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NIGERIA TAX ADMINISTRATION ACT, 2025

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SCHEDULES

NIGERIA TAX ADMINISTRATION ACT, 2025
ACT NO. 5

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.

[26*th June,* 2025] Commencement

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

CHAPTER ONE

PART I — OBJECTIVE AND JURISDICTION OF TAX AUTHORITIES

Objective of the Act

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

(*a*) facilitate tax compliance by taxpayers ; and

(*b*) optimise tax revenue.

Application

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.

Jurisdiction of tax authorities

3.—(1) The Nigeria Revenue Service (*the Service*) established under the Nigeria Revenue Service (Establishment) Act, 2025 shall —

(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

(v) as contained in this Act including, development levy, tax payable by non-resident persons, tax to be paid by companies carrying out specialised trade or business as contained in this Act, tax of income from petroleum operations, value added tax, economic development tax incentive, and exemption from value added tax;

(*b*) have power to administer the following taxes —

(*i*) income tax,

(*ii*) taxation of income from petroleum,
(*iii*) stamp duties,
(*iv*) value added tax, and
(*v*) tax incentives ;

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

First Schedule

(2) The relevant tax authority in a State or the Federal Capital Territory, shall under to the First Schedule to this Act, be responsible for —

(*a*) the administration of taxes for resident individuals in respect of —

(*i*) imposition of tax on income, profits or gains,

(*ii*) ascertainment of profits and income,

(*iii*) ascertainment of assessable profits and income,

(*iv*) ascertainment of total income,

(*v*) ascertainment of chargeable gains,

(*vi*) rates of tax,

subject to subsection (1) (a) (ii) - (iv) of this section.

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

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

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

Part II – Registration

Taxable person

4. Every taxable person shall register with the relevant tax authority and obtain a Taxpayer Identification ("Tax ID") for the purposes of compliance with tax obligations.

Federal, State and Local Government

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

Non-resident person

6.—(1) A non-resident person that supplies taxable goods or services to any person in Nigeria, or derives income from Nigeria shall register for tax purposes and obtain a Tax ID:

Provided that a non-resident person who derives only passive income from investment in Nigeria may not be required to register for tax but shall provide relevant information as may be prescribed by the Service.

(2) The relevant tax authority may issue guidelines for the purpose of giving effect to the provisions of this section.

Issuance of Taxpayer Identification

7.—(1) The relevant tax authority shall, upon receiving a request, register and issue a Tax ID to every taxable person.

(2) Where a relevant tax authority refuses to register or issue a Tax ID upon request under subsection (1) of this section, the relevant tax authority shall, within five working days of the decision, notify that person of the refusal with reasons.

(3) A relevant tax authority may, based on the information available to it, register and issue a Tax ID to a person who should apply for a Tax ID but failed to do so.

(4) The relevant tax authority shall promptly notify a person registered and issued with a Tax ID under subsection (3) of this section of the registration and Tax ID.

(5) A taxable person having a valid Tax ID shall not apply for, or be issued with another Tax ID.

(6) A person who discovers that a taxable person has multiple Tax IDs, shall promptly report to the relevant tax authority for unification.

(7) A Tax ID issued to one taxable person is not transferable or usable by another taxable person.

Use of Taxpayer Identification

8.—(1) A Tax ID shall be —

(a) stated on a return, notice, correspondence or documents submitted, lodged, or used for the purposes of tax compliance;

(b) stated on a document prepared, produced, issued or submitted in respect of a transaction; and

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

(2) A person engaged in banking, insurance, stock-broking, or other financial services in Nigeria shall make the provision of a tax ID precondition for opening any account or operating an exiting account.

Notification of change in particulars

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

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

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

(*b*) in the case of —

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

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

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

(iv) sale, liquidation, acquisition, take-over or merger of a business, all relevant information regarding the sale, liquidation or merger, and full details of the new owners.

Suspension, deregistration and cancellation of tax Identification

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

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

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

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

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

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

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

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

Chapter Two — Returns, Assessment and Payments

Part I — Returns

Income Tax returns for Companies

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

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

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

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

(c) evidence of payment of the tax due;

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

(e) an attestation of the information contained in the tax returns signed by a principal officer of the company.

(2) Where a non-resident company derives profit from or is taxable in Nigeria under Chapter Two of the Nigeria Tax Act, such company shall submit a return for the relevant year of assessment containing —

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

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

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

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

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

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

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

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

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

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

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

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

(6) For the purpose of this section —

(*a*) every company shall designate a representative or representatives who shall attend to its tax matters ; and

(*b*) where a person designated by a company under paragraph (a) is a paid agent, such person shall be an accredited tax agent as provided in this Act.

Estimated income tax returns for companies engaged in liquefied natural gas

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

(2) The estimated tax returns shall contain —

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

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

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

First Schedule

(d) in connection with Part I of the First Schedule to the Nigeria Tax Act, a schedule showing —

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

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

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

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

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

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

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

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

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

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

Income Tax Returns for Individuals

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

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

(b) non-resident persons liable to pay tax in Nigeria under Chapter Two of the Nigeria Tax Act.

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

(a) a duly completed self-assessment form;

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

(c) personal relief and tax computation;

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

(e) evidence of payment of the tax due

Pay As You Earn

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

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

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

Simplified annual income tax return

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

Estimated returns for upstream petroleum operations

16.—(1) Not later than two months after the commencement of each accounting period of any company engaged in petroleum operations, the company shall submit to the Service an estimated returns of its profits or losses for that accounting period for the purpose of Hydrocarbon Tax, Petroleum Profit Tax and Income Tax, as applicable.

(2) Any company involved in upstream petroleum operations and subject to Hydrocarbon Tax or Petroleum Profits Tax, shall apply the accounting periods specific to such companies as contained in this Act.

(3) The estimated tax returns shall in addition to the particulars requested for the purpose of determining estimated tax payable under Parts I and II of Chapter Three of the Nigeria Tax Act, contain:

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

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

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

First Schedule

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

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

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

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

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

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

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

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

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

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

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

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

(7) Notwithstanding the provisions of this section, production allowances under the Sixth Schedule to the Nigeria Tax Act shall apply only to Hydrocarbon Tax under Part I of Chapter Three of the Nigeria Tax Act.

Actual returns for upstream petroleum operations

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

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

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

(2) Every company under subsection (1) of this section, shall for each accounting period of the company make up accounts of its revenue and profits or losses and prepare the following particulars for the purpose of determining its Hydrocarbon Tax, Petroleum Profits Tax and Income Tax under Parts I and II of Chapter Three of the Nigeria Tax Act —

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

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

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

First Schedule

(d) in connection with the Parts II and III of the First Schedule to the Nigeria Tax Act a Schedule showing —

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

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

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

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

(e) in connection with the Sixth Schedule to the Nigeria Tax Act ; a Schedule showing total production allowance and cost price ratio limit from all its upstream petroleum operations related to crude oil on the two classes of chargeable profits where applicable ;

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

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

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

(i) evidence of payment of the final instalment.

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

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

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

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

Monthly returns of petroleum royalty

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

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

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

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

(c) computation of royalty based on production ;

(d) computation of royalty by price ;

(e) duly completed royalty self-assessment form ;

(f) evidence of payment of royalty due ; and

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

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

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

(a) the volume of domestic gas delivered ;

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

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

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

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

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

Annual returns of petroleum royalty

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

Monthly returns of mineral royalty

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

Ninth Schedule

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

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

(a) registered number of quarrying or mining licences;

(b) type of mineral and weight;

(c) location and labour used;

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

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

(f) buyers of minerals;

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

(h) duly completed royalty self-assessment form;

(i) evidence of payment of royalty due;

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

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

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

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

Monthly returns by non-residents shipping and airline companies

21.—(1) A non-resident person engaged in the operation of transport by sea or air, into Nigeria, shall file monthly returns with evidence of payment of the tax as specified under section 18 of the Nigeria Tax Act to the Service in respect of the carriage of passengers, mail, livestock or goods shipped or loaded into an aircraft in Nigeria.

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

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

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

Returns for Value Added Tax

22.—(1) A taxable person shall, in respect of Value Added Tax (VAT), with or without a notice and whether or not an economic activity has taken place, submit a return to the Service in the prescribed form, on or before the 21st day of the following month.

(2) Where the Service grants an extension of the period for filing the returns under this section, such extension shall not imply the extension of time to pay the tax.

(3) The returns shall contain the input tax paid, output tax collected and Value Added Tax payable in respect of all taxable supplies in the preceding month.

(4) The provision of subsection (1) of this section shall not apply to a small business.

(5) A small business may, subject to a written notice addressed to the Service, choose to opt out of the exemption granted to small businesses under this Part including registration, charging of tax on its taxable supplies and filing of returns.

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

(7) In determining whether a person meets the threshold of being a small company, the value of the following taxable supplies shall be excluded :

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

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

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

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

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

(11) For the purpose of attribution, any return under this section shall provide details of consumption of taxable supplies, irrespective of where the return is filed

Value Added Tax fiscalisation System

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

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

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

(4) The Service shall issue a regulation to give effect to the provisions of this section.

Returns for surcharge

24.—(1) A taxable person engaged in the provision of chargeable services shall, in respect of surcharge imposed under Chapter Seven of the Nigeria Tax Act, submit a return to the Service in the prescribed form specified by the Service.

(2) The return shall be rendered on or before the 21st day of the following month or such other time as may be determined by the Service.

(3) The return shall contain the following information —

(a) description of the chargeable service during the month ;

(b) value of the chargeable service on which surcharge is payable ;

(c) amount of surcharge payable ; and

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

Returns for virtual assets service providers

25.—(1) A taxable person engaged in services related to the exchange, custody or management of virtual assets as a Virtual Asset Service Provider (VASP) shall, with or without a notice, in addition to the returns provided in sections 11 and 13 of this Act, submit to the relevant tax authority, the information prescribed in subsection (2).

(2) The returns shall contain —

(a) a description of the virtual asset service (exchange, sale, or transfer of virtual assets) provided during the month ;

(b) the date of the transaction ;

(c) the type and value of the virtual assets involved ;

(d) the sales value of the virtual assets

(e) the name, address, telephone number, email address and Tax ID of the customer including the national identification number of the customer if he is an individual ;

(g) the name, address, telephone number and email address of any counterparty involved to the transaction ; and

(h) such other particulars as may be prescribed by the relevant tax authority.

(3) Notwithstanding subsection (1) and (2), the relevant tax authority may at any time, with or without a notice, request a VASP to submit further information in a prescribed form, by a specified date.

Returns by priority companies

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

Tax Incentive Returns

27.—(1) All taxable persons enjoying incentives administered by the relevant tax authorities, including incentives provided under Chapter Eight and section 60 of Nigeria Tax Act, shall, in addition to annual tax returns, submit Annual Tax Incentives returns to the relevant tax authority in the form prescribed by the Service covering income tax and any incentive other than those which are generally available to all taxpayers.

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

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

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

Returns for deduction of tax at source

28. Every person who has an obligation to deduct and remit tax under this Act or any other tax legislation shall render monthly returns to the appropriate tax authority, as specified in the regulation issued for that purpose.

Information to be delivered by bankers and others

29.—(1) For the purposes of tax and without prejudice to section 142 of this Act, every bank, insurance company, stock-broking firm, or any other financial institution, shall prepare, with or without demand by the Service, annual returns specifying the names, customer location and transactions of new and existing customers in the case of —

(*a*) an individual, where the cumulative transactions in a month amount to N50,000,000.00 or more ; or

(b) a body corporate, where the cumulative transactions in a month amount to N250,000,000.00 or more.

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

(*a*) transactions involving the specified sum ;

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

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

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

(4) Notwithstanding the provision of subsection (3) of this section a person engaged in banking business in Nigeria, shall not be required to disclose any additional information about his customer or his bank under this section unless such additional disclosure is required by a notice signed by the Chief Executive Officer of the relevant tax authority.

Disclosure of Tax Planning

30.—(1) Any person who enters or intends to enter into any transaction or agreement, referred to as a disclosable transaction or agreement, whose principal purpose is a benefit which enables, or might be expected to enable, such a person to obtain a tax advantage, shall without notice or request, provide to the relevant tax authority, information relating to that disclosable transaction or agreement.

(2) The relevant tax authority may make regulations specifying —

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

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

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

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

(3) In this section –

"*tax advantage*" means :

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

(*b*) repayment or increased repayment of tax ;

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

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

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

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

"*transaction*" includes course of action, agreement, scheme or arrangement.

Books of Account

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

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

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

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

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

Return deemed to be furnished by an authorised person

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

Accreditation of Tax Agents

33.—(1) For the purpose of compliance with this Act or any other law, a taxpayer may either represent itself or be represented by a tax agent accredited by the relevant tax authority.

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

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

(4) Tax returns shall be accompanied by a declaration or attestation —

(a) in the case of a taxpayer, that the information supplied is true and complete ; and

(b) in the case of a tax agent, that he has exercised appropriate technical competence, and applied the highest standard of ethics and professional conduct.

Part II – Assessment and Compliance

Self-assessment of Tax Payable

34.—(1) Every taxable person shall, on or before the due date, submit a self-assessment tax return with the relevant tax authority in accordance with the relevant provisions of this Act.

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

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

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

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

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

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

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

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

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

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

Administrative assessments

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

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

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

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

Additional assessments

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

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

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

(4) Notwithstanding the time limit specified in subsection (1) of this section, where there is a deliberate misstatement by a taxable person in connection with any tax imposed under the Nigeria Tax Act or any other tax law, the relevant tax authority may at any time and as often as may be necessary, assess the taxable person to such amount or additional amount as may be necessary for the purpose of making good any loss of tax attributable to the deliberate misstatement.

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

Making of assessments of TAX in upstream petroleum operations

37.—(1) Assessments of tax in upstream petroleum operations shall be made in a form and in such manner as the Service shall prescribe and shall contain the :

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

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

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

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

Deemed profit assessment or income assessment

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

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

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

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

Currency of assessment and payment

39.—(1) Notwithstanding the provisions of any other law, tax shall be assessed in the currency of transaction.

(2) Tax, including royalty, assessed in a currency other than the Nigerian Naira shall be paid in that currency.

(3) In the case of any return under this Act relating to petroleum operations, all computations shall be in currency of transaction.

Service of notice of assessment

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

Revision of assessment in case of objection

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

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

(a) is delivered to the relevant tax authority within 30 days from the date of service of the disputed notice of assessment; and

(b) contains the grounds of objection to the assessment, that is the:

(i) specific issues disputed or errors observed with their monetary values,

(ii) amendment required to be made so as to resolve the dispute or correct the error,

(iii) justification for the amendments,

(iv) amount of assessable and total profits, income or value of transactions admitted by the taxable person for the relevant reporting period, and

(v) amount of tax admitted by the taxable person or that no amount of tax is admitted as payable.

(3) Notwithstanding the provisions of subsection (2) of this section, the relevant tax authority may, for any satisfactory and good cause shown, extend the time for making the application referred to in subsection (1) of this section to such reasonable time in the particular circumstances.

(4) Upon receipt of the notice of objection referred to in subsection (1) of this section, the relevant tax authority may —

(a) require the taxable person to furnish such particulars as it may deem necessary and to produce all books or other documents relating to the profits, income or transactions of the taxable person ; and

(b) summon any person to give evidence in respect of the assessment to appear for examination before an authorised officer of the relevant tax authority or make a declaration on oath in respect of the assessment.

(5) Where the taxable person and the relevant tax authority agree as to the amount of tax to be assessed, the disputed assessment shall be amended, and a revised notice of the tax payable shall be served upon the taxable person.

(6) The relevant tax authority shall respond to the objection notice within 90 days otherwise the objection of the taxpayer shall be upheld.

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

Errors and defects in assessment and notice

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

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

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

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

(a) a mistake as to the —

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

(*ii*) the description of any profits, or

(*iii*) amount of the tax charged ; or

(b) any variance between the assessment and the notice, if in cases of assessment, the notice —

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

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

Assessments to be final and conclusive

43.—(1) Where —

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

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

(c) the amount of such total profits has been determined on objection or revised under the provision of section 41 (5) of this Act ; or

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

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

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

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

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

List of taxable persons assessed

44.—(1) The relevant tax authority shall maintain assessment lists of taxable persons assessed to tax.

(2) The assessment lists shall contain –

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

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

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

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

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

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

Liability of manager or principal officer

45. A manager or principal officer of a company shall be liable for doing all such acts, matters and things as are required to be done by virtue of this Act for the assessment of the company and payment of the tax.

Artifical transactions

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

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

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

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

(5) In this section, "disposition" includes any trust, grant, covenant, agreement or arrangement.

Prohibited tax avoidance arrangement

47.—(1) The relevant tax authority may counteract a prohibited tax avoidance arrangement by way of adjustments, disregarding, or re-characterising the arrangement through an assessment, the modification of an assessment, amendment or disallowance of a claim or otherwise, in part or whole, unless the taxable person proves, to the satisfaction of the relevant tax authority, that granting that benefit in these circumstances would be in

accordance with the object and purpose of the relevant provisions of this Act or any other tax law.

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

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

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

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

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

(3) In this section -

"tax benefit or advantage" is as defined in section 30 (3) of this Act;

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

Exchange of information and joint audit

48.—(1) The relevant tax authority shall exchange relevant information with each other for ensuring compliance with the provisions of this Act.

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

Payment of Tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) This section covers income tax on gas income under Part II of Chapter Three of the Nigeria Tax Act.

Deduction at source

51.—(1) Where any payment is made to a person, the person making the payment shall, at the date when payment is made or otherwise settled, deduct the tax at the rate prescribed in regulations relating to deduction of tax at source.

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

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

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

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

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

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

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

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

Indemnification of manager or agent

52. A person answerable for payment of tax on behalf of a taxable person ;

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

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

Company wound up

53.—(1) Where a company is being wound up, the liquidator of the company shall not distribute any of the assets of the company to the shareholders unless provision has been made for the payment in full of any tax which may be found payable by the company, including any tax deductions made by the company under any law in effect in any part of Nigeria.

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

Avoidance by transfer by companies engaged in petroleum operations

54. Where a company which is or was engaged in petroleum operations transfers a substantial part of its assets to any person without having paid any tax assessed or chargeable upon the company, for any accounting period ending prior to such transfer and in the opinion of the service one reason for such transfer by the company was to avoid payment of such tax then that tax as charged upon the company may be sued for and recovered from that person in a manner similar to a suit for any other tax under section 67 of this Act.

Tax refund

55.—(1) There shall be refunded to taxpayers, after an audit by the relevant tax authority, such overpayment or any excess of tax as is due.

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

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

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

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

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

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

Value Added Tax Refund

56.—(1) A taxable person that qualifies for VAT refund shall make a request to the Service in the prescribed form.

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

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

PART III – ENFORCEMENT

Call for returns, books, documents and information

57.—(1) For the purpose of obtaining information in respect of the tax liability of a taxable person or for performing any function conferred on the relevant tax authority by this Act or any other tax law, the relevant tax authority may give notice or further notice to any taxable person to –

(a) complete and deliver to the tax authority any return specified in such notice or further notice, whether or not the person is liable to pay tax, and whether or not a return had been previously filed under this Act for a year of assessment ;

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

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

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

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

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

(3) Notwithstanding the provisions of this Act, the tax authority shall not be precluded from verifying, by tax audit or investigation, any matter relating to a return or entry in a book, document, accounts, including those stored on a computer, cloud computing facilities, in digital, magnetic, optical or electronic

media as may be specified in any guideline by the relevant tax authority.

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

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

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

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

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

Power to assess lands, buildings, books and documents

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

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

(3) Where the relevant tax authority is able to obtain in place of taking physical possession of such equipment, computer or storage media under subsection (2) of this section, and the relevant tax authority possesses the ability, equipment and computer software to make exact duplicate copies of all information stored on the computer hard drive and preserve all the information exactly as it is on the original computer, the relevant tax authority shall make such copy and use it as digital evidence during investigation or criminal proceedings.

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

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

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

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

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

(7) Every authorisation issued under subsection (6) of this section shall —

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

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

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

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

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

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

(a) on first entering the private dwelling ; and

(b) whenever subsequently reasonably required to do so.

Power to remove books and documents

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

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

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

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

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

(b) at reasonable times subsequently.

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

(6) Where an officer removes any book, documents or items he shall provide the owner with a written receipt containing the description of the books, documents or items removed and the location and time of removal.

Power of substitution

60.—(1) The relevant tax authority may, by notice in writing appoint any person to be the agent of a taxable person where –

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

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

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

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

(4) For the purpose of this section, the relevant tax authority may require any person to give information as to money, funds or other assets which may be held for, or due to any person.

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

Power to distrain

61.—(1) Where an assessment has become final and conclusive and a demand notice has been served on a person or company, or on the person or company in whose name that person is chargeable and the payment of the tax is not made within the time specified by the demand notice, the relevant tax authority may in the prescribed form, for the purpose of enforcing payment of the tax due —

(a) distrain that person or corporate body by their goods, chattels, bonds or other securities ; or

(b) distrain any land, premises, place or any asset in respect of which that person or corporate body is the owner, and recover the amount of tax

due by sale of anything so distrained.

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

(3) Assets distrained by the Service under this section may, at the cost of that person or corporate body, be kept for 14 days and at the end of that time if the amount due in respect of the tax, cost and charges incidental to the distrain are not paid, they may, subject to subsection (5), be sold only with an order of the High Court subject to subsection (6).

(4) Without prejudice to subsection (4), assets distrained by any other relevant tax authority under this section may at the cost of that person or corporate body, be kept for 14 days and at the end of that time if the amount due in respect of the tax, cost and charges incidental to the distrain are not paid, they may, subject to subsection (6), be sold, only with an order of the High Court subject to subsection (7).

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

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

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

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

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

62.—(1) The relevant tax authority may request the assistance of any of the law enforcement agencies in the discharge of its duties under this Act. Enforcement of powers

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

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

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

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

(*c*) for the purpose of subsection (3) (a) and (b) of this section, the taxpayer shall provide passwords, access codes and other relevant information required to access the books, records, documents or computers.

(*d*) search any person who is in or on such premises ;

(e) open, examine and search any article, container or receptacle ;

(f) open any door or window of a premises and enter or otherwise forcibly enter the premises and every part of the premises ; or

(g) remove by reasonable force any obstruction to such entry, search, seizure or removal.

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

Revocation of petroleum or mining licence or lease

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

Tax investigation

64.—(1) Notwithstanding the provision of any other law, the tax authority shall have the power to investigate or cause an investigation to be conducted to ascertain any violation of any tax law, whether or not such violation has been reported to the relevant tax authority.

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

(3) Where an investigation under this section reveals the commission of any tax offence or an attempt to commit any offence, the relevant tax authority shall, under section 139 of this Act, undertake the prosecution of the offences.

(4) Where a relevant tax authority is satisfied that any property is a subject matter in a tax investigation under this Act or evidence in relation to the commission of a tax offence, is under the custody, control or possession of

any person, it may upon an order of a judicial officer, direct the person not to part with, deal in, or dispose of such property or any part of it pending the conclusion of the investigation.

(5) The person or any of their employee or agent shall not on account of the compliance in subsection (4), be liable to any legal proceedings.

Penalty and interest for non-payment of tax

65.—(1) Subject to section 67 of this Act, where any tax is not paid within the period prescribed under this Act —

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

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

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

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

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

Remission of penalty

66. The relevant tax authority may, for any good cause shown, remit the whole or any part of penalty or interest due under this Act or any other tax law, and make a monthly report to the Minister or Commissioner responsible for finance containing details of the taxpayers, circumstances and the amounts waived.

Recovery of tax

67.—(1) Without prejudice to any other provision of this Act or any other relevant law, any tax due shall constitute a debt due to the relevant tax authority.

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

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

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

(4) Where any tax has been —

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

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

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

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

Assignment of tax debts

68.—(1) The relevant tax authority may assign outstanding tax debts, in whole or in part, to an accredited third party who shall assume responsibility for recovering the tax debts in accordance with the provisions of this Act or regulations issued by the Service.

(2) The relevant tax authority shall only assign outstanding tax debts to a third party where –

(a) all legal steps for tax debt recovery under this Act have been exhausted, including notifications, payment demands and enforcement actions ; and

(b) the debt to be recovered is deemed to be of significant value and has been outstanding for a period considered appropriate by the relevant tax authority.

(3) A taxpayer whose debt is assigned to a third party shall be notified in writing, the details of the third party responsible for recovering the tax debt.

(4) Notwithstanding subsection (1), the relevant tax authority may reverse the assignment of the tax debt at any time and resume responsibility for recovery

where necessary.

(5) For the purposes of this section –

"third party" includes banks and other financial institutions, debt recovery practitioners or any other person accredited by the relevant tax authority; and

"assign" includes the transfer of the rights to recover a tax debt, including the sale or delegation of the authority to recover, manage and enforce the debt, in whole or in part.

Power to pay reward

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

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

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

Chapter Three – General and Administrative Provisions

Part I – General Provisions

Endorsement

70. Anything done or required to be done by the relevant tax authority under this Act or any other tax law shall be endorsed by the Chief Executive Officer or any other authorised officer of the relevant tax authority.

Deployment of technology

71.—(1) A relevant tax authority may deploy technology to automate tax administration processes including tax assessment, collection, accounting and information gathering.

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

Tax clearance certificate

72.—(1) Whenever the relevant tax authority is of the opinion that tax assessed on profits or income of a person has been fully paid or that no tax is

due on such profits or income, it shall issue a tax clearance certificate to the person within two weeks of the demand for such certificate by that person or, if not, give reasons for the denial.

(2) Any Ministry, department or agency of Government or any commercial bank with whom any person has any dealing with respect to any of the transactions mentioned in subsection (4) of this section, shall demand from such person a tax clearance certificate of three years immediately preceding the current year of assessment.

(3) A tax clearance certificate shall disclose in respect of the last three years of assessment —

(*a*) total profits or chargeable income ;

(*b*) tax payable ;

(*c*) tax paid ; and

(*d*) tax outstanding or alternatively a statement to the effect that no tax is due.

(4) The provision of subsection (2) of this section shall apply in relation to —

(*a*) application for certificate of occupancy ;

(*b*) approval of building plans ;

(*c*) application for award of contract by government or its agencies ;

(*d*) application for firearms licence ;

(*e*) application for import and export licence ; and

(*f*) application for trade licence.

(5) Where a person is able to produce evidence that he suffered tax by deduction at source and that the assessment year to which the tax relates falls within the period covered by the tax clearance certificate, such a person may not be denied a tax clearance certificate:

Provided that any balance of tax after credit has been given for the tax so deducted has been fully paid.

Issuance of advance rulings

73.—(1) Without prejudice to any provision of this Act, advance ruling may be issued for the purpose of clarity, consistency and certainty regarding the interpretation and application of any tax law that does not constitute an amendment or replacement of the law.

(2) The relevant tax authority may —

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

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

(3) An advance ruling may be issued in the prescribed form and manner and shall be signed by an authorised officer of the relevant tax authority and may contain —

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

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

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

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

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

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

(5) An application shall contain —

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

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

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

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

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

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

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

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

(7) Where necessary, the relevant tax authority shall provide an applicant

with a reasonable opportunity to make representations or provide clarifications.

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

Rejection of application for advance rulings

74. The relevant tax authority may reject an application for an advance ruling where it requires the rendering of an opinion, conclusion or determination regarding –

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

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

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

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

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

Effect of advance rulings

75.—(1) The effect of the ruling is limited to the applicant and the transaction in relation to which the ruling is given.

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

(3) An advance ruling is void where —

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

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

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

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

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

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

is overturned.

Withdrawal or modification of advance rulings

76.—(1) The relevant tax authority may withdraw or modify an advance ruling at any time and retrospectively if the ruling was fraudulently obtained.

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

Power of the President or Governor to remit taxes

77.—(1) The President may, on the recommendation of the Minister of Finance, remit wholly or in part, the tax payable by any taxable person if satisfied that it will be just and equitable to do so.

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

Power of the President to exempt companies from income tax

78. The President shall, subject to the approval of the National Assembly, exempt from income tax—

(a) any company or class of companies ; or

(b) any profits of any company or class of companies from any source, on any ground which appears to be sufficient, provided that the order is published in the Official Gazette to the company or the class of companies.

Taxation of digital and virtual transaction or assets

Fifth Schedule

79. The relevant tax authority shall administer the taxation of digital and virtual transactions and assets in accordance with the provisions of the Fifth Schedule to this Act.

Power of Accountant-General to deduct at source

Fourth Schedule

80. The Accountant-General of the Federation shall, not later than 30 days of receiving a warrant signed by the Chairman of the relevant tax authority and a judicial officer in accordance with the Fourth Schedule to this Act, deduct all un-remitted revenue due from any Ministry, Department, Agency or Government from its budgetary allocation or such other money accruing to it and shall, immediately remit such deductions to the relevant tax authority.

Distribution of revenue

81.—(1) Notwithstanding any formula that may be prescribed by any other law, the net revenue accruing by virtue of the operation of Chapter Six of the Nigeria Tax Act, shall be distributed as follows —

(*a*) 10% to the Federal Government ;

(b) 55% to the State Governments and the Federal Capital Territory ;

and

(c) 35% to the Local Governments.

(2) The amount of the VAT revenue standing to the credit of states and local governments shall be distributed among them on the following basis –

(a) Equally - 50% ;

(b) Population - 20% ; and

(c) Consumption - 30%.

(3) For the purpose of this section, consumption is determined by the place of consumption, irrespective of where the return is filed.

Transfer of tax revenue for refund

82.—(1) The relevant tax authority, shall, not later than seven days after the end of each month, furnish the Accountant-General of the Federation or Accountant-General of the State with the schedules containing the summary of taxes collected, and tax refund claims.

(2) Notwithstanding the provisions of any other law, the Accountant-General of the Federation or of a State shall, before the distribution of tax revenue, deduct an amount equal to the total tax refund claims compiled by the relevant tax authority from the gross revenue realised from tax and remit same to the respective tax refund accounts opened under section 55(4) of this Act.

(3) The relevant tax authority shall, not later than seven days after the end of each month, submit to the Accountant-General of the Federation or of a State, a reconciliation schedule of –

(a) the amount received into the tax refund accounts ;

(b) the total tax refund claims paid ; and

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

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

National Single Window Portal

83.—(1) The Service may establish and operate a National Single Window Portal to enhance revenue assurance, streamline import and export processes, facilitate international transit operations, for the purpose of ensuring efficiency and transparency in trade and revenue administration.

(2) The Window shall serve as a single-entry point and platform for any person involved in import, export, trade and transit processes to —

(a) digitalisation of economies in trade, lodge documents electronically,

including import or export documents for licensing, processing and approval;

(b) make payment of fees and levies due on goods imported or exported, and for other transactions, submitted through the Window ; or

(c) provide relevant data or information in respect of the import, export, trade or transit.

(3) The Service shall make regulations for the administration of this section including administrative charges on all processes and payments made on the Portal.

Notices

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

Forms

85. The relevant tax authority may, from time to time, specify and simplify the forms, statements and notices to be used for the effective administration of taxes under this Act.

Obligations during the pendency of legal proceedings

86. Except as may be ordered by a court or tribunal of competent jurisdiction, the pendency of a legal proceeding shall not affect the performance of the duties or obligations of any taxable person under this Act or any other tax law.

Establishment of the State Internal Revenue Service

87.—(1) Without prejudice to the power of the State Government with respect to the administration of the income tax of individuals, Pay As You Earn, Stamp Duties, there is established for each State, the State Internal Revenue Service (State Service).

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

Functions of the State Service

88. The State Service shall —

(a) assess individuals, estates, trusts and settlements, communities and families ;

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

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

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

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

Establishment and composition of the management board of the State Service

89.—(1) There is established for each State Service a Management Board (State Board) which shall have overall supervision of the State Service as specified under this Act.

(2) A State Board shall comprise —

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

(b) directors from within the State Service ;

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

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

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

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

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

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

(6) Except as otherwise stated in the State Service Establishment law, the Chairman and members of the State Board shall hold office for a period of four years and may be re-appointed for a further term of four years and no more.

(7) If any person present at a meeting of the Board or any committee of the Board at which any matter is the subject of consideration, and in which that person is directly or indirectly interested, he shall as soon as practicable, before or after the commencement of the meeting, disclose such interest and —

(a) shall not, unless the Board otherwise directs, take part in any consideration or discussion of, or vote on any decision pertaining to the matter ; and

(b) a disclosure of interest made under this section shall be recorded in the minutes of the meeting at which it is made.

Appointment of the Executive Chairman of the State Service

90.—(1) There shall be for the State Service an Executive Chairman, who shall be appointed by the State Governor, subject to confirmation by the State House of Assembly.

(2) The Executive Chairman shall be —

(a) the Chief Executive and Accounting Officer of the State Service ;

(b) responsible for the execution of the policy and the day-to-day administration of the affairs of the State service ; and

(c) a person with experience in taxation and a member of a relevant recognised professional body.

Functions of the State Board

91.—(1) The State Board shall —

(a) provide general policy guidelines relating to the functions of the State Service ;

(b) manage and superintend policies of the State Service on matters relating to the administration of the revenue assessment, collection and accounting system under this Act or any other law ;

(c) review and approve the strategic plans of the State Service ;

(d) employ and determine the terms and conditions of service including disciplinary measures of the employees of the State Service ;

(e) stipulate remuneration, allowances, benefits and pensions of staff and employees in consultation with the Governor ;

(f) provide an amount of revenue collected, as may be approved by a State House of Assembly, which shall be retained by the State Service to defray cost of collection and administration ;

(g) make recommendations, where appropriate, to the Unified Revenue Commission on tax policy, reform, legislation, treaties and tax exemption as may be required, from time to time ; and

(h) do such other things which in its opinion are necessary to ensure efficient performance of the functions of the State Service under this Act.

(2) The State Board may, by notice in the Gazette or in writing, authorise any person to —

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

(b) receive any notice or other document to be given or delivered to

or in consequence of this Act and any subsidiary legislation made under it.

Establishment of the Technical Committee of the State Board

92.—(1) There shall be a Technical Committee of the State Board (*"Technical Committee"*), which shall comprise the —

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

(b) Directors within the State Service ; and

(c) Legal Adviser to the State Service.

(2) The Technical Committee shall —

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

(b) advise the State Board on all its powers and duties specifically mentioned in section 91 of this Act ;

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

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

Establishment of the Local Government Revenue Committee

93.—(1) There shall be established for each local government area of a State, a Committee to be known as the Local Government Revenue Committee ("Revenue Committee").

(2) The Revenue Committee shall comprise —

(a) the Local Government Supervisor for Finance, as Chairman ;

(b) three local government councillors as members ; and

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

Functions of the Revenue Committee

94.—(1) The Revenue Committee shall be responsible for the assessment and collection of all taxes, fines and rates under its jurisdiction and shall account for the amounts collected, in a manner to be prescribed by the Local Government.

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

Establishment and composition of State Joint Revenue Committee

95. There is established for each State of the Federation, a State Joint Revenue Committee, which shall comprise –

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

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

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

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

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

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

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

Functions of the State Joint Revenue Committee

96. The functions of the State Joint Revenue Committee are to —

(a) implement decisions of the Joint Revenue Board ;

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

(c) harmonise tax administration in the State ;

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

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

Exercise of powers by relevant tax authority

97.—(1) Any power conferred or any duty imposed upon the relevant tax authority may be exercised or performed by it, by an officer authorised generally, or specifically, in that behalf.

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

Delegation of powers of the relevant State Board

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

(2) The relevant Board may reverse or modify any decision of any officer, affecting any tax or taxable income, where such decision is discovered to have been made in error, not in accordance with the law or where such decision has been reviewed under dispute resolution and the reversal or modification

of the decision by the Board shall have effect as if it were the original decision made in respect of the matter concerned.

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

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

Executive Chairman and other officials of the relevant tax authority

99.—(1) The powers and duties, which are conferred on the Executive Chairman of the relevant tax authority by this Act and other tax laws, shall be exercised by the Executive Chairman or by such other persons authorised to exercise such powers.

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

CHAPTER FOUR — OFFENCES AND PENALTIES

PART I — OFFENCES AND PENALTIES OF GENERAL APPLICATION

Failure to register

100.—(1) A taxable person who fails or refuses to register for tax under section 4 of this Act, shall be liable to pay an administrative penalty of —

(a) ₦50,000 in the first month in which the failure occurs ; and

(b) ₦25,000 for each subsequent month in which the failure continues.

(2) A statutory body or company who awards a contract to an unregistered person, shall be liable to pay an administrative penalty of ₦5,000,000.

Failure to file returns

101. A taxable person who fails or refuses to file returns or knowingly files incomplete or inaccurate returns to the relevant tax authority in accordance with the provisions of this Act, shall be liable to pay an administrative penalty of —

(a) ₦100,000.00 in the first month in which the failure occurs ; and

(b) ₦50,000.00 for each subsequent month in which the failure continues.

Failure to keep books

102. A taxable person who —

(a) fails to keep accounts, books and records of business transactions

and income, to allow for the correct ascertainment of tax and filing of returns to the relevant tax authority ; or

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

(i) a person other than a company, ₦10,000.00, and

(ii) in the case of a company, ₦50,000.00.

Failure to grant access for the deployment of technology

103. A person who refuses to grant access to the relevant tax authority to deploy technology after 30 days of receipt of the notice under this Act is liable to an administrative penalty of ₦1,000,000.00 for the first day of default and ₦10,000.00 for each subsequent day of default.

Failure to use fiscalisation system

104. A taxable person that fails to process a taxable supply through the fiscalisation system is liable to an administrative penalty of ₦200,000 plus 100% of the tax due and an interest at the prevailing Central Bank of Nigeria Monetary Policy rate per annum.

Failure to deduct tax

105. A person who has an obligation to collect, deduct or withhold tax under the relevant tax laws, and fails to collect, deduct or withhold the tax due is liable to an administrative penalty of 40% of the amount not deducted.

Failure to make attribution

106. A person who is required to make attribution but fails to do so or having done so, fails to notify the relevant tax authority, is liable to pay an administrative penalty of ₦1,000,000.

Failure to remit tax deducted at source or self-account

107.—(1) A person, that deducts, collects or withholds any tax under this Act, and fails to remit the amount deducted, collected or withheld by the 21st day of the month immediately succeeding the month in which the amount was deducted, collected or withheld, is liable to pay —

(a) the amount deducted, collected or withheld but not remitted ;

(b) an administrative penalty of 10% per annum of the tax deducted, collected or withheld but not remitted ; and

(c) interest at the prevailing Central Bank of Nigeria monetary policy rate.

(2) A person required to self-account under this Act and fails to self-account within the time prescribed by this Act, is liable to pay —

(a) the tax not self-accounted for ;

(b) an administrative penalty of 10% per annum of the amount not self-accounted for ; and

(c) interest at the prevailing Central Bank of Nigeria monetary policy rate.

(3) A person convicted of any of the offences under this section, shall be liable to a term of imprisonment not exceeding three years, or a fine of not less than the principal amount due plus penalty of not more than 50% of the sum, or both.

Failure to attend to demands, request or notices

108.—(1) A person who —

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

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

(c) having attended, fails to answer any question lawfully put to him, is liable to an administrative penalty of ₦100,000.00 in the first day of default and ₦10,000 for every subsequent day where the default continues.

(2) A person who fails or refuses to supply information, documents, or records as demanded or requested for by an authorised officer relating to any tax issue under this Act or any other tax law within the time provided under this Act or any other tax law, is liable to an administrative penalty of ₦200,000 in the first day of default and ₦10,000 for each subsequent day where the refusal continues.

(3) A person who fails or refuses to comply with obligations to submit information relating to a legal arrangement or other obligations as may be prescribed by notice, rules, regulations, guidelines, or circulars issued by the Service or any other relevant tax authority, is liable to an administrative penalty of ₦1,000,000 for the first day of default, in addition to ₦10,000.00 for each subsequent day in which the failure continues, or any other administrative penalty as may be specified in such notice, rules, regulations, guidelines, or circulars.

Penalty for non-compliance by VASP

109. Any VASP who fails to comply with the provisions of this Act shall be liable to an administrative penalty of ₦10,000,000.00 in the first month of default, plus —

(a) ₦1,000,000.00 for every subsequent month that the default continues ; or

(b) suspension or revocation of operating license by the Securities and Exchange Commission.

Failure to stamp

110. A person that fails to stamp dutiable instruments in accordance with the relevant provisions of the Nigeria Tax Act, is liable to pay 10% of the unpaid duty and interest at the prevailing Central Bank of Nigeria Monetary Policy Rate.

Failure to disclose facts in a dutiable instrument

111. A person that fails, neglects or omits to fully disclose all the facts and circumstances relating to dutiable instrument or underpays any duty is liable, in addition to the payment of the duty due —

(*a)* to an administrative penalty of ₦100,000.00 ; or

(b) on conviction, to a fine of ₦50,000.00 or for a term of imprisonment not exceeding three years or both fine and imprisonment.

Failure to notify change of address

112. A taxable person who fails to notify the relevant tax authority of any change of address within 30 days of such change, gives a wrong address or fails to comply with the requirement for notification of permanent cessation of trade or business under the relevant tax laws shall be liable to administrative penalty of —

(a) ₦100,000 for the first month in which the failure occurs; and

(b) ₦50,000 for each subsequent month the failure continues.

Fraud in relation to stamps

113. A person who —

(a) removes or causes to be removed from a document any revenue stamp, with intent that the stamp may be reused ;

(b) affixes to any other document the revenue stamp which has been removed, for the purpose of evading the payment of duty ;

(c) sells or offers for sale, any revenue stamp so removed ; or

(d) forges a stamp or any implement for denoting stamp duties,

is liable on conviction to imprisonment for a term not exceeding three years or a fine not less than ₦2,000,000.00 or both fine and imprisonment.

Offence by authorised and unathorised persons

114. A person, whether or not appointed for the administration of this Act, any other tax law or employed in connection with the assessment and collection of a tax who —

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

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

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

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

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

(f) compromises on the assessment or collection of any tax, commits

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

Inducement of an authorised officer

115. A person who attempts to induce, influence or entice an authorised officer in order to obtain any tax benefit in the course of duty commits an offence and is liable on conviction to :

(a) in the case of an individual, a penalty of ₦500,000.00 ; and

(b) in the case of a body corporate, a penalty of ₦2,000,000.00 or to imprisonment for a term not exceeding 3 years or to both fine and imprisonment, in addition to paying the tax due.

Use of weapon

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

(2) A person who, while armed with an offensive weapon, causes injury to any officer or authorised officer of the relevant tax authority in the performance of any function or duty under this Act, is liable on conviction to imprisonment for a term not exceeding 10 years.

Impersonation of an authorised officer

117. A person, not being an authorised officer, who assumes the name, designation or impersonates the character of an authorised officer, for any purpose under this Act or any other tax law, is liable on conviction to a fine not exceeding ₦1,000,000.00 or to imprisonment for a term not exceeding three years or both.

Aiding and abetting commission of offence

118. An officer of the relevant tax authority or any other person who aids, abets, incites or induces the commission of any of the offences under this Act is liable on conviction to a fine of ₦1,000,000.00 or imprisonment for a term not exceeding three years or both the fine and imprisonment.

Obstruction

119. A person who —

(a) obstructs, hinders, molests or assaults any person or authorised officer in the performance of any function or the exercise of any power under this Act ;

(b) does anything which impedes or is intended to impede the carrying out of a search, seizure, removal or distrain ;

(c) rescues, damages or destroys anything liable to seizure, removal or distrain ;

(d) does anything intended to prevent the procuring or giving of evidence as to whether or not anything is liable to seizure, removal or distrain ; or

(e) prevents the arrest of any person by an authorised person duly engaged or acting or rescues any person so arrested is —

(i) liable to an administrative penalty of ₦1,000,000.00 ; and

(ii) on conviction to a fine not exceeding ₦1,000,000.00 or imprisonment for a term not exceeding three years or to both fine and imprisonment.

Unauthorised disclosure

120. Except as provided under this Act, any other law or any enabling agreement or arrangement on exchange of information or as otherwise authorised by the Minister —

(a) a member or former member of the Board of the relevant tax authority ;

(b) an employee or former employee of the tax authority ; or

(c) an agent or any person, who communicates or attempts to communicate taxpayer information or information considered confidential to any person other than to a person legally authorised to receive such information or misuses the information is liable on conviction to a fine not exceeding ₦1,000,000.00 or to imprisonment for a term not exceeding three years or both.

False claim of tax refund

121. —(1) A person that receives a refund under section 55 of this Act, through a false or fictitious claim, is in addition to the recovery of the amount so received, liable to a penalty of 50% of that amount, plus interest at the prevailing Central Bank of Nigeria Monetary Policy Rate.

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

False or fictitious claim of VAT refund

122. A person that receives a refund under section 56 of this Act, through a false or fictitious claim, is in addition to the recovery of the amount so received, liable to a penalty of 100% of that amount, plus interest at prevailing the Central Bank of Nigeria Monetary Policy Rate.

Defaults in payments of mineral royalties

123. Where any mineral royalty due and payable under this Act remains unpaid for 30 days after the due date, it qualifies as debt and attracts a penalty —

(*a*) 10% of the amount of the royalty payable which shall be added to the royalty due ;

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

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

False declaration

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

(*a*) to an administrative penalty of ₦1,000,000 in addition to the payment of the tax undercharged or not charged in consequence of the false declaration, plus payment of the amount of tax unpaid or over payment made in respect of any repayment ; or

(*b*) on conviction to a fine of ₦1,000,000 or to imprisonment not exceeding three years or both in addition to payment of the amount of tax unpaid or over payment made in respect of any repayment.

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

(*a*) to an administrative penalty of ₦1,000,000.00 in addition to the payment of the tax undercharged or not charged in consequence of false declaration, plus payment of the amount of tax unpaid or over payment made in respect of any repayment ; or

(*b*) upon conviction, to a fine of ₦1,000,000.00 or to imprisonment not exceeding three years or both in addition to payment of the amount of tax unpaid or over payment made in respect of any repayment.

Counterfeiting documents

125. A person that —

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

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

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

(*d*) counterfeits any seal, signature, initial or other mark of, or used by, any officer for the verification relating to tax, is liable to an administrative penalty of ₦1,000,000.00 and on conviction, to imprisonment not exceeding 3 years or fine of ₦1,000,000 .00or to both such fine and imprisonment.

Offence by body corporate

126. Where an offence under this Act is committed by a body corporate, firm, trust, association of individuals or any other legal arrangement —

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

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

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

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

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

General penalty

127. Any person who contravenes the provisions of this Act for which no specific penalty was provided, commits an offence is liable as follows —

(*a*) to an administrative penalty of ₦1,000,000 ; or

(*b*) on conviction, to imprisonment for a term not exceeding three years or to a fine or both.

PART II—OFFENCES AND PENALTIES FOR PETROLEUM OPERATIONS

Failure to file estimated and actual returns on due date

128.—(1) A company which fails to file any of the estimated or actual returns under this Act on the due date is liable to pay for late filing for each of the return not filed, a penalty of —

(*a*) ₦10,000,000.00 on the first day the failure occurs and ₦2,000,000.00 for each subsequent day in which the failure continues ; or

(*b*) any other sum as may be prescribed by the Minister by order published in the Official Gazette.

(2) Where the further returns for estimated tax provided for under section 16 of this Act is not made, the Service shall impose interest at the prevailing SOFR or any other successor rate plus 10% points for the differential of the revised tax over the estimated tax paid by the company.

Late payment of tax

129.—(1) Where any tax, royalty or remittance due from a company involved or engaged in upstream petroleum operations is not paid on the due date, it shall be a debt and —

(*a*) a sum equal to 10% of the amount payable shall be added to the tax, royalty or remittance due ;

(*b*) in the case of a foreign currency transaction, the tax, royalty or remittance due shall incur interest at the prevailing SOFR or any other successor rate plus 10% ; or

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

(2) In addition to the provisions of subsection (1) of this section, the licensee or lessee shall be liable to —

(*a*) ₦10,000,000.00 or US Dollar equivalent on the first day of the failure to pay the tax, royalty or remittance ; and

(*b*) ₦2,000,000.00 or US Dollar equivalent for each day in which the failure continues.

(3) Notwithstanding the provisions of subsections (1) and (2), the Service may, with the assistance of the Commission or Authority —

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

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

Failure to comply with the requirement of notice

130.—(1) A person that fails to —

(*a*) comply with the requirements of a notice served under Chapter Two of this Act,

(*b*) appear in response to a notice or summons served under this Act, without sufficient cause or having appeared, fails to answer any lawful question, or

(*c*) submit any return required to be submitted under the relevant provisions of this Act, is liable to an administrative penalty of ₦10,000,000.00 and where the default continues beyond the period stipulated by this Act, the person shall be liable to a further administrative penalty of ₦2,000,000.00 or such other sum as may be prescribed by the Minister, for each day the default continues.

(2) Notwithstanding the provisions of subsection (1) of this section, a person who is found guilty of an offence under this section shall on conviction, be liable to a fine of ₦20,000,000.00 or other sum as may be prescribed by the Minister by an order and where the offence continues beyond the period stipulated by this Act, the person shall be liable to an additional fine of ₦2,000,000.00 or such other sum as may, by order, be prescribed by the Minister for each day the default continues, or imprisonment for a term of six months.

Incorrect accounts

131.—(1) A person who without reasonable excuse —

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

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

(c) gives or causes to be given any false or misleading information in relation to any matter or thing affecting his liability to tax, is liable to an administrative penalty of ₦15,000,000 and 1% of the amount of tax which has been undercharged in consequence of such incorrect account, schedule, statement or information or would have been so undercharged if the account, schedule, statement or information had been accepted as correct, whichever is higher, and is also liable for the appropriate tax which would have been charged.

(2) Notwithstanding the provisions of subsection (1) of this section, a person who gives or causes to be given any false or misleading information in relation to any matter or thing affecting his liability to tax, commits an offence and on conviction is liable to a fine of ₦15,000,000 and 1% of the amount of tax which has been undercharged in consequence of such incorrect account, schedule, statement or information, or would have been so undercharged if the account, schedule, statement or information had been accepted as correct, whichever is higher, and is also liable for the appropriate tax which would have been charged.

False statement and returns

132.—(1) A person who —

(a) for the purpose of obtaining any deduction, refund, rebate, reduction or repayment in respect of petroleum profits tax, hydrocarbon tax or income tax by upstream companies, for himself or for any other person or who in any return, account, particulars or statement made or furnished with reference to tax, knowingly makes any false statement or false representation or forges or fraudulently alters or uses or fraudulently lends or allows to be used by any other person any receipt or token as evidence for payment of the tax under this Act ; or

(b) aids, abets, assists, counsels, incites or induces any other person —

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

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

(iii) unlawfully refuses or neglects to pay tax, commits an offence and is liable on conviction to a fine of ₦15,000,000 and 1% of the amount of tax for which the person assessable is liable under this Act, whichever is higher, for the accounting period in respect of or during which the offence was committed, or to imprisonment for six months or to both the fine and imprisonment and is also liable for the appropriate tax which would have been assessed and charged.

(2) Notwithstanding the provisions of subsection (1) of this section, any person who does any of the acts or makes the omissions contained in subsection (1) of this section, is liable to an administrative penalty of ₦15,000,000 or 1% of the amount of tax for which the person assessable is liable under this Act whichever is higher, for the accounting period in respect of or during which the act or omission occurred and shall still be liable for appropriate tax which would have been assessed and charged.

Offences by authorised and unauthorised persons

133. A person who being a member of the Service charged with the administration of this Act or any assistant employed in connection with the assessment and collection of the hydrocarbon tax who —

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

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

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

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

(e) not being authorised under this Act, collects or attempts to collect the tax under this Act, commits an offence and is liable on conviction to a fine equivalent to 200% of the sum in question or to imprisonment for a term not exceeding three years or both fine and imprisonment.

Default in payments of petroleum royalties

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

General penalty in relation to petroleum operations

135.—(1) Any person that fails to comply with the provisions of this Part, Chapter Three of Nigeria Tax Act, or any relevant regulations for which no penalty is specifically provided, is liable to an administrative penalty of

₦10,000,000.00 and where the default continues, beyond a period stipulated by law or regulation, the person is liable to an administrative penalty of ₦2,000,000.00 for each day the default continues, or such other sum as may, by order be prescribed by the Minister.

(2) Notwithstanding the provision of this section, a person who is found guilty under this Part of this Act or regulations made thereunder for which no other penalty is specifically provided shall upon conviction be liable to a fine of ₦20,000,000.00 or such other sum as may, by order, be prescribed by the Minister, or imprisonment for six months or both fine and imprisonment.

Contravention of surcharge provisions

136.—(1) Any person who contravenes the provisions of section 24 of this Act or fails to comply with provisions made for the administration of surcharge under this Act or the Nigeria Tax Act, is liable to an administrative penalty of ₦10,000,000.00

(2) A taxable person who fails to pay surcharge as provided in the Nigeria Tax Act, shall be liable to a sum equal to 10% of the amount payable in addition to the surcharge due, and interest at the prevailing Central Bank Monetary Policy Rate.

Obstruction of an authorised officer and refusal to grant immediate entry

137. A person who refuses to grant immediate access or entry to an authorised officer in the exercise of the powers under section 58 or 59 of this Act, is liable to an administrative penalty of ₦1,500,000.00 or on conviction, to imprisonment not exceeding one year, or to both penalty and imprisonment.

CHAPTER FIVE — MISCELLANEOUS PROVISIONS

Power to compound offences

138.—(1) The relevant tax authority may compound any offence under this Act by accepting a sum of money not exceeding the tax liability and maximum fine specified for the offence.

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

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

Power to prosecute

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

(2) Notwithstanding any administrative penalty or interest imposed under this Act or any other tax law, the relevant tax authority shall have powers to

prosecute any person for an offence specified under the relevant provisions of this Act.

Place of an offence

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

Settlement of dispute

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

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

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

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

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

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

(3) Settlement of dispute shall not be considered where —

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

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

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

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

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

(i) how each particular issue is settled,

(ii) relevant undertakings by the parties,

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

(iv) withdrawal of objections and appeals, and

(v) arrangements for payment ; and

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

(5) Finality of settlement agreement is where the —

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

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

Information and documents to be confidential

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

Official secrecy and confidentiality

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

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

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

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

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

Powers of the Minister to issue general directives and make regulations

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

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

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

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

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

(c) amend, vary or modify the list set out in Part IV of Chapter Eight of Nigeria Tax Act with respect to Value Added Tax ; and

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

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

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

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

Supemacy of this Act

145.—(1) This Act shall take precedence over any other laws with regards to the administration, assessment, collection, accounting and enforcement of taxes and levies due to the relevant tiers of Government and if the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall prevail and the provisions of that other law shall, to the extent of the inconsistency, be void.

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

Savings Provisions

146. Without prejudice to the provision of section 6 of the Interpretation Act —

(a) the repealed and amended enactments specified in sections 197 and 198 of the Nigeria Tax Act shall not affect anything done under the enactments;

(b) the tax administration provisions of the repealed and amended enactments under paragraph (a) shall be exercised by the relevant tax authority in accordance with the provisions of this Act;

(c) a notice, guideline, rule, order, regulation, circular or other subsidiary legislations made or issued under any provision of the repealed or amended enactments under the Nigeria Tax Act, shall continue to be in force as if they had been made or issued by the relevant authority or person under this Act except to the extent that it is inconsistent with the provisions of this Act;

(d) an enforcement process or legal proceedings commenced or pending prior to the commencement of this Act, in connection with tax administration, contravention or non-compliance with the repealed or amended enactments, shall continue and be disposed of, as if it was commenced under this Act;

(e) anything made or done, or having effect as if made or done, before

the date of commencement of this Act under any provision of the repealed or amended enactments by the relevant tax authority, and having any continuing or resulting effect with respect to the tax administration and enforcement, shall be treated as if it was done or performed by the relevant tax authority under this Act; and

(f) all references to the administration provisions of the legislations repealed by the Nigeria Tax Act shall be construed as references to the corresponding provisions of this Act.

Interpretation

147. In this Act —

"Advance Ruling" means any ruling issued by the tax authority in respect of any disputed or controversial tax matter to the taxpayers in accordance with provision of this Act, the Nigeria Tax Act or any other tax law enacted by the National Assembly, or any written opinion or decision issued to a taxpayer by the relevant tax authority on a transaction, proposed transaction or any tax matter with a view to providing direction or clarification in accordance with the provisions of this Act;

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

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

"Assessable Income" has the same meaning under the Nigeria Tax Act;

"Assessable Profit" has the same meaning under the Nigeria Tax Act;

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

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

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

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

"Calendar year" means a period of 12 months commencing from 1 January and ending 31 December ;

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

"Commencement of Business" means the date that an entity carries out its first transaction, which shall be the earlier of the date that the business or person —

(a) begins to market or first advertises its products or services for sale ;

(b) obtains an operating licence from a regulatory authority in Nigeria ;

(c) makes first sale or purchase ;

(d) executes its first trading contract after complying with incorporation or regulatory processes ;

(e) issues or receives its first invoice ;

(f) delivers or receives its first consignment of goods ; or

(g) first renders services to its customers ;

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

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

"Dispute" means a disagreement on the interpretation of either the relevant facts or law or both, which arises under the issuance of an assessment, action or decision of either the tax authority or taxpayer ;

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

"Document" includes any record of information evidencing a transaction, supporting accounts or schedules, accounting or inventory ledger, including reports, agreements, correspondences, memoranda, minutes of meeting, or any such record however compiled, recorded or stored, whether written or printed or micro-film, digital, magnetic, electronic or optical form or otherwise, and all types of information stored in digital devices, computer or any other similar equipment ;

"Electronic or digital activities" means the receipt, emission or transmission of signals, sounds, messages, images or data of any kind by cable, radio, electromagnetic systems or any other electronic or wireless apparatus

in respect of any commerce, trade or activity, including electronic commerce, application store, high frequency trading, electronic data storage, online adverts, participative network platform, online gaming, cloud computing, online teaching services, digital content services, supply of user data, search engines or online payments ;

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

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

"Executor" includes any person administering the estate of a deceased person ;

"Entertainer, Sportsperson, or competitor Fees" includes payments in respect of appearance, performance, royalties, sponsorship, endorsement, advertising or related payments ;

"Foreign Company" means any company other than a Nigerian Company ;

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

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

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

"High Court" means the Federal High Court or High Court of the State or Federal Capital Territory ;

"Importer" means any person who imports taxable goods from another country;

"Invoice" means any document issued as evidence of supply of goods or services, or demand for payment for goods or services supplied ;

"Individual" includes a corporation sole and a body of individuals but does not include a company, partnership, community, family, trustee or executor, or any body of trustees or executors;

"Manufacturer" means any person who engages in the manufacture of goods and includes a person who has manufactured for his own account, or on whose behalf other persons have manufactured goods made to his specification or design;

"Manufacturing" means the process by which a commodity is finally

produced, including assembling, bottling, repacking, mixing, blending, grinding, cutting, bending, twisting and joining or any other similar process;

"Minister" means the Minister charged with the responsibility for matters relating to finance;

"Nigeria" for the purpose of this Act, means the Federal Republic of Nigeria, and when used in a geographical sense, includes the territorial waters of the Federal Republic of Nigeria, and any area outside the territorial waters, including the continental shelf, which in accordance with international law has been or may hereafter be designated, under the laws of the Federal Republic of Nigeria, as an area within which the right of the Federal Republic of Nigeria with respect to the seabed, its subsoil, its superjacent waters and their natural resources may be exercised now and in the future ;

"Nigerian Company" means —

(a) any company formed or incorporated under any law in Nigeria ; or

(b) any company whose effective place of management or control is Nigeria, provided that the Minister may by regulations prescribe what constitutes effective place of management or control ;

"Officer" means any person employed in the relevant tax authority to carry out the tax administration functions under this Act ;

"Person" includes individuals, body of individuals, executor, trustee, family, community, a company or body corporate, corporation sole and any unincorporated body of persons, including a trust or any legal arrangement ;

"President" means the President of the Federal Republic of Nigeria ;

"Private dwelling" means any building or part of a building occupied as residential accommodation, including any garage, shed and other building used in connection therewith ;

"Registration" means action or process of registering or of being registered for tax purposes in accordance with this Act ;

"Registered Person" means any person registered for the purpose of tax compliance under this Act or any other tax law ;

"Relevant tax authority" means Nigeria Revenue Service, the Internal Revenue Service of a State or the Federal Capital Territory in Nigeria ;

"Service" means the Nigeria Revenue Service established by the Nigeria Revenue Service (Establishment) Act ;

"Settlement" means amicable resolution of dispute in accordance with the provisions of this Act ;

"Small Business" means a business that earns gross turnover of ₦100,000,000.00 or less per annum with total fixed assets not more than ₦250,000,000.00 provided that any business providing professional services shall not be classified as a small business ;

"Special Purpose Tax Officer" means specially designated tax officers for the purpose of tax investigation and enforcement who shall be appointed from time to time and shall have the powers of Police Officers ;

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

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

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

"Tax Agent" means any person acknowledged and duly certified by a professional body in Nigeria to represent the taxable person ;

"Tax Authority" means the Nigeria Revenue Service, or the Revenue Authority of a State or the Federal Capital Territory in Nigeria ;

"Taxable Goods and Services" is as defined in Part IV of Chapter 7 of Nigeria Tax Act ;

"Taxable Person" means person who carries out economic activity in a place or a person exploiting tangible or intangible property for the purpose of obtaining income therefrom by way of trade or business, or an agency of Government acting in that capacity ;

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

"Taxpayer Information" includes —

(a) any information received or generated by a relevant tax authority with respect to a taxpayer pursuant to its powers under this Act or any other tax law,

(b) any information in any form received, accessed or produced by the Service under any agreement or arrangement with any country, government or tax authority, such as Double Taxation Agreements, Tax Information Exchange Agreements, and Common Reporting Standard, Country-by-Country Reporting or any other exchange of information agreement or arrangement, and

(c) written or electronic documents, returns, assessments, lists and copies of such lists relating to profits or items of profits of any person or to such matter which forms the basis of any agreement or arrangement with any country, government or tax authority ; and

"Transaction at Arm's Length" means a related party transaction conducted on normal open market commercial terms.

148. This Act may be cited as the Nigeria Tax Administration Act, 2025. Citation

SCHEDULES

First Schedule

Section3(2),12(2)(d), 16(3)(d) and 17(2)(d)

DETERMINATION OF RESIDENCE

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 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 Nigeria for a year of assessment, but who has no place or principal place of residence in the territory of a State in Nigeria for that year under the provisions of paragraphs 2 of this Schedule, shall be deemed to hold a foreign employment, and if he has no territory of residence in a State for that year under the provisions of paragraph 1 of this Schedule, shall be deemed to be a person to

whom section 3 (1) (a) (iv) of this Act applies.

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

Partnership

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

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

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

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

Pension

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

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

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

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

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

that day, be subject to section 3 (1) (a) (iv) of this Act.

Other earned income

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

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

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

Unearned Income

7. An individual, other than a corporation sole or body of individuals, who has no source of earned income in Nigeria for a year of assessment but who has one or more source of unearned income in Nigeria for 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 1st January of that year, provided that where –

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

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

Application

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

(2) Where, by reason of sub-paragraph (1) of this paragraph, or otherwise, a determination of residence of an individual for a year of assessment fails to

be revised, and the tax authority that raised an assessment is other than that territory in which the individual is finally determined to be resident for that year, the first-mentioned tax authority shall discharge any assessment made by it on the income of the individual for that year.

Corporation sole or body of individuals

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

Family income

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

Trust

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

Interpretation

12. In this Schedule –

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

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

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

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

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

"place of residence" in relation to an individual, means a place available for his domestic use in Nigeria on a relevant day, and does not include any

hotel, rest house or other place at which he is temporarily lodging unless no permanent place is available for his use on that day;

"principal place of residence" in relation to an individual with two or more 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 58(7)

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 58 of Nigeria Tax Administration Act, 2025 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)…….....

Minister of Finance/Commissioner of Finance
(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 61(2)

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 61 of the Nigeria Tax Administration Act, 2025, 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 land 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 at ……the……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 80

FORM OF WARRANT OF DEDUCTION AT SOURCE

To the Accountant-General of the Federation,

1. Pursuant to section 80 of the Nigeria Tax Administration Act, 2025, 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…… (State, Local Government, or 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 ₦ : K

……..... .....….....

Withholding Tax

Amount of Tax ₦ : K

……..... .....….....

SIGNED and issued by:

Signature.....this .....day of..... 20.....

Minister Finance/Commissioner of Finance

(Relevant Tax Authority)

Signature.....this .....day of..... 20.....

Judicial Officer

Fifth Schedule

Section 79

VIRTUAL ASSETS

Registration

1. A taxable person engaging in virtual assets related activities, including the exchange, trading, custody, or issuance of virtual assets, shall register with the relevant tax authority as a Virtual Assets Service Provider (VASP) for tax purposes.

Taxable transactions

2.—(1) Taxable virtual assets transactions shall include –

(a) the sale, exchange, or transfer of virtual assets ;

(b) mining or staking activities that generate income ;

(c) airdrops, bounties, or any form of virtual asset received as compensation or reward ; and

(d) any other transaction or activity relating to virtual assets.

(2) Transaction where payment for goods and services is made with virtual assets, shall –

(a) be subject to the same tax treatment as transactions conducted in fiat currency ;

(b) have the same value as the goods and services, determined at the market price at the time of the transaction ; and

(c) be reported as income by the person receiving such payments in virtual assets and pay taxes in accordance with the provisions of this Act.

Valuation of virtual assets

3. The value of virtual assets for tax purposes shall be determined using the prevailing market price at the time of the transaction, as determined by a recognised virtual asset exchange platform approved by the Service.

Taxpayer obligations

4. A taxable person engaged in virtual asset activities shall keep records and books as provided under section 31 of this Act and report virtual assets activities to the relevant tax authorities.

VASP reporting obligations

5. A VASP operating in Nigeria is required to –

(a) report any large or suspicious transactions involving virtual assets to the Service and the Nigerian Financial Intelligence Unit (NFIU) in accordance with existing anti-money laundering (AML) laws ;

(b) obtain a Special Control Unit Against Money Laundering Certificate (SCUML Certificate) issued by the relevant authority ;

(c) report any suspicious activity or transactions related to virtual assets that may involve money laundering, terrorist financing, or fraud to the Nigerian Financial Intelligence Unit (NFIU) within 48 hours ;

(d) provide periodic reports of customer transactions to the Service, including but not limited to, exchange, sale, or transfer of virtual assets ;

(e) maintain accurate customer information to comply with Know Your Customer (KYC) requirements ; and

(f) maintain records of all customer transactions and identification data for at least seven years after the date of the last transaction.

Customer due diligence and Know Your Customer (KYC) obligations

6. VASPs shall for the purpose of this subjecting digital or virtual transactions or assets to taxation, conduct thorough customer verification, in accordance with the KYC and Anti-Money Laundering (AML) guidelines, as follows —

(a) collect personal identification details (name, address, national ID, etc.);

(b) conduct risk assessments and ongoing monitoring of transactions ;

(c) implement effective internal controls to prevent money laundering and terrorist financing ;

(d) report regularly, suspicious activities to the relevant law enforcement agencies ;

(e) implement industry-standard cybersecurity protocols to protect customer data, transactions and assets from breaches or unauthorised access ; and

(f) conduct internal audits to ensure compliance with AML/KYC, tax obligations and reporting standards.

Interpretation

7. In this Schedule –

"virtual asset" means a digital representation of value that can be digitally traded or transferred and used for payment, investment, or other financial purposes which include cryptocurrencies, tokens, and digital collectibles, but virtual assets shall not include certain types of digital currencies and assets, which are –

(a) national currencies and foreign national currencies;

(b) electronic money licensed by the Central Bank of Nigeria;

(c) instruments that provide the holder with access to products, services or benefits, such as loyalty programs and other reward systems; and

(d) digital representations of other assets whose issuance, bookkeeping, trading or settlement is provided for under the Investments and Securities Act, 2007 ;

"Virtual Asset Service Provider (VASP)" means a person who offers services related to the exchange, custody, or management of virtual assets on behalf of clients;

"Anti-Money Laundering (AML)" means measures designed to prevent criminals from disguising illegally obtained funds as legitimate ;

"Counter-Terrorism Financing (CTF)" means efforts to prevent the financing of terrorism, including through virtual assets; and

"Know Your Customer (KYC)" means the process of identifying and verifying the identity of clients.

I certify, in accordance with Section 2(1) of the Acts authentication Act Cap. A2, Laws of the Federation of Nigeria, 2004, that this is a true copy of the Bill passed by both Houses of the National Assembly.

KAMORU OGUNLANA, ESQ.
Clerk to the National Assembly
11th Day of June, 2025

EXPLANATORY MEMORANDUM

This Act provides a uniform procedure for a consistent and efficient administration of tax laws in order to facilitate tax compliance by taxpayers and optimise tax revenue.

SCHEDULE TO THE NIGERIA TAX ADMINISTRATION BILL, 2025

(1) *Short Title of the Bill*	*(2)* *Long Title of the Bill*	*(3)* *Summary of the Contents of the Bill*	*(4)* *Date Passed by the Senate*	*(5)* *Date Passed by the House of Representatives*
Nigeria Tax Administration Bill, 2025	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	This Bill provides for the assessment, collection of, and accounting for revenue accruing to the Federation, Federal, States and Local Governments and prescribes the powers and functions of tax authorities	28th May, 2025	28th May, 2025

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. A2, Laws of the Federation of Nigeria, 2004.

KAMORU OGUNLANA, ESQ.
Clerk to the National Assembly
11th Day of June, 2025

I ASSENT

LS

BOLA AHMED TINUBU, GCFR
President of the Federal Republic of Nigeria
26th Day of June, 2025