

Key Changes & Overview of Compliance:

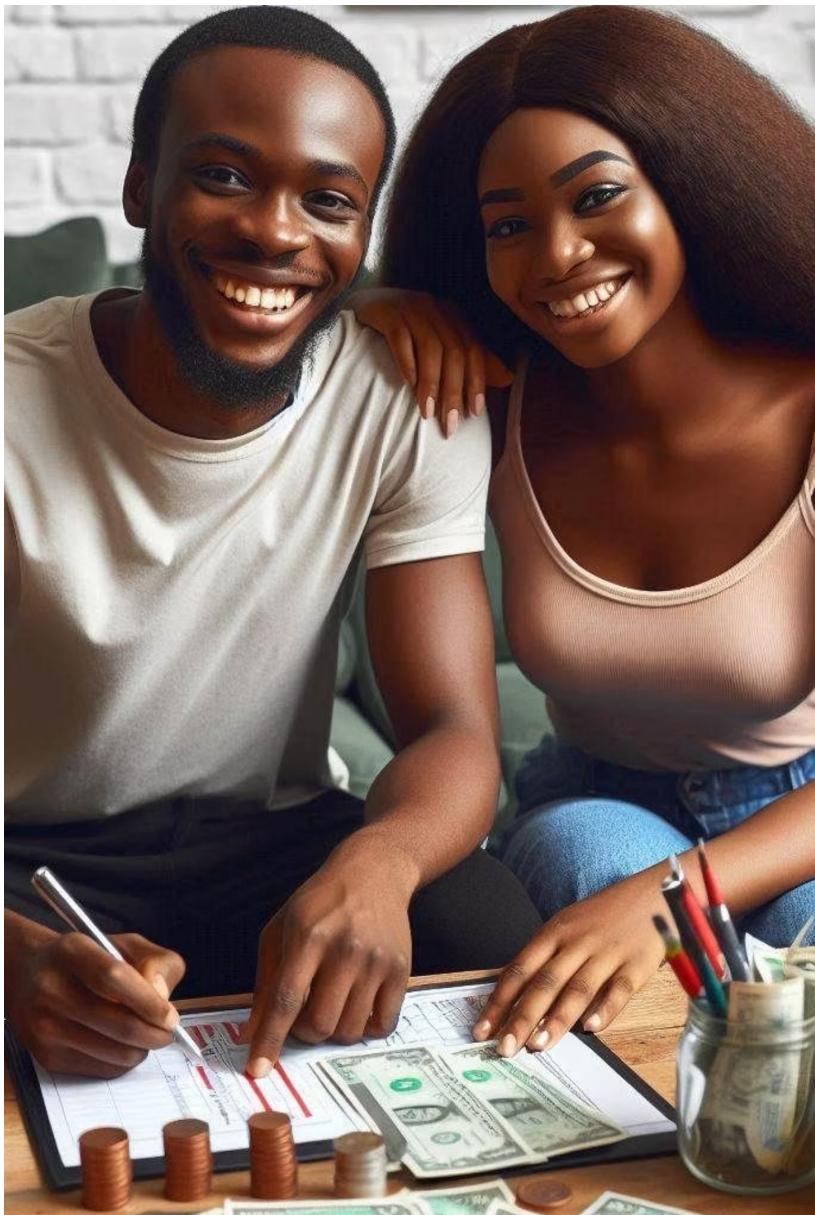
Thematic Overview | What Changed vs What Stayed |

Agenda

- Key Changes by Thematic Area
- What Changed vs What Did Not
- Communication & Training Messaging
- Q&A

Introduction

- Nigeria's tax system was modernised under the 2025 Tax Reform Acts.
- **Key goals:** Harmonisation, simplify compliance, modernise digital administration, and encourage investment.
- This presentation breaks changes down by theme and highlights compliance responsibilities.



Individual Income Tax & Reliefs

0%

Tax Rate

Tax rate on the first N800,000 of annual income.

0-25%

Progressive Scale

Individuals taxed on a sliding scale, Low-income earners will pay less income tax. high-net-worth individuals paying 1% more.

N500K

Rent Relief

Introduction of a significant rent relief amount.

National Minimum Wage is exempt from tax.

S/N	OLD - BAND	RATE
1.	First N300,000	7%
2.	Next N300,000	11%
3.	Next N500,000	15%
4.	Next N500,000	19%
5.	Next N1,200,000	21%
6.	Above N3,200,000	24%

NEW - BAND	RATE
First N800,000	0%
Next N2,200,000	15%
Next N9,000,000	18%
Next N13,000,000	21%
Next N25,000,000	23%
Above N50,000,000	25%

Corporate Income Taxation Changes

BUSINESSES
RECLASSIFIED TO SMALL
(TURNOVER UP TO N100M)
AND LARGE >N100M.

TAX RATES:
SMALL COY. - 0%;
LARGE COY - 30% (TO BE
REDUCED TO 25%).

EARMARKED TAXES (TET,
NITDAL, ETC.)
CONSOLIDATED INTO A 4%
DEVELOPMENT LEVY.

MINIMUM TAX IS REPEALED
FOR LOSS-MAKING
COMPANIES.

EFFECTIVE TAX RATE OF
15% FOR MNES. WITH
GLOBAL TURNOVER OF
€750M AND LARGE COY.
WITH N50B GROSS
TURNOVER

- TAX ON CAPITAL GAINS
HARMONISED WITH INCOME
TAX
- ALL LOSS ALLOWED
DEDUCTION FROM PROFIT)

Taxation of Capital Gains — Inclusion & Progressive Rates

- CGT broadened to include digital and intangible assets.
- Individuals now taxed at progressive rates; companies at defined statutory rates.
- Clearer exemptions for primary residences and defined asset classes.
- Allowable loss reliefs
- Incentives for disposal of shares up to N150m, with proceeds of N10m annually or amount reinvested
- Enhanced reporting of gains from share disposals, digital assets, property, and business transfers.
- CGT returns must align with income tax filings.

Value Added Tax (VAT)

Key Provisions

- ❑ VAT rate **remains at 7.5%**
- ❑ All input tax (including on fixed assets, overheads and services) can be recovered from output tax.
- ❑ Legal framework for fiscalisation and e-invoicing introduced
- ❑ VAT refund within 30 days of application without prior audit
- ❑ Small Business (turnover N100m or less, relieved of VAT obligations.

Improved VAT Refund System

AGF to set aside funds for VAT refund claims before sharing.

Penalty, including blacklisting or prosecution, for false or fraudulent VAT refund claims.

Exempt from VAT (13 Classes)

- ❑ Goods for humanitarian donor-funded projects.
- ❑ Baby products;
- ❑ locally manufactured sanitary products.
- ❑ Public transport service,
- ❑ land, or building, & interest in land & building

Zero-Rate VAT (18+ Classes)

- Basic food items.
- All medical and pharmaceutical products and services
- Educational books and materials, and tuition (nursery to tertiary).
- Fertilisers and medicinal herbal products.

Informal Sector and Presumptive Taxation

Section 29 of NTA provides for a Presumptive Taxation

- Applies where a person's income cannot be accurately determined.
- Tax is assessed on a presumed income basis, mainly for the informal sector.
- Assessment relies on objective indicators such as nature of business, turnover estimates, and industry benchmarks.
- The Minister of Finance is to make prescribed regulations, based on advice from the Joint Revenue Board.
- Aims to simplify compliance and broaden the tax base without undue burden.

Mobile and digital platforms may be used for declarations.

Thresholds designed to reduce compliance burden for small operators.

Informal taxpayers must register for Tax ID.

Presumptive tax liabilities may be paid through mobile and bank channels.

The JRB is already working with SIRS to develop a presumptive tax regulation

Harmonisation of Taxes & Levies

- Multiple minor levies consolidated under unified frameworks to reduce multiplicity.
- Overlapping state and federal levies streamlined.
- Elimination of duplicative collection mechanisms.

Compliance Highlights

- Taxpayers receive clearer obligations and fewer overlapping filings.
- Compliance now focuses on uniform standards across jurisdictions.

Repealed & Amended Legislation

Repealed Tax Laws	Ammended Laws
1) Capital Gains Tax Act, 2) Casino and Gaming Tax Act; 3) Companies Income Tax Act; 4) Deep offshore and Inland Basin Act; 5) Industrial Development (Income Tax Relief) Act; 6) Income Tax (Authorised Communications) Act; 7) Personal Income Tax Act; 8) Petroleum Profits Tax Act; 9) Stamp Duties Act; 10) Value Added Tax Act; and 11) Venture Capital (Incentives) Act.	1) The Petroleum Industry Act. 2) The Nigeria Export Processing Zones Act. 3) The Oil and Gas Free Zone Act. 4) The National Information Technology Dev't. Agency Act. 5) The Tertiary Education Trust Fund (Est, Etc.) Act, 2011. 6) The National Agency for Science and Engineering Infrastructure (Establishment) Act. 7) The National Lottery Act 8) The Nigerian Minerals and Mining Act. 9) The Nigeria Start-up Act, 10) The Export (Incentives and Miscellaneous Provisions) Act. 11) The Federal Roads Maintenance Agency (Establishment, Etc.) 12) The Cybercrime (Prohibition, Prevention, Etc.) Act.

VAT is suspended on:

- Petroleum products ;
- renewable energy equipment ;
- compressed natural gas (CNG);
- Liquefied Petroleum Gas (LPG);
- other gaseous hydrocarbons

Harmonised Taxes

- All taxing provisions in all laws in Nigeria have been harmonised into the NTA and NTAA.
- Development levy, harmonises all earmarked taxes on corporate income

What remains

- Fundamental principles of tax registration,
- income definitions, and
- taxpayer obligations remain.

Compliance Requirements

Register and obtain a Tax Identification (Tax ID) – (persons, MDAs, Non-residents)

Notification of change of address;

Maintain books of account

Periodic filing of tax returns and use of fiscalised devices and e-invoicing.

Tax incentives returns.

Quarterly returns to be delivered by bankers (N25m – Ind & N100m- Coy).

Returns for Virtual Assets Service Providers

Disclosure of tax planning schemes

Accreditation of tax agents

Transitional Provisions & Timelines

Transition periods provided for e-invoicing and digital systems adoption.

Grandfathering rules for existing assessments under old statutes.

Compliance deadlines per tax type (PIT, CIT, VAT, CGT, Presumptive).
Action Steps for Taxpayers

Audit systems and processes against new requirements.

Update accounting and ERP systems for digital compliance.

Communication and Training Messaging

- “*This change affects what you report, not whether you pay tax.*”

Focus on the benefits:

- predictability, transparency, digital convenience.
- Tailoring messages to:
 - Income Tax Reliefs for MSMEs
 - Clarity and structured taxation rules for Informal sector operators
 - Professionals and corporates to note new compliance requirement
 - Exemption of profits of NGOs and Faith-Based Organisations
 - Governments and MDAs to collaborate
- Managing resistance, fear, and political narratives

Scenario Exercise

How do you respond to a room sceptical that tax reform means higher taxes?

What mistakes should trainers avoid when explaining reforms?”