

FINANCE UPDATE
**HIGHLIGHTS OF THE
CIRCULARS ISSUED IN
THE FINANCE INDUSTRY
IN FEBRUARY 2022**

Dear Esteemed Client,

Introduction

The Central Bank of Nigeria in February 2022 issued the below Circular. We hope that you find some of the information useful in your operations.

- **TED/FEM/FPC/GEN/01/002 – OPERATING GUIDELINES FOR THE RT200 NON-OIL EXPORTS PROCEEDS REPATRIATION REBATE SCHEME**

1. TED/FEM/FPC/GEN/01/002 – OPERATING GUIDELINES FOR THE RT200 NON-PROCEEDS REPATRIATION REBATE SCHEME

As part of the Central Bank of Nigeria's efforts to reduce the exposure of investors and businesses to volatile sourcing of foreign exchange and achieve a stable and sustainable inflow of foreign exchange in the country, it has developed an initiative named the RT200 FX Programme.

The RT200 FX Programme, aims to raise \$200 billion (\$480,422,772)¹ in FX earnings from non-oil proceeds between the next 3-5 years so as to insulate the Nigerian economy from FX shortages and is anchored on a five-point agenda which include enhancing FX inflows, diversifying the sources of this FX inflow, increasing the level of contribution of non-oil exports, ensuring stability and sustainability

of FX inflows and supporting export-oriented companies to expand their export operations and capabilities. Intertwined with the programme, is a Non-oil Exports Proceeds Repatriation Rebate scheme (the "Scheme") which will serve as an incentive to exporters in the non-oil export sector and encourage the sale of export proceeds in the Nigerian foreign exchange market. Under the Scheme, for every \$1 repatriated and sold at the Investors and Exports (I&E) window to Authorised Dealer Bank (ADB) for third party use, the exporter will receive N65 (\$0.16) while for every \$1 repatriated and sold at the I&E window for the exporters own use, such exporter shall receive N35 (\$0.08).

The Scheme and its implementation will be championed by the Trade and Exchange Department of the CBN and for products to be eligible for the Scheme, such products must be finished or semi-finished goods wholly or partly manufactured in Nigeria and the profits sold at the I&E window of the CBN. Eligible transactions for this incentive must also have completed the e-form NXP and must be duly registered both with the Corporate affairs Commission and the Nigerian Export Promotion Council. All applications for this incentive are to be submitted through the ADB where the e-form NXP was established and accompanied with documents as contained in the guideline.

While the CBN has noted that the guidelines are for immediate implementation, the guideline does not provide exact timelines for grant of approvals of requests to participate in the schemes. It is

¹ Using the exchange rate of \$1 to N416.3 as at 14th March 2022

important to note also that the success of the Scheme lies in the cooperation of the authorised banks with the CBN as the banks will be the intermediaries between the CBN and exporters and hopefully the provision of the guideline enforcing sanctions such as suspension of forex dealership license for 24 months where a bank is found circumventing the intent of the scheme will help to drive the success of the scheme. Notwithstanding, the Programme and Scheme remains an innovative and commendable move by the CBN and is hoped to ensure the stability and sustainability of FX inflows in the country.

For more information on the circular please refer [here](#)

For further enquiries, please contact:



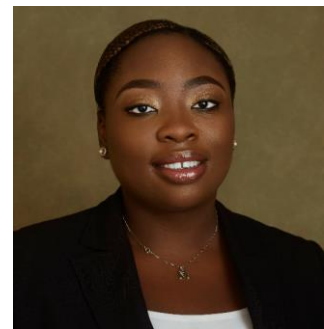
UCHECHI IBEKU

uchechi.ibeku@advocaat-law.com



GLORY OGUNGBAMIGBE

glory.ogungbamigbe@advocaat-law.com



MARGARET OKPO-MFON

margaret.okpo-mfon@advocaat-law.com