

CAPITAL IMPORTATION

Memoranda 19 - 21 of the CBN Revised Foreign Exchange Manual (2018 Publication) stipulates that investor are allowed to bring in capital either in form of foreign currency or through importation of Plant, Machinery and Equipment.

The certificate proves that cash, equipment, or a combination of both from foreign investors has been received by an entity incorporated in Nigeria.

Authorized dealers shall issue electronic Certificate of Capital Importation (e-CCI) to an investor within 24 hours of receipt of the capital (where capital is in form of cash inflow), and within 24 hours of submission of final shipping and other relevant documents (where capital is in form of Plant, Machinery, and equipment. Where capital is in form of cash inflow, the foreign currency must be sold to the authorized dealer bank at an agreed rate and customer's account is credited with the Naira equivalent.

11.1 THE ELECTRONIC CERTIFICATE OF CAPITAL IMPORTATION (E-CCI)

The electronic certificate of capital importation (e-CCI) is a certificate issued by a Nigerian bank confirming an inflow of foreign capital either in the form of cash (loan or equity) or capital goods. Electronic CCI is usually issued in the name of the investor within 24 hours of the inflow of the capital into Nigeria.

Where the issuance of e-CCI exceeds 24 hours in respect of cash inflow and where documents exceed six months in respect of Plant, Machinery and Equipment, the Bank shall seek and obtain CBN approval before e-CCI issue. A register is maintained with specified format, capturing important information for reporting purposes.

The primary purpose of e-CCI is to guarantee access to the official foreign exchange market for repatriations of capital and returns on investment – dividend, interest, and capital on divestments. A copy of the e-CCI must be presented to the Nigerian bank to process a remittance by the requesting company.

11.1.1 WHY IS A CCI RELEVANT TO FOREIGN INVESTORS?

The possession of a CCI confers certain benefits on the foreign investor which includes the following:

1. The right to repatriate capital, dividends, and profits at the official foreign exchange market rates in a freely convertible currency subject to payment and deduction of all applicable taxes. This is particularly important to investors in a country like Nigeria where currency devaluation is a frequent occurrence.
2. The right to operate a domiciliary account with any authorised dealer for investment purposes; and
3. The right to invest in the securities of Nigerian companies.

11.1.2 HOW IS A CCI OBTAINED?

An application should be made to the authorised dealer, prior to the arrival of funds/equipment, requesting a CCI. The letter will be accompanied by supporting documents which the bank will request, depending on the nature of the capital being imported.

Historically, CCIs were issued in hard copy and, for repatriation purposes, the hard copy of the CCI had to be marked down by the bank. This has led to a situation where investors are unable to make repatriations if an original CCI had been lost or destroyed.

Detailed Documentation requirements for e-CCI issuance, transfer and subsequent capital repatriation are as detailed in Memoranda 19 – 23 of the Revised CBN Foreign Exchange Manual (2018 Publication) and amendments to date.

The Bank shall ensure that returns on all e-CCI transactions in the prescribed format are rendered promptly to concerned regulatory authorities.