

HEALTH & PHARMACEUTICAL UPDATE



MAY, 2020

COVID-19 UPDATE: EXEMPTION OF MEDICAL SUPPLIES FROM IMPORT DUTIES IN NIGERIA

The Federal Government of Nigeria has implemented new fiscal policy measures, towards facilitating the importation of essential medical supplies, as the nation continues in its attempts to combat the global pandemic crisis created by the COVID-19 Virus. Effective 1st May 2020, importers of medical supplies are to be exempted from paying Import Duties. This is in addition to the earlier exemption from the payment of Value Added Tax (“VAT”) stipulated by the Finance Act, 2019. Also, the Nigerian Customs Service has been directed to expedite the clearance of these medical supplies, albeit in line with their standard operating procedures for clearing humanitarian and relief materials. A welcome development, to say the least, as the Healthcare sub-sector remains one of the most crucial in the battle against the growing pandemic.

At the time of writing this article, the official figures have shown that there have been over 3,000 coronavirus cases, resulting in over 100 deaths in Nigeria. With the continued rise in these numbers, there is an increased pressure on the capacity of Nigeria’s publicly funded healthcare systems to be able to cope with the crisis.



Indeed waiving the import duties will go a long way in ensuring that critical medical supplies such as COVID-19 test kits & apparatus, protective equipment, digital thermometers, Ventilators, computed tomography scanners, extracorporeal membrane oxygenation, needles, gauzes, catheters, incubation kits, etc., are readily available and that they reach the frontline workers and end-users in a more timely manner.

Before the introduction of this tax relief, clearing of medical supplies was an expensive and gruesome process that negated the exigency inherent in the supply of these medical products to the end-users in Nigeria. This tax relief will be invaluable for the health and pharmaceuticals sector in the fight against the spread of the deadly coronavirus. In Britain, a similar waiver of import duties was also announced by the finance ministry as a measure to improve the supply of goods to hospitals.

With the current increase in demand for health care products and services, the exemption of essential medical supplies from import duties and VAT is a welcome development which it is hoped will have a positive impact in further protecting the health and welfare of Nigerians and to strengthen the healthcare infrastructure during and post the COVID-19 pandemic.

For Enquiries:

CHINYERE OKOROCHA

Partner & Sector Head, Health & Pharmaceuticals
chinyereokorocho@jacksonettiandedu.com

OLUFUNKE OLUMIDE

Associate, Corporate Commercial
olufunkeolumide@jacksonettiandedu.com