



FEDERAL INLAND REVENUE SERVICE
15, SOKODE CRESCENT, WUSE ZONE 5, P.M.B 33, GARKI, ABUJA, NIGERIA

INFORMATION CIRCULAR

NO:2021/15

PUBLICATION DATE: 3RD JUNE, 2021

**Subject: GUIDELINES FOR FILING OF INCOME TAX RETURNS BY
APPROVED ENTERPRISES WITHIN THE EXPORT PROCESSING AND
FREE TRADE ZONES**

This Circular is issued for the information and guidance of the public, taxpayers, tax practitioners and, especially, approved enterprises operating in the Export Processing or Oil & Gas Free Zones.

1.0 Introduction

The Finance Act, 2020 amended Section 18(1)(a) of the Nigeria Export Processing Zone Act (NEPZA) and the Oil and Gas Export Free Zone Act (OGEFZA). By the amendment, approved enterprises operating within the respective zones are required to render tax returns in line with relevant tax legislation in Nigeria.

The amendment specifically prescribed mandatory filing obligation on the enterprises with penalties for failure to comply with the requirements of the provisions of Section 55(1) of CITA. This Circular is to clarify the mandatory filing obligations of approved enterprises operating within the Zones.

2.0 Scope, Purpose and Application of the Guidelines

This Circular is issued pursuant to the provisions of the Federal Inland Revenue Service (Establishment) Act 2007 (as amended), the Companies Income Tax Act, Cap. C21, LFN 2004 (as amended), the Nigeria Export Processing Zones Act (as amended) and the Oil and Gas Export Free Zone Act (as amended).

The Circular provides guidance on the tax obligations of approved enterprises operating in the relevant Zones.

The contents of this circular is applicable to all approved enterprises in the Export Free Zones, the Oil and Gas Export Free Zone or similar Zones

3.0 Scope of Licenses Issued by the Authority

Licenses issued by the Authority or Management of the Zones are valid only within the relevant zones. Accordingly, an approved enterprises carrying on businesses in the Customs Area shall comply with the tax laws applicable in the area.

NOTE:

An unapproved enterprise or an enterprise whose license either expired or is withdrawn but still operating within the Zones is liable to pay all relevant taxes imposed by Federal, State or Local Governments. As such, the tax reliefs under the Nigeria Export Processing Zones Authority Act or the Oil and Gas Export Free Zone Authority Act, shall not apply to such entity.

4.0 Submission of Tax Returns by Approved Enterprises to Federal Inland Revenue Service

Section 55(1) of CITA mandates every company, including a company granted exemption from incorporation to file a self-assessment return with the Service in the prescribed form at least once a year. The requirement to file self-assessment return is mandatory irrespective of whether or not the company is liable to pay tax under the tax laws for the year of assessment. It is also required that tax returns shall be filed with or without notice from the Service.

The provisions of Section 18(1)(a) of the Nigeria Export Processing Zones Act and the Oil and Gas Export Free Zone Act (as amended by the Finance Act, 2020), require approved enterprises operating within the Zones to comply with the filing requirements in Section 55(1) of CITA.

5.0 Contents of Tax Returns to be Submitted to Federal Inland Revenue Service

The tax returns shall contain:

- a. Audited Accounts;
- b. Tax and Capital Allowances Computations;
- c. A true and correct statement in writing containing the amount of profit from each and every source, where applicable;
- d. Duly completed Self-Assessment Form as prescribed by the Service and attested to by a Director or Secretary of the Enterprise.
- e. Evidence of payment of the whole or part of the tax due (if any), into a collecting or designated bank.
- f. Schedules showing the computation of profits arising from transactions carried out:

- i. within the Customs Area, and
- ii. with other countries (i.e. outside the Customs Area).

NOTE that the tax returns shall be submitted at tax offices designated by the Service for that purposes also MTO's within the geographical Zone where the office is situated.

6.0 Other Statutory Obligations of Approved Enterprises

In addition to its obligation to file tax returns to the appropriate tax office, approved enterprises are required to:

- i. Register with the Service and obtain Tax Identification Number (TIN);
- ii. Maintain proper books of accounts (for the purposes of preparing the tax returns;
- iii. Maintain accurate record of employees;
- iv. Deduct Pay As You Earn (PAYE) from employees' emoluments and remit same to the relevant tax authority;
- v. Pay income tax as and when due in respect of transactions within the Customs Area in line with Section 23 (1) (s) of CITA;
- vi. Comply with the Transfer Pricing Regulations in respect of transactions between the enterprise and related parties; and
- vii. Perform such other obligations as may be required by extant laws.
- viii. Deduct WHT from transaction done with the company within the custom territory where applicable

7.0 Penalty for Non-Compliance

In line with the provisions of Section 18 (1) (a) of NEPZA and OGEFZA (as amended by the Finance Act, 2020), failure to comply with the above requirements shall attract appropriate penalties under CITA, the Federal Inland Revenue Service (Establishment) Act and other relevant tax laws.

8.0 Amendment or Revision of the Circular

The Service may, at any time, withdraw or replace this Circular or publish an amended or updated version.

9.0 Enquiries

Any request for further information or clarifications on this Information Circular should be directed to the:

Executive Chairman,
Federal Inland Revenue Service,
Revenue House,
15, Sokode Crescent,
Wuse Zone 5, Abuja.

Or

Director, Tax Policy and Advisory Department,
Federal Inland Revenue Service,
Revenue House Annex 4,
12, Sokode Crescent,
Wuse Zone 5, Abuja.

Or

Email: tpld@firs.gov.ng