

A SIMPLE GUIDE TO EXPORT INTO THE ECOWAS REGION – RULES, REGULATIONS AND PROCEDURES FOR NIGERIAN MSMEs



Bridging the Gap in MSME Export Development

PREFACE

The West African region is a huge market of about 256 million inhabitants and has a combined GDP of US\$342,519 billion with a per capita income of US\$7,890. The Economic Community of West African States (ECOWAS) was set up with the main objective of promoting economic integration in the West African region through the creation of a common market. An important step towards realising this objective is the establishment of the ECOWAS Trade Liberalisation Scheme (**ETLS**).

This hand book is a simple guide to aid existing and potential micro small and medium enterprises (MSME) exporters in registering under ETLS and harnessing the immense opportunities in the ECOWAS regional market. The hand book outlines the major requirements for exporting from Nigeria to the ECOWAS market and addresses the registration and documentation requirements for export under ETLS.

The book is summarized for easy reading yet detailed to provide essential information that can aid the success of export ventures within the growing ECOWAS market.

ACRONYMS

CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CoO	Certificate of Origin
ECOWAS	Economic Community of West African States
ETLS	ECOWAS Trade Liberalisation Scheme
FMF	Federal Ministry of Finance
FMITI	Federal Ministry for Industry, Trade and Investment
MANCAP	Mandatory Conformity Assessment Programme
FMARD	Federal Ministry of Agriculture and Rural Development
MoFA	Ministry of Foreign Affairs
MANEG	Manufacturers Association of Nigeria Export Group
NAC	National Approvals Committee
NACCIMA	National Association of Chambers of Commerce, Industry, Mines and Agriculture
NAFDAC	National Agency for Food and Drug Administration and Control
NAQS	Nigeria Agriculture Quarantine Service
NOTAP	National Office of Technology Acquisition Programme
NCS	Nigeria Customs Service
NEPC	Nigeria Export Promotion Council
RFI	Request for Inspection
SON	Standards Organisation of Nigeria
UEMOA	West African Economic and Monetary Union

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Commission

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ECOWAS TRADE LIBERALISATION SCHEME (ETLS)

ETLS is the main tool for promoting West Africa as a free trade area. It permits the free movement of goods originating or produced in ECOWAS member-states by eliminating tariff and non-tariff barriers (customs duties, quotas, prohibitions or any such restrictions)¹. This is to facilitate the easy circulation of ECOWAS originated products within the community.

Categories of goods under the Scheme

The following categories of goods can benefit from ETLS, provided they originate from the ECOWAS region:

- **Agricultural goods**
- **Livestock**
- **Unprocessed goods**
- **Artisanal Handicrafts**
- **Industrial goods**

The following goods do not require an **ETLS Certificate of Origin** to be traded duty free within the region but with the appropriate sanitary certificate from the Nigeria Agricultural Quarantine Services:

- **Agricultural goods**
- **Artisanal Handicrafts**

Rules of Origin

If an exporter wants to trade industrial goods duty-free within the region, he/she needs an ETLS Certificate of Origin to prove that the product originates from the ECOWAS region. To get this certificate, the product must comply with one of the following rules called *Rules of Origin*. These rules determine whether an industrial product can be classified as originating from the ECOWAS region.

¹ Exemption from duties for all exports does not however include Value Added Tax (VAT) and excise duties if they prevail in a Member State. Please note that industrial goods in transit, proceeding to and from Member States are exempt from duties.

Rule 1: Wholly Produced Goods

Goods are regarded as wholly produced within ECOWAS, if at least 60% of their raw materials used in their production originate from the ECOWAS region.

Rule 2: Change in Tariff Heading

The World Customs Organisation has developed a *Harmonised Commodity Description and Coding System* known as the **HS System** which provides a standardised system for classifying traded products for the purpose of charging customs duty, although every country is allowed to charge its own tariff rate. The HS system uses number codes to classify products under different chapters, headings and subheadings. An exporter's finished product will fall under a specific "Chapter" and "Heading" and in some cases a "Sub-heading" in the HS coding system. If the finished product was manufactured with the exclusive use of materials which are classified under a different "Heading" from that of the finished product, it can be traded duty-free.

Rule 3: Value Added Criteria

If the materials used in producing the product receive a value addition in the production process enough to form at least 30% of the ex-factory price of the finished goods, the goods are considered as originating from the region and can be traded duty-free within the region.

Proof of Origin

A harmonized *ECOWAS/UEMOA Certificate of Origin* is given to exporters as Proof of Origin and is issued by an appointed recognized institution in each member state. In Nigeria, the National Association of Chambers of Commerce Industry, Mines and Agriculture (NACCIMA) is responsible for issuing the Certificate of Origin.

Procedure for Obtaining a Certificate of Origin (CoO) in Nigeria

1. The exporter obtains an application form from NACCIMA.
2. The exporter fills the CoO application form providing details of his/her enterprise and the export transaction for which the CoO is sought.

3. The form is submitted along with supporting documents and payment of processing fees to NACCIMA.
4. A CoO is issued to the exporter upon verification and approval by the National Approvals Committee (NAC).

Composition of the ETLS National Approvals Committee (NAC)

In order to ease the process for approval of industrial products for ETLS, the National Approvals Committee (NAC) was created in each Member State of ECOWAS. In Nigeria, NAC was inaugurated in 2004 and its members are composed from the following ministries, agencies and organisations:

- Ministry of Foreign Affairs (MoFA) - as Chair
- Federal Ministry of Industry, Trade and Investment (FMITI)
- Federal Ministry of Finance (FMF)
- Nigerian Export Promotion Council (NEPC)
- The Nigerian Customs Service (NCS)
- National Association of Chambers of commerce Industry, Mines & Agriculture (NACCIMA)
- Standards Organisation of Nigeria (SON)
- National Agency for Food Drug Administration & Control (NAFDAC)
- Manufacturers Association of Nigeria Export Group (MANEG)
- National Office of Technology Acquisition Programme (NOTAP)

ROLE OF NAC

NAC is responsible for approving companies and products that meet the originating product criteria. NAC examines, screens and processes applications submitted by applicants for CoO. It also embarks on-factory inspection visits to verify information provided by applicants. Upon verification, the NAC approves or disapproves based on any one of the criteria of rules of origin cited above.

Approvals are then forwarded to ECOWAS Commission for confirmation and onward communication to other member states.

ETLS Accompanying Documents for movement of goods within ECOWAS

A product imported or exported under the ETLS must be accompanied by the following documents (among others):

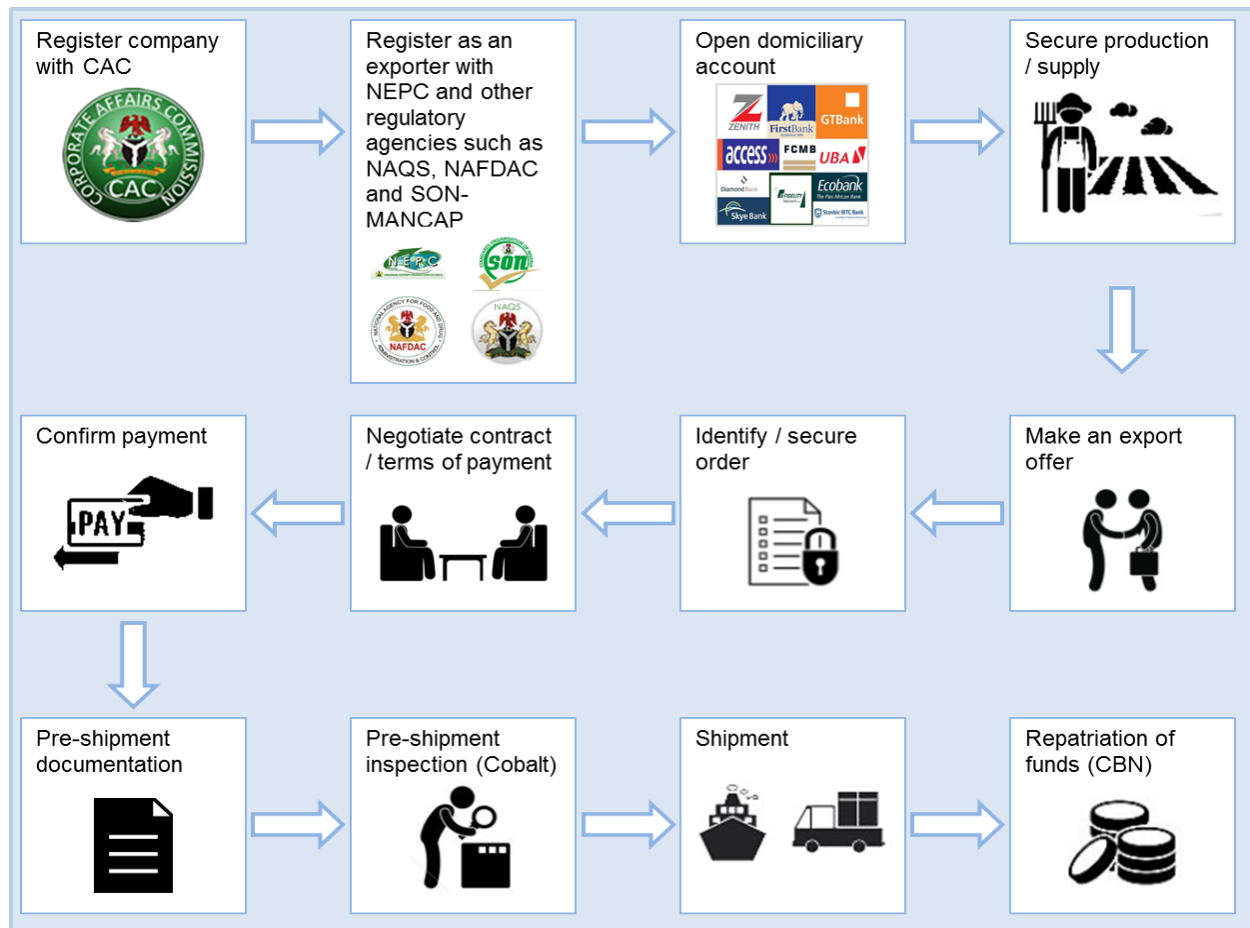
- ETLS Approval Letter issued by the ECOWAS Commission through the Ministry of Foreign Affairs.
- ECOWAS/UEMOA Certificate of Origin provided by NACCIMA.
- ECOWAS Export Declaration Form issued by the Nigeria Customs Services.

Once these documents have been confirmed by the Customs authorities, and relevant permits shown, the goods can enter the importing country duty free and unhindered.

EXPORT FROM NIGERIA- PROCEDURES AND REQUIREMENTS

Export Procedure

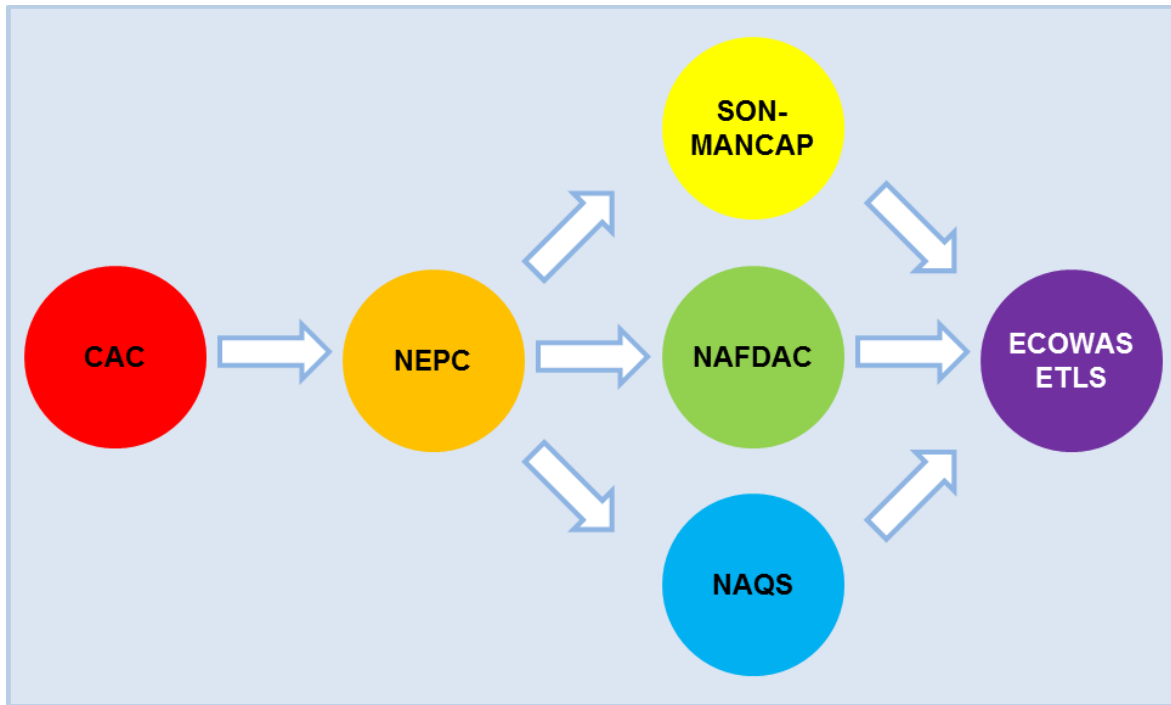
To export any product from Nigeria to any market, including the ECOWAS market, the exporter must follow the standard legal and financial procedures.. The diagram below broadly captures the procedures in export trade from Nigeria.



Schematic representation of export procedure from Nigeria

Registration processes

Having known the key players in the export trade arena, an exporter should proceed to register with those associated with his/her export business venture. Although these registration processes may look cumbersome at the onset, exporters and would-be exporters must ensure that they are patient in following and completing all the registration protocols associated with their businesses in order to be successful in export trade. Attempting to “cut corners” often leads to losses in the long-term. Registration allows an exporter to obtain all the relevant documents needed for his/her export and also enables him/her to enjoy the benefits of ECOWAS export facilitation and Nigerian Government export incentive schemes.



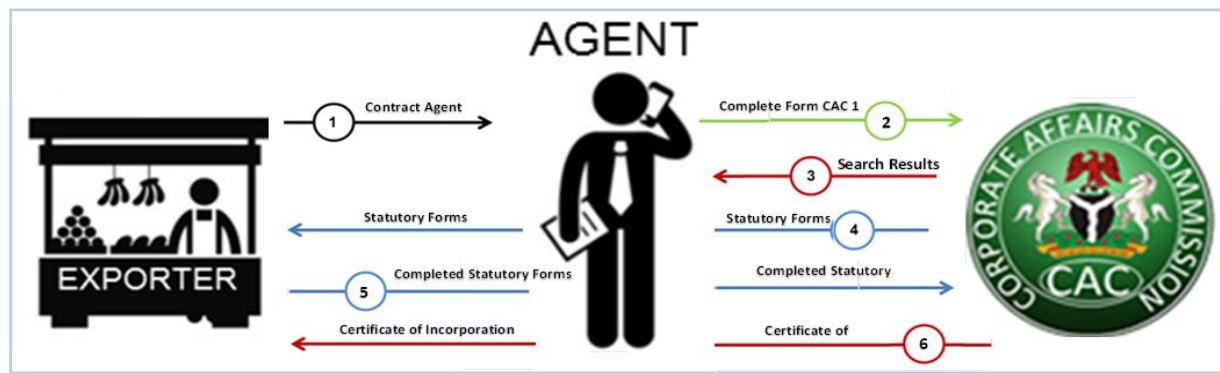
Sequence of key registration processes for export to the ECOWAS Market

For an exporter who intends to take advantage of the ETLS scheme, the CAC registration is the first step he/her must take because it will confer a legal status on his/her business and it is a requirement for all other registrations.

The exporter then registers with NEPC, which is responsible for the promotion of export business in Nigeria and helps the exporter in accessing export markets. The next step involves registering the product with the relevant regulatory agencies depending on the nature of goods being to be exported. For example manufactured goods should have the SON-MANCAP registration/certification, food and drugs should have NAFDAC registration/certification, while agricultural produce should be certified by the Quarantine Service (NAQS).

The exporter can then proceed to apply for ETLS registration.

CAC Registration



CAC registration steps for business name, limited liability and public liability companies

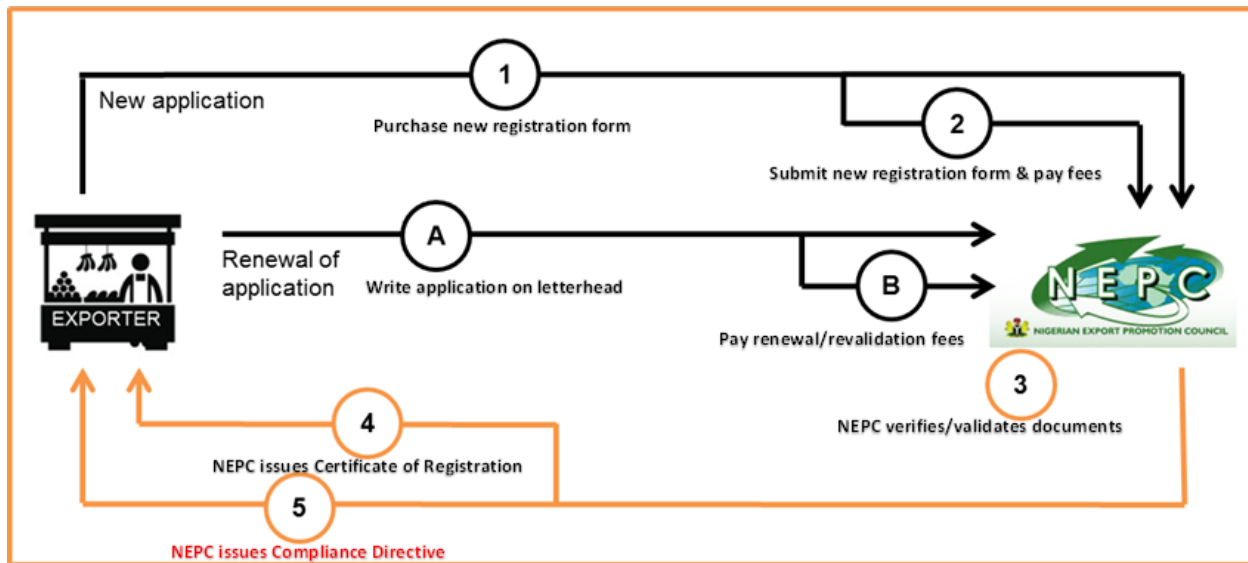
1. Potential exporter engages the services of an accredited Corporate Affairs Commission (CAC) agent or that of a lawyer to help in processing the registration of his/her company*.
2. The agent/lawyer obtains form CAC 1 from the Corporate Affairs Commission and fills it on behalf of the exporter. This form is used for name availability check and reservation of the company name.
3. The Corporate Affairs Commission notifies the agent/lawyer of the availability or otherwise of the proposed company name.
4. If name is available, the agent/lawyer obtains statutory forms (CAC 2, CAC 2.1, CAC 3, CAC 7 and prototype Ministry of Agriculture form) from the Corporate Affairs Commission for the exporter to complete.
5. The agent/lawyer submits the duly completed statutory forms along with two passport size photographs of the applicant (exporter) to CAC and pays the prescribed fees.
6. The Corporate Affairs Commission processes the application and issues the Certificate of Incorporation which is handed over to the agent/lawyer who in turn remits it to the applicant (exporter).

**Note that only a duly incorporated company (Limited Liability Company and NOT a business name) is eligible for registration as an exporter.*

Documents required for CAC registration:

Documents 22, 23, 24, 25 and 26 in Table 1: *Summary of Nigeria trade documents needed for export transactions.*

NEPC Registration



NEPC registration steps for export trade

1. The exporter purchases the *new registration* application form from the Nigerian Export Promotion Council (NEPC).
2. The exporter fills and submits the form to NEPC with the following accompanying documents and pays the prescribed fees: a) Certificate of Incorporation, b) Article/Memorandum of Association, and c) Form CO7 (Particulars of Directors).

For renewal:

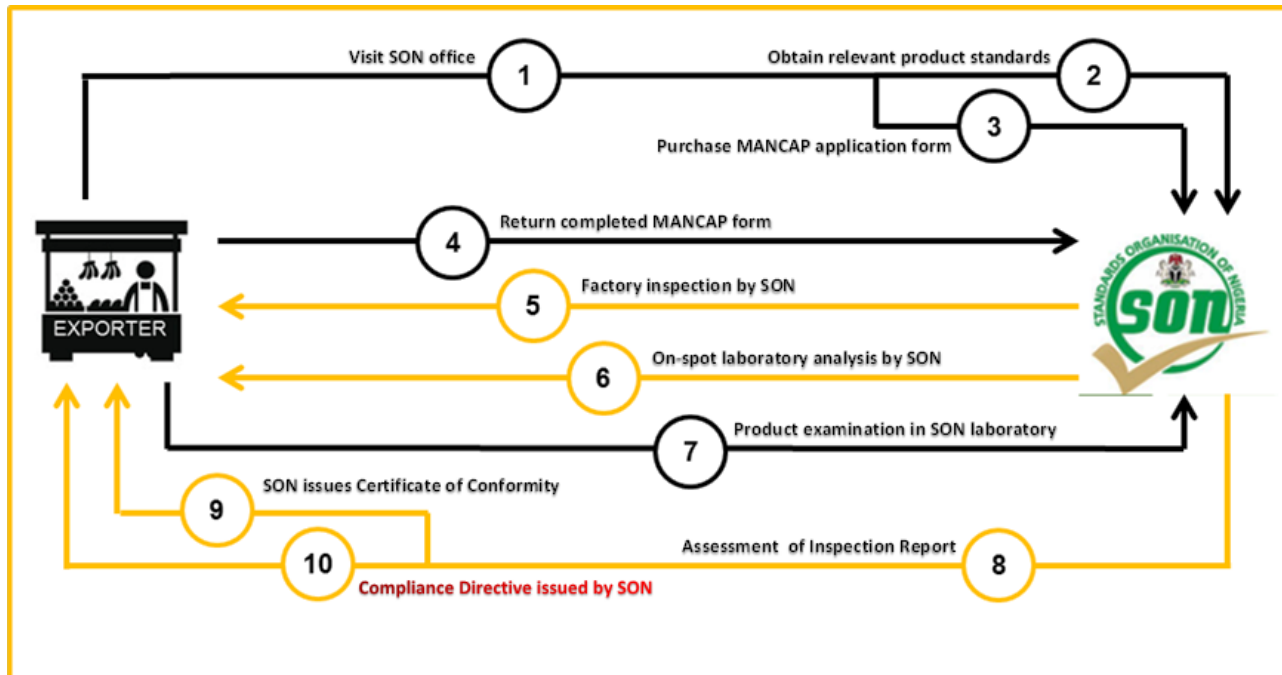
- A. Exporter writes application for renewal on company's letter head and submits to NEPC along with the following forms: a) Form CO7 (Particulars of Directors), b) NXP Form.
 - B. Exporter pays renewal/revalidation fees.
3. NEPC verifies and validates documents submitted.
 4. NEPC issues Certificate of Registration if all criteria are satisfied.
 5. NEPC issues Compliance Directives if the criteria are not met.

Document requirements for NEPC registration:

1. For new application: Documents 7, 2 and 26 in Table 1: *Summary of Nigeria trade documents needed for export transactions*.
2. For renewal/revalidation: Application for renewal on company letter head, documents 22 and 30 on Table 1: *Summary of Nigeria trade documents needed for export transactions*.

Exporters are encouraged to take advantage of the e-registration portal. The required documents can be uploaded online upon payment of the required registration fee at designated banks.

SON-MANCAP Registration



SON-MANCAP product registration steps

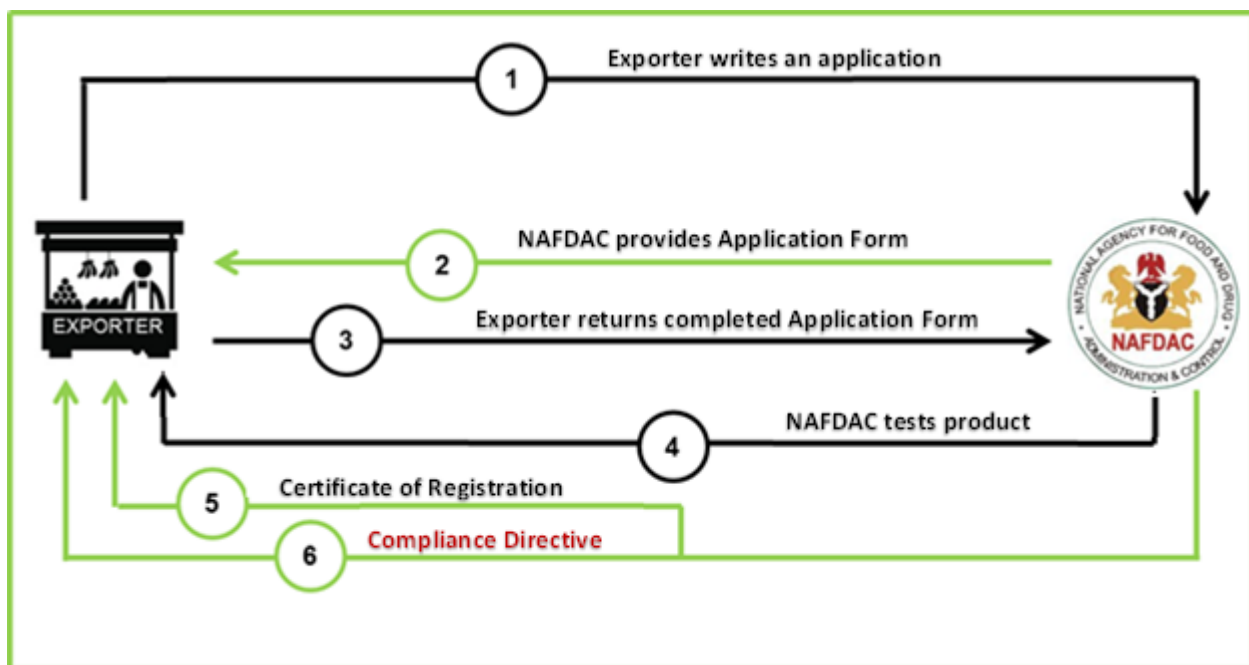
1. Exporter visits the Standards Organisation of Nigeria (SON) office nearest to his/her business.
2. Exporter obtains copies of relevant Nigerian industrial standards for product(s) from SON.
3. Exporter purchases an application form for the Mandatory Conformity Assessment Programme (MANCAP) at the SON office.
4. Exporter completes the form and submits to SON with a copy of his/her company's Certificate of Incorporation.
5. SON Technical Officers visit the exporter's factory to inspect production processes and facilities.
6. Technical Officers carry out an on-the-spot laboratory analysis.
7. Technical Officers collect samples of the product(s) for further examination and confirmatory analysis in SON laboratories. The inspection report, together with test results, is sent to the Product Certification Directorate of SON.

8. The Product Certification Directorate assesses the inspection report and test results against relevant Nigerian Industrial Standards (NIS).
9. If NIS standards are met, SON will issue the exporter's product a MANCAP Certificate of Conformance and a NIS logo with a unique identification number (upon the completion of a quarterly inspection).
10. If relevant NIS standards are not met, a Compliance Directive is issued.

Documents required for SON-MANCAP registration:

Documents 7, 8, 37 and 26 in Table 1: *Summary of Nigeria trade documents needed for export transactions.*

NAFDAC Registration



NAFDAC product registration steps

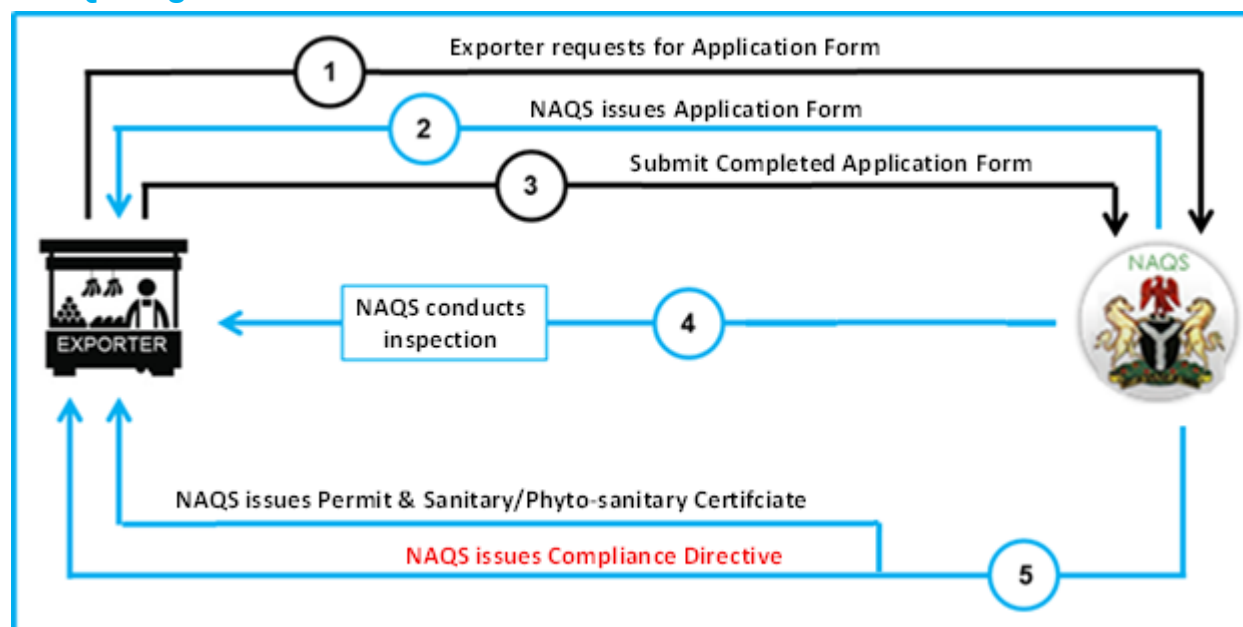
1. Exporter writes an application letter to register a new product to the National Agency for Food and Drug Administration and Control (NAFDAC) and provides the following supporting documents: a) CAC Certificate of Incorporation, b) NEPC Exporter Registration Certificate, c) NAQS Phytosanitary Certificate, d) Export Order and e) shipping documents (Pro-forma Invoice and Nigeria Export Proceeds Form).
2. NAFDAC issues an Application Form to the exporter to fill.
3. Exporter fills application form and submits along with support documents and prescribed fees at least three weeks prior to the date of intended exportation.

4. NAFDAC carries out laboratory tests on products to ensure it meets prescribed standards.
5. A Health Certificate is issued if conditions and standards are met.
6. If product fails to meet standards, NAFDAC issues a Compliance Directive to the exporter

Documents required for NAFDAC registration:

Documents 7, 20, 36 and 38 in Table 1: *Summary of Nigeria trade documents needed for export transactions.*

NAQS registration



NAQS export permit/certificate application steps

1. Exporter requests for Application Form for Export Permit from the National Agricultural Quarantine Services (NAQS).
2. NAQS issues application form to exporter.
3. Exporter submits completed application form with the following supporting documents: a) Import Permit, b) Certificate of Incorporation and c) any regulatory permit related to business operation.
4. NAQS inspection team examine the exporter's business premises and activities and prepares a report.

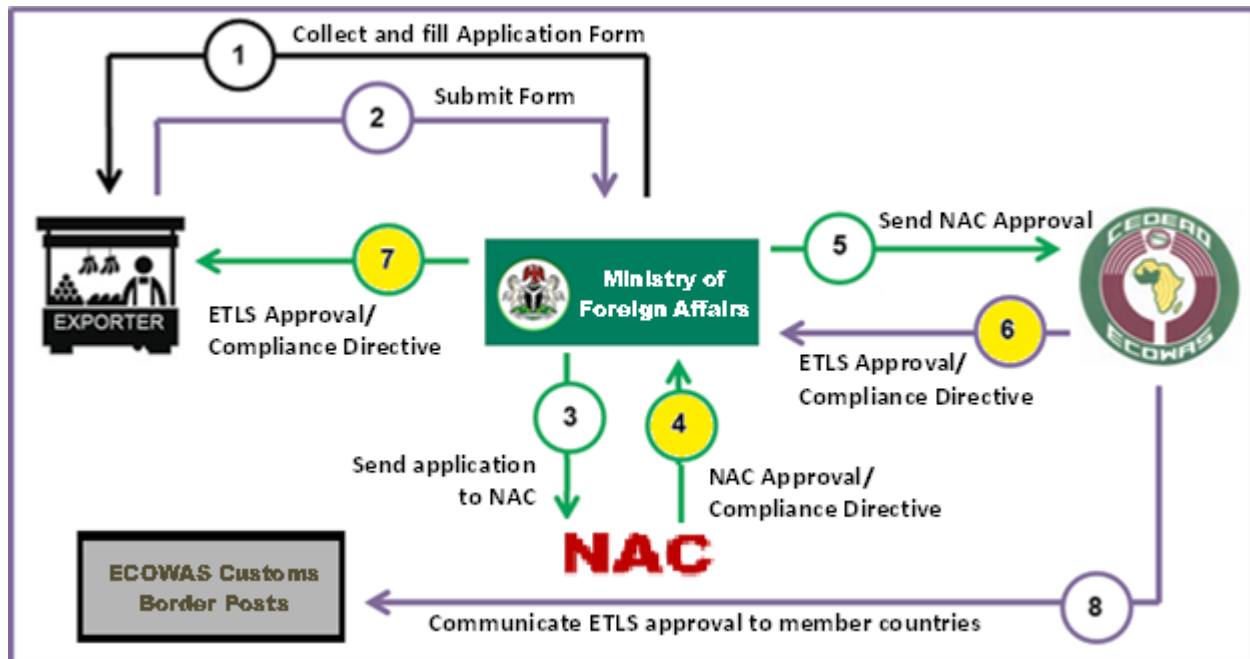
NAQS assesses the Inspection Report and, if the conditions of the importing country are met, issues permit and Sanitary Certificate (for veterinary and aquatic resources) and Phyto-

Sanitary Certificate (for plants). If the conditions are not met, NAQS issues Compliance Directive.

Documents required for NAQS registration:

Documents 7 and 40 on Table 1: *Summary of Nigeria trade documents needed for export transactions.*

ETLS registration



ETLS application steps

1. Exporter requests for ETLS registration form at the Ministry of Foreign Affairs (MoFA).
2. Exporter fills the form and submits with the following supporting documents to MoFA: a) CAC Certificate of Incorporation, b) SON-MANCAP Certificate of Conformance, c) NAFDAC Health Certificate, d) NEPC Exporter Registration Certificate and e) NAQS Sanitary/Phytosanitary Certificate sends completed application form and supporting documents to the National Approvals Committee (NAC) for approval.
3. NAC holds meeting to review applications and approves or disapproves the application and sends its decision to MoFA.
4. MoFA sends NAC approvals to the ECOWAS Commission and issues Compliance Directives to applicant's whose application was not approved by NAC.
5. ECOWAS Commission gives a final approval or disapproval and sends it to MoFA.

6. MoFA issues an Approval Letter to successful applicants and Compliance Directive to unsuccessful applicants. MoFA notifies the exporter when an ETLS Certificate of Origin is ready for collection².
7. ECOWAS Commission communicates successful ETLS registrations to customs border posts in ECOWAS member countries.

Documents required for ETLS registration:

Documents 7, 9, 12, 20, 31 and 36 on Table 1: *Summary of Nigeria trade documents needed for export transactions.*

Additional Registration Requirements:

In addition to these registrations, an exporter is expected to obtain export permits from relevant regulatory bodies depending on the nature of business:

- Federal Ministry of Solid Minerals and Steel Development (for exporters of Mining Products and Solid Minerals).
- The Veterinary and Health Service Department (for exporters of Animals and Animal Products).
- National Commission for Museums and Monuments (for exporters of handicrafts and artefacts)
- Federal Department of Forestry (for exporters of Wood and Non-Wood Forest Resources Wild Life and Endangered Species).
- Federal Department of Fisheries (for exporters of Fishery and Aquatic Products).

² The ETLS Certificate of Origin is valid for 6 months and or one product only, so the number of products applied for must be specified in the application form.

Appendix I: Summary of Nigeria Trade Documents Needed for Export Transactions

S/NO	TITLE OF DOCUMENT	USE(S) OF THE DOCUMENT	WHERE OBTAINABLE
1	Aquatic Resource Permit	For exports of fishery and aquatic products	Fed. Dept of Fisheries
2	Article/memorandum of Association	For registration with NEPC	Corporate Affairs Commission
3	Bill of Lading and Airway/Roadway Bill	Evidence of carriage of goods	Shipping/transport/haulage agency
4	Certificate of Analysis	To certify the quality of the product in question	Issued by Manufacturers, Processors or Miners.
5	Certificate of clearance from National Museums and Monuments	For exports of handicrafts and art crafts.	National Commission for Museums and Monuments.
6	Certificate of Commodity export	Issued for payment of export levy on agricultural commodities being exported from Nigeria	Fed. Min. of Industry, Trade and Investment
7	Certificate of incorporation	For legal identity and registration with NEPC and other relevant agencies	CAC
8	Certificate of Origin	Allows goods exported from Nigeria to attract import duty concession in the importing country	NACCIMA
9	Certificate of Conformance	To show that standardized quality has been achieved and maintained	SON
11	Certificate of Quality and Fumigation	To certify quality of raw agricultural commodities.	Federal Produce Inspection Service

S/NO	TITLE OF DOCUMENT	USE(S) OF THE DOCUMENT	WHERE OBTAINABLE
12	Health Certificate	Certifies the quality of foods, drugs and cosmetics meant for exports.	NAFDAC
13	Certificate of Registration	For registration as a cooperative with NEPC	Issuing Authority in the States and FCT
14	Certified Invoice	Needed for independent verification	Chamber of commerce
15	Clean Certificate of Inspection	Used to ensure that the quality, quantity and price of goods being shipped/transported tally with what is in the contract document.	Pre-shipment inspection agent
16	Export License from Department of Forestry	For exports of classified endangered wild life species, Wood and Wood products, Furniture and furniture components.	Federal Department of Forestry, Federal Ministry of Environment.
17	Consular Invoice	Enables invoice to be validated or checked by importing country's Consulate.	Consulate of country of destination
18	ETLS Certificate	Allows duty free trade for goods amongst ECOWAS member countries under the ECOWAS Trade Liberalisation Scheme	NEPC, MoFA, ECOWAS
19	Export permit/Certificate of clearance from Veterinary Health services	For export of animals and Animal products	Department of Livestock Services, FMARD
20	Exporter Registration Certificate	For identification of Nigerian exporter	NEPC
21	Final/Commercial Invoice	Accounting document prepared in the name of the importer or his agent to take care of charges and enable Customs in the importing country assess duty payable	Exporter

S/NO	TITLE OF DOCUMENT	USE(S) OF THE DOCUMENT	WHERE OBTAINABLE
22	CAC 1 (Availability check and reservation of name)	For registration with CAC	CAC
23	CAC 2 (Statement of share capital and return of allotment)	For registration with CAC	CAC
24	CAC 2.1 (Particulars of Company Secretary)	For registration with CAC	CAC
25	CAC 3 (Notice of situation or change of registered address)	For registration with CAC	CAC
26	Form CO7 (Particulars of Directors)	For registration with CAC	CAC
27	Form J	Clearance letter for the export of Solid Minerals.	Federal Ministry of Solid Minerals Development and Nigerian Mining Corporation.
28	GSP Form	For tariff concession for all countries involved in North-South trade.	NACCIMA, NCS
29	ICCO-1 Certificate	Combined certificate of origin and declaration of value for cocoa levy.	Federal Ministry of Industry, Trade and Investment, Produce Inspection Unit.
30	Insurance Certificate	Shows evidence of insurance for the shipment and under CIF contract, is paid for by the exporter	Insurance company
31	MANCAP certificate MANCAP form MANCAP report	For Manufactures only	SON-MANCAP

32	NIMASA Form C series	For allocation of cargoes to shipping lines. It serves as cargo tracer and loading authorisation to allotters.	NIMASA and Commercial Banks
33	Non Commercial Exports (NCX) Form	For non-commercial exports	CBN and Commercial Banks
34	NXP Form	For commercial exports originating from Nigeria.	CBN and Commercial Banks
35	Packing List	Supplementary financial invoice when quantities, weights of individual unit in a shipment vary	Exporter
36	Phyto-sanitary certificate	Certifies that plants and plants' products are free of pest	NAQS
37	Product Analysis Certificate	Requirement for SON-MANCAP registration	SON
38	Pro-forma Invoice	A form of quotation by the exporter and often times required by the importing country for the purpose of foreign exchange allocation.	Exporter
39	Single Goods Declaration (SGD) Form C2C10	Gives the particulars of consignment	NCS
40	Import permit	For plants	NAQS

APPENDIX II: Some Important Contacts

NACCIMA Head Office	8A, Oba Akinjobi Way, GRA, Ikeja, Lagos website: www.naccima.com
CAC Head Office	420, Tigris Crescent, Off Agunyi Ironsi Street, Maitama District, Abuja website: http://www.cac.gov.ng or www.cacnigeria.org
NEPC Head Office	424, Agunyi Ironsi Street, Maitama District, Abuja website: http://www.nepc.gov.ng/
NCS Head Quarters	Abijan Street, Wuse Zone 3, Abuja website: https://www.customs.gov.ng/
NAFDAC Head Office	3/5 Oshodi Expressway, Oshodi, Lagos website: http://www.nafdac.gov.ng
SON Office	8, Darioa Street, Off Nouakchott Street, Zone 1, Wuse, Abuja website: http:// www.son.gov.ng
ETLS approval steps and sample of forms	http://www.etls.ecowas.int/approval-procedures for approval
ETLS approval criteria	http://www.etls.ecowas.int
ECOWAS/UEMOA CoO sample	http://www.etls.ecowas.int/approval-procedures
Additional information on export documents	https://www.trade.gov.ng/ http://www.nigeriatradehub.gov.ng/

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