

FIRS Notice on Discontinuation of Issuance of Tax Exemption Certificates

The Federal Inland Revenue Service (FIRS) issued a Public Notice on 29 July 2025, announcing the discontinuation of the issuance of Tax Exemption Certificates (TECs) to taxpayers, specifically Pioneer Status Incentive (PSI) Companies, Non-Government Organization (NGO)s, and Free Zone Entities (FZE).

This development appears to have generated some uncertainty among affected stakeholders. **Accordingly, it is important to clarify the practical implications of the notice as follows:**

1. No Impact on Existing Tax Exemptions

The discontinuation of TECs issued by FIRS does not revoke or invalidate validly granted tax holidays to PSI companies or tax exemption claims by NGOs, and FZEs. The respective companies can continue to enjoy their tax incentives or tax exemption claims subject to applicable conditions.

2. Key Changes

The FIRS will no longer issue TECs, which were previously used as confirmation to recognise and support:

- i. The tax holiday granted to PSI companies by the Nigerian Investment Promotion Commission (NIPC¹) pursuant to the Industrial Development (Income Tax Relief) Act (IDA)
- ii. Tax exemption claims by NGOs under Section 23 of the Companies Income Tax Act (CITA)
- iii. Tax exemption claims by FZEs pursuant to Nigeria Export Processing Zones Authority Act (NEPZA) Act and Oil and Gas Export Free Zone Act (OGFZA) Act as applicable

3. Validity of Existing TECs

TECs already issued by the FIRS remain valid until their respective expiry date. However, expired TECs will not be renewed.

The Nigeria Revenue Service (Establishment) Act was recently signed into law and came into effect on June 25, 2025. Consequently, the Federal Inland Revenue Service (FIRS) has been rebranded as the Nigeria Revenue Service (NRS).

¹ Under the delegated authority of the President

4. Transition to New Incentive Framework

The IDA, supported by the Pioneer Status Application Guidelines, sets out the procedures for obtaining approval under the Pioneer Status Incentive (PSI) scheme. However, the Nigeria Tax Act (NTA) 2025 repeals the IDA replacing the PSI scheme, with a new framework, known as Economic Development Incentive, which will take effect from 1 January 2026. Nevertheless, companies currently enjoying PSI benefits will continue to do so for the remainder of their approved incentive period subject to complying with applicable conditions.

5. Emphasis on legal and procedural compliance

Paragraph 4 of the FIRS notice reiterates that any claims for tax benefits or exemptions must strictly comply with applicable laws and follow FIRS approved procedures. This implies that eligible NGOs or companies with valid PSI or Free Zone certificates must ensure continued compliance with the terms of the applicable tax framework to retain their exemption.

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This development reflects a shift toward greater transparency in tax administration. It underscores the need for all tax-exempt entities to maintain comprehensive documentation and compliance records to support their tax exemption claims or approvals, and to seek guidance from professional tax advisers, where necessary.

We suggest that, for clarification, you read our [newsletter](#) on the NTA and the [subsequent update](#) that was issued further to the gazettes on the tax reform Acts becoming publicly available.



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