



NIGERIAN SHIPPERS' COUNCIL

GUIDELINES ON SETTING, AND MODIFICATION OF TARIFFS, RATES AND CHARGES OF SERVICE PROVIDERS IN THE NIGERIAN PORT SECTOR



Table of Contents

1. Introduction
2. Objectives
3. Framework for Setting Tariffs, Rates and Charges and Future Adjustments:
 - a) Procedures
 - b) Requirements



4. Tariff Regime for All Service Providers in Nigerian Ports
5. Amendment and Variation of Guideline-Processes
6. Issuance of Notices, Compliance/Enforcement
7. General
8. Interpretation



1.0 INTRODUCTION

This Guideline defines the methodology, principles, procedures and requirements that shall be complied with by all Service Providers prior to the submission of tariff proposal, reviews and modification, as required under the Nigerian Shippers' Council (Local Shipping Charges on imports and exports) Regulation 1997 and Nigerian Shippers' Council (Port Economic) Regulations 2015.



- This Guideline may be cited as “Guidelines on Setting, Review and Modification of Tariff for the Service Providers in the Nigerian Port Sector”.
- The Guideline is predicated on the principle of increased efficiency and sustainability. In this regard therefore, it is the intent of the Guideline to ensure:



- I. Structure of tariffs, rates and charges is just, fair and transparent.
- II. Port service providers clearly define all charges.
- III. Costs are tied to specific services.
- IV. Return on investment.
- V. Modern technology-driven facilities.



2.0 OBJECTIVES

The objectives of this Guideline is to:

1. Guard against arbitrariness.
2. Encourage competition in the sector.
3. Ensure that port users pay only for services rendered.
4. Guide on an approved price cap (minimum and maximum levels of tariff) and ensure pricing is fair.
5. Establish processes of setting, tariffs, rates and charges and modification that are just, transparent and predictable.
6. Encourage service sustainability by ensuring return on investment.



3.0 FRAMEWORK FOR SETTING TARIFFS, RATES AND CHARGES AND FUTURE ADJUSTMENTS

The framework explains the requirements and procedures to be followed by the service providers when proposing new tariffs or requesting for future tariff adjustments from the Port Regulator which is NSC and shall form the basis for assessment of proposals.



3a. REQUIREMENTS:

The requirements for requests and adjustments:

- i. All applicants for tariff approval request must be registered with the NSC, pursuant to Section 4(1) of the Nigerian Shippers' Council (Port Economic) Regulations 2015.



- ii. Tariffs, Rates and Charges for every service shall be submitted to the NSC for consideration and approval.
- iii. All approval requests must comply with any price floors or caps determined by the NSC.
- iv. Justification for tariff request and financial performance.
- v. Cost structure for previous and current year.
- vi. Future income projections.



3b. PROCEDURE FOR REQUESTS

- I. All tariff requests shall be addressed to the Executive Secretary/CEO stating reason(s) and supported with relevant documents.
- II. On receipt of application, NSC shall acknowledge the letter within three (3) working days.
- III. Where tariff adjustment is requested:
 - a) In the case of the Port Regulator, it shall cause to be issued notice of intent, specifying the justifications for the adjustment to the service provider(s) at least thirty (30) days before the commencement of the new tariff.



- b) In the case of the service provider, it shall notify the Port Regulator stating the reason(s)/justification(s), at least thirty (30) days before the commencement of negotiations.
- iv. The NSC shall verify the submissions within two (2) weeks based on the documents received from the applicant.



- v. Where there are observed inconsistencies with the application submitted, the NSC may require further clarifications from the service provider to enable processing of the application or reject same with reasons.
- vi. In such a situation, the NSC shall communicate to the applicant, the rejection within three (3) working days.



- vii. Where the tariff is recommended by the NSC, it shall be validated by stakeholders.
- viii. NSC shall publish the approved tariffs/charges/rates/fees on its website and the print media seven (7) days after approval has been officially granted and fourteen (14) days before the commencement of the next tariff regime.



4. PROPOSED TARIFF REGIME IN THE NIGERIAN PORTS

Tariff setting or adjustments in the ports shall be carried out biennially. The application shall be submitted by the service provider on or before 10th of September, the year preceding the year of commencement.



5. AMENDMENT AND VARIATION OF GUIDELINES

The NSC may from time-to-time review, amend, modify, vary, or revoke these Guidelines.



6.o. ISSUANCE OF NOTICES

The NSC may from time-to-time as deemed fit, issue notices in writing to any service provider regarding the compliance or non-compliance with the provisions of the Nigerian Shippers' Council (Local Shipping Charges on imports and exports) Regulations 1997, Nigerian Shippers' Council (Port Economic) Regulations 2015 and the Guidelines.



7.0 GENERAL

1. All charges shall be denominated in local currency in accordance with government's extant financial rules, regulations and guidelines.
2. All Service Providers shall file with the NSC annually, existing tariffs and/or any adjustment for services showing all rates and charges including the terms and conditions for free and reduced charges of any service.



3. Nigerian Shippers' Council shall continue to provide the platform for mediation and resolution of disputes involving providers and users of port services in accordance with its statutory powers.
4. Setting of Tariffs, Rates and Charges under this Guideline shall be prepared in collaboration with stakeholders to arrive at a decision that will be acceptable to all parties.



5. The NSC shall communicate its decision within forty-five (45) working days from date of receipt of the application.
6. In processing all tariff requests, the NSC shall at all times, comply with the provisions of the Nigeria Data Protection Regulations 2019 (NDPR)



8.0 INTERPRETATION

- **“Port”** means any place in Nigeria having facilities and equipment and providing services for handling and temporary storage of cargoes carried by any applicable mode of transportation including but not limited to ships, rail, trucks and barges for temporary admissions, re-export, temporary storage at warehouses, consolidation centers, sea ports, jetties, wharves, piers, docks, quays, inland dry ports, off-dock terminals, river ports and vehicle transit areas for onward transit and outright export.



“Tariff Regime” means the period from the commencement to the expiration of an approved tariff.

“Charges” includes all kinds of fees, charges and payments for services rendered or to be rendered in the port sector.

“Rates” means individual costs for each item or component of service in the port sector.

“Tariffs” means list of charges and fees levied in respect of port services.



THANK YOU