



# Tax Alert

Issue 12.5 | December 2019



## Countdown to Country-by-Country Reporting filing deadline for companies with 31 December year-end

It is now **8 working days** to the deadline for the statutory filing of Country-by-Country (CbC) reporting notification and Country-by-Country Report (CbC Report) for companies with 31 December accounting year-end date.

The Income Tax (Country-by-Country Reporting) Regulations, 2018 ("the Regulations") requires Nigerian-headquartered Multinational Enterprise (MNE) Groups with minimum consolidated revenue of **₦160 billion** to file a CbC Report with the Federal Inland Revenue Service (FIRS) within 12 months from the reporting accounting year end of the company. Hence, for 2018 financial year, the CbC Report is due by 31 December 2019.

Also, Nigerian resident members of MNE Groups headquartered outside Nigeria are required to notify the FIRS of the identity and tax jurisdiction of the entity that will be responsible for filing the CbC Report where the Group has a consolidated revenue of **€750 million**, or near equivalent in the domestic currency of the jurisdiction of the Ultimate Parent Entity (UPE) or Surrogate Parent Entity (SPE). The above notification is to be done by the last day of the reporting year end of the Group.

The Regulations also provides for a "secondary filing" of CbC Reports in Nigeria. This applies to Nigerian members of MNE Groups with Ultimate Parent Entities (UPE) in jurisdictions that do not have an agreement (Qualifying Competent Authority Agreement) in place to enable the automatic exchange of the Group's CbC Report with Nigeria.

Failure to file the CbC Report with the FIRS by the due date attracts an administrative penalty of **₦10 million** in the first instance, and **₦1 million** for every month in which the failure continues, while the failure to make a notification to the FIRS attracts an administrative penalty of **₦5 million** in the first instance and **₦10,000** for every day in which the default continues.

To avoid penalties for default, companies with these obligations should take the necessary steps to ensure compliance by 31 December 2019. Specifically, companies should ensure the filing of their Group CbC Report for 2018 financial year and CbC notification forms for 2019 financial year.

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