reimbursement of import duties, levies, surcharges or export duties paid in respect of all imports, including raw materials, components and packaging materials used in export production;
- (c) fix the rate of reimbursement on excise duties paid in respect of all export products and components of export products;
- (d) grant, to the exclusion of any other government body or authority, to qualified exporters benefits and entitlement in respect of the suspension or refund of import duties, levies, surcharges and export duties payable or paid in respect of all imports, including raw materials, components and packaging materials used in export production or excise duties payable or paid in respect of all export products and components of export products.

[1992 No. 65.]

10. Specification of rates, etc.

The Nigerian Export Promotions Council may by order prescribe such rate, entitlement and benefits as may be granted pursuant to the provisions of this Act.

[1992 No. 65.]

11. Application of Cap. 17 to export oriented industries

(1) The provisions of the Industrial Development (Income Tax Relief) Act with respect to pioneer status shall apply to any manufacturing exporter who exports at least fifty per cent of his annual turnover.

[Cap. 17. 1992 No. 65.]

(2) Application for the declaration of an export oriented industry to be a pioneer industry, shall be directed to the Nigerian Export Promotion Council for processing and it shall be the duty of the Nigerian Export Promotion Council to screen all applications and submit recommendations thereon for the approval of the Minister charged with responsibility for Industry.

[1992 No. 65.]

PART III

Miscellaneous

12. Interpretation

In this Act, unless the context otherwise requires-

"exportable products" means any product of Nigerian origin;

"manufactured exporter" means a manufacturer who manufactures and adds value to its products and exports at least fifty per cent of its annual turnover.

[1992 No. 65.]

13. Short title

This Act may be cited as the Export (Incentives and Miscellaneous Provisions) Act.

EXPORT (INCENTIVES AND MISCELLANEOUS PROVISIONS) ACT

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