

NIGERIA TAX BILL, 2025

A BILL FOR AN ACT TO REPEAL THE CAPITAL GAINS TAX ACT, THE CASINO ACT, THE COMPANIES INCOME TAX ACT, THE DEEP OFFSHORE AND INLAND BASIN PRODUCTION SHARING CONTRACTS ACT, THE INDUSTRIAL DEVELOPMENT (INCOME TAX RELIEF) ACT, INCOME TAX (AUTHORISED COMMUNICATIONS) ACT, PERSONAL INCOME TAX ACT, STAMP DUTIES ACT, VALUE ADDED TAX ACT AND THE VENTURE CAPITAL (INCENTIVES) ACT. TO AMEND THE NIGERIA EXPORT PROCESSING ZONES ACT, THE OIL AND GAS FREE TRADE ZONE ACT, THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY ACT, PETROLEUM INDUSTRY ACT, TERTIARY EDUCATION TRUST FUND (ESTABLISHMENT, ETC.) ACT, THE NATIONAL AGENCY FOR SCIENCE AND ENGINEERING INFRASTRUCTURE ACT, THE CUSTOMS, EXCISE TARIFFS, ETC. (CONSOLIDATION) ACT, THE NATIONAL LOTTERY ACT, THE NIGERIAN MINERALS AND MINING ACT, THE NIGERIA START-UP ACT, THE EXPORT (INCENTIVES AND MISCELLANEOUS PROVISIONS) ACT, THE CYBERCRIME (PROHIBITION, PREVENTION, ETC) ACT. TO REVOKE THE VALUE ADDED TAX ACT (MODIFICATION) ORDER 2021, TO AMEND THE COMPANIES INCOME TAX (SIGNIFICANT ECONOMIC PRESENCE) ORDER 2020 AND THE PETROLEUM (DRILLING AND PRODUCTION) REGULATIONS 1969. TO CONSOLIDATE THE THE LEGAL FRAMEWORKS RELATING TO TAXATION AND ENACT THE NIGERIA TAX ACT TO PROVIDE FOR TAXATION OF INCOME, TRANSACTIONS AND INSTRUMENTS, AND FOR RELATED MATTERS.

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Objective	N/A	Section 1 – Objective The objective of this Act is to provide a unified fiscal legislation governing taxation in Nigeria.	Retained	
Application	N/A	Section 2 – Application This Act applies throughout Nigeria to any person required to comply with any provision of the tax laws whether personally or on behalf of another person	Retained	
Imposition of tax	N/A	Section 3 – Imposition of Tax 3) Income tax shall be determined in accordance with the provisions of this Act, and imposed on the— (a) profits or gains of any company or enterprise. (b) income of any individual or family; and (c) income arising, accruing or due to a trustee, or an estate.	Retained	
Charge of tax	Section 9 CITA Subject to the provisions of this Act, the tax shall, for each year of assessment, be payable at the rate specified in subsection (1) of section 40 of this Act upon the profits of any company accruing in, derived from, brought into, or received in, Nigeria that are not subject to tax under the Capital Gains Tax Act, Petroleum	Section 4 – Income, profits or gains chargeable to tax (1) Income, profits or gains of a person accruing in or derived from Nigeria, including — (a) profits or gains from any trade, business, profession or vocation for whatever period of time such trade or business may have been carried on;	Section 4 – Income, profits or gains chargeable to tax (1) Income, profits or gains of a person accruing in or derived from Nigeria, including — (a) profits or gains from any trade, business, profession or vocation for whatever period of time such trade or business may have been carried on;	NTB includes gains of a company (in addition to its profits) as part of the base for determining income tax. Section 4 of the NTB appears to limit the taxable income or gains to those derived from Nigeria only, thus eliminating the

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Profits Tax Act and Personal Income Tax Act, such profits shall include -</p> <p>(a) any trade or business for whatever period of time such trade or business may have been carried on;</p> <p>(b) rent or any premium arising from a right granted to any other person for the use or occupation of any property; and where any payment on account of such a rent as is mentioned in this paragraph is made before the expiration of the period to which it relates and is included for the purposes of this paragraph in the profits of a company, then, so much of the payment as relates to any period beginning with the date on which the payment is made shall be treated for these purposes as accruing to the company proportionately from day to day over the last-mentioned period or over the five years beginning with that date, whichever is the shorter;</p> <p>(c) dividends, interests, royalties, discounts, charges or annuities;</p> <p>(d) for the purposes of this Act-</p> <p>(i) interest includes compensating payments received by a borrower from its approved agent or a lender in a Regulated Securities Lending</p>	<p>(b) royalties, fees, rents or interests arising from a right granted for the use, exploitation or occupation of any property;</p> <p>(c) dividends, premium, charges or annuities;</p> <p>(d) fees, dues, allowances, or any remuneration for services rendered;</p> <p>(e) discounts or rebates;</p> <p>(f) disposal of money or money instruments;</p> <p>(g) income, profits or gains from disposal or lending of securities;</p> <p>(h) prizes, winnings, honoraria, grants, awards, laurels, etc;</p> <p>(i) profits or gains from the disposal of property or fixed assets;</p> <p>(j) profits or gains from transactions in digital assets;</p> <p>(k) any other income, profit or gain not falling within the preceding categories. (2) Income, profits or gains of an individual, including—</p> <p>(a) salaries, wages, fees, allowances, compensations, bonuses, premiums, benefits or other perquisites allowed, given or granted by any person to any employee other than payment for expenses incurred in the performance of the duties of the employment, and from which it is not intended that the</p>	<p>(b) royalties, fees, rents or interests arising from a right granted for the use, exploitation or occupation of any property;</p> <p>(c) dividends, premium, charges or annuities;</p> <p>(d) fees, dues, allowances, or any remuneration for services rendered;</p> <p>(e) discounts or rebates;</p> <p>(f) disposal of money or money instruments;</p> <p>(g) income, profits or gains from disposal or lending of securities; (h) prizes, winnings, honoraria, grants, awards, laurels, etc;</p> <p>(i) profits or gains from the disposal of property or fixed assets;</p> <p>(j) profits or gains from transactions in digital assets;</p> <p>(k) any other income, profit or gain not falling within the preceding categories. (2) Income, profits or gains of an individual, including—</p> <p>(a) salaries, wages, fees, allowances, compensations, bonuses, premiums, benefits or other perquisites allowed, given or granted by any person to any employee other than payment for expenses incurred in the performance of the duties of the</p>	<p>current taxation of global income of a Nigerian resident person.</p> <p>General inclusion of gains from disposal of assets following the consolidation of the current CGT and CIT. Profits from digital assets now subject to income tax.</p> <p>Expansion of the definitions of interest to include penal interests, share of profits in interestfree finance arrangements, finance cost portion in a finance lease, etc.</p> <p>Amendment of what constitutes dividend for a liquidating company to include distributions of a</p>

	<p>Transaction provided that the underlying transaction giving rise to the compensating payment is a receipt of interest by a lender on the collateral it</p>		<p>employment, and from which it is not intended that the</p>	<p>capital nature which are currently excluded under CITA.</p>
--	---	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>received from its approved agent or a borrower in a Regulated Securities Exchange Transaction,</p> <p>(ii) Dividends includes compensating payments received by a lender from its approved agent or borrower in a Regulated Securities Lending Transaction. (e) any source of annual profits or gains not falling within the preceding categories;</p> <p>(f) any amount deemed to be income or profit under a provision of this Act or, with respect to any benefit arising from a pension or provident fund, of the Personal Income Tax Act;</p> <p>(g) fees, dues and allowances (wherever paid) for services rendered;</p> <p>(h) any amount of profits or gains arising from acquisition and disposal of short term money instruments like Federal Government securities, treasury bills, treasury or savings certificates, debenture certificates or treasury bills, treasury or savings certificates, debenture certificates or treasury bonds: Provided that for the purpose of this section, securities or shares shall not be deemed to be disposed of by a lender, borrower or approved agent or acquired by a borrower, approved agent or lender if such securities or shares are transferred</p>	<p>employee should make any profit or gain;</p> <p>(b) any pension, annuity or any other similar income.</p> <p>(3) Income of a family recognised under any law or custom in Nigeria as family income in which the several interests of individual members of the family cannot be separately determined.</p> <p>(4) income, profits or gains of a person accruing in or derived from Nigeria, including —</p> <p>(a) profits or gains from any trade, business, profession or vocation for whatever period of time such trade or business may have been carried on; (b) royalties, fees, rents or interests arising from a right granted for the use, exploitation or occupation of any property;</p> <p>(c) dividends, premium, charges or annuities;</p> <p>(d) fees, dues, allowances, or any remuneration for services rendered;</p> <p>(e) discounts or rebates;</p> <p>(f) disposal of money or money instruments;</p> <p>(g) income, profits or gains from disposal or lending of securities;</p> <p>(h) prizes, winnings, honoraria, grants, awards, laurels, etc;</p>	<p>employee should make any profit or gain;</p> <p>(b) any pension, annuity or any other similar income.</p> <p>(3) Income of a family recognised under any law or custom in Nigeria as family income in which the several interests of individual members of the family cannot be separately determined, excluding income on inherited assets before distribution.</p> <p>(4) income, profits or gains of a person accruing in or derived from Nigeria, including —</p> <p>(a) profits or gains from any trade, business, profession or vocation for whatever period of time such trade or business may have been carried on;</p> <p>(b) royalties, fees, rents or interests arising from a right granted for the use, exploitation or occupation of any property;</p> <p>(c) dividends, premium, charges or annuities;</p> <p>(d) fees, dues, allowances, or any remuneration for services rendered;</p> <p>(e) discounts or rebates;</p> <p>(f) disposal of money or money instruments;</p> <p>(g) income, profits or gains from disposal or lending of securities;</p>	<p>Introduction of definitions for 'royalty' and 'money instruments'</p>

	from a lender and subsequently returned			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>by a borrower in a Regulated Securities Lending Transaction</p> <p>(i) Profits from securities lending other than compensating payments to the lender or borrower</p> <p>(2) For the purposes of this section, interest shall be deemed to be derived from Nigeria if-</p> <p>(a) there is a liability to payment of the interest by a Nigerian company or a company in Nigeria regardless of where or in what form the payment is made; or (b) the interest accrues to a foreign company or person from a Nigerian company or a company in Nigeria regardless of whichever way the interest may have accrued.</p> <p>(3) In this section, "dividend" means -</p> <p>(a) in relation to a company not being in the process of being wound up or liquidated, any profits distributed, whether such profits are of a capital nature or not, including an amount equal to the nominal value of bonus shares, debentures or securities awarded to the shareholders; and</p> <p>(b) in relation to a company that is being wound up or liquidated, any profits distributed, whether in money or money's worth or otherwise, other than those of a capital nature earned</p>	<p>(i) profits or gains from the disposal of property or fixed assets;</p> <p>(j) profits or gains from transactions in digital assets;</p> <p>(k) any other income, profit or gain not falling within the preceding categories.</p> <p>(6) For the purposes of this section —</p> <p>(a) Interest—</p> <p>(i) accrues in Nigeria where the liability to its payment falls upon a resident of Nigeria or Nigerian permanent establishment of a non-resident person regardless of where or in what form the interest is paid.</p> <p>(ii) includes, penal interests and any payment similar to interest, income from any government or corporate securities, bonds or debentures, premiums or prizes attaching to such securities, bonds or debentures, discounts, fees, premium, share of profit in non-interest finance arrangements, finance cost element in a finance lease, or foreign exchange differences arising in relation to securities, any payment in relation to derivatives used in hedging securities, or any other payment of similar nature</p> <p>(iii) in respect of debts, includes return</p>	<p>(h) prizes, winnings, honoraria, grants, awards, laurels, etc;</p> <p>(i) profits or gains from the disposal of property or fixed assets;</p> <p>(j) profits or gains from transactions in digital assets;</p> <p>(k) any other income, profit or gain not falling within the preceding categories.</p> <p>(6) For the purposes of this section —</p> <p>(a) Interest—</p> <p>(i) accrues in Nigeria where the liability to its payment falls upon a resident of Nigeria or Nigerian permanent establishment of a non-resident person regardless of where or in what form the interest is paid.</p> <p>(ii) includes, penal interests and any payment similar to interest, income from any government or corporate securities, bonds or debentures, premiums or prizes attaching to such securities, bonds or debentures, discounts, fees, premium, share of profit in non-interest finance arrangements, finance cost element in a finance lease, or foreign exchange differences arising in relation to securities, any payment in relation to derivatives used in hedging securities, or any</p>	

	before or during the winding-up or liquidation	on discounted papers, income from debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the	other payment of similar nature (iii) in respect of debts, includes return on discounted papers, income from	
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>debtor's profits or foreign exchange differences arising in relation to a debt, and</p> <p>(iv) in respect of Regulated Securities Lending Transactions, includes compensating payments received by a borrower from its approved agent or a lender, provided that the underlying transaction giving rise to the compensating payment is a receipt of interest by a lender on the collateral it received from its approved agent or a borrower;</p> <p>(b) Dividend includes, in relation to—</p> <p>(i) a company that is not in the process of being wound up or liquidated, profits, in any form, shared or distributed to the shareholders, including an amount equal to the nominal value of bonus shares, debentures or securities awarded to the company's shareholders;</p> <p>(ii) a company that is being wound up or liquidated, any distribution, whether in money or money's worth, earned before or during the winding up or liquidation, and</p> <p>(iii) Regulated Securities Lending Transaction, compensating payments received by a lender from its approved agent or borrower;</p> <p>(c) "royalty" includes payments of any kind received or receivable, paid or</p>	<p>debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits or foreign exchange differences arising in relation to a debt, and</p> <p>(iv) in respect of Regulated Securities Lending Transactions, includes compensating payments received by a borrower from its approved agent or a lender, provided that the underlying transaction giving rise to the compensating payment is a receipt of interest by a lender on the collateral it received from its approved agent or a borrower;</p> <p>(b) Dividend includes, in relation to—</p> <p>(i) a company that is not in the process of being wound up or liquidated, profits, in any form, shared or distributed to the shareholders, including an amount equal to the nominal value of bonus shares, debentures or securities awarded to the company's shareholders;</p> <p>(ii) a company that is being wound up or liquidated, any distribution, whether in money or money's worth, earned before or during the winding up or liquidation, and</p>	

			(iii) Regulated Securities Lending Transaction, compensating payments	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>payable as a consideration for the use of, or the right to use or exploit any property;</p> <p>(f) "money instruments" means instruments traded in money markets including government securities, treasury bills, treasury or savings certificates, debenture certificates, commercial papers, certificates of deposits, call money, commercial bills, treasury bonds, and any other money instrument;</p>	<p>received by a lender from its approved agent or borrower;</p> <p>(c) "royalty" includes payments of any kind received or receivable, paid or payable as a consideration for the use of, or the right to use or exploit any property;</p> <p>(f) "money instruments" means instruments traded in money markets including government securities, treasury bills, treasury or savings certificates, debenture certificates, commercial papers, certificates of deposits, call money, commercial bills, treasury bonds, and any other money instrument;</p>	
<p>Chargeability to Tax</p>	<p>Section 47</p> <p>(1) A company may be charged to tax—</p> <p>(a) in its own name; or</p> <p>(b) in the name of any principal officer, attorney, factor, agent or representative of the company in Nigeria in like manner and to like amount as such company would be chargeable; or</p> <p>(c) in the name of its receiver, liquidator, or of any attorney, agent or representative thereof in Nigeria, in like manner and to like amount as such company would have been chargeable</p>	<p>Section 5 – Chargeability to Tax</p> <p>(1) A company may be charged to tax—</p> <p>(a) in its own name;</p> <p>(b) in the name of any principal officer, attorney, factor, agent or representative of the company in Nigeria in the same manner or amount that the company would have been charged; or</p> <p>(c) in the name of its receiver, liquidator, or administrator, in the same manner or amount that the company would have been charged if no receiver, liquidator or administrator had been appointed. (2) An individual</p>	<p>Retained</p>	<p>Maintains an existing section under CITA, but amended slightly to capture 'administration' as a newly introduced insolvency proceeding under CAMA 2020, in respect of an insolvent company's chargeability to tax.</p>

	if no receiver or liquidator had been appointed.	may be charged to tax— (a) in the individual's name;		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		(b) in the name of a family, trustee or estate; or (c) in the name of an administrator, or any attorney, agent or representative in Nigeria, in like manner and to like amount as such an individual would have been charged if no administrator, attorney, agent or representative had been appointed.		

<p>Taxation of a Nigerian Company</p>	<p>Section 13 (1) The profits of a Nigerian company shall be deemed to accrue in Nigeria wherever they have arisen and whether or not they have been brought into or received in Nigeria.</p>	<p>Section 6 – Nigerian Company (1) The profits of a Nigerian company are deemed to accrue in Nigeria wherever the profits arise and whether or not such profits have been brought into or received in Nigeria. (2) Where a foreign company which is controlled by a Nigerian company has not, in a year, distributed profits to its shareholders, the proportion of the profits of the controlled foreign company attributable to the Nigerian company, which could have been distributed without detriment to the company’s business shall be construed as distributed and included in the profits of the Nigerian company for the purposes of subsection (1) of this section. (3) Where the income tax paid by a nonresident company which is a subsidiary of a Nigerian company or a member of a multinational group of a Nigerian</p>	<p>Retained</p>	<p>New provision aimed at preventing tax avoidance by ensuring Nigerian parent companies pay taxes on profits from their foreign subsidiaries, even if undistributed. This is similar to the approach under the current Section 21 of CITA. New provision to insist on a 15% minimum tax for NRCs with Nigerian parent companies, to be paid by the Nigerian companies. The tax authority expected to issue guidelines/regulations for the modalities of the new provision.</p>
--	---	--	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>company in any year yields less than the minimum effective tax rate prescribed by this Act, the Nigerian parent company shall pay an amount to make that nonresident subsidiary's income tax equal to the minimum effective tax rate.</p> <p>(4) The Nigeria Revenue Service (the Service) shall provide detailed rules for the implementation of subsections (2) and (3) of this section.</p>		

<p>Nigerian dividends.</p>	<p>Section 12 PITA – Nigerian dividends (1) The income from a dividend distributed by a Nigerian company shall be deemed to be derived from Nigeria, and shall be the gross amount of that dividend before deduction of any tax which the company is required to deduct on payment thereof under the provisions of any law in force in Nigeria at the relevant time imposing taxation on the profits of companies. (2) Any amount of the undistributed profit of a Nigerian company which is treated as distributed under the provisions of any law in force in Nigeria imposing tax on the profits of companies shall, for the purpose of this Act, be deemed to be income from a dividend accruing to any person who is a shareholder in the company in proportion to his share in the ordinary capital thereof at the relevant time, and the income from</p>	<p>Section 7 – Nigerian dividends (1) Nigerian dividends include— (a) dividend distributed by a Nigerian company, and shall be the gross amount of that dividend before any deduction; and (b) any amount of the undistributed profit of a Nigerian company, which is treated as distributed under the provisions of any law in Nigeria. (2) The income from a dividend distributed by a Nigerian company is deemed to arise on the day on which payment of that dividend becomes due.</p>	<p>Retained</p>	<p>The Bill emphasizes that WHT is the final tax on dividend income earned in Nigeria by non-residents and estops non-residents from claiming tax refunds on Nigerian dividends.</p>
-----------------------------------	--	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the dividend to be taken for assessment in his hands shall be his due proportion thereof increased by such amount as may be specified by the relevant tax authority in respect of tax deemed to be deducted at source.</p> <p>(3) The income from a dividend distributed by a Nigerian company shall be deemed to arise on the day on which payment of that dividend becomes due.</p>			
<p>Taxation of Dividends</p>	<p>Sections 18 – Profits of a company from certain dividends</p> <p>The profits of a company from a dividend received from any other company shall be</p> <p>–</p> <p>(a) if that other company is resident in a country to which section 44 of this Act applies, the amount of that dividend increased by the amount of any tax imposed in that country relative to that dividend; and</p> <p>(b) if that other company is resident in a country to which section 45 of this Act applies, the amount of that dividend as computed under the provisions of subsection (5) of section 46 of this Act</p> <p>(c) Provided that a dividend distributed:</p> <p>(i) by a Nigerian company and satisfied by the issue of shares of the company paying the dividend; or</p>	<p>Section 8 – Profits of a company from certain dividends</p> <p>(1) A company shall include dividend income in its profits, gross of any tax paid or deducted at source.</p> <p>(2) Dividends received by a Nigerian company by way of shares of the paying company shall not be included in its profits chargeable to tax under this Act and shall not be subject to the deduction prescribed under section 50 of the Nigeria Tax Administration Act.</p>	<p>Retained</p>	<p>New provision to mandate that dividends are reported in their gross values to ensure that adequate tax has been paid.</p> <p>Dividends received via shares are not be taxed nor WHT deducted therefrom.</p>

	(ii) if the company is a Nigerian company, out of any profits exempted from tax by			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	any provision of this Act, or of the Industrial Development (Income Tax Relief) Act; shall be excluded from the profits of any other company which is a shareholder in such company.			

<p>Excess Dividend Tax</p>	<p>Section 19 – Payment of dividend by a Nigerian company (1) Where a dividend is paid out as profit on which no tax is payable due to – – (a) no total profits; or (b) total profits which are less than the amount of dividend which is paid, whether or not the recipient of the dividend is a Nigerian company, is paid by a Nigerian company, the company paying the dividend shall be charged to tax at the rate prescribed in subsection (1) of section 40 of this Act as if the dividend is the total profits of the company for the year of assessment to which the accounts, out of which the dividend is declared, relates. (2) The provisions of subsection (1) shall not apply to – (a) dividends paid out of the retained earnings of a company, provided that the dividends are paid out of profits that have been subjected to tax under this Act, the Petroleum Profits Tax Act, or the Capital Gains Tax Act;</p>	<p>Section 9 – Substitution of dividend for total profit (1) Where a Nigerian company declares dividend out of profits on which no tax is payable due to— (a) there being no total profits; or (b) total profits which are less than the amount of dividend which it declared, whether or not the recipient of the dividend is a Nigerian company, the company paying the dividend shall be charged to tax at the rate prescribed in section 56 of this Act as if the dividend is the total profits of the company for the year of assessment to which the accounts, out of which the dividend is declared, relates. (2) The provisions of subsection (1) shall not apply to— (a) dividends declared out of the retained earnings of a company, to the extent that the profits or gains included in the retained earnings have been taxed under the provisions of this Act;</p>	<p>Retained</p>	<p>The excess dividend tax rule maintained. Section updated to reflect the new section prescribing the tax rates.</p>
-----------------------------------	---	---	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) dividends paid out of profits that are exempted from income tax by any provision of this Act, the Industrial Development (Income Tax Relief) Act, the Petroleum Profits Tax Act, or the Capital Gains Tax Act or any other legislation;</p> <p>(c) profits or income of a company that are regarded as franked investment income under this Act; and</p> <p>(d) distributions made by a real estate investment company to its shareholders from rental income and dividend income received on behalf of those shareholders, whether such dividends are paid out of profits of the year in which the dividend is declared or out of profits of previous reporting periods.</p>	<p>(b) dividends declared out of profits or gains that are exempt from income tax by this Act;</p> <p>(c) franked investment income as provided in this Act; or</p> <p>(d) distributions made by a real estate investment company to its shareholders from rental income and dividend income received on behalf of those shareholders, whether such dividends are paid out of profits of the year in which the dividend is declared or out of profits of previous reporting periods.</p>		

<p>Deemed Dividend Distribution</p>	<p>Section 21 – Certain undistributed profits may be treated as distributed (1) Where it appears to the Service that a Nigerian company controlled by not more than five persons, with a view to reducing the aggregate of the tax chargeable in Nigeria on the profits or income of the company and those persons, has not distributed to its shareholders as dividend, profits made in any period for which accounts have been made up by such company, which profits could have been distributed without detriment to the company's business as it existed at the end of that period, it may direct that</p>	<p>Section 10 – Certain undistributed profits may be treated as distributed (1) Where a Nigerian company controlled by not more than five individuals, has not distributed to its shareholders as dividend, profits made in any period for which accounts have been made up by such company, the Service may direct that the proportion of the profits of the company, which could have been distributed without detriment to the company's business, be construed as distributed. (2) The gross amount of profits construed as distributed under the</p>	<p>Retained</p>	<p>Section 21 amended to remove the subjectivity of the basis for non-distribution by removing the words '<i>where it appears to the Service that...</i>' and '<i>...with a view to reducing the aggregate of the tax chargeable in Nigeria on the profits or income of the company and those persons...</i>' Also, amended to clarify that the section applies only to companies with</p>
--	---	--	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>any such undistributed profits of such period be treated as distributed.</p> <p>(2) Any amount of profits treated as distributed under the provisions of the foregoing subsection shall, for the purposes of this Act and any enactment in Nigeria imposing tax on the incomes of persons other than companies, be deemed to be profits or income from a dividend accruing to those persons who are shareholders in the company in proportion to their shares in the ordinary capital thereof on such day, and the amount of such profits or income to be taken for assessment in the hands of each such person shall be his proportion thereof increased by such amount in respect of tax deemed to be deducted source, as the Service may determine.</p> <p>(3) Any direction by the Service under this section shall be made in writing and be served upon the company, and shall specify</p> <p>(a) the day to be taken for the purposes of the preceding subsection</p> <p>(b) the net amount of those profits so deemed to be distributed</p> <p>(c) the rate of tax deemed to be deducted, being the rate prescribed in subsection (2) of section 80 of this Act;</p>	<p>provisions of subsection (1) shall constitute a taxable income in the hand of individual shareholders of the company in proportion to their shareholdings in the ordinary capital of the company on the day of the deemed distribution.</p> <p>(3) Any direction by the Service under this section shall be made in writing, and be served upon the company, and shall specify—</p> <p>(a) the day to be taken for the purposes of this section;</p> <p>(b) the gross amount of those profits so deemed to be distributed;</p> <p>(c) the rate applied for the deduction at source, being the rate prescribed by the Nigeria Tax Administration Act; and (d) the net amount after the deduction at source.</p> <p>(4) For the purposes of this section, the Service may give notice to any company, which it has reason to believe is controlled by not more than five individuals, requiring it to supply, within such time as contained in such notice, full particulars of its shareholders.</p> <p>(5) In the case of a limited liability partnership, all the profits of the partnership shall be deemed as distributed, and taxable income,</p>		<p>individual shareholders, and not 'persons' which may also include corporate shareholders. These amendments however leave no room for defence for a company with legitimate business reasons for not distributing dividends.</p> <p>Statute of limitation for deeming undistributed dividends as profits is increased from 2 to 3</p>

				years after the tax authority's
--	--	--	--	---------------------------------

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(d) the gross amount which, after deduction of tax at the said rate, leaves such net amount of those profits; and (e) the net Nigerian rate of tax applicable to those profits, being such rate as would have been computed or agreed by the Service under the provisions of subsection (2) of section 43 of this Act if those profits had been distributed by the company as a dividend.</p> <p>(4) For the purposes of this section, the Service may give notice to any company which it has reason to believe is controlled by not more than five persons requiring it to supply, within such reasonable time limited in such notice, full particulars of its shareholders on any day.</p> <p>(5) Any direction by the Service under this section with respect to the profits of any accounting period of a company, shall be made not later than two years after the receipt by the Service of the duly audited accounts of the company for that period. (6) A company in respect of which any direction is made under this section, shall have a right of appeal in like manner as though for the purposes of Part X of this Act, such direction were an assessment.</p>	<p>proportionately, in the hands of the respective partners.</p> <p>(6) Any direction by the Service under this section with respect to the profits of any accounting period of a company shall be made not later than three years after the receipt by the Service of the duly audited accounts of the company for that period.</p> <p>(7) A company in respect of which a direction is made under this section, shall have a right of appeal in accordance with chapter four of the Nigeria Tax Administration Act</p>		<p>receipt of AFS for the period,</p>

--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Partnership of companies	<p>Section 29 CITA – Basis for computing assessable profits Subsection (8) Where a company is engaged in a trade or business in partnership with any other person in Nigeria, that trade or business shall be deemed to constitute a separate source of profits, and the assessable profits of the company from that source shall be determined under the provisions of the Personal Income Tax Act in like manner as would be the assessable income of any individual partner in that partnership. Provided that, with respect to any assets of such partnership, where any annual, initial or balancing allowance or charge would fall to be given to or made upon the company for any year under the provisions of the Fifth Schedule to that Act, if the company were an individual partner in that partnership, such allowance or charge shall be given or made as though due under the provisions of the Second Schedule and in place of any other allowance or charge arising thereunder with respect to the same asset.</p>	<p>Section 11 – Partnership of Companies</p> <p>(1) Where two or more companies carry out a trade or business in a partnership, joint venture or a similar arrangement in Nigeria, any income or profit arising therefrom shall constitute a source of profits and each company's share shall be taxed separately.</p> <p>(2) Where any of the companies in the partnership is a non-resident, its share of income or profit from the partnership is chargeable to tax under this Act.</p> <p>(3) In the case of partnership carried on in a country other than Nigeria, the partner that is taxable in Nigeria shall include its share of revenue and cost, or profits in its assessable profits for the relevant year of assessment, and shall supply to the tax authority, particulars of the determination of the revenue and cost, or profit, with necessary adjustments made in accordance with the relevant provisions of chapter two of this Act.</p> <p>(4) The provisions of this section shall not apply to any partnership engaged in petroleum operations under chapter three of this Act.</p>	Retained	<p>Taxation of companies which come together to form a JV or partnership. Income/profit arising from the collaboration to be deemed profits and taxed in the hand of each corporate partner.</p> <p>Where a partner is an NRC, its share of profits is subject to tax in Nigeria. However, JVs engaged in petroleum operations are exempt, as they fall under a separate tax regime</p>

Resident Individual	Section 13 – Foreign Income The income from a dividend paid by a company other than a Nigerian company,	Section 12 – Resident Individual The income, gains or profits of an individual who is a resident of Nigeria are	Retained	A provision to tax the global income of a resident individual, and not just the
----------------------------	---	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
	or from any other source outside Nigeria, shall be the amount of that income brought into or received in Nigeria, provided that, if the income arose in a country to which section 39 this Act applies, the amount of that income to be taken for assessment shall be the amount computed under subsection (5) of section 39 of this Act.	chargeable to tax in Nigeria wherever they arise, and whether or not the income, profits or gains have been brought into or received in Nigeria.		portion brought into or received in Nigeria.

<p>Employment.</p>	<p>Section 10 CITA – Employment (1) The gain or profit from an employment shall be deemed to be derived from Nigeria if- (a) the duties of the employment are wholly or partly performed in Nigeria, unless- (i) the duties are performed on behalf of an employer who is in a country other than Nigeria and the remuneration of the employee is not borne by a fixed base of the employer in Nigeria; and (ii) the employee is not in Nigeria for a period or periods amounting to an aggregate of 183 days (inclusive annual leave or temporary period of absence) or more in any twelve-month period commencing in a calendar year and ending either within that same year or the following year; and (iii) the remuneration of the employee is liable to tax in that other country under</p>	<p>Section 13 – Employment income (1) The income, gain or profit from an employment is derived from Nigeria where— (a) the employee is a resident of Nigeria; or (b) the duties of the employment are wholly or partly performed in Nigeria and the remuneration accruing to the employee while in Nigeria is not duly liable to tax in the employee’s country of tax residence. (2) the gains or profits from an employment by a Government in Nigeria shall be deemed to be derived from Nigeria wherever the remuneration is paid if the employee performs the duties of that employment in a country other than Nigeria which under an agreement or diplomatic privilege exempts the employee from tax on those gains or profits.</p>	<p>Section 13 – Employment income (1) The income, gain or profit from an employment shall be deemed to be derived from Nigeria where— (a) the employee is a resident of Nigeria; or (b) the duties of the employment are wholly or partly performed in Nigeria and the remuneration accruing to the employee while in Nigeria is not duly liable to tax in the employee’s country of tax residence. (2) the gains or profits from an employment by a Government in Nigeria shall be deemed to be derived from Nigeria wherever the remuneration is paid if the employee performs the duties of that employment in a country other than Nigeria which under an agreement or diplomatic privilege exempts the employee from tax on those gains or profits.</p>	
---------------------------	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the provisions of the avoidance of double taxation treaty with that other country;</p> <p>(b) the employer is in Nigeria, or has a fixed base in Nigeria</p> <p>(2) Notwithstanding the provisions of paragraph (b) of subsection (1) of this section, the gains or profits from an employment by a Government in Nigeria shall be deemed to be derived from Nigeria wherever the remuneration is paid if the employee performs the duties of that employment in a country other than Nigeria which country under an agreement or diplomatic usage exempts the employee from tax on those gains or profits.</p> <p>(3) The gain or profit from any employment exercised in Nigeria shall be deemed to be derived from Nigeria whether the gains or profits from the employment are received in Nigeria or not.</p> <p>(4) The gains or profits from any employment, the duties of which are wholly or mainly performed in Nigeria, shall be deemed to be derived from Nigeria during any period of leave of the employee from the employment, and any period of his temporary absence on duty from Nigeria.</p> <p>(5) Notwithstanding any provision of this section, the gains or profits of an</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>individual from any employment as a seafarer, other than any such employment in the Nigerian Navy or the Nigerian Ports Authority, shall be deemed to be derived from Nigeria only during any period in which the individual is serving under articles which he had signed in Nigeria or is performing standby duty on board a ship preparatory to his signing articles in Nigeria.</p>			
<p>General provisions as to valuation of benefits.</p>	<p>Section 4 – General provisions as to valuation of benefits (1) Where an employer incurs any expense in the provision of any benefit or perquisite in accordance with section 3 (1) (b) (vi) of this Act, other than the provision of living accommodation to which section 5 of this Act relates, the following provisions shall apply- (a) in any case where any assets which continue to belong to an employer is used wholly or partly in the making of such provisions, he shall be deemed to incur annual expenses in connection therewith of an amount equal to five per cent of the amount expended by him in acquiring the asset, but if that amount cannot be so ascertained, five per cent of the market value of the asset at the time of the acquisition, as determined by the relevant tax authority;</p>	<p>Section 14 – Benefits-in-kind (1) Where an employer incurs an expense in the provision of any benefit or perquisite, other than the provision of living accommodation to which this section relates, the following provisions shall apply— (a) where any asset belonging to the employer is used wholly or partly in the making of such provisions, the employee is deemed to have earned annual benefit of an amount equal to 5% of the amount expended by the employer in acquiring the asset, but if that amount cannot be so ascertained, 5% of the market value of the asset at the time of the acquisition, as may be determined by the relevant tax authority; (b) where any sum by way of rent or hire is payable by the employer in respect of any such asset, the employee</p>	<p>Retained</p>	<p>New rules in determining taxable benefits. An employee will be deemed to have received an annual benefit equal to 5% of the amount the employer spent on acquiring an asset used by the employee. This is different compared with the previous PITA provision, which treated the employer as having incurred the full annual expenses of providing the benefit. The Bill introduces new rules for BIK in respect of living accommodation. BIK now capped at 20% (formerly 100%) of the employees' annual gross income.</p>

		is deemed to have earned annual benefit of an		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) in a case where any sum by way of rent or hire is payable by the employer in respect of any such asset, he shall be deemed to incur an annual expense in connection with the making of such provisions equal to the annual amount of the rent or hire expended by him on the asset; and</p> <p>(c) in any case, the employer shall be deemed to incur annual expense in connection with the making of such provisions equal to the annual amount expended thereon by him.</p> <p>(2) The employee shall be treated as being in receipt (in addition to any other emolument) of emolument equal to the annual amount so deemed to be incurred by the employer under subsection (1) of this section reduced by so much (if any) of the annual expense as is made good to the employer by the employee.</p> <p>(3) The provisions of subsections (1) and (2) of this section shall not apply to any expenses incurred by an employer-</p> <p>(a) in connection with the provision of meals in any canteen in which meals are provided for the staff generally or of luncheon vouchers for his employees if those vouchers are not assignable by an employee to whom they are issued;</p> <p>(b) in the provision of any uniform, overall or other protective clothing;</p>	<p>amount equal to the annual amount of the rent or hire payable by the employer on the asset; and</p> <p>(c) in any other case, the employee is deemed to have earned annual benefits equal to the annual amount expended by the employer in connection with the benefit thereon.</p> <p>(2) The amount of benefit under subsection (1)(a) of this section shall be reduced by so much of any expense made by the employee in respect thereon.</p> <p>(3) The provisions of this section shall not apply to any expenses incurred by an employer—</p> <p>(a) in connection with the provision of meals in any canteen in which meals are provided for the staff generally or meal vouchers for employees;</p> <p>(b) in the provision of any uniform, overall or other protective clothing, work tools or work equipment; or</p> <p>(c) in connection with change in place of residence of the employee by reason of a change of the employee's employment or place of exercising the employment.</p> <p>(4) A reference in this subsection to expenses incurred in connection with any matter includes a reference to a</p>		

		proportion of any expenses incurred partly in connection with that matter.		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(c) where those expenses are reasonable removal expenses which may or may not include a temporary subsistence allowance incurred by the employer by reason of a change of the employee's employment which requires such employee to change his place of residence, and the employee shall not be treated as being in receipt of any remuneration in respect of the allowance.</p> <p>(4) A reference in this section to expenses incurred in connection with any matter includes a reference to a proper proportion of any expenses incurred partly in connection with the matter.</p> <p>(5) A reference in this section to anything provided for an employee shall, unless the reference is expressly to something provided for the employee himself, be construed as including a reference to anything provided for the spouse, family, servant, dependant or guest of that employee by the employer.</p> <p>Section 5 – Valuation as to living accommodation</p> <p>(1) Where any premises in Nigeria are made available to the occupier by reason of his or his Wife's holding an office or employment and-</p> <p>(a) the occupier pays no rent for the premises; or</p>	<p>(5) A reference in this section to anything provided for an employee shall, unless the reference is expressly to something provided for the employee, be construed as including a reference to anything provided for the spouse, family, servant, dependant or guest of that employee by the employer.</p> <p>(6) Where premises in Nigeria are made available by an employer to the employee, the spouse or family, and the employee—</p> <p>(a) pays no rent for the premises; or</p> <p>(b) pays a rent less than the annual rental value of the premises, the employee shall be treated as being in receipt of additional emoluments equal to the annual rental value of the premises subject to a maximum of 20% of annual gross income from the employment, excluding the rental value.</p> <p>(7) In this section, "annual value of the premises" means—</p> <p>(a) in relation to premises that are subject to a law governing assessment of local rates, the annual rental value of the premises as determined for the purposes of local rates under that law;</p> <p>(b) in any other case, the annual rental value as determined by the relevant tax authority; and</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) the rent which the occupier pays for the premises is less than the annual value of the premises, the employee shall be treated as being in receipt (in addition to any other emoluments) of emoluments at an annual rate equal to the annual value of the premises, as determined under subsection (3) of this section, reduced by the annual amount of rent which the occupier pays for the premises.</p> <p>(1) Subsection (1) of this section shall apply to an occupier being a woman as it applies to an occupier being a man with the substitution of "her husband" for "his wife" and that subsection shall accordingly be so construed.</p> <p>(2) In this section, "the annual value of the premises" means-</p> <p>(a) in relation to premises subject to any law governing assessment of local rates, the annual value of the premises as determined for purposes of local rates under that law;</p> <p>(b) in any other case, the annual value as determined by the relevant tax authority, and a reference in this section to annual value shall include a reference (where applicable) to such proper proportion of the annual value-</p> <p>(i) in relation to a period of occupation within a year; or (ii) in relation to the part of the premises occupied; or</p>	<p>(c) a reference in this section to annual value shall include a reference, where applicable, to such proper proportion of the annual value in relation to—</p> <p>(i) a period of occupation within a year,</p> <p>(ii) the part of the premises occupied, or (iii) both a period of occupation within a year and the part of the premises occupied, as may be determined by the relevant tax authority</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	(ii) in relation to both a period of occupation within a year and the part of the premises occupied, as may be determined by the relevant tax authority.			
Partnership.	<p>Section 8 – Partnership</p> <p>(1) The gains or profits from a partnership of a partner therein shall be the sum of—</p> <p>(a) any remuneration, interest on capital, or the cost of passages to or from Nigeria wholly or mainly undertaken for the purpose of leave or recreation, which is charged in the partnership accounts in respect of that partner; and</p> <p>(b) his share in the income of the partnership, computed in accordance with the provisions of this Act after the deduction of charges to which paragraph (a) of this subsection applies in respect of all the partners but before the deduction of any other expenses of the partnership referable to a partner which would have been private or domestic expenditure within the meaning of subsection (1) (a) of section 21 of this Act if incurred directly by that partner.</p> <p>(2) When the income computed under paragraph (a) of this subsection results in a loss, the partner's share therein shall be deducted from his gains or profits ascertained under the provisions of subsection (1) (b) of this section and he shall be deemed to have incurred a loss in</p>	<p>Section 15 – Partnership of Individuals</p> <p>(1) The gains or profits of a partner from a partnership shall be the sum of—</p> <p>(a) any remuneration, interest on capital, cost of passages wholly or mainly undertaken for the purpose of leave or recreation, or any other perquisite or benefits in kind which is charged to the partnership accounts in respect of that partner; and</p> <p>(b) the partner's share in the profits of the partnership, computed in accordance with chapter two of this Act, after the deduction of charges to which paragraph (a) of this subsection applies in respect of all the partners, provided that in arriving at the gains or profits of a partnership, private or domestic expense of a partner shall not be deducted.</p> <p>(2) Where the income computed under subsection (1)(b) of this section results in a loss for the partnership, the partner's share of the loss shall be deducted from the gains or profits ascertained under the provisions of subsection (1)(a) of this section and the partner shall be deemed to have incurred a loss in the trade or</p>	Retained	<p>Subsection (3) updated in terms of determining the profit or loss attributable to a partner where there is no partnership agreement. Such profits or loss will be distributed equally among the partners.</p> <p>Re registration of partnership agreement with the tax authority, any change in the partnership agreement is to be registered with the authority within 30 days of such change.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the trade or business of partnership to the extent, if any, by which the deductible share exceeds those gains or profits.</p> <p>(3) For the purpose of subsection (1) of this section, the share of a partner in the computed income of a partnership shall be such proportion of that computed income as would accrue to him under the provisions of the partnership agreement if that computed income were wholly apportionable between the partners within the terms of the agreement, or where the computed income results in a loss, such proportion of that loss as would be chargeable to him if that loss falls to be allocated between the partners in the terms of the agreement.</p> <p>(4) The amount of the gains or profits or loss of a partner, ascertained under the foregoing provisions of this section, of any period, shall be deemed for all purposes of this Act to be his ascertained income or loss of that period from a trade, business, profession or vocation carried on by him during that period, and the provisions of Part III of this Act, other than paragraph (g) of section 21 of this Act, shall not apply to that partner with respect to the income or loss.</p> <p>(5) The determination of the income or loss from a partnership or a partner therein shall be made by the relevant tax</p>	<p>business of the partnership to the extent, if any, by which the deductible share of loss exceeds those gains or profits.</p> <p>(3) For the purposes of subsection (1) of this section, a partner's share of the partnership's profits or losses shall be determined in the proportion specified in the partnership agreement as if the entire profits or losses were distributed among the partners, and where there is no partnership agreement, the profits or loss of the partnership shall be distributed equally among the partners.</p> <p>(4) The gains, profits or losses of a partner for any period, ascertained under this section, shall be deemed, for the purposes of chapter two, to be the partner's income or loss from a trade, business, profession or vocation carried on during that period, and the provisions of section 20 shall not apply.</p> <p>(5) The determination of the profits or losses that is attributable to a partner from a partnership shall be made by the relevant tax authority in relation to that partnership, and where any partner is taxable for a year of assessment in the territory of another relevant tax authority, the relevant tax authority in relation to that partnership shall make available to that other tax authority,</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>authority in relation to that partnership, and where any partner is taxable for a year of assessment in the territory of some other authority, the relevant tax authority shall supply to that other authority particulars of that determination.</p> <p>(6) An appeal against an assessment by any individual in so far as it relates to any partnership income or loss, shall lie only to the body of Appeal Commissioners or court specified for income tax purpose in a law of the territory of which the tax authority is the relevant authority in relation to that partnership.</p> <p>(7) For the purposes of paragraph 6 of the First Schedule to this Act, the income of a partner from a partnership in Nigeria shall be deemed to be derived from the territory of the relevant tax authority in relation to that partnership.</p> <p>(8) The partnership, employee or agent in charge of the principal office or place of business of a partnership in Nigeria shall without notice or demand thereof register or cause to be registered with the relevant tax authority, a certified copy of the partnership deed or, where no written deed is in existence, particulars of any written or oral agreement under which the partnership</p>	<p>particulars of the determination of profits or losses.</p> <p>(6) The income of a partner from a partnership in Nigeria shall be attributable to relevant territories in Nigeria in accordance with the Thirteenth Schedule to this Act.</p> <p>(7) The partner, employee or agent in charge of the principal office or place of business of a partnership in Nigeria shall, without notice or demand, register or cause to be registered with the relevant tax authority, a certified copy of the partnership deed or, where no written deed is in existence, particulars of any written or oral agreement under which the partnership exists, and where any such particulars have been registered, a notice of any change in the agreement shall be registered with that tax authority within 30 days of the change.</p> <p>(8) Where the particulars of a partnership have been registered under the provisions of subsection (7) of this section, the computation of the gains or profits of a partner, may be made by the relevant tax authority on the basis of those particulars as they apply at any relevant time.</p> <p>(9) Where the particulars of a partnership are not registered, in compliance with subsection (7) of this</p>		

	is currently established and where any such			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>particulars, have been so registered, notice of any subsequent change therein agreed between the partners shall be similarly registered with that tax authority within thirty days of the agreement.</p> <p>(9) Where the particulars of any partnership have been registered under the provisions of subsection (8) of this section, the computation under this section of the gains or profits of a partner therein may be made by the relevant tax authority on the basis of those particulars as they apply at any relevant time and in the event of failure by a partnership to comply with any demand made under the foregoing subsection, notwithstanding the provisions of subsection (3) of this section, tax may be assessed and charged by the relevant tax authority as though the whole gains or profits of such partnership accrued to any individual partner therein or were divisible between any partner therein as may appear just and reasonable to the tax authority.</p>	<p>section, tax may be assessed and charged by the relevant tax authority as though the whole gains or profits of such partnership accrued to any individual partner or were divisible between the partners, as may appear just and reasonable to that tax authority.</p>		

Taxation of settlements, trusts & estates	Section 16 – Settlements, trusts and estates The income of an individual or of a trustee or executor from a settlement, trust, or estate of a deceased person, made, created or administered in Nigeria, or in the case of settlement or trust made,	Section 16 – Settlements, trusts and estates The income of an individual, a trustee or executor from a settlement, trust, or estate of a deceased person, made, created or administered in or outside Nigeria, shall be ascertained in	Retained	Expands the scope of tax to trusts created or administered outside Nigeria, to rectify what appears to be a drafting error in PITA.
--	--	--	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	created or administered in Nigeria, shall be ascertained in accordance with the provisions of the Second Schedule to this Act.	accordance with the provisions of the Fifth Schedule to this Act		

<p>Taxation of nonresident persons</p>	<p>Section 13(2) The profits of a company other than a Nigerian company from any trade or business shall be deemed to be derived from or taxable in Nigeria where – (a) that company has a fixed base of business in Nigeria to the extent that the profit is attributable to the fixed base; (b) it does not have such a fixed base in Nigeria but habitually operates a trade or business through a person in Nigeria authorised to conduct on its behalf or on behalf of some other companies controlled by it or which have a controlling interest in it; or habitually maintains a stock of goods or merchandise in Nigeria from which deliveries are regularly made by a person on behalf of the company, to the extent that the profit is attributable to the business or trade or activities carried on through that person; (c) it transmits, emits or receives signals, sounds, messages, images or data of any kind by cable, radio, electromagnetic systems or any other electronic or wireless apparatus to Nigeria in respect of any activity, including electronic</p>	<p>Section 17 – Non-resident Person (1) The income, profits or gains of a nonresident person accruing in, or derived from Nigeria are chargeable to tax in accordance with the provisions of this Act. (2) Gains derived by a non-resident person from disposal of chargeable assets are taxable in Nigeria where the gains relate to— (a) a trade, business, profession or vocation carried on by the non-resident person in Nigeria; (b) any asset located in Nigeria; or (c) any asset deemed to be located in Nigeria under this Act. (3) Profits derived from any trade, business, profession or vocation carried on by a non-resident person are taxable in Nigeria where - (a) the person has a permanent establishment or significant economic presence in Nigeria to the extent that the profit is attributable to the permanent establishment or significant economic presence; (b) payment is made by a person resident in Nigeria or a permanent</p>	<p>Section 17 – Non-resident Person (1) The income, profits or gains of a non-resident person accruing in, or derived from Nigeria are chargeable to tax in accordance with the provisions of this Act. (2) Gains derived by a non-resident person from disposal of chargeable assets are taxable in Nigeria where the gains relate to— (a) a trade, business, profession or vocation carried on by the non-resident person in Nigeria; (b) any asset located in Nigeria; or (c) any asset deemed to be located in Nigeria under this Act. (3) Profits derived from any trade, business, profession or vocation carried on by a non-resident person are taxable in Nigeria where - (a) the person has a permanent establishment or significant economic presence in Nigeria to the extent that the profit is attributable to the permanent establishment or significant economic presence; (b) payment is made by a person resident in Nigeria or a permanent</p>	<p>Introduction of minimum tax for NRC, set at the higher of 4% of total income generated from Nigeria or the Withholding tax. This effectively reduces the ETR of 6% on the total income based on deemed profits.</p>
---	---	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>commerce, application store, high frequency trading, electronic data storage, online adverts, participative network platform, online payments and so on, to the extent that the company has significant economic presence in Nigeria and profit can be attributable to such activity;</p> <p>(d) that trade or business or activities involves a single contract for surveys, deliveries, installations or construction, the profit from that contract;</p> <p>(e) the trade or business comprises the furnishing of technical, management, consultancy or professional services outside of Nigeria to a person resident in Nigeria to the extent that the company has significant economic presence in Nigeria; Provided that the withholding tax applicable to the income under this paragraph shall be the final tax on the income of a non-resident recipient who does not otherwise fall within the scope of subsection (2) (a)-(d); or</p> <p>(f) the trade or business or activities is between the company and another person controlled by it or which has a controlling interest in it and conditions are made or imposed between the company and such person in their commercial or financial relations which in the opinion of the Board is deemed to be</p>	<p>establishment of a non-resident person in Nigeria, in respect of services furnished from outside of Nigeria to a resident of Nigeria or a Nigerian permanent establishment of a nonresident person, except where the payment is made —</p> <p>(i) to an employee of the person making the payment under a contract of employment, and such income is subject to tax in Nigeria,</p> <p>(ii) by an individual for teaching in an educational institution or for teaching by an educational institution, or</p> <p>(iii) by a foreign permanent establishment of a Nigerian resident and the expense is borne by that permanent establishment;</p> <p>(c) payment is made to that person by a person resident in Nigeria or a Nigerian permanent establishment of a non-resident person, in respect of insurance premiums or risks insured from the territory of Nigeria.</p> <p>(4) Any amount deducted at source in line with section 50 of the Nigeria Tax Administration Act from the payments made for any of the activities mentioned in subsection (3)(b) and (c) of this section, shall be the final tax on that payment unless the person has a permanent establishment or significant</p>	<p>establishment of a non-resident person in Nigeria, in respect of services furnished from outside of Nigeria to a resident of Nigeria or a Nigerian permanent establishment of a nonresident person, except where the payment is made —</p> <p>(i) to an employee of the person making the payment under a contract of employment, and such income is subject to tax in Nigeria,</p> <p>(ii) by an individual for teaching in an educational institution or for teaching by an educational institution, or</p> <p>(iii) by a foreign permanent establishment of a Nigerian resident and the expense is borne by that permanent establishment;</p> <p>(c) payment is made to that person by a person resident in Nigeria or a Nigerian permanent establishment of a non-resident person, in respect of insurance premiums or risks insured from the territory of Nigeria.</p> <p>(4) Any amount deducted at source in line with section 50 of the Nigeria Tax Administration Act from the payments made for any of the activities mentioned in subsection (3)(b) and (c) of this section, shall be the final tax on</p>	

			that payment unless the person has a permanent establishment or significant	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>artificial or fictitious, so much of the profit adjusted by the Board to reflect arm's length transaction.</p> <p>(3) For the purpose of subsection (2)(a) of this section a fixed base shall not include facilities used solely for the –</p> <p>(a) storage or display of goods or merchandise; (b) collection of information.</p> <p>(4) For the purpose of subsection (2) (c) and (f), the Minister may by order, determine what constitutes the significant economic presence of a company other than a Nigerian company.</p>	<p>economic presence in Nigeria to which the payment is attributable.</p> <p>(5) The income, profits or gains of a nonresident person that are attributable to its permanent establishment in Nigeria shall be ascertained in() accordance with the provisions of this Act, subject to the following conditions—</p> <p>(a) the permanent establishment shall be deemed to have the same credit rating as the non-resident company of which it is a permanent establishment;</p> <p>(b) the permanent establishment shall be deemed to have such equity and loan capital as it could reasonably be expected to have in line with section 193 of this Act;</p> <p>(c) the taxable profits to be attributed to the permanent establishment shall include income arising from the—</p> <p>(i) sale of goods or merchandise of the same or similar kind as those sold through that permanent establishment, made directly to Nigeria by the nonresident person or its connected persons, and</p> <p>(ii) furnishing of services or any other business activity carried on in Nigeria by the non-resident or its connected persons of the same or similar kind as</p>	<p>economic presence in Nigeria to which the payment is attributable.</p> <p>(5) The income, profits or gains of a non-resident person that are attributable to its permanent establishment in Nigeria shall be ascertained in() accordance with the provisions of this Act, subject to the following conditions—</p> <p>(a) the permanent establishment shall be deemed to have the same credit rating as the non-resident company of which it is a permanent establishment;</p> <p>(b) the permanent establishment shall be deemed to have such equity and loan capital as it could reasonably be expected to have in line with section 193 of this Act;</p> <p>(c) the taxable profits to be attributed to the permanent establishment shall include income arising from the—</p> <p>(i) sale of goods or merchandise of the same or similar kind as those sold through that permanent establishment, made directly to Nigeria by the non-resident person or its connected persons, and</p> <p>(ii) furnishing of services or any other business activity carried on in Nigeria by the non-resident or its connected</p>	
--	---	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>those effected through the permanent establishment;</p> <p>(d) deduction shall not be made in respect of any cost except it was incurred for and in the production of the taxable profits attributable to the permanent establishment; and</p> <p>(e) deduction shall not be allowed in respect of amounts paid or payable, by the permanent establishment to the non-resident person or any of its connected persons, by way of royalties, fees or similar payments in return for the use of patents or other rights, other than towards reimbursement of actual expenses.</p> <p>(6) Where the total profits attributable to a permanent establishment or significant economic presence in Nigeria cannot be ascertained in accordance with subsection (5) of this section, the total profits shall be the amount resulting from applying the profit margin of the non-resident person to the total income generated from Nigeria.</p> <p>(7) Where the total profits attributable to the permanent establishment or significant economic</p>	<p>persons of the same or similar kind as those effected through the permanent establishment;</p> <p>(d) deduction shall not be made in respect of any cost except it was incurred for and in the production of the taxable profits attributable to the permanent establishment; and</p> <p>(e) deduction shall not be allowed in respect of amounts paid or payable, by the permanent establishment to the non-resident person or any of its connected persons, by way of royalties, fees or similar payments in return for the use of patents or other rights, other than towards reimbursement of actual expenses.</p> <p>(6) Where the total profits attributable to a permanent establishment or significant economic presence in Nigeria cannot be ascertained in accordance with subsection (5) of this section, the total profits shall be the amount resulting from applying the profit margin of the non-resident person to the total income generated from Nigeria.</p>	

		presence in Nigeria is lower than an amount resulting from applying the profit margin of the non-	(7) Where the total profits attributable to the permanent establishment or	
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>resident person to the total income generated from Nigeria, the total profits shall be the amount resulting from applying the profit margin of the nonresident person to the total income generated from Nigeria.</p> <p>(8) Notwithstanding the provisions of subsections (6) and (7) of this section, the tax payable under this section shall not be less than the tax withheld at source under the Nigeria Tax Administration Act, and where the income is not liable to a deduction of tax under the Nigeria Tax Administration Act, 4% of the total income generated from Nigeria.</p> <p>(9) For the purposes of this section— (a) a non-resident person is deemed to have a permanent establishment in Nigeria where the person—</p> <p>(i) has a place, in Nigeria, through which its business is wholly or partly carried on or at its disposal for the purposes of its business,</p> <p>(ii) operates a trade or business through a person in Nigeria authorised to conduct on its behalf, or on behalf of some other persons controlled by it, or which have a controlling interest in it,</p> <p>(iii) maintains a stock of goods or merchandise in Nigeria from which</p>	<p>significant economic presence in Nigeria is lower than an amount resulting from applying the profit margin of the non-resident person to the total income generated from Nigeria, the total profits shall be the amount resulting from applying the profit margin of the non-resident person to the total income generated from Nigeria.</p> <p>(8) Notwithstanding the provisions of subsections (6) and (7) of this section, the tax payable under this section shall not be less than the tax withheld at source under the Nigeria Tax Administration Act, and where the income is not liable to a deduction of tax under the Nigeria Tax Administration Act, 4% of the total income generated from Nigeria. (9) For the purposes of this section— (a) a non-resident person is deemed to have a permanent establishment in Nigeria where the person—</p> <p>(i) has a place, in Nigeria, through which its business is wholly or partly carried on or at its disposal for the purposes of its business,</p> <p>(ii) operates a trade or business through a person in Nigeria authorised to conduct on its behalf, or on behalf of</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>deliveries are made by a person on its behalf,</p> <p>(iv) solely or together with any other person, executes a project in Nigeria involving surveys, designs, deliveries, building, construction, assembly or installation, commissioning or decommissioning or any supervisory activity in connection with those activities, irrespective of any split or number of entities that performed any of the activities of the project and whether or not only part of the project was carried out in or outside Nigeria, or</p> <p>(v) furnishes any service in Nigeria through employees, agents, subcontractors or other persons engaged by it for such purpose;</p> <p>(b) a non-resident person shall, subject to any regulations that may be issued by the Minister to that effect, have a significant economic presence in Nigeria where the person transmits, emits or sends by itself or through other person, signals, sounds, messages, images or data of any kind by cable, radio, electromagnetic systems or any other electronic or wireless apparatus to Nigeria in respect of any activity, including electronic commerce, application store, high frequency trading, electronic data storage, online</p>	<p>some other persons controlled by it, or which have a controlling interest in it,</p> <p>(iii) maintains a stock of goods or merchandise in Nigeria from which deliveries are made by a person on its behalf,</p> <p>(iv) solely or together with any other person, executes a project in Nigeria involving surveys, designs, deliveries, building, construction, assembly or installation, commissioning or decommissioning or any supervisory activity in connection with those activities, irrespective of any split or number of entities that performed any of the activities of the project and whether or not only part of the project was carried out in or outside Nigeria, or</p> <p>(v) furnishes any service in Nigeria through employees, agents, subcontractors or other persons engaged by it for such purpose; (b) a non-resident person shall, subject to any regulations that may be issued by the Minister to that effect, have a significant economic presence in Nigeria where the person transmits, emits or sends by itself or through other person, signals, sounds, messages, images or data of any kind</p>	

			by cable, radio, electromagnetic systems or any other electronic or	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

		<p>adverts, participative network platform, online payments, supply of user-data, search engines, digital content services, online gaming, cloud computing, online teaching services, and so on, and profit can be attributable to such activity;</p> <p>(c) a non-resident person shall not be deemed to have a permanent establishment or significant economic presence in Nigeria solely by reason of employing persons resident in Nigeria, to the extent that the duties of such employment are not performed primarily for customers in Nigeria;</p> <p>(d) “a place” means any location in Nigeria, whether owned, rented, leased or otherwise available for the use of the person, irrespective of the length of time it is used and shall include— (i) a place of management,</p> <p>(ii) a branch,</p> <p>(iii) a sales outlet,</p> <p>(iv) an office,</p> <p>(v) a factory,</p> <p>(vi) a workshop,</p> <p>(vii) a mine, a well for crude oil, gas, bitumen, water or any other natural resource, a quarry or any other place of extraction or exploitation of natural resources, or any supervisory activity in connection thereto,</p>	<p>wireless apparatus to Nigeria in respect of any activity, including electronic commerce, application store, high frequency trading, electronic data storage, online adverts, participative network platform, online payments, supply of user-data, search engines, digital content services, online gaming, cloud computing, online teaching services, and so on, and profit can be attributable to such activity;</p> <p>(c) a non-resident person shall not be deemed to have a permanent establishment or significant economic presence in Nigeria solely by reason of employing persons resident in Nigeria, to the extent that the duties of such employment are not performed primarily for customers in Nigeria;</p> <p>(d) “a place” means any location in Nigeria, whether owned, rented, leased or otherwise available for the use of the person, irrespective of the length of time it is used and shall include—</p> <p>(i) a place of management,</p> <p>(ii) a branch,</p> <p>(iii) a sales outlet,</p> <p>(iv) an office,</p> <p>(v) a factory,</p> <p>(vi) a workshop,</p>	
--	--	---	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

		<p>(viii) facilities, including vessel, any installation or structure, used in the exploration of natural resources, or any supervisory activity in connection with such facilities,</p> <p>(ix) a building, construction, assembly or installation site, or</p> <p>(x) any place for performing supervisory activity or any service or activity; (e) “profit margin” of a person shall be the proportion of the earnings before interest and tax (“EBIT”) to income or revenue in its published audited financial statement, and in the case of persons that have no published financial statements for the period or are not required to publish financial statements, the profit margin as may be ascertained by the relevant tax authority from the published financial statements of a comparable company.</p>	<p>(vii) a mine, a well for crude oil, gas, bitumen, water or any other natural resource, a quarry or any other place of extraction or exploitation of natural resources, or any supervisory activity in connection thereto,</p> <p>(viii) facilities, including vessel, any installation or structure, used in the exploration of natural resources, or any supervisory activity in connection with such facilities,</p> <p>(ix) a building, construction, assembly or installation site, or</p> <p>(x) any place for performing supervisory activity or any service or activity;</p> <p>(e) “profit margin” of a person shall be the proportion of the earnings before interest and tax (“EBIT”) to income or revenue in its published audited financial statement, and in the case of persons that have no published financial statements for the period or are not required to publish financial statements, the profit margin as may be ascertained by the relevant tax authority from the published financial statements of a comparable company.</p>	
Sshipping/air transport	<p>Section 14</p> <p>(1) Where a company other than a Nigerian company carries on the business of transport by sea or air, and any ship or</p>	<p>Section 18 – Non-resident person engaged in shipping or air transport (1) Where a non-resident person carries on the business of transport by sea or air,</p>	<p>Section 18 – Non-resident person engaged in shipping or air transport (1) Where a non-resident person carries on the business of transport by</p>	Similar with only slight amendments to the effect that:

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>aircraft owned or chartered by it calls at any port or airport in Nigeria, its profits or loss to be deemed to be derived from Nigeria shall be the full profits or loss arising from the carriage of passengers, mails, livestock or goods shipped, or loaded into an aircraft, in Nigeria:</p> <p>Provided that this subsection shall not apply to passengers, mails, livestock or goods which are brought to Nigeria solely for trans-shipment or for transfer from one aircraft to another or in either direction between an aircraft and a ship.</p> <p>(2) For the purposes of the preceding subsection, where the Service is satisfied that the taxation authority of any other country computes and assesses on a basis not materially different from that prescribed by this Act the profits of a company which operates ships or aircraft, and that authority certifies-</p> <p>(a) the ratio of profits or loss, before any allowance by way of depreciation, of an accounting period to the total sums receivable in respect of the carriage of passengers, mails, livestock or goods; and</p> <p>(b) the ratio of allowances by way of depreciation for that period to that same total, then the full profits or loss of that period shall be taken to be that proportion of the</p>	<p>and any ship or aircraft owned, leased or chartered by it calls at any port in Nigeria, the non-resident person is chargeable to tax on the profits arising from the carriage of passengers, mails, livestock or goods shipped from, or loaded into an aircraft or ship, in Nigeria.</p> <p>(2) The provisions of subsection (1) of this section shall not apply to passengers, mails, livestock or goods which are brought into Nigeria solely for trans-shipment or for transfer from one aircraft to another or between an aircraft and a ship.</p> <p>(3) For the purposes of subsection (1) of this section, where the Service is satisfied that the tax authority of the country of residence of a non-resident person computes and assesses the profits of its resident that operates ships or aircraft to Nigeria on a basis not materially different from that prescribed in this Act, the total profits or loss derived from Nigeria for that period shall be determined, using—</p> <p>(a) the ratio of profits or loss of the company, before any allowance by way of depreciation, of an accounting period to the gross revenue in respect of carriage of passengers, mails, livestock or goods (global adjusted profit ratio); and</p>	<p>sea or air, and any ship or aircraft owned, leased or chartered by it calls at any port in Nigeria, the non-resident person is chargeable to tax on the profits arising from the carriage of passengers, mails, livestock or goods shipped from, or loaded into an aircraft or ship, in Nigeria.</p> <p>(2) The provisions of subsection (1) of this section shall not apply to passengers, mails, livestock or goods which are brought into Nigeria solely for trans-shipment or for transfer from one aircraft to another or between an aircraft and a ship.</p> <p>(3) For the purposes of subsection (1) of this section, where the Service is satisfied that the tax authority of the country of residence of a non-resident person computes and assesses the profits of its resident that operates ships or aircraft to Nigeria on a basis not materially different from that prescribed in this Act, the total profits or loss derived from Nigeria for that period shall be determined, using— (a) the ratio of profits or loss of the company, before any allowance by way of depreciation, of an accounting period to the gross revenue in respect of carriage of passengers, mails,</p>	<p>- the minimum tax of 2% of gross revenue is now to be computed, assessed and paid on a monthly basis. - Where tax returns filed by an NRC does not include a separate FS of the Nigerian operations, such NRC shall submit, in addition to certified detailed gross revenue statements of the local operations, contract agreements between the customers and the NRC.</p> <p>- An NRC must provide evidence of tax declaration and payment in respect of the intended carriage or shipment, as an additional condition to carry on business in Nigeria or obtain any relevant approvals or permits.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>total sums receivable in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria which is produced by applying the first mentioned ratio to that total, and in place of any allowances to be given under the provisions of the Second Schedule there shall be allowed the amount produced by applying the second-mentioned ratio to that same total.</p> <p>(3) Where at the time of assessment, the provisions of subsection (2) of this section cannot for any reason be satisfactorily applied, the profits to be deemed to be derived from Nigeria may be computed on a fair percentage on the full sum receivable in respect of the carriage of passengers, mails, livestock and goods shipped or loaded in Nigeria:</p> <p>Provided that where any company has been assessed for any year by reference to such percentage, it shall be entitled to claim at any time within six years after the end of such year that its liability for that year be recomputed on the basis provided by sub section (2) of this section; and where such claim has been made and a certificate has been produced to the satisfaction of the Service as provided in that subsection, such repayment of tax shall be made as may be necessary to give effect to this</p>	<p>(b) ratio of allowances by way of depreciation for that period to the gross revenue by the company in respect of carriage of passengers, mails, livestock or goods (global depreciation ratio).</p> <p>(4) For the purposes of subsection (3) of this section, the total profits of a period shall be taken to be the proportion to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria, which is determined by applying the—</p> <p>(a) global adjusted profit ratio to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria to arrive at the assessable profits; and</p> <p>(b) global depreciation ratio to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria, in place of any allowances to be given under the provisions of part I of the First Schedule.</p> <p>(5) Where at the time of assessment, the provisions of subsection (3) and (4) of this section cannot for any reason be satisfactorily applied, the total profits shall be—</p> <p>(a) the amount resulting from multiplying the turnover generated from Nigeria by the profit margin as defined under section 17(9)(e) of this Act; or</p>	<p>livestock or goods (global adjusted profit ratio); and</p> <p>(b) ratio of allowances by way of depreciation for that period to the gross revenue by the company in respect of carriage of passengers, mails, livestock or goods (global depreciation ratio).</p> <p>(4) For the purposes of subsection (3) of this section, the total profits of a period shall be taken to be the proportion to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria, which is determined by applying the—</p> <p>(a) global adjusted profit ratio to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria to arrive at the assessable profits; and</p> <p>(b) global depreciation ratio to the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped or loaded in Nigeria, in place of any allowances to be given under the provisions of part I of the First Schedule.</p> <p>(5) Where at the time of assessment, the provisions of subsection (3) and (4) of this section cannot for any reason be</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>proviso, save that, if the company fails to agree with the Service as to the amount of the tax to be so re-computed and repaid, the Service shall give notice to the company of refusal to admit the claim and the provisions of this Act with respect to objections and appeals shall apply accordingly with any necessary modifications.</p> <p>(4) For the purposes of this section, the tax payable by any company for any year of assessment shall not be less than two percent of the full sum receivable in respect of the carriage of passengers, mails, livestock or goods shipped or loaded into an aircraft in Nigeria.</p> <p>(4A) Notwithstanding the provisions of any other section of this Act, where any company files tax returns under the provisions of subsection (3) of this section and does not provide a separate financial statement of the Nigerian operations, for the purpose of filing its tax returns, such company shall submit detailed gross revenue statements of its Nigerian operations, showing the amount of full sums earned during the period, certified by one of the company's directors as well as their company's external auditor and supported with all invoices issued to the relevant customers.</p>	<p>(b) the profits deemed to be derived from Nigeria, which, on the direction of the Service, shall be computed on a fair percentage of the gross revenue in respect of the carriage of passengers, mails, livestock and goods shipped from or loaded in Nigeria.</p> <p>(6) For the purposes of this section, the tax payable by a person for any year of assessment shall not be less than 2% of the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped from, or loaded into an aircraft in Nigeria, which shall be computed, assessed and paid on monthly basis.</p> <p>(7) Notwithstanding any other provision of this Act, where a person to which this section applies files a tax return and does not provide a separate financial statement of the Nigerian operations, such person shall submit detailed gross revenue statements of its Nigerian operations, certified by one of its directors and its external auditors, and supported with the contract agreements.</p> <p>(8) The provisions of this section shall not apply to income or profits arising from leasing of vessels or containers, non-freight operations or any other incidental income, such income or</p>	<p>satisfactorily applied, the total profits shall be—</p> <p>(a) the amount resulting from multiplying the turnover generated from Nigeria by the profit margin as defined under section 17(9)(e) of this Act; or</p> <p>(b) the profits deemed to be derived from Nigeria, which, on the direction of the Service, shall be computed on a fair percentage of the gross revenue in respect of the carriage of passengers, mails, livestock and goods shipped from or loaded in Nigeria.</p> <p>(6) For the purposes of this section, the tax payable by a person for any year of assessment shall not be less than 2% of the gross revenue in respect of the carriage of passengers, mails, livestock or goods shipped from, or loaded into an aircraft in Nigeria, which shall be computed, assessed and paid on monthly basis.</p> <p>(7) Notwithstanding any other provision of this Act, where a person to which this section applies files a tax return and does not provide a separate financial statement of the Nigerian operations, such person shall submit detailed gross revenue statements of its Nigerian operations, certified by one of its directors and its external</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(5) The provisions of this section do not apply to income from leasing, containers, non-freight operations or any other incidental income liable to tax under section 9 of this Act.</p> <p>(6) Regulatory agencies in the shipping and air transport and other relevant sectors shall mandate all companies taxable under the provisions of subsection (1) of this section to present the following-</p> <p>(a) Evidence of income tax filing for the preceding year; and</p> <p>(b) Tax Clearance Certificate, showing income taxes paid for the three preceding tax years, in order to continue to carry on business in Nigeria or obtain any relevant approvals and permit.</p>	<p>profits are chargeable to tax under relevant provisions of this Act.</p> <p>(9) Regulatory agencies in the shipping and air transport, and other relevant sectors shall mandate all persons taxable under the provisions of this section to, as a condition to carry on business in Nigeria or obtain any relevant approvals or permits, present the following— (a) evidence of income tax filing for the preceding tax year;</p> <p>(b) Tax Clearance Certificates, showing income taxes paid for the three preceding tax years; or</p> <p>(c) evidence of tax declaration and payment in respect of the intended carriage or shipment.</p>	<p>auditors, and supported with the contract agreements.</p> <p>(8) The provisions of this section shall not apply to income or profits arising from leasing of vessels or containers, non-freight operations or any other incidental income, such income or profits are chargeable to tax under relevant provisions of this Act.</p> <p>(9) Regulatory agencies in the shipping and air transport, and other relevant sectors shall mandate all persons taxable under the provisions of this section to, as a condition to carry on business in Nigeria or obtain any relevant approvals or permits, present the following—</p> <p>(a) evidence of income tax filing for the preceding tax year;</p> <p>(b) evidence of tax declaration and payment in respect of the intended carriage or shipment.</p>	
<p>Dividend Received by NRP</p>	<p>N/A</p>	<p>Section 19 – Nigerian dividends received by Non-Resident persons</p> <p>(1) There shall be no further tax charged in respect of any dividend received by a non-resident from a Nigerian company other than tax deducted at source under the Nigeria Tax Administration Act;</p>	<p>Retained</p>	

		(2) Nothing in this Act shall confer on the non-resident or the Nigerian company paying the dividend, a right to		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		repayment of tax paid under section 50 of the Nigeria Tax Administration Act.		
Allowed Deductions	<p>Section 24 – Deductions Allowed Save where the provisions of subsection (2) or (3) of section 14 or 16 of this Act apply, for the purpose of ascertaining the profits or loss of any company of any period from any source chargeable with tax under this Act, there shall be deducted all expenses for that period by that company wholly, exclusively, necessarily and reasonably incurred in the production of those profits chargeable to tax including, but without otherwise expanding or limiting the generality of the foregoing-</p> <p>(a) subject to the provisions of the Seventh Schedule to this Act, any sum payable by way of interest on debt borrowed and employed as capital in acquiring the profits of a company; (b) rent for that period, and premiums, the liability for which was incurred during that period, in respect of land or building occupied for the purposes of acquiring the profits, subject, in the case of residential accommodation occupied by employees of the company, to a maximum of 100% of the basic salary of employees;</p> <p>(d) any outlay or expenses incurred during the year in respect of-</p> <p>(i) salary,</p>	<p>Section 20 – Deductions Allowed (1) Except where the provisions of section 18 of this Act or part XI of chapter two apply, for the purposes of ascertaining the profits or loss from any trade, business, profession or vocation under this Act, there shall be deducted all expenses for that period wholly and exclusively incurred in the production of the income, including—</p> <p>(a) any sum payable by way of interest on debt employed in generating the income of the trade, business, profession or vocation, subject to the provisions of the Third Schedule to this Act;</p> <p>(b) rent and premiums, incurred during that period, in respect of land or building occupied for the purposes of generating the income;</p> <p>(c) any outlay or expenses incurred in respect of—</p> <p>(i) salary, wages or other remuneration paid to employees, and</p> <p>(ii) cost to the company of any benefit or allowance provided to its employees; (d) any expense incurred for repair of premises, plant, machinery or fixtures employed in acquiring the</p>	Retained	<p>New rules for deduction of expenses <i>'WREN Test' Scrapped</i> – expenses no longer need to satisfy the subjective tests of 'reasonability' and 'necessity' to qualify for deduction.</p> <p><i>Deductibility of Rent</i> – no more restriction on the amount deductible in respect of residential accommodation occupied by employees of the company.</p> <p><i>Employee Cost</i> – requirement for approval of remuneration by the Federal Ministry of labour expunged. Expenses incurred in respect of salary, benefits or allowances of all employees regardless of cadre are now deductible.</p> <p><i>Pre-commencement Expenses</i> – expenses incurred within 6 years prior to commencement of business which would have</p>

		income, or for the renewals, repair or alteration of any		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>wages or other remuneration paid to the senior staff and executives; (ii) cost to the company of any benefit or allowance provided for the senior staff and executives, which shall not exceed the limit of the amount prescribed by the collective agreement between the company and the employees and approved by the Federal Ministry responsible for labour matters, as the case may be;</p> <p>(e) any expenses incurred for repair of premises, plant, machinery or fixtures employed in acquiring the profits, or for the renewals, repair or alteration of any implement, utensil or articles so employed;</p> <p>(f) bad debts incurred in the course of a trade or business proved to have become bad during the period for which the profits are being ascertained, and doubtful debts to the extent that they are respectively estimated to the satisfaction of the Service to have become bad during the said period notwithstanding that such bad or doubtful debts were due and payable before the commencement of the said period: Provided that:</p> <p>(i) where in any period a deduction under this paragraph is to be made as respects any particular debt, and a deduction has in any previous period been allowed</p>	<p>implement, utensil or articles so employed;</p> <p>(e) any amount of expenditure incurred for establishing, preserving or defending title to or rights over an asset</p> <p>(f) any contribution to any staff pension, provident or other retirement benefits fund, society or scheme approved under the Pensions Reform Act or any similar enactment in Nigeria;</p> <p>(g) any expense proven to the satisfaction of the relevant tax authority to have been incurred, being damage to, or loss of stock or inventory of the trade, business, profession or vocation;</p> <p>(h) bad or doubtful debts incurred during a trade or business, notwithstanding that the debts were due and payable before the commencement of the basis period, being—</p> <p>(i) debts becoming bad during the said basis period other than bad debt incurred in respect of transaction with a related party,</p> <p>(ii) doubtful debts estimated in accordance with generally acceptable accounting principles and to the extent that it is proven, to the satisfaction of the relevant tax authority, that the debts in respect of which a deduction is claimed were incurred during the company's</p>		<p>been otherwise deductible will be deemed to have been incurred on the first day of commencement.</p> <p><i>Bad Debt</i> – Restriction on deductibility of bad debt incurred in respect of related party transactions.</p> <p><i>R & D Expenses</i> – expenses incurred by the company on research and development for the period are now deductible. The deduction allowed is a maximum of 5% of the company's turnover for the year, compared to the previous maximum of 10% of total profits of the company.</p> <p>No more 20% investment tax credit granted to companies engaged in commercial R&D activities.</p> <p><i>Waiver of Liability</i> – all waived or forgiven liabilities (e.g. loans) are to be included in assessable profits or chargeable gains of the company. This updates the provisions of Section 28 of CITA which</p>
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>either under the Companies Income Tax Act 1961 or this Act in respect of the same debt, the appropriate reduction shall be made in the deduction to be made for the period in question;</p> <p>(ii) all sums recovered during the said period on account of amounts previously written off or allowed either under the Companies Income Tax Act 1961 or this Act in respect of bad or doubtful debts shall for the purposes of this Act be deemed to be profits of the trade or business of that period;</p> <p>(iii) it is proved to the satisfaction of the Service that the debts in respect of which a deduction is claimed either were included as a receipt of the trade or business in the profits of the year within which they were incurred, or were advances not falling within the provisions of the trade or business in the profits of the year within which they were incurred, or were advances not falling within the provisions of paragraph (e) of section 23 (l) of this Act made in the course of normal trading or business operations;</p> <p>(g) any contribution to a pension, provident or other retirement benefits fund, society or scheme approved by the Joint Tax Board under the powers</p>	<p>business operations that produced the assessable profits,</p> <p>(i) any expense incurred by the trade, business, profession or vocation on research and development for the period;</p> <p>(j) any other expense incurred during any previous period for the purpose of such trade or business, or specifically for the period which the profits are being ascertained, provided that any expenditure incurred within six years prior to commencement of business which would have been deductible if incurred after commencement of business, shall be deemed to have been incurred on the first day of commencing the trade or business;</p> <p>(k) dividends or mandatory distributions made by a real estate investment company duly approved by the Securities and Exchange Commission, to its shareholders; or</p> <p>(l) compensating payments made by a lender to its approved agent or a borrower in a Regulated Securities Lending Transaction, which qualify as interest under section 4(6)(a)(ii) of this Act.</p> <p>(2) Notwithstanding the provision of subsection (1)(f) of this section, in</p>		<p>provides guidance only on the treatment of waived expenses which have been previously allowed. By this update, principal loan amount forgiven, and not just the interest thereon, is to be added back to the company's profits/gains. FX Expenses – any FX expenses may only be deducted in Naira at the official exchange rate published by CBN for the relevant period</p>

	conferred upon it by paragraph (g) of section 85 of the Personal Income Tax			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Act, subject to the provisions of the Fourth Schedule to the Act and to any conditions imposed by that Board; and any contribution other than a penalty made under the provisions of any enactment establishing a national provident fund or other retirement benefits scheme for employees throughout Nigeria;</p> <p>(h) in the case of the Nigerian Railway Corporation such deductions as are allowed under the provisions of the Authorised Deductions (Nigerian Railway Corporation) Rules, which Rules shall continue in force for all purposes of this Act;</p> <p>(i) in the case of profits from a trade or business, any expenses or part thereof-</p> <p>(i) the liability for which was incurred during that period wholly, exclusively, necessarily and reasonably for the purposes of such trade or business and which is not specifically referable to any other period or periods; or</p> <p>(ii) the liability for which was incurred during any previous period wholly, exclusively, necessarily and reasonably for the purpose of such trade or business and which is specifically referable to the period of which the profits are being ascertained; and</p>	<p>determining bad or doubtful debts deductible—</p> <p>(a) appropriate reduction shall be made in respect of any amount that had been allowed for deduction in any previous period in respect of the same debt, and</p> <p>(b) all sums recovered on account of sums previously written off or allowed for deduction in respect of bad or doubtful debts shall be added to the profits of the trade, business, profession or vocation in the period of recovery.</p> <p>(3) Liability waived, released or recovered shall be included in the assessable profits or chargeable gains in accordance with section 194 of this Act.</p> <p>(4) Notwithstanding anything to the contrary contained in any law, an expense incurred in a currency other than the naira may only be deducted to the extent of its naira equivalent at the official exchange rate published by the Central Bank of Nigeria for the relevant date or period.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(iii) the expenses proved to the satisfaction of the Service to have been incurred by the company on research and development for the period including the amount of levy paid by it to the National Science and Technology Fund which is not deductible under any other provision of this section;</p> <p>(j) such other deduction as may be prescribed by the Minister by any rule.</p> <p>(k) dividends or mandatory distributions made by a real estate investment company duly approved by the Securities and Exchange Commission, to its shareholders; and</p> <p>(l) compensating payments, which qualify as interest under section 9(1)(c) of this Act, made by a lender to its approved agent or a borrower in a Regulated Securities Lending Transaction.</p>			

Disallowed Deductions	Section 27 – Deductions not allowed Notwithstanding any other provision of this Act, no deduction shall be allowed for the purpose of ascertaining the profits of any company in respect of- (a) capital repaid or withdrawn and any expenditure of a capital nature; (b) any sum recoverable under an insurance or contract of indemnity; (c) taxes on income or profits levied in Nigeria or elsewhere, other than tax levied outside Nigeria on profits which	Section 21 – Deductions not allowed A deduction shall not be allowed for the purposes of ascertaining the profits or income from any trade, business, profession or vocation in respect of— (b) any expenditure of a capital nature; (c) domestic or private expense, or expenditure on assets not used for the purpose of trade, business, profession or vocation; (d) any sum recoverable under an insurance or contract of indemnity;	Retained	Additional disallowed deductions include: - unrealised exchange difference on any item denominated in foreign currency. - penalty or fine imposed by any law, and not only restricted to those imposed under a law
------------------------------	--	--	-----------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>are also chargeable to tax in Nigeria where relief for the double taxation of those profits may not be given under any other provision of this Act;</p> <p>(d) any payment to a savings, widows and orphans, pension, provident or other retirement benefit fund, society or scheme except as permitted by paragraph (g) of section 24 of this Act; (e) the depreciation of any asset; (f) any sum reserved out of profits, except as permitted by paragraph (f) of section 24 or 25 of this Act or as may be estimated to the satisfaction of the Service, pending the determination of the amount, to represent the amount of any expense deductible under the provisions of that section, the liability for which was irrevocably incurred during the period for which the income is being ascertained;</p> <p>(g) any expense whatsoever incurred within or outside Nigeria involving related parties as defined under the Transfer Pricing Regulations, except to the extent that it is consistent with the Transfer Pricing Regulations;</p> <p>(h) any expense incurred in deriving tax exempt income, losses of a capital nature and any expense allowable as a deduction under the Capital Gains Tax Act for the purpose of determining chargeable gains.</p>	<p>(e) taxes on profit or incomes levied in Nigeria or elsewhere except in the case of a foreign income or profit on which there is no relief for double taxation</p> <p>(f) any payment to a savings, widows and orphans, pension, provident or other retirement benefit fund, society or scheme not approved under the Pensions Reform Act or any similar enactment in Nigeria;</p> <p>(g) depreciation or impairment of any fixed asset, investment or an unrealised exchange difference on any item denominated in foreign currency;</p> <p>(h) any sum reserved out of profits subject to the provisions of section 20(j) of this Act;</p> <p>(i) any payment to a connected person that is not consistent with the Transfer Pricing Regulations issued by the Service;</p> <p>(j) any expense incurred in deriving an income that is exempt from income tax;</p> <p>(k) any expense allowable as a deduction in determining chargeable gains under this Act;</p> <p>(l) penalty or fine imposed under any law;</p> <p>(m) any tax or penalty borne on behalf of another person;</p> <p>(n) any compensating payment made by a borrower, which qualifies as dividends under this Act, to its approved agent or</p>		<p>enacted by NASS or SHA.</p> <ul style="list-style-type: none"> - contributions to unapproved savings fund or scheme. - expense on which VAT or import duty/levy is due but was not charged
--	---	---	--	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(i) any compensating payment made by a borrower, which qualifies as dividends under section 9(1)(c) of this Act, to its approved agent or to a Lender in a Regulated Securities Exchange Transaction.</p> <p>(j) any compensating payment made by an approved agent, which qualifies as interest or dividends under section 9(1)(c) of this Act, to a borrower or lender in a Regulated Securities Exchange Transaction;</p> <p>(k) penalty or fine imposed pursuant to a legislation enacted by the National Assembly or State House of Assembly; and</p> <p>(l) any tax or penalty borne by a company on behalf of another person.</p>	<p>to a lender in a Regulated Securities Lending Transaction;</p> <p>(o) any compensating payment made by an approved agent, which qualifies as interest or dividends under this Act, to a borrower or lender in a Regulated Securities Lending Transaction; or</p> <p>(p) any expense on which Value Added Tax is due under this Act but was not charged, or in the case of imported items, any expense on which the applicable import duty or levy was not paid.</p>		

Assessable profits	Section 29 – Basis for computing assessable profits Subsection (1) Save as provided in this section, the profits of any company for each year of assessment from such source of its profits (hereinafter referred to as “the assessable profits”) shall be the profits of the accounting period immediately preceding the year of assessment from each such source: Provided that in respect of any company which makes up its accounts to any date	Section 22 – Basis for computing assessable profits for trade or business (1) Except as provided in this section, the profits of any trade, business, profession or vocation for each year of assessment (the assessable profits) shall be the profits of the accounting period immediately preceding the year of assessment from all sources. (2) Notwithstanding the provisions of subsection (1) of this section, the assessable profits of the first year of assessment for a new business, shall be the profits from the date in which such	Retained	Simplified provision for determining assessable profits of a business, being profits from the date of commencement to the end of the first accounting period, for the first year.
---------------------------	--	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
	between 1 January and 31 March, 1980, the profits to be assessed to tax- (a) in 1980 year of assessment, shall be the profits of the period from the beginning of the accounting year to 31 December, 1979; and (b) in 1981 year of assessment, shall be the profits for 1 January to the end of the company's accounting year in 1980.	trade, business, profession or vocation commences in Nigeria to the end of the first accounting period.		

<p>Change in Accounting Date</p>	<p>Section 29 – Basis for computing assessable profits Subsections (2) & (3) (2) When the Service is satisfied that a company has made or intends to make up accounts of its trade or business to someday other than the 31st day of December, it may direct that the assembled profits of that company shall be computed on the amount of the profits of the year ending on that day in the year preceding the year of assessment: Provided that where the assessable profits of a company have been computed by reference to accounts made up to a certain day, and such company fails to make up an account to the corresponding day in the year following the assessable profits of that company for the year of assessment in which such failure occurs and for two years of assessment next following shall be</p>	<p>Section 23 – Change in Accounting Date (1) Where a taxable person changes the date to which it usually computes its assessable profits, the basis period for the computation of the assessable profits for the relevant year of assessment shall be the period commencing from the first day after the basis period of the immediately preceding year of assessment up to the new date on which the account was made, and the assessable profits of subsequent years of assessments shall be computed on the basis of the new accounting period. (2) Where there is a change in the accounting date under subsection (1) of this section, the taxable person shall notify the relevant tax authority not later than 30 days before the usual due date of filing its income tax returns.</p>	<p>Retained</p>	<p>New simplified rules for determining basis period where a company changes its accounting date. Tax authorities to be notified of a change in accounting date at least 30 days before the usual (previous) due date of filing income tax returns.</p>
---	---	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>computed on such basis as the Service in its discretion may decide.</p> <p>(3) The assessable profits of any company from any trade or business (or in the case of a company other than a Nigerian company) for its first year of assessment and the two following years of assessment (which years are in this subsection respectively referred to as "the first year", "the second year" and "the third year") shall be ascertained in accordance with the following provisions:</p> <p>(a) for the first year, the assessable profits shall be the profits from the date in which it commenced to carry on such trade or business in Nigeria to the end of its first accounting period ;</p> <p>(b) for the second year, the assessable profits shall be the profits from the first day after its first accounting period to the end of its second accounting period; and</p> <p>(c) for the third year and for each subsequent year, the assessable profits shall be the profits from the day after the accounting period just ended.</p>			

Cessation of Business	Section 29 – Basis for computing assessable profits Subsections (4) & (7) (4) Where a company permanently ceases to carry on a trade or business (or in the case of a company other than a Nigerian company, permanently ceases	Section 24 – Cessation of Trade or Business (1) Where a trade, business, profession or vocation permanently ceases to carry on operations in Nigeria in an accounting period, the assessable profits for the relevant year of assessment shall be the	Retained	Similar provisions, but updated with a requirement to disclose to the tax authority, any postcessation funds paid or received within one month of the payment or receipt.
------------------------------	---	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
-------------	-----------------------------------	--------------------------------------	------------------------------------	---------------------------------

	<p>to carry on a trade or business in Nigeria) in an accounting period, its assessable profits therefrom shall be the amount of profits from the beginning of the accounting period to the date of cessation and the tax thereof shall be payable within six months from the date of cessation.</p> <p>(7) Where, after the date on which a company has permanently ceased to carry on a trade or business (as determined for the purposes of subsection (4) of this section), the company, its receivers or liquidators, receive or pay any sum which would have been included in or deducted from the profits of that trade or business if it had been received or paid prior to that date, such sum shall be deemed for all purposes of this Act to have been received or paid by the company on the last day before such cessation occurred.</p> <p>Certain partnership</p>	<p>amount of the profits from the beginning of the accounting period to the date of cessation and the tax shall be payable within six months from the date of cessation.</p> <p>(2) Where, after the date of cessation, the trade, business, profession or vocation, or its receivers or liquidators, receive or pay any sum which ought to have been included in or deducted from the profits of that trade or business if it had been received or paid prior to that date, such sum shall be deemed for the purposes of this Act to have been received or paid by the trade, business, profession or vocation on the last day before such cessation occurred and such sums shall be disclosed to the relevant tax authority within one month of the receipt or payment.</p> <p>(3) Where the provisions of subsection (2) of this section apply, any additional assessment or claim for reduction of assessment or repayment of tax shall be made as may be necessary to give effect to the provisions, provided that the provisions of the Nigeria Tax Administration Act relating to objections and appeals shall apply to the additional assessment or claim of reduction of assessment or repayment of tax under this subsection.</p>		
--	---	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		(4) In the case of a deceased individual, where the personal representative after death, receives or pays any sum which would have been included in or deducted from the gains or profits from the trade, business, profession or vocation carried on prior to death, that sum shall be deemed for all purposes of this Act to have been received or paid by the deceased, on the last day prior to the death.		
Trade Continuity	Section 25 PITA – Continuity of Trades, etc. An individual carrying on a trade, business, profession or vocation, shall not be treated as having commenced or ceased so to do solely by reason of a change in the territory in which he is deemed to be resident from one year to another, or by reason of his becoming or ceasing to be a partner in a partnership if the nature of the trade carried on by that partnership is the same as that carried on by him before or after he became or ceased to be a partner therein, as the case may be.	Section 25 – Continuity of Trades, etc. An individual carrying on a trade, business, profession or vocation, shall not be treated as having commenced or ceased to do so solely by reason of a change in the territory in which the individual is resident from one year to another, or by reason of becoming or ceasing to be a partner in a partnership if the nature of the trade carried on by that partnership is the same as that carried on before or after the individual became or ceased to be a partner.	Retained	Same provisions.

Determination of income from all sources	Section 26 PITA – Employment and Pensions (1) With respect to income from an employment or pension which is derived, or deemed to be derived, from Nigeria, the assessable income of an individual	Section 26 – Basis for computing assessable income (1) With respect to income from an employment or pension, the assessable income of an individual shall be the	Retained	New rules for determining an individual’s various sources of income, not limited only to employment income.
---	--	--	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
-------------	-----------------------------------	--------------------------------------	------------------------------------	---------------------------------

	<p>shall be the amount of the income of the year of assessment.</p> <p>(2) For the purpose of subsection (1) of this section, income from an employment shall be deemed to arise from day to day except to the extent that it is derived from any bonus, commission or allowance payable on one occasion only or at intervals exceeding one month, and to that extent it shall be deemed to be income—</p> <p>(a) of the day on which it is paid; or</p> <p>(b) if it is paid after the cessation of the employment, of the last day of the employment including any terminal leave arising therefrom.</p> <p>Section 27 – Trust and estates</p> <p>Notwithstanding the foregoing provisions of this Part of this Act, the assessable income of a trustee, or of an executor of the estate of a deceased individual, or of a beneficiary of a trust or estate for any year of assessment shall be the income of that person as determined under the provisions of the Second Schedule to this Act of the year preceding that year</p>	<p>amount of the income of the year of assessment.</p> <p>(2) For the purpose of subsection (1) of this section, income from an employment shall be deemed to arise from day to day except to the extent that it is derived from any bonus, commission or allowance payable on one occasion only or at intervals exceeding one month, and to that extent it shall be deemed to be income—</p> <p>(a) of the day on which it is paid; or</p> <p>(b) where it is paid after the cessation of the employment, of the last day of the employment including any terminal benefit arising therefrom.</p> <p>(3) With respect to disposal of a chargeable asset, the assessable income of an individual shall be the amount of the chargeable gains accruing from assets disposed during the year immediately preceding the year of assessment, except for chargeable gains accruing from the disposal of chargeable assets used in the individual’s trade, business, profession or vocation, which shall be those disposed during the year immediately preceding the year of assessment.</p> <p>(4) Notwithstanding the foregoing provisions of this section, the assessable income of a trustee, or of an executor of</p>		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		the estate of a deceased individual, or of a beneficiary of a trust or estate for any year of assessment shall be the income of that person for the year preceding that year of assessment as determined under the provisions of the Fifth Schedule to this Act.		
Total profits	<p>Section 31 – Total Profits from all sources (1) The total profits of any company for any year of assessment, shall be the amount of its total assessable profits from all sources for that year together with any additions thereto to be made in accordance with the provisions of the Second Schedule to this Act, less any deductions to be made or allowed in accordance with the provisions of this section, section 32 and of the said Schedule. (1A) The deduction to be allowed in accordance with the provisions of the Second Schedule, referred to in subsection (1) of this Section, shall be the amount relating to the qualifying capital expenditure incurred in generating the assessable profits. (1B) Where the qualifying capital expenditure is in relation to an asset that is only partially utilized in generating the taxable income such qualifying capital expenditure shall be pro-rated and only the portion relating to the taxable income</p>	<p>Section 27 – Ascertainment of total profits of companies (1) The total profits of a company for any year of assessment, shall be the amount of its total assessable profits from all sources, including chargeable gains computed in accordance with part VIII of chapter two, less the amount of any loss ascertained in accordance with subsection (6) of this section, and capital allowance in accordance with the provisions of part I of the First Schedule to this Act. (2) The capital allowance to be deducted in accordance with the provisions of part I of the First Schedule shall be the amount relating to the qualifying capital expenditure incurred in generating the assessable profits, provided that where Value Added Tax is due under this Act but not charged on an asset, or in the case of an imported item, where the applicable import duty or levy was not paid, the relevant expenditure</p>	<p>Section 27 – Ascertainment of total profits of companies (1) The total profits of a company for any year of assessment, shall be the amount of its total assessable profits from all sources, including chargeable gains computed in accordance with part VIII of chapter two, less the amount of any loss ascertained in accordance with subsection (6) of this section, and capital allowance in accordance with the provisions of part I of the First Schedule to this Act. (2) The capital allowance to be deducted in accordance with the provisions of part I of the First Schedule shall be the amount relating to the qualifying capital expenditure incurred in generating the assessable profits, provided that– (a) in the case of companies in the priority sector, a certificate of acceptance issued by the Industrial</p>	<p>New rules introduced in determining a company's total profits. Capital allowance is the amount that relates to the QCE wholly or partly incurred in generating assessable profits, provided that VAT / import duty/levy due on the asset has been paid. Stiffer provision on capital allowance proration. Where the non-taxable income constitutes less than 10% (formerly 20%) of the total income of the company, no proration is required. That is, a company can claim its total capital allowance where at least 90% of its income is taxable.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>shall be allowable as a deduction. Provided that the provisions of this subsection shall apply only where the proportion of non-taxable income constitutes greater than 20% of the total income of the company.</p> <p>(1C) For the purposes of this Section and the Second Schedule to this Act, the capital allowance for any assessment year in which a company is considered as a small company or a medium company shall be computed in accordance to the provisions of the Second Schedule, and the amount so computed together with any unabsorbed allowances brought forward from previous years shall be deemed to have been made and consumed by such company in each such year of assessment and the residue carried forward into subsequent years.</p> <p>(1D) The provisions of subsection (1 A) – (1 C) of this section shall not apply to a company that enjoys pioneer status under the Industrial Development (Income Tax Relief) Act”</p> <p>(a) the amount of a loss which the Service is, satisfied has been incurred by the company in any trade or business during any preceding year of assessment: Provided that-</p> <p>(i) in no circumstances shall the aggregate deduction from assessable profits or</p>	<p>shall not be eligible as a qualifying capital expenditure.</p> <p>(3) Where the qualifying capital expenditure is in relation to an asset that is only partly utilised in generating the assessable profits, the capital allowance on such qualifying capital expenditure shall be prorated and only the portion relating to the taxable income shall be allowed as a deduction.</p> <p>(4) The capital allowance computed shall not be prorated where the nontaxable income constitutes less than 10% of the total income of the company.</p> <p>(5) Notwithstanding the provisions of subsection (4), the portion of capital allowance attributable to priority activities of a company that enjoys economic development incentive under this Act shall be deducted only from the assessable profits of the priority business.</p> <p>(6) The amount of loss deductible under subsection (1) of this section shall be subject to the following conditions –</p> <p>(a) in no circumstances shall the aggregate loss deductions from the assessable profits or income exceed the amount of that loss;</p> <p>(b) loss can only be deducted from the trade or business in which the loss was incurred;</p>	<p>Inspectorate Department shall be obtained in respect of the qualifying capital expenditure; and</p> <p>(b) where Value Added Tax is due under this Act but not charged on an asset, or in the case of an imported item, where the applicable import duty or levy was not paid, the relevant expenditure shall not be eligible as a qualifying capital expenditure.</p> <p>(3) Where the qualifying capital expenditure is in relation to an asset that is only partly utilised in generating the assessable profits, the capital allowance on such qualifying capital expenditure shall be prorated and only the portion relating to the taxable income shall be allowed as a deduction.</p> <p>(4) The capital allowance computed shall not be prorated where the nontaxable income constitutes less than 10% of the total income of the company.</p> <p>(5) Notwithstanding the provisions of subsection (4), the portion of capital allowance attributable to priority activities of a company that enjoys economic development incentive under this Act shall be deducted only</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>income in respect of any such loss exceed the amount of such loss; and</p> <p>(ii) a deduction under this section for any particular year of assessment shall not exceed the amount, if any, of the assessable profits, included in the total profits for that year of assessment, from the trade or business in which the loss was incurred and shall be made as far as possible from the amount of such assessable profits of the first year of assessment after that in which the loss was incurred and, so far as it cannot be so made, then from such amount of such assessable profits of the next year of assessment, and so on;</p> <p>(b) the amount of any loss which, under paragraph (d) of subsection (10) of section 29 is deemed to be a loss incurred by the company during the year of assessment in which its trade or business commenced, so however that any deduction in respect of that loss shall be made as provided under paragraph (f) of that subsection.</p> <p>(2) The amount of any loss incurred by a company engaged in an agricultural trade or business for the year of assessment in which it commenced to carry on such trade or business, shall be deducted as far as possible from the assessable profits of the first year of assessment after that in</p>	<p>(c) the loss shall be deducted to the extent possible from the amount of the assessable profits of the first year of assessment after that in which the loss was incurred, and in subsequent years until the loss is fully recouped; and</p> <p>(d) the loss incurred during any year of assessment shall be computed, in accordance with the basis period provided in sections 22 to 25 of this Act.</p> <p>(7) Notwithstanding subsection (6) of this section or any provision of this Act, any loss incurred in any period from sales, disposal or any other transaction in digital assets shall only be deductible in determining the profits from the business relating to digital assets</p>	<p>from the assessable profits of the priority business.</p> <p>(6) The amount of loss deductible under subsection (1) of this section shall be subject to the following conditions –</p> <p>(a) in no circumstances shall the aggregate loss deductions from the assessable profits or income exceed the amount of that loss;</p> <p>(b) loss can only be deducted from the trade or business in which the loss was incurred;</p> <p>(c) the loss shall be deducted to the extent possible from the amount of the assessable profits of the first year of assessment after that in which the loss was incurred, and in subsequent years until the loss is fully recouped; and</p> <p>(d) the loss incurred during any year of assessment shall be computed, in accordance with the basis period provided in sections 22 to 25 of this Act.</p> <p>(7) Notwithstanding subsection (6) of this section or any provision of this Act, any loss incurred in any period from sales, disposal or any other transaction in digital assets shall only be deductible in determining the profits from the business relating to digital assets</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>which the loss was incurred and so far as it cannot be so made, then from such amount of such assessable profits of the next year of assessment, and so on (without limit as to time) until the loss has been completely set off against the company's subsequent assessable profits.</p> <p>(3) For the purposes of subsection (2) of this section, the loss incurred during any year of assessment shall be computed, where the Service so decides, by reference to the year ending on a day in such year of assessment which would have been adopted under subsection (2) of section 29 of this Act for the computation of assessable profits for the following year of assessment if such profits had arisen.</p> <p>(4) For the purposes of subsection (2) of this section, the loss incurred during any year of assessment shall be computed, where the Service so decides, by reference to the year ending on a day in such year of assessment which would have been adopted under subsection (2) of section 29 of this Act for the computation of assessable profits for the following year of assessment if such profits had arisen</p> <p>(5) Where under the provisions of subsection (6) of section 29 of this Act for the purpose of computing the profits of a</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>period from a source chargeable with tax under this Act, being a period the profits of which are assessable profits from that source for any year, it has been necessary to allocate or apportion to specific periods which fall within that whole period both profits and losses, then no deduction shall be made under the provisions of subsection (2) of this section in respect of the loss or apportioned part thereof referable to any such specific period, except to the extent that such loss or part thereof exceeds the aggregate profits apportioned to the remaining specific period or periods within that whole period.</p>			
<p>Total Income of an Individual</p>	<p>Section 36 PITA – Total income from all sources Subsections (1) – (5) (1) The total income of an individual for any year of assessment shall be the amount of his total assessable income from all sources for that year, together with any addition thereto to be made in accordance with the provisions of the Fifth Schedule to this Act, less any deductions to be made or allowed in accordance with the provisions of subsection (2) of this section and of that Schedule. Loss in trade, business, profession or vocation</p>	<p>Section 28 – Total income of an individual (1) The total income of an individual for any year of assessment is the taxable income less total deduction— (2) For the purpose of subsection (1) of this section — (a) taxable income is the aggregate amount of— (i) assessable profits from trade, business, profession or vocation ascertained in accordance with part V of chapter two of this Act, (ii) employment income, (iii) income from investing activities,</p>	<p>Retained</p>	<p>Losses no longer limited to 4 years, but now deductible until fully claimed. Losses on digital assets transaction can only be deductible against the profit from the same transaction.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(2) There shall be deducted from the total assessable income of an individual-</p> <p>(a) the amount of a loss incurred by him during the year of assessment in the trade, business, profession or vocation: provided that no such deduction shall be made unless it is claimed in writing within twelve months after the end of the year of assessment;</p> <p>(b) the amount of a loss which the relevant tax authority is satisfied has been incurred by him in the trade, business, provision or vocation during any year preceding the year of assessment which has not been allowed against his assessable income of a preceding year: Provided that-</p> <p>(i) in no circumstances shall the aggregate deduction from assessable income in respect of the loss, exceed the amount of the loss;</p> <p>(ii) a deduction under this paragraph for any year of assessment shall not exceed the amount, if any, of the assessable income included in the total income for that year of assessment, from the trade, business, profession or vocation in which the loss was incurred and shall be made as far as possible from such amount of such assessable income of the first year of assessment after that</p>	<p>(iv) profits or income from any other source, and</p> <p>(v) chargeable gains from the disposal of chargeable assets; and</p> <p>(b) total deduction is the sum of— (i) any loss ascertained in accordance with subsection (2) of this section,</p> <p>(ii) capital allowance in accordance with the provisions of part I of the First Schedule to this Act,</p> <p>(iii) income of the individual that is exempt from tax under this Act, and (iv) income of the individual on which the tax deducted at source under section 50 of the Nigeria Tax Administration Act is the final tax.</p> <p>(3) The loss to be deducted in arriving at the total income of an individual is— (a) the amount of a loss incurred by the individual during the year or preceding year of assessment in a trade, business, profession or vocation; and</p> <p>(b) the amount of loss incurred on the disposal of a chargeable asset, provided that—</p> <p>(i) in no circumstances shall the aggregate loss deductions from income exceed the amount of that loss,</p> <p>(ii) the loss shall be deducted as far as possible from assessable profit of a</p>		

	in which the loss was incurred, and, so far as it cannot be	trade, business, profession or vocation of the first year of assessment after that		
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>so made then from such amount of such assessable income of the next year of assessment, and so on;</p> <p>(iii) when land or buildings are let by an individual for the purposes of producing income and during any year of assessment the expenses deductible under the provisions of section 20 of this Act in ascertaining the gains or profits from that income exceed the amount of that income, the excess shall be treated as if it were a loss incurred by the individual in a trade or business carried on by him; and</p> <p>(iv) the period for carrying forward of any loss shall be limited to four years after which period any such loss shall lapse.</p> <p>(3) The amount of loss incurred by a person engaged in an agricultural trade or business shall be deducted as far as possible from the assessable profits of the first year of assessment after that in which the loss was incurred and so far as it cannot be so made, then from such amount of such assessable profits of the next year of assessment, and soon (without limit as to time) until the loss has been completely set off against the person's subsequent assessable profits.</p> <p>(4) For the purpose of subsection (2) of this section, the loss incurred during</p>	<p>in which the loss was incurred, and in subsequent years until the loss is fully recouped,</p> <p>(iii) the loss incurred during any year of assessment shall be computed, in accordance with the basis period contained in part V of chapter two of this Act, and</p> <p>(iv) any loss incurred in any period from sales, disposal or any other transaction in digital assets shall only be deductible against the profit or gain from digital assets.</p>		

	any year of assessment shall be computed by			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>reference to the year ending on a day in that year of assessment which would have been adopted under subsection (2) of section 23 of this Act for the computation of assessable income of the following year of assessment if a profit had arisen.</p> <p>(5) Where under the provisions of section 30 of this Act for the purpose of computing the income of a period from a source chargeable with tax under this Act, being a period the income of which is assessable income from that source for any year, it has been necessary to allocate or apportion to specific periods which fall within that whole period both gains or profits and losses, then no deduction shall be made under the provisions of subsection (2) of this section in respect of the loss or apportioned part thereof referable to that specific period, except to the extent that the loss or part thereof exceeded the aggregate gains or profits apportioned to the remaining specific period or periods within that whole period.</p>			

Presumptive Tax	Section 36 – Total income from all sources Subsection (6) (6) Notwithstanding any of the provisions of this Act, where for all practical purposes the income of the taxpayer	Section 29 – Presumptive Taxation Notwithstanding any provisions of chapter two of this Act, where for all practical purposes, the income of a person chargeable to tax under this Act	Section 29 – Presumptive Taxation Notwithstanding any provisions of chapter two of this Act, where for all practical purposes, the income of a person chargeable to tax under this Act	
------------------------	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	cannot be ascertained or records are not kept in such a manner as would enable proper assessment of income, then such a taxpayer shall be assessed on such terms and conditions as would be prescribed by the Minister in regulations by order of <i>gazette</i> under a presumptive tax regime.	cannot be ascertained or records are not kept in such a manner as to enable proper assessment of income, then such person shall be assessed on such terms and conditions as may be prescribed by the Minister in a regulation under a presumptive tax regime.	cannot be ascertained or records are not kept in such a manner as to enable proper assessment of income, then such person shall be assessed on such terms and conditions as may be prescribed by the: (i) Minister of Finance; (ii) Commissioner in charge of Finance for the state; or (iii) Local Government Chairman in a regulation under the presumptive tax regime.	

<p>Ascertainment of chargeable income / Tax Deductions</p>	<p>Section 32 PITA – Ascertainment of chargeable income Where income tax is payable for any year of assessment on the chargeable income of an individual, other than a corporation sole or body of individuals, the amount of that chargeable income shall, notwithstanding anything to the contrary in any other enactment or law relating to the ascertainment of chargeable income, be the amount of the total income of that individual for that year, ascertained under the provisions of this Act, after any income exempted has been excluded therefrom and the deductions allowed by this Part of this Act have been made. Sixth Schedule (1) – (3) (1) A consolidated relief allowance shall be granted on income at a flat rate of</p>	<p>Section 30 – Ascertainment of chargeable income of individuals (1) The chargeable income of an individual, is the total income of that individual ascertained under the provisions of section 28 of this Act, less eligible deductions. (2) For the purposes of this section— (a) “Eligible Deductions” include payments made by the individual in a year of assessment in respect of— (i) the individual’s contributions under the National Housing Fund, (ii) the individual’s contributions under the National Health Insurance Scheme, (iii) the individual’s contributions under the Pension Reform Act, (iv) interest on loans for developing an owner-occupied residential house,</p>	<p>Section 30 – Ascertainment of chargeable income of individuals (1) The chargeable income of an individual, is the total income of that individual ascertained under the provisions of section 28 of this Act, less eligible deductions. (2) For the purposes of this section— (a) “Eligible Deductions” include payments made by the individual in a year of assessment in respect of— (i) the individual’s contributions under the National Housing Fund, (ii) the individual’s contributions under the National Health Insurance Scheme, (iii) the individual’s contributions under the Pension Reform Act, (iv) interest on loans for developing an owner-occupied residential house,</p>	<p>Removal of CRA introduced in 2011; and introduction of rent relief of the lower of N200,000 or 20% of annual rent paid. However, to claim this, declarations must be made as to the actual rent paid, while the tax authority has the powers to request other relevant information.</p>
---	---	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>₦200,000 plus 20 <i>per cent</i> of gross income.</p> <p>(2) <i>Tax Exempt</i>: The following deductions are tax exempt-</p> <p>(a) National Housing Fund Contribution</p> <p>(b) National Health Insurance Scheme</p> <p>(c) Life Assurance Premium</p> <p>(d) National Pension Scheme</p> <p>(e) Gratuities</p> <p>(3) After the relief allowance and exemptions had been granted in accordance with paragraphs 1 and 2 of this Schedule, the balance of income shall be taxed as specified in the following tax table:</p>	<p>(v) annual amount of any annuity or premium paid by the individual during the year preceding the year of assessment in respect of insurance on his life or the life of his spouse, or contract for a deferred annuity on his own life or the life of his spouse, and (vi) rent relief of N200,000 or 20% of annual rent paid, whichever is lower, provided that the individual accurately declares the actual amount of rent paid and other relevant information as may be prescribed by the relevant tax authority.</p> <p>(b) "total income" means total income as specified in section 28 of this Act.</p>	<p>(v) annual amount of any annuity or premium paid by the individual during the year preceding the year of assessment in respect of insurance on his life or the life of his spouse, or contract for a deferred annuity on his own life or the life of his spouse, and (vi) rent relief of 20% of annual rent paid, subject to a maximum of N500,000, whichever is lower, provided that the individual accurately declares the actual amount of rent paid and other relevant information as may be prescribed by the relevant tax authority.</p> <p>(b) "total income" means total income as specified in section 28 of this Act.</p>	
Deductions to be claimed.	<p>Section 34 PITA – Deductions to be claimed</p> <p>Unless the relevant tax authority otherwise directs, no deduction under this Part of this Act shall be allowed to any person for a year of assessment unless claimed by him in writing in such form as the relevant tax authority may prescribe.</p>	<p>Section 31– Deductions to be claimed</p> <p>Deduction shall not be allowed under this part to any person for a year of assessment, unless claimed in writing in such form as the relevant tax authority may prescribe.</p>	Retained	There is no substantive difference; both laws require written claims for deductions.
Proof of claims.	<p>Section 35 PITA – Proof of claims</p> <p>(1) The relevant tax authority may require a claimant to a deduction under section 33 of this Act to produce such documentary evidence as may be</p>	<p>Section 32 – Proof of claims</p> <p>(1) The relevant tax authority may require a claimant to a deduction under section 30(2)(a) of this Act to produce such documentary evidence as may be</p>	Retained	The Bill introduces a requirement to provide evidence or declaration that the requisite documentary evidence to

	available in support of any claim and in the absence of that evidence or if that	necessary in support of any claim and in the absence of such evidence, or where		claim deductions does not exist.
--	--	---	--	----------------------------------

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>evidence is, in the opinion of the relevant tax authority inadequate, the relevant tax authority may refuse to allow the deduction or allow such part only of the amount claimed as the relevant tax authority may decide.</p> <p>(2) Notwithstanding any provision of this Act-</p> <p>(a) where a person has failed to produce documentary evidence in support of a claim to a deduction under section 33 of this Act, no objection to an assessment or, if the person is an employee, to any rate at which tax is required to be deducted from his remuneration under the provisions of this Act shall be valid on the grounds that the deduction, or the full amount thereof has not been allowed or taken into account by the relevant tax authority; and</p> <p>(b) where an individual claims a deduction under this Act for a year of assessment, or produces evidence in support of a claim previously made and not admitted or not admitted in full by the relevant tax authority within two years after the end of such year, such repayment or set-off of tax, or reduction in any assessment shall be made so as to give effect to any amount or additional amount of the deduction which the</p>	<p>such evidence is inadequate, the relevant tax authority may refuse to allow the deduction or such part of the amount claimed.</p> <p>(2) Notwithstanding any provision of this Part, where —</p> <p>(a) an individual fails to produce satisfactory documentary evidence in support of a claim under section 30(2)(a) of this Act, any objection to an assessment or, to any rate at which tax is to be deducted, shall be accompanied by a copy of the available documentary evidence or a declaration that such required documentary evidence does not exist; and</p> <p>(b) an individual claims a deduction under this Act for a year of assessment, or produces evidence in support of a claim previously made but not admitted or not admitted in full by the relevant tax authority, such repayment, set-off of tax or reduction in any assessment shall be made so as to give effect to any amount or additional amount of the deduction as appropriate.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	relevant tax authority is satisfied should properly be allowed.			
Taxation of Capital Gains	<p>Section 1 CGT Act – Taxation of capital gains</p> <p>(1) Subject to the provisions of this Act there shall be charged a tax to be called capital gains tax for the year of assessment 1967-68 and for subsequent years of assessment in respect of any capital gains, that is to say, gains accruing to any person on or after 1 April, 1967, on a disposal of assets.</p> <p>(2) Every such gain shall, except so far as otherwise expressly provided, be a chargeable gain.</p> <p>(3) In this Act, unless the context otherwise requires, any reference to a person shall include a reference to any person to whom section 2 of the Personal Income Tax Act applies.</p>	<p>Section 33 – Chargeable Gains</p> <p>(1) Gains accruing to any person in a year of assessment shall be chargeable to tax in accordance with the provisions of this Act.</p> <p>(2) Gains on which tax is to be assessed on any person shall be computed in accordance with the provisions of this part.</p>	Retained	Chargeable gains to be taxed as part of a taxable person's income.
Chargeable assets	<p>Section 3 CGT Act – Chargeable Assets</p> <p>Subject to any exceptions provided by this Act, all forms of property shall be assets for the purposes of this Act, whether situated in Nigeria or not, including-</p> <p>(a) options, debts, digital assets and incorporeal property generally;</p> <p>(b) any currency other than Nigerian currency; and</p> <p>(c) any form of property created by the person disposing of it, or otherwise</p>	<p>Section 34 – Chargeable Assets</p> <p>(1) Subject to exemptions as may be provided in part I of chapter eight of this Act, all forms of property shall be chargeable assets for the purposes of this part, whether situated in Nigeria or not, including —</p> <p>(a) any form of asset, shares, options, rights, debts, digital assets and incorporeal property generally; provided that gains accruing to a person on disposal of shares in any Nigerian</p>	<p>Section 34 – Chargeable Assets</p> <p>(1) Subject to exemptions as may be provided in part I of chapter eight of this Act, all forms of property shall be chargeable assets for the purposes of this part, whether situated in Nigeria or not, including —</p> <p>(a) any form of asset, shares, options, rights, debts, digital assets and incorporeal property generally; provided that gains accruing to a person on disposal of shares in any</p>	<p>Increased Threshold for Exemption of Shares:</p> <p>Previously ₦100m, the Act has increased the threshold for sales proceeds from disposal of shares to ₦150m in any 12 consecutive months, to enjoy exemption from tax. No more exemption on the basis of re-investment of proceeds from disposal of</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>coming to be owned without being acquired, without prejudice to the foregoing provisions, this section shall have effect, notwithstanding that the property is an asset in respect of which qualifying expenditure had been incurred under the Schedule to the Personal Income Tax Act, the Third Schedule to the Companies Income Tax Act or the Petroleum Profits Tax Act.</p>	<p>company shall not be chargeable gains where –</p> <p>(i) the disposal proceeds, in aggregate, is less than N150,000,000 and the chargeable gain does not exceed N10,000,000 in any 12 consecutive months, or</p> <p>(ii) the shares are transferred between an Approved Borrower and a Lender in a regulated Securities Lending Transaction;</p> <p>(b) any currency other than Nigerian currency; and</p> <p>(c) any form of property created by the person disposing of it, or coming to be owned without being acquired.</p> <p>(2) This section shall have effect, notwithstanding that the property is an asset in respect of which qualifying capital expenditure had been incurred under any provision of this Act.</p>	<p>Nigerian company shall not be chargeable gains where –</p> <p>(i) the disposal proceeds, in aggregate, is less than N150,000,000 and the chargeable gain does not exceed N10,000,000 in any 12 consecutive months, or</p> <p>(ii) the shares are transferred between an Approved Borrower and a Lender in a regulated Securities Lending Transaction;</p> <p>(iii) the proceeds from such disposal, notwithstanding the threshold in (i), are reinvested within the same year of assessment in the acquisition of shares in the same or other Nigerian companies: Provided that tax shall accrue proportionately on the portion of the proceeds which are not reinvested in the manner stipulated in this subsection</p> <p>(b) any currency other than Nigerian currency; and</p> <p>(c) any form of property created by the person disposing of it, or coming to be owned without being acquired.</p> <p>(2) This section shall have effect, notwithstanding that the property is an asset in respect of which qualifying</p>	<p>shares.</p>

			capital expenditure had been incurred under any provision of this Act.	
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Disposal of assets</p>	<p>Section 6 CGT Act – Disposal of Assets (1) Subject to any exceptions provided by this Act there is, for the purposes of this Act, a disposal of assets by a person where any capital sum is derived from a sale, lease, transfer, an assignment, a compulsory acquisition or any other disposition of assets, notwithstanding that no asset is acquired by the person paying the capital sum, and in particular-</p> <p>(a) where any capital sum is derived by way of compensation for any loss of office or employment;</p> <p>(b) where any capital sum is received under a policy of insurance and the risk of any kind of damage or injury to, or the loss or depreciation of, assets;</p> <p>(c) where any capital sum is received in return for forfeiture or surrender of rights, or for refraining from exercising rights;</p> <p>(d) where any capital sum is received as consideration for use of exploitation of any asset; and</p> <p>(e) without prejudice to paragraph (a) of this section, where any capital sum is received in connection with or arises by virtue of any trade, business, profession or vocation.</p> <p>(2) In this section and elsewhere in this Act-</p>	<p>Section 35 – Disposal of Assets</p> <p>(1) For the purpose of this Act, there is a disposal of assets by a person where any sum is derived from a sale, lease, transfer, an assignment, a compulsory acquisition or any other disposition of assets, subject to any exemptions as may be provided in chapter eight of this Act.</p> <p>(2) Subsection (1) of this section shall apply, notwithstanding that no asset is acquired by the person paying the sum, and in particular where the sum is— (a) derived by way of compensation for any loss of office or employment; (b) received under a policy of insurance and the risk of any kind of injury or damage, or the loss or depreciation of assets;</p> <p>(c) received in return for forfeiture or surrender of a right, or for refraining from exercising a right; and</p> <p>(d) received as consideration for use or exploitation of any asset.</p> <p>(3) In this part,</p> <p>(a) references to a disposal of assets include, references to a part disposal of assets; and</p> <p>(b) there is a part disposal of assets where—</p> <p>(i) an interest or right in or over the assets is created for another person by the disposal, and</p>		<p>Amendment to ensure clarity and simplicity of language.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(a) "capital sum" means any money or money's worth which is not excluded from the consideration taken into account in the computation under section 11 of this Act; and</p> <p>(b) references to a disposal of assets include, except where the context otherwise requires, references to a part disposal of assets, and there is a part disposal of assets</p> <p>(i) where an interest or right in or over the assets is created by the disposal, as well as where it subsists before the disposal; and where, on a person making a disposal, any description of property derived from the assets remains undisposed of.</p>	<p>(ii) a part of the interest in the property which subsists before the disposal remains with the person making the disposal.</p>		
<p>Considerations for Disposal of Assets</p>	<p>Section 7 CGT Act – Disposal of assets; provisions as to considerations</p> <p>(1) Subject to the provisions of this Act, a person's acquisition of an asset and the disposal of it to him shall, for the purposes of this Act, be deemed to be for a consideration equal to the market value of the asset-</p> <p>(a) where he acquires the asset otherwise than by way of a bargain made at arm's length; or</p> <p>(b) where he acquires the asset wholly or partly for a consideration that cannot be valued, or in connection with his own or another's loss of office or employment or</p>	<p>Section 36 – Disposal of assets: provisions as to considerations</p> <p>(1) Subject to the provisions of this Act, the acquisition and disposal of an asset by a person shall be deemed to be for a consideration equal to the market value of the asset where the person acquires the asset—</p> <p>(a) otherwise than by way of a bargain made at arm's length;</p> <p>(b) wholly or partly for a consideration that cannot be valued;</p> <p>(c) as trustee for creditors of the person making the disposal; or</p>	<p>Section 36 – Disposal of assets: provisions as to considerations</p> <p>(1) Subject to the provisions of this Act, the acquisition and disposal of an asset by a person shall be deemed to be for a consideration equal to the market value of the asset where the person acquires the asset—</p> <p>(a) otherwise than by way of a bargain made at arm's length;</p> <p>(b) wholly or partly for a consideration that cannot be valued;</p> <p>(c) as trustee for creditors of the person making the disposal; or</p>	<p>Amendment to ensure clarity and simplicity of language.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>diminution of emolument, or otherwise in consideration for or recognition of his or another's services or past services in any office or employment or of any other service rendered or to be rendered by him or another; or</p> <p>(c) where he acquires the asset as trustee for creditors of the person making the disposal.</p> <p>(2) Where a person disposes by way of a gift of an asset acquired by him by way of a gift or otherwise (not being an acquisition on a devolution on death) the person acquiring the asset on that disposal shall, for all purposes of this Act, so far as relates to the interest taken by him, be deemed to have acquired the asset-</p> <p>(a) in a case where the amount of the consideration for which the asset was last disposed of by way of a bargain made at arm's length is ascertainable, for a consideration equal to that amount; and</p> <p>(b) in any other case, for a consideration equal to the market value of the asset on the date of that disposal, and in this subsection "gift" does not include a <i>donatio mortis causa</i>.</p> <p>(3) In relation to any asset held by a person as nominee for another person, or as trustee for another person absolutely entitled as against the trustee, or for any</p>	<p>(d) upon devolution on death as a personal representative or legatee of a deceased.</p> <p>(2) Where a person disposes of an asset by way of gift, other than asset acquired or disposed by devolution on death, the person acquiring the asset shall, as it relates to the interest taken by the person, be deemed to have acquired the asset—</p> <p>(a) for a consideration equal to the amount for which the asset was last disposed of by way of a bargain made at arm's length; or</p> <p>(b) where the amount last disposed of by way of bargain made at arm's length cannot be ascertained, for a consideration equal to the market value of the asset on the date of that disposal.</p> <p>(3) Where an asset is held by a person as a nominee or trustee for—</p> <p>(a) another person absolutely entitled;</p> <p>(b) an infant or a person with disability; or</p> <p>(c) two or more persons, the provisions of this part shall apply as if the property were vested in, and the acts of the nominee or trustee in relation to the asset were the acts of the person or persons referred to in this subsection. (4) Any acquisition of the asset referred to in subsection (3) of this section by the</p>	<p>(d) upon devolution on death as a personal representative or legatee of a deceased.</p> <p>(2) Where a person disposes of an asset by way of gift, other than asset acquired or disposed by devolution on death, the person acquiring the asset shall, upon generation of income from the asset, be deemed to have acquired the asset—</p> <p>(a) for a consideration equal to the amount for which the asset was last disposed of by way of a bargain made at arm's length; or</p> <p>(b) where the amount last disposed of by way of bargain made at arm's length cannot be ascertained, for a consideration equal to the market value of the asset on the date of that disposal.</p> <p>(3) Where an asset is held by a person as a nominee or trustee for—</p> <p>(a) another person absolutely entitled;</p> <p>(b) an infant or a person with disability; or</p> <p>(c) two or more persons, the provisions of this part shall apply as if the property were vested in, and the acts of the nominee or trustee in relation to the asset were the acts of the person or persons referred to in this subsection.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>person who would be so entitled but for being an infant or other person under disability (or for two or more persons who are or would be jointly so entitled), this Act shall apply as if the property were vested in, and the acts of the nominee or trustee in relation to the asset were the acts of, the person or persons for whom he is the nominee or trustee (acquisitions from or disposals to him by that person or persons being disregarded accordingly).</p> <p>(4) The conveyance or transfer by way of security of an asset or of an interest or right in or over it, or transfer of a subsisting interest or right by way of security in or over an asset (including a retransfer on redemption of the security), shall not be treated for the purposes of this Act as involving any acquisition or disposal of the asset.</p> <p>(5) Where a person entitled to an asset by way of security or to the benefit of a charge or incumbrance on an asset deals with the asset for the purpose of enforcing or giving effect to the security, charge or incumbrance his dealings with it shall be treated for the purpose of this Act as if they were done through him as nominee by the person entitled to it subject to the security, charge or incumbrance; and this subsection shall apply to the dealings of any person</p>	<p>nominee or trustee or the disposal of the assets to the nominee or trustee shall be disregarded.</p> <p>(5) The conveyance or transfer by way of security of an asset or of an interest or right in or over it, or transfer of a subsisting interest or right by way of security in or over an asset, including a re-transfer on redemption of the security, shall not be treated as involving any acquisition or disposal of the asset.</p> <p>(6) Any dealing with an asset by a person who has a security interest in it or who has the benefit of a charge against it or an encumbrance against it in order to enforce or give effect to those rights shall be deemed to have been made by that person in his capacity as that person's nominee.</p> <p>(7) An asset shall be treated as having been acquired free of any interest or right by way of security subsisting at the time of any acquisition of it, and as being disposed of free of any such interest or right subsisting at the time of the disposal, and where an asset is acquired subject to any such interest or right, the full amount of the liability thereby assumed by the person acquiring the asset shall form part of the consideration for the acquisition and</p>	<p>(4) Any acquisition of the asset referred to in subsection (3) of this section by the nominee or trustee or the disposal of the assets to the nominee or trustee shall be disregarded.</p> <p>(5) The conveyance or transfer by way of security of an asset or of an interest or right in or over it, or transfer of a subsisting interest or right by way of security in or over an asset, including a re-transfer on redemption of the security, shall not be treated as involving any acquisition or disposal of the asset.</p> <p>(6) Any dealing with an asset by a person who has a security interest in it or who has the benefit of a charge against it or an encumbrance against it in order to enforce or give effect to those rights shall be deemed to have been made by that person in his capacity as that person's nominee.</p> <p>(7) An asset shall be treated as having been acquired free of any interest or right by way of security subsisting at the time of any acquisition of it, and as being disposed of free of any such interest or right subsisting at the time of the disposal, and where an asset is acquired subject to any such</p>	

		disposal in addition to any other consideration	interest or right, the full amount of the liability thereby assumed by the person	
--	--	---	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>appointed to enforce or give effect to the security, charge or incumbrance as receiver and manager or judicial factor as it applies to the dealings of the person entitled as aforesaid.</p> <p>(6) An asset shall be treated as having been acquired free of any interest or right by way of security subsisting at the time of any acquisition of it, and as being disposed of free of any such interest or right subsisting at the time of the disposal; and where an asset is acquired subject to any such interest or right the full amount of the liability thereby assumed by the person acquiring the asset shall form part of the consideration for the acquisition and disposal in addition to any other consideration.</p> <p>(7) Where an asset is acquired by a creditor in satisfaction of his debt or part thereof, the asset shall not be treated as disposed of by the debtor or acquired by the creditor for a consideration greater than its market value at the time of the creditor's acquisition of it, and if a chargeable gain accrues to the creditor on a disposal by him of the asset the amount of the chargeable gain (where necessary) shall be reduced so as not to exceed the chargeable gain which would have accrued if he had acquired the property</p>	<p>(8) Where an asset is acquired by a creditor in satisfaction of his debt or part thereof—</p> <p>(a) the asset shall not be treated as disposed of by the debtor or acquired by the creditor for a consideration greater than its market value at the time of the creditor's acquisition of it; and</p> <p>(b) chargeable gain accruing to the creditor on disposal of the asset shall not exceed the chargeable gain which would have accrued if he had acquired the property for a consideration equal to the amount of the debt or that part thereof.</p> <p>(9) In this section—</p> <p>“Legatee” includes any person taking under a testamentary disposition or on an intestacy or partial intestacy, whether he is taken as a beneficiary or trustee, and a gift made in contemplation or condition of death shall be treated as a testamentary disposition and not as a gift;</p> <p>“personal representatives” means—</p> <p>(a) the executor or the representative, or administrator for the time being of a deceased person under any law in force in Nigeria; or</p>	<p>acquiring the asset shall form part of the consideration for the acquisition and disposal in addition to any other consideration</p> <p>(8) Where an asset is acquired by a creditor in satisfaction of his debt or part thereof—</p> <p>(a) the asset shall not be treated as disposed of by the debtor or acquired by the creditor for a consideration greater than its market value at the time of the creditor's acquisition of it; and</p> <p>(b) chargeable gain accruing to the creditor on disposal of the asset shall not exceed the chargeable gain which would have accrued if he had acquired the property for a consideration equal to the amount of the debt or that part thereof.</p> <p>(9) In this section—</p> <p>“Legatee” includes any person taking under a testamentary disposition or on an intestacy or partial intestacy, whether he is taken as a beneficiary or trustee, and a gift made in contemplation or condition of death shall be treated as a testamentary disposition and not as a gift;</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	for a consideration equal to the amount of the debt or that part thereof.	(b) persons who, under the law of another country, have functions corresponding to personal representatives as defined under paragraph (a) of this subsection.	<p>“personal representatives” means—</p> <p>(a) the executor or the representative, or administrator for the time being of a deceased person under any law in force in Nigeria; or</p> <p>(b) persons who, under the law of another country, have functions corresponding to personal representatives as defined under paragraph (a) of this subsection.</p>	
Compulsory acquisition of land	<p>Section 9 CGT Act – Compulsory acquisition of land</p> <p>(1) A person shall not be chargeable to tax under this Act in respect of any acquisition and the disposal of land by reference to a disposal to an authority exercising or having compulsory powers, if that person had not-</p> <p>(a) acquired the land at a time when he knew or might reasonably have known that it was likely to be acquired by the authority; or</p> <p>(b) taken any steps by advertisement or otherwise to dispose of the land or to make his willingness to dispose of it known to the authority or others.</p> <p>(2) In this section “authority exercising or having compulsory powers” means, in relation to any disposal of land, an authority, a person or body of persons</p>	<p>Section 37 – Compulsory acquisition of land</p> <p>(1) A person shall not be charged to tax under this Act in respect of gains on any acquisition and disposal of land by reference to a disposal to an authority exercising or having compulsory powers, if that person had not—</p> <p>(a) acquired the land at a time when he knew or might reasonably have known that it was likely to be acquired by the authority; or</p> <p>(b) taken any steps by advertisement or otherwise to dispose of the land or to make his willingness to dispose of it known to the authority or others.</p> <p>(2) In this section, “authority exercising or having compulsory powers” means, in</p>	Retained	Similar provisions.

		relation to any disposal of land, an authority, a person or body of persons		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	acquiring the land compulsorily under the Land Use Act, or any other enactment or law of a country other than Nigeria, or who has or have been, or could be, authorized to acquire it compulsorily for the purposes for which it is acquired, or for whom another authority, person or body of persons has or have been, or could be, authorised so to acquire it	acquiring the land compulsorily under the Land Use Act (Cap L5, LFN 2004), or any other similar enactment or law of a country other than Nigeria, or who has or have been, or may be, authorised to acquire it compulsorily for the purposes for which it is acquired, or for whom another authority, person or body of persons has or have been, or may be, authorised so to acquire it.		

<p>Date of acquisition or disposal, etc.</p>	<p>Section 10 CGT Act – Date of acquisition or disposal, etc. For the purposes of this Act, any asset acquired or disposed of by any person chargeable to capital gains tax shall subject to section 23 (4) of this Act, be deemed to have been so acquired or disposed of at the date at which there is an enforceable right to acquire or a binding duty to dispose of the asset or any right or interest therein, and in particular- (a) where any contract is to be performed subject to any condition the date of acquisition or disposal of the asset shall be deemed to be the date when the condition is satisfied, but where a consideration of such a contract does not depend solely or mainly on the value of the asset at the time the condition is satisfied, the acquisition or disposal shall be treated as if the contract had never been conditional, in which case the date</p>	<p>Section 38 – Date of acquisition or disposal, etc Any asset acquired or disposed of by a person chargeable to tax shall, be deemed to have been acquired or disposed of at the date at which there is an enforceable right to acquire or a binding duty to dispose of the asset or any right or interest in it, and in particular, where— (a) any contract is to be performed subject to any condition, the date of acquisition or disposal of the asset shall be the date the condition is satisfied; (b) consideration under the contract does not depend solely or mainly on the value of the asset at the time the condition is satisfied, the acquisition or disposal shall be treated as if the contract had never been conditional, in which case the date of the acquisition or</p>	<p>Retained</p>	<p>Similar provisions but simplified in the NTB.</p>
---	---	--	-----------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
	<p>of the acquisition or disposal of the asset shall be the date of the contract; (b) where an option is conferred by virtue of any contract, the date of the acquisition or disposal of the asset shall be the date when the option is exercised.</p>	<p>disposal of the asset shall be the date of the contract; or (c) an option is conferred by virtue of any contract, the date of the acquisition or disposal of the asset shall be the date when the option is exercised.</p>		

<p>Computation of capital gains</p>	<p>Section 11 CGT Act – Computation of capital gains In the computation of any chargeable gains under this Act, such gains as may be chargeable to tax shall, subject to the provisions of this Act, be the difference between the consideration accruing to any person on a disposal of assets and any sum to be excluded from that consideration, and there shall be added to that sum the amount of the value of any expenditure allowable to such person on such disposal by virtue of this Act.</p>	<p>Section 39 – Computation of chargeable gains The gains chargeable to tax shall, subject to other provisions of this Act, be computed as follows— (a) In the case of a disposal of an asset used for a trade, business, profession or vocation, for which capital allowance has been made in accordance with the First Schedule to this Act, only the residue of that asset shall be deducted from the disposal proceeds for the purposes of computing chargeable gains; and (b) Where capital allowance has not been made in accordance with the First Schedule to this Act, the chargeable gain shall be determined by deducting from the disposal proceeds, the amount or value of the consideration, in money or money’s worth incurred, wholly and exclusively for the acquisition of the asset.</p>	<p>Retained</p>	<p>New insertion in respect of capital allowance following the new approach of subjecting gains to income tax. With the amendment, only the residue after claiming capital allowance is deductible from the disposal proceeds, to determine chargeable gains. Where no capital allowance has been claimed, the cost wholly and exclusively incurred to acquire the asset is to be deductible from the proceeds of disposal.</p>
--	--	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Allowable Deductions for Chargeable Gains</p>	<p>Section 13 CGT Act – General Provision as to allowable expenditure (1) In the computation of capital gains the sums allowable as a deduction from the consideration accruing to a person on the disposal of an asset shall be restricted to- (a) the amount or value of the consideration, in money or money's worth given by him or on his behalf wholly, exclusively and necessarily for the acquisition of the asset, together with the incidental costs to him of the acquisition or, if the asset was not acquired by him, any expenditure wholly, exclusively and necessarily incurred by him in providing the asset; (b) any amount of an expenditure wholly, exclusively and necessarily incurred on the asset by him or on his behalf for the purposes of enhancing the value of the asset being expenditure reflected in the state or nature of the asset at the time of the disposal; (c) the amount of any expenditure wholly, exclusively and necessarily incurred on the asset by him or on his behalf in establishing, preserving or defending his title to, or a right over, the asset; and (d) the incidental costs to him of making the disposal. (2) For the purposes of this section and any other provision of this Act, the</p>	<p>Section 40 – Expenses incurred for disposal of chargeable assets (1) Any incidental cost incurred wholly and exclusively for the purpose of disposal of a chargeable asset is deductible from the disposal proceeds for the purposes of determining the chargeable gain. (2) Where an asset is sold and immediately reacquired, the expenditure shall not be regarded as incidental to the sale or re-acquisition.</p>	<p>Section 40 – Expenses incurred for disposal of chargeable assets Any incidental cost incurred wholly and exclusively for the purpose of disposal of a chargeable asset is deductible from the disposal proceeds for the purposes of determining the chargeable gain.</p>	<p>Deductible incidental costs to now satisfy only the wholeness and exclusivity tests to qualify for deduction. This is in addition to the acquisition cost itself as provided in S. 39 of the Bill, where no CA has been claimed. Inclusion of an antiavoidance provision to disqualify expenses incurred in the course of selling an asset and immediately re-acquiring same asset. <i>The law however does not specify the timeframe that constitutes 'immediate reacquisition', and thus subject to interpretation.</i> Maintaining under the general provisions for allowable deductions, any amount for preserving or defending title over a chargeable asset.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>incidental costs to the person making the disposal of the acquisition of the asset or of its disposal shall consist of expenditure wholly, exclusively and necessarily incurred by him for the purposes of the acquisition or, as the case may be, the disposal, being fees, commission or remuneration paid for the professional services of any surveyor or valuer, or auctioneer, or accountant, or agent, or legal adviser and costs of transfer or conveyance (including stamp duties) together-</p> <p>(a) in the case of the acquisition of an asset, with costs of advertising to find a seller; and</p> <p>(b) in the case of a disposal, with costs of advertising to find a buyer and costs reasonably incurred in making any valuation or apportionment required for the purposes of the computation of the capital gains, including in particular, expenses reasonably incurred in ascertaining market value where required under this Act.</p>			
Part disposal	<p>Section 16 CGT Act – Part disposal</p> <p>(1) Where there is a part disposal of asset within the meaning of section 6 (2) of this Act and generally wherever on the disposal of an asset any description of property derived from that asset remains undisposed of, the sums representing the</p>	<p>Section 41 – Part disposal</p> <p>(1) Where a part of an asset is disposed or where some property derived from an asset remains undisposed after a disposal of the asset—</p> <p>(a) the acquisition cost of the assets, together with any expenditure wholly</p>	Retained	<p>Similar provisions.</p> <p>Updated NTB provisions to provide for the apportionment of the residue following claim of capital allowance.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>amount or value of the consideration for the acquisition of the asset (in this Act referred to as the cost of acquisition of the asset) together with any amount of expenditure wholly, exclusively and necessarily incurred on the asset for the purposes of enhancing the value of the asset as are attributable to the asset shall, both for the purposes of the computation under this Act and in relation to the property which remains undisposed of, be apportioned.</p> <p>(2) Apportionment shall be made by reference-</p> <p>(a) to the amount or value of the consideration for the disposal on the one hand (call that amount or value A), and</p> <p>(b) to the market value of the property which remains undisposed of on the other hand (call that market value B), and accordingly, the fraction of the said cost or sums allowable as a deduction in computing under this Act the amount of the gain accruing on the disposal shall be $A/(A+B)$ and the remainder shall be attributed to the property which remains undisposed of.</p> <p>(3) Where there is a disposal of an interest or right in or over a chargeable asset created by the disposal or where it subsists before the disposal, and on the making of the disposal any description of</p>	<p>and exclusively incurred for the purpose of enhancing the value of the asset; or</p> <p>(b) the residue, in the case of assets used for trade or business on which capital allowance have been made in accordance with the First Schedule to this Act, shall be apportioned between the disposed part and the undisposed part.</p> <p>(2) Apportionment shall be made by reference to—</p> <p>(a) the amount or value of the consideration for the disposal on the one hand, referred to as "A", and</p> <p>(b) the market value of the property which remains undisposed on the other hand referred to as "B",</p> <p>(3) The acquisition cost or residue of the disposed part shall be apportioned by applying the fraction $A/(A+B)$, and the remainder shall be attributed to the part which remains undisposed.</p> <p>(4) Where a portion of interest or right in a chargeable asset is disposed, and some part of that asset or any description of property derived from the asset remains undisposed, the cost of acquisition in addition to any incidental cost of the acquisition, or residue of the asset, shall be apportioned based on the value of the sale compared to the market value of the undisposed portion.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>property derived from the asset remains undisposed of, there shall be apportioned the amount or value of the consideration in money or money's worth given by him or on his behalf wholly and exclusively for the acquisition of the asset together with the incidental cost to him of the acquisition or any expenditure wholly or exclusively incurred by him in providing the asset as against the market value of the property.</p>			
<p>Consideration due after time of disposal</p>	<p>Section 17 CGT Act – Consideration due after time of disposal (1) If the consideration or part of a consideration, taken into account in the computation of capital gains under this Act, is payable by instalments over a period beginning not earlier than the time when the disposal is made, being a period exceeding 18 months, the chargeable gain accruing on the disposal shall be regarded for all the purposes of this Act as accruing in proportionate parts in the year of assessment in which the disposal is made and in each of the subsequent years of assessment down to and including the year of assessment in which the last instalment is payable. (2) The proportionate parts to be recorded as accruing in the respective</p>	<p>Section 42 – Consideration due after time of disposal (1) Where the consideration or part of a consideration, taken into account in the computation of chargeable gains under section 39 of this Act, is payable by instalments over a period exceeding twelve months, beginning from the time when the disposal is made, the chargeable gain accruing on the disposal shall be regarded as accruing in proportionate parts in the period of assessment in which the disposal is made and in subsequent periods of assessments, until the last instalment is payable. (2) The proportionate parts to be recorded as accruing in the respective periods of assessment shall correspond to the proportions of the amounts of the</p>	<p>Retained</p>	<p>The provisions are similar. However, the NTB reduced the timeline for installment payment from 18 months to 12 months. In the case of cessation of business, the chargeable gain under this section will be deemed to accrue on the date of cessation.</p>

	years of assessment shall correspond to the proportions of the amounts of the			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>instalments of consideration payable in those respective years of assessment.</p> <p>(3) The time in the year or accounting period when any such part of a chargeable gain is deemed to accrue under this section shall be the last day in that year of assessment.</p> <p>(4) Subsection (1) of this section shall not apply to any part of the consideration which has effectively passed to the person making the disposal by way of a loan made to that person by the other party to the transaction.</p> <p>(5) In the computation of chargeable gains under this Act consideration for the disposal shall be brought into account without any discount for postponement of the right to receive any part of it and, in the first instance, without regard to a risk of any part of the consideration being irrecoverable, or to the right to receive any part of the consideration being contingent; and if any part of the consideration so brought into account is subsequently shown to the satisfaction of the Service to be irrecoverable, such adjustment, whether by way of discharge, or repayment of tax or otherwise, shall be made as is required in consequence.</p>	<p>instalments of consideration payable in those respective periods of assessment.</p> <p>(3) The time in the year or accounting period when any part of a chargeable gain is deemed to accrue under this section shall be the last day in that year of assessment, except in the case of cessation of a trade, business, profession or vocation, or death of the alienator, where such part shall be deemed to accrue on the date of cessation or death.</p> <p>(4) The provisions of subsection (1) of this section shall not apply to any part of the consideration which has effectively passed to the person making the disposal by way of a loan made to that person by the other party to the transaction.</p> <p>(5) In the computation of chargeable gains under this section—</p> <p>(a) consideration for the disposal shall, in the first instance, be brought into account without —</p> <p>(i) any adjustment for postponement of the right to receive any part of it, and (ii) regard to a risk of any part of the consideration being irrecoverable, or to the right to receive any part of the consideration being contingent; and (b) where any part of the consideration so brought into account is subsequently shown to the satisfaction of the relevant</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		tax authority to be irrecoverable, such adjustment, whether by way of discharge, or repayment of tax or otherwise, shall be made as required.		
Lost/Destroyed Assets	<p>Section 18 CGT Act – Assets Lost or Destroyed</p> <p>(1) If an asset, whether under a policy of insurance or otherwise, is lost or destroyed, and a capital sum received by way of compensation for the loss or destruction is applied within three years of receipt in acquiring another asset in replacement of the asset lost or destroyed, the owner shall if he so claims be treated for the purposes of this Act- (a) as if the consideration for the disposal of the old asset were (if otherwise of a greater amount) of such amount as would secure that on the disposal neither a loss nor a gain accrues to him; and (b) as if the amount of the consideration for the acquisition of the new asset were reduced by the excess of the amount of the capital sum received by way of compensation or under the policy of insurance, together with any residual or scrap value, over the amount of the consideration which he is treated as receiving under paragraph (a) of this subsection.</p> <p>(2) A claim shall not be made under subsection (1) of this section if part only</p>	<p>Section 43 – Assets Lost or Destroyed (1)</p> <p>Where an asset is lost or destroyed, and a capital sum received by way of compensation for the loss or destruction is applied within three years of receipt in acquiring another asset in its replacement, the owner shall, where the compensation received together with the residual or scrap value is—</p> <p>(a) greater than the cost of the asset acquired in replacement of the lost or destroyed asset, be deemed to make a chargeable gain; and</p> <p>(b) lower than the cost of the asset acquired in its replacement, be deemed, for the purposes of the First Schedule to this Act, to have acquired an additional asset for an amount equal to the cost of that new asset, less the compensation together with the residual or scrap value.</p> <p>(2) Except for the additional asset acquired under subsection (1)(b), allowance to be claimed on the new asset for the purposes of the First Schedule to this Act shall be limited to the residue of the old asset, if any.</p>	Retained	<p>Where compensation for & residual value of lost or damaged assets, is higher than the cost of replacement, a chargeable gain is recognized.</p> <p>Where reverse is the case, for the purposes of CA, an additional asset is deemed to have been acquired for a sum equal to the cost of the new asset minus the compensation and scrap value.</p> <p>In the first instance, the CA to be claimed on the new asset used to replace the first mentioned asset is limited to the residue of the old asset, if at all. In the second, no limit on CA claimable.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>of the capital sum is applied in acquiring the new asset but if all of that capital sum except for a part which is less than the amount of the gain (whether all chargeable gain or not) accruing on the disposal of the old asset is so applied, then the owner shall if he so claims be treated for the purposes of this Act-</p> <p>(a) as if the amount of the gain so accruing were reduced to the amount of the said part (and, if not all chargeable gain, with a proportionate reduction in the amount of the chargeable gain); and (b) as if the amount of the consideration for the acquisition of the new asset were reduced by the amount by which the gain is reduced under paragraph (a) of this subsection.</p>			
<p>Bargain on bulk transactions</p>	<p>Section 19 CGT Act – Bargains comprising two or more transactions</p> <p>(1) Where a single bargain comprises two or more transactions whereby assets are disposed of, those transactions shall be treated for the purposes of computing capital gains as a single disposal.</p> <p>(2) Where separate considerations are agreed or purported to be agreed for any two or more transactions comprised in one bargain (whether transactions whereby assets are disposed of or not)</p>	<p>Section 44 – Bargains comprising of two or more transactions</p> <p>(1) Where a single bargain comprises two or more transactions whereby assets are disposed of, those transactions shall be treated for the purposes of computing chargeable gains as a single disposal.</p> <p>(2) Where separate considerations are agreed or purported to be agreed for any two or more transactions comprised in one bargain, whether transactions</p>	<p>Retained</p>	<p>Provision maintained.</p>

	those considerations shall be treated as altogether constituting an entire	whereby assets are disposed of or not, those considerations shall be treated as		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>consideration for the transactions and shall be apportionable between them accordingly.</p> <p>(3) Where any apportionment under this section shall result in lesser consideration than that agreed (or purported to be agreed) in the bargain being attributable to the disposal of the assets, the separate considerations agreed (or purported to be agreed) in respect of those assets shall be deemed to be the consideration for which those assets are disposed of.</p>	<p>altogether constituting an entire consideration for the transactions and shall be apportionable between them.</p> <p>(3) Where an apportionment under this section results in less consideration being attributed to the chargeable asset than that agreed or purported to be agreed, in the bargain, the separate considerations shall be the consideration for which those assets are disposed of.</p>		

<p>Market Valuation</p>	<p>Section 21 CGT Act – Valuation: Market Value (1) For the purposes of computing capital gains, unless the context otherwise requires, “market value” in relation to any assets (whether chargeable assets or not) means the prices which those assets might reasonably be expected to fetch on a sale in the open market. (2) In estimating the market value of any asset, no reduction shall be made in the estimate on account of the estimate being made on the assumption that the whole of the assets is to be placed on the market at one and the same time. (3) In re-estimating the market value of any assets acquired, if the market value exceeds the consideration actually paid by the acquirer, the assets shall be</p>	<p>Section 45 – Valuation at Market Value (1) For the purposes of computing chargeable gains, unless the context otherwise requires, market value, in relation to any asset, means the price which the asset might reasonably be expected to fetch on a sale conducted at arm’s length, or in the open market. (2) In estimating the market value of any asset in the case of a disposal, no reduction shall be taken into account for cash or bulk discount. (3) In determining the acquisition cost of any asset, where the actual consideration paid by the acquirer is less than the market value, the assets shall be deemed to have been acquired for the amount actually paid.</p>	<p>Retained</p>	<p>Updated to reflect arm’s length requirement.</p>
--------------------------------	---	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	deemed to have been acquired for the amount actually paid by the acquirer.			
Location of Assets	<p>Section 24 CGT Act – Location of Assets For the purposes of this Act-</p> <p>(a) the situation of rights or interests (otherwise than by way of security) in or over immovable property is that of the immovable property;</p> <p>(b) subject to the following provisions of this subsection, the situation of rights or interests (otherwise than by way of security) in or over tangible movable property is that of the tangible movable property;</p> <p>(c) subject to the following provisions of this section, a debt, secured or unsecured, is situated in Nigeria if and only if the creditor is resident in Nigeria;</p> <p>(d) shares or securities issued by any governmental, municipal, local or native authority, or by any body created by such an authority, are situated in the country of that authority or place where the authority is situated;</p> <p>(e) subject to paragraph (d) of this section, registered shares or securities are situated where they are registered and, if registered in more than one register, where the principal register is situated;</p> <p>(f) a ship or aircraft used in international traffic is situated in Nigeria if and only if</p>	<p>Section 46 – Location of Assets For the purposes of chapter two of this Act—</p> <p>(a) the situation of rights or interests, other than by way of security, in or over immovable property is that of the immovable property;</p> <p>(b) the situation of rights or interests, other than by way of security, in or over tangible movable property is that of the tangible movable property;</p> <p>(c) a debt, secured or unsecured, is situated in Nigeria where the creditor is resident in Nigeria, or has a permanent establishment in Nigeria to which the debt relates;</p> <p>(d) shares or securities issued by any governmental, municipal or local authority, or by a body created by such an authority, are situated in the country of that authority or place where the authority is situated;</p> <p>(e) subject to paragraph (d) of this section, registered shares or securities are situated where they are registered and, if registered in more than one register, where the principal register is situated;</p> <p>(f) notwithstanding paragraph (e), shares or comparable interests in any</p>	Retained	<p>New rules introduced, and existing rules updated for determining the location of assets for the purpose of charging tax.</p> <p>Addition of PE as a determinant of location for debt, incorporeal property, digital assets, ship and aircrafts.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the owner is then resident in Nigeria, and an interest or right in or over a ship or aircraft is situated in Nigeria if and only if the person entitled to the interest or right is resident in Nigeria;</p> <p>(g) the situation of good-will of a trade, business or professional asset is at the place where the trade, business or profession is carried on;</p> <p>(h) patents, trademarks and designs are situated where they are registered, and if registered in more than one register, where each register is situated, and copyright, franchises, rights and licences to use any copyright material, patent, trade-mark or design are situated in Nigeria if they, or any rights derived from them, are exercisable in Nigeria; and</p> <p>(i) a judgment debt is situated where the judgment is recorded.</p>	<p>foreign entity are deemed to be located in Nigeria, if, at any time during the 365 days preceding the alienation, more than 50% of the value of the shares or other interests is derived, directly or indirectly—</p> <p>(i) through one or more interposed entities resulting in the change in direct or indirect ownership structure of a Nigerian entity, or</p> <p>(ii) from immovable property or any other chargeable assets situated in Nigeria;</p> <p>(g) subject to paragraph (d) of this section, shares or comparable interest in an entity is situated in Nigeria, if the entity is a Nigerian company or the owner of beneficial interest in the shares or comparable interest is resident in Nigeria or the owner has a permanent establishment in Nigeria to which the shares relates;</p> <p>(h) a ship or aircraft used in international traffic is situated in Nigeria where the owner is resident in Nigeria or the owner has a permanent establishment in Nigeria to which the ship or aircraft relates;</p> <p>(i) interest or right in or over a ship or aircraft used in international traffic is situated in Nigeria where the person entitled to the interest or right is</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>resident in Nigeria or has a permanent establishment in Nigeria to which the interest or right relates;</p> <p>(j) the situation of goodwill of a trade, business or professional asset is at the place where the trade, business or profession is carried on;</p> <p>(k) patents, trademarks or designs are situated where they are registered, and if registered in more than one register, where each register is situated;</p> <p>(l) copyright, franchises, rights or licences to use any copyright material, patent, trademark, or design are situated in Nigeria where they, or any rights derived from them, are exercisable in Nigeria;</p> <p>(m) a judgement debt is situated where the judgement is recorded; and</p> <p>(n) notwithstanding paragraphs (k) and (l) of this section, incorporeal property including digital assets are situated in Nigeria where the person who holds direct or indirect beneficial ownership, control or interest over the right or property is resident in Nigeria or has a permanent establishment in Nigeria to which the property is connected.</p>		

Indirect Transfer	N/A	Section 47 – Indirect Transfer of Ownership of Companies or Assets Gains accruing to any person in respect of a disposal of shares by a non-resident	Retained	New provision to address the practice of circumventing tax by disposing shares as a
-------------------	-----	--	----------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>shall be a chargeable gain under this Act where the disposal results into a change—</p> <p>(a) in the ownership structure or group membership of any Nigerian company; or</p> <p>(b) of ownership of, title in, or interest in any asset located in Nigeria.</p>		<p>means to dispose immovable assets. Applicable only to nonresidents. It is unclear whether the exemption thresholds will apply to this provision.</p>
<p>Life Assurance Policies</p>	<p>Section 34 CGT Act – Life Assurance Policies</p> <p>(1) This section has effect as respects any policy of assurance or contract for a deferred annuity on the life of any person.</p> <p>(2) No chargeable gain shall accrue on the disposal of, or of an interest in, the rights under any such policy of assurance or contract except where the person making the disposal is not the original beneficial owner and acquired the rights or interests for a consideration in money or money's worth.</p> <p>(3) Subject to subsection (2) of this section, the occasion of the payment of the sum or sums assured by a policy of assurance or of the first instalment of a deferred annuity, and the occasion of the surrender of a policy of assurance or of the rights under a contract for deferred annuity, shall be the occasion of a</p>	<p>Section 48 – Life Assurance Policies</p> <p>(1) This section has effect as respects to any policy of assurance or contract for a deferred annuity on the life of any person.</p> <p>(2) Chargeable gain shall not accrue on the disposal of an interest in, or the rights under any such policy of assurance or contract, except where the person making the disposal is not the initial beneficial owner and acquired the rights or interests for a consideration in money or money's worth.</p> <p>(3) Subject to subsection (2) of this section, the surrender of a policy of assurance or the rights under a contract for a deferred annuity shall constitute a disposal of the rights under the policy of assurance or contract for a deferred annuity, and the amount of the consideration for the disposal of a contract for a deferred annuity shall be</p>	<p>Retained</p>	<p>Similar provisions. Amended to deem the chargeable gains on disposal of rights under a life policy to be the higher of market value and disposal proceeds.</p>

	disposal of the rights under the policy of assurance or contract for a deferred	the higher of the market value and the disposal proceeds.		
--	---	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	annuity, and the amount of the consideration for the disposal of a contract for a deferred annuity shall be the market value at that time of the right to that and further instalments of the annuity.			

<p>Rights under nonlife insurance policies</p>	<p>Section 35 – Rights under policies of insurance, other than life assurance policies</p> <p>(1) The rights of the insured under any insurance effected in the course of a capital redemption business shall constitute an asset on the disposal of which a gain may accrue to the person making the disposal but subject to that, neither the rights of the insurer nor the rights of the insured under any policy of insurance, whether the risks insured relate to property or not, shall constitute an asset on the disposal of which a gain may accrue.</p> <p>(2) Notwithstanding subsection (1) of this section, sums received under a policy of insurance of the risk of any kind of damage to, or the loss or depreciation of assets are for the purposes of this Act, and in particular for the purposes of section 6 of this Act, sums derived from the assets.</p> <p>(3) In this section-</p> <p>(a) “capital redemption business” means the business (not being life assurance</p>	<p>Section 49 – Rights under policies of insurance, other than life assurance policies</p> <p>(1) The rights of the insured under an insurance effected in the course of a capital redemption business or industrial assurance business shall constitute an asset which may yield a chargeable gain upon disposal.</p> <p>(2) The rights under any other policy of insurance, whether the risks insured relate to property or not, shall not constitute an asset on the disposal of which a chargeable gain may accrue, except as may be expressly provided under this part. (3) In this section—</p> <p>(a) “capital redemption business” means the business of effecting and carrying out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future,</p>	<p>Retained</p>	<p>Unlike life policy, disposal of rights under a non-life policy does not constitute a chargeable asset.</p>
---	--	--	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>business or industrial assurance business), of effecting; and carrying out contracts of insurance, whether effected by the issue of policies, bonds, or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future;</p> <p>(b) "industrial assurance business" means, the business of effecting and carrying out contracts of insurance in connection with an industrial assurance whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future; and</p> <p>(c) "policy of insurance" does not include a policy of assurance on human life.</p>	<p>excluding life or industrial assurance business;</p> <p>(b) "industrial assurance business" means the business of effecting and carrying out contracts of insurance in connection with any industrial assurance whereby in return for one or more premiums paid to the insurer a sum or a series of sums is to become payable to the insured in the future; and</p> <p>(c) "policy of insurance" does not include a policy of assurance on human life.</p>		

<p>Personal Injury</p>	<p>Section 36 – Personal Injury (1) Subject to subsection (2) of this section, sums obtained by way of compensation or damages for any wrong or injury suffered by an individual in his person in his profession or vocation shall not be chargeable gains within the meaning of this Act; and the foregoing provision of this subsection shall extend to compensation or damages for personal or professional wrong or injury including wrong or injury for libel, slander or enticement.</p>	<p>Section 50 – Personal Injury (1) Sums not exceeding N50,000,000.00 obtained by way of compensation or damages for any wrong or injury suffered by an individual in his person or in his profession or vocation, including compensation for loss of office or employment, wrong or injury for libel, slander or enticement shall not be chargeable gains. (2) Where the sum exceeds N50,000,000.00, only the excess amount shall constitute a chargeable gain.</p>	<p>Retained</p>	<p>Exemption threshold for compensation for injury including loss of office, is increased from ₦10m to ₦50m.</p>
-------------------------------	--	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>(2) Sums obtained by way of compensation for loss of office, up to a maximum of ₦10,000,000.00, shall not be chargeable gains and subject to tax under this Act. Provided that any sum in excess of ₦10,000,000.00 shall not be so exempt but the excess amount shall be chargeable gains and subject to tax accordingly.</p> <p>(3) For the purpose of subsection (2), any person who pays compensation for loss of office to an individual is required, at the point of payment of such compensation, to deduct and remit the tax due under this section to the relevant tax authority. (4) The tax so deducted shall be remitted within the time specified under the PayAs-You-Earn regulations issued pursuant to the Personal Income Tax Act.</p>	<p>(3) For the purposes of subsection (1) and (2) of this section, any person who pays compensation for loss of office or employment to an individual is required, at the point of payment of such compensation, to deduct and remit the tax due under this section to the relevant tax authority.</p> <p>(4) The tax so deducted shall be remitted within the time specified under the PayAs-You-Earn or Deduction of Tax at Source Regulations issued pursuant to the Nigeria Tax Administration Act</p>		
<p>Principal Private Residences</p>	<p>Section 37 – Principal Private Residences (1) This section applies to a gain accruing to an individual so far as attributable to the disposal of, or of an interest in- (a) a dwelling-house or part of a dwellinghouse which is, or has at any time in his period of ownership been, his only or main residence; or (b) land which he has for his own occupation and enjoyment with that residence as its garden or grounds up to an area (inclusive of the site of the</p>	<p>Section 51 – Principal Private Residences (1) The gains accruing to an individual are exempt from tax in respect of the disposal of, or an interest in – (a) a dwelling-house or part of such dwelling-house; and (b) land, other than land used for commercial purposes, immediately adjoining the dwelling house up to a maximum of one acre.</p>	<p>Retained</p>	<p>No longer has to be in respect of an individual’s only or main residence. Exemption limited to once in a lifetime.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>dwelling-house) of one acre or such larger area as the Service may in any particular case determine, on being satisfied that, regard being had to the size and character of the dwelling-house, the larger area is required for the reasonable enjoyment of it (or of the part in question) as a residence, and in the case where part of the land occupied with a residence is and part is not within this subsection, then (up to the permitted area) that part shall be taken to be within this subsection which, if the remainder were separately occupied, would be the most suitable for occupation and enjoyment with the residence.</p> <p>(2) The gain shall not be a chargeable gain if the dwelling-house or part of a dwelling-house has been the individual's only or main residence throughout the period of ownership, or throughout the period of ownership except for all or any part of the last twelve months of that period.</p> <p>(3) So far as it is necessary for the purposes of this section, to determine which of two or more residences is an individual's main residence for any period-</p> <p>(a) the individual may conclude that question by notice in writing to the</p>	<p>(2) The exemption under this section shall be enjoyed once in the lifetime of an individual.</p> <p>(3) The consideration shall be apportioned where a person disposes of only a part of a dwelling-house or a house used partly as dwelling place and partly for carrying out a trade, business, profession or vocation.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Service given within two years from the beginning of that period, or given by the end of the year 1967-68, if that is later, but subject to a right to vary that notice by a further notice in writing to the Service as respects any period beginning not earlier than two years before the giving of the further notice;</p> <p>(b) subject to paragraph (a) of this subsection, the question shall be concluded by the determination of the Service, which may be as respects either the whole or specified parts or the period of ownership in question, and notice of any determination of the Service under paragraph (b) of this subsection shall be given to the individual who may appeal to the Appeal Commissioners against that determination within thirty days of service of the notice.</p> <p>(4) This section shall not apply in relation to a gain unless the acquisition of, or of the interest in, the dwelling-house or the part of a dwelling-house, was made for the purpose of residing in it and not wholly or partly for the purpose of realising a gain from the disposal of it, and shall not apply in relation to a gain so far as attributable to any expenditure which was incurred after the beginning of the period of ownership and was incurred</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>wholly or partly for the purpose of realising a gain from the disposal.</p> <p>(5) Apportionments of consideration shall be made wherever required by this section and, in particular, where a person disposes of a dwelling-house only part of which is his only or main residence.</p>			
Personal Chattels	<p>Section 38 – Chattels sold for ₦1,000 or less in a year</p> <p>(1) Subject to this section, a gain accruing on a disposal of an asset which is tangible movable property shall not be a chargeable gain if the total amount or value of the consideration for the disposal does not in a year of assessment exceed ₦1,000.</p> <p>(2) The amount of capital gains tax chargeable in respect of a gain accruing on a disposal of an asset which is tangible movable property for a consideration the total amount or value of which exceeds ₦1,000 shall not exceed half the difference between the amount of that consideration and ₦1,000.</p> <p>For the purposes of this subsection the capital gains tax chargeable in respect of the gain shall be the amount of tax which would not have been chargeable but for that gain.</p> <p>(3) If two or more assets which have formed part of a set of articles of any description all owned at one time by one</p>	<p>Section 52 – Personal Chattels</p> <p>(1) A gain accruing on a disposal of an asset which is tangible movable property being personal chattels of an individual shall not be a chargeable gain if the total amount or value of the consideration for the disposal does not, in a period of assessment, exceed ₦5,000,000 or three times the annual national minimum wage, whichever is higher.</p> <p>(2) Where two or more assets, whether or not forming part of a set of articles, are disposed by a person to the same person or to persons acting in concert, or to connected persons, whether on the same or different occasions, the two or more transactions shall be treated as a single transaction disposing of a single asset, but with any apportionments, where necessary.</p> <p>(3) Where the disposal is part of a right or interest in, or over tangible movable property, subsection (1) of this</p>	Retained	Threshold of chargeable gains increased from ₦1,000 to the higher of ₦5m or 3x the annual minimum wage, to reflect current realities.

		section shall apply in relation to the asset as a		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>person are disposed of by that person, and-</p> <p>(a) to the same person; or</p> <p>(b) to persons who are acting in concert or who are, in terms of section 23 of this Act, connected persons, whether on the same or different occasions, the two or more transactions shall be treated as a single transaction disposing of a single asset, but with any necessary apportionments of the reductions in tax under subsection (2) of this section, and this subsection shall also apply where the assets, or some of the assets, are disposed of on different occasions on the 1st of April, 1966, but not so as to make any gain accruing on that date a chargeable gain.</p> <p>(4) If the disposal is of a right or interest in or over tangible movable property- (a) in the first instance subsections (1) and (2) of this section shall be applied in relation to the asset as a whole, taking the consideration as including the market value of what remains undisposed of, in addition to the actual consideration;</p> <p>(b) where the sum of the actual consideration and that market value exceeds ₦1,000, the limitation and the amount of tax in subsection (2) of this section shall be of half the difference between that sum and ₦1,000 multiplied</p>	<p>whole, taking the consideration as including the market value of what remains undisposed of, in addition to the actual consideration.</p> <p>(4) The provisions of this section shall apply to a gain accruing on a disposal of two or more assets, not necessarily forming part of a set of articles of any description, which are tangible movable properties in the same manner as they apply in relation to a gain accruing on a disposal of an asset, or two or more assets forming part of a set of articles. (5) This section shall not apply to a disposal of currency of any description.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>by the fraction equal to the actual consideration divided by the said sum.</p> <p>(5) The foregoing provisions of this section shall apply in relation to a gain accruing on a disposal of two or more assets (not necessarily forming part of a set of articles of any description) which are tangible movable properties in the same manner as they apply in relation to a gain accruing on a disposal of an asset, or two or more assets which formed part of a set of articles, if in a year of assessment the total amount or value of the consideration is ₦1,000 or more.</p> <p>(6) This section shall not apply in relation to a disposal of currency of any description.</p>			
Disposal of Vehicles	<p>Section 39 – Motor Cars</p> <p>(1) A mechanically propelled road vehicle constructed or adapted for the carriage of passengers shall not be an asset for the purposes of this Act unless it is a vehicle of a type not commonly used as private vehicle and is unsuitable to be so used.</p>	<p>Section 53 – Motor Vehicles</p> <p>(1) A motor vehicle used solely for private or non-profit purposes shall not be an asset for the purposes of this part.</p> <p>(2) The exemption under this section shall be limited to not more than two motor vehicles by an individual in any year of assessment.</p>	Retained	Updated provisions introducing a threshold of not more than 2 exempt vehicles per individual in any year of assessment.

Gifts	Section 40 – Gifts Subject to the provisions of this Act, where a person disposes, by way of a gift, of an asset acquired by him by way of a gift or otherwise (not being an acquisition on a devolution on death), the person making the disposal shall not be	Section 54 – Gifts (1) Where a person disposes by way of a gift, an asset acquired by him by way of a gift or any other form of gift, not being an acquisition on a devolution on death, the gains accruing from the disposal shall not be chargeable gains.	Retained	Provision maintained.
--------------	---	--	----------	-----------------------

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	chargeable to capital gains tax under this Act by reference to that disposal. In this section, "gift" has the same meaning as in section 7 (2) of this Act.	(2) For the purpose of this section and section 36(2) of this Act, an asset is acquired or disposed of by way of gift where no consideration is paid or received for the acquisition or disposal		
Assets held in trust for charities	N/A	<p>Section 55 – Assets held in trust for charities</p> <p>(1) Any property held in trust for —</p> <p>(a) an ecclesiastical or charitable institution of a public character;</p> <p>(b) any statutory or registered friendly society;</p> <p>(c) any co-operative society registered under the co-operative societies law of any State; or</p> <p>(d) any trade union registered under the Trade Unions Act, shall not be subject to the provisions of chapter two of this Act, provided that the gain is not derived from the disposal of an asset acquired in connection with any trade or business carried on by the institution, society or trade union, and the gain is applied solely for the purpose of the institution, society or trade union.</p> <p>(2) Where such property ceases to be subject of such trust—</p> <p>(a) the trustees shall be treated as if they had disposed of, and immediately re-</p>	<p>Section 55 – Assets held in trust for charities</p> <p>(1) Any property held in trust for — (a) a religious or charitable institution of a public character;</p> <p>(b) any statutory or registered friendly society;</p> <p>(c) any co-operative society registered under the co-operative societies law of any State; or</p> <p>(d) any trade union registered under the Trade Unions Act, shall not be subject to the provisions of chapter two of this Act, provided that the gain is not derived from the disposal of an asset acquired in connection with any trade or business carried on by the institution, society or trade union, and the gain is applied solely for the purpose of the institution, society or trade union.</p> <p>(2) Where such property ceases to be subject of such trust—</p> <p>(a) the trustees shall be treated as if they had disposed of, and immediately re-acquired the property for a consideration equal to its market value,</p>	<p>New provision in respect of assets held in trust for exempt entities, and cessation of trust.</p> <p>Assets not to be subject to income tax provided that:</p> <ul style="list-style-type: none"> - there is no gain on disposal of an asset used for a business - any gain is wholly applied to the objects of the entity. <p>Upon ceasing to be a subject of trust, a disposal is deemed, and no gain is attributable to the exempt entity but to the trustees, who will be liable to income tax on such gains.</p>

		acquired the property for a consideration equal to its market value, any gain on the disposal shall be treated		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>as not accruing to the institution or society; and</p> <p>(b) any gain accruing directly or indirectly on that disposal shall be treated as having accrued to the trustees and shall be chargeable gains for the purposes of chapter two of this Act.</p>	<p>any gain on the disposal shall be treated as not accruing to the institution or society; and</p> <p>(b) any gain accruing directly or indirectly on that disposal shall be treated as having accrued to the trustees and shall be chargeable gains for the purposes of chapter two of this Act.</p>	
Tax Rate	<p>Section 40 CITA – Rates of Tax</p> <p>There shall be levied and paid for each year of assessment in respect of total profits of every company, tax as follows, in the case of a-</p> <p>(a) small company, tax as provided under section 23 (1)(o) of this Act;</p> <p>(b) medium-sized company, tax at the rate of 20 Kobo for every Naira; and</p> <p>(c) large company, tax at the rate of 30 Kobo for every Nair</p>	<p>Section 56 – Rate of Tax for Companies</p> <p>Tax shall be levied, for each year of assessment in respect of total profits of every company, in the case of—</p> <p>(a) a small company, at zero percent; and</p> <p>(b) any other company, at the rate of— (i) 27.5% in 2025 year of assessment, and (ii) 25% from 2026 year of assessment</p>	<p>Section 56 – Rate of Tax for Companies</p> <p>(1) Tax shall be levied, for each year of assessment in respect of total profits of every company, in the case of— (a) a small company, at zero percent; and (b) any other company, save for companies in subsection (2) of this section, at the rate of 30 per cent.</p> <p>(2) Companies operating in priority sectors as contained in the Eleventh Schedule of this Act shall be subject to income tax at the rate of 25 per cent, during the priority period.</p>	<p>Proposed phased reduction of the income tax rate.</p> <p>No more medium-sized companies.</p>
Minimum Tax	<p>Section 33 CITA – Payment of Minimum Tax</p> <p>(1) Notwithstanding any other provisions in this Act where in any year of assessment the ascertainment of total</p>	<p>Section 57 – Effective Tax Rate</p> <p>(1) Notwithstanding any provision of this Act or any other enactment, where, in any year of assessment, the effective tax rate of a company is less than 15% such company shall recompute and pay an</p>	<p>Section 57 – Effective Tax Rate</p> <p>(1) Notwithstanding any provision of this Act or any other enactment, where, in any year of assessment, the effective tax rate of a company is less</p>	<p>No minimum tax for companies with less than N20bn, who are not members of an MNE group.</p> <p>Introduction of 15% ETR</p>

	assessable profits from all sources of a company results in a loss, or where a		than 15% such company shall recompute and pay an additional tax	further to OECD Pillar II which provides for a top-up
--	--	--	---	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>company's ascertained total profits results in no tax payable or tax payable which is less than the minimum tax, there shall be levied and paid by the company the minimum tax as prescribed by subsection (2) of this section.</p> <p>(2) For the purpose of subsection (1), the minimum tax to be levied and paid shall be 0.5% of gross turnover of the company less franked investment income- Provided, that- (a) the applicable minimum tax is reduced to 0.25% for tax returns prepared and filed with respect to financial years ending on any between 1 January 2020 and 31 December 2021, both days inclusive.</p> <p>(b) Where the company had filed it relevant tax returns for any year of assessment falling on any date between 1 January 2020 and 31 December 2021 both days inclusive, the applicable minimum tax is reduced to 0.25% for tax returns prepared and filed for any two accounting periods ending on any date between 1 January 2019 and 31 December 2021, both days inclusive; and</p> <p>(c) For the purpose of this section, the application of the reduced rate shall be available for only two accounting periods either from 1 January 2019 to 31 December 2020 or from 1 January 2020 to</p>	<p>additional tax that makes its effective tax rate equal to 15%.</p> <p>(2) The provisions of this section shall apply to—</p> <p>(a) a company that is a constituent entity of an MNE group; and</p> <p>(b) any other company with an aggregate turnover of ₦20,000,000,000.00 and above in the relevant year of assessment.</p> <p>(3) The Service may issue regulations to give effect to the provisions under this section and may prescribe a higher threshold under subsection 2(b) of this section.</p>	<p>that makes its effective tax rate equal to 15% of net profit before tax.</p> <p>(2) The provisions of this section shall apply to—</p> <p>(a) a company that is a constituent entity of a Multinational Entity group, with aggregate group turnover of at least €750million or its equivalent; and</p> <p>(b) any other company with an aggregate turnover of ₦50,000,000,000.00 and above in the financial year.</p> <p>Provided that the net profit before tax of a life insurance company shall not include gross premium and investment income for policyholders.</p> <p>(3) The provisions of this section shall not apply to licenced entities within the zones provided that at least 75% of goods or services produced by the entities in any year of assessment are exported, or serve as inputs into goods or services, at least 75% of which are exported.</p> <p>(4) The Service may issue regulations to give effect to the provisions under this section and may prescribe a higher threshold under subsection 2(b) of this section.</p>	<p>tax to ensure that large multinational groups, with a turnover in excess of £750m turnover, pay income tax of at least 15% on income arising in each jurisdiction in which they operate.</p> <p>The base of the ETR is not included in the Bill. The NRS has been given the power to issue Regulations to guide the implementation of this provision.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>31 December 2021, as may be determined by the taxpayer.</p> <p>(3) The provisions of this section shall not apply to-</p> <p>(a) a company carrying on agricultural trade or business as defined in subsection (9) of section 11 of this Act.</p> <p>(b) a company that earns gross turnover of less than ₦25,000,000 in the relevant year of assessment</p> <p>(c) any company for the first four calendar years of its commencement of business.</p> <p>(4) (a) Nothing in this section shall exempt any company from payment of any levy or tax imposed on the total profits of the company under section 40 of this Act so however that the tax payable under subsection (1) of this section, shall be the amount by which the amount computed under subsection (2) thereof exceeds the amount that is levied and payable under section 40 of this Act.</p> <p>(b) For the purposes of this section and the Second Schedule to this Act, the capital allowance for any assessment year in which a minimum tax is payable, shall be computed and the amount so computed, together with any unabsorbed allowances brought forward from previous years, shall be deducted as far as possible from the assessable profits of the assessment year and, so far as it cannot</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	be completely deducted, the amount by which the total amount of the capital allowance exceeds the amount of the assessable profit of the assessment year, shall be carried forward to the next assessment year.			
Charge of income tax.	<p>Section 37 PITA – Charge of Income Tax Charge of income tax Subject to the provisions of this Act, the income tax that may be payable on the chargeable income of an individual ascertained in accordance with the provisions of this Act shall, in respect of each year of assessment, be assessed at the rate or rates specified in the Sixth Schedule to this Act so however that where after all deductions allowable under this Act the individual has no chargeable income or where the tax payable on the chargeable income of that individual is less than 1 per cent of the total income of that individual, the individual shall be charged to tax at the rate of 1 per cent of his total income: Provided that minimum tax under this section or as provided for under the Sixth Schedule to this Act shall not apply to a person in any year of assessment where such person earns the National Minimum Wage or less from an employment.</p> <p>Sixth Schedule Tax Income Rates Graduated Tax rates with consolidated allowance of ₦200,000</p>	<p>Section 58 – Rates of tax for individuals The income tax payable on the chargeable income of an individual, in respect of each year of assessment, shall be as specified in the Fourth Schedule to this Act.</p> <p>Fourth Schedule – Individuals' Income Tax rates After the relief allowance and exemptions had been granted in accordance with subsection (1) of section 30 of this Act, the taxable income ascertained shall be taxed at the following rates— (a) First N800,000 at 0%; (b) Next N2,200,000 at 15%; (c) Next N9,000,000 at 18%; (d) Next N13,000,000 at 21%; (e) Next N25,000,000 at 23%; and (f) Above N50,000,000 at 25%</p>	<p>Section 58 – Rates of tax for individuals The income tax payable on the chargeable income of an individual, other than an individual earning the Minimum Wage in line with the Minimum Wage Act, in respect of each year of assessment, shall be as specified in the Fourth Schedule to this Act.</p> <p>Fourth Schedule – Individuals' Income Tax rates After the relief allowance and exemptions had been granted in accordance with subsection (1) of section 30 of this Act, the taxable income ascertained shall be taxed at the following rates— (a) First N800,000 at 0%; (b) Next N2,200,000 at 15%; (c) Next N9,000,000 at 18%; (d) Next N13,000,000 at 21%; (e) Next N25,000,000 at 23%; and (f) Above N50,000,000 at 25%</p>	Removal of minimum tax. Introduction of tax-exempt threshold of ₦800,000. Increased tax rates for high-income earners to up to 25%

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>+ 20 per cent of Gross Income, subject to a minimum tax of 1 per cent of Gross Income whichever is higher.</p> <ol style="list-style-type: none"> 1. First ₦300,000 @ 7 per cent 2. Next ₦300,000 @ 11 per cent 3. Next ₦500,000 @ 15 per cent 4. Next ₦500,000 @ 19 per cent 5. Next ₦1,600,000 @ 21 per cent 6. Above ₦3, 200,000 @ 24 per cent 			
Development Levy	N/A	<p>Section 59 – Development Levy</p> <p>(1) A development levy is imposed on the assessable profits of all companies chargeable to tax under chapter two and three of this Act, other than small companies and non-resident companies, as follows—</p> <ol style="list-style-type: none"> (a) for 2025 and 2026 years of assessment, 4%; (b) for 2027, 2028 and 2029 years of assessment, 3%; and (c) 2030 year of assessment and thereafter, 2% which shall be solely for the Student Education Loan Fund. <p>(2) The Service shall collect the levy and pay it into a special account created for that purpose.</p> <p>(3) The revenue accruing from the levy shall be distributed as follows-</p>	<p>Section 59 – Development Levy</p> <p>(1) A development levy of 4% is imposed on the assessable profits of all companies chargeable to tax under chapter two and three of this Act, other than small companies and non-resident companies.</p> <p>(2) The Service shall collect the levy and pay it into a special account created for that purpose.</p> <p>(3) The revenue accruing from the levy shall be distributed as follows —</p> <ol style="list-style-type: none"> (a) Tertiary Education Trust Fund — 50%; (b) Nigerian Education Loan — 3%; (c) National Information Technology Development Fund — 5%; (d) National Agency for Science and Engineering Infrastructure — 10%; (e) Social Security Fund — 10% (f) Defence Infrastructure Fund — 10% 	<p>A consolidation of all other taxes and levies currently being paid by companies in Nigeria, with a proposal to phase out all but the Student Education Loan Fund levy by 2030. The proposed sharing formular of the Development Levy is also included in the section.</p>

		(a) Tertiary Education Trust Fund— (i) 50% in 2025 and 2026 years of assessment,	(g) Nigeria Police Trust Fund – 5%	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(ii) 66⅔% in 2027, 2028 and 2029 years of assessment, (iii) 0% in 2030 year of assessment and thereafter; (b) Student Education Loan Fund— (i) 25% in 2025 and 2026 years of assessment, (ii) 33⅓% in 2027, 2028 and 2029 years of assessment, and (iii) 100% in 2030 year of assessment and thereafter; (c) National Information Technology Development Fund— (i) 20% in 2025 and 2026 years of assessment, and (ii) 0% in 2027 and thereafter; (d) National Agency for Science and Engineering Infrastructure- (i) 5% in 2025 and 2026 years of assessment, and (ii) 0% in 2027 year of assessment and thereafter. (4) Notwithstanding anything contained in any law, no part of the levy charged under this section shall be distributed to the — (a) National Information Technology Development Fund, and the National Agency for Science and Engineering Infrastructure Fund, after 2026 year of assessment; and</p>	<p>(h) National Sports Development Fund – 3% (i) National Board for Technological Incubation – 3% (j) National Cybersecurity Fund – 1%</p> <p>(4) The tax imposed under this part shall not be levied on assessable profits computed for the purposes of hydrocarbon tax.</p> <p>(5) For the purpose of this section, every beneficiary Agency and Fund in subsection (3) shall be required to prepare and submit their income and expenditure to the National Assembly for appropriation.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(b) Tertiary Education Trust Fund after 2029 year of assessment.</p> <p>(5) The tax imposed under this part shall not be levied on assessable profits computed for the purposes of hydrocarbon tax.</p>		
<p>Export Processing Zone</p>	<p>Section 35 CITA – Export Processing Zone Allowance</p> <p>(1) A company which has incurred expenditure in its qualifying building and plant equipment an approved manufacturing activity in an export processing zone shall be granted 100 percent capital allowance in any year of assessment.</p> <p>(2) A company granted capital allowance under subsection (1) of this section shall not be entitled to an investment allowance under this Act.</p> <p>(3) The profit or gains of a 100 percent export oriented undertaking established within and outside an export free zone shall be exempt from tax for the first three consecutive assessment years provided that-</p> <p>(i) the undertaking is 100 percent export oriented;</p> <p>(ii) the undertaking is not formed by splitting or breaking up or reconstructing a business already in existence;</p> <p>(iii) it manufactures, produces and exports articles during the relevant year</p>	<p>Section 60 – Export Processing and Free Trade Zone entities</p> <p>Where a trade or business is carried on by an approved enterprise in an export processing or free trade zone, the provisions of the Second Schedule to this Act shall apply.</p>	<p>Section 60 – Export Processing and Free Trade Zone entities</p> <p>Retained.</p>	<ul style="list-style-type: none"> - Full exemption from tax provided that 100% of sales arise from the export of goods and services or serve as inputs into goods or services exclusively for export. - Proportionate exemption of the profit of the zone entity if up to 75% of sales are from exports. - Imposition of tax on the 100% of the profits if exported sales are less than 25% of total - Services enjoyed by a licensed entity from outside the zone are subject to transaction taxes (VAT & WHT)

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and the export proceeds form 75 percent of its turnover;</p> <p>(iv) the undertaking is not formed by transfer of machinery or plants previously used for any purpose to the new undertaken or where machinery or plant previously used for any purpose is transferred does not exceed 25 percent of the total value of the machinery or the undertaking;</p> <p>(v) the undertaking repatriates at least 75 percent of the export earnings to Nigeria and places it in a domiciliary account in any registered and licensed bank in Nigeria</p> <p>(4) For the purpose of subsection (3) of this section only the tax written down value of the assets shall be carried forward at the end of the tax holidays.</p> <p>(5) In this section "export processing zone" and "approved activity" have the meanings assigned to them in the Nigerian Export Processing Zone Act.</p>			
Insurance Business	<p>Section 16 CITA – Insurance Companies</p> <p>(1) An insurance business shall be taxed as a –</p> <p>(a) A general insurance company, whether proprietary or mutual, other than a life insurance company; or</p> <p>(b) a life insurance company</p> <p>Provided that the profit on which tax may be imposed for an insurance business</p>	<p>Section 61 – Insurance trade or business</p> <p>(1) An insurance business shall be taxed as a—</p> <p>(a) general insurance company, whether proprietary or mutual, other than a life insurance company; or (b) life insurance company, provided that the profits on which tax may be imposed for an insurance</p>	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>shall be in accordance with section 13 of this Act.</p> <p>(2) For a general insurance company, the profit on which tax may be imposed, shall be ascertained by taking the gross premium and other income receivable, less reinsurance, and deducting from the balance so arrived at, a reserve for unexpired risks, determined in accordance with subsection (10) (a), of this section.</p> <p>(3) For a life insurance company, the profits on which tax may be imposed shall be the investment income less the management expenses, including commission.</p> <p>(4) Any amount distributed in any form as dividend from an actuarial revaluation of unexpired risks or from any other revaluation shall be deemed to be part of the total profits of the company for tax purposes.</p> <p>(5) Not more than three months after an actuarial revaluation of unexpired risks or any other revaluation has taken place, the company shall provide the Service with full particulars of the revaluation carried out, including a copy of the actuary's revaluation certificate.</p> <p>(6) The profits on which tax may be imposed -</p>	<p>business shall be in accordance with section 6 or 17 of this Act.</p> <p>(2) The profits on which tax may be imposed —</p> <p>(a) in the case of a general insurance, shall be ascertained in accordance with the provisions of subsection (3) of this section as if the whole premium and investment incomes of the company were derived from Nigeria; and</p> <p>(b) in the case of a life insurance, shall be ascertained in accordance with the provisions of subsections (4) and (5) of this section as if the whole investment and other incomes were received in Nigeria and all the expenses and other outgoings of the company were incurred in Nigeria.</p> <p>(3) For a general insurance business, the profit on which tax may be imposed shall be ascertained by taking the gross premium and other income receivable, less reinsurance, and deducting from the balance so arrived at, a reserve for unexpired risks, determined in accordance with of subsection (9)(a) of this section and other deductions allowed under subsection (9)(b) of this section and chapter two of this Act.</p> <p>(4) For a life insurance business, the profits on which tax may be imposed shall be the investment income, and</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(a) in a general Nigerian insurance company, shall be ascertained in accordance with the provisions of subsection (2) as though the whole premium and investment incomes of the company were derived from Nigeria; and</p> <p>(b) in a Nigerian life insurance company, shall be ascertained in accordance with the provisions of subsections (3), (4) and (5) as though the whole investment and other incomes were received in Nigeria and all the expenses and other outgoings of the company were incurred in Nigeria.</p> <p>(7) Investment income for the purpose of taxation of a life insurance company under this section means income derived from investment of shareholders' funds.</p> <p>(8) Where an insurance company carries on a life class and a general or non-life class insurance business, the funds and books of accounts of one class shall be kept separate from the other as though one class does not relate to the other class, and the annual tax returns of the two classes of insurance businesses shall be made separately</p> <p>(9) Each class of insurance shall be assessed separately as "life insurance assessment" and "nonlife (other) insurance assessment" and in respect of each class of insurance business where there are more than one type of</p>	<p>other income, less the management expenses, including commission.</p> <p>(5) Any amount distributed in any form as dividend from an actuarial revaluation of unexpired risks or from any other revaluation shall be deemed to be part of the total profits of a company engaged in life insurance business.</p> <p>(6) The company shall provide the Service with full particulars of any revaluation carried out, including a copy of the actuary's revaluation certificate, not more than three months after an actuarial revaluation of unexpired risks or any other revaluation has taken place.</p> <p>(7) Where an insurance company carries on a life class and a general or non-life class insurance business, the funds and books of accounts of one class shall be kept separate from the other as though one class does not relate to the other class, and the annual tax returns of the two classes of insurance businesses shall be made separately.</p> <p>(8) Each class of insurance shall be assessed separately as life insurance assessment or non-life insurance assessment, and in respect of each class of insurance business, where there are more than one type of insurance in the same class, they form one type of business and the loss from one class shall</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>insurance and in the same class, they form one type of business and shall not be allowed against the income from another type of insurance business but the loss shall be available to be carried forward against profits from the same class of insurance business.</p> <p>(10) An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes –</p> <p>(a) Reserve for unexpired risks, calculated on a time apportionment basis of the risks accepted in the year; and</p> <p>(b) For outstanding claims and outgoings, an amount equal to the total estimated amount of all outstanding claims and outgoings, provided that any amount not utilised towards settlement of claims and outgoings shall be added to the total profits of the following year.</p> <p>(11) An insurance company, in respect of its life insurance business shall be allowed the following deductions from its investment incomes and other incomes-</p> <p>(a) an amount which makes a general reserve and fund equal to the net liabilities on policies in force at the time of an actuarial valuation;</p> <p>(b) an amount which is equal to 1% of gross premium or 10% of profits (whichever is greater) to a special reserve</p>	<p>not be allowed against the income from another class of insurance business, provided that the loss shall be available to be carried forward against the profits from the same class of insurance business.</p> <p>(9) An insurance company, other than a life insurance company, shall be allowed to deduct from its premium the following reserves for tax purposes— (a) reserve for unexpired risks, calculated on a time apportionment basis of the risks accepted in the year; and</p> <p>(b) for outstanding claims and outgoings, an amount equal to the total estimated amount of all outstanding claims and outgoings, provided that any amount not utilised towards settlement of claims and outgoings shall be added to the total profits of the following year.</p> <p>(10) An insurance company, in respect of its life insurance business, shall be allowed to deduct the following from its investment income and other incomes –</p> <p>(a) an amount which makes a general reserve and fund equal to the net liabilities on policies in force at the time of an actuarial valuation;</p> <p>(b) an amount which is equal to 1% of gross premium earned or 10% of net</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>fund and accommodation until it becomes the amount of the statutory minimum paid-up capital; and</p> <p>(c) All normal allowable business outgoings.</p> <p>(12) A reinsurance company shall be allowed the following deductions from its gross profit to be credited to a general reserve fund-</p> <p>(a) an amount not more than 50% of the gross profits of the reinsurer for the year where the general reserve fund is less than the initial statutory minimum authorised share capital; or</p> <p>(b) an amount not more than 25% of the gross profits of the reinsurer for the year, where the fund is equal to or exceeds the initial statutory minimum authorised share capital.</p> <p>(13) An insurance company that engages the services of an insurance agent, a loss adjuster and an insurance broker shall include in its annual tax returns, a schedule showing the name and address of that agent, loss adjuster and insurance broker, the date their services were employed and terminated, as applicable, and payments made to each such agent, loss adjuster and insurance broker for the period covered by the tax returns.</p> <p>(14) the provisions on minimum tax in section 33 of this act shall apply to</p>	<p>profits, whichever is greater, to a special reserve fund and accumulated until it becomes the amount of the statutory minimum paid-up capital; and (c) all allowable business outgoings</p> <p>(11) A reinsurance company shall be allowed to deduct the following from its gross profit, to be credited to a general reserve fund—</p> <p>(a) an amount not more than 50% of the gross profits of the reinsurer for the year, where the general reserve fund is less than the statutory minimum paid-up capital; or</p> <p>(b) an amount not more than 25% of the gross profits of the reinsurer for the year, where the fund is equal to, or exceeds the statutory minimum paid-up capital.</p> <p>(12) An insurance company that engages the services of an insurance agent, a loss adjuster or an insurance broker shall include in its annual tax returns, a schedule showing the name and address of that agent, loss adjuster or insurance broker, the date their services were employed and terminated, as applicable, and payments made to each such agent, loss adjuster or insurance broker for the period covered by the tax returns. (13) For the purposes of this section—</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>insurance business, provided that "gross turnover" shall mean "gross premium and other income" in the case of non-life insurance business and "gross income", in the case of life insurance business. (15) For the purpose of subsection (14) – "gross premium" means the total premiums written, received and receivable excluding unearned premium and premiums returned to the insured; and "gross income" means total income earned by a life insurance business including all investment income (excluding franked investment income), fees, commission and income from other assets but excluding premiums received and claims paid by re-insurers; and "other income" , for the purposes of non life insurance businesses means all the income of the non-life insurance business other than gross premium (excluding franked investment income)"</p>	<p>"gross premium" means the total premiums written, received and receivable, excluding unearned premium and premiums returned to the insured; "gross income" means total income earned by a life insurance business including all investment income, fees, commission and income from other assets but excluding franked investment income, premiums received and claims paid by re-insurers; "investment income" for the purposes of taxation of a life insurance company under this section means income derived from investment of shareholders' funds; "non-life insurance business" means general or other insurance business, other than life insurance business; and "other income", for the purposes of nonlife insurance businesses, means all the income of the non-life insurance business other than gross premium and franked investment income.</p>		
<p>Lottery business</p>	<p>N/A</p>	<p>Section 62 – Lottery and gaming trade or business (1) Notwithstanding anything to the contrary in any other law, the income of lottery and gaming trade or business</p>	<p>Section 62 – Lottery and gaming trade or business (1) Notwithstanding anything to the contrary in any other law, the income of lottery and gaming trade or business</p>	<p>For the first time, a bespoke tax regime of lottery activities is included in a body of tax laws. In addition to general allowable deductions,</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>shall be charged to tax in accordance with the provisions of this Act.</p> <p>(2) In determining the assessable profits of lottery and gaming trade or business, the following deductions shall be allowed, in addition to other deductions allowed under chapter two of this Act—</p> <p>(a) any amount paid as winnings, prizes or similar payments from the relevant Prize Fund;</p> <p>(b) statutory contributions to the Lottery Trust Fund, as applicable;</p> <p>(c) agency commission expenses incurred; and</p> <p>(d) levies paid to relevant regulatory and government authorities as contained in relevant federal or state laws. (3) For the purposes of this section— "Gaming" includes gambling, wagering, video poker, roulette, craps, bingo, slot or gaming machine, drawings or other games of chance conducted by any person;</p> <p>"Lottery" or "Lotteries" includes any betting, game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of real or virtual sporting events, or any other game, scheme,</p>	<p>shall be charged to tax in accordance with the provisions of this Act.</p> <p>(2) In determining the assessable profits of lottery and gaming trade or business, the following deductions shall be allowed, in addition to other deductions allowed under chapter two of this Act—</p> <p>(a) any amount paid as winnings, prizes or similar payments from the relevant Prize Fund;</p> <p>(b) agency commission expenses incurred; and</p> <p>(c) levies paid to relevant regulatory and government authorities as contained in relevant federal or state laws.</p> <p>(3) For the purposes of this section— "Gaming" includes gambling, wagering, video poker, roulette, craps, bingo, slot or gaming machine, drawings or other games of chance conducted by any person;</p> <p>"Lottery" or "Lotteries" includes any betting, game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of real or virtual sporting events, or any other game, scheme,</p>	<p>lottery companies are to deduct:</p> <ul style="list-style-type: none"> - winnings, prizes or similar payments from the Prize Fund - statutory contributions to the Lottery Trust Fund - agency commission expenses incurred - statutory levies paid to relevant regulatory and government authorities <p>However, a court has ruled against National Lottery Act, and there's a need to rephrase the Bill.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		arrangement, system, plan, competition or device; "Lottery Trust Fund" refers to the Lottery Trust Fund established pursuant to the National Lottery Act.	arrangement, system, plan, competition or device;	
Unit trust / Collective Investment scheme	Section 17 CITA – Authorized Unit Trust Scheme (1) Where under any of the provisions of the Investments and Securities Act, a unit trust scheme is established for the purpose of providing facilities for the participation of the public, as beneficiaries under a trust, in profits or income arising from acquisition, holding, management or disposal of securities or any other property whatsoever, this Act shall, in respect of the income arising to the trustees of an authorised unit trust, have effect- (a) as if the trustees were a company whose business consists mainly in the making of investments and the principal part of whose income is derived therefrom; (b) as if the rights of the unit holders were shares in the company; and (c) as if so much of the income accruing to the trustees as is available for payment to the unit holders were dividends on such shares	Section 63 – Collective Investment Scheme Where under the provisions of the Investments and Securities Act (I24, LFN 2004), a mutual fund is established for the purpose of providing facilities for the participation of the public, as beneficiaries under a trust, in profits or income arising from acquisition, holding, management or disposal of securities or any other property, chapter two of this Act shall, in respect of the income arising to the trustees of a collective investment, have effect as if the— (a) trustees were a company whose business consists mainly in the making of investments and the principal part of whose income is derived therefrom; (b) rights of the unit holders were shares in the company; and (c) income accruing to the trustees as is available for payment to the unit holders were dividends on such shares, and reference to a company in this Act shall include a collective investment scheme. (2) For the purposes of section 27 of this Act, the profits of an authorised	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and reference in this Act to a company shall be construed in accordance with this subsection.</p> <p>(2) For the purpose of section 32 of this Act, the profits of an authorised unit scheme, on which tax, may be imposed, shall be ascertained by taking the income accruing to the trustees from all sources of the investment of the unit trust and deducting there from sums disbursed as management expenses, including remuneration for the managers.</p> <p>(3) Where the trustees of a unit trust receive a payment on which the unit trust suffers tax by deduction (not being franked investment income), the tax thereon shall be set off against any income on the trustees by an assessment made for the year of assessment in which the receipt, on which the tax deduction was made, falls to be taken into account in ascertaining the tax payable by the unit trust for the year of assessment.</p> <p>(4) The provisions of section 53 of this Act shall apply to a dividend accruing to the trustees of a unit trust.</p> <p>(5) So much of the profit accruing to the trustees of a unit trust as is available for payment to unit holders or for investment shall be deemed to be dividends paid or payable by the trustees to the unit holders in proportion to their rights, and</p>	<p>collective investment scheme, on which tax, may be imposed, shall be ascertained by taking the income accruing to the trustees from all the investments of the scheme and deducting there from sums disbursed as management expenses, including remuneration for the managers.</p> <p>(3) Where the trustees of a scheme receive a payment on which the scheme suffers tax by deduction, not being franked investment income, the tax deducted shall constitute an advance payment of income tax and shall be set off against income tax assessment for that year of assessment in ascertaining the tax payable by the mutual fund or scheme.</p> <p>(4) The profit accruing to the trustees of a collective investment that is available for payment to unit holders or for investment shall be deemed to be dividends paid or payable by the trustees to the unit holders in proportion to their rights, and shall be taxed in the hands of the unit holders. (5) In this section—</p> <p>“authorised collective investment” means a scheme that is authorised by the Securities and Exchange Commission under the Investment and Securities Act to carry on the business of dealing in a</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the provisions of section 21 of the Personal Income Tax Act shall apply to a dividend paid or payable to any member of an authorised unit trust.</p> <p>(6) In this section-</p> <p>“authorised unit trust” means, as respect a year of assessment, a unit trust scheme that is authorised by the Commission under section 125 of the Investment and Securities Act to carry on the business of dealing in a unit trust scheme;</p> <p>“unit trust scheme” means any arrangement made for the purpose of providing facilities for the participation of the public as beneficiaries under a trust in profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever;</p> <p>“unit holder” means any investor, beneficiary or person who acquired units in a unit trust scheme and who is entitled to a share of the investments subject to the trusts of a unit trust scheme;</p> <p>“trustee” under a unit trust means the person in whom the property for the time being subject to any trust created in pursuance of the scheme is or may be invested in accordance with the terms of the trust.</p>	<p>mutual fund scheme or collective investment scheme;</p> <p>“collective investment scheme” means any arrangement made for the purpose of providing facilities for the participation of the public as beneficiaries under a trust in profits or income arising from the acquisition, holding, management or disposal of securities or any other property;</p> <p>“scheme” means authorised collective investment;</p> <p>“trustee” under a collective investment scheme means the person in whom the property for the time being subject to any trust created in pursuance of the scheme is or may be invested in accordance with the terms of the trust; and</p> <p>“unit holder” means any investor, beneficiary or person who acquired units in a scheme and who is entitled to a share of the investments subject to the trusts of a scheme.</p>		
Mining	Section 36 – Mining of Solid Minerals	Section 64 – Mining Operations	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>A new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.</p>	<p>(1) Trade or business engaged in mining operations is subject to tax under the relevant provisions of chapter two of this Act.</p> <p>(2) For the purposes of computing the assessable profits of a company engaged in mining operations, any amount contributed to any fund, scheme or arrangement approved by the relevant authority for the purposes of providing for environmental protection, environmental remediation, mine rehabilitation, land reclamation and mine closure shall be tax deductible, provided that the amount so contributed is cash-backed and invested in a dedicated account or trust fund managed by independent trustees or funds.</p> <p>(3) Royalty is imposed on any mineral obtained in the course of exploration or mining operations at a rate prescribed under the Eighth Schedule to this Act, subject to the relevant provisions of Nigeria Tax Administration Act and the royalty paid shall be tax deductible in determining the assessable profits from the trade or business.</p> <p>(4) The Service shall be the relevant tax authority for the administration of the royalty imposed under this section.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Application (Upstream)</p>	<p>(1) This part applies to companies engaged in upstream petroleum operations in the onshore, shallow water and deep offshore, provided that-</p> <p>(a) hydrocarbon tax shall apply to crude oil as well as field condensates and liquid natural gas liquids derived from associated gas and produced in the field upstream of the measurement points; and</p> <p>(b) hydrocarbon tax under this Part shall not apply to-</p> <p>(i) associated natural gas, including gaseous natural gas liquids produced in the field and contained in the rich gas, and nonassociated natural gas,</p> <p>(ii) condensates and natural gas liquids produced from non-associated gas in fields or gas processing plants, provided the related volumes are determined at the measurement points or at the exit of the gas processing plant, regardless of whether the condensates or natural gas liquids are subsequently commingled with crude oil, and</p> <p>(iii) any condensates and natural gas liquids produced from associated gas at gas processing or</p>	<p>Section 65 – Application of this Part (1)</p> <p>This part shall apply to companies engaged in upstream petroleum operations in the onshore, shallow water and deep offshore with licences and leases under the Petroleum Industry Act.</p> <p>(2) In this part—</p> <p>(a) hydrocarbon tax shall apply to crude oil as well as field condensates and liquid natural gas liquids derived from associated gas and produced in the field upstream of the measurement points; and</p> <p>(b) hydrocarbon tax shall not apply to— (i) associated natural gas, including gaseous natural gas liquids produced in the field and contained in the rich gas, and non-associated natural gas, (ii) condensates and natural gas liquids produced from non-associated gas in fields or gas processing plants, provided the related volumes are determined at the measurement points or at the exit of the gas processing plant, regardless of whether the condensates or natural gas liquids are subsequently commingled with crude oil, and (iii) any condensates and natural gas liquids produced from associated gas at gas processing or other facilities downstream of the measurement points.</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>other facilities downstream of the measurement points.</p> <p>(2) The costs of production of associated gas, upstream of the measurement point shall be allocated to crude oil for the purposes of calculating hydrocarbon tax, provided that capital and operating costs for wells solely producing associated gascap gas shall not be allocated to crude oil, but shall be claimed under the Companies Income Tax Act.</p> <p>(3) This Part shall not apply to a frontier acreage until it is reclassified under section 68 (3) of this Act and to deep offshore.</p> <p>(4) For the purpose of determining royalties, condensates shall be treated as crude oil and natural gas liquids as natural gas.</p> <p>(5) Upstream petroleum operations shall also be subject to Companies Income Tax Act.</p>	<p>(3) The costs of production of associated gas, upstream of the measurement point shall be allocated to crude oil for the purposes of calculating hydrocarbon tax, provided that capital and operating costs for wells solely producing associated gas-cap gas shall not be allocated to crude oil, but shall be claimed under chapter two of this Act.</p> <p>(4) This Part shall not apply to a frontier acreage until it is reclassified under section 68 (3) of the Petroleum Industry Act and to deep offshore.</p> <p>(5) For the purposes of determining royalties, condensates shall be treated as crude oil and natural gas liquids as natural gas.</p> <p>(6) Upstream petroleum operations shall in addition to hydrocarbon tax, be subject to chapter two of this Act</p>		
Hydrocarbon Tax	<p>Section 261 – Charge of Hydrocarbon Tax</p> <p>There shall be levied upon the profits of any company engaged in upstream petroleum operations in relation to crude oil, a tax to be known as hydrocarbon tax, which shall be charged and assessed upon its profits related to the operations and payable during for each accounting period in accordance with this part.</p>	<p>Section 66 – Charge of Hydrocarbon Tax</p> <p>Subject to the provisions of section 65(2) of this Act, there is levied upon the profits of any company engaged in upstream petroleum operations in relation to crude oil, a tax to be known as hydrocarbon tax, which shall be charged and assessed upon its profits related to the operations for each</p>	Retained	Similar provisions

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		accounting period and payable in accordance with this part		
Ascertainment of crude oil revenue and profits	Section 262 – Ascertainment of crude oil revenue, adjusted profit, assessable profits (1) Subject to this Act, in relation to any accounting period, the crude oil revenue of a company for that period shall be the value of any chargeable oil adjusted to the measurement points, based on the— (a) proceeds of all chargeable oil sold by the company; and (b) value of all chargeable oil disposed by the company. (2) For the purposes of subsection (1) of this section, the value of any chargeable oil disposed, shall be regarded as the aggregate of the value of that crude oil determined for royalties for all fields in accordance with this Act, or any other applicable law. (3) Subject to section 266 (2) of this Act, the adjusted profits of an accounting period shall be the profits of that period after the deductions allowed by section 263(1) of this Act. (4) The assessable profit of an accounting period shall be the adjusted profit of that period after any deduction allowed by section 265 of this Act. (5) The chargeable profits of an accounting period shall be the assessable	Section 67 – Ascertainment of crude oil revenue, adjusted profit, assessable profits (1) Subject to this part and the relevant provisions of the Petroleum Industry Act, in relation to any accounting period, the crude oil revenue of a company for that period shall be the value of any chargeable oil adjusted to the measurement points, based on the— (a) proceeds of all chargeable oil sold by the company; and (b) value of all chargeable oil disposed by the company. (2) For the purposes of subsection (1) of this section, the value of any chargeable oil disposed, shall be regarded as the aggregate of the value of that crude oil determined for royalties for all fields in accordance with this Act, relevant provisions of the Petroleum Industry Act or any other applicable law. (3) Subject to section 71(2) of this Act, the adjusted profits of an accounting period shall be the profits of that period after the deductions and additions under section 68 of this Act. (4) The assessable profit of an accounting period shall be the adjusted	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	profits of that period after the deduction allowed by section 266 of this Act	profit of that period after any deduction allowed by section 70 of this Act. (5) The chargeable profits of an accounting period shall be the assessable profits of that period after the deduction allowed by section 71 of this Act		
Allowable Deductions	<p>Section 263 PIA – Allowable deductions</p> <p>(1) In computing the adjusted profit of a company in upstream petroleum operations related to crude oil for any accounting period, there shall be deducted expenses wholly, reasonably, exclusively and necessarily incurred during that period for the following, including but without otherwise expanding or limiting the generality of-</p> <p>(a) rents incurred by the company for the period pursuant to a petroleum mining lease or petroleum prospecting licence;</p> <p>(b) all royalties the liability for which was incurred and were paid by the company during that period in respect of crude oil and associated gas and where a petroleum mining lease includes payments to the Federation Account related to production sharing, profit sharing, risk service contracts or other contractual features under a model contract and the company has</p>	<p>Section 68 – Allowable deductions</p> <p>(1) In computing the adjusted profit of a company engaged in upstream petroleum operations related to crude oil for any accounting period, there shall be deducted expenses wholly and exclusively incurred during that period for the following—</p> <p>(a) rents incurred by the company for the period pursuant to a petroleum mining lease or petroleum prospecting licence;</p> <p>(b) all royalties incurred by the company during that period in respect of crude oil and associated gas and where payments to the Federation Account from a petroleum mining lease is related to production sharing, profit sharing, risk service contracts or other contractual features under a model contract and the company has incurred liability for such payments;</p> <p>(c) expenses directly incurred for repair of plant, machinery or fixtures</p>	Retained	Change in WREN test by allowing expenses that are wholly and exclusively incurred, thus reducing subjectivity of necessity and reasonability

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>incurred liability for such payments in kind or in cash;</p> <p>(c) expenses directly incurred for repair of plant, machinery or fixtures employed for the purpose of carrying on production activities or for the renewal, repair or alteration of production implement, utensils or articles so employed;</p> <p>(d) an expenditure, tangible or intangible directly incurred in connection with the drilling of the first exploration well and the first two appraisal wells in the same field, whether the wells are productive or not, provided that subsequent exploration wells, appraisal wells and other wells shall be treated as qualifying drilling expenditure under the Fifth Schedule to this Act and where a deduction may be given under this section in respect of any such expenditure, that expenditure shall not be treated as qualifying drilling expenditure for the purpose of the Fifth Schedule to this Act;</p> <p>(e) any amount contributed to a fund, scheme or arrangement approved by the Commission for the purpose of decommissioning and abandonment, provided that the surplus or residue of the fund shall be subject to tax under</p>	<p>employed for the purpose of carrying on production activities or for the renewal, repair or alteration of production implement, utensils or articles so employed;</p> <p>(d) an expenditure, tangible or intangible directly incurred in connection with the drilling of the first exploration well and the first two appraisal wells in the same field, whether the wells are productive or not, provided that subsequent exploration wells, appraisal wells and other wells shall be treated as qualifying drilling expenditure under part II of the First Schedule to this Act and where a deduction may be given under this section in respect of any such expenditure, that expenditure shall not be treated as qualifying drilling expenditure for the purpose of part II of First Schedule to this Act;</p> <p>(e) any amount contributed to a fund, scheme or arrangement relating to abandonment plan approved by the Commission for the purpose of decommissioning and abandonment, provided that the surplus or residue of the fund shall be subject to tax under this part at the end of life of the field, where such surplus is returned to the lessee;</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>this Act at the end of life of the field, where such surplus is returned to the lessee;</p> <p>(f) all sums the liability of which was incurred by the company to the Federal Government or any State or Local Government Council by way of levies, stamp duties and fees;</p> <p>(g) costs of gas reinjection wells, which are re-injecting natural gas that otherwise would be flared, subject to ratification by the Commission; and</p> <p>(h) any amount contributed to any fund, scheme or arrangement approved by the Commission pursuant to the establishment of host communities development trusts under Chapter 3 of this Act, Environmental Remediation Fund, Niger Delta Development Commission and other similar contributions.</p>	<p>(f) all sums incurred by the company to the Federal Government or any State or Local Government Council by way of levies, stamp duties and fees;</p> <p>(g) costs of gas reinjection wells, which are re-injecting natural gas that otherwise would be flared, subject to ratification by the Commission; and</p> <p>(h) any amount contributed to any fund, scheme or arrangement approved by the Commission pursuant to the establishment of host communities' development trusts under Chapter 3 of the Petroleum Industry Act, Environmental Remediation Fund, Niger Delta Development Commission and other similar contributions.</p> <p>(2) Liability waived, released or recovered shall be treated under this part in accordance with section 194 of this Act</p>		

<p>Deductions not allowed</p>	<p>Sec 264 – Deductions not allowed Subject to this Act, for the purpose of ascertaining the adjusted profit of a company in the accounting period from its upstream petroleum operations applicable to crude oil, no deduction shall be allowed in respect of- (a) disbursements or expenses not being money wholly, reasonably, exclusively</p>	<p>Section 69 – Deductions not allowed Subject to this part, for the purpose of ascertaining the adjusted profit of a company in the accounting period from its upstream petroleum operations applicable to crude oil, no deduction shall be allowed in respect of— (a) expenditure for the purchase of information relating to the existence and</p>	<p>Retained</p>	<p>The NTB introduces section 69(p) to the effect that expenses subject to VAT or import duties but not charged will be disallowed.</p>
--------------------------------------	--	--	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and necessarily incurred for the purpose of those operations;</p> <p>(b) expenditure for the purchase of information relating to the existence and extent of petroleum deposits, other than for the acquisition of geophysical, geological and geochemical data and information;</p> <p>(c) expenditure incurred as a penalty, natural gas flare fees or imposition relating to natural gas flare;</p> <p>(d) financial or bank charges, arbitration and litigation costs, bad debts and interest on borrowing;</p> <p>(e) head office or affiliate costs, shared costs, research and development costs or any other like shared indirect production costs;</p> <p>(f) production bonuses, signature bonuses paid for the acquisition of, or of rights in or over, petroleum deposits, bonuses or fees paid for renewing petroleum mining lease or petroleum prospecting licence or marginal field or fees paid for assigning rights to another party;</p> <p>(g) tax inputted into a contract or an agreement on a net tax basis and paid by a company on behalf of the vendor or contractor;</p> <p>(h) capital withdrawn or sum employed or intended to be employed as capital;</p>	<p>extent of petroleum deposits, other than for the acquisition of geophysical, geological and geochemical data and information;</p> <p>(b) expenditure incurred as a penalty, natural gas flare fees or imposition relating to natural gas flare;</p> <p>(c) financial or bank charges, arbitration and litigation costs, bad debts and interest on borrowing;</p> <p>(d) head office or affiliate costs, shared costs, research and development costs or any other like shared indirect production costs;</p> <p>(e) production bonuses, signature bonuses paid for the acquisition of, or of rights in or over, petroleum deposits, bonuses or fees paid for renewing petroleum mining lease or petroleum prospecting licence or marginal field or fees paid for assigning rights to another party;</p> <p>(f) tax inputted into a contract or an agreement on a net of tax basis and paid by a company on behalf of the vendor or contractor;</p> <p>(g) capital withdrawn or sum employed or intended to be employed as capital; (h) capital employed in improvements as distinct from repairs;</p> <p>(i) sum recoverable under an insurance or contract of indemnity, except an</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(i) capital employed in improvements as distinct from repairs;</p> <p>(j) sum recoverable under an insurance or contract of indemnity, except an amount that is not recovered under the scheme; (k) rent of or cost of repairs to any premises or part of premises not incurred for the purpose of those operations;</p> <p>(l) amounts incurred in respect of tertiary education tax, companies income tax, any income tax, profits tax or other similar taxes, whether charged within Nigeria or elsewhere;</p> <p>(m) the depreciation of any premises, buildings, structures, works of a permanent nature, plant, machinery or fixtures;</p> <p>(n) payment to provident, savings, widows and orphans or other society, scheme or fund;</p> <p>(o) any contribution to a pension, provident or other society, scheme or fund for production staff which may be approved, with or without retrospective effect, by the National Pension Commission subject to such general conditions or particular conditions in the case of the society, scheme or fund as the Service may prescribe, provided that any sum received by or the value of any</p>	<p>amount that is not recovered under the scheme;</p> <p>(j) rent of or cost of repairs to any premises or part of premises not incurred for the purpose of those operations;</p> <p>(k) amounts incurred in respect of any income tax, special tax, development levy, profits tax or other similar taxes, whether charged within Nigeria or elsewhere;</p> <p>(l) the depreciation of any premises, buildings, structures, works of a permanent nature, plant, equipment, machinery, furniture or fixtures;</p> <p>(m) payment to provident, savings, widows and orphans or other society, scheme or fund;</p> <p>(n) any contribution to a pension, provident or other society, scheme or fund for production staff which may be approved, with or without retrospective effect, by the National Pension Commission subject to such general conditions or particular conditions, in the case of the society, scheme or fund as the Service may prescribe, provided that any sum received by or the value of any benefit obtained by the company from any approved pension, provident or other society, scheme or fund, in the accounting period of that company shall,</p>		

	benefit obtained by the company, from any approved pension, provident or other			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>society, scheme or fund, in the accounting period of that company shall, for the purpose of section 262 (1) of this Act, be treated as income of the company for that accounting period;</p> <p>(p) all customs duties; and</p> <p>(q) costs under paragraph 2 (2) (c) of the Sixth Schedule to this Act</p>	<p>for the purpose of section 68 (2) of this Act, be treated as income of the company for that accounting period;</p> <p>(o) all customs duties;</p> <p>(p) any expense on which Value Added Tax is due under this Act but not charged, or in the case of imported items, any expense on which the applicable import duty or levy was not paid; and</p> <p>(q) costs under paragraph 2(2)(c) of the Sixth Schedule to this Act.</p>		
	<p>Section 265 PIA – Assessable profits and losses</p> <p>(1) The assessable profits for each company or petroleum mining lease for any accounting period shall be the amount of the adjusted profit of that period after the deduction of the amount of any loss incurred by that company during any previous accounting period.</p> <p>(2) The assessable profit shall be determined separately for each of the two classes of chargeable tax identified in section 267 (a) and (b).</p> <p>(3) A deduction under subsection (1) shall be made so far as possible from the amount, if any, of the adjusted profits of the accounting period after that in which the loss was incurred, and so far as it cannot be so made , then from the amount of the adjusted profit of the next</p>	<p>Section 70 – Assessable profits and losses</p> <p>(1) The assessable profits for each company or petroleum mining lease for any accounting period shall be the amount of the adjusted profit of that period after the deduction of the amount of any loss incurred by that company during any previous accounting period.</p> <p>(2) The assessable profit shall be determined separately for each of the two classes of chargeable tax identified in section 72 (a) and (b) of this Act.</p> <p>(3) The loss referred to in subsection (1) of this section shall be deducted to the extent possible from the amount of the adjusted profits of the accounting period immediately</p>	<p>Retained</p>	

		succeeding the accounting period in which the loss was incurred,		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>succeeding accounting periods, and so on until the loss is fully deducted.</p> <p>(4) Within five months after the end of any accounting period of a company, or within such further time as the Service may permit in writing, the company may elect in writing that a deduction or any part to be made under this section shall be deferred to and be made in the succeeding accounting period, and may so elect in any succeeding accounting period.</p>	<p>and in subsequent accounting periods, until the loss is fully recouped.</p> <p>(4) Within five months after the end of any accounting period of a company, or within such further time as the Service may permit in writing, the company may elect in writing that a deduction or any part to be made under this section shall be deferred to and be made in the succeeding accounting period, and may so elect in any succeeding accounting period.</p>		

	<p>Section 266 PIA –</p>	<p>Section 71 – Chargeable profits and allowances</p> <p>(1) The chargeable profits of a company for any accounting period shall be the amount of the assessable profits of that period after the deduction of any amount to be allowed in accordance with the provisions of this section as follows—</p> <p>(a) the aggregate amount of capital allowances due to the company under the provisions of part II of First Schedule to this Act for the accounting period;</p> <p>(b) the aggregate amount of all production allowances due to the company under the provisions of the Sixth Schedule to this Act for the accounting period; and</p> <p>(c) in the case of acquisition costs of petroleum rights, the value of the rights</p>	<p>Retained</p>	
--	---------------------------------	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>and the value of the assets acquired shall be reported separately to the Service, provided that the value of the rights shall be eligible for annual allowance of 20% per annum until it is fully written off and the value of the assets shall be depreciated based on the applicable depreciation rates for the respective assets under part II of the First Schedule to this Act.</p> <p>(2) In determining the chargeable profit, the total cost shall not exceed the costprice ratio as determined in the Sixth Schedule to this Act.</p> <p>(3) The chargeable profits and allowances shall be determined separately for the two classes of assessable profits under section 72 (a) and (b) of this Act.</p> <p>(4) Where Value Added Tax is due under this Act but not charged on an asset, or in the case of an imported item, the applicable import duty or levy was not paid, the relevant expenditure shall not be eligible as a qualifying capital expenditure under the provisions of part II of First Schedule to this Act.</p>		
Chargeable Hydrocarbon Tax	Section 267 – Chargeable Tax	<p>Section 72 – Chargeable hydrocarbon tax</p> <p>The chargeable hydrocarbon tax for any accounting period of a company shall be a percentage of the aggregated</p>	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>chargeable profit for that period and it shall be—</p> <p>(a) 30% of the profit from crude oil for petroleum mining leases selected under section 93(6)(b) and (7)(b) of the Petroleum Industry Act with respect to onshore and shallow water areas; and</p> <p>(b) 15% of profit from crude oil for onshore and shallow water and for petroleum prospecting licences selected under section 93(6)(a) and (7)(a) of Petroleum Industry Act.</p>		
<p>Additional tax payable in certain circumstances</p>	<p>Section 268 PIA</p> <p>(1) Where, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2), the company is liable to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts.</p> <p>(2) The amount referred to in subsection (1) is, for any accounting period of a company, the amount which the chargeable tax for crude oil for that period, calculated in accordance with this Act, would come to, in the case of crude oil exported from Nigeria by the</p>	<p>Section 73 – Additional Chargeable Tax Payable in certain Circumstances</p> <p>(1) Where, for any accounting period of a company, there is a sale of chargeable oil between connected persons, or disposal of chargeable oil between connected or unconnected persons, and the amount of the chargeable hydrocarbon tax for that period, calculated in accordance with the provisions of this part other than this section, is less than the amount prescribed in subsection (2) of this section, the company shall pay an additional amount of chargeable hydrocarbon tax for that period equal to the difference between those two amounts.</p> <p>(2) The amount referred to in subsection</p>	<p>Retained</p>	<p>The Bill provides a change in the existing provision to include the sale of chargeable oil between connected persons, or disposal of chargeable oil between connected or unconnected persons.</p>

	company, the reference in section 262 (1) (a) of this Act to the proceeds of sale were	(1) of this section is, for any accounting		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel.</p> <p>(3) For the purpose of subsection (2), the Commission shall establish the fiscal oil price at each measurement point on an export parity basis under paragraph 8 (1) and (2) of the Seventh Schedule and the total value of the chargeable oil for a company shall be the sum of the multiplications of volume and fiscal oil price at all measurement points as established by the Commission.</p> <p>(4) The whole of any additional chargeable tax for crude oil and associated gas payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period.</p> <p>(5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal oil price for such stream and every fiscal oil price per barrel established shall bear a fair and reasonable relationship-</p> <p>(a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or</p>	<p>period of a company, the amount which the chargeable hydrocarbon tax for crude oil for that period, calculated in accordance with this part, shall be, if the reference in section 67 (1)(a) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel.</p> <p>(3) For the purpose of subsection (2), the Commission shall establish the fiscal oil price at each measurement point on an export parity basis under paragraph 8(1) and (2) of the Seventh Schedule of the Petroleum Industry Act and the total value of the chargeable oil for a company shall be the sum of the multiplications of volume and fiscal oil price at all measurement points as established by the Commission.</p> <p>(4) The whole of any additional chargeable hydrocarbon tax for crude oil and associated gas payable by a company under this section for any accounting period shall be paid concurrently with the final instalment of the chargeable hydrocarbon tax payable for that period.</p> <p>(5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal oil price</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity it shall bear a fair and reasonable relationship to the official selling prices at main international trading centers for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors.</p> <p>(6) Where any crude oil, which in relation to a particular company is its chargeable oil, is exported from Nigeria by another company, that crude oil shall for the purpose of this section be deemed to be exported from Nigeria by that particular company.</p>	<p>for such stream and the fiscal oil price per barrel established shall bear a fair and reasonable relationship—</p> <p>(a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or</p> <p>(b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors.</p> <p>(6) Notwithstanding any other provision in this part, where crude oil, which in relation to a particular company is its chargeable oil, is sold or disposed by another company, the crude oil shall for the purpose of this section be deemed to be sold or disposed by that particular company.</p>		
<p>Pre-production cost</p>	<p>Section 270 PIA Where a company has not yet commenced the production and sale or disposal of chargeable oil, all costs incurred wholly, reasonably, exclusively and necessarily for the purpose of</p>	<p>Section 74 – Pre-production Cost Where a company has not commenced the production and sale or disposal of chargeable oil, all costs incurred wholly and exclusively for the purpose of coming into upstream petroleum</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	coming into upstream petroleum operations, subject to sections 263 and 264 of this Act, shall upon commencement of production and sale or disposal of chargeable oil be deemed to have incurred a qualifying preproduction capital expenditure which shall be amortised in line with paragraphs 5 and 17 of the Fifth Schedule to this Act.	operations, subject to section 68 and 69 of this Act, shall upon commencement of production and sale or disposal of chargeable oil be deemed to have incurred a qualifying pre-production capital expenditure which shall be amortised in line with paragraphs 2 and 14 of part II of First Schedule to this Act.		
Trade or business sold or transferred	N/A	Section 75 – Trade or business sold or transferred The sale or transfer of a trade or business of upstream petroleum operations carried on in Nigeria by a company to another company shall be treated in accordance with section 191 of this Act.	Retained	
Consolidation of costs & revenue	Section 272 – Consolidation of costs and revenue (1) A company engaged in upstream petroleum operations across terrains shall be allowed to consolidate costs for the purpose of companies income tax. (2) A company engaged in upstream petroleum operations related to crude oil across terrains shall be allowed to consolidate costs and taxes for the purposes of hydrocarbon tax only across assets in which it holds licences and leases in accordance with the two categories of chargeable tax stipulated in section 267 of this Act.	Section 76 – Consolidation of costs and revenue (1) A company engaged in upstream petroleum operations across terrains shall be allowed to consolidate costs and incomes for the purpose of income tax under chapter two of this Act. (2) A company engaged in upstream petroleum operations related to crude oil across terrains shall be allowed to consolidate costs and revenue for the purposes of hydrocarbon tax, only across assets in which it holds licences and leases in accordance with the two categories of chargeable tax stipulated in section 72 of this Act.	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(3) In respect of a company in existence prior to the commencement of this Act, the amount of any loss incurred during any accounting period by a company selling or transferring its trade or business whether to a connected or unrelated party, being a loss which has not been allowed against any assessable profit of any accounting period of that company shall not be allowed against any assessable profit of the company acquiring that trade or business.</p> <p>(4) A company that is a contractor in a contract under section 85 of this Act shall be allowed to consolidate its losses and revenues across petroleum prospecting licences and petroleum mining leases granted after the commencement of this Act, for the purposes of subsections (1) and (2) with respect to the two tax classes under section 267 of this Act.</p>			

Partnerships	<p>Section 273 - Partnerships</p> <p>(1) Any person, other than a company, who engages in upstream petroleum operations either on his own account or jointly with any other person or in partnership with any other person with a view to sharing the profits arising from the operations, commits an offence.</p> <p>(2) Where the person referred to in subsections (1) has benefitted from any profits on upstream petroleum</p>	<p>Section 77 – Partnerships</p> <p>(1) A person, other than a company, who engages in upstream petroleum operations either on his own account or jointly with any other person or in partnership with any other person with a view to sharing the profits arising from the operations; commits an offence.</p> <p>(2) Where the person referred to in subsection (1) has benefitted from any profits on upstream petroleum</p>	Retained	<p>The change in the provision subsection 6 changes the connection between provisions (a) to (d) from being a combined requirement to being alternatives, allowing for more flexibility in how the regulations are applied. This alteration will affect the interpretation of the</p>
---------------------	--	--	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
-------------	-----------------------------------	--------------------------------------	------------------------------------	---------------------------------

	<p>operations, the person shall be subject to hydrocarbon tax and companies income tax under this Act on the profits and shall pay a penalty provided under section 297 of this Act.</p> <p>(3) Where two or more companies are engaged in upstream petroleum operations either in partnership, in a joint venture or in concert under any scheme or arrangement, tax shall be charged and assessed on them in accordance with subsection (4).</p> <p>(4) The apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and the tax chargeable upon each company shall be in line with the equity interest of the parties under a jointly executed agreement that will be made available to the Service and where no jointly executed agreement is made available, the Commission shall advise the Service the approved equity interest of the parties and it shall be binding on the parties.</p> <p>(5) Subject to this Act, where two or more companies are engaged in upstream petroleum operations either in partnership, in a joint venture or in concert under any scheme or arrangement, the Service may make regulation, in compliance with section 61 of the Federal Inland Revenue Service</p>	<p>operations, the person shall be subject to hydrocarbon tax and income tax under section 78 of this Act on the profits and shall pay a penalty provided under the Nigeria Tax Administration Act.</p> <p>(3) Where two or more companies are engaged in upstream petroleum operations either in partnership, in a joint venture or in concert under any scheme or arrangement, tax shall be charged and assessed on them in accordance with subsection (4) of this section.</p> <p>(4) The apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and the tax chargeable upon each company shall be in line with the equity interest of the parties under a jointly executed agreement that will be made available to the Service and where no jointly executed agreement is made available, the Commission shall advise the Service of the approved equity interest of the parties and it shall be binding on the parties.</p> <p>(5) Subject to this part, where two or more companies are engaged in upstream petroleum operations either in partnership, in a joint venture or in concert under any scheme or</p>		<p>circumstances under which the tax charge is determined for the companies involved</p>
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(Establishment) Act, for the ascertainment of tax to be charged or assessed upon each company so engaged.</p> <p>(6) Regulations made under subsection (5) may make provisions-</p> <p>(a) with respect to apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and tax chargeable upon each company;</p> <p>(b) for the computation of any tax as if the partnership, joint venture, scheme or arrangement were carried on by one company and apportion that tax between the companies concerned;</p> <p>(c) to accept other basis of ascertaining the tax chargeable upon each of the companies; and</p> <p>(d) which have regard to any circumstances whereby the operations are partly carried on for any company by an operating company whose expenses are reimbursed by those companies.</p> <p>(7) Regulations made under this section may be of general application for the purpose of this section and this Part or for a class of arrangement or for a particular application to a specific partnership, joint venture, scheme or arrangement.</p>	<p>arrangement, the Service may make regulations, for the ascertainment of tax to be charged or assessed upon each company so engaged.</p> <p>(6) Regulations made under subsection (5) of this section may make provisions—</p> <p>(a) with respect to apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and tax chargeable upon each company;</p> <p>(b) for the computation of any tax as if the partnership, joint venture, scheme or arrangement were carried on by one company and apportion the tax between the companies concerned;</p> <p>(c) to accept other basis of ascertaining the tax chargeable upon each of the companies; or</p> <p>(d) which have regard to any circumstances whereby the operations are partly carried on for any company by an operating company whose expenses are reimbursed by those companies.</p> <p>(7) Regulations made under this section may be of general application for the purpose of this section and this part or for a class of arrangement or for a particular application to a specific</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(8) The effect of any regulation made under this section shall not impose a greater burden of tax upon any company so engaged in any partnership, joint venture, scheme or arrangement than would have been imposed upon that company under this Part, if all things enjoyed, done or suffered by such partnership, joint venture, scheme or arrangement had been enjoyed, done or suffered by that company in the proportion in which it enjoys, does or suffers those things under or by virtue of that partnership, joint venture, scheme or arrangement.</p>	<p>partnership, joint venture, scheme or arrangement. (8) The effect of regulations made under this section shall not impose a greater burden of tax upon any company so engaged in any partnership, joint venture, scheme or arrangement than would have been imposed upon that company under this part, if all things enjoyed, done or suffered by such partnership, joint venture, scheme or arrangement had been enjoyed, done or suffered by that company in the proportion in which it enjoys, does or suffers those things under or by virtue of that partnership, joint venture, scheme or arrangement.</p>		

<p>Income tax petroleum operations</p>	<p>on Section 302 (1) (2) (3) PIA (1) Without prejudice to Companies Income Tax Act and any other applicable law, the provisions of this Act shall apply and any company, concessionaire, licensee, lessee, contractor or subcontractor involved in the upstream, midstream or downstream petroleum operations under this Act, shall also be subject to the Companies Income Tax Act. (2) For the purpose of determining the value of chargeable crude oil, or chargeable gas, in relation to any accounting period, the crude oil and gas revenue of a company for that period</p>	<p>Section 78 – Income tax on petroleum operations (1) Sections 78 to 88 of this Act and the provisions of chapter two of this Act shall apply to any company, concessionaire, licensee, lessee, contractor or subcontractor involved in the upstream, midstream or downstream petroleum operations under the Petroleum Industry Act. (2) For the purpose of determining the value of chargeable crude oil or chargeable gas, in relation to any accounting period, the crude oil and gas revenue of a company for that period</p>	<p>Section 78 – Income tax on petroleum operations (1) Sections 78 to 88 of this Act and the provisions of chapter two of this Act shall apply to any company, concessionaire, licensee, lessee, contractor or subcontractor involved in the upstream, midstream or downstream petroleum operations under the Petroleum Industry Act. (2) For the purpose of determining the value of chargeable crude oil or chargeable gas, in relation to any accounting period, the crude oil and gas revenue of a company for that</p>	
---	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>shall be the value of any chargeable oil or chargeable gas adjusted to the measurement points, based on the— (a) proceeds of all chargeable oil or gas sold by the company; and (b) value of all chargeable oil or gas disposed by the company.</p> <p>(3) Subject to sections 142 (2) and 197 (2) of this Act, a person intending to be involved in more than one stream, that is upstream, midstream or downstream petroleum operations shall register and use a separate company for each stream of petroleum operations under this Act provided that, for companies with petroleum mining leases selected under section 93 (6) (b) and (7) (b) of this Act, no stamp duties and capital gains tax shall be levied by Government on such segregation.</p>	<p>shall be the value of any chargeable oil or chargeable gas adjusted to the measurement points, based on the— (a) proceeds of all chargeable oil or gas sold by the company; and (b) value of all chargeable oil or gas disposed by the company.</p> <p>(3) In determining the income tax under chapter two of this Act, hydrocarbon tax is not deductible.</p>	<p>period shall be the value of any chargeable oil or chargeable gas adjusted to the measurement points, based on the—</p> <p>(a) proceeds of all chargeable oil or gas sold by the company; and (b) value of all chargeable oil or gas disposed by the company.</p> <p>(3) In determining the income tax under chapter two of this Act – (a) hydrocarbon tax is not deductible; and (b) income chargeable to tax includes</p> <p>—</p> <p>(i) all income of that period incidental to and arising from any one or more of its petroleum operations, and</p> <p>(ii) gains arising from the disposal of assets accruing to the company in any accounting period, ascertained in accordance with the relevant provisions of Part III H of this Chapter.</p>	
<p>Registration and use of separate company for each stream of petroleum operations</p>	<p>Section 302 (3) PIA</p> <p>(3) Subject to sections 142 (2) and 197 (2) of this Act, a person intending to be involved in more than one stream, that is upstream, midstream or downstream petroleum operations shall register and use a separate company for each stream</p>	<p>Section 79 – Registration and use of separate company for each stream of petroleum operations</p> <p>(1) Subject to sections 142(2) and 197(2) of the Petroleum Industry Act, a person intending to be involved in more than one stream, that is, upstream,</p>	<p>Retained</p>	

	of petroleum operations under this Act provided that, for companies with	midstream or downstream petroleum operations, shall register and use a		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>petroleum mining leases selected under section 93 (6) (b) and (7) (b) of this Act, no stamp duties and capital gains tax shall be levied by Government on such segregation.</p> <p>(4) For strategic projects in the upstream petroleum operations that seek to produce oil and natural gas to be processed or refined to finished petroleum products, and supplied in wholesale solely to the domestic market, such projects shall have the option to be established as an integrated strategic project (ISP), whereby the capital investment in the associated midstream petroleum operations as defined under this Act, can be consolidated with the upstream petroleum operations for purposes of tax, and where an ISP option is elected, the following provisions shall apply- (a) arms-length transfer prices shall be established to fiscalise the hydrocarbons transferred from the upstream petroleum operations to the midstream petroleum operations; and (b) capital investment in the midstream petroleum operations consolidated with upstream petroleum operations cannot be represented for capital allowances when fiscalising the income from midstream petroleum operations.</p>	<p>separate company for each stream of petroleum operations under the Petroleum Industry Act, provided that, for companies with petroleum mining leases selected under section 93(6)(b) and (7)(b) of the Petroleum Industry Act, no stamp duties, Value Added Tax or income tax on chargeable gains shall be levied by the Government on such segregation.</p> <p>(2) For strategic projects in the upstream petroleum operations that seek to produce oil and natural gas to be processed or refined to finished petroleum products, and supplied in wholesale solely to the domestic market, such projects shall have the option to be established as an integrated strategic project (ISP), whereby the capital investment in the associated midstream petroleum operations as defined under the Petroleum Industry Act, can be consolidated with the upstream petroleum operations for purposes of tax.</p> <p>(3) Where an ISP option is elected, the following provisions shall apply— (a) arm's length transfer prices shall be established to fiscalise the hydrocarbons transferred from the upstream petroleum operations to</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>the midstream petroleum operations; and</p> <p>(b) capital investment in the midstream petroleum operations consolidated with upstream petroleum operations shall not be represented for capital allowance when fiscalising the income from midstream petroleum operations.</p>		
<p>Provisions relating to gas</p>	<p>N/A</p>	<p>Section 80 – Provisions relating to gas</p> <p>(1) In addition to the economic development tax incentive that may be granted under part II of chapter eight of this Act, investors in gas pipeline shall be granted a tax-free period of five years at the expiration of the economic development incentive certificate.</p> <p>(2) Natural gas transferred or disposed from the upstream to the midstream or downstream shall be subject to tax under the relevant provisions of chapter two of this Act.</p> <p>(3) Natural gas liquids and liquid petroleum gases derived from natural gas shall be subject to income tax under the relevant provisions of chapter two of this Act.</p>	<p>Retained</p>	

<p>Allowances for the purposes of income tax on petroleum operations</p>	<p>Section 302 PIA (9) (10) (9) Acquisition costs of petroleum rights shall be eligible for annual allowance at the rate of 20% with a retention value of 1% in the last year until the asset is disposed.</p>	<p>Section 81 – Allowances for the purposes of income tax on petroleum operations (1) Acquisition costs of petroleum rights shall be eligible for annual allowance at</p>	<p>Retained</p>	
---	--	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(10) Capital allowances for other assets shall be granted as follows- (a) upstream petroleum operations assets shall be in accordance with the Fifth Schedule to this Act; and (b) midstream and downstream operations shall be in accordance with the Second Schedule to the Companies Income Tax Act.</p>	<p>the rate of 20% until the cost is fully written off. (2) Capital allowance for other assets shall be granted as follows— (a) upstream petroleum operations assets shall be in accordance with part II of the First Schedule to this Act; and (b) midstream and downstream operations shall be in accordance with part I of the First Schedule to this Act</p>		
<p>Expense deductibility</p>	<p>N/A</p>	<p>Section 82 – Expense deductibility (1) For the purpose of determining income tax, section 20 of this Act shall be read in conjunction with the provisions of this subsection as regards the followings— (a) all rents and royalties the liability for which was incurred by the company during that period in respect of crude oil sold, condensate sold and natural gas sold or delivered or disposed of in any other commercial manner and where a petroleum mining lease includes payments to the Federation Account related to production sharing, profit sharing, risk service contracts or other contractual features and the company</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>has incurred liability for such payments and such payments were made;</p> <p>(b) any amount contributed to any fund, scheme or arrangement approved by the Commission or Authority for the purpose of providing for—</p> <p>(i) abandonment and decommissioning,</p> <p>(ii) petroleum host communities development trust, or</p> <p>(iii) environmental remediation; and</p> <p>(c) any other deduction as may be prescribed by the Minister by order published in the Official Gazette.</p> <p>(2) For the purpose of determining income tax, section 21 of this Act shall be read in conjunction with the provisions of this subsection as regards the followings—</p> <p>(a) any expenditure for the purchase of information relating to the existence and extent of petroleum deposits, other than for the acquisition of geological, geophysical and geochemical data or information;</p>		

		(b) any expenditure incurred as a penalty including natural gas flare fees or any		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>such imposition relating to natural gas flare;</p> <p>(c) production bonuses, signature bonuses paid for the acquisition of, or of rights in or over, petroleum deposits; signature bonuses or fees paid for renewing petroleum mining lease or petroleum prospecting licence or fees paid for assigning rights to another party including for marginal fields; and</p> <p>(d) any tax inputted into a contract or an agreement on a net of tax basis and paid by a company on behalf of the vendor or contractor.</p>		
<p>Basis period for income tax on petroleum operations</p>	<p>Section 302 (13) PIA (13) Any company involved in upstream petroleum operations shall apply the accounting periods established for hydrocarbon tax on an actual year basis for its company's income tax in accordance with sections 277, 280 and 291 of this Act.</p>	<p>Section 83 – Basis period for income tax on petroleum operations Any company involved in upstream petroleum operations shall apply the accounting periods established for hydrocarbon tax on an actual year basis for its income tax.</p>	<p>Retained</p>	
<p>Additional income tax payable in certain circumstances</p>	<p>Section 23 PPTA (1) Where, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the</p>	<p>Section 84 – Additional income tax payable in certain circumstances (1) Where, for any accounting period of a company, there is a sale of chargeable oil or chargeable gas between connected persons, or disposal of chargeable oil or</p>	<p>Retained</p>	

	amount mentioned in subsection (2) of this section, the company shall be liable	chargeable gas between connected or unconnected persons, and the amount		
--	---	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts.</p> <p>(2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to, if the reference in section 9 (1) (a) and (b) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel.</p> <p>(3) For the purpose of this section, the total value of chargeable oil for a company shall be the sum of the multiplications of the volume and fiscal oil price as established by the Commission at the measurement point.</p> <p>(4) The whole of any additional chargeable tax for crude oil is payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period.</p> <p>(5) Where there is no fiscal oil price established for a crude oil stream, the</p>	<p>of the income tax chargeable for that period, calculated in accordance with the provisions of section 78 to 83, and chapter two of this Act, is less than the amount prescribed in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts.</p> <p>(2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for crude oil or gas for that period, calculated in accordance with this section and chapter two of this Act shall be, if the reference in section 78(2)(a) and (b) of this Act, to the proceeds of sale or disposal were a reference to the amount obtained by multiplying the number of barrels of that crude oil or gas determined at the measurement point by the fiscal oil price per barrel or fiscal gas price per MMBtu.</p> <p>(3) For the purposes of subsection (2) of this section, the relevant sum per barrel of crude oil, condensate or gas per MMBtu by a company is the fiscal oil price or fiscal gas price applicable to that crude oil or gas as may be established by the Commission.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Commission shall establish fiscal oil price for such stream and every fiscal oil price per barrel established shall bear a fair and reasonable relationship-</p> <p>(a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or</p> <p>(b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factor.</p> <p>(6) Where a particular company is chargeable oil is exported from Nigeria or sold locally by another company, that chargeable oil for the purpose of this section shall be deemed to be exported from Nigeria or sold by that particular company.</p>	<p>(4) The whole of any additional chargeable tax for crude oil or chargeable gas payable by a company under this section for any accounting period shall be paid concurrently with the final instalment of the chargeable tax payable for that period.</p> <p>(5) Where there is no fiscal oil price or fiscal gas price established for a crude oil stream or gas, the Commission shall establish fiscal oil price or fiscal gas price for such stream and the fiscal oil or gas price established shall bear a fair and reasonable relationship—</p> <p>(a) to the established fiscal oil or gas price of Nigerian crude oil streams or gas of comparable quality and specific gravity; or</p> <p>(b) where there are no such Nigerian crude oil streams or gas of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil or gas of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors.</p> <p>(6) Notwithstanding any other provision in this part, where crude oil or</p>		

		gas, which in relation to a particular company is its		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		chargeable oil or gas, is sold or disposed by another company, the crude oil or gas shall for the purpose of this section be deemed to be sold or disposed by that particular company.		

<p>Non-Associated Gas greenfield developments in onshore and shallow water terrains</p>	<p>N/A</p>	<p>Section 85 – Non-Associated Gas greenfield developments in onshore and shallow water terrains</p> <p>(1) Notwithstanding the provisions of this Act or any other law, the provisions of this section shall apply to all NonAssociated Gas greenfield developments in onshore and shallow water terrains reaching first commercial gas production from the commencement of this Act to 1st January 2029—</p> <p>a) where the hydrocarbon liquids do not exceed 30 barrels per million standard cubic feet, there shall be granted a gas production tax credit at the rate of US\$1.00 per thousand cubic feet or 30% of the fiscal gas price, whichever is lower;</p> <p>b) where the hydrocarbon liquids exceed 30 barrels per million standard cubic feet but do not exceed 100 barrels per million standard cubic feet, there shall be granted a gas production tax credit at the rate of US\$0.50 per thousand cubic feet or 30% of the fiscal gas price, whichever is lower;</p>	<p>Retained</p>	
--	------------	--	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(c) where the hydrocarbon liquids exceed 100 barrels per million standard cubic feet, the incentives under subsections (a) and (b) of this section shall no longer apply;</p> <p>(d) the gas tax credit granted by this section shall apply on NonAssociated Gas sales for 10 years only, beginning from the date of attaining first gas production; and</p> <p>(e) at the expiration of the 10 years referred to in subsection (1)(c) of this section, gas production allowance shall be granted at the respective rates set out in subsection (1)(a) and (b) of this section, provided that gas production tax credit and gas production allowance shall not be granted in respect of gas production of the same period.</p> <p>(2) In the case of all other NonAssociated Gas Greenfield projects with first commercial gas production after 1st January 2029, gas production allowance shall be granted at US\$0.50 per thousand cubic feet or 30% of the fiscal gas price, whichever is lower, provided that the hydrocarbon liquids do not exceed 100 barrels per million standard cubic feet.</p> <p>(3) The gas production tax credit that can be recouped in any year shall not</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>exceed the tax payable on the field(s) for that year on that income, subject to the payment of any minimum tax where applicable.</p> <p>(4) Unrecouped tax credit in one year may be carried forward for a maximum of 3 years.</p> <p>(5) The fiscal gas price for calculating gas production tax credit and gas production allowance shall be the same price used for determining royalties.</p> <p>(6) The provisions of this section shall apply to oil mining leases and petroleum mining leases.</p> <p>(7) Where first gas production cannot be achieved due to force majeure, such as natural disasters or acts of terrorism, the timelines and obligations stipulated in subsection (1) of this section may be suspended, subject to approval by the Commission, until such time as the force majeure ceases to exist.</p> <p>(8) The Commission shall certify the applicable hydrocarbon liquid ratios for the purposes of ascertaining appropriate gas production tax credit or gas production tax allowance.</p> <p>(9) The incentives under this section shall not apply to any company that has claimed Associated Gas Framework</p>		

		Agreement incentives for the same NonAssociated Gas Greenfield project.		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Decommissioning and abandonment fund</p>		<p>Not in the Bill</p>	<p>Section 187 (Consolidated Bill) – Provisions relating to decommissioning and abandonment fund</p> <p>(1) Subject to section 233(1) of the Petroleum Industry Act, a licensee and lease shall deposit a minimum of 35% of the decommissioning and abandonment fund with a Nigerian Bank, in the form of an escrow account accessible by the Commission or Authority.</p> <p>(2) The Service shall in conjunction with the Central Bank of Nigeria, determine the criteria for accreditation of Nigerian banks to participate in the management of the fund.</p>	
<p>General application of this Part and other matters</p>	<p>Section 303 PIA</p> <p>(1) The provisions of this Act shall not apply to holders of an oil prospecting licence or oil mining lease who do not enter into a conversion contract until the termination or expiration of the respective oil prospecting licence or oil mining lease save for the provisions of section 311 and 621 paragraphs 10 and 11 of the Seventh Schedule to this Act which shall apply to licences and leases awarded to indigenous Nigerian companies on a sole risk basis under the</p>	<p>Section 86 – General application of this Part and other matters</p> <p>(1) This part and the provisions of the Petroleum Industry Act shall not apply to holders of an oil prospecting licence or oil mining lease who do not enter into a conversion contract until the termination or expiration of the respective oil prospecting licence or oil mining lease.</p> <p>(2) Notwithstanding subsection (1) of this section, the provisions of chapter two of this Act and paragraph 6 of the</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Petroleum Act, on which the Government has successfully exercised its back-in rights prior to the effective date of this Act but any renewal of an oil mining lease shall be based on this Act.</p> <p>(2) The fiscal provisions of this Act are the base terms that are applicable and the Commission may under section 74 (2) of this Act conduct a licensing round whereby the bid parameter is a higher royalty, profit oil share or other fiscal features in order to ensure that the Government receives the full market value for each block.</p>	<p>Seventh Schedule to the Petroleum Industry Act shall apply to licences and leases awarded to indigenous Nigerian companies on a sole risk basis under the Petroleum Act, on which the Government has successfully exercised its back-in rights prior to the effective date of the Petroleum Industry Act, but any renewal of an oil mining lease shall be based on the provisions of this part and the Petroleum Industry Act.</p> <p>(3) The fiscal provisions of this part are the base terms that are applicable, and the Commission may under section 74(2) of Petroleum Industry Act conduct a licensing round whereby the bid parameter is a higher royalty, profit oil share or other fiscal features in order to ensure that the Government receives the full market value for each block.</p>		
Fiscal stabilisation	<p>Section 305 PIA</p> <p>Fiscal stabilisation clauses contained in any production sharing contract or other contract entered into after the commencement of this Act shall not be applicable to the fiscal provisions listed in this section, regardless of whether these changes affect the contractor favorably or unfavorably, if changes are being made in a manner that is not discriminatory to the</p>	<p>Section 87 – Fiscal stabilisation</p> <p>(1) Fiscal stabilisation clauses contained in a production sharing contract or other contracts entered into after the commencement of the Petroleum Industry Act shall not be applicable to the fiscal provisions listed in this part, regardless of whether the changes in fiscal provisions affect the contractor favourably or unfavourably, provided</p>	Retained	

	petroleum industry or the contractor and the respective fiscal provisions are-	such changes in fiscal provision are being made in a manner that is not		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(a) generally applicable taxes, such as withholding taxes, companies income tax, tertiary education tax and VAT;</p> <p>(b) levies, taxes or payments to comply with modern principles in respect of environment, labour laws, health and safety; and</p> <p>(c) new taxes, levies or duties to implement Nigeria's commitments with respect to climate change under the United Nations Framework Convention on Climate Change and other related international agreements.</p>	<p>discriminatory to the petroleum industry or the contractor.</p> <p>(2) The respective fiscal provisions referred to in subsection (1) of this section are—</p> <p>(a) generally applicable taxes, such as income tax, development levy, Value Added Tax, Stamp Duties, and deduction of tax at source;</p> <p>(b) levies, taxes or payments to comply with modern principles in respect of environment, labour laws, health and safety; and</p> <p>(c) new taxes, levies or duties as may be prescribed by the Climate Change Act, or to implement Nigeria's commitments with respect to climate change under any international agreement.</p>		

Petroleum Royalty	Section 306 PIA All production of petroleum, including production tests shall be subject to royalties as provided in the Seventh Schedule to this Act.	Section 88 – Petroleum Royalty (1) All production of petroleum, including production tests shall be subject to royalties as provided in the Seventh Schedule to this Act. (2) The Service shall be the relevant tax authority for the administration of the royalty imposed under this part, and the Seventh Schedule this Act.	Retained	
Charge of petroleum profits tax		Section 89 – Charge of petroleum profits tax	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
		(1) This part shall apply to oil prospecting licences and oil mining leases that are yet to convert under the provisions of the Petroleum Industry Act. (2) Subject to part I of chapter three of this Act and subsection (1) of this section, there is levied upon the profits of each accounting period of a company engaged in petroleum operations during that period a tax to be charged, assessed and payable in accordance with the provisions of this part.		

<p>Ascertainment of profits, adjusted profit, assessable profits and chargeable profits</p>	<p>Section 9 PPTA</p> <p>(1) Subject to any express provisions of this Act, in relation to any accounting period, the profits of that period of a company shall be taken to be the aggregate of-</p> <p>(a) the proceeds of sale of all chargeable oil sold by the company in that period;</p> <p>(b) the value of all chargeable oil disposed of by the company in that period; and</p> <p>(c) all income of the company of that period incidental to and arising from any one or more of its petroleum operations.</p> <p>(2) For the purposes of subsection (1) (b) of this section, the value of any</p>	<p>Section 90 – Ascertainment of profits, adjusted profit, assessable profits and chargeable profits</p> <p>(1) Subject to the provisions of this part, the revenue of a company in an accounting period shall be the aggregate of—</p> <p>(a) the proceeds of sale of all chargeable oil sold by the company in that period;</p> <p>(b) the value of all chargeable oil disposed by the company in that period;</p> <p>(c) all income of the company of that period incidental to and arising from any one or more of its petroleum operations; and</p>	<p>Retained</p>	
--	---	---	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>chargeable oil so disposed of shall be taken to be the aggregate of-</p> <p>(a) the value of that oil as determined, for the purpose of royalty, in accordance with the provisions of any enactment applicable thereto and any financial agreement or arrangement between the Federal Government of Nigeria and the company;</p> <p>(b) any cost of extraction of that oil deducted in determining its value as referred to in paragraph (a) of this subsection; and</p> <p>(c) any cost incurred by the company in transportation and storage of that oil between the field of production and the place of its disposal.</p> <p>(3) The adjusted profit of an accounting period shall be the profits of that period after the deductions allowed by subsection (1) of section 10 of this Act and any adjustments to be made in accordance with the provisions of section 14 of this Act.</p> <p>(4) The assessable profit of an accounting period shall be the adjusted profit of that period after any deduction allowed by section 20 of this Act.</p> <p>(5) The chargeable profits of an accounting period shall be the assessable</p>	<p>(d) gains arising from the disposal of assets accruing to the company in any accounting period, ascertained in accordance with the relevant provisions of part VIII of chapter two of this Act.</p> <p>(2) For the purposes of subsection (1)(b) of this section, the value of any chargeable oil disposed shall be taken to be the value of that oil as determined, for the purpose of royalty, in accordance with the provisions of the Seventh Schedule to this Act and any applicable legislation.</p> <p>(3) The adjusted profit of an accounting period shall be the profits of that period after the deductions allowed under section 91(1) of this Act and any adjustment to be made in accordance with the provisions of sections 95 and 91(2) and (5) of this Act.</p> <p>(4) The assessable profit of an accounting period shall be the adjusted profit of that period after any deduction allowed under section 97 of this Act.</p> <p>(5) The chargeable profits of an accounting period shall be the assessable profits of that period after the deductions allowed under section 97 of this Act.</p>		

	profits of that period after the deduction allowed by section 20 of this Act.			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Deductions Allowed</p>	<p>Section 10 – Deductions Allowed</p> <p>(1) In computing the adjusted profit of any company of any accounting period from its petroleum operations, there shall be deducted all outgoings and expenses wholly, exclusively and necessarily incurred, whether within or without Nigeria, during that period by such company for the purpose of those operations, including but without otherwise expanding or limiting the generality of the foregoing-</p> <p>(1a) any amount contributed to a fund, scheme or arrangement approved by the Commission for the purpose of decommissioning and abandonment, subject to the production of the Statement of Account of the decommissioning and abandonment fund: Provided that the surplus or residue of the fund after decommissioning and abandonment of the field shall be subject to tax under this Act.</p> <p>(a) rents incurred by the company for that period in respect of land or buildings occupied under an oil prospecting licence or an oil mining lease for disturbance of surface rights or for any other like disturbance;</p>	<p>Section 91 – Deductions Allowed</p> <p>(1) In computing the adjusted profit of a company for an accounting period from its petroleum operations, there shall be deducted all outgoings and expenses wholly and exclusively incurred, during the period by the company for the purpose of its operations, as follows—</p> <p>(a) rents incurred by the company for that period in respect of land or buildings occupied under an oil prospecting licence or an oil mining lease for disturbance of surface rights or for any other like disturbance;</p> <p>(b) all non-productive rents incurred by the company during that period;</p> <p>(c) all royalties incurred by the company during that period in respect of natural gas sold and actually delivered to the Nigerian National Petroleum Company Limited, or sold to any other buyer or customer or disposed in any other commercial manner;</p> <p>(d) all royalties incurred by the company during the period in respect of crude oil or of casinghead petroleum spirit won in Nigeria;</p>	<p>Section 91 – Deductions Allowed</p> <p>(1) In computing the adjusted profit of a company for an accounting period from its petroleum operations, there shall be deducted all outgoings and expenses wholly and exclusively incurred, during the period by the company for the purpose of its operations, as follows—</p> <p>(a) rents incurred by the company for that period in respect of land or buildings occupied under an oil prospecting licence or an oil mining lease for disturbance of surface rights or for any other like disturbance; (b) all non-productive rents incurred by the company during that period;</p> <p>(c) all royalties incurred by the company during that period in respect of natural gas sold and actually delivered to the Nigerian National Petroleum Company Limited, or sold to any other buyer or customer or disposed in any other commercial manner;</p> <p>(d) all royalties incurred by the company during the period in respect of crude oil or of casinghead petroleum spirit won in Nigeria;</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) all non-productive rents, the liability for which was incurred by the company during that period;</p> <p>(c) all royalties, the liability for which was incurred by the company during that period in respect of natural gas sold and actually delivered to the Nigerian National Petroleum Corporation, or sold to any other buyer or customer or disposed of in any other commercial manner;</p> <p>(d) all royalties the liability for which was incurred by the company during that period in respect of crude oil or of casinghead petroleum spirit won in Nigeria:</p> <p>(e) all sums the liability for which was incurred by the company to the Federal Government of Nigeria during that period by way of customs or excise duty or other like charges levied in respect of machineries, equipment and goods used in the company's petroleum operation; and</p> <p>(f) sums incurred by way of interest upon any money borrowed by such company, where the Board is satisfied that the interest was payable on capital employed in carrying on its petroleum operations;</p>	<p>(e) customs or excise duty or other like charges in respect of machineries, equipment and goods used in the company's petroleum operation incurred by the company to the Federal Government of Nigeria during the period;</p> <p>(f) any expense incurred for repair of premises, plant machinery, or fixtures employed for the purpose of carrying on petroleum operations, or for the renewal, repair or alteration of any implement, utensils or articles employed;</p> <p>(g) interest incurred on money borrowed by such company where the Service is satisfied that the interest was payable on capital employed in carrying on its petroleum operations subject to the provisions of the Third Schedule to this Act and the Transfer Pricing Regulations; [Third Schedule]</p> <p>(h) any expenditure being intangible drilling costs directly incurred in connection with drilling and appraisal of a development well;</p> <p>(i) any expenditure (tangible or intangible) directly incurred in connection with the drilling of an</p>	<p>(e) customs or excise duty or other like charges in respect of machineries, equipment and goods used in the company's petroleum operation incurred by the company to the Federal Government of Nigeria during the period;</p> <p>(f) any expense incurred for repair of premises, plant machinery, or fixtures employed for the purpose of carrying on petroleum operations, or for the renewal, repair or alteration of any implement, utensils or articles employed;</p> <p>(g) interest incurred on money borrowed by such company where the Service is satisfied that the interest was payable on capital employed in carrying on its petroleum operations subject to the provisions of the Third Schedule to this Act and the Transfer Pricing Regulations; [Third Schedule]</p> <p>(h) any expenditure being intangible drilling costs directly incurred in connection with drilling and appraisal of a development well;</p> <p>(i) any expenditure (tangible or intangible) directly incurred in connection with the drilling of an exploration well and the next two appraisal wells in the same field whether the wells are productive or</p>	

		exploration well and the next two appraisal wells in the same field		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(g) all sums incurred by way of interest on any inter-company loans obtained under terms prevailing in the open market, that is the London Inter-Bank Offer Rate, by companies that engage in crude oil production operations in the Nigerian oil industry;</p> <p>(h) any expense incurred for repair of premises, plant machinery, or fixtures employed for the purpose of carrying on petroleum operations or for the renewal, repair or alteration of any implement, utensils or articles so employed;</p> <p>(i) debts directly incurred to the company and proved to the satisfaction of the Board to have become bad or doubtful in the accounting period for which the adjusted profits is being ascertained notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of that period: Provided that-</p> <p>(i) the deduction to be made in respect of a doubtful debt shall not exceed that portion of the debt which is proved to have become doubtful during that accounting period, nor in respect of any particular debt shall it include any amount</p>	<p>whether the wells are productive or not, provided that where a deduction is made under this section in respect of any such expenditure, that expenditure shall not be treated as qualifying drilling expenditure for the purposes of part III of the First Schedule to this Act;</p> <p>(j) any contributions to pension, provident or other society, scheme or fund, which may be approved, under the Pensions Reform Act, provided that the sum received by or the value of any benefit obtained by such company, from any approved pension, provident or other society, scheme or fund, in any accounting period of that company shall, for the purposes of subsection (1)(c) of section 90 of this Act, be treated as income of the company for that accounting period;</p> <p>(k) customs and excise duties, stamp duties, or any other rate, fee or other like charges, other than any tax on income, incurred by the company during the period to the Federal Government, a State or Local Government;</p> <p>(l) any amount contributed to a fund, scheme or arrangement</p>	<p>not, provided that where a deduction is made under this section in respect of any such expenditure, that expenditure shall not be treated as qualifying drilling expenditure for the purposes of part III of the First Schedule to this Act;</p> <p>(j) any contributions to pension, provident or other society, scheme or fund, which may be approved, under the Pensions Reform Act, provided that the sum received by or the value of any benefit obtained by such company, from any approved pension, provident or other society, scheme or fund, in any accounting period of that company shall, for the purposes of subsection (1)(c) of section 90 of this Act, be treated as income of the company for that accounting period;</p> <p>(k) customs and excise duties, stamp duties, or any other rate, fee or other like charges, other than any tax on income, incurred by the company during the period to the Federal Government, a State or Local Government;</p> <p>(l) any amount contributed to a fund, scheme or arrangement approved by the Commission for the purpose of decommissioning and abandonment, subject to the</p>	

approved by the Commission for the purpose of

production of the Statement of Account of the

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>deducted under the provisions of this paragraph in determining the adjusted profit of a previous accounting period;</p> <p>(ii) all sums recovered by the company during that accounting period on account of amounts previously deducted in respect of bad or doubtful debts shall, for the purposes of subsection (1) (c) of section 9 of this Act, be treated as income of that company of that period; and</p> <p>(iii) it is proved to the satisfaction of the Board that the debts in respect of which a deduction is claimed were either- (a)included as a profit from the carrying on of petroleum operations in the accounting period in which they were incurred; or (b)advances made in the normal course of carrying on petroleum operations not being advances on account of any item falling within the provisions of section 13 of this Act;</p> <p>(j) any other expenditure, including tangible drilling costs directly incurred in connection with drilling and appraisal of a development well but</p>	<p>decommissioning and abandonment, subject to the production of the Statement of Account of the decommissioning and abandonment fund: 70 provided that the surplus or residue of the fund after decommissioning and abandonment of the field shall be subject to tax under this part;</p> <p>(m) debts directly incurred to the company and proved to the satisfaction of the Service to have become bad or doubtful in the accounting period for which the adjusted profits is being ascertained, notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of that period, provided that—</p> <p>(i) the debt was included as a profit from petroleum operations in the accounting period in which they were incurred or advances made in the normal course of carrying on petroleum operations not being advances on account of any item under section 97 of this Act;</p> <p>(ii) the deduction to be made in respect of a doubtful debt shall not exceed that portion</p>	<p>decommissioning and abandonment fund: 70 provided that the surplus or residue of the fund after decommissioning and abandonment of the field shall be subject to tax under this part;</p> <p>(m) debts directly incurred to the company and proved to the satisfaction of the Service to have become bad or doubtful in the accounting period for which the adjusted profits is being ascertained, notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of that period, provided that—</p> <p>(i) the debt was included as a profit from petroleum operations in the accounting period in which they were incurred or advances made in the normal course of carrying on petroleum operations not being advances on account of any item under section 97 of this Act;</p> <p>(ii) the deduction to be made in respect of a doubtful debt shall not exceed that portion of the debt which is proved to have become doubtful during that accounting period, and shall not include any amount deducted under the provisions of this paragraph in</p>	

		of the debt which is proved to have		
--	--	-------------------------------------	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>excluding an expenditure which is qualifying expenditure for the purpose of the Second Schedule to this Act, and any expense or deduction in respect of a liability incurred which is deductible under any other provision of this section-</p> <p>(i) any expenditure (tangible or intangible) directly incurred in connection with the drilling of an exploration well and the next two appraisal wells in the same field whether the wells are productive or not</p> <p>(ii) where a deduction may be given under this section in respect of any such expenditure that expenditure shall not be treated as qualifying drilling expenditure for the purpose of the Second Schedule;</p> <p>(k) any contributions to a pension, provident or other society, scheme or fund which may be approved, with or without retrospective effect, by the Board subject to such general conditions or particular conditions in the case of any such society, scheme or fund as the Board may prescribe: Provided that any sum received by or the value of any benefit obtained by such company, from any approved</p>	<p>become doubtful during that accounting period, and shall not include any amount deducted under the provisions of this paragraph in determining the adjusted profit of a previous accounting period, and</p> <p>(iii) all sums recovered by the company during that accounting period on account of amounts previously deducted in respect of bad or doubtful debts shall be treated as income of the company for that period;</p> <p>(n) such other deductions as may be prescribed by any rule made under this part.</p> <p>(2) Liability waived, released or recovered shall be treated under this part in accordance with section 194 of this Act.</p>	<p>determining the adjusted profit of a previous accounting period, and</p> <p>(iii) all sums recovered by the company during that accounting period on account of amounts previously deducted in respect of bad or doubtful debts shall be treated as income of the company for that period;</p> <p>(n) development levy paid under section 59 of this Bill</p> <p>(o) such other deductions as may be prescribed by any rule made under this part.</p> <p>(2) Liability waived, released or recovered shall be treated under this part in accordance with section 194 of this Act.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>pension, provident or other society, scheme or fund, in any accounting period of that company shall, for the purposes of subsection (1) (c) of section 9 of this Act, be treated as income of that company of that accounting period;</p> <p>(l) all sums, the liability of which was incurred by the company during that period to the Federal Government, or to any State or Local Government Council in Nigeria by way of duty, customs and excise duties, stamp duties, education tax, tax (other than the tax imposed by this Act) or any other rate, fee or other like charges;</p> <p>(m) such other deductions as may be prescribed by any rule made under this Act.</p> <p>(2) Where a deduction has been allowed to a company under this section in respect of any liability of the company and such liability or any part thereof is waived or released the amount of the deduction or the part thereof corresponding to such part of the liability shall for the purposes of subsection (1) (c) of section 9 of this Act, be treated as income of the company of its accounting period in which such waiver or release was made or given.</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Incentives for utilisation of associated gas</p>	<p>Section 11 PPTA</p> <p>(1) The following incentives shall apply to a company engaged in the utilisation of associated gas, that is- [1998 No.19.] (a) investment required to separate crude oil and gas from the reservoir into usable products shall be considered as part of the oil field development;</p> <p>(b) capital investment on facilities equipment to deliver associated gas in usable form at utilisation or designated custody transfer points shall be treated for tax purposes, as part of the capital investment for oil development;</p> <p>(c) capital allowances, operating expenses and basis of tax assessment shall be subject to the provisions of this Act and the tax incentives under the revised memorandum of understanding.</p> <p>(2) The incentives specified under subsection (1) of this section shall be subject to the following conditions, that is-</p> <p>(a) condensates extracted and re-injected into the crude oil stream shall be treated as oil but those not re-injected shall be treated under existing tax arrangement;</p> <p>(b) the company shall pay the minimum amount charged by the Minister of Petroleum Resources for any gas flared by the company;</p>	<p>Section 92 – Incentives for utilisation of associated gas</p> <p>(1) The following incentives shall apply to a company engaged in the utilisation of associated gas—</p> <p>(a) investment required to separate crude oil and gas from the reservoir into usable products shall be considered as part of the oil field development;</p> <p>(b) capital investment on facilities or equipment to deliver associated gas in usable form at utilisation or designated custody transfer points shall be treated for tax purposes, as part of the capital investment for oil development;</p> <p>(c) capital allowances, operating expenses and basis of tax assessment shall be subject to the provisions of this part and the tax incentives under the revised memorandum of understanding.</p> <p>(2) The incentives specified under subsection (1) of this section shall be subject to the following conditions— (a) condensates extracted and re-injected into the crude oil stream shall be treated as oil, but those not re-injected shall be treated under existing tax arrangement;</p> <p>(b) the company shall pay the minimum amount charged by the Minister of</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(c) the company shall, where practicable, keep the expenses incurred in the utilisation of associated gas separate from those incurred on crude oil operation and only expenses not able to be separated shall be allowable against the crude oil income of the company under this Act:</p> <p>(d) expenses identified as incurred exclusively in the utilization of associated gas shall be regarded as gas expenses and be allowable against the gas income and profit to be taxed under the Companies Income Tax Act; [Cap. C21.]</p> <p>(e) only companies which invest in natural gas liquid extraction facilities to supply gas in usable form to downstream projects, including aluminium smelter and methanol, Methyl Tertiary Butyl Ether and other associated gas utilisation projects shall benefit from the incentives;</p> <p>(f) all capital investments relating to the gas-to-liquids facilities shall be treated as chargeable capital allowance and recovered against the crude oil income: [1999 No. 30.]</p> <p>(g) gas transferred from the natural gas liquid facility to the gas-to-liquid facilities shall be at zero per cent tax and zero per cent royalty.</p>	<p>Petroleum Resources for any gas flared by the company;</p> <p>(c) the company shall, as far as practicable, keep the expenses incurred in the utilisation of associated gas separate from those incurred on crude oil operation and expenses that cannot be separated shall be allowable against the crude oil income of the company under this Act;</p> <p>(d) expenses identified as incurred exclusively in the utilisation of associated gas shall be regarded as gas expenses and be allowable against the gas income and profit to be taxed under chapter two of this Act;</p> <p>(e) companies which invest in natural gas liquid extraction facilities to supply gas in usable form to downstream projects, including aluminium smelter and methanol, Methyl Tertiary Butyl Ether and other associated gas utilisation projects shall benefit from the incentives;</p> <p>(f) all capital investments relating to the gas-to-liquids facilities shall be treated as chargeable capital allowance and recovered against the crude oil income; and</p> <p>(g) gas transferred from the natural gas liquid facility to the gas-to-liquid</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>facilities shall be at zero per cent tax and zero per cent royalty.</p> <p>(3) Where a company has enjoyed any incentive under this section, the company shall not claim similar incentive under any law in Nigeria, including economic development tax incentive and gas pipeline investment incentive under section 80 of this Act.</p>		
<p>Incentives and the utilisation of nonassociated gas</p>		<p>Section 93 – Application of incentives to utilisation of non-associated gas</p> <p>All incentives granted in respect of investments in associated gas shall be applicable to investments in nonassociated gas</p>		
<p>Deductions not allowed</p>	<p>Section 13 PPTA – Deductions not allowed</p> <p>(1) Subject to the express provisions of this Act, for the purpose of ascertaining the adjusted profit of any company of any accounting period from its petroleum operations, no deduction shall be allowed in respect of-</p> <p>(a) disbursements or expenses not been money wholly and exclusively laid out or expended, or any liability not being a liability wholly or exclusively incurred for the purpose of those operations;</p>	<p>Section 94 – Deductions not allowed</p> <p>(1) Subject to the provisions of this part, for the purposes of ascertaining the adjusted profit of any company for any accounting period from its petroleum operations, no deduction shall be allowed in respect of—</p> <p>(a) any capital withdrawn or any sum employed or intended to be employed as capital;</p> <p>(b) any capital employed in</p>	<p>Section 94 – Deductions not allowed</p> <p>(1) Subject to the provisions of this part, for the purposes of ascertaining the adjusted profit of any company for any accounting period from its petroleum operations, no deduction shall be allowed in respect of—</p> <p>(a) any capital withdrawn or any sum employed or intended to be employed as capital;</p> <p>(b) any capital employed in</p>	

		improvements as distinct from repairs; (c) any sum recoverable under an insurance or contract of indemnity;	improvements as distinct from repairs; (c) any sum recoverable under an insurance or contract of indemnity;	
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) any capital withdrawn or any sum employed or intended to be employed as capital;</p> <p>(c) any capital employed in improvements as distinct from repairs;</p> <p>(d) any sum recoverable under on insurance or contract of indemnity;</p> <p>(e) rent of or cost of repairs to any premises or port of premises not incurred for the purposes of those operations;</p> <p>(f) any amounts incurred in respect of any income tax, profits tax or other similar tax whether charged within Nigeria or elsewhere;</p> <p>(g) the depreciation of any premises, buildings, structures, works of a permanent nature, plant, machinery or fixtures;</p> <p>(h) any payment to any provident, savings widows' and orphans' or other society scheme or fund, except such payments as are allowed under subsection (1) of section 10 of this Act;</p> <p>(i) any customs duty on goods (including articles or any other thing) imported by the company-</p> <p>(i) for resale or for personal consumption of employees of the company; or</p>	<p>(d) rent of or cost of repairs to any premises or part of premises not incurred for the purposes of those operations;</p> <p>(e) any amount incurred in respect of any income tax, development levy, profits tax or other similar tax whether charged within Nigeria or elsewhere;</p> <p>(f) the depreciation of any premises, buildings, structures, works of a permanent nature, plant, equipment, machinery, furniture or fixtures;</p> <p>(g) any payment to any pensions, provident, savings widows' and orphans' or other society scheme or fund, except such payments as are allowed under subsection (1)(j) of section 91 of this Act;</p> <p>(h) customs duty on goods, including articles or any other thing, imported by the company—</p> <p>(i) for resale or for personal consumption of employees of the company, or</p> <p>(ii) where goods of the same quality to those imported are produced in Nigeria and are available for sale to the public at a price lower or equivalent to the cost of the imported goods at the time the imported goods were ordered by the company;</p> <p>(i) any expenditure for the purchase of information relating to the existence and extent of petroleum deposits;</p>	<p>(d) rent of or cost of repairs to any premises or part of premises not incurred for the purposes of those operations;</p> <p>(e) any amount incurred in respect of any income tax, profits tax or other similar tax whether charged within Nigeria or elsewhere;</p> <p>(f) the depreciation of any premises, buildings, structures, works of a permanent nature, plant, equipment, machinery, furniture or fixtures;</p> <p>(g) any payment to any pensions, provident, savings widows' and orphans' or other society scheme or fund, except such payments as are allowed under subsection (1)(j) of section 91 of this Act;</p> <p>(h) customs duty on goods, including articles or any other thing, imported by the company—</p> <p>(i) for resale or for personal consumption of employees of the company, or</p> <p>(ii) where goods of the same quality to those imported are produced in Nigeria and are available for sale to the public at a price lower or equivalent to the cost of the imported goods at the time the imported goods were ordered by the company;</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(ii) where goods of the same quality to those so imported are produced in Nigeria and are available, at the time the imported goods were ordered by the company for sale to the public at the prices less or equivalent to the cost to the company of the imported goods; (j) any expenditure for the purchase of information relating to the existence and extent of petroleum deposits.</p> <p>(2) Notwithstanding the provisions of subsection that period (1) (d) of section 10 of this Act, in computing the adjusted profit of any company of any accounting period no deduction shall be allowed in respect of sums incurred by way of interest during that period upon any borrowed money where such money was borrowed from a second company if during that period-</p> <p>(a) either company has an interest in the other company; or</p> <p>(b) both have interests in another company either directly or through other companies; or</p> <p>(c) both are subsidiaries of another company.</p> <p>(3) For the purposes of subsection (2) of this section-</p> <p>(a) a company shall be deemed to be a subsidiary of another company if</p>	<p>(j) any qualifying expenditure for the purposes of part III of the First Schedule to this Act, and any expense or deduction in respect of a liability incurred which is deductible under any other provision of this Act;</p> <p>(k) any tax or penalty borne on behalf of another person; and</p> <p>(l) any expense on which Value Added Tax is due under this Act but not charged, or in the case of imported items, any expense on which the applicable import duty or levy was not paid.</p> <p>(2) Notwithstanding the provisions of section 91(1) of this Act, in computing the adjusted profit of any company of any accounting period, deduction shall not be allowed in respect of any sum incurred to a related party where the cost is not in accordance with the Transfer Pricing Regulations.</p>	<p>(i) any expenditure for the purchase of information relating to the existence and extent of petroleum deposits; (j) any qualifying expenditure for the purposes of part III of the First Schedule to this Act, and any expense or deduction in respect of a liability incurred which is deductible under any other provision of this Act;</p> <p>(k) any tax or penalty borne on behalf of another person; and</p> <p>(l) any expense on which Value Added Tax is due under this Act but not charged, or in the case of imported items, any expense on which the applicable import duty or levy was not paid.</p> <p>(2) Notwithstanding the provisions of section 91(1) of this Act, in computing the adjusted profit of any company of any accounting period, deduction shall not be allowed in respect of any sum incurred to a related party where the cost is not in accordance with the Transfer Pricing Regulations.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and so long as an interest in it is held by that other company either directly or through any other company or companies;</p> <p>(b) an interest means a beneficial interest in issued share capital (by whatever name called); and</p> <p>(c) the Board shall disregard any such lastmentioned interest which in their opinion is insignificant or remote, or where in their opinion that interest that arises from a normal market investment and the companies concerned have no other dealings or connection between each other.</p>			
<p>Exclusion of certain profits</p>		<p>Section 95 – Exclusion of certain profits, etc.</p> <p>Where a company engaged in petroleum operations is engaged in the transportation of chargeable oil by ocean going oil-tankers operated by or on behalf of the company from Nigeria to another territory, adjustments shall be made in computing an adjusted profit or a loss to exclude any profit or loss attributable to such transportation.</p>	<p>Retained</p>	
<p>Assessable profits and losses</p>		<p>Section 96 – Assessable profits and losses</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(1) Subject to the provisions of this section, the assessable profits of a company for any accounting period shall be the amount of the adjusted profit of that period after the deduction of—</p> <p>(a) the amount of any loss incurred by that company during any previous accounting period; and</p> <p>(b) in a case of a business restructuring, the amount of any loss which is allowed for deduction by the new company under section 191 of this Act in its trade or business during its first accounting period.</p> <p>(2) The loss referred to in subsection (1) of this section shall be deducted to the extent possible from the amount of the adjusted profits of the accounting period immediately succeeding the accounting period in which the loss was incurred, and in subsequent accounting periods, until the loss is fully recouped.</p> <p>(3) Subject to the approval of the Service, a company may, within five months after the end of an accounting period, or such further time as the Service may permit, elect in writing, that a deduction to be made under this section, or part of the deduction, be deferred to succeeding accounting periods.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Chargeable profits and capital allowances</p>	<p>Section 20 of PPTA</p> <p>(1) The chargeable profits of any company of any accounting period shall be the amount of the assessable profits of that period after the deduction of any amount to be allowed in accordance with the provisions of this section.</p> <p>(2) There shall be computed the aggregate amount of all allowances due to the company under the provisions of the Second Schedule for the accounting period. [Second Schedule.]</p> <p>(3) In calculating the amount of the deduction to be allowed under this section for the accounting period, the limitation imposed by subsection (4) of this section shall be applied to ensure that the amount of any tax chargeable on the company for that period shall be not less than fifteen percent of the tax which would be chargeable on the company for that period if no deduction were to be made under this section for that period. (4) The amount to be allowed as a deduction under subsection (1) in respect of the said allowances shall be-</p> <p>(a) the aggregate amount computed under subsection (2) of this section; or</p> <p>(b) a sum equal to 85% of the assessable profits of the accounting</p>	<p>Section 97 – Chargeable profits and capital allowances</p> <p>(1) The chargeable profits of a company of any accounting period shall be the amount of the assessable profits of that period after the deduction of any amount to be allowed in accordance with the provisions of this section.</p> <p>(2) There shall be computed the aggregate amount of all allowances due to the company under the provisions of part III of the First Schedule to this Act for the accounting period. [First Schedule]</p> <p>(3) In calculating the amount of the deduction to be allowed under this section for an accounting period, the limitation imposed by subsection (4) of this section shall be applied to ensure that the tax chargeable on the company for that period is not less than 15% of the tax chargeable for the period, where no deduction is made under this section.</p> <p>(4) The amount to be allowed as a deduction under this section shall be, the lower of-</p> <p>(a) the aggregate amount computed under subsection (2) of this section; or</p> <p>(b) a sum equal to 85% of the assessable profits of the accounting period less 170% of the total amount</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>period less 170% of the total amount of the deduction allowed as petroleum investment allowance computed under the 691 Second Schedule to this Act for that period. whichever is the less.</p> <p>(5) Where the total amount of the allowances computed under subsection (2) of this section cannot be deducted under subsection (1) of this section owing to there being an insufficiency of or no assessable profits of the accounting period or to the limitation imposed posed by subsection (4) of this section such total amount or the part thereof which has not been so deducted as the case may be, shall be added to the aggregate amount to be computed under subsection (2) of this section for the following accounting period of the company, and thereafter shall be deemed to be an allowance due to the company, under the provisions of the Second Schedule to this Act for that following accounting period.</p>	<p>of the deduction allowed as petroleum investment allowance computed under part III of the First Schedule to this Act for the period. (5) Where the total amount of the allowances computed under subsection (2) of this section cannot be deducted under subsection (1) of this section due to insufficiency of or no assessable profits for the accounting period or to the limitation imposed by subsection (4) of this section the total amount or the part thereof which has not been deducted, shall be —</p> <p>(a) added to the aggregate amount to be computed under subsection (2) of this section for the succeeding accounting period of the company; and</p> <p>(b) deemed to be an allowance due to the company, under the provisions of part III of the First Schedule to this Act for that succeeding accounting period.</p> <p>(6) Where Value Added Tax is due under this Act but not charged on an asset, or in the case of an imported item, the applicable import duty or levy was not paid, the relevant expenditure shall not be eligible as a qualifying capital expenditure under the provisions of part III of First Schedule to this Act.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Assessable Tax	<p>Section 21</p> <p>(1) The assessable tax for any accounting period of a company shall be an amount equal to 85% of its chargeable profits of that period.</p> <p>(2) Where a company has not qualified for treatment under paragraph 6 (4) of the Second Schedule to this Act, that is to say, where a company has not yet commenced to make a sale or bulk disposal of chargeable oil under a programme of continuous production and sales as at 1 April 1977, its assessable tax for any accounting period during which it has not fully amortised all preproduction capitalised expenditure due to it less the amount to be retained in the book as provided for in paragraph 6 of the Second Schedule to this Act shall be 65.75% of the chargeable profits for that period.</p>	<p>Section 98 – Assessable Petroleum Profits Tax</p> <p>(1) The assessable tax for an accounting period of a company shall be an amount equal to 85% of its chargeable profits of that period.</p> <p>(2) Where a company has not commenced a sale or bulk disposal of chargeable oil under a programme of continuous production, its assessable tax for an accounting period during which it has not fully amortised all its pre-production capitalised expenditure, shall be 65.75% of the chargeable profits for that period, provided that—</p> <p>(a) the period of the tax rate under this subsection shall not be more than 5 years, commencing from the first accounting period of the company, notwithstanding any other incentive as may be granted to the company; and</p> <p>(b) where a company is granted a licence or lease or acquires an interest in an oil and gas asset that has enjoyed the provision of this subsection, the company shall be subject to tax under the provision of subsection (1) of this section from its first accounting period.</p>	Retained	
Additional chargeable tax	Section 23 PPTA	Sec 99 – Additional chargeable tax payable in certain circumstances	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>payable in certain circumstances</p>	<p>(1) Where, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts. [2023 No.1, s.16]</p> <p>(2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to, if the reference in section 9 (1) (a) and (b) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel. [2023 No.1, s.16]</p> <p>(3) For the purpose of this section, the total value of chargeable oil for a company shall be the sum of the multiplications of the volume and fiscal oil price as established by the Commission at the measurement point.</p> <p>(4) The whole of any additional chargeable tax for crude oil is payable by</p>	<p>(1) Where, for any accounting period of a company, there is a sale of chargeable oil between connected persons, or disposal of chargeable oil between connected or unconnected persons, and the amount of the chargeable tax for that period, calculated in accordance with the provisions of this part other than this section, is less than the amount prescribed in subsection (2) of this section, the company shall pay an additional amount of chargeable tax for that period, equal to the difference between those two amounts.</p> <p>(2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this part, shall be, if the reference in section 90(1)(a) and (b) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel.</p> <p>(3) For the purpose of this section, the total value of the chargeable oil for a company shall be the sum of the multiplications of volume and fiscal oil</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period.</p> <p>(5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal oil price for such stream and every fiscal oil price per barrel established shall bear a fair and reasonable relationship-</p> <p>(a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or</p> <p>(b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factor.</p> <p>(6) Where a particular company is chargeable oil is exported from Nigeria or sold locally by another company, that chargeable oil for the purpose of this section shall be deemed to be exported</p>	<p>price as established by the Commission at the measurement point.</p> <p>(4) The whole of any additional chargeable tax for crude oil payable by a company under this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period.</p> <p>(5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal price for such stream and the fiscal oil price per barrel established shall bear a fair and reasonable relationship—</p> <p>(a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or</p> <p>(b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors.</p> <p>(6) Notwithstanding any other provision in this part, where a particular</p>		

	from Nigeria or sold by that particular company.			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>company's chargeable oil is exported from Nigeria or sold locally by another company, that chargeable oil for the purpose of this part shall be deemed to be exported from Nigeria or sold by that particular company.</p>		
<p>Partnerships</p>	<p>Section 24 PPTA (1) Any person (other than a company) who engages in petroleum operations either on his own account or jointly with any other person or in partnership with any other person with a view to sharing the profits arising from those operations shall be guilty of an offence. (2) Where two or more companies are engaged in petroleum operations either in partnership, in a joint adventure or in concert under any scheme or arrangement, the Minister may make rules for the ascertainment of the tax to be charged and assessed upon each company so engaged. (3) Any such rules may modify the provisions of this Act in such manner as the Minister may think fit and may if necessary, provide for the apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and the tax chargeable upon</p>	<p>Section 100 – Partnerships (1) A person, other than a company, who engages in petroleum operations either on his own account or jointly with any other person or in partnership with any other person with a view to sharing the profits arising from those operations shall be guilty of an offence. (2) Where the person referred to in subsection (1) of this section has benefitted from any profits on upstream petroleum operations, the person shall be subject to tax under this part on the profits and shall pay a penalty provided under the Nigeria Tax Administration Act. (3) Where two or more companies are engaged in petroleum operations either in partnership, in a joint venture or in concert under any scheme or arrangement, the Service may make regulations for the ascertainment of the tax to be charged and assessed upon each company so engaged. (4) Such regulations may—</p>	<p>Retained</p>	<p>Subsection 3 removes the responsibility of the minister to make rules with respect to oil and gas partnerships and confers the power on the Service to make regulations for the ascertainment of tax of each partner company.</p>

	each company, or may provide for the computation of any tax as if the			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>partnership, joint adventure, scheme or arrangement were carried on by one company and apportion that tax between the companies concerned or may accept some other basis of ascertaining the tax chargeable upon each of the companies which may be put forward by those companies and such rules may contain provisions which have regard to any circumstances whereby such operations are partly carried on for any companies by an operating company whose expenses are reimbursed by those companies.</p> <p>(4) Any such rules may be expressed to be of general application for the purposes of this section and Act or of particular application to a specified partnership, joint adventure, scheme or arrangement.</p> <p>(5) Any such rules may be amended or replaced from time to time with or without retrospective effect.</p> <p>(6) The effect of any such rules shall not impose a greater burden of tax upon any company so engaged in any partnership, joint adventure, scheme or arrangement than would have been imposed upon that company under this Act if all things enjoyed, done or suffered by such partnership, joint adventure, scheme or arrangement had been enjoyed, done or suffered by that company in the proportion in which it enjoys, does or</p>	<p>(a) modify the provisions of this part in such manner as the Service may deem fit;</p> <p>(b) provide for the apportionment of any profits, outgoings, expenses, liabilities, deductions, qualifying expenditure and the tax chargeable on each company;</p> <p>(c) provide for the computation of any tax as if the partnership, joint venture, scheme or arrangement were carried on by one company and apportion that tax between the companies concerned;</p> <p>(d) accept other basis of ascertaining the tax chargeable on each of the companies, which may be put forward by those companies; or</p> <p>(e) contain provisions which have regard to any circumstance whereby such operations are partly carried on for the companies by an operating company whose expenses are reimbursed by those companies.</p> <p>(5) Regulations made under this section may be of general application for the purposes of this section and this part or of particular application to a specified partnership, joint venture, scheme or arrangement.</p> <p>(6) The regulations made under this section shall not impose a greater</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	suffers those things under or by virtue of that partnership, joint adventure, scheme or arrangement.	burden of tax on any company engaged in any partnership, joint venture, scheme or arrangement than would have been imposed on that company under this part if all things enjoyed, done or suffered by such company had been enjoyed, done or suffered by the company in the proportion in which it enjoys, does or suffers those things under that partnership, joint venture, scheme or arrangement		
Production sharing contracts.	Section 1 Deep Onshore.. Act Notwithstanding anything to the contrary contained in any other enactment or law, the provisions of this Act shall apply to all production sharing contracts as defined in section 17 of this Act.	Section 101 – Production Sharing Contracts Notwithstanding anything to the contrary contained in this Act or any other law, the provisions of this part shall apply to deep offshore and inland basin production sharing contracts that are yet to convert under the provisions of the Petroleum Industry Act or have been renegotiated in accordance with the provisions of the Petroleum Industry Act.	Retained	

<p>Duration of oil prospecting licence</p>	<p>Section 2 Deep Onshore.. Act The duration of an oil prospecting licence relating to production sharing contracts in the Deep Offshore and Inland Basin shall be determined by the Minister and shall be for a minimum period of five years and an aggregate period of ten years.</p>	<p>Section 102 NTB The duration of an oil prospecting licence relating to production sharing contracts in the deep offshore and inland basin shall be determined by the Minister charged with responsibility for matters relating to petroleum and shall be for a minimum period of five years and not exceeding ten years.</p>	<p>Retained</p>	
---	--	--	------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Determination of petroleum profits tax</p>	<p>Section 3 Deep Onshore.. Act (1) The petroleum profits tax payable under a production sharing contract shall be determined in accordance with the Petroleum Profits Tax Act: Provided that the petroleum profits tax applicable to the contract area as defined in the production sharing contracts shall be 50 per cent flat rate of chargeable profits for the duration of the production sharing contracts. (2) Nothing contained in this Act shall be construed as having exempted the contractors from the payment of any other taxes, duties or levies imposed by any Federal, State or Local Government, or Area Council Authority.</p>	<p>Section 103 NTB (1) The petroleum profits tax payable under a production sharing contract shall be determined in accordance with part II of chapter three of this Act, provided that the petroleum profits tax rate applicable to the contract area as defined in the production sharing contracts shall be 50% of chargeable profits for the duration of the production sharing contracts. (2) Nothing contained in this part shall be construed as having exempted any holder or contractor from the payment of any other tax, duty or levy imposed by any Federal, State or Local Government, or Area Council Authority.</p>	<p>Retained</p>	

Determination of investment tax credit and investment tax allowance.	Section 4 Deep Onshore.. Act (1) Where the Nigerian National Petroleum Corporation (in this Act referred to as “the Corporation”) or the holder and the contractor have incurred any qualifying capital expenditure wholly, exclusively and necessarily for the purposes of petroleum operations carried out under the terms of a production sharing contract in the Deep Offshore or Inland Basin, there shall be due to the parties in respect of the production sharing contracts executed prior to 1 July 1998, a credit (in this Act referred to as “investment tax credit”) at a flat rate of	Section 104 NTB Where a holder and a contractor have incurred any qualifying capital expenditure wholly and exclusively for the purposes of petroleum operations carried out under the terms of a production sharing contract in the deep offshore or inland basin, the parties shall be entitled to investment tax allowance at a rate of 50% of the qualifying expenditure in accordance with the provisions of existing applicable legislation for the accounting period in which that asset was first used for the purposes of such operations.	Retained	
---	---	---	-----------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
	50 per cent of the qualifying expenditure in accordance with the production sharing contract terms for the accounting period in which that asset was first used for the 175 purposes of such operations. (2) In respect of parties who executed production sharing contracts after 1 July 1998, there shall be due to such parties an allowance (in this Act referred to as an “investment tax allowance”) at a flat rate of 50 per cent of the qualifying expenditure in accordance with the provisions of existing applicable legislation for the accounting period in			

	<p>which that asset was first used for the purposes of such operations.</p>			
<p>Royalty payable in respect of deep offshore production sharing contracts</p>	<p>Section 5 Deep Onshore.. Act (1) The payment of royalty in respect of the Deep Offshore production sharing contracts shall be graduated as follows, that isArea Rate (a) In areas from 201 to 500 metres water depth..... 12 per cent (b) From 501 to 800 metres water depth 8 per cent (c) From 801 to 1000 metres water depth 4 per cent</p>	<p>Section 105 NTB Royalty shall be determined and payable in accordance with the provisions of the Seventh Schedule to this Act.</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(d) In areas in excess of 1000 metres depth.....0 per cent</p> <p>(2) The royalty rate payable under the production sharing contracts in the Inland Basin shall be 10 per cent.</p>			
<p>Computation of petroleum profit tax</p>	<p>Section 6 Deep Onshore.. Act</p> <p>Computation and payment of estimated and final petroleum profit tax shall be made in US dollars on the basis of the US dollar returns filed.</p>	<p>Section 106 NTB</p> <p>Computation of estimated and final petroleum profit tax shall be made in the US dollars on the basis of the US dollar returns filed.</p>	<p>Retained</p>	
<p>Allocation of royalty oil.</p>	<p>Section 7 Deep Onshore.. Act</p> <p>Royalty oil shall be allocated to the Corporation or the holder. as the case may be, in such quantum as shall generate an amount of proceeds equal to actual royalty payable during each month and the concession rental payable annually in accordance with the production sharing contracts terms.</p>	<p>Section 107 NTB</p> <p>Royalty oil shall be allocated to the Commission or the holder, in such quantum as shall generate an amount equal to actual royalty payable during each month and the concession rental payable annually in accordance with the production sharing contract terms.</p>	<p>Retained</p>	

Allocation of cost oil.	Section 8 Deep Onshore.. Act (1) Cost oil shall be allocated to the contractor in such quantum as shall generate an amount of proceeds sufficient for the recovery of operating costs in oil prospecting licences as defined in the production sharing contracts and any oil mining leases derived therefrom. (2) All operating costs shall be recovered in U.S. dollars through cost oil allocations	Section 108 NTB (1) Cost oil shall be allocated to the contractor in such quantum as shall generate an amount sufficient for the recovery of operating costs in oil prospecting licences as defined in the production sharing contract and any oil mining leases derived therefrom. (2) All operating costs shall be recovered in U.S. dollars through cost oil allocations	Retained	
--------------------------------	---	--	-----------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	in accordance with the terms of the production sharing contract.	in accordance with the terms of the production sharing contract.		
Allocation of tax oil.	Section 9 Deep Onshore.. Act Tax oil shall be allocated to the Corporation or the holder, as the case may be, in such quantum as shall generate an amount of proceeds equal to the actual petroleum profit tax liability payable during each month.	Section 109 NTB Tax oil shall be allocated to the Commission or the holder, in such quantum as shall generate an amount equal to the actual petroleum profit tax liability payable during each month.	Retained	
Allocation of profit oil.	Section 10 Deep Onshore.. Act Profit oil, being the balance of available crude oil after deducting royalty oil, tax oil and cost oil, shall be allocated to each party in accordance with the terms of the production sharing contract.	Section 110 NTB Profit oil, being the balance of available crude oil after deducting royalty oil, tax oil and cost oil, shall be allocated to each party in accordance with the terms of the production sharing contract.	Retained	

Payment of royalty	Section 11 Deep Onshore.. Act (1) The Corporation or the holder, as the case may be, shall pay all royalty, concession rentals and petroleum profit tax on behalf of itself and the contractor out of the allocated royalty oil and tax oil. (2) Separate tax receipts in the names of the Corporation or the Holder and the contractor for the respective amounts of petroleum profit tax paid on behalf of the Corporation or the holder and contractor shall be issued by the Federal Inland Revenue Service (in this Act referred to as “the Service”) in accordance with the terms of the Production Sharing Contract.	Section 111 NTB (1) The holder shall pay all royalty, concession rentals and petroleum profits tax on behalf of itself and the contractor out of the allocated royalty oil and tax oil. (2) The Service shall issue separate tax receipts in the names of the holder and the contractor for the respective amounts of petroleum profit tax paid on behalf of the holder and contractor in accordance with the terms of the production sharing contract.	Retained	
---------------------------	--	--	-----------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
Chargeable tax on petroleum operations	Section 12 Deep Onshore.. Act The chargeable tax on petroleum operations in the contract area under the production sharing contracts shall be split between the Corporation or the holder and the contractor in the same ratio as the split of profit oil as defined in the production sharing contract between them.	Section 112 NTB The chargeable tax on petroleum operations in the contract area under the production sharing contracts shall be split between the holder and the contractor in the same ratio as the split of profit oil as defined in the production sharing contract between them.	Retained	

<p>Use of realisable price in determining royalty and petroleum profit tax in respect of crude oil, etc.</p>	<p>Section 13 Deep Onshore.. Act (1) The realisable price as defined in the production sharing contract established by the Corporation or the holder in accordance with the provisions of the production sharing contract, shall be used to determine the amount payable on royalty and petroleum profit tax in respect of crude oil produced and lifted pursuant to the production sharing contract. (2) The parameters for new crude oil streams produced from the contract area shall also be determined in accordance with the provisions of the production sharing contract.</p>	<p>Section 113 NTB (1) The realisable price as defined in the production sharing contract established by the holder in accordance with the provisions of the production sharing contract, shall be used to determine the amount payable on royalty and petroleum profits tax in respect of crude oil produced and lifted pursuant to the production sharing contract. (2) The parameters for new crude oil streams produced from the contract area shall also be determined in accordance with the provisions of the production sharing contract.</p>	<p>Retained</p>	
<p>Submission of receipts.</p>	<p>Section 14 Deep Onshore.. Act The Corporation or the holder, as the case may be, shall make available to the contractor copies of the receipts issued by the Service bearing the names of each party as defined in the production sharing contract in accordance with each party's</p>	<p>Section 114 NTB The holder shall make available to the contractor copies of the receipts issued by the Service bearing the names of each party as defined in the production sharing contract in accordance with each party's tax oil allocation for the payment</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>tax oil allocation for the payment of petroleum profit tax under the provisions of the production sharing contract.</p>	<p>of petroleum profits tax under the provisions of the production sharing contract.</p>		

<p>Adaptation of laws</p>	<p>Section 15 Deep Onshore.. Act (1) The relevant provisions of all existing enactments or laws, including but not limited to the Petroleum Act, and the Petroleum Profit Tax Act, shall be read with such modifications as to bring them into conformity with the provisions of this Act. (2) If the provisions of any other enactment or law including but not limited to the enactments specified in subsection (1) of this section, are inconsistent with the provisions of this Act, the provisions of this Act shall prevail and the provisions of that other enactment or law shall, to the extent of that inconsistency, be void.</p>	<p>Section 115 NTB The relevant provisions of all existing laws, including the Petroleum Act, and part II of chapter three of this Act shall be read with such modifications as to bring them into conformity with the provisions of this part.</p>	<p>Retained</p>	
<p>Periodic review</p>	<p>Section 16 Deep Onshore.. Act (1) The provisions of this Act shall be subject to review to ensure that if the price of crude oil at any time exceeds \$20 per barrel, real terms, the share of the government of the Federation in the additional revenue shall be adjusted under the production sharing contracts to such extent that the production sharing contracts shall be economically beneficial to the government of the Federation.</p>	<p>Section 116 – Review of the production sharing contract The Minister charged with responsibility for matters relating to petroleum shall cause the Commission to call for a review of production sharing contracts every eight years.</p>	<p>Retained</p>	
<p>Item</p>	<p>Current Section of the Law</p>	<p>Proposed Amendments under NTB</p>	<p>Committee's Recommendations</p>	<p>Justification / Comments</p>

	(2) Notwithstanding the provisions of subsection (1) of this section, the provisions of this Act shall be liable to review after a period of fifteen years from the date of commencement and every five years thereafter.			
Administration of royalties	N/A	Section 117 NTB The Service shall administer royalties payable under this Act in accordance with the provisions of the Nigeria Tax Administration Act.	Retained	

Section 118 – Definition for Chapter Three – Retained

Term	Old Definition	New Definition
"accounting date	means the date on which a company usually prepares its accounting statement	means the date on which a company usually prepares its accounting statement;
accounting period	in relation to a company engaged in upstream petroleum operations, means – (a) a period of one year commencing on 1st January and ending on 31st December of the same year, (b) any shorter period commencing on the day the company first makes a sale or bulk disposal of chargeable oil, domestic, export or both, and ending on 31st December of the same year, or (c) any period of less than a year being a period commencing on 1st January of any year and ending on the date in the same year when the company ceases to be engaged in petroleum operations, and in the event of any dispute with respect to the date of the first sale of chargeable oil above or with respect to	in relation to a company engaged in upstream petroleum operations, means– (a) a period of one year commencing on 1st January and ending on 31st December of the same year; (b) any shorter period commencing on the day the company first makes a sale or bulk disposal of chargeable oil, domestic, export or both, and ending on 31st December of the same year; or (c) any period of less than a year being a period commencing on 1st January of any year and ending on the date in the same year when the company ceases to engage in petroleum operations; and in the event of any dispute with respect to the date of the first sale of chargeable oil above or with respect to the date on which the company ceases to engage in petroleum operations, the Commission or the Minister in charge of Petroleum Resources shall determine the same and no appeal shall lie;

	the date on which the company ceases to be engaged in petroleum operations, the Commission shall determine the same and no appeal shall lie	
Act	means the Petroleum Industry Act, 2021;	N/A
adjusted profits	means adjusted profit as stated in section 262 of this Act;	means adjusted profit as stated in sections 67 and 90 of this Act;
“advisory committee”	has the meaning given to it in section 249 of this Act	N/A
"aggregate gas price	means the gas price determined under section 167 (4) of this Act;	means the gas price determined under section 167(4) of Petroleum Industry Act;
affiliate	means the relationship that exists between two persons when one controls or is controlled by, an entity which controls, the other person, where ‘control’ means the direct or indirect ownership of more than 50% of the voting rights in a company, partnership or legal entity;	N/A
"appraisal well	means a well that in the opinion of the Commission is aimed at determining the size, distribution, characteristics and commerciality of a petroleum discovery	means a well that, in the opinion of the Commission, is aimed at determining the size, distribution, characteristics and commerciality of a petroleum discovery;
area of operation”	” means the territory which hosts a lessee’s or licensee’s operational or designated facilities and any other ancillary facilities related to upstream and midstream petroleum operations;	
assessable profit	means assessable profit as stated in section 262 of this Act;	means assessable profit as stated in sections 67 and 90 of this Act;
“assessable tax	N/A	for the purposes of petroleum profits tax means assessable tax ascertained under section 90 of this Act;
associated gas	means- (a) natural gas, commonly known as gas-cap gas, which overlies and is in contact with crude oil in a reservoir; and (b) solution gas dissolved in crude oil in a reservoir and emerging from the fluid as pressure drops	(a) natural gas, commonly known as gas-cap gas, which overlies and is in contact with crude oil in a reservoir; and (b) solution gas dissolved in crude oil in a reservoir and emerging from the fluid as pressure drops;
“authorisation”	means approval issued by the Commission or Authority for an activity in the petroleum industry;	N/A

“Authority”	means the Nigerian Midstream and Downstream Petroleum Regulatory Authority” as provided for in this Act	means the Nigerian Midstream and Downstream Petroleum Regulatory Authority” established under the Petroleum Industry Act;
“Authority Fund	means the Fund established under section 47 of this Act;	N/A
“barrel	means a barrel of 42 United States gallons;	” means a barrel of 42 United States gallons;
Board	means the governing board of the Commission, Authority, NNPC Limited or an incorporated joint venture company (IJVC);	N/A
Board of Trustees”	means the governing board of the trust established under section 242 of this Act;	N/A
bulk gas storage licence	means a licence granted under section 132 of this Act;	N/A
capital fund	means the fund available to the Board of Trustees of a host communities development trust for communities development projects and other matters on behalf of the holder or holders as provided for in this Act;	N/A
"chargeable oil"	means crude oil, condensate or natural gas liquids produced upstream of the measurement point as provided for under section 260 (1) (a) of this Act	means crude oil, condensate or natural gas liquids produced upstream of the measurement point as provided under section 65(1)(a) of this Act;
chargeable profit	” means chargeable profit as stated in section 262 of this Act;	means chargeable profit as stated in section 67 and 90 of this Act;
chargeable tax	means chargeable tax as stated in section 267 of this Act;	N/A
"chargeable volume	in relation to a company engaged in upstream petroleum operations means the chargeable volume as set out in paragraph 7 of the Seventh Schedule to this Act;	in relation to a company engaged in upstream petroleum operations means the chargeable volume as set out in paragraph 2 of the Seventh Schedule to the Petroleum Industry Act;
“commercial discovery	means a discovery of crude oil, natural gas or condensates within a petroleum prospecting licence or petroleum mining lease which can be economically developed in the opinion of the licensee or lessee after consideration of all relevant economic factors normally applied for the evaluation and development of crude oil, natural gas or condensate;	N/A
"Commission	means the Nigerian Upstream Petroleum Regulatory Commission established under this Act	means the Nigerian Upstream Petroleum Regulatory Commission established under the Petroleum Industry Act;

“common carrier	means a transportation pipeline which is operated on an open access basis;	N/A
Commission Fund	means the fund established under section 24 of this Act;	N/A
“company”	means in this Act, any company or corporation, other than a corporation sole, incorporated under the Companies and Allied Matters Act, Act No. 3, 2020;	means any company or corporation, including Limited Liability Partnership, established by or under any law in force in Nigeria or elsewhere;

condensate	means a portion of natural gas of such composition that are in the gaseous phase at temperature and pressure of the reservoirs, but that, when produced, are in the liquid phase at surface pressure and temperature;	means a portion of natural gas of such composition that are in the gaseous phase at temperature and pressure of the reservoirs, but that, when produced, are in the liquid phase at surface pressure and temperature;
“connection agreement	” means an agreement setting out the terms on which individual, physical connections to the transportation pipeline, transportation network or gas distribution network will be effected and matters such as the configuration, pressure, technical parameters and cost of the connection;	N/A
Constitution”	means the Constitution of the Federal Republic of Nigeria, 1999, Cap. C23, Laws of the Federation of Nigeria, 2004;	N/A
conversion contract	means a contract under section 92 of this Act;	N/A
“conversion date”	means the date under section 92 of this Act;	N/A
“Corporate Affairs Commissio	” means the Corporate Affairs Commission established under the Companies and Allied Matters Act, Act No. 3, 2020;	N/A

corrupt practices and money laundering laws”	means- (a) the laws of the Government in respect of bribery, kickbacks and corrupt business practices, (b) the Foreign Corrupt Practices Act of 1977 of the United States of America (Pub. L. No. 95-213 §§ 101-104 et. seq.), (c) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December, 1997, which entered into force on 15 February, 1999, and the Convention’s Commentaries, (d) the United Kingdom Bribery Act, 2010, and (e) any other law of general application relating to bribery, kickbacks or corrupt business practices;	N/A
contractor”	N/A	means any petroleum exploration and production company which has entered into a production sharing contract agreement or arrangement with the holder of an oil prospecting licence or an oil mining lease within the Deep Offshore and Inland Basin;
"crude oil"	means petroleum, which is in liquid conditions upon production from a reservoir either in its natural state or after the extraction	means for the purposes of—
	of water, sand or other foreign substance from it, but before any such oil has been refined or otherwise treated, other than oil extracted by destructive distillation from coal, bituminous shales or other stratified deposits;	(a) part I of chapter three of this Act, petroleum, which is in liquid conditions upon production from a reservoir either in its natural state or after the extraction of water, sand or other foreign substance from it, but before any such oil has been refined or otherwise treated, other than oil extracted by destructive distillation from coal, bituminous shales or other stratified deposits; (b) part II of chapter three of this Act, any oil, other than oil extracted by destructive distillation from coal, bituminous shales or other stratified deposits, won in Nigeria either in its natural state or after the extraction of water, sand or other foreign substance therefrom but before any such oil has been refined or otherwise treated;
“crude oil refiner”	means the holder of a crude oil refining licence under section 183 of this Act;	N/A

"decommissioning and abandonment	means the approved process of cessation of operations of crude oil and natural gas wells, installations, plants and structures, including shutting down an installation's operations and production, total or partial removal of installations and structures where applicable, chemicals and all such other materials handling, removal and disposal of debris and removed items, environmental restoration of the area after removal of installations, plants and structures, and 'decommission' has a corresponding meaning;	means the approved process of cessation of operations of crude oil and natural gas wells, installations, plants and structures, including shutting down an installation's operations and production, total or partial removal of installations and structures where applicable, chemicals and all such other materials handling, removal and disposal of debris and removed items, environmental restoration of the area after removal of installations, plants and structures, and 'decommission' has a corresponding meaning;
decommissioning and abandonment fund	has the meaning given to it in section 233 of this Act;	N/A
decommissioning and abandonment plan"	means the plan to be submitted in the field development plan under section 79 (2) for upstream petroleum operations and under section 111 (3) of this Act for midstream petroleum operations;	N/A
deep offshore	means any area within the territorial waters, continental shelf or exclusive economic zone offshore of Nigeria having a water depth in excess of 200 meters;	means any area within the territorial waters, continental shelf or exclusive economic zone offshore of Nigeria having a water depth in excess of 200 metres;
deep rights	means petroleum rights vested in the Government after relinquishment under section 88 (5) (b) of this Act	N/A
Department of Petroleum Resources	means the Department of Petroleum Resources of the Federal Ministry of Petroleum Resources	N/A
designated facilities	" means petroleum crude oil and natural gas transportation pipelines, bulk storage tank farms, refineries, and gas processing plants in midstream petroleum operations and petrochemical plants;	N/A
distribution pipeline	means a low-pressure pipeline for the purpose of conveying natural gas or petroleum products to customers	N/A

"disposal" and "disposed of"	in relation to chargeable oil owned by a company engaged in petroleum operations, means- (a) delivery or export, without sale, of chargeable oil to an affiliate or other company, and (b) chargeable oil delivered or transferred, without sale, to facilities used for midstream operations;	in relation to chargeable oil or gas owned by a company engaged in petroleum operations, means— 82 (a) delivery or export, without sale, of chargeable oil or gas to an affiliate or other company, and (b) chargeable oil or gas delivered or transferred, without sale, to facilities used for midstream operations;
"domestic base price"	means the price determined under the Third Schedule to this Act;	N/A
domestic crude oil supply obligation	" means the obligations of an upstream crude oil producer to dedicate a specific volume of crude oil towards the domestic refineries as stipulated in section 109 of this Act;	N/A
domestic gas aggregator	means a licensee of a domestic gas aggregation licence;	N/A
"domestic gas aggregation licence"	means a licence granted under section 153 of this Act;	N/A
domestic gas demand requirement	means an aggregate of the volume of natural gas required to meet the natural gas demand for strategic sectors within the domestic economy for a specified period under section 173 of this Act	N/A
"domestic gas delivery obligation"	means the obligations of a lessee producing natural gas to dedicate and deliver to a transfer point a specific volume of natural gas towards meeting the domestic gas demand requirement, as stipulated in section 110 of this Act;	N/A
downstream gas operations"	means all activities entered into for the purpose of, distribution and supply of natural gas to retail customers, city gate	means all activities entered into for the purpose of, distribution and supply of natural gas to retail customers, city gate reception terminals for natural gas, stations for the distribution, marketing and retailing of natural gas;
	reception terminals for natural gas, stations for the distribution, marketing and retailing of natural gas;	

"downstream petroleum operations	means all activities entered into for the purpose of distribution and supply of petroleum products to retail customers, tank farms for distribution of petroleum products, and stations for the distribution, marketing and retailing of petroleum products;	means downstream gas operations and downstream petroleum products operations;
"downstream petroleum products operations"	means downstream gas operations and downstream petroleum products operations	means all activities entered into for the purpose of distribution and supply of petroleum products to retail customers, tank farms for distribution of petroleum products, and stations for the distribution, marketing and retailing of petroleum products;
"exploration well"	means a well that in the opinion of the Commission is aimed at discovering petroleum in a separate field in which petroleum has not been previously discovered;	means a well that in the opinion of the Commission is aimed at discovering petroleum in a separate field in which petroleum has not been previously discovered;
"Federation Account"	means the Federation Account stated in section 162 of the Constitution of the Federal Republic of Nigeria, 1999;	means the Federation Account as specified in the Constitution of the Federal Republic of Nigeria;
"field	" includes an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same geological structural feature, stratigraphic condition, a combination of both and refers to the underground productive formations or their vertical projection to the surface;	includes an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same geological structural feature, stratigraphic condition, a combination of both and refers to the underground productive formations or their vertical projection to the surface;
"fiscal gas price	means the price established in paragraph 8 (3) of the Seventh Schedule to this Act;	means the price established in paragraph 8(3) of the Seventh Schedule to the Petroleum Industry Act;
"fiscal oil price"	means the price established in paragraphs 8 (1) and (2) of the Seventh Schedule to this Act;	means the price established in paragraphs 8(1) and (2) of the Seventh Schedule of the Petroleum Industry Act;
"force majeure	includes delays or inability to perform any obligations under this Act (other than a payment obligation), due to any event beyond the reasonable control of a person, and the event may be, but is not limited to, any act, event, happening, or occurrence due to natural causes, and acts or perils of navigation, fire, hostilities, war (declared or undeclared), blockade, labour disturbances, strikes, riots, insurrection, civil commotion, quarantine restrictions, epidemics, storms, floods, earthquakes, accidents, blowouts or lightning and an event of	N/A

	force majeure shall not include changes in the laws of Nigeria or any political subdivision thereof or any acts or orders of Government, any minister, ministry, department, subdivision, agency, authority, council, committee, or other constituent element thereof, or any corporation owned or controlled by any of the foregoing, where operations are delayed, curtailed or prevented by force majeure, then the time for carrying out the obligation and duties thereby affected, and rights and obligations hereunder, shall be extended for a period equal to 635 the period thus involved provided that such period shall not exceed three years in total after which each party can terminate the respective licence or lease;	
"frontier acreages"	means any or all acreages in an area on land in Nigeria defined as a frontier in a regulation issued by the Commission;	means any or all acreages in an area on land in Nigeria defined as a frontier in a regulation issued by the Commission;
"frontier basin"	means basins where hydrocarbon exploration activities have not been carried out or previous commercial discovery oil and gas have not been made or an area that is undeveloped and includes Anambra, Dahomey, Bida, Sokoto, Chad and Benue trough or as may be declared by the Commission through a regulation	means basins where hydrocarbon exploration activities have not been carried out or previous commercial discovery oil and gas have not been made or an area that is undeveloped and includes Anambra, Dahomey, Bida, Sokoto, Chad and Benue trough or as may be declared by the Commission through a regulations;
gas distribution licence	means a licence for the distribution of natural gas through a low-pressure pipeline system in a specific geographical area under section 148 of this Act;	N/A
"gas distribution network"	means a set of interconnected distribution pipelines for natural gas	N/A
"gas distribution network"	means a set of interconnected distribution pipelines for natural gas;	N/A
"gas distributor"	means the holder of a gas distribution licence;	N/A
"gas processing licence"	means a licence granted under section 129 of this Act;	N/A

“gas transportation network”	means a set of interconnected gas transportation pipelines in a particular geographical area;	N/A
“good international petroleum industry practices	means those uses and practices that are, at the time in question, generally accepted in the international petroleum industry as being good, safe, economical, environmentally sound and efficient in petroleum operations and should reflect standards of service and technology that are either state-of-the-art or otherwise appropriate to the operations in question and should be applied using standards in all matters that are no less rigorous than those in use by petroleum companies in global operations;	N/A
Government"	means the Federal Government of Nigeria;	means the Federal Government of Nigeria;
“Greenfield Non-Associated Gas Development	N/A	means all existing undeveloped non-associated gas rights and future nonassociated gas rights granted pursuant to the licensing bid rounds conducted by the Commission;
“holder”	N/A	means any Nigerian company who holds an oil prospecting licence or oil mining lease situated within the deep offshore and inland basin under the relevant provision of the Petroleum Act;
"host communities"	means communities situated in or appurtenant to the area of operation of a settlor, and any other community as a settlor may determine under Chapter 3 of this Act	means communities situated in or appurtenant to the area of operation of a settlor, and any other community as a settlor may determine under Chapter 3 of the Petroleum Industry Act;
"host communities development trust	has the meaning given to it in section 235 (1) of this Act;	has the meaning given to it in section 235(1) of Petroleum Industry Act;
“Inland Basin		means any of the following Basins namely, Anambra, Benin, Benue, Chad, Gongola, Sokoto and such other basins as may be determined, from time to time, by the Minister charged with responsibility for matters relating to petroleum;

"intangible drilling costs	N/A	for the purposes of petroleum profits tax means all expenditure for labour, fuel, repairs, maintenance, hauling, and supplies and materials, not being supplies and materials for well cement, casing or other well fixtures, which are for or incidental to drilling, cleaning, deepening or completing wells or the preparation thereof incurred in respect of— (a) determination of well locations geological studies and topographical and geographical surveys preparatory to drilling; (b) drilling, shooting, testing and cleaning wells;
		(c) cleaning, draining and levelling land, road building and the laying of foundations; and (d) erection of rigs and tankage assembly and installation of pipelines and other plant and equipment required in the preparation or drilling of wells producing petroleum;
"large-scale gas utilisation industries	means- (a) large-scale industries that use natural gas as a feedstock such as gas-to-liquid plants, petrochemical industries and fertiliser plants; and (b) mini-LNG plants, power plants and such other industries as defined in regulations;	means— (a) large-scale industries that use natural gas as a feedstock such as gastoliquid plants, petrochemical industries and fertiliser plants; and (b) mini-LNG plants, power plants and such other industries as defined in regulations;
"lease	means a petroleum mining lease;	means a petroleum mining lease;
"lessee	means a holder of a lease	means a holder of a lease;
"LIBOR	means London Interbank Offered Rate;	
"licence"	means a licence issued by the Commission or Authority in respect of any applicable upstream, midstream or downstream petroleum operations;	means a licence issued by the Commission or Authority in respect of any applicable upstream, midstream or downstream petroleum operations;
"licensee"	means a holder of a licence;	means a holder of a licence;
"liquefied natural gas	means natural gas in liquid form through condensation at close to atmospheric pressure and at a temperature of approximately minus 162 degrees celsius	for the purposes of petroleum profits tax means natural gas in its liquid state at approximately atmospheric pressure;

“liquefied petroleum gas” or “LPG”	means mixtures of propane and butane and small concentrations of other gases which are gaseous under room temperature and pressure but are liquefied by applying pressure;	N/A
local distribution zone”	means an authorised area as specified in regulations, within which one gas distributor may operate;	
"loss	means a loss ascertained in like manner as an adjusted profit;	means a loss ascertained in like manner as an adjusted profit
marginal field	means a field or discovery which has been declared a marginal field prior to 1st January 2021	means a field or discovery which has been declared a marginal field prior to 1st January 2021;
"marketable natural gas"	means natural gas which meets specifications determined by the Authority for distribution to wholesale customers and retail	means natural gas which meets specifications determined by the Authority for distribution to wholesale customers and retail customers— (a) for use as a domestic, commercial and industrial fuel; and
	customers- (a) for use as a domestic, commercial and industrial fuel; and (b) as feedstock or industrial raw material;	(b) as feedstock or industrial raw material;
“marketable natural gas delivery point”	means a point where marketable natural gas is made available to customers, at the exit of a gas processing plant or gas conditioning plant or at a measurement point, or such other location immediately downstream of a facility in which such natural gas has been produced, processed, conditioned or treated in order to produce marketable natural gas;	N/A

<p>"measurement point</p>	<p>means-</p> <p>(a) a point determined in the field development plan under section 79 (2) of this Act, where petroleum is being measured and its value is determined for royalty purposes,</p> <p>(b) where the point has not been determined, a point directly downstream of the flow station in the petroleum mining lease, and</p> <p>(c) where measurements take place outside the petroleum mining lease, a deemed measurement point in the petroleum mining lease based on a calculation procedure approved by the Commission adjusting from the points where petroleum is being measured</p>	<p>" means— (a) a point determined in the field development plan under section 79(2) of Petroleum Industry Act, where petroleum is being measured and its value is determined for royalty purposes;</p> <p>(b) where the point has not been determined, a point directly downstream of the flow station in the petroleum mining lease; and</p> <p>(c) where measurements take place outside the petroleum mining lease, a deemed measurement point in the petroleum mining lease based on a calculation procedure approved by the Commission adjusting from the points where petroleum is being measured;</p>
<p>"midstream and downstream gas operations"</p>	<p>means activities downstream of the measurement points of petroleum mining leases, whether or not related to the petroleum mining lease, with respect to the construction and operation of natural gas transport or transmission pipelines, including the related compressor stations, construction and operations of facilities to compress, transport and deliver compressed natural gas (CNG); construction and operations of gas processing facilities and central processing facilities, producing ethane, propane, butane and natural gas liquids and marketable natural gas; construction and operation of underground or above ground facilities for the storage of natural gas, ethane extraction plants, construction and operation of gas to liquids (GTL) plants, construction and</p>	<p>means activities downstream of the measurement points of petroleum mining leases, whether or not related to the petroleum mining lease, with respect to the construction and operation of natural gas transport or transmission pipelines, including the related compressor stations, construction and operations of facilities to compress, transport and deliver compressed natural gas (CNG); construction and operations of gas processing facilities and central processing facilities, producing ethane, propane, butane and natural gas liquids and marketable natural gas; construction and operation of underground or above ground facilities for the storage of natural gas, ethane extraction plants, construction and operation of gas to liquids (GTL) plants, construction and operation of lubricant, petrochemical and fertiliser plants, construction and operation of LNG plants, and related LNG terminals as well as storage and transport of LNG, acquisition, operation or chartering of LNG</p>

	operation of lubricant, petrochemical and fertiliser plants, construction and operation of LNG plants, and related LNG terminals as well as storage and transport of LNG, acquisition, operation or chartering of LNG tankers for coastal and marine transportation, purchase and sale, trading, bartering, aggregating and marketing of natural gas transported by pipelines, compressed natural gas, LNG, methane, ethane, propane, butane, natural gas liquids and liquids from GTL plants with respect to wholesale customers and gas distributors and related administration and overhead;	tankers for coastal and marine transportation, purchase and sale, trading, bartering, aggregating and marketing of natural gas transported by pipelines, compressed natural gas, LNG, methane, ethane, propane, butane, natural gas liquids and liquids from GTL plants with respect to wholesale customers and gas distributors and related administration and overhead;
midstream petroleum liquids operations	means activities downstream of the measurement points of petroleum mining leases, whether or not related to the petroleum mining lease, with respect to the construction and operation of facilities for upgrading of heavy oil, construction and operation of lubricant, petrochemical and fertiliser plants, construction and operation of petroleum liquids transport pipelines, including the related pumping stations; acquisition, operation, leasing, rental or chartering of barges, coastal or ocean-going tankers, railcars and trucks for the transport of petroleum liquids, construction, leasing and operation of tank farms and other storage facilities and export terminals for petroleum liquids, construction and operation of refineries, purchase and sale, trading, bartering, marketing of petroleum liquids and related administration and overhead;	
MMBtu	means millions of British thermal units;	" means millions of British thermal units
MMcf"	N/A	for the purposes of petroleum profits tax means one million cubic feet;
"model contract"	means a contract under section 85 of this Act;	means a contract under section 85 of Petroleum Industry Act;
model lease	means a standard petroleum mining lease with terms and conditions adopted for a specific licensing round and may contain contractual provisions in a model contract attached to or incorporated in the model lease;	N/A

model licence	means a standard petroleum prospecting licence with terms and conditions adopted for a specific licensing round and may	N/A
	contain contractual provisions in a model contract attached to or incorporated in the model licence;	
National Data Repository	means national petroleum data bank as defined in the National Data Repository Regulation, 2007 and its amendment;	N/A
National Salaries, Incomes and Wages Commission”	means the National Salaries, Incomes and Wages Commission established by section 1 of the National Salaries, Incomes and Wages Commission Act, Cap. N72, Laws of the Federation of Nigeria, 2004;	N/A
“national strategic stock”	means the reserve of petroleum products kept in certain storage depots and facilities by the Government or on behalf of the Government to provide for emergency;	N/A
"natural gas"	means all gaseous hydrocarbons, and all substances contained in it and as exist in natural state in strata, associated or not with crude oil, and are in a gaseous state upon production from a reservoir and excludes condensates	means for the purposes of— (a) part I of chapter three of this Act, all gaseous hydrocarbons, and all substances contained in it and as exist in natural state in strata, associated or not with crude oil, and are in a gaseous state upon production from a reservoir and excludes condensates; and (b) part II of chapter three of this Act, gas obtained in Nigeria from boreholes and wells and consisting primarily of hydrocarbons;
"natural gas liquids" or "NGL"	means hydrocarbons liquefied at the surface in separators, field facilities or in gas processing plants, and include ethane, propane, butanes, pentanes, and natural gasoline;	means hydrocarbons liquefied at the surface in separators, field facilities or in gas processing plants, and include ethane, propane, butanes, pentanes, and natural gasoline;
"non-associated gas	means natural gas that is found in a reservoir which does not contain significant quantities of crude oil	means natural gas that is found in a reservoir which does not contain significant quantities of crude oil;
non-productive rents	N/A	means and includes the amount of any rent as to which there is provision for its deduction from the amount of any royalty under a petroleum prospecting licence or oil mining lease to the extent that such rent is not so deducted;

"oil mining lease"	means an oil mining lease granted under the Petroleum Act, Cap. P10, Laws of the Federation of Nigeria, 2004 prior to the effective date of this Act;	means for the purposes of— (a) part I of chapter three of this Act, an oil mining lease granted under the Petroleum Act, Cap. P10, Laws of the Federation of Nigeria, 2004 prior to the effective date of the Petroleum Industry Act;
		(b) part II of chapter three of this Act, a lease granted to a company, under the Minerals and Mining Act, for the purpose of winning petroleum or any assignment of such lease;
"oil prospecting licence"	means an oil prospecting licence granted under the Petroleum Act, Cap. P10, Laws of the Federation of Nigeria, 2004 prior to the effective date of this Act;	means an oil prospecting licence granted under the Petroleum Act, Cap. P10, Laws of the Federation of Nigeria, 2004 prior to the effective date of the Petroleum Industry Act;
onshore	means any land areas above the high-water mark, other than frontier acreages;	means any land areas above the high-water mark, other than frontier acreages;
open access	means, subject to section 116, non-discriminatory access to a midstream facility, transportation pipeline or transportation network for all users or shippers under conditions where the licensee does not have any preferential rights to these facilities, under conditions stipulated in the licence and in the case of a transportation network or pipeline	
"paying quantities"	means in relation to the level of production of a field, the production of volumes of oil or gas or both, of which the value exceeds the royalty and operating costs on a regular basis, based on levels of production that are aimed at achieving maximum economic recovery of the petroleum	
"parties"		for the purpose of part III of chapter three of this Act, includes the Commission, any Nigerian company as the holder and the contractor;
"permit"	means an official certificate of permission to undertake an activity issued by the Commission or Authority;	means an official certificate of permission to undertake an activity issued by the Commission or Authority;
"person"	means any individual, company or other juristic person;	includes a company and any unincorporated body of persons;

petroleum	means hydrocarbons and associated substances as exist in its natural state in strata, and includes crude oil, natural gas, condensate and mixtures of any of them, but does not include bitumen and coal	means for the purposes of— (a) part I of chapter three of this Act, hydrocarbons and associated substances as exist in its natural state in strata, and includes crude oil, natural gas, condensate and mixtures of any of them, but does not include bitumen and coal; (b) part II of chapter three of this Act, any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in Nigeria but does not include liquefied natural gas, coal, bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;
"petroleum exploration licence"	means a licence under section 71 of this Act;	means a licence under section 71 of Petroleum Industry Act;
"petroleum mining lease"	means a lease under section 81 of this Act;	means a lease under section 81 of the Petroleum Industry Act;
"petroleum operations"	means upstream, midstream and downstream petroleum operations;	means for the purposes of— (a) part I of chapter three of this Act, upstream, midstream and downstream petroleum operations; (b) part II of chapter three of this Act, the winning or obtaining and transportation of petroleum or chargeable oil in Nigeria by or on behalf of a company for its own account by any drilling, mining, extracting or other like operations or process, not including refining at a refinery, in the course of a business carried on by the company engaged in such operations, and all operations incidental thereto and any sale of or any disposal of chargeable oil by or on behalf of the company;
Petroleum Pricing and Product Regulatory Agency	means the Petroleum Pricing and Product Regulatory Agency established under section 1 of the Petroleum Pricing and Product Regulatory Agency (Establishment) Act, Cap. P43, Laws of the Federation of Nigeria, 2004;	N/A
petroleum product distribution licence	means a licence for the distribution of petroleum products under section 201 of this Act	N/A
petroleum product distributor	means the holder of a petroleum product distribution licence	N/A

"petroleum product retailer	means a holder of a petroleum product retail licence	N/A
"petroleum product retail licence	means a permit to retail petroleum products to final customers under section 203 of this Act	N/A
"petroleum products	means materials derived from crude oil and natural gas processing such as ethane, propane, butanes, pentanes, liquefied petroleum gas, natural gas liquids, asphalts, gasoline, diesel, gas oil, jet fuel, transportation fuels, fuel oils for heating and electricity generation and such other derivatives	means materials derived from crude oil and natural gas processing such as ethane, propane, butanes, pentanes, liquefied petroleum gas, natural gas liquids, asphalts, gasoline, diesel, gas oil, jet fuel, transportation fuels, fuel oils for heating and electricity generation and such other derivatives;
"petroleum prospecting licence	means a licence under section 72 of this Act;	means a licence under section 72 of Petroleum Industry Act;
"pipeline	means all parts of any tubular infrastructure through which petroleum is conveyed, including pipes, valves, pumping and compressor stations and other equipment appurtenant to pipes;	means all parts of any tubular infrastructure through which petroleum is conveyed, including pipes, valves, pumping and compressor stations and other equipment appurtenant to pipes;
"production sharing contract"	means any agreement for the exploration, development and production of petroleum on terms under which the financial risk-bearing party shall recover costs and receives a share of the profits based on a share of production as established in the contract from the applicable area	means— (a) any agreement for the exploration, development and production of petroleum on terms under which the financial risk-bearing party shall recover costs and receives a share of the profits based on a share of production as established in the contract from the applicable area; (b) for the purposes part III of chapter three of this Act, any agreement or arrangements made between the holder and any other petroleum exploration and production company or companies for the purpose of exploration and production of oil in the deep offshore and inland basins;
"public service obligations	means specific obligations imposed by the Authority on licensees in relation to security of supply, social service, economic development, environmental protection or the use of indigenous materials;	N/A

qualified person	means a person designated by regulation in respect of the issuance of a licence, lease or permit to any person with respect to upstream, midstream and downstream petroleum operations	N/A
“raw gas	means natural gas prior to any conditioning for the removal of H ₂ S, CO ₂ and other impurities and prior to processing to remove natural gas liquids and which does not have the qualities of marketable natural gas;	N/A
"regulation"	” means rule or order having force of law issued by the Minister, Minister of Finance, the Commission or Authority in accordance with this Act;	means rule or order having force of law issued by the Minister, Minister in charge of petroleum, the Service, Commission or Authority in accordance with this Act or any other relevant law;
"rent	means the annual charge made in respect of a licence or lease granted under this Act;	means an annual or other periodic charge made in respect of a licence or lease granted under the Petroleum Act or Petroleum Industry Act
“renegotiated production sharing contract	means a production sharing contract for which court cases or arbitration cases were outstanding, and was or is being renegotiated after the effective date of this Act with the	

	objective of settling the outstanding court cases or arbitration cases;	
reserve fund	is the fund under section 244 (b) of this Act;	
"reservoir	means a subsurface rock formation containing an individual and separate natural accumulation of producible petroleum characterised by a single natural pressure system;	means a subsurface rock formation containing an individual and separate natural accumulation of producible petroleum characterised by a single natural pressure system;
“retail gas supply licence	means a licence granted under section 146 of this Act;	N/A
“retention area”	means the area approved by the Commission for a significant gas discovery or significant crude oil discovery under this Act;	N/A
“retention period”	means the period not exceeding 10 years granted by the Commission to the holder of a petroleum licence to retain rights to develop an area over which a significant gas discovery or significant crude oil discovery has been made;	N/A

royalties"	means the royalties specified in the Seventh Schedule to this Act	means the royalties specified in the Seventh Schedule to this Act;
"settlor	is a holder of an interest in a petroleum prospecting licence or petroleum mining lease whose area of operations is located in or appurtenant to any community or communities	
"shallow water	means any area within the territorial waters, continental shelf or exclusive economic zone offshore of Nigeria up to and including a water depth of 200 meters	means any area within the territorial waters, continental shelf or exclusive economic zone offshore of Nigeria up to and including a water depth of 200 metres;
"signature bonus"	means a payment made to Government with respect to the grant of a petroleum prospecting licence or petroleum mining lease;	means a payment made to Government with respect to the grant of a petroleum prospecting licence, petroleum mining lease, or similar payments;
Significant crude oil discovery	means a discovery of crude oil that is substantial in terms of reserves and is potentially commercial, but cannot be declared commercial for one or both of the following reasons- (a) no pipeline or facilities are available in existing systems where commercial conditions indicate that the best option for development is based on the future expansion of such systems or the use of such systems when capacity will become available in the future; or	N/A
	(b) where the crude oil discovery would only be commercial when jointly developed with other existing discoveries or potential future discoveries	

significant gas discovery”	means a discovery of natural gas that is substantial in terms of reserves and is potentially commercial, but cannot be declared commercial for one or more of the following reasons- (a) no markets for natural gas within Nigeria; (b) export markets need to be identified and developed; (c) no pipeline, processing or liquefaction capacity is available in existing systems where commercial conditions indicate that the best option for development is based on the future expansion of such systems or the use of such systems when capacity will become available in the future; or (d) where the natural gas discovery would only be commercial when jointly developed with other existing natural gas discoveries or potential future natural gas discoveries	N/A
special investigation unit	means a unit established either under section 27 or 50 of this Act;	N/A
standard cubic foot”	means, in relation to natural gas, the quantity of dry ideal natural gas at a temperature of 60 degrees Fahrenheit and a pressure of 14.696 pounds per square inch absolute contained in a volume of one cubic foot	N/A
supplier	means the holder of a wholesale gas supply licence, a wholesale petroleum liquids supply licence or a retail gas supply licence;	N/A
“tariff	means the price charged for the provision of a particular service, or group of services, with respect to midstream and downstream petroleum operations;	N/A
terrain"	means the area of any petroleum exploration licence, petroleum prospecting licence or petroleum mining lease;	for the purpose of part I of chapter three of this Act means the area of any petroleum exploration licence, petroleum prospecting licence or petroleum mining lease;
"terminal"	means a terminal for petroleum liquids, pumping or booster station, or other installation or structure associated with a terminal, including its storage facilities, other than a terminal	means a terminal for petroleum liquids, pumping or booster station, or other installation or structure associated with a terminal, including storage facilities, other than a terminal situated within a port or the approaches within the

	situated within “a port or any approaches thereto” within the meaning of the Nigerian Ports Authority Act, Cap. N126, Laws of the Federation of Nigeria, 2004	meaning of the Nigerian Ports Authority Act, Cap. N 126, Laws of the Federation of Nigeria, 2004; and
“third party access	means the legal requirement for owners of certain infrastructure facilities to grant access to those facilities to parties other than themselves or their own customers, for uncommitted capacity, including competitors in the provision of the relevant services, on terms stipulated in this Act or regulations;	N/A
transportation fuels”	means fuels used for transport on land, on water and in the air, such as gasoline, aviation gasoline, diesel, jet fuel, marine bunker fuel, LNG, CNG and other fossil fuel based products, as well as hydrogen, bio-diesel, bio-jet fuel, ethanol and other fuels used for transport purposes;	N/A
“transportation network”	means a system of interconnected transportation pipelines and other facilities required to transport natural gas or petroleum liquids	N/A
transportation network	means a system of interconnected transportation pipelines and other facilities required to transport natural gas or petroleum liquids;	N/A
transportation pipeline	means a pipeline used for the bulk conveyance of petroleum liquids and for natural gas under high-pressure	N/A
transportation pipeline owner	means the holder of a gas transportation pipeline licence or a petroleum liquids transportation pipeline licence;	N/A

upstream petroleum operations	means the exploration for, appraisal of, development of and winning or obtaining of petroleum in Nigeria by or on behalf of a company on its own account for commercial purposes, petroleum exploration operations, the drilling of exploration, appraisal and development wells, all activities upstream of the measurement points, related to the winning of petroleum through wells or mining from petroleum reservoirs, drilling, fracking, completing, treatment and operation of wells producing petroleum, construction and operation of gathering	for the purposes of part I of chapter three of this Act means the exploration for, appraisal of, development of and winning or 88 obtaining of petroleum in Nigeria by or on behalf of a company on its own account for commercial purposes, petroleum exploration operations, the drilling of exploration, appraisal and development wells, all activities upstream of the measurement points, related to the winning of petroleum through wells or mining from petroleum reservoirs, drilling, fracking, completing, treatment and operation of wells producing petroleum, construction and operation of gathering lines and manifolds for crude oil, natural gas and water, construction and operation
-------------------------------	---	---

	<p>lines and manifolds for crude oil, natural gas and water, construction and operation of high and low pressure separators, construction and operation of facilities to treat crude oil and natural gas, flaring of natural gas, compression and reinjection of natural gas in reservoirs, construction and operation of facilities for the production of electricity or heat from natural gas or other fuels as energy source for the winning of petroleum, injection or re-injection of water into the reservoirs, construction and operation of pipelines and other facilities for the discharge of water, construction and operation of fixed or floating platforms or other vessels required for the winning of petroleum, construction and operation of fixed or floating storage facilities of crude oil in the licence area, transportation to and from the licence area of personnel, goods and equipment, metering of well stream fluids, metering of petroleum at the measurement points prior to transportation, sale and marketing of crude oil, natural gas or condensates or any of them at the measurement points and such other activities which by regulation are considered upstream petroleum operations, and related administration and overhead, provided, however, that where field facilities or fixed or floating platforms or vessels provide for fully integrated upstream and midstream petroleum operations, the Commission may consider the entire operations as upstream petroleum operations under section 8 (d) of this Act;</p>	<p>of high and low pressure separators, construction and operation of facilities to treat crude oil and natural gas, flaring of natural gas, compression and reinjection of natural gas in reservoirs, construction and operation of facilities for the production of electricity or heat from natural gas or other fuels as energy source for the winning of petroleum, injection or re-injection of water into the reservoirs, construction and operation of pipelines and other facilities for the discharge of water, construction and operation of fixed or floating platforms or other vessels required for the winning of petroleum, construction and operation of fixed or floating storage facilities of crude oil in the licence area, transportation to and from the licence area of personnel, goods and equipment, metering of well stream fluids, metering of petroleum at the measurement points prior to transportation, sale and marketing of crude oil, natural gas or condensates or any of them at the measurement points and such other activities which by regulation are considered upstream petroleum operations, and related administration and overhead.</p>
“UTM	<p>means the Universal Transverse Mercator, a conformal projection which uses a twodimensional Cartesian coordinate system to give locations on the surface of the earth;</p>	N/A
“wholesale customer	<p>means a class of customers designated in regulations with respect to-</p> <p>(a) natural gas, the right to contract for and purchase a supply of wholesale gas, with a capability to connect individually and</p>	N/A

	economically to a transportation pipeline or transportation network and shall include gas distributors, and (b) crude oil or petroleum products, it shall be a customer of a yearly volume defined by regulation and shall include petroleum product distributors	
“wholesale gas	means natural gas sold by a supplier to wholesale customers;	N/A
wholesale gas supplier	means the holder of a wholesale gas supply licence;	N/A
“wholesale gas supply licence	means a licence for the supply to wholesale customers of natural gas under section 142 of this Act;	N/A
wholesale petroleum liquids supplier	means a holder of a wholesale petroleum liquids supply licence;	N/A
wholesale petroleum liquids supply licence	means a licence for the supply to wholesale customers of petroleum liquids under section 197 of this Act	N/A

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Unilateral DT Relief	N/A	<p>Section 119 – Unilateral relief of double taxation</p> <p>(1) Where, in any year of assessment, any part of the income or profit of a resident of Nigeria, derived from outside Nigeria, has been charged to tax in the source country, and that income or profit is also chargeable to tax in Nigeria, the tax paid outside Nigeria may be allowed as a credit against the tax payable in Nigeria, provided that the income or profit is brought into Nigeria through Government approved channels.</p>	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

		<p>(2) The credit to be allowed in subsection (1) of this section shall be the lower of the—</p> <p>(a) Nigerian tax, other than taxes under chapter three of this Act, attributable to the foreign income or profit; and (b) amount of tax paid in the source country.</p> <p>(3) The Nigerian tax under subsection (2)(a) of this section attributable to the foreign income or profit shall be the proportion of the foreign income to total income, multiplied by the Nigerian tax.</p>		
Double Tax Agreement	<p>Section 45 – Double Taxation Agreements</p> <p>(1) If the Minister by order declares that arrangements specified in the order have been made with the Government of any country outside Nigeria with a view to affording relief from double taxation in relation to tax imposed on profits charged by this Act and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect notwithstanding anything in this Act.</p>	<p>Section 120 – Double Taxation Agreement</p> <p>(1) Where the Government of the Federal Republic of Nigeria enters into an agreement with a treaty partner for the purpose of providing relief from double taxation in relation to tax imposed under this Act, the agreement shall have effect upon ratification or domestication by the National Assembly.</p> <p>(2) Relief from double taxation shall be in respect of income tax paid under the</p>	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(2) On the making of an order under this section with respect to arrangements made with the government of any Commonwealth country or the Republic of Ireland, section 44 of this Act shall cease to have effect as respects that country and shall be deemed to have ceased to have had effect as from the beginning of the first year of assessment for which the arrangements are expressed to apply except in so far as the arrangements otherwise provide.</p> <p>(3) Where any arrangements have effect by virtue of this section, any obligation as to secrecy in this Act shall not prevent the disclosure to any authorised officer of the government with which the arrangements are made of such information as is required to be disclosed under the arrangements. (4) The Minister may make rules for carrying out the provisions of any arrangements having effect under this section.</p> <p>(5) An order made under the provisions of subsection (1) of this section may include provisions for relief from tax for periods commencing or terminating before the making of the order and provisions as to profits which are not themselves liable to double taxation.</p>	<p>laws of a treaty partner against income taxes imposed under this Act.</p> <p>(3) Where an agreement has taken effect, any obligation as to secrecy in the Nigeria Tax Administration Act or any other law in Nigeria shall not prevent the disclosure of any information required to be disclosed under the agreement to an authorised officer of a treaty partner.</p> <p>(4) The Minister may make rules for implementing the provisions of any agreement under this section.</p> <p>(5) For the purposes of providing relief in Nigeria from double taxation, all extant double taxation agreements are deemed to have been made under the provisions of this section and shall apply throughout Nigeria with effect from 1st January of the year immediately following the date the agreement entered into force.</p> <p>(6) The agreement in subsection (1) of this section shall be for the purpose of elimination of double taxation, without creating opportunities for non-taxation or reduced taxation through tax evasion,</p>		

		avoidance or other forms of abuse, including treaty-shopping		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

		<p>arrangements aimed at obtaining reliefs provided in the agreement for the indirect benefit of residents of any other country or territory that is not part of the agreement.</p> <p>(7) For the purposes of the agreement referred to in subsection (1) of this section, a non-resident may benefit under the agreement where the person is a resident of the relevant treaty partner and the beneficial owner of the income for which the benefit is being claimed.</p> <p>(8) Nothing in this section shall be construed to allow a relief in respect of an additional tax paid for the relevant tax year under this Act or the domestic legislation of a treaty partner in conformity with the global minimum tax rules as it relates to a permanent establishment situated in the treaty partner.</p>		
Double Tax Relief	<p>Section 46 – Method of calculating relief to be allowed for double taxation</p> <p>(1) The provisions of this section shall have effect where, under arrangements having effect under section 45 of this Act, foreign tax payable in respect of any profits in the country with the government of which the</p>	<p>Section 121 – Method of calculating relief to be allowed for double taxation</p> <p>(1) Relief from double taxation under an agreement referred to in section 120 of this Act shall be granted in accordance with the provisions of this section and</p>	Retained	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>arrangements are made is to be allowed as a credit against tax payable in respect of those profits under this Act, and in this section, "foreign tax" means any tax payable in that country which under the arrangements is to be so allowed.</p> <p>(2) The amount of the tax chargeable in respect of the profits which are liable to both tax and foreign tax shall be reduced by the amount of the credit admissible under the terms of the arrangement:</p> <p>Provided that no credit shall be allowed to a company for a year of assessment unless during some part of that year it was a Nigerian company.</p> <p>(3) The credit shall not exceed the amount which would be produced by computing, in accordance with the provisions of this Act, the amount of the profits which are liable to both tax and foreign tax, and then charging that amount to tax at a rate ascertained by dividing the tax chargeable (before the deduction of any double taxation relief granted by this Part of this Act) on the total profits of the company entitled to the profits by the amount of the total profits.</p>	<p>relevant provisions of the Nigeria Tax Administration Act.</p> <p>(2) The foreign tax paid to a treaty partner in accordance with the agreement, and in respect of income or profits chargeable to income tax in Nigeria may be allowed as a credit against tax payable under this Act.</p> <p>(3) The Nigerian tax payable in respect of the income or profit which has been charged to tax by a treaty partner shall be reduced by the amount of the credit admissible under the terms of the agreement, provided that credit shall not be allowed to a person who was not a resident of Nigeria during the relevant year of assessment.</p> <p>(4) Without prejudice to the provisions of subsection (3) of this section, the credit to be allowed in subsection (2) of this section shall be the lower of the— (a) Nigerian tax attributable to the foreign income or profits; and</p> <p>(b) the amount of tax paid to the treaty partner.</p>		

		(5) The Nigerian tax under subsection (4)(a) of this section attributable to the foreign income or profits shall be the		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>(4) Without prejudice to the provisions of subsection (3) of this section, the total credit to be allowed to a company for a year of assessment for foreign tax under all arrangements having effect under section 45 of this Act shall not exceed the total tax payable by it for that year of assessment.</p> <p>(5) In computing the amount of the profits- (a) no deduction shall be allowed in respect of foreign tax (whether in respect of the same or any other profits; (b) where tax chargeable depends on the amount received in Nigeria, the said amount shall be increased by the appropriate amount of the foreign tax in respect of the profits; and (c) where the profits include a dividend and under the arrangements foreign tax not chargeable directly or by deduction in respect of the dividend is to be taken into account in considering whether any, and if so what, credit is to be given against tax in respect of the dividend, the amount of the profits shall be increased by the amount of the foreign tax not so chargeable which falls to be taken into account in computing the amount of the credit, but notwithstanding anything in the preceding provisions of this subsection a deduction shall be allowed of any amount by which</p>	<p>proportion of the foreign income to total income, multiplied by the Nigerian tax.</p> <p>(6) In computing the amount of chargeable income or assessable profits, the following shall apply— (a) deduction shall not be allowed in respect of a foreign tax, whether in respect of the same or any other profits; and (b) where profits or income chargeable depends on the amount received in Nigeria, the amount shall be increased by the appropriate amount of the foreign tax in respect of the profits.</p> <p>(7) Any claim for credit shall be made not later than two years after the end of the year of assessment, and in the event of any dispute as to the amount allowable, the claim shall be subject to objection and appeal in like manner as an assessment.</p> <p>(8) Where the amount of any credit given under the agreement is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable in Nigeria or elsewhere, nothing in this Act or the Nigerian tax Administration Act limiting the time for</p>		
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the foreign tax in respect of the profits exceeds the credit thereof.</p> <p>(6) Paragraphs (a) and (b) of subsection (5) of this section, but not the remainder thereof shall, apply to the computation of total profits for the purpose of determining the rate mentioned in subsection (3) of this section, and shall apply thereto in relation to all profits in respect of which credit falls to be given for foreign tax under arrangements for the time being in force under section 45 of this Act.</p> <p>(7) Where-</p> <p>(a) the arrangements provide, in relation to dividends of some classes but not in relation to dividends of other classes, that foreign tax not chargeable directly or by deduction in respect of dividends is to be taken into account in considering whether any, and if so what, credit is to be given against tax in respect of the dividends; and</p> <p>(b) a dividend is paid which is not of a class in relation to which the arrangements so provide, then, if the dividend is paid to a company which controls, directly or indirectly, not less than one half of the voting power in the company paying the dividend, credit shall be allowed as if the dividend were a dividend of a class in</p>	<p>the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise.</p> <p>(9) Notwithstanding subsection (8) of this section, the assessment or claim shall be made not later than two years from the time when such assessments, adjustments and other determinations have been made, whether in Nigeria or elsewhere, as are material in determining whether any of credit is due.</p> <p>(10) Where, in accordance with any provision of the agreement, income derived by a resident of Nigeria is exempt from tax under this Act, the exempt income shall be taken into account in determining the rate of tax applicable on the remaining income of such resident.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>relation to which the arrangements so provide.</p> <p>(8) Credit shall not be allowed under the arrangements against tax chargeable in respect of the profits of a company for any year of assessment if the company elects that credit shall not be allowed in the case of those profits for that year.</p> <p>(9) Any claim for an allowance by way of credit shall be made not late than two years after the end of assessment, and in the event of any dispute as to the amount allowable the claim shall be subject to objection and appeal in like manner as an assessment.</p> <p>(10) Where the amount of any credit given under the arrangements is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable in Nigeria or elsewhere, nothing in this Act limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise, being an assessment or claim made not later than two years from the time when all such assessments, adjustments and other determinations</p>			

	have been made, whether in Nigeria or elsewhere, as are material in determining			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	whether any, and if so what, credit falls to be given.			
Double Tax – Interpretation	N/A	<p>Section 122 – Interpretation</p> <p>For purposes of chapter four of this Act—</p> <p>“foreign tax” means any tax paid to a treaty partner and covered by an agreement with the treaty partner;</p> <p>“foreign profit” means a profit liable to tax under this Act and to a treaty partner;</p> <p>“foreign income” means an income liable to tax under this Act and to a treaty partner;</p> <p>“Nigerian tax” means income tax chargeable under this Act;</p> <p>“total income” means the income or profits of a Nigerian resident including the foreign income; and</p> <p>“treaty partner” means a country with which Nigeria has an agreement for the relief of double taxation.</p>	Retained	

--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Charge of duties</p>	<p>Section 3 – Charge of duties in schedule</p> <p>(1) From and after the commencement of this Act, the duties to be charged upon the several instruments specified in the Schedule to this Act shall be the several duties set out in the said Schedule, which duties shall be in substitution for the duties heretofore chargeable under the enactments repealed by this Act and shall be subject to the exemptions contained in this Act and in any other Act for the time being in force.</p> <p>(2) The duties charged under this Act shall be accounted for in a manner to be prescribed in proper case by the Minister after consultation with the Governors of the States.</p> <p>(3) The functions under this Act shall be respectively confined to matters in respect of which the Government of the Federation and the Government of such State shall be competent to make laws:</p> <p>Provided that nothing herein shall be interpreted as preventing the appointment by the President and by a Governor of the same person to be both a Federal and a State commissioner under section 6 of this Act.</p>	<p>Section 123 – Charge of duties</p> <p>There is imposed duties on instruments at the rates specified in the Ninth Schedule to this Act, subject to the exemptions contained in part III of chapter eight of this Act, being any instrument –</p> <p>(a) which, not having been previously executed by any person, is executed in Nigeria; or</p> <p>(b) which is executed outside Nigeria, and relates to any property situated, or to any matter or thing done or to be done, in Nigeria.</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Manner of denoting duty</p>	<p>Section 5 – Manner of denoting duty</p> <p>(1) All duties for the time being chargeable under the provisions of this Act upon any instruments shall be paid and denoted according to the provisions in this Act, and, except where express provision is made to the contrary in this Act or by the regulations made thereunder are to be denoted by impressed stamps only.</p> <p>(2) Where the duty may be denoted by adhesive stamps, postage stamps may, subject to the provisions of any Act or regulation, be used for the purpose.</p> <p>(3) Every instrument written upon stamped material shall be written in such a manner, and every instrument partly or wholly written before being stamped shall be so stamped, that the stamp shall appear on the face of the instrument and cannot be used or applied to any other instrument written upon the same piece of material.</p> <p>(4) No impressed or embossed stamp or stamps made by means of a die shall be used in any manner except upon the document upon which it was originally impressed, embossed or stamped.</p>	<p>Section 124 – Manner of denoting duty</p> <p>(1) Duties payable on any instrument under this part shall be paid and denoted by any of the following means—</p> <p>(a) tax stamps;</p> <p>(b) a die;</p> <p>(c) electronic or digital tagging;</p> <p>(d) electronic receipt; or</p> <p>(e) issuance of certificate</p> <p>(2) The Joint Revenue Board may by regulation published in the Gazette determine other modes of duties payable under subsection (1) of this section and may specify the processes and requirements for the application of the provisions of chapter five of this Act.</p>	<p>Section 124 – Manner of denoting duty</p> <p>(1) Duties payable on any instrument under this part shall be paid and denoted by any of the following means—</p> <p>(a) tax stamps;</p> <p>(b) a die;</p> <p>(c) electronic or digital tagging;</p> <p>(d) electronic receipt; or</p> <p>(e) issuance of certificate</p> <p>(f) any other means as may be determined by the relevant tax authority.</p> <p>(2) The Joint Revenue Board may by regulation published in the Gazette determine other modes of duties payable under subsection (1) of this section and may specify the processes and requirements for the application of the provisions of chapter five of this Act.</p>	

--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(5) The amount of the duty upon any instrument may be denoted by several stamps, and stamps of greater value than is required may be used upon any instrument.</p>			
<p>Obligation to stamp</p>	<p>Section 23 – Stamping of documents after execution</p> <p>(1) Except where other express provision is made in this Act, any unstamped or insufficiently stamped instrument may be stamped with an impressed stamp at any time within forty days from the first execution thereof (unless such period of forty days is reduced by an order as provided in subsection (7) of this section) upon payment of the duty or unpaid duty only but after that time the said instrument may only be stamped upon payment of the unpaid duty and a penalty of twenty naira, and also by way of further penalty, where the unpaid duty exceeds twenty naira, of interest on such duty, at the rate of ten per cent per annum, from the day upon which the instrument was first executed up to the time when the amount of interest is equal to the unpaid duty.</p> <p>(3) In the case of such instruments hereinafter mentioned as are chargeable</p>	<p>Section 125 – Obligation to stamp</p> <p>(1) Every instrument executed in Nigeria, chargeable with a duty as prescribed under chapter five of this Act, shall be stamped not later than 30 days after its execution by the person required to pay the appropriate duty.</p> <p>(2) A person, being the transferee of interest in a real property, other than in a voluntary disposition during the lifetime of the transferor, or beneficiary of a service for which consideration was paid, or any other person taking the security in a transaction for which an instrument is executed, shall be responsible for paying the duty relating to the transaction.</p>	<p>Retained</p>	<p>The Bill clearly provides for the following:</p> <ul style="list-style-type: none"> - responsible party to pay the duty in different circumstances, generally in the body of the law and specifically in the Ninth Schedule. - Makes official the 'benefit test' in determining who's responsible. - Maintains the existing principle of determining responsibility but in clearer terms - Provides a uniform timeframe for stamping rather

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>with ad valorem duty, the following provisions shall have effect-</p> <p>(a) the instrument, unless it is written upon duly stamped material, shall be duly stamped with the proper ad valorem duty before the expiration of thirty days after it is first executed, or after it has been first received in Nigeria if it was first executed at any place outside Nigeria;</p> <p>(b) if any such instrument executed after the coming into operation of this Act has not been or is not duly stamped in conformity with the foregoing provisions of this subsection, the person in that behalf specified in paragraph (c) of this subsection shall be guilty of an offence and liable on conviction to a fine of twenty naira, and in addition to the penalty prescribed under subsection (1) and (2) on stamping the instrument there shall be paid a further penalty equivalent to the unpaid duty thereon, unless a reasonable excuse for the delay in stamping or the omission to stamp, or the insufficiency of stamp, is afforded to the satisfaction of the commissioner, or of the court, arbitrator or referee before whom it is produced.</p>			<p>than based on duty type.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments														
	<p>(c) the instruments and persons to which the provisions of this subsection are to apply are as follows:</p> <table border="1" data-bbox="407 375 920 1010"> <thead> <tr> <th data-bbox="407 375 647 459"><i>Title of instrument</i></th> <th data-bbox="647 375 920 459"><i>Person liable to penalty</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="407 459 647 619">Bond, covenant, or instrument of any kind whatsoever</td> <td data-bbox="647 459 920 619">The obligee, covenantee or other person taking the security</td> </tr> <tr> <td data-bbox="407 619 647 703">Conveyance on sale</td> <td data-bbox="647 619 920 703">Vendee or transferee</td> </tr> <tr> <td data-bbox="407 703 647 788">Voluntary dispositions</td> <td data-bbox="647 703 920 788">Grantor or transferor</td> </tr> <tr> <td data-bbox="407 788 647 858">Lease</td> <td data-bbox="647 788 920 858">Lessee</td> </tr> <tr> <td data-bbox="407 858 647 943">Mortgage, bond, debenture, etc.</td> <td data-bbox="647 858 920 943">Mortgagee or obligee</td> </tr> <tr> <td data-bbox="407 943 647 1010">Settlement</td> <td data-bbox="647 943 920 1010">Settler</td> </tr> </tbody> </table>	<i>Title of instrument</i>	<i>Person liable to penalty</i>	Bond, covenant, or instrument of any kind whatsoever	The obligee, covenantee or other person taking the security	Conveyance on sale	Vendee or transferee	Voluntary dispositions	Grantor or transferor	Lease	Lessee	Mortgage, bond, debenture, etc.	Mortgagee or obligee	Settlement	Settler			
<i>Title of instrument</i>	<i>Person liable to penalty</i>																	
Bond, covenant, or instrument of any kind whatsoever	The obligee, covenantee or other person taking the security																	
Conveyance on sale	Vendee or transferee																	
Voluntary dispositions	Grantor or transferor																	
Lease	Lessee																	
Mortgage, bond, debenture, etc.	Mortgagee or obligee																	
Settlement	Settler																	

<p>Admissible evidence</p>	<p>Section 22 – Terms upon which instruments not duly stamped may be received in evidence</p> <p>(1) Upon the production of an instrument chargeable with any duty as evidence in any court of civil judicature in Nigeria, or before any arbitrator or referee, notice shall be taken by the judge, magistrate, arbitrator, or referee of any omission or insufficiency of the stamps thereon, and if the instrument is one which may legally be stamped after the execution thereof, it may, on payment to the officer of the court</p>	<p>Section 126 – Admissible evidence</p> <p>(1) Any unstamped dutiable instrument shall not be admissible in evidence in any court, judicial or arbitration proceedings, and in satisfying any evidentiary requirements unless otherwise stated by this Act.</p> <p>(2) Notwithstanding the provisions of subsection (1) of this section, an</p>	<p>Retained</p>	<p>Under Section 22 of the SDA, an unstamped instrument could still be admitted as evidence in civil proceedings if the unpaid duty, penalties, and an additional fee were paid at the time of presentation.</p> <p>However, Section 126 of the NTB, strictly prohibits the admissibility of unstamped dutiable</p>
-----------------------------------	--	---	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>whose duty it is to read the instrument, or to the arbitrator or referee, of the amount of the unpaid duty, and the penalty payable on stamping the same, and of a further sum of two naira, be received in evidence, saving all just exceptions on other grounds.</p> <p>(2) The officer, or arbitrator, or referee receiving the duty and penalty shall give a receipt for the same, and make an entry in the proper book kept for the purpose of showing receipts of money and of the amount thereof, and shall communicate to a commissioner the name or title of the proceedings in which and of the part from whom, he received the duty and penalty, and the date and description of the instrument, and shall pay over to the Accountant-General the money so received by him for the duty and penalty.</p> <p>(3) On production to the commissioner of any instrument in respect of which any duty or penalty has been paid, together with the receipt, the payment of the duty and penalty shall be denoted on the instrument.</p> <p>(4) Except as aforesaid and subject to the provisions of section 90 (3) of this Act, an instrument executed in Nigeria, or</p>	<p>unstamped instrument may be given in evidence in a criminal proceeding.</p>		<p>instruments in any judicial proceedings, except where otherwise stated by the Act.</p> <p>In both legislations, an unstamped instrument may still be used as evidence in criminal proceedings.</p> <p>This change aims to stop the practice of delaying duty payment until a litigation arises, thereby promoting early compliance.</p>

	relating, wheresoever executed, to any property			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>situate or to any matter or thing done or to be done in Nigeria, shall not, except in criminal proceedings, be given in evidence, or be available for any purpose whatever, unless it is duly stamped in accordance with the law in force in Nigeria at the time when it was first executed.</p>			
<p>Bill of Exchange</p>	<p>Section 36 of SDA – Meaning of “Bill of Exchange”</p> <p>For the purposes of this Act, the expression “bill of exchange” includes draft, order, cheque and letter of credit, and any document or writing (except a bank note) entitling or purporting to entitle any person, whether named therein or not, to payment by any other person of or to draw upon any other person for, any sum of money; and the expression “bill of exchange payable on demand” includes:</p> <p>(a) an order for the payment of any sum of money by a bill of exchange or a promissory note, or for the delivery of any bill of exchange or promissory note in satisfaction of any sum of money or for payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen; and</p>	<p>Section 127 – Bill of Exchange</p> <p>For the purposes of chapter five of this Act— "bill of exchange" includes draft, order, cheque and letter of credit, and any document or writing, except a bank note entitling or purporting to entitle a person, whether named therein or not, to payment by any other person of or to draw upon any other person for, any sum of money; "bill of exchange payable on demand" includes an order for the payment of any sum or money—</p> <p>(a) by a bill of exchange or a promissory note, or for the delivery of any bill of exchange or promissory note in satisfaction of any sum of money or for payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen; and</p>	<p>Retained</p>	<p>This maintains the same definition but simpler phrasing.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) an order for the payment of any sum of money weekly, monthly or at any other stated periods, and also an order for the payment by any person at any time after the date thereof of any sum of money, and sent or delivered by the person making the same to the person by whom the payment is to be made and not to the person to whom the payment is to be made, or to any person on his behalf.</p>	<p>(b) weekly, monthly or at any other stated periods, an order for the payment by a person at any time after the date thereof of any sum of money, and sent or delivered by the person making the same to the person by whom the payment is to be made and not to the person to whom the payment is to be made, or to any person on his behalf.</p>		
<p>Promissory Note</p>	<p>Section 37 – Meaning of “promissory note”</p> <p>(1) For the purposes of this Act, the expression “promissory note” includes any document or writing (except a bank note) containing a promise to pay any sum of money.</p> <p>(2) A note promising the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen, shall be deemed a promissory note for that sum of money.</p>	<p>Section 128 – Promissory Note</p> <p>(1) For the purposes of chapter five of this Act, "promissory note" includes any document or writing, except a bank note, containing a promise to pay any sum of money.</p> <p>(2) A note promising the payment of any sum of money out of any particular fund which may or may not be available, or upon any condition or contingency which may or may not be performed or happen, shall be deemed a promissory note for that sum of money.</p>	<p>Retained</p>	<p>Similar provisions.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Extension of provisions as to contract notes to sale or purchase of options</p>	<p>Section 51 of SDA</p> <p>(1) The provisions of this Act as to contract notes shall apply to any contract under which an option is given or taken to purchase or sell any stock or marketable security at a future time at a certain price, as it applies to the sale or purchase of any stock or marketable security, but the duty on such a contract shall be one half only of that chargeable on a contract note: Provided that, if under the contract a double option is given or taken, the contract shall be deemed to be a separate contract in respect of each option.</p> <p>(2) Any contract note made or executed in pursuance and in consequence of the exercise of an option given or taken under a contract duly stamped in accordance with the provisions of this section, shall be charged with one half only of the duty which would otherwise have been chargeable thereon under this Act: Provided that it bears on its face a certificate by the broker, agent or other person mentioned in section 50 of this Act to the effect that it is made or executed in the exercise of an option for which a duly stamped contract has been rendered on the date mentioned in the certificate.</p>	<p>Section 129 – Sale or purchase of options</p> <p>(1) The provisions of chapter five of this Act as to contract notes shall apply to any contract under which an option is given or taken to purchase or sell any stock or marketable security at a future time at a certain price, as it applies to the sale or purchase of any stock or marketable security.</p> <p>(2) Where under the contract in subsection (1) of this section, a double option is given or taken, the contract shall be deemed to be a separate contract in respect of each option.</p>	<p>Retained</p>	<p>Similar provisions for option notes. Moves the charging provision to the schedule for consistency.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
			<p>Section</p> <p>... interest or rights in ... shall be subject to ... transfer this section as ... sale.</p> <p>duty</p> <p>c ...</p>	<p>To give effect to the charge of duty on conveyance and clarify that this relates only to land and building.</p>
<p>Conveyance in consideration of debt</p>	<p>Section 56 – How conveyance in consideration of a debt is to be charged</p> <p>Where any property is conveyed to any person in consideration, wholly or in part, of any debt due to him, or subject either certainly or contingently to the payment or transfer of any money or stock, whether being or constituting a charge or encumbrance upon the property or not, the debt, money or stock shall be deemed the whole or part, as the case may be, of the consideration in respect whereof the conveyance is chargeable with <i>ad valorem</i> duty.</p>	<p>Section 130 – Conveyance in consideration of a debt</p> <p>Where a property is conveyed to a person in consideration, wholly or in part, of a debt due to the person, the debt shall be deemed the consideration in respect of which the conveyance is chargeable with <i>ad valorem</i> duty.</p>	<p>Retained</p>	<p>Similar provisions in simpler terms.</p>
<p>Duty on transfer of mineral assets</p>	<p>Nil</p>	<p>Section 131 – Duty on transfer of mineral assets</p> <p>An agreement for the transfer of mineral assets of any kind whatsoever or interest therein, shall be charged</p>	<p>Retained</p>	<p>New provision to capture transfer of mineral assets at an <i>ad valorem</i> rate.</p>

		with duty and payable as specified in the Ninth Schedule to this Act.		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Provisions as to exchange	<p>Section 67 of SDA – Provisions as to exchange</p> <p>Where upon the exchange of any real property for any other real property, or upon the partition or division of any real property, any consideration exceeding in amount or value two hundred naira is paid or given, or agreed to be paid or given, for equality, the principal or only instrument whereby the exchange or partition is effected shall be charged with the same ad valorem duty as a conveyance on sale for the consideration, and with that duty only; and where in any such case there are several instruments for completing the title of either party, the principal instrument shall be ascertained, and the other instruments shall be charged with duty in the manner hereinbefore provided in the case of several instruments of conveyance.</p>	<p>Section 132 – Provisions as to exchange</p> <p>Where there is an exchange of a real property for another, any consideration exceeding N1,000,000.00 or a sum equal to the annual national minimum wage, whichever is higher, shall be charged to duty with the same ad valorem duty as a conveyance on sale.</p>	Retained	<p>Maintains the charging of duty on real property.</p> <p>Increase of the threshold to qualify for duty from ₦200 to the higher of ₦1m or annual National Minimum wage.</p>

Leases	<p>Section 68 – Agreements to be charged as lease</p> <p>(1) An agreement for a lease, or with respect to the letting of any lands or tenements, shall be charged with the same duty as if it were an actual lease made for the term and consideration mentioned in the agreement.</p>	<p>Section 133 – Leases</p> <p>An agreement for a lease, with respect to the letting of land or building, shall be subject to duty on grant of a lease or sublease, or the assignment of a lease, and shall be charged with the same duty as if it were an actual lease made for the term and consideration mentioned in the agreement, provided</p>	Retained	Introduction of a a tax-free threshold, exempting lease agreements with annual values below the higher of ₦10,000,000 or 10x the national Minimum Wage.
---------------	---	---	-----------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee’s Recommendations	Justification / Comments
	(2) A lease made subsequently to, and in conformity with, such an agreement duly stamped, is to be charged with the duty of ten kobo only.	that lease agreements for which the annual value is less than ₦10,000,000 or 10 times the annual minimum wage, whichever is higher, shall not be chargeable with any duty under chapter five of this Act.		

<p>Charge of duty on capital of limited liability companies</p>	<p>Section 100 – Charge of duty on capital of limited liability companies</p> <p>(1) A statement of the amount which shall form the nominal share capital of any company to be registered with limited liability and a statement of the amount of any increase of registered capital of any company, shall be delivered to the Corporate Affairs Commission established under the Companies and Allied Matters Act.</p> <p>(2) The statements referred to in subsection (1) of this section shall be charged with an ad valorem duty of one naira for every two hundred naira and any fraction of two hundred naira over any multiple of two hundred naira of the amount of such capital or increase of capital, as the case may be.</p> <p>(3) The statement of the amount of any increase of registered capital which is required to be delivered to the Corporate</p>	<p>Section 134 – Duty on share capital</p> <p>The share capital of a company shall be charged with an ad valorem duty, as specified in the Ninth Schedule to this Act, of the amount of such capital, or increase of capital, as the case may be.</p>	<p>Retained</p>	<p>Retains the ad valorem duty on share capital and any increases thereon.</p> <p>Moves the charging section to the Ninth Schedule.</p>
--	---	--	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Affairs Commission under subsection (1) of this section shall be delivered duly stamped with the duty charged thereon within fifteen days after the passing of the resolution by which the registered capital is increased, and, in default of that delivery, the duty, with interest thereon at the rate of five per cent per annum from the passing of the resolution, shall be a debt to the Government of the Federation recoverable from the company.</p>			
<p>Duty on loan capital</p>	<p>Section 102 – Duty on loan capital</p> <p>(1) Where any corporation, company or body of persons formed or established in Nigeria propose to issue any loan capital, they shall, before the issue thereof, deliver to the Corporate Affair Commission a statement of the amount proposed to be secured by the issue.</p> <p>(2) Subject to the provisions of this section, every such statement shall be charged with ad valorem duty of 25 kobo for every 200 naira and any fraction of 200 naira over any multiple of 200 naira of the amount proposed to be secured by the issue, and the amount of the duty shall be a debt due to the Government of the Federation.</p>	<p>Section 135 – Duty on loan capital</p> <p>(1) The loan capital of a company shall be charged with ad valorem duty, as specified in the Ninth Schedule to this Act.</p> <p>(2) "loan capital" means any debenture stock, other stock or funded debt by whatever name known or any debt raised by any corporation, company or body of persons formed or established in Nigeria but does not include an overdraft or other loan for a period not exceeding twelve months.</p>	<p>Section 135 – Duty on loan capital</p> <p>(1) The loan capital of a company shall be charged with ad valorem duty, as specified in the Ninth Schedule to this Act.</p> <p>(2) "loan capital" means any debenture stock, other stock or funded debt by whatever name known or any debt raised by any corporation, company or body of persons formed or established in Nigeria but does not include –</p> <p>(a) an overdraft;</p> <p>(b) loan obtained for a period not exceeding twelve months; and</p> <p>(c) loan obtained for onward disbursement to any other</p>	<p>Similar provisions and moves the charging section to the Ninth Schedule.</p>

	<p>(3) The duty under this section shall not be charged to the extent to which it is shown</p>		<p>person in an onlending arrangement.</p>	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>to the satisfaction of the Corporate Affairs Commission that the duty in respect of a mortgage or marketable security has been paid on any trust deed or other document securing the loan capital proposed to be issued.</p> <p>(4) If any corporation, company or body of persons neglect to deliver a statement, or fails to pay the duty in compliance with the provisions of this section, that corporation, company or body of persons shall be liable to pay the Government of the Federation, in addition to the duty, a sum equal to ten per cent upon the amount of the duty, and a like sum for every month after the first month during which the neglect or failure continues.</p> <p>(5) In this Act and in section 102 of this Act, "loan capital" means any debenture stock, other stock or funded debt by whatever name known or any capital raised by any corporation, company or body of persons formed or established in Nigeria, which is borrowed, or has the character of borrowed money, whether it is in the form of stock or in any other form, but does not include any overdraft at the bank or other loan raised for a merely temporary purpose for a period not exceeding twelve months.</p>		<p>Provided that for the purpose of subsection (c), the beneficiary of the disbursement shall be responsible to pay the duty as prescribed in the Ninth Schedule to this Bill.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Marketable securities	<p>Section 76 – Meaning of “marketable securities”</p> <p>Marketable securities, whether or not transferrable by delivery for the purposes of, the charge of duty thereon, include-</p> <p>(a) a marketable security made or issued by or on behalf of any company or body of persons corporate or unincorporate formed or established in Nigeria;</p> <p>(b) a marketable security by or on behalf of any foreign State or Government, or foreign corporation (hereinafter called a “foreign security”) formed or established outside Nigeria-</p> <p>(i) which is made or issued in Nigeria;</p> <p>(ii) which, though originally issued out of Nigeria is offered for subscription, and is given or delivered to a subscriber in Nigeria;</p> <p>(iii) which is assigned, transferred or in any manner negotiated in Nigeria;</p> <p>(c) a marketable security by or on behalf of any Commonwealth Government which, if the borrower were a foreign Government,</p>	<p>Section 136 – Marketable Security</p> <p>An instrument made for the purpose of issuing marketable securities by or on behalf of a company or body of persons, corporate or unincorporate, formed or established in Nigeria shall be subject to duty under chapter five of this Act, whether the securities are issued in Nigeria or not.</p>	<p>Section 136 – Marketable Security</p> <p>An instrument made for the purpose of issuing marketable securities by or on behalf of a company or body of persons, corporate or unincorporated, formed or established in Nigeria shall be subject to duty under chapter five of this Act, whether the securities are issued in Nigeria or not.</p>	<p>Infuses a clear definition of marketable securities with emphasis on the fact that the place of issuance is of no consequence to be subject to duty in Nigeria.</p>

	<p>would be a foreign security (hereinafter called a "Commonwealth Government Security").</p>			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

Appraisalment	<p>Section 31 – Definition of “appraiser”</p> <p>31(1) For the purposes of this Act, the expression "appraiser" means a person who values or appraises any estate or property, real or personal, or any interest, whether in possession or not, in any estate or property, or any goods, merchandise, or effects for or in expectation of any hire, gain, fee or reward.</p>	<p>Section 137 – Appraisements</p> <p>(1) Every appraisalment or valuation carried out for the purpose of ascertaining the value of a real property is subject to duty, which shall be accounted for by the appraiser.</p> <p>(2) For the purpose of chapter five of this Act, "appraiser" means any person who values or appraises any estate or real property, or any interest, whether in possession or not, in any estate or real property, for a fee.</p>	Retained	Restriction of appraisalment to valuations carried out on real property only.
Duplicates and counterparts	<p>Section 66 of SDA</p> <p>The duplicate or counterpart of an instrument chargeable with duty (except the counterpart of an instrument chargeable as a lease, such counterpart not being executed by or , on behalf o any lessor or grantor) shall not be deemed duly stamped, unless it is stamped as an original instrument, or unless it is made to appear to a commissioner (who shall upon payment of a fee of 25 kobo in adhesive stamps, certify on such duplicate or counterpart accordingly) that the full and proper duty has been paid upon the</p>	<p>Section 138 – Duplicates and Counterparts</p> <p>The duplicate or counterpart of an instrument chargeable with duty shall not be deemed duly stamped, unless it is stamped as an original instrument or certified by the relevant tax authority that the full duty on the original instrument has been paid.</p>	Retained	Maintains similar principles, however removes the exempt-status of lease duplicates, and the need for appearance before a commissioner of stamp duty.

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	original instrument of which it is the duplicate or counterpart.			
<p>One document covering multiple transactions</p>	<p>Section 8 of SDA – Instruments to be separately charged with duty in certain cases</p> <p>Except where express provision to the contrary is made by this or any other Act</p> <p>(a) an instrument containing or relating to several distinct matters shall be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of such matters;</p> <p>(b) an instrument made for any consideration or consideration in respect whereof it is chargeable with ad valorem duty, and also for any further or other valuable consideration, or considerations, shall be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the considerations.</p>	<p>Section 139 of NTB – Duty relating to one instrument covering multiple transactions</p> <p>Where an instrument contains or relates to more than one transaction or several distinct matters, each transaction or distinct matter shall be charged to duty separately.</p>	<p>Retained</p>	<p>Similar principles in clearer terms.</p>
<p>Duty relating to multiple instruments covering same transaction</p>	<p>Section 95 – Where several instruments, one only to be charged with <i>ad valorem</i> duty</p> <p>(1) Where several instruments are executed for effecting the settlement of</p>	<p>Section 140 – Duty relating to multiple instruments covering same transaction</p> <p>(1) Where multiple instruments chargeable with ad valorem duties are executed for effecting the same</p>	<p>Retained</p>	<p>Maintains the same provisions.</p> <p>Tax authority now the powers to deter the one document t</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the same property, and the ad valorem duty chargeable in respect of the settlement of the property exceeds one naira, only one of the instruments shall be charged with the ad valorem duty.</p> <p>(2) Where a settlement is made in pursuance of a previous agreement upon which ad valorem settlement duty exceeding one naira has been paid in respect of any property, the settlement shall not be charged with ad valorem duty in respect of the same property.</p> <p>(3) In each of the aforesaid cases the instruments not chargeable with ad valorem duty shall be charged with the duty of one naira.</p>	<p>transaction, only one of the instruments, as may be determined by the relevant tax authority, shall be charged with the ad valorem duty.</p> <p>(2) Any other instrument referred to in subsection (1) of this section shall be stamped as counterparts at flat rates prescribed in the Ninth Schedule to this Act.</p>		<p>stamped, unlike under the SDA where the parties determine the Principal Instrument.</p>
<p>Provisions on non-monetary consideration</p>	<p>Section 53 – How <i>ad valorem</i> duty is to be calculated in respect of stock and securities</p> <p>(1) Where the consideration, or any part of the consideration, for a conveyance on sale consists of any stock or marketable security, the conveyance shall be charged with <i>ad valorem</i> duty in respect of the value of the stock or security.</p>	<p>Section 141 – Provisions on nonmonetary consideration</p> <p>Where an instrument chargeable with ad valorem duty consists of non-monetary consideration, the value shall be deemed as the market value of the consideration or part thereof.</p>	<p>Retained</p>	<p>An updated provision in respect of all non-monetary considerations to cover all dutiable instruments and not only conveyance on sale.</p>

	(2) Where the consideration, or any part of the consideration, for a conveyance on sale			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	consists of any security not being a marketable security, the conveyance shall be charged with <i>ad valorem</i> duty in respect of the amount due on the day of the date thereof for principal and interest upon the security.			
Imposition of Value Added Tax (VAT)	<p>Section 1 – Imposition of Value Added Tax</p> <p>There is hereby imposed and charged a tax to be known as the Value Added Tax (in this Act referred to as “the tax”) which shall be administered in accordance with the provisions of this Act.</p>	<p>Section 142 – Imposition of Value Added Tax</p> <p>Value Added Tax (VAT) is imposed in accordance with the provisions of chapter six of this Act.</p>	Retained	

<p>Charge of VAT</p>	<p>Section 2(1) – Taxable Goods and Services</p> <p>The tax shall be charged and payable on all supplies of goods and services in Nigeria other than those listed in the First Schedule to this Act.</p>	<p>Section 143 – Charge of VAT</p> <p>Subject to the exemptions in part IV of chapter eight of this Act, VAT shall be paid on all taxable supplies in Nigeria.</p>	<p>Retained</p>	
<p>Taxable Supplies</p>	<p>Section 2 (2) – (3) – Taxable Goods and Services</p> <p>(2) For the purposes of this Act, goods and services consumed or otherwise utilised in Nigeria are supplied in Nigeria.</p> <p>(3) Notwithstanding the provisions of subsection (1), a taxable supply shall be deemed to take place in Nigeria if –</p> <p>(a) in respect of goods -</p>	<p>Section 144 – Taxable Supplies</p> <p>A taxable supply shall be deemed to take place in Nigeria where, in respect of—</p> <p>(a) goods—</p> <p>(i) the goods are physically present, imported into, assembled or installed in Nigeria at the time of supply, or</p>	<p>Retained</p>	<p>The deletion of S. 2(3)(a)(i) of the VAT Act clears the confusion of what constitutes exported services, giving effect to the destination principle.</p> <p>For incorporeal, the inclusion of "<i>or whose place of usual residence is Nigeria</i>" broadens the scope by including</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(i) the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or</p> <p>(ii) the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria;</p> <p>(b) in respect of a service –</p> <p>(i) the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service,</p> <p>(ii) the service is provided to and consumed by a person in Nigeria, regardless of whether the service is rendered within or outside Nigeria or whether or not the legal or contractual obligation to render such service rests on person within or outside Nigeria, or</p> <p>(iii) the service is connected with existing immovable property (including the services of agents, experts, engineers architects, valuers, etc.), where the property is located in Nigeria ; and</p>	<p>(ii) the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria;</p> <p>(b) a service—</p> <p>(i) the service is provided to and consumed by a person in Nigeria, regardless of whether the service is rendered within or outside Nigeria or whether or not the legal or contractual obligation to render such service rests on a person within or outside Nigeria, or</p> <p>(ii) the service is connected with existing immovable property, including the services of agents, experts, engineers, architects, valuers, etc., where the property is located in Nigeria; and</p> <p>(c) an incorporeal—</p> <p>(i) the exploitation of the right is made by a person in Nigeria or whose place of usual residence is Nigeria,</p> <p>(ii) the right is registered in Nigeria,</p>		<p>persons whose usual residence is Nigeria, even if they are not physically in the country at the time of exploitation.</p>

	(c) in respect of an incorporeal –			
--	------------------------------------	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(i) the exploitation of the right is made by a person in Nigeria,</p> <p>(ii) the right is registered in Nigeria, assigned to or acquired by, a person in Nigeria, regardless of whether the payment for its exploitation is made within or outside Nigeria, or</p> <p>(iii) the incorporeal is connected with a tangible or immovable asset located in Nigeria</p>	<p>assigned to or acquired by, a person in Nigeria, regardless of whether the payment for its exploitation is made within or outside Nigeria, or</p> <p>(iii) the incorporeal is connected with a tangible or immovable asset located in Nigeria.</p>		
Time Supply	<p>Section 2A – Time of Supply</p> <p>(1) For the purposes of this Act, supply shall be deemed to take place at the time an invoice or receipt is issued by the supplier, or payment of consideration is due to, or received by the supplier in respect of that supply, whichever occurs first.</p> <p>(2) A taxable supply shall be deemed to take place where the supplier and recipient are connected persons and invoices are not issued, in the case of-</p> <p>(a) a supply of goods which are to be removed, the time of removal of the goods;</p>	<p>Section 145 – Time of Supply</p> <p>(1) For the purposes of chapter six of this Act, a taxable supply shall be deemed to take place at the time an invoice or receipt is issued by the supplier, or where goods are delivered or made available for use, or payment is due to or received by the supplier in respect of that supply, whichever occurs first.</p> <p>(2) A taxable supply shall be deemed to take place where the supplier and recipient are connected persons and invoices are not issued, in the case of—</p>	Retained	<p>Supply is now deemed to take place at the earliest of any of the following –</p> <ul style="list-style-type: none"> - issuance of receipt or invoice by the supplier - delivery of goods or availability for use (<i>new addition</i>) <p>receipt of payment by the supplier</p>

	(b) a supply of goods which is not to be			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>removed, at the time when they are available to the recipient;</p> <p>(c) furnishing of a service, upon the furnishing of the service; and</p> <p>(d) an incorporeal, when such incorporeal becomes available for the use of the recipient.</p> <p>(3) Notwithstanding the provisions of subsection (1) or (2)-</p> <p>(a) where goods are supplied under any rental agreement or where services are furnished under any agreement or law which provides for periodic payments, they shall be deemed to be successively supplied for successive parts of the periods of the agreement or as determined by such law, and each of the successive supplies shall be deemed to occur when payment becomes due or is received, whichever is earlier;</p> <p>(b) where, and to the extent that, supply of taxable goods and services are-</p> <p>(i) progressively or periodically made under any agreement or law which provides for the consideration for that supply to be paid in instalments or periodically and in</p>	<p>(a) a supply of goods which are to be removed, the time of removal of the goods;</p> <p>(b) a supply of goods which is not to be removed, at the time when they are available to the recipient;</p> <p>(c) furnishing of a service, upon commencement of the furnishing of the service; or</p> <p>(d) an incorporeal, when such incorporeal becomes available for the use of the recipient.</p> <p>(3) Notwithstanding the provisions of subsections (1) or (2) of this section—</p> <p>(a) where goods are supplied under any rental agreement or where services are furnished under any agreement or law which provides for periodic payments, they shall be deemed to be successively supplied for successive parts of the periods of the agreement or as determined by such law, and each of the successive supplies shall be deemed to occur when payment becomes due or is received, whichever is earlier;</p>		

	relation to the progressive or periodic supply, or			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(ii) made in relation to any construction, erection, assembly, manufacturing, alteration, improvement or repair activity under any agreement or law which provides for the consideration for that supply to become due and payable in instalments or periodically in relation to the progressive nature of the work, those supplies shall be deemed to be successively made, and each such successive supply shall be deemed to take place whenever any payment becomes due or is received or an invoice relating to only that payment is issued, whichever occurs first; and</p> <p>(c) where goods are supplied under an instalment credit agreement, that supply shall be deemed to take place at the time the goods are delivered or the time any payment of consideration is received by the supplier in respect of the supply, whichever occurs first.</p>	<p>(b) where, and to the extent that, taxable supplies are—</p> <p>(i) progressively or periodically made under any agreement or law which provides for the consideration for that supply to be paid in instalments or periodically and in relation to the progressive or periodic supply, or</p> <p>(ii) made in relation to any construction, assembly, manufacturing, alteration, improvement or repair activity under any agreement or law which provides for the consideration for that supply to become due and payable in instalments or periodically in relation to the progressive nature of the work, the supplies shall be deemed to be successively made, and each successive supply shall be deemed to take place whenever any payment becomes due or is received or an invoice relating to only that payment is issued, whichever occurs first; and</p> <p>(c) where a taxable supply is made under an instalment credit agreement, the supply shall be deemed to take place at the time the taxable supply is delivered or the time any payment of</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		consideration is received by the supplier in respect of the supply, whichever occurs first.		
Rate of Tax	<p>Section 4 – Rate of Tax</p> <p>The tax shall be computed at the rate of 7.5% with effect from 1 February 2020, on the value of all goods and services, except that goods and services listed under Part III of the First Schedule to this Act shall be taxed at zero rate.</p>	<p>Section 146 – Rate of VAT</p> <p>Subject to the provisions of part IV of chapter eight of this Act, VAT shall be charged on the value of all taxable supplies at the following rates —</p> <p>a. taxable supplies, being basic items, indicated in section 188 under part IV of chapter eight of this Act, from –</p> <p>1 January 2025 and thereafter – 0%</p> <p>b. taxable supplies indicated in sections 187 and 189 under part IV of chapter eight of this Act, from –</p> <p>1 January 2025 and thereafter - Nil</p> <p>c. all other taxable supplies under this Act, from –</p> <p>1 Jan 2025 - 31 Dec 2025 – 10%; 1 Jan 2026 - 31 Dec 2029 – 12.5%; 1 Jan 2030 and thereafter – 15%.</p>	<p>Section 146 – Rate of VAT</p> <p>Subject to the provisions of Part IX D of this Chapter, VAT shall be charged on the value of all taxable supplies at the rate of 7.5%.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Value of taxable goods and services</p>	<p>Section 5 – Value of taxable goods and services</p> <p>(1) For the purpose of this Act, the value of taxable goods and services shall be determined as follows, that is:</p> <p>(a) if the supply is for a money consideration, its value shall be deemed to be an amount which with the addition of the tax chargeable is equal to the consideration;</p> <p>(b) if the supply is for a consideration not consisting of money the value of the supply shall be deemed to be its market value.</p> <p>(2) Where the supply of taxable goods or services is not the only matter to which a consideration in money relates, the supply shall be deemed to be such part of the consideration as is properly attributed to it.</p> <p>(3) For the purpose of this Act, the open market value of supply of taxable goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (1)(b) of this section if the supply were for such consideration in</p>	<p>Section 147 – Value of taxable supplies</p> <p>(1) For the purposes of chapter six of this Act, the value of taxable supplies shall be determined as follows, where the supply is—</p> <p>(a) for a money consideration, its value shall be the amount which with the addition of the VAT chargeable is equal to the consideration; and</p> <p>(b) not for a money consideration, the value of the supply shall be its market value.</p> <p>(2) Where a taxable supply is not the only transaction to which a consideration relates, the supply shall be the part of the consideration as is properly attributable to it.</p> <p>(3) For the purposes of chapter six of this Act, the market value of a taxable supply, where it is not for money consideration, or for a supply between connected persons, shall be the money consideration as may be payable by a person in a transaction at arm's length.</p>	<p>Retained</p>	

	money as could be payable by a person in a transaction at arm's length.			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Value of imported goods</p>	<p>Section 6 – Value of imported goods</p> <p>The value of imported taxable goods for the purposes of this Act shall be the amount which is equal to the price of the goods so imported and shall include:</p> <p>(a) all taxes, duties and other charges levied either outside or by reason of importation into Nigeria, other than the tax imposed by this Act;</p> <p>(b) all costs by way of commission, parking, transport and insurance up to the port or place of importation.</p>	<p>Section 148 – Value of imported goods</p> <p>The value of imported taxable supply for the purposes of chapter six of this Act shall be the amount which is equal to the price of the taxable supply imported plus—</p> <p>(a) taxes, duties and other charges levied either outside or by reason of importation into Nigeria, other than VAT imposed under this Act; and</p> <p>(b) costs by way of commission, parking, transport and insurance up to the port or point of entry.</p>	<p>Retained</p>	<p>Inclusion of the term "point of entry" broadens the scope to include land borders, airports, and seaports, improving enforcement and preventing tax evasion through alternative routes.</p>
<p>Registration nonresident companies</p>	<p>Section 10 – Registration by non-resident companies</p> <p>(1) For the purpose of this Act, a nonresident person that makes a taxable supply to Nigeria, shall register for tax with the Service and obtain Tax Identification Number</p> <p>(2) A non-resident person shall include the tax on its invoice for all taxable supplies.</p>	<p>Section 149 – Taxable supply of nonresidents</p> <p>(1) A non-resident person who makes taxable supplies to Nigeria shall register for tax and include VAT on its invoice for all taxable supplies.</p> <p>(2) Where a non-resident person is making taxable supplies from outside Nigeria to persons in Nigeria, the taxable person to whom the supply is made in Nigeria shall withhold the VAT</p>	<p>Retained</p>	<p>Non-resident companies may be appointed as collection agents</p>

	(3) The taxable person to whom taxable supply is made in Nigeria, or such other person as may be appointed by the	due on the supply and remit it to the Service.		
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Service shall withhold or collect the tax, as the case may be, and remit same to the Service.</p> <p>(4) Where a person appointed under subsection (3) has made a taxable person in Nigeria, the taxable person shall not have the obligation to withhold the tax, except where the person so appointed has failed to collect the tax.</p> <p>(5) A non-resident person that makes a taxable supply to Nigeria may appoint a representative for the purpose of compliance with its tax obligations.</p> <p>(6) The Service may issue a guideline for the purpose of giving effect to the provisions of this section, including the form, time and procedure for filing returns and payment by non-resident suppliers appointed by the Service under subsection (3).</p>	<p>(3) The Service may, by notice, appoint any person, including a non-resident supplier of taxable supplies, to collect the VAT and remit it to the Service.</p> <p>(4) Where a person appointed under subsection (3) of this section has made a taxable supply to a taxable person in Nigeria, the taxable person shall not have the obligation to withhold the VAT, except where the person appointed has failed to collect the VAT.</p> <p>(5) Where a person appointed under subsection (3) of this section does not process payments in respect of the supplies but receives commission relating to the supplies, the appointed person shall use the mechanism with which it collects its commission to collect the VAT.</p> <p>(6) A non-resident person that makes a taxable supply to a person in Nigeria may appoint a representative for the purpose of compliance with its VAT obligations.</p>		

--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Input VAT	<p>Section 12 – Payment of tax by taxable person</p> <p>(1) A taxable person shall pay to the supplier the tax on taxable goods and services purchased by or supplied to the person.</p> <p>(2) The tax paid by a taxable person under subsection (1) of this section shall be known as input tax.</p>	<p>Section 150 – Payment of VAT by taxable person</p> <p>(1) A taxable person shall pay VAT to a supplier on the taxable supply made to the person.</p> <p>(2) The VAT paid by a taxable person under subsection (1) of this section shall be known as input VAT.</p>	Retained	
Tax invoice	<p>Section 13A – Tax Invoice</p> <p>(1) A taxable person who makes a taxable supply shall, in respect of that supply, furnish the purchaser with a tax invoice containing, inter alia, the following-</p> <p>(a) tax payers identification number;</p> <p>(b) name and address;</p> <p>(c) VAT registration number;</p> <p>(d) the date of supply;</p> <p>(e) name of purchaser or client;</p> <p>(f) gross amount of transaction; and</p>	<p>Section 151 – VAT Invoice</p> <p>(1) A taxable person who makes a taxable supply shall, in respect of that supply, furnish the purchaser with a VAT invoice containing, the following—</p> <p>(a) supplier's tax ID;</p> <p>(b) name and address of the supplier and sequential invoice number;</p> <p>(c) supplier's incorporation or business registration number as applicable;</p> <p>(d) the date of supply;</p> <p>(e) name of purchaser or client; (f) gross amount of transaction; and (g) VAT charged and the rate.</p>	Retained	<p>New invoicing requirements:</p> <ul style="list-style-type: none"> - a unique invoice identification number - supplier's RC/BN.

	(g) tax charged and rate supplied.	(2) VAT invoice shall be issued on supply whether or not payment is made at the time of supply.		
--	------------------------------------	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(2) A tax invoice shall be issued on supply whether or not payment is made at the time of supply.</p>	<p>(3) VAT invoice shall be issued by a taxable person making a taxable supply or such other person as may be appointed by the Service.</p> <p>(4) For the purpose of subsection (1) of this section, the Service may direct any taxable person who makes taxable supplies to adopt the use of electronic invoice, provided that it gives a notice of, at least 30 days to the person.</p>		

<p>Collection of tax by taxable person</p>	<p>Section 14 – Collection of tax by taxable person</p> <p>(1) A taxable person shall on supplying taxable goods or services to his accredited distributor, agent, client or consumer, as the case may be, collect the tax on those goods or services at the rate specified in section 2 of this Act.</p> <p>(2) The tax collected by a taxable person under subsection (1) of this section shall be known as output tax.</p> <p>(3) The Service may appoint any person to withhold or collect the tax, and the person so appointed shall, on or before the 14th day of the following month, remit the tax so withheld or collected to the Service in the currency of the transaction.</p>	<p>Section 152 – Collection of VAT by taxable person</p> <p>(1) A taxable person shall, on making taxable supplies under chapter six of this Act, collect VAT at the rate specified in section 146 of this Act.</p> <p>(2) The VAT collected by a taxable person under subsection (1) of this section shall be known as output VAT.</p>	<p>Retained</p>	<p>Limiting sections in NTB to the description of output tax, and moving admin provisions to the Tax Administration Bill.</p>
---	---	--	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(4) Where a person to whom taxable supplies is made in Nigeria is issued an invoice on which no tax is charged, such a person shall, self-account for the tax payable and remit the output tax to the Service within the timeline prescribed under section 15 of this Act.</p>			
<p>Self-Charge / Withholding VAT</p>	<p>Section 14(3-4) – Collection of tax by taxable person</p> <p>(3) The Service may appoint any person to withhold or collect the tax, and the person so appointed shall, on or before the 14th day of the following month, remit the tax so withheld or collected to the Service in the currency of the transaction.</p> <p>(4) Where a person to whom taxable supplies is made in Nigeria is issued an invoice on which no tax is charged, such a person shall, self-account for the tax payable and remit the output tax to the Service within the timeline prescribed under section 15 of this Act.</p>	<p>Section 153 – Collection of VAT by persons other than the supplier</p> <p>(1) Without prejudice to any provision of this Act or any other tax law, the following persons shall collect or withhold VAT on taxable supplies made to them and remit it to the Service within the time prescribed by this Act, the Nigeria Tax Administration Act or any regulation made pursuant thereto—</p> <p>(a) Federal, State, Local Government and their respective Ministries, Departments or Agencies; or</p> <p>(b) any other person appointed by the Service to collect or withhold VAT for the purposes of this part.</p>	<p>Section 153 – Collection of VAT by persons other than the supplier</p> <p>(1) Without prejudice to any provision of this Act or any other tax law, the following persons shall collect or withhold VAT on taxable supplies made to them and remit it to the Service within the time prescribed by this Act, the Nigeria Tax Administration Act or any regulation made pursuant thereto—</p> <p>(a) Federal, State, Local Government and their respective Ministries, Departments or Agencies; or</p> <p>(b) any other person appointed by the Service to collect or withhold VAT for the purposes of this part.</p>	

		(2) The Service may direct a taxable person to whom taxable supplies is made in Nigeria and issued an invoice	(2) The Service may direct a taxable person to whom taxable supplies is made in Nigeria and issued an	
--	--	---	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>on which VAT is not included, to self account for the VAT payable and remit it to the Service.</p> <p>(3) The remission of the VAT under subsections (1) and (2) of this section shall be accompanied with a schedule showing the name and address of the contractor or supplier, invoice number, gross amount of invoice, amount of the VAT and the month to which the return relates.</p> <p>(4) The VAT collected, withheld or selfaccounted under this section shall be remitted to the Service on or before the 14th day of the month immediately following the month of the transaction or as may be prescribed by the Service.</p> <p>(5) A person having an obligation to collect VAT under chapter six of this Act shall keep proper records, make appropriate returns and remittances, and all provisions relating to compliance obligation in chapter six of this Act, the Nigeria Tax Administration Act or related tax laws shall apply to such person as though it is the taxable person.</p>	<p>invoice on which VAT is not included, to self account for the VAT payable and remit it to the Service.</p> <p>(3) The remission of the VAT under subsections (1) and (2) of this section shall be accompanied with a schedule showing the name, Tax ID and address of the contractor or supplier, invoice number, gross amount of invoice, amount of the VAT and the month to which the return relates.</p> <p>(4) The VAT collected, withheld or self-accounted under this section shall be remitted to the Service on or before the 14th day of the month immediately following the month of the transaction or as may be prescribed by the Service.</p> <p>(5) A person having an obligation to collect VAT under chapter six of this Act shall keep proper records, make appropriate returns and remittances, and all provisions relating to compliance obligation in chapter six of this Act, the Nigeria Tax Administration Act or related tax laws shall apply to such</p>	

			person as though it is the taxable person.	
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Remission of tax</p>	<p>Section 16 – Remission of Tax</p> <p>(1) A taxable person shall, on rendering a return under section 15(1) of this Act-</p> <p>(a) if the output tax collected exceeds the input tax paid, remit the excess to the Service;</p> <p>(b) if the input tax paid exceeds the output tax collected, be entitled to utilise the excess tax as a credit against subsequent months:</p> <p>Provided that the taxable person would be entitled to a refund from the Service, of excess tax not utilised as a credit, upon provision of such documents as the Service may require.</p> <p>(2) An importer of taxable goods shall, before clearing those goods, pay to the Service the tax on those goods.</p> <p>(3) Where taxable goods imported into Nigeria were purchased through an online electronic or digital platform, operated by a non-resident supplier that has been appointed as agent of the Service for the collection of the tax, the importer shall at the point of clearing such goods,</p>	<p>Section 154 – Credit for Input Tax and Remission of VAT</p> <p>(1) A taxable person shall, not later than the due date for rendering the relevant tax return prescribed by the Nigeria Tax Administration Act, where the— (a) output VAT exceeds the input VAT, remit the excess to the Service; or</p> <p>(b) input VAT exceeds the output VAT, be entitled to utilise the excess tax as a credit against subsequent months.</p> <p>(2) A taxable person shall be entitled to a refund of excess VAT not utilised as a credit, upon request to the Service and provision of such information or documents as the Service may require.</p> <p>(3) An importer of taxable goods shall, before clearing those goods, pay to the Service the VAT on the goods.</p> <p>(4) Input tax incurred by a registered person on any taxable supply, including services and fixed assets made to such person, may be deducted from the tax payable by the person on its taxable supplies at the end of the tax period in which the</p>	<p>Retained</p>	

	provide proof of such registration or appointment,	supply occurred, but only to the extent that the input tax was		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and such other document as may be required by the Service, and such goods shall not be further subjected to the tax before clearing by the Nigeria Custom Service, pursuant to the necessary coordination on modalities between the Service and Nigerian Customs Service.</p> <p>Section 17 – Allowable Input Tax</p> <p>(1) For purposes of section 13 (1) of this Act, the input tax to be allowed as a deduction from output tax shall be limited to the tax on goods purchased or imported directly for resale and goods which form the stock-in-trade used for the direct production of any new product on which the output tax is charged.</p> <p>(2) Input tax-</p> <p>(a) on any overhead, service, and general administration of any business which otherwise can be expended through the income statement (profit and loss accounts); and</p> <p>(b) on any capital item and asset which is to be capitalized along with cost of the capital item and asset, shall not be allowed as a deduction from output tax.</p>	<p>incurred for the purpose of consumption, use or supply in the course of making taxable supplies.</p> <p>Provided that –</p> <p>a) where any input tax is incurred in making both taxable and non-taxable supplies, only the proportion relating to making taxable supplies may be deducted</p> <p>b) the input tax shall be allowable for deduction within five years after the end of the tax period in which the input tax was incurred.</p> <p>(5) The input tax which may be deducted in line with subsection (4) of this section shall be limited to taxable supplies made as from the commencement of this Act.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Business Restructuring</p>	<p>Section 42 – Business sold or transferred</p> <p>Where a trade or business carried on by a company is sold or transferred to a Nigerian company for the purpose of better organisation of that trade or business or the transfer of its management to Nigeria, and any asset employed in such trade or business is sold or transferred, no tax shall apply under this Act to the sale or transfer of the assets to the extent that one company has control over the other or both are controlled by some other person or are members of a recognised group of companies and have been so for a consecutive period of at least 365 days prior to the date of reorganisation:</p> <p>Provided that if the acquiring company were to make a subsequent disposal of the assets thereby acquired within the succeeding 365 days after the date of transaction, any concessions enjoyed under this subsection shall be rescinded and the companies shall be treated as if they did not qualify for the concessions stipulated in this subsection as at the date of initial reorganization.</p>	<p>Section 155</p> <p>The provisions of section 191 of this Act shall apply in respect of sale or transfer of trade, business, profession or vocation carried on in Nigeria</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Fiscalisation of supplies for VAT</p>	<p>Not Applicable</p>	<p>Section 156 – Fiscalisation of supplies for VAT</p> <p>(1) A taxable person making a taxable supply shall implement the fiscalisation system deployed by the Service in accordance with the Nigeria Tax Administration Act.</p> <p>(2) The fiscalisation system may include fiscal equipment consisting of electronic devices, software solutions or a communication system involving a secured network, or any such combination of the components for electronic invoicing and data transfer as the Service may prescribe or deploy.</p>	<p>Retained</p>	<p>Introducing a mandatory electronic system of invoicing and digital VAT compliance system.</p>

Imposition of excise duty on Service		Section 157. Imposition of excise duty on Service Excise duty is imposed on excisable services provided in Nigeria and shall be collected at the time an excisable transaction occurs.	Deleted	<ul style="list-style-type: none"> • Supreme court judgement • Introduction of excise duty on telecoms will lead to hike in the tariffs which will be passed on to the users. • Possible loss of jobs. • Excise on forex transactions will lead
---	--	--	---------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
				to shortage of inflow to the economy
Rate of excise duty on service		Section 158. Rate of excise duty on service The rate of excise duty shall be as specified under the Tenth Schedule to this Act which ranges between 0% to 5%.	Deleted	

<p>Base for excise duty on service</p>		<p>Section 159. Base for excise duty on service The amount of an excisable transaction is the amount chargeable for the service or transaction by the provider, both in money or money's worth.</p>	<p>Deleted</p>	
<p>Excisable Services</p>		<p>Section 160. Excisable Services (1) Excisable services provided in Nigeria shall be charged with duties at the rates specified under the Tenth Schedule to this Act or as the Minister may by Order prescribe. (2) Where an exchange of currency transaction involving the Naira is conducted within or outside Nigeria, if the exchange rate of the transaction exceeds the prevailing exchange rate at the official market authorised by the Central Bank of Nigeria, the excess shall be payable as excise duty by the seller</p>	<p>Deleted</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		on a self-assessment basis as provided in the Nigeria Tax Administration Act.		
Excisable transaction		<p>Section 161. Excisable transaction</p> <p>(1) In the case of transactions which take place—</p> <p>(a) physically in Nigeria, the excisable transaction is the provision of the service; and</p> <p>(b) remotely or virtually, the excisable transaction is the receipt or consumption of the service in Nigeria.</p> <p>(2) Excisable services are deemed to be provided in Nigeria where such services are consumed in Nigeria, or it can be reasonably inferred that the usual place of residence of the consumer or recipient is in Nigeria.</p>	Deleted	
Remittance and Collection of Excise Duties		<p>Section 162. Remittance and Collection of Excise Duties</p> <p>(1) Excise duties under this Act shall be due and payable to the Service on or before the 21st day of the month in respect of the excisable services provided in the preceding month.</p> <p>(2) The Service shall administer excise duties on excisable services and may by regulation prescribe modalities for the collection or self-assessment of duties on excisable services provided or</p>	Deleted	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		facilitated by a resident or nonresidents person.		
Power to amend the schedule		<p>Section 163. Power to amend the schedule</p> <p>The Minister may by notification in the Gazette indicate the commencement of excise duties on the services stated under the Tenth Schedule to this Act and may issue Regulations to modify the list of excisable services and the applicable duties.</p>	Deleted	
Income Tax Exemption	<p>Section 23 – Profits Exempted</p> <p>There shall be exempt from the tax-</p> <p>(a) the profits of any company being a statutory or registered friendly society, in so far as such profits are not derived from a trade or business carried on by such society;</p> <p>(b) the profits of any company being a cooperative society registered under any enactment or law relating to co-operative societies, not being profits from any trade or business carried on by that company other than co-operative activities solely carried out with its members or from any share or other interest possessed by that company in a trade or business in Nigeria carried on by some other persons or authority;</p>	<p>Section 164 – Income Tax Exemption</p> <p>(1) There is exempt from tax under chapter two of this Act—</p> <p>(a) the profits accruing to, or gains from disposal of assets of, any person being—</p> <p>(i) a statutory or registered friendly society, where the profits or gains are not derived from a trade or business carried on by such society,</p> <p>(ii) a co-operative society registered under any enactment or law relating to co-operative societies, not being profits or gains from any trade or business carried on by that society,</p> <p>(iii) engaged in educational, ecclesiastical or charitable activities of a public character where the profits or</p>	<p>Section 164 – Income Tax Exemption</p> <p>(1) There is exempt from tax under chapter two of this Act—</p> <p>(a) the profits accruing to, or gains from disposal of assets of, any person being—</p> <p>(i) a statutory or registered friendly society, where the profits or gains are not derived from a trade or business carried on by such society,</p> <p>(ii) a co-operative society registered under any enactment or law relating to co-operative societies, not being profits or gains from any trade or business carried on by that society,</p> <p>(iii) engaged in educational, religious</p>	<p>Introduction of additional deduction of 50% for salary increases and new hires between 2023 – 2025.</p> <p>Pension funds and assets created pursuant to the Pension Reform Act now exempt from tax.</p> <p>The following have been stripped of their previously exempt status, and are now subject to income tax:</p> <ul style="list-style-type: none"> - profits of a company promoting sporting activities.

			or charitable activities of a public character where the profits or gains	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(c) the profits of any company engaged in ecclesiastical, charitable or educational activities of a public character in so far as such profits are not derived from a trade or business carried on by such company; (d) the profits of any company formed for the purpose of promoting sporting activities where such profits are wholly expendable for such purpose, subject to such conditions as the Service may prescribe; (e) the profits of any company being a trade union registered under the Trade Unions Act in so far as such profits are not derived from a trade or business carried on by such trade union; (f) dividend distributed by Unit Trust; (g) the profits of any company being a body corporate established by or under any Local Government Law or Edict in force in any State in Nigeria; (h) the profits of anybody corporate being a purchasing authority established by an enactment and empowered to acquire any commodity for export from Nigeria from the purchase and sale (whether for the purposes of export or otherwise) of that commodity; (i) the profits of any company or any corporation established by the law of a State for the purpose of fostering the economic development of that State, not</p>	<p>gains are not derived from a trade or business carried on by such person, (iv) a trade union registered under the Trade Unions Act where the profits or gains are not derived from a trade or business carried on by such trade union, (v) a Federal, State or Local Government in Nigeria, their Ministries, Departments and Agencies and other public institutions, other than profits or gains derived from trade or business or any instrumentality established for the purpose of trade or business, and (vi) a government purchasing authority established by an enactment and empowered to acquire any commodity for export or redistribution; (b) dividend distributed by authorised collective investment scheme; (c) dividend or rental income received by a real estate investment company on behalf of its shareholders, where not less than 75% of the dividend or rental income is distributed within 12 months after the end of the financial year in which the dividend or rental income was earned, provided that nothing in this subsection shall be construed to exempt a—</p>	<p>are not derived from a trade or business carried on by such person, (iv) a trade union registered under the Trade Unions Act where the profits or gains are not derived from a trade or business carried on by such trade union, (v) a Federal, State or Local Government in Nigeria, their Ministries, Departments and Agencies and other public institutions, other than profits or gains derived from trade or business or any instrumentality established for the purpose of trade or business, and (vi) a government purchasing authority established by an enactment and empowered to acquire any commodity for export or redistribution; (b) dividend distributed by authorised collective investment scheme; (c) dividend or rental income received by a real estate investment company on behalf of its shareholders, where not less than 75% of the dividend or rental income is distributed within 12 months after the end of the financial year in which</p>	<ul style="list-style-type: none"> - dividend, interest, rent or royalty derived from outside Nigeria and brought into Nigeria through approved channels. - interest on deposit accounts of a foreign company - interest on foreign currency domiciliary account - dividend received from small and manufacturing companies in the first five years of operation - dividend received from investments in wholly export-oriented businesses

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>being profits derived from any trade or business carried on by that corporation or from any share or other interest possessed by that corporation in a trade or business in Nigeria carried on by some 96 other person or authority;</p> <p>(j) any profits of a company other than a Nigerian company which, but for this paragraph, would be chargeable to tax by reason solely of their being brought into or received in Nigeria;</p> <p>(k) dividend, interest, rent, or royalty derived by a company from a country outside Nigeria and brought into Nigeria through Government approved channels. For the purpose of this subsection, "Government approved channels", means the Central Bank of Nigeria, any bank or other corporate body appointed by the Minister as authorised dealer under the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act or any enactment replacing that Act;</p> <p>(l) the interest on deposit accounts of a foreign non-resident company: Provided that the deposits into the account are transfers wholly of foreign currencies to Nigeria on or after 1 January 1990 through Government approved channels;</p> <p>(m) the interest on foreign currency domiciliary account in Nigeria accruing on or after 1 January 1990;</p>	<p>(i) shareholder from tax on the dividend or rental income received from a real estate investment company</p> <p>(ii) real estate investment company from tax on management fee, profits or any other income earned for and on its own account; and</p> <p>(iii) real estate investment company from tax on dividend or rental income if it does not meet the conditions stipulated in this paragraph.</p> <p>(d) compensating payments, which qualify as dividends under section 5(2)(c) of this Act, received by a lender from its approved agent or a borrower in a Regulated Securities Lending Transaction;</p> <p>(e) compensating payments, which qualify as dividends or interest under section 5(2)(c) of this Act, received by an approved agent from a borrower or lender on behalf of a lender or borrower in a Regulated Securities Lending Transaction;</p> <p>(f) consular fees received on behalf of a foreign State, or by a consular officer on behalf of the State, and the employment income of such officer, other than income in respect of any trade, business, profession or vocation carried on by the officer or in respect of</p>	<p>the dividend or rental income was earned, provided that nothing in this subsection shall be construed to exempt a—</p> <p>(i) shareholder from tax on the dividend or rental income received from a real estate investment company</p> <p>(ii) real estate investment company from tax on management fee, profits or any other income earned for and on its own account; and</p> <p>(iii) real estate investment company from tax on dividend or rental income if it does not meet the conditions stipulated in this paragraph.</p> <p>(d) compensating payments, which qualify as dividends under section 5(2)(c) of this Act, received by a lender from its approved agent or a borrower in a Regulated Securities Lending Transaction;</p> <p>(e) compensating payments, which qualify as dividends or interest under section 5(2)(c) of this Act, received by an approved agent from a borrower or lender on behalf of a lender or borrower in a Regulated Securities Lending Transaction;</p>	

			(f) consular fees received on behalf of a foreign State, or by a consular	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(n) The profits of a small company in a relevant year of assessment:</p> <p>(o) dividends received from small companies and manufacturing sector in the first five years of their operations</p> <p>(p) dividend received from investments in wholly export-oriented businesses; (q) the profits of any Nigerian company (other than companies engaged in the Upstream, Midstream and Downstream petroleum operations) in respect of goods exported from Nigeria, if the proceeds of such exports are used for the purchase of raw materials, plant equipment and spare parts: provided that tax shall accrue proportionately on the portion of such proceeds which are not utilised in the manner prescribed</p> <p>(r) the profits of a company whose supplies are exclusively inputs to the manufacturing of products for export, provided that the exporter shall give a certificate of purchase of the inputs of the exportable goods to the seller of the supplies;</p> <p>(s) the dividend and rental income received by a real estate investment company on behalf of its shareholders provided that- (i) a minimum 75% of dividend and rental income is distributed, and (ii) such distribution is made within 12 months of the end of the financial year in</p>	<p>any other employment exercised by him in Nigeria, provided that this exemption shall not apply to the income of an employee engaged in domestic duties, or where the officer or employee ordinarily resides in Nigeria and is not a national of the foreign State.</p> <p>(g) an income in respect of which tax is remitted or exempt under the provisions of the Diplomatic Immunities and Privileges Act or of any enactment, order or notice continued in force or effected by that Act.</p> <p>(h) pension funds and assets created pursuant to the Pension Reform Act; (i) pension, gratuity or any retirement benefits granted in accordance with the Pension Reform Act;</p> <p>(j) wound and disability pensions granted to members of the armed forces or of any recognised national defence organisation, or to a person injured as a result of enemy action;</p> <p>(k) a sum received by way of death gratuities or as consolidated compensation for death or injuries;</p> <p>(l) subject to the provisions of part VIII of chapter two of this Act, redundancy lump sum payment and other</p>	<p>officer on behalf of the State, and the employment income of such officer, other than income in respect of any trade, business, profession or vocation carried on by the officer or in respect of any other employment exercised by him in Nigeria, provided that this exemption shall not apply to the income of an employee engaged in domestic duties, or where the officer or employee ordinarily resides in Nigeria and is not a national of the foreign State.</p> <p>(g) an income in respect of which tax is remitted or exempt under the provisions of the Diplomatic Immunities and Privileges Act or of any enactment, order or notice continued in force or effected by that Act.</p> <p>(h) pension funds and assets created pursuant to the Pension Reform Act;</p> <p>(i) pension, gratuity or any retirement benefits granted in accordance with the Pension Reform Act;</p> <p>(j) wound and disability pensions granted to members of the</p>	

			armed forces or of any recognised national	
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>which the dividend or rental income was earned;</p> <p>(t) the compensating payments, which qualify as dividends under section 9(1)(c) of this Act, received by a lender from its approved agent or a borrower in a Regulated Securities Lending Transaction, such payments are deemed to be franked investment income and shall not be subjected to further tax in the hands of the Lender;</p> <p>(u) the compensating payments, which qualify as dividends or interest under section 9(1)(c) of this Act, received by an approved agent from a borrower or lender on behalf of a lender or borrower in a Regulated Lending Transaction; or</p> <p>(v) the profit of a company established within an export processing zone or free trade zone:</p> <p>Provided that 100% production of such company is for export otherwise tax shall accrue proportionately on the profits of the company.</p> <p>(1A) Nothing in this section shall be construed to exempt from deduction at source, the tax which a company making payments is to deduct under sections 78, 79 or 80 of this Act, such that the provisions of sections 78, 79 and 80 of this Act shall apply to a dividend, interest, rent or royalty paid by a company exempted from tax</p>	<p>compensation of capital nature for loss of employment;</p> <p>(m) gains accruing from the disposal of assets by an angel investor, venture capitalist, private equity fund, accelerators or incubators with respect to a labelled startup provided the assets have been held in Nigeria for a minimum of 24 months</p> <p>(n) income earned from bonds issued by a State or the Federal Government of Nigeria.</p> <p>(o) emoluments of any person serving as other rank and other personnel serving in combat zones, hazardous areas or in designated operations, provided that where any other income accrues to the person, not being income by way of personal emoluments, that income shall be liable to tax under chapter two of this Act.</p> <p>(2) The following shall not constitute chargeable gains under part VIII of chapter two of this Act— (a) gains accruing to —</p> <p>(i) pension funds and assets approved under the Pension Reform Act, and</p>	<p>defence organisation, or to a person injured as a result of enemy action;</p> <p>(k) a sum received by way of death gratuities or as consolidated compensation for death or injuries;</p> <p>(l) subject to the provisions of part VIII of chapter two of this Act, redundancy lump sum payment and other compensation of capital nature for loss of employment;</p> <p>(m) gains accruing from the disposal of assets by an angel investor, venture capitalist, private equity fund, accelerators or incubators with respect to a labelled startup provided the assets have been held in Nigeria for a minimum of 24 months</p> <p>(n) income earned from bonds issued by a State or the Federal Government of Nigeria.</p> <p>(o) emoluments of any person serving as other rank and other personnel serving in combat zones, hazardous areas or in designated operations, provided that where any other income accrues to the person, not being income by way of personal emoluments, that income shall be</p>	

		(ii) an individual from disposal of investment held as part of any national provident fund or other retirement	liable to tax under chapter two of this Act.	
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>under subsection (1) (a) to (e), (h) to (l), (n), (p) to (s) and (v).’</p> <p>(1B) Nothing in this section shall be construed to exempt-</p> <p>(a) shareholders from tax on the dividend or rental income received from a real estate investment company,</p> <p>(b) a real estate investment company from tax on management fee, profits or any other income earned for and on its own account, and</p> <p>(c) a real estate investment company from tax on dividend and rental income if it does not meet the conditions stipulated in subsection (1) (s).</p>	<p>benefits schemes established under the provisions of any Act or enactment for employees throughout Nigeria;</p> <p>(b) gains on the disposal of a decoration, awarded for valour or gallant conduct which a person acquires otherwise than for consideration in money or money's worth.</p> <p>(3) A company shall be entitled to an additional deduction of 50% in the relevant years of assessment in respect of costs incurred in any two calendar years from 2023 to 2025 on the following—</p> <p>(a) wage awards, salary increases, transportation allowance or transport subsidy granted to a low-income worker, which bring the gross monthly remuneration of the worker up to an amount not exceeding N100,000.00 provided that any additional award or salary increase to an employee earning above N100,000.00 as monthly salary shall not qualify for the additional deduction under this subsection; and</p> <p>(b) salaries of any new employee constituting a net increase in the average number of new employees hired in 2023 and 2024 calendar years over and above the average net employment in the 3 preceding years,</p>	<p>(p) income generated by companies engaged in agricultural businesses including crop production, livestock, aquaculture, forestry, dairy, and such other businesses as described in the Fourteenth Schedule to this Act, for the first five years upon commencement of business.</p> <p>(q) dividend received from investments in wholly exportoriented businesses</p> <p>(s) profits of a company engaged in sporting activities.</p> <p>(t) dividend, interest, rent or royalty derived from outside Nigeria and brought into Nigeria through approved channels</p> <p>(u) income of a person from an employment where such person earns gross income of National Minimum Wage or less from such employment.</p> <p>(v) wages and salaries of military officers</p> <p>(2) The following shall not constitute chargeable gains under part VIII of chapter two of this Act— (a) gains accruing to —</p>	

			(i) pension funds and assets approved under the Pension Reform Act, and	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>provided that such new employees are not involuntarily disengaged within a period of 3 years post-employment.</p> <p>(4) In this section – “net employment” means the total number of persons employed less the total number of persons disengaged during the calendar year, whether such disengagement is voluntary or not.</p>	<p>(ii) an individual from disposal of investment held as part of any national provident fund or other retirement benefits schemes established under the provisions of any Act or enactment for employees throughout Nigeria;</p> <p>(b) gains on the disposal of a decoration, awarded for valour or gallant conduct which a person acquires otherwise than for consideration in money or money's worth.</p> <p>(3) A company shall be entitled to an additional deduction of 50% in the relevant years of assessment in respect of costs incurred in any two calendar years from 2023 to 2025 on the following—</p> <p>(a) wage awards, salary increases, transportation allowance or transport subsidy granted to a lowincome worker, which bring the gross monthly remuneration of the worker up to an amount not exceeding N100,000.00 provided that any additional award or salary increase to an employee earning above N100,000.00 as monthly salary shall not qualify for</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
			<p>the additional deduction under this subsection; and</p> <p>(b) salaries of any new employee constituting a net increase in the average number of new employees hired in 2023 and 2024 calendar years over and above the average net employment in the 3 preceding years, provided that such new employees are not involuntarily disengaged within a period of 3 years post-employment.</p> <p>(4) In this section – “net employment” means the total number of persons employed less the total number of persons disengaged during the calendar year, whether such disengagement is voluntary or not.</p>	
Deductible Donations	<p>Sections 25 & 25A – Deductible Donations</p> <p>(1) Subject to the provisions of this section and notwithstanding anything contained in section 24 of this Act, for the purpose of ascertaining the profits or loss of any company for any period from any source chargeable with tax under this Act, there shall be deducted the amount of any donation made for that period by that company to any fund, body or institution in Nigeria to which this section applies.</p>	<p>Section 165 – Deductible Donations</p> <p>(1) Subject to the provisions of this section and notwithstanding anything contained in section 20 of this Act, for the purposes of ascertaining the profits or loss of any company for any period from any source chargeable with tax under chapter two of this Act, there shall be deducted the amount of any donation made for that period by that company to any fund, body or</p>	<p>Section 165 – Deductible Donations</p> <p>(1) Subject to the provisions of this section and notwithstanding anything contained in section 20 of this Act, for the purposes of ascertaining the profits or loss of any company for any period from any source chargeable with tax under chapter two of this Act, there shall be deducted the amount of any donation made for that period by</p>	<p>New rules introduced in respect of deductibility of donations –</p> <ul style="list-style-type: none"> • Donations now deductible from profits whether or not such donation is of a revenue or capital nature. Prior to now, donations which are expenditure of a

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(2) Without prejudice to section 27 of this Act, it is hereby declared for the avoidance of doubt that the provisions of subsection (1) of this section shall have effect if, but only if, the donations are made out of the profits of the company and are not expenditure of a capital nature.</p> <p>(3) Except to such extent (if any) as the President may by order in the Federal Gazette otherwise direct, any deduction to be allowed to any company, under subsection (1) of this section, for any year of assessment, shall not exceed an amount which is equal to ten percent of the total profits of that company for that year as ascertained before any deduction is made under this section.</p> <p>(4) There shall be excluded from the sum allowable as a deduction under this section, any outgoings and expenses which are allowable as deductions under section 24 of this Act.</p> <p>(5) This section shall apply to-</p> <p>(a) the public funds;</p> <p>(b) the statutory bodies and institutions;</p> <p>(c) the ecclesiastical, charitable, benevolent, educational and scientific institutions, established in Nigeria, which are specified in the Fifth Schedule to this Act</p> <p>(6) The Minister may by order in the</p>	<p>institution in Nigeria to which this section applies.</p> <p>(2) Without prejudice to section 21 of this Act, any donation made by a company pursuant to subsection (1) of this section may be deducted from the profits of that period notwithstanding that the donation is of a revenue or capital nature.</p> <p>(3) This section shall apply to donations made to—</p> <p>(a) public funds;</p> <p>(b) statutory bodies or institutions;</p> <p>(c) ecclesiastical, charitable, educational and scientific institutions, established in Nigeria;</p> <p>(d) bodies recognised under the Diplomatic Immunities and Privileges Act; or</p> <p>(e) any pandemic, natural disaster or other public emergency interventions.</p> <p>(4) A company making a deduction for a donation shall provide requisite document evidencing the donation to the relevant tax authority.</p> <p>(5) The total deduction to be allowed to a company, under this</p>	<p>that company to any fund, body or institution in Nigeria to which this section applies.</p> <p>(2) Without prejudice to section 21 of this Act, any donation made by a company pursuant to subsection (1) of this section may be deducted from the profits of that period notwithstanding that the donation is of a revenue or capital nature.</p> <p>(3) This section shall apply to donations made to— (a) public funds;</p> <p>(b) statutory bodies or institutions;</p> <p>(c) religious, charitable, educational and scientific institutions, established in Nigeria;</p> <p>(d) bodies recognised under the Diplomatic Immunities and Privileges Act; or</p> <p>(e) any pandemic, natural disaster or other public emergency interventions.</p> <p>(4) A company making a deduction for a donation shall provide requisite document evidencing the donation to the relevant tax authority.</p>	<p>capital nature were not deductible.</p> <ul style="list-style-type: none"> • Deductions now extended to donations made to bodies recognised under the Diplomatic Immunities and Privileges Act. • Donations made to all ecclesiastical, charitable, educational and scientific institutions, established in Nigeria are covered and not just a few as previously contained under CITA. • Documentary proof of donation must be provided to the tax authority in respect of all donations and not only in respect of donations made to pandemics, natural disasters, etc.

	Federal Gazette amend the said Schedule in	section, for any year of assessment, shall not exceed an		
--	---	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>any manner whatsoever: Provided that no fund, body or institution shall be added to that Schedule, in exercise of the powers conferred under the foregoing provisions of this subsection, unless the fund is a public fund established in Nigeria, or the body or institution is a statutory body or institution, or is a body or institution of a public character, established in Nigeria.</p> <p>(7) In this section references to donations made by a company do not include references to any payments made by the company for valuable consideration.</p> <p>(8) Donations made by companies in cash or kind to any fund set up by the Federal Government or any State Government, or to any agency designated by the Federal Government or to any similar Fund or purpose in consultation with any Ministry, Department or Agency of the Federal Government, in respect of any pandemic, natural disaster or other exigency shall be allowed as deductions as follows-</p> <p>(a) the cost of in-kind donations made to the Government and any designated agency shall be allowed as deductions; or</p> <p>(b) where companies have either procured or manufactured items for contribution, the cost of purchase, manufacture or supply of such in-kind contributions shall be allowed as deductions</p>	<p>amount equal to 10% of the profit before tax of that company for that year.</p> <p>(6) In the case of a donation other than in cash, the value for the purpose of this section shall be the lower of the market value at the time of the donation or the consideration paid for the item when it was acquired.</p>	<p>(5) The total deduction to be allowed to a company, under this section, for any year of assessment, shall not exceed an amount equal to 10% of the profit before tax of that company for that year.</p> <p>(6) In the case of a donation other than in cash, the value for the purpose of this section shall be the lower of the market value at the time of the donation or the consideration paid for the item when it was acquired.</p>	<p>For non-cash donations, the deductible value is the lower of: the market value at the time of the donation or the consideration paid for the item when it was acquired, to avoid inflated donation figures.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Provided that requisite documentation evidencing the donation and the cost thereof are provided to the relevant tax authority and demonstrated to be wholly, reasonably, exclusively, and necessarily incurred in relation to the procurement, manufacture or supply of the in-kind contributions.</p> <p>(9) Notwithstanding the provisions of subsections (2) and (3), amounts allowable for deduction, in respect of subsection (8), in any year of assessment shall be limited to 10% of assessable profits after deduction of other allowable donations made by the company.</p> <p>25A. (1) Notwithstanding the provisions of section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for the period from any source chargeable with tax under this Act, there shall be deducted the amount of donation to a university and other tertiary or 102 research institutions for research or any developmental purpose or as an endowment out of the profits of the period by the company.</p> <p>(2) Without prejudice to section 21 (2) and (3) of this Act, any donation made by a company pursuant to subsection (1) of this section shall be allowed as deductible by the company out of the profits of that</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>period notwithstanding that the donation is of a revenue or capital nature.</p> <p>(3) Except as the Minister with the approval of the Federal Executive Council may, by order in the Federal Gazette otherwise direct, any deduction to be allowed to any company under subsection (1) of this section shall not exceed an amount which is equal to 15 percent of the total profits or 25 percent of the tax payable in the year of the donation whichever is higher.</p>			
Donations for R & D	<p>Section 26 – Deduction for research and development</p> <p>(1) Notwithstanding anything contained in section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for any period from any source chargeable with tax under this Act, there shall be deducted the amount of reserve made out of the profits of that period by that company for research and development.</p> <p>(2) The deduction to be allowed to any company under subsection (1) of this section for any year of assessment shall not exceed an amount which is equal to ten percent of the total profits of that company for that year as ascertained before any</p>	<p>Section 166 – Deduction for research and development</p> <p>(1) Notwithstanding anything contained in section 20 of this Act, for the purpose of ascertaining the profit or loss of any company for any period from any source chargeable with tax under chapter two of this Act, there shall be deducted the amount incurred in that period by that company for research and development.</p> <p>(2) The deduction to be allowed to a company under subsection (1) of this section for any year of assessment shall not exceed an amount which is equal to 5% of the turnover for that year.</p>	Retained	<p>Restricting deductions to actual R&D expenditures incurred and not reserves.</p> <p>Maximum deduction set at 5% of turnover, previously 10% of profits. Removal of 20% investment tax credit previously granted to companies engaged in commercial R&D activities.</p> <p>Proceeds of sale of R&D efforts to be subject to income tax.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>deduction is made under this section and section 25 of this Act.</p> <p>(3) Companies and other organisations engaged in research and development activities for commercialization shall be allowed 20% investment tax credit on their qualifying expenditure for that purpose.</p>	<p>(3) Where a company to which this section applies subsequently sells or transfers the outcome of the research and development to another person for exploitation or commercialisation, the proceeds of such sale or transfer shall be taxed under chapter two of this Act.</p>		
Priority sectors	<p>Section 1 IDITRA. Publication of list of pioneer industries and products and issuing of pioneer certificates</p> <p>(1) Where the President is satisfied that-</p> <p>(a) any industry is not being carried on in Nigeria on a scale suitable to the economic requirements of Nigeria or at all, or there are favourable prospects of further development in Nigeria of any industry; or</p> <p>(b) it is expedient in the public interest to encourage the development or establishment of any industry in Nigeria by declaring the industry to be a pioneer industry and any product of the industry to be a pioneer product, the President may direct publication in the Gazette of a list of such industries and products (in this Act referred to as “the list of pioneer industries and pioneer products”) and upon publication as aforesaid, but subject to</p>	<p>Section 167. Priority sectors</p> <p>(1) The sectors listed in the Eleventh Schedule to this Act are classified as priority sectors for the purposes of economic development tax incentives.</p> <p>(2) The period of incentives for any priority sector shall be as provided in the Eleventh Schedule to this Act.</p> <p>(3) The President may direct an amendment to the list contained in the Eleventh Schedule to this Act, where, in his opinion—</p> <p>(a) any sector is not operating on a scale suitable to the economic requirements of Nigeria, or there are favourable prospects of further development;</p>	Retained	<p>To broaden the focus from industries/products to entire sectors aligning with the national economic goals.</p> <p>Introduction of a sectorbased approach, allowing flexibility in determining capital requirements.</p> <p>Expansion of eligibility to include promoters of new companies and those exempted from incorporation.</p> <p>Provision of a flexible incentive structure rather than a fixed duration for economic purposes.</p>

		(b) it is expedient in the public interest to encourage the development or		
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

	<p>subsections (5) and (6) of this section, application may at any time thereafter be made under this Act, for the issue of a pioneer certificate to any company in relation to any such pioneer industry or pioneer product, and the President may, in accordance with the provisions of this Act, issue the certificate to the company in any proper case.</p>	<p>establishment of a sector in Nigeria for the purpose of—</p> <p>(i) generating employment, (ii) attracting Foreign Direct Investment inflow, (iii) economic diversification, and (iv) stimulating the growth of some sectors in certain localities</p> <p>(c) any sector, product or service within a sector, is considered to have been sufficiently developed to necessitate its removal from the list contained in Eleventh Schedule to this Act.</p>		
	<p>Section 1(2) IDITRA. Publication of list of pioneer industries and products and issuing of pioneer certificates</p> <p>(2) An application may also be made under this section for any industry to be included in the list of pioneer industries and pioneer products.</p> <p>(3) Any application under this section may be made by a company incorporated in Nigeria, or by a group of persons on behalf of a company which is to be so incorporated.</p> <p>(4) No application for the issue of a pioneer</p>	<p>168. Eligibility for economic development incentive certificate</p> <p>(1) An application for economic development incentive certificate may be made by a company incorporated in Nigeria, companies granted exemption from incorporation or by promoters of a company which is yet to be incorporated.</p> <p>(2) An application for the issuance of an economic development incentive certificate by a company shall be considered under this section where the qualifying capital expenditure to be</p>	<p>Retained</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>certificate to any company shall be made under this section unless the estimated cost of qualifying capital expenditure to be incurred by the company on or before production day (if the application is approved) is an amount which-</p> <p>(a) in the case of an indigenous-controlled company, is not less than ₦50,000; or</p> <p>(b) in the case of any other company, is not less than ₦150,000.</p> <p>(5) The President may from time to time, on any ground which appears to it sufficient, amend the list of pioneer industries and pioneer products.</p> <p>(6) Where, in exercise of the powers conferred under subsection (5) of this section. any industry or product is deleted from the list of pioneer industries and pioneer products, then-</p> <p>(a) no application under this section shall thereafter be made by any company in relation to that industry or product; and</p> <p>(b) as respects any pending application made under subsection (1) of this section, no pioneer certificate shall be issued under this Act, to any company in relation to that industry or product.</p>	<p>incurred by the company on or before production day, if the application is approved, is not below the amount specified in the Eleventh Schedule to this Act.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(7) Any small or medium sized company engaged in primary agricultural production shall be granted, pursuant to an application to the President, through the Minister, an initial tax-free period of four years which may be extended, subject to the satisfactory performance of such primary agricultural production, for an additional maximum period of two years, and such company cannot be granted similar tax holiday incentive under any other Act in force in Nigeria.</p>			

<p>Mode of Application for Certificate</p>	<p>Section 2. Mode of application for pioneer certificate, etc., and fee payable</p> <p>(1) Subject to the provisions of this Act, every application under section 1 of this Act shall be addressed to the Minister and shall be in such form as he may from time to time, specify.</p> <p>(2) Every such application shall state the grounds upon which the applicant relies and, if the application is for the issue of a pioneer certificate to any company, the applicant shall-</p> <p>(a) state whether the company is, or the proposed company when incorporated shall be, an indigenous-controlled company;</p>	<p>Section 169. Application for economic development incentive certificate</p> <p>(1) Subject to the provisions of this part, every application for economic development incentive certificate shall be addressed to the Executive Secretary of the Nigerian Investment Promotion Commission (NIPC), and shall be in such form as may be specified.</p> <p>(2) The application shall —</p> <p>(a) show a commitment of, or the ability to commit, the minimum capital required to invest in the specified priority sector listed in the Eleventh Schedule to this Act;</p>	<p>Section 169. Application for economic development incentive certificate</p> <p>(1) Subject to the provisions of this part, every application for economic development incentive certificate shall be addressed to the Executive Secretary of the Nigerian Investment Promotion Commission (NIPC), and shall be in such form as may be specified.</p> <p>(2) The application shall —</p> <p>(a) show a commitment of, or the ability to commit, the minimum capital required to invest in the</p>	<p>Moves the responsibility from the Minister to the NIPC.</p> <p>Introduces a structured review and recommendation process, ensuring economic feasibility assessments before Presidential approval.</p> <p>Broadens the investment pool by permits applications from foreign entities and promoters of yet-to-be-incorporated companies.</p>
--	--	---	--	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) give particulars of the assets on which qualifying capital expenditure will be incurred by the company, including their source and estimated cost-</p> <p>(i) on or before production day; and (ii) during a period of three, years following production day;</p> <p>(c) specify the place in which the assets, in respect of which qualifying expenditure will be incurred by the company or proposed company, are to be situated;</p> <p>(d) estimate and state the probable date of production day of the company or proposed company;</p> <p>(e) specify any product and by-product (not being a pioneer product) proposed to be produced by the company or proposed company, and give a reasonable estimate of the quantities and value of such product and by-product during a period of one year from production day;</p> <p>(f) give particulars of the loan and share capital, or the proposed loan and share capital of the company, or proposed</p>	<p>(b) state whether the company is, or the proposed company when incorporated shall be, a company that the ultimate parent entity is a resident company or non-resident company;</p> <p>(c) give particulars of the assets on which qualifying capital expenditure is incurred or to be incurred by the company, including the source and cost or estimated cost—</p> <p>(i) on or before production day, and (ii) during a period of three years following the production day;</p> <p>(d) specify the place in which the assets, in respect of which qualifying expenditure was incurred or to be incurred by the company or proposed company, is situated or to be situated;</p> <p>(e) state the date or probable date of production day of the company or proposed company;</p> <p>(f) specify any product, service, and byproduct, not being a priority product, being produced or proposed to be produced by the company or</p>	<p>specified priority sector listed in the Eleventh Schedule to this Act;</p> <p>(b) state whether the company is, or the proposed company when incorporated shall be, a company that the ultimate parent entity is a resident company or non-resident company;</p> <p>(c) give particulars of the assets on which qualifying capital expenditure is incurred or to be incurred by the company, including the source and cost or estimated cost—</p> <p>(i) on or before production day, and (ii) during a period of three years following the production day;</p> <p>(d) specify the place in which the assets, in respect of which qualifying expenditure was incurred or to be incurred by the company or proposed company, is situated or to be situated;</p> <p>(e) state the date or probable date of production day of the company or proposed company;</p>	<p>Adjusts from a flat fee to a proportional fee based on capital expenditure, but subject to a maximum of 5m.</p> <p>Introduces an annual reporting requirement for the NIPC.</p> <p>Emphasizes that the President's approval is crucial to issuing the EDI certificate.</p>

	company, including the amount and date of each issue or proposed issue, and the	proposed company, and give a reasonable	(f) specify any product, service, and	
--	---	---	---------------------------------------	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>source from which the capital is to be or has been raised;</p> <p>(g) in the case of a company already incorporated, give the name, address and nationality of each director of the company and the number of shares held by him; and</p> <p>(h) in the case of a proposed company give the name, address and nationality of each promoter of the company.</p> <p>(3) Every such application shall contain a declaration signed by the applicant that all the particulars contained in the application are true and an undertaking to produce proof, if required, to the satisfaction of the Minister, of the truth of any such particulars which, under subsection (5) of this section, the Minister may require the applicant to furnish.</p> <p>(4) The application shall be accompanied by a fee of ₦100 (which sum shall not be refundable to the applicant, whether the application is approved or not) and the fee shall be credited to the Consolidated Revenue Fund of the Federation.</p> <p>(5) Where an application is submitted to the Minister under this section, he may</p>	<p>estimate of the quantities and value of such product and by-product during a period of one year from production day;</p> <p>(g) give particulars of the loan and share capital, or the proposed loan and share capital of the company, or proposed company, including the amount and date of each issued shares or proposed issue, and the source from which the capital is to be or has been raised;</p> <p>(h) in the case of a company already incorporated, provide the details of the ownership structure of the company and the nationality of each director of the company; and</p> <p>(i) in the case of a proposed company, provide the name, address, and nationality of each promoter of the company and the proposed ownership structure.</p> <p>(3) An application shall contain a declaration signed by the applicant that all the information contained in the application is true, and an undertaking to produce proof, if required.</p>	<p>by-product, not being a priority product, being produced or proposed to be produced by the company or proposed company, and give a reasonable estimate of the quantities and value of such product and by-product during a period of one year from production day;</p> <p>(g) give particulars of the loan and share capital, or the proposed loan and share capital of the company, or proposed company, including the amount and date of each issued shares or proposed issue, and the source from which the capital is to be or has been raised;</p> <p>(h) in the case of a company already incorporated, provide the details of the ownership structure of the company and the nationality of each director of the company; and</p> <p>(i) in the case of a proposed company, provide the name, Tax ID address, and nationality of each promoter of the company and the proposed ownership structure.</p> <p>(3) An application shall contain a declaration signed by the applicant</p>	

	require the applicant to furnish such further particulars as the Minister may	(4) The application shall be		
--	---	------------------------------	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>consider necessary, to enable the President to consider the application.</p> <p>(6) As soon as may be after the application is submitted to the Minister or, as the case may be, after any further particular required by the Minister under subsection (5) of this section has been furnished to him by the applicant, the Minister shall submit the application and, subject to the provisions of this Act, the President may approve or disapprove the application.</p>	<p>accompanied by a non-refundable fee of 0.1% of the qualifying capital expenditure incurred or to be incurred, subject to a maximum of ₦5,000,000.00 and no further fee shall be payable in respect of such application.</p> <p>(5) The NIPC shall recommend the application to the Minister, for approval or otherwise, including the projected tax expenditure impact report in its recommendation.</p> <p>(6) The Minister, acting on the recommendation of the NIPC, may recommend the application to the President for approval.</p> <p>(7) An economic development incentive certificate shall not be issued to a company without the approval of the President.</p> <p>(8) The NIPC shall submit an annual report of the list of sectors and companies that have benefited under this part to the Minister who shall, not later than 30 days, present a copy of the report to the President and the National Economic Council.</p>	<p>that all the information contained in the application is true, and an undertaking to produce proof, if required.</p> <p>(4) The application shall be accompanied by a non-refundable fee of 0.1% of the qualifying capital expenditure incurred or to be incurred, subject to a maximum of ₦5,000,000.00 and no further fee shall be payable to the NIPC in respect of the application.</p> <p>(5) The NIPC shall recommend the application to the Minister, for approval or otherwise, including the projected tax expenditure impact report in its recommendation.</p> <p>(6) The Minister, acting on the recommendation of the NIPC, may recommend the application to the President for approval.</p> <p>(7) An economic development incentive certificate shall not be issued to a company without the approval of the President.</p>	

			(8) The NIPC shall submit an annual report of the list of sectors and	
--	--	--	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
------	----------------------------	-------------------------------	-----------------------------	--------------------------

			companies that have benefited under this part to the Minister who shall, not later than 30 days, present a copy of the report to the President and the National Economic Council.	
Approval of Application / Removal of sector	<p>Section 1(6) –</p> <p>(6) Where, in exercise of the powers conferred under subsection (5) of this section. any industry or product is deleted from the list of pioneer industries and pioneer products, then-</p> <p>(a) no application under this section shall thereafter be made by any company in relation to that industry or product; and</p> <p>(b) as respects any pending application made under subsection (1) of this section, no pioneer certificate shall be issued under this Act, to any company in relation to that industry or product.</p>	<p>Section 170. Approval of application</p> <p>(1) A company whose application has been approved in line with section 169 of this Act, shall be issued an economic development incentive certificate.</p> <p>(2) Where a sector is removed from the Eleventh Schedule to this Act—</p> <p>(a) economic development incentive certificate shall not be issued to a company in relation to that sector with respect to any pending application made under section 169 of this Act; and</p> <p>(b) a company issued an economic development incentive certificate before the removal shall exhaust its unexpired incentive period only.</p>	Retained	<p>Ensures that companies already granted tax incentives can continue enjoying them even if their sector is later removed.</p> <p>Encourages investment stability by ensuring that policy changes do not retroactively affect approved businesses, hence fostering investor confidence.</p>
Terms of Certificate	<p>Section 3. Terms of pioneer certificate</p> <p>(1) Without prejudice to subsection (3) of this section, every pioneer certificate shall</p>	<p>Section 171. Terms of economic development incentive certificate</p> <p>(1) Every economic development incentive certificate shall be in</p>	Retained	<p>More Structured and Predictable Approval Process: The Bill reduces discretionary powers of the President in varying</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>be in the terms of the application to which it relates:</p> <p>Provided that the President may make any variation in any such application.</p> <p>(2) A pioneer certificate may specify any permissible by-product which may be produced by the pioneer company in addition to the pioneer product and, if the President thinks fit, the pioneer certificate may limit the proportion of the permissible by-product in relation to the pioneer product, either in quantity or in value or both.</p> <p>(3) Where an application for the issue of a pioneer certificate made on behalf of a proposed company is approved by the President, it shall-</p> <p>(a) specify the period within which the company must be incorporated, not being later than four months after the date of notification of the approval to the applicants;</p> <p>(b) specify any other conditions to be endorsed on the pioneer certificate when it is issued.</p> <p>(4) Any pioneer certificate to be issued to</p>	<p>accordance with the terms and conditions stipulated in this part.</p> <p>(2) An economic development incentive certificate shall specify—</p> <p>(a) conditions of the certificate; and</p> <p>(b) any permissible by-product that may be produced by the company in addition to the priority product and the proportion of the permissible byproduct in relation to the priority product, either in quantity or in value or both.</p> <p>(3) Where an application for economic development incentive certificate for a proposed company has been approved, its promoters shall incorporate the company, not later than three months after the date of notification of the approval.</p> <p>(4) An economic development incentive certificate to be issued to a company to which subsection (3) of this section relates shall be issued only after the company has been incorporated</p>		<p>certificate terms and ensuring standardized conditions for all applications.</p> <p>Aligning Incentives with Actual Production: The proposed bill ties incentives to production day, ensuring companies start operations before enjoying tax benefits, unlike the current Act, which allowed benefits to start from incorporation.</p> <p>Faster Processing & Issuance Timelines: By setting a 30-day deadline for issuing certificates and reducing incorporation timelines to three months, the bill reduces delay and encourages efficiency.</p> <p>Merger and Acquisition: Prevents abuse of tax incentives by mergers, acquisitions, and asset transfers to ensure incentives remain</p>

		and the certificate shall be effective from the <i>company's production day</i> .		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>any company to which subsection (3) of this section relates shall be issued only after the company has been incorporated and the certificate shall be effective from a date, not earlier than the date on which the application for the pioneer certificate was submitted to the Minister or the date on which the company is so incorporated, whichever is the later, and the President may require that an undertaking shall be given by the company for the purpose of ensuring the due compliance by the company with any conditions endorsed on its pioneer certificate.</p> <p>(5) Notice of any condition, specified by the President under subsection (3) of this section, or of any undertaking required under subsection (4) of this section, shall be given by the Minister to the applicants concerned.</p> <p>(6) Notwithstanding anything contained in section 10 of this Act, in any case where a pioneer company-</p> <p>(a) has acquired or proposes to acquire assets from any company to which a pioneer certificate has been granted under the Aid to Pioneer Industries Act, the</p>	<p>(5) In the case of an existing company, the NIPC shall, not later than thirty days after the approval of the President, issue the certificate and communicate it to the applicant.</p> <p>(6) Notwithstanding anything contained in section 179 of this Act, where a company to which economic development incentive status has been issued—</p> <p>(a) acquires another company to which an economic development incentive certificate has been issued under this part or its equivalent under the Industrial Development (Income Tax Relief) Act, the incentive status of both companies shall cease on the expiry date indicated on the economic development incentive certificate of the subsisting company;</p> <p>(b) takes over the assets and business of any company which is not a company with an economic development incentive status, such acquisition of asset and business of that company shall be subject to sections 169 and 172 of this Act;</p>		<p>targeted at genuine economic development efforts. It closes the loopholes where companies might use restructuring schemes to extend tax benefits unfairly.</p>

	Industrial Development (Income Tax Relief) Act or this Act; or			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(b) has taken over or proposes to take over the whole assets of any other company which is not a pioneer company,</p> <p>the pioneer certificate may specify the maximum tax relief period, not exceeding five years, to be enjoyed by the pioneer company.</p>	<p>(c) is acquired by a company with no economic development incentive status, the economic development incentive status of the acquired company shall not be transferred to the acquiring company except as may be approved in accordance with sections 169 and 172 of this Act;</p> <p>(d) merges with one or more companies that have been issued economic development incentive certificate or its equivalent—</p> <p>(i) the incentive status of the merging companies shall cease on the date of the merger,</p> <p>(ii) the emerging company from the merger may apply for economic development incentive status, and</p> <p>(iii) the expiration date of the economic development incentive certificate to be granted under subsection (6)(d)(ii) of this subsection to the emerging company, shall not be longer than the later date on the economic development incentive certificate of the merging companies.</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Addition of product to certificate</p>	<p>Section 4. Amending of pioneer certificate by adding additional pioneer product</p> <p>(1) At any time during its tax relief period, a pioneer company may make an application in writing to the Minister for its pioneer certificate to be amended by the Council by adding any additional product to the pioneer product or products specified in the certificate.</p> <p>(2) Every such application shall specify the additional pioneer product and the reasons for the application and, subject as aforesaid, the provisions of subsections (3), (5) and (6) of section 2 of this Act shall apply in relation to an application made under section 1 of this Act.</p> <p>(3) Where an application under this section is approved by the President (with or without variations), it shall amend the pioneer certificate of the pioneer company in such terms and subject to such conditions as the President may think fit.</p>	<p>Section 172. Addition of product to the economic development incentive certificate</p> <p>(1) A priority company may, at any time during its incentive period, make an application in writing to the Executive Secretary of the NIPC for its economic development incentive certificate to be amended to add another product to the priority product or products specified in the certificate.</p> <p>(2) An application under this section shall specify the additional priority product and the reasons for the application and the provisions of sections 169 and 171 of this Act shall apply.</p> <p>(3) An economic development incentive certificate may be extended for an additional period of 5 years and no more, on the condition that the priority company invests 100% of its profits during the incentive period for expansion of the same product or products.</p>	<p>Retained</p>	<p>One-time extension based on 100% investment of profits in the priority product in respect of which the incentive relates.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Retroactive Application</p>	<p>Section 5. Provisions where pioneer certificate operates retrospectively</p> <p>(1) Subject to the provisions of section 6 of this Act, where a pioneer certificate is to be operative from a retrospective date, then any act or thing which has been done or which has happened for the purposes of the principal Act since that date, but which would not have been done or happened if the pioneer certificate had been in force at that date, shall, whenever necessary for the purposes of this Act and the principal Act, be treated as not having been done or not having happened, and if the act consists of the payment of any tax by a company certified to be a pioneer company, that tax shall, as soon as may be after the expiration of three months from the production day of that company, be repaid to the company by the Board.</p>	<p>Section 173. Application of economic development incentive certificate</p> <p>(1) Subject to the provision of section 174 of this Act, where an economic development incentive certificate is issued to a company and the provisions of chapter two of this Act has been applied on the company after the effective date of the certificate, appropriate adjustments shall be made to give effect to the provisions of this part.</p> <p>(2) No economic development incentive certificate under this Act shall be issued with a retroactive date.</p>	<p>Retained</p>	<p>Explicitly prohibits retroactive application of the economic development incentive certificate.</p>
<p>Production day and qualifying capital expenditure</p>	<p>Section 6. Certifying the date of production day and the amount of qualifying capital expenditure, etc.</p> <p>(1) Not later than one month after the material date, a pioneer company shall make an application in writing to the Director to certify the date of its production day and shall propose a date to be so</p>	<p>174. Production day and qualifying capital expenditure</p> <p>(1) A company issued an economic development incentive certificate shall, not later than one month after its production day, apply to the relevant authority to certify its production day.</p> <p>(2) The relevant authority shall within one month of certifying the production</p>	<p>174. Production day and qualifying capital expenditure</p> <p>(1) A company issued an economic development incentive certificate shall, not later than one month after its production day, apply to the Industrial Inspectorate Department of the Federal Ministry of Industry,</p>	<p>References Nigeria Tax Administration Act for appeals and objections.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>certified and give reason for proposing that date.</p> <p>(2) Not later than one month after the production day of a pioneer company has been finally determined and certified under this section, or within such extended time as the Board may allow, a pioneer company shall make an application in writing to the Board or certify the amount of the qualifying capital expenditure incurred by the pioneer company prior to production day and the company shall supply full particulars of the capital expenditure so incurred.</p> <p>(3) In determining the amount of qualifying capital expenditure incurred by a pioneer company prior to its production day, any sum derived directly or indirectly by that company from any disposal (made before that day) of any asset on which qualifying capital expenditure has been incurred shall be taken into account for the purpose of reducing the amount of the qualifying capital expenditure; but where the disposal of such asset is by way of bargain not made at arm's length or is to any person who is controlled by the pioneer company or who has control over the pioneer company, the asset shall be deemed to have been disposed of for an</p>	<p>day, notify the NIPC and the Service of the production day of the company.</p> <p>(3) Not later than one month after the production day of the company has been determined and certified under this section, or within such extended time as the Service may allow, the company shall make an application in writing to the Service to certify the amount of the qualifying capital expenditure incurred by the company prior to production day and the company shall supply full particulars of the capital expenditure so incurred.</p> <p>(4) In determining the amount of qualifying capital expenditure incurred by the company prior to its production day, any sum derived directly or indirectly by that company from disposal, made before the production day, of any asset on which qualifying capital expenditure has been incurred, shall be deducted from the amount of the qualifying capital expenditure.</p> <p>(5) Where the disposal of asset referred to in subsection (5) of this section is by way of a bargain not made at arm's length or to a connected person, the Service shall consider the</p>	<p>Trade and Investment, to certify its production day.</p> <p>(2) The Industrial Inspectorate Department shall within one month of certifying the production day, notify the NIPC and the Service of the production day of the company.</p> <p>(3) Not later than one month after the production day of the company has been determined and certified under this section, or within such extended time as the Service may allow, the company shall make an application in writing to the Service to certify the amount of the qualifying capital expenditure incurred by the company prior to production day and the company shall supply full particulars of the capital expenditure so incurred.</p> <p>(4) In determining the amount of qualifying capital expenditure incurred by the company prior to its production day, any sum derived directly or indirectly by that company from disposal, made before the production day, of any asset on which qualifying capital expenditure has been incurred, shall be deducted from the amount of the</p>	

	amount, which in the opinion of the Board, the asset would have	asset disposed of at its market value in a		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>fetched if sold in the open market at the date of the disposal, less the amount of any expenses which the company might reasonably be expected to incur if the asset were so sold.</p> <p>(4) After considering any application made under subsection (1) of this section, together with such further information as he may call for, the Director shall issue a certificate to the pioneer company certifying the date of its production day.</p> <p>(5) After considering any application made under subsection (2) of this section, together with such further information as it may call for, the Board shall issue a certificate to the pioneer company certifying the amount of qualifying capital expenditure incurred by the company prior to production day.</p> <p>(6) The provisions of Parts IX and X of the principal Act (which relate to objections and appeals) and of any rules made thereunder, shall apply, mutatis mutandis, to any certificate issued by the Director or the Board under this section, as if such certificate were a notice of assessment given under the said provisions of the principal Act.</p>	<p>comparable transaction conducted at arm's length.</p> <p>(6) The Service shall issue a certificate to the company certifying the amount of qualifying capital expenditure incurred by the company prior to production day.</p> <p>(7) The provisions of chapter two of Nigeria Tax Administration Act which relate to objections and appeals shall apply to any certificate issued by the Service under this section, as if such certificate were a notice of assessment given under the provisions of the Nigeria Tax Administration Act.</p> <p>(8) Where the amount of the qualifying capital expenditure incurred by the company prior to production day has been determined and certified by the Service, the Service shall notify the NIPC of the amount.</p> <p>(9) Where a certificate issued by the Service under subsection (6) of this section certifies that the company has on or before production day incurred qualifying capital expenditure lower than the amount specified in the Eleventh Schedule to this Act, the Service shall discountenance such economic development incentive certificate and notify the NIPC accordingly.</p>	<p>qualifying capital expenditure.</p> <p>(5) Where the disposal of asset referred to in subsection (4) of this section is by way of a bargain not made at arm's length or to a connected person, the Service shall consider the asset disposed of at its market value in a comparable transaction conducted at arm's length.</p> <p>(6) The Industrial Inspectorate Department shall issue a certificate within 14 days after inspection of the assets, to the company certifying the amount of qualifying capital expenditure incurred by the company prior to the production day and during the priority period.</p> <p>Provided that the Industrial Inspectorate Department may charge a non-refundable fee of 0.1% of the qualifying capital expenditure incurred or to be incurred, subject to a maximum of N5,000,000.00 and no further fee shall be payable to the Industrial Inspectorate Department in respect of the certification.</p>	

	(7) The Director shall notify the Minister			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>and the Board of the date of the production day of the pioneer company when the same has been finally determined and certified by the Director.</p> <p>(8) When the amount of the qualifying capital expenditure incurred by the pioneer company prior to production day has been finally determined and certified by the Board, the Board shall notify the Minister of that amount.</p> <p>(9) On the receipt of the notifications mentioned in subsections (7) and (8) of this section, the Minister shall require the pioneer company to declare within a period not exceeding thirty days in what respects the proposals and estimates made in its application for a pioneer certificate, or any conditions contained in its pioneer certificate, have not been fulfilled.</p> <p>(10) Where a certificate issued by the Director under subsection (4) of this section certifies that the date of the production day of a pioneer company is more than one year later than the estimate thereof given in the company's application for a pioneer certificate, the Minister shall report that fact to the President and the President shall cancel the pioneer certificate of that company unless he is</p>	<p>(10) For the purposes of this section, "production day" means in relation to a company—</p> <p>(a) providing services, the date in which the company is ready to provide such priority service on a commercial scale; and</p> <p>(b) engaged in manufacturing, processing, mining, agricultural or any other priority industry, the date in which the company begins to produce the priority product in commercial quantities.</p>	<p>(7) The provisions of chapter two of Nigeria Tax Administration Act which relate to objections and appeals shall apply to any certificate issued by the Service under this section, as if such certificate were a notice of assessment given under the provisions of the Nigeria Tax Administration Act.</p> <p>(8) Where the amount of the qualifying capital expenditure incurred by the company prior to production day has been determined and certified by the Service, the Service shall notify the NIPC of the amount.</p> <p>(9) Where a certificate issued by the Service under subsection (6) of this section certifies that the company has on or before production day incurred qualifying capital expenditure lower than the amount specified in the Eleventh Schedule to this Act, the Service shall discountenance such economic development incentive certificate and notify the NIPC accordingly.</p> <p>(10) For the purposes of this section, "production day" means in relation to a company—</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>satisfied that the delay is due to causes outside the control of the company or to other good and sufficient causes.</p> <p>(11) Where a certificate issued by the Board under subsection (5) of this section certifies that the pioneer company has on or before production day incurred qualifying capital expenditure of an amount which-</p> <p>(a) in the case of an indigenous-controlled company, is less than ₦50,000; or</p> <p>(b) in the case of any other company, is less than ₦150,000, the Commissioner shall report that fact to the President and the President shall cancel the pioneer certificate of the company.</p> <p>(12) For the purposes of subsection (1) of this section, "material date" means- (a) in relation to a pioneer company engaged in a pioneer industry consisting of the provision of services, the date on which the company is ready to provide such services on a commercial scale; and (b) in relation to a pioneer company engaged in a manufacturing, processing, mining, agricultural or any other pioneer industry, the date on which the company begins to produce a pioneer product in marketable quantities.</p>		<p>(a) providing services, the date in which the company is ready to provide such priority service on a commercial scale; and</p> <p>(b) engaged in manufacturing, processing, mining, agricultural or any other priority industry, the date in which the company begins to produce the priority product in commercial quantities.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Cancellation of Certificate	<p>Section 7. Cancellation of pioneer certificates</p> <p>(1) The Minister shall cancel a pioneer certificate upon the application of the pioneer company concerned.</p> <p>(2) Subject to the provision of this section and without prejudice to section 6 (10) and (11) of this Act, if the Minister is of the opinion that a pioneer company has contravened any provision of this Act or has failed to fulfill any estimate or proposal made in its application for a pioneer certificate or any conditions contained in its pioneer certificate, the Minister shall report the circumstances to the President who may either cancel the pioneer certificate of the company or restrict the tax relief of that company to such period as the President may, notwithstanding the provisions of section 10 of this Act, consider appropriate.</p> <p>(3) The effective date of cancellation of a pioneer certificate of a company shall be where the company has been in operation as a pioneer company for a period less than one year after the pioneer date, the pioneer date; and where the company has been in operation as a pioneer company for a period of not less than one year after the</p>	<p>175. Cancellation of economic development incentive certificate</p> <p>(1) The NIPC shall cancel an economic development incentive certificate— (a) on the application of the priority company concerned;</p> <p>(b) on the cessation of the priority business or the company being liquidated or wound up; or</p> <p>(c) where the priority company fails to commence production 12 months after the proposed production day.</p> <p>(2) The Minister may, on the recommendation of the NIPC, suspend the economic development incentive certificate and require the priority company to, not later than three months, remedy a non-compliance and furnish the details of compliance where—</p> <p>(a) any of the conditions for the grant of economic development incentive certificate was not met; or</p> <p>(b) the Minister is of the opinion that a priority company has contravened any provision of this part or has failed to fulfil any estimate or proposal made in its application for an economic development incentive</p>	<p>Retained</p>	<p>Introduces suspension before cancellation, allowing companies a chance to rectify issues instead of facing immediate penalties.</p> <p>Broader grounds for cancellation which cover liquidation, cessation of business, and failure to commence production after a year of the proposed production day.</p>

		certificate or any conditions contained in its certificate.		
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>pioneer date, the date of the last anniversary of the pioneer date, and in this subsection, "the pioneer date" means the date from which a pioneer certificate takes effect.</p> <p>(4) Where the pioneer certificate of a pioneer company is cancelled or the tax relief period of a company is restricted under subsection (2) of this section, the Minister shall give notice of the cancellation (specifying the effective date thereof) or of the restriction, to the pioneer company concerned.</p>	<p>(3) Where a priority company fails to remedy the non-compliance or furnish the details of the compliance within the time specified in subsection (2) of this section, the Minister shall, on the recommendation of the NIPC, recommend to the President, the cancellation of the economic development incentive certificate.</p> <p>(4) The President may, on the recommendation of the Minister, approve the cancellation of the economic development incentive certificate of the company, and any benefit that has accrued to the priority company from the economic development incentive status may be withdrawn.</p> <p>(5) The effective date of cancellation of an economic development incentive certificate of a priority company shall be where the—</p> <p>(a) company has operated for a period less than one year after the production day, the production day;</p> <p>(b) company has operated for a period more than one year after the production day, the date of the last anniversary of the production day; or</p>		

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(c) cancellation is as a result of failure to meet any of the conditions for the grant of economic development incentive certificate, the production day.</p> <p>(6) Where the economic development incentive certificate of a company is suspended or cancelled, or where benefits that accrued to the company is withdrawn, the NIPC shall give notice of the cancellation or withdrawal to the Service and the company concerned, specifying the effective date thereof.</p>		
Information	<p>Section 8. Information</p> <p>(1) When authorised to do so by the Minister, an officer of the Federal Ministry of Industry not below the rank of assistant secretary may require a pioneer company to give information in sufficient detail to his satisfaction-</p> <p>(a) as to the local production costs and factory prices of the products of the company;</p> <p>(b) in any appropriate case, as to the relative cost (including freight and insurance) of imported products equivalent or similar to the pioneer products produced by the company;</p> <p>(c) as to any other matter which the Minister may, in the case of that company,</p>	<p>176. Information</p> <p>The NIPC, Federal Ministry of Industry Trade and Investment or the Service may require a priority company to provide information on—</p> <p>(a) the local production costs and factory prices of the products of the company;</p> <p>(b) the relative cost, including freight and insurance, of imported products equivalent or similar to the priority products produced by the company; or (c) any other matter as may be required for the purposes of this part or any provision of this Act.</p>	Retained	<p>Granting the NIPC and Service permission to perform the Ministry's functions ensures that tax authorities and investment regulators have access to the necessary data to monitor and improve compliance.</p>

	reasonably require for the purposes of this Act.			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
<p>Publication of certificates</p>	<p>Section 9 – Publication of pioneer certificate (1) The Minister shall cause to be published in the <i>Gazette</i>- (a) the name of any company to which a pioneer certificate has been given and the pioneer industry or pioneer product to which the certificate relates: (b) the name of any company the pioneer certificate of which has been cancelled and the effective date of the cancellation; (c) any restriction of the tax relief period of a pioneer company. (2) Subject to the provisions of subsection (1) of this section, the contents of any application made, or of any pioneer certificate given, under this Act with respect to a pioneer company shall not, except at the instance of the company, be published in the <i>Gazette</i> or in any other manner.</p>	<p>Section 177 – Publication of economic development incentive certificate The NIPC shall cause to be published in the <i>Official Gazette</i>— (a) the name of any company to which an economic development incentive certificate has been issued and the priority sector or product to which the certificate relates; (b) the name of any company whose economic development incentive certificate has been cancelled and the effective date of the cancellation; and (c) any restriction of the incentive period of a company granted an economic development incentive status.</p>	<p>Retained</p>	

<p>Economic Development Credit</p>	<p>Tax</p> <p>N/A</p>	<p>Section 178. Economic development tax credit (1) The tax payable on the profits of a priority product or service in any year of assessment during the priority period of a company, computed in accordance with the provisions of chapter two of this Act, shall constitute economic development tax credit for the company.</p>	<p>Section 178. Economic development tax credit (1) The economic development tax credit at the rate of 5% per annum for a period of 5 years shall apply to each eligible Qualifying Capital Expenditure acquired within 5 years effective from the production date. (2) Subject to section 57 of this Act, the economic development tax</p>	<p>Introduction of tax credits for companies enjoying EDI.</p> <p>The credit assumes that the income otherwise payable is being offset with the EDI credit.</p>
---	------------------------------	---	--	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>(2) Subject to section 57 of this Act, the economic development tax credit may be utilised to offset the tax payable of any year of assessment during the priority period, except the additional tax payable under that section.</p> <p>(3) A company having unutilised tax credit after the end of the priority period, may within 5 years thereafter carry forward such unutilised tax credit not exceeding the amount of tax paid, if any, during the priority period under the provisions of chapter two of this Act, and any amount remaining unutilised shall lapse.</p>	<p>credit may be utilised to offset the tax payable of any year of assessment during the priority period, except the additional tax payable under that section.</p> <p>(3) A company having unutilised tax credit or eligible QCE on which 5% per annum tax credit is yet to be claimed for 5 years, after the end of the priority period, may within 5 years thereafter carry forward such unutilised tax credit and any amount remaining unutilised shall lapse.</p>	<p>The credit cannot be used to offset additional tax payable under the ETR regime.</p> <p>Allows companies to carry forward unused tax credits for up to 5 years.</p>

<p>Economic Development Incentive Period</p>	<p>Section 10. Tax relief period</p> <p>(1) The tax relief period of a pioneer company shall commence on the date of the production day of the company, and subject to sections 3 (6) and of 7 (2) of this Act, the tax relief period shall continue for three years.</p> <p>(2) The tax relief period of a pioneer company may at the end of the three years be extended by the President-</p> <p>(a) for a period of one year and thereafter for another period of one year commencing from the end of the first period of</p>	<p>Section 179. Economic development incentive period</p> <p>The incentive period of a priority company shall commence on the production day of the company, and subject to sections 171, 172 and 175 of this Act, shall be for a period of five years.</p>	<p>Retained</p>	<p>Extends the incentive period from 3 years (with a possible 2-year extensions) to a 5 years, renewable for another 5 years upon fulfilling the condition in S. 172.</p>
---	---	--	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>extension; or (b) for one period of two years.</p> <p>(3) The President shall not extend the tax relief period of a pioneer company in exercise of the power conferred under subsection (2) of this section unless the President is satisfied as to-</p> <p>a. the rate of expansion, standard of efficiency and the level of development of the company;</p> <p>b. the implementation of any scheme-</p> <p>(i) for the utilisation of local raw materials in the processes of the company; and (ii) for the training and development of Nigerian personnel in the relevant industry; c. the relative importance of the industry in the economy of the country;</p> <p>d. the need for the extension, having regard to the location of the industry; and e. such other relevant matters as may be required.</p> <p>(4) A pioneer company wishing to obtain a certificate for the purposes of subsection (2) of this section shall make an application in writing to the Board not later than one month after the expiration of its initial tax relief period of three years or of any extension thereof, and such application shall contain particulars of all capital expenditure incurred by the company by</p>			

	the requisite date which the company claims should be accepted as qualifying			
--	--	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>capital expenditure.</p> <p>(5) The Board shall, after considering any application made under subsection (4) of this section together with such information as it may call for, issue a certificate to the company certifying the amount of the qualifying capital expenditure incurred by the company by the requisite date; and section 6 (3) of this Act shall apply for the purposes of determining the amount of the qualifying capital expenditure incurred by the requisite date as it applies for the purposes of determining the amount of qualifying capital expenditure incurred prior to a production day as if for the reference in that subsection to the words "prior to its production day" there were substituted a reference to the words "by the requisite date".</p> <p>(6) Where the Board is satisfied that a pioneer company has incurred a loss in any accounting period falling within a tax relief period specified in the provisions of subsections (1) and (2) of this section, it shall issue a certificate to the company accordingly.</p> <p>(7) The provisions of Parts IX and X of the principal Act (which relate to objections</p>			

	and appeals) and of any rule made thereunder shall apply, mutatis mutandis,			
--	---	--	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>to any certificate given by the Board under the provisions of this section, or any notice of refusal to give a certificate under this section, as if the certificate or the notice of refusal were a notice of assessment given under the said provisions of the principal Act.</p> <p>(8) In this section "the requisite date" means the date when a tax relief period expires.</p>			
<p>Books and records for priority products</p>	<p>N/A</p>	<p>Section 180. Books and records for priority products</p> <p>(1) Where a priority company carries on a non-priority business, the company shall maintain separate records of income and books of account for each business.</p> <p>(2) The records of each business certified by an auditor, shall be sufficient to enable the determination of the turnover, income or profits of each class of business.</p> <p>(3) Where, in the opinion of the Service, the company has not complied with the provision of this section, all the income of the company shall be deemed nonpriority and economic development tax credit shall not be granted.</p>	<p>Retained</p>	<p>Segregation of Business Activities and records for priority and non-priority businesses helps to prevent revenue leakage and ensures that only eligible income benefits from tax incentives.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Returns of profits	<p>Section 15. Returns of profits</p> <p>The provisions of Part VIII of the principal Act shall apply in all respects to the profits of a pioneer company from its old trade or business as if those profits were chargeable to tax under that Act.</p>	<p>Section 181. Returns of profits</p> <p>(1) All the relevant provisions of chapter two of this Act and the Nigeria Tax Administration Act, including the filing of returns, shall apply to a company granted economic development incentive status during the priority period.</p> <p>(2) The company shall provide evidence of compliance with the minimum qualifying criteria specified in sections 168 and 169, and the Eleventh Schedule to this Act, accompanied with the annual income tax returns.</p>	Retained	Reinforces the compliance obligation for companies with economic development incentive to file tax returns during the priority period.

<p>Cancellation of economic development credit</p>	<p>Section 17(6). Exemption of certain dividends from income tax (6) Notwithstanding the provisions of section 16 of this Act and of this section, where it disappears to the relevant tax authority that any amount of exempted profits of a pioneer company, or any dividend exempted in the hands of a shareholder, ought not to have been exempted by reason of-</p> <p>(a) a direction under section 13 of this Act having been made with respect to a pioneer company, after any profit of that company has been exempted under the provisions of section 16 of this Act; or (b) the cancellation of a pioneer certificate,</p>	<p>Section 182. Cancellation or discountenance of economic development tax credit (1) The Service may, not later than six years after the cancellation of an economic development incentive certificate, withdraw or discountenance an economic development tax credit granted under this part, except in the case of fraud where there is no limit to the time for the withdrawal of the economic development tax credit. (2) Where an economic development tax credit is withdrawn or discountenanced under subsection (1)</p>	<p>Retained</p>	<p>Ensures that tax credits are granted only to companies that continue to meet eligibility criteria to prevent abuse. Maintains the six-year timeframe post-cancellation within which the tax authorities may raise additional assessments in order to recover any losses as a result of undue benefits. Introduces an indefinite period within which these assessments can be</p>
---	---	---	------------------------	---

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>the relevant tax authority may at any time within six years of the direction or cancellation make such additional assessment upon the pioneer company or shareholder as may appear to the relevant tax authority necessary in order to counteract any benefit obtained from the amount which ought not to have been exempted.</p>	<p>of this section, the Service shall, within the time prescribed under the Nigeria Tax Administration Act, issue notice of additional assessment to the company.</p>		<p>raised in the case of fraud.</p>

Provisions for Plantation Industry	Section 20. Provisions for Plantation Industry For the purposes of the principal Act and this Act, the trade of a company which operates a plantation and to which a pioneer certificate has been granted shall be deemed to have commenced on the date when planting first reaches maturity, and any expenditure incurred on the maintenance of a planted area up to that date shall be deemed to have brought into existence an asset, and the expenditure shall be qualifying plantation expenditure for the purposes of the Second Schedule to the principal Act.	Section 183. Provisions for Plantation Industry (1) For the purposes of chapter two of this Act, the trade of a company which operates a plantation to which an economic development incentive certificate has been issued shall be deemed to have commenced on the date when the planting first reaches commercial production. (2) Expenditure incurred on the maintenance of a planted area up to the date specified in subsection (1) of this section is deemed to have brought an asset into existence, and the expenditure shall be qualifying plantation expenditure on the date the business commenced, for the purposes of part I of the First Schedule to this Act.	Retained	Rephrasing by changing the term ‘maturity’ to ‘commercial production’ ensures that companies can claim incentives once they start generating income.
Exclusion from other reliefs and transition arrangements	N/A	Section 184. Exclusion from other reliefs and transition arrangements (1) Any company granted economic	Retained	Prevention of Double Tax Benefits: Ensures fairness in tax administration and prevents tax revenue

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		<p>development tax credit, shall not benefit from a similar tax incentive under this Act or any other law.</p> <p>(2) Any company granted an incentive under the Industrial Development (Income Tax Relief) Act shall continue to enjoy the reliefs applicable under the Act for the unexpired period as at the commencement of this Act.</p> <p>(3) Where a company has been granted an economic development incentive under this Act prior to the applicable sunset for the sector or activity, the company shall continue to enjoy the reliefs applicable under this chapter for the unexpired period as specified under sections 178 and 179 of this Act.</p>		<p>losses due to overlapping incentives.</p> <p>To continue existing incentives: Provides legal certainty and protects businesses that made investment decisions based on prior incentive frameworks.</p> <p>Ensures a smooth transition from old to new incentive regimes while maintaining fiscal discipline and preventing abuse of multiple tax reliefs.</p>

<p>Interpretation</p>		<p>185. Interpretation “Minister” in this part means Minister charged with the responsibility for industry, trade and investment. “Sunset’ in the context of the eleventh schedule to this part means the period counting from the date of enactment of this Act after which a sector, industry or activity shall cease to be eligible for the economic development incentive subject to subsection 184(3) of this Act</p>	<p>185. Interpretation “Minister” in this part means Minister charged with the responsibility for Industry, Trade and Investment. “Relevant authority” in this part means the Industrial Inspectorate Department of the Federal Ministry of Industry, Trade and Investment. “Sunset’ in the context of the eleventh schedule to this part means the period counting from the date of</p>	
------------------------------	--	---	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
			<p>commencement of this Act after which a sector, industry or activity shall cease to be eligible for the economic development incentive subject to subsection 184(3) of this Act.</p>	
<p>Exemption</p>	<p>Schedule – General Exemptions from all Stamp Duties</p> <p>(1) Transfer of shares in the Government or legislative stocks or funds of Nigeria.</p> <p>(2) Instruments for the sale, transfer or other disposition, either absolutely, or by way of mortgage, of otherwise, of any ship or vessel or any part, interest, share or property of or in any ship or vessel.</p> <p>(3) All instruments on which the duty would be payable by Government.</p> <p>(4) All instruments on which the duty would be payable locally by Government in Nigeria or any of the departments thereof.</p> <p>(5) Agreements made with the Nigerian Railway Corporation relating to the receipt and carriage of passengers, goods or animals.</p>	<p>Section 186 – Exemption from Stamp Duties</p> <p>The following instruments shall be exempted from stamp duties under chapter five of this Act—</p> <p>(a) transfer of shares in Government or legislative stocks or funds of Nigeria;</p> <p>(b) any instrument for sale, transfer or other disposition, either absolutely or by way of mortgage, or otherwise, of any ship or vessel or any part, interest, share or property of or in any ship or vessel;</p> <p>(c) any instrument on which the duty would be payable by a Nigerian Government or any of its ministries, departments or agencies;</p>	<p>Section 186 – Exemption from Stamp Duties</p> <p>The following instruments shall be exempted from stamp duties under chapter five of this Act—</p> <p>(a) transfer of shares in Government or legislative stocks or funds of Nigeria;</p> <p>(b) any instrument for sale, transfer or other disposition, either absolutely or by way of mortgage, or otherwise, of any ship or vessel or any part, interest, share or property of or in any ship or vessel;</p> <p>(c) any instrument on which the duty would be payable by a Nigerian Government or any of its ministries, departments or agencies;</p>	<p>Removal of archaic exemptions</p> <p>Expanding the exemption of government to include MDAs.</p> <p>Documents relating to share transfer removed from the exemption list.</p>

		(d) any instrument in which the duty would be payable by any consular officer arising out of his official	(d) any instrument in which the duty would be payable by any consular	
--	--	---	---	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>(6) Indemnity bonds given to the Nigerian Railway Corporation by consignees (when the railway receipt is not produced) in respect of the delivery of consignments of fresh fish, fruit and vegetables, and other perishable articles.</p> <p>(7) An instrument of apprenticeship to which the Government is a party.</p> <p>(8) Bond given by public officer for the execution of his duties.</p> <p>(9) All instruments in which the duty would be payable by any consular officer arising out of his official functions where the foreign government he represents grants the like exemption to Nigerian consular officers.</p> <p>(10) Instruments relating to the alienation of land or any interest therein which are approved by local authorities of the Southern States of Nigeria in accordance with rules made by them under the Local Government Laws.</p> <p>(11) All instruments relating to the alienation of land or any interest therein which are approved by any local government council under any by-law made under either the Eastern States Local</p>	<p>functions provided the foreign government he represents grants similar exemption to Nigerian consular officers;</p> <p>(e) any instrument executed by or on behalf of a co-operative society registered under any Act or law;</p> <p>(f) shares, stocks or securities transferred by a lender to its approved agent or a borrower in furtherance of a Regulated Securities Lending Transaction;</p> <p>(g) shares, stocks or securities returned to a lender or its approved agent by a borrower in pursuant of a Regulated Securities Lending Transaction; or</p> <p>(h) electronic transfer or electronic receipts of money of a sum below N10,000.00 or its equivalent in other currencies, transfers for salary payment and intra-bank self transfers.</p>	<p>officer arising out of his official functions provided the foreign government he represents grants similar exemption to Nigerian consular officers;</p> <p>(e) any instrument executed by or on behalf of a co-operative society registered under any Act or law;</p> <p>(f) shares, stocks or securities transferred by a lender to its approved agent or a borrower in furtherance of a Regulated Securities Lending Transaction;</p> <p>(g) shares, stocks or securities returned to a lender or its approved agent by a borrower in pursuant of a Regulated Securities Lending Transaction; or</p> <p>(h) All documents relating to the transfer of stocks and shares.</p> <p>(i) electronic transfer or electronic receipts of money of a sum below N10,000.00 or its equivalent in other currencies, transfers for salary payment and intra-bank self-transfers.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Government Laws or the Western States Local Government Laws, 1953.</p> <p>(12) All instruments regarding which the Government of the Federation is competent to make laws executed by or on behalf of any co-operative society registered under any Act or law or by any officer or member of such a society relating to the business of such society.</p> <p>(13) All documents relating to the transfer of stocks and shares.</p> <p>(14) Shares, stocks or securities transferred by a lender to its approved agent or a borrower in furtherance of a Regulated Securities Lending Transaction.</p> <p>(15) Shares, stocks or securities returned to a lender or its approved agent by a borrower in pursuant to a Regulated Securities Lending Transaction.</p> <p>(16) All documents relating to a regulated securities lending transaction carried out under regulations issued by the Securities and Exchange Commission.</p>			

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
Exempt / Zero-rated Supplies	<p>Section 3 & First Schedule</p> <p>Section 3</p> <p>There shall be exempt from the tax the goods and services listed in the First Schedule to this Act.</p> <p>First Schedule</p> <p>Goods Exempt</p> <ol style="list-style-type: none"> 1. All medical and pharmaceutical products. 2. Basic food items. 3. Books and educational materials. 4. Baby products. 5. Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment. 6. All exports. 7. Plant, machinery and goods imported for use in the export processing zone or free trade zone: 	<p>Sections 187 – Exempt supplies</p> <p>(1) The following supplies are exempt from the VAT imposed under chapter six of this Act—</p> <ol style="list-style-type: none"> (a) oil and gas exports; (b) crude petroleum oil and feed gas for all processed gas; (c) goods purchased for use in humanitarian donor funded projects; (d) baby products; (e) locally manufactured sanitary towels, pads or tampons; (f) military hardware, arms, ammunitions and locally manufactured uniforms supplied to armed forces, para-military and other security agencies of a Nigerian government; (g) shared passenger road-transport service; (h) purchase, hire, rental or lease of tractors, ploughs and other equipment used for agricultural purposes provided that the person engaged in agricultural business shall first pay the VAT and request a refund from the Service. (i) supplies consumed by an approved entity in the export processing or free trade zones, provided that the supplies are consumed on its approved activity; (j) goods or services supplied to a diplomatic mission, diplomat or person 	<p>Section 187 – Exempt supplies</p> <p>(1) The following supplies are exempt from the VAT imposed under chapter six of this Act— (a) oil and gas exports;</p> <p>(b) crude petroleum oil and feed gas for all processed gas;</p> <p>(c) goods purchased for use in humanitarian donor funded projects;</p> <p>(d) baby products;</p> <p>(e) locally manufactured sanitary towels, pads or tampons;</p> <p>(f) military hardware, software, arms, ammunitions and locally manufactured uniforms supplied to armed forces, para-military and other security agencies of a Nigerian government;</p> <p>(g) shared passenger road-transport service;</p> <p>(h) purchase, hire, rental or lease of tractors, ploughs and other equipment used for agricultural purposes.</p> <p>(i) supplies consumed by an approved entity in the export processing or free trade zones, provided that the supplies are consumed on its approved activity;</p>	<p>Formerly exempt supplies are now reclassified as zero-rated. This allows businesses to claim input VAT on these items.</p> <p>Government licences, shared passenger transport, and military supplies have been introduced as VAT exempt.</p>

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>Provided that 100 percent production of such company is for export otherwise tax shall accrue proportionately on the profits of the company.</p> <p>8. Plant, machinery and equipment purchased for utilisation of gas in downstream petroleum operations.</p> <p>9. Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.</p> <p>10. Locally manufactured sanitary towels, pads or tampons.</p> <p>11. Commercial aircrafts, commercial aircraft engines, commercial aircraft spare parts.</p> <p>Services Exempt</p> <p>1. Medical services.</p> <p>2. Services rendered by microfinance banks, people's banks and mortgage Institutions.</p> <p>3. Plays and performances conducted by educational institutions as part of learning.</p> <p>4. All exported services.</p> <p>5. Tuition relating to nursery, primary, secondary and tertiary education.</p>	<p>recognised under the Diplomatic Immunities and Privileges Act whose activity is in public interest, and not for profit;</p> <p>(k) plays and performances conducted by educational institutions as part of learning;</p> <p>(l) land or building including interest in land or building; and</p> <p>(m) money or securities including interest in money or securities; (n) Government licences.</p> <p>(2) Notwithstanding the provisions of chapter six of this Act, VAT shall not be collected on the items specified in paragraph 1 of the Twelfth Schedule to this Act except where the Minister by an order, published in the Official Gazette, specifies the date of collection of VAT on the items listed in the Order.</p>	<p>(j) goods or services supplied to a diplomatic mission, diplomat or person recognised under the Diplomatic Immunities and Privileges Act whose activity is in public interest, and not for profit;</p> <p>(k) plays and performances conducted by educational institutions as part of learning; (l) land or building including interest in land or building; and</p> <p>(m) money, stakes or securities including interest in money or securities;</p> <p>(n) Government licences.</p> <p>(2) Notwithstanding the provisions of chapter six of this Act, VAT shall not be collected on the items specified in paragraph 1 of the Twelfth Schedule to this Act except where the Minister by an order, published in the Official Gazette, specifies the date of collection of VAT on the items listed in the Order.</p>	

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
	<p>6. Airline transportation tickets issued and sold by commercial airlines registered in Nigeria.</p> <p>7. Hire, rental or lease of tractors, ploughs and other agricultural equipment for agricultural purposes.</p>			
Zero-rated items	<p>First Schedule</p> <p><i>Zero-Rated Goods and Services</i></p> <p>1. Non-oil exports.</p> <p>2. Goods and services purchased by diplomats.</p> <p>3. Goods purchased for use in humanitarian donor funded projects.</p> <p>“humanitarian donor funded projects” includes projects undertaken by NonGovernmental Organisations and religious and social clubs or societies recognised by law whose activity is not for profit and in the public interest.</p>	<p>Section 188 – Taxable supplies chargeable at zero percent</p> <p>(1) Subject to paragraph 2 of the Twelfth Schedule to this Act, the following taxable supplies are charged to VAT at the rate of zero percent—</p> <p>(a) basic food items;</p> <p>(b) all medical and pharmaceutical products including medicinal herbal products;</p> <p>(c) educational books and materials;</p> <p>(d) fertilizers;</p> <p>(e) locally produced agricultural chemicals;</p> <p>(f) locally produced veterinary medicine;</p> <p>(g) locally produced animal feeds;</p> <p>(h) agricultural seeds and seedlings;</p> <p>(i) Electricity generated by generation companies (GENCOs) and</p>	<p>Section 188 – Taxable supplies chargeable at zero percent</p> <p>(1) Subject to paragraph 2 of the Twelfth Schedule to this Act, the following taxable supplies are charged to VAT at the rate of zero percent—</p> <p>(a) basic food items;</p> <p>(b) all medical and pharmaceutical products including medicinal herbal products;</p> <p>(c) educational books and materials;</p> <p>(d) fertilizers;</p> <p>(e) locally produced agricultural chemicals;</p> <p>(f) locally produced veterinary medicine;</p> <p>(g) locally produced animal feeds; (h) live cattle, goats, sheep and poultry</p> <p>(i) agricultural seeds and seedlings;</p>	

		supplied to National Grid or Nigeria Bulk Electricity Trading Company (NBET);	(j) Electricity generated by generation companies (GENCOs) and	
--	--	---	--	--

Item	Current Section of the Law	Proposed Amendments under NTB	Committee's Recommendations	Justification / Comments
		(j) Electricity transmitted by Transmission Company of Nigeria (TCN) to Electricity Distribution Companies (DISCOs); (k) medical services; (l) tuition relating to nursery, primary, secondary or tertiary education; (m) exported goods excluding oil and gas; (n) exported services; (o) exported incorporeal property; and (p) medical equipment.	supplied to National Grid or Nigeria Bulk Electricity Trading Company (NBET); (k) Electricity transmitted by Transmission Company of Nigeria (TCN) to Electricity Distribution Companies (DISCOs); (l) medical services; (m) tuition relating to nursery, primary, secondary or tertiary education; (n) exported goods excluding oil and gas; (o) exported services; (p) exported incorporeal property; and (q) medical equipment.	
Exemption by the President	N/A	Section 189 – Exemption by Order of the President Where, a government or an agency of a government in Nigeria has entered into an agreement with the government of another country or a donor agency for the provision of developmental financing for any project in Nigeria, and such agreement provides for the exemption of supplies made under the project from VAT, the President may, by an order published in the Official Gazette, give effect to the exemption.	Retained	

--	--	--	--	--

Section 190 – Interpretation

For the purposes of this part and chapter six of this Act —

<p>“Agricultural seeds and seedlings”</p>	<p>refer to seeds and seedlings for the cultivation of agricultural plants and crops;</p>
<p>“Baby Products”</p>	<p>means products made for the use of babies from birth to 3 years of age and described below—</p> <ul style="list-style-type: none"> (a) baby activity and entertainment products e.g. baby safety car and home accessories, high chairs, cots/bassinets/baskets/cribs etc. along with parts and accessories; (b) baby bathtub, sponges, towels etc., baby grooming kit, baby creams, powders, lotions etc.; (c) baby carriage and parts e.g. carriers/slides/bouncers/swing/rockers etc, along with parts and accessories; (d) baby garments and clothing of any material; (e) feeding products e.g. feeding bottle, feeding bottle warmers and related accessories; (f) plates, spoons, cups, sippy cups etc., breast pumps and accessories, nursing and feeding pillows etc.; (g) sanitary wares e.g. diapers, wipes and related products, diaper bags, potty and toilet training devices, baby mattress waterproof cover, baby toiletries, changing table and mat; and (h) others e.g. baby monitors along with parts and accessories

<p>“Basic Food Items”</p>	<p>means an agriculture-based or aquatic-based staple food including— (a) locally produced table honey;</p> <p>(b) white bread and brown bread;</p> <p>(c) cereals including maize, rice, wheat, millet, barley, sorghum, oats, fonio and finer millet, in the form of grain, flour, crop, whether raw or semiprocessed, whether in bulk or retail;</p> <p>(d) cooking oils including, vegetable oil, soya oil, palm oil, groundnut oil, shea butter, beniseed oil, olive oil, coconut oil; provided that they are of a type and grade suitable for culinary purposes, and do not contain any substance such as, fragrance, which will make them unsuitable for culinary use;</p> <p>(e) culinary herbs including, curry, thyme, onions, ginger, mint, whether raw or processed; (f) fish of all kinds other than ornamental, whether live, fresh, frozen, smoked or dried;</p> <p>(g) flour and starch including, corn flour, plantain flour, cassava flour, beans flour, wheat flour, rice flour, yam flour, cassava flakes (garri), whether bleached or unbleached, refined or unrefined; provided that it is suitable for culinary purposes;</p> <p>(h) fruits including, pineapples, oranges, mangoes, guavas, grape fruit, banana, pawpaw, etc., whether fresh or dried;</p> <p>(i) live or raw meat from cow, goat, lamb, pig, poultry, whether butchered or in parts, fresh or frozen, and including poultry eggs; (j) milk, whether fresh or processed into liquid or powdered form;</p> <p>(k) nuts for human consumption such as, groundnut, walnut, cashew nut, hazelnut, kolanut, tigernuts, coconut, etc., whether raw, roasted, dried, fried, boiled or seasoned, cracked or in the shells;</p>
	<p>(l) pulses for human consumption including, beans, lentils, peas, chickpeas, tamarind, etc., whether raw, roasted, fried, boiled, salted or in their shells;</p> <p>(m) tubers (roots) of yam, cocoyam, potatoes, water-yam, cassava, etc. whether in raw form, flakes or flour for human consumption;</p> <p>(n) salt for only culinary use, means fine salt and salt in retail packs, and excludes industrial salt;</p> <p>(o) vegetables including pepper, melon, lettuce, okra, cabbage, carrot, etc., whether fresh, dried or ground;</p> <p>(p) water means natural water and table water, including spring water, rain water, pipe borne water or well water excluding— i. sparkling or flavoured water,</p> <p>ii. water sold in restaurants, hotels, eateries, lounges, cafes, canteens and other similar settings, and iii. water sold by contractors, caterers or similar persons</p>
<p>“Educational Books”</p>	<p>means physical or electronic books used to implement instruction and facilitate learning in educational institutions providing pre-primary, primary, secondary, tertiary, special, adult, vocational, technical science or religious education, including booklets, brochures, pamphlets and leaflets; newspapers, journals and periodicals, children’s books, picture and painting books, music (printed, duplicated or manuscript), maps, charts and topographical plans, covers, cases and other articles supplied together with the books;</p>

“Educational Materials”	means materials used for instructional purposes, for active learning, assessment and administration, including physical or electronic materials used to implement instruction and facilitate learning in educational institutions providing pre-primary, primary, secondary, tertiary, special, adult, vocational, technical science, or religious education;
“Equipment”	refers to tools, which may be devices, machines or specialised industrial vehicles that assist a person in achieving an action beyond the normal capabilities of a human;
“exported goods”	means goods produced or procured for commercial purposes by a person in Nigeria and supplied to a person outside Nigeria;
“Farming Machinery and implements and farming transportation Equipment”	means equipment used exclusively for farming or for any other agricultural production including tractors, ploughs, harrows, ridgers, harvesters, and equipment of the same kind;
“Fertilisers”	means all fertilisers for agricultural purposes;
“humanitarian donor funded projects”	includes projects undertaken by Non-Governmental Organisations and religious and social clubs or societies recognised by law whose activity is not for profit and in the public interest;
“Locally produced agricultural or veterinary medicines”	means- (i) (a) drugs and vaccines produced in Nigeria for the treatment of animals, fish and plants including veterinary pharmaceuticals in various prescription presentations; veterinary nutraceuticals in various prescription presentations; veterinary biological vaccines, anti-sera, plasma, bacterins, hormones, toxoids, etc.; veterinary biosecurity e.g. disinfectants, antiseptics, feed sanitizers and water sanitizers; (ii) (b) drugs and vaccines produced in Nigeria for treatment of fishes including dietary supplements for fishes including feed grade amino acids as single biochemical e.g. lysine, methionine, tryptophan; feed grade minerals as single entity; feed grade vitamins as single entity; feed grade
	enzymes; feed grade inorganic compounds as single entity e.g. calcium phosphate, vaccines for fishes including killed vaccines; attenuated vaccines; deoxyribonucleic vaccines; acid (DNA) vaccines; recombinant vector vaccines; subunit vaccines; genetically modified vaccines; synthetic peptide vaccines; (iii) (c) drugs and vaccines produced in Nigeria for treatment of plants such as chemical crop protection products commonly referred as pesticides or agro-chemical including insecticides; rodenticides; fungicides; herbicides; anti-sprouting products and similar products;
"Locally produced animal feeds"	means feeds for poultry, cattle, fish, etc.;
“Machinery”	refers to a mechanical device or the parts that operate together to perform a single task, including the accessories necessary to the working of a machine;

“Medical Equipment”	refers to devices requiring calibration, maintenance, repair, user-training and decommissioning, medical equipment used for the specific purposes of diagnosis and treatment of disease or rehabilitation following disease or injury, used either alone or in combination with any accessory, consumable or other piece of medical equipment, including veterinary equipment and devices, excluding cosmetology or fitness devices and other similar devices;
“Medical Products”	refer to articles, instruments, apparatus, machine or software used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting or modifying the structure or function of the body for some health purpose which include implantable, disposable or single-use medical devices but excludes cosmetology or fitness devices and other similar devices;
“Medical services”	means healthcare services for both humans or animals, rendered by a qualified health practitioner, excluding cosmetology, spa, gymnasium or similar services;
“Pharmaceutical products”	refer to components or finished products of both modern and traditional medicine intended for human use in the diagnosis, cure, mitigation, or treatment of disease or injury, and prevention of disease provided such products are approved by the relevant regulatory authority;
“Plant”	refers to an assemblage of fixtures, tools, machinery, and apparatus which are necessary to carry on a trade or industrial business, including land, buildings, specialised structures, and equipment purchased off a shelf as a whole or an accumulation of parts which form a plant following a process of construction, installation, assemblage and transformed into a state for usage at the site of business;
“Purchase”	means to obtain, acquire or take possession of a given asset, property, item or right by paying money or money’s worth;
“utilisation of gas in downstream petroleum operations”	refers to the marketing and distribution of natural gas for commercial purposes, and includes its use in power generation, liquefied natural gas production, gas to liquid production or fertiliser plants, and gas distribution pipelines;
"Shared passenger roadtransport service”	means passenger road-transport service which is available for use by the general public excluding leased, hired or rented motor vehicles, transportation apparatus for business or private use, car or ride hailing;
“Stake”	means amount wagered on a game.
“Water”	refers to natural water and table water i.e. spring water, rain water, pipe borne water, well water and all-natural water of the same kind, all table water other than sparkling or flavoured water; except water sold—
	(a) in restaurants, hotels, eateries, lounges, cafes, canteens and other similar settings; and (b) by contractors, caterers and other similar vendors

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
Business Restructuring	<p>Section 29 – Basis for computing assessable profits</p> <p>Subsections (9) - (12)</p> <p>(9) Where a trade or business carried on by a company is sold or transferred to a Nigerian company for the purposes of better organisation of that trade or business or the transfer of its management to Nigeria and any asset employed in such trade or business is sold or transferred, if the Service is satisfied that one company has control over the other or that both are controlled by some other person or are members of a recognised group of companies and have been so for a consecutive period of at least 365 days prior to the date of reorganisation, the Service may in its discretion direct that-</p> <p>(a) the provisions of subsections (3) and (4) of this section shall not apply to such trade or business; and</p> <p>(b) for the purposes of the Second Schedule to this Act, each such asset shall be deemed</p>	<p>Section 191 – Business Restructuring</p> <p>(1) The following rules shall apply in the event of restructuring of trades or businesses—</p> <p>(a) in the case of a merger of two or more trades or businesses—</p> <p>(i) a new trade or business shall not be deemed to have commenced because of the merger, and the provisions of this Act as they relate to cessation of trade or business shall not apply to the trade or business that ceased because of the merger,</p> <p>(iii) assets of the merging trades or businesses shall be deemed to have been transferred at the residue of the qualifying capital expenditure on the day following the merger,</p> <p>(iv) the provisions of the First Schedule to this Act shall apply on the remaining useful life of the asset transferred because of the merger,</p>	<p>Retained</p>	<p>Updated provisions for business restructuring.</p> <p>No more 365-day rule to enjoy incentives in a restructuring.</p>

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
------	--------------------	---------------------	-----------------------------	---------------

	<p>to have been sold for, an amount equal to the residue of the qualifying expenditure thereon on the day following such sale or transfer; and</p> <p>(c) the company acquiring each such asset shall not be entitled to any initial allowance with respect to that asset under the said Schedule and any allowances deemed to have been received by the vendor company under the provisions of this paragraph: Provided that the Service in its discretion-</p> <p>(i) may require either company directly affected by any such direction which is under consideration by the Service to guarantee or give security, to the satisfaction of the Service, for payment in full of all tax due or to become due by the company selling or transferring such trade or business; and</p> <p>(ii) may impose such conditions as it sees fit on either or both the companies directly affected, and in the event of failure by either company to carry out or fulfill such guarantee or conditions, the Service may revoke the direction and make all such additional assessments or repayments of tax as may be necessary so as to give effect to such revocation; and for the purposes of this subsection, reference to a trade or business shall include references to any part thereof: Provided also that if the acquiring company were to make a</p>	<p>(v) unutilised capital allowance on the assets transferred shall be available for the use of the new or surviving trade or business,</p> <p>(vi) unabsorbed losses of the merging entities shall be available to the surviving trade or business provided that such losses were incurred by the merged trade or business, and</p> <p>(vii) taxes deducted at source in respect of the merged trades or businesses shall be available to the merged trade or business;</p> <p>(b) in the case of a sale or transfer of a trade or business which results into the cessation of a trade or business— (i) the provisions of part V of chapter two of this Act as regards cessation of trade, business, profession or vocation shall apply to the trade or business that was sold or transferred,</p> <p>(ii) for the purposes of the First Schedule to this Act, the asset sold or transferred shall be recognised at the value at which they are sold or transferred,</p> <p>(iv) unutilised capital allowance on the assets sold or transferred shall not be available for use in the new or surviving trade or business,</p> <p>(v) unabsorbed losses of the old business shall not be available for use in</p>		
--	--	--	--	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>subsequent disposal of the assets thereby acquired within the succeeding 365 days after the date of transaction, any concession enjoyed under this subsection shall be rescinded and the companies shall be treated as if they did not qualify for the concessions stipulated in this subsection as at the date of initial reorganisation.</p> <p>(10) Where, in pursuance of Chapter 3 of Part 11 of the Companies and Allied Matters Act, a company (in this subsection referred to as "the re-constituted Company") is incorporated under that Act to carry on any trade or business previously carried on in Nigeria by a foreign company and the assets employed in Nigeria by the foreign company in that trade or business vest in the re-constituted company, then, if the Service is satisfied that the trade or business carried on by the re-constituted company immediately after the incorporation of that company under the Act is not substantially different in nature from the trade or business previously carried on in Nigeria by the foreign company, the following provisions of this subsection shall have effect, that is- (a) the provisions of subsections (3) and (4) of this section shall not apply to the trade or business carried on by the re-constituted company;</p>	<p>the new or surviving trade, business, profession or vocation, and</p> <p>(vi) taxes deducted at source from the old trade or business, shall not be available for use by the new or surviving trade or business;</p> <p>(c) in the case of a sale or transfer of a business asset which does not result into the cessation of the trade or business, and where the parties agreed to sell or transfer the asset for an amount not exceeding the sum of the residue of the qualifying capital expenditure and unutilised capital allowance of the asset —</p> <p>(i) capital allowance under the provisions of the First schedule to this Act shall apply to the residue of the asset only,</p> <p>(ii) the unutilised capital allowance on the asset sold or transferred shall be available for use by the buying trade or business,</p> <p>(iii) the trade or business that sold or transferred the assets shall not claim any part of the unutilised capital allowance pertaining to the asset sold or transferred, and</p> <p>(4) The relevant tax authority shall be notified of any restructuring of a trade, business, profession or vocation prior to commencing such arrangement.</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>(b) for the purposes of the Second Schedule to this Act, the assets so vested in the reconstituted company shall be deemed to have been sold to it, on the day of the incorporation of that company, for an amount equal to the residue of the qualifying expenditure thereon on the day following the day on which the trade or business previously carried on in Nigeria by the foreign company ceased; and</p> <p>(c) the re-constituted company shall not be entitled to any initial allowances as respects those assets and shall be deemed to have received all allowances given to the foreign company in respect of those assets under the Second Schedule to this Act and any allowances deemed to have been received by the foreign company under the provisions of this paragraph or subsection (9) of this section; and</p> <p>(d) subject to subsection (11) of this section, the amount of any loss incurred during any year of assessment by the foreign company in the said trade or business previously carried on by it in Nigeria, being a loss which has not been allowed against any assessable profits or income of that company for any such year, under the provisions of this Act or the corresponding provisions of the Companies Income Tax Act 1961 or the Income Tax Act, shall be deemed to be a loss incurred by the</p>	<p>(5) Reference to a trade or business in this section include references to any part of the trade or business.</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>re-constituted company in its trade or business during the year of assessment in which its trade or business commenced; and the amount of that loss shall, in accordance with section 31 of this Act, be deducted from the assessable profits of the re-constituted company;</p> <p>(e) no deduction shall be made under paragraph (d) of this subsection in respect of any loss to which that paragraph relates-</p> <p>(i) except to the extent, (if any) to which it is proved by the re-constituted company to the satisfaction of the most senior officer in the Industrial Inspectorate Division of the Federal Ministry of Industry (hereinafter in this subsection referred to as "the director") that the loss was not the result of any damage or destruction caused by any military or other operations connected with the civil war in which Nigeria was engaged and which ended on 15 January, 1970: Provided that the President may by order direct that, to the extent specified in the order, a deduction under paragraph (d) of this subsection shall be made in respect of a loss which was the result of any damage or destruction caused by any military or other operations connected with the said civil war;</p> <p>(ii) unless within three years after the incorporation of the re-constituted company a claim for the deduction is</p>			

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>lodged by that company with the director and a copy of the claim is forwarded by that company to the Service; and</p> <p>(f) any deduction to which paragraph (d) of this subsection applies, shall be made as far as possible from the amount, if any, of the assessable profits of the reconstituted company for the year of assessment in which its trade or business commenced and, so far as it cannot be so made, then from the amount of the assessable profits of the next year of assessment, and so on, but such deductions shall not be made against the profits of the company after the fourth year from the commencement of such business, and in this subsection "foreign company" means a company incorporated outside Nigeria before 18 November, 1968, and having on that date an established place of business in Nigeria.</p> <p>(11) For the purposes of subsections (9) and (10) of this section, the Service may by notice require any person (including a company to which any assets have vested in pursuance of Chapter 3 of Part II of the Companies and Allied Matters Act) to prepare and deliver to the Service any returns specified in the notice or any such information as the Service may require about the assets; and it shall be the duty of</p>			

	that person to comply with the requirements of any such notice within the			
--	---	--	--	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>period specified in the notice, not being a period of less than 21 days from the service thereof.</p> <p>(12) No merger, take-over, transfer or restructuring of the trade or business carried on by a company shall take place without having obtained the Service's direction under subsection (9) of this section and clearance with respect to any tax that may be due and payable under the Capital Gains Tax Act.</p>			
Artificial Transactions	<p>Section 22 – Artificial Transactions</p> <p>(1) Where the Service is of 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 shall be made as respects liability to tax as it considers appropriate so as to counteract the reduction of liability to tax affected, or reduction which would otherwise be affected, by the transaction and any company concerned shall be assessable accordingly.</p> <p>(2) For the purpose of this section-</p> <p>(a) “disposition” includes any trust, grant, covenant, agreement or arrangement; (b)</p>	<p>Section 192 – Artificial Transactions</p> <p>(1) Where a relevant tax authority is of the opinion that a disposition is not given effect to, or that a transaction which reduces or may reduce the amount of tax payable, is artificial or fictitious, it may disregard any such disposition or transaction, or direct that such adjustments be made with respect to liability to tax as it considers appropriate, to counteract the reduction of liability to tax and issue an assessment or additional assessment accordingly.</p> <p>(2) The provisions relating to objections and appeals under chapter four of the Nigeria Tax Administration Act shall apply to a direction made under this section.</p>	Retained	

	transactions between persons one of whom either has control over the other or,	(3) For the purpose of this section—		
--	--	--------------------------------------	--	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	<p>in the case of individuals, who are related to each other or between persons both of whom are controlled by some other person, shall be deemed to be artificial or fictitious if in the opinion of the Service 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.</p> <p>(3) A company in respect of which any direction is made under this section, shall have a right of appeal in like manner as though for the purposes of Part X of this Act such direction were an assessment.</p>	<p>(a) "disposition" includes any trust, grant, covenant, agreement or arrangement; and</p> <p>(b) a transaction between connected persons shall be deemed to be artificial or fictitious if, in the opinion of the relevant tax authority, the transaction has not been made at arm's length.</p>		
<p>Arm's Length Transactions</p>	<p>N/A</p>	<p>Section 193 – Transactions between related parties to be at arm's length</p> <p>(1) A company involved in an arrangement with a related party shall—</p> <p>(a) ensure that the terms and conditions for which the arrangement is carried out is at arm's length; and</p> <p>(b) report the arrangement in the form and manner prescribed by the relevant tax authority.</p> <p>(2) Where, in the opinion of a relevant tax authority, a company has entered</p>	<p>Retained</p>	<p>New provision to reiterate the requirement for related parties to deal with each other at arm's length.</p>

		into an arrangement with a related party which is not at arm's length, it		
--	--	---	--	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
		<p>may effect necessary adjustments to bring the arrangement in conformity to arm's length terms as provided under the Transfer Pricing Regulations.</p> <p>(3) The relevant tax authority may make rules or regulations for the administration of this section.</p> <p>(4) For the purposes of this section— (a) an "arrangement" includes any agreement, understanding, scheme, financial or commercial relation, transaction or series of transactions; and (b) "arm's length terms and conditions" means such terms and conditions obtainable if the transaction or arrangement was between unrelated parties dealing in comparative circumstances.</p>		
Waivers and Refunds	<p>Section 28 – Waivers or refund of liability or expenses</p> <p>When a deduction has been allowed to a company under the provisions of section 24 or 25 of this Act in respect of any liability of, or any expense incurred by that company and such liability is waived or released or such expense is refunded to the company, in whole or in part, then the amount of that liability or expense which is waived, released or refunded, as the case may be, shall be deemed to be profits of the</p>	<p>Section 194 – Waivers or refund of liability or expenses</p> <p>(1) Where a deduction has been allowed under the provisions of this Act in respect of any liability or any expense incurred and the liability is waived or released or such expense is refunded in whole or in part, the amount of that liability or expense which is waived, released or refunded, shall be an</p>	Retained	Waiver of liability of a capital nature now constitutes a chargeable gain, subject to income tax.

		income on the day of the waiver, release or refund.		
--	--	---	--	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
	company on the day on which such waiver, release or refund was made or given.	(2) Where any liability or expenditure of capital nature is waived, it shall constitute a chargeable gain for the purposes of Part VIII of chapter two of this Act.		
Supplemental	N/A	<p>195. Supplemental</p> <p>(1) In this Act, references to incomes, profits or gains charged or chargeable to tax include references to profits, incomes or gains taxed or taxable by deduction at source.</p> <p>(2) For the purposes of any computation under this Act, any method of apportionment adopted shall be just and equitable and consistently applied under similar circumstances</p>	Retained	

Power to make regulation	N/A	196. Power to make regulation The Service may, with the approval of the Minister, make regulations to give effect generally to the provisions of this Act	Retained	
Repeals	N/A	197. Repeals From the commencement of this Act, the following enactments are repealed (repealed enactments)— (a) Capital Gains Tax Act, Cap. C1, LFN, 2004; (b) Casino Act, Cap. C3, LFN, 2004; (c) Companies Income Tax Act, Cap. C21, LFN, 2004;	Retained	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
		(d) Deep offshore and Inland Basin Act, Cap. D3, 2004; (e) Industrial Development (Income Tax Relief) Act, Cap. I17, LFN, 2004; (f) Income Tax (Authorised Communications) Act, Cap. I4, LFN, 2004; (g) Personal Income Tax Act, Cap. P8, LFN, 2004; (h) Petroleum Profits Tax Act, Cap. P13, 2004; (i) Stamp Duties Act, Cap. S8, LFN, 2004;		

		<p>(j) Value Added Tax Act, Cap. V1, LFN, 2004; and</p> <p>(k) Venture Capital (Incentives) Act, Cap. V2, LFN 2004</p>		
Consequential amendments	N/A	<p>198. Consequential amendments (1) The Petroleum Industry Act, No 6. 2021 is amended by deleting—</p> <p>(a) part I – X of chapter four;</p> <p>(b) the Fifth and Sixth Schedules</p> <p>(c) paragraphs 6, 9, 10, 11 and 12, of the Seventh Schedule;</p> <p>(d) subparagraph 6 of paragraph 14 of part IV of the Seventh Schedule; (2) The Nigeria Export Processing Zones Act, Cap. N107, LFN 2004 is amended by deleting sections 8 and 18(1)(a)</p> <p>(3) The Oil and Gas Free Trade Zone Act, Cap. O5, LFN 2004 is amended by deleting sections 8 and 18(1)(a).</p>	<p>198. Consequential amendments (1) The Petroleum Industry Act, No 6. 2021 is amended by deleting—</p> <p>(a) part I – X of chapter four;</p> <p>(b) the Fifth and Sixth Schedules</p> <p>(c) paragraphs 6, 9, 10, 11 and 12, of the Seventh Schedule;</p> <p>(d) subparagraph 6 of paragraph 14 of part IV of the Seventh Schedule; (2) The Nigeria Export Processing Zones Act, Cap. N107, LFN 2004 is amended by deleting sections 8 and 18(1)(a)</p> <p>(3) The Oil and Gas Free Trade Zone Act, Cap. O5, LFN 2004 is amended by deleting sections 8 and 18(1)(a).</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
		<p>(4) The National Information Technology Development Agency Act, No. 60, 2007 is amended by deleting sections 12(2)(a) and 16, and the Third Schedule.</p> <p>(5) The Tertiary Education Trust Fund (Establishment, Etc.) Act, 2011 is amended by deleting sections 1, 2, and 3(3).</p> <p>(6) The National Agency for Science and Engineering Infrastructure (Establishment) Act, Cap. N3 LFN, 2004 is amended by deleting section 20(2), paragraphs (b)(i) and (b)(ii).</p> <p>(7) The Customs, Excise Tariffs, Etc. (Consolidation) Act Cap. 49 LFN 2004 is amended by deleting section 21(2).</p> <p>(8) The National Lottery Act No: 2005 is amended by deleting sections 35A, 35B and 35C.</p> <p>(9) The Nigerian Minerals and Mining Act No. 20, 2007 is amended by deleting sections 28 and 33.</p> <p>(10) The Nigeria Start-up Act, No.32, 2022 is amended by deleting sections 25(2), (3), (4) and 29(3).</p> <p>(11) The Export (Incentives and Miscellaneous Provisions) Act, Cap.E19 LFN 2004 is amended by deleting section 11(1).</p>	<p>(4) The National Information Technology Development Agency Act, No. 60, 2007 is amended by deleting sections 12(2)(a) and 16, and the Third Schedule.</p> <p>(5) The Tertiary Education Trust Fund (Establishment, Etc.) Act, 2011 is amended by deleting sections 1, 2, and 3(3).</p> <p>(6) The National Agency for Science and Engineering Infrastructure (Establishment) Act, Cap. N3 LFN, 2004 is amended by deleting section 20(2), paragraphs (b)(i) and (b)(ii).</p> <p>(7) The Customs, Excise Tariffs, Etc. (Consolidation) Act Cap. 49 LFN 2004 is amended by deleting section 21(2).</p> <p>(8) The National Lottery Act No: 2005 is amended by deleting sections 35A, 35B and 35C.</p> <p>(9) The Nigerian Minerals and Mining Act No. 20, 2007 is amended by deleting sections 28 and 33.</p> <p>(10) The Nigeria Start-up Act, No.32, 2022 is amended by deleting sections 25(2), (3), (4) and 29(3).</p> <p>(11) The Export (Incentives and Miscellaneous Provisions) Act, Cap.E19 LFN 2004 is amended by deleting section 11(1).</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
			(12) The Cybercrime (Prohibition, Prevention, etc.) Act 2015 is amended by deleting Section 44 (2)(a) and (4).	
Revocation and consequential amendment of subsidiary legislation		199. Revocation and consequential amendment of subsidiary legislation (1) The Value Added Tax Act (Modification) Order 2021 is revoked. (2) The Companies Income Tax (Significant Economic Presence) Order 2020 is amended by deleting paragraph 2. (3)The Petroleum (Drilling and Production) Regulations 1969 is amended by deleting regulations 60B, 60C, 61(1),(2),(4) and 62.	Retained	

<p>Savings provisions</p>		<p>200. Savings provisions Without prejudice to the provision of section 6 of the Interpretation Act— (a) the repealed enactments specified in section 197 and the amended enactments specified in section 198 of this Act shall not affect anything done under the enactments; (b) a notice, guideline, rule, order, regulation, circular or other subsidiary legislations made or issued under any provision of the repealed or amended enactments by this Act, shall continue to be in force as if they had been made</p>	<p>Retained</p>	
----------------------------------	--	---	------------------------	--

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
		<p>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;</p> <p>(c) an enforcement process or legal proceedings commenced or pending prior to the commencement of this Act, in connection with imposition of tax, contravention or non-compliance with the repealed or amended enactments, shall continue and be disposed of, as if it was commenced under this Act; and</p> <p>(d) 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 taxation of a taxable person or any matter connected, shall be treated as if it was done or performed by the relevant tax authority under this Act.</p>		
<p>Exercise of Powers, Duties and Obligations</p>		<p>201. Exercise of Powers, Duties and Obligations</p> <p>The performance of the duties and obligations, as well as the exercise of powers and rights conferred by this Act shall, to the extent not provided in this Act, be in accordance with the</p>	<p>Retained</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification
		provisions of the Nigeria Tax Administration Act.		

Supremacy clause	N/A	<p>202. Supremacy clause</p> <p>(1) This Act shall take precedence over any other law with regards to the imposition of tax, royalty, levy, excise duty on services or any other tax, where the provisions of any other law is 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.</p> <p>(2) Notwithstanding the provisions contained in any other law –</p> <ul style="list-style-type: none"> a. taxable income, allowable deductions, reliefs or allowances for the purposes of ascertaining tax due shall be determined only in accordance with this Act. b. any income or profits, gains, assets or transaction which is chargeable to tax under this Act shall not be subject to any other tax of a similar nature imposed on the same taxpayer or tax base. c. The Minister may issue regulations or guidelines published in the official gazette 	<p>202. Supremacy clause</p> <p>(1) This Act shall take precedence over any other law with regards to the imposition of tax, royalty, levy, on services or any other tax, where the provisions of any other law is 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.</p> <p>(2) Notwithstanding the provisions contained in any other law –</p> <ul style="list-style-type: none"> a. taxable income, allowable deductions, reliefs or allowances for the purposes of ascertaining tax due shall be determined only in accordance with this Act. b. any income or profits, gains, assets or transaction which is chargeable to tax under this Act shall not be subject to any other tax of a similar nature imposed on the same taxpayer or tax base. 	Removing excise duty from the section.
Item	Current Provisions	Proposed Amendments	Committee's Recommendations	Justification

		<p>for the effective implementation of this subsection.</p> <p>(3) A person or agency of Government saddled with a duty or obligation under this Act or under any other law shall, for the purposes of giving effect to imposition of any tax, levy, royalty, excise duty on services, carry out such duty or obligation in accordance with this Act.</p>	<p>c. The Minister may issue regulations or guidelines published in the official gazette for the effective implementation of this subsection.</p> <p>(3) A person or agency of Government saddled with a duty or obligation under this Act or under any other law shall, for the purposes of giving effect to imposition of any tax, levy, royalty, on services, carry out such duty or obligation in accordance with this Act.</p>	
--	--	---	---	--

Section 203 – General Interpretation

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“accounting period”	N/A	means a period for which accounts have been made up;	Retained
“ad valorem”	N/A	means the value of a transaction or property;	Retained
“agency of Government”	N/A	includes a Ministry, department, statutory body, public authority and an institution of the Federal, State and Local Government	Retained
“aggregate covered tax paid”		means the addition of the income taxes paid by a company for a year of assessment under this Act	Retained
agricultural trade or business”	means – (a) primary production of the crop excluding	means— (a) primary crop production comprising the production of raw and semi-processed crops of all	Retained

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>any intermediate or final processing of crops or any other associated manufactured or derivative crop product;</p> <p>(b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock product;</p> <p>(c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and</p> <p>(d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product.</p>	<p>kinds, but excluding any intermediate or final processing of crops or any other associated manufactured or derivative crop product;</p> <p>(b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock product;</p> <p>(c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and</p> <p>(d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product</p>	
"assessable income"		means assessable income determined under the provisions of chapter two of this Act	Retained
"approved agent"	any person approved by the Securities and Exchange Commission to function as an intermediary for the conduct of a Regulated Securities Lending Transaction.	any person approved by the Securities and Exchange Commission to function as an intermediary for the conduct of a Regulated Securities Lending Transaction.	Retained

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
"authorised officer"		means an officer who has been authorised by a tax authority to perform any function under or in pursuant to this Act	Retained
"bank"	an establishment authorized by the government to accept deposits, pay interest, clear checks, make loans, act as an intermediary in financial transactions, and provide other financial services to its customers or any other such institution as defined under the Banking and Other Financial Institutions Act, Cap. B3, Laws of the Federation of Nigeria, 2004	a bank as defined under the Banks and Other Financial Institutions Act, Cap. B3, Laws of Federation of Nigeria, 2004	Retained
"banking"	business conducted or services offered by a bank	business conducted or services offered by a bank	Retained
"beneficial owner"	N/A	person who has ownership, control, rights, indirect benefit or beneficial interest over shares or clients, or over income, goods, services or assets subject to tax, or on whose behalf a transaction is carried out	Retained
"borrower"	an approved borrower in a Regulated Securities Lending Transaction	in a Regulated Securities Lending Transaction means an approved borrower	Retained
"building"		means any structure permanently affixed to land for all or most of the useful life of that structure and shall include a house, garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly fixed structure affording protection and shelter, but excludes any fixtures or structures that can easily be removed from such land, such as radio and television masts, transmission lines, cell towers, vehicles, mobile homes, caravans and trailers	Retained
"chargeable gains"		has the meaning given in section 33 of this Act;	Retained

"commencement of business"		the starting of operation of a business	Retained
----------------------------	--	---	-----------------

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
"commencement date"		<p>means the date that an entity carries out its first transaction which shall be the earliest of the date it—</p> <p>(a) begins to market or first advertises its products or services for sale;</p> <p>(b) obtains an operating license from a regulatory authority in Nigeria;</p> <p>(c) first sale or purchase;</p> <p>(d) execute its first trading contract after incorporation;</p> <p>(e) issues or receives its first invoice;</p> <p>(f) delivers or receives its first consignment of goods; or</p> <p>(g) first renders services to its customers;</p>	Retained
"company"	any company or corporation (other than a partnership) established by or under the laws of Nigeria or any other country or jurisdiction here	a company or corporation, including Limited Liability Partnership , established by or under the laws of Nigeria or elsewhere	a company or corporation, established by or under any law in force in Nigeria or elsewhere
"compensating payments"	any payments made in lieu of interest or dividend pursuant to a Regulated Securities Lending Transaction.	means any payments made in lieu of interest or dividend pursuant to a Regulated Securities Lending Transaction	Retained

“connected persons”	N/A	includes in the case of – (a) individuals, the individuals are married or are relatives;	Retained
----------------------------	-----	---	-----------------

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
		<p>(b) a trustee in relation to a settlement, the trustee and the settlor, or the spouse or a relative of the settlor;</p> <p>(c) a partnership, a person is related to the person, or spouse or a close relative of the person with whom he is in partnership;</p> <p>(d) a company—</p> <p>(i) a person is connected to a company of which he, or his spouse or a close relative has control;</p> <p>(ii) a company is connected to another company where the same person has control over both companies, or connected persons acting separately have control over the companies</p> <p>(iii) a company is connected to two or more persons who acting together, or through a person acting on their directions exercise control the company;</p> <p>(iv) two companies are connected where one company participates directly or indirectly in the management, control or capital of the other company, or the same persons participate directly or indirectly in the management, control or capital of a company and another company,</p> <p>(e) other cases, two persons are connected where—</p> <p>(i) one may reasonably be expected to act in accordance with the directions, requests, suggestions, or wishes of the other person,</p> <p>(ii) both persons may reasonably be expected to act in accordance with the directions, requests, suggestions, or wishes of a third person, or</p>	

(iii) one person has the practical ability to control the business decisions of another person,

Terms

Current Provisions

Proposed Amendments

Committee's Recommendations

		provided that two persons are not connected solely by reason of the fact that one person is the employee or client of the other, or both persons are employees or clients of a third person.	
“constituent entity”	N/A	any company, permanent establishment or business unit that is a member of a multinational enterprise	Retained
“conveyance on sale”	N/A	means the transfer of interest in real property, being land and building, only	Retained
“digital assets”	N/A	digital representation of value that can be digitally exchanged, including, but not limited to, crypto assets, utility tokens, security tokens, non-fungible tokens (NFT), such other similar digital representation or derivatives of any of the listed or similar assets and any other asset as may be defined by the relevant regulatory authority;	Retained
“disposal of assets”		has the meaning assigned to it under section 35 (1) of this Act;	Retained
“economic development incentive certificate”		means a certificate issued under this Act certifying, among other things, a company to be a priority company, or any such certificate as amended under this Act	Retained
“effective tax rate”	N/A	the rate produced by dividing the aggregate covered tax paid by a company for a year of assessment by the qualifying profits before tax of the company, determined under regulations issued pursuant to section 57 of this Act	Retained
“employment”	N/A	includes any appointment or office, whether public or otherwise, for which remuneration is payable	Retained
“entertainment”	N/A	includes any exhibition and performance in which admission of people is subject to payment by such persons but does not include the following—	Retained

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
		(a) play on stage and performance which are carried out by government-approved educational institutions as part of learning; (b) sport, game or other cultural performance sponsored by Government; (c) entertainment sponsored by a charitable, educational, medical, scientific or cultural institution of a public character; and (d) entertainment organised by a non-profit making, charitable, educational, medical, scientific or cultural society registered under the law where the entertainment is in furtherance of the objectives of the society	
“executor”		includes any person administering the estate of a deceased person;	Retained
“exported service”	means a service rendered to a non-resident person outside Nigeria by a taxable person regardless of where the service is rendered, provided that a service rendered to the Nigerian permanent establishment of a non-resident person shall not qualify as exported service	means a service rendered to a non-resident person outside Nigeria by a taxable person regardless of where the service is rendered, provided that a service rendered to the Nigerian permanent establishment of a non-resident person shall not qualify as exported service	Retained
“family income”			refers to any income accruing to a family from all sources
“finance lease”	N/A	a lease arrangement where the lessee effectively assumes most of the risks and rewards associated with asset ownership	Retained
“financial institutions”	includes depository institutions, custodial institutions, investment institutions and insurance companies	includes depository institutions, custodial institutions, investment institutions and insurance companies	Retained

“financial services”	includes depository services, custodial services, investment services and insurance services	includes depository services, custodial services, investment services and insurance services	Retained
-----------------------------	--	--	-----------------

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“foreign company”	means any company or corporation (other than a corporation sole) established by or under any law in force in any territory or country outside Nigeria	a non-resident company or any company other than a Nigerian Company;	Retained
“goods”		for the purposes of chapter six of this Act, means all forms of tangible properties, movable or immovable	Retained
“government”	N/A	the Federal Government, State Government or the Federal Territory and the Local Government Council	Retained
“gross turnover”	the gross inflow of economic benefits during the period arising in the course of the operating activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants, including sales of goods, supply of services, receipt of interest, rents, royalties or dividends	the gross inflow of economic benefits during the period arising in the course of the operating activities of an entity when those inflows result in increases in equity including sales of goods, supply of services, receipt of interest, rents, royalties or dividends other than increases relating to contributions from equity participants	Retained
“hire purchase”	N/A	financial arrangement in which a person acquires immediate use of an asset by making regular instalment payments over a specified period and may gain ownership of the asset upon the completion of the payments	Retained
“import”	N/A	bringing in goods and services from another country or from an export processing zone	Retained
“importer”	N /A	any person who imports goods	Retained
“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, executors or legal arrangements;	Retained

“income from investing activities”		includes dividend, interest, royalty and any other income of similar nature	Retained
“income tax”	N/A	any tax chargeable under chapters two or three of this Act	Retained

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“instrument”		includes any document relating to transactions consummated through conventional, electronic or other means	Retained
“investor in gas pipeline”		means a person issued a gas transportation pipeline licence by the Nigerian Midstream and Downstream Petroleum Regulatory Authority, with the exclusive right to own, construct, operate and maintain a gas transportation pipeline within a route, for its own account and with third party access provisions, or as a common carrier;	Retained
“invoice”		includes any document issued as evidence of demand for payment;	Retained
“land”		means the earth’s crust, or parcelled plots;	Retained
“lender”	an approved lender in a Regulated Securities Lending Transaction	in a Regulated Securities Lending Transaction means an approved lender;	Retained
“Limited Liability Partnership”	N/A	N/A	shall be as described in the Companies and Allied Matters Act, 2020
“manufacturer”		means any person who engages in the production of goods who manufactures for or on behalf of other persons	Retained
“manufacturing”	N/A	a process by which a commodity is finally produced, including assembling, bottling, mixing, blending,	Retained

		grinding, cutting, bending, twisting and joining or any other similar activity	
“Minister”	the Minister charged with responsibility for finance	the Minister in charge of finance	Retained
"mining operations"	N/A	any trade or business, other than petroleum operations, involving the exploitation or extraction of mineral resources situated in the territory of the Federal Republic of Nigeria	Retained
“minimum effective tax rate”	N/A	rate of 15%	Retained

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“MNE”	N/A	multinational enterprise	Retained
“MNE Group”	N/A	any Group that includes two or more enterprises the tax residence for which is in different jurisdictions, or includes an enterprise that is resident for tax purposes in one jurisdiction and is subject to tax with respect to the business carried out through a permanent establishment in another jurisdiction	Retained
“mortgage”		means a security by way of deposit of real property for the payment of any definite and certain sum of money advanced including any agreement accompanied with a deposit or pledging of title deeds for making a mortgage, or any other security as aforesaid of any land, estate, or property comprised in title deeds	Retained

“multinational enterprise	N/A	a company that carries on business in more than one country or jurisdiction through subsidiary companies, associated companies, permanent establishments or any other business units located in those countries or jurisdictions	Retained
"multinational group"	N/A	MNE Group	Retained
“National Minimum Wage”	means the extant National Minimum Wage pursuant to the National Minimum Wage Act;	means the extant minimum Wage prescribed by the National Minimum Wage Act	Retained
"Nigeria"	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 law of the Federal Republic of Nigeria, as an area within which the right of the	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 law of the Federal Republic of Nigeria, as an area within which the right of the	Retained

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
	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	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”	any company formed or incorporated under any law in Nigeria	a company— (a) formed, registered or incorporated under any law in Nigeria; (b) whose central place of management or control is Nigeria; or (c) whose effective place of management or control is Nigeria	

“non-resident”		means non-resident person, individual or company, as the context requires;	
“non-resident individual”		means an individual that, in any year of assessment— (a) is not domiciled in Nigeria; (b) has no permanent place available for his domestic use in Nigeria; (c) has no place of habitual abode in Nigeria; (d) has no substantial economic and immediate family ties in Nigeria; (e) sojourns in Nigeria for a period or periods amounting to an aggregate of less than 183 days in a 12-month period inclusive of annual leave or temporary period of absence; and (f) is not serving as a diplomat or diplomatic agent of Nigeria in another country	Retained
“official gazette”		means the Federal Government Gazette or the Gazette of any State in the Federation	Retained
“official market rate”	N/A	means currency exchange market rate approved by the Central Bank of Nigeria;	Retained

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“operating lease”	N/A	an arrangement involving the transfer of the right to use an asset by the lessor in return for rental payments from lessee over an obligatory period but the asset is not wholly amortised during the period	Retained

“owner”		in respect of any goods, aircraft, vessel, vehicle, plant or any other goods, a person, other than an officer acting officially or agent, who holds out himself to be the owner, or the person in possession of beneficial interest in, or having control of or power of disposition over the goods, aircraft, vessel, vehicle, plant or other goods	
“partnership”	N/A	an association, or a body of two or more persons who have agreed to combine their rights, powers, property, labour or skill for the purpose of carrying on a trade or business and sharing the profit	
“permanent establishment”	N/A	taxable presence of a non-resident person, and shall include permanent establishment as defined in section 17 of this Act	
“permissible by-product”	N/A	means goods or services described in a certificate issued under section 170 of this Act being goods or services necessarily or ordinarily produced in the course of producing a priority product	
“persons”	includes a company or body of persons	includes a company, partnership, community, family, individual, executor, trustee and legal arrangement	
“personal representatives”		means the legal personal representatives of a deceased person;	
"policy of insurance"	means an instrument by which a contract of insurance is made or agreed to be made, or is evidenced, excluding cover notes, slips or other documents made in anticipation of the issue of an insurance policy, and documents embodying alterations of the terms or	means an instrument by which a contract of insurance is made or agreed to be made, or is evidenced, excluding cover notes, slips or other documents made in anticipation of the issue of an insurance policy, and documents embodying	

Terms	Current Provisions	Proposed Amendments	Committee's Recommendations
	conditions of an insurance policy, and the expression "insurance" includes assurance;	alterations of the terms or conditions of an insurance policy, and the expression "insurance" includes assurance;	
"policy of life insurance"	means a policy of insurance upon any life or lives or upon any event or contingency relating to or depending upon any life or lives, except a policy of insurance against accident	means a policy of insurance upon any life or lives or upon any event or contingency relating to or depending upon any life or lives;	
"policy of insurance against personal injury"		means a policy of insurance for any payment agreed to be made as compensation for personal injury, including policies of insurance or indemnity against liability incurred by employers in consequence of claims made upon them by workmen who have sustained personal injury;	
"policy of marine insurance"	means any formal contract whereby an insurer undertakes to indemnify an insured against losses incident to marine adventure, and includes any contract relating to insurance of a ship or the machinery or fittings belonging to the ship whilst under construction or repair or on trial	means any formal contract whereby an insurer undertakes to indemnify an insured against losses incident to marine adventure, and includes any contract relating to insurance of a ship or the machinery or fittings belonging to the ship whilst under construction or repair or on trial;	
"priority company"	N/A	means a company issued an economic development incentive certificate;	
"priority business"	N/A	in relation to a priority company, means the production and sale of its relevant priority product or products;	
"priority industry"	N/A	means any trade or business of any kind specified in the Eleventh Schedule to this Act;	
"priority product"	N/A	means goods or service of any kind specified in the Eleventh Schedule of this Act;	

“practical ability to control”	N/A	shall include voting rights, management contracts, sole distributorship or representative arrangements, and the like	
---------------------------------------	-----	--	--

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“public character”	with respect to any organisation or institution means organisation or institution – (a) that is registered in accordance with relevant law in Nigeria; and (b) does not distribute or share its profit in any manner to members or promoters.	with respect to any organisation or institution means organisation or institution – (a) that is registered in accordance with relevant law in Nigeria; and (b) does not distribute or share its profit in any manner to members or promoters.	
“public fund”		any fund set up by any Government or a governmental body in Nigeria to finance a specific service, project, or obligation of Government to the public	
“real estate investment company”	for the purpose of this Act, a Company (including Real Estate Unit Trust) duly approved by the Securities and Exchange Commission as a Real Estate Investment Scheme in Nigeria	a company duly approved by the Securities and Exchange Commission to operate as a real estate investment scheme in Nigeria	
"receipt"	includes a note, memorandum, writing or electronic inscription whereby money, a bill of exchange or promissory note for which money is acknowledged or expressed to have been received, deposited or paid, or whereby a debt or demand, or any part of a debt or demand is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgement, and whether the same is or is not signed with the name of a person	includes a note, memorandum, writing or electronic inscription whereby money, a bill of exchange or promissory note for which money is acknowledged or expressed to have been received, deposited or paid, or whereby a debt or demand, or any part of a debt or demand is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgement, and whether the same is or is not signed with the name of a person	
“Regulated	any securities lending transaction conducted pursuant to rules made by the Securities and Exchange Commission	any securities lending transaction conducted pursuant to rules made by the Securities and Exchange Commission	

Securities Lending Transaction			
“related parties”		has the same meaning as connected persons	
“relative”		means brother, sister, ancestor or lineal descendant;	
“relevant priority product”		in relation to any priority company, means priority product and the permissible by-products specified in a priority certificate;	

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“relevant tax authority”		is in accordance with the Thirteenth Schedule to this Act and section 3 of the Nigeria Tax Administration Act;	
“remainder of assessable income”		means the total assessable income of an individual less the deductions under section 28(2) of this Act;	
“remainder of assessable profit”		means the total assessable profit of a company less the deductions under subsection (5) of section 27 of this Act, in the case of a company;	
“rent”		means payments of any kind, received or receivable, paid or payable, for the use of, or the right to use property or equipment of any kind, and shall include remuneration for the use, letting, hire or use in any other form of movable or immovable property;	
“resident”		means resident person, individual or company, the context requires;	
“resident company”	means a Nigerian company	means a Nigerian company;	

“resident individual”		<p>means an individual that, in any year of assessment—</p> <p>(a) is domiciled in Nigeria,</p> <p>(b) has a permanent place available for his domestic use in Nigeria,</p> <p>(c) has place of habitual abode in Nigeria,</p> <p>(d) has substantial economic and immediate family ties in Nigeria,</p> <p>(e) sojourns in Nigeria for a period or periods amounting to an aggregate of not less than 183 days in a 12-month period inclusive of annual leave or temporary period of absence, or</p> <p>(f) serves as a diplomat or diplomatic agent of Nigeria in another country;</p>	
-----------------------	--	--	--

Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“Service”	Federal Inland Revenue Service as defined in the Federal Inland Revenue Service (Establishment) Act, 2007	the Nigeria Revenue Service established under the Nigeria Revenue Service (Establishment) Act	Retained
“small company”	a company that earns gross turnover of ₦25,000,000 or less	a business that earns gross turnover of N50,000,000.00 or less per annum with total fixed assets not exceeding N250,000,000.00	a business that earns gross turnover of N100,000,000.00 or less per annum with total fixed assets not exceeding N250,000,000.00
“tax”	the tax imposed by this Act	any imposition, duty, levy, royalty or revenue accruing to government in full or in part under this Act or any other law	Retained
“trade or business”	N/A	any activity or venture from which income is generated, for whatever scale or period it is carried on, but does not include employment;	Retained
“transaction at arm’s length”	N/A	a transaction on normal open market commercial terms	Retained

“tax ID”		is as provided for under the Nigeria Tax Administration Act;	Retained
“taxable person”		includes a company, individual or body of individuals, family, community, corporations sole, trustee, executor or any other legal arrangement, or a person who carries out an economic activity, a person exploiting tangible or intangible property for the purpose of obtaining income therefrom by way of trade or business or a person or agency of government acting in that capacity;	Retained
“taxable supplies”		means any transaction for sale of goods or the performances of a service, for a consideration;	Retained
“transaction at arm’s length”		means a transaction on normal open market commercial terms;	Retained
Terms	Current Provisions	Proposed Amendments	Committee’s Recommendations
“vehicle”		includes for the purpose of this Act every description of conveyance for the transportation by land of human beings or goods;	
“vessel”		means a mode of transportation or conveyance by water, of human beings or goods;	Retained
“year of assessment”	a period of twelve months commencing on 1 January	government tax year being 1st of January to 31st of December of any year	Retained

FIRST SCHEDULE – CAPITAL ALLOWANCE – Retained

Item	Current Provisions	Proposed Amendments	Committee’s Recommendations
<p>Interpretation</p>	<p>Paragraph 1. Interpretation</p> <p>(1) For the purposes of this Schedule-</p> <p>“basis period” has the meaning assigned to it by the following provisions of this definition-</p> <p>(a) in the case of company to or on which any allowance of charge falls to be made in accordance with the provisions of this Schedule, its basis period for the year of assessment is the period by reference to the profits of which any assessable profits for that year fall to be computed under the provisions of section 29 of this Act;</p> <p>(b) such profits mean profits in respect of the trade or business in which there was used an asset in connection with which such allowance or charge falls to be made:</p> <p>Provided that, in the case of any such trade or business-</p> <p>(i) where two basis periods overlap, the period common to both shall be deemed, except for the purpose of making an annual allowance, to fall in the basis period ending at the earlier date and in no other basis period;</p>	<p>Paragraph 1. Interpretation</p> <p>For the purposes of this part—</p> <p>“acquisition cost” includes all cost incurred in bringing an asset to its first use;</p> <p>“basis period” for an allowance means the basis period for assessable profit or income, provided that in the case of a trade or business—</p> <p>(a) where there is an interval between the end of the basis period for one year of assessment and the basis period for the next year of assessment, then the interval shall be part of the second basis period; or</p> <p>(b) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade or business permanently ceases to be carried on by a company or an individual and the basis period for the year in which it ceases, the interval shall form part of the first basis period;</p> <p>“concession” includes any right or lease in connection with exploration or exploitation of any mineral deposit of a wasting nature;</p> <p>“lease” includes an agreement for a lease where the term to be covered by the lease has begun, any tenancy and any agreement for the letting or hiring out of an asset, but does not include a mortgage,</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(ii) where two basis periods coincide, they shall be treated as overlapping, and the basis period for the earlier year of assessment shall be treated as ending before the end of the basis period for the later year of assessment;</p> <p>(iii) where there is an interval between the end of the basis period for one year of assessment and the basis period for the next year of assessment, then unless the second-mentioned year of assessment is the year in which, for the purposes of subsection (4) of section 29, such company permanently ceases to carry on the trade or business, the interval shall be deemed to be part of the second basis period; and</p> <p>(iv) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade or business permanently ceases, for the purposes of subsection (4) of section 29, to be carried on by such company and the basis period for the year in which it so ceases, the interval shall be deemed to form part of the first basis period,</p> <p>“concession” includes a mining right and a mining lease;</p> <p>“lease” includes an agreement for a lease where the term to be covered by the lease has begun, any tenancy</p>	<p>and the expression “leasehold interest” shall be construed accordingly and—</p> <p>(a) where, with the consent of the lessor, a lessee of an asset remains in possession thereof after the termination of the lease without a new lease being granted to him, that lease shall be deemed for the purposes of this part to continue so long as he remains in possession as aforesaid; and</p> <p>(b) where, on the termination of a lease of an asset, a new lease of that asset is granted to the lessee, the provisions of this part shall have the effect as if the second lease were a continuation of the first lease;</p> <p>“mining operation” means the process of extracting valuable minerals, metals, ores, or other geological materials of a wasting nature from the earth's surface or beneath the ground and includes coal mines, metal mines, gemstone mines, salt mines, uranium mines, quarry mines, open pit mines, underground mines, subsea mines, placer mines, solution mines;</p> <p>“qualifying capital expenditure” means, subject to the express provisions of this part, expenditure incurred in a basis period for the</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>and any agreement for the letting or hiring out of an asset, but does not include a mortgage, and the expression "leasehold interest" shall be construed accordingly and-</p> <p>(a) where, with the consent of the lessor, a lease of any asset remains in possession thereof after the termination of the lease without a new lease being granted to him, that lease shall be deemed for the purposes of this Schedule to continue so long as he remains in possession as aforesaid; and</p> <p>(b) where, on the termination of a lease of any asset, a new lease of that asset is granted to the lessee, the provisions of this Schedule shall have effect as if the second lease were a continuation of this first lease;</p> <p>"qualifying expenditure" means, subject to the express provisions of this Schedule, expenditure incurred in a basis period which is-</p> <p>(a) capital expenditure (hereinafter called "qualifying plant expenditure") incurred on plant, machinery or fixtures;</p> <p>(b) capital expenditure (hereinafter called "qualifying building expenditure") incurred on the</p>	<p>acquisition, refurbishment and improvement of the value of the asset which is—</p> <p>(a) capital expenditure (qualifying plant and equipment expenditure), incurred on—</p> <p>(i) plant,</p> <p>(ii) machinery ,</p> <p>(iii) manufacturing Industrial plant,</p> <p>(iv) construction plant,</p> <p>including plant, machinery and equipment in use in agricultural trade or business;</p> <p>(b) capital expenditure (qualifying building expenditure) incurred on the construction of buildings, structures or works of a permanent nature, other than expenditure which is included in subparagraphs (a) (c) or (d) of this definition;</p> <p>(c) capital expenditure (qualifying mast expenditure) incurred on tall upright pole erected on, or fastened to land or other structure;</p> <p>(d) capital expenditure (qualifying mining expenditure), other than expenditure which is included in subparagraph (a) of this definition, incurred in connection with, or in preparation for, the</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>construction of buildings, structures or works of a permanent nature, other than expenditure which is included in sub-paragraph (a) or (c) of this definition;</p> <p>(c) capital expenditure (hereinafter called "qualifying mining expenditure") incurred in connection with, or in preparation for, the working of a mine, oil well or other source of mineral deposits of a wasting nature (other than expenditure which is included in subparagraph (a) of this definition);</p> <p>(d) capital expenditure (hereinafter called "qualifying plantation expenditure") incurred in connection with a plantation-</p> <p>(i) on the clearing of land for planting;</p> <p>(ii) on planting (other than replanting);</p> <p>(iii) on the construction of any works (or buildings which are likely to be of little or no value when the source is no longer worked or, where the source is worked under a concession, which are likely to become valueless when the concession comes to an end to the company working the source immediately before the concession comes to an end;</p>	<p>working of a mine or other source of mineral deposits of a wasting nature, on the—</p> <p>(i) acquisition of deposits, or rights in or over the deposits, or on the purchase of information relating to the existence and extent of the deposit,</p> <p>(ii) searching for or discovering and testing deposits, or winning access thereto, or</p> <p>(iii) construction of any work or building which is likely to be of little or no value when the source is no longer worked or, where the source is worked under a concession, which is likely to become valueless when the concession comes to an end to the person working the source immediately before the concession comes to an end;</p> <p>(e) capital expenditure (qualifying agriculture expenditure) incurred—</p> <p>(i) in connection with a plantation, on the clearing of land for planting, planting other than replanting, maintenance of the plantation and other pre-production expenses in connection with that plantation shall be qualifying agriculture expenditure, incurred on the first day on which the trade or business commences,</p> <p>(ii) in respect of ranching on—</p> <p>(1) structures used primarily for ranching,</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(iv) on the acquisition of, or of rights in or over, the deposits or on the purchase of information relating to the existing and extent of the deposits;</p> <p>(v) on searching for or on discovering and testing deposits, or winning access thereto;</p> <p>(e) and for the purposes of this definition, where-</p> <p>(i) expenditure is incurred for the purposes of a trade or business by a company about to carry on such trade or business; and</p> <p>(ii) that expenditure is incurred in respect of an asset owned by that company if that expenditure would have fallen to be treated as qualifying expenditure if it had been incurred by that company on the first day on which it carries on that trade or business, that expenditure shall be deemed to be qualifying expenditure incurred by it on that day;</p> <p>(f) capital expenditure, that is, qualifying research and development expenditure, incurred on equipment and facilities, patents, licences, secret formula or process or for information concerning industrial, commercial or scientific process; technical feasibility of products or processes and purchases, searching for and discovering and testing products or process for future market or</p>	<p>(2) raising herds of animals for the purpose of breeding, and does not include raising of animals for the purpose of sale,</p> <p>(3) animals that function as apparatus with which a trade is carried on and the life expectancy is more than 5 years;</p> <p>(f) capital expenditure (qualifying intangible assets expenditure), incurred in respect of research and development of—</p> <p>(i) equipment and facilities, patents, licences, secret formulas or process,</p> <p>(ii) information concerning the development of industrial, commercial or scientific process, technical feasibility or products or processes, or</p> <p>(iii) the discovery and testing of products or processes for future market use and such other similar costs which has brought into existence an asset;</p> <p>(g) capital expenditure (qualifying motor vehicle expenditure), incurred on—</p> <p>(i) a fleet of buses of not less than three used for public transportation,</p> <p>(ii) public transportation inter-city new mass transit coach of twenty-five seats and above operated by a private establishment, or</p> <p>(iii) other motor vehicles;</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>use; and such other similar cost which has not brought into existence any asset;</p> <p>(g) capital expenditure, that is, qualifying agricultural expenditure incurred on plant in use in agricultural trades and businesses within the meaning of section 11 of this Act;</p> <p>(h) capital expenditure, that is, qualifying public transportation, motor vehicle expenditure, incurred on a fleet of buses of not less than three used for public transportation;</p> <p>(i) capital expenditure (hereinafter called qualifying public transportation (intercity) new mass transit coach expenditure) incurred on new mass transit coach of 25 seats and above operated by a recognised corporate private establishment.</p> <p>(j) capital expenditure that is incurred on the development or acquisition of software or other such capital outlays on electronic applications</p> <p>“trade or business” means a trade or business or that part of a trade or business the profits of which are assessable under this Act.</p>	<p>(h) capital expenditure (qualifying heavy transportation expenditure), incurred on—</p> <p>(i) aircraft engine and fuselages,</p> <p>(ii) pipeline and cables,</p> <p>(iii) vessels,</p> <p>(iv) ships engine, or</p> <p>(v) train engine, railway carriages or train tracks and coaches;</p> <p>(i) capital expenditure (qualifying software expenditure) incurred on the acquisition of software or other such capital outlays on electronic applications;</p> <p>(j) capital expenditure (qualifying furniture and fittings expenditure), incurred on furniture and fittings including those used in vessels, ships, aircrafts, trains, plants, and buildings for the purposes of trade or business;</p> <p>“trade or business” under this part, means trade or business or that part of a trade or business, the profits of which are assessable under this Act.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
Hire purchase	<p>Paragraph 1, Part 2</p> <p>Application of capital allowances to assets acquired under hire-purchase agreement, etc.</p> <p>(2) This Schedule shall apply in relation to any asset acquired by any hirer under a hire purchase agreement, the terms of which provide for the use and ultimate acquisition of the asset by the hirer, as it applied to an asset acquired by any owner of an asset for the purposes of his trade or business, but shall so apply subject to the following modifications, that is to say-</p> <p>(a) the qualifying expenditure within the meaning of sub-paragraph (1) (i) of paragraph 1 of this Schedule shall, in relation to any asset so acquired under that agreement, be limited to the amount of the instalment paid by the hirer during his basis period (within the meaning of those provisions) excluding in the computation of such qualifying expenditure any interest paid under the agreement;</p> <p>(b) any reference in the provisions as aforesaid to any owner of any asset shall be construed as including a reference to a hirer under the hire-purchase agreement and as excluding a reference to the person letting the goods to the hirer under the agreement.</p>	<p>Paragraph 2. Application of capital allowance to assets acquired under hire-purchase or finance lease agreement</p> <p>This part shall apply in relation to any asset acquired by any hirer or lessee under a hire-purchase or finance lease agreement subject to the following modifications —</p> <p>(a) the qualifying capital expenditure in any basis period shall, in relation to any asset so acquired under that agreement, be limited to the amount of the instalments paid by the hirer or lessee up to that basis period, excluding any interest paid under the agreement;</p> <p>(b) the “owner” of the asset shall be construed to be the hirer or lessee under the hire-purchase or finance lease agreement; and</p> <p>(c) the person letting the asset to the hirer or lessee under the agreement shall not be entitled to an allowance under sections 27 and 28 of this Act.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
<p>Mining expenditure</p>	<p>Paragraph 2. Provisions relating to mining expenditure</p> <p>(1) For the purposes of this Schedule, where-</p> <p>(a) qualifying mining expenditure has been incurred on the purchase of information relating to the existence and extent of the deposits or on searching for or on discovering and testing deposits or winning access thereto and such expenditure has been incurred for the purposes of a trade or business carried on by the company incurring the expenditure, or expenditure has been incurred for the purpose of trade or business about to be carried on by the company incurring the expenditure and such expenditure would have fallen to be treated as such qualifying mining expenditure if it had been incurred in a basis period; and</p> <p>(b) such expenditure has not brought into existence any asset; and</p> <p>(c) such trade or business consists of the working of a mine, oil well or other source of mineral deposits of a wasting nature, then such expenditure shall be deemed to have brought into existence an asset owned by the company incurring the expenditure and in use for the purpose of such trade or business.</p>	<p>Paragraph 3. Provisions relating to mining expenditure</p> <p>Under this part, qualifying mining expenditure in respect of mining operation is the amount incurred for the purchase of information relating to the existence and extent of mineral deposits, searching for or discovering and testing deposits, or winning access in a relevant basis period notwithstanding that the expenditure has not brought into existence an asset, provided that the mining operations consist of the working of a mine.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(2) For the purpose of this Schedule, an asset in respect of which qualifying mining expenditure has been incurred by any company for the purposes of a trade or business carried on by it, and which has not been disposed of, shall be deemed not to cease to be used for the purpose of that trade or business so long as such company continues to carry on that trade or business.</p> <p>(3) So much of any qualifying mining expenditure incurred on the acquisition of rights in or over mineral deposits and on the purchase of information relating to the existence and extent of the deposits as exceeds the total of the original cost of acquisition of such rights and of the cost of searching for, discovering and testing such deposits prior to the purchase of such information, shall be left out of account for the purposes of this Schedule:</p> <p>(4) Provided that where such costs were originally incurred by a company which carried on a trade or business consisting, as to the whole or part thereof, in the acquisition of such rights or information with a view to the assignment or sale thereof, the price paid on such assignment or sale shall be substituted for the aforementioned costs</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
Relevant interest	<p>Paragraph 3. Owner and meaning of “relevant interest”</p> <p>(1) For the purposes of this Schedule, where an asset consists of a building, structure or works, the owner thereof shall be taken to be the owner of the relevant interest in such building, structure or works.</p> <p>(2) Subject to the provisions of this paragraph, in this Schedule, the expression “the relevant interest” means, in relation to any expenditure incurred on the construction of a building, structure or works, the interest in such building, structure or works to which the person who incurred such expenditure was entitled when he incurred it.</p> <p>(3) Where, when he incurs qualifying building expenditure or qualifying mining expenditure on the construction of a building, structure or works, a person is entitled to two or more interests therein, and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purposes of this Schedule.</p>	<p>Paragraph 4. Relevant interest</p> <p>1) Under this part, where an asset consists of a building, structure or works, the owner shall be taken to be the owner of the relevant interest in the building, structure or works.</p> <p>(2) The expression “relevant interest” under this part means, in relation to an expenditure incurred on the construction of a building, structure or works, the interest in that building, structure or works which the person who incurred the expenditure was entitled.</p> <p>(3) Where qualifying building or mining expenditure on the construction of a building, structure or works has been incurred, the owner is entitled to two or more interests therein, and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purposes of this part.</p>	
Building expenditure	<p>Paragraph 5. Qualifying industrial building expenditure</p> <p>For the purpose of this Schedule-</p>	<p>Paragraph 5 - Qualifying building expenditure</p> <p>Under this Schedule, “qualifying building expenditure” means expenditure incurred on the construction of buildings, structures or</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(a) where but for this paragraph a company is entitled to an annual allowance in respect of qualifying building expenditure in respect of an asset in use, for the purposes of a trade or business carried on by it at the end of its basis period for any year of assessment, if that asset is an industrial building or structure in use as such at the end of its basis period for any such year then, in lieu of such allowance and qualifying building expenditure, the qualifying expenditure in respect of that asset shall be taken to mean "qualifying industrial building expenditure" for any allowances to be made to such company, in respect of that qualifying expenditure, for that year; and (b) "industrial building or structure" means any building or structure in regular use-</p> <p>(i) as a mill, factory, mechanical workshop, or other similar building, or as a structure used in connection with any such buildings;</p> <p>(ii) as a dock, port, wharf, pier, jetty or other similar building structure;</p> <p>(iii) for the operation of a railway for public use or for a water or electricity undertaking for the supply of water or electricity for public consumption; and</p>	<p>works of a permanent nature, in regular use for the purpose of trade or business and includes a building, structure or works used— (a) as a mill, factory, warehouse, workshop, or other similar building;</p> <p>(b) as a structure used in connection with any such buildings;</p> <p>(c) as a housing estate;</p> <p>(d) as a dock, port, wharf, pier, jetty or other similar building structure;</p> <p>(e) for the operation of a railway, or for the supply of water or electricity; and</p> <p>(f) for the running of a plantation or for the working of a mine or other source of mineral deposits of a wasting nature;</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	(iv) for the running of a plantation or for the working of a mine or other source of mineral deposits of a wasting nature.		
Capital Allowance	<p>Paragraph 6. Initial allowances</p> <p>(1) Subject to the provisions of this Schedule, where in its basis period for a year of assessment a company owning any asset has incurred in respect thereof qualifying expenditure wholly, exclusively, necessarily and reasonably for the purposes of a trade or business carried on by it, there shall be made to that company for the year of assessment in its basis period for which that asset was first used for the purposes of that trade or business an allowance (in this Schedule called "initial allowance") at the appropriate rate per centum, set forth in Table I to this Schedule, of such expenditure.</p> <p>(2) Where capital expenditure is incurred on the purchase of an asset and either purchaser is a person over whom the seller has control, or the seller is a person over whom the purchaser has control, or some other person has control over both the purchaser and the seller, then, the amount of any initial allowance to be made in respect of such expenditure shall be such an amount as the Service may determine to be just and</p>	<p>Paragraph 6. Capital Allowance</p> <p>in a basis period for a year of assessment, a person has incurred qualifying expenditure wholly and exclusively for the purposes of its trade or business, there shall be made to the person for each year of assessment in the basis period for which that asset was used for the purposes of that trade or business, an allowance (capital allowance) at the rate specified in Table I of this part, provided that—</p> <p>(a) there shall be recorded in the capital allowance computation schedule for statistical purposes 1% of qualifying capital expenditure until the asset is disposed which being a notional amount, shall not increase or reduce the amount of capital allowance claimable; and</p> <p>(b) where the basis period for any year of assessment is a period of less than one year, the allowance for that year of assessment shall be granted proportionately.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>reasonable having regard to all the circumstances relating to such asset and control:</p> <p>Provided that any such amount shall not exceed the amount of the initial allowance which would have been allowable apart from the provisions of this subparagraph.</p> <p>(3) Where a company has incurred qualifying expenditure for the purchase of plants and machineries for the replacement of the old ones, there shall be allowed such company a once and for all 95 per cent capital allowances in the first year, with 5% retention as the book value until the final disposal of the asset:</p> <p>Provided that the aggregate capital allowances granted in respect of any asset under this Schedule and under section 42 shall not exceed 95 per cent of the total cost of the asset.</p> <p>Paragraph 7- Annual allowances</p> <p>(1) Subject to the provisions of this Schedule, where in its basis period for a year of assessment, a company owning any asset has incurred in respect thereof qualifying expenditure wholly, exclusively, necessarily and reasonably for the purpose of a trade or business carried on by it, whether or not an initial allowance was made in respect of that qualifying expenditure, there</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>shall be made to that company for each year of assessment, in its basis period for which that asset was used for the purpose of that trade or business, an allowance (hereinafter called "annual allowance" at the rate specified in respect thereof in Table 11 of this Schedule of such expenditure after the deduction of initial allowance where applicable:</p> <p>Provided that an amount of ₦10 shall be retained in the accounts for tax purposes until the asset is disposed of:</p> <p>Provided further that where the basis period for any year of assessment is a period of less than one year and such allowance for that year of assessment shall be proportionately reduced.</p> <p>(2) In the case of an asset in respect of which an allowance has been granted before the commencement of this sub-paragraph, an allowance shall be made in respect of the asset for the number of years which, if added to the number of years of assessment for which allowance has already been made, equals the number of years of assessment for which allowance is to be made under the provisions of sub-paragraph (1) of this paragraph:</p> <p>Provided that if an allowance has been made for a number of years which is equal to or more than the</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>number of years specified under sub-paragraph (1) of this paragraph, a single allowance shall be made for an amount which is ₦10 less than the residue of the qualifying expenditure for the year of assessment in which this sub-paragraph takes effect.</p>		
Asset to be in use	<p>Paragraph 8. Asset to be in use at the end of basis period</p> <p>An initial or an annual allowance in respect of qualifying expenditure incurred in respect of any asset shall only be made to a company for a year of assessment if at the end of its basis period for that year it was the owner of that asset and that asset was in use for the purposes of a trade or businesses carried on by that company.</p>	<p>Paragraph 7. Asset to be in use at end of basis period</p> <p>A capital allowance in respect of qualifying expenditure incurred in respect of an asset shall be made to a person for a year of assessment if at the end of a basis period, the person—</p> <p>(a) is the owner of the asset; and</p> <p>(b) used the asset for the purposes of its trade or business.</p>	
Residue	<p>Paragraph 10. Residue</p> <p>The residue of qualifying expenditure, in respect of any asset, at any date, shall be taken to be the total qualifying expenditure incurred on or before that date, by the owner thereof at that date, in respect of that asset, less the total of any annual allowances due to such owner, in respect of that asset, before that date.</p>	<p>Paragraph 8. Residue</p> <p>(1) The residue of a qualifying expenditure, in respect of an asset, at any date, is the total qualifying expenditure incurred on or before the date, in respect of that asset, less the total of capital allowance made, in respect of that asset, before that date.</p> <p>(2) For the purpose of this paragraph, capital allowance shall only be made for an asset that is in use for the purpose of the trade or business at the end of the basis period of the year of assessment.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
Disposal	N/A	<p>Paragraph 9. Disposal under qualifying expenditure</p> <p>Under this part—</p> <p>(a) a building, structure or works of a permanent nature is disposed where the —</p> <p>(i) relevant interest therein is sold,</p> <p>(ii) interest, being an interest depending on the duration of a concession comes to an end, on the coming to an end of that concession,</p> <p>(iii) leasehold interest terminates without the person who holds it acquiring the reversionary interest, which is the right of the owner of the underlying title to possess the land when the leasehold scheme expires, or</p> <p>(iv) building, structure or works of a permanent nature is demolished or destroyed or without being demolished or destroyed, ceases to be used for the purposes of a trade or business carried on by the owner;</p> <p>(b) plant, machinery or fixture is disposed, if it is sold, discarded or ceases to be used for the purposes of a trade or business carried on by the owner; and</p> <p>(c) an asset in respect of which qualifying mining expenditure is incurred is disposed, if it is sold or ceases to be used for the purposes of the mining operation of the person.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
Value of an Asset	<p>Paragraph 13. Value of an asset</p> <p>(1) The value of an asset at the date of its disposal shall be the net proceeds of the sale thereof or of the relevant interest therein, or if it was disposed of without being sold, the amount which, in the opinion of the Service, such asset or the relevant interest therein, as the case may be, would have fetched if sold in the open market at that date, less the amount of any expenses which the owner might reasonably be expected to incur if the asset were so sold.</p> <p>(2) For the purposes of this paragraph, if an asset is disposed of in such circumstances that insurance or compensation monies are received by the owner thereof, the asset or the relevant interests therein, as the case may be, shall be treated as having been sold and as though the net proceeds of the insurance or compensation monies were the net proceeds of the sale thereof.</p> <p>(3) So much of sub-paragraph (1) of this paragraph as relates to the circumstances for determining the value of an asset by reference to the disposal of such asset, other than by way of sate, shall have effect-</p>	<p>Paragraph 10. Value of an Asset</p> <p>(1) The value of an asset at the date of its disposal shall be the proceeds of the sale of the asset or the relevant interest, or if it was disposed without being sold, the amount which, in the opinion of the relevant tax authority, the asset or the relevant interest may realise in the open market at that date.</p> <p>(2) For the purpose of this paragraph, where an asset is disposed in such circumstances that insurance or compensation monies are received by the owner, the asset or the relevant interest, shall be treated as having been sold, and as if the net proceeds of the insurance or compensation monies were the net proceeds of the sale.</p> <p>(3) Subparagraph (2) of this paragraph shall not apply where the compensation monies received by the owner is used for the replacement of the asset lost or destroyed, and the allowances to be granted under this Schedule, in respect of the new asset, shall where the compensation received together with the residual or scrap value of the old asset, where applicable, is —</p> <p>(a) greater than the cost of the new asset acquired, be limited to the residue of the old asset; and</p> <p>(b) lower than the cost of the new asset, be—</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(a) in relation to any asset or the relevant interest therein disposed of not being by way of bargain made at arm's length; or</p> <p>(b) where the sale is between persons who are related to each other or between persons both of whom are controlled by some other person or one of whom has control over the other.</p>	<p>(i) the amount claimable in respect of the residue of the old asset, and</p> <p>(ii) full allowance in respect of the additional asset acquired, being the amount with which the cost of that new asset acquired exceeds the compensation together with the residual or scrap value.</p> <p>(4) Where the relevant interest in an asset is disposed not by way of bargain made at arm's length or where the sale is between connected persons, the value of the asset shall be determined by reference to the arm's length price of the asset.</p>	
Apportionment	<p>Paragraph 14. Apportionment</p> <p>(1) Any reference in this Schedule to the disposal, sale or purchase of any asset includes a reference to the disposal, sale or purchase of that asset, as the case may be, together with any other asset, whether or not qualifying expenditure has been incurred on such lastmentioned asset; and where an asset is disposed of, sold, or purchased together with another asset, so much of the value of the assets as, on a just apportionment, is properly attributable to the first mentioned asset shall, for the purposes of this Schedule, be deemed to be the value of or the price paid for that asset, as the case may be. For the purposes of this sub-paragraph, all the assets which are purchased or disposed of in pursuance of one bargain</p>	<p>Paragraph 11. Apportionment</p> <p>(1) Where a qualifying asset is disposed, sold, or purchased together with a non-qualifying asset, the proportion of the value of the asset, on a just apportionment, attributable to the qualifying asset shall, for the purposes of this part, be the value of or the price paid for the asset.</p> <p>(2) For the purposes of subparagraph (1) of this paragraph, assets purchased or disposed in one bargain shall be deemed to be purchased or disposed together, notwithstanding that separate prices are or purport to be agreed for each of the assets, or that there are or purport to be separate purchases or disposals of the assets.</p> <p>(3) The provisions of subparagraph (1) of this paragraph shall apply, with any necessary modifications, to the sale or purchase of</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>shall be deemed to be purchased or disposed of together, notwithstanding that separate prices are or purport to be agreed for each of those assets or that there are or purport to be separate purchases or disposals of those assets.</p> <p>(2) The provisions of sub-paragraph (1) of this paragraph shall apply, with any necessary modifications, to the sale or purchase of the relevant interest in any asset together with any other asset or relevant interest in any other asset.</p>	<p>the relevant interest in an asset together with any other asset or relevant interest in any other asset.</p>	
Part of an asset	<p>Paragraph 15. Part of an asset</p> <p>Any reference in this Schedule to any asset shall be construed whenever necessary as including a reference to a part of any asset (including an undivided part of that asset in the case of joint interests 159 therein) and when so construed any necessary apportionment shall be made as may, in the opinion of the Service, be just and reasonable.</p>	<p>Paragraph 12. Reference to asset to include part of an asset</p> <p>Any reference in this part to an asset shall be construed, whenever necessary, to include reference to a part of an asset or an undivided part of the asset in the case of joint interests, and when so construed, any necessary apportionment shall be made as may, in the opinion of the relevant tax authority, be just and reasonable.</p>	
Extension of application of "in use"	<p>Paragraph 16. Extension of meaning of "in use"</p> <p>(1) For the purposes of this Schedule, an asset shall be deemed to be in use during a period of temporary disuse.</p>	<p>Paragraph 13. Extension of application of "in use"</p> <p>(1) For the purpose of this part, an asset shall be deemed to be in use during a period of temporary disuse.</p> <p>(2) For the purpose of paragraph 6 and 7 of this part where an asset acquired for the purposes of a trade of business has not been used</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(2) For the purposes of paragraphs 6, 7 and 8 of this Schedule- (a) an asset in respect of which qualifying expenditure has been incurred by the company owning such asset for the purposes of a trade or business carried on by it shall be deemed to be in use, for the purposes of that trade or business, between the dates hereinafter mentioned, where the Service is of the opinion that the first use to which the asset will be put by the company incurring such expenditure will be for the purposes of that trade or business; (b) the said dates shall be taken to be the date on which such expenditure was incurred and the date on which the asset is in fact first put to use: (3) Provided that where any allowances have been given in consequence of this subparagraph and the first use to which such asset is put is not for the purposes of such trade or business, all such additional assessments shall be made as may be necessary to counteract the benefit obtained from the giving of any such allowances.</p>	<p>for the trade or business carried on by the owner, the asset shall be deemed to be in use, for the purposes of that trade or business on the date on which the expenditure was incurred, provided that where an allowance has been made in consequence of this subparagraph and the first use to which the asset is put is not for the trade or business, additional assessments shall be made to counteract the benefit obtained from the giving of the allowance.</p> <p>(3) The approval of the relevant tax authority shall be obtained for the purpose of subparagraph (2) of this paragraph.</p>	
<p>Exclusion of certain expenditure</p>	<p>Paragraph 17. Exclusion of certain expenditure Where any company has incurred expenditure which is allowed to be deducted, in computing the profits of its trade or business under section 24 of this Act, such expenditure shall not be treated as qualifying expenditure.</p>	<p>Paragraph 14. Exclusion of certain expenditure</p> <p>Under this part, the following shall not be treated as qualifying expenditure—</p> <p>(a) expenditure allowed for deduction under section 20 of this Act; and</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
		(b) excess amount incurred on assets acquired in foreign currency and paid for with foreign currency obtained from the unofficial foreign exchange market at a rate above the prevailing official market rate on the date of the acquisition.	
Leases	<p>Paragraph 18. Application of lessor</p> <p>(1) Where a company owning an asset-</p> <p>(a) has incurred capital expenditure in respect thereof; or</p> <p>(b) leases that asset to any person under an operating lease contract for use wholly, exclusively, necessarily and reasonably for the purpose of a trade or business carried on by such person, the provisions of this Schedule shall apply, as though such expenditure were incurred for the purpose of a trade or business carried on by the owner or lessor and as though the owner or lessor were using the asset for the purpose of such lastmentioned trade or business in the way in which and for the period or periods during which the asset is in fact in the first- mentioned trade or business.</p> <p>(2) Where however an asset is acquired by any hirer or lessee under a finance lease contract the terms of which provide for the transfer of ownership, risks and</p>	<p>Paragraph 15. Application to leases</p> <p>(1) Where in a basis period, the owner of an asset leases the asset to another person under an operating lease, the provisions of this part shall apply, as though such expenditure were incurred for the purpose of a trade or business carried on by the owner or lessor.</p> <p>(2) Where an asset is acquired for use by a hirer or lessee under a hire purchase or finance lease contract for the purpose of a trade or business carried on by such hirer or lessee, the hirer or lessee shall be deemed to be the owner of the asset and the provisions of this part shall apply to the hirer or lessee, to the exclusion of the hiree or lessor under the contract.</p> <p>(3) For the purposes of this paragraph in relation to the trade or business, the basis period for any year of assessment shall be taken to be the year immediately preceding that year of assessment.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>reward to the hirer or lessee, the provisions of this Schedule shall apply in the same way as it applies to an asset acquired by any owner or lessor of an asset for the purpose of his trade or business, but shall so apply subject to the following modifications that is to say-</p> <p>(a) the qualifying expenditure within the provisions of this Schedule shall in relation to any asset so acquired under that contract, be limited to the amount of the total lease payments due from hirer or lessee, during his basis period excluding in the computation of such qualifying expenditure any interest or charges payable under the contract;</p> <p>(b) any reference in this subparagraph to any owner or lessor of any asset shall be construed as including a reference to a hirer or lessee under the finance lease contract and as excluding a reference to the person leasing the asset to the hirer or lessee under the contract.</p> <p>[(3) [Deleted by 2023 No. 1, s.9]</p> <p>(4) For the purposes of this Schedule the terms "operating lease" and "finance lease" shall have the meanings ascribed to them by the Statement of Accounting Standard on Leases.</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(5) For the purposes of this paragraph in relation to the trade or business which an owner is to be treated as carrying on, his basis period for any year of assessment shall be taken to be the year immediately preceding that year of assessment.</p> <p>(6) When a company owning an equipment has incurred capital expenditure in respect thereof for the purposes of leasing that equipment for the use wholly, exclusively, necessarily and reasonably for the purposes of a trade or business carried on or about to be carried on by a person, the provisions of this Schedule shall apply to all such leases.</p> <p>(7) [Deleted by 2023 No. 1, s.9]</p>		
<p>Asset used partly for the purposes of a trade</p>	<p>Paragraph 19. Asset used or expenditure incurred partly for the purposes of a trade or business</p> <p>(1) The following provisions of this paragraph shall apply where either or both of the following conditions apply with respect to any asset-</p> <p>(a) the owner of the asset has incurred in respect thereof qualifying expenditure partly for the purposes of a trade or business carried on by him and partly for other purposes;</p>	<p>Paragraph 16. Asset used or expenditure incurred partly for the purposes of a trade or business.</p> <p>(1) Where the owner of an asset partly uses the asset for a trade or business, the allowance computed in accordance with the provisions of this part, shall, as may be reasonable, be apportioned to the trade or business.</p> <p>(2) Where the relevant tax authority is of the opinion that the basis of apportionment is not just and reasonable, having regard to all the circumstances and to the provisions of this part of this Schedule, the</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>(b) the asset in respect of which qualifying expenditure has been incurred by the owner thereof</p> <p>is used partly for the purposes of a trade or business carried on by such owner and partly for other purposes.</p> <p>(2) Any allowances and any charges which would be made if both such expenditure were incurred wholly, exclusively, necessarily and reasonably for the purposes of such trade or business and such asset were used wholly and exclusively for the purposes of such trade or business shall be computed in accordance with the provisions of this Schedule.</p> <p>(3) So much of the allowances and charges computed in accordance with the provisions of subparagraph (2) of this paragraph shall be made as in the opinion of the Service is just and reasonable having regard to all the circumstances and to the provisions of this Schedule.</p>	<p>relevant tax authority shall make necessary adjustments as may be deemed fit.</p>	
<p>Disposal without change of ownership</p>	<p>Paragraph 20. Disposal without change of ownership</p> <p>(1) Where an asset in respect of which qualifying expenditure has been incurred by the owner thereof has been disposed of in such circumstances that such owner remains the owner thereof, then, for the purposes of determining whether and, if so, in what amount, any annual or balancing allowance or balancing charge shall be made to or on such owner in</p>	<p>Paragraph 17. Disposal without change of ownership</p> <p>Where an asset in respect of which qualifying expenditure has been incurred is disposed in such circumstances that the owner retains ownership, for the purposes of determining the amount of capital allowance, the owner shall be deemed to have bought the asset immediately after the disposal for a price equal to the residue of the qualifying expenditure at the date of the disposal.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>respect of his use of the asset after the date of such disposal-</p> <p>(a) qualifying expenditure incurred by such owner in respect of such asset prior to the date of such disposal shall be let out of account; but</p> <p>(b) such owner shall be deemed to have bought such asset immediately after such disposal for a price equal to the residue of such qualifying expenditure at the date of such disposal, increased by the amount of any balancing charge or decreased by the amount of any balancing allowance made as a result of such disposal.</p>		
<p>Application to professions and vocations</p>	<p>N/A</p>	<p>Paragraph 18. Application of this schedule to professions and vocations</p> <p>In this part of this Schedule, references to a trade or business include references to a profession or vocation</p>	
<p>Partnerships</p>	<p>N/A</p>	<p>Paragraph 19. Partnerships</p> <p>(1) Where a trade or business is carried on by persons in a partnership, the trade or business of the partnership is treated as a single enterprise and any allowance that applies to the individual partners are computed as if the single enterprise conducted all the trade or business activities performed by the individual partners involved in that trade or business during the period.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
		<p>(2) Where a partner joins or leaves the partnership during a basis period, it shall be treated as if the business ceased at that time and recommenced immediately thereafter, and the provisions of paragraph (17) of this part shall apply in respect of the assets transferred to the new business.</p> <p>(3) Capital allowances related to assets shall be apportioned among the partners in their profit-sharing ratio at the end of the basis period.</p> <p>(4) Where capital allowance is required to be recomputed as a result of the application of subparagraph (2) of this paragraph, all such additional assessments or repayments of tax shall be made as may be necessary to give effect to the provisions of this paragraph.</p> <p>(5) Where the application of this paragraph is inconsistent with any of the provisions of the other paragraphs of this part, the provisions shall apply with such modifications as the relevant tax authority may consider necessary and prescribe rules embodying those modifications.</p>	
Allowance made	<p>Paragraph 21. Meaning of "allowances made"</p> <p>Any reference in this Schedule to an allowance made includes a reference to an allowance which would be</p>	<p>Paragraph 20. Allowance made</p> <p>Any reference in this part to an allowance made includes a reference to an allowance which would have been made but for an insufficiency of assessable profit or income against which to make it.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	made but for an insufficiency of assessable profits against which to make it.		
Claims for allowance	<p>Paragraph 22. Claims for allowances</p> <p>No allowance shall be made to any company for any year of assessment under the provisions of this Schedule unless claimed by it for that year or where the Service is of the opinion that it would be reasonable and just so to do.</p>	<p>Paragraph 21. Claims for allowance</p> <p>An allowance shall not be made to a person for a year of assessment unless it is claimed by the person for that year or where the relevant tax authority is of the opinion that it would be just to the taxpayer and reasonable to do so.</p> <p>Where an allowance is not claimed in the year of assessment in the basis period for which that asset was used for the purposes of that trade or business, it shall be carried forward to subsequent period(s).</p>	
Manner of making allowance	<p>Paragraph 24. Manner of making allowances and charges</p> <p>(1) The amount of any charge to be made on a company under the provisions of this Schedule shall be made by making an addition to its assessable profits for the year of assessment for which such charge falls to be made under the provisions of this Schedule:</p> <p>Provided that where any such charge falls to be made on any company for any year of assessment, whenever necessary by reason of the assessment on that company having become final and conclusive for that year or for other sufficient reason, the Service may</p>	<p>Paragraph 22. Manner of making allowance</p> <p>(1) An allowance to be made to a person under the provisions of this part shall be subtracted from the remainder of the assessable profits or income for the relevant year of assessment.</p> <p>(2) For the purpose of this paragraph, the remainder of the assessable profits or income of a person for a year of assessment shall be determined by giving full effect to the provisions of section 27 of this Act in the case of a company, and section 28 of this Act in the case of an individual, as it relates to the deduction of a loss.</p> <p>(3) Where a deduction under subparagraph (2) of this paragraph cannot be fully made for a year of assessment due to no remainder or insufficient remainder of assessable profit or income, the</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>make an additional assessment upon such company in respect of the amount of such charge.</p> <p>(2) Subject to the provisions of this paragraph, the amount of any allowance to be made to a company under the provisions of this Schedule shall be made by making a deduction from the remainder of its assessable profits for the year of assessment for which such allowance falls to be made under the provisions of this Schedule.</p> <p>(3) For the purposes of this paragraph, any such remainder for a year of assessment shall be ascertained by first giving full effect to the provisions of subparagraph (1) of this paragraph and to the provisions of section 31 relating to the deduction of the amount of any loss.</p> <p>(4) Where full effect cannot be given to any deduction to be made under subparagraph (2) of this paragraph for any year of assessment owing to there being no such remainder for that year, or owing to the remainder for that year being less than such deduction, the deduction or part of the deduction to which effect has not been given, as the case may be, shall, for the purpose of ascertaining total profits (of the company entitled to such deduction) under section 31 for the following year, be deemed to be a deduction for that</p>	<p>deduction, or the part not yet made, shall be treated as a deduction for the next year, and for succeeding years until fully utilised.</p>	

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>year, in accordance with the provisions of subparagraph (2) of this paragraph, and so on for succeeding years.</p> <p>(5) Where a company is entitled to a deduction under the preceding sub-paragraph, or to a deduction in respect of a balancing allowance, in respect of an asset used in a trade or business carried on by it, for a year of assessment in which that trade or business permanently ceases to be carried on by it and full effect cannot be given to any such deduction for that year owing to there being no such remainder of assessable profits for that year, or owing to the remainder of its assessable profits for that year being less than such deduction, that deduction or the part to which effect has not been given, as the case may be, may, on a claim being made by such company, be given by way of deduction from any remainder of its assessable profits for the preceding year of assessment, and so on for other preceding years, so, however, that no such deduction shall be given by virtue of this sub-paragraph for any year earlier than the fifth year before the first-mentioned year of assessment:</p> <p>Provided that where any relief is given under this subparagraph in respect of any such deduction, the provisions of the preceding sub-paragraph shall cease to have effect in respect of that deduction for any year</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>of assessment subsequent to the year of assessment in which such trade or business ceases.</p> <p>(6) Where any deduction falls to be given under the provisions of the preceding subparagraph for any preceding years of assessment, whenever necessary, by reason of any assessments for those years having become final and conclusive, or for other sufficient reason, the Service, with respect to each such year, may make such repayment or set-off of the tax, or of any part of such tax, paid or charged for any such year as may be appropriate, in lieu of making any such deduction.</p> <p>(7) In giving effect to the provisions of subparagraph (2) of this paragraph, the amount of capital allowances to be deducted from assessable profits in any year of assessment shall not exceed sixty-six and two thirds of a per cent of such assessable profits of a company, but any company engaged in upstream and midstream gas operations as described in the Petroleum Industry Act, No. 6, 2021 or the Petroleum Profit Tax Act, Cap. P13, Laws of the Federation of Nigeria or the agro-allied industry or which is engaged in the trade or business of manufacturing shall not be affected by the restriction under this sub-paragraph:</p>		

Item	Current Provisions	Proposed Amendments	Committee's Recommendations												
	<p>Provided that the value of any asset on which capital allowance is to be claimed under this Second Schedule shall be reduced by the amount of any investment allowance claimable by such company.</p> <p>[Deleted by 2023 No. 1, s.9]</p> <p>(8) In this paragraph-</p> <p>“company in the agro-allied industry” is a company to which subsection (9) of section 11 of this Act applies.</p>														
<p>Capital Allowance Rates</p>	<p>TABLE I</p> <p><i>Initial allowances</i></p> <p>Qualifying Expenditure in respect of: Rate per cent</p> <p>Building Expenditure 15</p> <p>Industrial Building Expenditure15</p> <p>Mining Expenditure95</p> <p>Plant Expenditure (excluding Furniture and Fittings) 50</p> <p>Manufacturing Industrial Plant Expenditure 50</p>	<p>TABLE I <i>Capital allowance</i></p> <table border="1" data-bbox="1016 823 1839 1418"> <thead> <tr> <th data-bbox="1016 823 1151 890">Class</th> <th data-bbox="1151 823 1267 890">Rate</th> <th data-bbox="1267 823 1839 890">Qualifying Capital Expenditure</th> </tr> </thead> <tbody> <tr> <td data-bbox="1016 890 1151 1094">1</td> <td data-bbox="1151 890 1267 1094">10%</td> <td data-bbox="1267 890 1839 1094">(i) Building Expenditure (ii) Agricultural Expenditure (iii) Mast Expenditure (iv) Intangible assets Expenditure (v) Heavy Transportation Expenditure</td> </tr> <tr> <td data-bbox="1016 1094 1151 1299">2</td> <td data-bbox="1151 1094 1267 1299">20%</td> <td data-bbox="1267 1094 1839 1299">(i) Plant Expenditure (ii) Agricultural Equipment Expenditure (iii) Furniture and Fittings Expenditure (iv) Mining Expenditure (v) Other Equipment Expenditure</td> </tr> <tr> <td data-bbox="1016 1299 1151 1418">3</td> <td data-bbox="1151 1299 1267 1418">25%</td> <td data-bbox="1267 1299 1839 1418">(i) Motor Vehicle Expenditure (ii) Software Expenditure (iii) Other Capital Expenditure</td> </tr> </tbody> </table>	Class	Rate	Qualifying Capital Expenditure	1	10%	(i) Building Expenditure (ii) Agricultural Expenditure (iii) Mast Expenditure (iv) Intangible assets Expenditure (v) Heavy Transportation Expenditure	2	20%	(i) Plant Expenditure (ii) Agricultural Equipment Expenditure (iii) Furniture and Fittings Expenditure (iv) Mining Expenditure (v) Other Equipment Expenditure	3	25%	(i) Motor Vehicle Expenditure (ii) Software Expenditure (iii) Other Capital Expenditure	
Class	Rate	Qualifying Capital Expenditure													
1	10%	(i) Building Expenditure (ii) Agricultural Expenditure (iii) Mast Expenditure (iv) Intangible assets Expenditure (v) Heavy Transportation Expenditure													
2	20%	(i) Plant Expenditure (ii) Agricultural Equipment Expenditure (iii) Furniture and Fittings Expenditure (iv) Mining Expenditure (v) Other Equipment Expenditure													
3	25%	(i) Motor Vehicle Expenditure (ii) Software Expenditure (iii) Other Capital Expenditure													

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>Construction Plant Expenditure (excluding Furniture and Fittings) 50</p> <p>Public Transportation Motor Vehicle 95</p> <p>Ranching and Plantation Expenditure 30</p> <p>Plantation Equipment Expenditure 95</p> <p>Research and Development Expenditure 95</p> <p>Motor Vehicle Expenditure 50</p> <p>Agricultural Plant Expenditure 95</p> <p>Housing Estate Expenditure 50</p> <p>Furniture and Fitting Expenditure 25</p>		
Item	Current Provisions	Proposed Amendments	Committee's Recommendations

<p>Transitional rules</p>	<p>N/A</p>	<p>Paragraph 23. Transitional rules for capital allowances</p> <p>(1) Where a capital allowance has been granted in respect of an asset before the commencement of this Act, the remaining basis periods in which allowance may be made under this part, shall be the number of years of assessment for which allowance is to be made under this part less the number of years of assessment for which allowance has previously been made.</p> <p>(2) Where capital allowances were granted, in respect of an asset before the commencement of this Act, for years of assessment equal to or greater than the number of years allowable under this Act, a single allowance shall be granted for the residue upon the commencement of this Act provided that there shall be recorded in the capital allowance computation schedule for statistical purposes, 1% of the qualifying capital expenditure until the asset is disposed which being a notional amount shall not increase or reduce the amount of capital allowance claimable under this Act.</p> <p>(3) In respect of qualifying capital expenditure on which capital allowance has been fully granted before the coming into effect of this Act, capital allowance shall not be granted under this Act on the amount required to be retained in the books under the repealed enactment.</p>	
----------------------------------	-------------------	--	--

PART II

CAPITAL ALLOWANCE FOR UPSTREAM PETROLEUM OPERATIONS UNDER THE PETROLEUM INDUSTRY ACT – **Retained**

Item	Current Provisions	Proposed Amendments	Committee's Recommendations
	<p>Paragraph 1- Interpretation</p> <p>1. For the purpose of this Schedule-</p> <p>(a) “concession” includes a petroleum exploration licence, petroleum prospecting licence, petroleum mining lease, any right, title or interest in or to petroleum in the ground and any option of acquiring any such right, title or interest;</p> <p>(b) “lease” includes an agreement for a lease where the term to be covered by the lease has begun, any tenancy and any agreement for the letting or hiring out of an asset, but does not include a mortgage, and all cognate expressions including “LEASEHOLD INTEREST” shall be construed accordingly and where,-</p> <p>(i) with the consent of the lessor, a lessee of any asset remains in possession after the termination of the lease without a new lease being granted, that lease shall be deemed for the purpose of this Schedule to continue so long as the lessee remains in possession, and</p> <p>(ii) on the termination of a lease of any asset, a new lease of that asset is granted to the lessee, the provisions of this Schedule shall</p>	<p>Paragraph1- Interpretation</p> <p>(1) For the purpose of this part—</p> <p>(a) “concession” includes a petroleum exploration licence, petroleum prospecting licence, petroleum mining lease, any right, title or interest in or to petroleum in the ground and any option of acquiring any such right, title or interest;</p> <p>(b) “lease” includes an agreement for a lease where the term to be covered by the lease has begun, any tenancy and any agreement for the letting or hiring out of an asset, but does not include a mortgage, and all cognate expressions, including “Leasehold Interest”, shall be construed accordingly and where—</p> <p>(i) with the consent of the lessor, a lessee of any asset remains in possession after the termination of the lease without a new lease being granted, that lease shall be deemed for the purpose of this part to continue so long as the lessee remains in possession, and</p> <p>(ii) on the termination of a lease of any asset, a new lease of that asset is granted to the lessee, the provisions of this part shall have effect as if the second lease were a continuation of the first lease;</p> <p>(c) “qualifying expenditure” means, expenditure incurred for the purpose of hydrocarbon tax in an accounting period, which is capital expenditure, referred to as—</p> <p>(i) “qualifying plant expenditure” incurred on plant, machinery and fixtures directly for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licences,</p> <p>(ii) “qualifying pipeline and storage expenditure” including floating</p>	

	<p>have effect as if the second lease were a continuation of the first lease; (c) “qualifying expenditure” means, subject to the express provisions of this Schedule, expenditure incurred for the purpose of hydrocarbon tax in an accounting period, which is capital expenditure, referred to as-</p> <p>(i) “qualifying plant expenditure” incurred on plant, machinery and fixtures directly for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licence, 652</p> <p>(ii) “qualifying pipeline and storage expenditure” including floating production systems incurred directly or gathering pipelines for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licences,</p> <p>(iii) “qualifying building expenditure” other than expenditure, which is included in sub-subparagraph (c) (i), (ii) or (iv) of this “Interpretation”, incurred directly on the construction of buildings, structures or works of a permanent nature for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licences, or (iv) “qualifying drilling expenditure”, tangible and intangible, other than expenditure which is included in sub-subparagraph (c) (i) or (ii) of this “Interpretation”, incurred directly in connection with upstream</p>	<p>production systems incurred directly or gathering pipelines for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licences, (iii) “qualifying building expenditure” other than expenditure, which is included in subparagraph (c)(i), (ii) or (iv) of this paragraph, incurred directly on the construction of buildings, structures or works of a permanent nature for upstream petroleum operations applicable to crude oil for petroleum mining leases or petroleum prospecting licences, or</p> <p>(iv) “qualifying drilling expenditure”, tangible and intangible, other than expenditure which is included in subparagraph (1)(c)(i) or (ii) of this paragraph, incurred directly in connection with upstream petroleum operations for petroleum mining leases or petroleum prospecting licences, in view of searching for or discovering and testing petroleum deposits, or winning access, or the construction of any works or buildings which are likely to be of little or no value when the upstream petroleum operations for which they were constructed ceased, provided that qualifying expenditure shall not include any sum which may be deducted under section 68 of this Act or have benefited from capital allowance under any other provisions of this Act or prior to the acquisition of the asset by another entity;</p> <p>(2) Expenditure incurred by a company before its first accounting period, ascertained without the qualification for being deductible under section 68 of this Act, shall be deemed to be qualifying expenditure incurred by it on the first day of its first accounting period.</p> <p>(3) Where the asset referred to in subparagraph (d) has been disposed by the company before the beginning of its first accounting period, any loss incurred by the company on the disposal of such asset shall not allowed on commencement of its accounting period and any profit realised by the company on such disposal shall be liable to income tax in its first accounting period.</p>	
--	--	--	--

	<p>petroleum operations for petroleum mining leases or petroleum prospecting licence, in view of searching for or discovering and testing petroleum deposits, or winning access, or the construction of any works or buildings which are likely to be of little or no value when the upstream petroleum operations for which they were constructed cease to be carried on, provided that, for the purposes of these definitions, qualifying expenditure shall not include any sum which may be deducted under section 263 of this Act and have benefited from capital allowances prior to the acquisition of the asset by another entity;</p> <p>(d) for the purpose of interpretation of qualifying expenditure, where expenditure is incurred by a company before its first accounting period and such expenditure would have fallen to be treated as qualifying expenditure, ascertained without the qualification contained in the foregoing proviso if it had been incurred by the company on the first day of its first accounting period and that expenditure is incurred in respect of an asset, owned by the company then such expenditure shall be deemed to be qualifying expenditure incurred by it on that day, or which has been disposed of by the company before the beginning of its first accounting period, then any loss suffered by the company on the disposal of such asset shall not</p>		
--	--	--	--

	<p>be allowed on commencement of accounting period and any profit realised by the company on such disposal shall be liable to capital gains tax in the same period accordingly.</p>		
	<p>Paragraph 2- Provisions relating to preproduction expenditure 2. For the purpose of this Schedule, where- (a) expenditure has been incurred before its first accounting period and the expenditure would have been treated as a qualifying expenditure in any of the classes of qualifying expenditures stated in subparagraph (1) (c) (i)-(iv), then it shall be so classified and capital allowances claimed accordingly; and (b) Where the expenditure before the first accounting date should have been treated as allowable deduction in an accounting period, it shall be so allowed but fully amortised over a period of five years with a 1% retention value.</p>	<p>Paragraph 2- Provisions relating to pre-production expenditure For the purpose of this part, where— (a) expenditure has been incurred before the first accounting period and the expenditure would have been treated as a qualifying expenditure in any of the classes of qualifying expenditures stated in subparagraph (1)(c), then it shall be so classified; and (b) the expenditure before the first accounting date ought to have been treated as allowable deduction in an accounting period, it shall be allowed but fully amortised over a period of five years.</p>	
	<p>Paragraph 3- Owner and meaning of relevant interest (1) For the purpose of this Schedule, where an asset consists of a building, structure or works, the owner shall be taken to be the owner of the relevant interest in such building, structure or works. (2) Subject to this paragraph, the expression “the relevant interest” means, in relation to any</p>	<p>Paragraph 3- Relevant interest (1) Under this part, where an asset consists of a building, structure or works, the owner shall be taken to be the owner of the relevant interest in such building, structure or works. (2) The relevant interest under this part means, in relation to any expenditure incurred on the construction of a building, structure or works, the interest in such building, structure or works to which the company which incurred the expenditure was entitled. (3) Where a company incurs qualifying building expenditure or qualifying drilling expenditure on the construction of a building,</p>	

	<p>expenditure incurred on the construction of a building, structure or works, the interest in such building, structure or works to which the company which incurred the expenditure was entitled when it incurred the expenditure.</p> <p>(3) Where a company incurs qualifying building expenditure or qualifying drilling expenditure on the construction of a building, structure or works, the company is entitled to two or more interests therein, and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purpose of this Schedule.</p> <p>(4) Where the owner of the relevant interest does not have statutory title to the asset, that is, it is not the licensee or lessee to the asset, the qualifying capital expenditure and the capital allowances accruing therefrom, for the purposes of this Schedule, shall be to the benefit of the holder of the licence or lease.</p>	<p>structure or works, the company is entitled to two or more interests, and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purpose of this part.</p> <p>(4) Where the owner of the relevant interest is not the licensee or lessee, the qualifying capital expenditure and the capital allowance accruing therefrom shall be to the benefit of the holder of the licence or lease.</p>	
	<p>Paragraph 5- Annual Allowance</p> <p>(1) Subject to this Schedule, where in any accounting period, a company owning any asset has incurred in respect of the asset qualifying expenditure wholly, reasonably, exclusively and necessarily for the purpose of upstream petroleum operations applicable to crude oil carried on by it, there shall be due to that company as from the accounting period in which the expenditure was incurred, an allowance “an annual allowance” at the appropriate rate percent</p>	<p>Paragraph 4- Capital Allowance</p> <p>(1) Where in any accounting period, a company has incurred qualifying expenditure wholly and exclusively for the purpose of upstream petroleum operations applicable to crude oil carried on by it, there shall be due to that company as from the accounting period in which the expenditure was incurred, an allowance at the appropriate rate specified in the table to this part.</p> <p>(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, there shall be recorded in the capital allowance computation schedule for statistical purposes until the asset is disposed, 1% of the qualifying capital expenditure, which being a notional amount, shall not increase or reduce the amount of capital allowance claimable under this part.</p>	

	<p>specified in the table to this Schedule.</p> <p>654</p> <p>(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, there shall be retained in the books, in respect of each asset 1% of the initial cost of the asset which may only be written off in accordance with subparagraph (3). (3) Any asset or part of it in respect of which capital allowances have been granted, may only be disposed of on the authority of a certificate of disposal issued by the Commission or any person authorised by it.</p> <p>6. Subject to paragraph 18, an annual allowance in respect of qualifying expenditure incurred in respect of any asset shall only be due to a company for any accounting period if at the end of the accounting period it was the owner of that asset and the asset was in use for the purpose of the upstream petroleum operations applicable to crude oil carried on by it.</p> <p>Paragraph 7- Balancing allowances</p> <p>Subject to this Schedule, where in any accounting period of a company, the company owning any asset in respect of which it has incurred qualifying expenditure wholly and exclusively for the purposes of upstream petroleum operations applicable to crude oil carried on by it, disposes of that asset, an allowance "a balancing allowance" shall be due to that company for that accounting period of the excess of the residue of that expenditure, at the date such asset is</p>	<p>(3) Any asset or part of it in respect of which capital allowance has been granted, shall not be disposed, except on the authority of a certificate of disposal issued by the Commission.</p>	
--	--	--	--

	<p>disposed of, over the value of that asset at that date, provided that a balancing allowance shall only be due in respect of such asset if immediately prior to its disposal it was in use by such company for the purposes of the upstream petroleum operations applicable to crude oil for which such qualifying expenditure was incurred.</p>		
<p>N/A</p>		<p>Paragraph 5- Asset to be in use Subject to paragraph 15 of this part, a capital allowance in respect of qualifying expenditure incurred on an asset shall be due to a company for any accounting period if at the end of the accounting period it was the owner of that asset and the asset was in use for the purpose of the upstream petroleum operations applicable to crude oil carried on by it.</p>	
	<p>Paragraph 9- Residue The residue of a qualifying expenditure, in respect of any asset, at any date, shall be taken to be the total qualifying expenditure incurred on or before that date, by the owner, in respect of that asset, less the total of any annual allowances due to such owner, in respect of that asset, before that date</p>	<p>Paragraph 6- Residue The residue of a qualifying expenditure, in respect of an asset, at any date, is the total qualifying expenditure incurred on or before the date, by the owner, in respect of that asset, less the total of any capital allowance made, in respect of that asset, before that date.</p>	
	<p>Paragraph 10- Meaning of “disposed of ” Subject to any express provision to the contrary, for the purpose of this Schedule- 655 (a) a building, structure or works of a permanent nature is disposed of if any of the</p>	<p>Paragraph 7 - Disposal of qualifying capital expenditure Under this part— (a) a building, structure or works of a permanent nature is disposed where any of the following events occur— (i) the relevant interest is sold, (ii) that interest, being an interest depending on the duration of</p>	

	<p>following events occur-</p> <p>(i) the relevant interest is sold,</p> <p>(ii) that interest, being an interest depending on the duration of a concession, comes to an end at the end of that concession, (iii) that interest, being a Leasehold interest, comes to an end and the possession of the building, structure or works of a permanent nature reverts to the holder of the reversionary interest, or</p> <p>(iv) the building, structure or works of a permanent nature are demolished, destroyed or, without being demolished or destroyed, cease altogether to be used for the purpose of upstream petroleum operations applicable to crude oil carried on by the owner;</p> <p>(b) plant, machinery or fixtures are disposed of if they are sold, discarded or cease altogether to be used for the purposes of upstream petroleum operations applicable to crude oil carried on by the owner; or</p> <p>(c) assets in respect of which qualifying drilling expenditure is incurred are disposed of if they are sold or if they cease to be used for the purpose of the upstream petroleum operations applicable to crude oil of the company incurring the expenditure either on the company ceasing to carry on the operations or on such company receiving insurance or compensation money therefrom.</p>	<p>a concession, comes to an end at the end of that concession, (iii) that interest, being a leasehold interest, comes to an end and the possession of the building, structure or works of a permanent nature reverts to the holder of the reversionary interest, or</p> <p>(iv) the building, structure or works of a permanent nature are demolished, destroyed or, without being demolished or destroyed, cease to be used for the purpose of upstream petroleum operations applicable to crude oil carried on by the owner; (b) plant, machinery or fixtures are disposed if they are sold, discarded or cease to be used for the purposes of upstream petroleum operations applicable to crude oil carried on by the owner; and</p> <p>(c) assets in respect of which qualifying drilling expenditure is incurred are disposed if they are sold or cease to be used for the purpose of the upstream petroleum operations applicable to crude oil of the company incurring the expenditure, either on the company ceasing to carry on the operations, or on such company receiving insurance or compensation money therefrom.</p>	
	<p>Paragraph 11- Value of an asset or interest in</p>	<p>Paragraph 8- Value of an asset or interest in a petroleum</p>	

	<p>a petroleum prospecting licence or petroleum mining lease</p> <p>(1) The value of an asset or interest in a petroleum prospecting licence or petroleum mining lease at the date of its disposal shall be the net proceeds of the sale or of the relevant interest, or, where it was disposed of without being sold, the amount which, in the opinion of the service, the asset or the relevant interest, as the case may be, would have fetched if sold in the open market at that date, less the amount of any expenses which the owner might reasonably be expected to incur if the asset were so sold.</p> <p>(2) For the purpose of this paragraph, where an asset is disposed of in the circumstances that insurance or compensation money are received by the owner, the asset or the relevant interest, as the case may be, shall be treated as having been sold and as though the net proceeds of the insurance or compensation money were the net proceeds of the sale.</p>	<p>prospecting licence or petroleum mining lease</p> <p>(1) The value of an asset or interest in a petroleum prospecting licence or petroleum mining lease at the date of its disposal shall be the net proceeds of the sale of the asset or of the relevant interest, or, where it was disposed without being sold, the amount which, in the opinion of the Service, the asset or the relevant interest may realise in the open market at that date, less the amount of expenses which the owner might reasonably be expected to incur if the asset were so sold.</p> <p>(2) For the purpose of this paragraph, where an asset is disposed of in the circumstances that insurance or compensation money are received by the owner, the asset or the relevant interest shall be treated as having been sold and as if the net proceeds of the insurance or compensation money were the net proceeds of the sale.</p> <p>(3) Subparagraph (2) of this paragraph shall not apply where the compensation monies received by the owner is used for the replacement of the asset lost or destroyed, and the allowance to be granted under this part, in respect of the new asset, shall where the compensation received together with the residual or scrap value of the old asset, where applicable, is —</p> <p>(a) greater than the cost of the new asset acquired, be limited to the residue of the old asset; and</p> <p>(b) lower than the cost of the new asset, be—</p> <p>(i) the amount claimable in respect of the residue of the old asset, and</p> <p>(ii) full allowance in respect of the additional asset acquired, being the amount with which the cost of that new asset acquired exceeds the compensation together with the residual or scrap value.</p>	
	<p>Paragraph 13- Part of an asset Any reference in this Schedule to any asset shall</p>	<p>Paragraph 9- Part of an asset Any reference in this part to any asset shall be construed</p>	

	<p>be construed whenever necessary as including a reference to a part of any asset, including an undivided part of that asset in the case of joint interests and when so construed, any necessary apportionment shall be made in a manner, which in the opinion of the Service, is just and reasonable</p>	<p>whenever necessary, to include a reference to a part of an asset or an undivided part of the asset in the case of joint interests, and when so construed, any necessary apportionment shall be made in a manner, which in the opinion of the Service, is just and reasonable.</p>	
	<p>Paragraph 12 -Apportionment (1) Any reference in this Schedule to the disposal, sale or purchase of any asset or interest includes a reference to the disposal, sale or purchase of that asset, as the case maybe, together with any associated asset, whether or not qualifying expenditure has been incurred on such associated asset, and, where an asset is disposed of, sold, or purchased together with another asset, so much of the value of the assets as, on a just apportionment, is properly attributable to the first mentioned asset shall, for the purposes of this Schedule, be deemed to be the value of, or the price paid for that asset, as the case may be. (2) For the purpose of this subparagraph, all the assets or interest which are purchased or disposed of in pursuance of one bargain shall be deemed to be purchased or disposed of together, notwithstanding that separate prices are or purport to be agreed for each of those assets or that there are or purport to be separate purchases or disposals of those assets. (3) The provisions of subparagraph (1) shall apply, with modifications, to the sale or purchase of the relevant interest in</p>	<p>Paragraph 10- Apportionment (1) Any reference in this part to the disposal, sale or purchase of any asset or interest includes a reference to the disposal, sale or purchase of that asset, together with any associated asset, whether or not qualifying expenditure has been incurred on such associated asset. (2) Where an asset is disposed, sold, or purchased together with another asset, the proportion of the value of the assets, on a just apportionment, attributable to the first mentioned asset shall, for the purposes of this part, be the value of, or the price paid for the assets. (3) For the purpose of subparagraph (2) of this paragraph, assets or interest purchased or disposed in one bargain shall be deemed to be purchased or disposed together, notwithstanding that separate prices are or purport to be agreed for each of the assets, or that there are or purport to be separate purchases or disposals of the assets. (4) The provisions of subparagraph (2) of this paragraph shall apply, with modifications, to the sale or purchase of the relevant interest in any asset together with any other asset or relevant interest in that other asset provided that the provisions for apportionment in this paragraph shall not apply in the sale or disposal of concessions or interest in a part of the asset.</p>	

	any asset together with any other asset or relevant interest		
--	--	--	--

	in that other asset provided that the provisions for apportionment in subparagraphs (1) and (2) shall not apply in the sale or disposal of concessions or interest in a part of the asset.		
--	--	--	--

	<p>Paragraph 14- Exclusion of certain expenditure Subject to the express provisions of this Schedule, where any company has incurred expenditure which is allowed to be deducted under any provision, other than a provision of this Schedule, such expenditure shall not be treated as qualifying expenditure.</p>	<p>Paragraph 11- Exclusion of certain expenditure Where any company has incurred expenditure which is allowed to be deducted under any provision of this Act, other than a provision of this part, such expenditure shall not be treated as qualifying expenditure.</p>	
	<p>Paragraph 15- Asset used or expenditure incurred partly for the purpose of petroleum operations (1) The following provisions of this paragraph shall apply where either or both of the following conditions apply with respect to any asset the- (a) owner of the asset has incurred in respect of the asset a qualifying expenditure partly for the purpose of upstream petroleum operations applicable to crude oil carried on by him and partly for other purposes; or (b) asset in respect of which the owner has incurred qualifying expenditure is used partly for the purpose of upstream petroleum operations applicable to crude oil carried on by such owner and partly for other purposes. (2) Any allowances which would be due or any balancing charges which would be treated as income if both expenditure were incurred wholly and exclusively for the purpose of the</p>	<p>Paragraph 12- Asset used or expenditure incurred partly for the purpose of petroleum operations (1) The following provisions of this paragraph shall apply where either or both of the following conditions apply with respect to any asset, the— (a) owner of the asset has incurred in respect of the asset a qualifying expenditure partly for the purpose of upstream petroleum operations applicable to crude oil carried on by him and partly for other purposes; or (b) asset in respect of which the owner has incurred qualifying expenditure is used partly for the purpose of upstream petroleum operations applicable to crude oil carried on by such owner and partly for other purposes. (2) Any allowance which would be due if both expenditures were incurred wholly and exclusively for the purposes of the upstream petroleum operations applicable to crude oil and if the asset were used wholly and exclusively for the purposes of such operations, shall be computed in accordance with the provisions of this part. (3) The allowances computed in accordance with</p>	

	<p>657 upstream petroleum operations applicable to crude oil and if the asset were used wholly and exclusively for the purpose of such operations, shall be computed in accordance with the provisions of this Schedule.</p> <p>(3) So much of the allowances and charges computed in accordance with subparagraph (2) shall be due or shall be so treated, as the case may be, as in the opinion of the Service is just and reasonable having regard to all circumstances and to the provisions of this Schedule.</p>	<p>subparagraph (2) shall be treated, as in the opinion of the Service is, just and reasonable having regard to all circumstances and to the provisions of this part.</p>	
	<p>Paragraph 16- Disposal without change of ownership</p> <p>(1) Where an asset in respect of which qualifying expenditure has been incurred by the owner has been disposed of in circumstances that the owner remains the owner, then, for the purpose of determining whether and, if so, in what amount, any annual or balancing allowance or balancing charge shall be made to or on such owner in respect of his use of that asset after the date of the disposal-</p> <p>(a) qualifying expenditure incurred by the owner in respect of the asset prior to the date of the disposal shall be left out of account; and (b) the owner shall be deemed to have bought such asset immediately after the disposal for a price equal to the residue of the qualifying expenditure at the date of the disposal, increased by the amount of any balancing charge or decreased by the amount of any</p>	<p>Paragraph 13- Disposal without change of ownership</p> <p>(1) Where an asset in respect of which qualifying expenditure has been incurred is disposed in such circumstances that the owner retains the ownership, for the purposes of determining the amount of capital allowance, the owner shall be deemed to have bought the asset immediately after the disposal for a price equal to the residue of the qualifying expenditure at the date of the disposal. (2)</p> <p>Capital allowance shall be for the computation of hydrocarbon tax and not for cost recovery purposes in production sharing contracts, which shall have their own provisions under the model contract.</p>	

balancing allowance made as a result of the disposal.
 (2) Capital allowances shall be for the computation of hydrocarbon tax and not for cost recovery purposes in production sharing contracts, which shall have their own provisions under the model contract.

Paragraph 17- Capital allowance rates
 (1) Qualifying expenditure shall be subject to the rates below

Qualifying Capital Expenditure	1st	2nd	3rd	4 ^T H	5th
Qualifying Plant Expenditure	20%	20%	20%	20%	19%
Qualifying Building Expenditure	20%	20%	20%	20%	19%
Qualifying Drilling Expenditure	20%	20%	20%	20%	19%

(2) Exploration expenditure and the first two appraisal wells expenditure in the same field are to be treated as deductible costs 100% in the year incurred, while for additional exploration expenditures and appraisal expenditures in the same field relating to pre-production period are 65% to be amortised and deducted on commencement of accounting period at an annual

Paragraph 14 - Capital allowance rates
 (1) Qualifying expenditure shall be subject to the rates below—

Qualifying Capital Expenditure	1st	2nd	3rd	4 th
Qualifying Plant Expenditure	20%	20%	20%	20%
Qualifying Pipeline Expenditure	20%	20%	20%	20%
Qualifying Building Expenditure	20%	20%	20%	20%
Qualifying Drilling Expenditure	20%	20%	20%	20%

(2) Exploration expenditure and the first two appraisal wells expenditure in the same field are to be treated as deductible costs 100% in the year incurred, while for additional exploration expenditures and appraisal expenditures in the same field relating to pre-production period are to be amortised and deducted on

	allowance of 20% in the first to fourth year and 19% in the fifth year with a 1% retention value.	commencement of accounting period at a capital allowance of 20% per annum.	
	<p>Paragraph 18</p> <p>(1) For the purpose of this Schedule, an asset shall be deemed to be in use during a period of temporary disuse.</p> <p>(2) For the purpose of paragraphs 5 and 6 of this Schedule-</p> <p>(a) an asset in respect of which qualifying expenditure has been incurred by the owner for the purpose of petroleum operations carried on by him shall be deemed to be in use between the dates mentioned, where the Service determines that the first use to which the asset will be put by that owner will be for such operations; and</p> <p>(b) the said date shall be the date on which such expenditure was incurred and the date on which the asset is in fact first put to use Provided that where any allowance has been given in consequence of subparagraph (2) and the first use to which such asset is put is not for the purpose of such operations, or it is not put to use within five years from the date the expenditure was incurred, capital allowances already claimed on such assets shall be withdrawn and the amount so claimed shall be assessed to tax.</p>	<p>Paragraph 15- Extension of application of “in use”</p> <p>(1) For the purpose of this part, an asset shall be deemed to be in use during a period of temporary disuse.</p> <p>(2) For the purpose of paragraphs 4 and 5 of this part, where an asset acquired for the purpose of petroleum operations has not been used for the petroleum operations carried on by the owner, the asset shall be deemed to be in use for the purposes of that petroleum operations on the date on which such expenditure was incurred, provided that where an allowance has been given in consequence of this subparagraph and the first use to which the asset is put is not for the petroleum operations, or it is not put to use within five years from the date the expenditure was incurred, capital allowance claimed on such assets shall be withdrawn and the amount assessed to tax.</p>	

SECOND SCHEDULE – EXPORT PROCESSING AND FREE TRADE ZONE ENTITIES

Current Provisions	Committee's Recommendations
<ol style="list-style-type: none"> 1. This schedule applies to the export processing and free trade zones, (the zones) and approved export processing and free trade zone entities, (the entities). 2. In this Schedule, "export processing and free trade zone entities" has the same meaning as that ascribed to it in the Nigeria Export Processing Zones Act and Oil and Gas Free Zones Authority Act. 3. Subject to paragraph 4 of this Schedule and the provisions of section 57 of this Act, the profits of an entity licensed to operate in a relevant zone are fully exempt from tax where not less than 100% of its sales arise from the export of goods or services produced by such entity, or serve as inputs into goods or services exclusively for export. 4. Where at least 75% of goods or services produced by a licensed entity in a year of assessment is exported, or serve as inputs into goods or services, at least 75% of which are exported, tax shall accrue proportionately on the profits of the entity in that year of assessment in respect of goods or services sold within the customs territory. 5. Where, in a year of assessment, more than 25% of the sales of a licensed entity occur in the customs territory, the whole profits of the entity shall be taxed in Nigeria and all other reliefs granted under this Act and the law of the relevant zone shall not apply. 	<ol style="list-style-type: none"> (1) This schedule applies to the export processing and free trade zones, (the zones) and approved export processing and free trade zone entities, (the entities). (2) In this Schedule, <ol style="list-style-type: none"> (a) "export processing zone entity" means an approved and licensed enterprise under the Nigeria Export Processing Zones Act Cap. N107, Laws of the Federation of Nigeria, 2004; and (b) "export free zone entity" means an approved and licensed enterprise under Oil and Gas Free Zones Authority Act Cap. O5, Laws of the Federation of Nigeria, 2004. (3) Subject to paragraph 4 of this Schedule and the provisions of Section 57, the profits of an export processing zone entity are fully exempt from tax where – <ol style="list-style-type: none"> (i) not less than 100% of its sales arise from the export of goods or services produced by such entity, or serve as inputs into goods or services exclusively for export; or (ii) the goods and services are sold to persons engaged in upstream, midstream or downstream petroleum or gas operations. (4) Where at least 75% of goods or services produced by a licensed entity in a year of assessment is exported, or serve as inputs into goods or services, at least 75% of which are exported, tax shall not apply to the licensed entity in respect of such goods or services sold within the customs territory.

Current Provisions	Committee's Recommendations
--------------------	-----------------------------

<p>6. Notwithstanding the provisions of this Schedule or any other law, a licensed entity shall comply with all relevant provisions of the Nigeria Tax Administration Act including those requiring —</p> <p>(a) registration;</p> <p>(b) filing of tax returns; and</p> <p>(c) deduction of tax at source.</p> <p>7. Where an entity in a zone contracts out manufacturing services or any of its approved activity within the zone to a related or connected resident company that is not an entity in the zones, all income derived from the sale by the entity in the zone of the goods produced shall be treated as the income of the related or connected resident company, except the Service is satisfied that the transaction provided was conducted at arm’s length.</p> <p>8. Where a resident company, which is not an entity in the zones, provides services other than manufacturing services to a related or connected entity in the zones, the provisions of the Transfer Pricing Regulations shall apply to the transaction.</p> <p>9. Services rendered to a licensed entity by a person in the custom territory or services consumed by a free zone entity within the custom territory shall be chargeable to applicable transaction taxes.</p>	<p>(5) Where, in a year of assessment, more than 25% of the sales of a licensed entity occur in the customs territory, the whole profits of the entity shall be taxed in Nigeria and all other reliefs granted under this Act and the law of the relevant zone shall not apply.</p> <p>(6) Notwithstanding the provisions of this Schedule or any other law, an export processing or export free zone entity shall comply with all relevant provisions of the Nigeria Tax Administration including those requiring — (a) registration;</p> <p>(b) filing of tax returns; and (c) deduction of tax at source.</p> <p>(7) Where an entity in a zone contracts out manufacturing services or any of its approved activity within the zone to a related or connected resident company that is not an entity in the zones, all income derived from the sale by the entity in the zone, of the goods produced shall be treated as the income of the related or connected resident company, except the Service is satisfied that the transaction provided was conducted at arm’s length.</p> <p>(8) Where a resident company, which is not an entity in the zones, provides services other than manufacturing services to a related or connected entity in the zones, the provisions of the Transfer Pricing Regulations shall apply to the transaction.</p> <p>(9) Services rendered to an export processing or export free zone entity by a person in the custom territory or services consumed by a free zone entity within the custom territory shall be chargeable to applicable taxes.</p> <p>(10) For the purpose of this section, licensed entities shall be required to provide evidence of export proceeds, either in cash inflow or imported raw materials or equipment, as a condition to claim the tax incentives.</p>
--	---

THIRD SCHEDULE – DEDUCTIBLE INTEREST

Current Provisions of the Law – 7th Schedule CITA	Proposed Amendments	Committee’s Recommendations
---	---------------------	-----------------------------

<p>(1) Notwithstanding any provisions of this Act, where a Nigerian company, or a fixed base of a foreign company in Nigeria, incurs any expenditure by way of interest or of similar nature in respect of debt issued by a foreign connected person, the excess interest thereon shall be a disallowable deduction for the purpose of this Act.</p> <p>(2) For the purposes of paragraph 1, the excess interest shall mean an amount of total interest paid or payable in excess of thirty per cent of earnings before interest, taxes, depreciation and amortization of the Nigerian company in that accounting period.</p> <p>(3) Nothing contained in paragraph 1 shall apply to a Nigerian subsidiary of a foreign company which is engaged in the business of banking or insurance.</p> <p>(4) Where for any assessment year, the interest expenditure is not wholly deducted against income, so much of the interest expenditure as has not been deducted, shall be carried forward to the following assessment year or assessment years, and it shall be allowed as a deduction against the profits, if any, of any business carried on by it and assessable for that assessment year to the extent permitted in accordance with paragraph 2:</p>	<p>(1) Notwithstanding any provisions of chapter two of this Act, where a Nigerian company or permanent establishment of a nonresident company in Nigeria, incurs any expenditure by way of interest or of similar nature in respect of debt issued by a connected person, the excess interest thereon shall be a disallowable deduction for the purpose of chapter two this Act.</p> <p>(2) For the purposes of paragraph (1) of this Schedule, the excess interest shall mean an amount of total interest paid or payable to a connected person in excess of 30% of earnings before interest, taxes, depreciation and amortisation of the Nigerian company in that accounting period.</p> <p>(3) Nothing contained in paragraph (1) of this Schedule shall apply to a Nigerian subsidiary of a foreign company which is engaged in the business of banking or insurance.</p> <p>(4) Where for any assessment year, the interest expenditure is not wholly deducted against income, the interest expenditure that has not been deducted, shall be carried forward to the following assessment year or assessment years, and it shall be allowed as a deduction against the profits, if any, of any business carried on by it and assessable for that assessment year to the extent permitted in accordance with paragraph (2) of this Schedule,</p> <p>Provided that interest expenditure shall not be carried forward under this paragraph for more than five assessment years</p>	<p>Retained</p>
<p>Current Provisions of the Law – 7th Schedule CITA</p>	<p>Proposed Amendments</p>	<p>Committee’s Recommendations</p>

<p>Provided that no interest expenditure shall be carried forward under this paragraph for more than five assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed.</p> <p>(5) Any person who violates the provisions of this Schedule shall be liable to a penalty at ten per cent and interest at the Central Bank of Nigeria monetary policy rate plus a spread to be determined by the Minister on any adjustments made by the Service relating to excess interest charged in any year.</p> <p>(6) For the purposes of this section, the expressions-</p> <p>(a) "connected persons" means-</p> <p>(i) any person controlled by or under common control, ownership or management;</p> <p>(ii) any person who is not connected but receives an implicit or explicit guarantee or deposit for the provision of corresponding or matching debt; or</p> <p>(iii) any related party as described under the Nigerian Transfer Pricing Regulations 2018.</p> <p>(b) "debt" means any loan, financial instrument, finance lease, financial derivative, or any arrangement that gives rise to interest, discounts or other finance charges that are deductible in the computation of income chargeable under the head "Profits and gains of business or profession".</p>	<p>immediately succeeding the assessment year for which the excess interest expenditure was first computed.</p>	
---	---	--

FOURTH SCHEDULE – INDIVIDUALS’ INCOME TAX RATES

Current Provisions of the Law – 6th Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>(1) A consolidated relief allowance shall be granted on income at a flat rate of ₦200,000 plus 20 per cent of gross income.</p> <p>(2) Tax Exempt: The following deductions are tax exempt-</p> <p>(a) National Housing Fund Contribution (b) National Health Insurance Scheme (c) Life Assurance Premium (d) National Pension Scheme (e) Gratuities</p> <p>(3) After the relief allowance and exemptions had been granted in accordance with paragraphs 1 and 2 of this Schedule, the balance of income shall be taxed as specified in the following tax table:</p> <p><i>Tax Income Rates</i></p> <p>Graduated Tax rates with consolidated allowance of ₦200,000 + 20 percent of Gross Income, subject to a minimum tax of 1 percent of Gross Income whichever is higher.</p> <p>1. First ₦300,000 @ 7 per cent 2. Next ₦300,000 @ 11 per cent 3. Next ₦500,000 @ 15 per cent 4. Next ₦500,000 @ 19 per cent 5. Next ₦1,600,000 @ 21 per cent</p>	<p>After the relief allowance and exemptions had been granted in accordance with subsection (1) of section 30 of this Act, the taxable income ascertained shall be taxed at the following rates—</p> <p>a) First N800,000 at 0%; b) Next N2,200,000 at 15%; c) Next N9,000,000 at 18%; d) Next N13,000,000 at 21%; e) Next N25,000,000 at 23%; and f) Above N50,000,000 at 25%.</p>	<p>Retained</p>

6. Above ₦3, 200,000 @ 24 per cent

FIFTH SCHEDULE – INCOME FROM SETTLEMENTS, TRUSTS AND ESTATES

Current Provisions of the Law – 2nd Schedule PITA

Proposed Amendments

Committee's Recommendations

<p><i>PART I Income from settlements, trusts and estates</i></p> <p>1. Subject to Part II of this Schedule and notwithstanding Part III of this Schedule, the income of a settlement or trust shall for all the purposes of this Act be deemed to be the income of the settlor or person creating the trust, as the case may be, if-</p> <p>(a) that settlor or person retains or acquires an immediately exercisable general power of appointment over the capital assets of the settlement or trust or over the income derived therefrom; or</p> <p>(b) that settlor or person makes use, directly or indirectly, by borrowing or otherwise, of any part of the income arising under the settlement or trust; or</p> <p>(c) the settlement or trust is revocable in circumstances whereby that settlor or person, or the spouse thereof, resumes control over any part of the income or assets comprised therein:</p> <p>Provided that a settlement or trust shall not be regarded as revocable solely by reason of the fact that an income or asset comprised therein may revert to that settlor or person, or the spouse thereof, in the event of a beneficiary predeceasing that settlor or person, or of the happening of an uncertain event upon which the settlement or trust is limited.</p>	<p>(1) Notwithstanding any provisions of chapter two of this Act, where a Nigerian company or permanent establishment of a nonresident company in Nigeria, incurs any expenditure by way of interest or of similar nature in respect of debt issued by a connected person, the excess interest thereon shall be a disallowable deduction for the purpose of chapter two this Act.</p> <p>(2) For the purposes of paragraph (1) of this Schedule, the excess interest shall mean an amount of total interest paid or payable to a connected person in excess of 30% of earnings before interest, taxes, depreciation and amortisation of the Nigerian company in that accounting period.</p> <p>(3) Nothing contained in paragraph (1) of this Schedule shall apply to a Nigerian subsidiary of a foreign company which is engaged in the business of banking or insurance.</p> <p>(4) Where for any assessment year, the interest expenditure is not wholly deducted against income, the interest expenditure that has not been deducted, shall be carried forward to the following assessment year or assessment years, and it shall be allowed as a deduction against the profits, if any, of any business carried on by it and assessable for that assessment year to the extent permitted in accordance with paragraph (2) of this Schedule,</p>	<p>Retained</p>
--	--	------------------------

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
--	----------------------------	------------------------------------

<p>2. (1) For the purposes of this Part and Part III of this Schedule, the income of a settlement or trust, other than a settlement or trust to which the provisions of paragraph 4 of this Schedule apply, or of the estate of a deceased individual shall be so much of that income as is derived from a source in Nigeria and any of the income brought into or received in Nigeria.</p> <p>(2) The amount of the income (in this Schedule referred to as the “computed income”) of each period of twelve months ending on the thirty first day of December in each year shall be ascertained as though the provisions of Parts I and II of this Act applied thereto and-</p> <p>(a) there shall be deducted-</p> <p>(i) any expenses of the trustee or executor relative to the settlement, trust or estate which is authorised by the terms of the deed of settlement or trust or of the will, as the case may be;</p> <p>ii) any annuity of fixed annual amount paid out of the income of the settlement, trust or estate in accordance with the provisions of the deed or will; and (b) if the income includes any gain or profit from a trade, business, profession or vocation, or a rent or premium, there shall be added or deducted, as the case may require, any sum which would have been added or deducted for the next following year of assessment under the provisions of Part IV of this Act if the income from those sources had been the assessable income</p>	<p>Provided that interest expenditure shall not be carried forward under this paragraph for more than five assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed.</p>	
---	--	--

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
--	----------------------------	------------------------------------

<p>of an individual for that year ascertained under the provisions of section 36 of this Act.</p> <p>3. The computed income of a year of a settlement, trust or estate shall be apportioned for the assessment in the following manner-</p> <p>(a) where- (i) the terms of the deed of settlement or trust or of a will provide that the whole income of the settlement, trust or estate after deduction of any authorised expense or annuity of fixed amount is to be divided in specific proportions among the beneficiaries entitled thereto, from time to time; or (ii) by operation of law, on an intestacy, the income of an estate is to be divided in the manner referred to in sub-paragraph (a) (i) of this paragraph, the income of each beneficiary of any year from the settlement, trust or estate shall be his similarly apportioned share of the computed income;</p> <p>(b) where a trustee or executor has discretion to make any payment (other than a payment on account) to a beneficiary out of the income of a settlement, trust or estate in such amount as he sees fit, from time to time; then- (i) the amount of the payment to a beneficiary made in the course of a year shall be treated as income of that year which is assessable to tax in the hands of that beneficiary; and (ii) out of the remainder of the computed income after deducting the aggregate amount of all the payments during any year, there shall be apportioned to each beneficiary who has any specified proportional interest in the income of the settlement, trust or estate, so much thereof as is obtained by</p>		
--	--	--

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
--	----------------------------	------------------------------------

<p>applying the proportion to that remainder: Provided that if the aggregate amount exceeds the computed income, the amount of each payment to be treated as income in the hands of a beneficiary under this subparagraph shall be reduced proportionally so that the aggregate of the amount as so reduced does not exceed the computed income;</p> <p>(c) any remainder of the computed income of a settlement, trust or estate of any year after deducting all amounts apportioned to beneficiaries, or treated as income in the hands of beneficiaries under the provisions of sub-paragraph (b) of this paragraph shall be apportioned to the trustee or executor for assessment in his name as trustee of the settlement or trust or as executor of the estate.</p> <p><i>PART II Special provisions as to settlement on unmarried children</i></p> <p>4. (1) Notwithstanding any other provision of this Act where, by virtue or in consequence of a settlement and during the life of the settlor an income is paid to or for the benefit of a child of the settlor in a year of assessment, the income shall, if at the time of payment the child was an infant and unmarried, be treated for the purposes of this Act as the income of the settlor for that year and not as the income of any other person.</p> <p>(2) Income paid to or for the benefit of a child of a settlor shall not be treated as provided in subparagraph (1) of this paragraph for any year of assessment in which the aggregate amount of the income paid to or for the benefit of that child,</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>which but for this subparagraph, would be so treated by virtue of sub-paragraph (1) of this paragraph, does not exceed ₦500.</p> <p>(3) This paragraph shall not apply in relation to an income arising under a settlement in a year preceding a year of assessment if the settlor is not in Nigeria at any time during that year of assessment, or is not in Nigeria for a period or periods amounting to 183 days or more in any twelve-month period commencing in the calendar year and ending either in the same year or the following year.</p> <p>5. For the purposes of paragraph 4 of this Schedule-</p> <p>(a) income which, by virtue or in consequence of a settlement, may become payable or applicable to or for the benefit of a child of the settlor in the future (whether on the fulfillment of a condition or on the happening of a contingency, or as the result of the exercise of a power or discretion conferred on any person, or otherwise) shall be deemed to be paid to or for the benefit of that child; and</p> <p>(b) an income dealt with as aforesaid which is not required by the settlement to be allocated, at the time when it is so dealt with, to any particular child or children of the settlor shall be deemed to be paid in equal shares to or for the benefit of each of the children to or for the benefit of whom or any of whom the income or assets representing the income will or may become payable or applicable.</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>6. (1) Where, by virtue of paragraph 4 of this Schedule, any income tax becomes chargeable on and is paid by the settlor, he shall be entitled- (a) to recover from any trustee or other person to whom the income is payable by virtue or in consequence of the settlement the amount of the tax so paid; and (b) for that purpose to require the relevant tax authority to furnish to the settlor a certificate specifying the amount of income in respect of which he has so paid tax and the amount of 386 the tax so paid, and any certificate so furnished shall be conclusive evidence of the facts appearing therein.</p> <p>(2) Where the settlor obtains from a trustee or any other person a payment in excess of the amount he is entitled to recover by virtue of sub-paragraph (1) of this paragraph, then an amount equal to the excess shall be paid by him to the trustee or other person to whom the income is payable by virtue or in consequence of the settlement, or, where there are two or more such persons, the amount shall be apportioned among those persons as the case may require.</p> <p>(3) If a question arises as to the amount of any payment or as to any apportionment to be made under sub-paragraph (2) of this paragraph, that question shall be decided by the relevant tax authority and its decision thereon shall be final and not subject to an appeal or any review whatsoever by any court of law.</p> <p>7. (1) In the case of any settlement where there are more than one settlor, paragraph 4 of this Schedule shall, subject to the provisions of this paragraph, have effect in relation to each settlor as if he were the only settlor.</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>(2) In the case of a settlement as aforesaid, income originating from that settlor or person may, for the purposes of paragraph 4 of this Schedule, be taken into account, in relation to any settlor, as income paid by virtue or in consequence of the settlement to or for the benefit of a child of the settlor.</p> <p>(3) References in this paragraph to income originating from a settlor shall include references to the following, that is-</p> <p>(a) income from property which that settlor has provided directly or indirectly for the purposes of the settlement;</p> <p>(b) income from property representing that property, including accumulated income from that property; and</p> <p>(c) income from so much of any property which represents both property provided as aforesaid and other property as, on a just apportionment, represents the property so provided.</p> <p>8. In this Part of this Schedule-</p> <p>“child” includes a stepchild, an adopted child and an illegitimate child; “settlement” includes any disposition, trust, covenant, agreement, arrangement or transfer of assets; “settlor” in relation to a settlement, includes a person by whom the settlement was made or entered into directly or indirectly, and in particular (but without prejudice to the generality of the foregoing) includes a person who has provided or undertaken to provide funds directly or indirectly for the purpose of the settlement, or has made with any other</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>person a reciprocal arrangement for that other person to make or enter into the settlement.</p> <p><i>PART III Supplementary provisions</i></p> <p>9. For the purposes of this Act, where an asset of a trade or business, profession or vocation forms part of the estate of a deceased individual, being an asset in respect of which an annual allowance may be claimed in arriving at the total income of that individual for the year of assessment in which he died, the provisions of the Fifth Schedule to this Act shall apply in the following manner-</p> <p>(a) notwithstanding any provision of that Schedule, no balancing allowance or charge shall be given or made to that individual in respect of the asset for that year; and</p> <p>(b) the estate shall be deemed to have incurred qualifying expenditure on the acquisition of the asset equal in amount to the residue of the expenditure on the day following the death of the individual; and</p> <p>(c) in the event of the disposal of the asset on or after that day, an addition to be made by way of a balancing charge in computing the income of the estate shall be made by reference to the sum of all allowances or deductions made in respect of the asset to the individual and to the estate.</p> <p>10. An individual in receipt of an annuity of fixed annual amount paid out of the income of a settlement, trust or an estate shall be assessable to tax on the full amount of the annuity.</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>11. The income arising from a settlement, trust or an estate assessable to tax under a provision of this Schedule in the hands of any trustee, executor, beneficiary or annuitant for a year of assessment shall be the amount of the income ascertained under the foregoing provisions of this Schedule of the year preceding that year.</p> <p>12. (1) Where the income of a settlement, trust or estate of a year includes an income which has borne tax in Nigeria or elsewhere, whether by deduction or otherwise, the provisions of Part V of this Act with respect to any relief to be given or repayment to be made shall apply as though the whole of the taxed income were receivable by the persons to whom the computed income of that year is apportioned under the provisions of paragraph 3 of this Schedule- (a) in due proportion to their respective shares therein; or (b) where sub-paragraph (b) of paragraph 3 of this Schedule applies in proportion to their shares in the remainder of the computed income as therein specified, and where there is no computed income, the relief or repayment shall be given or made to the trustee or executor for the account of the settlement, trust or estate.</p> <p>(2) For the purposes of this paragraph, references to an individual in Part V of this Act shall be deemed to include references to a trustee or executor.</p> <p>13. Subject to the foregoing provisions of this Schedule- (a) a trustee of a settlement or trust, and every executor, shall be answerable for all things to be done in connection with the tax to; and (b) an income apportioned to a trustee or executor</p>		

Current Provisions of the Law – 2nd Schedule PITA	Proposed Amendments	Committee’s Recommendations
<p>shall be assessable by the relevant tax authority in relation to that settlement, trust or estate.</p> <p>14. A trustee of a settlement or trust in Nigeria, and the executor of an estate in Nigeria, shall prepare accounts of the income from all sources of the settlement, trust or estate for successive periods to the thirty-first day of December in each year, and to the date on which the assets of the settlement, trust or estate are finally distributed.</p> <p>15. An appeal against the inclusion of an income of a settlement, trust or estate in an assessment to tax, by whatever tax authority it may have been made, shall lie only in accordance with the appeal provisions of the income tax law of the territory to the tax authority of which the trustee or executor is answerable for the relevant year of assessment under the provisions of paragraph 13 of this Schedule.</p>		

SIXTH SCHEDULE – PRODUCTION ALLOWANCES AND COST PRICE RATIO LIMIT

Current Provisions	Proposed Amendments	Committee’s Recommendations
--------------------	---------------------	-----------------------------

<p><i>Production Allowance</i></p> <p>(1) There shall be a production allowance for crude oil production by leases which are converted oil mining leases based on a conversion contract and their renewals, which shall be the lower of US \$2.50 per barrel and 20% of the fiscal oil price.</p> <p>(2) There shall be a production allowance per field for crude oil production by a company for leases granted after the commencement of this Act and determined as follows-</p> <p>(a) for onshore areas - the lower of US \$8.00 per barrel and 20% of the fiscal oil price per barrel up to a cumulative maximum production of 50 million barrels from commencement of production and the lower of US \$4.00 per barrel and 20% of the fiscal oil price thereafter;</p> <p>(b) for shallow water areas - the lower of US \$8.00 per barrel and 20% of the fiscal oil price, up to a cumulative maximum production of 100 million barrels from commencement of production and the lower of US \$4.00 per barrel and 20% of the fiscal oil price thereafter; and (c) for deep offshore areas and frontier basins - the lower of US \$8.00 per barrel and 20% of the fiscal oil price, up to a cumulative maximum production of 500 million barrels from the commencement of production and the lower of US \$4.00 per barrel and 20% of the fiscal oil price thereafter. (3) The detailed procedures for determining the production allowances shall be established in regulations. (4) Any allowances for crude oil shall also apply to condensates and liquid natural gas liquids under section 260 (1) (a) of this Act.</p>	<p><i>Production Allowance</i></p> <p>(1) There shall be a production allowance for crude oil production by leases which are converted oil mining leases based on a conversion contract and their renewals, which shall be the lower of US \$2.50 per barrel and 20% of the fiscal oil price.</p> <p>(2) There shall be a production allowance per field for crude oil production by a company for leases granted after the commencement of the Petroleum Industry Act and determined as follows—</p> <p>(a) for onshore areas, the lower of US \$8.00 per barrel and 20% of the fiscal oil price per barrel up to a cumulative maximum production of 50 million barrels from commencement of production and the lower of US \$4.00 per barrel and 20% of the fiscal oil price thereafter; and</p> <p>(b) for shallow water areas, the lower of US \$8.00 per barrel and 20% of the fiscal oil price, up to a cumulative maximum production of 100 million barrels from commencement of production and the lower of US \$4.00 per barrel and 20% of the fiscal oil price thereafter.</p> <p>(3) The detailed procedures for determining the production allowances shall be established in regulations.</p> <p>(4) Any allowance for crude oil shall also apply to condensates and liquid natural gas liquids under section 65(2)(a) of this Act.</p> <p><i>Cost Price Ratio (CPR) Limit</i></p> <p>(1) All costs prescribed under section 68 of this Act and under Part II of the First Schedule to this Act, excluding those related to section 68(1)(a), (b) and (h), in an accounting period the sum of which is eligible for deduction under the hydrocarbon tax shall be subject to a cost price ratio limit of 65% of gross revenues determined at the measurement points.</p>	<p>Retained</p>
<p>Current Provisions</p>	<p>Proposed Amendments</p>	<p>Committee’s Recommendations</p>

<p>Cost Price Ratio (CPR) Limit</p> <p>2. (1) All costs prescribed under section 263 and under the Fifth Schedule to this Act, excluding those related to section 263 (1) (a), (b) and (h), in an accounting period the sum of which is eligible for deduction under the hydrocarbon tax shall be subject to a cost price ratio limit of 65% of gross revenues determined at the measurement points.</p> <p>(2) Where, as a result of subparagraph (1), any excess costs incurred not allowed for deduction for that year of assessment, then-</p> <p>(a) the costs may be allowed for deduction for the purposes of ascertaining the profits of the company for subsequent years of assessment provided that the total costs to be deducted shall not exceed the actual costs incurred; (b) the total costs to be allowed as deduction in those subsequent years shall be such an amount that if added to the sum of the total costs to be allowed as deduction under subparagraph (1) shall not exceed the specified cost price ratio limit of 65%; and (c) where under paragraph 2 (2) (b), any cost exceed the cost price ratio limit upon the termination of upstream petroleum operations related to crude oil, such costs shall not be deductible for purpose of calculation of the hydrocarbon tax.</p>	<p>(2) Where, as a result of subparagraph (1) of this paragraph, any excess costs incurred is not allowed for deduction for that year of assessment—</p> <p>(a) the costs may be allowed for deduction for the purposes of ascertaining the profits of the company for subsequent years of assessment provided that the total costs to be deducted shall not exceed the actual costs incurred;</p> <p>(b) the total costs to be allowed as deduction in those subsequent years shall be such an amount that if added to the sum of the total costs to be allowed as deduction under subparagraph (1) of this paragraph shall not exceed the specified cost price ratio limit of 65%; and</p> <p>(c) where under paragraph 2(2)(b) of this paragraph, any cost exceeds the cost price ratio limit upon the termination of upstream petroleum operations related to crude oil, such costs shall not be deductible for the purpose of calculation of the hydrocarbon tax.</p>

SEVENTH SCHEDULE – PETROLEUM ROYALTY

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
-------------------------------	---------------------	-----------------------------

<p>PETROLEUM FEES, RENTS AND ROYALTY</p> <p>PART III—ROYALTIES</p> <p>All Petroleum production subject to Royalties 6. All production of petroleum, including production tests, shall be subject to royalties on a nondiscriminatory basis with respect to all licensee and lessees and shall be paid into the Federation Account and verified by the Commission and for royalty purposes condensates shall be treated as crude oil and natural gas liquids shall be treated as natural gas. Measurement Point for the determination of production volumes 7.</p> <p>(1) Royalties shall be determined on a monthly basis at the measurement points and where there is production from production tests under a petroleum prospecting licence, the Commission shall determine measurement point for such production and where there is no measurement equipment at a possible measurement point in the field at the commencement of this Act, or where logistical conditions make the installation of measurement equipment at a possible measurement point impractical or uneconomic in the opinion of the Commission, the Commission may approve procedures for determining the chargeable volumes at a deemed measurement point in the field based on measurements at the point of sale, export terminal or other point downstream of such deemed measurement point under the regulations or guidelines and the measurement of crude oil, condensates and natural gas liquids shall be in barrels and of natural gas in standard cubic feet and where so justified, the Commission may approve reporting of production of natural gas liquids in metric tons.</p> <p>(2) The chargeable volume for royalty purpose shall be calculated by ascertaining the quantity of natural gas, crude oil, condensates and natural gas liquids produced in the relevant month from each field</p>	<p>PART I</p> <p>ADMINISTRATION OF ROYALTIES</p> <p>1. Royalties on petroleum production</p> <p>(1) The Service shall administer royalties payable in accordance with the provision of the Nigeria Tax Administration Act.</p> <p>(2) All production of petroleum, including production tests is liable to royalty on a non-discriminatory basis, payable by the licensee or lessee.</p> <p>2. Royalties to be paid in cash</p> <p>Royalties shall be paid by the licensee or lessee in cash in accordance with the Nigeria Tax Administration Act, based on the fiscal oil price and fiscal gas price determined by the Commission, or realisable price determined in accordance with section 113 of this Act in the case of production sharing contract under part III of chapter three of this Act.</p> <p>3.Provision of monthly schedule to the Service</p> <p>The Commission shall provide to the Service a monthly schedule of production and chargeable volume by each company engaged in petroleum operations determined for the field at the measurement points or deemed measurement points, fiscal oil price and fiscal gas price determined for the field at the measurement points, and other relevant information for the determination of royalties.</p> <p>PART II</p>	<p>Retained</p>
--	--	------------------------

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
--------------------------------------	----------------------------	------------------------------------

<p>operated by the licensee or lessee under a regulation or guideline. (3) Where natural gas liquids are extracted in a gas processing plant downstream of the measurement point, the rich natural gas volumes, still including the natural gas liquids, shall be measured at the measurement point and be the basis for royalty calculations and the value of such rich natural gas shall be the value of the marketable natural gas plus the natural gas liquids at the exit of the gas processing plant, less the gas processing costs and less the transport cost between the measurement point and the gas processing plant based on tariffs established by the Authority. (4) Natural gas liquids and liquid petroleum gases shall have the same royalty rates as the natural gas from which these products are derived. (5) The chargeable volume shall be measured at standard temperatures and pressures as defined by regulation or guidelines and production shall not include any- (a) volumes burned, flared or vented with the approval of the Commission; (b) volumes re-injected by the lessee into reservoirs for the purpose of improving or enhancing production of crude oil or for conservation of natural gas; (c) volumes used in the upstream petroleum operations for the production of electricity or heat for exclusive use in the operations of the lessee; and (d) water or sediments. (6) The obligation to install the necessary measurement equipment shall be that of the licensee or lessee and shall be certified by the Commission and the measurement procedures and equipment for measurement at and prior to the measurement point shall be established in regulations or guidelines. Determination of price for royalty 8. (1) The royalties applicable to crude oil and condensates shall be based on the fiscal oil price determined for the field at the measurement points under applicable regulations or guidelines, and this price shall be determined by the Commission on the basis of information supplied by the lessees and from non-confidential independent publications, making such</p>	<p>DETERMINATION OF CHARGEABLE VOLUMES AND PRICES FOR ROYALTIES</p> <p>4. Measurement Point for the determination of production volumes The measurement of crude oil, condensates, natural gas and natural gas liquids, and the procedures for determining production and chargeable volumes for royalties purposes shall be in accordance with the Seventh Schedule to the Petroleum Industry Act and applicable regulations or guidelines issued by the Commission.</p> <p>5. Determination of price for royalty The fiscal oil price applicable to crude oil and condensates, and the fiscal gas price applicable to natural gas and natural gas liquids for the field at the measurement points shall be as determined by the Commission in accordance with the Seventh Schedule to the Petroleum Industry Act and applicable regulations or guidelines issued by the Commission.</p> <p>PART III ROYALTIES FOR PART I OF CHAPTER THREE OF THIS ACT</p> <p>6. Determination of royalties for part I of chapter three of this Act (1) Royalties payable shall be determined on a monthly basis, in the case of— (a) crude oil and condensates, the royalties shall be based on production in accordance with subparagraph (2) of this paragraph and by price in accordance with subparagraph (3); and</p>	
---	---	--

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
-------------------------------	---------------------	-----------------------------

<p>adjustments for quality and transport costs as appropriate to prices of comparable crude oils and condensates sold in the international market, as determined by the Commission, for which appropriate information is available and with the objective to approximate as reasonably as possible the average fair market value of the month of the crude oil and condensates for such month for such field.</p> <p>(2) The fiscal oil price for each field shall consider any quality differentials related to international crude oils and condensates and shall be an export parity price taking into consideration the deduction of transportation costs within Nigeria from the measurement points as determined by the Authority to export terminals. (3) Royalties applicable to natural gas shall be based on the fiscal gas price determined for the field at the measurement point under applicable regulations or guidelines and this price shall be determined by the Commission, taking into consideration submissions by the lessees, and shall be based on the netback value at the measurement point based on the composition of the natural gas in terms of marketable natural gas, ethane, propane, butane, pentanes and other natural gas liquids as may be derived by processing of the natural gas and the net back procedure shall take into consideration the type of natural gas markets to which the natural gas from the field is being sold, such as export markets, domestic wholesale markets, markets based on the aggregate gas price or other natural gas pricing framework as permitted under this Act and the procedure shall take into consideration conditioning costs, processing costs and transportation costs within Nigeria as determined by the Authority from the measurement point to the market, where the sales point is downstream of the measurement point, and where natural gas liquids are produced in the field, the total gross value of the liquids shall be taken into account in the determination of the total gross value of the natural gas for the purpose of the fiscal gas price.</p>	<p>(b) natural gas and natural gas liquids, the royalties shall be based on production in accordance subparagraph (4), provided that condensates shall be treated as crude oil and natural gas liquids shall be treated as natural gas for the purpose of this part.</p> <p>Royalty based on production</p> <p>(2) For the purpose of this paragraph —</p> <p>(a) royalties based on production shall be calculated on a field basis;</p> <p>(b) the royalty shall be at a rate per centum of the chargeable volume of the crude oil and condensates produced from the field area in the relevant month on terrain basis as follows—</p> <ul style="list-style-type: none"> (i) onshore areas - 15%, (ii) shallow water (up to 200m water depth) - 12.5%, (iii) deep offshore (beyond 200m water depth) - 7.5%; and (iv) frontier basins - 7.5%; <p>(c) for deep offshore fields with a production during a month of not more than 50,000 bopd, the royalty rate shall be 5% and the share of the production above 50,000 bopd shall be at the royalty rate specified in clause (b) of this subparagraph;</p> <p>(d) royalties for onshore fields and shallow water fields, including marginal fields, with crude oil and condensate production not more than 10,000 bopd during a month shall be at a rate per centum of the chargeable volume of the crude</p>	
--	--	--

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
<p>Royalties in kind or cash 9. (1) The Commission shall receive the royalty in kind or in cash at its discretion and the payment shall be subject to notice periods and procedures as provided for in regulations or guidelines and where royalties are paid in cash the payments shall be based on the fiscal oil price and fiscal gas price. (2) The licensee or lessee shall pay royalties to the Commission within a period that is not more than one month after the end of every month during which the petroleum is produced or as the Commission may direct, with respect to- (a) crude oil and condensates the royalties shall be based on the royalties based on production under paragraph 10 plus the royalties based on price under paragraph 11; and (b) natural gas and natural gas liquids the royalties shall be based on the royalties based on production under paragraph 10. (3) Royalties shall be paid in US Dollars, however, for production delivered for local refining, royalties may be wholly or partly paid in Naira at Central Bank of Nigeria applicable exchange rate for the valuation of crude oil delivered.</p> <p>(4) The Commission shall inform the Minister responsible for Finance of instances where the Commission intends to levy royalties in kind rather than in cash. Royalties based on production 10. (1) For the purpose of paragraph 9, royalties based on production shall be calculated on a field basis. (2) The royalty shall be at a rate per centum of the chargeable volume of the crude oil and condensates produced from the field area in the relevant month on terrain basis as follows- (a) onshore areas 15%; (b) shallow water (up to 200m water depth) 12.5%; (c) deep offshore (greater than 200m water depth) 7.5%; and (d) frontier basins 7.5%. (3) For deep offshore fields with a production during a month of not more than 50,000 bopd, the royalty rate shall be 5% and the share of the production above 50,000 bopd shall be at the royalty rate specified in subparagraph (2). (4) Royalties for onshore fields and shallow water fields, including marginal fields, with</p>	<p>oil and condensates produced from the field area per production day during a month on tranching basis as follows— (i) for the first 5,000 bopd - 5%, and (ii) for the next 5,000 bopd, for the share of production over 5,000 bop -7.5%,</p> <p>provided that for fields with crude oil and condensate production more than 10,000 bopd during a month, the share of the production over 10,000 bopd during a month shall be at the royalty rates specified under clause (b) of this subparagraph.</p> <p>(f) with respect to clauses (c) and (d) of this subparagraph, where a single field covers two or more petroleum mining leases, the royalty shall be determined based on the total production from the field;</p> <p>(g) royalty based on production for natural gas and natural gas liquids shall be at a rate of 5% of the chargeable volume and royalty rate for natural gas produced and utilised incountry shall be 2.5% of the chargeable volume; and</p> <p>(h) where a field is located partially in onshore and in shallow water or partially in shallow water and deep offshore areas, the weighted average royalty shall be calculated in accordance with regulations.</p> <p>Royalty by price</p>	

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
<p>crude oil and condensate production not more than 10,000 bopd during a month shall be at a rate per centum of the chargeable volume of the crude oil and condensates produced from the field area per production day during a month on tranching basis as follows- (a) for the first 5,000 bopd 5%; and (b) for the next 5,000 bopd, for the share of production over 5000 bopd 7.5%: Provided that fields with crude oil and condensate production more than 10,000 bopd during a month, the share of the production over 10,000 bopd per month shall be at the royalty rates specified under subparagraph (2). (5) With respect to paragraphs (3) and (4), where a single field covers two or more petroleum mining leases, the royalty shall be determined based on the total production from the field. (6) Royalty based on production for natural gas and natural gas liquids shall be at a rate of 5% of the chargeable volume and royalty rate for natural gas produced and utilised in-country shall be 2.5% of the chargeable volume. (7) Where a field is located partially in onshore and in shallow water or partially in shallow water and deep offshore areas, the weighted average royalty shall be calculated as per regulations.</p> <p>Royalty by price</p> <p>11. (1) There shall be payable, in addition to the royalty set out in paragraph 10 for onshore, shallow water and deep offshore a royalty by price with respect to crude oil and condensates at the rates set out below-</p> <p>(a) below US \$50 per barrel — 0%, (b) at US \$100 per barrel — 5%, (c) above US \$150 per barrel — 10%, and (d) between US \$50 and US \$100 per barrel and between US \$100 and US \$150 per barrel</p> <p>the royalty by price shall be determined based on linear interpolation,</p>	<p>(3) There shall be payable, in addition to the royalty set out in subparagraph (2) of this paragraph for onshore, shallow water and deep offshore —</p> <p>(a) a royalty by price with respect to crude oil and condensates at the rates set out below —</p> <p>(i) below US \$50 per barrel — 0%, (ii) at US \$100 per barrel — 5%, (iii) at US \$150 per barrel and above — 10%, and (iv) between US \$50 and US \$100 per barrel and between US \$100 and US \$150 per barrel, the royalty by price shall be determined based on linear interpolation, as an example, if in 2020 the price is US \$75 per barrel, the royalty by price shall be 2.5%, and the price levels mentioned in sub-clauses (i), (ii) (iii) and (iv) of this clause shall apply to the year 2020, and at the beginning of 2021 and of each succeeding calendar year these price levels shall be increased by 2% relative to the values of the previous year;</p> <p>(b) there shall be no royalty by price for frontier acreages; and</p> <p>(c) royalty derived from “royalty by price” shall be for the credit of the Nigerian Sovereign Investment Authority.</p> <p>PART IV DETERMINATION OF ROYALTIES FOR PART II AND III OF CHAPTER THREE OF THIS ACT</p> <p>7. Determination of royalties for parts II and III of chapter three of the Act</p> <p>Royalty based on production</p>	

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
<p>as an example, if in 2020 the price is US \$75 per barrel, the royalty by price shall be 2.5%, and the price levels mentioned in sub-subparagraphs (a), (b) (c) and (d) shall apply to the year 2020, and at the beginning of 2021 and of each succeeding calendar year these price levels shall be increased by 2% relative to the values of the previous year.</p> <p>(2) There shall be no royalty by price for frontier acreages.</p> <p>(3) Royalty derived from “royalty by price” shall be for the credit of Nigerian Sovereign Investment Authority.</p> <p>12. Penalty for non-payment and outstanding payments of royalties and enforcement of payment where any royalty due and payable under this Act is not paid within two months after the month in which the royalty is due, then it qualifies to be a debt which shall attract- (a) a sum equal to 10% of the amount of the royalty payable which shall be added to the royalty;</p> <p>(b) in the case of foreign currency transactions, the outstanding payments due shall incur interest at the prevailing LIBOR or any other successor rate plus 10% point basis;</p> <p>(c) in the case of Naira transactions, the outstanding payments due shall incur interest at the prevailing NIBOR plus 10% point basis;</p> <p>(d) N10,000,000 or US Dollar equivalent on the first day the failure to pay the royalty occurs; and</p> <p>(e) N2,000,000 or US Dollar equivalent for each day in which the failure continues.</p> <p>Revocation, Seizure and Distrain</p> <p>13. Where any fee, rent or royalty due under this Act is unpaid within three months after the month when it becomes due, whether legally</p>	<p>(1) Subject to subparagraph (2) of this paragraph, royalties payable shall be determined on a monthly basis, which shall be at a rate per centum of the chargeable value of the crude oil and casing head petroleum spirit produced from the relevant area in the relevant period as follows —</p> <p>(a) onshore areas20%;</p> <p>(b) offshore areas up to 100 metres water depth18.5%;</p> <p>(c) offshore areas above 100 up to 200 metres water depth 16.5%;</p> <p>(d) offshore areas beyond 200 metres water depth10%;</p> <p>(e) frontier basin 7.5%; and</p> <p>(f) inland basin7.5%.</p> <p>Royalty for Onshore and shallow Offshore Production Sharing Contracts</p> <p>(2) The following royalties for onshore and shallow offshore Production Sharing Contracts shall be applicable —</p> <p>(a) Onshore —</p> <p>(i) for production below 2 thousand barrels of oil per day5.0%,</p> <p>(ii) for production between 2 and 5 thousand barrels of oil per day7.5%,</p>	

	<p>(iii) for production between 5 and 10 thousand barrels of oil per day.....15%,</p>	
--	---	--

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
--------------------------------------	----------------------------	------------------------------------

<p>demande or not, the Commission may, in addition to any other remedy which may be available-</p> <p>(a) initiate revocation of such licence or lease under this Act; and (b) enter into any land, property or premises possessed or occupied by the licensee or lessee in connection with the licence or lease, and-</p> <p>(i) seize and distrain and sell as landlords may do for rents in arrears, any petroleum, petroleum products, engines, machinery, tools, implements or other effects belonging to the licensee or lessee which may be found in or upon the land, property or premises, and</p> <p>(ii) out of money arising from the sale of the distress, retain and pay off the arrears of the fee, rent or royalty and also the costs and expenses incidental to the distress and sale, rendering the surplus, if any, to the licensee or lessee.</p>	<p>(iv) for production above 10 thousand barrels of oil per day.....20%;</p> <p>(b) Offshore up to water depth of 100 metres — (i) for production below 5 thousand barrels of oil per day.....2.5%,</p> <p>(ii) for production between 5 and 10 thousand barrels of oil per day.....7.5%</p> <p>(iii) for production between 10 and 15 thousand barrels of oil per day.....12.5%</p> <p>(iv) for production above 15 thousand barrels of oil per day.....18.5%</p> <p>(c) Offshore between water depth of 100 and 200 metres —</p> <p>(i) for production below 5 thousand barrels of oil per day1.5%,</p> <p>(ii) for production between 5 and 10 thousand barrels of oil per day.....3.0%,</p> <p>(iii) for production between 10 and 15 thousand barrels of oil per day.....5%,</p> <p>(iv) for production between 15 and 25 thousand barrels of oil per day.....10.0%,</p> <p>(v) for production above 25 thousand barrels of oil per day.....16.67%.</p> <p>Royalty by price</p> <p>(3) Royalty by price is adopted in order to allow for royalty reflexivity based on changing prices of crude oil, condensates and natural gas, and shall be payable in addition to royalty</p>	
---	---	--

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
	<p>based on production specified in subparagraph 1 of this paragraph as follows —</p> <p>(a) the royalty based on price shall be identical for the various water depths beyond 200m water depth including frontier acreages for crude oil and condensates;</p> <p>(b) the royalty rates shall be based on increase that exceeds US\$20 per barrel, and shall be determined separately for crude oil and condensates as follows —</p> <p>(i) from US\$ 0 and up to US\$ 20 per barrel..... 0%,</p> <p>(ii) above US\$ 20 and up to US\$ 60 per barrel..... 2.5%,</p> <p>(iii) above US\$60 and up to US\$ 100 per barrel..... 4%,</p> <p>(iv) above US\$ 100 and up to US\$ 150 per barrel. 8%, and</p> <p>(v) above US\$ 15010%;</p> <p>(c) royalty based on production for natural gas shall be at a rate per centum of the price received by a licensee, lessee or marginal field holder in the relevant area, or at a price not less than the fees prescribed for gas flare penalties in the applicable regulations whichever is greater, but does not include any flare or waste gas appropriated by the Government of the Federation for its own use or for any purpose approved by it, as follows —</p> <p>(i) onshore areas 7 percent, (ii) offshore areas 5 percent; and</p> <p>(d) all natural gas liquids extracted from natural gas and spiked into the oil stream shall be treated as oil and all natural gas extracted and processed, except volumes flared or utilised for the purpose of oil and gas production operations</p>	

Current Provisions of the Law	Proposed Amendments	Committee's Recommendations
	<p>in the particular field, shall be liable to royalty at a rate per centum of the price received equivalent to the rate prescribed in clause (c) of this subparagraph or at a price not less than the fees prescribed for gas flare penalties in the applicable regulations whichever is greater.</p>	

EIGHTH SCHEDULE – SOLID MINERALS ROYALTY

- (1) Any person who extracts any solid mineral shall pay royalty in accordance with the provisions of this Act and the Nigeria Tax Administration Act.
- (2) The royalties shall be computed at the rates specified in Table I of this Schedule on the value of the solid mineral resource.
- (3) The value of each solid mineral resource extracted shall be determined using the official selling price specified by the Federal Ministry of Solid Minerals or ruling prices on an international trading platform or market for solid minerals.

S/NO.	MINERALS	AD VALOREM (%)	COMMITTEE'S RECOMMENDATIONS
1	ANTIMONY ORE	3	7.5
2	AMETHYST	5	10
3	AQUAMARINE	5	10
4	BARYTES	5	10
5	BAUXITE	3	7.5
6	BENTONITE	5	10
7	BERYLLIUM	5	10
8	BISMUTH	3	7.5
9	BITUMEN/ TAR SAND	3	7.5
10	CHALCOPYRITE	3	7.5
11	CHROMITE	5	10
12	CLAY	5	10
13	COAL	3	7.5
14	COLUMBITE ORE (<10% Nb ₂ O ₅)	3	7.5
15	COLUMBITE CONCENTRATE (>10% Nb ₂ O ₅)	3	7.5
16	COPPER ORE	3	7.5
17	CORUNDUM	5	10
18	CRYSTAL QUARTZ	5	10

19	DIATOMITE	5	10
20	DOLOMITE	5	10

S/NO.	MINERALS	AD VALOREM (%)	COMMITTEE'S RECOMMENDATIONS
21	EMERALD	5	10
22	FELDSPAR	5	10
23	FLOURITE	5	10
24	GARNET	5	10
25	GOLD CONCENTRATE	3	15
26	GRANITE BLOCKS	5	10
27	GRANITE AGGREGATES	5	10
28	GRANITE DUST	5	10
29	GRAPHITE	5	10
30	GYPSUM	5	10
31	ILMENITE	3	7.5
32	INDUSTRIAL QUARTZ	5	10
33	IRON ORE	3	7.5
34	KAOLIN (CRUDE)	5	10
35	KAOLIN (PULVERIZED)	5	10
36	LATERITE	5	10
37	LEAD/ZINC ORE (<55%Pb) <30% Zn)	3	7.5
38	LEAD/ZINC CONCENTRATE (>55%Pb), >30% Zn)	3	7.5
39	LIMESTONE (CRUDE)	5	10
40	LITHIUM ORE	5	10
41	MAGNESITE	3	7.5

42	MARBLE AGGREGATES	5	10
43	MARBLE BLOCKS	5	10
44	MANGANESE	3	7.5
45	MOLYBDENUM	3	7.5
46	MONAZITE	5	10
47	MICA	5	10

S/NO.	MINERALS	AD VALOREM (%)	COMMITTEE'S RECOMMENDATIONS
48	NICKEL	5	10
49	PHOSPHATE	5	10
50	PYRITE	3	7.5
51	RUBY	5	10
52	RUTILE	3	7.5
53	SALT	5	10
54	SAND	5	10
55	SAPPHIRE	5	10
56	SHALE	5	10
57	SILICA SAND	5	10
58	SILVER ORE	3	7.5
59	SODA ASH/TRONA	5	10
60	SPODUMENE	5	10
61	TALC	5	10
62	TANTALITE (CRUDE) (<30% Ta ₂ O ₅)	3	7.5
63	TANTALITE CONCENTRATE (>30% Ta ₂ O ₅)	3	7.5
64	TIN ORE (<50%Sn)	3	7.5

65	TIN CONCENTRATE (>50%Sn)	3	7.5
66	TOPAZ	5	10
67	TOURMALINE (GREEN)	5	10
68	TOURMALINE (PINK & BLUE)	5	10
69	WOLFRAMITE	3	7.5
70	ZIRCON	5	10
71	ZIRCON SAND	5	10
72	MOGANITE	N/A	10
72	ANY OTHER MINERAL	5	10

NINTH SCHEDULE – DUTIABLE INSTRUMENTS

S/ N	Name of Instruments	Type	New Rate	Persons liable to Pay Duty	Exemptions
1	Agreement or Contract accompanied with a deposit (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property than less N10,000,000
2	Agreement for sale of real property (see Conveyance on sale)	Ad Valorem	1.5%	Transferee	
3	Annuity (see Conveyance on Sale)	Ad Valorem	1.5%	Transferee	
4	Assignment (by way of security or of any security) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property than less N10,000,000
5	Irrevocable Assignment (upon a sale or otherwise) (see Conveyance)	Ad Valorem	1.5%	Transferee	
6	Bill of Exchange - Of any other Kind (Local & Foreign)	Ad Valorem	0.10%	Payee	
7	Bonds (Repayment of money & Transfer Stocks)	Ad Valorem	0.375%	Party taking security	

8	Capital Duty on Nominal Shares	Ad Valorem	0.75%	Company	
9	Capital Duty on Loan capital	Ad Valorem	0.125%	Borrower	<ul style="list-style-type: none"> • Overdraft at the bank • Loan raised for a period not exceeding 12 months • Loan obtained for onward disbursement to any other person in an onlending arrangement
10	Capital Duty on Loan Capital issued wholly or partly for the purpose of converting or consolidating existing capital	Ad Valorem	0.1%	Lender	

S/ N	Name of Instruments	Type	New Rate	Persons liable to Pay Duty	Exemptions
11	Contract notes for marketable security	Ad valorem	0.08%	Transferee	Contract note sent by a broker or agent to his principal where the principal is himself acting as a broker or agent for a principal.
12	Contract notes (Continuation note)	Ad valorem	0.08%	Transferee	
13	Contract note (Option note)	Ad valorem	0.04%	Transferee	
14	Contract note (following a duly stamped option note)	Ad valorem	0.04%	Transferee	
15	Conveyance or transfer on sale	Ad Valorem	1.5%	Transferee	<ul style="list-style-type: none"> • Where the property has a value of N10,000,000 or less • Where the transfer is between associated companies holding at least 90% shareholding in each other or through a third party, provided it had been stamped upon initially purchase

16	Conveyance or transfer by way of security of any property or security (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than N10,000,000
17	Conveyance or transfers (dispositions inter vivos except to entity created by Act for the benefit of Nigeria) (see Conveyance or transfer on sale)	Ad Valorem	1.5%	Transferee	
18	Covenant (payment of money or transfer or re-transfer of stock) (see mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than N10,000,000
19	Covenant on annuity (original creation and sale) (see conveyance)	Ad Valorem	1.5%	Transferee	

S/ N	Name of Instruments	Type	New Rate	Persons liable to Pay Duty	Exemptions
20	Covenant on annuity (not original creation and sale) (see Bond, Covenant)	Ad Valorem	0.375%	Party taking security	
21	Defeasance (of any conveyance, apparently absolute but intended only as a security for money or stock) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than N10,000,000
22	Demise (see Lease)	Ad Valorem	Up to 7 years 0.78%. Above 7 years = 3%	Lessee	Property of an annual value N1,000,000
23	Further charge of further security	Ad Valorem	0.375%	Mortgagee	
24	Marketable security (all types)	Ad Valorem	0.225%		
25	Mortgage, Bond, Debenture, Covenant (See bonds)	Ad Valorem	0.375%	Party taking security	

26	Mutual disposition (see Exchange	Ad Valorem	1.5%	Transferee	
27	Partition or Division (see Conveyance on sale)	Ad Valorem	1.5%	Transferee	
28	Policy of insurance (life insurance) (on premium)	Ad Valorem	0.075%	Policy Holder	
29	Policy of insurance (of any other kind)	Ad Valorem	0.075%	Policy Holder	
30	Promissory note (see Bill of Exchange)	Ad valorem	0.1%		
31	Reconveyance (of any security) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to less than property N10,000,000
32	Superannuation annuity (see Bond, Covenant)	Ad Valorem	0.375%	Party taking security	Relates to less than property N10,000,000
33	Transfer (see Conveyance)	Ad Valorem	1.5%	Transferee	
34	Transfer of Mineral Assets	Ad Valorem	2%	Transferee	

S/ N	Name of Instruments	Type	New Rate	Persons liable to Pay Duty	Exemptions
35	Agreement or Contracts (all types)	Fixed duty	N1,000	Beneficiary of service	<ul style="list-style-type: none"> Relates to a subject, the value of which is less than N1,000,000. Is for the hire of any labourer, employee, artificer, manufacturer or menial servant. Is made for or relating to the sale of any goods, wares or merchandise, including a Hire Purchase Agreement.

36	Agreement or Memorandum of Agreement under hand	Fixed duty	N500	Beneficiary of service	(See Agreement)
37	Bill of Exchange - Payable on Demand	Fixed duty	N500	Payee	
38	Bill of Lading	Fixed duty	N500		Master's Copy
39	Cheque leaf (Bill of Exchange)	Fixed duty	N50	Account owner	
40	Counterpart or Duplicate	Fixed duty	N500	(Same as original)	
41	Draft for money (see Bill of Exchange)	Fixed duty	N50	Payee	
42	Guarantee	Fixed duty	N500	Guarantor	
43	Letter of credit (see Bill of Exchange)	Fixed duty	N500		
44	Order (for the payment of money) (see Bill of Exchange)	Fixed duty	N50	Payee	
45	Policy of marine insurance	Fixed duty	N500	Policy Holder	Cover notes, slips or other instruments made in anticipation of a formal marine insurance policy
46	Policy of insurance against personal injury	Fixed duty	N500	Policy Holder	Insurance policies on personal or household effects.
S/ N	Name of Instruments	Type	New Rate	Persons liable to Pay Duty	Exemptions
47	Receipt (for value from N10,000)	Fixed duty	N50	(Same as liable for underlying transaction)	
48	Electronic receipt or Transfer of N10,000 upwards	Fixed duty	N50	Transferor	Money paid into one's own account or transferred electronically between accounts of the same owner within the same bank

TENTH SCHEDULE – EXCISE DUTY ON SERVICES

Item	Ad Valorem	Specific Rate	Committee's Recommendations
Telecommunication services - post-paid, pre-paid and all services regulated by Nigerian Communications Commission (NCC)	5%		To delete
Gaming, gambling, betting, lotteries and similar services within the definition under section 57 of this Act.	5%		To delete
Exchange of currencies	The amount by which the actual exchange rate of the transaction exceeds the prevailing official market rate		To delete
All other services	0%		To delete

ELEVENTH SCHEDULE – LIST OF PRIORITY SECTORS

S/N	SUB-SECTOR	ECONOMIC DEVELOPMENT INCENTIVE STATUS	PRIORITY PRODUCT/SERVICE	THRESHOLD	SUNSET	Committee Recommendation
AGRICULTURE AND FOOD						
1.		Manufacture of starches and starch products.	Starches from rice, maize, potatoes, wheat, cassava; Wet corn milling; Glucose, glucose syrup, maltose, inulin; Gluten.	N500m	±2 years 15 years	Increasing the sunset period to 20 years

2	Aquaculture	Marine and Freshwater fishing and all forms of aquaculture.	All fish, shellfish and all aquatic species	N500m	20 years	
		Aquaculture processing	Fish processing and preservation	N500m	20 years	
3.		Manufacture of tea products.	Blending of tea.	N500m	20 years	
ENERGY						
4.	Refining of Crude Oil and gas.	Manufacture of refined petroleum products.	Oil-based lubricating oils/grease: hydraulic/engine oil, gear oil, low power oil, brake fluid; Motor fuel: gasoline, kerosene, diesel; Fuel: Light, medium and heavy fuel oil, refinery gases (hydrogen, methane, ethane, propane, butane); Aviation fuel;	N100b	20 years	
			Products for road covering: asphalt.			

5.	Manufacture of Electrical Equipment and Electronics.	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus.	<p>Distribution transformers;</p> <p>Power generators;</p> <p>Transmission and distribution regulators;</p> <p>Electric motors, power circuit breaker, surge suppressors (for distribution level voltage);</p> <p>Control panels, for electric power distribution;</p> <p>Electrical relays;</p> <p>Ducts for electrical switchboard apparatus, electric fuses, power switching equipment.</p>	N20b	20 years	
6		Manufacture of batteries and accumulators.	<p>Primary cells and primary batteries;</p> <p>Electric accumulators;</p> <p>Lead acid batteries;</p> <p>NiCad batteries;</p> <p>NiMH batteries</p> <p>Lithium batteries;</p> <p>Dry cell batteries;</p>	N20b	20 years	
			Wet cell batteries			

7		Manufacture of wiring and electrical lighting equipment.	Manufacture of discharge, incandescent, fluorescent, ultraviolet, infra-red bulbs Electric wires; Fibre optic cables; Insulated wire and cables made of steel, copper and aluminium	N10b	12 years	
8		Manufacture of domestic appliances.	Refrigerators, freezers, oven, cookers, dishwashers, washing and drying machine, vacuum cleaners, floor polisher, blenders, juicers, electric shavers, electric toothbrush, tin openers, microwave, toasters, coffee makers, air conditioners	N5b	15 years	
9		Manufacture of electronic components.	Electrical capacitors, resistors, condensers; Carbon and graphite electrodes; welding electrodes; Diodes, transistors, light emitting diodes; Inverters, rectifying apparatus, fuel cells, photovoltaic modules, regulated and unregulated power supplies, solar home systems;	N5b	15 years	
			Uninterrupted power supplies, surge protectors.			

10	Manufacture of Electrical Equipment and Electronics	Manufacture of irradiation, electromedical and electrotherapeutic equipment	Irradiation apparatus and tubes, CT Scanners, PET scanners, magnetic resonance imaging (MRI) equipment, medical ultrasound equipment, electrocardiographs, electromedical endoscopic equipment, medical laser equipment, pacemakers, hearing aids	N20b	15 years	
11	Electricity and gas supply.	Electric power generation, transmission and distribution.	<p>Operation of generation facilities that produce electric energy including thermal, nuclear, hydroelectric, gas turbine, and renewable;</p> <p>Operation of transmission systems that convey electricity from generation facility to distribution systems;</p> <p>Operation of distribution systems (i.e. consisting of lines, poles, meters and wiring) that convey electric power received from generation facility or the transmission system to the final consumer.</p>	N100b	20 years	

12	Electricity and gas supply	Production of gas including gas utilisation (downstream operations).	Production of gaseous fuels with a specified calorific value, by purification, blending and other processes from gases of various types including natural gas; Transportation, distribution and supply of gaseous fuels	N100b Separate power from gas	20 years	
13	Renewable Energy		Production and manufacture of renewable energy equipment and apparatus	N100b	20 years	To include green energy equipment
MINING AND QUARRYING						
14	Mining of Coal	Mining and processing of coal.	Coal	N10b	20 years	
15	Mining of metal Ores.	Mining and processing of lead, zinc, iron ore and gold.	Lead, zinc, iron ore and gold.	N10b	20 years	
16	Quarrying and Mining of other Minerals.	Quarrying of limestone and mining of barite, bitumen and bentonite.	Limestone, barite, bitumen, and bentonite.	N5b	20 years	
17	Mining of lithium, rare earth	Mining of lithium, rare earth	Lithium, rare earth.	N10b	20 years	
HEALTH						
18		Manufacture of medical and dental equipment and supplies.	Surgical drapes and sterile string and tissue; Surgical Instruments including disposables;	N5b	20 years	

			<p>Dental fillings and cements, dental wax and other dental plaster preparations;</p> <p>Bone reconstruction cements;</p> <p>dental laboratory furnaces;</p> <p>Laboratory ultrasonic cleaning machinery;</p> <p>Laboratory sterilisers;</p> <p>Distilling apparatus, centrifuges;</p> <p>Medical, surgical, dental or veterinary furniture (operating tables, examining tables, hospital beds, dentists chair);</p> <p>Bone plates and screws, syringes, needles, catheters, cannulae;</p> <p>Dental instruments;</p> <p>Orthopaedic and prosthetic devices; medical thermometers.</p>			
CREATIVE SECTOR AND COMMUNICATIONS TECHNOLOGY						
19	Motion picture, video and television programme production,	Production and post- production of digital content for motion picture, videos, television programmes, commercials, distribution and exhibition.	<p>Digital movies, animation, videos, television programmes, commercials;</p> <p>Online distribution;</p>	N5b	15 years	

	distribution and exhibition.		Exhibition.			
20	Music production	Music production, distribution, publishing, manufacture of musical equipment, instruments and accessories		N250m	20 years	
BUILDING AND OPERATION OF UTILITY PROJECTS						
21		Building and operation of utility projects.	Long-distance pipelines, communication and power lines; power plants; Waterways, harbour and river works, ports; Dams; Refineries; Petrochemical plants;	N200b	20 years	
CHEMICAL AND BUILDING MATERIALS						
22	Manufacture of chemical and pharmaceutical products.	Manufacture of basic chemicals, fertilisers and nitrogen compounds.	Organic and inorganic basic chemicals. Associated nitrogen products: nitric and sulphonitric acids, ammonia, ammonium chloride, ammonium carbonate, nitrites and nitrates of potassium.	N20b	15 years	

			Polyethylene terephthalate, Amorphous-Polyethylene Terephthalate.			
23		Manufacture of pesticides and agrochemicals.	Insecticides, rodenticides, fungicides, herbicides.	N5b	15 years	
24		Manufacture of pharmaceuticals and medical chemicals.	Medicinal active substances to be used for their pharmacological properties in the manufacture of medicaments: antibiotics, basic vitamins, salicylic and oacetylsalicylic acids; Medicaments - antisera and other blood functions, vaccines; Processing of blood; Medical diagnostic preparations; Radioactive in-vivo diagnostic substances; Biotech pharmaceuticals; Medical impregnated wadding, gauze, bandages, dressing.	N2b	15 years	
25	Manufacture of non- metallic products	Manufacture of glass and glass products.	Flat glass (toughened or laminated, wired, coloured or tinted); Laboratory, hygienic or pharmaceutical glassware	N2b	15 years	

26	Manufacture of non- metallic products	Manufacture of refractory products	Refractory mortars, concretes; Refractory ceramic goods: refractory bricks, blocks, tiles, heat insulating ceramic goods; Laboratory wares: crucibles, nozzles, tubes, pipes, retorts, muffles; Refractory articles containing magnesite, dolomite.	N5b	15 years	
27		Manufacture of lime, plaster.	Quicklime, slaked lime and hydraulic lime; Plasters of calcined gypsum; Calcined dolomite; Powdered and pre-mixed mortar;	N2b	15 years	
STEEL AND METAL						
28	Manufacture of basic Metals, Iron and Steel.	Manufacture of basic iron and steel.	Ferro-alloys, ferrous products by direct reduction of iron and other spongy ferrous products, iron of exceptional purity, granular iron and iron powder, steel in ingots and other primary forms, semifinished products of steel, hot- rolled and cold-rolled flat rolled products of steel, steel bars and rods and solid and open sections of steel, wires of steel,	N5b	15 years	

			sheet piling, railway track materials,			
--	--	--	--	--	--	--

			seamless and welded tubes and pipes of steel, tube fittings of steel; flat sheets; angle bar. Operation of blast furnaces, steel converters, rolling and finishing mills/ foundries.			
--	--	--	---	--	--	--

29		Manufacture of other non-ferrous metals.	Aluminium; aluminium alloys; Lead, zinc, tin, copper, chrome, manganese, nickel from ores or oxides; Lead, zinc, tin, copper, chrome, manganese, nickel from electrolytic refining; Lead, zinc, tin, copper, chrome, manganese, nickel alloys; mattes of nickel; uranium; uranium from pitchblende or other ores.	N5b	12 years	
----	--	--	---	-----	----------	--

30	Manufacture of fabricated metal products excluding machinery and equipment.	Manufacture of tanks, reservoirs, containers of metal, nails and other fabricated metals.	Metal containers for compressed or liquefied gas, silos and similar containers of metal for storage or manufacturing use, boilers and radiators.	N5b	12 years	
TRANSPORTATION						
31	Manufacture of motor vehicles and components and other	Manufacture of motor vehicles and components.	Passenger cars, buses, vans, coaches, truck, tractors; fire engines; armoured vehicle; Motor vehicle engines, chassis, bodies, out fittings;	N50b	15 years	
	transport equipment		Parts and accessories for motor vehicles: brakes, batteries, gearbox, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalytic converters, clutches, steering wheels, steering columns, steering boxes, safety belts, airbags, doors, bumpers, car seats, alternators, spark plugs, ignition wiring harnesses, power window and door systems, voltage regulators.			

32		Manufacture of motorcycles, tricycles and components.	<p>Motorcycles, mopeds and cycles fitted with an auxiliary engine;</p> <p>Engines, parts and accessories for motorcycles;</p> <p>Motorised and non-motorised tricycles;</p> <p>Engines, parts and accessories for tricycles.</p>	N20b	12 years	
33		Building of ships, boats and floating structures for transportation.	<p>Commercial vessels (passenger vessels, ferry boats, cargo ships, tankers, tugs), warships, fishing boats and fish-processing factory vessels;</p> <p>Sail boats, motor boats.</p>	N5b	15 years	

34		Manufacture of aircraft and components.	<p>Aeroplanes for the transport of goods or passengers, helicopters;</p> <p>Drones and UAD;</p> <p>Parts and accessories of aircraft: fuselages, wings, doors, control surfaces, landing gears, fuel tanks, nacelles, airscrews, helicopter rotors and propelled rotor blades, aircraft motors and engines, parts of turbo jets and turboprops, aircraft seats;</p> <p>Conversion of aircraft and aircraft engines.</p>	N50b	15 years	
35		Manufacture of railway locomotives and rolling stock	<p>Electric, diesel, steam and other rail locomotives;</p> <p>Self-propelled/non- self-propelled railway coaches, vans, trucks, maintenance/service vehicles and Wagons- Specialised parts of railway locomotives; mechanical and electromechanical signalling, safety and traffic control equipment for railways, railway car seats.</p>	N10b	20 years	
36	Maintenance, repair and overhaul.	Maintenance, repair and overhaul aircrafts.	Repair, maintenance and overhaul of aircraft and aircraft engines.	N10b	15 years	

37	Transportation.	Rail, Land, Pipeline and water transportation.	<p>Passenger rail transport: inter and intra urban service.</p> <p>Freight rail transportation: mainline rail network and shortline freight rail.</p> <p>Freight transport by road: stock haulage; refrigerated;</p> <p>Transportation via pipelines: gases, liquids, slurry and other commodities.</p> <p>harbour operation and other auxiliary activities such as docking, pilotage, vessel salvage.</p> <p>Inland passenger water transportation: transport of passenger via rivers, canals, lakes and other inland waterways including inside harbours and ports.</p>	N5b	15 years	
INDUSTRIAL MACHINERY						
38		Manufacture of power-driven hand tools.	Circular or reciprocating saws, drills and hammer drills, hand held power sanders, pneumatic nailers, buffers, routers, grinders, staplers, pneumatic rivet guns, planers, shears and nibblers, impact wrenches, power actuated nailers.	N5b	10 years	

39		Manufacture of generalpurpose machinery.	Industrial refrigerating or freezing equipment, industrial air conditioning machines, nondomestic fans; Packaging and wrapping machinery; Fire extinguishers	N10b	10 years	
40	Other Manufacturing	Manufacture of agricultural and forestry machinery.	Ploughs, harvesters, threshers, planters, tractors used in agriculture and forestry, mowers, manure spreader, seeder, harrows, sorter, milking machines, spraying machines for agricultural use, poultry-keeping machinery, bee-keeping machinery, equipment for preparing fodder, machines for cleaning, sorting or grading eggs, fruits.	N10b	15 years	
41		Manufacture of metal- forming machinery and machine tools.	Machine tools for working metals and other materials (wood, bone, stone, hard rubber, hard plastics, cold glass); Machine tools for turning, drilling, milling, shaping, planning, boring, grinding; - Stamping or pressing machine tools;	N5b	10 years	

			<p>Punch presses, hydraulic presses, hydraulic brakes, drop hammers, forging machines;</p> <p>Draw-benches, thread rollers or machines for working wires;</p> <p>Stationary machines for nailing, stapling, gluing;</p> <p>Stationary rotary or rotary percussion drills, filing machines, riveters, sheet metal cutters;</p> <p>Presses for the manufacture of particle board;</p> <p>Electroplating machinery.</p>			
42		Manufacture of machinery for metallurgy	<p>Machines and equipment for handling hot metals (converters, ingot moulds, ladles, casting machines);</p> <p>Metal-rolling mills and rolls for such mills.</p>	N5b	10 years	
43		Manufacture of machinery for food and beverage processing.	<p>Agricultural dryers;</p> <p>Machinery for dairy industry, grain milling industry, bakery industry;</p> <p>Presses, crushers for fruit juices;</p>	N5bn	11 years	

			<p>Machines and equipment to process diverse foods;</p> <p>Machines for extraction or preparation of animal or vegetable fats and oils.</p>			
44	Other Manufacturing	Manufacture of machinery for paper and paperboard production	<p>Machinery for making pulp;</p> <p>Paper and paperboard making machines;</p> <p>Dryers for wood, paper, paper pulp, paper or paperboard.</p>	N5b	10 years	
ENVIRONMENT						
45	Waste management	Waste treatment, disposal and material recovery.	<p>Conversion of waste to useable materials;</p> <p>Treatment of organic waste for disposal;</p> <p>Operation of facilities for treatment of hazardous waste;</p> <p>Treatment and disposal of toxic live or dead animals or contaminated waste;</p> <p>Processing of metal and nonmetal waste and scrap and other articles into secondary raw materials, involving a mechanical or chemical transformation process.</p>	N2b	12 years	

TEXTILE PRODUCTION					
46	Manufacture of textiles and Leather.	Preparation, spinning of textile fibres, weaving of textile and manufacture of made-up textiles.	<p>Yarn or thread for weaving or sewing;</p> <p>Broad woven textiles, cottontype, woollen-type, worsted-type, silk-type fabrics including from synthetic yarns;</p> <p>Knitted and crocheted fabrics-pile and terry fabrics, net and window furnishing type fabrics;</p> <p>Twine, cordage, rope and cables of textile fibres;</p> <p>Products of rope or netting: fishing net, insecticide treated nets;</p> <p>Synthetic filament tow, staple fibres, filament yarn, monofilament;</p> <p>Synthetic hair threads, weave-ons and attachments.</p>	N2b	12 years
47	Manufacture of sportswear		Manufacture of sportswear, sports apparels.	N500m	20 years
48	Manufacture of Leather Production.	Manufacture of leather products	Footwear, boxes, wallets, belt, shirts, trousers, bags etc.	N2b	12 years

			Leather-chamois dressed, parchment dressed, patent or metallised, composition leather.			
OTHER MANUFACTURING						
49	Manufacture of pulp, paper and paper products	Manufacture of pulp and paper. Manufacture of household and personal hygiene paper products	Bleached, semi-bleached or unbleached paper pulp manufactured by mechanical, chemical or semi- chemical processes; Cotton-linters pulp; Removal of ink and pulp from waste paper; Paper and paperboard for further industrial processing; Creped or crinkled paper. Wall paper; Sanitary towels, tampons and diapers	N1b	10 years	
SERVICES						
50	Business process outsourcing.	Setting up of Regional/Global shared services centres in Nigeria for the provisions and management of technical services.	Shared services centres.	N2b	10 years	

TWELFTH SCHEDULE – ITEMS ON WHICH TAX IS SUSPENDED UNDER SECTION 187 OF THIS ACT

Proposed Amendments	Committee's Recommendations
<p>1. Items on which Value Added Tax may be suspended or delayed Charging and collection of VAT on the following items shall commence on the date indicated by the Minister, or suspended where it is expedient to do so in the public interest, by an Order issued in the Official Gazette— (a) petroleum products; (b) renewable energy equipment; (c) compressed natural gas (CNG); (d) commercial aircrafts, commercial aircraft engines and spare parts; and (e) airline transportation tickets issued and sold by commercial airlines registered in Nigeria.</p> <p>2. Items on which the Minister may vary the classification The following items may be classified as exempt or zero-rated supplies by an order issued by the Minister in the Official Gazette— (a) all equipment, components and infrastructure related to the conversion and installation or expansion of Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG), including conversion kits; and (b) all services relating to the conversion and installation of Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG).</p> <p>3. Interpretation For the purposes of this Schedule— “petroleum products” means automotive gas oil, aviation turbine kerosene, premium motor spirit, household kerosene and locally produced liquefied petroleum gas; “renewable energy equipment” means equipment used in producing renewable, green or low-carbon energy from renewable resources, such as sunlight, wind, the movement of water, and geothermal heat; “compressed natural gas” means fuel gas mainly composed of methane (CH₄), compressed to less than 1% of the volume it occupies at standard atmospheric pressure</p>	<p>Retained</p>

THIRTEENTH SCHEDULE – DETERMINATION OF RESIDENCE

Current Provisions of PITA	Proposed Amendments	Committee's Recommendations
<p>1. Interpretation</p> <p>In this Schedule, unless where the context otherwise requires- “earned income” in relation to an individual, means income derived by him from a trade, business, profession, vocation or employment carried 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; “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 government or governments 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 anyone territory means-</p> <p>(a) in the case of an individual with no source of income other than a pension in Nigeria, that place of those places in which he usually resides;</p> <p>(b) in the case of an individual who has a source of earned income other than a pension in Nigeria, that place of those places which on a relevant day is nearest to his usual place of work;</p> <p>(c) in the case of an individual who has a source or sources of unearned income in Nigeria, that place of those places in which he usually resides.</p>	<p>1. Foreign employments</p> <p>An individual, not being a person to whom section 3(1)(a)(iv) of the Nigeria Tax Administration 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—</p> <p>(a) where the duties are 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</p> <p>(b) where the duties are 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.</p> <p>2. Nigerian employment</p> <p>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, provided that if the individual 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</p>	<p>Retained</p>

<p>(d) in the case of an individual 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.</p> <p>2. Foreign employments An individual not being a person to whom subsection (1) (b) of section 2 of this Act applies, who holds a foreign employment on the 1st day of 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 the principal office of his employer is situated on that day or on the day his foreign employment commences, as the case may be.</p> <p>3. Nigerian employment An individual who holds a Nigerian employment on the 1st day of 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: Provided that if the individual is on leave from a Nigerian employment on the 1st day of 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.</p>	<p>or principal place of residence immediately before his leave began.</p> <p>3. Other employments</p> <p>(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 the Nigeria Tax Administration Act applies.</p> <p>(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.</p> <p>4. Partnership</p> <p>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;</p> <p>b) a dormant partner in the partnership, be the territory in Nigeria which he usually resides; and</p> <p>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 the Nigeria Tax Administration Act refers.</p>	
---	--	--

<p>4. Other employments</p> <p>An employee whose remuneration is subject to income tax in Nigeria for a year of assessment, but who is not deemed to be resident in a territory for that year under the provisions of paragraph 3 of this Schedule, shall be deemed to hold a foreign employment, and if he has no territory of residence for that year under the provisions of paragraph 2 of this Schedule, he shall be deemed to be a person to whom subsection (1) (b) of section 2 of this Act applies.</p> <p>5. Pensions</p> <p>(1) An individual whose only source of earned income arising in Nigeria on the 1st day of 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.</p> <p>(2) An individual whose only source of earned income arising in Nigeria on the 1st day of 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-</p> <p>(a) if the pension is a Nigerian pension wholly payable by the Government of one territory, not being a Nigerian pension in respect of which the subsection (1) (b) of section 2 of this Act applies, in that territory;</p> <p>(b) if the pension is 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.</p> <p>(3) An individual whose only source of earned income arising in Nigeria on the 1st day of 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 if there are two or more pensions arising in different territories to the individual on that day, be subject to subsection (1) (b) of section 2 of this Act.</p>	<p>5. Pensions</p> <p>(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.</p> <p>(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—</p> <p>(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 2(1)(a)(iv) of the Nigeria Tax Administration Act.</p> <p>6. Other earned income</p> <p>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—</p> <p>(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</p>	
---	--	--

<p>6. Other earned income</p> <p>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 the 1st day of January in that year:</p> <p>Provided that-</p> <p>(a) if the source of the income is first acquired by the individual during the year of assessment, and he had no 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</p> <p>(b) in any other case, the individual shall be deemed to be resident for that year in any territory from which any part or the whole of his earned income arising in Nigeria is derived, if the income is derived from more than one territory.</p> <p>7. Unearned income</p> <p>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 the 1st day of January of that year:</p> <p>Provided that-</p> <p>(a) if 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;</p> <p>(b) if 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</p>	<p>where he first establishes a place of residence during that year; and</p> <p>(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.</p> <p>7. Unearned income</p> <p>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—</p> <p>(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;</p> <p>(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.</p> <p>8. Application</p> <p>(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</p>	
---	--	--

<p>shall be deemed to be resident. for that year in the territory from which any part of the unearned income arises.</p> <p>8.Application</p> <p>(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 firstnumbered paragraph which is applicable to his circumstances.</p> <p>(2) If, by reason of sub-paragraph (1) of this paragraph, or otherwise, a determination of residence of an individual for a year of assessment falls to be revised by a tax authority, other than that of the territory in which the individual is finally determined to be resident for that year, it shall discharge any assessment made by it on the income of the individual for that year.</p> <p>9. Corporation sole or body of individuals</p> <p>(1) 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 the first day of 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.</p> <p>10.Objections, disputes and appeals</p> <p>(1) In an objection to an assessment which is or includes, an objection to the determination of an individual’s territory of residence by any tax authority, the individual shall set out all the grounds on which he relies to refute that determination, and those grounds together with the observations thereon by that tax authority shall be referred by it to the Board.</p> <p>(2) Where a dispute arises as to the territory of residence of an individual for a year of assessment, either between two or more tax authorities or between a tax authority and an individual before he has</p>	<p>by the first-numbered paragraph which is applicable to his circumstances.</p> <p>(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 falls 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.</p> <p>9. Corporation sole or body of individuals</p> <p>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.</p> <p>10. Family income</p> <p>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.</p> <p>11. Trust</p> <p>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</p>	
--	--	--

<p>been assessed to tax by that authority for that year, the facts may be referred to the Board by any tax authority which is a party to the dispute.</p> <p>(3) Where a dispute arises between two or more tax authorities with respect to the territory of residence of an individual for a year of assessment and that individual has already been assessed to tax in Nigeria for that year, the facts of that dispute may be referred to the Board by any tax authority.</p> <p>(4) The secretary to the Board shall give notice of any grounds, observations or facts referred to the Board under the provisions of subparagraphs (1), (2) or (3) of this paragraph to those parties, including the individuals who are affected or likely in his opinion to be affected by a determination of residence by the Board, and shall afford the parties a period being not less than thirty days from the issue of the notice in which to reply thereto.</p> <p>(5) The secretary to the Board may call for further information to be given by any party, including an individual, to an objection or dispute within such time as may appear to him to be reasonable, and after the expiry of that period or to the period mentioned in subparagraph (4) of this paragraph, whichever is the later, the Board shall proceed to determine the territory of residence of the individual for the relevant year of assessment.</p> <p>(6) Written notice of a determination by the Board shall be given by its secretary to the individual and to each tax authority affected thereby, and an assessment which has been made on that individual otherwise than in accordance with the determination of the Board shall be discharged.</p> <p>(7) Pending a determination by the Board, the tax authority which has referred an objection to the Board under the provisions of this paragraph shall not determine that objection unless that objection, insofar as it concerns the territory of residence of the individual, is previously withdrawn by him in writing.</p>	<p>creating the trust is resident and to the extent provided in the Sixth Schedule to this Act.</p> <p>12. Interpretation</p> <p>In this Schedule—</p> <p>“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;</p> <p>“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;</p> <p>“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;</p> <p>“Nigerian employment” means any employment, not being a foreign employment, the duties of which are wholly or partly performed in Nigeria;</p> <p>“Nigerian pension” means a pension in respect of past service under, and payable by, a resident person or a government in Nigeria;</p> <p>“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;</p> <p>“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—</p>	
---	--	--

<p>(8) A determination by the Board under this paragraph shall be binding on all tax authorities and on an appeal tribunal or other body established under a law of a territory for the purposes of income tax within that territory, but may be questioned by the individual in the High Court of the territory of the tax authority which has made the relevant assessment.</p> <p>(9) It shall not be competent for an appellant in an appeal against an assessment to enter a ground of appeal concerning his territory of residence which he has not disclosed on a valid objection to the relevant assessment.</p> <p>(10) An appeal from a decision of a High Court in respect of the territory of residence of an individual shall lie to the Court of Appeal.</p> <p>(11) Where a tax authority discovers that an individual who has been assessed by it to tax for a year of assessment, is deemed to be resident for that year in the territory of some other tax authority, the assessment shall be discharged and any tax already paid by the individual in respect of that assessment shall be-</p> <p>(a) set-off against tax owing for any other year by that individual to the first mentioned authority; or</p> <p>(b) paid to the Government of that other authority; or</p> <p>(c) repaid to the individual, in such proportions as the first mentioned authority may decide.</p>	<p>(a) with no source of income other than a pension in Nigeria, that place where he usually resides;</p> <p>(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;</p> <p>(c) who has a source or sources of unearned income in Nigeria, that place where he usually resides; or</p> <p>(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</p>	

FOURTEENTH SCHEDULE – EXEMPTION FOR AGRICULTURAL BUSINESSES

Sub-Sector	Activity	Exempted Products
Crop Production	Growing of perennial and non-perennial crops	All crops
Livestock	Raising and breeding of animals in ranches and farms	Cattle, swine/pigs, sheep, goat, and poultry, including processed eggs.
	Livestock processing	Meat and poultry processing
Forestry	Plantation of rubber and acacia trees	Latex and gum arabic

Dairy	Manufacture of dairy products	Fresh liquid milk, pasteurised, sterilised, homogenised and/or ultra-heat treated; Dried or concentrated milk; Cream from fresh liquid milk, pasteurised, sterilised, homogenised; Milk or cream in solid form; Cheese, curd and lactose.
Cocoa processing	Processing of cocoa	Cocoa, cocoa butter, cocoa fat, cocoa oil; Chocolate.
Animal feeds	Manufacture of animal feeds	Animal feed, edible oils and by-products, concentrates, grain mill products, and feed supplements.

Nigeria Tax Administration Bill, 2025

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
<p>Jurisdiction of Tax Authorities</p>		<p>Section 3 – Jurisdiction of tax authorities</p> <p>(1) The Nigeria Revenue Service (the Service), established under the Nigeria Revenue Service (Establishment) Act, 2024 shall —</p> <p>(a) have exclusive responsibility to administer taxes -</p> <p>(i) on companies,</p> <p>(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,</p> <p>(iii) on officers of the Nigerian Foreign Service,</p>	<p>Section 3 – Jurisdiction of tax authorities</p> <p>(1) The Nigeria Revenue Service (the Service), established under the Nigeria Revenue Service (Establishment) Act, 2024 shall —</p> <p>(a) have exclusive responsibility to administer taxes -</p> <p>(i) on companies,</p> <p>(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,</p>	

		(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	(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	
--	--	---	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(v) contained in chapter two, parts III, X, XI; chapters three, six, and seven and chapter eight, parts II and IV of the Nigeria Tax Act;</p> <p>(b) have power to administer taxes contained in chapters two, three, five, six, seven, and eight of the Nigeria Tax Act; and</p> <p>(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.</p> <p>(2) The relevant tax authority in a State or the Federal Capital Territory, shall pursuant to the First schedule to this Act, be responsible for-</p> <p>(a) the administration of taxes contained in chapters two, parts I, II, IV-IX; chapter five; and chapter eight, parts I and III of the Nigeria Tax Act on individual resident in such state or the Federal Capital</p>	<p>(v) as contained in this Act being:</p> <ul style="list-style-type: none"> - 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 - exemption from value added tax <p>(b) have power to administer the following taxes:</p> <ul style="list-style-type: none"> (i) income tax (ii) taxation of income from petroleum operations (iii) stamp duties (iv) value added tax; and 	
--	--	---	--	--

		Territory, subject to subsection 1(a) (ii) - (iv) of this section; and	(v) tax incentives	
--	--	--	--------------------	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(b) exercising such other powers and functions conferred on it under any tax law enacted by the National Assembly.</p> <p>(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.</p> <p>(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.</p>	<p>(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.</p> <p>(2) The relevant tax authority in a State or the Federal Capital Territory, shall pursuant to the First schedule to this Act, be responsible for-</p> <p>(a) the administration of taxes for resident individuals in respect of:</p> <p>(i) imposition of tax on income, profits or gains</p> <p>(ii) ascertainment of profits and income</p> <p>(iii) ascertainment of assessable profits and income</p>	
--	--	--	--	--

			<p>(iv) ascertainment of total income</p> <p>(v) ascertainment of chargeable gains</p> <p>(vi) rates of tax</p>	
--	--	--	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

			<p>subject to subsection 1(a) (ii) - (iv) of this section.</p> <p>(b) exercising such other powers and functions conferred on it under any tax law enacted by the National Assembly.</p> <p>(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.</p> <p>(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</p>	
--	--	--	--	--

			by the National Assembly or a State House of Assembly.	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	---------------------------------------	--------------------------------	-----------------------------

<p>Issuance of ID</p>		<p>Section 7 – Issuance of taxpayer identification</p> <p>(1) The relevant tax authority shall, upon receiving a request, register and issue a Tax ID to every taxable person.</p> <p>(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 two working days of the decision, notify that person of the refusal.</p> <p>(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.</p> <p>(4) The relevant tax authority shall promptly notify a person registered and issued with a Tax ID under subsection (3) of</p>	<p>Section 7 – Issuance of taxpayer identification</p> <p>(1) The relevant tax authority shall, upon receiving a request, register and issue a Tax ID to every taxable person.</p> <p>(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.</p> <p>(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.</p> <p>(4) The relevant tax authority shall promptly notify a person registered</p>	
------------------------------	--	---	--	--

		<p>this section of the registration and Tax ID.</p> <p>(5) A taxable person having a valid Tax ID shall not apply for, or be issued with another Tax ID.</p>	<p>and issued with a Tax ID under subsection (3) of this section of the registration and Tax ID.</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(6) A person who discovers that a taxable person has multiple Tax IDs, shall promptly report to the relevant tax authority for unification.</p> <p>(7) A Tax ID issued to one taxable person is not transferable or usable by another taxable person</p>	<p>(5) A taxable person having a valid Tax ID shall not apply for, or be issued with another Tax ID.</p> <p>(6) A person who discovers that a taxable person has multiple Tax IDs, shall promptly report to the relevant tax authority for unification.</p> <p>(7) A Tax ID issued to one taxable person is not transferable or usable by another taxable person</p>	
--	--	---	--	--

Notification of change	N/A	<p>Section 9 – Notification of Change in Particulars</p> <p>(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.</p> <p>(2) The change referred to in subsection (1) of this section includes-</p> <p>(a) name, including trading name, location of business, telephone numbers or e-mail address, and registered address;</p> <p>(b) in the case of-</p>	<p>Section 9 – Notification of Change in Particulars</p> <p>(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.</p> <p>(2) The change referred to in subsection (1) of this section includes-</p> <p>(a) name, including trading name, location of business, telephone numbers or e-mail address, and registered address;</p>	
------------------------	-----	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(i) an incorporated person, persons holding 5% or more of its share capital, or the beneficial owner of the shares held by nominees,</p> <p>(ii) a trust, the full identity, address and other contact details of the trustees and beneficiaries of the trust,</p> <p>(iii) a partnership, the full identity, address and other contact details of all the partners, or</p> <p>(iv) sale, liquidation or merger of a business, all relevant information regarding the sale, liquidation or merger, and full details of the new owners.</p>	<p>(b) in the case of-</p> <p>(i) an incorporated person, persons holding 5% or more of its share capital, or the beneficial owner of the shares held by nominees,</p> <p>(ii) a trust, the full identity, address and other contact details of the trustees and beneficiaries of the trust,</p> <p>(iii) a partnership, the full identity, address and other contact details of all the partners, or</p> <p>(iv) sale, liquidation, acquisition, takeover or merger of a business, all relevant information regarding the sale, liquidation or merger, and full details of the new owners.</p>	
--	--	---	--	--

<p>Tax Returns</p>	<p>Section 55 CITA – Returns And Provisional Accounts</p> <p>(1) Every company, including a company granted exemption from incorporation shall, whether or not a company is liable to pay tax under this Act for a year of assessment, with or</p>	<p>Section 11 – Income Tax Returns for Companies</p> <p>(1) Every company, including a company granted exemption from incorporation, whether or not it is liable to pay tax under the Nigeria tax Act or any other tax law, for a year of assessment, with or without</p>	<p>Section 11 – Income Tax Returns for Companies</p> <p>(1) Every company, including a company granted exemption from incorporation, whether or not it is liable to pay tax under the Nigeria tax Act or any other tax law, for a year of</p>	
---------------------------	---	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee’s Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>without notice from the Service, file a self-assessment return with the Service in the prescribed form at least once a year and such return shall contain-</p> <p>(a) the audited accounts, tax and capital allowances computation for the year of assessment and a true and correct statement in writing containing the amount of profit from each and every source computed;</p> <p>(b) a duly completed self-assessment form as may be prescribed by the Service, from time to time, attested to by a director or secretary of the company and such attestation shall contain a declaration that it contains a true and correct statement of the amount of its profits computed in respect of all sources in accordance</p>	<p>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 —</p> <p>(a) a duly completed self-assessment form as may be prescribed by the Service;</p> <p>(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;</p> <p>(c) evidence of payment of the tax due;</p> <p>(d) computation of the effective tax rate and additional tax payable, where applicable; and</p>	<p>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 —</p> <p>(a) a duly completed self-assessment form as may be prescribed by the Service;</p> <p>(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;</p> <p>(c) evidence of payment of the tax due;</p>	
---	---	--	--

	<p>with this Act and any rule made and that the particulars given in such return are true and complete; and</p>	<p>(e) an attestation of the information contained in the tax returns signed by a Principal Officer of the company.</p> <p>(2) Where a non-resident company derives profit from or is taxable in Nigeria under</p>	<p>(d) computation of the effective tax rate and additional tax payable, where applicable; and</p>	
--	---	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>(c) evidence of payment of the whole or part of the tax due into a bank designated for the collection of the tax.</p> <p>(1A) Where any company other than a Nigerian company derives profit from or is taxable in Nigeria under section 13 (2) of this Act, such company shall be required to submit a return for the relevant year of assessment containing —</p> <p>(a) the company’s full audited financial statements and the financial statement of the Nigerian operations, attested by an independent qualified or certified accountant in Nigeria;</p> <p>(b) tax computation schedules based on the</p>	<p>chapter two of the Nigeria Tax Act, such company shall be required to submit a return for the relevant year of assessment containing —</p> <p>(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;</p> <p>(b) tax computation schedules based on the profits attributable to its Nigerian operations;</p> <p>(c) a true and correct statement, in writing, containing the profits from each and every source in Nigeria;</p> <p>(d) duly completed Income Tax SelfAssessment Forms;</p> <p>(e) evidence of payment of the tax due; and</p> <p>(f) a computation of the effective tax rate and</p>	<p>(e) an attestation of the information contained in the tax returns signed by a Principal Officer of the company.</p> <p>(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 be required to submit a return for the relevant year of assessment containing —</p> <p>(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;</p> <p>(b) tax computation schedules based on the profits attributable to its Nigerian operations;</p>	
--	--	--	--

	<p>profits attributable to its Nigerian operations;</p> <p>(c) a true and correct statement, in writing, containing the amount of profits from each and every source in Nigeria; and</p>	<p>additional tax payable, where applicable.</p>	<p>(c) a true and correct statement, in writing, containing the profits from each and every source in Nigeria;</p> <p>(d) duly completed Income Tax Self-Assessment Forms;</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>(d) duly completed Companies Income Tax Self-Assessment Forms</p> <p>Provided that in a year of assessment where a company other than a Nigerian company only earns income on which withholding tax is the final tax under this Act, the obligation to file a tax return in the manner prescribed shall not apply to such company in that year of assessment.</p> <p>(2) Subject to this Act or any regulation made, the time of filing returns shall be –</p> <p>(a) in the case of a company that has been in business for more than eighteen months, not more than six months after the end of its accounting year; and</p> <p>(b) in the case of a newly incorporated company,</p>	<p>(3) The provisions of subsection (2) of this section 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 the Nigeria Tax Act.</p> <p>(4) Where a company permanently ceases operation in Nigeria, the company shall file the returns for the year of cessation and any outstanding return within six months of cessation.</p> <p>(5) Subject to this Act, any tax law or regulation, the time of filing returns shall be –</p> <p>(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;</p> <p>(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</p>	<p>(e) evidence of payment of the tax due; and</p> <p>(f) a computation of the effective tax rate and additional tax payable, where applicable.</p> <p>(3) The provisions of subsection (2) of this section 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 the Nigeria Tax Act.</p> <p>(4) Where a company permanently ceases operation in Nigeria, the company shall file the returns for the year of cessation and any outstanding return within six months of cessation.</p> <p>(5) Subject to this Act, any tax law or regulation, the</p>	
---	--	--	--

	<p>within eighteen months from the date of its incorporation or not later than six months after the end of its first accounting period, whichever is earlier; in addition, the form of returns shall be</p>	<p>first accounting period, whichever is earlier; or</p>	<p>time of filing returns shall be —</p> <p>(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;</p>	
--	---	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>signed by a director who must be the chairman or the managing director of the company and the secretary respectively.</p> <p>(3) Any company which fails to comply with the provisions of subsection (2) shall be liable to pay as penalty for late filing –</p> <p>(a) ₦25,000 in the first month in which the failure occurs; and</p> <p>(b) ₦5,000 for each subsequent month in which the failure continues.</p> <p>(4) Notwithstanding anything to the contrary in any law, an income tax assessment shall be made in the currency in which the transaction took place.</p> <p>(5) Where an offence under this section by a company is proved to have been committed with the consent or connivance of,</p>	<p>(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.</p> <p>(6) For the purpose of this section –</p> <p>(a) every company shall designate a representative or representatives who shall attend to its tax matters; and</p> <p>(b) where a person designated by a company pursuant to paragraph (a) of this subsection is a paid agent, such person shall be a person accredited under Section 32 of this Act.</p>	<p>(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</p> <p>(c) in the case of a company that permanently ceases to carry on trade or business in Nigeria, not later than three months from the date the company permanently ceases to carry on the trade or business in Nigeria.</p> <p>(6) For the purpose of this section –</p> <p>(a) every company shall designate a representative or representatives who shall attend to its tax matters; and</p>	
--	--	--	--

	<p>or to be attributable to, any neglect on the part of any director, manager, secretary or other similar officer, servant or agent of the</p>		<p>(b) where a person designated by a company pursuant to paragraph (a) of this subsection is a paid agent, such person shall be an accredited tax agent as provided in this Act.</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

company (or the person purporting to act in any such capacity) he as well as the company shall be deemed to have committed the offence and shall on conviction be liable to a fine not exceeding ₦100,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment.

(6) For the purposes of this section:

(a) every company shall designate a representative who shall answer every query relating to the tax matters of the company; and

(b) a person designated by a company pursuant to paragraph (a) of this subsection shall be a person knowledgeable in the field of taxation as may

	<p>be approved, from time to time, by the Service.</p> <p>(7) Notwithstanding anything contained in this section, the Service may by notice specify the form of the accounts to be included in a tax return, instead of audited accounts specified in</p>			
--	---	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

	<p>subsection (1) (a), in respect of small and medium companies as defined under this Act.</p> <p>(8) Any company which fails to comply with the provision of subsection (2) of this Section and claims the minimum tax relief under section 33(2) of this Act shall be liable to pay as penalty for late filing, an amount equivalent to the relief sought.</p>			
<p>Estimated returns for upstream</p>		<p>Section 16 – Estimated returns for upstream petroleum operations</p> <p>(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,</p>	<p>Section 16 – Estimated returns for upstream petroleum operations</p> <p>(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</p>	

		<p>Petroleum Profit Tax and Income tax, as applicable.</p> <p>(2) Any company involved in upstream petroleum operations under parts I and II of chapter three of the Nigeria Tax Act, shall</p>	<p>and Income tax, as applicable.</p> <p>(2) Any company involved in upstream petroleum operations and subject to</p>	
--	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>apply the accounting periods under parts I and II of chapter three of the Nigeria Tax Act.</p> <p>(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 —</p> <p>(a) a computation of its estimated revenue, adjusted profit or loss and estimated assessable profits of that period;</p> <p>(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;</p> <p>(c) a statement of an estimate of amounts to be repaid, refunded, waived or released</p>	<p>Hydrocarbon Tax or Petroleum Profits Tax, shall apply the accounting periods specific to such companies as contained in this Act.</p> <p>(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 —</p> <p>(a) a computation of its estimated revenue, adjusted profit or loss and estimated assessable profits of that period;</p> <p>(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</p>	
--	--	---	--	--

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

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(d) in connection with parts II and III of the First Schedule to the Nigeria Tax Act a schedule showing -</p> <p>(i) the estimated residues at the end of that period in respect of its assets,</p> <p>(ii) all estimated qualifying petroleum expenditure incurred by it in that period,</p> <p>(iii) the values of its assets, estimated by references to the provisions of that schedule, to be disposed of in that period, and</p> <p>(iv) the allowances due to it under that schedule for that period;</p> <p>(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;</p>	<p>sections 68 (2) and 91(2) of the Nigeria Tax Act during that period;</p> <p>(d) in connection with parts II and III of the First Schedule to the Nigeria Tax Act a schedule showing -</p> <p>(i) the estimated residues at the end of that period in respect of its assets,</p> <p>(ii) all estimated qualifying petroleum expenditure incurred by it in that period,</p> <p>(iii) the values of its assets, estimated by references to the provisions of that schedule, to be disposed of in that period, and</p> <p>(iv) the allowances due to it under that schedule for that period;</p> <p>(e) in connection with the Sixth Schedule of the Nigeria Tax Act a schedule showing estimated total</p>	
--	--	---	--	--

			production allowance and cost price ratio limits from all its upstream petroleum operations related to crude	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(f) a computation of its estimated chargeable profits of that period identified in accordance with the Nigeria Tax Act;;</p> <p>(g) a computation of its estimated tax payable for that period; and</p> <p>(h) a declaration, that the estimate was made to the best of the ability of the person signing the declaration.</p> <p>(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.</p> <p>(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</p>	<p>oil on the two classes of the chargeable profits;</p> <p>(f) a computation of its estimated chargeable profits of that period identified in accordance with the Nigeria Tax Act;;</p> <p>(g) a computation of its estimated tax payable for that period; and</p> <p>(h) a declaration, that the estimate was made to the best of the ability of the person signing the declaration.</p> <p>(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.</p> <p>(5) Every return made by a company engaged in upstream petroleum operations related to</p>	
--	--	---	--	--

		<p>be subject to review and validation by the Service.</p> <p>(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</p>	<p>crude oil and gas in fulfilment of the provisions of this section shall be subject to review and validation by the Service.</p>	
--	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>on the best of judgement basis and impose such judgement on the company.</p> <p>(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.</p>	<p>(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.</p> <p>(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.</p>	
--	--	--	--	--

<p>Taxable person to render returns</p>	<p>Section 15 VAT Act – Taxable person to render returns</p> <p>(1) A taxable person who, in the course of a business, has made taxable supplies or expects to make taxable supplies, the value of which, either singularly or cumulatively in any calendar year, is ₦25,000,000 or more shall, render to the Service, on or before the 21st day of every month in which this threshold is achieved and on or before the same day in successive</p>	<p>Section 22 – Returns for Value Added Tax</p> <p>(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, by the date specified in subsection (2) of this section or in a regulation issued by the Service for that purpose.</p>	<p>Section 22 – Returns for Value Added Tax</p> <p>(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.</p> <p>(2) Where the Service grants an extension of the period for filing the</p>	<p>The provision allows small businesses an option to opt-in for VAT registration.</p> <p>Additionally, returns must now be filed in real time where technology permits.</p>
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee’s Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>months thereafter, a return of the input tax paid and output tax collected by him in the preceding month in such a manner as the Service may prescribe.</p> <p>(2) In determining whether a person meets the threshold in subsection (1), the value of the following taxable supplies shall be excluded-</p> <p>a) a taxable supply of a capital asset of the person; and</p> <p>(b) a taxable 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:</p> <p>Provided that any person that does not fall within the threshold in subsection (1) is exempt from the provisions of</p>	<p>(2) The returns for each month shall be filed on or before the 21st day of the following month.</p> <p>(3) 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.</p> <p>(4) 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.</p> <p>(5) The provision of subsection (2) of this section above shall not apply to a small business.</p> <p>(6) 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,</p>	<p>returns under this section, such extension shall not imply the extension of time to pay the tax.</p> <p>(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.</p> <p>(4) The provision of subsection (1) of this section above shall not apply to a small business.</p> <p>(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.</p> <p>(6) A business, upon ceasing to be a small</p>	
---	--	---	--

	<p>section 8(2), 13A, 29, 34 and 35 of this Act.</p> <p>(3) The exemption provided for in subsection (2), shall not apply to</p>	<p>charging of tax on its taxable supplies and filing of returns.</p> <p>(7) A business, upon ceasing to be a small business, shall file monthly VAT returns.</p>	<p>business, shall file monthly VAT returns.</p> <p>(7) In determining whether a person meets the threshold of being a small</p>	
--	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>companies engaged in upstream petroleum operations as described in the Petroleum Industry Act and Petroleum Profits Tax Act.</p>	<p>(8) In determining whether a person meets the threshold in subsection (5) of this section, the value of the following taxable supplies shall be excluded, -</p> <p>(a) supply of a capital asset of the person; and</p> <p>(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.</p> <p>(9) 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.</p> <p>(10) The provisions of subsection (5) of this section shall not apply to companies engaged in petroleum operations as defined in the Nigeria Tax Act.</p> <p>(11) Where technology is deployed by the Service, a taxable person shall render</p>	<p>company, the value of the following taxable supplies shall be excluded, -</p> <p>(a) supply of a capital asset of the person; and</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(10) Where technology is deployed by</p>	
---	--	---	--

		returns in real time or at such other time as the Service may prescribe.	the Service, a taxable person shall render returns in real time or at such	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(12) For the purpose of attribution, any return under this section shall provide details of derivation of taxable supplies by location in a manner prescribed by the Service.</p>	<p>other time as the Service may prescribe.</p> <p>(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.</p>	
<p>Value Added Tax Fiscalisation</p>	<p>N/A</p>	<p>Section 23 – Value Added Tax Fiscalisation System</p> <p>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.</p> <p>(2) The Service may prescribe technical specifications and security standards for using the EFS to record and report supplies.</p> <p>(3) Taxable persons shall be responsible for maintaining accurate records of all</p>	<p>Section 23 – Value Added Tax Fiscalisation System</p> <p>(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.</p> <p>(2) Taxable persons shall be responsible for maintaining accurate records of all transactions passing through the EFS.</p> <p>(3) The Service shall specify the fiscalisation system to be adopted and a transition</p>	

		<p>transactions passing through the EFS.</p> <p>(4) The Service shall specify the fiscalisation system to be adopted and a</p>	<p>arrangement for its implementation.</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		<p>transition arrangement for its implementation.</p>	<p>(4) The Service shall issue a regulation to give effect to the provisions of this section.</p>	

<p>WHT Filings</p>	<p>N/A</p>	<p>Section 27 – Returns for deduction of tax at source</p> <p>Every person who has an obligation to deduct and remit tax under this Act or any other tax legislation shall render monthly returns as specified in the regulation issued for that purpose.</p>	<p>Section 27 – Returns for deduction of tax at source</p> <p>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.</p>	<p>Provides for monthly WHT filing in line with the WHT Regulations 2024.</p>
<p>Information to be delivered by bankers</p>	<p>Section 49 PITA – Information to be delivered by bankers</p> <p>(1) A person engaged in banking shall require that a person intending to open a bank account for the purposes of the person’s business operations shall provide a tax identification number as a precondition for opening or continue operating of such bank account.</p>	<p>Section 28 – Information to be delivered by bankers and others</p> <p>(1) Without prejudice to section 138 of this Act, every bank, insurance company, stockbroking 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 —</p> <p>(i) an individual, where the cumulative transactions in a month amount to</p>	<p>Section 28 – Information to be delivered by bankers and others</p> <p>(1) For the purpose of tax and without prejudice to section 138 of this Act, every bank, insurance company, stockbroking 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 —</p>	

	(2) Without prejudice to section 48 of this Act, a person engaged in banking	N25,000,000.00 or more, or		
--	--	----------------------------	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>shall prepare a quarterly returns specifying the names and addresses of new customers of the bank and shall not later than the seventh day of the next following month deliver the return to a tax authority of the area where the bank operates, or where such customer is a company, to the Federal Inland Revenue Service.</p>	<p>(ii) a body corporate, where the cumulative transactions in a month amount to N100,000,000.00 or more.</p> <p>(2) Every bank, insurance company, stockbroking 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 —</p> <p>(a) transactions involving the specified sum;</p> <p>(b) names, addresses, including foreign addresses, or any other information of its customers connected with those transactions; or</p> <p>(c) names, addresses, or any other information of new or existing customers.</p> <p>(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</p>	<p>(i) an individual, where the cumulative transactions in a month amount to N50,000,000.00 or more, or</p> <p>(ii) a body corporate, where the cumulative transactions in a month amount to N250,000,000.00 or more.</p> <p>(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 —</p> <p>(a) transactions involving the specified sum;</p> <p>(b) names, addresses, including foreign addresses, or any other information of its customers connected</p>	
--	---	--	--

		<p>in Nigeria to provide within the time stipulated in the notice, information including the name and</p>	<p>with those transactions; or</p> <p>(c) names, addresses, or any other information of new or existing customers.</p> <p>(3) Without prejudice to subsections (1) and (2) of this section, for the purpose of obtaining information relative to taxation, the relevant tax</p>	
--	--	---	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>address of any person specified in the notice.</p> <p>(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.</p>	<p>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.</p> <p>(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.</p>	
--	--	---	---	--

<p>Accreditation of Tax Agents</p>	<p>N/A</p>	<p>Section 32 – Accreditation of Tax Agents</p> <p>(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.</p> <p>(2) The requirements for accreditation shall be set out by the relevant tax authority.</p>	<p>Section 32 – Accreditation of Tax Agents</p> <p>(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.</p>	<p>New provision to recognize tax agents (consultants). Returns filed by agents on behalf of taxpayers must be accompanied by a declaration that the agents has exercised competence and ethics.</p>
---	------------	---	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee’s Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(3) No return shall be deemed as duly filed except filed by the taxpayer or an accredited tax agent on behalf of the taxpayer.</p> <p>(4) Tax returns shall be accompanied by a declaration or attestation—</p> <p>(a) in the case of a taxpayer, that the information supplied is true and complete, and</p> <p>(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.</p> <p>(5) The provisions of subsections (1) to (4) under this section shall apply notwithstanding any contrary provisions in any other law with respect to qualification, experience, certification or other criteria for eligibility to act as a tax agent.</p>	<p>(2) The requirements for accreditation shall be set out by the relevant tax authority.</p> <p>(3) No return shall be deemed as duly filed except filed by the taxpayer or an accredited tax agent on behalf of the taxpayer.</p> <p>(4) Tax returns shall be accompanied by a declaration or attestation—</p> <p>(a) in the case of a taxpayer, that the information supplied is true and complete, and</p> <p>(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.</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
Assessment		<p>Section 36 – Making of assessment in upstream petroleum operations</p> <p>(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 —</p> <p>(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</p> <p>(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.</p>	<p>Section 36 – Making of assessment of TAX in upstream petroleum operations</p> <p>(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 —</p> <p>(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</p> <p>(b) particular accounting period and the amount of the chargeable profits and chargeable tax for that period, in the case of</p>	

		<p>(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.</p>	<p>each company for each of its accounting periods.</p> <p>(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</p>	
--	--	---	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(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.</p>	<p>was made under subsection (1) of this section showing the amended or revised amount of the chargeable profits and chargeable tax.</p> <p>(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.</p>	
<p>Currency Assessment</p>	<p>Section 54 CITA – Currency of assessment</p> <p>Notwithstanding anything to the contrary in any law, an income tax assessment under section 52, 53 or 55 of this Act shall be made in the currency in which the transaction giving rise to the</p>	<p>Section 38 – Currency of assessment and payment</p> <p>(1) Notwithstanding the provisions of any other law, tax may be assessed in the currency of transaction.</p> <p>(2) Tax, including royalty, assessed in a currency other than the Nigerian Naira may be paid in that currency, or the Nigerian Naira at the prevailing exchange rate in the</p>	<p>Section 38 – Currency of assessment and payment</p> <p>(1) Notwithstanding the provisions of any other law, tax shall be assessed in the currency of transaction.</p> <p>(2) Tax, including royalty, assessed in a currency other than the Nigerian Naira shall be paid in that currency.</p>	

	assessment effected.	was	official foreign exchange market.		
--	----------------------	-----	-----------------------------------	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>Section 86 – Power to distrain for nonpayment of tax</p> <p>(1) Without prejudice to any other power conferred on the Service for the enforcement of payment of tax due from a company, where an assessment has become final and conclusive and a demand note has, in accordance with the provisions of this Part of this Act, been served upon the company or upon the person in whose name the company is chargeable, then, if payment of the tax is not made within the time limited by the demand note, the Service may in the prescribed form, for the purpose of enforcing payment of the tax due-</p> <p>(a) distrain the taxpayer by his goods or other</p>	<p>Section 60 – Power to distrain</p> <p>(1) Where an assessment has become final and conclusive and a demand notice has been served upon a person or upon the person 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 —</p> <p>(a) distrain that person by his goods, chattels, bonds or other securities;</p> <p>(b) distrain any land, premises, place or any asset in respect of which that person is the owner and, recover the amount of tax due by sale of anything so distrained.</p> <p>(2) The authority to distrain under this section shall be in the form contained in the Third Schedule to this Act and</p>	<p>Section 60 – Power to distrain</p> <p>(1) Where an assessment has become final and conclusive and a demand notice has been served upon a person or upon the person 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 —</p> <p>(a) distrain that person by his goods, chattels, bonds or other securities;</p> <p>(b) distrain any land, premises, place or any asset in respect of which that person is the owner and, recover the amount of tax due by sale of anything so distrained.</p> <p>(2) The authority to distrain under this section</p>	<p>Inclusion of distress actions in cases of tax evasion and proceeds of crime, even when the offender cannot be found.</p>
---	--	---	---

	<p>chattels, bonds or other securities;</p> <p>(b) distraint upon any land, premises, or place in respect of which the taxpayer is the owner and, subject to the following provisions of this section,</p>	<p>such authority shall be sufficient warrant and authority to levy by distraint the amount of any tax due.</p> <p>(3) For the purpose of levying any distraint under this section, any officer duly</p>	<p>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 distraint the amount of any tax due.</p>	
Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments

<p>recover the amount of tax due by sale of anything so distrained.</p> <p>(2) The authority to distrain under this section shall be in the form contained in the Fourth Schedule to this Act, and such authority shall be sufficient warrant and authority to levy by distress the amount of tax due.</p> <p>(3) For the purposes of levying any distress under this section, any officer authorised in writing by the Service may execute any warrant of distress and if necessary break open any building or place in the day time for the purpose of levying such distress, and he may call to his assistance any police officer and it shall be the duty of that police officer when so required to aid and assist in the execution</p>	<p>authorised by the relevant tax authority may execute any warrant of distrain, and if necessary, break open any building or place in the day time for the purpose of levying such distrain, and the relevant tax authority may call for police assistance and the police shall, when so required aid and assist in the execution of any warrant of distrain and in levying the distrain.</p> <p>(4) Assets distrained under this section may, at the cost of that person, be kept for 14 days and at the end of that time if the amount due in respect of the tax, cost and charges of any incidental to the distrain are not paid, they may, subject to subsection (6) of this section, be sold.</p> <p>(5) Where there is a sale in accordance with the provisions of subsection (4) of this section, a part of the proceeds of such sale, shall, in the first instance, be used to pay the cost of keeping and all</p>	<p>(3) For the purpose of levying any distrain under this section, any officer duly authorised by the relevant tax authority may execute any warrant of distrain, and if necessary, break open any building or place in the day time for the purpose of levying such distrain, and the relevant tax authority shall call for police assistance and the police shall, when so required aid and assist in the execution of any warrant of distrain and in levying the distrain.</p> <p>(4) Assets distrained under this section may, at the cost of that person, be kept for 14 days and at the end of that time if the amount due in respect of the tax, cost and charges of any incidental to the distrain are not paid, they may, subject to subsection (6) of this</p>	
--	---	---	--

	<p>of any warrant of distress and in levying the distress.</p> <p>(4) Things distrained under this section may, at the cost of the taxpayer, be kept for fourteen days and at the end of that time if the amount due in respect</p>	<p>expenses incidental to the sale,of the asset so distrained thereafter, the amount due in respect of the tax shall be paid.</p>	<p>section, be sold, with an order of the State or Federal High Court.</p> <p>(5) Where there is a sale in accordance with the provisions of subsection (4) of this section, a part of the proceeds of such sale, shall , in the first instance, be used to pay the cost of keeping and all</p>	
Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments

<p>of the tax and the cost and charges of and incidental to the distress are not paid, they may, subject to subsection (6) of this section, be sold at any time thereafter.</p> <p>(5) Out of the proceeds of any such sale there shall, in the first place, be paid the cost or charges of and incidental to the (sale and keeping of the) distress, and disposal there under and in the next place the amount due in respect of the tax; and the balance (if any) shall be payable to the taxpayer upon demand being made by him or on his behalf within one year of the date of the sale.</p> <p>(6) Nothing in this section shall be construed so as to authorise the sale of any immovable property without an order of a High Court, made on application in such form as</p>	<p>(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.</p> <p>(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.</p> <p>(8) In exercise of the powers of distress conferred by this section, the person to whom the authority is granted under subsection (3) of this section may distress all assets, goods, chattels and effects belonging to the debtor wherever the same may be found.</p> <p>(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.</p>	<p>expenses incidental to the sale, of the asset so distressed thereafter, the amount due in respect of the tax shall be paid.</p> <p>(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.</p> <p>(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.</p> <p>(8) In exercise of the powers of distress conferred by this section, the person to whom the authority is granted under subsection (3) of this section may distress all assets, goods, chattels and effects belonging to</p>	
--	--	---	--

	<p>may be prescribed by rules of court.</p>		<p>the debtor wherever the same may be found.</p> <p>(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.</p>	
--	---	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>Enforcement powers</p>	<p>of</p> <p>N/A</p>	<p>Section 61 – Enforcement of Powers</p> <p>(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.</p> <p>(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.</p> <p>(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 —</p> <p>(a) enter any premises covered by such warrant and search for, seize and</p>	<p>Section 61 – Enforcement of Powers</p> <p>(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.</p> <p>(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.</p> <p>(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 —</p> <p>(a) enter any premises covered by such</p>	<p>Introduction of the use of law enforcement officers in the enforcement of their authority. The use of the word “may” in subsection 1 suggests flexibility.</p>
----------------------------------	----------------------	--	--	---

		<p>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;</p> <p>(b) inspect, make copies of, or take extracts including digital copies from any book, record, document or computer, regardless</p>	<p>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;</p> <p>(b) inspect, make copies of, or take extracts including digital copies from any book, record, document or</p>	
--	--	--	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>of the medium used for their storage or maintenance;</p> <p>(c) search any person who is in or on such premises;</p> <p>(d) open, examine and search any article, container or receptacle;</p> <p>(e) open any door or window of a premises and enter or otherwise forcibly enter the premises and every part of the premises; or</p> <p>(f) remove by reasonable force any obstruction to such entry, search, seizure or removal.</p> <p>(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.</p>	<p>computer, regardless of the medium used for their storage or maintenance;</p> <p>(c) For the purpose of subsections (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.</p> <p>(d) search any person who is in or on such premises;</p> <p>(e) open, examine and search any article, container or receptacle;</p> <p>(f) open any door or window of a premises and enter or otherwise forcibly enter the premises and every part of the premises; or</p> <p>(g) remove by reasonable force any obstruction to</p>	
--	--	---	---	--

			<p>such entry, search, seizure or removal.</p> <p>(4) A person shall not be bodily searched under this section except by a</p>	
--	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
			<p>person who is of the same gender as the</p>	

			person to be bodily searched.	
Revocation of licence		<p>Section 62 – Revocation of petroleum or mining licence or lease</p> <p>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 may notify the Commission or the relevant ministry or agency of such default for the revocation of the licence or lease under the relevant Act.</p>	<p>Section 62 – Revocation of petroleum or mining licence or lease</p> <p>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.</p>	

<p>Tax Investigation</p>	<p>N/A</p>	<p>Section 63 – Tax Investigation</p> <p>(1) Notwithstanding the provision of any other law, the tax authority shall have the power to investigate or cause 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.</p> <p>(2) The relevant tax authority may employ Special Purpose Tax Officers for the</p>	<p>Deleted</p>	
---------------------------------	------------	--	----------------	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>purpose of subsection (1) of this section to carry out investigation of any offence under this Act and may seek the assistance of any relevant law enforcement agency.</p> <p>(3) In conducting an investigation under subsection (1) of this section, the relevant tax authority may cause investigation to be conducted into the properties of any taxable person where it appears to the relevant tax authority that the lifestyle of the person and extent of the properties are not justified by his source of income or in line with the tax declaration or compliance.</p> <p>(4) Where an investigation under this section reveals the commission of any offence or an attempt to commit any offence, the relevant tax authority shall, pursuant to section 135 of this Act,</p>		
--	--	---	--	--

		undertake the prosecution of the offences.		
Tax Remission	<p>Section 89 – Remission of Tax</p> <p>The President may remit, wholly or in part, the tax payable by any company if satisfied that it will be just and equitable to do so.</p>	<p>Section 74 – Power of the President or Governor to remit taxes</p> <p>(1) The president may, on the recommendation of the Service remit, wholly or in part, the tax payable by any</p>	<p>Section 74 – Power of the President or Governor to remit taxes</p> <p>(1) The president may, on the recommendation of the Service and subject to the approval of the National</p>	<p>Extension of the President’s powers to Governors.</p> <p>Requirement of the recommendations of the</p>

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		<p>taxable person if satisfied that it will be just and equitable to do so.</p> <p>(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.</p>	<p>Assembly, remit, wholly or in part, the tax payable by any taxable person if satisfied that it will be just and equitable to do so.</p> <p>(2) The Governor of a State may, on the recommendation of the Commissioner, and subject to the approval of the State House of Assembly 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.</p>	<p>Service and Commissioners of Finance in this regard.</p>

<p>Power to exempt</p>	<p>Section 23 (2) – Power to exempt</p> <p>(2) The President may exempt by order-</p> <p>(a) any company or class of companies from all or any of the provisions of this Act; or</p> <p>(b) from tax all or any profits of any company or class of companies from any source, on any ground which appears to it sufficient.</p>	<p>Section 75 – Power of the President to exempt companies from income tax</p> <p>(1) The President may by order exempt from income tax –</p> <p>(a) any company or class of companies; or</p> <p>(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 stating the grounds upon which</p>	<p>Section 75 – Power of the President to exempt companies from income tax</p> <p>(1) The President may, subject to the approval of the National Assembly, by order exempt from income tax –</p> <p>(a) any company or class of companies; or</p> <p>(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</p>	<p>Tax exemptions granted by the President must now be published in the Official Gazette, including the grounds for exemption.</p>
-------------------------------	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee’s Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

	<p>(3) The President may by order amend, add to or repeal any exemption made by notice or order 98 under the provisions of subsection (2) or (4) of section 9 of the Personal Income Tax Act in so far as it affects a company, and, subject to the foregoing, the following notices and order shall continue in force for all purposes of this Act</p> <p>(a) the Income Tax Exemption (Interest on Nigerian Public Loans) Notice;</p> <p>(b) the Income Tax (Exemption) (Nigerian Broadcasting Corporation) Order;</p> <p>(c) the Railway Loan (International Bank) (Exemption of Interest) Notice.</p>	<p>the exemption is granted to the company or the class of companies.</p> <p>(2) The President may, by order amend, add to or repeal any exemption.</p>	<p>the official Gazette stating the grounds upon which the exemption is granted to the company or the class of companies.</p> <p>(2) The President may, by order amend, add to or repeal any exemption.</p>	
--	---	---	---	--

<p>Deduction of Tax by Accountant-General</p>	<p>Section 83 – Accountant-General of the Federation to deduct tax</p> <p>Where the person referred to under section 82 is a Ministry, Department, parastatal, institution or an agency of the Federal or a State Government or is a local government, the Service may</p>	<p>Section 76 – Power of Accountant-General to deduct at source</p> <p>The Accountant-General of the Federation shall, not later than 30 days of receiving a warrant signed by the Chief Executive Officer of the relevant tax authority and a Judicial Officer in accordance with the</p>	<p>Section 76 – Power of Accountant-General to deduct at source</p> <p>The Accountant-General of the Federation shall, not later than 30 days of receiving a resolution of the National Assembly, and in accordance with the Fourth Schedule to this Act,</p>	
--	---	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
	<p>authorise the Accountant-General of the Federation in writing to deduct from the allocation of such Federal Ministry, Department, parastatal, institution or agency of the State Government or local government such amount of tax deductible plus interest at the prevailing commercial rate</p>	<p>Fourth Schedule to this Act, deduct all unremitted 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.</p>	<p>deduct all unremitted 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.</p>	

<p>Distribution of revenue</p>	<p>Section 40 – Distribution of revenue</p> <p>Notwithstanding any formula that may be prescribed by any other law, the revenue accruing by virtue of the operation of this Act shall be distributed as follows-</p> <p>(a) 15% to the Federal Government;</p> <p>(b) 50% to the State Governments and the Federal Capital Territory, Abuja; and</p> <p>(c) 35% to the Local Governments:</p> <p>Provided that the principle of derivation of not less than 20% shall be reflected in the distribution of the allocation amongst States and Local</p>	<p>Section 77 – Distribution of revenue</p> <p>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 –</p> <p>(a) 10% to the Federal Government;</p> <p>(b) 55% to the State Governments and the Federal Capital Territory; and (c) 35% to the Local Governments.</p> <p>provided that 60% of the amount standing to the credit of states and local governments shall be distributed among them on the basis of derivation.</p>	<p>Section 77 – Distribution of revenue</p> <p>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 –</p> <p>(a) 10% to the Federal Government;</p> <p>(b) 55% to the State Governments and the Federal Capital Territory; and</p> <p>(c) 35% to the Local Governments.</p> <p>(2) The amount of the VAT revenue standing to the credit of states and</p>	
---------------------------------------	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
	Governments as specified in paragraphs (b) and (c) of this section.		<p>local governments shall be distributed among them on the following basis:</p> <p>(a) Equally – 50%; (b) Population – 20%; (c) Consumption – 30%.</p> <p>For the purpose of this section, consumption is determined by the place of consumption, irrespective of where the return is filed.</p>	
Failure to use fiscalisation system	N/A	<p>99. Failure to use fiscalisation system</p> <p>A taxable person that fails to process a taxable supply through the fiscalisation system is liable to an administrative penalty of N200,000.00 plus 100% of the tax due and an interest of 2% above the Central Bank of Nigeria Monetary Policy rate per annum.</p>	<p>99. Failure to use fiscalisation system</p> <p>A taxable person that fails to process a taxable supply through the fiscalisation system is liable to an administrative penalty of N200,000.00 plus 100% of the tax due and an interest at the prevailing Central Bank of Nigeria Monetary Policy rate per annum.</p>	

<p>Failure to remit tax deducted, at source.</p>	<p>Section 82 of CITA</p> <p>100% of amount not remitted</p> <p>Section 40 of FIRSEA</p> <p>The tax withheld or not remitted in addition to a penalty of 10 percent of</p>	<p>102. Failure to remit tax deducted at source or self-account</p> <p>(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</p>	<p>102. Failure to remit tax deducted at source or self-account</p> <p>(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</p>	
---	--	--	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

<p>the tax not remitted per annum and interest at the prevailing Central Bank of Nigeria re-discount rate and imprisonment for period of not more than 3 years.</p>	<p>immediately succeeding the month in which the amount was deducted, collected or withheld, is liable to pay —</p> <p>(a) the amount deducted, collected or withheld but not remitted;</p> <p>(b) an administrative penalty of 10% per annum of the tax deducted, collected or withheld but not remitted; and</p> <p>(c) interest at the prevailing Central Bank of Nigeria monetary policy rate plus 2% per annum.</p> <p>(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 —</p> <p>(a) the tax not self-accounted for;</p> <p>(b) an administrative penalty of 10% per annum of the</p>	<p>the month immediately succeeding the month in which the amount was deducted, collected or withheld, is liable to pay —</p> <p>(a) the amount deducted, collected or withheld but not remitted;</p> <p>(b) an administrative penalty of 10% per annum of the tax deducted, collected or withheld but not remitted; and</p> <p>(c) interest at the prevailing Central Bank of Nigeria monetary policy rate.</p> <p>(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 —</p> <p>(a) the tax not self-accounted for;</p>	
---	---	--	--

		<p>amount not self -accounted for; and</p> <p>(c) interest at 2% per annum above the prevailing Central Bank of Nigeria monetary policy rate.</p>	<p>(b) an administrative penalty of 10% per annum of the amount not self accounted for; and</p> <p>(c) interest at the prevailing Central Bank of Nigeria monetary policy rate.</p>	
--	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>(3) A person convicted of any of the offences under this section, shall, in addition to the administrative penalty in subsections (1) and (2) of this section, be liable to a term of imprisonment not exceeding 3 years.</p>	<p>(3) A person convicted of any of the offences under this section, shall be liable to a term of imprisonment not exceeding 3 years, or a fine of not less than the principal amount due plus penalty of not more than 50% of the sum, or both.</p>	
<p>Failure to stamp dutiable instruments</p>	<p><i>Penalties vary depending on the instruments, ranging from ₦0.02k to ₦100</i></p>	<p>104. Failure to stamp</p> <p>A person that fails to stamp dutiable instruments in accordance with the relevant provisions of the Nigeria Tax Act is liable to pay —</p> <p>(a) in the case of the fixed duty, 10% of the unpaid duty and interest at 2% above the Central Bank of Nigeria Monetary Policy Rate; and</p> <p>(b) in the case of ad valorem duty, 10% of the duty and interest at 2% above the Central Bank of Nigeria Monetary Policy</p>	<p>104. Failure to stamp</p> <p>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.</p>	

		Rate		
--	--	------	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
------	--------------------	---------------------------------------	--------------------------------	-----------------------------

<p>Inducement of tax officer</p>	<p>Section 96 of PITA</p> <p>₦50,000 for individuals;</p> <p>₦500,000 for corporate bodies, or imprisonment for not more than 6 months</p> <p>Section 94 of CITA</p> <p>Fine of ₦1,000 or to imprisonment for 5 years, or both</p>	<p>109. Inducement of an authorised officer</p> <p>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 penalty of N2,000,000.00 or to imprisonment for a term not exceeding 3 years or to both fine and imprisonment, in addition to paying the tax due.</p>	<p>109. Inducement of an authorised officer</p> <p>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:</p> <p>(a) In the case of an individual, a penalty of N500,000.00</p> <p>(b) In the case of a body corporate, a penalty of N2,000,000.00</p> <p>or to imprisonment for a term not exceeding 3 years or to both fine and imprisonment, in addition to paying the tax due.</p>	
---	--	---	---	--

False claim of tax refund	Nil	<p>115. False claim of tax refund</p> <p>(1) A person that receives a refund under section 54 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</p>	<p>115. False claim of tax refund</p> <p>(1) A person that receives a refund under section 54 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</p>	
---------------------------	-----	---	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		<p>interest at 2% above the prevailing Central Bank of Nigeria Monetary Policy Rate.</p> <p>(2) The provisions 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</p>	<p>prevailing Central Bank of Nigeria Monetary Policy Rate.</p> <p>(2) The provisions 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</p>	

<p>False or fictitious claim of VAT refund</p>	<p>Nil</p>	<p>116. False or fictitious claim of VAT refund</p> <p>(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 100% of that amount, plus interest at 2% above the Central Bank of Nigeria Monetary Policy Rate.</p> <p>(2) Where a taxable person makes a false or fictitious claim more than once within a two-year period, the Service may blacklist such a person and decline any future refund application made by that person for up to five years following the blacklisting.</p> <p>(3) Notwithstanding the provisions in subsection (1) and (2) of this section, where</p>	<p>116. False or fictitious claim of VAT refund</p> <p>(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 100% of that amount, plus interest at prevailing the Central Bank of Nigeria Monetary Policy Rate.</p> <p>(2) Where a taxable person makes a false or fictitious claim more than once within a two-year period, the Service may blacklist such a person and decline any future refund application made by</p>	
---	------------	--	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification Comments /
------	--------------------	------------------------------------	-----------------------------	--------------------------

		<p>a taxable person makes a false or fictitious claim under this section, the Service may, in addition to the penalties specified under this section, prosecute that person in accordance with the relevant provisions of this Act.</p>	<p>that person for up to five years following the blacklisting.</p> <p>(3) Notwithstanding the provisions in subsection (1) and (2) of this section, where a taxable person makes a false or fictitious claim under this section, the Service may, in addition to the penalties specified under this section, prosecute that person in accordance with the relevant provisions of this Act.</p>	
<p>Default in payments of mineral royalties</p>	<p>Nil</p>	<p>117. Default in payments of mineral royalties</p> <p>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—</p> <p>(a) of 10% of the amount of the royalty payable which shall be added to the royalty due;</p> <p>(b) in the case of foreign currency transactions, the</p>	<p>117. Default in payments of mineral royalties</p> <p>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—</p> <p>(a) of 10% of the amount of the royalty payable which shall be added to the royalty due;</p>	

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

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		(c) in case of Naira transactions, the royalty due shall incur interest at 2% above the prevailing Central Bank of Nigeria Monetary Policy Rate	<p>interest at the prevailing SOFR or any other successor rate plus 10%; and</p> <p>(c) in case of Naira transactions, the royalty due shall incur interest at the prevailing Central Bank of Nigeria Monetary Policy Rate</p>	

<p>General Penalty</p>		<p>Section 121 – General Penalty</p> <p>Subject to the provisions of this Act, a person who contravenes any of provisions of this Act for which no specific penalty was provided, commits an offence and is liable —</p> <p>(a) to an administrative penalty of ₦1,000,000.00; or</p> <p>(b) on conviction, to imprisonment not exceeding 3 years or to both fine and imprisonment.</p>	<p>Section 121 – General Penalty</p> <p>Subject to the provisions of this Act, a person who contravenes any of provisions of this Act for which no specific penalty was provided, commits an offence and is liable to an administrative penalty of ₦1,000,000.00.</p>	
<p>Contravention of excise provisions</p>	<p>Nil</p>	<p>130. Contravention of excise provisions</p> <p>Any person who fails to comply with provisions made for the administration of excise duty under this Act or the Nigeria Tax Act is liable to an administrative penalty of</p>	<p>To be deleted</p>	

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		<p>N5,000,000.00 or such other amount as may be specified by any regulations made for the administration of excise duties on services.</p>		
<p>Contravention of foreign exchange transaction services</p>	<p>Nil</p>	<p>131. Contravention of foreign exchange transaction services</p> <p>(1) A person with knowledge of the foreign exchange transaction contained in section 160 (2) of the Nigeria Tax Act, including the buyer, broker, agent, exchange platform provider or a third party who, in any way, enabled, facilitated recorded or holds the record of same, shall report the transaction to the Service and the Nigerian Financial Intelligence Unit within seven days of the transaction or becoming aware of the transaction.</p>	<p>To be deleted</p>	

		<p>(2) A person who fails to comply with the provisions of this section commits an offence and shall on conviction be liable to —</p> <p>(a) in the case of the seller, a fine equal to 200% of the amount of the foreign</p>		
--	--	---	--	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
		<p>exchange transaction or 6 months imprisonment or both; or</p> <p>(b) in any other case, a fine of not less than N10,000,000.00 or 6</p>		

		months imprisonment or both.		
Failure to keep or provide records of excisable services	Nil	<p>132. Failure to keep or provide records of excisable services</p> <p>(1) A taxable person who contravenes the provisions of section 24 of this Act is liable on conviction to a fine of not less than N5,000,000.00.</p> <p>(2) Where a taxable person, upon request by the Service, fails to provide within the time specified in the request, any record required to be kept under section 24 of this Act, the person is liable to an administrative penalty of N2,000,000.00, in the first instance, and N10,000.00 for every day the default continues</p>	To be deleted	

<p>Penalty for noncompliance by VASP</p>			<p>Penalty for non-compliance by Virtual Assets Service Provider (VASP)</p> <p>Any person who fails to comply with the provisions of this Bill shall in</p>	
--	--	--	---	--

Item	Current Provisions	Proposed Amendments under the NTAB	Committee's Recommendations	Justification / Comments
			<p>addition to having its license suspended or revoked by the Securities and Exchange Commission, pay an administrative penalty to the relevant tax authority, of ₦10,000,000.00 in the first month of default and ₦1,000,000.00 for every subsequent month that the default continues</p>	

<p>National Single Window Portal</p>		<p>Section 387 (Consolidated Bill) – National Single Window Portal</p> <p>(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.</p> <p>(2) The Window shall serve as a singleentry point and platform for any person involved in import, export, trade and transit processes to —</p>	<p>Section 387 (Consolidated Bill) – National Single Window Portal</p> <p>(1) The Service shall 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.</p> <p>(2) The Window shall serve as a single-entry point and platform for any person involved in import, export, trade and transit processes to —</p>	
<p>Item</p>	<p>Current Provisions</p>	<p>Proposed Amendments under the NTAB</p>	<p>Committee’s Recommendations</p>	<p>Justification / Comments</p>

		<p>(a) lodge documents electronically, including import or export documents for licensing, processing and approval;</p> <p>(b) make payment of fees and levies due on goods imported or exported, and for other transactions, submitted through the Window; or</p> <p>(c) provide relevant data or information in respect of the import, export, trade or transit.</p> <p>(3) The Service shall make regulations for the administration of this clause including administrative charges on all processes and payments made on the Portal.</p>	<p>(a) lodge documents electronically, including import or export documents for licensing, processing and approval;</p> <p>(b) make payment of fees and levies due on goods imported or exported, and for other transactions, submitted through the Window; or</p> <p>(c) provide relevant data or information in respect of the import, export, trade or transit.</p> <p>(3) The Service shall make regulations for the administration of this clause including administrative charges on all processes and payments made on the Portal.</p>	
--	--	---	---	--

Term	Definitions	Committee's Recommendations
"Small Business"	means a business that earns gross turnover of N50,000,000.00 or less per annum with a total fixed assets less than N250,000,000.00, provided that any business providing professional services shall not be classified as a small business;	means a business that earns gross turnover of ₦100,000,000.00 or less per

		<p>annum with total fixed assets not more than ₹250,000,000.00.</p>
--	--	---

Section
143 –

Interpretation Section

JOINT REVENUE BOARD (ESTABLISHMENT) BILL, 2025

Item	Current Provisions under PITA & FIRS Establishment Act	Proposed Amendments under Joint Revenue Board Bill	Committee Recommendations	Comments/Justification
Funding of the Tax Appeal Tribunal	N/A	Not included in the Bill	<p>Section ...</p> <p>(1) The Tax Appeal Tribunal shall be funded through the Consolidated Revenue Fund, as may be appropriated by the National Assembly, towards the execution of its functions under this Act.</p>	

<p>Qualification of a Tax Appeal Commissioner</p>	<p>Paragraph 3 of Fifth Schedule of FIRSEA</p> <p>A person shall not be qualified for appointment as a Tax Appeal Commissioner unless he is knowledgeable about the laws, regulations, norms, practices and operations of taxation in Nigeria as well as persons that have shown capacity in the management of trade or business or a retired public servant in tax administration.</p>	<p>Section 25. Qualification of a Tax Appeal Commissioner</p> <p>A person shall be qualified for appointment as a Tax Appeal Commissioner if the person—</p> <p>(a) has requisite qualification from a recognised institution, with at least ten years cognate experience, in law, accounting, business administration, finance, economics, taxation; or</p> <p>(b) is a retired public servant, with at least ten years experience in tax administration; or</p> <p>(c) has shown capacity in the management of trade or business.</p>	<p>Section 25</p> <p>A person shall be qualified for appointment as a Tax Appeal Commissioner if the person—</p> <p>(a) has requisite qualification from a recognised institution, with at least ten years cognate experience, in law, accounting, business administration, finance, economics, taxation; or</p> <p>(b) is a retired public servant, with at least ten years experience in tax administration; or</p>	<p>The changes in Section 25 provide clearer, more structured, and professional qualification standards for Tax Appeal Commissioners, promoting efficiency and credibility in tax dispute resolution.</p> <p>However, expertise in management or trade has no bearing on tax.</p>
---	---	---	---	---

Item	Current Provisions under PITA & FIRS Establishment Act	Proposed Amendments under Joint Revenue Board Bill	Committee Recommendations	Comments/Justification
------	--	--	---------------------------	------------------------

<p>Jurisdiction of the Tribunal</p>	<p>Paragraph 11 of Fifth Schedule of FIRSEA</p> <p>(1) The Tribunal shall have power to adjudicate on disputes, and controversies arising from the following tax laws (hereinafter referred to as “the tax laws”)-</p> <p>i. Companies Income Tax Act, CAP. 60 LFN; 1990. ii. Personal Income Tax Act No. 104, 1993. iii. Petroleum Profits Tax Act CAP. 354 LFN; 1990; iv. Value Added Tax Act No. 102; 1993; v. Capital Gains Tax Act CAP. 42 LFN; 1990, and vi. any other law contained in or specified in the First Schedule to this Act or other laws made or to be made from time to time by the National Assembly.</p> <p>(2) The Tribunal shall apply such provisions of the tax laws referred to in</p>	<p>Section 29. Jurisdiction of the Tribunal</p> <p>(1) The Tribunal shall have power to adjudicate on disputes, and controversies arising from Nigeria Tax Act and Nigeria Tax Administration Act or any other tax law made by the National Assembly or the House of Assembly of a State.</p> <p>(2) The Tribunal shall apply such provisions of the laws referred to in subsection (1) of this section as may be applicable in the determination or resolution of any dispute or controversy before it.</p>	<p>Section 29</p> <p>(1) The Tribunal shall have power to adjudicate on tax disputes, and controversies arising from Nigeria Tax Act and Nigeria Tax Administration Act or any other tax law made by the National Assembly or the House of Assembly of a State.</p> <p>(2) The Tribunal shall apply such provisions of the laws referred to in subsection (1) of this section as may be applicable in the determination or resolution of any dispute or controversy before it.</p>	<p>The bill expands the Tribunal’s jurisdiction to cover all federal and state tax laws.</p> <p>To amend to restrict only to tax disputes.</p>
-------------------------------------	--	--	---	--

Item	Current Provisions under PITA & FIRS Establishment Act	Proposed Amendments under Joint Revenue Board Bill	Committee Recommendations	Comments/Justification
	<p>subparagraph (1) of this paragraph as may be applicable in the determination or resolution of any dispute or controversy before it.</p>			
Funds of the Office of the Tax Ombud	Not Applicable	<p>Section 43. Funds of the Office of the Tax Ombud</p> <p>(1) The Office of the Tax Ombud shall establish and maintain a fund from which shall be defrayed all expenditure reasonably incurred for the execution of its functions under this Act.</p> <p>(2) There shall be paid and credited to the fund established pursuant to subsection (1) of this section—</p> <p>(a) take-off grants from the Federal Government;</p> <p>(b) moneys as may be appropriated by the National Assembly;</p> <p>(c) gifts of land, money or other property on such terms and conditions as may be specified by the person or organisation making the gift provided that the terms and conditions are not contrary to the objectives and functions of the Office of the Tax Ombud under this Act; and</p>	<p>Section 43</p> <p>The Office of the Tax Ombud shall be funded through the Consolidated Revenue Fund, as may be appropriated by the National Assembly, towards the execution of its functions under this Act.</p>	<p>This ensures an independent funding structure guarantees the financial stability and operational autonomy of the Office of the Tax Ombud.</p>

Item	Current Provisions under PITA & FIRS Establishment Act	Proposed Amendments under Joint Revenue Board Bill	Committee Recommendations	Comments/Justification
		<p>(d) all other monies which may accrue to the Office of the Tax Ombud including the disposal, lease or hire of, or any other dealing with, any property vested in or acquired by the Office of the Tax Ombud.</p>		
Expenditure of the Office of the Tax Ombud	Not Applicable	<p>Section 44. Expenditure of the Office of the Tax Ombud</p> <p>There shall be chargeable to the fund—</p> <p>(a) emoluments and allowances payable to the office of the Tax Ombud;</p> <p>(b) remunerations and other costs of employment of the staff of the office of the Tax Ombud;</p> <p>(c) amounts payable as pensions and other retirement benefits under or pursuant to this Act or any other enactment;</p> <p>(d) costs of acquisition and upkeep of premises as well as any other capital expenditure belonging to the office of the Tax Ombud;</p>	<p>Section 44</p> <p>There shall be chargeable to the fund—</p> <p>(a) the cost of administration of the Board;</p> <p>(b) emoluments and allowances payable to the Executive Secretary and members of the Board;</p> <p>(c) reimbursements to members of the Board or any committee set up by the Board for such expenses as may be expressly authorised by the Board;</p> <p>(d) remunerations and other costs of employment of the staff of the Board;</p> <p>(e) amounts payable as pensions and other retirement benefits under this</p>	

			Act or any other law;	
Item	Current Provisions under PITA & FIRS Establishment Act	Proposed Amendments under Joint Revenue Board Bill	Committee Recommendations	Comments/Justification

		<p>(e) investments, maintenance of utilities, staff promotion, training, research and similar activities;</p> <p>(f) costs necessary for the day-to-day operations of the office of the Tax Ombud;</p> <p>(g) all sums of money payable by the office of the Tax Ombud by way of grants-in-aids, gifts, testamentary dispositions, endowments, etc.; and</p> <p>(h) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the office of the Tax Ombud under or pursuant to this Act.</p>	<p>(f) costs of acquisition and upkeep of premises belonging to the Board and any other capital expenditure of the Board;</p> <p>(g) maintenance of utilities, staff promotion, training, research and similar activities;</p> <p>(h) costs necessary for the day-to-day operations of the Board;</p> <p>(i) all sums of money payable by the Board by way of grants-in-aids, gifts, testamentary dispositions, endowments, etc.; and</p> <p>(j) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the Board under this Act.</p>	
--	--	---	---	--

SECOND SCHEDULE – PROCEDURE OF THE TAX APPEAL TRIBUNAL

Item	Current - FIRSEA (Fifth Schedule)	Proposed - JRBB (Second Schedule)	Further Proposed Amendments	Justification
------	-----------------------------------	-----------------------------------	-----------------------------	---------------

<p>Application of the Evidence Act</p>	<p>Not Applicable</p>	<p>Paragraph 8</p> <p>The proceedings of the Tribunal and its decisions shall not be impeached for non-compliance with the strict provisions of the Evidence Act.</p>	<p>Paragraph 8</p> <p>The proceedings of the Tribunal and its decisions shall be in compliance with the provisions of the Evidence Act.</p>	<p>In compliance with the Constitution of the FRN</p>
--	-----------------------	---	---	---

Nigeria Revenue Service (Establishment) Bill, 2025

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
Objective	<p>Section 2. Objects of the Service</p> <p>The object of the Service shall be to control and administer the different taxes and laws specified in the First Schedule or other laws made or to be made from time to time, by the National Assembly or other regulations made thereunder by the Government of the Federation and to account for all taxes collected.</p>	<p>Section 1. Objective</p> <p>The objective of this Act is to provide for a legal, institutional and regulatory framework for the administration of taxes and revenue under any law made by the National Assembly and to account for such taxes and revenue collected.</p>	<p>Section 1. Objective</p> <p>The objective of this Act is to provide for a legal, institutional and regulatory framework for the administration of taxes and revenue accruable to the Government of the Federation, as prescribed by the National Assembly.</p>	<p>This amendment vastly broadens the scope of the Service's purview. Previously streamlined to administer 'tax', the Bill now expands this to cover 'revenue' without limit to which laws the Service is permitted to administer.</p>

<p>Functions of the Service</p>	<p>Section 8. Functions of the Service</p> <p>(1) The service shall-</p> <p>(a) assess persons including companies, enterprises chargeable with tax</p> <p>(b) assess, collect, account and enforce payment of taxes as may be due to the Government or any of its agencies;</p> <p>(c) collect, recover and pay to the designated account any tax under provision of this Act or any other enactment or law;</p>	<p>Section 4. Functions of the Service</p> <p>(1) The Service shall—</p> <p>(a) assess persons including corporations, companies, partnerships, enterprises and individuals chargeable with tax;</p> <p>(b) collect or recover tax assessed, enforce payment of taxes and remit tax collected, under the provisions of this Act or any other law, into designated accounts;</p> <p>(c) account for all revenue accruing to the Government;</p>	<p>Section 4. Functions of the Service</p> <p>(1) The Service shall—</p> <p>(a) assess persons including corporations, companies and individuals chargeable with tax, other than individuals, resident in any state of the Federation or the Federal Capital Territory;</p> <p>(b) collect or recover tax assessed, enforce payment of taxes and remit tax collected, under the provisions of</p>	<p>Expands the scope of tax assessment to include partnerships and individuals.</p> <p>In line with the expansion in Section 1 of the Bill, the Service is now to account for all ‘revenue’ accruing to the government.</p> <p>The need for collaboration with law enforcement agencies deleted, in respect of carrying</p>
---------------------------------	--	--	---	---

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee’s Recommendations	Justification/ Comments
---	--	---	-----------------------------	-------------------------

<p>(d) in collaboration with the relevant ministries and agencies, review regimes and promote the application of tax revenues to stimulate economic and development;</p> <p>(e) in collaboration with the relevant law enforcement agencies, carry examination and investigation with a view to enforcing compliance with provisions of this Act;</p> <p>(f) make, from time to time, a determination of the extent of financial such other losses by government arising from tax fraud or evasion and losses (or revenue forgone) arising from tax waivers and other related matters;</p> <p>(g) adopt measures to identify, trace, freeze, confiscate or seize proceeds derived from tax fraud or evasion;</p> <p>(h) adopt measures which include compliance and regulatory actions, introduction and maintenance of investigative and control techniques on</p>	<p>(d) in collaboration with the relevant Ministries and Agencies of Government, review the tax regimes and promote the use of taxation to develop, stimulate and grow economic activities;</p> <p>(e) carry out examination and investigation exercises with a view to enforcing compliance with the provisions of this Act, and any other tax law;</p> <p>(f) make a determination of the extent of financial loss and such other losses by Government arising from tax fraud or evasion, and revenue foregone arising from tax waivers and other related matters;</p> <p>(g) adopt measures to identify, trace, freeze, confiscate or seize proceeds derived from tax fraud or evasion;</p> <p>(h) adopt measures which include compliance and regulatory actions, introduction and maintenance of investigative and control techniques on the detection and prevention of non-compliance with tax laws;</p>	<p>this Act or any other law, into designated accounts;</p> <p>(c) account for all revenue accruing to the Government;</p> <p>(d) in collaboration with the relevant Ministries and Agencies of Government, subject to the approval of the National Assembly, review the tax regimes and promote the use of taxation to develop, stimulate and grow economic activities;</p> <p>(e) carry out examination and investigation exercises with a view to enforcing compliance with the provisions of this Act, and any other tax law;</p> <p>(f) make a determination of the extent of financial loss and such other losses by Government arising from tax fraud or evasion, and revenue foregone arising from tax waivers and other related matters;</p> <p>(g) adopt measures to identify, trace, freeze, confiscate or seize proceeds</p>	<p>out investigation to enforce compliance.</p> <p>Review of tax policies no longer limited to those of the Federal Government but to the 'Government' defined in the Bill as Federal, State and Local Governments.</p> <p>Replaces the issuance of 'TIN' with the newly introduced Tax ID', and any such equivalent identity to taxpayers, giving room for future tax identification frameworks.</p> <p>Clarifies that the Service can also receive and not just provide assistance in tax collection and other admin matters to enhance bilateral cooperation.</p> <p>The Service, with the approval of the Minister, now has legislative powers to make rules and regulations as it deems fit, including prescribing</p>
---	---	---	---

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>detection and prevention of noncompliance;</p> <p>(i) collaborate and facilitate rapid exchange of information with relevant national or international agencies or bodies on tax matters;</p> <p>(j) undertake exchange of personnel or other experts with complementary agencies for purposes of comparative experience and capacity building;</p> <p>(k) establish and maintain a system for monitoring international dynamics of taxation in order to identify suspicious transactions and the perpetrators and other persons involved;</p> <p>(l) provide and maintain access to up to date and adequate data and information on all taxable persons, individuals, corporate bodies or all agencies of government involved in the collection of revenue for the purpose of efficient, effective and correct tax administration and to prevent tax evasion or fraud;</p>	<p>(i) collaborate and facilitate exchange of information with relevant national or international agencies or bodies on tax matters;</p> <p>(j) undertake exchange of personnel or other experts with complementary agencies for purposes of comparative experience or capacity building;</p> <p>(k) establish and maintain a system for monitoring international dynamics of taxation in order to identify suspicious transactions, and the perpetrators or other persons involved;</p> <p>(l) provide and maintain access to up-to-date and adequate data and information on all taxable persons, individuals, corporate bodies or all agencies of Government involved in the collection of revenue for the purpose of efficient, effective and correct tax administration and to prevent tax evasion or fraud;</p> <p>(m) maintain database, statistics, records and reports on persons, organisations, proceeds, properties, documents or other</p>	<p>derived from tax fraud or evasion, in line with the provisions of this Act;</p> <p>(h) adopt measures which include compliance and regulatory actions, introduction and maintenance of investigative and control techniques on the detection and prevention of non-compliance with tax laws;</p> <p>(i) collaborate and facilitate exchange of information with relevant national or international agencies or bodies on tax matters;</p> <p>(j) undertake exchange of personnel or other experts with complementary agencies for purposes of comparative experience or capacity building;</p> <p>(k) establish and maintain a system for monitoring international dynamics of taxation in order to identify suspicious transactions, and the perpetrators or other persons involved;</p>	<p>consequences for noncompliance.</p> <p>Gives the Service powers to automate any of its processes using technology.</p>

			(l) provide and maintain access to up-to-date and adequate data and information on all taxable persons,	
--	--	--	---	--

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>(m) maintain database, statistics, records and reports on persons, organizations, proceeds, properties, documents or other items or assets relating to tax administration including matters relating to waivers, fraud or evasion;</p> <p>(n) undertake and support research on similar measures with a view to stimulating economic development and determine the manifestation, extent, magnitude and effects of tax fraud, evasion and other matters that affect effective tax administration and make recommendations to the government on appropriate intervention and preventive measures;</p> <p>(o) collate and continually review all policies of the Federal Government relating to taxation and revenue generation and undertake a systematic and progressive implementation of such policies;</p> <p>(p) liaise with the office of the Attorney-</p>	<p>items or assets relating to tax administration including matters relating to tax waivers, fraud or evasion;</p> <p>(n) undertake and support research or similar measures with a view to stimulating economic development and determine the manifestation, extent, and effects of tax waivers, fraud, evasion and other matters that affect effective tax administration and make recommendations to the Government on appropriate intervention and preventive measures;</p> <p>(o) collate and continually review all policies of the Government relating to taxation and revenue generation and undertake a systematic and progressive implementation of such policies;</p> <p>(p) liaise with the office of the AttorneyGeneral of the Federation, any Government security and law enforcement agency, and such other financial supervisory institutions in the enforcement and eradication of tax related offences;</p>	<p>individuals, corporate bodies or all agencies of Government involved in the collection of revenue for the purpose of efficient, effective and correct tax administration and to prevent tax evasion or fraud;</p> <p>(m) maintain database, statistics, records and reports on persons, organisations, proceeds, properties, documents or other items or assets relating to tax administration including matters relating to tax waivers, fraud or evasion;</p> <p>(n) undertake and support research or similar measures with a view to stimulating economic development and determine the manifestation, extent, and effects of tax waivers, fraud, evasion and other matters that affect effective tax administration and make recommendations to the Government on appropriate intervention and preventive measures;</p>	

	General of the Federation, all			
--	--------------------------------	--	--	--

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
---	---	--	------------------------------------	--------------------------------

<p>government security and law enforcement agencies and such other financial supervisory institutions in the enforcement and eradication of tax related offences;</p> <p>(q) issue taxpayer identification number to every taxable person in Nigeria in collaboration with States Boards of Internal Revenue and Local Government Councils;</p> <p>(r) carry out and sustain rigorous public awareness and enlightenment campaign on the benefits of tax compliance within and outside Nigeria;</p> <p>(s) carry out oversight functions over all taxes and levies accruable to the Government of the federation and as it may be required, query, subpoena, sanction and reward any activities pertaining to the assessment, collection of and accounting for revenues accruable to the Federation;</p> <p>(t) provide assistance in the collection of revenue claims or any other</p>	<p>(q) issue taxpayer identification or any other equivalent identity to every relevant taxable person in collaboration with tax authorities of States or Local Governments, or the Joint Revenue Board;</p> <p>(r) carry out and sustain public awareness and enlightenment campaign on the benefits of tax compliance;</p> <p>(s) carry out assigned administrative and oversight functions over all taxes and levies accruable to the Government of the Federation and, as it may be required, query, subpoena, sanction or reward any activity pertaining to the assessment, collection of and accounting for revenues accruable to the Government; and</p> <p>(t) provide or receive assistance in the collection of revenue claims or any other administrative assistance in tax matters with respect to any agreement or arrangement made between the Government of the Federal Republic of Nigeria and the Government of any country,</p>	<p>(o) collate and continually review all policies of the Government relating to taxation and revenue generation and undertake a systematic and progressive implementation of such policies;</p> <p>(p) liaise with the office of the Attorney-General of the Federation, any Government security and law enforcement agency, and such other financial supervisory institutions in the enforcement and eradication of tax related offences;</p> <p>(q) issue taxpayer identification or any other equivalent identity to every relevant taxable person in collaboration with tax authorities of States or Local Governments, or the Joint Revenue Board;</p> <p>(r) carry out and sustain public awareness and enlightenment campaign on the benefits of tax compliance;</p>	
---	---	--	--

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>administrative assistance in tax matters with respect to any agreement or arrangement made between the Government of the Federal Republic of Nigeria and the Government of any country or other persons or bodies as may be deemed necessary in that regard; and</p> <p>(u) carry out such other activities as are necessary or expedient for the full discharge of all or any of the functions under this Act.</p> <p>(2) The Service may, from time to time, specify the form of returns, claims statements and notices necessary for the due administration of the powers conferred on it by this Act.</p>	<p>person or body as may be deemed necessary.</p> <p>(2) The Service shall, with the approval of the Minister, make rules and issue regulations as, in its opinion, are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions; and such rules and regulations shall provide compliance requirements and may include consequences for non-compliance in line with relevant laws.</p> <p>(3) The Service shall carry out such other activities as are necessary or expedient for the full discharge of all or any of the functions under this Act including—</p> <p>(a) specifying the form of returns, claims, statements or notices necessary for the due administration of the powers conferred on it by this Act; and</p> <p>(b) deploying appropriate technology or digital platforms to automate any of its tax administration processes or in carrying out any of its functions under this Act.</p>	<p>(s) carry out assigned administrative and oversight functions over all taxes and levies accruable to the Government of the Federation and, as it may be required, query, subpoena, sanction or reward any activity pertaining to the assessment, collection of and accounting for revenues accruable to the Government; and</p> <p>(t) provide or receive assistance in the collection of revenue claims or any other administrative assistance in tax matters with respect to any agreement or arrangement made between the Government of the Federal Republic of Nigeria and the Government of any country, person or body as may be deemed necessary.</p> <p>(2) The Service shall, with the approval of the Minister, make rules and issue regulations as, in its opinion, are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions; and such rules and</p>	

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
			<p>regulations shall provide compliance requirements and may include consequences for non-compliance in line with relevant laws.</p> <p>(3) The Service shall carry out such other activities as are necessary or expedient for the full discharge of all or any of the functions under this Act including—</p> <p>(a) specifying the form of returns, claims, statements or notices necessary for the due administration of the powers conferred on it by this Act; and</p> <p>(b) deploying appropriate technology or digital platforms to automate any of its tax administration processes or in carrying out any of its functions under this Act.</p>	

Composition of Board	Section 3. Establishment and composition of the Management Board. <i>Subsection (2)</i>	Section 7. Composition of the Governing Board (1) The Board shall consist of—	Section 7. Composition of the Governing Board (1) The Board shall consist of—	The requirement for Presidential appointees to have expertise in specific fields to ensure an effective and efficient board.
----------------------	--	--	---	--

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
---	--	---	-----------------------------	-------------------------

<p>(2) The Board shall consist of-</p> <p>(a) the Executive Chairman of the Service who shall be experienced in taxation as Chairman of the Service to be appointed by the President and subject to confirmation of the Senate;</p> <p>(b) six members with relevant qualifications and expertise who shall be appointed by the President to represent each of the six geo-political zones.</p> <p>(c) a representative of the Attorney-General of the Federation;</p> <p>(d) the Governor of the Central Bank of Nigeria or his representative;</p> <p>(e) a representative of the Minister of Finance not below the rank of a Director;</p> <p>(f) the Chairman of the Revenue Mobilization, Allocation and Fiscal Commission or his representative who shall be any of the Commissioners</p>	<p>(a) the Executive Chairman of the Service, who shall be the Chairman of the Board; and</p> <p>(b) the following Ex-Officio members—</p> <p>(i) a representative of the Minister responsible for Finance not below the rank of a Director,</p> <p>(ii) a representative of the Minister responsible for National Planning not below the rank of a Director,</p> <p>(iii) a representative of the AttorneyGeneral of the Federation not below the rank of a Director,</p> <p>(iv) a representative of the Minister responsible for Petroleum and Gas Resources not below the rank of a Director,</p> <p>(v) the Governor of the Central Bank of Nigeria or a representative not below the rank of a Deputy Governor,</p> <p>(vi) the Chairman of the Revenue Mobilisation, Allocation and Fiscal Commission or a representative who shall</p>	<p>(a) the Executive Chairman of the Service who shall be the Chairman of the Board to be appointed by the President and subject to confirmation of the National Assembly; and</p> <p>(b) the following Ex-Officio members—</p> <p>(i) a representative of the Minister responsible for Finance not below the rank of a Director,</p> <p>(ii) a representative of the Minister responsible for National Planning not below the rank of a Director,</p> <p>(iii) a representative of the AttorneyGeneral of the Federation not below the rank of a Director,</p> <p>(iv) a representative of the Minister responsible for Petroleum and Gas Resources not below the rank of a Director,</p>	<p>Sectoral Adjustments – Updating petroleum sector representation from NNPC to the Minister responsible for Petroleum and Gas Resources reflects and aligns with structural changes in the oil and gas sector.</p>
---	--	---	--

Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee’s Recommendations	Justification/ Comments
--	---	-----------------------------	-------------------------

<p>representing the 36 States of the Federation;</p> <p>(g) the Group Managing Director of the Nigerian National Petroleum Corporation or his representative who shall not be below the rank of a Group Executive Director of the Corporation or its equivalent;</p> <p>(h) the Comptroller-General of the Nigeria Custom Service or his representative not below the rank of Deputy Comptroller-General;</p> <p>(i) the Registrar-General of the Corporate Affairs Commission or his representative not below the rank of a Director; and</p> <p>(j) the Chief Executive Officer of the National Planning Commission or his representative not below the rank of a Director.</p> <p>(3) The members of the Board, other than the Executive Chairman, shall be part-time members.</p>	<p>be a Commissioner representing one of the States of the Federation,</p> <p>(vii) the Comptroller-General of the Nigeria Custom Service or a representative not below the rank of Deputy ComptrollerGeneral, and</p> <p>(viii) the Registrar-General of the Corporate Affairs Commission or a representative not below the rank of a Director.</p> <p>(2) Notwithstanding the provisions of subsection (1) of this section, the President may appoint six members to represent each geopolitical zone of Nigeria on the Board subject to such individuals possessing academic or professional qualifications and expertise in Taxation, Accountancy, Economics or Fiscal Policy, Law, Human Resource Management, or Information Technology, provided that such appointments shall ensure diversity of academic or professional qualifications and expertise in the listed fields.</p>	<p>(v) the Governor of the Central Bank of Nigeria or a representative not below the rank of a Deputy Governor,</p> <p>(vi) the Chairman of the Revenue Mobilisation, Allocation and Fiscal Commission or a representative who shall be a Commissioner representing one of the States of the Federation,</p> <p>(vii) the Comptroller-General of the Nigeria Custom Service or a representative not below the rank of Deputy Comptroller-General, and</p> <p>(viii) the Registrar-General of the Corporate Affairs Commission or a representative not below the rank of a Director.</p> <p>(ix) six Executive Directors representing each geo-political zone to be appointed by the President and subject to the confirmation of the National Assembly.</p> <p>(2) Notwithstanding the provisions of subsection (1) of this section, the President SHALL appoint one member</p>	
---	---	--	--

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	(4) The supplementary provisions set out in the Second Schedule to this Act shall have effect with respect to the proceedings of the Board and other matters mentioned therein.	(3) All members of the Board, except the Executive Chairman, shall serve on a parttime basis. (4) The supplementary provisions set out in the First Schedule to this Act shall have effect with respect to the proceedings of the Board and other matters mentioned therein.	to represent each State and Federal Capital Territory of Nigeria on the Board subject to such individuals possessing academic or professional qualifications and expertise in Taxation, Accountancy, Economics, Law, Human Resource Management, or Information Technology, provided that such appointments shall ensure diversity of academic or professional qualifications and expertise in the listed fields. (3) All members of the Board, except the Executive Chairman, and the Executive Directors shall serve on a part-time basis. (4) The supplementary provisions set out in the First Schedule to this Act shall have effect with respect to the proceedings of the Board and other matters mentioned therein.	
Powers of the Board	Section 7. Powers of the Board (1) The Board shall-	Section 8. Powers of the Board The Board shall—	Section 8. Powers of the Board The Board shall—	

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>(a) provide the general policy guidelines relating to the functions of the Service;</p> <p>(b) manage and superintend the policies of the Service on matters relating to the administration of the revenue assessment, collection and accounting system under this Act or any enactment or law;</p> <p>(c) review and approve the strategic plans of the Service;</p> <p>(d) employ and determine the terms and conditions of service including disciplinary measures of the employees of the Service;</p> <p>(e) stipulate remuneration, allowances, benefits and pensions of staff and employees in consultation with the National Salaries, Incomes and Wages Commission; and</p> <p>(f) do such other things which in its opinion are necessary to ensure efficient performance of the functions of the Service under this Act.</p>	<p>(a) provide general policy guidelines relating to the functions of the Service;</p> <p>(b) manage and superintend the policies of the Service on matters relating to the assessment, collection and accounting system under this Act or any other law;</p> <p>(c) review and approve the strategic plans of the Service;</p> <p>(d) employ staff, and determine the terms and conditions of service, including disciplinary measures, of the employees of the Service;</p> <p>(e) stipulate remunerations, allowances, benefits and pensions of the staff and employees; and</p> <p>(f) do such other things which, in its opinion, are necessary to ensure the efficient performance of the functions of the Service under this Act.</p>	<p>(a) provide general policy guidelines relating to the functions of the Service;</p> <p>(b) evaluate the implementation of the policies of the Service on matters relating to the assessment, collection and accounting system under this Chapter or any other law;</p> <p>(c) review and approve the strategic plans of the Service;</p> <p>(d) employ staff, and determine the terms and conditions of service, including disciplinary measures, of the employees of the Service;</p> <p>(e) stipulate remunerations, allowances, benefits and pensions of the staff and employees;</p> <p>(f) with the approval of the Minister, make rules and issue regulations as, in its opinion, are necessary or expedient for giving effect to the provisions of this Chapter and for the administration of its provisions and such rules and</p>	

m	Current Provisions of the FII Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
			<p>regulations shall provide compliance requirements and may include consequences for non-compliance;</p> <p>(g) assign each Executive Director a directorate as appropriate.</p> <p>(h) do such other things which, in its opinion, are necessary to ensure the efficient performance of the functions of the Service under this section.</p>	
Emoluments of Board members	<p>Section 6. Emoluments, etc. of members.</p> <p>The Chairman and members of the Board shall be paid such emoluments, allowances and benefits as may be approved by the National Salaries, Incomes and Wages Commission.</p>	<p>Section 10. Emoluments of members</p> <p>(1) The Executive Chairman and members of the Board shall be paid such emoluments, allowances and benefits as may be determined by the Service in collaboration with the National Salaries, Incomes and Wages Commission.</p>	<p>Section 10. Emoluments of members</p> <p>(1) All members of the Board shall be paid such emoluments, allowances and benefits as may be determined by the Service in collaboration with the National Salaries, Incomes and Wages Commission.</p>	<p>Rather than the need for the approval of the Commission, the Bill provides for a collaboration but ultimately the Service's decision.</p>
Delegation of Power	<p>Section 52. Delegation of powers of the Board</p> <p>(1) Any power conferred and any duty imposed upon the Board may be exercised or performed by the Board or</p>	<p>Section 12. Delegation of Power</p> <p>(1) Any power conferred or any duty imposed upon the Board may be exercised or performed by the Board or by an officer</p>	<p>Section 12. Delegation of Power</p> <p>(1) Any power conferred or any duty imposed upon the Board may be exercised or performed by the Board or by an officer authorised by the</p>	<p>Similar provisions.</p> <p>Also contained in Section 92 of the Tax Admin Bill</p>

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>by an officer authorized generally or specifically in that behalf by the Board.</p> <p>(2) Notwithstanding the provisions of subsection (1) of this section, the Board may, at any time and at its discretion, reverse or otherwise 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 law specified in the First Schedule or whether or not the officer was authorized by the Service to make the decision, 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.</p> <p>(3) An order, ruling or directive made or given by an approved committee of the Board pursuant to this section, shall not be treated as an order, ruling or directive of the Board, until the order ruling or directive has been ratified by</p>	<p>authorised by the Board, generally or specifically in that behalf.</p> <p>(2) The Board may modify or reverse any decision made by an authorised officer regarding any tax or taxable income, 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.</p> <p>(3) An order, ruling or directive made or given by an approved committee of the Board pursuant to this section shall not be treated as an order, ruling or directive of the Board, until the order, ruling or directive has been ratified by the Board pursuant to the powers vested on the Board under this Act.</p>	<p>Board, generally or specifically in that behalf.</p> <p>(2) The Board may review any decision made by an authorised officer regarding any tax or taxable income, and the reviewed decision of the Board shall have effect as if it were the original decision made in respect of the matter concerned.</p> <p>(3) An order, ruling or directive made or given by an approved committee of the Board pursuant to this section shall not be treated as an order, ruling or directive of the Board, until the order, ruling or directive has been ratified by the Board pursuant to the powers vested on the Board under this Act.</p>	

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	the Board pursuant to the powers vested on the Board under this Act.			
Secretary to the Board	<p>Section 12. Appointment of Secretary to the Board and other staff of the Service.</p> <p>(1) There shall be a Secretary for the Board who shall-</p> <p>(a) be appointed by the Board from within the Service;</p> <p>(b) issue notices of meetings of the Board;</p> <p>(c) keep records of the proceedings of the Board; and</p> <p>(d) carry out such duties as the Executive Chairman or the Board may, from to time, direct.</p>	<p>Section 13. Secretary to the Board</p> <p>(1) There shall be a Secretary for the Board who shall be appointed by the Board from within the Service.</p> <p>(2) The Secretary shall be responsible for—</p> <p>(a) issuing notices of meetings of the Board;</p> <p>(b) keeping records of the proceedings of the Board; and</p> <p>(c) carrying out such other duties as the Executive Chairman or the Board may direct.</p>	<p>Section 13. Secretary to the Board</p> <p>(1) There shall be a Secretary to the Board who shall be appointed by the Board from within the Service.</p> <p>(2) The Secretary shall be a lawyer, or a chartered accountant or a chartered secretary, who shall not be less than the rank of an Assistant Director.</p> <p>(3) The Secretary shall be responsible for—</p> <p>(a) issuing notices of meetings of the Board;</p> <p>(b) keeping records of the proceedings of the Board; and</p> <p>(c) carrying out such other duties as the Executive Chairman or the Board may direct</p>	Similar provisions

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
Technical Committee of Board	<p>Section 9. Establishment of Technical Committee of the Board.</p> <p>(1) There shall be a Technical Committee of the Board (in this Act referred to as "the Technical Committee") which shall consist of-</p> <p>(a) the Executive Chairman of the Service as Chairman;</p> <p>(b) all the Directors and heads of departments of the Service;</p> <p>(c) the Legal Adviser of the Service;</p> <p>and (d) the Secretary to the Board.</p> <p>(2) The Technical Committee may coopt from the Service such staff as it may deem necessary for the effective performance of its functions under this Act.</p>	<p>Section 14. Establishment of Technical Committee of the Board</p> <p>(1) There shall be a technical committee of the Board ("the Technical Committee") which shall consist of—</p> <p>(a) the Executive Chairman as the Chairman;</p> <p>(b) two members of the Board of the Service;</p> <p>(c) the Coordinating Directors in the Service;</p> <p>(d) the Legal Adviser of the Service as appointed by the Board;</p> <p>(e) the Director in charge of Tax Policy matters.</p> <p>(2) The Secretary to the Board shall be the Secretary to the Technical Committee.</p> <p>(3) The Technical Committee may co-opt, from the Service, such director or officer as it may deem necessary for the effective performance of its functions under this Act.</p>	<p>Section 14. Establishment of Technical Committee of the Board</p> <p>(1) There shall be a technical committee of the Board ("the Technical Committee") which shall consist of—</p> <p>(a) the Executive Chairman as the Chairman;</p> <p>(b) two members of the Board of the Service;</p> <p>(c) the Executive Directors in the Service;</p> <p>(d) the Director Legal of the Service as appointed by the Board;</p> <p>(e) the Director in charge of Tax Policy matters.</p> <p>(2) The Secretary to the Board shall be the Secretary to the Technical Committee.</p> <p>(3) The Technical Committee may coopt, from the Service, such director or officer as it may deem necessary for</p>	<p>Streamlines the membership of the Technical Committee by reducing the number of members from all directors and department heads to a more select group.</p>

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
			the effective performance of its functions under this Act.	
Executive Chairman of the Service	<p>Section 11. Executive Chairman of the Service</p> <p>The Executive Chairman shall-</p> <p>(a) be appointed by the President subject to the confirmation of the Senate;</p> <p>(b) be the chief executive and accounting officer of the Service;</p> <p>(c) be responsible for the execution of the policy and the day-to-day administration of the affairs of the Service; and</p> <p>(d) have cognate experience and skills in accountancy, economics, taxation, law and related fields.</p>	<p>Section 16. Executive Chairman of the Service</p> <p>(1) The Executive Chairman shall —</p> <p>(a) be appointed by the President subject to confirmation of the Senate;</p> <p>(b) be the chief executive and accounting officer of the Service;</p> <p>(c) be responsible for the execution of the policies and the overall day-to-day administration of the Service; and</p> <p>(d) have relevant qualifications, knowledge, cognate experience and expertise in, accountancy, economics, taxation, law or related fields.</p>	<p>Section 16. Executive Chairman of the Service</p> <p>(1) The Executive Chairman shall —</p> <p>(a) be appointed by the President subject to confirmation of the National Assembly;</p> <p>(b) be the chief executive and accounting officer of the Service;</p> <p>(c) be responsible for the execution of the policies and the overall day-to-day administration of the Service; and</p> <p>(d) have relevant qualifications, knowledge, cognate experience and expertise in, accountancy, economics, taxation, law or related fields.</p>	<p>Updates the requirements of the chairman with qualifications and knowledge in relevant fields and not just experience and skill.</p>

<p>ctions of Executive Directors of the Service</p>	<p>N/A</p>	<p>Section 17. Coordinating Directors of the Service</p> <p>(1) The Board shall appoint not more than Eight Coordinating Directors for the Service, provided that not more than two</p>	<p>Section 17. Executive Directors of the Service</p> <p>(1) The President shall appoint six Executive Directors for the Service, each representing a geopolitical zone</p>	<p>To be considered for further debate</p>
---	------------	--	---	--

Item	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
------	--	---	-----------------------------	-------------------------

		<p>Coordinating Directors shall be appointed from a geopolitical zone.</p> <p>(2) A Coordinating Director shall possess cognate experience in relevant fields, and shall have attained the rank of Director in the Service.</p> <p>(3) A Coordinating Director shall—</p> <p>(a) head, and be responsible for the day-to-day administration of a functional group in the Service; and</p> <p>(b) perform all such duties or functions as may, from time to time, be required by the Board, Management or Executive Chairman of the Service.</p> <p>(4) A Coordinating Director shall hold office for a term of four years and may be renewed for a further term of four years and no more, provided that a coordinating director shall cease to hold office on attaining the age of 60 years.</p>	<p>on rotational basis among the states in the zone in alphabetical order provided that the Executive chairman and an Executive Director shall not come from the same state.</p> <p>(2) An Executive Director appointed under subsection (1) shall possess cognate experience in relevant fields.</p> <p>(3) An Executive Director shall—</p> <p>(a) head, and be responsible for the day-to-day administration of a Directorate in the Service; and</p> <p>(b) perform all such duties or functions as may, from time to time, be required by the Board, Management or Executive Chairman of the Service.</p> <p>(4) An Executive Director shall hold office for a term of four years and may be renewed for a further term of four years and no more.</p>	
--	--	---	--	--

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
---	--	---	-----------------------------	-------------------------

		<p>(5) A Coordinating Director shall be paid such remuneration and allowances, as may be determined by the Board.</p> <p>(6) A Coordinating Director shall, save as provided in this Act, be subject to the terms and conditions of his appointment.</p> <p>(7) Notwithstanding the provisions of subsection (4) of this section, a Coordinating Director shall cease to hold office as a Coordinating Director of the Service, where the—</p> <p>(a) person resigns by a notice, under his hand, addressed to the Executive Chairman;</p> <p>(b) person becomes incapable of carrying on the functions of the office either arising from an infirmity of body or mind;</p> <p>(c) person is convicted of a felony or any offence involving dishonesty or fraud; or</p> <p>(d) Board is satisfied that it is not in the interest of the Service or in the interest of the public for the person to continue in</p>	<p>(5) An Executive Director shall be paid such remuneration and allowances, as may be determined by the Board.</p> <p>(6) An Executive Director shall, save as provided in this Act, be subject to the terms and conditions of his appointment.</p> <p>(7) Notwithstanding the provisions of subsection (4) of this section, an Executive Director shall cease to hold office as an Executive Director of the Service, where the—</p> <p>(a) person resigns by a notice, under his hand, and addressed to the President through the Executive Chairman;</p> <p>(b) person becomes incapable of carrying on the functions of the office either arising from an infirmity of body or mind;</p> <p>(c) person is convicted of a felony or any offence involving dishonesty or fraud; or</p>	
--	--	--	---	--

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
---	--	---	-----------------------------	-------------------------

		<p>office, and the Board removes such person from office.</p> <p>(8) For the purpose of this section, “Functional group” means a group of departments, divisions or units functionally related and aligned with the aim of performing a given function or set of functions relevant to the realisation of the goals of the Service.</p>	<p>(d) Board is satisfied that it is not in the interest of the Service or in the interest of the public for the person to continue in office, and the Board removes such person from office.</p> <p>(8) For the purpose of this section, “Directorate” means a group of departments, divisions or units functionally related and aligned with the aim of performing a given function or set of functions relevant to the realisation of the goals of the Service.</p>	
Management Committee	N/A	<p>Section 18. Establishment and Composition of the Management Committee</p> <p>(1) There is established for the Service a management committee known as the Nigeria Revenue Service Management Committee (“the Management”) which shall be responsible for policy implementation, and supervision of the day-to-day activities of the Service.</p> <p>(2) The Management shall consist of the—</p>	<p>Section 18. Establishment and Composition of the Management Committee</p> <p>(1) There is established for the Service a management committee known as the Nigeria Revenue Service Management Committee (“the Management”) which shall be responsible for policy implementation, and supervision of the day-to-day activities of the Service.</p>	Introduces a Management Committee to ensure effective policy implementation and oversee day-to-day operations.
	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee’s Recommendations	Justification/ Comments

		<p>(a) Executive Chairman of the Service, who shall be the head; and</p> <p>(b) Coordinating Directors appointed under this Act.`</p>	<p>(2) The Management shall consist of the—</p> <p>(a) Executive Chairman of the Service, who shall be the head; and</p> <p>(b) Executive Directors appointed under this Act.</p>	
ff of the vice	<p>Section 12, (Subsections 2,3,4)</p> <p>(2) Subject to the provision of this section, the board may appoint such other persons to be employees of the Service and on such terms and conditions as may be prescribed by the Board.</p> <p>(3) If the Board thinks it expedient that any vacancy in the Service should be filled by a person holding office in the Civil Service of the Federation or of a State it shall notify the appropriate Civil Service to that effect and thereafter the Board may by arrangement with the Civil Service Commission concerned, cause such vacancy to be filled by way of secondment or transfer.</p>	<p>Section 19. Staff of the Service</p> <p>(1) The Board may appoint such other persons to be employees of the Service for the proper and efficient performance of the functions of the Service under this Act and on such terms and conditions as may be prescribed by the Board.</p> <p>(2) Where the Board thinks it expedient that any vacancy in the Service should be filled by a person holding office in the Civil Service of the Federation or of a State, it shall notify the appropriate Civil Service to that effect and thereafter the Board, may, by arrangement with the Civil Service Commission concerned, cause such vacancy to be filled by way of secondment or transfer.</p>	<p>Section 19. Staff of the Service</p> <p>(1) The Board may appoint such other persons to be employees of the Service for the proper and efficient performance of the functions of the Service under this Act and on such terms and conditions as may be prescribed by the Board.</p> <p>(2) Where the Board thinks it expedient that any vacancy in the Service should be filled by a person holding office in the Civil Service of the Federation or of a State, it shall notify the appropriate Civil Service to that effect and thereafter the Board, may, by arrangement with the Civil Service Commission concerned, cause such</p>	<p>Introduction of a secondment program of the staff of the Service with other agencies for capacity building and experience purposes.</p> <p>Includes as part of the restrictions of consultants appointed or employed by the Service, any compliance or enforcement activities, in order to avoid overlapping functions between the Service and its agents and set clear boundaries for the latter.</p>

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>(4) The Service may appoint and employ such consultants, including Tax consultants or accountants and agents to transact any business or to do any act required to be transacted or done in the execution of its functions under this Act:</p> <p>Provided that such consultants shall not carry out duties of assessing and collecting tax or routine responsibilities of tax officials.</p>	<p>(3) On grounds of public policy or for the purpose of capacity building or comparative experience, the Service may approve a temporary stay of any staff of the Service with agencies, organisations or other bodies subject to such terms and conditions as the Service may deem fit.</p> <p>(4) The Service may appoint and employ consultants, accountants, other professionals or agents to transact any business or to do any act required to be transacted or done in the execution of its functions under this Act, provided that such consultants shall not carry out the duties of assessment or collection of tax, tax compliance or enforcement activities, or routine responsibilities of tax officials.</p>	<p>vacancy to be filled by way of secondment or transfer.</p> <p>(3) On grounds of public policy or for the purpose of capacity building or comparative experience, the Service may approve a temporary stay of any staff of the Service with agencies, organisations or other bodies subject to such terms and conditions as the Service may deem fit.</p> <p>(4) The Service may engage relevant professional consultants, or agents to transact any business or to do any act required to be transacted or done in the execution of its functions under this Act, provided that such consultants shall not carry out the duties of assessment or collection of tax, tax compliance or enforcement activities, or routine responsibilities of tax officials.</p>	

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
Funds of the Service	<p>Section 15. Funds of the Service.</p> <p>The Service shall establish and maintain a fund which shall consist of and to which shall be credited-</p> <p>(a) a percentage as determined by the National Assembly of all non-oil and gas revenue collected by the Service which may be appropriated by the National Assembly for the capital and recurrent expenditures of the Service;</p> <p>(b) all sums of money accruing to the Service by way of grants-in-aid and gifts, testamentary dispositions, endowments and contributions from any source;</p> <p>(c) such monies as may from time to time be granted to the Service by the Federal, State or Local Governments or other donor agencies provided such grants are not intended for purposes contrary to the objects and functions of the Service; and</p> <p>(d) all other monies which may, from time to time, accrue to the Service for</p>	<p>Section 22. Funds of the Service</p> <p>(1) The Service shall establish and maintain a fund which shall consist of, and to which shall be credited—</p> <p>(a) a percentage, as may be determined by the National Assembly, of the total revenue collected by the Service which may be appropriated by the National Assembly for the capital and recurrent expenditures of the Service;</p> <p>(b) all sums of money accruing to the Service by way of grants-in-aid, gifts, testamentary dispositions, endowments and contributions from any source;</p> <p>(c) such moneys as may be granted to the Service by the Federal, State or Local Governments or other donor agencies, provided such grants are not intended for purposes contrary to the objective of the Act or functions of the Service; and</p> <p>(d) all other moneys which may, from time to time, accrue to the Service from other sources, including charges for assistance in tax collection, the disposal, lease or hire of,</p>	<p>Section 22. Funds of the Service</p> <p>(1) The Service shall establish and maintain a fund which shall consist of, and to which shall be credited—</p> <p>(a) four (4) per cent of the total revenue, less petroleum royalty, collected by the Service, which shall be appropriated by the National Assembly for the capital and recurrent expenditures of the Service;</p> <p>(b) all sums of money accruing to the Service by way of grants-in-aid, gifts, testamentary dispositions, endowments and contributions from any source;</p> <p>(c) such moneys as may be granted to the Service by the Federal, State or Local Governments or other donor agencies, provided such grants are not intended for purposes contrary to the objective of the Act or functions of the Service; and</p> <p>(d) all other moneys which may, from time to time, accrue to the Service</p>	<p>Expands the funding base by including all revenue collected without excluding revenue from oil and gas.</p> <p>Includes fee collected for assistance in tax collection services as part of sources of funds in line with Section 5 of the Bill.</p>

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	other services including the disposal, lease or hire of, or any other dealing with, any property vested in or acquired by the Service.	or any other dealing with, any property vested in or acquired by the Service.	from other sources, including charges for assistance in tax collection, the disposal, lease or hire of, or any other dealing with, any property vested in or acquired by the Service.	
Expenditure of Service	<p>Section 16. Expenditure of the Service.</p> <p>The Service shall defray from the Fund established pursuant to section 15 of this Act all the amounts payable under or in pursuance of this Act being sums representing-</p> <p>(a) emoluments and allowances payable to the Executive Chairman and other members of the Board;</p> <p>(b) reimbursements to members of the Board or any committee set up by the Board for such expenses as may be expressly authorized by the Service;</p> <p>(c) remunerations and other costs of employment of the staff of the Service;</p> <p>(d) amounts payable as pensions and other retirement benefits under or</p>	<p>Section 23. Expenditure of the Service</p> <p>(1) The Fund established under section 22 of this Act shall be used for—</p> <p>(a) emoluments and allowances payable to the Executive Chairman and other members of the Board;</p> <p>(b) reimbursements to members of the Board or any committee set up by the Board for such expenses as may be expressly authorized by the Service;</p> <p>(c) remunerations and other costs of employment of the staff of the Service;</p> <p>(d) pensions and other retirement benefits under or pursuant to this Act or any other law;</p>	<p>Section 23. Expenditure of the Service</p> <p>(1) The Fund established under section 22 of this Act shall be used for—</p> <p>(a) acquisition and upkeep of premises belonging to the Service and any other capital expenditure of the Service</p> <p>(b) costs necessary for the day-to-day operations of the Service.</p> <p>(c) investments, maintenance of utilities, staff promotion, training, research and similar activities</p> <p>(d) emoluments and allowances payable to the Executive Chairman and other members of the Board</p> <p>(e) reimbursements to members of the Board or any committee set up by</p>	Similar provisions.

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	<p>pursuant to this Act or any other enactment;</p> <p>(e) costs of acquisition and upkeep of premises belonging to the Service and any other capital expenditure of the Service;</p> <p>(f) investments, maintenance of utilities, staff promotion, training, research and similar activities;</p> <p>(g) costs necessary for the day-to-day operations of the Service;</p> <p>(h) all sums of money accruing to the Service by way of grants-in-aids, gifts, testamentary dispositions, endowments and contributions from any other source; and</p> <p>(i) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the Service under or pursuant to this Act.</p>	<p>(e) costs of acquisition and upkeep of premises belonging to the Service and any other capital expenditure of the Service;</p> <p>(f) investments, maintenance of utilities, staff promotion, training, research and similar activities;</p> <p>(g) costs necessary for the day-to-day operations of the Service;</p> <p>(h) all sums of money payable by the Service by way of grants-in-aids, gifts, testamentary dispositions, endowments, etc.; and</p> <p>(i) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the Service under this Act.</p>	<p>the Board for such expenses as may be expressly authorised by the Service</p> <p>(f) remunerations and other costs of employment of the staff of the Service;</p> <p>(g) pensions and other retirement benefits under or pursuant to this Act or any other law;</p> <p>(h) all sums of money payable by the Service by way of grants-in-aids, gifts, testamentary dispositions, endowments, etc.; and</p> <p>(i) any other payment for anything incidental to the foregoing provisions or in connection with or incidental to any other function of the Service under this Act</p>	

m	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
Power to borrow	<p>Section 21. Power to borrow</p> <p>The Service may with the approval of the Minister, borrow by way of loan, overdraft or otherwise from any source such sums as it may require for the performance of its function and meeting of its obligations under this Act.</p>	<p>Section 28. Power to borrow</p> <p>The Service may, with the approval of the Minister, borrow by way of loan, overdraft or otherwise from any source, such sums as it may require for the performance of its functions and meeting of its obligations under this Act.</p>	<p>Section 28. Power to borrow</p> <p>The Service may borrow by way of loan, overdraft or otherwise from any source, such sums as it may require for the performance of its functions and meeting of its obligations under this Act.</p> <p>Provided that the Service shall, prior to such borrowing, obtain the approval of the Federal Executive Council and the National Assembly.</p>	<p>Similar provisions</p>
Directives of the Minister	<p>Section 60. Directives by the Minister</p> <p>The Minister may give to the Service or the Executive Chairman such directives of a general nature or relating generally to matters of policy with regards to the exercise of its or his functions as he may consider necessary and the Service or the Executive Chairman shall comply with the directives or cause them to be complied with.</p>	<p>Section 31. General Directions of the Minister</p> <p>(1) The Minister may, after consultation with the Executive Chairman, give written directions to the Service on general policy matters and the Service shall comply with such directions.</p> <p>(2) The Minister shall not give any direction in respect of any particular person which would have the effect of requiring the Service 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</p>	<p>Section 31. General Directions of the Minister</p> <p>(1) The Minister may, after consultation with the Executive Chairman, give written directions to the Service on general policy matters and the Service shall comply with such directions.</p> <p>(2) The Minister shall not give any direction in respect of any particular person which would have the effect of requiring the Service to increase or decrease any assessment of tax made</p>	<p>Minister prohibited from giving directives which will interfere with the carrying out of the functions of the Service.</p>

Item	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
		<p>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 legal proceeding, relating either to the recovery of any tax or to any offence under any of the tax laws listed in the Second Schedule.</p> <p>(3)In any legal proceeding under this Act or any of the laws administered by the Service, any act or thing done by the Service or the Board in pursuance of any of the laws referred to in subsection (2) of this section shall not be subject to challenge on the ground that such act or thing done was not proved to be in accordance with any direction given by the Minister.</p>	<p>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 legal proceeding, relating either to the recovery of any tax or to any offence under any of the tax laws listed in the Second Schedule.</p> <p>(3)In any legal proceeding under this Act or any of the laws administered by the Service, any act or thing done by the Service or the Board in pursuance of any of the laws referred to in subsection (2) of this section shall not be subject to challenge on the ground that such act or thing done was not proved to be in accordance with any direction given by the Minister, except on general policy matters under subsection (1) of this section.</p>	

Service of documents	Section 66. Service of documents A notice, summons or other document required or authorized to be served on	Section 36. Service of documents A notice, summons or other document required or authorised to be served on the	Section 36. Service of documents A notice, summons or other document required or authorised to be served on	Introduction of electronic means of service.
----------------------	---	---	---	--

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
	the Service under the provisions of this Act or any other law or enactment may be served by delivering it to the Executive Chairman or by sending it by registered post addressed to the Executive Chairman at the principal office of the Service.	Service under the provisions of this Act or any other law may be served by delivering it to the Executive Chairman, sending it by registered post or courier service addressed to the Executive Chairman at the principal office of the Service, delivered to a designated e-mail address of the Service, or other electronic means as may be provided by the Service.	the Service under the provisions of this Act or any other law may be served by delivering it to the Executive Chairman, sending it by registered post , courier or substituted service addressed to the Executive Chairman at the principal office of the Service, delivered to a designated e-mail address of the Service, or other electronic means as may be provided by the Service.	

Indemnity	<p>Section 58. Indemnity</p> <p>The Executive Chairman, a member of the Board or any officer or employee of the Service shall be indemnified out of the assets of the Service against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as Executive Chairman, a member of the Board, officer or other employee of the Service.</p>	<p>Section 38. Indemnity</p> <p>The Executive Chairman, a member of the Board, Coordinating Director or any officer or employee of the Service shall be indemnified out of the assets of the Service against any liability incurred in defending any legal proceeding, brought against them in their capacity as Executive Chairman, member of the Board, officer or other employee of the Service.</p>	<p>Section 38. Indemnity</p> <p>The Executive Chairman, Executive Director, member of the Board or any officer or employee of the Service shall be indemnified out of the assets of the Service against any liability incurred in defending any legal proceeding, brought against them in their capacity as Executive Chairman, member of the Board, officer or other employee of the Service.</p>	<p>Similar provisions with the inclusion of the coordinating directors within the indemnified scope.</p>
-----------	---	--	--	--

Item	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
------	--	---	-----------------------------	-------------------------

<p>duction of remitted revenue</p>	<p>N/A</p>	<p>Section 39. Accountant-General to deduct un-remitted revenue</p> <p>The Accountant-General of the Federation shall, not later than 30 days of receiving a warrant endorsed by the Executive Chairman of the Service and approved by a Judicial Officer in accordance with the Third Schedule to this Act, deduct un-remitted revenue due from any Ministry, Department, Agency or Government from its budgetary allocation or such other money accruing to it, and shall remit the deductions to the Service.</p>	<p>Section 39. Accountant-General to deduct un-remitted revenue</p> <p>The Accountant-General of the Federation shall, not later than 30 days of receiving a warrant endorsed by the Executive Chairman of the Service and approved by a judicial officer in accordance with the Third Schedule to this Act, deduct un-remitted revenue due from any Ministry, Department, Agency of Government from its annual budgetary allocation or such other money accruing to it, and shall remit the deductions to the Service.</p>	<p>New provision to collect unremitted taxes from MDAs.</p>
<p>ditional provisions</p>	<p>N/A</p>	<p>Section 41. Savings and transitional provisions</p> <p>Notwithstanding anything in this Act—</p> <p>(a) the “Nigeria Revenue Service” is vested with all powers, rights, functions, obligations, and other acts of the Federal Inland Revenue Service (“the Former Service”);</p> <p>(b) anything done or purported to have been done by the former Service, its Board,</p>	<p>Section 41. Savings and transitional provisions</p> <p>Notwithstanding anything in this Act—</p> <p>(a) the “Nigeria Revenue Service” is vested with all powers, rights, functions, obligations, and other acts of the Federal Inland Revenue Service (“the Former Service”);</p> <p>(b) anything done or purported to have been done by the former Service,</p>	<p>Provision to ensure a smooth transition from FIRS to NRS.</p>

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
		<p>Technical Committee or the Executive Chairman shall continue to subsist as if done under this Act and any action or purported action shall be deemed to have been taken by the Service, Board, Technical Committee or Executive Chairman established under this Act;</p> <p>(c) the Executive Chairman, members of the Board and Coordinating Directors holding office in the Former Service before the commencement of this Act are transferred to the Service in their respective capacities, and shall continue to hold office for the unexpired duration of their term;</p> <p>(d) the employment of a director, officer or employee who, immediately before the commencement of this Act, held office in the former Service is transferred to the Service established under this Act on terms and conditions not less favourable than those obtainable immediately upon the commencement of this Act;</p> <p>(e) all the rights and obligations previously vested in the Executive Chairman of the former Service under the repealed Act are</p>	<p>its Board, Technical Committee or the Executive Chairman shall continue to subsist as if done under this Act and any action or purported action shall be deemed to have been taken by the Service, Board, Technical Committee or Executive Chairman established under this Act;</p> <p>(c) the employment of a director, officer or employee who, immediately before the commencement of this Act, held office in the former Service is transferred to the Service established under this Act on terms and conditions not less favourable than those obtainable immediately upon the commencement of this Act;</p> <p>(d) all the rights and obligations previously vested in the Executive Chairman of the former Service under the repealed Act are hereby transferred to the Executive Chairman appointed under this Act;</p> <p>(e) all notices, guidelines, rules, orders, regulations, or other</p>	

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
		<p>hereby transferred to the Executive Chairman appointed under this Act;</p> <p>(f) all notices, guidelines, rules, orders, regulations, or other subsidiary legislations, legal proceedings, appeals, made under the repealed Act shall continue to have effect as if made under the corresponding provisions of this Act;</p> <p>(g) any enforcement process or proceedings commenced or pending prior to the commencement of this Act in connection with any breach, contravention or noncompliance of or under the repealed Act may be continued and disposed of under the repealed Act;</p> <p>(h) all assets, funds, resources and other immovable property which, before the commencement of this Act, were vested in the former Service shall be vested in the Service established under this Act;</p> <p>(i) the administration of any real property that was before the coming into force of this</p>	<p>subsidiary legislations, legal proceedings, appeals, made under the repealed Act shall continue to have effect as if made under the corresponding provisions of this Act;</p> <p>(f) any enforcement process or proceedings commenced or pending prior to the commencement of this Act in connection with any breach, contravention or noncompliance of or under the repealed Act may be continued and disposed of under the repealed Act;</p> <p>(g) all assets, funds, resources and other immovable property which, before the commencement of this Act, were vested in the former Service shall be vested in the Service established under this Act;</p> <p>(h) the administration of any real property that was before the coming into force of this Act under the administration or administrative responsibility of the former Service is</p>	

		Act under the administration or administrative responsibility of the former		
--	--	---	--	--

	Current Provisions of the FIRS Establishment Act	Proposed Amendments in the Nigeria Revenue Service Establishment Bill	Committee's Recommendations	Justification/ Comments
--	---	--	------------------------------------	--------------------------------

		<p>Service is transferred to the Service established under this Act;</p> <p>(j) all rights, interests, obligations and liabilities of the former Service existing before the commencement of this Act under any contract or instrument, or in law or in equity, shall by virtue of this Act, be vested in the Service established under this Act;</p> <p>(k) any contract or instrument referred to in paragraph (j) of this section shall be of the same force and effect against or in favour of the Service established under this Act and shall be enforceable as fully and effectively as if, the former Service existing before the commencement of this Act, had been named or had been a party; and</p> <p>(l) every affidavit sworn or document duly certified by an officer of the former Service before the coming into force of this Act has the same probative value as if it were sworn or certified by an employee of the Service established under this Act.</p>	<p>transferred to the Service established under this Act;</p> <p>(i) all rights, interests, obligations and liabilities of the former Service existing before the commencement of this Act under any contract or instrument, or in law or in equity, shall by virtue of this Act, be vested in the Service established under this Act;</p> <p>(j) any contract or instrument referred to in paragraph (j) of this section shall be of the same force and effect against or in favour of the Service established under this Act and shall be enforceable as fully and effectively as if, the former Service existing before the commencement of this Act, had been named or had been a party; and</p> <p>(k) every affidavit sworn or document duly certified by an officer of the former Service before the coming into force of this Act has the same probative value as if it were sworn or</p>	
m	<p>Current Provisions of the FIRS Establishment Act</p>	<p>Proposed Amendments in the Nigeria Revenue Service Establishment Bill</p>	<p>Committee’s Recommendations</p>	<p>Justification/ Comments</p>

		(m) Any disciplinary proceeding, appeal or grievance pending or existing against any employee of the former Service, shall be continued and completed by the Service established under this Act.	certified by an employee of the Service established under this Act. (l) Any disciplinary proceeding, appeal or grievance pending or existing against any employee of the former Service, shall be continued and completed by the Service established under this Act.	
--	--	--	---	--

Interpretation Section – Section 42 of the Bill

	written or printed form or micro-film, digital, magnetic or electronic form or otherwise		
--	--	--	--

Term	Old Definition	New Definition	Justification / Comments
Authorized officer	means any person employed in the Service or, for the time being, performing duties in relation to tax who has been specifically authorized by the Board or the Executive Chairman to perform or carry out specific functions under this Act	means any person employed in the Service or, for the time being, performing duties in relation to tax who has been specifically authorized by the Board or the Executive Chairman to perform or carry out specific functions under this Act	Retained as contained in the old law
Board	the management Board of the Service established under section 3 (1) of this Act	the Governing Board of the Service established under section 6 of this Act;	Changed from management board to governing board
Book	includes any register, document or other record of information and any account or accounting record however compiled, recorded or stored, whether in	N/A	Deleted- not used in the bill

Executive Director	N/A	refers to the Executive Director appointed pursuant to section 17 of this Act	
--------------------	-----	---	--