



TAX WAIVER ON PENALTIES AND INTEREST TO NIGERIAN COMPANIES

The Nigerian Tax authority, the Federal Inland Revenue Service (FIRS) has just created a 45 days special window waiver on Penalties and Interests to all Companies with tax liabilities for the year 2013 - 2015. This is an opportunity for defaulting companies to clear all outstanding arrears within a period commencing on 5th October till 24th November, 2016.



The Circular reads:

1. That the FIRS in exercise of its powers under Section 85 (3) of the Companies Income Tax Act CAP C21 LFN 2007 (as amended) (and replicated in Section 32(3) of the Federal Inland Revenue Service Establishment Act (FIRSEA 2007) hereby invites all principal officers, especially Chairmen, Managing Directors, Chief Executive Officers, Executive and Non-Executive Directors, Chief Financial Officers and all company owners or their representatives to take advantage of a Special Window to avoid payment of penalty and interest on tax between 2013-2015.
2. That FIRS, by this Public Notice, will grant a pardon stretching back to three years (2013-2015) to ALL TAXPAYERS in default provided that such defaulting taxpayers:
 - (a) Come forward to declare their indebtedness within the 45-day window
 - (b) Present a payment plan on the outstanding Principal Tax Liability acceptable to the Federal Board of Inland Revenue;
3. That this Special Window will be opened for 45 days ONLY, commencing from 5th October 2016 terminating 24th November 2016;

4. That this waiver relates ONLY to accumulated penalty and interest and not principal tax due;
5. Based on this waiver, part payment/full payment of undisputed tax liabilities should be paid, while the balance can be paid instalmentally, however, it is expected that a reasonable amount of not less than 25 per cent should be paid on account;

By this Public Notice, FIRS invites taxpayers who have not been fulfilling their tax obligations to take advantage of this Special Window, failing which all legal means at the disposal of the FIRS will be deployed including criminal prosecution of the Board and Management of defaulting organization.



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