BANK statement "transaction" import and export

My concern is valid and addresses a very common reality in the Nigerian banking landscape. Under the Nigeria Tax Act 2025 (NTA) and the new data-driven administration, the tax authorities are aware that total **inflows** do not equal **income**.

Here is the specific operational protocol for "flagging" these transactions to ensure you are not taxed on your own money moving between accounts.

1. The "Narration" Protocol (Your Primary Flag)

The most immediate way to "flag" a transaction is through the **Transfer Description (Narration)** field in your bank app. Under the new regime, this field is no longer for casual messages; it is a legal record.

- **For Self-Transfers:** When moving money from your salary/business account to a savings account, **never** leave the description blank or use vague terms like "money" or "flex".
  - **Correct Flag:** Use the format: **"SELF TRF TO - SAVINGS"** or **"INTERNAL TRF - NOT INCOME"**.
- **Why it works:** If you are audited, the first thing tax officers (or their automated systems) look for are keywords in the narration. A description that explicitly says "Self Transfer" matches the sender's name (You) to the receiver's name (You), instantly classifying it as a **non-taxable liquidity event** rather than income.

2. The "Contra-Entry" Defense

Since all your bank accounts are now linked to your **Unified TIN** via your BVN/NIN, the Joint Revenue Board's system can theoretically see all your accounts at once.

- **How it works:** If the tax authority's algorithm flags a ₦1,000,000 inflow into your savings account as "suspected income," your defense is the **Contra-Entry**.
- **The Proof:** You must be able to show the corresponding **Debit Alert** from your source account on the **same date** for the **exact same amount**.
- **Actionable Step:** When filing your annual tax returns (or if queried), you simply present the two bank statements side-by-side. The debit in Account A cancels out the credit in Account B. This proves no *new* wealth was created; it was merely moved.

3. Separation for "IG Sellers" and Small Businesses

For IG sellers using personal accounts for business, the risk is higher because "Business Turnover" is used to determine if you are a "Small Company" (0% tax) or a "Large Company" (30% tax).

- **The Trap:** If you receive ₦5m in sales into Account A, and move it to Account B for safekeeping, the system might see ₦5m inflow in A + ₦5m inflow in B = ₦10m Total Turnover. This could push you into a higher tax bracket or over the VAT threshold.
- **The Solution:**
  1. **Open a Corporate Account:** Even as a sole proprietor, open a "Business Name" account. Use this **only** for customer payments.
  2. **The "Salary" Method:** When you want to withdraw money for yourself, transfer a fixed amount to your *personal* account and label it **"DRAWINGS"** or **"DIRECTOR SALARY"**.
  3. **Effect:** The tax authority then sees Account A as "Revenue" (Taxable) and Account B as "Personal Income" (Already taxed via Personal Income Tax). They will not double-count the flow because the narration clearly defines the relationship between the two accounts.

4. Stamp Duty (EMTL) Exemption

You mentioned "transferring... to a bank that doesn't charge too many fees." Note that under the new regulations, **intra-bank transfers** (transfers between your own accounts within the same bank) and **salary payments** are typically exempt from the ₦50 Electronic Money Transfer Levy (Stamp Duty). However, interbank transfers (e.g., GTB to OPay) usually incur a fee. This ₦50 charge is a transaction levy, not an income tax, so paying it does not admit that the money is "income."

Summary Checklist for Safety

1. **Use Consistent Names:** Ensure the name on Account A matches the name on Account B exactly.
2. **Narration is King:** Always type **"SELF TRANSFER"** in the description.
3. **Keep Digital Receipts:** Save the receipt of the transfer. If an audit bot flags the inflow 2 years later, that receipt is your "Get out of Jail Free" card.

The Solution

I Analsyted to bank statement. This is my verdict.

Based on my detailed breakdown and the bank statements provided (UBA and Kuda), you are building a robust "General Ledger" system. However, the **Nigeria Tax Act 2025 (NTA)** and **NTAA 2025** introduce specific compliance traps that your current architecture might miss if it relies solely on user self-attestation.

Here is the technical breakdown of what you need to extract from the PDF imports, along with the specific features you must add to bridge the "Compliance Gap."

Part 1: Critical Data Extraction from Bank Statements

When a user imports a PDF (like the Kuda or UBA statements you uploaded), your parser must extract and tag the following specific data points to automate compliance:

Data Point	Why it matters for NTA 2025	Logic/Action Required
Counterparty Name	**Self-Transfer Defense:** To prove a transfer is not income, the "Sender Name" must match the "User Name."	**Algorithm:** If Sender_Name fuzzy matches User_Name, auto-tag as **"Internal Transfer (Not Income)."** This protects users from being taxed on their own savings.
Narration Keywords	**Income Classification:** Narrations determine if an inflow is "Trade Income" (Taxable) or "Loan/Gift" (Non-Taxable).	**Regex Filter:** Scan for keywords like "Loan", "Gift", "Refund", "Upkeep". If found, auto-flag as **"Non-Taxable Inflow"** (Yellow warning for user to confirm).
"WHT" or "Tax" Deductions	**Tax Credit Evidence:** The UBA statement shows "WHT ON Interest". This is tax already paid.	**Action:** Extract these lines and auto-populate a **"Tax Credits"** ledger. This reduces the user's final tax liability.

"Stamp Duty" / "EMTL"	**Expense Claim:** The ₦50 charges are valid business expenses for corporate accounts.	**Action:** Auto-categorize all ₦50 debits as **"Bank Charges"** (Deductible). Do not ask the user to categorize these ₦50 lines manually; it causes fatigue.
POS / "Web Payment"	**VAT Input Claim:** "Web Payment" (like Netflix in the Kuda statement) or POS payments often include VAT.	**Action:** If a debit is tagged "POS" or "Web", trigger the **"Receipt Hunter"** to ask: *"Does this receipt show VAT?"* (Crucial for Input VAT recovery).

Part 2: New Features to Add (Closing the "Gap")

To move from a "General Ledger" to a "Tax Compliance Engine," you need to add these four specific modules.

1. The "Crypto & Digital Asset" Watchdog

- **The Problem:** NTA 2025 specifically taxes profits from digital assets. The Kuda statement might show inflows from "Binance", "Quidax", or "Bybit".
- **The Feature: Digital Asset Detection.**
  - *Logic:* Scan narrations for known crypto exchange names.
  - *Action:* Flag these inflows as **"Digital Asset Disposal"**.
  - *Compliance:* Prompt the user: *"Is this a capital gain (sale of asset) or trade income?"* This distinguishes between Capital Gains Tax (10%) and Income Tax.

2. The "Expense Guardrails" (Solving your "Gap")

You mentioned the system doesn't block "Personal" users from claiming "Corporate" expenses. Here is the logic to fix that:

- **Logic Rule:** Create two distinct "Expense Dictionaries."
  - **Dictionary A (Corporate):** Includes "Directors' Fees," "Incorporation Expenses," "Head Office Rent."
  - **Dictionary B (Personal/Enterprise):** Includes "Shop Rent," "Trade Materials," "Transport."
- **The Feature: Dynamic Category Filtering.**
  - If User_Type == "Individual/Freelancer": **Hide** Dictionary A categories.
  - If they try to force a custom entry (e.g., "Director Fee"), pop up a **"Compliance Blocker"**: *"Warning: This expense is typically disallowed for individuals under NTA 2025. Are you sure?"*

Summary of UI Updates

1. **Transaction List:** Add a column for **"Tax Status"** (Taxable / Non-Taxable / Exempt).
2. **Upload Modal:** When importing the PDF, add a checkboxlabeled "Is this a Personal or Business account?" (This sets the logic for the entire import).