



CLIENT ALERT
NIGERIA INTRODUCES 15% IMPORT DUTY
ON DIESEL AND PETROLEUM PRODUCTS:
WHAT STAKEHOLDERS NEED TO KNOW

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INTRODUCTION

Following a memo by the Executive Chairman of the Federal Inland Revenue Service (FIRS), Dr. Zacch Adedeji, the President of the Federal Republic of Nigeria has approved a 15% import duty on petrol and diesel imported into Nigeria. The directive, titled “*Market-Responsive Tariffs Framework*,” is intended to promote local refining capacity and stabilise the downstream petroleum market. The directive derives its legality from Section 13 of the Customs, Excise Tariffs Consolidation Act which empowers the president to impose, amend or vary any import or excise duty.¹

POTENTIAL IMPACT OF THE IMPORT DUTY

While the new import duty could strengthen domestic refining capacity and advance Nigeria’s energy security objectives, it also raises broader concerns about short-term costs, given the country’s continued reliance on imported petrol and diesel to meet local demand. The enforcement of the duty could potentially lead to an increase in pump prices.

IMPLICATIONS

For importers, it may lead to higher landing costs and oil marketers may also experience cash flow constraints, requiring them to readjust their costing and pricing structures.

For domestic refiners, it promotes domestic refining and could attract fresh investments into the downstream sector, as competition from imported products withers.

Ultimately, the approval underscores the government’s commitment to creating a more market-driven and investor-responsive downstream sector.

NEXT STEP

The introduction of a 15% import duty on petrol and diesel represents a significant shift in Nigeria’s strategy towards achieving domestic energy sufficiency. According to the FIRS, implementation will commence after a 30-day transition window, allowing importers to adjust cargoes already in transit and ensuring a smooth rollout without market disruption. Stakeholders are therefore advised to use this period to review their existing operations, supply contracts, and pricing frameworks to ensure compliance and strategic alignment ahead of full implementation.

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¹ Section 13, Customs, Excise Tariffs Consolidation Act