

L.N. 18 of 1971

EXCHANGE CONTROL ACT 1962
(1962 No. 16)

Exchange Control (Payments for Import) Order 1971

Commencement : 1st April 1971

In exercise of the powers conferred by section 26 of the Exchange Control Act 1962, and of all other powers enabling me in that behalf I hereby make the following Order :—

1. There shall be exempted from the provision of section 7 of the Exchange Control Act 1962, anything done by the Central Bank of Nigeria (hereinafter referred to as "the bank") for the purpose of any payment for imports, provided that the periods and conditions stipulated hereunder are strictly adhered to.

Exemptions under section 7 of the Exchange Control Act 1962.

1962 No. 16.

2. Consent of the Governor of the bank shall be given as respects—

(a) goods classified under Schedule 1 to this Order at the expiration of 90 days from the date of arrival of such goods in Nigeria ;

(b) goods classified by the bank as "capital goods" in accordance with the supplier credit terms arranged by the importer and authorised by the bank bearing in mind the guidelines in Schedule II to this Order ; and

(c) other goods not classified under Schedules I and II at the expiration of 180 days from the date of arrival of such goods in Nigeria.

Prescription of periods for payments in respect of imports.

3.—(1) This Order may be cited as the Exchange Control (Payments for Import) Order 1971 and shall apply throughout the Federation.

(2) This Order shall come into force on 1st April 1971.

Citation, extent and commencement.

SCHEDULE 1

Payment shall be made at the expiration of 90 days from the date of arrival in Nigeria, for the following items :

Day-old chicks

Milk

Salt

Cement

Sugar

Baby foods

Drugs and pharmaceuticals

Fertilisers and chemicals for agricultural purposes

Essential raw materials for industries.

SCHEDULE 2

The minimum credit terms which should be obtained for imported plant and machinery valued at over £25,000 are set out hereunder and the Central Bank and Authorised Dealers will normally release foreign exchange as follows :

- (a) 5% payable against documents or signing of contract ;
- (b) 15% payable on delivery ; and
- (c) 80% payable over the following periods :—

Machinery and Plant valued at :—

- (i) between £25,000 and £50,000 .. Payable in not less than a period of one year.
- (ii) between £50,000 and £100,000 .. Payable in not less than a period of two years.
- (iii) between £100,000 and £500,000 .. Payable in not less than a period of three years.
- (iv) between £500,000 and £1,000,000 .. Payable in not less than a period of five years.
- (v) Over £1,000,000 Payable in not less than a period of seven years or other special terms authorised by the Federal Ministry of Finance.

Payments for imported capital equipment, machinery and plant valued at less than £25,000 will be made as if such commodities were imported under Schedule 1.

MADE at Lagos this 31st day of March 1971.

OBAFEMI AWOLowo,
Federal Commissioner for Finance

EXPLANATORY NOTE

(This note does not form part of the above Order but is intended to explain its effect only)

This Order replaces with effect from 1st April 1971 the current import restrictions imposed for foreign exchange purposes without prejudice to the future operation of specific licensing and the system of quota for protecting specific local industries when the need arises.