

22<sup>nd</sup> of February, 2012

Dear Valued Customer

**REVIEW OF IMPORT TARRIFF AND OTHER FISCAL POLICY MEASURES FOR 2012**

We wish to inform you that the Central Bank of Nigeria, through its circular referenced TED/FEM/FPC/GEN/01/005 dated February 20, 2012 has released the approval of Federal Government to support the development of agricultural sector as well as power sector through tariff incentives and other fiscal policy measures.

The summary of the policy is as follows:

ITEM	Rate	Effective date
1. Agricultural Machinery & Equipment	0% Duty	31-01-2012
2. Power Sector Equipment & Machinery	0% Duty	31-01-2012
3. Cassava flour processing equipment	0% Duty	31-03-2012
4. Bakers Tax Rebate for cassava blend	12% Rebate	31-03/2012

In addition, the following steps were taken to encourage utilisation of locally produced commodities as follows:

1. Importation of cassava flour	Prohibited	31-03-2012
2. Wheat Flour	65% Levy + 35% Duty	01-07-2012
3. Wheat Grain	15% Levy + 5% Duty	01-07-2012
4. Husked Brown Rice	25% Levy + 5% Duty	01-07-2012
5. Imported Polished Rice	40% Levy + 10% Duty	01-07-2012

Please find attached a copy of the circular.

Thank you.

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TED/FEM/FPC/GEN/01/005

February 20, 2012

**TO: ALL AUTHORISED DEALERS AND  
THE GENERAL PUBLIC**

**FISCAL POLICY MEASURES 2012**

This is to inform all Authorised Dealers that the Federal Government has approved the release of the following Fiscal Policy Measures for 2012:

**With effect from 31<sup>st</sup> January, 2012:**

- i) Agricultural machinery and equipment shall attract zero per cent (0%) duty in order to support the development of agricultural sector;
- ii) Equipment and machinery in the power sector shall attract zero per cent (0%) duty, to create a robust power sector and provide an enabling environment for investment.

**With effect from 31<sup>st</sup> March, 2012:**

- i) Importation of cassava flour shall be prohibited, to encourage the substitution of high quality cassava flour for wheat flour in bread-making;
- ii) Corporate tax incentive rebate of 12% shall be enjoyed by Bakers on attainment of 40% cassava blend within a period of 18 months;
- iii) All equipment for processing cassava flour for composite flour blending shall be imported duty free.


In order to encourage the purchase and utilisation of locally produced commodities, the under-listed measures are hereby introduced **with effect from 1<sup>st</sup> July, 2012:**

- i) Wheat flour shall attract a levy of 65% and 35% duty rate;
- ii) Wheat grain shall attract a levy of 15% and 5% duty;
- iii) Husked brown rice shall attract a levy of 25% and duty rate of 5%;
- iv) Imported polished rice shall attract a levy of 40% and duty of 10%.

**Concessions:**

In order to expand domestic production, boost exports, generate employment and create a level playing field, concessions and waivers shall be granted only on sectoral basis.

All Authorised Dealers are required to bring to the attention of their customers these measures for strict compliance.



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