# FEDERAL INLAND REVENUE SERVICE

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Administrator,
Nigeria Customs Service,
Headquarters,
Wuse, Abuja.

**VAT Exemption for Manufacturing Companies Located within the Export Processing Zone**

The attention of Federal Inland Revenue Service has been drawn to the difficulies being experienced by the above - named manufacturing companies which are located within the Calabar Export Processing Zone (EPZ), in securing the release of their imported machinery and equipment as a result of inability to pay VAT assessment on these consignments.

2. It is pertinent to state that the common practice in all countries of the world is that manufacturing companies located within the Export Processing Zone are usually exempted from all forms of local taxes for the reason that the goods manufactured by them do not serve the local markets but are to be exported outside the countries for the purpose of earning foreign exchange.

3. With this explanation, I wish to confirm that imported machineries, equipment and raw materials meant for the purpose of the companies located within the Calabar Export Processing Zone or any other designated zones in Nigeria are exempted from Value Added Tax (VAT). The FIRS will take appropriate steps to incorporate this clarification in the VAT Decree.

4. It will be appreciated if this VAT exemption is urgently notified for the attention of your field officers for necessary implementation.

I. A. Zukogi,
Director, VAT
for: Chairman,
Federal Inland Revenue Service.