KPMG West Africa Tax Journal

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BEPS	Base Erosion and Profit Shifting
BoG	Bank of Ghana
BPRT	Branch Profit Remittance Tax
BTS	Base Transceiver Stations
C	
CA	Competent Authority
CAC	Corporate Affairs Commission
CADIS	Citizen App Data Interoperability System
CAMA	Companies and Allied Matters Act
CbCR	County-by-Country Reporting
CBDC	Central Bank Digital Currency
CBN	Central Bank of Nigeria
CC	Cubic Centimeters
CEO	Chief Executive Officer
CGTA	Capital Gains Tax Act
CITA	Companies Income Tax Act
COVID 19	Coronavirus Disease 2019
CPS	Contributory Pension Scheme
D	
DVLA	Driver and Vehicle Licensing Authority

E	
ECG	Electricity Company of Ghana
ECOWAS	Economic Community of West African States
EEL	Expatriate Employment Levy
E-TP	Electronic Transfer Pricing
EU	European Union
E-VAT	Electronic VAT Invoicing System
F	
FDI	Foreign Direct Investment
FGN	Federal Government of Nigeria
FHC	Federal High Court
FinTech	Financial Technology
FIRS	Federal Inland Revenue Service
FMoF	Federal Ministry of Finance
FRN	Federal Republic of Nigeria
G	
GAUA	Ghana Association of University Administrators
GCFR	Grand Commander of the Order of the Federal Republic
GDP	Gross Domestic Product
GH¢	Ghanaian Cedi
GoG	Government of Ghana
GRA	Ghana Revenue Authority
GSA	Ghana Shippers' Authority
I	
IMF	International Monetary Fund

Glossary

iOS	iPhone Operating System
ISSN	International Standard Serial Number
L	
LIRS	Lagos State Internal Revenue Service
M	
MNEs	Multinational Enterprises
MoF	Ministry of Finance
MPC	Monetary Policy Committee
N	
NACCI-MA	Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture
NAG	Non-Associated Gas
NCC	Nigerian Communications Commission
NCF	National Cybersecurity Fund
NDPA	Nigeria Data Protection Act
NDPC	Nigeria Data Protection Commission
NEDCO	Northern Electricity Distribution Company
NGN	Nigerian Naira
NLA	National Lottery Authority
NMDPRA	Nigerian Midstream and Downstream Petroleum Regulatory Authority
NOGICD	The Nigerian Oil and Gas Industry Content Development
NPF	Nigeria Police Force
NRCs	Non-Resident Companies
NUPRC	Nigerian Upstream Petroleum Regulatory Commission
O	
OECD	Organisation for Economic Co-operation and Development
OGIRS	Ogun State Internal Revenue Service
ONSA	Office of the National Security Adviser
P	
PA	Petroleum Agreement
PAYE	Pay-As-You-Earn
PenCom	National Pension Commission
PIA	Petroleum Industry Act
PITA	Personal Income Tax Act
PLC	Public Limited Company
PLO	Private Lotto Operators
PPTA	Petroleum Profits Tax Act
PRA	Pension Reform Act
S	
SARS	South African Revenue Service
T	
TAT	Tax Appeal Tribunal
TP	Transfer Pricing
TPM	TaxPro-Max
U	
UK	United Kingdom
V	
VAT	Value Added Tax
W	
WHT	Withholding Tax

Preface

We are pleased to publish the first edition of our West Africa Tax Journal. This edition outlines the events that shaped the tax and regulatory landscape in Nigeria and Ghana in 2024 fiscal year. It features tax rulings delivered by courts of competent jurisdiction, pronouncements from tax administrators and regulatory agencies, KPMG thought leadership publications on key sectors of the economy, and a compilation of articles authored by KPMG subject matter experts, in 2024.

Overall, the West African tax space continued to evolve in 2024 and witnessed notable developments such as the release of the Guidelines on Advance Pricing Agreements by Nigeria's Federal tax authority, the issuance of the Deduction of Tax at Source (Withholding) Regulations 2024 – which introduced significant amendments to the WHT regime and brought clarity to many grey areas in WHT administration in Nigeria – and the implementation of new tax laws and amendments in Ghana. Following the recommendation of Nigeria's Presidential Fiscal Policy and Tax Reforms Committee, President Bola Ahmed Tinubu GCFR submitted four (4) tax bills to the Nigerian legislature. The bills seek to provide a unified framework for the taxation of income, transactions and instruments, amongst other objectives. The passage of the bills is expected to revamp Nigeria's tax system and administration.

Expectedly, the tax authorities in both Nigeria and Ghana sustained the tempo of enforcing compliance among taxpayers and increasing tax collection through desk queries/reviews, tax audit and investigation exercises. In Nigeria, the Federal Government introduced a windfall tax on the realised profits from all foreign exchange transactions of banks within the 2023 to 2025 financial years. This aggressive pursuit of revenue was not surprising considering that the country has had significant recurring budget deficits over the years and is keen on mobilising tax revenues.

While the Ghanaian Parliament approved the country's mini-budget of **GH¢68.13 billion** for Q1 2025 on 3 January 2025, Nigeria's Appropriation Bill for 2025 with a budgeted expenditure of **NGN54.99 trillion**, was only recently approved by the country's National Assembly. This is a deviation from the January-December budget cycle which was restored and sustained by the previous administration. The expectation, therefore, is that the Bill would be signed into law by the Nigerian President in Q1 2025.

We hope that you find the insights in this publication relevant, and that it will serve as a reference material on important tax issues to aid businesses' voluntary tax compliance. We also welcome and encourage you to provide us with feedback on the publication via e-mail at NG-FMTaxEnquiries@ng.kpmg.com.

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2024 in Review – Significant Tax Rulings

Petroleum Industry Act

1. IHS Nigeria Limited (IHS) and INT Towers Limited (INT) vs NMDPRA

Background

IHS Nigeria Limited and INT Towers Limited ("the Plaintiffs") are affiliate companies licensed by the NCC to provide infrastructure services to telecommunications companies. The nature of their business requires near 100% reliability on power supply, and they currently rely on AGO as the primary source of energy to power their extensive BTS and other sites across Nigeria. Consequently, the Plaintiffs obtained petroleum products import permits from the NMDPRA ("the Defendant") to facilitate the importation of petroleum products into Nigeria for their use.

The NMDPRA levied the Plaintiffs to statutory charges of 0.5% of the value of their petroleum imports, which they objected to and subsequently filed a lawsuit against the NMDPRA. The Plaintiffs argued that the products are not sold but consumed solely for commercial purposes. They therefore opined that the product does not qualify as 'sold in Nigeria' and is, thus, not liable to charges under the 2021 PIA.

Summary of decision

The FHC ruled that the NMDPRA possesses broad authority, as stipulated in Sections 125(3) and 174(3) of the PIA, to enact regulations governing the administration of midstream and downstream petroleum liquids operations, as well as mandate additional activities contingent on holding a license or permit. Accordingly, the court held that the Plaintiffs are liable to the levy, as they implicitly consented to the terms and conditions of the licenses or permits when they obtained them and commenced business activities.

Please click here to read our newsletter on this update.

Companies Income Tax

2. TAT rules that the discretionary powers of the FIRS on declaration of deemed dividend cannot be challenged

The Lagos zone of the TAT has ruled, in the case involving Rand Merchant Bank Nigeria Limited ("the Company" or "the Appellant") and FIRS ("the Respondent"), that the FIRS's discretionary powers under Section 21 of the Companies Income Tax Act (as amended) cannot be challenged.

The Company had undistributed profits which the FIRS had deemed as distributed and therefore sought to levy WHT including penalty and interest charges on. The Company challenged the FIRS's position on the basis that the profits could only be deemed as distributed where it is proven by the FIRS that the lack of distribution was intended to avoid payment of the relevant WHT. The TAT, however, ruled in favour of the FIRS.

Please click here to read our newsletter on the judgement.

3. TAT rules that insurance companies are subject to excess dividend tax rule in CITA

The Lagos zone of the TAT recently ruled in a case involving FBN Insurance Limited ("the Company" or "the Appellant") and FIRS ("the Respondent") that insurance companies are not only liable to tax under Section 16 of the CITA but also subject to other non-conflicting provisions of CITA.

Please click here to read our newsletter on the judgement.

4. The Court of Appeal has ruled that the concessionary income tax rate of 8% granted to exporters of non-traditional goods does not apply to companies registered as Free Zone Enterprises.

On 25 January 2024, the Court of Appeal decided the case between Blue Sky Products Ghana Ltd. ("Blue Sky" or "the Company" or "the Appellant") and the Commissioner-General ("the Respondent").

Facts of the case

Blue Sky, a company registered as a free zone entity, after its 10-year concessionary period, self-assessed its taxes at a rate of 8%, a rate applicable to companies engaged in non-traditional export.

The GRA disagreed with the Appellant's position and assessed it to tax at a rate of 15%, which is the applicable rate for free zone entities after their 10-year concessionary period.

Summary of decision

The court agreed with the GRA assessment and ruled that Blue Sky cannot elect to be treated as an "ordinary" company exporting non-traditional export after enjoying a bouquet of tax benefits under the free zones regime.

This is because the company is still enjoying applicable incentives as a free zone entity and is required to pay tax at the 15% rate applicable to all free zone entities after their 10-year concessionary period.

Please click here for a copy of the judgement.

Personal Income Tax

5. TAT upholds third-party investigations and six-year limit for tax assessments

The TAT, Southwest Zone, has ruled in the case between Lafarge Africa Plc ("Lafarge" or "the Company" or "the Appellant") and the OGIRS ("the Respondent"), reinforcing the six-year limitation for tax assessments and upholding third-party investigations.

Facts of the case

Following a tax investigation conducted by the OGIRS for the period 2010-2014, Lafarge received an initial assessment of ₦1,285,227,910.43 in November 2018. The Company appealed the assessment before the TAT, and both parties engaged in settlement discussions, which led to an out-of-tribunal resolution. Accordingly, the OGIRS issued a revised assessment of ₦191,723,626.08, which was settled by the Company in May 2020, along with an additional payment of ₦20,452,659.71 requested by the OGIRS in August 2020. However, instead of issuing a tax clearance certificate as requested by the Company, the Respondent issued an additional assessment of ₦347,738,894.24 in January 2021, citing untaxed expatriate income. Lafarge objected to the additional assessment, arguing that it breached the prior settlement agreement and exceeded the six-year limitation period under Section 55 of the PITA. The Appellant also challenged the validity of the assessment based on the alleged delegation of OGIRS's statutory duties to a private consultant.

Summary of decision

In its ruling, the TAT upheld the authority of the tax authority to revise assessments when necessary and found no evidence of improper delegation or procedural violations. However, the TAT affirmed the six-year limitation period under Section 55(2) of PITA, emphasizing that the burden of proof for fraud, willful default, or neglect lies with the tax authority, which in this case, was not met by the Respondent.

Please click here to read our newsletter on the judgement.

6. FHC rules that private companies incorporated before CAMA 2020 can have one shareholder

The FHC, Abuja Division has decided that the provisions of Section 18(2) of the CAMA 2020 apply to all private limited liability companies in Nigeria, including those incorporated before CAMA 2020.

The decision was handed down on 30 July 2024, in the case of Primetech Design and Engineering Nigeria Limited & Julius Berger Nigeria PLC v. Corporate Affairs Commission.

Please click here to read our newsletter on the judgement.

Transactional Taxes

7. High court rules that certain payments to non-resident companies are not liable to Ghanaian WHT

On 27 March 2024, the High Court decided the case between Scancom PLC ("MTN Ghana" or "the Appellant") and the Commissioner-General ("the Respondent").

Facts of the case

MTN Ghana relies on the equipment of a non-resident telecoms company located outside Ghana to provide the services that make international interconnect or roaming services possible for its customers and pays fees to the telecoms company.

The Appellant did not withhold tax from the payments made to the non-resident telecoms company as the equipment relied on for the international interconnect or roaming services is located outside Ghana.

However, the GRA disagreed with the Appellant's position and assessed WHT and late payment interest on the payments made to the non-resident telecoms company.

Summary of decision

The court stated that the payments made by the Appellant to the non-resident telecoms company were in respect of international interconnect and roaming services using an apparatus not located in Ghana. Consequently, the court ruled that the said payments are not liable to Ghanaian WHT.

Please click here for a copy of the judgement.

8. The Arbitral Tribunal ruled in favor that each petroleum operation should be treated as a separate business, with tax liability for each independent business calculated individually for each year of assessment

The arbitration case between the GoG and energy companies Eni Ghana Exploration and Production Limited (Eni) and Vitol Upstream Ghana Limited (Vitol) focused on the government's directive to forcibly merge the Sankofa and Afina oil fields, a process known as unitisation. The GoG claimed that the two fields were geologically connected, necessitating the merger to optimize oil extraction. Eni and Vitol opposed the move, arguing that there was insufficient evidence to support the claim of connectivity between the fields and that the merger would diminish the value of their proven reserves.

The arbitral tribunal ruled in favour of Eni and Vitol, declaring the Ghanaian government's directive unlawful. The tribunal found that GoG's actions violated the petroleum agreement, and it denied the government's requests for the merger and other related claims. However, the tribunal did not award Eni and Vitol significant financial compensation except for a portion of their legal costs.

This judgement underscores the challenges of government intervention in resource management and its impact on investor confidence. The judgement also underscores Section 63 of the Income Tax Act, 2015 (Act 896) as amended, which stipulates that each petroleum operation should be treated as an independent business, and that the tax liability for each independent business should be calculated individually for each year of assessment.

Updates on Tax and Regulatory Issues

1. Migration from E-TP platform to TaxPro-Max platform for the filing of transfer pricing returns and county-by-country reporting notifications

The FIRS issued a public notice in February 2024 informing taxpayers that annual TP returns and CbCR notifications are to be filed on TaxPro-Max platform using the regular TaxPro-Max log in detail. The migration takes effect for all 2023 financial year filings as well as other outstanding returns. The FIRS also granted a general waiver of penalties previously imposed for late filing of TP returns where the returns are filed on TaxPro-Max by 30 June 2024. Taxpayers who had previously filed on the E-TP Platform are at liberty to refile on the TaxPro-Max platform.

Please click here for more details on the public notice.

2. Expatriate employment levy

The EEL was introduced by the FGN through the Ministry of Interior on 27 February 2024. The levy is a mandatory contribution imposed on companies in the private sector that hire foreign workers or rely on expatriate labour in Nigeria. Companies who engage foreign workers in Nigeria are required to pay a levy of US$10,000 for each foreign worker employed in Nigeria, while the amount payable for foreign directors is US$15,000.

The EEL had a proposed effective date of 15 March 2024, though employers were given up till 15 April 2024 to comply. However, its commencement was subsequently put on hold on 8 March 2024, following engagements with the NACCIMA and other important stakeholders.

Please click here to read our newsletter on the EEL.

3. Executive orders on oil and gas reforms

His Excellency, President Bola Ahmed Tinubu, GCFR, signed three Executive Orders on 28 February 2024 as part of the FGN's commitment to improve the investment climate and position Nigeria as the preferred investment destination for the Petroleum Sector in Africa. The Executive Orders (hereinafter referred to as "the Orders") are as follows:

i. Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order, 2024

ii. Presidential Directive on Local Content Compliance Requirements, 2024

iii. Presidential Directive on Reduction of Petroleum Sector Contracting Costs and Timelines, 2024.

Please click here to read our commentary on the Orders.

4. Introduction of self-registration module on TaxPro-Max

On 11 March 2024, the FIRS issued a public notice informing taxpayers of the introduction of a self-registration module on its online tax administration platform – TaxPro-Max.

Based on the self-registration module, taxpayers can complete the entire registration process with the FIRS seamlessly online. This implies that newly registered business entities that the CAC automatically assigns Tax Identification Numbers to during registration can complete their tax registration on the TaxPro-Max portal.

Please click here to read the public notice.

5. Taxation of international shipping companies

The FIRS issued a public notice in 2023 requesting all international shipping companies operating in Nigeria's territorial waters to regularise their 2010-2019 years of assessment tax affairs no later than 31 December 2023. The FIRS, however, extended this deadline to 31 March 2024.

In view of the expiration of the deadline, we advise international shipping companies to regularise their tax affairs to mitigate the risk of their operations being disrupted by the FIRS's enforcement actions.

Please click here to watch our commentary on the development.

6. FIRS issues information circulars on the implementation framework for the presidential fiscal incentives on gas

The President of the FRN, on 28 February 2024, issued Executive Order No. 40 (Oil and Gas Companies (Tax Incentives, Exemptions, Remission etc.) whose objective is to unlock investments in the gas sector.

The Order provides for gas credit/allowance for NAG greenfield developments in the onshore and shallow waters and gas utilization investment allowance for midstream projects.

The Minister of Finance, in collaboration with the FIRS and the NUPRC, also subsequently issued the Implementation Guidelines for the Executive Order pursuant to Paragraph 12 of the Oil and Gas Companies (Tax Incentives, Exemptions, Remission etc.) Order, 2024.

It is expected that the Order and the Implementation Guidelines will open a new vista of investment opportunities in the gas sector as they contain significant incentives which may help drive final investment decisions for several outstanding gas projects. This is even more important as Nigeria has earmarked gas as a driver for various aspects of its economy not least of which is power and manufacturing.

Please click here to read our newsletter on the implementation framework.

7. CBN issues guidance on the collection and remittance of the national cyber-security levy by financial institutions

On 6 May 2024, the CBN issued an implementation guideline (hereafter referred to as "the Circular" or "the Guidance") to all commercial, merchant, non-interest and payment service banks, other financial institutions, mobile money operators and payment service providers on the collection and remittance of the national cybersecurity levy.

The Guidance, which was issued pursuant to the provision of Section 44 (2) of the Cybercrime (Prohibition, Prevention, etc.) Act 2015 ("the Act"), is in line with recent developments and aims to bolster cybersecurity measures in Nigeria.

Additionally, the Act and the 2024 Cybercrimes Amendment Act mandate the imposition of a levy on electronic transactions, with the proceeds paid into the NCF under the administration of the ONSA.

However, in response to widespread public dissatisfaction and significant public commentaries regarding the Circular, the Federal Government decided to suspend the 0.5% levy on electronic transactions and subject it to a comprehensive review. This was communicated by the Honorable Minister of Information and National Orientation on 14 May 2024, via X (formerly known as Twitter). The decision reflects the government's responsiveness to public opinion and its commitment to ensuring that financial regulations support rather than hinder economic growth and digital inclusion.

Please click here to read our newsletter on the implementation guideline and here to read the Honourable Minister's abovementioned post on X.

8. Tax treatment of foreign exchange transactions

The FIRS issued a circular titled "Tax Treatment of Foreign Exchange Transactions" ("the Circular") on 14 June 2024. The Circular was issued to guide taxpayers on the treatment and reporting of foreign exchange transactions. The Circular explains what qualifies as realised and unrealised foreign exchange transactions, categories of foreign exchange transactions (i.e., capital and revenue transactions) and the tax treatment of these transactions under the CITA for revenue transactions and the CGTA for capital transactions.

Please click here to read the FIRS circular.

9. **Deduction of tax at source (withholding) regulations 2024 (the "Regulations")**

The Deduction of Tax at Source (Withholding) Regulations 2024 ("the Regulations") initially became publicly available in June 2024. However, the gazette version of the Regulations was subsequently published in October 2024 with some minor modifications.

For instance, telephone charges, internet data, and airline tickets have been added to the exemptions list. The Regulations also specify that the format in the Second Schedule to the Regulations is the approved template for remittance and returns of amounts deducted at source.

The Regulations are aimed at providing clarity on the rules for the deduction of tax from payments made to taxable persons under the CITA, CGTA, PITA and the PPTA.

The other key objectives of the Regulations are to reduce the WHT rates applicable to low-margin businesses, promote ease of tax compliance and administration, reduce arbitrage between corporate and non-corporate structures, reflect emerging issues and leverage global best practices. The Regulations complement the applicable statutory provisions and replace all prior rules regarding deductions at source, except for PAYE tax.

The Regulations took effect on 1 January 2025 as communicated via a public notice issued by the FIRS.

Please click these links to read our newsletters on the Regulations: July 2024 newsletter and October 2024 newsletter.

10. **National Pension Commission issues circular on voluntary contributions under the contributory pension scheme**

The PenCom issued a circular on "Emerging Matters on the Payment of Voluntary Contribution under the CPS".

The circular was issued following the review of submissions made by the Pension Fund Operators Association of Nigeria and other independent contributors on certain provisions of the PRA 2014 and the Guidelines on Voluntary Contribution under the Contributory Pension Scheme.

Please click here to read our newsletter on the PenCom circular.

11. **Nigeria imposes income tax on forex gains of banks**

The FGN is seeking to tax the realised profits from all foreign exchange transactions of banks in the 2023 financial year. This measure is contained in the Finance Act (Amendment) Bill 2024 ("the Bill"), which was submitted to the National Assembly as an executive bill. The Bill provides for a one-off tax of 50% on such realised profits, but this was increased to 70% by the Senate before its passage. The one-off tax will be assessed and collected by the FIRS, though the banks have the option to settle the windfall tax in instalments. However, the FIRS must approve such instalment plan by 31 December 2024.

Banks that fail to comply will be guilty of an offence and shall, on conviction, be liable to pay the tax due plus a penalty of 10% per annum and interest at the prevailing CBN minimum rediscount rate. The principal officers of such a defaulting bank may also face imprisonment for a period of not more than 3 years.

Please click here to read our newsletter on this development.

12. **The Nigeria Customs Service issues guidelines for the implementation of zero duty rate on some basic food items**

The Nigeria Customs Service released guidelines for the implementation of the zero percent duty rate and VAT exemption on select basic food items, effective from 15 July 2024 to 31 December 2024.

This is in furtherance of government's policy to enhance food supply in the country and reduce the soaring prices of foodstuffs.

Please click here to read the full publication.

13. Lagos State Government issues executive order for the subscription to health insurance scheme by all residents and workers in Lagos State

The Executive Governor of Lagos State issued an Executive Order on 16 July 2024 for the compulsory subscription to Social Health Insurance by all Lagos State residents, employers, and workers.

The Order was issued in line with the objectives of the Lagos State Health Scheme, which seeks to promote Universal Health Coverage in the State, guaranteeing residents of Lagos State access to quality healthcare services, irrespective of their socio-economic status.

Please click here to read the full publication.

14. FHC rules that FIRS is not required to give reasons for adopting a particular percentage of turnover as the basis for the taxation of foreign companies

The FHC Lagos Judicial Division, in the case between BJ Pumping Services SA Panama and the FIRS, that the tax laws do not require the FIRS to justify the imposition of any particular percentage of turnover in taxing foreign companies.

Please click here to our newsletter on the judgement.

15. Commentary on the VAT (Modification) Order, 2024

The VAT (Modification) Order, 2024 ("the Order") was signed on 1 September 2024 by the Honorable Minister of Finance and Coordinating Minister of the Economy, pursuant to Section 38 of the VAT Act. The Order was subsequently published by the FGN in its Official Gazette No. 149, Vol.111 of 3 September 2024.

The Order, which is effective from 1 September 2024, modifies Parts I and II of the First Schedule to the VAT Act and extends the list of exempted items under Paragraph 2 of the Order. The Order also prescribes a commencement date of 1 October 2023 for the amended provisions relating to AGO.

Please click here to read our newsletter on the Order.

16. Notice of tax incentives on deep offshore oil and gas production

The FGN, via its official gazette dated 11 March 2024, issued a Notice of Tax Incentives on Deep Offshore Oil and Gas Production ("the Notice") to encourage investment in the sector. Signed by the Honorable Minister of Finance and Coordinating Minister of the Economy, the Notice targets production sharing and profit-sharing contractors under the Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order, 2024.

Amid declining investments due to IOC divestment from onshore and shallow waters, the government aims to attract deepwater operations and establish Nigeria as a leading petroleum investment destination in Africa. President Bola Ahmed Tinubu reinforced this commitment by signing three Executive Orders on 28 February 2024.

Please click here to read our newsletter on the Executive Orders.

17. FIRS issues guidelines on advance pricing agreements in Nigeria

The FIRS issued guidelines on the procedures and conditions for APAs in Nigeria, as well as the administration of executed APAs, in November 2024. The Guidelines set out the various types of APAs that can be negotiated with the FIRS, the eligibility criteria, the objectives and stages of the APA process, the associated costs and responsibilities, and other critical operational procedures and compliance requirements.

Please click here to read the full publication.

18. Commentary on the Nigerian Oil and Gas Industry Content Development (NOGICD) Bill, 2023

The NOGICD Bill, 2023 ("NOGICD Bill" or "the Bill"), which is pending before the National Assembly, proposes to repeal the NOGICD Act, 2010 (NOGICDA or "the Act"). The Act was enacted to, amongst other objectives, encourage continuous growth of Nigerian content in the country's oil and gas industry. It also established the Nigerian Content Development and Monitoring Board, which is saddled with the responsibility of implementing the provisions of the Act.

Please click here to read our newsletter on the Bill.

19. The impact of the PIA on deferred tax recognition

The PIA introduced changes to the fiscal framework applicable to the Nigerian petroleum industry. Some of these changes will have an impact on the measurement and recognition of deferred taxes in the relevant entities.

Please click here to read the full publication.

20. Ghana launches Citizen App Data Interoperability System

As part of efforts to simplify access to government services, a new app known as the CADIS has been launched to revolutionize citizen interaction with State institutions. It aims to provide citizens with a one-stop shop for a range of government services, including business registration, tax filing, utility bill payments, and license applications.

The App connects users directly to the databases of State institutions and enables them to seamlessly complete forms and submit documents digitally, eliminating the need for physical visits. CADIS will be available on both iOS and Android platforms.

21. Venus Oil Company Limited's Managing Director jailed over unpaid taxes

The Managing Director of Venus Oil Company Limited, Mohammed Lamin, was sentenced to one month in prison for failing to pay taxes and levies amounting to GH¢10.6 million.

The judgement was delivered on 28 October 2024 by Justice Comfort Kwasiwor Tasiame at the Accra High Court's Criminal Division, after a full three-year trial.

Mohammed Lamin was found guilty of violating Section 80 of the Revenue Administration Act, 2016 (Act 915), for his failure to remit various taxes and levies to the State. This ruling goes on to emphasize the prosecutorial powers of the Commissioner-General under the section.

The plaintiff, GRA, brought a complaint against Mohammed Lamin and his company, after a tax audit into the company's tax affairs. This review revealed that the company had defaulted on its tax obligations, with the unpaid taxes dating back to September 2021.

The charges stemmed from unpaid Special Petroleum Tax, Energy Debt Recovery Levy, Road Fund Levy and Energy Fund Levy on petroleum products lifted by Venus Oil Company Limited, a leading distributor and retailer of petroleum products in the Greater Accra Region.

Demand notices had been issued to Mohammed Lamin and Venus Oil Company for prompt settlement of the outstanding debts, but these were disregarded, leading the GRA to initiate legal proceedings.

22. GRA launches Ghana Tax Journal

On 5 November 2024, the GRA launched the Ghana Tax Journal. The journal is aimed at providing expert tax insights and analysis on various taxes and related topics and will be published bi-annually by the tax authority.

Please click here to read more.

23. Implementation of VAT on the supply of electricity above the lifeline for residential purposes and the supply of non-life insurance contract

As part of the implementation of the Government's Medium-Term Revenue Strategy and the IMF-Supported PC-PEG, the Minister of Finance in a letter to the ECG and the NEDCO in consultation with the GRA, implement the 15% VAT on domestic consumers of electricity above the lifeline levels effective 1st January 2024.

However, on 9 February, 2024, the MoF published on its website, contents of a letter it wrote to ECG and NEDCO to request the suspension of the implementation of the 15% VAT on domestic consumption beyond the lifeline limit pending further engagements with key stakeholders including organized labour. This followed calls on government by over 35 labour unions for the total withdrawal of the proposed 15% VAT on lifeline consumption of electricity.

Please click here to read the Press Statement on the Implementation of VAT on Electricity Consumption by Residential Consumers.

24. NLA/PLO operators to begin 10% withholding tax implementation

The GRA informed the general public, especially patrons of Lotto, that the Income Tax (Amendment) Act, 2023 (Act 1094) introduced a 10% WHT on the gross winnings from all lottery (i.e., lotto, betting, gaming and other games of chance).

Although the implementation has commenced, the NLA and PLOs were granted a six-month extension to ensure easy implementation of the WHT tax amendment. This extension expired in December 2023 and therefore the NLA and PLOs are required to commence the implementation of the WHT on lotto gross winnings effective from January 2024.

Failure to comply with this directive attracts sanctions as prescribed in Section 78 of the Revenue Administration Act, 2016 (Act 915). The general public, particularly patrons/ players/ punters, operators and tax consultants are advised to take note of this directive.

25. Notice of tax directives on expenses deductibility

On 11 March 2024, the GRA published a notice indicating that expenses that are not supported with VAT invoices will not be allowed for income tax purposes. The notice, which was published in relevant newspapers, became effective from 1 April 2024

.
Please click here to read the full publication.

26. Special Voluntary Disclosure Programme for persons with offshore accounts and assets

The GRA introduced a Special Voluntary Disclosure Programme which became effective from March 2024. This programme gives opportunity to persons (individuals and entities) who have offshore accounts and income but have failed to disclose these to the GRA for tax purposes, to make the necessary disclosures on previously undisclosed financial accounts or income held abroad to regularize their tax affairs without incurring any penalties/sanctions.

Please click here for more details on the special voluntary disclosure programme.

27. Practice note on the application of minimum chargeable income under the Income Tax Act, 2015 (Act 896)

This practice note provides clarity on the provisions of Act 1094 that deal with the determination of minimum chargeable income for income tax purposes for a year of assessment. It also provides guidance on the procedure for ascertaining minimum chargeable income.

Please click here to read the full publication.

28. VAT administrative guideline on the supply of immovable property

This guideline provides clarity on procedures for the smooth implementation of the 5% VAT on the supply of immovable property by an estate developer and the supply of immovable property for rental purposes.

Please click here to read the full publication.

29. The President assents to the Ghana Shippers Authority Act

The immediate past President of Ghana, Nana Addo Dankwa Akufo-Addo, signed the Ghana Shippers' Authority Act, 2024 (Act 1122) into law on 18 October 2024.

This marked a major milestone for Ghana's shipping and logistics sector. The Act grants the GSA broader regulatory authority across sea, air, and land transportation, aiming to create a balanced and competitive landscape for commercial shipping in Ghana. In an official statement dated 31 October, 2024, the GSA announced that it was now better positioned to drive transparency in pricing, maintain service quality, and establish Ghana as a premier destination for international trade.

This development coincided with the GSA's 50th anniversary, underscoring the Authority's enduring commitment to fostering fair trade practices. To ensure smooth implementation, the GSA launched a nationwide sensitization campaign, educating stakeholders about their rights and responsibilities under the Act. The Authority has also been gathering feedback for a Legislative Instrument to support the Act's operational framework.

30. Survey by the Ministry of Finance on Ghanaian Tax Systems

The MoF published on 10 October 2024 an updated Survey of the Ghanaian Tax System, produced jointly with TaxDev researchers from the Institute for Fiscal Studies (UK). The Survey, which provides information on Ghana's tax system as of January 2024, is intended as a repository of key information for researchers, policymakers and the public, and updates a previous edition of the Survey that was published in 2021.

Please click here to access the survey.

Implementation of New Tax Laws and Amendments Effective 1 January 2024

The GRA announced the coming into force of some amendments to the following Tax Laws and the introduction of the Emissions Levy Act, 2023 (Act 1112):

1. Customs (Amendment) Act, 2023 (Act 1106)

The First Schedule to the Customs Act, 2015 (Act 891) has been amended to include four hundred and thirty-one (431) additional tariff descriptions to the Customs Tariff. There is also a provision of a waiver of duty on the importation of raw materials for the local manufacture of sanitary towels.

2. Value Added Tax (Amendment) Act, 2023 (Act 1107)

The Value Added Tax Act, 2013 (Act 870) has been amended to:

i. Provide for a flat rate of tax on the rental of commercial premises other than commercial rental establishments.

ii. Provide for a flat rate of tax on the supply of immovable property by an estate developer.

iii. Extend the zero-tax rate for locally manufactured textiles and locally manufactured vehicles.

iv. Introduce a zero-tax rate for locally manufactured sanitary towels.

v. Waive the tax on electric vehicles for public transportation.

vi. Review the exemptions for specified goods and services.

3. Excise Duty (Amendment) (No.2) Act, 2023 (Act 1108)

The Excise Duty Act, 2014 (Act 878) has been amended to:

i. Increase the excise duty rate on cider beer to align with the excise duty rate on beer.

ii. Reduce the excise duty rate on plastics.

iii. Expand the coverage of the excise duty on plastics to imported plastic packaging.

4. Stamp Duty (Amendment) Act, 2023 (Act 1109)

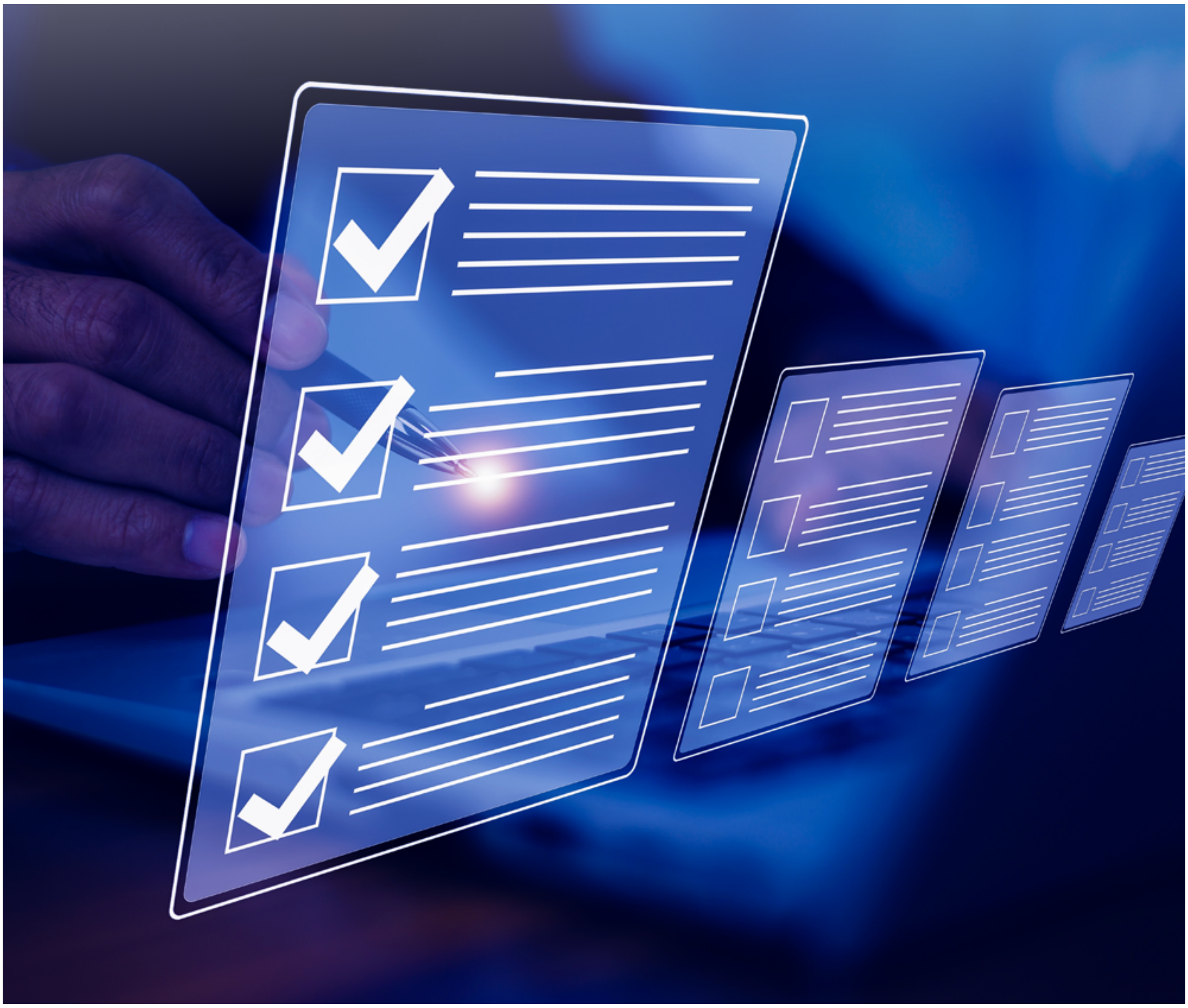
The Stamp Duty Act, 2005 (Act 689) has also been amended to provide for an increase in the rate of stamp duties. The new rates range from GH¢18 to GH¢896.30 for duties assessed on specific basis and 0.25% to 0.5% for duties assessed on ad valorem basis.

5. Exemptions (Amendment) Act, 2023 (Act 1110)

The Exemptions Act, 2022 (Act 1083) has been amended to provide for a waiver of customs duties and taxes in respect of the importation of fishing gear for agricultural purposes.

6. Income Tax (Amendment) (No.2) Act, 2023 (Act 1111)

The First Schedule to the Income Tax Act, 2015 (Act 896) has been amended to revise the rates of income tax for individuals. The table below shows the revised chargeable income and the revised rates of tax of a resident individual for a year of assessment:



No	Chargeable Income	Rate of Tax
1	First GHC 5,880	Nil
2	Next GHC1,320	5 per cent
3	Next GHC1,560	10 per cent
4	Next GHC 38,000	17.5 per cent
5	Next GHC 192,000	25 per cent
6	Next GHC 366,240	30 per cent
7	Exceeding GHC 605,000	35 per cent

7. Emissions Levy Act, 2023 (Act, 1112)

The Emissions Levy Act, 2023 (Act 1112) has been passed to impose an emissions levy on carbon dioxide equivalent emissions from specified sectors and internal combustion engine vehicle emissions. The table below provides the rates payable:

No.	Types of Emissions	Sector/ Motor Vehicle	Rate
1	Carbon dioxide equivalent emissions from specific sectors	1. Construction sector	GHC100 per tonne of emissions per month
		2. Manufacturing sector	
		3. Mining sector	
		4. Oil and gas sector	
		5. Electricity and heating sector	
2	Emissions from motor vehicles	Internal combustion engine vehicles	
		1. Motorcycles and tricycles	GHC 75 per annum
		2. Motor vehicles, buses and coaches above 3000 cc	GHC 150 per annum
		3. (i) Motor vehicles, buses and coaches above 3000 cc	GHC 300 per annum
		3. (ii) Cargo trucks and articulated trucks	GHC 300 per annum

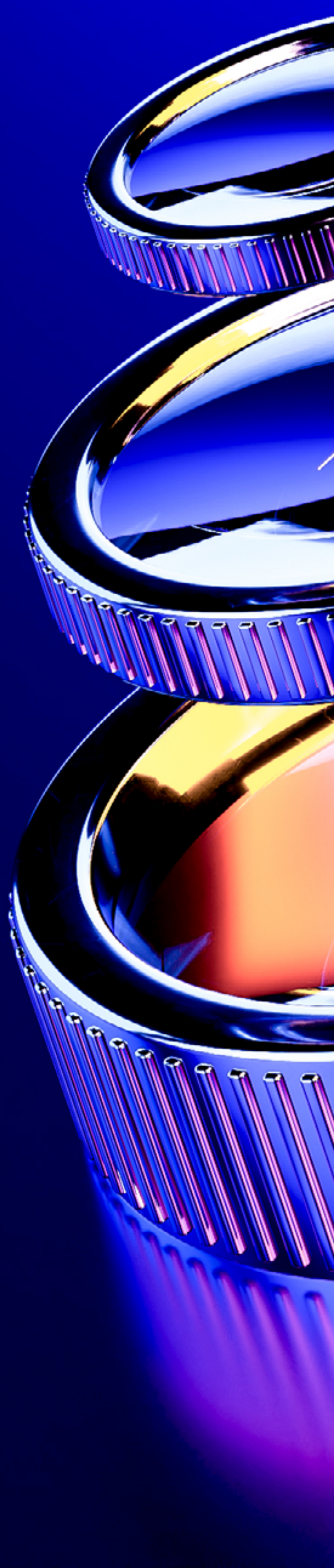
Update on the Progress of E-VAT Implementation

The GRA in October 2022 commenced the process of rolling out an Electronic VAT Invoicing System (E-VAT) that will assist businesses and the Authority to achieve real-time monitoring of VAT transactions.

The pilot phase: The GRA successfully set up 50 taxpayers across different sectors on the E-VAT system. The test and pilot phase provided a pathway for successful and seamless E-VAT implementation, which prioritised minimal disruption to taxpayers' back-office processes.

Phase one: The rollout phase was focused on onboarding large taxpayers who account for 80% of VAT contributions. The revised timelines for this phase were scheduled for 22 April to 31 May 2024.

To facilitate the onboarding process, the GRA invited selected businesses to a meeting on 21 to 24 May 2024 in Accra to discuss the modalities for a smooth roll-out and ensure that all necessary clarifications are provided to affected businesses.



Featured Articles

Articles authored by KPMG professionals

1. Unaccounted taxes in Nigeria: the hidden drain on the economy by Oludayo Adeniji

Nigeria, often referred to as the "Giant of Africa", boasts vast resources, a large and increasingly growing population, and a dynamic economy. Yet, despite its potential for prosperity, the country grapples with significant challenges, one of which is the significant revenue deficits that the various tiers of Government have had to deal with amidst the production challenges experienced by the oil and gas industry, the largest source of Government revenue for decades. This issue is worsened by the lack of transparency in the administration of some taxes. These unaccounted or call it, underreported taxes represent a hidden drain on Nigeria's economy, hindering its growth, development, and the provision of essential public services. Nigeria may not have a low tax to GDP as has been discussed for years, where these unaccounted taxes are properly reported.

In this article, the author delves into the issue of unaccounted taxes in Nigeria, its causes, consequences, and potential solutions.

The author, quoting information obtained from the International Center for Investigative Reporting in 2021, states that the amount of "unaccounted taxes" generated in Lagos State alone, the economic nerve center of the country, amounted to 123 billion. This was more than the internally generated revenue of 35 out of 36 States in the country and more than the aggregate of other taxes, other than Pay-As-You-Earn tax, reported by the State for the same year. This highlights the magnitude of the problem and its potential impact on the economy and social infrastructure in the States and the Nation as a whole.

Please click here to read the published article on Mondaq.

Oludayo Adeniyi

2. Technology for tax administration: recommendations for the new Nigerian government by Nnamdi Obinwa

Technology has become an integral part of various sectors of the Nigerian economy. It has revolutionized communication with superfast telephony and internet networks and automated manufacturing processes. It has also significantly impacted how the tax authorities approach tax administration in Nigeria. A decade ago, tax administration in Nigeria was largely manual. Taxpayers physically interacted with the tax authorities for most of their tax compliance needs. Tax filings, registrations, etc. were largely done at the premises of the tax authorities. This meant that taxpayers who are not located close to a physical tax office, had to travel many kilometers just to comply with their statutory tax obligation.

This has changed significantly with the introduction of the TPM portal in 2020, a significant milestone by the FIRS. The TPM portal allows taxpayers file their companies income tax, value added tax, withholding tax, capital gains tax returns online without any real need for physical interaction. The States are also not left out, with the e-tax platform introduced by the LIRS, which allows residents of Lagos State, to file their income tax returns online. Other States in Nigeria also have technology solutions that allow taxpayers resident within the States file their income tax returns online. However, there is still a lot to be done before we can say Uhuru.

The changes already implemented have had a huge impact with the tax collection figures reported by the FIRS increasing from NGN5.2 trillion in 2019 (a year before the launch of the TPM portal) to NGN10.2 trillion in 2022, just two years after. It therefore can be argued that we need to urgently scale up the deployment of technology to tax administration in the country.

The writer in this article, considers what specific areas should receive the next phase of technology deployment and how that will help improve tax administration and drive tax collection.

Please click here to read the published article on Mondaq.

Nnamdi Obinwa

3. Redefining compliance for the millennial and Gen-Z taxpayer by Precious Adenekan

There has been a gradual transition of the managerial control of most businesses to the millennials and generation Z (Gen-Z). Most of the recent start ups, especially in the tech space, are founded by Gen-Zs. According to KPMG's 2019 customer loyalty report, millennials and Gen-Zs are more likely to find corporate transparency and honesty, environmental commitment, and innovation as extremely important loyalty factors. Therefore, it is important to understand what compliance means to these generations and redefine the strategies and methodologies available within the tax space to cater for this transition. The requirements to comply vary depending on jurisdiction. However, interactions with taxpayers and experiences suggest issues such as trust, simplicity/ease, digital technology, privacy and purpose could serve as drivers for voluntary compliance.

You can read the full article here.

Precious Adenekan

4. Do international oil and gas transport companies owe taxes in Nigeria? by Martins Arogie, Adedolapo Adebayo and Francis Nzene

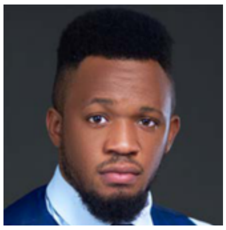
Nigeria has recently sought to levy tax on companies involved in freight operations in the oil and gas industry. Several of these companies have for years been involved in the transportation of crude oil, Nigeria's foremost export product, from the country, without any issues with the tax authorities. This has changed in recent times with the tax authorities alleging that a lot of them owe significant back duty taxes.

In the article, the authors address the changes in the application of the Nigerian tax laws and how it impacts international shipping companies doing business in the country's oil and gas sector.

Please click here to read the published article in Tax Notes International.

Martins Arogie

Adedolapo Adebayo



Francis Nzene

5. Vision and suggestions for Nigeria's transfer pricing landscape (part 1) by Omojo Adefila and Okechukwu Onyenyeonwu

In the article, the authors highlight the evolving landscape of transfer pricing in Nigeria, emphasizing the need for further clarity and certainty within the existing framework. They suggest improvements such as the release of safe harbour guidelines, clarification of compliance obligations for specific taxpayer categories, the revision of compliance thresholds, and the resolution of legal uncertainties surrounding CbCR Regulaions.

Please click here to read the published article on Mondaq.

Omojo Adefila

Okechukwu Onyenyeonwu

6. Harmonizing CAMA and corporate tax laws: navigating legal frameworks for foreign companies in Nigeria by Israel Ajayi and Okechukwu Onyenyeonwu

In the article, the authors focused on the legal frameworks governing foreign companies operating in Nigeria, particularly the CAMA and tax-related provisions in the CITA and PPTA. They examined the requirements for foreign companies to operate legally, as provided by the CAMA, which includes incorporation as a separate entity in the country subject to the provided exemptions. They also examined the tax liability status of a foreign company in Nigeria, including its tax implications and the importance of aligning CAMA with CITA/PPTA to enhance regulatory clarity and promote compliance.

Please click here to read the published article on Mondaq.

Israel Ajayi

Okechukwu Onyenyeonwu

7. Transfer pricing case analysis: South African Revenue Service vs ABD Limited - implications for Nigeria by Barbara Mbaebie and Okechukwu Onyenyeonwu

This article discusses the implications of the South African Revenue Service ('SARS') vs. ABD Limited (ABD) case on TP practices, with a focus on its relevance to Nigeria. The case involved a dispute over the royalty rate that ABD, a South African telecom company, charged its subsidiaries for intellectual property use. The court upheld ABD's 1% royalty rate against SARS's proposed 3%, affirming its compliance with the arm's length principle. The article emphasizes the importance of Nigeria aligning its TP Regulations with international standards, scrutinizing royalty payments, and addressing challenges posed by Nigeria's tax cap on royalty deductions.

Please click here to read the published article on Mondaq.

Barbara Mbaebie

Okechukwu Onyenyeonwu

8. Navigating the future of Nigeria's fintech landscape: strategies for sustainable growth by Onyeka Udoetuk and Ijeoma Uche

This article provides an overview of the Financial Technology ('FinTech') ecosystem in Nigeria, highlighting the rapid growth and impact of FinTech innovations on the financial services sector. It discusses how FinTech is transforming traditional banking through agility, efficiency, and improved user experiences. The article also examines the regulatory framework and key players, such as the CBN, the NIBSS, and the FIRS, that are shaping the industry. Additionally, it explores the challenges and opportunities within the sector, the influence of the Nigeria Startup Act, and the role of tax incentives in fostering a conducive environment for FinTech growth. The piece also includes a comparative analysis with other jurisdictions like the United States, Singapore, and South Africa, offering strategies for sustainable growth and highlighting the importance of supportive regulatory and tax policies.

Please click here to read the published article on Mondaq.

Onyeka Udoetuk

Ijeoma Uche

9. Solid mineral development: a panacea for the diversification of the Nigerian economy by Peter Nwaobi and Kingsley Chukwu

The article discusses Nigeria's economic transition from an agriculture and mining-based economy to one dominated by crude oil following its discovery in 1956. This shift led to significant industrialization but also resulted in the neglect of the agriculture and mining sectors, making Nigeria heavily dependent on oil. The recent volatility in oil prices, exacerbated by the COVID-19 pandemic, has highlighted the need for economic diversification. The article emphasizes the potential of Nigeria's solid mineral sector, which remains underdeveloped due to challenges such as lack of political will, inadequate funding, poor infrastructure, and illegal mining. It advocates for policy reforms, investment in technology, infrastructure development, and enhanced security to revitalize the mining sector and reduce the country's reliance on oil. The recent calls for sustainable practices underscore the urgency of this diversification effort.

Please click here to read the published article on Mondaq.

Peter Nwaobi

Kingsley Chukwu

10. Recent rulings in Nigeria and their impact on non-resident companies by Adedolapo Thanni and Ijeoma Okpara

The article discusses recent Nigerian tax rulings affecting NRCs, focusing on Bolt, an Estonian mobility service provider, which was appointed by the FIRS as a VAT collection agent. Bolt contested this, arguing that it merely provides a platform for transactions and does not directly supply services. However, the TAT upheld FIRS's decision, which has raised concerns about the broad discretionary power of FIRS in appointing VAT agents.

The article also examines Investment Holdings Ltd. v. FIRS, addressing withholding tax administration and highlighting uncertainties in tax directives and regulations.

The conclusion emphasizes the need for clear tax compliance rules to attract FDI amidst declining FDI and economic growth in Nigeria.

The article was published in Tax Notes International.

Adedolapo Thanni

Ijeoma Okpara

11. Improving participation in the pension scheme by Aderonke Adegoke and Oyinade Adewumi

In this article, the authors evaluate how government laws and regulations in Nigeria have evolved and impacted the pension industry.

The article analyses the benefits these interventions offer to taxpayers and citizens and, explores reasons for low participation. It also discusses potential solutions that the government may explore strategies to improve the rate of participation in the pension scheme.

Please click here to read the published article on Mondaq.

Aderonke Adegoke

Oyinade Adewumi

12. Social security verification exercises in Nigeria – the case of a more seamless process by Bukunmi Olaniyonu and Onyekachi Okechukwu

In the article, the authors discuss the importance of social security systems, particularly in Nigeria, and carefully examine the challenges associated with the audit and verification processes for compliance with social security schemes.

The authors discuss the most common issues faced during verification/audit exercises and provide recommendations to ensure a more seamless security audit/verification process for all stake holders.

Please click here to read the published article on Mondaq.


Bukunmi Olaniyonu


Onyekachi Okechukwu

13. Statutory end-of-assignment notifications for expatriates in Nigeria by Ufuoma Edward-Ating and Grace Durojaiye

In the article, the authors discuss the importance of statutory End-of-Assignment notifications for expatriates in Nigeria, which are required by the Nigeria Immigration Service when expatriates complete their assignments. It explains the different types of notifications, such as Deletion from Expatriate Quota records and Temporary Work Permit returns, and outlines the documents needed for these submissions.

Please click here to read the published article on Mondaq.


Ufuoma Edward-Ating


Grace Durojaiye

14. BEPS 2.0 – achieving financial sustainability in Africa through taxation by Gali Aka

In this article, the author explores the challenges and opportunities for achieving financial sustainability in Africa through taxation, particularly in the context of BEPS 2.0.

Please click here to read the published article on Mondaq.

Gali Aka

15. The minimum tax regime in Nigeria by Oluwadamilola Daramola

In the article, the author examines the Minimum Tax provision in Nigeria's tax system, highlighting recent changes introduced by Finance Act, 2019 that simplify the calculation to 0.5% of gross turnover.

The author discusses the exemptions for certain companies and treatment of capital allowances, noting that the current rules may be overly harsh on struggling businesses.

Please click here to read the published article on Mondaq.

Oluwadamilola Daramola

16. Developing a tax strategy for an effective business and wealth management by Onyeka Udoetuk and Oghosa Asemota

The article emphasises the importance of developing a tax strategy as a crucial element of business and wealth management. It highlights that a well-defined tax strategy, aligned with an organization's overall goals, can enhance value creation, ensure tax compliance, and manage tax risks.

Please click here to read the published article on Mondaq.

Onyeka Udoetuk

Oghosa Asemota

17. The Nigeria Police Trust Fund (Establishment) Act: matters arising and way forward by Oluwabukola Sanni and Michael Ekewenu

In the article, the authors examine the appropriateness and legal implications of obligating taxpayers to finance the Nigeria Police Force (NPF) as well as the validity of the Fund considering recent legal developments.

The authors also address the potential issue of multiple taxation that the introduction of the levy may result in and its tax-deductible status, along with the ambiguity in the definition of net profit.

Please click here to read the published article on Mondaq.


Oluwabukola Sanni


Michael Ekewenu

18 Empowering innovation and fostering investment: the Nigeria Startup Act and its incentives by Elizabeth Olaghere and Udochukwu Akalezi

In the article, the authors analyse the Nigerian Startup Act which was passed into law on 19 October 2022, highlighting both the challenges that startups encounter and the incentives offered by the Act.

The authors provide insight on the Startup Act as a comprehensive framework designed to optimize and harness the benefits of the technology ecosystem, foster innovation and empower labelled startups and investors, while propelling the country into the global innovation spotlight.

Please click here to read the published article on Mondaq.


Elizabeth Olaghere


Udochukwu Akalezi

19 Adapting the tax operating model to meet evolving business needs by Onyeka Udeotuk and Oghosa Asemota

In the article, the authors discuss the increasing complexity of the impact of taxation on businesses due to evolving business models, changing tax regulations, and initiatives by tax authorities.

The authors advocate for a dynamic tax operating model that integrates efficient tax practices suitable for the constantly evolving nature of business models.

Please click here to read the published article on Mondaq.

Onyeka Udeotuk

Oghosa Asemota

20 Implication of Check Point Tax Appeal Tribunal judgment on transfer pricing by Gali Aka

In the article, the author examines the TAT's ruling in the Check Point v. FIRS case, highlighting the confusion resulting from conflicting TP and CbCR Regulations in Nigeria.

This was published in Tax Note International.

Gali Aka

21 De-risking mining business in Nigeria through fiscal incentives by Peter Nwaobi and Abimbola Alao

In the article, the authors analyse some of the key fiscal incentives available to miners in Nigeria, and evaluate whether the existing incentives are sufficient to de-risk mining operation, or if additional tax incentives are needed to generate more investor interest and accelerate growth in the sector.

Please click here to read the published article on Mondaq.

Peter Nwaobi

Abimbola Alao

22 Tax revenue generation in Nigeria: a leap beyond corporate taxes by Mayowa Falohun and Atinuke Babatunde

In the article, the authors explore some challenges associated with tax revenue generation from individuals in Nigeria and various strategies for expanding tax revenue sources beyond the traditional corporate entities.

The authors also provide key recommendations for addressing the challenges identified with the current tax system.

Please click here to read the published article on Mondaq.

Mayowa Falohun

Atinuke Babatunde

23 Employee compensation scheme - a must have in the Nigerian entertainment industry by Onyekachi Okechukwu and Oyinade Adewumi

The Nigerian creative industry has seen rapid growth, contributing significantly to the economy. However, many employers, especially in entertainment, fail to adequately cover employees with compensation for injuries or accidents. The Employees' Compensation Act was introduced to address this, but compliance remains low. law, and increased employer participation to protect workers.

Please click here to read the published article on Mondaq.

Onyekachi Okechukwu

Oyinade Adewumi

24 Beyond the guidelines: mitigating transfer pricing risks in Nigeria by Barbara Mbaebie and Chioma Aneke

Transfer pricing is a growing concern for MNEs in Nigeria, with the FIRS intensifying focus on cross-border transactions. The Income Tax Transfer Pricing Regulations set guidelines for related-party transactions, but MNEs must go beyond compliance to mitigate risks effectively. Key strategies include regular risk assessments, enhanced documentation, leveraging technology, and proactive dialogue with tax authorities. These efforts ensure MNEs minimize risks, maintain compliance, and navigate the evolving transfer pricing landscape in Nigeria.

Please click here to read the published article on Mondaq.


Barbara Mbaebie


Chioma Aneke

25 Key TP issues MNEs must review when restructuring businesses by Ayokunmi Ogunnaike

MNEs often undergo restructurings to enhance efficiency and adapt to evolving markets. However, these changes can trigger TP issues, especially when assets or functions are transferred. The OECD TP Guidelines (2022) guide MNEs in ensuring that restructurings align with the arm's length principle. Challenges include demonstrating legitimate commercial reasons for restructuring, accurately assessing asset transfers, and ensuring fair compensation. MNEs must maintain thorough documentation to avoid tax scrutiny.

Please click here to read the published article on Bloomberg.


Ayokunmi Ogunnaike

26 Transfer pricing in Africa needs better education, data access by Tayo Ogungbenro

TP regulations in Sub-Saharan Africa aim to combat tax evasion, but progress has been slow. Factors like lack of skilled practitioners and expensive data hinder proper implementation. Some African governments struggle with attracting the necessary expertise, and high costs for financial databases limit access. Training in TP is often insufficient, and many African institutions offer it as an optional subject. The African Tax Administration Forum could play a pivotal role by encouraging governments to prioritize TP education and ensure that local expertise is developed.

Please click here to read the published article on Bloomberg.

Tayo Ogungbenro

27 Economic impact of minimum wage increases in Nigeria by Oyinade Adewunmi and Wahab Basheer

Nigeria's recent increase in the minimum wage from ₦30,000 to ₦70,000 aims to address economic challenges faced by workers. However, the impact varies across different sectors. While the increase benefits formal sector employees by improving their purchasing power and standard of living, the majority of the workforce in the informal sector remains unaffected as they generally do not follow formal labour regulations. The increase in the minimum wage may also have broader economic implications, including potential inflation, reduced purchasing power, and a strain on Micro, Small, and Medium Enterprises (MSMEs) due to increased labour costs. Policymakers should, therefore, continue to monitor the economic effects of this wage increase and adjust policies as needed to ensure it remains sustainable and fair.

Please click here to read the published article on Mondaq.

Oyinade Adewunmi

Wahab Basheer

28 Digitizing tax administration in Nigeria with the introduction of tax account codes by Kemi Gbadebo and Akaoma Osele

In this article, the authors provide an in-depth explanation of the concept of Tax Account Codes, outlining their purpose and objectives within the system. They also explore the tax authorities' strategic plan to enhance digital data collection through the implementation of this digitization initiative.

Additionally, the article delves into the potential implications of this new system for taxpayers, highlighting how it will affect their interactions with tax authorities, improve efficiency, and streamline compliance processes.

Please click here to read the published article on Mondaq.


Kemi Gbadebo


Akaoma Osele

29 Impact investing and tax transparency in Africa must go hand-in-hand by Martins Arogie

In this article, the author discusses the importance of incorporating tax revenue capacity and tax compliance data in reports on investment outcomes to ensure that impact investments contribute to lifting communities toward the achievement of the U.N. Sustainable Development Goals for 2030.

The article was published in Tax Notes International.


Martins Arogie

30 VAT in the Nigerian oil and gas sector: who should deduct? by Chinyere Madichie and Micheal Ekewenu

In this article, the authors examine the complexities of determining whether a company qualifies as operating in the oil and gas sector and therefore is obligated to deduct Nigerian VAT at source.

Please click here to read the full publication.

Chinyere Madichie

Micheal Ekewenu

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