



TRADE AND EXCHANGE DEPARTMENT

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TED/FEM/FPC/GEN/01/009

November 18, 2020

**TO: ALL AUTHORIZED DEALERS/
THE GENERAL PUBLIC**

**RE: DESTINATION PAYMENT FOR ALL FORMS M, LETTERS OF CREDIT
AND OTHER FORMS OF PAYMENT**

Further to the Circular Ref. No. TED/FEM/FPC/GEN/01/005 of August 24, 2020, on the above subject and following different interpretations of the term "Ultimate Supplier of products", Authorized Dealers and the General public are hereby notified of the following clarifications;

- a. That the provision of "Ultimate Supplier of products" shall be construed to mean "the direct party selling the goods to the importer irrespective of whether the party involved is the manufacturer or internationally recognized buying company/supplier/agent".
- b. That the name of the "Ultimate Supplier of products" should be the same as the beneficiary on the Form "M", Invoice, Bill of Exchange, Letter of Credit Instrument and any other relevant document to the transaction.
- c. That Authorised Dealers should ensure that payments are made only to the beneficiary whose name appears on the documents stated in (b) above.
- d. That where it is unavoidable that an importer chooses to use a buying company (other than the primary manufacturer), the importer shall

make available the following documents (as applicable), for consideration and approval by the CBN before opening Form M.

- i. Detailed KYC and profile of the buying company;
- ii. Three-Year Audited Financial Statement of the buying company;
- iii. Letter of reference from the Buying Company's banker stating relationship and capacity;
- iv. Transfer pricing policy & arrangements in the home country.
- v. Registration with its home country's Chamber of Commerce
- vi. Evidence of tax payments in the home country
- vii. Evidence of authorization to act as agents and/or distributor to the original equipment manufacturer

All Authorized dealers are to ensure that the list of eligible third parties that meet the requirements above are submitted to the Bank for authentication before onboarding.

Please note and ensure strict compliance.



Dr. O.S. NNAJI
DIRECTOR
TRADE & EXCHANGE DEPARTMENT