



Calculation of Import Duty



Clearing Information

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Import duty is calculated by summing up surface duty (% of CIF), surcharge, administrative charge (CISS), ECOWAS Trade Liberalization Scheme (ETLS), and 7.5% VAT.

Example with 5% import duty:

FOB means Free on Board which is the actual cost of the imported items without putting the cost of the transportation or handling. To use this figure in calculation of Duty you must convert to Nigerian Naira i.e. FOB in currency of export country * exchange rate

Freight is the cost of Transporting the imported items to the designated port of discharge whether by Sea, Air or Road. This must also be converted to Naira i.e. Freight in currency of export country*exchange rate

CIF is Cost, Insurance and Freight.

To get your CIF, you add the cost of the imported items, the insurance value (1.5% of FOB) and the cost of transportation (freight).

For the benefit of this exercise we shall make the following assumptions:

Duty of 5% (% Duty to be paid is usually derived from the HS code or tariff of the imported item).

FOB = N1,000,000.00

Freight = N200,000.00

Insurance = N15,000.00

CIF = N1,215,000.00

Surface duty (5% on CIF)	N60,750.00
Surcharge (7% of surface duty)	N4,252.50
ETLS levy (0.5% of CIF value)	N6,075.00
CISS fee (1% of FOB)	N10,000.00
VAT (7.5% of all the above + CIF)	N97,205.81
Total Duty payable to Customs	N178,283.31

To enhance the monitoring of the import duty scheme, Shipping lines and Airlines are requested by law to always state the Form M Number for each consignment on the ship's/aircraft's manifest and on the Bill of Lading or Airway bill for all import shipments into Nigeria before such manifests are submitted to the Nigeria Customs Service.

