NAME OF RESPONDENT:

NAME OF ORGANIZATION:

DESIGNATION:

DATE AND SIGNATURE:

**SECTION I: GENERAL**

| Action | **YES** | **NO** | **NOT APPLICABLE** | **COMMENT** |
| --- | --- | --- | --- | --- |
| 1. Has company been registered with FIRS? |  |  |  |  |
| 1. Which location will company prefer to have its tax file domiciled? |  |  |  |  |
| 1. Are there employees resident in states other than Lagos?   (mention other states under the comment column) |  |  |  |  |
| 1. Has the company registered with any state IRS office? |  |  |  |  |
| 1. What is the company’s office located? |  |  |  |  |
| 1. Are monthly reconciliations carried out between the various tax sub-ledgers and General ledger? |  |  |  |  |
| 1. Are all reconciling items promptly followed up and properly resolved? |  |  |  |  |
| 1. Is the company a parent company or subsidiary of another company? |  |  |  |  |
| 1. Does the company have related parties outside Nigeria? |  |  |  |  |
| 1. Where is the Head Office of the Group located? |  |  |  |  |
| 1. Are related party transactions supported by properly executed contract agreements? |  |  |  |  |
| 1. Have there been transactions between Nigerian office and the other related parties? |  |  |  |  |

**SECTION II: WITHHOLDING TAX**

| Action | **YES** | **NO** | **NOT APPLICABLE** | **COMMENT** |
| --- | --- | --- | --- | --- |
| 1. Does the company observe a vendor registration process? |  |  |  |  |
| 1. Have taxes been withheld from payments to which they are applicable? |  |  |  |  |
| 1. Have applicable rates been applied in calculating and deducting withholding tax on payments made or credit granted by the company in relation to the items listed below? |  |  |  |  |
| 1. Have deducted taxes been remitted to the appropriate tax authorities through the designated banks? |  |  |  |  |
| 1. Have Withholding tax (WHT) credit notes been processed, obtained, and forwarded to their respective owners? |  |  |  |  |
| 1. Has the company obtained Withholding Tax credit notes from FIRS? |  |  |  |  |

**SECTION III: PERSONAL INCOME TAX**

| Action | **YES** | **NO** | **NOT APPLICABLE** | **COMMENT** |
| --- | --- | --- | --- | --- |
| 1. Are all incomes (including allowances and benefits in kind) on the employees’ personal records included in the payroll? |  |  |  |  |
| 1. Has the correct calculation of tax reliefs in accordance with the relevant regulations been made as listed in Schedule II? |  |  |  |  |
| 1. Are all reliefs claimed and granted valid and supported with documented evidence? |  |  |  |  |
| 1. Has the company disclosed on behalf of each employee, benefits-in-kind he enjoys by virtue of his employment?   Examples of the common benefits-in-kind an employee enjoys including:   * Rented accommodation provided by the employer. * Use of company’s car and driver. * Use of other equipment * Domestic staff - like cooks, stewards, housemaid. |  |  |  |  |
| 1. Is the house being provided to the employee a guesthouse or official accommodation for the employee’s exclusive occupation? A guesthouse does not constitute a benefit-in-kind to the employee. |  |  |  |  |
| 1. If the accommodation provided by the employer is rented, has the annual rent been added to the taxable income for the employee? |  |  |  |  |
| 1. Have all housing rents paid off-payroll directly to employees’ landlords (not directly to employees) been subjected to deduction of withholding tax at the rate of 10%? |  |  |  |  |
| 1. Is the vehicle given to the employee being used as an official car or as a pool car? If used as an official car, 5% of the purchasing cost should be regarded as the assessable benefit-in-kind of the employee concerned. |  |  |  |  |
| 1. Have all bills paid by the company on behalf of the employee been added to the employees’ taxable income? |  |  |  |  |
| 1. For all other assets provided by the employer for the employees’ benefit, has 5% of the cost of these assets been calculated and added to the employees’ remuneration in arriving at the taxable income? |  |  |  |  |
| 1. Have the total annual wages paid in respect of domestic servant(s) being used by the employees been added to the employees’ taxable income? |  |  |  |  |
| 1. Does the company have provision for meals in any canteen or luncheon vouchers for its employees? Are the vouchers not assignable and are they for bona fide meals? If meal subsidy is provided in form of cash allowance, is the amount included as part of taxable income? |  |  |  |  |
| 1. Have all ex-gratia payments, 13th month salary and bonus with the exception of end-of-service gratuities been taxed in the hands of employees |  |  |  |  |
| 1. Are there staff interested in making voluntary pension contribution? |  |  |  |  |
| 1. Are there staff on Life Assurance policies? |  |  |  |  |
| 1. Have all other statutory deductions been made from the payroll at the current rates?  * NSITF - 1% of total gross salary. * NHF - 2.5% of annual basic salary. |  |  |  |  |
| 1. Are there expatriate staff in the company? |  |  |  |  |
| 1. For all expatriates, is there a record clearly indicating the number of days spent in Nigeria on account of the Company’s duties? |  |  |  |  |
| 1. Have the company obtained expatriate quota? If any |  |  |  |  |
| 1. Do the company file their expatriate returns? |  |  |  |  |

**SECTION IV: VALUE ADDED TAX (VAT)**

| Action | **YES** | **NO** | **NOT APPLICABLE** | **COMMENT** |
| --- | --- | --- | --- | --- |
| 1. Is the Company registered with local VAT offices nearest to it in all its locations? |  |  |  |  |
| 1. Are VAT returns filed monthly? |  |  |  |  |
| 1. Is there a record (especially receipts) of VAT paid on all inputs to the Company’s sales? |  |  |  |  |
| 1. Are these payments used to offset the VAT payable for each period? |  |  |  |  |
| 1. Are payments of net VAT payable (if any) made within the statutory period? |  |  |  |  |
| 1. Is refundable VAT (if any) carried forward on subsequent months’ VAT returns? |  |  |  |  |
| 1. In the case of any ambiguity leading to different interpretations of the law and subsequently, litigation, is the company ready to pursue the litigation option or settle out of court?   If litigation will be pursued, are all relevant supporting documents available and kept safely? |  |  |  |  |

**SECTION V: COMPANY INCOME TAX**

| **Action** | **Responsibility** | **Yes** | **No** | **Not Applicable** |
| --- | --- | --- | --- | --- |
| **GENERAL** |  |  |  |  |
| 1. Does the Company file its tax returns based on self-assessment? |  |  |  |  |
| 1. Is there adequate provision (at least 32.5% of assessable profits) in the books for the tax liability? |  |  |  |  |
| **FIXED ASSETS** |  |  |  |  |
| 1. Has a list of additions to fixed assets been prepared for the current year? |  |  |  |  |
| 1. Has the company applied for, processed, and obtained Certificate of acceptance in respect of additions to individual assets above 500,000 from the Ministry of Industries? |  |  |  |  |
| 1. Is there a list of assets leased to customers under operating lease agreement that includes details about customers, type of business engaged in and description of the assets? |  |  |  |  |
| 1. Is there a list of fixed / leased assets disposed during the period? The list should state individually: 2. Cost of asset 3. Date of acquisition 4. Accumulated depreciation 5. Sales proceeds |  |  |  |  |
| 1. For assets disposed whose sales proceeds exceed the cost, have the following additional information been provided? 2. Cost of repairs on the asset prior to sale. 3. Cost of advertising the asset for sale, if any. 4. Professional fee relating to the disposal, e.g. legal, valuers, or accounting fees, etc if any; 5. Name and address of the purchaser 6. Evidence that the sale was an arm’s length transaction, or a transaction between connected persons   **Note:**  A connected person is one who is:   * An individual that is the Company’s official or his wife, child, parent, or other family member * A corporate body that is a subsidiary, associated company, or a parent company that controls either the company or the purchasing company. |  |  |  |  |
| **PROFIT AND LOSS ACCOUNT ITEMS** |  |  |  |  |
| 1. Are all operating expense items specific and descriptive? |  |  |  |  |
| 1. Are there supporting documents for all expenses incurred during the year? |  |  |  |  |
| 1. Are there repairs or maintenance expenses of a capital nature during the year? If yes, have these been capitalised and added to Fixed Assets acquired in the year? |  |  |  |  |
| 1. Does profit / loss recognised on the disposal agree with the Financial Statement? |  |  |  |  |
| 1. Are subscriptions and donations been made to bodies approved by the Tax Act? See Schedule III for a list of funds, bodies and Institutions to which donations may be made under the Act. |  |  |  |  |
| 1. Are donations of a capital nature? Donations of a capital nature are not allowable. |  |  |  |  |
| 1. Are total donations up to 10% of total profits? This is the maximum allowable on deductions. |  |  |  |  |
| 1. Have rental charges in respect of residential accommodation occupied by employees of the Company been computed? Only amounts up to 100% of the basic salary of the employees occupying the premises are allowed. |  |  |  |  |
| 1. Have all taxes suffered by deductions at source been used to reduce the Company’s tax liability? |  |  |  |  |
| **BAD AND DOUBTFUL DEBTS** |  |  |  |  |
| 1. Were the debts incurred in the ordinary course of the Company’s business? |  |  |  |  |
| 1. Are amounts recognised as bad and doubtful debts specific, with names and addresses included as part of details? |  |  |  |  |
| 1. Has evidence of efforts made to recover the debts (e.g. correspondence with the debtor, bank, lawyer etc) been documented? |  |  |  |  |
| 1. Have write-offs (previously allowed) for doubtful debts no longer required been recognised as income in the year? |  |  |  |  |

**Schedule I: Relevant Tax Authorities and Remittance periods**

| **Type of Tax** | **Relevant Authority** | **Remittance Period** |
| --- | --- | --- |
| **Withholding Tax** | Companies, and non-resident individuals – Federal Inland Revenue Service Local Office  Individuals & Partnerships – State Board of Internal Revenue residents of FCT, Abuja to FCTIRS | Within 30 days of making deduction or credit (whichever occurs first). |
| **VAT** | Local VAT Office(Filed on Taxpromax) | Within 21 days of the month following that in which the transactions were made or services rendered. |
| **PAYE** | State Internal Revenue Service  Armed Forces – Federal Inland Revenue Service Local Office | Not later than 10th day of the following month. |
| **NSITF** | NSITF Local Office | Not later than 14th day of the following month. |
| **NHF** | NHF Local Office c/o Federal Mortgage Bank of Nigeria | Not later than 30th day of the following month. |
| **Capital Gains Tax** | Companies, and non-resident individuals – Federal Inland Revenue Service Local Office  Individuals & Partnerships – State Board of Internal Revenue residents of FCT, Abuja FCT-IRS | Within 30 days of the month following that in which the transactions were made or services rendered. |
| **Company Income Tax** | Federal Inland Revenue Service Local Office | Self Assessment:  Filing not later than six months after the Company’s year-end. |
| **Education Tax** | Federal Inland Revenue Service Local Office | Paid on Government assessment basis. Government Assessment is payable with 21 day after the month of transaction. |

**Schedule II: Approved Tax Relief Amounts for Personal Income Tax**

|  |  |
| --- | --- |
| **Personal Allowance** | 20% of net income plus 200,000 |
| **Life Assurance/Pension Fund** | No Limits. This is the total amount contributed to: |
| * Company Pension Fund |  |
| * NSITF |  |
| * Life assurance premium paid for self and spouse in the immediate preceding year |  |

**Schedule III: Funds, Bodies and Institutions in Nigeria to which Donations may be made under Section 21 of the Company Income Tax Act**

**Youths / Philanthropic**

* The Boys Brigade of Nigeria
* The Boys Scouts of Nigeria
* The Girl Guides of Nigeria
* The Nigerian Red Cross
* The National Youth Council of Nigeria
* The Nigerian Youth Trust

**Religious**

* The Christian Council of Nigeria
* Islamic Education Trust

**Medical**

* Any hospital owned by the Government of the Federation or of a State or any University Teaching Hospital or any hospital which is carried on by a society or association otherwise than for the purpose of profits or gains to the individual members of that society or association.

**Educational**

* Any educational institution affiliated under any law with any University in Nigeria or established under any law in Nigeria and any other educational institution recognised by any Government in Nigeria.
* The Institute of Medical Laboratory Technology
* The National Library
* A public fund established and maintained exclusively for providing money for the acquisition, construction, maintenance or equipment of a building used or to be used as a school or college by the Government of the Federation or a state or by a public authority or by a society or association which is carried on otherwise than for the purpose of profits or gains to the individual members of that society or association.
* The National Braille Library of Nigeria
* Van Leer Nigerian Educational Trust
* The Institute of Chartered Accountants of Nigeria Building Fund
* Nigerian Accounting Standard Board
* Paterson Zochonis Nigeria Technical Education Trust Fund
* Educational Co-operative Society

**Relief Funds**

* National Commission for Rehabilitation
* A public fund established and maintained for providing money for the construction or maintenance of a public memorial relating to the Civil War in Nigeria, which ended on 15th January 1970.
* Southern Africa Relief Fund
* Any public fund established or approved by the Government of the Federation or any of the State Governments in aid of or for the relief of drought or any other national disaster in any part of the Federation.

**Research**

* The Cocoa Research Institute of Nigeria
* The National Council for Medical Research
* The National Science and Technology Development Agency
* The Nigerian Institute for International Affairs
* The Nigerian Institute for Oil Palm Research
* The Nigerian Institute for Trypanosomiasis Research
* National Science and Technology Fund

**Others**

* The Nigerian Museum
* Nigerian Conservation Foundation

**Welfare**

* A public institution or public fund (including the Armed Forces Comfort Fund) established or maintained for the comfort, recreation or welfare of members of the Nigerian Army, Navy or Air Force.
* National Sports Commission and its State Associations
* The Nigerian Society for the Deaf and Dumb
* The Society for the Blind
* The Nigerian National Advisory Council for the Blind
* Associations or Societies for the Blind in Nigeria
* Training Centres and Residential Schools for the Blind in Nigeria
* Rotary International (Polio plus programme)
* The Musical Society of Nigeria

**Foundations / Endowment Fund**

* Kewalram Chanrai Foundation Limited
* Afprint Foundation Limited
* University College Hospital Endowment Fund.