

# Nigeria's Tax Amnesty

KPMG in Nigeria

December 2017

## Overview

On 29 June 2017, the then Acting President of Nigeria, Prof. Yemi Osinbajo, signed Executive Order No. 004 for the implementation of the Voluntary Assets and Income Declaration Scheme ("VAIDS", hereafter referred to as "the Amnesty").

The Amnesty offers a time-limited opportunity for taxpayers to regularize their tax status relating to previous tax periods and pay the taxes due with certain benefits. Further details on the Amnesty are provided by the Nigerian authorities on their website [www.vaids.gov.ng](http://www.vaids.gov.ng)

## Eligibility for the Amnesty

The Amnesty is available to all individuals and entities that are in default of their tax liabilities, including those who are non-resident in the country and those undergoing tax audit or investigation or in dispute with the tax authorities at the Tax Appeal Tribunal or the regular courts.

## Period of the Amnesty

The Amnesty started on 1 July 2017 and will last for 9 months until 31 March 2018.

## Taxes and years of assessment covered by the Amnesty

The Amnesty covers all State and Federal taxes, including personal income tax, capital gains tax, corporate income tax, petroleum profits tax, tertiary education tax, value added tax, and withholding tax. Eligible tax payers

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are to disclose their assets, income and gains from sources within and outside Nigeria, taxes paid, if any, and outstanding taxes for the preceding six years of assessment (i.e., 2011 to 2016).

## Benefits of the Amnesty

The Amnesty provides for the following benefits:

- immunity from prosecution for tax offences;
- immunity from tax audit;
- waiver of interest;
- waiver of penalties; and
- option of spreading payment of outstanding liabilities over a maximum period of three years, as may be agreed with the relevant tax authority. However, in this case, interest will be charged on the outstanding balance.

Any waiver arising from the Amnesty shall not prejudicially affect or invalidate any court order or judgment already obtained with respect to taxes for which penalty and interest have already accrued.

## Process of application for the Amnesty

The disclosure must be made using the prescribed forms (available on [www.vaids.gov.ng](http://www.vaids.gov.ng)), which must be complete



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and verifiable in all material respects.

Amongst the information to be provided in the prescribed forms are the following:

- taxpayer's detailed personal information and tax history (i.e., details of tax payments made from 2011 to date);
- declaration of assets and disclosure of their sources of funding;
- list of all assets disposed of within the period, including description of asset, date of acquisition, acquisition cost, date of sale, buyer and sales proceeds;
- information on all incomes and gains derived.

All assets owned, whether directly or indirectly (e.g., held in the name of a nominee), must be declared.

The taxes due under the Amnesty must be paid to the relevant tax authority quoting the taxpayer's full name and tax identification number as a reference.

Within the Amnesty period, an applicant can file an amended declaration if further tax liabilities are identified.

The tax authorities will review the information filed by the taxpayer and are entitled to request additional information and documents, such as books, account statements, returns and others, if necessary. It is advisable for tax payers to attach and/ or keep with them all the documentation supporting their declaration.

#### **Confidentiality of information disclosed**

The Executive Order provides that all the information filed by the taxpayer under the Amnesty will be treated with confidentiality by the authorities. Any tax official or person duly authorized to receive information under the Amnesty who breaches the confidentiality of information shall be liable to prosecution under the relevant laws.

#### **How can KPMG assist?**

KPMG can work with taxpayers to benefit from the Amnesty and regularize their tax positions by:

- conducting a tax health check on the taxpayers' affairs to determine gaps in tax compliance during 2011 to 2016 tax years of assessment
- providing support to the taxpayers to complete and submit the relevant disclosure forms / documentation required to remediate their tax positions
- providing necessary support to the taxpayers during the verification exercise that the relevant tax authority may conduct and liaising with the tax authority until settlement of the agreed liabilities
- providing advice to, and assisting, the taxpayers on their future tax compliance

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For further enquiries, please contact:



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