

ECOWAS INTERSTATE ROAD TRANSIT SCHEME (ISRT)

The ECOWAS was formed primarily to facilitate the establishment of a single market in the West African sub-region, which would lead to economic development of the region. In fulfilment of that philosophy the Inter State Road Transit (ISRT) scheme, which is a guarantee scheme, was approved by ECOWAS Heads of States meeting in May 1980 as part of these regional economic integration efforts.

The Federal Government through the Federal Ministry of Transport appointed NEXIM as National Guarantor for Nigeria in April 1998. The appointment conferred on NEXIM the responsibility of guaranteeing goods transiting through Nigeria to other ECOWAS countries against the risk of diversion.

The scheme is designed to promote free flow of goods among member states; free of duties; taxes and restrictions while in transit.

Obligations of NEXIM as the National Guarantor

- NEXIM shall be the official Correspondent to the other fifteen (15) National Guarantors and shall act on their behalf in relation with the administrative authorities in Nigeria.
- NEXIM shall be responsible for the risk covered and shall make payments whenever the Principal Obligee fails to do so upon simple demand by Customs administration of a Member State.
- NEXIM shall also undertake to refund the amounts paid by other Correspondent(s) in place of and on behalf of the Principal Obligee who holds a NEXIM bond.
- NEXIM shall be responsible for the issuance of guarantee bond under the ISRT scheme.

Risk covered

The risk covered under the ISRT Bond is that of diversion of goods within a country other than the country of destination, which would result in a loss of import duties/charges that could have been paid to the Customs authorities in the country the diversion occurs.

Method of operation

Imported goods in transit to Member States are entered into Customs manifest at any entry port. The agent or owner of the goods on obtaining approval for a transit operation from the Customs Head Office completes the necessary entry forms and applies to NEXIM for a guarantee bond.

Thereafter, the agent applies to the Customs' Federal Operations Department for escort service and on release of the goods from the Area Command, proceeds to the exit border. At the border, which is also indicated on the transit entry, the escorting officers will

receive a certificate of landing which is issued by the Customs in the country of importation. This enables NEXIM to discharge the bond and end the transaction.

Completion of Proposal Form

The applicant Principal Obligee (Owner/Transport/Agent etc) shall obtain, complete and submit a prescribed proposal form, giving particulars of the intended transaction and a commitment to indemnify NEXIM of the duty payable to Nigeria Customs Service in the event of default.

Transit Declaration/Bond Form

In accordance with the ISRT convention and the rules spelt out in the agreement between National Guarantors, all goods shall be covered by Inter-State Road Transit declaration form otherwise known as the logbook, which comprise of four numbered leaflets in the colour of White, Pink, Yellow and Light Green and is distributed on completion as follows: -

(White)

This shall be detached and kept at the office of departure where it is checked against leaflet No 3 at the end of transit operation;

(Pink)

This shall accompany the goods and shall be deposited at the office of destination;

(Yellow)

This shall accompany the goods and shall be deposited at office of destination, which shall return the discharged leaflet to the office of departure;

(Light Green)

This shall accompany the goods and shall be deposited at the office of destination, which shall forward it to the body in charge of statistics in the member state of destination.

Completion & Use of Guarantee Bond

Each guarantee bond shall bear the name and address of the owner, Clearing Agent or Transporter, and shall cover at least the sum of duties, taxes which is payable on goods and possible penalties.

Guarantee Bond Fee

The fee payable shall be a minimum of 0.25% of duty payable. The fee shall be paid into a designated NEXIM account.

Other Formalities

The Principal Obligee, who is the owner of goods or his agents, proceeds with the remaining formalities, which include:

- Applying to the Federal Operations Unit of the Nigeria Customs Service for a customs escort.
- Ensuring that the Landing Certificate is obtained from the Customs office of destination and,
- On return, submit the Landing Certificate to the Nigerian Custom Service,
- The submission of the Landing Certificate to Nigeria Customs Service and the 3rd leaflet of the bond to NEXIM, discharges the bond.

For further information please contact:

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