THE REVENUE GENERATION POLICY IN THE NIGERIA CUSTOMS SERVICES: A BEHAVOURAL CRITIQUE OF CORRUPTION-FREE REVENUE ADMINISTRATION IN THE NCS

BY

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DECLARATION

I hereby declare that this project was written by me under the good supervision and unique guidance of Mallam A.T. Sharubutu who took all the pains to peruse through my work and effect all the necessary corrections. That before now, no other similar work had been done or was carried out as at the time this research was conducted. All the information and data collated for this project that is not original had been duely acknowledge in my bibliography

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CERTIFICATION

This project entitled THE REVENUE GENERATION POLICY IN THE NIGERIA CUSTOMS SERVICE: A BEHAVOURAL CRITIQUE OF CORRUPTION-FREE REVENUE ADMINISTRATION IN THE NCS by AUDU PATRICK DIO meets the requirements governing the award of the degree of Master of Business Administration of Ahmadu Bello University and it is approved for its contribution to knowledge.

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DEDICATION

This research is whole-heartedly dedicated to my mentor General Abdulsalami Alhaji Abubakar (GCFR), Former Head of State and Commander in Chief of the Armed Forces of the Federal Republic of Nigeria and his family for making me what I am today.

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ABSTRACT

The Nigeria Customs Service is a child of necessity and so doing without it may have more adverse effect than expected. Although there is petroleum sector that contributes largely to the nation economy but this source of income may be short-lived since it is a gift of nature. Viewing this as an obvious fact, there is a need to adequately cater for the operation of the Nigeria Customs Service since it is the only well known system of Revenue generation in the world. In most countries where there are scarce natural resources, the customs systems have been the only way out for the economy. This form of Revenue Generation by history has aged as itself. Like other countries, in Nigeria, the propensity to source for fund in the Nigeria customs service depends solely on human vigil, risk and sacrifice. However, the fact remains that there are corrupt practices undergone by the offices and men of the service for purpose of self-interest. A critical and careful investigation into the cause of the corrupt practices revealed that Government on its part has contributed to this nefarious act by way of neglecting the service. This study has been intensively carried out and investigations by the use. of collated data on analysis have shown that corruption in the NCS were as a result of human and material factors. This study whose focus is to suggest ways of operating NCS by a way of corruption-free administration was absolutely made possible by the use of primary and secondary data information collated to arrive at comprehensive solution which eventually yielded possible suggestions to the government for the purpose of corruption-free Revenue administration. Statistical analyses have shown that the NCS has contributed immensely to the growth and development of this nation.

To achieve a vital result, a total of the (36) customs area commands and Abuja inclusive, were selected all over the country for a fair representation. Detailed structured questionnaires with open and closed-ended questions were administered to the individual officers and men of the NCS. The central measure of tendency and percentage, were used to translate all the information gathered and the collated data.

Mean, median, mode, percentages and time series analyses were utilised in the collation and interpretation of the data collated.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 GENERAL OVER VIEW

"No society is known to have made orderly progress without a sense of history" – ANON. The Nigeria Customs Service is a product of history, which has metamorphosed in various facets right from its inception in 1891 to date.

As John F. Due rightly observes, Traditionally, customs duties constituted the major source of Revenue in countries in early stage of economic and political developments.

Revenue generation is an integral part of the overall economic system of a country. Revenue generation is a seniquanon. It is the first need of any modern government and is considered to be the breath of the nostrils. The ever-increasing demand in human and natural resources is a quest for a high performance in the Revenue generation of the Nigeria Customs Service. Nigeria is a nation that is naturally endowed with tremendous deal of natural resources majoring from oil and gas, Customs and Excise, Taxation, Iron and Steel Industry, Mines and Powers etc. Before the oil boom of the late seventies, customs and excise was the major source of Revenue in the country. But now, the oil and gas forms the main stream of the present economic bedrock of the nation's economy. However, the need to boost the search major sector of Revenue generation (NCS) will never be over-emphasized.

It is important as well as necessary to lay emphasis on this form of physical exertion of input of man in terms of substantial investment of human capital to source for fund rather than relying on the oil sources which is a gift of nature. The propensity to source for fund in the NCS depends solely on human vigil, risk and sacrifice.

Comparative analysis has shown that the supply of oil is fairly in elastic while that of customs is bound to be elastic because of the artificiality involved in generating the Revenue. In view of this, comparism of these two major sectors can not be done on the same parameter.

On the basis of the foregoing therefore, it is strongly contended that the Nigeria Customs Service is the most viable Revenue generating sector using man hour in the country and second to none. Inspite of the hazards encountered in the process of discharging the duty of the service, the Revenue generating capacity is on the increase. Uneqiuocably, the Nigeria Customs Service remains a cushioning sector that has and will continue to supply fund for the execution of many government projects since its inception in the 18th century.

Cursorily looking therefore, it is imperative that the contribution of the NCS occupies a strategic position in the body economy of Nigeria even if the price of Crude oil continues in either way of increasing or decreasing. Ironically, with all these huge Revenue generation sources, Nigeria still maintains high level of indebtedness as a result of corruption and mismanagement. The most ugly situation in the NCS is that the service is perceived by the vast majority of the public as corruption-zone for fraudulent activities where selfish interests are vested in discharging the primary functions of the Nigeria Customs Service. However, there are still some individuals who believed that such perception is a misconception unless there is a yardstick for measuring the performance of the Nigeria Customs Service is established.

Nevertheless, to some extent, it is a truism that there are some unscrupulous elements "bad eggs" among the majority in the service who have dented the service image.

This study was carried out in order to bring to the lame light the true position of the NCS with regards to their primary functions of tax collection and administration. To this effect, it is pertinent for us to define taxation and see why governments of most countries all over the world centered their attention on such collections of Revenue through taxation.

Taxation in general is a compulsory contribution imposed by the governing body of a nation or state. In Nigeria such body may be the federal, state or local governments. In most cases, it constitutes the main source of government Revenue before the advent of crude oil and gas in the country. Tax policy provides mechanism for influencing consumer demand, providing incentives for production, investment and saving. Tax thus is a vital factor for promoting economic and social-political growth and stability of the country.

Tax is imperative in a mixed economy like our Nigeria where means of production is partly in the hand of few at the detriment of the majority.

As applied to other developing countries, Nigeria is also faced with the problem of scarce resources in the face of the ever-increasing demands. In the light of these problems, the government of Nigeria has device strategies and polices to suit the effective ways of generating revenue to cater for the numerous demands of the ever-increasing population.

1.11 CLASSIFICATION OF TAXES

There are two major types of taxes

DIRECT TAX: This is imposed on and collected directly from person on whom the tax is levied. It simply implies that the incidence of taxation falls directly on the person paying the tax e.g Personal Income tax; Company tax, Expenditure tax, Capital tax and Inheritance tax etc.

INDIRECT TAX: This form of tax is not levied directly on the person who pays it. The person who is legally taxed escapes payment by shifting the effect on the real consumer of the commodity. Examples of such taxes include Import duty, Export duty, Excise and Property tax.

1.12 THE CANNONS OF TAXATION

This is implemented by the Nigeria Customs Service in the following ways.

(i) **Equity:** All the assessments the Department makes are based on the Tariff uniformly applied all over the federation regardless of state, route and status of the importer, exporter or the excise manufacturer.

(ii) **Certainty:** The rates of duties related to Import and Export and excise goods are contained in the Tariff. Dealers in the NCS related businesses are advised to buy copy of such tariff and this will enable the user to know in advance the rate of duty and the equivalent naira amount to be paid on or before the arrival of the goods at the seaport, airport or border stations. This procedure also covers the question of where, when and how and what to pay to the Nigeria Customs Service.

(iii) **Convenience:** Instantaneous payment of duty can be delayed to the point of destination of goods in order to suit the trader's interest. e.g in the bonded warehouses. In most cases such duties are delayed for convenience on the part of the trader. As in the case of excise duty, such collection can be made in arrears i.e on the 21st day of the succeeding month, for production made during the month.

(iv) **Economy:** At this point of assessment, canalization of traffic is strictly observed. The officers and men assigned on duty are so concentrated at approved ports and airports where ships and aircraft report on arrival and entry and examinations of the goods are made on the spot. In the case of excise factory, assessments of goods produced by the trader are still verified by the excise officers.

1.2 STATEMENT OF THE PROBLEM

The Nigerian economy has been bastardised through mismanagement by selfish and unpatriotic citizens that headed the past administrations. The result of which has made us a debtor and beggar nation. There is in-adequacy of food at reasonable prices for our people who are now fed up with endless importation of foodstuff. Health services are paralyzed as our hospitals are reduced to a mere consulting clinics without drugs, water and equipment. Our educational system is rapidly deteriorating at an alarming rate and characterised by persistent crisis at various levels. Unemployment figures including graduates have reached embarrassing and unacceptable proportion. In some states, workers are being owed salary arrears of eight to twelve months and in others there are threats of salary cuts". There were the words of General Sani Abacha as far back as December 31 1983 when he was yet to handle the mantle of leadership of this great nation.

In view of this statement, one still wonders if the above situation is any much different today. The resultant effect of which has a multiplier effect on our social, political and economic growth and development. What we continue to hear is persistent inflation, crime waves, crises and huge debts. My commendation goes to the present government, which has recently taken all necessary and bold steps in a bid to alleviate this unfortunate situation and its reoccurrence. Such policies as probing of past military/civilian administrators at all levels, revisitation of contract awards, privatisation and commercialization enacted by the House of senate (the highest decision making body in the country) is a great step forward. However, we still can not stay away from some of our lukewarm attitudes towards boosting all the economic sub-sectors that are permanent indicators of a good economy nation. It will be suicidal if a sector is favoured to the detriment of the others – such is the case of our present economic predicament where only the oil sector is pampered, nourished, explored and exploited, leaving the customs and Excise, agriculture, mines and powers untapped.

It is pertinent to note, maintain accord and acknowledge the initial and continual efforts of the Nigeria Customs Service for its vital role played since its inception especially towards generating income that facilitated the existence of the present booming oil sector. There is an adage that says "Do not bite the finger that fed you." It is in this regards the Nigeria Customs Service should be given uttermost priority in terms of financing, since its success solely depend on human efforts to some extent.

The unfortunate situation that is also experienced by the NCS is the cases of corruption and mismanagement in the system.

There is a general belief that if you have a problem and you are able to identify them, the problem is half-way solved. It is high time we outline our defects and find lasting solutions to these problems, which have eaten deep into our fabrics.

Should the NCS and other sub-sectors of the Economy be dumped because of the booming oil sector? Are there any benefits in diversification?

The situation we are facing presently in Nigeria is like that of a chicken that lays many eggs and hatching just but one.

Should we insist on depending on oil and gas only, then we must be prepared to face the wrath of other eventualities especially act of God. However, it is a known fact that in developed countries all economic sub-sectors are properly made viable in order to complement the contribution of each sector. In view of this, it is imperative for our great Nigeria to join the comity of nations by prioritising all viable economic sub-sectors especially the Nigeria Customs Service in order to boost the total economic buoyancy of the Nation.

It is unjust to give the Dog a bad name simply because you want to crucify the Dog. So let the Nigeria Customs Service exist as a cornerstone inspite of all odds.

1.3 HYPOTHESIS

(1) Alternative Hypothesis

The Neglect of the Nigeria Customs Service in terms of financing (equipping, training, remuneration, health etc) is responsible for the relative low performance as well as the high level of corruption in the NCS.

Null Hypothesis

The Neglect of the Nigeria Customs Service in terms of financing (equipping, training, remuneration, health etc) is not responsible for the relative low performance as well as the high level of corruption in the Nigeria Customs Service.

(2) **Alternative Hypothesis**

The appointment of Non-carrier officer to head the Nigeria Customs Service is responsible for the relative low performance in Revenue generation in the Nigeria Customs Service.

Null Hypothesis

The appointment of Non-carrier officer to head the Nigeria Customs Service is not responsible for the relative low performance in Revenue generation in the Nigeria Customs Service.

1.4 JUSTIFICATION OF THE STUDY

The accounting for Revenue generated by the service from Customs and Excise duties is as important as the establishment of the NCS itself. This is an obvious fact because if there were no proper accounting, accountability and probity, then the entire situation would be like beating a deed horse in an attempt to build a viable economy. This study attempts to give us an assessment of all the contribution of the Nigeria Customs Service from the viewpoint of a financial analyst whose profession cuts across the board. The financial analyst deals with facts and figures and looks at them both from the micro and macro-economic points of views. The study is intended to shed more lights on the Nigeria's economic, social and political chessboard. It will also dig out the loopholes that persist in giving the NCS the bad name instead of the befitting and glorious name. By so doing, the views of the public can be maintained or changed. The study is also very pertinent in that it views the fact by touching from the nitty gritty of the duty of the NCS, records and accounts, to the laws governing the service, the role of the NCS, and finally attempts to identify some problems associated with this sector in their bid to generate Revenue for the nation.

At the end of this research, solutions to these problems were preferred. This work will be of a great value to readers especially policy makers and economists who would be able to develop positive attitudes towards transforming the economy by prioritising the affairs of the NCS.

1.5 OBJECTIVES OF THE STUDY

The objectives of the study include a delve into the metamorphosis and transformation in the Nigeria Customs Service and its revenue contribution to the nation's economy. This objective surfaced from the consideration of the historical part linking with the present and subsequently culminating with the futuristic prospects of the Nigeria Customs Service. The study is also aimed at an investigating the root cause of corruption among the officers and men of the Nigeria Customs Service in the cause of performing their primary functions.

Anther objective of this study is to find a lasting solution to lack of probity, transparency and accountability, and funding (financing the service).

Lastly, the study is aimed at making critical suggestions and recommendations to the problems associated with the NCS in its course of Revenue generation and administration.

1.6 SCOPE OF THE STUDY

This research covers the role played by the Nigeria Customs Service in generating Revenue to the nation since its inception to date. The history of Revenue generation and that of the activities of the Nigeria Customs Service were considered. The laws governing the operation of the NCS were considered. The three major source of Revenue Generation in the

NCS – Import, Export and Excise units were given adequate attention. Corruption on the part of those involved in duty collection and their customers were considered and the various ways to curbing the menace were proffered.

A good evaluation study of Revenue generation in the NCS at the air, sea and border station (approved and unapproved) check points and parcel posts were undertaken. It also covers some segments of the public that operate directly or indirectly with the service such as the manufacturers, importers, exporters and other agents.

This study can not be considered a comprehensive analysis of the Revenue generation policy in the NCS because the analysis is subject to statistical significance and since the extent to which the research findings can be generalised is limiting.

1.7 LIMITATION OF THE STUDY

During the course of this research study, a lot of obstacles were encountered. Some of these infringements include:

(1) **Financial Incapacitation:** The present general economic recession in the country where virtually the majority of the people are living from hand to mouth, leaving the few bourgeois who are in control of the economy unaffected. I was a victim of the recession and therefore found everything concerning the use of money for my project very difficult. However, my little effort has yielded this added knowledge to the human race.

(2) **Unavailability of Statistics:** The lukewarm attitude of public offices to keep vital statistics for references in Nigeria has to some extent paralyzed my efforts in a bid to arriving at comprehensive deduction.

(3) **Secrecy for giving out information:** Some information in the NCS and other bodies like Ministry of Finance could not be collected due to the general norm of not divulging official secrets.

(4) **Communication:** The communication system in Nigeria is unreliable and this in effect has made it difficult for me to obtain information at ease from various commands and Headquarters. And where it was possible, the cost of running it was, very High.

(5) **Time Frame:** Time they say is money and the best manager is one that manages time. In the course of obtaining data, a lot of my time was wasted by some public officials. Also, the research work came at a time I had both transfer and refresher training course.

1.8 PLAN OF THE STUDY

This Research study is divided into five major chapters.

Chapter one introduces some vital aspects of the study. It states the background or the General overview, the problem of study, hypothesis, objectives, justification, scope plan and definition of terms and acronyms of the study.

Chapter two contains the review of the literature. The review of literature will cover the concepts of Revenue Generation in the NCS, polity instrument of the NCS, establishment of NCS, powers and duties of the NCS, structure, functions and sources of Revenue Generation in NCS.

Chapter three contains the research methodology that was adopted. It also contains the information about the research design, sources of data, the method of data collection, the population and sample size and also the information on data analysis techniques.

Chapter four focuses on the major aspect of the study which is the analysis and interpretation of the data collected for the purpose of achieving meaningful results through the administered questionnaires.

Chapter five contains the summary of the Research findings as well as the conclusions and the recommendations.

1.9 DEFINITION OF TERMS AND ACRONYMS

Revenue: Income, especially the total annual income of a state. It means the grow in flow of cash receivables or other consideration arising in the course of ordinary activities of an enterprise from the sale of goods, from the rendering of services and from use by others of enterprise resources yielding interests, royalties and dividends.

Petroleum: This refers to any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in Nigeria but does not include liquified natural gas, coal bituminous shells, or other stratified deposits from which oil can be extracted by destructive distillation.

VAT - Value added tax.

CPC - Computer Processing Centre

CPU - Central Processing Unit: This is a place where the import & export documents are processed for purpose of goods clearance.

Customs Duty: Duties collected on imports and exports of the country.

Excise duty: It refers to the duty collected on locally manufactured goods.

Excise factory: Local manufacturing industries that is linsed by the NCS, to pay duty.

NCS - Nigeria Custom Service

DCG - Deputy Comptroller - General of the Nigeria Customs Service.

ACG	-	Assistant Comptroller-General of the Nigeria Customs Service
CAC	-	Customs Area Comptroller of the NCS.
WCO	-	World Customs Organisation.
GATT	-	General Agreement on Tariff & Trade
CEMA	-	Customs and Excise Management Act.
IDR	-	Import Duty Report
CCF	-	Clean Certificate of Finding
EEC	-	European Economic Community
NESS	-	Nigeria Export Supervision Scheme
RFI	-	Request for Information
FOB	-	Free on Board
CIF	-	Cost Insurance & Freight
ASYCUDA	-	Automated System for Customs Data
CCCF	-	Customs Community Consultative Forum
CBN	-	Central Bank of Nigeria
SAD	-	Single Administrative Document

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CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter will be dealing with the analysis of Nigeria Customs Service. The historical background of Revenue generation policy in Nigeria will be first considered. In line with the write up will also be the historical development of the Nigeria Customs Service. The legistilations governing the efficient and effective collection of Revenue are discussed. For any system to be functional there must be good organisational structure that will ease the flow of authority, its delegation and responsibility to and from the functional bodies. The effect of which results to good or bad performance.

2.2 CONCEPT OF REVENUE GENERATION

It is a known fact that from time immemorial, communities traded with each other and the traders were expected to pay "toll" to the chief of the community through which they passed and those they wish to trade with. A ruler of a community could send a letter to his counterpart of another place they wish to trade with to exempt them from "toll". In view of this arrangement therefore, "tolls" were collected as tax in different areas where goods were bought and for passing through with the goods.

With the coming of the colonial masters in Nigeria, an organised national system of paying duties on imported, exported and excisable goods and their points of collections were formalized.

2.21 THE NIGERIA CUSTOMS SERVICE AS AN INSTRUMENT OF POLICY

"The casual observer is likely to be impressed with the detachment, the almost mechanical, impersonality of national policy decisions. This is because he does not take a close look. These decisions are and will hopefully continue to be man made policy decisions. Decisions are made on the basis of facts as seen by decision-makers. But one can never know reality directly and so decisions are based on images – pictures which are intended to represent reality – the leaders inner motives".

The question of impersonality did not arise either during the colonial state or at the current situation. Human beings at all levels of governance are often involved in policy decision on the basis of the leader's perception and the inner convictions. Once a decision is taken and an instrument is structured to translate policy guidelines into practice, an indication of leaders path into reality. The establishment of the department of customs in 1891 was premised on what the colonial state considered as its political and economic image. It was a decision taken among others by the constituting the department of customs.

The concept of choice can be used inter-change ably with decision.

As rightly emphasized by Godman R. A., at any level of decision making, the rational person "is one who has a stable and well organised system of preferences as well as a skill in computation that permits him to calculate which of the alternative courses of action available to him will permit him to reach the highest attainable point on his preference scale.

Inevitably, the colonial authority must have thought of alternative options in terms of structures that were capable of collecting revenue. The environment of choice at that point in time focused on how its philosophy, which stressed the fact that every colony should source its own fund, could be sustained. So the choice of the Department of customs which who organised under the ministry of finance was a right decision. It should be noted that policy decisions are partly determined by what one may call "probability estimate" based on previous experience or realities elsewhere.

By implication therefore, the establishment of Department of Customs in Nigeria in our candid opinion was partly attributed to a synthetic experience of the British imperial power elsewhere. So the various policy strategies adopted by the colonial and post-colonial administration normally had to reflect the character of the environment.

To achieve the objectives of any policy, the structure of a policy instrument is very important. It is within this structure of a formal policy instrument that decisions can really be strengthened and substance upheld.

See fig. 1 for structure of policy instrument.

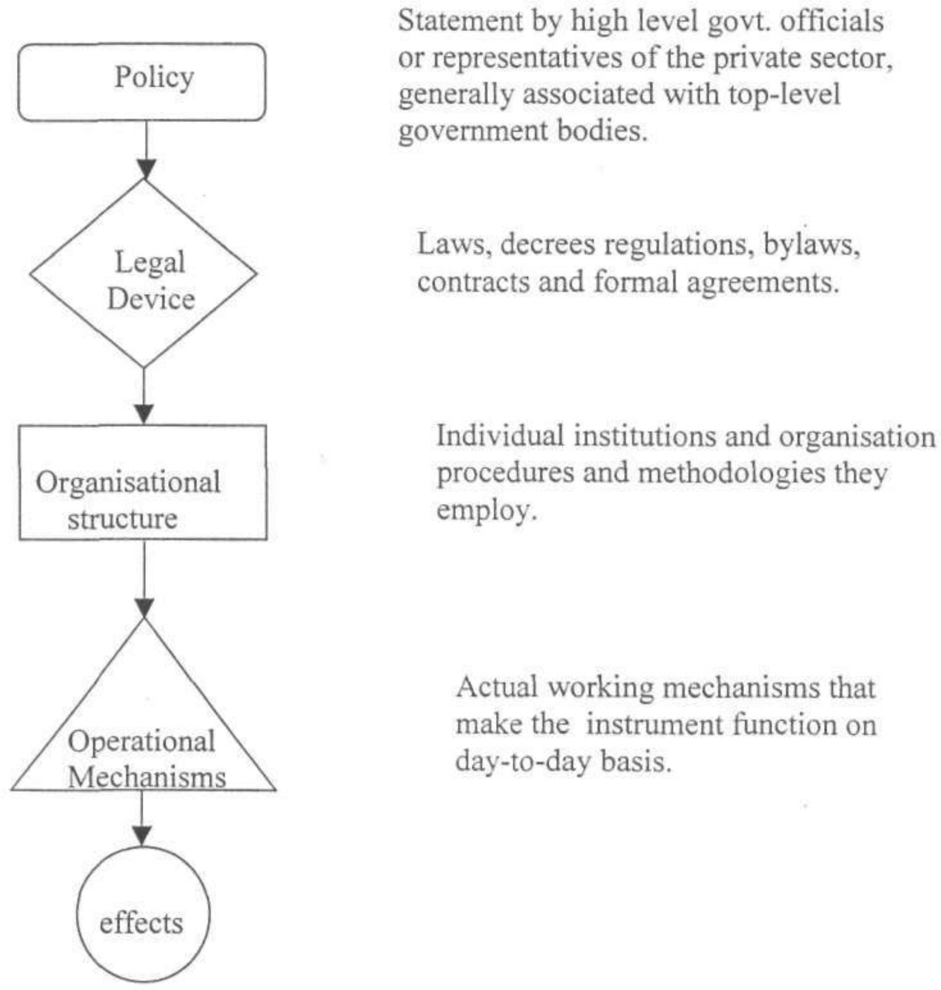


***Fig. 1**: Structure of policy instrument*
***Source:** Science and technology policy in less advanced*
***Countries:** methodological guideline for S.T.P 1 IDRC*
Ottawa Canada, 1976, p. 17.

The policy instrument constitute the set of ways and mean used when putting a given policy into practice as defined by Fagasti and Araoz – 1975 page 13. Once a policy decision has been initiated, the instrument has in its legality very often determined and controlled by the actor or decision-maker. The structuring of a policy is by no means an end but the very means of an end. What matters in this context is the organizational structure or institution and methodology for translating policy statement at high levels into reality. The structuring of the customs Department by various government in Nigeria and the regulations that governs its operation only become meaningful when various organizations and such as ministry of finance, non-governmental organisation, etc. were assigned responsibilities of working out the procedures and methodologies that can ensure its effective performance. In view of this, the Customs Department has within itself, certain mini-Division and units that are structured to follow the laid down regulations in order to facilitate the translation of government policy of revenue generation into practice. The policy instrument is also effective if the operational mechanisms have been adequately organised to make the instrument adaptable and adjust to peculiar needs of the environment. It was on this basis that the Department of Customs right from its inception in 1891 to date has experienced some percussive and strategic charges at different times in its operational mechanisms as structured by various administrations. However, the very existence of a policy instrument and its operation are only important if the policy has been properly organised and managed to achieve the stated objective.

2.3 ESTABLISHMENT OF THE NIGERIA CUSTOMS SERVICE

What is now known as the Nigeria Customs Service – a paramilitary organisation could be said to have been established a little over a century ago when the British colonial administration appointed Mr. T. A. Wall, in 1891, as the Director-General of Customs for the collection of inland Revenue in Niger Coast protectorate. This is the formalization of duties which the Department had been performing under the Royal Niger Company.

The Name Department of Customs and Excise emerged in 1922 when the first comptroller of Customs and Excise, Federation of Nigeria was appointed. Towards the end of 1945, the Customs and Excise preventive service was established under the leadership of Mr. Nicol – a Briton. This was made up of two Divisions – Maritine and preventive. The Maritine Division has the responsibility of collecting import and excise duties and other related functions while the preventive Division was responsible for enforcement duties, which included prevention of smuggling as well as arrest and prosecution of smugglers.

Sequel to the promulgation of the Customs and Excise management Act No 55 of 1958, the affairs of the Department were brought under the management of the Board. The chairman of the Board of Customs and Excise was made the Chief Executive Officer of the Department. Mr. E. P. C. Langdon, a Briton, was appointed the first Chairman and Chief Executive Officer in 1959. The same year S. G. Quinton succeeded him.

The attainment of independence in 1960 led to the Federal Government Nigerianization policy which brought about the appointment of the first Nigeria Chairman of the Board and Chief Executive Officer in the person of Mr. Ayodele Diyan in 1964. He later died in 1968 and was succeeded by Mr. Henry Etim Duke.

The Decree No. 7 of 1970 granted additional powers with the definition of the membership of the Board. Additional members were now to represent the Federal Ministries of Economic Development and Reconstruction, trade and industries. The intention of this decree was to broaden the scope of the national interest which will make for the better guidance in the Board's decision.

With the change of Government in 1975, the three top management personnel were retired from the public service and the post of chairman of the Board was abolished and replaced with that of Director. By virtue of Decree No. 41 of 28th August 1995, all the powers that were hitherto conferred on the Chairman and Deputy Chairman of the Board were vested in the Director of Customs and Excise and his deputies.

Alhaji Shehu A. Musa, who on 28th August 1975, appointed the First Director of Customs and Excise. His tenure was brief as he had the mandate only to re-organise the Board and Department of Customs and Excise. His proposals, which were breathtaking in-depth and scope, were submitted within six months of his appointment.

Hitherto, the Department was operating as two parallel service Revenue (Technical) and the preventive (Enforcement). This parallel method of running the two services created serious conflicts and immense administrative problems. This seriously affected the overall efficiency and attitudes of officers and men with the attendant negative impact on the image of the Department.

Thus on the 1st April 1977 the first major reorganization of the Department took place. The present unified service of the Department of Customs and Excise was the result. Precisely this means unifying the Technical and the preventive services into one integrated service where offices and men are to service in any of the two without hindrance. The unification structured the Department into five main professional Directorates viz:-

(i) Customs and Excise Revenue Directorate.

(ii) Customs and Excise Enforcement Directorate.

(iii) Customs and Excise Investigation Directorate.

(iv) Customs and Excise Inspection Directorate.

(v) Customs and Excise Economic Relation, Research and Planning Directorate.

A Deputy Director headed each Directorate. The overall head was still the Director, Department of Customs and Excise and the Chairman, Board of Customs and Excise. In addition, there were four divisions whose headship was drawn from the pool of the public service. These were the Administrative, Legal Finance/Account. and Internal Audit. Mr. Oyebode Oyeleye was the first Director under this new arrangement.

The year 1985 witnessed yet another major structural change as the Department was removed from the Federal Ministry of Finance to Internal Affairs. This was sequel to the Government's acceptance of the recommendations of the study group on customs smuggling which was headed by Alhaji Yahaya Gusan. Thus, the Customs, Immigration and Prisons Services Board was created with the promulgation of Decree No. 14 of 11th January 1986.

The Decree abolished the Board of Customs and Excise with the new Board taking over its function and in addition absorbed the functions of the federal public service commission with regard to appointment, promotion and disciplinary control over staff of the Department.

The Honourable minister of Internal Affairs became the Chairman of the CIPB with the Director of customs and his counterparts of Immigration and Prisons Department as members. Alhaji Abubakar Musa was the first Director under this arrangement. The CIPB embarked upon an extension reorganisation programme for the three services in the Federal Ministry of Internal Affairs – Customs Immigration and prison services.

The most significant structural change changes that gave birth to the present day Customs and Excise Department took place on 16th February 1988 with the re-grading the post of Director of Customs and Excise from salary grade level 16 to salary grade level 17. The Deputy Director post was increased in number i.e from five to six and the salary was upgraded from grade level 15 to grade level 16. These new re-organisation gave birth to these six divisions viz:-

(1) Finance, Administration and Technical Services (FATS)

(2) Customs

(3) Enforcement and Excise

(4) Excise and Industrial incentives

(5) Economic Relations, Research and Planning

(6) Inspection and Investigation.

The post of Assistant Director was created on salary grade level 15. The functions of the Department were decentralized through the Zonal commands to facilitate decision making process. Zonal coordinators are to be in charge of the Zones while those in charge of states are to be known as Area Controllers.

Dr. Bello Haliru Mohammed was the first Comptroller-General under this arrangement.

In 1992, the Department of Customs and Excise was transferred back from Ministry of Internal Affairs to Ministry of Finance and in addition its status as a para-military organisation was recognised. It has since been known as Nigeria Customs Service. There was an appropriate alignment of salary grade. Levels and a restructuring with what obtains in the Nigeria Police Force.

With the change in Government on November 1993, the Federal Government set up the Major-General Paul Tarfa panel to probe the activities of the Nigeria Customs Service. The panel was given one year to conduct the probe and in the meantime a Sole Administrator in the person of Brigader-General (Late Major-General) S. O. G. Ango was appointed. Major-General S. O. G. Ango had a different approach to ensuring that there was considerable improvement in the delivery of the service responsibility. He has emphasized transparency and accountability in cargo clearance procedures. Tallying of cargo imported into Nigeria for reconciliation with the manifest was resuscitated. This has reduced considerably the practice of submitting incomplete manifests.

In addition, the cargo clearance procedure was improved by reducing the number of functionaries hat handled the pro-active Bills of entry from seven to one. This created the Customs Processing Centre (CPC) from the old long-room procedure in December 1996. Modernization has also featured greatly in the Sole Administrator's drive. This has manifested itself in the overseeing of the installation of an up-graded version of the computerization of the cargo clearance procedure from the documentation to the physical examination and release of imported goods. ECOWAS Community Computer Center has been working on the Nigeria Asycuda project since July 1997 when the agreement was signed.

As a result of change in the Federal Government of Nigeria on the 8th July 1998, due to the demise of the Late Head of State, General Sani Abacha, the mantle of leadership naturally fell on the formal Head of State General A. A. Abubakar. Another greatest event that took the right course was the decision taken by General A. A. Abubakar to have appointed the first indigenous carrier officer February 1999, in the person of Alhaji Mustapha as the Comptroller General of the Nigeria Customs Service. This decision by the Government was considered as "the right autocratic/democratic decision geared towards achieving efficiency, effectiveness and high productivity.

As a carrier officer, Alhaji Mustapha has now taken steps to rejuvenate the falling standard of performance in the service through the use of motivational factors such as promotion and upgrading, Health delivery, Training and Staff development. Etc.

The Comptroller-General of Nigeria Customs Service since his assumption in office, initiated a consolidatory seat to CPC called the "Reconciliation seat that facilitates the modalities for the implementation of the reconciliation of account, Remittance of customs duties paid to the designated Banks and remittance of same to the Central Bank of Nigeria. This is a marathon step taken to achieve high performance in Revenue generation.

2.4 POWERS & DUTIES OF THE NCS

There are some legislation, rules and regulations that direct and guide the activities and functions of the Nigeria Customs Service as well as its officers and men. Such powers are vested in the service as contained in Customs and Excise Codes, and notices, and various decrees. Most powers of the service are derived principally from the Customs and Excise Management Act (CEMA) No. 55 of 1958 as amended by various decrees.

Today, the Nigeria Customs Service Board is vested with the responsibility of formulating general policy guidelines for the service. The central points of the CEMA that affects the day to day performance of duty by the officers and men of the service are:

(i) The setting up of customs ports, airports, and stations as the only approved points of entry (importation) and exit (exportation) of passengers and goods in the country. This is called canalization of passengers and goods and it is provided for in CAP 3 sections 12 – 21 of CEMA.

(ii) Importation of goods (CAP 3 sections 22-34)

(iii) The levying of import duties (CAP 3 sections 35-42)

(iv) Offences connected with import and penalties relating to them (CAP 3 sections 43-44)

(v) Storing, clearing, forward and Exportation (CAP 3 sections 45-56).

(vi) Offences connected with exportation and penalties (CAP 3 sections 57-58)

(vii) Items liable to excise duty (CAP 5-8 sections 95-11)

(viii) General powers and agents (CAP 10 sections 128-147).

(ix) The powers to arrest, and search without warrant are provided for in sections 8 and 131 of CEMA respectively. Section 8 provides: "For the purpose of carrying out or enforcing the provisions of customs and excise laws, all officers shall have the same powers, authorities and privileges as given by law to police officers"[1].

Section 131 provides: "Where there are reasonable grounds to suspect that anything liable to forfeiture under the customs and excise laws is kept or concealed in any building or place, any officer at any time may without warrant enter that building or place at anytime, whether by day or night search for, seize, detain or remove any such thing and may so far as it is reasonably necessary for the purpose of such entry, search, seize, detain or remove, break upon any door, window or container and force and remove any other impediment or obstruction."[2].

With particular reference to Revenue collection the powers of NCS can be found in two main bodies of legislation, CEMA Cap 84 and the Nigeria Customs and Excise Tariff (Consolidation) decree No. 4 of 1995 as amended. Of relevance to use here are the following parts of laws.

(i) Section 4(1) of the CEMA gives the NCS officers and men the powers to collect revenue.

(ii) Section 194 empowers NCS officers and men to combat smuggling in all its ramifications.

(iii) The Customs Excise tariff etc decree No. 4 of 1995 sets out the tariff for revenue collection with regards to imported goods, exported goods, as well as excisable goods produced in Nigeria (1995-2001).

(iv) The Federal High Court Act of 1977 removed from state high courts jurisdiction over customs and excise matters and transferred this to Federal High Courts.

(v) The pre-shipment inspection of imports acts of 1979 created new accounting documents for revenue generated from imports e.g Form M, Clean Report of findings etc.

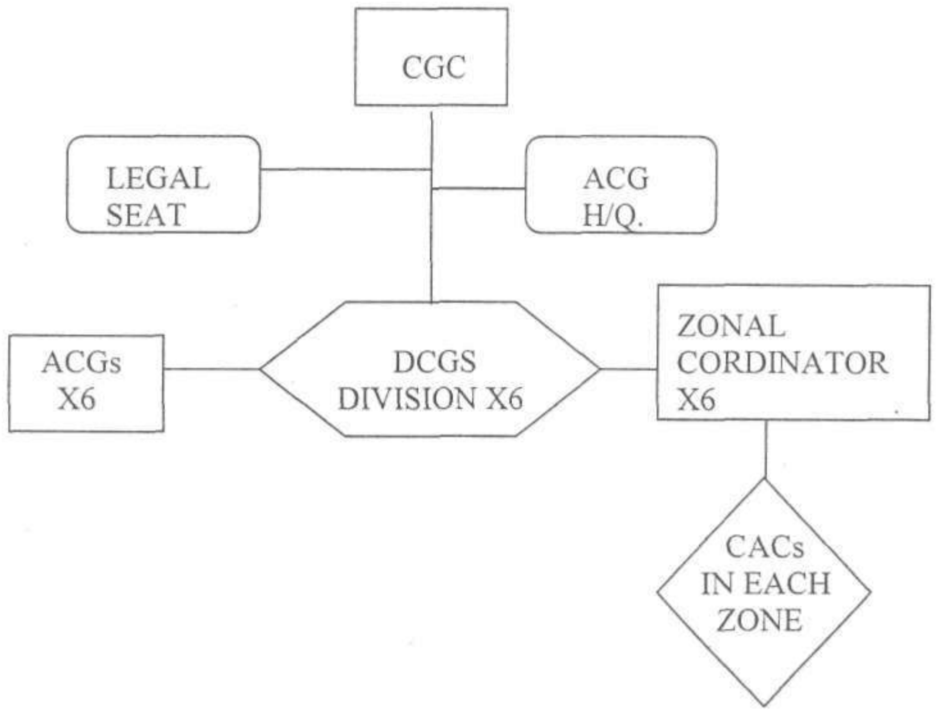
In pursuit and exercise of these powers in the national interest, the Nigeria Customs Service has been performing its duties and functions with diligence and being accountable to the Federal Government of Nigeria.

2.5 ORGANIZATIONAL STRUCTURE OF THE NCS

2.51 NATIONAL STRUCTURE

The Nigeria Customs Service has its national Headquarters at Abuja. To promote prompt and smooth administration, the entire country is divided into six zones, which are headed by Zonal Coordinators. Reporting to the Zonal Coordinators are the customs area controllers who in turn have the field officers under them. As at present, we have forty-eight area commands and 148 preventive border stations and ports. Some of these preventive stations are not operational due to inadequate fund to service them.

Fig. 2.51 gives the structure of NCS.



The recent changes in the NCS brought the headship of the NCS to Alhaji A. A. Mustapha. He is assisted by six Deputy Comptroller–Generals who are in turn assisted by six Assistant Comptroller-General with each of them heading one of the six divisions.

(i) Finance, Administration and Technical Service (FATS)

(ii) Customs

(iii) Enforcement and Drug (E&D)

(iv) Excise and industrial incentives (Exc./Ind. Inc)

(v) Economic Relations Research and Planning (ERR&P)

(vi) Inspection and Investigations (INSP. & INV).

The heads of various divisions are responsible to the Comptroller-General who is based at the Headquarters. Also responsible to the Comptroller-General is the Assistant Comptroller-General in charge of affairs of national Headquarters.

2.52: DIVISIONAL STRUCTURE

It is educative to show and examine the structure of the six divisions in order of their previous arrangement.

Fig. 2.52 shows the structure of Finance, Administration, and Technical Services (FATS)

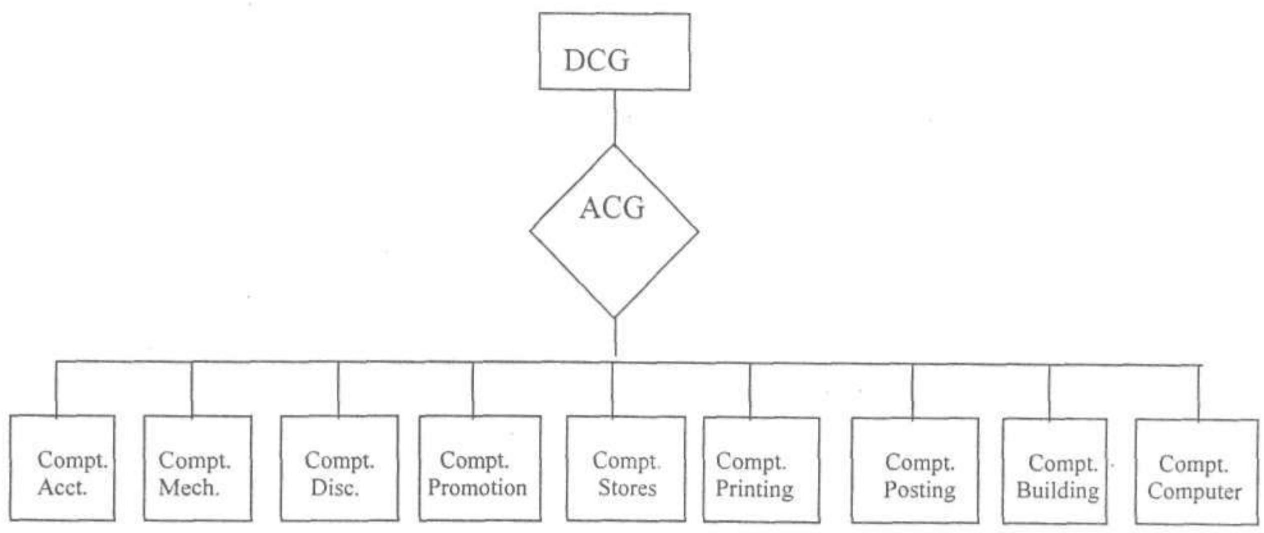


Fig. 2.52 Structure of FATS

2.53 Structure of the Customs Division

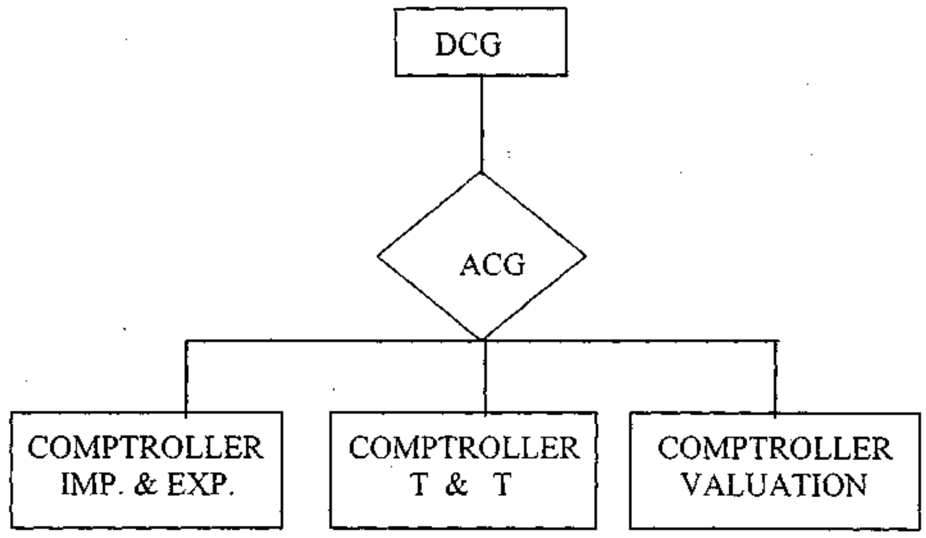


Fig. 2.53: Structure of the Customs Division

2.54 The structure of the Division of Excise and Industrial Incentives.

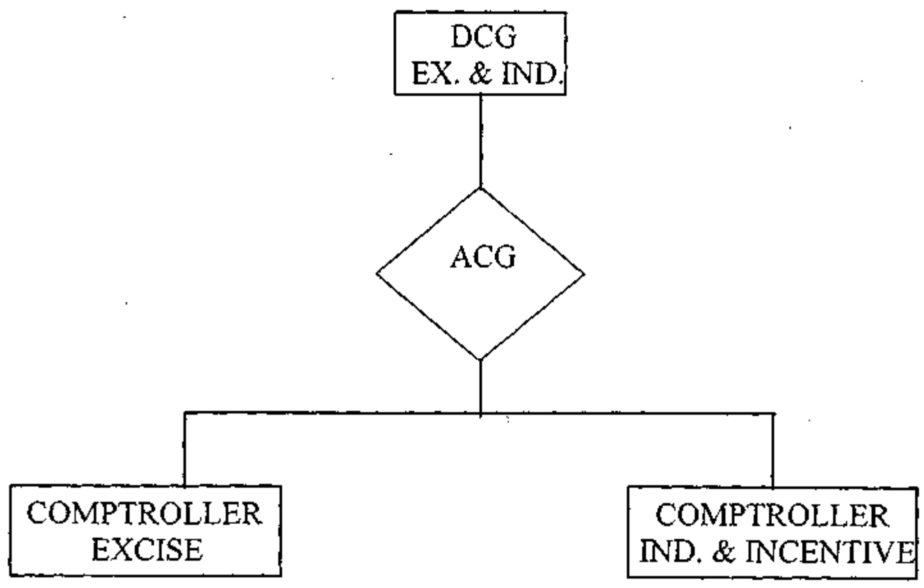


Fig. 2.54: Structure of Excise and Industrial Incentives Division

2.55 Shows the structure of the investigation and Inspection Division

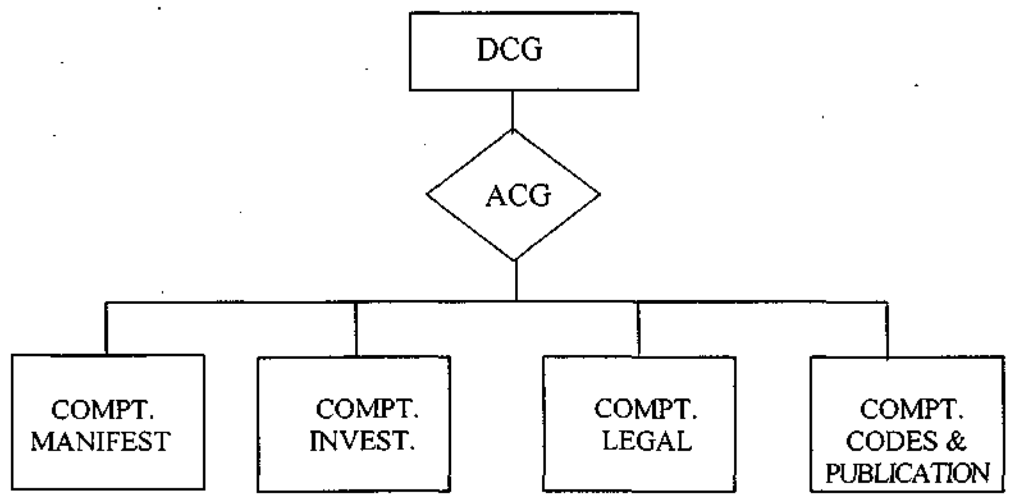


Fig. 2.55: Structure of the investigation and inspection.

Fig. 2:56: Shows the structure of the Enforcement and Drugs.

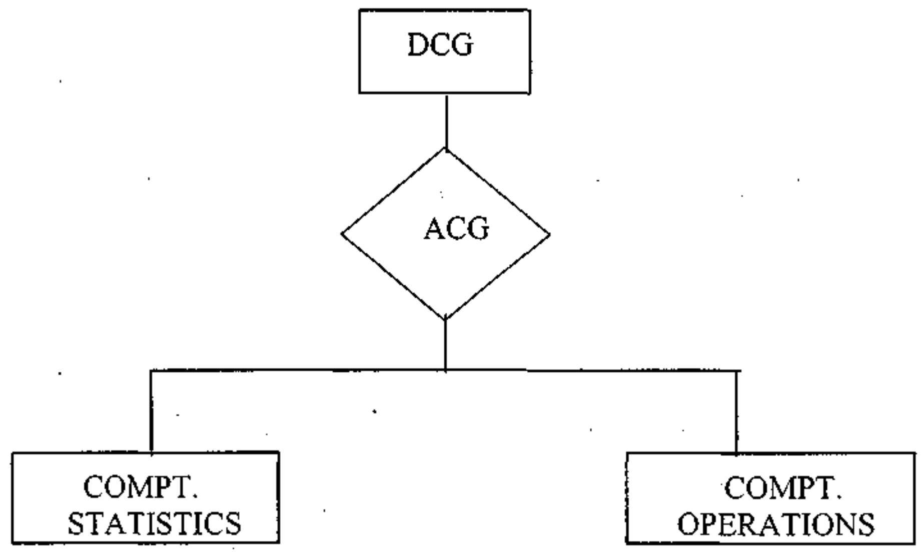


Fig. 2:56: Structure of the Enforcement and Drugs.

Fig. 2.57: Finally shows the structure of Economic Relations, Research and Planning (ERR&P)

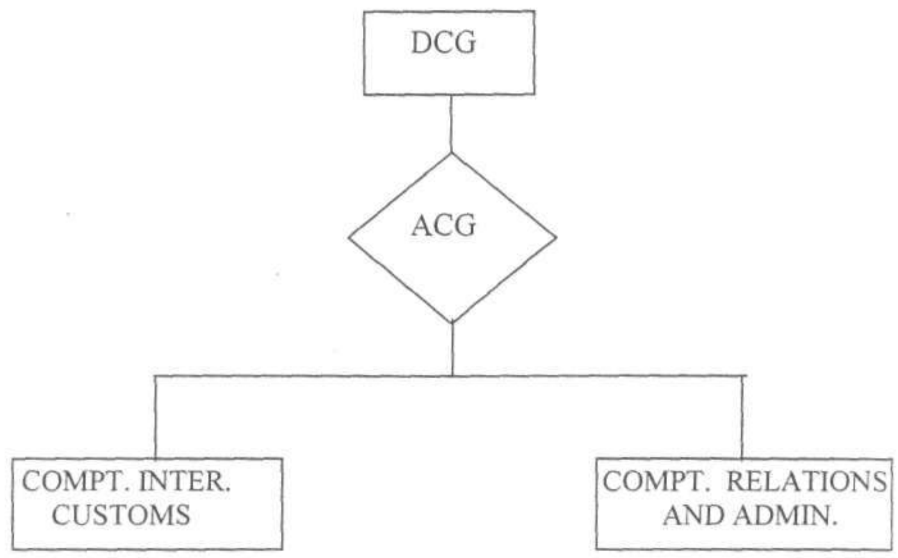


Fig. 2.57: Structure of ERR&P.

2.6 FUNCTIONS OF THE NIGERIA CUSTOMS SERVICE

There are many functions performed by the officers and men of the service. These functions are classified under the six divisions in the service.

2.61 FUNCTIONS OF FINANCE, ADMINISTRATION AND TECHNICAL SERVICES (FATS)

(i) Standardization of policies, procedures of administration and finance of the service.

(ii) Handling of all personnel matters.

(iii) Planning and monitoring of the budget and finance of the service.

(iv) Handling the management of the service computer unit.

(v) Co-ordination, planning and execution of the service programmes, in building, mechanical, printing, communication and stores.

(vi) Planning and execution of training programmes

(vii) Liaise with other training institutions.

(viii) Any other duties that may be assigned by the Comptroller-General from time to time.

TRAINING AND DEVELOPMENT

The NCS has two training colleges in Kano and Ikeja and they will continue to provide the facilities for basic and refresher training courses. Outside the colleges, officers have been encouraged to train in related technical courses to equip them for better challenges. So far, refresher courses have been organised on yearly basis for officers and men between UPSS 05 and 09, while the senior officers from UPSS 10 and above are encouraged on yearly basis to attend workshops/seminars in management, accounting and auditing at Yaba College of Technology and Administrative Staff College of Nigeria (ASCON) respectively. It is imperative to note here that the service also encourages officers and men to obtain degrees/diplomas in professional courses from Universities and Polytechnics. The aim is to equip officers and men for better and higher responsibilities and also to make them useful not only to themselves but to the larger society especially on retirement.

2.62 **FUNCTIONS OF THE CUSTOMS DIVISION**

The main functions of the Customs division among others are:

(i) Proper control of importation and exportation of goods to ensure compliance with the import and export laws and regulations.

(ii) Translating Federal Government Fiscal Policy measures into guidelines for the general guidance of field officers as well as members of the public.

(iii) Proper and efficient administration of the Customs and Excise Tariff as an effective instrument of Government Fiscal Policy to ensure the maximisation of Government Revenue.

In order to achieve effective and efficient results above, the following units were established to monitor the affairs.

(a) Import and Export Control and Returns

(b) Valuation seat

(c) Licenses and permit

(d) Tariff and Trade and Refunds.

IMPORT AND EXPORT CONTROL AND RETURNS

Importation and exportation form the bulk of the operation of the NCS, so it is of great importance to give attention to import-export and Returns.

This unit performs the following specific functions.

(i) Control of importation and exportation of goods.

(ii) Issuance of guidelines to field officers on the correct interpretation of the import and export laws and regulations and also for the implementation of any changes in customs procedure.

(iii) Collation and preparation of Import and Export Revenue statistics and provision of information in Revenue Trends as well as rendition of monthly reports of activities of the Division.

(iv) Control of diplomatic privileged importation and allied privileges.

(v) Compilation of returns on weekly and monthly basis and weekly and monthly returns of activities from other Divisions.

VALUATION UNIT

The Nigeria law of valuation of imported goods is contained in section 42 of CEMA and Customs and Excise Notices No. 13 and 30. The unit is functioned with valuation of imported goods into the country.

The specific functions performed are:

(i) Participation in the technical committee on the comprehensive import supervision scheme at the CBN.

(ii) Collation of Clean Report of Findings (CRF) and Import duty Reports (IDR) submitted by the Inspection Agents covering all importation under the Comprehensive Import Supervision Scheme (CISS)

(iii) Import Duty Report monitoring of the Federal Ministry of Finance.

(iv) Participation in the Examination of NON-IDR goods.

(v) Group all imported articles or items in alphabetical order for easy identification.

(vi) Compiles the price, indexes of these items, compares, contrasts and stores them into valuation price slips from which a price data bank is built up for collection of appropriate duty.

(vii) Issue and reviews ex-factory prices of imported second hand cars.

(viii) Carries out the valuation of goods listed for auction sales.

(ix) Checking of all duplicate entries with a view to ensuring that correct values are used and correct duties are paid and underpayments if any are collected.

(x) Maintaining adequate data bank of information on all Clean Report of findings and Import Duty Reports collated and indexed.

(xi) Conducting market surveys with a view to determining current value of goods for duty purposes as well as for foreign exchange safeguards.

(xii) Carrying out price studies on selected commodities for monitoring value declarations on entries.

(xiii) Participation in the various activities of the valuation committee of the customs co-operation council of the world customs organisation in Brussels, Belgium.

(xiv) Preparing position papers in valuation of goods, Import Duty Reports and Comprehensive Import Supervision Scheme (CISS) operation.

(xv) Issuance of circulars for guidance of officers in the field on utilization and control of Import Duty Reports.

LICENCES AND PERMIT

The main functions of this unit are:

(i) Issuance and renewal of Customs Agents Licenses.

(ii) Issuance of ship chandlers license.

(iii) Issuance of transit/Transshipment permits

(iv) Issuance of Tobacco permits

(v) Issuance of Licenses of Bonded warehouse and container Depots.

(vi) Processing and Issuance of Ethyl alcohol license.

TARIFF & TRADE AND REFUNDS

(i) The major functions of Tariff and Trade Unit is that of interpretation of the Tariff to ensure the maximization of revenue collection and the enforcement of Import and Export prohibition and restriction orders. It also ensures compliance with the accepted International Rules and Laws guiding the Harmonized system of Tariff Code.

(ii) The unit entertains enquires on the current Tariff classification or status of commodities from field officers and members of the public.

(iii) It handles all appeals from all Customs and Excise Area formation as well as the public on disputed classification, exemptions, licenses and restrictions.

(iv) The unit represents the service in the deliberation of Tariff and its related affairs at Federal Ministry of Finance and Industries.

(v) It participates in the various activities of the Harmonized Tariff Committee of World Customs organization in Brussels, Belgium.

REFUNDS SEAT

This unit performs the following functions:-

(i) Receipts of refund claims from all areas.

(ii) Maintaining records of all approval claims and forwarding it to the accounts Division.

(iii) Returning queried files to areas if need be or communicating with importer/claimant through areas if additional documents are needed to complete action in claim file.

2.63 FUNCTIONS OF EXCISE, INDUSTRIAL INCENTIVES AND PUBLIC RELATIONS DEPARTMENT

The followings are the functions of the Excise unit.

(i) General co-ordination of activities of all Excise Commands in Nigeria.

(ii) Collection and storage of information data base on excise Revenue

(iii) Processing and issuance of final approval for entry and re-entry of premises of excisable factories.

(iv) Determination of Unit Cost Analysis of any excisable product with a view to determining the value.

(v) Ensuring that the Excise Areas enforce Excise Laws and Regulations.

(vi) Issuance of Excise Licenses.

(vii) Updating Customs and Excise Laws, Regulations and Notices with amendments where necessary.

(viii) Implementation of the country's industrial policy on industrial incentive schemes - i.e Duty Drawbacks Scheme, Manufacture-In-Bond Scheme, Duty Suspension Scheme, Export Processing Zone, and Export processing factory Schemes in conjunction with other Government Agencies.

(ix) The Division represents the service in the following committees and organizations.

  (a) Nigeria Committee on Trade Procedure (NITRO)

  (b) Technical Committee on Visitors Guide (TCIG)

  (c) Nigeria Export Promotion Council (NEPC)

  (d) Nigeria Export Processing Zone Calabar (NEPZ)

  (e) Nigerian Export Processing Factories (NEPF)

(x) The Division also grants and approves the underlisted indulgences.

  (a) Payment on delivery

  (b) Duty-free delivery

(xi) The Public Relations unit is responsible for the following

  (a) Laundering the image of the service

(b) Supervising field branches in the service

(c) Making of press releases on the operation of NCS

2.64 FUNCTIONS OF THE ENFORCEMENT AND DRUGS DIVISION

This Division handles the most sensitive aspect of the service. This is because of the challenges associated with law enforcement and Drug Control measures. The followings are their functions

(a) It is the responsibility of the Division to initiate and implement policies on enforcement procedures as stipulated in the Customs and Excise management Act. CAP 84, law of the federation of Nigeria.

(b) The Division embarks on periodic surveys of proposed Customs Areas, Border stations, and checkpoints to ensure compliance with customs laws and regulations.

(c) The Division collects and collates statistical data on seizures made from all area commands for management planning purpose.

(d) It works in collaboration with the NDLEA and other designated security bodies on effective monitoring strategies of curbing drug trafficking.

(e) The Division also provides escort service in respect of goods on transit from one area of customs operation to another.

(f) It issues identity cards to all officers and men within the service in order to check and curb possible frauds associated with employment matters and other forms of impersonation.

2.65 FUNCTIONS OF THE DIVISION OF ECONOMIC RELATIONS, RESEARCH AND PLANNING (ERR&P).

This division of the service perform the following functions:-

(1) Reports to the Comptroller-General of NCS for internal Administration of the service.

(2) Handles matters relating to the World Customs Organization (WCO) and its various Desk of the Nigeria Embassy in Brussels, Belgium.

(3) Handles matters relating to other international organisation such as GATT, UNCTAO, ECA, ECOSOC, IMCO, ICAO, and implementation of international convention.

(4) Implementation and follow-up action of various bilateral and multilateral economic and trade relations agreement with foreign countries.

(5) Dealing with matters relating to such economic groupings as the Lake Chad Basin Commission, West African Common Market, European Economic Community, European Free Trade Area and Joint Commissions between Nigeria and such countries as Benin, Niger, Togo, Senegal and Cameroon

(6) Tackling matters relating to foreign customs Administration.

(7) Extraction, analysis, collation and dissemination of vital information from documents received from the World Customs Organisation (WCO) and other organisations both National and International with a view to improving services organisation and methods.

(8) Attendance at inter-ministerial and international meetings on subjects that concern the NCS.

(9) Studying and understanding and interpreting the tariff policies and making proposals.

(10) Tackling complaints regarding revenue allocation.

(11) Handling Revenue projections and statistics, study on the revenue trends and tariff incidence on dutiable goods, proposals for improved revenue performance.

(12) Handling pattern of trade – Imports, Export and Excise statistics of products, reaction to tariff changes and loopholes in Import and Export prohibition orders.

(13) Tackling all matters regarding returns and feedback controls on delegated functions.

(14) It handles departmental returns, procedures and documentation study and evaluation.

(15) Tackling matters on collation and production, in close collation with the Public Relation Unit of literary materials for the information and guidance of officers and the general public.

(16) It handles departmental annual Reports, collation of materials from other Divisions.

(17) Preparation of annual Budget and Report of the Department.

(18) Liaising, co-ordinating and interacting with other Divisions in the service.

(19) It functions as the member of department Tenders Board.

(20) It functions as members, Disciplinary and Promotion Committee for senior offices on Grade level 08 and above.

(21) It prepares the annual performance evaluation Reports for all officers in the division.

(22) It acts as a member, inter-zonal posting committee for grade levels 12 and above.

2.66 THE FUNCTION OF THE INVESTIGATION AND INSPECTION DIVISION

(a) Conduction of investigations and inspections into offences concerning CEMA, and other relevant laws, as well as into offences relating to collusion between officers and men of NCS and members of the public to defraud the service or damage its image.

(b) Inspection of sea ports, airports, border stations, Excise factories and parçel ports to ensure that laid down rules are followed.

(c) Cooperation with other agencies in operations ton discourage fraudulent activities that reduce revenue generation.

(d) Advising the service on loopholes detected, through which revenue is lost and suggesting necessary remedial actions.

(e) Revising and authorising amendments to NCS codes.

2.67 FUNCTION OF THE LEGAL SEAT

The legal division performs statutory function conferred on the Honourable Attorney General of the federation. Some of these functions include Institution and defence of all actions whereby the Federal Government or any of its agencies is involved. Section 3 (c) of the Board of Customs and Excise (Amendment) Decree 1993 provides for the appointment of a legal adviser as a member of the Board of NCS, Federal Ministry of Justice, who will represent the Honourable Attorney-General of the federation to provide legal services. The legal division owns it a duty to proffer legal advice to the NCS on all issues that are likely to give rise to litigation or prosecution.

The main functions of this division are as follows:

(a) **Solicitor's Work**

(i) **Legal Advice:** This offers the opportunity to analyse available facts and weigh them against the evidence on matters which are likely to rise to litigation and determine the likelihood of success or otherwise in court. This may lead to the prosecution or otherwise of the suspect.

(ii) **Drafting:** The legal division owes it a duty to draft all legal documents whereby the service intends to enter into any legal relationship. These legal documents include Contracts, Agreements, Legal Notices and Regulations. Etc.

(b) **Advocacy:** This is the principal function among the activities performed by this Division. It involves prosecution of offenders and defending actions relating to the Nigeria Customs Service. By so doing, the legal division takes into cognisance the fact that the success or failure of any case is dependent upon the facts, law and evidence to determine whether or not the case is substantial.

(c) **General:** In this aspect, the division participates in activities of some committees such as the Disciplinary Committee, Tender's Board Meetings. Etc. The Division also keeps record of seizures forwarded to it by the Customs Area Commands. It is important to keep the Division aware of any seizure made to enable it prepare itself for any litigation or advice accordingly.

2.7 SOURCE OF REVENUE GENERATION

Revenue Generated by the Nigeria Customs Service are classified under the following major sections:-

(a) Customs duty (i.e Imports & Export duty)

(b) Excise duty

(c) Fees, Licenses and Rent etc.

(d) Penalty for evading duty - fine or seizure action

Customs Duty: This is referred to as the duty collected on importation and exportation of dutiable goods.

The Law: The Nigeria Customs Service is empowered under the CEMA CAP 84 laws of the federation of Nigeria 1990 to control the movement of goods into and out of Nigeria (ie Canalization of traffic). Other legislation/decrees, rates and regulations ensure the maximum collection of revenue with minimum delay and the strict enforcement of the Federal Government fiscal policies on trade (imports and exports) under this provision, it then means that all ships, aircraft, vehicles entering Nigeria must pass through the customs approved routes – ports, airports and land frontiers (See appendix V – Approval Routes).

The introduction of pre-shipment inspection of both Exports and Imports Decree No. 11 of 19th April 1996 respectively provides that all Exports and Imports shall be subjected to pre-shipment inspection procedure and a Clean Certificate of Inspection (CCI) or an Import Duty Reports (IDR) issued as applicable unless as provided in the relevant section of the Decrees aforementioned.

2.71 PROCEDURE FOR IMPORT CLEARANCE OF GOODS

CUSTOMS PROCESSING CENTRE (CPC)

The formerly constituted Long-room and its procedures is now known as Customs Processing Centre (CPC). This arrangement is made up of Customs Processing Unit (CPU) which are manned by Senior Officers of the Nigeria Customs Service.

Each unit is responsible for the following duties

(a) Acceptance of all Bills of entry (B/E) with all relevant import/export documents.

(b) Confirmation of Bank receipts.

(c) Machining of B/Entry.

(d) Reconciliation of payment with the designated bank for duty payment.

(e) Verification and striking of Bills of Entry.

(f) Finally, distribution and dispatch of Bill of entry to out-door.

The followings are bank payment confirmed on the Customs Processing Centre (CPC)

(i) Import duty

(ii) 7% surcharge

(iii) 2% NAC

(iv) 5% sugar levy

(v) NESS & CISS 1%

(vi) Underpayment (if any)

2.72 IMPORT PROCEDURE:

All imports to Nigeria except accompanied personal effect must be accompanied with IMPORT DUTY REPORT (IDR). This is a document prepared by a government appointed pre-shipment inspection agent, giving details of description, quantity, tariff classification, duty payable, etc of the imported goods.

On arrival of an importer at sea ports, air ports, or border stations, the importer or his licensed agent will obtain and complete a pay-in-form at any of the Government designated banks. He will present same with certified draft covering the duty as indicated on the Import Duty Report (IDR) to the chosen designated bank. He obtains an approval bank receipt duly endorsed together with the pay-in-form by bank officials.

The importer or his agent then presents the receipt and the original pay-in-form and the Bill of entry to officers at the Customs Processing Centre.

At the Customs Processing Centre, the Bill of entry (Form C 188 - bill of entry for home use/Form C2010 (Imports)) are received accompanied with the following documents.

(i) Original attested invoice

(ii) Import Duty Report

(iii) Clean Report of Findings (CRF)

(iv) Form "M"

(v) Bill of Lading

(vi) Insurance Certificate

(vii) Pay-In-Form and Bank duty payment Receipt

(viii) Form sale 123.

The Senior Officers through the various stages in the Customs Processing Unit process these documents. The Customs Processing Unit operates from seven to eight cubicles in a standard port with each cubicle manned by three officers not below the rank. of Deputy Superintendent of Customs. Each officer receives Bill of Entry with its attached documents. He then verifies machines and strikes same. He sorts out and distributes Bills of Entry to the Customs Area Controller for scheduling, in readiness for physical examination of the goods involved. This adoption has made the processing of all pro-active documents to be done in a single unit (CPU).

2.73 EXAMINATION AND RELEASE (OUT DOOR)

Goods imported are physically examined at the outdoor post by all concerned bodies according to the schedule for the day and subsequently released to their owners. All the administrative or "post mortem" activities on perfected Bills of Entry such as Refunds, Central filing, Vetting etc are performed weeks or months after the import must have taken delivery of his goods.

2.74 EXPORT OPERATIONS

The Nigeria Customs Service is one of the several agencies engaged in the monitoring of exports from the country. In this regard, the duties of the service include the followings:

(a) Ensuring all the country's laws and documentation of exports are complied with and appropriate export Bills of Entry submitted for processing.

(b) Examining actual export commodities to ensure item entered on the Bills of Entry, Invoice, and inspection certificate tallies with the item being presented for export in terms of description and quantity, and that the items do not break any export prohibition laws.

(c) Finally, to ensure that shipping companies load only export items that have been examined and cleared by the Nigeria Customs Service.

2.75 **DOCUMENTS REQUIRED FOR CLEARANCE**

Exporters of goods in Nigeria are required to prepare and lodge with the customs processing units the following documents.

(i) Export Bill of Entry (Form sale 99)

(ii) Invoice or acceptance evidence of value both in local and foreign currencies, stamped and duly endorsed by the exporter's bankers.

(iii) Movement certificate on Form Eur-1 for goods destined for European Economic Community (EEC) and other European countries under the Lome convention.

(iv) Certificate of Health and Origin issued by the Ministry of Agriculture for agricultural products.

(v) Produce inspection certificate of quality issued by the Federal produce Inspection Department in respect of produce.

(vi) A clean certificate of Inspection (CCI) issued by a government appointed inspection agent.

Other Requirements include:

(a) Exporters must open domiciliary accounts with any viable bank in Nigeria and must ensure that proceeds are paid into these accounts.

(b) All good to be exported in containers are to be produced for physical examination and released before being loaded into containers.

(c) All non-oil export transactions must be on a letter of credit or some other approved international modes of payment to ensure proceeds from non-oil exports are fully accounted for through the domiciliary accounts of exporters within three weeks.

2.76 PROCEDURE FOR EXPORT CLEARANCE

All forms of exports (including oil and non-oil) are subjected to inspection by agents appointed by Government, to ensure that quantity and quality of exports, as well as the true value of the goods are ascertained. The inspection agents' issue clean certificates of Inspection (CCI) in respect of such goods after inspection at the seaports, airports, and other points of despatch or at the point of production or storage.

All exporters must complete in sextuplicate NXP form (Nigeria Export proceeds form) and submit same to their bankers for registration and endorsement. The original and duplicate copies are retained by the Bankers and the remaining copies sent to the Inspection Agent responsible for the intended point of dispatch.

The exporter must pay to his banks the Nigeria Export Supervision Scheme (NESS) Administrative charge of 1% or 0.5% and valorem of the free on Board (FOB) value of the inspected non-oil and oil exports respectively. This amount is in turn remitted to the Central Bank of Nigeria.

All details from the NXP Form are registered by the Inspection Agent who opens a file and issues the exporter with a Request for information (R.F.I) form. This enables the inspection agent to co-ordinate with the exporter by finding a suitable time and place for the physical inspection of the export goods.

On completion of loading, the exporter hands over to the Inspection Agent a copy of the clean Certificate of Inspection. The Inspection agent also completes the four copies of Form NXP with the customs and returns these forms to the exporter's Bank to reconcile the foreign currency received against the pale with other documents.

2.77 CLEARANCE OF EXPORT GOODS IN CPC

The Customs Processing Centre also handles the export facilitation of goods. Export Bills of Entry with their accompanying documents go through the Customs Processing Centre which has seven to eight cubicles, just the same way as import goods undergo. They are accepted at the various Customs Processing Units where they are machined. After the confirmation of Clean Certificate of Inspection, the entries are dispatched to Export seat for physical examination of the commodities to be exported. Examination is conducted jointly by all security/Government agencies concerned. Apart from the convenience, this policy of joint examination affords the exporter, it also guards against destruction of the quality of exports that may arise from the opening and re-opening of the containers and packages, where examination are done separately by the various agencies.

See appendix IV for sample of Certificate of Inspection (Record of Examination)

APPROVAL OF PREMISES - BASIC REQUIREMENTS FOR SETTING UP EXCISE FACTORY

These requirements are legal and uniform for all excise factories in Nigeria as detailed below.

There are two approvals to be given by the service to a would-be manufacturer. These are provisional and final. The process also involves documentation given of certain information and answering questions based in customs questionnaire two-paged documents before the manufacturer can get final Approval. The procedure stating from application to set-up a factory to final Approval is termed **Entry of Premises**

ENTRY OF PREMISES DEFINITIONS

The entry of premises is a written application by the manufacturer in the prescribed form (Form sale 41) showing detail particulars of all rooms, plant machinery or equipment used in connection with the manufacture and storage of excisable goods. The entry is to describe in detail the precise use to which every room, machine etc will be put. No storage of materials or products and no manufacture is permitted in any room, plant etc which is not included in the entry. However, the entry can be reviewed or revised on due and prior application to the service.

PROVISIONAL APPROVAL

The manufacturer writes application to the Customs Area Controller (who has jurisdiction over the area where the factory is located) to the service Headquarters with the underlisted documents and information.

(i) Site plan

(ii) Name and address in Nigeria of the person making the application;

(iii) Date when the factory is expected to be ready for production;

(iv) Estimated cost of building;

(v) Estimated cost of machinery and plan;

(vi) Kinds of good to be produced;

(vii) Estimated annual production and the proportion for home use and exportation (if any) respectively;

(viii) Materials to be used and their composition or formula;

(ix) Types and estimated qualities of blend stock (if any) to be imported for use;

(x) Brand names labels;

(xi) Description of the process of production;

(xii) Types and sizes of containers;

(xiii) Working hours in the factory;

(xiv) Methods of packaging

(xv) Methods of ascertaining qualities of product;

(xvi) Methods of control over production;

(xvii) Storage arrangement

(xviii) Delivery arrangements and types of traders to be supplied.

If the above are in order provisional Approval is given to the manufacturer to commence construction and the service will be monitoring the activities there.

FINAL APPROVAL

When the factory has been completed and all requirements have been met, the manufacturer is to make an application for final approval through the Customs Area Controller accompanied by premises and machinery layout plans each in quadruplicate. The plans should be duly labelled and numbered.

REQUIREMENTS FOR GRANTING OF CUSTOMS OR EXCISE AGENT LICENSE.

A body corporate wishing to become a Custom or Excise Agent at a particular port, airport, station or industrial area on behalf of a principal must make a written application attaching the following documents to the Nigeria Customs Service through the area controller of the proposed port or airport, the applicant wants to operate.

(a) Form sale 135;

(b) Form sale 158;

(c) Certificate of incorporation;

(d) Memorandum and Articles of Association;

(e) Three years tax clearance;

(f) Affidavit showing that the Director have never been involved in any fraudulent act.

(g) Certificate list of Directors on form C. 07;

(h) Qualification and vocational experience of directors;

(i) Letter of appointment of Customs representative;

(j) Letter of acceptance

(k) Affidavit showing that the customs representative has not been involved in any fraudulent customs cases;

(l) Four (4) passport photographs of the customs representative;

(m) Vehicle particulars of the company for clearing business;

(n) Sketch diagram of office and office layout plan;

(o) Letter of recommendation from bank as to financial standing of the company;

(p) Scale of charges;

(q) Staff list;

(r) Auditor's Report and;

(s) Evidence of ownership of premises.

2. The customs representative of the company must attend an interview (which may be oral and/or written) at customs Headquarters, Abuja. The Managing Director of the company is also to attend as an observer.

3. **Additional requirements in the case of successful applicant**

An applicant who is successful will be required to

(i) Pay refundable deposit of fifty thousand Naira (₦50,000) or bond guarantee with a bank of reputable insurance company in form 163 in the case of a customs Agent and twenty thousand Naira (₦20,000) in form C.187 in the case of an excise agent.

(ii) Pay annual license fee of ten thousand Naira (₦10,000) in case of customs Agents and five thousand Naira (₦5,000) in case of Excise Agent. But in the case of self clearing companies, annual license fee of twenty thousand Naira (₦20,000) is chargeable.

(iii) Pay the sum of one thousand Naira (₦1,000) operative fee on form C.30 for each port, Airport, station or industrial area.

4. The applicable law for granting of Customs or Excise Agent license is Customs and Excise notice No. 4, part II of paragraph 2.

Inspection

The factory, documents and information supplied by the manufacturer will be examined and checked. Physical inspection of the factory will be carried out and recommendation made by the Customs Area Controller (to the headquarters) will accompany the application and documents of the manufacturer before final approval is given. After approval, Customs Excise license is issued. The excise license number is to be displayed in front of the factory as follows:-

EFN001 "LICENCED BY THE BOARD OF CUSTOMS AND EXCISE."

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CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

It is obvious that in any research work, certain patterns and methods out of the various ways of research must be adopted while conducting his research. In view of that, in this chapter, we will look at the various research methods available and try to identify which of them is/are being applied. It is important to note here that this study intends to make use of both primary and secondary sources of data that has been collected and also specify the population and sample size used.

Various sources of data collected will be carefully studied and analysed in order to come out with meaningful conclusion of findings and recommendations that are aimed at assisting policy makers, the concerned officers and more of NCS, and the general public in taking appropriate decision in a bid to improve revenue generation in Nigeria with special reference to the Nigeria Customs Service.

Research is defined as the process of attaining a dependable solution to problems through the planned and systematic collection, analysis and interpretation of data collected. It is channeled towards the discovery of the relationships that exist among the phenomena of the world in which we live. Research is devoted to finding the conditions under which a certain phenomena occurs and the condition under which it does occur under seemingly similar circumstances.

3.2 RESEARCH METHODS

For a researchers to successfully attain a dependable solutions to a problem, he must be used to the various methods of Research available; and would be able to identify which of them is/are relevant to this problems.

Lastly, the researcher should state clearly which of the methods he is adopting. It is in the light of this that we have to discuss the types of research methods available and to choose among them the best method(s) to be used.

3.21 HISTORICAL RESEARCH METHOD

This method interprets past method of attitude events and facts. History involves any integrated narration of description of past events or facts written in a spirit of critical inquiry for the whole truth.

The purposes of carrying such a method of research include

(i) To arrive at an accurate accounting of the past.

(ii) This may involve nothing more than to know what happen in the past, and how and why it was allowed to happen in such a way.

(iii) To get a clearer perspective of the present problems such as the current debt crisis are understandable only on the past history of debt in the country.

The major sources of historical research are mainly documents and relics. Documents are usually written whereas relics are generally archeological or geological such as tool and utensils.

3.22 EXPERIMENTAL RESEARCH METHOD

The most scientifically sophisticated research method is the experimental research method. The purpose of this method of research is to derive verified functional relationships among Phenomena under controlled conditions. More simply put, it is the method used to identify the condition underlying the occurrence of a given phenomenon.

3.23 SURVEY RESEARCH METHOD

This method studies both the large and small population by selecting a sample study chosen from the population to discover the relative incidence, distribution, and interaction of sociological and psychological variables. Such surveys are normally referred to as sample sources. This research method differs from historical research in the sense that it deals with the present whereas historical deals with the past. Unlike historical research, survey research is oriented towards the determination of the status of a given phenomenon.

3.24 DESCRIPTIVE RESEARCH METHOD

This method of Research emphasis is the specific nature of phenomenon. The specification can either be simple or complicated and it is important in the social science as well as other fields of educational endeavour.

This Research method gives a picture of a situation or population. When a phenomenon is being considered, it generally begins with a full description, which sheds more light on that phenomenon. It is basic for all types of research conducted in assessing the situation as a pre-requisite to inferences and generalization. Since it cannot establish cause or effect relationships, we can conclude that it is in itself sufficiently comprehensive to provide answers to questions. From the description, the investigator can not deduce conclusively the cause of a phenomenon or predict what the future phenomenon will be.

It is important to note some of the tools that can also be used for gathering data for research purpose. These include

(i) Observation

(ii) Interview

(iii) Questionnaires

(iv) Postal Questionnaire

(v) Reports

(vi) Telephone conversations

(vii) Results of some findings.

3.3 SOURCES OF DATA

Data collected for research purposes can either be primary or secondary data or both. Primary sources of data are the data expressly collected for a specific purpose while secondary sources of data are the data collected for some other purposes, more often than not for administrative reasons.

These two major types of data were used in this study.

3.31 PRIMARY SOURCES OF DATA

This study makes use of primary data collected directly from the Nigeria Customs Service Headquarters, various seaports, airports, Border stations (both approved and non approved), customs checkpoints, inter-organisations, such as ministry of finance, ministry of industry and other categories of people including lecturers, market women, importers and exporters, Excise agents and manufacturers, offices and men of the NCS, etc were interviewed.

3.32 SECONDARY SOURCES OF DATA

The second major sources of data used in this study were obtained through the following extractions. Textbooks, Newspapers, Magazine publications which were relevant to this vital study were digested and appropriately utilised. Other forms of these data include seminar, conferences and workshop papers.

3.4 RESEARCH DESIGN

This study is a survey kind of research. A survey research studies both large and small populations by selecting the samples chosen from the population and interrelations of sociological and psychological variables. Survey research focuses on people, the vital facts of people and their believes, opinions, attitude and behaviour.

The longitudinal survey design will be used especially the Trend and the Cohort method of the survey design. The revenue generation policy in the Nigeria Customs Service since its inception will be examined with the notion of the revenue performance of the nation's economy.

There are various ways and forms of corruption in the country today. But this study will be restricted to a narrower (specific) portion of the Nigeria Customs Service. The operation of the NCS in the six designated geographical zones that comprises the thirty-six states and FCT with Headquarters at Abuja will be examined, properly studied and critically analysed in order to have a comprehensive knowledge of the problems of the study with the notion of finding an adequate or lasting solutions to the impending menace.

3.5 METHODS OF DATA COLLECTION

The data for this study were collected through the administration of two different sets of questionnaires with open and closed ended questions for both the officers and men of the Nigeria Customs Service and the general public (including those who in one way or the other run business with NCS and on the other hand, the Novice).

The questions framed for both clients were aimed at elucidating or revealing some of the needed responses and possible solutions or rather suggestions to the persistent and inconsistent problems that were/are associated with the Revenue generation policy in the Nigeria Customs Service. Information contained in the official secret files of some of the officers and men of the NCS were appropriately utilised for the purpose of achieving a valid and reliable report.

3.6 POPULATION AND SAMPLE SIZE

The Nigeria Customs Service has its headquarters at Wuse Zone 3 Abuja with thirty six state commands zoned into six geographical locations with the total population of about five thousand (5,000) staff all over the country. This population covers both the field and administrative staffs of the service whose collective efforts are geared towards Revenue generation and administration.

To be precise, this study has an estimated population sample of about five thousand staffs. The sample size of this study is (50%) fifty percent of the estimated sample population. This is a cohort or rather a fair representation of the sample population. It can be said that the study has an approximate sample size of (2,500) two thousand and five hundred officers and men of the Nigeria Customs Service.

Also in this study, purposive random sampling technique was employed. Hence officers and men of the service recruited during the period of the research were not incorporated into the study. The selection of the sample size was based on the number of officers and men in a given command for the purpose of a fair representation.

3.7 DATA ANALYSIS TECHNIQUES

The Analytical tools that were used for this study were the measure of central tendencies and percentages.

Mean, median, mode and percentages were used to analyse all the data and information obtained. The percentage increases in the total yearly revenue figures shown in the tables of analysis were calculated for some of the years under review. This means that the calculated annual difference in Revenue figure (ie the margin figure) shown in the analytical table is an indication of yearly contribution of the services efforts with regards to Revenue Generation.

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

In this chapter, we shall discuss the Roles of Nigeria Customs Service in ensuring the realisation of its goals and aspirations. As the principal public revenue collection, and protection agency, the NCS is strategically placed and expected to make vital contribution to the success of the Nigeria Economy as a proposed vision, most of which can only come through the vital role undertaken by the Department in financing, and industrializing the economy. In so doing, expectations could also fall short of realization or misappropriation, thereby bringing in the case of negative contribution. Need also arises for identification of problems in the administration of Revenue in the Nigeria Customs Service to enable us arrive at a comprehensive deductions for easy adjustments, improvement, strategies and good recommendations. Further in the chapter, we shall take a look at the critical analysis of the Revenue Administration in the Nigeria Customs Service with the view to screening out the prospects so far made by the Nigeria Customs Service since inception. By so doing, we will be able to encourage or discourage the customs services rendered in the country on find analysis.

4.2 THE ROLE OF CUSTOMS IN REVENUE GENERATION

The Roles of the Nigeria Customs Service in the realisation of her goals and aspirations;
are either positive or negative in contribution to the national economy. Some of the positive roles played by the Department in Revenue administration process are

4.20 THE NEED FOR CONSOLIDATED REVENUE GENERATION

The beginning of every year normally has a new turn of events after the yearly budget announcement by the president of the country. Therefore, the need for consolidated Revenue administration strategies can never be overemphasized. In Nigeria the NCS has always been given a Revenue – Target which usually energize the Department to work harder to attain the set target and in most ninety-nine cases out of hundred, they NCS had exceeded their targets. This act of conceptualizing and planning a Revenue Target for the NCS has made it possible for recruitment of good hands, relevant training, erection of structures, procurement of equipment, vehicles and tools, as well as motivational factors such as adequate remuneration to the staff of the Department to Boost the Revenue Generation.

The Nigeria Customs Service will ever continue to perform their primary function among others since the ever-increasing needs of Revenue in Nigeria continue as a result of structural and fiscal developments and growth. This nature of Role played by the NCS became critical due to the fact that it is the only organised human efforts of Revenue Generation in Nigeria besides oil, which is a natural gift from God. There is a high need to protect this form of Revenue should any adverse occurrences such as falling prices in petroleum products, sanctions, international conspiracy and even act of God. In view of these uncertainties, and challenges, the officers and men of the NCS are poised to meet the challenges squarely.

4.21 THE NEEDS FOR SECURITY ROLE IN THE NCS.

It is the right of the Nigerians to be alive and healthy while pursuing their goals and objectives individually or collectively. The NCS owes it a point of duty to eradicate drug trafficking, to ensure that diseased animals and plants, contaminated and poisoned foods, used tyres, expired and fake drugs and drinks, dangerous chemicals are not smuggled into the country through approval and unapproved routes. The NCS must also prevent the illegal exportation of food items, which can easily cause scarcity and starvation to the Nigerian citizens. In the present wake of crime waves in the country. It is highly imperative to prevent illegal importation of arms ammunition and bombs into the country, which are mainly sold to hoodlums who go about terrorising the innocent citizens over their life and properties.

The Nigeria Customs Service in her effort to curb the illegal smuggling of arms through the air and seaports (approved & unapproved), Border stations (approval & unapproved) has intensified strategies and sensitize officers and men of the NCS in that regard, hence preventing any attempt to destabilize the new and acquired transition programme in course. The NCS, in view of this vital role to be played has taken stringent measure by using modern equipment and even trained dogs.

4.22 THE NEEDS FOR THE ROLE OF MAINTAINING LAW AND ORDER

Every country in the world needs a peaceful atmosphere characterized by law and order as to enable her succeeds in the execution and achievement of its goals and objective. The NCS has a crucial role to play along with other agencies by assisting the Nigeria Police force in the maintenance of law and order through keeping out illegal arms, explosives, subversive and other dangerous literature, as well as ammunition of all types of his country.

4.23 THE NEEDS FOR CULTURAL AND MORAL SECURITY

In struggling for the national development, the country must make it a point of duty to protect and preserve its cultural heritage and morality. Some of the immoralities perpetrated by citizens in this country through bad ways and forms of dressing illegally bought and warn in this our country, bastardize our culture and in turn jeopardize our good moral image before the world. Of significant role played by the NCS is also the prevention and protection of our old age artifacts, which are being stolen from our museums in the country. Past records had shown that over twenty-four museums in this Nigeria have been closed down due to the rampart stealing of our cultural artifacts to other countries. Another onerous responsibility of the NCS is to ensure that immoral object, especially pornographic magazines, video material and others should not find their ways into this country since they have immoral effects on our youths and children.

4.24 THE NEEDS FOR THE ROLE OF PUBLIC EDUCATION AND ENLIGHTENMENT

It is the Role of the Nigeria Customs Service to educate and enlighten the general public on the rules and the regulations guiding the operation of importation and exportation in the country. The officers and men of the NCS alert the importers, exporters, clearing agents, manufactures and investors on exportable and importable goods on any development as regards NCS operation in revenue generation and administration. Such information made available to customs of the NCS on the rules and regulations are mainly on prohibited goods and tariffs on items as may be affected by Government from time to time.

Appendix III, IV, V, VI and VII show the exemptions and prohibition lists, import prohibition list (trade) goods that are absolutely prohibited from importation, export prohibition lists from 1995-2001 and excisable goods respectively.

The various media for carrying out this function of educating and enlightening those concerned depend on the issue at a given point of time, but usually include the use of the Customs Community Consultative Forum (CCCF) which assists in reaching out to the peoples and communities easier, faster and at low cost. A good example was the forum held at the Nigeria Institute for International Affairs (NIIA) Lagos which enabled the then Sole Administrator of the NCS to inform the public at close range, the plans and efforts of the Government to reduce the number of customs checkpoints in the country in order to facilitate easy movement of goods and persons and promote trade, especially along border station. The public were also educated on the harmful effects of smuggling, some banks were informed through this forum as authorised and designated by Governments to collect import export and excise duties and remittance of same Revenue collected to the Central Bank of Nigeria (CBN). Also the forum provided solution to false declarations, over or under invoicing and concealment of goods in the activities of pre-shipment inspection agents.

4.25 THE NEEDS FOR ADMINISTRATIVE ROLE OF THE NCS

The NCS is been relied upon by many Government bodies like ministries and Central Bank of Nigeria to provide them with facts and figures that enables effective planning and execution of projects. These facts and figures include statistical data and information on movement of persons, goods, and currencies of various countries in and out of Nigeria, especially through the ports and Border stations.

4.26 THE NEEDS FOR THE ROLE OF ECONOMIC SECURITY

The Nigeria Customs Service has been performing the role of economic security by meaning all strategic border ports, air and seaports (approved and unapproved). This is done in order to ensure that illegal goods are not imported or exported in or out of the country. By this strategy, it then means that serious war against smuggling is in course as the officers and men of the NCS strive for the survival of our infant industries from external competition. For Nigeria to become an industrialise country, where investors will have hope of good investments, a strategy for economic development such as anti-smuggling activities must be a seniquanon for the Nigeria Customs Service. Measures taken by the NCS to curb the wave of smuggling include air surveillance and ground patrols at our nation's seaports, airports, territorial waters, border areas and stations (ports). The NCS in their bid to favour the locally manufacturing companies for economic growth, normally discourage any act that is contrary to the fiscal policies as conceptualised by the Government. The Nigeria Customs Service has been given and will continue to give all necessary support and assistance in turning this nation's economy from the present dependence on import duties and major crude oil revenue source to that of a viable internal and non-oil export sources of Revenue. To achieve this objective, the NCS has strategically set all available resources (human and material) in place.

4.27 THE NCS PLAYS THE ROLE OF TRADE PROMOTION.

History of the NCS has shown that tremendous changes are taking place in the international Trading environment. A good example is the current participation of the NCS in the international trade fairs going on in the country. This act of trade promotion has made the subsequent Governments in power to demand from the Customs organisation better performance since it will enhance trade efficiency in the near future.

4.28 TRADE FACILITATION THROUGH AVIATION SHIPPING INDUSTRIES

The non-manufacturing of the aircraft of all types in our Nigerian Aviation industry has yielded only a singular perception of the industry as that which thrives on transportation of passengers and goods. The same holds for our shipping industry to a large extent. The NCS is currently playing very important role in ensuring a peaceful, secure and smooth aviation/shipping process. They ensure that fake spare/parts are not imported for our aircraft and ship repairs/maintenance and operation. The Nigeria Customs Service also ensures the smooth and secure flow of goods and passengers in and out of the country in the two industries. Like the equivalent daily slogan of the aviation industry which serves as their major concept of just-in-time (JIT) production and transportation techniques, so also is the process of reforming and modernising cargo clearance procedure adopted by the NCS since 1994 as Customs Processing Unit (CPU) after discarding the old method of long-room procedure of clearing goods. This method has seriously enhanced the clearance of goods at our airports and seaports, hence more Revenue is generated in time. The NCS has now won the glory of being able to clear goods in and out of the ports within forty-eight hours. Also with the importation of some X-ray scanning machines purchased by the NCS, identification of consignments that requires further examination can easily be defected while others go on trade handling. Other measures taken towards ensuring easy clearance of goods in the ports include the embracement of the worldwide practice and ECOWAS trade liberalization Scheme adopted one cargo document for clearing goods. These single goods declaration system has removed the ever-existing chaos in goods clearance in the airports and seaports, where good were formally subjected to six stages of verifications or assessments; import for home use, export, transit, transshipment, warehouse and re-exportation. Further contracts to ensure to upgrade the computerization systems in accordance with the worldwide accepted and ECOWAS designated automated system for customs data (ASYCUDA) was signed on July 3rd 1997 and is still in course. The Nigeria Customs Service will definitely succeed in putting clearance at twenty-four hours thereby bringing efficiency and effectiveness of importation and exportation to maximum level. More still are efforts geared towards full automation of the system by the NCS so that the capturing of data in a manifest module would be effective and efficient for documents handling. The Nigeria Customs Service has now adopted the use of ASYCUDA, its installation and operation has fully complemented the job of the federal office of statistics where the Eurotrade is already operational. Eurotrade is a data based upon ASYCUDA which facilitates early and timely production of external trade data. In order to move in the right direction, like the NCS, there is a need for the Federal Ministry of Transport and Aviation to also adopt to the advance cargo information system (ACIS) which will provide at a glimpse all necessary data for trade efficiency.

From what has been stated above, it is a known fact that the NCS Plays and can still play a vital role in trade facilitation which will boost the economy in this our trial period of national vision and after. The Nigeria Customs Service is taking no small measures in ensuring that the two industries (Aviation and Shipping) are fully automated and interfacing with operation and guidelines of the NCS. For better co-ordination, the three organisations should provide a system, which integrate cargo/consignment inventory control with import entry processing. Such suggested system should be accessible to agents of import airway bill (AWB) and shipping lines, to ensure that the latter will report their cargo to customs by transmitting all information concerning AWB to the data base which will serve as the cargo inventory base, hence saving time. These organisations can also help customs by supplying Passenger Advance Information (PAI). In view of the outlined strategies in course, the new millenium will definitely witness a huge revenue generation through trade facilitation as greater trade turnovers will be encouraged.

4.29 ENCOURAGEMENT OF FOREIGN INVESTORS

The Nigeria Customs Service is another agent of Democracy, being that political stability will be attained that will encourage investors to troop into the country for economic growth. Within this vision and beyond, the NCS will continue to play vital roles in every ramification in order to encourage foreign investors to boost our basterdised economy. Some of the steps taken so far include the efforts by the service to quicken clearance of goods at our sea and airports, more especially the time reduction of goods clearance from forty-eight hours to twenty-four hours. It is worth recalling that the best manager is a manager of time and time they say is money. Therefore, the NCS will minimise time in clearance of goods thereby creating room for more revenue generation through rate of clearance. Invariably, the investors time at the ports is conserved, hence more time for other commitments.

4.29a POLICY IMPLEMENTATION AND INPUT TO GENERAL POLICY

Another vital role that will be played during this trial period of our Democracy by the NCS is in the areas related to its operations, especially trade, revenue generation, security and enforcement actions which are critical to the success of conceptualised vision and beyond. In the past, the NCS has contributed positively through the various adjustments, made a tariff after a thorough research especially in the year 1997. Such adjustments include the some reduction on the list of prohibited goods, erstwhile prohibition on textile materials from importation become importable goods while excise duty on it was totally removed. This singular action of trade liberalization executed through government policy by the Nigeria Customs Service has stimulated international business on the commodity both home and away. It is the patriotic duty of the Nigeria Customs Service to research into policy areas, which will enable the country to earn maximally from international trade, and make relevant inputs to government policy.

Furthermore, the Nigeria Customs Service is among other agents that implements the ECOWAS protocol which among other objectives, aims at eliminating duties and charges among member states, the establishment of common customs tariff, the abolition of obstacles to the free movement of persons, services and capital, as embodied in ECOWAS trade liberalization scheme. One good implementation example of ECOWAS protocol is the removal of unnecessary checkpoints from uncountable number to just two at each of the Border areas. The Nigeria Customs Service will continue to implement the government policies on excise incentives. In a bide to implement the government policies by the NCS, clear guidelines and other incentives such as refunds, duty drawable and abatement are given to industrialists with the aim to attracting foreign and local investors in the country. To enable the service play its vital role in this regards, the Federal Government needs to see to the proper training of personnel both locally and internationally on the required, stable and predictable application of the Broad principles of the definition of value (BDV) and the proper use of the interpretative rules that will boost the international trade as well as the local production.

4.29b BUDGET REFORMS AND FISCAL POLICIES NEEDS

Of great significant is the role played by the NCS in its contribution to fiscal policies and budget reforms of the country. These two measures are vital tools for solving the problem of infrastructural development, human capital development and creation of a stable business environment for private investment. Some of the features of stable business environment include low inflation rate, sustainable balance of payment, realistic deficits, and reasonable external debt portfolio, which is convenience for foreign funding. The fiscal and budgeting measures implemented by the NCS will enable the vision 2010 goals to be achieved, especially in the area of investment and level of outward orientation rather than over dependent on crude oil for foreign earnings. By so doing, the country will take a new shape in areas of her infrastructure, improved human capital, domestic savings and facilities. As rightly observed by Douglas Tweddle that "the world is rapidly moving towards a new era of global free trading". He cited an instance of the European Union where the average tariff within the member states is less than 4%. It is a sign before us that encouragement should be made towards local production for exportation rather than importation.

It is a known fact that trade and investments are the twin driving forces behind industrial breakthroughs of any nation. The NCS should be encouraged by the Government to develop its human resources in order to meet with the global trend in trade facilitation and investment which will eventually provide a good atmosphere for learning, competition and understanding internationally. The service since its inception has contributed and will continue to contribute positively to the fiscal and budgetary policies by way of research into viable trade policies and advising the Government on the need to adopt such policies. The service is seriously protecting the infant industries by way of totally de-excising some factories, low excise duty, and high duty on luxury goods such as spirits, alcoholic drinks, tobacco etc. which to some extent has immoral attribute. As one of the agencies of policy implementation and formation the NCS in conjunction with other agencies enforce laws and orders and protect the economy of the nation through the use of tariff, hence encouraging self-sufficiency and food security. It is imperative to note that the best economy of any nation is one that has an optional combination of trade and investment (i.e. Importation and exportation), where equal liberalization of operation co-exists. Excessive adherent to strict import or export prohibition has adverse effect rather than any meaningful contribution. For instance, strict adherent to prohibition of imported second hand cars resulted in high wave of car smuggling, in same way strict adherent to prohibition on exportation locally manufactured goods leads to low investments, competition in the market and test of human expertise. To achieve the objective of the vision 2010, the NCS in collaboration with other agencies shall play an increasing role in ensuring that best fiscal policy and budgetary reforms are adopted and implemented by the Government.

4.29c PREACHING EASY BUSINESS TRANSACTION

With the new vision in course and even beyond, the NCS owes it a point of duty to proclaim the good name of the country in easy business transaction by adopting relevant measures to achieve this set objective. Such as the adoption of the harmonized commodity description and coding system which came into affect on 14th January 1998 and the general agreement on Trade and Tariff (GATT) used for the classification and valuation of goods for the purpose of customs duty introduced by all world customs organisation members, African, Caribbean and pacific countries and ECOWAS. The reformations carried out by the NCS in the parts as a way of preaching easy business transaction to the world include the following

(a) The replacement of long-room procedure with Customs Processing Units (CPU) thereby reducing hitherto the three units to one unit of import and export operation for goods documentation and procession.

(b) The one time or simultaneous examination of goods at the terminals by all appointed security agents.

(c) The computerization of the Nigeria Customs Service, which will be fully implemented when the ASYCUDA programme, is finally put in place.

(d) The adoption and implementation of single administrative document (SAD) which will make it possible for Nigeria Customs Service to join Internet.

4.20a **NEGATIVE CONTRIBUTION OF THE NIGERIA CUSTOMS SERVICE**

(1) The abuse of power and authority by Men at the helm of Affairs of the service, who constitute the minority of the population has led to comparatively low performance of the field-work force (i.e junior officer), since the morale of the officers are not boosted, hence low revenue generations.

(2) **APPOINTMENT OF NON-CARRIER OFFICER AS HEAD OF CUSTOMS**

Experience they say is the best teacher. The data collated on analysis had shown that revenue administration needs a carrier officer who is versed in the field of revenue collection and its related matters, this will in no small way contributed positively to the Revenue generation of the NCS. Hence, appointing a non-carrier officer to run the affairs of the service for the purpose of Revenue generation is a total contradiction since the work demands professional strategies and experience. It was viewed that such habits practiced by former administrations were malfunctioned mal administrate against the ethnic of the service, hence negative contribution to Revenue Generation of the NCS.

(3) **BIG BROTHERLINESS:**

The Nigerian style of playing the role of big brother to other African countries, some of whose economics are more buoyant than ours, is a misconception of humanitarianism. This style had for decades robbed us of many benefits, rather creating havocs. Such as Religious pollution e.g maitesine crisis, out break of diseases or epidemic as a result of illegal immigration of persons and goods (animals). This concept of brotherliness has reduced the stringent measures that are supposed to be taken by the offices and men of the service, manning the ports and border ports (approved & unapproved).

(4) **COLLABORATORS:** Like other organisations, the NCS is bound to have some officers and men who for their selfish interests collaborate in one way or the other in defrauding the federal government by way of revenue generation. Such officers are believed to be staffs who derive more pleasure in the extrinsic value attached to the job rather than the intrinsic value for which they are employed. This onerous attitude of the few individuals in the service has smelled the image of the service, where, in most cases general statement is made of the allegation. These in its effect has reduced the morale, the integrity and the level of efficiency of the majority who is not involved but are labelled with this allegation. In view of this, the general public is hereby advised to report in person or pass information about such "bad eggs" in the service for disciplinary actions rather than speculating, scandalising and generalising the allegation which has adverse effect on the innocent officers and men of the service.

(5) NON-PROFESSIONALIZATION OF THE NCS

The Nigeria Customs Service, unlike their other counterpart in the NPF, and the Armed Forces (Airforce, Navy and Army) does not run their service according to the ethic of calling. This in effect has made the service to under-utilize the human and material resources available to them and to the detriment of the nation in terms of revenue generation.

(6) WRONG INPUT TO GENERAL POLICY AND POLICY IMPLEMENTATION

It is worth nothing that in as much as the service continues to generate Revenue for the government, there must be a wrong input to general policy and its implementation that must have robbed us of Higher Revenue generation. Such examples include:

(a) the prohibition of second-hand cloths,

(b) the total de-excisation of factories without properly evaluating the consequences.

(7) INTIMIDATION OF OFFICERS:

It is imperative to understand that officers and men of the service are sometimes handicapped when abuse of diplomatic immunities is being carried out. Take for instance the case of a Royal father being involved in smuggling or some government functionaries. At this point, the job efficiency and effectiveness of the officer concerned is been jeopardized, hence contributing negatively to the Revenue generation of the Nation.

4.3 THE PROBLEMS OF REVENUE ADMINISTRATION IN NCS

The Nigeria Customs Service like any other organisation has challenges or numerous problems that are inimical to the success of the organisation especially in its bide to discharge her patriotic and vital national assignment. Below we shall enumerate some of the leading problems as rightly observed after a good research survey. The problems are classified into four major parts, welfare & morale, capacity building, funding and public support.

(a) **INADEQUATE FUNDING OF THE SERVICE**

The NCS has been lacking funds in order to meet the modern changes in its operation. The result of which has made it impossible for the organisation to operate at the approved border ports, air and sea ports, welfaring and moraling the officers and men of the service as well as encouraging capacity building.

(b) **LACK OF ADEQUATE CAPACITY BUILDING**

Some of the capacity buildings that are lacking in the NCS are

(i) **MANPOWER:** It is imperative to note that employment of well-educated, well trained and patriotic citizen contribute a lot to the good performance of job. The service owes it a point of duty to recruit capable hands into the organisation without political biasness.

(ii) **MOBILITY:** For the sake of effectiveness and efficiency, indischarging duties, the officers and men of the service are to be equipped with good mobility such as vehicles, ships, fast patrol boasts surveillance helicopters and observation aircraft, low level television and infra-red vision equipment which the service is presently lacking to some extent. This will go along way in solving the problems encountered in smuggling operations by the officers and men of the Nigeria Customs Service.

(iii) **LOSS COOPERATION OF SECURITY AGENCIES WITH THE SERVICE**

The ever existing loss cooperation of other agencies with the NCS has rubbed us of good performance since there is a distortion in pursuing things to their logical conclusions e.g clash between customs and police over superiority of operation at the Borders. Immigration officers arresting goods instead of the importer or the exporter concerned. Research survey conducted showed that this loss cooperation among the security agencies were as results of selfish misinterpretation of department functions.

(iv) Inadequate Training and Retraining of officers and men of NCS. The officers and men of the service are not adequately trained and retrained due to lack of modern facilities, and qualified personnel to handle the programme. The government should encourage the training of Senior officers of the service at the Nigeria war colleague, and training of the men of the service at tertiary and other institutions of higher training, also retraining of officers and men at various stages in the customs colleagues to enhance job performance.

(v) LACK OF PROPER MODERNISATION OF THE NCS

In order to meet the challenges facing the good performance of the service duties, the NCS has to update the modern system of operation, equipment and accommodation facilitates during this trail period of our national vision. The non-operation of interest as one of the World Customs Organisation's (WTO) policy guidelines has to be quickly implemented in the country.

The non-operation of this customs Internet has greatly disrupted the international business as well as the local investments in terms of trade and development.

Unlike other developed countries who are already operating Electronic Commerce (EC) through the internet, the NCS is still lagging behind and this has contributed in retarding the economic prosperity and social well-being of the nation. Also important is the need to computerise the NCS in totality. All the processes and procedures involved in the operation of the NCS should be computerised in order to eradicate the unnecessary use of manpower in discharging our primary assignments which are time consuming and repetitive in nature that are inevitable but essential part of the work of the service. In view of the high wave in illegal Trading and smuggling, Governments all over the world have demanded that customs be more effective in their control and compliance interventions" To this effect, the UNCTAD adopted certain recommendation where principles include proper management, facilitation, simplification, consistency transparency, compliance and accountability. The efficacy of this modernised system has three main reasons as summarised by Michael Parsons.

(a) Dramatic increase in the volume of trade, number of international travelers and movement of illicit goods.

(b) Greater demand from trade and transport for improved consultation and simplified and harmonised customs procedures and

(c) The need to obtain cost efficiencies by streamlining customs activities.

The birth of Columbus declaration, which came through the UNCTAD trade efficiency symposium of October 1994, explained for the first time, the principles, which a modern customs administration should implement.

(a) Production of strategic plan, defining corporate objectives and how they should be achieved.

(b) Adequate resources to be made available

(c) Introduction of a reform program

(d) Use of risk assessment, selecting, targeting, and profiting techniques.

(e) Simplified clearance procedures

(f) Coordination of official controls

(g) Cooperation and consultation with trade MOU programmes.

(h) High level of integrity

(i) Provision of up-to-date information

(j) Pre-arrival processing of declarations

(vi) **LINGUISTIC BARRIER:** Lack of adequate linguistic development has paralyzed the work-capacity of the personnel in the NCS since various languages surround the country's borders. The need to work out curriculum for the personnel in order to curb this ever-increasing problem can never by over emphasized.

(vii) **CONSERVATIVE ADMINISTRATION:** The operational structure of administration in the NCS at the Zonal and Command levels (states) except at the Federal level lacks simplicity but rather conservative in nature. An observed fact showed that the best administration is one that has a simplified structure that ease decision making in terms of operational matters. There is a great demand for management skills that will work ahead the dynamic trends in the customs activities.

(viii) **LACK OF SOPHISTICATED WEAPONS:** Several attacks have been made on the personnel of the NCS, ranging from beating, maiming and killing by bandits who are deeply rooted in the act of smuggling. The officers and men of the NCS could not withstand this crime wave indulged by the smugglers simply because of lack of sophisticated weapons on the part of the personnel manning our border ports. It is pertinent to note that it is not only important but obligatory on the part of the Government to protect the lives and properties of its citizens, hence Government has to take urgent steps to equip the service with the needed sophisticated in order to wage war against smuggling.

(C) **INADEQUATE FUNDS:** In order to enable the officers and men of the NCS to perform effectively their functions, there is a need for adequate funding of the service since capacity building and welfare all are both function of availability of fund. Such funding should include the following; forensic laboratory equipment for establishing drugs seized by the personnel, constant research, technology and equipment for defecting drugs smuggled into the country, employment of skilled and expert officers and men of the NCS and training facilities for the service.

To globalize the operation of the NCS through the use of internet for import and export duty information, ease trade, and transport information etc.

It is disheartening to note that international trade has been increasing by leaps and bounds, but the machinery for implementing government policy in the NCS has been stagnating especially if viewed from the electronic globalization of trade. In order to achieve our national vision objective, it is imperative for the government to adequately fund the Nigeria Customs Service, this will enable the service to consolidate efforts towards higher revenue generation.

(D) **PUBLIC SUPPORT:** It will be bad if the singular act of corrupt practices by some few individuals in the service is used to totally discredit the multiple advantages derived from the service of the NCS to the nation. It is a known fact that inspite of corrupt practices indulge by some officers and men of the NCS, the revenue yearly generated by the service since inception remains on the increasing proportion. Research conducted by some experts showed that the risks involved in the operation of NCS, has to some extent led to the corrupt practices and the NCS on its part is seriously finding a lasting solutions to the problem by forwarding some vital request of various conventions of held by the Nigeria Customs Service (both locally and international). It was observed that some corrupt practices are inevitable more especially at some Border stations e.g Idiroko Border and Illela Border. At Idiroko Border early last year 1999, there were a lot of casualties on both the part of NCS and the smugglers and this was due to lack of cooperation between the officers and men of the NCS and the smugglers to defraud the government. The degree at which our patriotic officers and men of the service fall pray to the smugglers at some borders station are high and this is because of lack of sophisticated machinery like sub-machine guns, automatic revolver machines etc. to combat the smuggling activities at the borders. In view of the smuggling wave, the service is soliciting for a high degree of public support, understanding and cooperation in order to meet the challenges of our national vision 2010.

4.4 CRITICAL ANALYSIS OF REVENUE ADMINISTRATION

Table 4.4 ***Government Budgets for NCS 1990 – 19991***

YEAR	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Budget	15m	20m	22m	30m	35m	41m	43m	44m	50m	60m
Not adequate	1375	1385	1350	1300	1275	1250	1300	1300	1325	1375
Adequate	1125	1175	1150	1200	1225	1250	1200	1200	1175	1125
Total	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
% Ade./Not adequate	45	47	46	48	49	50	48	48	47	45
Performance level %	40	50	40	45	45	80	55	50	60	68
Corruption level %	55	50	45	40	30	20	35	40	50	55

Source: Field Survey

Table 4.4 shows that for the period under review the Nigeria Customs Service had demanded for atleast 50% of finance but only an average of 47% was given. This explains why there is always low performance as well as the high level of corruption in the NCS.

The budgets for each year kept on increasing but has not been adequate except for the year 1995 where adequate response was at 50% and corresponding level of performance increased to 80% with least level of corruption of 20%.

Thereafter, the levels of corruption keep on increasing due to the neglect of the service in terms of financing (Training, Equipment, Health, Remuneration etc)

Some of the hypothesis will be tested in this content in order to ascertain genuine findings. In this regard, a two-tailed test under 5% level of significance (LOS) will be carried out for the test of this hypothesis.

Hi: $X < 50\%$ is not adequate

Ho: $X \geq 50\%$ is adequate.

YEAR	% Adequate/Not Adequate	X - X	$(X - X)^2$	S^2
1990	45	-2	4	0
1991	47	0	0	4
1992	46	-1	1	5
1993	48	1	1	6
1994	49	2	4	10
1995	50	3	9	19
1996	48	1	1	20
1997	48	1	1	21
1998	47	0	0	21
1999	45	-2	4	25
	$\sum x = 473$			$S^2 = 25$

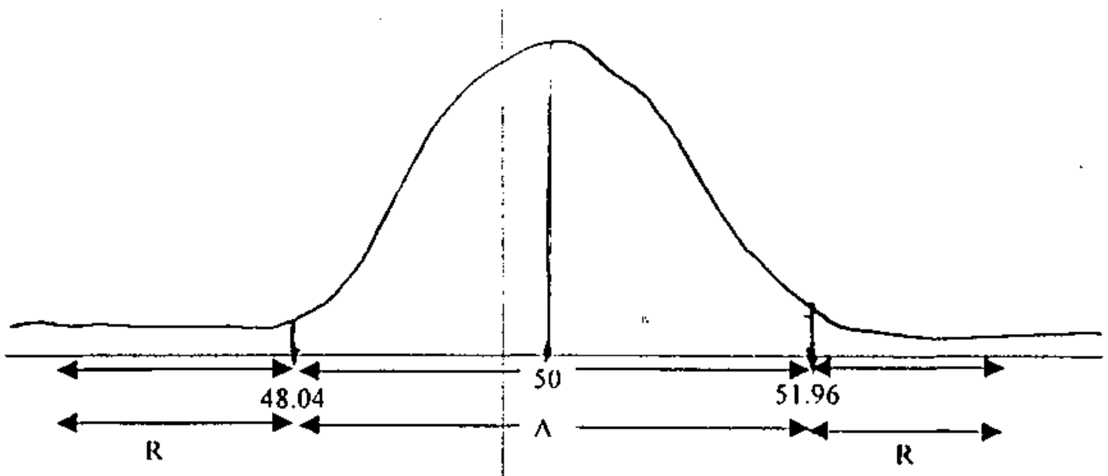
$$X = \frac{\sum x}{n} = \frac{473}{10} = 47.3 \approx 47$$

$$S^2 = \frac{(x - x)^2}{n} = \frac{25}{10} = 2.5$$

$$S = \frac{(x - x)^2}{n} = \frac{25}{10} = \sqrt{2.5} = 1.6$$

STANDARD ERROR

$$S_x = \frac{S}{\sqrt{n}} = \frac{1.4}{\sqrt{10}} = \frac{1.6}{3.3} = 0.5000$$



$$Z = \frac{x - u}{S_x} = \frac{47 - 50}{0.5} = \frac{-3}{0.5} = -6$$

At 5% level of significance Z value must be within $\pm$ 1.96.

DECISION

This therefore signifies that the neglect of the Nigeria Customs Service in terms of financing (equipping, training, remuneration, accommodation, health etc) is responsible for the relative low performance as well as the high level of corruption in the NCS.

TEST FOR THE SECOND HYPOTHESIS

Time series test is used here.

Alternative Hypothesis

Hi: The appointment of non-carrier officers to head the NCS is responsible for the relative low performance of Revenue generation.

Null-Hypothesis

Ho: The appointment of non-carrier officer to head the NCS is not responsible for the relative low performance in Revenue generation in the NCS.

A field survey was carried out where figures relating to Respondent Responses were tabulated. The values of Revenues collected were for the years 1990 – 1999 and on quarterly basis for the three former heads of the Nigeria Customs Service where the only appointment of the carrier serving officer was made in February 1999 to date.

The Responses of the Respondents given in percentage values and corresponding to elements of performance assessments considered. (ie. Revenue and field experience).

Table 4.41 ***Quarterly Revenue Assessment for the years 1990 - 2000***

Heads of NCS	Years	3rd Quarter Revenue (₦B)	4th Quarter Revenue (₦B)	% increase revenue	% Field experience
Non carrier officer Dr. Bello Mohammed	1990	9	8.5	-5.5%	0%
	1991	8	8	0%	1%
	1992	11	10	-9.6%	2%
	1993	15	14	6.6%	3%
Non-carrier officer Ango S. O. G.	1994	20	21	4.4%	0%
	1995	21	21	0%	1%
	1996	22	23	3.3%	2%
	1997	20	20	0%	3%
	1998	25	27	5.5%	4%
Carrier Officer Alh. A. A. Mustapha	Feb.'99-2000	40	70	75%	27.5%

Source: Field Survey

Table 4.41 shows that the performance level in terms of Revenue generated was at its peak and was attributed to the high level of field experience of the carrier officer being used to administer the affairs of the service. The Quarterly increases in Revenue and its corresponding experience level were 75% and 80% respectively. But for the cases of Revenues generated during the times of the appointment of non-carrier officers, it was observed that lack of experience in the field of the service had adverse effect on the Revenue generated. There were little or no significant Revenue increase due to lack of professional experience.

DECISION

In view of the above analysis, it is obvious to note that the Null hypothesis is rejected, while the alternative hypothesis should be accepted based on the data and information available in table 4.41. Hence, the appointment of non-carrier officers to head the NCS is responsible for the relative low performance of Revenue generation.

4.5 PROSPECTS OF NIGERIA CUSTOMS SERVICE

It is difficult to establish a yardstick for measuring achievements and success in an organisation like the Nigeria Customs Service. This is more so when the researchers are part of the body being judged. However, the researchers are of the view that the service has made tremendous achievements worth mentioning in recent times.

The Nigeria Customs Service has performed excellently in the area of Revenue Collection, some of which are worth mentioning, such as

(i) Import duties

(ii) Excise duties

(iii) Import levy of 7% surcharge for the development of seaports, airports, shipping and Raw material council.

(iv) National automotive levy of 2% for the National Automotive council.

(v) Sugar levy of 5% for the Nigerian Sugar Council.

(vi) Value Added Tax (VAT) on imports for the Federal Board of Inland Revenue.

(vii) Payment for Import, Export and Excise licenses for the Federal Government of Nigeria.

All revenue collected on Imports, Exports and Excise duties go to the federation account, which is shared by the federal, state and local governments on the following formula.

Federal 48.5% states 24% local governments 20% and special fund 7.5%. Revenue collected from VAT by the NCS on behalf of the Federal Board of Inland Revenue is shared among governments of the federation on the basis of Federal Government 35% states 40% local governments and Abuja 25%. As aforementioned, it can be seen that the NCS has done and is still doing a lot of work in collecting several types of revenue and remitting same to the federation accounts.

In terms of actual amount of revenue collected (i.e imports, exports and excise) by the Nigeria Customs Service, in recent years, the service has been up to its task of revenue collection. The following sums of money were collected by the service: ₦18.99 Billion was collected in 1994, N40.14 Billion in 1995 and N54.99 Billion were collected in 1996. These collections exclude VAT, 7% surcharge, 2% NAC charge and sugar levy. From the above instances, it can be seen that the revenue collection of the service has been on a steady increase. It is worth commending the relentless efforts geared towards revenue collection in the NCS especially the superfluous amount generated in the years 1998 and 1999 were N58.6 Billion and N86.2 Billion respectively. Not has the service only collect tremendous amount into the federal accounts but has been consistently exceeding the various revenue targets usually given at the beginning of each year.

Table 4.5 Sources of Revenue collected in 1995

SOURCE	**AMOUNT (N BILLION)**
Import duty	30.992
Excise Duty	9.088
Export Duty	00.000
5% Sugar levy	0.282
7% levy	2.183
fees etc	0.650
VAT	10.662
2% NAC levy	0.413
TOTAL	₦53.69 Billion

Source: Sola Ango, Ibid P. 39.

Table 4.5 Shows the sources of the 1995 bulk collection indicating for example that the greater part of the money was collected from import duty totaling N30.992 Billion. This amount was seconded by VAT collection, which was N10.67 Billion. To cap it all, the rapid increase in Revenue collection in the recent years has been attributed to the following factors.

(i) The tallying of cargo landing in Nigeria ports, which made it possible for the NCS to capture large quantities of containers that were unmanifested, and hitherto escaped documentation and duties payment.

(ii) The modification and restructuring of the long room.

(iii) The launching of the war against indiscipline and corruption in the Nigeria Customs Service.

(iv) Computerisation of the system.

(v) The introduction of commodity by commodity Revenue returns.

(vi) Introduction of Headquarter copies of manifests.

(vii) Introduction of integrated escort of uncustomed goods.

(viii) The introduction of reward system (e.g. Roll of Honour) through which for example honest and outstanding performances of personnel and units (area commands) are rewarded.

(ix) Intensive training and retraining of officers and men of the NCS to enable them consolidate their services.

(x) Persistent and consistent emphasis on discipline accountability and transparency.

(xi) Adoption of planned, posting, policy.

The table shows that for over sometimes now the federal government of Nigeria has not been encouraging exportation. This was because of low production capacity in agricultural produce for indigenous consumption. It also encourages self-industrialisation for sustainable growth.

We shall also take a look at the tables of the part, current and latest figures of Revenue generated by the Nigeria Customs Service in order to make constructive deductions for the benefits of the service and in the federal government in General.

Table 4.6: Total Imports and Exports between 1891 and 1920 in merchandise and species.

YEAR	TOTAL VALUE (£)	CUSTOMS DUTIES (£)	EXPORT (£)
1891	1,946,053	515,817	203,717
1892	2,001,101	563,845	4,162,938
1893	2,177,220	695,768	2,391,561
1894	2,856,892	660,963	2,278,308
1895	2,712,292	766,714	2,930,438
1896	2,859,017	885,585	2,790,737
1897	3,118,267	743,168	3,151,418
1898	4,438,906	1,182,781	4,202,708
1899	4,284,830	1,046,647	3,409,280
1800	4,962,544	981,401	4,169,168
1901	5,857,335	141,305	5,301,486
1902	5,680,980	1,441,775	5,39,407
1903	6,130,601	1,583,429	6,089,706
1904	7,301,601	1,724,658	7,352,377
1905	6,901,071	1,493,220	6,610,046
1906	5,016,951	1,376,191	5,660,786
1907	5,780,118	1,066,625	6,096,586
1908	7,532,735	1,081,602	8,727,870
1909	8,318,398	996,416	9,561,851
1910	12,005,832	490,917	14,726,245
1911	25,216,508	1,221,150	16,987,019
1912	10,765,812	662,124	9,704,417
1913	1,007,235	1,278,803	10,425,511
1914	13,345,764	837,263	11,245,511
1915	13,249,156	1,056,347	10,345,178
1916	10,345,891	1,267,437	13,493,178
1917	11,436,151	1,043,567	17,491,345
1918	12,645,375	934,164	16,340,957
1999	1,346,127	763,121	18,678,465
1920	1,673,147	347,129	19,124,321

Source: National Archives, files FD/R 40, 43, 44 and 49 for customs duties as contained in Amdi et al p. 22.

Table 4:7: Revenue generated by the NCS from import, export and excise duties in recent years between 1936 and 1953. (£).

YEAR	IMPORT	EXPORT	EXCISE	CUSTOMS FEES & PENALTIES	TOTAL REVENUE
1936/37	3,199,612	398,122	-	26,113	3,623,847
1937/38	982,940	393,639	-	28,229	3,504,808
1938/39	2,078,189	278,417	-	25,687	2,472,293
1939/40	2,062,588	378,311	23,250	22,716	2,486,865
1940/41	1,890,789	457,584	57,860	27,151	2,433,384
1941/42	2,350,022	636,642	77,938	20,522	3,622,260
1942/43	2,762,611	552,501	283,988	23,160	3,622,260
1943/44	3,540,892	723,533	613,472	19,514	4,897,411
1944/45	3,808,063	673,566	735,655	25,146	5,242,430
1945/46	4,149,880	637,735	842,058	34,335	5,664,088
1946/47	5,134,087	867,072	921,691	48,577	7,094,527
1947/48	7,375,842	581,493	992,968	178,929	9,129,232
1984/49	8,639,741	2,752,076	1,150,124	80,726	12,622,677
1949/50	11,666,353	4,157,169	1,257,193	112,597	17,195,312
1950/51	11,660,679	4,821,333	1,571,696	107,423	18,161,131
1951/52	16,703,790	12,603,964	2,602,656	196,076	31,106,486
1952/53	16,606,690	14,060,786	3,067,941	321,028	33,948,440

Source: Annual Report of Board of Customs and Excise, National Archives, Kaduna, file No. FD/R/65, October, 1990 as contained in Amdi et al p.31.

Also among the major prospects made so far by the Nigeria Customs Service is the combating of smuggling in its bid to safeguard the nation's economic security, moral tone, and health conditions. In this area, some of the seizures made from the smugglers are publicly auctioned and the revenue remitted to the federation accounts. For example, on August 6 1997, a vessel was caught by the NCS at the Apapa port with 23,000 cartridges and several guns. Also on July 15 1997 and August 12, 1999, the NCS impounded 1000 and 2000 cartridges respectively from passenger. It most be observed that the Nigeria's borders are vast, covering about 5000 kilometres of diverse geographical, cultural and topographical zones. Nigeria has

1000km border with Benin Republic in the west, 75km with Chad in the North, 1,700km with Cameroon in the East, 700km with the Atlantic Ocean and 1,500km with Niger in the North[2]. The Nigeria Customs Service can never be over-emphasized in its achievements at the vest borders, although with limited manpower, equipment and other outstanding problems.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter contains the summary of findings, conclusion and possible recommendations for the Revenue Generation policy in the Nigeria Customs Service.

SUMMARY

Every piece of intellectual innovation commenced with a discussion on the evolution of the Nigeria Customs Service, which was traced back to 1891. The progress of the NCS was rapid until the discovery of crude oil in the country. When the hitherto now was back booted. This same chapter highlights the cannons of the Nigeria Customs Operation.

Chapter two further traced the policy instruments of the Federal Government of Nigeria as it affects the operation of the Nigeria Customs Service. Emphasis was also laid on the organisational structure of the NCS. This was done in order to find a suitable organisational structure that will facilitate the smooth running of the system for good Revenue generation in the Nigeria Customs Service. Further in this same chapter was a vivid discussion on the powers and duties of the Nigeria Customs Service. Chapter three treats the Research methodology. In this chapter emphasis were laid on sources of information (data) used for verifying the stated hypothesis and finally, analysing the problems for possible resolutions.

The fourth chapter of this thesis focuses on the positive and negative Role of the Nigeria Customs Service, since its inception to date, the problems encountered in Revenue Generation and Administration and the consequent progress so far made by the Nigeria Customs Service.

The fifth chapter which is the final part of the thesis, summaries explicitly all the work involved in Revenue Generation policy in the Nigeria Customs Service, and drawing possible conclusions at the end of each verifications which finally yielded suggested Recommendation for private, Government, non-governmental and public use in order to achieve a meaningful result in Revenue Generation in the Nigeria Customs Service.

CONCLUSION

This sub-chapter of the fifth chapter of the Research findings is focused at making possible observations regarding Revenue Generation policy in the Nigeria Customs Service.

Firstly, it is observed that the NCS since its inception in 1891 has tremendously contributed to the Revenue Generation efforts of the Federal, state and local government coffer but with the emergence of Crude oil in the early Seventies, the Customs & Excise duties now became a Secondary Source of Revenue Generation, hence the neglect of its operation.

Secondly, it is an observed fact that corruption has eroded the Nigeria Customs Service but it is imperative to know and understand that an outright condemnation of the service rendered by the NCS without proper analysis amounts to personal hatred, envy and lack of consideration on the part of the observer since the yardstick for measuring the performance of officers and men of the service is not easy to come by, especially if the observer is an outsider. Explicitly it can be said that on no account had the Revenue generated by the NCS exceeded the cost of generating it.

Thirdly, the vision statement as contained in the Nation's Vision 2010 and as it affects the work of the NCS, is a step capable of emulation that is geared towards rapid progress of the country and improvement of the living standards of our people.

This national objective has made every incoming administration to structure perfectly her system towards achieving her own portion of the role to be played during this trial period of the vision. This is why the NCS, a secondary source of Revenue Generation in Nigeria (ie after

Crude Oil) owes a point of duty in this Vision period to fulfill its obligation of meeting the set standards of Revenue Generation and socio-economic security functions.

Fourthly, a proper analysis has shown that there are a number of problems militating against the progress of the service which have been enumerated and the possible ways of proffering lasting solutions to them in order to achieve our vision statement as regards NCS in this trial period of our National assignment had also been given.

RECOMMENDATION

In view of the aforementioned observations, we now have to make a few recommendations that if properly implemented or utilised by the concerned body would yield greater and positive result towards Revenue Generation policy in the Nigeria Customs Service.

One, the persistent practice of shifting the Nigeria Customs Service from one Ministry to the other should be discontinued, as this act has adversely destabilize the activities of the service more especially in terms of Revenue Generation.

Two, the Nigeria Customs Service with its constituted Board should be removed from ministerial control and upgraded to commission status with direct responsibility to the presidency as in the case of Nigeria National Petroleum Corporation and Central Bank of Nigeria. By so doing, the NCS will be able to perform beyond expectation in this visionary period and beyond in terms of Revenue Generation.

Three, in the alternative, the service may remain under the Ministry of Finance but without undue interference with its primary function of Revenue Collection, and given adequate legal protection for maximum efficiency and effectiveness.

Fourth point, the federal government has to assist the service financially in order to enable it modernise its equipment and procedures to match the dynamic international trading environment. This is because time will come when Customs Administration worldwide shall be operating common procedures using internationally accepted instruments like the World Trade Organisation (WTO) valuation and origin agreement and the harmonised system of nomenclature, in line with Kyoto convention. This form of customs operation will be largely transparent to international trades. Information regarding trade activities will be made readily available by the principals who are responsible for the sales or supply of goods concerned through electronic process to those that need to and have authority to access it. These set of bodies include

(a) Port Authorities

(b) Transport operators,

freight forwarders, finance houses, Insurance companies and Customs administrators in importing and exporting nations. The conventional agreement of the function of the customs administrators is to "process this information using the state-of-the-art computer system"

Fifth point, it will be to the best interest of the government if a critical study of the morale, equipment and accommodation problems of the service is undertaken and decisions on them taken in order to motivate officers and men to put in their best in the pursuit of the goals and aspiration of the service towards achieving a better and stable economy. It is a notable fact that good workers welfarism creates a sense of belonging and motivates them a lot. Contrary to this view breeds alienation and kills the spirit and performance zeal. The welfare of officers and men of the service should be seen as a vast and continuous exercise, but major areas that deserve urgent attentions are paid salaries and allowances, vehicle and motorcycles loans, life insurance scheme, loan schemes and recreational facilities. The NCS should reward outstanding performance such as good reward for honest and courageous service and also better retirement benefits.

Sixth, there is a need for other bodies such as the legal courts and forensic laboratories to give the NCS maximum cooperation in the quest for curbing the menace of drug trafficking.

The NCS is readily and ever prepared to pursue legal cases against suspects or corporate bodies to their logical conclusion. This will in no small way contribute by cleaning our society of such drugs and save our children of this generation from drug addiction.

Seventh, it will be of a great benefit to the nation if in the near future, a unified customs and excise is formed in the sub-region as in the case of ECOMOG. This will to some extent curb the excesses of smuggling in the region.

Eight, the rampant and persistent nature of smuggling in our country have been attributed to some reasons, such as low qualities of locally manufactured goods, low quality of life of border communities, lack of adequate public enlightenment campaigns to educate our people on the dangers of smuggling to the health and the entire economy of the nation. The government should owe it a point of duty to improve on the observed causes of smuggling in order to eliminate or reduce officers allegiance to the smugglers by promoting their patriotic instincts.

Nine, as rightly observed by Victor Ifedi, that "This country's problem in the process of economic, social and political engineering has never been the conceptualization of the ideas but their implementation. In order to achieve the goals of this noble service and aspiration of our vision 2010, it must be considered as a business for all where everybody has a part to play.

Ten, for the purpose of realising the objective of the service today and even beyond, as can be rightly observed with the Vision 2010, which spelt out the roles of the service to be played, by way of prompt interpretation and precise implementation of the fiscal and budgetary stance of the government, the government should encourage the following policy and its implementation.

(a) The service should always be given prime role to display their experience, industrial research and accumulated data to the tariff review whenever proposed by the government. Also government should discourage absolute prohibitions on security risk goods and services, instead of placing temporary ban on importation of goods and services that may boost the nation's foreign exchange. And since government's desire is self-sufficiency, the nation's trade policy should promote increased food production.

(b) Substantial loans should be granted by the Government to industrialists with viable perspectives in order to boost productivity. The production in-bond and use scheme policy should be encouraged in order to industrialise the nation. It is point blank that for effective and efficient industrialization to manifest in this country, there must be a conducive atmosphere where security of life and property is highly guaranteed.

(c) For Nigeria to join the world in export-oriented economy, the government should encourage our local industrialists to feature at economic missions with other foreign countries which will enable them understand the prevailing economic know-how over there rather than depending on technological transfer that may not come. It will be of great benefit to the country if government can avoid unnecessary barriers to trade such as import prohibition and quota operation.

Eleven, in order to regain and maintain the good image of the service as categorically stated in her motto, honesty and justice, the general public and the officers and men of the service should be encouraged by the government in dealing with the evil perpetrators in the NCS.

Twelve, the government should make it a policy where appointments of Comptroller-General of the Nigeria Customs Service is made from among the carrier serving officers of the service.

Finally, in order to revive the low level of programme observed in the service, the government should support the service morally, financially and technologically to enable the service reform itself, re-engineer the entire process, improve and re-educate officers and men in the service to imbibe a culture of professionalism and strict adherence to the ethics of their profession.

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APPENDIX I

HEADS OF CUSTOMS ADMINISTRATION IN NIGERIA, 1891-1997

1.	1891	T. A. Wall	Director-General of Customs, Niger Coast Protectorate.
2.	1900	H. L. Searle	Collector of Customs and Post Master General, Southern Nigeria.
3.	1903 to 1913	C. E. H. Migeod	Customs Officer, Northern Nigeria.
4.	1906	C. E. Dale	Financial Commissioner Southern Nigeria.
5.	1909	T. Burrowes	Comptroller of Customs, Southern Nigeria
6.	1914	T. Burrowes	Comptroller of Customs, Colony and Protectorate of Nigeria
7.	1921	J. D. M. Stewart	Comptroller of Customs, Colony and Protectorate of Nigeria.
8.	1922	F. A. Clinch	Comptroller of Customs and Excise, Federation of Nigeria.
9.	1929	W. K. Duncombe	Comptroller of Customs.
10.	1931	E. C. F. Bird	Comptroller of Customs and Excise, Federation of Nigeria.
11.	1939	A. E. V. Barton	Comptroller of Customs, Colony and Protectorate of Nigeria.
12.	1944	J. Mc-Lagan	Comptroller of Customs, Colony and Protectorate of Nigeria.
13.	1946	W. T. Martin	Comptroller of Customs, Colony and Protectorate of Nigeria.
14.	1950	F. Bishop	Comptroller of Customs and Excise, Federation of Nigeria.
15.	1954	F. Bishop	Comptroller of Customs & Excise, Federation of Nigeria.
16.	1955	D. W. Miller	Comptroller of Customs and Excise, Federation of Nigeria.
17.	1958	E. P.C. Langdon	Comptroller of Customs and Excise, Federation of

			Nigeria.
18.	1959	E. P. C. Langdon	Chairman, Board of Customs and Excise, Federation of Nigeria.
19.	1961	S. G. Quinton	Chairman, Board of Customs and Excise, Federation of Nigeria.
20.	1964	A. Diyan	Chairman, Board of Customs and Excise, Federal Republic of Nigeria.
21.	1968	H. E. Duke	Chairman, Board of Customs & Excise, Federal Republic of Nigeria.
22.	1975	S. A. Musa	Director, Department of Customs & Excise, Federal Republic of Nigeria and Chairman Board of Customs and Excise.
23.	1976	Oyebode Oyeleye	Director, Department of Customs & Excise, Federal Republic of Nigeria and Chairman Board of Customs and Excise.
24.	1982	Abubakar Musa	Director, Department of Customs and Excise, Federal Republic of Nigeria and Chairman Board of Customs and Excise.
25.	1988	Dr. Bello Haliru Mohammed	Director, Department of Customs and Excise, Federal Republic of Nigeria.
26.	1994	Major-Gen. SOG Ango	Sole Administrator of Nigeria Customs Service
27.	1999 to date	Alh. A. A. Mustapha	Comptroller General of Nigeria Customs Service.

APPENDIX II

EXEMPTION FROM IMPORT DUTY*

1. Aircraft, their parts and ancillary equipment, if the minister is satisfied that the same are imported by foreign airlines providing scheduled services solely for direct use in the operation of aircraft or the maintenance or repair of aircraft or their parts, the following items, parts and components of the same:

(a) air-conditioning plant;
(b) catering equipment;
(c) engine starting trolley;
(d) freight hoists;
(e) fueling plants;
(f) inspection platforms;
(g) instruments;
(h) materials for internal or external renovation or re-decoration;
(i) passenger gangways;
(j) tools (including machine tools) and machinery (other than vehicles)

2. Films, filmstrips, microfilms, newsreel, slides and similar visual and auditory materials of educational, scientific or cultural character imported by the United Nations, any of its specialised agencies or an approved education or science organisation.

3. Fuel, lubricants and similar products, which the Minister is satisfied are necessary for and will be used solely in the operation of:

(i) aircraft of the armed forces of a foreign power; or
(ii) civil aircraft registered in a country recognised by the Federal Republic of Nigeria.

4. Goods imported for the Head of State, Commander-in-Chief of the Armed Forces: all goods imported for the official use of the Head of State, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria or any person for the time being acting as the Head of State of the Federal Republic of Nigeria, during such period of time as he is acting, provided that the foregoing provisions of this paragraph shall not apply to goods which the minister is satisfied are produced locally to the required standard and readily obtainable.

5. Goods imported for consular officers: all goods imported for the official and personal use of a consular officer or for the use of any member of the family of a consular officer, where the government of the country he represents grants a like privilege to Nigerian consular officers in that country.

For the purpose of this paragraph, the expression "Consular Officer"

(a) means a consular officer *de carriere* who is recognised as a consular officer by the government of the country here present and is a national of that country; and

(b) includes, in relation to any country which is declared by the Head of State Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria to be a country with the government of which a convention making provision in that behalf has been conducted, a person who:

(i) is employed by the government at a consulate otherwise than on domestic duties.

(ii) is a national of that country.

(iii) is not otherwise engaged in gainful occupation in Nigeria; and

(iv) if not a permanent employee of that government, was not resident in Nigeria at the time when his employment at the consulate began.

The provisions of this paragraph shall be deemed to have had effect from the date on which any convention or agreement is entered into between the government of the Federal Republic of Nigeria and the foreign government of the Federal Republic of Nigeria and the foreign government concerned, provided that where any vehicle imported into Nigeria under this paragraph has thereafter been exported from Nigeria, the vehicle shall not be re-imported into Nigeria without consent of the federal government.

6. Diplomatic privileged importation: the furniture and effects (which expression shall include a motor vehicle) of any person, not being a Nigerian who is an official of an organisation declared by notice in the Gazette to be an organisation of which the government for one or more sovereign powers are members at the time that such person first takes up his post in Nigeria, provided that where any vehicle imported into Nigeria under this paragraph has thereafter been exported from Nigeria, the vehicle shall not be re-imported into Nigeria without the consent of the federal government.

7. Goods obtained free as technical assistance from donor international bodies/countries.

8. Passenger's baggage:

(a) personal and household effects, the property accompanying a passenger, to the extent permitted by the Minister and subject to any conditions imposed by it;

(b) personal and household effects, the property of a passenger landed at any customs port, customs airport or customs station within two months of the arrival of the passenger or within such further period as the minister may allow, to the extent permitted by the minister and subject to any conditions imposed by it; and

(c) personal and household effects excluding jewellery, photographic equipment, electronics and other luxury goods of a citizen of Nigeria who had been resident in a place outside the limits of the jurisdiction of Nigeria for not less than nine months; provided that "baggage" shall not be intercepted to include any vehicle or any goods intended for sale, batter or exchange.

9. Life saving appliances.

10. Military hardware and uniforms:

(a) all hardware imported officially for the use of the Nigerian Army, the Nigerian Navy or the Nigerian Air Force (other than alcoholic and non-alcoholic drinks, tobacco goods and products of food industry and as appropriate, any part of such goods);

(b) Accoutrements and uniforms, the property of officers of the Nigerian Army, the Nigerian Navy or the Nigerian Air Force, imported by such officers for their PERSONAL USE ON DUTY as required by the regulations of their respective services;

Provided that the foregoing provisions of this paragraph shall not apply to goods which the Minister is satisfied are produced locally to the required standard and are readily obtainable.

11. Arms and ammunition imported by the Nigeria Police Force.

12. In this schedule, except otherwise provided, minister means the minister charged with responsibility for matters relating to budget.

APPENDIX III

IMPORT PROHIBITION LIST (TRADE)*

1. Live or dead poultry (i.e fowls, ducks, geese, turkeys, and guinea fowls) excluding day old chicks, grand parent and foundation stocks for research and multiplication purposes (H.S. 0105, 1200-0105-9990 and 0207, 1100-0207-3600); eggs in the shell, including those for hatching (0407-0000).
2. Maize (1005, 1000-1005-9000)
3. Sorghum (1007-0000)
4. Millet (1008-2000)
5. Wheat flour (1101, 000)
6. Vegetable oils, excluding linseed and castor oils used as industrial raw materials (1515.1100.1515.1990 and 1515.3000).
7. Beer and stout (2203.000), barley and malt (1003.000 and 1107.1000-1107.2000) evian and similar waters (2201.1000-2202-9000)
8. Barytes and bentonites (2511.1100-2511.2000-2508.1100).
9. Gypsum (2520.1000)
10. Mosquito repellent coils (3808.1110).
11. Domestic articles and wares made of plastic materials excluding babies' feeding boules (3922.100-3922.900.3924.1000-3924-9000).
12. Retreaded/used tyres (4012.1000-4012.9000)
13. Motor vehicle and motorcycles above eight (8) years old from the date of manufacture (8702.1100-8702.9900,8703.9000,8704.1000-8704.9900,8711.1000).
14. Gaming machines (9504.1000-9504-3000).

APPENDIX IV

ABSOLUTE PROHIBITION (OTHER THAN TRADE)*

1. Air pistols.
2. Airmail photographic printing paper.
3. Base or counterfeit coin of any country.
4. Beads composed of inflammable celluloid or other similar substances.
5. Blank invoices.
6. Coupons for foreign football pools or other betting arrangements.
7. Cowries.
8. Exhausted tea or tea mixed with other substances. For the purposes of this item, "exhausted tea" means any tea which has been deprived of its proper quality, strength or virtue by steeping, infusion, decoction or other means.
9. Implements appertaining to the reloading of cartridges.
10. Indecent or obscene prints, painting, books, cards, engravings or any indecent or obscene articles.
11. Manillas
12. Matches made with white phosphorus.
13. Materials of any description with a design which considering the purpose for which any such materials is intended to be used, is likely in the opinion of the president to create a breach of peace or to offend the religious views of any class of persons in Nigeria.
14. Meat, vegetable or other provisions declared by a health officer to be unfit for human consumption.
15. Piece goods and all other textiles including wearing apparel, hardware of all kinds, crockery and china or earthenware goods bearing inscriptions (whether in Roman or Arabic characters) from the Koran or from the traditions and commentaries on the Koran.
16. Pistols disguised in any form
17. Second-hand clothing.
18. Silver or metal alloy coins not being legal tender in Nigeria.
19. Spirit
    (a) Other than:

(i) alcoholic bitters, cordials and mixtures admitted as such in his discretion y the comptroller-general and which are not deemed to be injurious spirits within the meaning of any enactment or law relating to liquor or liquor licensing;

(ii) brandy, i.e a spirit

- distilled in grape-growing countries from fermented grape juice and from no other materials; and
- stored in wood for a period of three years;

(iii) drugs and medicinal spirits admitted as such in his discretion by the comptroller-general;

(iv) gin, i.e. a spirit

- produced by distillation from a mixed mash of cereal grains only saccharified by the diastase of malt and then flavoured by re-distillation with juniper berries and other vegetable ingredients and of a brand which has been notified as an approved brand by notice in the gazette and in containers labelled with the name and address of the owners of the brand; or
- produced by distillation at least three times in pot-still from mixed mash of barley, rye and maize saccharified by the diastase of malt and then rectified by re-distillation in a pot-still after the addition of juniper berries and other vegetable materials;

(v) methylated or denatured spirits, i.e

- mineralised methylated spirit mixed as follows – to every ninety parts by volume of spirits nine and one half parts by volume of wood naphtha and one half of one part by volume of crude pyridine and to every 455 litres of the mixture 1.7 litres of mineral naphtha or petroleum oil and not less than 0.7 grammes by weight of powdered aniline dye (methylviolet) and so in proportion for any quantity less than 455 litres and
- industrial methylated spirits, five parts by volume of wood naphtha and also one half of one part by volume of the mixture; and
- spirits denatured for a particular purpose in such manner as the comptroller-general in any special circumstance may permit;

(vi) perfumed spirits;

(vii) rum, i.e a spirit

- distilled directly from sugarcane production in sugarcane growing countries and
- stored in wood for a period of three years;

(viii) spirits imported for medical or scientific purpose, subject to such conditions as the comptroller-general may prescribe;

(ix) spirits totally unfit for use as potable spirits admitted to entry as such in the discretion by the comptroller-general and

(x) whisky, i.e a spirit

- obtained by distillation from a mash or cereal grains saccharified by the diastase of malt; and
- stored in wood for a period of three years.

(b) Containing more than forty-eight and one half per centum of pure alcohol by volume except denatured medicated and performed spirits and such other spirits which the comptroller-general, in his discretion, may allow to be imported subject to such conditions as he may see fit to impose.

(c) Weapons of any description which in the opinion of the comptroller-general are designed for the discharge of any noxious liquid, gas or other similar substance and any ammunition containing or in the opinion of the comptroller-general designed or adapted to contain any noxious liquid, gas or other similar substances.

APPENDIX V

GOODS LIABLE TO EXCISE DUTY*

Serial No.	H. S Code	Tariff Description	Duty (%)
1.	1704.1000-1704.9000	sweets and confectionery	5
2.	1806.1000-1806.9000	Chocolate	5
3.	2106.9000	Non-carbonated soft drinks	5
4.	2201.1000-2201.9000	Waters, including Spa water	15
5.	2202.1000-2202.9000	Waters, including mineral waters and acrated waters, containing added sugar or other sweeten-ing matter or flovoured, and other non-alcoholic beverages not including fruit or vegetable juices of heading No. 20.09	10
6.	2203.0000	Bear and stout	40
7.	2204.1000-2206.0000	Wines, vermouths and fermented beverages	40
8.	2208.2200-2208.9000	Spirit liquors and other spititous beverages, concentrated extracts thereof	40
9.	2402.1000-2402.9000	Cigarettes, cigars, cheroots and cigarillos	40
10.	2403.1000-2403.9000	Other manufactured tobacco or manufactured tobacco substitutes	40
11.	2709.0000-2710.0000	Petroleum oils	10
12.	2711.1100-2711.2900	Liquefied petroleum gases	10
13.	3303.0000	perfumes and other toilet waters	10
14.	3304.1000-3304.3000	other cosmetics	5
15.	3401.1100-3402.9000	soaps and detergents	5
16.	3922.1000-3922.3000 3924.1000-3925.3000	Domestic articles and wares made of plastic materials	5
17.	Chapters 50 to 60	Textile fabrics, including carpets	5
18.	6301.1000-6301.5000	Blankets	5
19.	6302.1000-6302.9900	Bed linen	5

20.	6402.1200-6405.9000	Footwear	5
21.	7101.1000-7117.9000	Jewellery and imitation jewellery	10
22.	7308.1000-7308.9000	Iron or steel structures	5
23.	7610.1000-7610.9000	Aluminium structure	5
24.	7323.1000-7323.9900	Enamelwares	5
25.	8415.1000-8415.8300	Air conditioners	5
26.	8418.1000-8418.6900	Refrigerators and freezers	5

APPENDIX VI

Export Prohibition List 1995-2001

1. Beans
2. Rice
3. Cassava
4. Maize
5. Yam
6. Timber, rough or sawn
7. Raw hides and skin
8. Scrip metals
9. Unprocessed rubber latex and rubber lumps

APPENDIX VII

THE DUBAI DECLARATION

Arising from Deliberation at the First Dubai International Symposium on Customs and Efficiency in International Trade, March 11-14, 1996

1. participants note the special value of the EDI exposition and of meetings such as this symposium which allow senior officials to consider a variety of topical issues and vital subjects at greater lengths than may be possible to other for a.

   The delegates express their profound gratitude to the government of Dubai ports and customs and the organising committee of the exposition and symposium. The delegates suggest the importance of continuing to convene deliberations of this nature on a periodic basis, to ensure that senior officials from all sectors involved in international trade have occasions for detailed exchange with each other, in a spirit of collegiality, regarding their plans, accomplishments, best practices or reservation, and to determine opportunities for concerted actions.

2. Customs administrations should actively support the strategic plan and draw the attention of their governments to the benefits of accession to the relevant international agreements, including the Kyoto convention, the harmonised system convention, the GATT valuation code, and the Nairobi convention.

3. Customs administrations should evaluate their structures and procedures where appropriate, using the reform and modernisation programme of the World Customs Organisation, and develop programmes to improve their capability to facilitate trade while at the same time maintaining adequate levels of compliance through selectivity and risk management.

4. Participants recognise that traders in international transactions may incur significant cost associated with customs processing. Administrations are encouraged to work constructively with other interested parties in the trade transaction, including clearing agents, transporters and the trader community itself, to identify inefficiencies and to implement-re-engineered business processes and continuous improvement programmes to mitigate unnecessary costs.

5. Participants encourage all customs administrations to examine the application of increased levels of data communications and computer technology in their operations,

including EDI and electronic commerce, subject to relevant security safeguard and cost/benefit justification.

6. The symposium remarked upon the increasingly evident community of interest and the commendable degree of cooperation which has developed between customs administrations and other participants in international trade transactions, the delegates are encouraged by the willingness of various stakeholders, most notably banks, insurers, freight forwarders, transporters and clearing agents to work in collaboration to further facilitate trade. The delegates suggest that at the national and international level, opportunities be created and exploited to intensify programmes of liaison and consultation with the trade community so that progress in facilitation initiatives can be sustained, shared and accelerated.

7. Customs administrations are encouraged to explore opportunities for bilateral or multilateral cooperation for the development and delivery of training programmes in support of their modernisation initiatives.

8. In an effort to further simplify international trade procedures, customs administrations are encouraged to enhance their liaison with national bodies charged with formulation of economic, trade and tax policy where possible so that policy decisions reflect the capacity of the customs authority to administer, facilitate compliance and enforcement.

APPENDIX VIII

Department of Business Administration
Institute of Administration
Ahmadu Bello University
Zaria.
10th November, 1999.

Dear Respondent,

I am a Masters in Business Administration (MBA) Student currently undertaking a research on the Revenue Generation Policy in the Nigeria Customs Service (NCS): A behavioural Critique of Corruption-free Revenue Administration in the (NCS).

I would be grateful if you will assist me with the necessary data and information required by simply filling this questionnaire(s). All information and data obtained will be kept in strict confidence and also used for the purpose of this research alone.

Thanks for your anticipated co-operation.

Yours faithfully,

AUDU PATRICK DIO

QUESTIONNAIRE FOR THE GENERAL PUBLIC

(1) Have you ever worked with the Nigeria Customs Service?....................................

....

(2) What do you know about the Nigeria Customs Service?......................................

....

....

(3) How often do you visit their place of work?..

....

(4) Please can you enumerate some of their activities?..

....

....

(5) What do you think makes officers corrupt?..

....

....

(6) What are the corrupt practices that are carried out by the Officers?.........................

....

....

(7) Should the government be blamed for such practices?...

....

(8) Why should the government be blamed for such practices?..................................

....

....

(9) What should the government do to control or eradicate corruption in the service?.........

....

....

(10) Do you think officers and men of the NCS live above their means? Yes / No.

....

(11) If yes, how?...

....

(12) Do the officers collaborate with the smugglers or agents?....................................

....

(13) What contribution do you think the NCS has made to the Nation?...........................

....

....

(14) Who do you blame for smuggling, Government, smugglers, officers, the public etc.?

....

(15) What are the possible causes of smuggling?...

....

....

QUESTIONNAIRES FOR THE OFFICERS AND MEN OF THE NIGERIA CUSTOMS SERVICE

(1) When did the Nigeria Customs Service came into operation in the country?..............

....

(2) How long have you served with the NCS?...

....

(3) What are the methods of your operation? ....

....

....

(4) How are the different structures of NCS formed?...

....

(5) How many sources of Revenue do you know?...

....

....

(6) What is your impression about the past Revenue generated by the service?................

....

....

(7) What is your impression about the present Revenue generation by the service?...........

....

....

(8) What do you know about the NCS?...

....

....

(9) Why is it that officers and men of the NCS live above their means?........................

....

....

(10) What impact do you think corruption has on our economy?..................................

....

(11) Is the NCS adequately financed?..

....

(12) What in your own opinion are the major problems controlling the service?................

....

(13) what effect do you think the heading of the NCS by non-carrier officers has on Revenue generation and administration?...

....

(14) Do you think professional experience is a function of performance?.........................

....

(15) What do you know about Automated System for Customs Data (ASYCUDA)?..........

....

....

(16) How do you view government policies and its implementation as regards Revenue generation by the NCS?..

....

What measures should government take to reduce or eradicate corruption in the NCS?

……………………………………………………………………………………………

……………………………………………………………………………………………

……………………………………………………………………………………………

(18) How often are officers and men of the NCS promoted?…………………………………

……………………………………………………………………………………………

(19) How properly equipped is the service?…………………………………………………..

……………………………………………………………………………………………

(20) Does training has any professional advantage?…………………………………………..

……………………………………………………………………………………………

(21) How often are officers trained & Retrained?……………………………………………..

……………………………………………………………………………………………

(22) What contribution do you think the service has made to the Nation?……………………

……………………………………………………………………………………………

(23) Who do you blame for the high level of smuggling?……………………………………..

……………………………………………………………………………………………

……………………………………………………………………………………………

(24) What do you think are the possible ways out for a better NCS in this Vision 2010?…….

……………………………………………………………………………………………

……………………………………………………………………………………………