



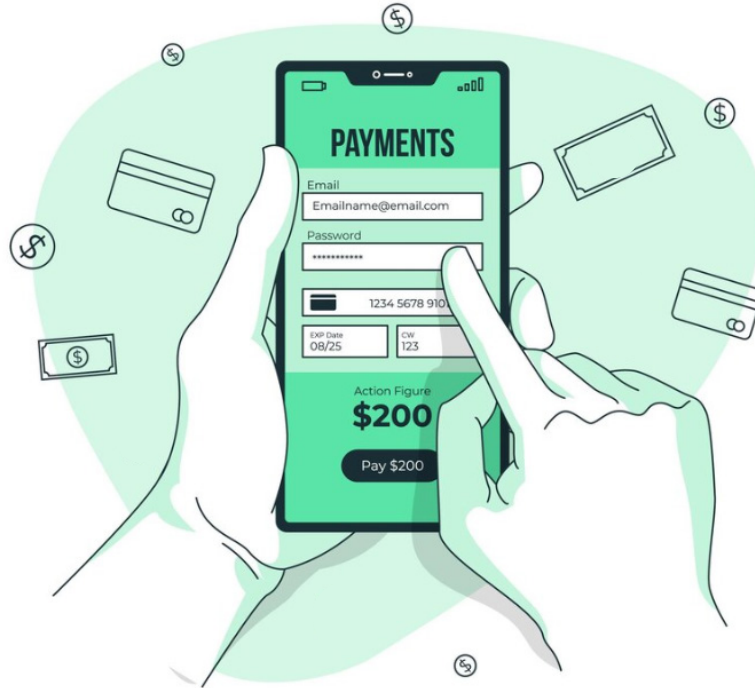
## Central Bank of Nigeria (CBN) Simplifies Forex Transactions: Ends Price Verification for Form 'M'

### Introduction

The Central Bank of Nigeria (CBN) has implemented a significant policy change to simplify foreign exchange transactions. As of July 1, 2024, the requirement to use the Price Verification System (PVS) portal for Form 'M' transactions has been discontinued. This move is intended to ease the process for authorized dealer banks and the public, significantly reducing administrative burdens.

### Background and Overview

The PVS portal, introduced by a CBN circular on August 17, 2023, was established to verify the prices of goods and services involved in foreign exchange transactions, specifically aiding in the processing of Form 'M'. This Form 'M' is essential for all importers to facilitate imports into Nigeria, governed under the oversight of the CBN and Nigeria Customs, part of the Federal Ministry of Finance. The primary aim of Form 'M' was to combat over-invoicing and under-invoicing, thereby ensuring fair pricing within Nigeria's import and export sectors.



## Recent Developments

On June 26, 2024, Acting Director of the Trade & Exchange Department at the CBN, issued a new circular. This directive marks a shift in policy by removing the PVS requirement due to the evolving conditions within the Nigerian Foreign Exchange Market. Henceforth, Form 'M' applications will no longer require a Price Verification Report, streamlining the overall transaction process.

## Implications for Stakeholders

The discontinuation of the PVS Portal will likely have several positive implications for stakeholders within Nigeria's foreign exchange market:

- **Ease of Processing:**

Both banks and businesses will experience a more straightforward procedure, as the removal of the PVS requirement lessens the complexity previously encountered during foreign exchange transactions.

- **Increased Efficiency:**

The elimination of the Price Verification Report is expected to expedite the approval processes for Form 'M', thereby enhancing operational efficiency.

- **Cost Reduction:**

Stakeholders are expected to benefit from reduced operational costs due to the removal of this verification step, which contributes to greater economic efficiency and shorter transaction times.

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As the regulatory landscape continues to evolve, it is crucial to stay informed and adapt to new changes. For detailed guidance or further assistance with foreign exchange transaction regulations and Form 'M' applications, please contact us at [info@scp-law.com](mailto:info@scp-law.com) or visit our website at [www.scp-law.com](http://www.scp-law.com).