



Nigeria's 2026 Fiscal Policy Measures: What Tariff Cuts Mean for Businesses

Introduction

Nigeria's 2026 Fiscal Policy Measures (FPM) are now fully in force. The revised tariff regime is operational, the transitional grace period for pre-existing Form 'M' applications ended on 30 June 2026, and the new excise duty regime and green tax surcharge took effect on 1 July 2026.

Issued by the Federal Ministry of Finance and implemented by the Nigeria Customs Service, the FPM revise tariffs across 127 tariff lines on the national reduced-duty list, alongside a separate 192-line Import Adjustment Tax schedule and an updated 17-item Import Prohibition List for goods from non-ECOWAS countries. The measures form

part of Nigeria's phased implementation of the ECOWAS Common External Tariff (2022–2027), and are aimed at reducing import costs, easing inflationary pressure, supporting industrial productivity, and encouraging investment.

Key Highlights

- **Tariffs have been reduced on selected imports:** Import duties have been lowered on several essential goods, including rice, refined salt, crude palm oil, raw cane sugar, passenger vehicles, and qualifying agricultural and manufacturing machinery.

- **Support for transport and green mobility: Support for transport and green mobility:** Mass-transit buses, electric vehicles, and passenger vehicles with engine capacities below 2.0 litres (2,000cc), together with locally manufactured automotive components, are excluded from the new green tax surcharge.
- **Zero-duty industrial machinery:** Agricultural and manufacturing machinery now attracts 0% import duty, supporting investment in productive sectors.
- **The transition period has ended:** With the expiry of the 90-day grace period for existing Form 'M' applications, all imports are now assessed under the revised tariff regime.

What This Means for Stakeholders

- **For importers and distributors:** Lower import duties may reduce landed costs and improve pricing flexibility. Businesses should review tariff classifications and import documentation to ensure they benefit from the revised rates.
- **For manufacturers and industrial businesses:** Zero-duty machinery may reduce capital costs and support expansion, while lower tariffs on imported goods may increase competitive pressure on domestic producers. Businesses should review their sourcing, production, and pricing strategies accordingly.
- **For transport operators and vehicle importers:** Reduced duties on passenger vehicles, together with incentives for mass-transit and electric vehicles, may support fleet renewal and investment decisions.
- **For finance and tax teams:** Pricing models, supply contracts, inventory valuations, and tax assumptions should be reviewed to reflect the



revised tariff structure while taking account of VAT, logistics costs, exchange-rate movements, and other import-related charges.

The Road Forward

The 2026 Fiscal Policy Measures demonstrate the Federal Government's continued use of tariff policy to support industrial development, manage inflation, and encourage investment. Businesses that understand how the revised tariff regime affects their supply chains and import strategies will be better placed to manage costs and identify new opportunities.

As implementation continues, businesses should review their import strategies, tariff classifications, and customs documentation to ensure they benefit from the revised regime while remaining compliant with applicable customs and tax requirements.

For guidance on customs disputes, tariff classification, import tax compliance, and tax litigation, contact info@scp-law.com or visit www.scp-law.com.