

A BILL EXECUTIVE
FOR

AN ACT TO PROVIDE FOR THE ASSESSMENT, COLLECTION OF, AND ACCOUNTING FOR REVENUE ACCRUING TO THE FEDERATION, FEDERAL, STATES AND LOCAL GOVERNMENTS; PRESCRIBE THE POWERS AND FUNCTIONS OF TAX AUTHORITIES, AND FOR RELATED MATTERS

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria-

CHAPTER ONE

PRELIMINARY PROVISIONS

PART I - OBJECTIVE AND JURISDICTION OF TAX AUTHORITIES

1. The objective of this Act is to provide uniform procedures for a consistent and efficient administration of tax laws in order to-

Objective of the Act

- (a) facilitate tax compliance by taxpayers; and
- (b) optimise tax revenue.

2. This Act applies to any person required to comply with any provision of the tax laws whether personally or on behalf of another person.

Application

3.-(1) The Nigeria Revenue Service (the Service), established under the Nigeria Revenue Service (Establishment) Act, 2024 shall-

Jurisdiction of tax authorities

- (a) have exclusive responsibility to administer taxes-
 - (i) on companies,
 - (ii) on persons employed in the Nigerian Army, the Nigerian Navy, the Nigerian Air Force, the Nigeria Police Force, other than in a civilian capacity,
 - (iii) on officers of the Nigerian Foreign Service,
 - (iv) on non-resident persons who derive profit or income from Nigeria or any income derived from employment in Nigeria by a person, not being a resident of any State in Nigeria, and

1 (v) contained in chapter two, parts III, X, XI; chapters three, six, and
2 seven and chapter eight, parts II and IV of the Nigeria Tax Act;

3 (b) have power to administer taxes contained in chapters two, three,
4 five, six, seven, and eight of the Nigeria Tax Act; and

5 (c) exercise such other powers and functions conferred on it by this
6 Act, the Nigeria Revenue Service (Establishment) Act, and any other law as
7 may be enacted by the National Assembly.

8 (2) The relevant tax authority in a State or the Federal Capital
9 Territory, shall pursuant to the First schedule to this Act, be responsible for-

10 (a) the administration of taxes contained in chapters two, parts I, II,
11 IV-IX; chapter five; and chapter eight, parts I and III of the Nigeria Tax Act on
12 individual resident in such state or the Federal Capital Territory, subject to
13 subsection 1(a) (ii) - (iv) of this section; and

14 (b) exercising such other powers and functions conferred on it under
15 any tax law enacted by the National Assembly.

16 (3) A tax authority, with the approval of the relevant government, may
17 authorise another tax authority to administer taxes within its jurisdiction on its
18 behalf, on such terms as they may agree.

19 (4) For the purpose of subsections (1) and (2) of this section, the
20 relevant tax authority may do such things as it deems necessary and expedient
21 for the assessment and collection of taxes and shall account for all taxes so
22 collected in accordance with the provisions of this Act, the Nigeria Tax Act and
23 any other law enacted by the National Assembly or a State House of Assembly.

24 PART II - REGISTRATION

Taxable person

25 **4.** A taxable person shall register with the relevant tax authority and
26 obtain a Taxpayer Identification ("Tax ID") for the purpose of compliance with
27 tax obligations.

Federal, state
and Local
Government

28 **5.** Every ministry, department or agency of the Federal or a State
29 government, and every Local Government shall register for tax and obtain a
30 Tax ID.

- 1 **6.**-(1) A non-resident person that supplies taxable goods or services
2 to any person in Nigeria, or derives income from Nigeria shall register for
3 tax purposes and obtain a Tax ID,
4 provided that a non-resident person who derives only passive income from
5 investment in Nigeria may not be required to register for tax but shall
6 provide relevant information as may be prescribed by the Service.
- 7 (2) The relevant tax authority may issue guidelines for the purpose
8 of giving effect to the provisions of this section.
- 9 **7.**-(1) The relevant tax authority shall, upon receiving a request,
10 register and issue a Tax ID to every taxable person.
- 11 (2) Where a relevant tax authority refuses to register or issue a Tax
12 ID upon request under subsection (1) of this section, the relevant tax
13 authority shall, within two working days of the decision, notify that person
14 of the refusal.
- 15 (3) A relevant tax authority may, based on the information
16 available to it, register and issue a Tax ID to a person who should apply for a
17 Tax ID but failed to do so.
- 18 (4) The relevant tax authority shall promptly notify a person
19 registered and issued with a Tax ID under subsection (3) of this section of the
20 registration and Tax ID.
- 21 (5) A taxable person having a valid Tax ID shall not apply for, or be
22 issued with another Tax ID.
- 23 (6) A person who discovers that a taxable person has multiple Tax
24 IDs, shall promptly report to the relevant tax authority for unification.
- 25 (7) A Tax ID issued to one taxable person is not transferable or
26 usable by another taxable person.
- 27 **8.**-(1) A Tax ID shall be-
28 (a) stated on a return, notice, correspondence or documents
29 submitted, lodged, or used for the purposes of tax compliance;
30 (b) stated on a document prepared, produced, issued or submitted

Non-resident
person

Issuance of
taxpayer
identification

Use of taxpayer
identification

1 in respect of a transaction; and

2 (c) a condition for entering into a contract with any federal or state
3 ministry, department or agency and local government.

4 (2) A person engaged in banking, insurance, stock-broking, or other
5 financial services in Nigeria shall make the provision of a Tax ID, a
6 precondition for opening a new account or operating an existing account.

Notification of
change in
particulars

7 **9.**-(1) Every taxable person shall, within 30 days of the occurrence of
8 a change in its particulars, notify the relevant tax authority of the change.

9 (2) The change referred to in subsection (1) of this section includes-

10 (a) name, including trading name, location of business, telephone
11 numbers or e-mail address, and registered address;

12 (b) in the case of-

13 (i) an incorporated person, persons holding 5% or more of its share
14 capital, or the beneficial owner of the shares held by nominees,

15 (ii) a trust, the full identity, address and other contact details of the
16 trustees and beneficiaries of the trust,

17 (iii) a partnership, the full identity, address and other contact details of
18 all the partners, or

19 (iv) sale, liquidation or merger of a business, all relevant information
20 regarding the sale, liquidation or merger, and full details of the new owners.

Suspension,
deregistration
and cancellation
of tax identification

21 **10.**-(1) Where a taxable person temporarily ceases to carry on a trade
22 or business in Nigeria, the taxable person shall notify the relevant tax authority
23 of its intention to suspend its registration for tax purposes within 30 days of
24 such temporary cessation of trade or business.

25 (2) The relevant tax authority shall classify the Tax ID as dormant and
26 place it on suspension.

27 (3) Where a taxable person permanently ceases to carry on a trade or
28 business in Nigeria, the taxable person shall notify the relevant tax authority of
29 its intention to deregister for tax purposes within 30 days of such cessation of
30 trade or business.

1 (4) Where a taxable person permanently ceases to carry on a trade
2 or business, the relevant tax authority shall deregister the Tax ID.

3 (5) The relevant tax authority shall deregister or cancel a Tax ID
4 where it is satisfied that-

5 (a) the taxable person is deceased, or, in the case of a body
6 corporate, including a government ministry, department or agency is wound
7 up or dissolved; and

8 (b) the person to whom the Tax ID was issued has another one.

9 (6) A taxable person whose Tax ID has been suspended, shall, upon
10 reapplication, be re-issued with the same Tax ID.

11 CHAPTER TWO

12 RETURNS, ASSESSMENTS AND PAYMENTS

13 PART I - RETURNS

14 **11.**-(1) Every company, including a company granted exemption
15 from incorporation, whether or not it is liable to pay tax under the Nigeria
16 Tax Act or any other tax law, for a year of assessment, with or without notice
17 from the Service, shall file a self-assessment return with the Service in the
18 prescribed form at least once a year and such return shall contain-

Income tax returns
for companies

19 (a) a duly completed self-assessment form as may be prescribed by
20 the Service;

21 (b) the audited financial statements, tax and capital allowances
22 computation for the year of assessment in respect of the profit from each and
23 every source computed,

24 provided that the return of a small company may contain a statement of
25 accounts attested to by the taxpayer in place of audited financial statements;

26 (c) evidence of payment of the tax due;

27 (d) computation of the effective tax rate and additional tax payable,
28 where applicable; and

29 (e) an attestation of the information contained in the tax returns
30 signed by a Principal Officer of the company.

1 (2) Where a non-resident company derives profit from or is taxable
2 in Nigeria under chapter two of the Nigeria Tax Act, such company shall be
3 required to submit a return for the relevant year of assessment containing-

4 (a) the company's full audited financial statements and the financial
5 statement of the Nigerian operations, attested to by an independent, qualified
6 or certified accountant in Nigeria;

7 (b) tax computation schedules based on the profits attributable to its
8 Nigerian operations;

9 (c) a true and correct statement, in writing, containing the profits from
10 each and every source in Nigeria;

11 (d) duly completed Income Tax Self-Assessment Forms;

12 (e) evidence of payment of the tax due; and

13 (f) a computation of the effective tax rate and additional tax payable,
14 where applicable.

15 (3) The provisions of subsection (2) of this section shall not apply in a
16 year of assessment where a non-resident company only earns income on which
17 the amount deducted at source is the final tax under the Nigeria Tax Act.

18 (4) Where a company permanently ceases operation in Nigeria, the
19 company shall file the returns for the year of cessation and any outstanding
20 return.

21 (5) Subject to this Act, any tax law or regulation, the time of filing
22 returns shall be-

23 (a) in the case of a company that has been in business for more than 18
24 months, not more than six months after the end of its accounting year;

25 (b) in the case of a newly incorporated company, within 18 months
26 from the date of its incorporation or not later than six months after the end of its
27 first accounting period, whichever is earlier; or

28 (c) in the case of a company that permanently ceases to carry on trade
29 or business in Nigeria, not later than six months from the date the company
30 permanently ceases to carry on the trade or business in Nigeria.

1 (6) For the purpose of this section-
2 (a) every company shall designate a representative or
3 representatives who shall attend to its tax matters; and

4 (b) where a person designated by a company pursuant to paragraph
5 (a) of this subsection is a paid agent, such person shall be a person accredited
6 under Section 32 of this Act.

7 **12.**-(1) Not later than two months after the commencement of each
8 accounting period of any midstream company engaged in liquefied natural
9 gas, the company shall submit to the Service an estimated returns of its
10 profits or losses for that accounting period for the purpose of income tax.

Estimated income
tax returns for
companies engaged
in liquefied natural
gas

11 (2) The estimated tax returns shall contain-

12 (a) a computation of its estimated revenue, adjusted profit or loss
13 and estimated assessable profits of that period;

14 (b) a computation of its estimated revenue from all sources
15 including plants condensates, natural gas liquids, liquefied natural gas,
16 liquefied petroleum gas and any other incidental income;

17 (c) a statement of an estimate of amounts to be repaid, refunded,
18 waived or released to it, referred to in section 68 (2) of the Nigeria Tax Act,
19 during that period;

20 (d) in connection with part I of the First Schedule to the Nigeria Tax
21 Act, a schedule showing-

22 (i) the estimated residues at the end of that period in respect of its
23 assets, all estimated qualifying capital expenditure incurred by it in that
24 period,

25 (ii) the values of its assets, estimated by references to the
26 provisions of that schedule, to be disposed of in that period,

27 (iii) the allowances due to it under that schedule for that period, and

28 (iv) a computation of estimated capital allowances for the period;

29 (e) a computation of its estimated total profits of that period;

30 (f) a computation of its estimated tax payable for that period; and

1 (g) a declaration, that the estimate was made to the best of the ability
2 of the person signing the declaration.

3 (3) Where, at any time during the accounting period, there is a
4 material change in any of the parameters, the company shall submit a revised
5 return to reflect the change for such period.

6 (4) Every return made by a company engaged in liquefied natural gas
7 operations in fulfilment of the provisions of this section shall be subject to
8 review and validation by the Service.

9 (5) Where a company does not provide the estimates required under
10 subsection (1), (2) and (3), of this section, the Service may determine the
11 estimates payable by the company on the best of judgement basis.

Income tax
returns for
individuals

12 **13.**-(1) A return of income shall be filed, in the prescribed form, with
13 the relevant tax authority in each year of assessment and without notice or
14 demand, by-

15 (a) every taxable person whether or not liable to pay tax; and

16 (b) non-resident persons liable to pay tax in Nigeria under chapter two
17 of the Nigeria Tax Act.

18 (2) The return required to be filed under this section shall contain-

19 (a) a duly completed self-assessment form;

20 (b) the amount of income from every source for the year preceding the
21 year of assessment computed in accordance with the provisions of the Nigeria
22 Tax Act or any regulation made pursuant to the Act;

23 (c) personal relief and tax computation;

24 (d) in the case of income earned from trade, business, profession or
25 vocation, an audited financial statement or a statement of accounts attested to
26 by the taxpayer; and

27 (e) evidence of payment of the tax due.

Pay As You
Earn

28 **14.**-(1) An employer shall file a return with the relevant tax authority
29 for all emoluments paid to its employees, not later than 31 January of each year
30 in respect of all employees in its employment in the preceding year.

1 (2) The returns shall disclose for each employee gross
2 emoluments, including allowances and benefits in kind, total deductions,
3 net emoluments and tax deducted.

4 (3) Notwithstanding the provisions of subsection (1) of this
5 section, an employee shall file an annual return of income from all sources,
6 including employment income, in accordance with section 13 of this Act.

7 **15.** Notwithstanding the provisions of section 14, a relevant tax
8 authority may issue guidelines for the filing of a simplified income tax
9 return by low-income earners or persons operating in the informal sector.

Simplified Annual
Income Tax Return

10 **16.-(1)** Not later than two months after the commencement of each
11 accounting period of any company engaged in petroleum operations, the
12 company shall submit to the Service an estimated returns of its profits or
13 losses for that accounting period for the purpose of hydrocarbon tax,
14 petroleum profit tax and Income tax, as applicable.

Estimated returns
for upstream
petroleum operations

15 (2) Any company involved in upstream petroleum operations
16 under parts I or II of chapter three of the Nigeria Tax Act, shall apply the
17 accounting periods under parts I and II of chapter three of the Nigeria Tax
18 Act respectively.

19 (3) The estimated tax returns shall in addition to the particulars
20 requested for the purpose of determining estimated tax payable under parts I
21 and II of chapter three of the Nigeria Tax Act, contain-

22 (a) a computation of its estimated revenue, adjusted profit or loss
23 and estimated assessable profits of that period;

24 (b) a computation of its estimated revenue from all sources
25 including crude oil, field condensates and liquid natural gas liquids derived
26 from associated and non-associated gas produced upstream of the
27 measurement points;

28 (c) a statement of an estimate of amounts to be repaid, refunded,
29 waived or released to it, referred to in sections 68 (2) and 91(2) of the Nigeria
30 Tax Act during that period;

1 (d) in connection with parts II and III of the First Schedule to the
2 Nigeria Tax Act a schedule showing-

3 (i) the estimated residues at the end of that period in respect of its
4 assets,

5 (ii) all estimated qualifying petroleum expenditure incurred by it in
6 that period,

7 (iii) the values of its assets, estimated by references to the provisions
8 of that schedule, to be disposed of in that period, and

9 (iv) the allowances due to it under that schedule for that period;

10 (e) in connection with the Sixth Schedule of the Nigeria Tax Act a
11 schedule showing estimated total production allowance and cost price ratio
12 limits from all its upstream petroleum operations related to crude oil on the two
13 classes of the chargeable profits;

14 (f) a computation of its estimated chargeable profits of that period
15 identified in accordance with the Nigeria Tax Act;

16 (g) a computation of its estimated tax payable for that period; and

17 (h) a declaration, that the estimate was made to the best of the ability
18 of the person signing the declaration.

19 (4) Where, at any time during the accounting period, there is a change
20 in price, cost or volume, the company shall submit further returns on a monthly
21 basis containing its revised estimated tax for such period.

22 (5) Every return made by a company engaged in upstream petroleum
23 operations related to crude oil and gas in fulfilment of the provisions of this
24 section shall be subject to review and validation by the Service.

25 (6) Where a company does not provide the estimates required under
26 subsections (1), (2) and (3), of this section, the Service may use its power to
27 determine the estimates on the best of judgement basis and impose such
28 judgement on the company.

29 (7) Notwithstanding the provisions of this section, production
30 allowances under the Sixth Schedule to the Nigeria Tax Act shall apply only to

1 hydrocarbon tax under part I of chapter three of the Nigeria Tax Act.

2 17.-(1) Every company engaged in upstream petroleum operations Actual returns
3 including companies yet to commence bulk sales or disposal of chargeable for upstream
4 oil, shall file with the Service its audited accounts and returns within- petroleum operations

5 (a) 18 months from the date of its incorporation, in the case of a
6 newly incorporated company; and

7 (b) five months after any period ending on 31 December, in the
8 case of any other company.

9 (2) Every company under subsection (1) of this section shall for
10 each accounting period of the company make up accounts of its revenue and
11 profits or losses and prepare the following particulars for the purpose of
12 determining its hydrocarbon tax, petroleum profits tax and income tax under
13 parts I and II of chapter three of the Nigeria Tax Act-

14 (a) a statement of its revenues from all sources including lifting
15 details of crude oil, field condensates and liquid natural gas liquids derived
16 from associated gas and produced upstream of the measurement points;

17 (b) computations of its actual revenue adjusted profit or loss and
18 actual assessable profits of that period;

19 (c) a statement of amounts repaid, refunded, waived or released to
20 it, referred to in section 68 (2) and 91(2) of the Nigeria Tax Act during that
21 period;

22 (d) in connection with the parts II and III of the First Schedule to the
23 Nigeria Tax Act a schedule showing-

24 (i) the residue at the end of that period in respect of its assets,

25 (ii) all qualifying petroleum expenditure incurred by it in that
26 period,

27 (iii) the values of any of its assets disposed of in that period, and

28 (iv) the allowances due to it under that schedule for that period.

29 (e) in connection with the Sixth Schedule to the Nigeria Tax Act; a
30 schedule showing total production allowance and cost price ratio limit from

1 all its upstream petroleum operations related to crude oil on the two classes
2 of chargeable profits where applicable;

3 (f) a computation of its actual chargeable profits for that period for
4 the two classes of chargeable profits where applicable identified in
5 accordance with Nigeria Tax Act;

6 (g) a computation of its chargeable tax payable for that period;

7 (h) duly completed self-assessment forms attested to by the
8 principal officer of the company; and

9 (i) evidence of payment of the final instalment.

10 (3) Every company engaged in upstream petroleum operations
11 related to crude oil after the expiration of that period, shall deliver to the
12 Service-

13 (a) a copy of its audited accounts of that period, in accordance with
14 subsection (1) of this section;

15 (b) copies of the particulars referred to in subsection (2) of this
16 section relating to that period with the copy of the delivered company
17 accounts; and

18 (c) a declaration signed by an authorised officer of the company or
19 by its liquidator, receiver or the agent of the liquidator or receiver, that the
20 information provided is true and complete.

Monthly returns
of petroleum
royalty

21 **18.**-(1) Every licensee or lessee engaged in petroleum operations
22 upon the coming into effect of this law, or upon commencement of
23 production, whichever is earlier, shall file a self-assessment return of
24 royalty with the Service in the prescribed form.

25 (2) The returns of royalty for each month shall be filed on or before
26 the 14th day of the following month, whether or not production has taken
27 place, and shall be accompanied by the following-

28 (a) the respective total volumes of crude oil, condensates, natural
29 gas and natural gas liquids produced on a field-by-field basis and where
30 different types of petroleum are produced, the total volumes of each type;

1 (b) the fiscal prices for crude oil, condensates, natural gas and
2 separately produced natural gas liquids;

3 (c) computation of royalty based on production;

4 (d) computation of royalty by price;

5 (e) duly completed royalty self-assessment form;

6 (f) evidence of payment of royalty due; and

7 (g) such other information as may be required by the Service.

8 (3) The returns referred to in subsection (2) of this section shall be
9 signed by an authorised officer of the company, stating that the returns,
10 schedules, statements, and other information given is correct and complete
11 to the best of the person's knowledge.

12 (4) Where marketable natural gas is produced and utilised in-
13 country, the lessee or licensee shall, in addition to subsection (2) of this
14 section, provide the following information-

15 (a) the volume of domestic gas delivered;

16 (b) the volume of gas destined for export project;

17 (c) destination certificates based on the related purchase and sales
18 agreements or other relevant information; and

19 (d) destination certificates where the lessee sells natural gas to a
20 supplier or wholesale customer.

21 (5) The Service shall review the royalty returns filed and may
22 reassess where necessary the royalty payable and any additional royalty
23 shall be paid within 30 days of service of a notice of assessment of such
24 additional royalty.

25 (6) The provisions of this Act as to notice of assessment, additional
26 assessment, appeals and other proceedings, shall apply to an assessment or
27 additional assessment made under this section.

28 **19.** Every licensee or lessee shall file an annual return of actual
29 royalty paid in an accounting period not later than five months from the end
30 of the accounting period in the form prescribed by the Service.

Annual returns
of petroleum
royalty

Monthly returns
of minerals
royalty

1 **20.**-(1) Every person engaged in the trade or business of mining, shall
2 upon the coming into effect of this Act or upon commencement of operations,
3 file a monthly self-assessment return of minerals royalty with the Service in the
4 prescribed form.

5 (2) Pay the correct royalty due to the government on the minerals sold
6 or used at the prescribed rate in the Ninth schedule to the Nigeria Tax Act.

7 (3) The returns of royalty for each month shall be filed on or before the
8 21st day of the following month, and shall be accompanied by the following-

9 (a) registered number of quarrying or mining licences;

10 (b) type of mineral and weight;

11 (c) location and labour used;

12 (d) quarriable minerals in metric tons or cubic metres;

13 (e) quantity of mineral won, sold, used and left on hand;

14 (f) buyers of minerals;

15 (g) computation of royalty payable on the mineral won, used or sold;

16 (h) duly completed royalty self-assessment form;

17 (i) evidence of payment of royalty due;

18 (j) a declaration signed by an authorised officer of the company,
19 stating that the returns, schedules, statements, and other information given is
20 correct and complete to the best of the person's knowledge; and

21 (k) such other information as may be required from time to time by the
22 Service.

23 (4) The Service shall review the royalty returns filed and may reassess
24 where necessary the royalty payable and any additional royalty shall be paid
25 within 30 days of service of a notice of assessment of such additional royalty.

26 (5) The provisions of this Act as to notice of assessment, additional
27 assessment, appeals and other proceedings, shall apply to an assessment or
28 additional assessment made under this section.

Monthly Returns
by Non-Resident
Shipping and
Airline Companies

29 **21.**-(1) A non-resident person engaged in the operation of transport by
30 sea or air, into Nigeria, shall file monthly returns with evidence of payment of

1 the tax as specified under section 18 of the Nigeria Tax Act to the Service in
2 respect of the carriage of passengers, mail, livestock or goods shipped or
3 loaded into an aircraft in Nigeria.

4 (2) The monthly return shall be filed not later than the 21st day of
5 the following month.

6 (3) The returns shall contain a detailed gross revenue statement of
7 the Nigerian operations for that month, showing the amount of total sums
8 receivable during the period, and supported with all invoices issued to the
9 relevant customers.

10 (4) Nothing in this section shall be construed to exempt the
11 company from filing its annual returns or filing returns in respect of its non-
12 freight operations or any other incidental income and payment of tax in
13 respect of its non-freight or incidental income.

14 **22.**-(1) A taxable person shall, in respect of Value Added Tax
15 (VAT), with or without a notice and whether or not an economic activity has
16 taken place, submit a return to the Service in the prescribed form, by the date
17 specified in subsection (2) of this section or in a regulation issued by the
18 Service for that purpose.

Returns Value
Added Tax

19 (2) The returns for each month shall be filed on or before the 21st
20 day of the following month.

21 (3) Where the Service grants an extension of the period for filing
22 the returns under this section, such extension shall not imply the extension
23 of time to pay the VAT.

24 (4) The returns shall contain the input tax paid, output tax collected
25 and VAT payable in respect of all taxable supplies in the preceding month.

26 (5) The provision of subsection (2) of this section above shall not
27 apply to a small business.

28 (6) A small business may choose to file returns.

29 (7) A business, upon ceasing to be a small business, shall file
30 monthly VAT returns.

1 (8) In determining whether a person meets the threshold in subsection
2 (5) of this section, the value of the following taxable supplies shall be
3 excluded-

4 (a) supply of a capital asset of the person; and

5 (b) supply made solely as a consequence of the person selling the
6 whole or a part of its business or permanently ceasing to carry on business.

7 (9) A taxable person granted exemption in subsection (5) of this
8 section is exempt from the provisions of sections 100 and 102 of this Act and
9 section 151 of the Nigeria Tax Act.

10 (10) The provisions of subsection (5) of this section shall not apply to
11 companies engaged in petroleum operations as defined in the Nigeria Tax Act.

12 (11) Where technology is deployed by the Service, a taxable person
13 shall render returns in real time or at such other time as the Service may
14 prescribe.

15 (12) For the purpose of attribution, any return under this section shall
16 provide details of derivation of taxable supplies by location in a manner
17 prescribed by the Service.

Value Added
Tax Fiscalisation
System

18 **23.**-(1) Where the Service deploys an Electronic Fiscal System (EFS),
19 any person making a taxable supply shall use the EFS for recording and
20 reporting all supplies.

21 (2) The Service may prescribe technical specifications and security
22 standards for using the EFS to record and report supplies.

23 (3) Taxable persons shall be responsible for maintaining accurate
24 records of all transactions passing through the EFS.

25 (4) The Service shall specify the fiscalisation system to be adopted
26 and a transition arrangement for its implementation.

Returns of
Excise Duty

27 **24.**-(1) A taxable person engaged in the provision of excisable
28 services shall, in respect of excise duty imposed under chapter seven of the
29 Nigeria Tax Act submit a return to the Service in the prescribed form specified
30 by the Service.

1 (2) The return shall be rendered on or before the 21st day of the
2 following month or such other time as may be determined by the Service
3 except in the case of foreign exchange transactions which shall be within 7
4 days of the transaction.

5 (3) The return shall contain the following information-

6 (a) description of the excisable services provided during the
7 month;

8 (b) value of the excisable services on which duty is payable;

9 (c) amount of excise duty payable; and

10 (d) such other particulars as may be prescribed by the Service.

11 **25.** A company granted priority status shall, in accordance with
12 section 11 of this Act, in each year of assessment, file income tax returns in
13 the manner specified for both priority and non-priority products or services
14 of the company.

Returns by priority
companies

15 **26.-(1)** All taxable persons enjoying incentives administered by
16 the relevant tax authorities, including incentives provided under chapter
17 eight and section 60 of Nigeria Tax Act, shall, in addition to annual tax
18 returns, submit Annual Tax Incentives returns to the relevant tax authority in
19 the form prescribed by the Service covering income tax and any incentive
20 other than those which are generally available to all taxpayers.

Tax incentive
returns

21 (2) In the case of annual tax incentives returns filed by individuals,
22 the tax authority in each State shall, within 60 days from the end of the due
23 date for filing of the annual tax returns, transmit to the Service the annual tax
24 incentives returns filed.

25 (3) The Service shall, while submitting its annual report to the
26 Minister under section 23 of Nigerian Revenue Service Act, include the
27 summary of the returns received under subsections (1) and (2) of this
28 section.

29 (4) The Minister may issue a regulation for administration of this
30 section.

Returns for
deduction of
tax at source

1 **27.** Every person who has an obligation to deduct and remit tax under
2 this Act or any other tax legislation shall render monthly returns as specified in
3 the regulation issued for that purpose.

Information
to be delivered
by bankers and
others

4 **28.**-(1) Without prejudice to section 138 of this Act, every bank,
5 insurance company, stock-broking firm, or any other financial institution, shall
6 prepare, with or without demand by the relevant tax authority, quarterly returns
7 to the relevant tax authority specifying the names and addresses of-

8 (a) new customers; and

9 (b) existing customers in the case of-

10 (i) an individual, all transactions where the cumulative transactions in
11 a month amount to N25,000,000.00 or more, or

12 (ii) a body corporate, all transactions where the cumulative
13 transactions in a month amount to N100,000,000.00 or more.

14 (2) Every bank, insurance company, stock-broking firm, other
15 financial institution, or any other legal arrangement shall, as may be prescribed
16 by way of notice, rules, regulations, guidelines, or circulars issued by the
17 relevant tax authority prepare and submit returns of-

18 (a) transactions involving the specified sum;

19 (b) names, addresses, including foreign addresses, or any other
20 information of its customers connected with those transactions; or

21 (c) names, addresses, or any other information of new or existing
22 customers.

23 (3) Without prejudice to subsections (1) and (2) of this section, for the
24 purpose of obtaining information relative to taxation, the relevant tax authority
25 may give notice to any person including a person engaged in banking business
26 in Nigeria to provide within the time stipulated in the notice, information
27 including the name and address of any person specified in the notice.

28 (4) Notwithstanding the provision of subsection (3) of this section a
29 person engaged in banking business in Nigeria, shall not be required to disclose
30 any additional information about his customer or his bank under this section

1 unless such additional disclosure is required by a notice signed by the Chief
2 Executive Officer of the relevant tax authority.

3 **29.**-(1) Any person who enters or intends to enter into any Disclosure or
4 transaction or agreement, referred to as a disclosable transaction or tax planning
5 agreement, whose principal purpose is a benefit which enables, or might be
6 expected to enable, such a person to obtain a tax advantage, shall without
7 notice or request, provide to the relevant tax authority, information relating
8 to that disclosable transaction or agreement.

9 (2) The relevant tax authority may make regulations specifying-

10 (a) the information to be provided by a person in relation to a
11 disclosable transaction or agreement;

12 (b) the form and manner of delivery of that information to the
13 relevant tax authority;

14 (c) the period of time within which the information referred to in
15 subsection (1) of this section shall be provided to the relevant tax authority;
16 and

17 (d) administrative penalties for non-disclosure, false disclosure,
18 incomplete disclosure or late disclosure.

19 (3) In this section -

20 "tax advantage" means-

21 (a) a relief or increased relief from tax;

22 (b) repayment or increased repayment of tax;

23 (c) avoidance or reduction of a charge to tax or an assessment to
24 tax;

25 (d) avoidance of a possible assessment to tax;

26 (e) deferral of a payment of tax or advancement of a repayment of
27 tax; or

28 (f) avoidance of an obligation to deduct or account for tax;

29 "transaction" includes- course of action, agreement, scheme or
30 arrangement.

Books of
Account

1 **30.**-(1) Every person, including a company granted exemption from
2 incorporation, shall, whether or not the person is liable to pay tax, maintain
3 books or records of accounts.

4 (2) The books or records of accounts shall contain sufficient
5 information or data of all relevant transactions for the ascertainment of the
6 person's tax liability.

7 (3) The books and records required to be maintained under subsection
8 (1) of this section shall be in English language and shall, for the purpose of tax,
9 be consistent with the format that may be prescribed by the relevant tax
10 authority.

11 (4) Where the record is maintained in a language other than the
12 English language, the person shall, on demand by the tax authority, produce, at
13 its own expense, a translation in English language, which shall be certified by a
14 sworn translator.

15 (5) Any book or record required to be kept under this section shall be
16 kept for a period not less than six years after the year of assessment in which the
17 income relates.

Returns deemed
to be furnished by
an authorised
person

18 **31.** A return, statement or form furnished under this Act by or on
19 behalf of any person shall for all purposes be deemed to have been furnished by
20 that person or by the representative of the person, unless the contrary is proved,
21 and any person signing such return, statement or form shall be deemed to be
22 duly authorised and cognisant of all matters contained in the return, statement
23 or form.

Accreditation
of tax agents

24 **32.**-(1) For the purpose of compliance with this Act or any other law, a
25 taxpayer may either represent itself or be represented by a tax agent accredited
26 by the relevant tax authority.

27 (2) The requirements for accreditation shall be set out by the relevant
28 tax authority.

29 (3) No return shall be deemed as duly filed except filed by the
30 taxpayer or an accredited tax agent.

1 (4) Tax returns shall be accompanied by a declaration or attestation
2 that the information supplied is true and correct.

3 PART II - ASSESSMENT AND COMPLIANCE

4 33.-(1) Every taxable person shall, on or before the due date, Self-Assessment
of tax payable
5 submit a self-assessment tax return with the relevant tax authority in
6 accordance with the relevant provisions of this Act.

7 (2) A taxable person who has submitted a self-assessment return in
8 the prescribed form for a reporting period is deemed to have made an
9 assessment of the amount of tax payable, including a negative or nil amount,
10 for the reporting period to which the return relates.

11 (3) A tax return in the approved form completed and submitted
12 electronically by a taxable person is a self-assessment notwithstanding that-

13 (a) the form contains pre-entered information supplied by the tax
14 authority; and

15 (b) an estimate of the tax payable is computed electronically as
16 information is being entered into the form.

17 (4) Where a taxable person has delivered a tax return, under
18 subsection (1) of this section, the relevant tax authority may-

19 (a) accept the tax return without making an additional assessment;

20 (b) accept the tax return and make additional assessment; or

21 (c) reject the tax return and, to the best of its judgement, determine
22 the amount of the tax due from the taxable person, and make an assessment
23 accordingly.

24 (5) Where the taxable person fails to declare the true and correct
25 amount of income or tax payable in its self-assessed tax returns, the taxable
26 person is liable to pay any outstanding tax from the due date of the returns.

27 (6) The outstanding tax shall be subject to penalty and interest, in
28 accordance with the provisions of this Act or other relevant tax law from the
29 date the return becomes due.

Administrative
assessment

1 **34.**-(1) Where a taxable person has not delivered a tax return as
2 provided under this Act, and the relevant tax authority is of the opinion that
3 such taxable person is liable to pay tax, it may, to the best of its judgement,
4 determine the amount of the tax due from the taxable person and make an
5 assessment accordingly.

6 (2) The assessment issued under subsection (1) of this section shall
7 not affect the imposition of any other liability specified in this Act or any other
8 law, incurred by the taxable person by reason of its failure or neglect to deliver a
9 return.

10 (3) The relevant tax authority may prescribe the rules, guidelines and
11 procedures for the issuance of administrative assessment under this section.

12 (4) The relevant tax authority may make an assessment upon a taxable
13 person for any year before the expiration of the time within which it is required
14 to deliver a return or to give notice under the provisions of this Act, if the
15 relevant tax authority considers such assessment to be in jeopardy.

Additional
assessments

16 **35.**-(1) Where the relevant tax authority discovers or is of the opinion,
17 at any time, that any taxable person liable to tax has not been assessed or has
18 been assessed at an amount less than that which ought to have been charged, the
19 relevant tax authority may, within six years of an assessment, assess the taxable
20 person at such amount or additional amount, as ought to have been charged.

21 (2) The six-year limitation period stipulated in subsection (1) of this
22 section shall not preclude the relevant tax authority from continuing with a tax
23 audit and for raising additional assessment where the tax audit commenced
24 before the expiration of the six-year limit.

25 (3) The provisions of this Act as to the notice of assessment, appeal
26 and other proceedings shall apply to such assessment or additional assessment
27 and to the tax charged.

28 (4) Notwithstanding the time limit specified in subsection (1) of this
29 section, where there is a deliberate misstatement by a taxable person in
30 connection with any tax imposed under the Nigeria Tax Act or any other tax

1 law, the relevant tax authority may at any time and as often as may be
2 necessary, assess the taxable person at such amount or additional amount as
3 may be necessary for the purpose of making good any loss of tax attributable
4 to the deliberate misstatement.

5 (5) All relevant facts shall be considered in the computation of the
6 amount or additional amount of tax that should have been charged under
7 subsection (1) of this section, even where such facts were not known when a
8 prior assessment or additional assessment was made for the taxable person
9 in the same year.

10 **36.**-(1) Assessments of tax in upstream petroleum operations shall
11 be made in a form and in such manner as the Service shall prescribe and shall
12 contain the-

Making of
assessment in
upstream petroleum
operations

13 (a) name and address of the company assessed to tax or of the
14 person in whose name a company has been assessed to tax, provided that the
15 name of the represented company is indicated; and

16 (b) particular accounting period and the amount of the chargeable
17 profits and chargeable tax for that period, in the case of each company for
18 each of its accounting periods.

19 (2) Where an assessment is to be amended or revised, a form of an
20 amended or revised assessment shall be made in a manner similar to that in
21 which the original of that assessment was made under subsection (1) of this
22 section showing the amended or revised amount of the chargeable profits
23 and chargeable tax.

24 (3) A copy of each self-assessment, and of each amended or revised
25 assessment shall be filed in a list which shall constitute the assessment list
26 for the purpose of this Act.

27 **37.**-(1) Where a business produces either no assessable profit or an
28 assessable profit which is less than expected from that business or the true
29 amount of the assessable profit cannot be readily ascertained, the relevant
30 tax authority may, in the case of-

Deemed profit
assessment on
income assessment

1 (a) a resident, assess and charge that taxable person on such fair and
2 reasonable percentage of the gross income from the trade or business as the
3 relevant tax authority may determine; or

4 (b) a non-resident, the profits shall be any amount resulting from
5 applying the profit margin of the person to the turnover generated from
6 Nigeria.

7 (2) For the purpose of subsection (1) of this section "profit margin"
8 shall be the proportion of the Earnings Before Interest and Tax ("EBIT") to
9 income or revenue in the published audited financial statement of the business,
10 and in the case of persons that are not required to publish financial statements,
11 the profit margin as may be ascertained by the relevant tax authority from
12 financial statements of comparative companies.

Currency of
assessment and
payment

13 **38.**-(1) Notwithstanding the provisions of any other law, tax may be
14 assessed in the currency of transaction.

15 (2) Tax, including royalty, assessed in a currency other than the
16 Nigerian Naira may be paid in that currency, or the Nigerian Naira at the
17 prevailing exchange rate in the official foreign exchange market.

Service of notice
of assessment

18 **39.** The relevant tax authority shall cause to be served on, or sent by
19 registered post, courier service or electronic means to each taxable person, or
20 person in whose name a taxable person is chargeable, a notice of assessment in
21 respect of any tax charged including the place at which payment should be
22 made, and setting out the rights of that person as contained in sections 40 and 41
23 of this Act.

Revision of
assessment in
case of objection

24 **40.**-(1) Where a taxable person disputes a tax assessment, the taxable
25 person may, by a written notice of objection delivered in person, by courier
26 service or via electronic means, apply to the relevant tax authority for the
27 revision and amendment of the assessment made upon it.

28 (2) An application under subsection (1) of this section shall only be
29 valid if it-

30 (a) is delivered to the relevant tax authority within 30 days from the

- 1 date of service of the disputed notice of assessment; and
- 2 (b) contains the grounds of objection to the assessment, that is the-
- 3 (i) specific issues disputed or errors observed with their monetary
- 4 values,
- 5 (ii) amendment required to be made so as to resolve the dispute or
- 6 correct the error,
- 7 (iii) justification for the amendments,
- 8 (iv) amount of assessable and total profits, income or value of
- 9 transactions admitted by the taxable person for the relevant reporting period,
- 10 and
- 11 (v) amount of tax admitted by the taxable person or that no amount
- 12 of tax is admitted as payable.
- 13 (3) Notwithstanding the provisions of subsection (2) of this
- 14 section, the relevant tax authority may, for any satisfactory and good cause
- 15 shown, extend the time for making the application referred to in subsection
- 16 (1) of this section to such reasonable time in the particular circumstances.
- 17 (4) Upon receipt of the notice of objection referred to in
- 18 subsection(1) of this section, the relevant tax authority may-
- 19 (a) require the taxable person to furnish such particulars as it may
- 20 deem necessary and to produce all books or other documents relating to the
- 21 profits, income or transactions of the taxable person; and
- 22 (b) summon any person to give evidence in respect of the
- 23 assessment to appear for examination before an authorised officer of the
- 24 relevant tax authority or make a declaration on oath in respect of the
- 25 assessment.
- 26 (5) Where the taxable person and the relevant tax authority agree as
- 27 to the amount of tax to be assessed, the disputed assessment shall be
- 28 amended, and a revised notice of the tax payable shall be served upon the
- 29 taxable person.
- 30 (6) The relevant tax authority shall respond to the objection notice

1 within 90 days otherwise the objection of the taxpayer shall be upheld.

2 (7) Where the relevant tax authority considers the notice of objection
3 submitted by the taxable person as invalid, or where the taxable person and the
4 relevant tax authority do not agree as to the amount of tax to be assessed, the
5 taxpayer may exercise the right of appeal.

Errors and defects
in assessment
and notice

6 **41.**-(1) An assessment, notice, warrant or other proceeding purporting
7 to be made in accordance with this Act shall not be invalidated for want of form
8 or be affected by reason of a mistake, defect or omission, if the-

9 (a) substance and effect of the assessment is in conformity with the
10 provisions of this Act; and

11 (b) company assessed or intended to be assessed or affected is
12 designated according to common intent and understanding.

13 (2) An assessment shall not be invalidated or affected by reason of-

14 (a) a mistake as to the-

15 (i) name of a company liable or of a person in whose name a company
16 is assessed,

17 (ii) the description of any profits, or

18 (iii) amount of the tax charged;

19 (b) any variance between the assessment and the notice, if in cases of
20 assessment, the notice-

21 (i) is duly served on the company intended to be assessed or on the
22 person in whose name the assessment was to be made, and

23 (ii) contains, in substance and effect, the particulars on which the
24 assessment is made.

Assessment to
be final and
conclusive

25 **42.**-(1) Where-

26 (a) no valid objection or appeal has been lodged within the time
27 stipulated under this Act, against an assessment as regards the amount of the
28 total income or profits assessed;

29 (b) the amount of the total income or profits has been agreed to under
30 section 40(5) of this Act;

1 (c) the amount of such total profits has been determined on
2 objection or revised under the provision of section 40(5) of this Act; or

3 (d) the assessment as made, has been agreed to, revised or
4 determined on appeal;

5 such assessment shall be final and conclusive for all purposes of this Act as
6 regards the amount of such total profits.

7 (2) Where the full amount of tax in respect of any final and
8 conclusive assessment is not paid within the period prescribed in this Act,
9 the provisions relating to the recovery of tax, and to any penalty under
10 sections 64 and 66 of this Act, shall apply to the collection and recovery.

11 (3) The provision of subsection (2) of this section shall be subject
12 only to the set-off of the amount of any tax repayable under any claim, made
13 under the relevant provisions of this Act which has been agreed to by the
14 relevant tax authority or determined on any appeal against a refusal to admit
15 any such claim.

16 (4) The provisions of section 40 of this Act shall not prevent the tax
17 authority from making any assessment or additional assessment for any year
18 which does not involve re-opening any issue on the same facts, which has
19 been determined for that year of assessment under section 40(5) of this Act
20 by agreement or on appeal.

21 **43.**-(1) The relevant tax authority shall maintain assessment lists of
22 taxable persons assessed to tax.

Lists of taxable
persons assessed

23 (2) The assessment lists shall contain-

24 (a) the names and addresses of the taxable persons assessed to tax;

25 (b) the name and address of any person in whose name any such
26 taxable person is chargeable;

27 (c) the amount of the total profits of each person;

28 (d) the amount of tax payable by the person; and

29 (e) such other particulars as may be determined by the tax
30 authority.

1 (3) Where complete copies of all notices of assessment and all notices
2 amending assessments are filed in the offices of the tax authority, they shall
3 constitute the assessment lists for the purpose of this Act.

Manager, etc.
to be answerable

4 44. Any principal officer or manager of a company shall be
5 answerable for doing all such acts, matters and things as are required to be done
6 by virtue of this Act for the assessment of the company and payment of the tax.

Artificial
transactions, etc.

7 45.-(1) Where a relevant tax authority is of the opinion that any
8 disposition is not in fact given effect to or that any transaction which reduces or
9 would reduce the amount of any tax payable is artificial or fictitious, it may
10 disregard any such disposition or direct that such adjustments be made, as
11 regards liability to tax, as it considers appropriate so as to counteract the
12 reduction of liability to tax affected, or reduction which would be affected by
13 the transaction and any taxable person concerned shall be assessed
14 accordingly.

15 (2) For the purpose of this section, transactions between persons who
16 are connected in accordance with section 193 of the Nigeria Tax Act shall be
17 deemed to be artificial or fictitious if in the opinion of the relevant tax authority
18 those transactions have not been made on terms which might fairly have been
19 expected to have been made by persons engaged in the same or similar
20 activities dealing with one another at arm's length.

21 (3) A person in respect of which any direction is made under this
22 section shall have a right of appeal as if such direction were an assessment
23 under this Act.

24 (4) The relevant tax authority may issue guidelines or regulations for
25 the purpose of specifying rules for the taxation of connected persons,
26 transactions that are not at arm's length, or for the purpose of implementing
27 other provisions of this section.

28 In this section, "disposition" includes any trust, grant, covenant, agreement or
29 arrangement.

1 **46.**-(1) The relevant tax authority may counteract a prohibited tax Prohibited tax
2 avoidance arrangement by way of adjustments, disregarding, or re- avoidance
3 characterising the arrangement through an assessment, the modification of arrangement
4 an assessment, amendment or disallowance of a claim or otherwise, in part
5 or whole, unless the taxable person proves, to the satisfaction of the relevant
6 tax authority, that granting that benefit in these circumstances would be in
7 accordance with the object and purpose of the relevant provisions of this Act
8 or any other tax law.

9 (2) For the purpose of this section prohibited tax avoidance
10 arrangement means any arrangement where, having regard to the facts and
11 circumstances, it is reasonable to conclude that-

12 (a) the main purpose of the arrangements was to obtain a tax benefit
13 or advantage;

14 (b) obtaining the tax advantage is contrary to the object and
15 purpose of the provisions of this Act or any other tax law;

16 (c) it results, directly or indirectly, in the misuse, or abuse, of the
17 provisions of this Act or any other tax law; or

18 (d) it lacks commercial substance or coherence in whole or in part.

19 (3) In this section-

20 "tax benefit or advantage" is as defined in section 29(3) of this Act;

21 "arrangement" includes any agreement, understanding, scheme, transaction
22 or series of transactions, whether or not legally enforceable.

23 **47.** -(1) The relevant tax authority shall exchange relevant Exchange of
24 information with each other for ensuring compliance with the provisions of information and
25 this Act. joint audit

26 (2) Where any tax authority discovers non-compliance in the
27 course of audit of any tax accruing to another tax authority, it shall refer such
28 non-compliance to, or invite that other tax authority for a joint audit.

PART III - PAYMENT AND REFUND OF TAX

Payment of tax

1
2 **48.**-(1) Subject to section 11 of this Act and without prejudice to any
3 other provision of this Act, every person shall make payment of tax due on or
4 before the due date of filing in one lump sum or in instalments, provided that
5 the final instalment shall be paid on or before the due date of filing.

6 (2) Tax charged by any assessment which is not or has not been the
7 subject of an objection or appeal shall be payable, after the deduction of any
8 amount to be set-off for the purposes of collection under any provision of this
9 Act, or any amount deposited against the tax, at the place stated in the notice of
10 assessment within 30 days of service of such notice upon the taxable person,
11 provided that the relevant tax authority, in its discretion, may extend the time
12 within which payment is to be made.

13 (3) Subject to the provisions of section 11 of this Act collection of tax
14 in any case where notice of an objection or appeal has been given by the taxable
15 person shall remain in abeyance until such objection or appeal is determined,
16 provided that the taxable person shall pay the tax which is not the subject of an
17 objection or appeal.

18 (4) Upon the determination of an objection or appeal, the relevant tax
19 authority shall serve the taxable person, a notice of the tax payable as so
20 determined, and that tax shall be payable within 30 days of the date of service of
21 such notice.

22 (5) Any balance of tax unpaid as at the due date shall attract interest
23 and penalties as provided in this Act or any other relevant law.

24 (6) Where the relevant tax authority grants a taxable person an
25 extension of the period for the payment of a tax and the person fails to make the
26 payment within that period of extension, penalty and interest shall accrue from
27 the due date of payment of the tax as if the extension was never granted.

28 (7) Where there is no objection or appeal, the relevant tax authority
29 may proceed to enforce the recovery of the tax payable in accordance with the
30 provisions of this Act.

1 49.-(1) Without prejudice to section 16 of this Act, the tax due for
2 any accounting period shall be payable in equal monthly instalments
3 together with a final instalment as provided in subsection (4) of this section.

Payment of tax for
companies engaged
in upstream petroleum
operations and
mid-stream liquefied
natural gas
operations

4 (2) The first monthly payment shall be due and payable not later
5 than the third month of the accounting period and shall be in an amount
6 equal to one-twelfth or where the accounting period is less than a year, in an
7 amount of equal monthly proportions of the amount of tax estimated to be
8 chargeable for such accounting period in accordance with this Act.

9 (3) Each of the remainder of monthly payments to be made
10 subsequent to the payment under subsection (2) of this section shall be-

11 (a) due and payable not later than the last day of the month under
12 consideration; and

13 (b) in an amount equal to the amount of tax estimated to be
14 chargeable for such period by reference to the latest returns submitted by the
15 company in accordance with section 16 of this Act less so much as has
16 already been paid for such accounting period divided by the number of the
17 monthly payments remaining to be made in respect of such accounting
18 period.

19 (4) A final instalment of tax shall be due and payable on or before
20 the due date of filing of the self-assessment of tax for such accounting period
21 and shall be the amount of the tax assessed for that accounting period less so
22 much as has already been paid under subsections (2) and (3) of this section.

23 (5) Any instalments on account of tax estimated to be chargeable
24 shall be treated as tax charged and assessed for the purpose of sections 64
25 and 53 of this Act.

26 (6) This section covers income tax on gas income under part II of
27 chapter three of the Nigeria Tax Act.

28 50.-(1) Subject to section 192(3) of the Nigeria Tax Act, where any
29 payment is made to a person, the person making the payment shall, at the
30 date when payment is made or otherwise settled, deduct the tax at the rate

Deduction at
source

1 prescribed in regulations relating to deduction of tax at source.

2 (2) In the case of dividend, interest, rent, royalty, directors' fee and
3 payment to entertainers and sportspersons, the tax, when paid over to the
4 relevant tax authority, shall be the final tax due from a non-resident recipient of
5 the payment.

6 (3) Dividend distributed by a Nigerian company and received by a
7 person after deduction of the tax prescribed in this section and regulations
8 relating to deduction of tax at source, shall be regarded as franked investment
9 income of the person receiving the dividend and shall not be charged to further
10 tax.

11 (4) Where a franked investment income is redistributed and tax is to
12 be accounted for on the gross amount of the distribution in accordance with
13 regulations relating to deduction of tax at source, the company may set off the
14 amount deducted at source which it has itself suffered on the same income.

15 (5) Interest on short term securities and corporate bonds earned by an
16 individual after deduction of tax at source, shall not be charged to further tax.

17 (6) Income tax chargeable on an employee whether or not the
18 assessment has been made, shall be deducted from any emolument payable, or
19 from any payment made on account of the emolument, by the employer to the
20 employee.

21 (7) In arriving at the amount of income tax to be deducted from any
22 payment of or on account of the emolument to an employee, the employer shall
23 ensure that the aggregate amount of all the deductions made during a year of
24 assessment shall equal the income tax chargeable on the employee in respect of
25 its emoluments for that year.

26 (8) Notwithstanding subsections (1) to (6) of this section, a non-
27 resident company that provides technical, consulting, professional or
28 management services to a labelled startup shall be subjected to a 5% deduction
29 on income derived from the provision of such services, which shall be the final
30 tax to be paid by such non-resident company.

1 (9) For the purpose of giving effect to the provisions of this section,
2 regulations relating to deduction of tax at source shall apply.

3 **51.** A person answerable for payment of tax on behalf of a taxable
4 person- Indemnification
of manager, agent,
etc.

5 (a) may retain out of any money received on behalf of the taxable
6 person so much as shall be sufficient to pay the tax; and

7 (b) is indemnified, against any person for all payments made.

8 **52.**-(1) Where a company is being wound up, the liquidator of the
9 company shall not distribute any of the assets of the company to the
10 shareholders unless provision has been made for the payment in full of any
11 tax which may be found payable by the company, including any tax
12 deductions made by the company under any law in force in any part of
13 Nigeria. Company
wound up

14 (2) Where tax is not paid in accordance with the provision of this
15 section or any other law, the liquidator shall be personally liable.

16 **53.** Where a company which is or was engaged in petroleum
17 operations transfers a substantial part of its assets to any person without
18 having paid any tax, assessed or chargeable upon the company, for any
19 accounting period ending prior to such transfer and in the opinion of the
20 service one reason for such transfer by the company was to avoid payment of
21 such tax then that tax as charged upon the company may be sued for and
22 recovered from that person in a manner similar to a suit for any other tax
23 under section 66 of this Act. Avoidance by
transfer by
companies engaged
in petroleum
operations

24 **54.**-(1) There shall be refunded to taxpayers, after an audit by the
25 relevant tax authority, such overpayment or any excess of tax as is due. Tax refund

26 (2) The relevant tax authority may make such rules and conditions
27 necessary to facilitate the refund mentioned in subsection (1) of this section.

28 (3) Any tax refund due shall be made within 90 days of the decision
29 of the relevant tax authority made pursuant to subsection (2) of this section,
30 with the option of a set-off against any tax liability of the taxpayer.

1 (4) For the purpose of tax refund, the Accountant-General of the
2 Federation or of a State shall open a dedicated account for each tax-type into
3 which shall be paid money for settling tax refunds.

4 (5) For the purpose of subsection (4) of this section, the relevant tax
5 authority shall provide the Accountant-General of the Federation or of a State
6 an estimate of the amount to be set aside for tax refunds.

7 (6) The dedicated accounts created pursuant to subsection (4) of this
8 section, shall, be administered by the relevant tax authority and be funded from
9 the respective accounts of Government into which revenue of each tax-type is
10 remitted.

11 (7) No claim for refund of tax under this section shall be allowed
12 unless it is made in writing within six years after the end of the year of
13 assessment to which it relates.

Value added
tax refund

14 **55.**-(1) A taxable person that qualifies for VAT refund shall make a
15 request to the Service in the prescribed form.

16 (2) The request referred to in subsection (1) of this section shall be
17 made not later than 12 months after the transaction giving rise to the refund,
18 otherwise it shall lapse.

19 (3) Where a valid request is received from a taxable person, the
20 Service shall not later than 30 days of the receipt of that request, refund the tax
21 to the taxable person or the amount shall be eligible for set-off against any tax
22 liability of the taxpayer.

23 PART IV - ENFORCEMENT

Call for returns,
books, documents
and information

24 **56.**-(1) For the purpose of obtaining information in respect of the tax
25 liability of a taxable person or for performing any function conferred on the
26 relevant tax authority by this Act or any other tax law, the relevant tax authority
27 may give notice or further notice to any taxable person to-

28 (a) complete and deliver to the tax authority any return specified in
29 such notice or further notice, whether or not the person is liable to pay tax, and

1 whether or not a return had been previously filed under this Act for a year of
2 assessment;

3 (b) appear personally before an officer of the tax authority for
4 examination with respect to a matter to which such notice or further notice
5 relates;

6 (c) produce or cause to be produced for examination, books,
7 documents, records, or information relating to any assets, at the place and
8 time stated in the notice or further notice, which time may be from day-to-
9 day, or for such period as the tax authority may deem necessary;

10 (d) provide orally or in writing, any information specified in such
11 notice or further notice; and

12 (e) grant the tax authority access to records, data or information
13 stored or residing in computers or other electronic devices, including
14 magnetic media or cloud computing facilities maintained, operated,
15 controlled or owned by the individual, company or person.

16 (2) The time specified in the notice or further notice under
17 subsection (1) of this section shall not be less than seven days from the date
18 of service.

19 (3) Notwithstanding the provisions of this Act the tax authority
20 shall not be precluded from verifying, by tax audit or investigation, any
21 matter relating to a return or entry in a book, document, accounts, including
22 those stored on a computer, cloud computing facilities, in digital, magnetic,
23 optical or electronic media as may be specified in any guideline by the
24 relevant tax authority.

25 (4) A person may apply in writing to the relevant tax authority for
26 an extension of time within which to comply with the provisions of this
27 section, and other relevant provisions of this Act, provided that the person-

28 (a) makes the application before the expiration of the time
29 stipulated in the notice or further notice; and

30 (b) shows good cause for inability to comply with this provision.

1 (5) If the relevant tax authority is satisfied with the cause shown in
2 the application under subsection (4)b) of this section, it shall, in writing,
3 grant the extension of the time or limit the time as it may consider
4 appropriate.

5 (6) Any return or information delivered under this section shall be
6 accompanied by a declaration or an attestation stating that the information
7 supplied is true and correct.

Power to access
lands, building,
books and
documents

8 **57.**-(1) Notwithstanding anything to the contrary in any other enactment or
9 law, an authorised officer of the relevant tax authority shall at all
10 reasonable times have free access to all land, buildings, places, books and
11 documents, in the custody or under the control of a person, public officer, or
12 institution, for the purpose of inspecting the books or documents including
13 those stored or maintained in computers, servers, billing systems or on
14 digital, magnetic, optical or electronic media, and any property, process or
15 matter which the officer considers necessary or relevant for the purpose of
16 collecting any tax under any of the relevant enactments or law.

17 (2) Where the hard copies of any of the books or documents
18 mentioned in subsection (1) of this section are not immediately available
19 because they are stored in a computer, servers, billing system or on digital,
20 magnetic, optical or electronic media, the relevant tax authority shall take
21 immediate possession of such removable media and the related removable
22 equipment or computer used to access the stored documents on the media in
23 order to prevent the accidental or intentional destruction, removal or
24 alteration of records and documents, especially where such may be needed
25 as potential evidence in investigation or criminal proceedings.

26 (3) Where the relevant tax authority is able to obtain in place
27 of taking physical possession of such equipment, computer or storage
28 media under subsection (2) of this section, and the relevant tax authority
29 possesses the ability, equipment and computer software to make exact
30 duplicate copies of all information stored on the computer hard drive and

1 preserve all the information exactly as it is on the original computer, the
2 relevant tax authority shall make such copy and use it as digital evidence
3 during investigation or criminal proceedings.

4 (4) The occupier of a land, building or place that is entered or
5 proposed to be entered by an authorised officer, shall-

6 (a) provide the officer with all reasonable facilities and assistance
7 for the effective exercise of powers under this section; and

8 (b) answer questions relating to the exercise of the powers under
9 this section, orally, or if required by the authorised officer, in writing, or by
10 statutory declaration.

11 (5) Notwithstanding subsection (1) of this section, the authorised
12 officer shall not enter any private dwelling except with the consent of an
13 occupier or pursuant to an authorisation issued under subsection (6) of this
14 section.

15 (6) A judicial officer upon an application by an officer of the
16 relevant tax authority may authorise the officer by warrant to enter into any
17 premises.

18 (7) Every authorisation issued under subsection (6) of this section
19 shall-

20 (a) be in the form prescribed in the Second Schedule to this Act;

21 (b) be directed to a named officer of the tax authority;

22 (c) be valid for a period of three months from the date of its issue or
23 such lesser period as the judicial officer considers appropriate;

24 (d) state its period of validity, or the date on which it expires; and

25 (e) be renewable by the judicial officer on application.

26 (8) An officer exercising the power of entry conferred by an
27 authorisation issued under subsection (6) of this section shall produce the
28 written authorisation and evidence of identity-

29 (a) on first entering the private dwelling; and

30 (b) whenever subsequently reasonably required to do so.

Power to remove
books and
documents

1 **58.**-(1) An officer of the relevant tax authority authorised by the Chief
2 Executive Officer, may remove books or documents or any item accessed
3 under section 57 of this Act to make copies.

4 (2) Any copy of the books or documents removed shall be made, and
5 the books or documents returned as soon as practicable.

6 (3) A copy of a book or document or digital evidence certified by or on
7 behalf of the Chief Executive Officer of the relevant tax authority is admissible
8 in evidence in court as if it were the original.

9 (4) The owner of a book or document or any item that is removed
10 under this section is entitled to inspect and obtain a copy of the book or
11 document at the expense of the owner, at the premises to which the book or
12 document is moved to-

13 (a) at the time the book or document is moved to the premises; and

14 (b) at reasonable times subsequently.

15 (5) A person shall bear any cost incurred for the purpose of removing
16 any book, information, document or item under subsection (1) of this section.

Power of
substitution

17 **59.**-(1) The relevant tax authority may by notice in writing appoint
18 any person to be the agent of a taxable person where -

19 (a) any tax has become due and payable and the taxable person has
20 refused or failed to pay; or

21 (b) the agent appointed is in possession or is expected to be in
22 possession of the money, funds or assets of the taxable person.

23 (2) The agent appointed under subsection (1) of this section, shall be
24 required to pay any tax payable by the taxable person from any money, funds or
25 asset of the person which may be held by the agent of the person.

26 (3) Where the agent referred to in subsection (2) of this section
27 defaults, all such enforcement and recovery actions, including the power to
28 distraint the money, funds or asset of the person shall apply as if the agent so
29 appointed were originally liable.

30 (4) For the purpose of this section, the relevant tax authority may

1 require any person to give information as to money, funds or other assets
2 which may be held for, or due to any person.

3 (5) The provisions of this Act with respect to objections and
4 appeals shall apply to any notice given under this section as if such notice
5 were an assessment or demand notice.

6 **60.**-(1) Where an assessment has become final and conclusive and
7 a demand notice has been served upon a person or upon the person in whose
8 name that person is chargeable and the payment of the tax is not made within
9 the time specified by the demand notice, the relevant tax authority may in the
10 prescribed form, for the purpose of enforcing payment of the tax due-

Power to distrain

11 (a) distrain that person by his goods, chattels, bonds or other
12 securities;

13 (b) distrain any land, premises, place or any asset in respect of
14 which that person is the owner and, recover the amount of tax due by sale of
15 anything so distrained.

16 (2) The authority to distrain under this section shall be in the form
17 contained in the Third Schedule to this Act and such authority shall be
18 sufficient warrant and authority to levy by distrain the amount of any tax
19 due.

20 (3) For the purpose of levying any distrain under this section, any
21 officer duly authorised by the relevant tax authority may execute any
22 warrant of distrain, and if necessary, break open any building or place in the
23 day time for the purpose of levying such distrain, and the relevant tax
24 authority may call for police assistance and the police shall, when so
25 required aid and assist in the execution of any warrant of distrain and in
26 levying the distrain.

27 (4) Assets distrained under this section may, at the cost of that
28 person, be kept for 14 days and at the end of that time if the amount due in
29 respect of the tax, cost and charges of any incidental to the distrain are not
30 paid, they may, subject to subsection (6) of this section, be sold.

1 (5) Where there is a sale in accordance with the provisions of
2 subsection (4) of this section, a part of the proceeds of such sale, shall, in the
3 first instance, be used to pay the cost of keeping and all expenses incidental to
4 the sale, of the asset so distrained thereafter, the amount due in respect of the tax
5 shall be paid.

6 (6) The balance of the proceeds, if any, shall be refunded to that
7 person with or without a demand made within 90 days of the date of the sale.

8 (7) The provision of this section shall not be construed to authorise the
9 sale of any immovable property without an order of a High Court or as
10 prescribed by the rules of court.

11 (8) In exercise of the powers of distrain conferred by this section, the
12 person to whom the authority is granted under subsection (3) of this section
13 may distrain all assets, goods, chattels and effects belonging to the debtor
14 wherever the same may be found.

15 (9) This provision shall also apply in the case of recovery relating to
16 tax evasion and proceeds of crime where the offender cannot be found.

Enforcement
pf powers

17 **61.**-(1) The relevant tax authority may request the assistance of any of
18 the law enforcement agencies in the discharge of its duties under this Act.

19 (2) The law enforcement officers shall aid and assist an authorised
20 officer in the execution of any warrant of distrain and the levying of distrain.

21 (3) Any tax officer armed with the warrant issued by a judicial officer
22 and accompanied by law enforcement officers as may be determined by the
23 Chief Executive Officer of the relevant tax authority shall-

24 (a) enter any premises covered by such warrant and search for, seize
25 and take possession of any book, document or other article used or suspected to
26 have been used in the commission of an offence including the property or asset;

27 (b) inspect, make copies of, or take extracts including digital copies
28 from any book, record, document or computer, regardless of the medium used
29 for their storage or maintenance;

30 (c) search any person who is in or on such premises;

1 (d) open, examine and search any article, container or receptacle;
2 (e) open any door or window of a premises and enter or otherwise
3 forcibly enter the premises and every part of the premises; or
4 (f) remove by reasonable force any obstruction to such entry,
5 search, seizure or removal.

6 (4) A person shall not be bodily searched under this section except
7 by a person who is of the same gender as the person to be bodily searched.

8 **62.** Where any petroleum or mineral royalty or tax due and payable
9 by any company engaged in petroleum or mining operations under this Act,
10 is unpaid after a demand notice has been issued to the company, the Service
11 may notify the Commission or the relevant ministry or agency of such
12 default for the revocation of the licence or lease under the relevant Act.

Revocation of
petroleum or
mining licence
or lease

13 **63.**-(1) Notwithstanding the provision of any other law, the tax
14 authority shall have the power to investigate or cause investigation to be
15 conducted to ascertain any violation of any tax law, whether or not such
16 violation has been reported to the relevant tax authority.

Tax Investigation

17 (2) The relevant tax authority may employ Special Purpose Tax
18 Officers for the purpose of subsection (1) of this section to carry out
19 investigation of any offence under this Act and may seek the assistance of
20 any relevant law enforcement agency.

21 (3) In conducting an investigation under subsection (1) of this
22 section, the relevant tax authority may cause investigation to be conducted
23 into the properties of any taxable person where it appears to the relevant tax
24 authority that the lifestyle of the person and extent of the properties are not
25 justified by his source of income or in line with the tax declaration or
26 compliance.

27 (4) Where an investigation under this section reveals the
28 commission of any offence or an attempt to commit any offence, the relevant
29 tax authority shall, pursuant to section 135 of this Act, undertake the
30 prosecution of the offences.

Penalty and
interest for non-
payment of tax

1 **64.**-(1) Subject to section 65 of this Act, where any tax is not paid
2 within the period prescribed under this Act -

3 (a) a sum equal to ten per cent of the amount of the tax payable shall be
4 added thereto, and the provisions of this Act relating to the collection and
5 recovery of tax shall apply to the collection and recovery of the sum;

6 (b) in the case of naira remittances, the tax due shall carry interest at
7 the prevailing monetary policy rate of the Central Bank of Nigeria plus spread
8 to be determined by the Minister from the date when the tax becomes payable
9 until it is paid, and the provisions of this Act relating to collection and recovery
10 of tax shall apply to the collection and recovery of the interest; and

11 (c) in the case of foreign currency remittance, the tax due shall incur
12 interest at the prevailing Secured Overnight Financing Rate ("SOFR") or any
13 successor rate, plus spread to be determined by the Minister from the date when
14 the tax becomes payable until it is paid, and the provisions of this Act relating to
15 collection and recovery of tax shall apply to the collection and recovery of the
16 interest.

17 (2) The relevant tax authority shall serve a demand notice upon the
18 company or person in whose name a tax is chargeable and where payment is not
19 made within 30 days from the date of the service of such demand notice, the
20 relevant tax authority may proceed to enforce payment under this Act.

21 (3) The penalty and interest imposed under this subsection shall not
22 be deemed to be part of the tax paid for the purpose of claiming relief under any
23 of the provisions of this Act or any other tax law.

Remission of
penalty

24 **65.** The relevant tax authority may, for any good cause shown, remit
25 the whole or any part of penalty or interest due under this Act or any other tax
26 law.

Recovery of
Tax

27 **66.**-(1) Without prejudice to any other provision of this Act or any
28 other relevant law, any tax due shall constitute a debt due to the relevant tax
29 authority.

30 (2) Where the tax due is not paid within 30 days the relevant tax

1 authority may issue demand notice for the payment of the tax plus the
2 penalty and interest due.

3 (3) Where the tax plus the penalty and interest is not paid on the
4 date indicated in the notice, the relevant tax authority may exercise any of
5 the powers under this Act for the recovery of the amount due, including by a
6 legal action brought against the taxable person.

7 (4) Where any tax has been-

8 (a) under-assessed the taxable person who should have paid the
9 amount under-assessed shall on demand by the relevant tax authority, pay
10 the amount under-assessed; or

11 (b) erroneously repaid, the taxable person to whom the repayment
12 has erroneously been made shall on demand by the relevant tax authority,
13 pay the amount erroneously repaid.

14 (5) The amount referred to in subsection (1) of this section may be
15 recovered by the relevant tax authority as if it were tax to which a person to
16 whom the amount was so under-assessed or erroneously repaid were liable.

17 (6) The relevant tax authority shall not make any demand after six
18 years from the date of under-assessment or erroneous repayment unless the
19 under-assessment or erroneous repayment was caused by the production of a
20 document or the making of a statement which was found to be untrue.

21 **67.**-(1) The relevant tax authority may pay a reward to any person,
22 not being a person employed or a person related to the person employed in
23 the relevant tax authority in respect of any information which may be of
24 assistance to it in the performance of its duties under this Act on such
25 conditions and quantum of reward as may be determined by the relevant tax
26 authority.

Power to pay
reward

27 (2) The identity of the person who gave information to the relevant
28 tax authority shall be kept confidential and any person that discloses the
29 identity of such person shall be dealt with in accordance with the provisions
30 of section 114 of this Act.

1 (3) The tax authority may partner with a relevant agency to verify the
2 information supplied and such verification shall not compromise the identity of
3 the person referred to in subsection (1) of this section.

4 CHAPTER THREE

5 GENERAL AND ADMINISTRATIVE PROVISIONS

6 PART I - GENERAL PROVISIONS

Endorsement 7 **68.** Anything done or required to be done by the relevant tax authority
8 in pursuance to this Act or any other tax law shall be endorsed by the Chief
9 Executive Officer or any other authorised officer of the relevant tax authority.

Deployment of 10 **69.**-(1) A relevant tax authority may deploy technology to automate
technology 11 tax administration processes including tax assessment, collection, accounting
12 and information gathering.

13 (2) A relevant tax authority may deploy any technology, including
14 third party payment processing platform or computer application to collect or
15 remit taxes due on the supply of digital services to any person in Nigeria
16 whether or not such supply originates from within or outside Nigeria, provided
17 that nothing in this subsection shall be construed as empowering the tax
18 authority of a State to collect tax from a non-resident or in respect of cross-
19 border transactions.

Issuance of 20 **70.**-(1) Without prejudice to any provision of this Act, advance ruling
advance rulings 21 may be issued for the purpose of clarity, consistency and certainty regarding
22 the interpretation and application of any tax law that does not constitute an
23 amendment or replacement of the law.

24 (2) The relevant tax authority may-

25 (a) make an advance ruling on any provision of a tax law,
26 administration, precedence and policies;

27 (b) issue an advance ruling upon application by a taxable person
28 within 21 days of the receipt of the application or give reasons in writing for
29 inability to issue such ruling.

30 (3) An advance ruling may be issued in the prescribed form and

1 manner and shall be signed by an authorised officer of the relevant tax
2 authority and may contain-

3 (a) a statement on whether the ruling is applicable generally or
4 limited to the taxpayer;

5 (b) the name, Tax ID and postal address of the taxpayer;

6 (c) the relevant statutory provisions or legal issues addressed in the
7 ruling;

8 (d) any assumptions made or conditions imposed by the relevant
9 tax authority in connection with the validity of the ruling; and

10 (e) the period for which the ruling is valid.

11 (4) An application for advance ruling shall be made in the
12 prescribed form and manner by a person who is a party to any tax related
13 issue or transaction, or by two or more parties to a tax related issue or
14 transaction.

15 (5) An application shall contain-

16 (a) the name, Tax ID, postal address, email address, and telephone
17 number of the taxpayer;

18 (b) a complete description of the tax issue or transaction in respect
19 of which the ruling is sought, including its financial implications, if any;

20 (c) a complete description of the impact the issue or transaction
21 may have upon the tax liability of the taxpayer or any connected person in
22 relation to the issue or transaction;

23 (d) details of any ongoing audit, previous correspondence and
24 decisions of the relevant tax authority on the issue;

25 (e) the relevant statutory provisions or legal basis relied on by the
26 applicant;

27 (f) the reasons why the taxpayer believes that the proposed ruling
28 should be granted; and

29 (g) a written statement on whether or not the matter is before any
30 tribunal or court of competent jurisdiction.

1 (6) The relevant tax authority may request additional information
2 from an applicant.

3 (7) Where necessary, the relevant tax authority shall provide an
4 applicant with a reasonable opportunity to make representations or provide
5 clarifications.

6 (8) An applicant may withdraw an application at any time before a
7 ruling is issued.

Rejection of
application for
advance rulings

8 **71.** The relevant tax authority may reject an application for an
9 advance ruling where it requires the rendering of an opinion, conclusion or
10 determination regarding-

11 (a) the application or interpretation of the laws of a foreign country;

12 (b) an issue already before a court or tribunal of competent
13 jurisdiction;

14 (c) the interpretation of the Constitution of the Federal Republic of
15 Nigeria;

16 (d) an issue that is academic, hypothetical, frivolous or vexatious; and

17 (e) a ruling that will interfere substantially with an ongoing audit,
18 investigation or other proceeding involving the applicant or persons connected
19 to the applicant.

Effect of
advance rulings

20 **72.**-(1) The effect of the ruling is limited to the applicant and the
21 transaction in relation to which the ruling is given.

22 (2) The ruling is rendered on a set of facts before the relevant tax
23 authority and cannot be of general application.

24 (3) An advance ruling is void where-

25 (a) the issue or transaction as described in the ruling is materially
26 different from the issue or transaction actually carried out;

27 (b) there is fraud, misrepresentation or non-disclosure of a material
28 fact; or

29 (c) an assumption made or condition imposed by the relevant tax
30 authority is not satisfied or carried out by the taxpayer.

1 (4) Notwithstanding any provision to the contrary contained in a
2 tax law, an advance ruling ceases to be effective where-

3 (a) a provision of the tax law that was the subject of the advance
4 ruling is repealed or amended in a manner that materially affects the advance
5 ruling in which case the advance ruling will cease to be effective from the
6 date that the repeal or amendment is effective; or

7 (b) a court overturns or modifies an interpretation of the tax law on
8 which the advance ruling is based, in such case, the advance ruling shall
9 cease to be effective from the date of the judgement unless such decision is
10 overturned.

11 73.-(1) The relevant tax authority may withdraw or modify an
12 advance ruling at any time and retrospectively if the ruling was fraudulently
13 obtained. Withdrawal or
modification of
advance rulings

14 (2) The relevant tax authority shall specify the date the decision to
15 withdraw or modify the advance ruling becomes effective.

16 74.-(1) The president may, on the recommendation of the Service
17 remit, wholly or in part, the tax payable by any taxable person if satisfied
18 that it will be just and equitable to do so. Power of the
President or
Governor to remit
taxes

19 (2) The Governor of a State may, on the recommendation of the
20 Commissioner responsible for finance acting on the advice of the relevant
21 tax authority, remit wholly or in part, any tax payable under the Nigeria Tax
22 Act if satisfied that it is just and equitable to do so.

23 75.-(1) The President may by order exempt from income tax- Power of the
President to exempt
companies from
income tax
24 (a) any company or class of companies; or
25 (b) any profits of any company or class of companies from any
26 source, on any ground which appears to be sufficient, provided that the order
27 is published in the Official Gazette stating the grounds upon which the
28 exemption is granted to the company or the class of companies.

29 (2) The President may, by order amend, add to or repeal any
30 exemption.

Power of
Accountant-
General to deduct
at source

1 **76.** The Accountant-General of the Federation shall, not later than 30
2 days of receiving a warrant signed by the Chief Executive Officer of the
3 relevant tax authority and a Judicial Officer in accordance with the Fourth
4 Schedule to this Act, deduct all un-remitted revenue due from any Ministry,
5 Department, Agency or Government from its budgetary allocation or such
6 other money accruing to it, and shall, immediately, remit such deductions to the
7 relevant tax authority.

Distribution of
value added tax
revenue

8 **77.** Notwithstanding any formula that may be prescribed by any other
9 law, the net revenue accruing by virtue of the operation of chapter six of the
10 Nigeria Tax Act shall be distributed as follows-

- 11 (a) 10% to the Federal Government;
12 (b) 55% to the State Governments and the Federal Capital Territory;
13 and
14 (c) 35% to the Local Governments.

15 provided that 60% of the amount standing to the credit of states and local
16 governments shall be distributed among them on the basis of derivation.

Transfer of tax
revenue for
refund

17 **78.**-(1) The relevant tax authority, shall, not later than 7 days after the
18 end of each month, furnish the Accountant-General of the Federation or
19 Accountant-General of the State with the schedules containing the summary of
20 taxes collected, and tax refund claims.

21 (2) Notwithstanding the provisions of any other law, the Accountant-
22 General of the Federation or of a State shall, before the distribution of tax
23 revenue, deduct an amount equal to the total tax refund claims compiled by the
24 relevant tax authority from the gross revenue realised from tax and remit same
25 to the respective Tax Refund Accounts opened under section 54(4) of this Act.

26 (3) The relevant tax authority shall, not later than 7 days after the end
27 of each month, submit to the Accountant-General of the Federation or of a
28 State, a reconciliation schedules of-

- 29 (a) the amount received into the Tax Refund Accounts;
30 (b) the total tax refund claims paid; and

1 (c) any amount standing to the credit of the respective Tax Refund
2 Accounts.

3 (4) The Accountant-General of Federation or of a State may use the
4 amount standing to the credit of a tax refund account at the end of a month to
5 reduce the amount required for tax refund claims in a subsequent month.

6 **79.** A notice, summon or other document required or authorised to Notices
7 be served on any relevant tax authority under the provisions of this Act or
8 any other law may be served by delivering it to the Chief Executive Officer
9 of the tax authority or by sending it by registered post addressed to the Chief
10 Executive Officer of the relevant tax authority at its principal office or to a
11 designated email.

12 **80.** The relevant tax authority may, from time to time, specify and Forms
13 simplify the forms, statements and notices to be used for the effective
14 administration of taxes under this Act.

15 **81.** Except as may be ordered by a court or tribunal of competent Obligations during
16 jurisdiction, the pendency of a legal proceeding shall not affect the the pendency of
17 performance of the duties or obligations of any taxable person under this Act legal proceedings
18 or any other tax law.

19 PART II - ADMINISTRATIVE PROVISIONS

20 **82.**-(1) Without prejudice to the power of the State Government Establishment
21 with respect to the administration of the Income Tax of individuals, Pay As of the State Internal
22 You Earn, Stamp Duties, there is established for each State, the State Revenue Service
23 Internal Revenue Service (State Service).

24 (2) The State Service shall be autonomous in the day-to-day
25 running of its financial, technical, professional and administrative affairs.

26 **83.** The State Service shall-

27 (a) assess individuals, estates, trusts and settlements, communities Functions of the
28 and families; State Service

29 (b) assess, collect, account and enforce payment of taxes as may be
30 due to the State Government or any of its agencies;

1 (c) collect, recover and pay to the designated account any tax under
2 the provisions of this Act or any other enactment or law;

3 (d) carry out examinations and investigations with a view to enforcing
4 compliance with the provisions of this Act, in collaboration with the relevant
5 law enforcement agencies; and

6 (e) carry out such other functions as may be prescribed by a law of the
7 State House of Assembly.

Establishment
and composition
of the management
board of the State
Service

8 **84.**-(1) There is established for each State Service a Management
9 Board (State Board) which shall have overall supervision of the State Service
10 as specified under this Act.

11 (2) A State Board shall comprise-

12 (a) the Executive Chairman of the State Service, who shall be the
13 Chairman of the State Board;

14 (b) directors from within the State Service;

15 (c) a director from the State Ministry of Finance;

16 (d) three other persons appointed by the State Governor on their
17 personal merit, each representing a Senatorial District in the State, who shall
18 possess relevant experience and knowledge in taxation and other related fields;
19 and

20 (e) the Legal Adviser to the State Service, who shall serve as Secretary
21 to the Board.

22 (3) The Secretary of the State Board shall summon a meeting of the
23 State Board whenever the business requires its attention, or on the request of
24 the Chairman or any member of the State Board.

25 (4) Five members of the State Board, one of whom shall be the
26 Chairman or a Director, shall constitute a quorum.

27 (5) A majority decision of the members on any matter obtained by the
28 Secretary in written correspondence shall be treated in all respects as though it
29 were a decision of the State Board in an actual meeting unless any member has
30 requested the submission of the matter to such meeting.

1 authorise any person to-

2 (a) perform or exercise on behalf of the State Board, any function,
3 duty or power conferred on the State Board; and

4 (b) receive any notice or other document to be given or delivered to or
5 in consequence of this Act and any subsidiary legislation made under it.

Establishment
of the Technical
Committee of the
State Board

6 **87.**-(1) There shall be a Technical Committee of the State Board
7 (Technical Committee) which shall comprise the-

8 (a) Executive Chairman of the State Board as chairman;

9 (b) directors within the State Service; and

10 (c) Legal Adviser to the State Service.

11 (2) The Technical Committee shall-

12 (a) consider all matters that require professional and technical
13 expertise and make recommendations to the State Board;

14 (b) advise the State Board on all its powers and duties specifically
15 mentioned in section 86 of this Act;

16 (c) have powers to co-opt additional staff from within the State
17 Service in the discharge of the duties; and

18 (d) attend to such other matters as may, from time to time, be referred
19 to it by the State Board.

Establishment
of the Local
Government
Revenue
Committee

20 **88.**-(1) There shall be established for each local government area of a
21 State a Committee to be known as the Local Government Revenue Committee
22 (Revenue Committee).

23 (2) The Revenue Committee shall comprise-

24 (a) the Local Government Supervisor for Finance as chairman;

25 (b) three local government councillors as members; and

26 (c) two other persons experienced in revenue matters to be nominated
27 by the chairman of the Local Government on their personal merits.

Functions of the
Revenue
Committee

28 **89.**-(1) The Revenue Committee shall be responsible for the
29 assessment and collection of all taxes, fines and rates under its jurisdiction and

1 shall account for the amounts collected, in a manner to be prescribed by the
2 local government.

3 (2) The Revenue Committee shall be autonomous of the local
4 government treasury and shall be responsible for the day-to-day
5 administration of the Department, which forms its operational arm.

6 **90.** There is established for each State of the Federation a State
7 Joint Revenue Committee which shall comprise-

Establishment
and Composition
of the State Joint
Revenue Committee

8 (a) the Executive Chairman of the State Service as the chairman;

9 (b) the Chairmen of the Local Government Revenue Committees;

10 (c) a representative of the agency responsible for local government
11 affairs, not below the rank of a Director;

12 (d) a representative of the Revenue Mobilisation Allocation and
13 Fiscal Commission, as an observer;

14 (e) the State Sector Commander of the Federal Road Safety
15 Commission, as an observer;

16 (f) the Legal Adviser of the State Service; and

17 (g) the secretary of the Committee, who shall be a staff of the State
18 Service.

19 **91.** The functions of the State Joint Revenue Committee are to-

Functions of the
State Joint Revenue
Committee

20 (a) implement decisions of the Joint Revenue Board;

21 (b) advise the Joint Revenue Board and the State and local
22 governments on revenue matters;

23 (c) harmonise tax administration in the State;

24 (d) enlighten members of the public generally on State and local
25 government revenue matters; and

26 (e) carry out such other functions as may be assigned to it by the
27 Joint Revenue Board.

28 **92.**-(1) Any power conferred or any duty imposed upon the
29 relevant tax authority may be exercised or performed by it, by an officer
30 authorised generally, or specifically, in that behalf.

Exercise of powers
by relevant tax
authority

1 (2) Notwithstanding the provisions of subsection (1) of this section,
2 the relevant tax authority may, at any time and at its discretion, reverse or
3 modify any decision of any officer, affecting any tax or taxable income,
4 whether or not the discretion to make the decision was conferred on the officer
5 by any provision of this Act or any other tax law or whether or not the officer
6 was authorised by it to make the decision, and the reversal or modification of
7 the decision shall have effect as if it were the original decision made in respect
8 of the matter concerned.

Delegation of
powers of the
relevant State
board

9 **93.**-(1) Any power conferred or duty imposed under any provision of
10 this Act or other tax laws upon the relevant Board, may be exercised or
11 performed by the relevant Board or by an officer authorised generally or
12 specifically in that behalf by the Board.

13 (2) The relevant Board may reverse or modify any decision of any
14 officer, affecting any tax or taxable income, where such decision is discovered
15 to have been made in error, not in accordance with the law or where such
16 decision has been reviewed pursuant to dispute resolution and the reversal or
17 modification of the decision by the Board shall have effect as if it were the
18 original decision made in respect of the matter concerned.

19 (3) An order, ruling or directive made or given by an approved
20 committee of the relevant Board pursuant to this section or any other tax law
21 shall not be treated as an order, ruling or directive of the relevant Board, until
22 the order, ruling or directive has been ratified by the relevant Board pursuant to
23 the powers vested on the relevant Board under this Act and other tax laws.

24 (4) In the absence of the Board, the management of the relevant tax
25 authority, under the direction of the Minister or the Governor as the case may
26 be, shall perform all the functions of the Board.

Executive
Chairman and
other officials of
the relevant tax
authority

27 **94.**-(1) The powers and duties, which are conferred on the Executive
28 Chairman of the relevant tax authority by this Act and other tax laws, shall be
29 exercised by the Executive Chairman or by such other persons authorised to
30 exercise such powers.

1 (2) Powers and duties not specifically required by this Act to be
2 exercised by the Executive Chairman of the relevant tax authority may be
3 exercised by an official authorised to exercise such powers or duties for the
4 purpose of due administration of this Act.

5 CHAPTER FOUR

6 OFFENCES AND PENALTIES

7 PART I - OFFENCES AND PENALTIES OF GENERAL APPLICATION

8 **95.**-(1) A taxable person who fails or refuses to register for tax Failure to register
9 under Section 4 of this Act, shall be liable to pay an administrative penalty
10 of-

- 11 (a) N50,000.00 in the first month in which the failure occurs; and
12 (b) N25,000.00 for each subsequent month in which the failure
13 continues.

14 (2) A statutory body or company who awards a contract to an
15 unregistered person, shall be liable to pay an administrative penalty of
16 N5,000,000.00.

17 **96.** A taxable person who fails or refuses to file returns or Failure to file
18 knowingly files incomplete or inaccurate returns to the relevant tax returns
19 authority in accordance with the provisions of this Act, shall be liable to pay
20 an administrative penalty of-

- 21 (a) N100,000.00 in the first month in which the failure occurs; and
22 (b) N50,000.00 for each subsequent month in which the failure
23 continues.

24 **97.** A taxable person who- Failure to keep
25 books

26 (a) fails to keep accounts, books and records of business
27 transactions and income, to allow for the correct ascertainment of tax and
28 filing of returns to the relevant tax authority; or

29 (b) upon request by the relevant tax authority, fails to provide any
30 record or book prescribed in this Act shall be liable to pay an administrative
penalty of-

	1	(i) in the case of a person other than a company, N10,000.00, and
	2	(ii) in the case of a company, N50,000.00.
Failure to grant access for the deployment of technology	3	98. A person who refuses to grant access to the relevant tax authority
	4	to deploy technology after 30 days of receipt of the notice under this Act is
	5	liable to an administrative penalty of N1,000,000.00 for the first day of default
	6	and ₦10,000.00 for each subsequent day of default.
Failure to use fiscalisation system	7	99. A taxable person that fails to process a taxable supply through the
	8	fiscalisation system is liable to an administrative penalty of N200,000.00 plus
	9	100% of the tax due and an interest of 2% above the Central Bank of Nigeria
	10	Monetary Policy rate per annum.
Failure to deduct tax	11	100. A person who has an obligation to collect, deduct or withhold tax
	12	under the relevant tax laws, and fails to collect, deduct or withhold the tax due
	13	is liable to an administrative penalty of 40% of the amount not deducted.
Failure to make attribution	14	101. A person who is required to make attribution but fails to do so or
	15	having done so, fails to notify the relevant tax authority, is liable to pay an
	16	administrative penalty of N1,000,000.00.
Failure to remit tax deducted at source of self account	17	102. -(1) A person, that deducts, collects or withholds any tax under
	18	this Act, and fails to remit the amount deducted, collected or withheld by the
	19	21st day of the month immediately succeeding the month in which the amount
	20	was deducted, collected or withheld, is liable to pay-
	21	(a) the amount deducted, collected or withheld but not remitted;
	22	(b) an administrative penalty of 10% per annum of the tax deducted,
	23	collected or withheld but not remitted; and
	24	(c) interest at the prevailing Central Bank of Nigeria monetary policy
	25	rate plus 2% per annum.
	26	(2) A person required to self-account under this Act and fails to self-
	27	account within the time prescribed by this Act, is liable to pay-
	28	(a) the tax not self-accounted for;
	29	(b) an administrative penalty of 10% per annum of the amount not self
	30	-accounted for; and

1 (c) interest at 2% above the prevailing Central Bank of Nigeria
2 monetary policy rate.

3 (3) A person convicted of any of the offences under this section,
4 shall, in addition to the administrative penalty in subsections (1) and (2) of
5 this section, be liable to a term of imprisonment not exceeding 3 years.

6 **103.**-(1) A person who-

Failure to attend
to demands, request
or notices

7 (a) fails to comply with the requirements of a notice served under
8 this Act or any other tax law;

9 (b) fails to attend or provide answers to a notice, summons or
10 process served under this Act or any other tax law; or

11 (c) having attended, fails to answer any question lawfully put to
12 him,

13 is liable to an administrative penalty of N100,000.00 in the first day of
14 default and N10,000.00 for every subsequent day where the default
15 continues.

16 (2) A person who fails or refuses to supply information,
17 documents, or records as demanded or requested for by an authorised officer
18 relating to any tax issue under this Act or any other tax law within the time
19 provided under this Act or any other tax law, is liable to an administrative
20 penalty of ?200,000.00 in the first day of default and N10,000.00 for each
21 subsequent day where the refusal continues.

22 (3) A person who fails or refuses to comply with obligations to
23 submit information relating to a legal arrangement or other obligations as
24 may be prescribed by notice, rules, regulations, guidelines, or circulars
25 issued by the Service or any other relevant tax authority, is liable to an
26 administrative penalty of N1,000,000.00 for the first day of default, in
27 addition to N10,000.00 for each subsequent day in which the failure
28 continues, or any other administrative penalty as may be specified in such
29 notice, rules, regulations, guidelines, or circulars.

Failure to stamp	1	104. A person that fails to stamp dutiable instruments in accordance
	2	with the relevant provisions of the Nigeria Tax Act is liable to pay-
	3	(a) in the case of the fixed duty, 10% of the unpaid duty and interest at
	4	2% above the Central Bank of Nigeria Monetary Policy Rate; and
	5	(b) in the case of ad valorem duty, 10% of the duty and interest at 2%
	6	above the Central Bank of Nigeria Monetary Policy Rate.
Failure to disclose facts in a dutiable instrument	7	105. A person that fails, neglects or omits to fully disclose all the facts
	8	and circumstances relating to dutiable instrument or underpays any duty is
	9	liable, in addition to the payment of the duty due-
	10	(a) to an administrative penalty of N100,000.00; or
	11	(b) on conviction to a fine of N50,000.00 or for a term of
	12	imprisonment not exceeding three years or both fine and imprisonment.
Failure to notify change of address, etc.	13	106. A taxable person who fails to notify the relevant tax authority of
	14	any change of address within 30 days of such change, gives a wrong address or
	15	fails to comply with the requirement for notification of permanent cessation of
	16	trade or business under the relevant tax laws shall be liable to administrative
	17	penalty of-
	18	(a) N100,000.00 for the first month in which the failure occurs; and
	19	(b) N5,000.00 for each subsequent month the failure continues.
Fraud in relation to stamps	20	107. A person that-
	21	(a) removes or causes to be removed from a document any revenue
	22	stamp, with intent that the stamp may be reused;
	23	(b) affixes to any other document the revenue stamp which has been
	24	removed, for the purpose of evading the payment of duty;
	25	(c) sells or offers for sale, any revenue stamp so removed; or
	26	(d) forges a stamp or any implement for denoting stamp duties,
	27	is liable on conviction to imprisonment for a term not exceeding 3 years or a
	28	fine of not less than N2,000,000.00 or both fine and imprisonment.
Offence by authorised and unauthorised persons	29	108. A person, whether or not appointed for the administration of this
	30	Act, any other tax law or employed in connection with the assessment and

1 collection of a tax that-

2 (a) demands or accepts any gratification from a taxable person in
3 the performance of his functions under this Act or any other tax law;

4 (b) withholds for his own use or otherwise any portion of the
5 amount of tax collected;

6 (c) renders a false return, whether orally or in writing, of the
7 amount of tax collected or received by him;

8 (d) defrauds any person, embezzles money or otherwise uses his
9 position to deal wrongfully with the relevant tax authority;

10 (e) steals or misuses the documents of the relevant tax authority; or

11 (f) compromises on the assessment or collection of any tax,
12 commits an offence and is liable on conviction to a fine equivalent to 200%
13 of the sum in question or to imprisonment for a term not exceeding 3 years or
14 to both fine and imprisonment.

15 **109.** A person who attempts to induce, influence or entice an
16 authorised officer in order to obtain any tax benefit in the course of duty
17 commits an offence and is liable on conviction to a penalty of
18 N2,000,000.00 or to imprisonment for a term not exceeding 3 years or to
19 both fine and imprisonment, in addition to paying the tax due.

Inducement of
an authorised
officer

20 **110.-(1)** A person who, in the commission of an offence under this
21 Act, is armed with any offensive weapon is liable on conviction to
22 imprisonment for a term not exceeding five years.

Use of weapon

23 (2) A person who, while armed with an offensive weapon, causes
24 injury to any officer or authorised officer of the relevant tax authority in the
25 performance of any function or duty under this Act, is liable on conviction to
26 imprisonment for a term not exceeding ten years.

27 **111.** A person, not being an authorised officer, who assumes the
28 name, designation or impersonates the character of an authorised officer, for
29 any purpose under this Act or any other tax law, is liable on conviction to a
30 fine not exceeding N1,000,000.00 or to imprisonment for a term not

Impersonation
of an authorised
officer

	1	exceeding 3 years or both.
Aiding and abetting commission of offence	2	112. An officer of the relevant tax authority or any other person who
	3	aids or abets the commission of any of the offences under this Act is liable on
	4	conviction to a fine of N1,000,000.00 or to imprisonment for a term not
	5	exceeding 3 years.
Obstruction, etc.	6	113. A person who-
	7	(a) obstructs, hinders, molests or assaults any person or authorised
	8	officer in the performance of any function or the exercise of any power under
	9	this Act;
	10	(b) does anything which impedes or is intended to impede the
	11	carrying out of a search, seizure, removal or distrain;
	12	(c) rescues, damages or destroys anything liable to seizure, removal
	13	or distress;
	14	(d) does anything intended to prevent the procuring or giving of
	15	evidence as to whether or not anything is liable to seizure, removal or distrain;
	16	(e) prevents the arrest of any person by an authorised person duly
	17	engaged or acting or rescues any person so arrested is-
	18	(i) liable to an administrative penalty of N1,000,000.00, and
	19	(ii) on conviction to a fine not exceeding N1,000,000.00 or
	20	imprisonment for a term not exceeding 3 years or to both fine and
	21	imprisonment.
Unauthorised disclosure	22	114. Except as provided under this Act, any other law or any enabling
	23	agreement or arrangement on exchange of information or as otherwise
	24	authorised by the Minister-
	25	(a) a member or former member of the Board of the relevant tax
	26	authority; or
	27	(b) an employee or former employee of the tax authority; or
	28	(c) an agent or any person,
	29	who communicates or attempts to communicate taxpayer information or
	30	information considered confidential to any person other than to a person

1 legally authorised to receive such information or misuses the information is
2 liable on conviction to a fine not exceeding N5,000,000.00 or to
3 imprisonment for a term not exceeding 3 years or both.

4 **115.**-(1) A person that receives a refund under section 54 of this
5 Act, through a false or fictitious claim, is, in addition to the recovery of the
6 amount so received, liable to a penalty of 50% of that amount, plus interest at
7 2% above the prevailing Central Bank of Nigeria Monetary Policy Rate.

False claim of
tax refund

8 (2) The provisions in subsection (1) of this section shall not be
9 construed as preventing the relevant tax authority from prosecuting that
10 person in accordance with the relevant provisions of this Act.

11 **116.**-(1) A person that receives a refund under section 55 of this
12 Act, through a false or fictitious claim, is, in addition to the recovery of the
13 amount so received, liable to a penalty of 100% of that amount, plus interest
14 at 2% above the Central Bank of Nigeria Monetary Policy Rate.

False or fictitious
of VAT refund

15 (2) Where a taxable person makes a false or fictitious claim more
16 than once within a two-year period, the Service may blacklist such a person
17 and decline any future refund application made by that person for up to five
18 years following the blacklisting.

19 (3) Notwithstanding the provisions in subsection (1) and (2) of this
20 section, where a taxable person makes a false or fictitious claim under this
21 section, the Service may, in addition to the penalties specified under this
22 section, prosecute that person in accordance with the relevant provisions of
23 this Act.

24 **117.**-(1) Where any mineral royalty due and payable under this Act
25 remains unpaid for 30 days after the due date, it shall be a debt and-

Default in payments
of mineral royalties

26 (a) a penalty of 10% of the amount of the royalty payable shall be
27 added to the royalty due;

28 (b) in the case of foreign currency transactions, the royalty due
29 shall incur interest at the prevailing SOFR or any other successor rate plus
30 10%; and

1 (c) in case of Naira transactions, the royalty due shall incur interest at
2 2% above the prevailing Central Bank of Nigeria Monetary Policy Rate.

3 (2) Notwithstanding the provisions of subsection (1) of this section,
4 the Service may, with the assistance of the relevant Ministry or agency of
5 government-

6 (a) distrain the licensee or lessee of its minerals, products, engines,
7 machinery, tools, implements or other effects; or

8 (b) cancel, revoke, seize, distrain or dispose the licenses or rights of
9 the licensee or lessee.

False declaration

10 **118.**-(1) A person that makes or signs, or causes to be made or signed,
11 delivers or causes to be delivered to the relevant tax authority or any of its
12 officers, any declaration, notice, certificate or other document being a
13 document or statement produced or made for any purpose of tax, which is
14 untrue, is liable-

15 (a) to an administrative penalty of N1,000,000 in addition to the
16 payment of the tax undercharged or not charged in consequence of the false
17 declaration, plus payment of the amount of tax unpaid or over payment made in
18 respect of any repayment; or

19 (b) upon conviction to a fine of N1,000,000 or to imprisonment not
20 exceeding 3 years or to both such fine and imprisonment in addition to payment
21 of the amount of tax unpaid or over payment made in respect of any repayment.

22 (2) A person that makes any statement in answer to any question or
23 enquiry put to him by an officer which he is required to answer by or under this
24 Act or any other law, being a document or statement produced or made for any
25 purpose of tax, which is untrue, is liable-

26 (a) to an administrative penalty of N1,000,000.00 in addition to the
27 payment of the tax undercharged or not charged in consequence of false
28 declaration, plus payment of the amount of tax unpaid or over payment made in
29 respect of any repayment; or

30 (b) upon conviction, to a fine of N1,000,000 or to imprisonment not

1 exceeding 3 years or to both such fine and imprisonment in addition to
2 payment of the amount of tax unpaid or over payment made in respect of any
3 repayment.

4 **119.** A person that-

Counterfeiting
documents, etc.

5 (a) counterfeits or falsifies any document which is required by or
6 for the transaction of any business under this Act or any other relevant tax
7 law;

8 (b) knowingly accepts, receives or uses any document so
9 counterfeited or falsified;

10 (c) alters any such document after it is officially issued; or

11 (d) counterfeits any seal, signature, initial or other mark of, or used
12 by, any officer for the verification relating to tax,

13 is liable to an administrative penalty of N1,000,000.00 and upon conviction,
14 to imprisonment not exceeding 3 years or fine of N1,000,000.00 or to both
15 such fine and imprisonment.

16 **120.** Where an offence under this Act is committed by a body
17 corporate, firm, trust, association of individuals or any other legal
18 arrangement-

Offence by body
corporate

19 (a) a director, manager, secretary or other similar officer of the
20 body corporate;

21 (b) a partner or officer of the firm;

22 (c) trustees, settlors, beneficiaries or any person involved in the
23 management of the trust;

24 (d) a person concerned in the management of the affairs of the
25 association or legal arrangement; or

26 (e) a person who acts or purports to act in any of the above
27 capacities, is liable to be proceeded against and punished for the offence in
28 like manner as if the person committed the offence, unless that person
29 proves that the act or omission constituting the offence took place without
30 the knowledge, consent or connivance of the person.

General Penalty	1	121. Subject to the provisions of this Act, a person who contravenes
	2	any of provisions of this Act for which no specific penalty was provided,
	3	commits an offence and is liable-
	4	(a) to an administrative penalty of N1,000,000.00; or
	5	(b) on conviction, to imprisonment not exceeding 3 years or to both
	6	fine and imprisonment.
	7	PART II - OFFENCES AND PENALTIES FOR PETROLEUM OPERATIONS
Failure to file estimated and actual returns on due date	8	122. -(1) A company which fails to file any of the estimated or actual
	9	returns under this Act on the due date is liable to pay for late filing for each of
	10	the return not filed, a penalty of-
	11	(a) N10,000,000.00 on the first day the failure occurs and
	12	N2,000,000.00 for each subsequent day in which the failure continues; or
	13	(b) any other sum as may be prescribed by the Minister by order
	14	published in the Official Gazette.
	15	(2) Where the further returns for estimated tax provided for under
	16	section 16 of this Act is not made, the Service shall impose interest at the
	17	prevailing SOFR or any other successor rate plus 10% points for the
	18	differential of the revised tax over the estimated tax paid by the company.
Late payment of tax	19	123. -(1) Where any tax, royalty or remittance due from a company
	20	involved or engaged in upstream petroleum operations is not paid on the due
	21	date, it shall be a debt and-
	22	(a) a sum equal to 10% of the amount payable shall be added to the tax,
	23	royalty or remittance due;
	24	(b) in the case of a foreign currency transaction, the tax, royalty or
	25	remittance due shall incur interest at the prevailing SOFR or any other
	26	successor rate plus 10%;
	27	(c) in the case of transactions in Naira, the tax, royalty or remittance
	28	due shall incur interest at 2% above the prevailing Central Bank Monetary
	29	Policy Rate.
	30	(2) In addition to the provisions of subsection (1) of this section, the

1 licensee or lessee shall be liable to-

2 (a) N10,000,000.00 or US Dollar equivalent on the first day of the
3 failure to pay the tax, royalty or remittance; and

4 (b) N2,000,000.00 or US Dollar equivalent for each day in which
5 the failure continues.

6 (3) Notwithstanding the provisions of subsections (1) and (2) of
7 this section, the Service may, with the assistance of the Commission or
8 Authority-

9 (a) distrain the licensee or lessee of its oil well, crude oil,
10 condensates, natural gas or natural gas liquid, petroleum products, engines,
11 machinery, tools, implements or other effects; or

12 (b) cancel, revoke, seize, distrain or dispose the licenses or rights of
13 the holder.

14 **124.-(1)** A person that fails to-

15 (a) comply with the requirements of a notice served pursuant to
16 chapter two of this Act;

17 (b) appear in response to a notice or summons served pursuant to
18 chapter two of this Act, without sufficient cause or having appeared, fails to
19 answer any lawful question; or

20 (c) submit any return required to be submitted under the relevant
21 provisions of this Act;

22 is liable to an administrative penalty of N10,000,000.00, and where the
23 default continues beyond the period stipulated by this Act, the person shall
24 be liable to a further administrative penalty of N2,000,000.00 or such other
25 sum as may be prescribed by the Minister, for each day the default continues.

26 (2) Notwithstanding the provisions of subsection (1) of this
27 section, a person who is found guilty of an offence under this section shall on
28 conviction, be liable to a fine of N20,000,000.00 or other sum as may be
29 prescribed by the Minister by an order and where the offence continues
30 beyond the period stipulated by this Act, the person shall be liable to an

Failure to comply
with the requirement
of notice

1 additional fine of N2,000,000.00 or such other sum as may, by order, be
2 prescribed by the Minister for each day the default continues, or imprisonment
3 for a term of six months.

Incorrect accounts

4 **125.**-(1) A person who without reasonable excuse -

5 (a) makes up or causes to be made up any incorrect accounts by
6 omitting or understating any profits or overstating any losses which is required
7 under this Act to make up accounts;

8 (b) prepares or causes to be prepared any incorrect schedule or
9 statement required to be prepared under section 17 of this Act by overstating
10 any expenditure or overstating any royalties or other sums or by omitting or
11 understating any amounts repaid, refunded, waived or released; or

12 (c) gives or causes to be given any false or misleading information in
13 relation to any matter or thing affecting his liability to tax,

14 is liable to an administrative penalty of N15,000,000.00 and 1% of the amount
15 of tax which has been undercharged in consequence of such incorrect account,
16 schedule, statement or information or would have been so undercharged if the
17 account, schedule, statement or information had been accepted as correct,
18 whichever is higher, and is also liable for the appropriate tax which would have
19 been charged.

20 (2) Notwithstanding the provisions of subsection (1) of this section, a
21 person who gives or causes to be given any false or misleading information in
22 relation to any matter or thing affecting his liability to tax, commits an offence
23 and on conviction is liable to a fine of N15,000,000 and 1% of the amount of tax
24 which has been undercharged in consequence of such incorrect account,
25 schedule, statement or information, or would have been so undercharged if the
26 account, schedule, statement or information had been accepted as correct,
27 whichever is higher, and is also liable for the appropriate tax which would have
28 been charged.

False statement
and returns

29 **126.**-(1) A person who-

30 (a) for the purpose of obtaining any deduction, refund, rebate,

1 reduction or repayment in respect of petroleum profits tax, hydrocarbon tax
2 or income tax by upstream companies, for himself or for any other person or
3 who in any return, account, particulars or statement made or furnished with
4 reference to tax, knowingly makes any false statement or false
5 representation or forges or fraudulently alters or uses or fraudulently lends
6 or allows to be used by any other person any receipt or token as evidence for
7 payment of the tax under this Act; or

8 (b) aids, abets, assists, counsels, incites or induces any other
9 person-

10 (i) to make or deliver any false return or statement under this Act,

11 (ii) to keep or prepare any false accounts or particulars affecting
12 tax, or

13 (iii) unlawfully refuses or neglects to pay tax,

14 commits an offence and is liable on conviction to a fine of N15,000,000.00
15 and 1% of the amount of tax for which the person assessable is liable under
16 this Act, whichever is higher, for the accounting period in respect of or
17 during which the offence was committed, or to imprisonment for six months
18 or to both the fine and imprisonment and is also liable for the appropriate tax
19 which would have been assessed and charged.

20 (2) Notwithstanding the provisions of subsection (1) of this
21 section, any person who does any of the acts or makes the omissions
22 contained in subsection (1) of this section, shall be liable to an
23 administrative penalty of N15,000,000.00 or 1% of the amount of tax for
24 which the person assessable is liable under this Act whichever is higher, for
25 the accounting period in respect of or during which the act or omission
26 occurred and shall still be liable for appropriate tax which would have been
27 assessed and charged.

28 **127.** A person who being a member of the Service charged with the
29 administration of this Act or any assistant employed in connection with the
30 assessment and collection of the hydrocarbon tax who-

Offences by
authorised and
unauthorised
persons

1 (a) demands from any person an amount in excess of the authorised
2 assessment of the tax payable;

3 (b) withholds for his own use or otherwise any portion of the amount
4 of tax collected;

5 (c) renders a false return, whether verbal or in writing of the amounts
6 of tax collected or received by him;

7 (d) defrauds any person, embezzles money or otherwise uses his
8 position to deal wrongfully with the Service or any other individual; or

9 (e) not being authorised under this Act, collects or attempts to collect
10 the tax under this Act,

11 commits an offence and is liable on conviction to a fine equivalent to 200% of
12 the sum in question or to imprisonment for a term not exceeding three years or
13 to both fine and imprisonment.

Default in payments
of petroleum
royalties

14 **128.** Where any petroleum royalty due and payable under this Act
15 remains unpaid for 30 days after the due date, the provisions of section 123 of
16 this Act shall apply.

General penalty
in relation to
petroleum
operations

17 **129.**-(1) Any person that fails to comply with the provisions of this
18 part, chapter three of Nigeria Tax Act or any relevant regulations for which no
19 penalty is specifically provided, is liable to an administrative penalty of
20 N10,000,000.00 and where the default continues, beyond a period stipulated
21 by law or regulation, the person is liable to an administrative penalty of
22 N2,000,000.00 for each day the default continues, or such other sum as may, by
23 order be prescribed by the minister.

24 (2) Notwithstanding the provision of this section, a person who is
25 found guilty under this part of this Act or regulations made thereunder for
26 which no other penalty is specifically provided shall upon conviction be liable
27 to a fine of N20,000,000.00 or such other sum as may, by order, be prescribed
28 by the Minister, or to imprisonment for 6 months or to both fine and
29 imprisonment.

1 PART III - OFFENCES AND PENALTIES FOR EXCISE DUTIES

2 **130.** Any person who fails to comply with provisions made for the Contravention of
3 administration of excise duty under this Act or the Nigeria Tax Act is liable excise provisions
4 to an administrative penalty of N5,000,000.00 or such other amount as may
5 be specified by any regulations made for the administration of excise duties
6 on services.

7 **131.**-(1) A person with knowledge of the foreign exchange Contravention
8 transaction contained in section 160 (2) of the Nigeria Tax Act, including the of foreign exchange
9 buyer, broker, agent, exchange platform provider or a third party who, in any transaction services
10 way, enabled, facilitated recorded or holds the record of same, shall report
11 the transaction to the Service and the Nigerian Financial Intelligence Unit
12 within seven days of the transaction or becoming aware of the transaction.

13 (2) A person who fails to comply with the provisions of this section
14 commits an offence and shall on conviction be liable to-

15 (a) in the case of the seller, a fine equal to 200% of the amount of
16 the foreign exchange transaction or 6 months imprisonment or both; or

17 (b) in any other case, a fine of not less than N10,000,000.00 or 6
18 months imprisonment or both.

19 **132.**-(1) A taxable person who contravenes the provisions of Failure to keep
20 section 24 of this Act is liable on conviction to a fine of not less than or provide records
21 N5,000,000.00. of excisable services

22 (2) Where a taxable person, upon request by the Service, fails to
23 provide within the time specified in the request, any record required to be
24 kept under section 24 of this Act, the person is liable to an administrative
25 penalty of N2,000,000.00, in the first instance, and N10,000.00 for every
26 day the default continues.

27 **133.** A person who refuses to grant immediate access or entry to an Obstruction of
28 authorised officer in the exercise of the powers under section 57 or 58 of this officer and refusal
29 Act, is liable to an administrative penalty of N1,500,000.00 or on to grant immediate
entry

1 conviction, to imprisonment not exceeding one year, or to both penalty and
2 imprisonment.

3 CHAPTER FIVE

4 MISCELLANEOUS

Power to
compound offences

5 **134.**-(1) The relevant tax authority may compound any offence under
6 this Act by accepting a sum of money not exceeding the tax liability and
7 maximum fine specified for the offence.

8 (2) The relevant tax authority shall issue an official receipt for any
9 money received under subsection (1) of this section.

10 (3) Any offence compounded under subsection (1) of this section does
11 not constitute conviction.

Power to
prosecute

12 **135.**-(1) The relevant tax authority shall have powers to employ its
13 own legal officers who shall have powers to prosecute any of the offences
14 under this Act subject to the powers of the Attorney-General of the Federation
15 or State in any court in Nigeria.

16 (2) Notwithstanding any administrative penalty or interest imposed
17 under this Act or any other tax law, the relevant tax authority shall have powers
18 to prosecute any person for an offence specified under the relevant provisions
19 of this Act.

Place of an
offence

20 **136.** An offence under this Act shall be deemed to occur in the place
21 where the taxable person is registered or resident or at such other place as the
22 relevant tax authority may decide.

Settlement of
dispute

23 **137.**-(1) Without prejudice to any provision of this Act or any other
24 law, the relevant tax authority and the taxable person may initiate to resolve any
25 tax matters amicably at any stage of the dispute subject to such terms and
26 conditions as may be prescribed under this Act or any other law.

27 (2) The relevant tax authority may settle disputes in whole or in part,
28 where-

29 (a) such settlement will be in the interest of public revenue or public
30 policy;

1 (b) due consideration is given to the cost of litigation in comparison
2 to the possible benefits;

3 (c) a participant or a group of participants in a tax arrangement has
4 accepted the position of the relevant tax authority in the dispute, in which
5 case the settlement may be negotiated in a manner required to adjust the tax
6 arrangements or disposition; or

7 (d) under a whistleblowing arrangement, the settlement will
8 facilitate full disclosure of undisclosed tax planning or evasion schemes
9 which may lead to significant recovery of tax revenue.

10 (3) Settlement of dispute shall not be considered where-

11 (a) the action by the taxable person concerned leading to the
12 'dispute' constitutes intentional tax evasion or fraud inimical to the
13 government revenue;

14 (b) it is in the public interest to have judicial clarification of the
15 issue and the case will significantly promote taxpayer compliance with the
16 relevant tax law.

17 (4) The procedure for settlement of disputes shall be as follows-

18 (a) a person participating in a settlement procedure shall disclose
19 all relevant facts during the discussion phase of the process of settling a
20 dispute and such facts disclosed only for the purpose of settlement shall be
21 confidential;

22 (b) a dispute settled in whole or in part shall be evidenced by an
23 agreement in writing between the parties in the prescribed format as may be
24 determined by the relevant tax authority and must include details on-

25 (i) how each particular issue is settled,

26 (ii) relevant undertakings by the parties,

27 (iii) treatment of the issue in future years,

28 (iv) withdrawal of objections and appeals, and

29 (v) arrangements for payment;

1 (c) the agreement shall be signed by authorised officers of both
2 parties.

3 (5) Finality of settlement agreement is where the-

4 (a) settlement agreement represents the final agreed position between
5 the parties, and it is a full and final settlement of all or specified aspects of the
6 dispute in question between the parties; and

7 (b) relevant tax authority shall enforce collection of the settlement
8 amount under the collection provisions of this Act as a debt due to the relevant
9 tax authority.

Information and
documents to be
confidential

10 **138.** Without prejudice to the provisions of any other Act concerning
11 data privacy, data protection, and unlawful disclosure of taxpayer information,
12 taxpayers' information shall be confidential.

Official secrecy
and confidentiality

13 **139.**-(1) A person in an official duty or being employed for the
14 administration of this Act or otherwise, that has access to taxpayer information
15 shall regard and deal with such information as secret and confidential.

16 (2) A person who is in possession or control of, any document,
17 information or tax return of any taxable person shall not communicate, expose
18 or reveal such document, information or tax return to any third party without
19 authorisation or in accordance with extant laws.

20 (3) A person who administers this Act shall not be required to produce
21 any return, document or assessment, or to divulge or communicate any
22 information that comes into his possession in the performance of his duties
23 except as may be necessary in order to institute a prosecution, or in the course
24 of a prosecution for any offence committed in relation to any tax in Nigeria.

25 (4) Where under any law in force in respect of a double taxation treaty
26 with any country, provision is made for the allowance of relief from income tax
27 in respect of the payment of income tax in Nigeria, the obligation as to secrecy
28 imposed by this section shall not prevent the disclosure to the authorised
29 officers of the Government in that country of such facts as may be necessary to
30 enable the proper relief to be given in cases where relief is claimed from the tax

1 in Nigeria or from income tax in that country.

2 (5) Where an agreement or arrangement with any other country,
3 government or relevant tax authority for exchange of information or with
4 respect to relief for double taxation of income or profits includes provisions
5 for the exchange of taxpayer information with that country for the purpose
6 of implementing a tax relief or preventing avoidance of tax, or for such other
7 purposes as may be enshrined in the agreement or arrangement, the
8 obligation as to secrecy imposed by this Act shall not prevent the disclosure
9 of such information to the authorised officers of the Government of such
10 country.

11 **140.-(1)** The Minister may give the relevant tax authority or its
12 Chief Executive Officer such directives of a general nature or relating
13 generally to matters of policy with regards to the exercise of the functions
14 under this Act or any other tax law as may be considered necessary and the
15 relevant tax authority or its Chief Executive Officer shall comply with the
16 directives or cause them to be complied with.

Powers of the
Minister to issue
general directives
and make regulations

17 (2) The Minister shall not give any directive, order or instruction in
18 respect of any particular person which would have the effect of requiring the
19 relevant tax authority to increase or decrease any assessment of tax made or
20 to be made or any relief given or to be given or to defer the collection of any
21 tax or judgement debt due, or which would have the effect of initiating,
22 forbidding the initiation of, withdrawing or altering the normal course of
23 any proceeding whether civil or criminal, relating either to the recovery of
24 any tax or to any offence under this Act or any other tax law.

25 (3) The Minister may, on the advice of the Service or the Joint
26 Revenue Board, make regulations for the carrying out of the provisions of
27 this Act or any other tax law by order published in the Official Gazette to-

28 (a) determine what constitutes the significant economic presence
29 of a company other than a Nigerian company or an individual in accordance
30 with the Nigeria Tax Act;

1 (b) make rules prescribing the procedure to be followed in the conduct
2 of appeals before the Tax Appeal Tribunal;

3 (c) amend, vary or modify the list set out in part IV of chapter eight of
4 Nigeria Tax Act with respect of Value Added Tax; and

5 (d) regulate the administration of excise duties on excisable services
6 in Nigeria.

7 (4) The Board of the relevant tax authority may, with the approval of
8 the Minister or the Governor, make rules and regulations as, in its opinion, are
9 necessary or expedient for giving full effect to the provisions of this Act or any
10 other tax law and for the due administration of its provisions prescribing the-

11 (a) forms for returns and other information required under this Act or
12 any other enactment or law; and

13 (b) procedure for obtaining any information required under this Act or
14 any other enactment or law,
15 provided that a relevant tax authority shall only make regulations to the extent
16 of its power to administer taxes.

Supremacy of
this Act

17 **141.**-(1) This Act shall take precedence over any other laws with
18 regards to the administration, assessment, collection, accounting and
19 enforcement of taxes and levies due to the relevant tiers of Government and if
20 the provisions of any other law are inconsistent with the provisions of this Act,
21 the provisions of this Act shall prevail and the provisions of that other law shall,
22 to the extent of the inconsistency, be void.

23 (2) Any person or agency of Government that has been imposed with
24 a duty or obligation under this Act or under any other law, for the purpose of
25 giving effect to any of the provisions of this Act or to enable the Nigeria
26 Revenue Service or any other relevant tax authority perform its duties under
27 this Act shall continue to carry out such duty or obligation as prescribed in that
28 law, provided that the duty or obligation is consistent with the provisions of this
29 Act.

- 1 **142.** Without prejudice to the provision of section 6 of the Interpretation Act- Savings provisions
- 2
- 3 (a) the repealed and amended enactments specified in sections 197
- 4 and 198 of the Nigeria Tax Act shall not affect anything done under the
- 5 enactments;
- 6 (b) The tax administration provisions of the repealed and amended
- 7 enactments under paragraph (a) shall be exercised by the relevant tax
- 8 authority in accordance with the provisions of this Act.
- 9 (c) a notice, guideline, rule, order, regulation, circular or other
- 10 subsidiary legislations made or issued under any provision of the repealed or
- 11 amended enactments under the Nigeria Tax Act, shall continue to be in force
- 12 as if they had been made or issued by the relevant authority or person under
- 13 this Act except to the extent that it is inconsistent with the provisions of this
- 14 Act;
- 15 (d) an enforcement process or legal proceedings commenced or
- 16 pending prior to the commencement of this Act, in connection with tax
- 17 administration, contravention or non-compliance with the repealed or
- 18 amended enactments, shall continue and be disposed of, as if it was
- 19 commenced under this Act;
- 20 (e) anything made or done, or having effect as if made or done,
- 21 before the date of commencement of this Act under any provision of the
- 22 repealed or amended enactments by the relevant tax authority, and having
- 23 any continuing or resulting effect with respect to the tax administration and
- 24 enforcement, shall be treated as if it was done or performed by the relevant
- 25 tax authority under this Act; and
- 26 (f) all references to the administration provisions of the legislations
- 27 repealed by the Nigeria Tax Act shall be construed as references to the
- 28 corresponding provisions of this Act.
- 29 **143.** In this Act-
- 30 "advance ruling" means any ruling issued by the tax authority in respect of Interpretation

1 any disputed or controversial tax matter to the taxpayers in accordance with
2 provision of this Act, the Nigeria Tax Act or any other tax law enacted by the
3 National Assembly; or any written opinion or decision issued to a taxpayer by
4 the relevant tax authority on a transaction, proposed transaction or any tax
5 matter with a view to providing direction or clarification in accordance with the
6 provisions of this Act;

7 "agency of Government" includes a Ministry, department, statutory body,
8 public authority or any institution of the Federal, State, or Local Government;

9 "agreement" means mutual understanding, arrangement, undertaking, or
10 memorandum, between a taxpayer and any third party which may have tax
11 implications;

12 "angel investor" is as defined in the Nigeria Startup Act, No. 32,
13 2022;"assessable income" has the same meaning under the Nigeria Tax Act;

14 "assessable profits" has the same meaning under the Nigeria Tax Act;

15 "authorised officer" means any person employed in the service of the relevant
16 tax authority or, for the time being, performing duties in relation to tax who has
17 been specifically authorised by the Board or the Chief Executive Officer to
18 perform or carry out specific functions under this Act, the Nigeria Tax Act or
19 any other tax law enacted by the National Assembly or the State House of
20 Assembly;

21 "Board" means the Board of the relevant tax authorities established under this
22 Act;

23 "book" includes any register, document or other records of information and any
24 account or accounting record however compiled, recorded or stored, whether
25 in written or printed form or micro-film, digital, magnetic or electronic form or
26 otherwise;

27 "business" includes any economic activity such as trade, commerce,
28 manufacturing, service or any activity carried out for the purpose of earning
29 income;

30 "calendar year" means a period of 12 months commencing from 1 January and

1 ending 31 December;

2 "Chief Executive Officer" means the chief executive officer of the relevant
3 tax authority;

4 "commencement of business" means the date that an entity carries out its
5 first transaction, which shall be the earlier of the date that the business or
6 person-

7 (i) begins to market or first advertises its products or services for
8 sale,

9 (ii) obtains an operating licence from a regulatory authority in
10 Nigeria,

11 (iii) makes first sale or purchase,

12 (iv) executes its first trading contract after complying with
13 incorporation or regulatory processes,

14 (v) issues or receives its first invoice,

15 (vi) delivers or receives its first consignment of goods, or
16 (vii) first renders services to its customers;

17 "Commissioner" means the commissioner charged with responsibility of
18 finance in a State in Nigeria;

19 "company" means a company as defined under the Companies and Allied
20 Matters Act and a corporate body that may be formed under any other
21 written law and includes any association, whether incorporated in or outside
22 Nigeria;

23 "dispute" means a disagreement on the interpretation of either the relevant
24 facts or law or both, which arises pursuant to the issuance of an assessment,
25 action or decision of either the tax authority or taxpayer;

26 "distrain" means to seize a taxable person's property, goods, chattels, bonds
27 or other securities in order to collect and recover unpaid tax in accordance
28 with this Act and the Nigeria Tax Act;

29 "document" includes any record of information evidencing a transaction,
30 supporting accounts or schedules, accounting or inventory ledger, including

1 reports, agreements, correspondences, memoranda, minutes of meeting, or any
2 such record however compiled, recorded or stored, whether written or printed
3 or micro-film, digital, magnetic, electronic or optical form or otherwise, and all
4 types of information stored in digital devices, computer or any other similar
5 equipment;

6 "electronic or digital activities" means the receipt, emission or transmission of
7 signals, sounds, messages, images or data of any kind by cable, radio,
8 electromagnetic systems or any other electronic or wireless apparatus in
9 respect of any commerce, trade or activity, including electronic commerce,
10 application store, high frequency trading, electronic data storage, online
11 adverts, participative network platform, online gaming, cloud computing,
12 online teaching services, digital content services, supply of user data, search
13 engines or online payments;

14 "employee of the tax authority" includes the Chief Executive Officer or other
15 members of staff and those employed to carry out specific functions and may
16 include board members of a relevant tax authority;

17 "employment" includes any appointment or office, whether public or
18 otherwise, for which remuneration is payable;

19 "executor" includes any person administering the estate of a deceased person;

20 "entertainer, sports person, or competitor fees" includes payments in respect of
21 appearance, performance, royalties, sponsorship, endorsement, advertising or
22 related payments;

23 "foreign company" means any company other than a Nigerian Company;

24 "goods" means all forms of tangible properties, movable or immovable;

25 "Government" means the Federal, State, the Federal Capital Territory or Local
26 Government Council and shall include, as the case may be, any agency of
27 Government;

28 "gross income" means total income of an individual in any particular year of
29 assessment from all sources, ascertained under the provisions of this Act;

30 "High Court" means the Federal High Court or High Court of the State or

1 Federal Capital Territory;

2 "importer" means any person who imports taxable goods from another

3 country;

4 "invoice" means any document issued as evidence of supply of goods or

5 services, or demand for payment for goods or services supplied;

6 "individual" includes a corporation sole and a body of individuals but does

7 not include a company, partnership, community, family, trustee or executor,

8 or any body of trustees or executors;

9 "labelled startup" is as defined in the Nigeria Startup Act, No. 32, 2022;

10 "manufacturer" means any person who engages in the manufacture of goods

11 and includes a person who has manufactured for his own account, or on

12 whose behalf other persons have manufactured goods made to his

13 specification or design;

14 "manufacturing" means the process by which a commodity is finally

15 produced, including assembling, bottling, repacking, mixing, blending,

16 grinding, cutting, bending, twisting and joining or any other similar process;

17 "Minister" means the Minister charged with the responsibility for matters

18 relating to finance;

19 "Nigeria" for the purpose of this Act, means the Federal Republic of Nigeria,

20 and when used in a geographical sense, includes the territorial waters of the

21 Federal Republic of Nigeria, and any area outside the territorial waters,

22 including the continental shelf, which in accordance with international law

23 has been or may hereafter be designated, under the laws of the Federal

24 Republic of Nigeria, as an area within which the right of the Federal

25 Republic of Nigeria with respect to the seabed, its subsoil, its superjacent

26 waters and their natural resources may be exercised now and in the future;

27 "Nigerian company" means-

28 (i) any company formed or incorporated under any law in Nigeria,

29 (ii) any company whose effective place of management or control

30 is Nigeria, provided, that the Minister may, by Regulations prescribe what

- 1 constitutes effective place of management or control;
- 2 "officer" means any person employed in the relevant tax authority to carry out
3 the tax administration functions under this Act;
- 4 "official gazette" means the Federal Government Gazette or the Gazette of any
5 State in the Federation;
- 6 "person" includes individuals, body of individuals, executor, trustee, family,
7 community, a company or body corporate, corporation sole and any
8 unincorporated body of persons, including a trust or any legal arrangement;
- 9 "President" means the President of the Federal Republic of Nigeria;
- 10 "private dwelling" means any building or part of a building occupied as
11 residential accommodation, including any garage, shed and other building
12 used in connection therewith;
- 13 "professional services" means services provided by an individual or a firm
14 having specialised knowledge, skills, and qualifications in specific fields,
15 including consulting, planning, or support services, excluding artisans or
16 vocational services;
- 17 "registration" means action or process of registering or of being registered for
18 tax purposes in accordance with this Act;
- 19 "registered person" means any person registered for the purpose of tax
20 compliance under this Act or any other tax law;
- 21 "relevant tax authority" means Nigeria Revenue Service, the Internal Revenue
22 Service of a State or the Federal Capital Territory in Nigeria;
- 23 "Service" means the Nigeria Revenue Service established by the Nigeria
24 Revenue Service (Establishment) Act;
- 25 "settlement" means amicable resolution of dispute in accordance with the
26 provisions of this Act;
- 27 "small business" or "small company" means a business or company that earns
28 gross turnover of N50,000,000.00 or less per annum with a total fixed assets
29 less than N100,000,000.00, provided that any business providing professional
30 services shall not be classified as a small business or company;

1 "special purpose tax officer" means specially designated tax officers for the
2 purpose of tax investigation and enforcement, and who shall be appointed
3 from time to time and shall have the powers of Police Officers;

4 "supply of goods" means any transaction where the whole property in the
5 goods is transferred or where the agreement expressly contemplates that this
6 will happen and in particular includes the sale and delivery of goods or
7 services used outside the business, the letting out of goods on hire or leasing,
8 and any disposal of goods or furnishing of services;

9 "stamp duty" means a duty levied on dutiable instruments under this Act, the
10 Nigeria Tax Act or any other laws;

11 "tax" includes any duty, levy or other revenue accruable to the Government
12 in full or in part under this Act, the Nigeria Tax Act or any other law;

13 "tax agent" means any person acknowledged and duly certified by a
14 professional body in Nigeria to represent the taxable person;

15 "tax authority" means the Nigeria Revenue Service, or the Revenue
16 Authority of a State or the Federal Capital Territory in Nigeria;

17 "taxable goods and services" is as defined in Part IV of Chapter 7 of Nigeria
18 Tax Act;

19 "taxable person" means any person who earns income, or carries out
20 economic activity in a place or a person exploiting tangible or intangible
21 property for the purpose of obtaining income therefrom by way of trade or
22 business, or any or any person who falls or will fall under any tax obligation
23 in Nigeria, including an agency of Government;

24 "tax return" means a form or any other document filed with a relevant tax
25 authority that reports transactions, income, expenses, and any other relevant
26 information as may be prescribed by relevant tax authority from time to
27 time;

28 "taxpayer information" includes-

29 (i) any information received or generated by a relevant tax
30 authority with respect to a taxpayer pursuant to its powers under this Act or

1 any other tax law,
2 (ii) any information in any form received, accessed or produced by the
3 Service under any agreement or arrangement with any country, government or
4 tax authority, such as Double Taxation Agreements, Tax Information Exchange
5 Agreements, and Common Reporting Standard, Country-by-Country
6 Reporting or any other exchange of information agreement or arrangement, or
7 (iii) written or electronic documents, returns, assessments, lists and
8 copies of such lists relating to profits or items of profits of any person or to such
9 matter which forms the basis of any agreement or arrangement with any
10 country, government or tax authority;
11 "transaction at arm's length" means a related party transaction conducted on
12 normal open market commercial terms.
13 **144.** This Bill may be cited as the Nigeria Tax Administration Bill,
14 2024.

Short title

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SCHEDULES

FIRST SCHEDULE

DETERMINATION OF RESIDENCE

[Section 3(2)]

Foreign Employments

1. An individual, not being a person to whom section 3 (1)(a)(iv) of this Act applies, who holds a foreign employment on 1st January in a year of assessment, or who first becomes liable to income tax in Nigeria for that year by reason of his entering that employment during that year, shall be deemed to be resident for that year where the duties are-

(a) wholly performed outside Nigeria, in the territory in which the principal office of his employer is situated on that day or on the day his foreign employment commences, as the case may be; and

(b) performed or exercised in Nigeria for a foreign employer, in the place of residence, and in the absence of such, in the place where the person usually resides.

Nigerian employment

2.-(1) An individual who holds a Nigerian employment on 1st January in a year of assessment, or who first becomes liable to income tax in Nigeria for that year by reason of his entering that employment during that year, shall be deemed to be resident for that year in the territory in which he has a place or principal place of residence on that day or, as the case may be, on the day on which he enters upon the full duties of that employment in Nigeria.

(2) Where the individual in paragraph 1 above is on leave from a Nigerian employment on 1st January in a year of assessment, he shall be deemed to be resident for that year by reference to his place or principal place of residence immediately before his leave began.

Other employments

3.-(1) An employee whose remuneration is subject to income tax in

1 Nigeria for a year of assessment, but who has no place or principal place of
2 residence in the territory of a State in Nigeria for that year under the provisions
3 of paragraphs 2 of this Schedule, shall be deemed to hold a foreign
4 employment, and if he has no territory of residence in a State for that year under
5 the provisions of paragraph 1 of this Schedule, shall be deemed to be a person
6 to whom section 3 (1)(a)(iv) of this Act applies.

7 (2) This paragraph shall apply to an employee who is subject to
8 income tax in Nigeria for a year of assessment, but whose place of residence is
9 in the Exclusive Economic Zone of Nigeria or territorial waters of Nigeria
10 beyond the littoral States and has no principal place of residence in any of the
11 littoral States.

12 *Partnership*

13 4. The "principal place of residence" in relation to an individual who
14 is a partner in a Nigerian partnership shall, where the individual is-

15 (a) engaged in the performance or exercise of the duty of the
16 partnership, be the territory in Nigeria of the office where he performs or
17 exercises the duty of the partnership;

18 (b) a dormant partner in the partnership, be the territory in Nigeria
19 which he usually resides; and

20 (c) a dormant partner that does not reside in a territory in Nigeria, be
21 deemed to be a person to whom section 3 (1)(a)(iv) of this Act refers.

22 *Pensions*

23 5.-(1) An individual whose only source of earned income arising in
24 Nigeria on 1st January in a year of assessment was a pension, and who had a
25 place or principal place of residence on that day shall be deemed to be resident
26 for that year in the territory in which that place or principal place of residence
27 was situated on that day.

28 (2) An individual whose only source of earned income arising in
29 Nigeria on 1st January in a year of assessment was a pension, and who had no
30 place of residence on that day, shall be deemed to be resident for that year, if the

1 pension is-

2 (a) a Nigerian pension wholly payable by the Government of a
3 territory, not being a Nigerian pension in respect of which section 3
4 (1)(a)(iv) of this Act applies, in that territory;

5 (b) not a Nigerian pension, in the territory in which the principal
6 office in Nigeria of the pension fund or other person authorising payment of
7 the pension is situated.

8 (3) An individual whose only source of earned income arising in
9 Nigeria on 1st January in a year of assessment was a Nigerian pension, and
10 who had no place of residence on that day shall, if the pension is payable by
11 more than one government, or payable by a person other than a government
12 or if there are two or more pensions arising in different territories to the
13 individual on that day, be subject to section 3(1)(a)(iv) of this Act.

14 *Other earned income*

15 6. An individual, other than a corporation sole or body of
16 individuals, who has a source of earned income in Nigeria for a year of
17 assessment, other than an employment or a pension, shall be deemed to be
18 resident for that year in the territory in which he had a place or principal
19 place of residence on 1st January in that year provided that-

20 (a) where the source of the income is first acquired by the
21 individual during the year of assessment, and he had no place or principal
22 place of residence on the first day of that year, he shall be deemed to be
23 resident for that year in the territory where he first establishes a place of
24 residence during that year; and

25 (b) in any other case where the individual had no place or principal
26 place of residence, he shall be deemed to be resident for that year in any
27 territory from which his earned income arising in Nigeria is derived, or the
28 territory from which any part of the earned income is derived, if the income
29 is derived from more than one territory.

1 *Unearned Income*

2 7. An individual, other than a corporation sole or body of individuals,
3 who has no source of earned income in Nigeria for a year of assessment but
4 who has one or more source of unearned income in Nigeria for that year shall be
5 deemed to be resident for that year in the territory in which he has a place or
6 principal place of residence on 1st January of that year, provided that where-

7 (a) all the unearned income of the individual for that year arises in one
8 territory, and he has no place of residence on that day, he shall be deemed to be
9 resident for that year in that territory;

10 (b) the unearned income of the individual arises for that year in more
11 than one territory, and he has no place of residence on that day, he shall be
12 deemed to be resident for that year in the territory from which any part of the
13 unearned income arises.

14 *Application*

15 8.-(1) Where the territory of residence of an individual for a year of
16 assessment may be determined under more than one of the preceding
17 paragraphs of this Schedule, it shall be determined by the first-numbered
18 paragraph which is applicable to his circumstances.

19 (2) Where, by reason of sub-paragraph (1) of this paragraph, or
20 otherwise, a determination of residence of an individual for a year of
21 assessment falls to be revised, and the tax authority that raised an assessment is
22 other than that territory in which the individual is finally determined to be
23 resident for that year, the first-mentioned tax authority shall discharge any
24 assessment made by it on the income of the individual for that year.

25 *Corporation sole or body of individuals*

26 9. A corporation sole or body of individuals other than a family or
27 community shall be deemed to be resident for a year of assessment in the
28 territory in which its principal office in Nigeria is situated on 1st January in that
29 year or, if it has no office in Nigeria on that day, in a territory in which any part
30 or the whole of its income liable to tax in Nigeria arises for that year.

1 *Family income*

2 10. Income of a family shall be taxed only by the territory in which
3 the member of that family who customarily receives that income in the first
4 instance in Nigeria usually resides.

5 *Trust*

6 11. Income of a trustee of any settlements or trusts, or estates or to
7 an executor of any estate of a deceased person, shall be taxed only by the
8 territory in which the settlor or the person creating the trust is resident and to
9 the extent provided in the Sixth Schedule to the Nigeria Tax Act.

10 *Interpretation*

11 12. In this Schedule-

12 "dormant partner" in relation to a partnership means a partner that does not
13 take active part in the performance of the duties of the partnership;

14 "earned income" in relation to an individual, means income derived by him
15 from a trade, business, profession, vocation or employment earned on or
16 exercised by him and a pension derived by him in respect of a previous
17 employment;

18 "foreign employment" means an employment the duties of which are wholly
19 performed outside Nigeria save during any temporary visit of the employee
20 to Nigeria or performed or exercised in Nigeria for a foreign employer;

21 "Nigerian employment" means any employment, not being a foreign
22 employment, the duties of which are wholly or partly performed in Nigeria;

23 "Nigerian pension" means a pension in respect of past service under, and
24 payable by, a resident person or a government in Nigeria;

25 "place of residence" in relation to an individual, means a place available for
26 his domestic use in Nigeria on a relevant day, and does not include any hotel,
27 rest house or other place at which he is temporarily lodging unless no
28 permanent place is available for his use on that day;

29 "principal place of residence" in relation to an individual with two or more
30 places of residence on a relevant day, not being both within any one territory

means in the case of an individual-

(a) with no source of income other than a pension in Nigeria, that place where he usually resides;

(b) who has a source of earned income other than a pension in Nigeria, that place where on a relevant day is nearest to his usual place of work;

(c) who has a source or sources of unearned income in Nigeria, that place where he usually resides; or

(d) who works in the branch office or operational site of a company or other body corporate, the place at which the branch office or operational site is situate, provided that operational site shall include Oil Terminals, Oil Platforms, Flow Stations, Factories, Quarries, Construction Site with a minimum of 50 workers, etc.

SECOND SCHEDULE

[Section 57]

FORM OF WARRANT AND AUTHORITY TO ENTER PREMISES, OFFICES ETC.

To: Name of Officer (a)

Name of Person (b)

Incorporation or Identification No. (c)

Place of Business (d)

The (e)....., in exercise of powers vested in section 57 of Nigeria Tax Administration Act authorises you to enter the premises, office, place of management or residence of the principal officer, office of the agent, factor or representative of the person that has been suspected by the tax authority of fraud, wilful default, etc., in connection with the tax imposed under the Nigeria Tax Act; and whose premises, office, place of management or residence of the principal officer, office of the agent, factor or representative is at (d); and for the carrying out of your assignment, the said tax authority further authorises that you, with the aid if necessary of your assistants and calling to your assistance a police officer, which assistance the police officer is by law required to give, search and remove, if necessary, such records, books and documents of the person wherever they may be found either in possession of any officer of the person or any other person on its behalf.

For the purpose of your entry into the aforementioned premises, you are hereby authorised, if necessary, with such assistance as aforesaid, to break open any building in the daytime.

Signed for and on behalf of the (The tax authority) at.....this.....day of.....20...

Signature (f).....

Chairman,

(The Tax Authority)

Signed under the hand of the Judicial Officer at.....this.....day of.....20..

Signature (g).....

Judicial Officer

NOTE

(a) Insert the name of the officer who is authorised by the relevant tax authority to execute the warrant of entry.

(b) Insert the name of the company in whose premises the warrant of entry is to be executed.

(c) Insert the identification number of the company in whose premises the warrant of entry is to be executed.

(d) Insert the place of business of the company.

(e) Insert the name of the relevant tax authority.

(f) To be signed by the Chairman of the relevant tax authority.

(g) To be signed by a Judicial Officer.

THIRD SCHEDULE

[Section 60]

FORM OF WARRANT OF DISTRAINT

To (a).....Name of Officer;
 (b).....Name of Company;
 (c).....Amount of tax to be levied by distress;
 The (d).....,in exercise of powers vested in it by section 60 of the Nigeria Tax Administration Act 2024 authorises you to collect and recover the sum of (e).....being arrears of tax due for the years of assessment mentioned from the above named person whose place of business is at (f).....and for the recovery thereof, the said tax authority further authorises that you, with the aid, if necessary, of your assistants and calling to your assistance any police officer, if necessary, which assistance he is by law required to give, do levy by distress the said sum together with the costs and charges of and incidental to the taking and keeping of such distress, on the goods, chattels, land, premises or other distrainable things of the said person wherever the same may be found and on all goods which you may find in any premises or on any lands in the use or possession of the said person or of any other person on its behalf or in trust for the person.

For the purpose of levying such distress you are authorised, if necessary, with such assistance as aforesaid, to break open any building or place in the day time.

The particulars of the said arrears of tax are as follows (g)-

Year of assessment	No. of Notice of assessment	Amount of tax due (currency)
(i).....
(ii).....
(iii).....

Signed for and on behalf of Board atthe.....day of.....20.....

Signature (h).....

Chairman(Tax Authority)

NOTES

(a) Insert the name of the officer who is authorised by the tax authority to execute the warrant of distress.

(b) Insert the name of the company on whose goods, chattels, land, premises or other distrainable things the warrant of distress is to be executed.

(c) Insert amount of tax to be levied by distress.

(d) Insert the name of the relevant tax authority.

(e) Insert the amount of tax outstanding against the company and which amount is to be levied by distress.

(f) Insert the address of the place of business of the company.

(g) Insert the particulars of the arrears of tax to be levied by distress, stating the years of assessment, the numbers of notices of assessment and the amount of tax due in respect of each such year of assessment.

(h) To be signed by the Chairman of the relevant tax authority.?

FOURTH SCHEDULE

[Section 76]

FORM OF WARRANT OF DEDUCTION AT SOURCE

To the Accountant General of the Federation,

1. Pursuant to Section 128 of the Nigeria Tax Administration Act 2024, you are hereby required to deduct at source and remit to the(relevant tax authority) within 30 days of the receipt of this warrant, the sum of.....accruing to the..... (Ministry, Department, Agency of Government) whose corporate place of business is at....., from its budgetary allocation or such other money accruing to it, being revenue deducted and not remitted.

2. The particulars of the revenue to be deducted and remitted are as follows-

Value Added Tax

Amount of Tax	N: K
.....

Withholding Tax

Amount of Tax	N: K
.....

SIGNED and issued by:

Signature.....thisday of..... 20.....

Executive Chairman

(Relevant Tax Authority)

Signature.....thisday of..... 20.....

Judicial Officer

EXPLANATORY MEMORANDUM

(This Memorandum does not form part of this Act but intends to explain its purports)

This Bill seeks to provide a uniform procedure for a consistent and efficient administration of tax laws in order to facilitate tax compliance by taxpayers and optimise tax revenue.