PAYE TAX RELIEF

Business Requirements Document (BRD)

Version 1.0

This document details the functional activities that the Product/Solution must be able to perform in order to meet the needs of the stakeholders. It will detail the exact inputs, behaviours and outputs expected. This document is important because it serves as a reference point for verification during testing of the final product. Examples include calculations, interpretation, processing and formatting.

Document History

The following revision history reflects all changes made to this document:

Version	Date	Author(s)	Comment/Summary of Updates
1.0	25-11-2025	Delphine Osunkwo	Initial draft
1.1	11-12-2025	Delphine Osunkwo	Updates: **1.** Objectives **2.** Scope **5.** Functional Requirements

Supporting Documents

Document Name	Author(s)	Location
NA	NA	NA

1 Introduction

The Federal Government of Nigeria has amended the Personal Income Tax Act, introducing rent-based reliefs for taxpayers. To comply with this requirement, the organization must collect accurate staff residential and rent information.
The request is to create an automated platform to capture this information for PAYE tax-relief processing.

The new legislation becomes effective **January 1, 2026**, creating urgency for the project.

1.1. Objectives

- Automate the collection of staff residential and rent/mortgage information. Only Staff Mortgage Loan will be considered at the moment
- Ensure compliance with amended Personal Income Tax provisions.
- Provide an accurate dataset for computing rent and mortgage interest payment related tax reliefs.
- Centralize information for Payroll/Tax Unit use and statutory reporting.

2. Scope

The in-scope and out of scope is as defined below:

2.1. In scope

Phase 1

- Development of an automated web-based data-capture platform.
- Secure storage of all captured records for compliance and audit.
- System capability to perform basic calculations required for PAYE tax relief (based on rent and mortgage data supplied).
- Ability to download reports for Tax/Payroll purposes.
- Platform should allow upload of relevant supporting documents.

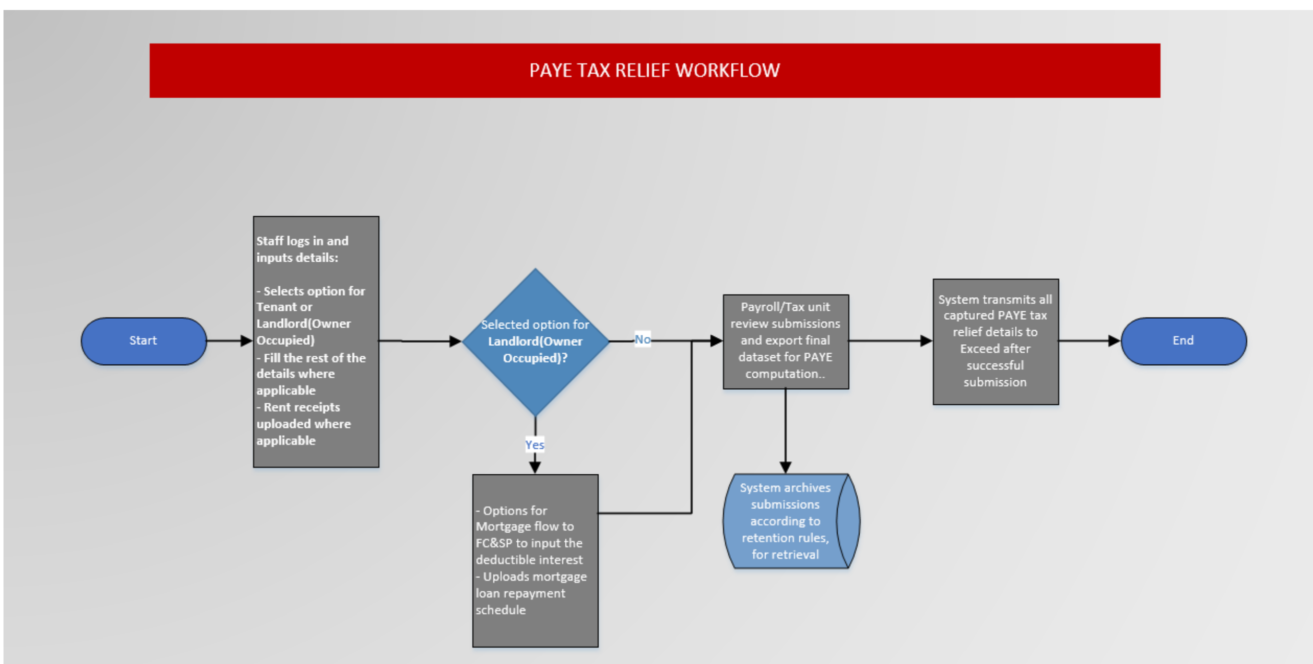
Subsequent Phases:

- Relief for Life Insurance

2.2. Out of Scope:

- Any form of workflow or approval process.
- Integration with external tax-authority systems.
- Advanced tax computation engines beyond the required rent-based calculation.
- Mortgage Loans issued by other banks

3. Process Description



1. Staff logs into the platform with their credentials.
2. System displays the digital rent-and-residential information form
3. Staff enters details. The data fields include:
   i. Surname
   ii. First name
   iii. Middle Name
   iv. Number
   v. Employee
   vi. Level Branch
4. Staff selects from Ownership Type from drop down option:
   i. Tenant
   ii. Landlord (Owner occupied residence)
5. Staff enters the following details where applicable:
   - Tenant Address
   - Land Lord name
   - Land Lord Address
   - Residence Type: options include:
     - 1 Bedroom
     - 2 Bedroom
     - 3 Bedroom
     - 3 or more Bedroom
     - Duplex
   - Select option: Rent Paid/ Interest Payable
   - Start Date
   - End Date
   - Rent Relief/ Mortgage Relief
6. Uploads supporting documents. (Invoice/ Receipt)
7. System performs real-time validation for completeness, errors are flagged for correction.
8. Staff reviews the preview page;
   - ✓ System display a confirm message informing staff that by clicking Submit, they confirm the information provided is complete and accurate.
   - ✓ Staff submits the form.
9. System confirms submission, timestamps it, and stores the record and documents under the staff profile for the applicable tax year.
   - **For Tenant option only:** System applies the rent-relief formula and attaches the computed relief value to the staff record.
     - ✓ The system will compute eligible PAYE Rent Tax Relief as 20% of the declared annual rent amount, capped at a maximum allowable relief of ₦500,000.
   - **For Landlord option:**

i. PAYE relief for staff who select “Landlord” under Ownership Type is based only on the interest deductible for the applicable tax year, not the full mortgage repayment.
ii. It flows to FC&SP. The deductible-interest figure is provided exclusively by FC&SP.
iii. FC&SP supplies the payment schedules as supporting document.
iv. The system records and applies the interest amount submitted by FC&SP as the official value for PAYE relief computation.
v. The process ensures consistency, prevents staff from entering inaccurate mortgage figures, and maintains alignment with tax rules and internal financial controls.

10. Payroll/Tax Unit users log in, view aggregated submissions, extract data in Excel/CSV, and retrieve historical records for PAYE relief processing.
11. System archives older submissions according to retention rules.
12. At cycle close, Payroll/Tax Unit exports the final dataset for PAYE computation; system preserves all records for audits

2 Functional Requirements

S/N	Requirements
1.	**User Authentication and Access** ▪ The system should allow staff to securely authenticate using their login credentials. ▪ The system should restrict access so that only active staff can submit residential and rent information. ▪ The system should provide role-based access for Tax unit, and IC&A to view, extract, and manage data. ▪ The system should prevent unauthorized access to sensitive residential information and display an error message where access is denied.
2.	**Data Capture and Form Completion** a. The system should provide functionality of the full approved residential and rent information template for completion by staff.

	▪ Data fields should include: i. Surname ii. First name iii. Middle Name iv. Number v. Employee vi. Level Branch ▪ Functionality to allow Staff select Ownership Type from a drop down menu. Options should include: i. Tenant ii. Landlord (Owner occupied residence) ✓ Only one option ca be selected. ▪ Staff enters the following details where applicable: vii. Tenant Address viii. Land Lord name ix. Land Lord Address x. Residence Type: options include: ▪ 1 Bedroom ▪ 2 Bedroom ▪ 3 Bedroom ▪ 3 or more Bedroom ▪ Duplex xi. Functionality to allow Staff select option: Rent Paid/ Interest Payable. (This is driven by the option selected under Ownership type.) xii. Start Date xiii. End Date xiv. Rent Relief/ Mortgage Relief b. The system should enforce completion of all fields before submission. c. The system should allow staff to upload supporting documents such as rent receipts/invoice. d. The system should validate uploaded documents to ensure format, size, and completeness meet defined business rules. e. The system should provide a preview for staff to review and confirm accuracy before final submission. f. System should display a confirmation message informing staff that by clicking Submit, they confirm the information provided is complete and accurate.
3.	**Data Storage and Record Management** ▪ The system should store all submitted residential and rent information in a structured database for Tax reference. ▪ The system should retain historical records to support statutory audit requirements.

	▪ The system should maintain each submission as a unique entry per tax year to prevent overwriting previous records.
4.	**Rent Relief Calculation** ▪ The system should perform basic rent-relief calculations using rules provided by the Payroll/Tax Unit. ✓ The system must calculate **20% of the Annual Rent Paid** and compare this calculated value **against the Maximum Relief Limit (₦500,000)**. ✓ The lower of these two figures is the final Rent Relief amount applied as a deduction. ▪ The system should ensure that all formulas used for rent-based tax relief are applied consistently across all staff submissions. ▪ The system should store calculated relief results along with the staff submission record for reporting and payroll reference.
5.	**Capture of Mortgage Information** ▪ The deductible mortgage interest amount used for PAYE relief computation is to be provided exclusively by FC&SP. ▪ The applicable end date for interest payable must not extend beyond 31 December of the relevant tax year, to align with the annual reset of interest payable for each tax year. ▪ FC&SP is responsible for uploading the approved loan repayment schedule (amortization schedule) for each staff member. ▪ Staff are not permitted to enter any figures related to mortgage interest within the PAYE relief form. ▪ The system needs to prevent submission if the deductible interest amount is missing or has not been uploaded for the staff's loan record. ▪ The system needs to ensure that only FC&SP and other authorized roles can upload or update the repayment schedules and associated deductible amounts. ▪ Any updates made by FC&SP to the deductible interest amount need to be logged with timestamps and user details for audit purposes.
6.	**System Integration Requirement – Data Transmission to Exceed** ▪ The system should transmit all captured PAYE Tax Relief details from the digital forms to Exceed after successful submission and validation.

	▪ The transmission should be implemented through an automated process that inserts the captured data into the appropriate Exceed database tables. ▪ The system should map each form field to the corresponding Exceed database field to ensure accurate data alignment, including staff identifiers, computed relief value, start and end dates, etc. ▪ The system should ensure that all inserted records comply with Exceed's existing data structure, formats, and validation rules. ▪ The integration process should run in real time or near real time to ensure Exceed maintains up-to-date tax relief information for payroll computation. ▪ Appropriate security controls should be enforced, including authentication, audit trails, and restricted access to the integration layer.
7.	**Export and Reporting** ▪ The system should allow Tax personnel to export all staff submissions in Excel or CSV formats. ▪ The system should provide summary views showing aggregated data required for PAYE tax-relief reporting. ▪ The system should enable retrieval of historical reports for previous tax years. ▪ The system should display data in real time based on newly submitted staff entries. ▪ Reports should be readily available for download in the required formats and accessible on demand to support routine operational requests.
8.	**Reporting and Inquiry** i. The system must provide functionality for authorized users to inquire and search for requests using various criteria, including: ▪ Staff ID ▪ Branch ▪ State ii. The system should generate an Activity/Status Report providing a summary of all requests and their current status, filterable by all search criteria. iii. All reports and inquiry results should have the functionality to be exported to common formats (e.g., CSV, PDF, Excel).

9.	**Notifications and Submission Feedback** ▪ The system should send a confirmation notification to staff after a successful submission. ▪ The system should notify staff of incomplete submissions and prompt them to provide missing information. ▪ The system should send reminders to staff who have not submitted their information.
10.	**Platform Performance and Availability** ▪ The system should load form pages and submission screens within acceptable performance thresholds during peak usage. ▪ The system should scale to support simultaneous submissions from all staff without performance degradation

4. User Roles and Permissions

User Roles and Permissions			
S/N	**User Role**	**Function**	**Permission**
1.	**Staff User**	Initiator	a. Submit rent/mortgage and residential information. b. Upload supporting documents. c. View previously submitted information. d. Receive submission confirmations and reminder notifications.
2.	**FC&SP (Payroll/Tax Unit User)**	Reviewer	a. View all staff submissions. b. Export data in Excel or CSV format. c. Access calculated rent-relief values. d. Input mortgage loan repayment information

			e. Upload mortgage loan repayment plan. f. View historical submissions and summary reports.
3.	**IT Operations**	User Management	a. Manage user access and assign roles. b. Configure form fields and system settings. c. Manage document storage, archival, and retention rules. d. Access audit logs and system activity records. e. Monitor system performance and manage backups.
4.	**Audit/View Only**	Auditor	a. View all reports and audit trails (read-only).

5. Non-Functional Requirements

Information Security Requirements where Applicable

S/N	Requirements
1.	**Authentication & Access Control** ▪ Mandatory user authentication using unique staff credentials. ▪ Enforce Multi-Factor Authentication (MFA) for all privileged accounts. ▪ Role-based access control (RBAC) restricts access to staff and Payroll/Tax Unit users only. ▪ Automatic session logout after 10 minutes of inactivity. ▪ Limit login attempts to defend against brute-force attacks (e.g., lockout after 5 failed attempts).
2.	Session Management

	▪ Use secure, HTTPOnly, and SameSite cookies for session identifiers. ▪ Regenerate session tokens upon login and privilege elevation. ▪ Prevent concurrent sessions for the same user (optional based on policy).
3.	Data Security & Encryption ▪ Encrypt sensitive data in transit using TLS 1.2+. ▪ Encrypt stored records and uploaded documents using strong encryption (AES-256). ▪ Hash passwords using PBKDF2, bcrypt, or Argon2. ▪ Encrypting personally identifiable information (PII) fields at the application layer.
4.	Input Validation & Data Integrity ▪ Perform server-side validation for all form fields. ▪ Sanitize user inputs to prevent XSS, SQL Injection, and injection attacks. ▪ Validate file uploads: type, size, extension, and scan with antivirus
5.	File Upload & Document Security ▪ Strip metadata from uploaded documents where feasible. ▪ Store files in a non-public directory with randomised filenames. ▪ Execute malware scanning on all uploaded documents
6.	Logging & Monitoring ▪ Log authentication attempts, data submission, export actions, and administrative activities. ▪ Protect logs from modification and ensure secure storage. ▪ Enable audit trails for all tax-year submissions and relief computations. ▪ Implement real-time monitoring of suspicious activities
7.	Secure Development and Testing ▪ Developers must follow Secure Software Development Life Cycle practices. ▪ Source code must be scanned using Static Application Security Testing, Software Composition Analysis. ▪ All dependencies must be verified for vulnerabilities (using SCA tools). ▪ Penetration testing must be conducted. ▪ No secrets, passwords, or keys may be hardcoded in the codebase.

6. Non-Functional Requirements

Internal Control and Audit Requirements

(To be provided by IC&A)

S/N	Requirements
1.	

11. Document Approval

All parties involved acknowledge that they have read, understood and agree with all the requirements as specified in this document.

Name	Role	Signature and Date
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