

Nigeria's 2026 Tax Outlook: What to Expect, Compliance Readiness and Implementation Pathways

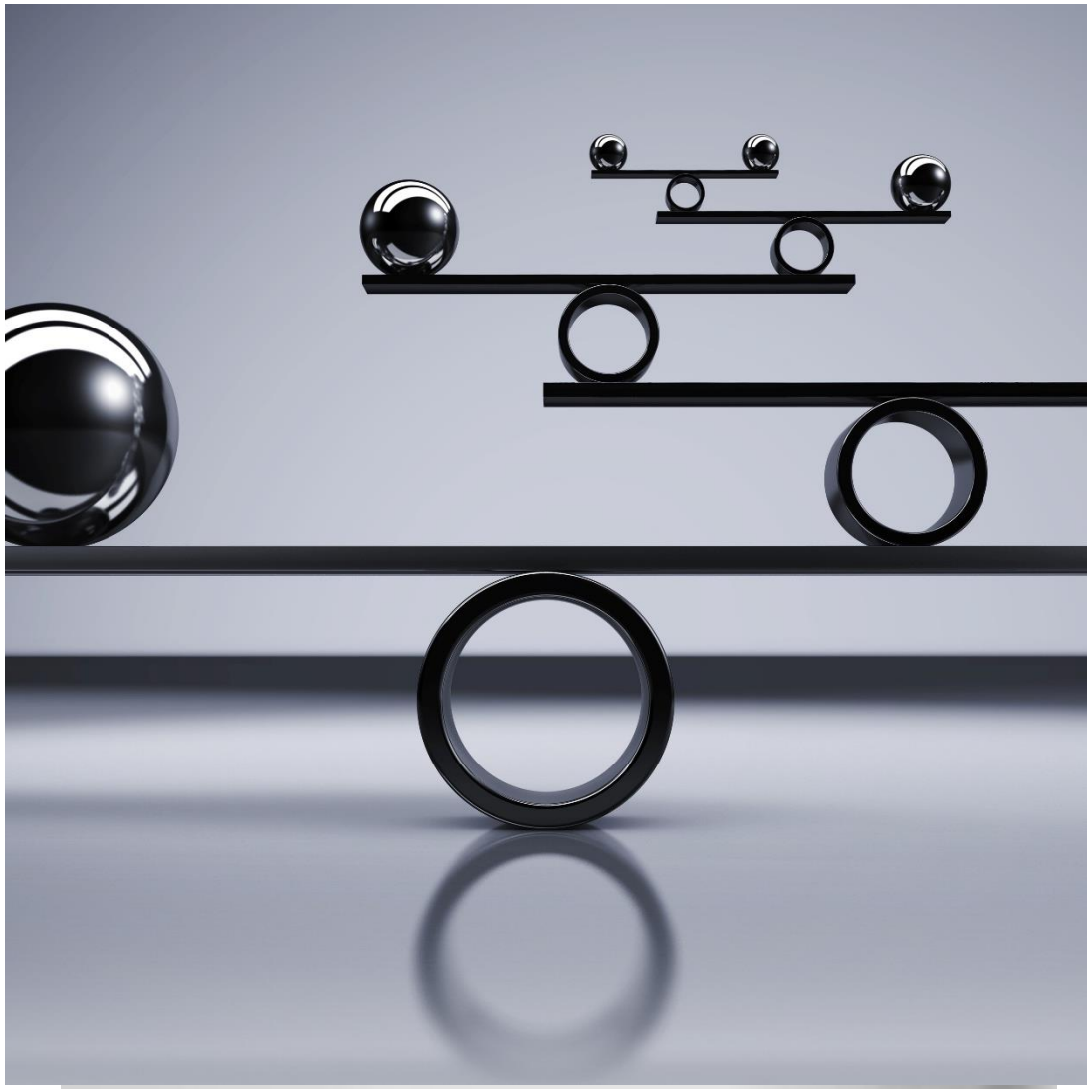
A Presentation at the Technical Session of ICAN Ota & District Society

By Ajibola Sogunro on Saturday, 16th August 2025

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Contents

- Introduction
- Key changes and the implications
- Compliance readiness
- Areas of opportunities
- General discussion
- Conclusion



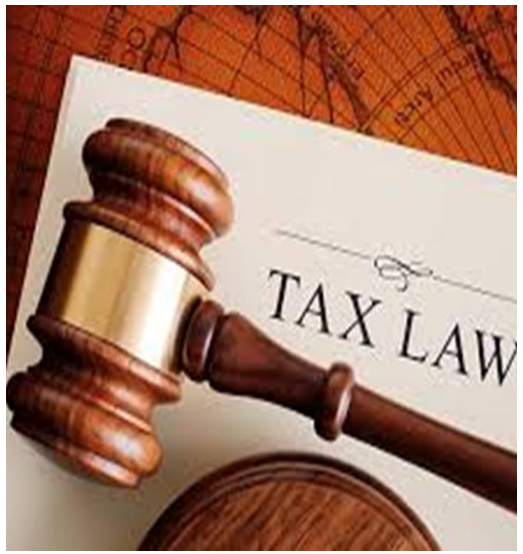
01

Overview of Nigeria’s Tax Reforms



Introduction (Cont'd)

Nigeria's 2025 Tax Reforms				
New Acts	**Sections**	**Repealed Acts**	**Amended Acts**	**Repealed & Amended SL**
Nigeria Tax Act, 2025	203			VAT (Modification) Order, 2021 - Revoked
Nigeria Tax Administration Act, 2025	148			Deletion of Para. 2 of SEP Order, 2020
Nigeria Revenue Service (Establishment) Act, 2025	43			Deletion of Reg. 60B, 60C, 61 & 62 of the Petroleum (Drilling & Production) Regulation, 1969
Joint Revenue Board of Nigeria (Establishment) Act, 2025	61			
Total	455	12	14	3



02

What to Expect



The key changes and Implications

Nigeria Tax Act, 2025



Free Trade Zone

- ✓ Tax Exemption Status.
- ✓ Applicability of transaction taxes on dealings outside the zone.
- ✓ Tax planning arrangement involving manufacturing arrangement.



Presumptive Taxation

- ✓ Non-disclosure of relevant records or income/profit cannot be ascertained.
- ✓ Ministerial guideline is required.



Partnership Business

- ✓ Registration of deed of agreement with the RTA.
- ✓ Partner's emolument shall include – salary, interest, cost of passage, BIKs, share or profit, etc.
- ✓ Losses from the business shall be deducted accordingly.



Lottery and gaming business

- ✓ The profit of such business shall be taxed accordingly.
- ✓ Allowable deductions shall include – prizes paid/gifted, agency commissions, levies to regulatory bodies, etc.



Residence Rule

- ✓ Domiciled in Nigeria.
- ✓ There is permanent place for domestic use in Nigeria.
- ✓ A place of habitual abode.
- ✓ Substantial economic and immediate family in Nigeria.
- ✓ Stays in Nigeria for an aggregate of 183 days.



Capital Allowance

- ✓ It is claimable on assets in use at the end of the BP of YOA. 8(2) of Ch.2.
- ✓ CA has been restricted to only ''Annual''
- ✓ The CA claimable on an existing asset is subject to the remaining useful life.



Interest Deductibility Rule

- ✓ Allowable interest is subject to 30% of EBITDA.
- ✓ The rule is applicable to all companies having related party except those engaged in banking & insurance.

Nigeria Tax Act, 2025



Surcharge

- ✓ Surcharge of 5%on Fossil Fuel Products provided or produced in Nigeria.
- ✓ The Surcharge shall be computed based on the retail price of all chargeable fossil fuel products.
- ✓ The Minister is to publish the commencement date in the official gazette.



Surcharge

- ✓ Exempted fossil fuel products:
  - Household kerosene.
  - Cooking gas.
  - Compressed Natural Gas(CNG).
  - Clean or renewable energy products.



Surcharge

- ✓ Remittance and filing period - 21st of the following month (payable to NRS).
- ✓ Failure to pay surcharge is 10% of the amount payable + the surcharge due + interest at the prevailing CBN MPR.
- ✓ The Service may issue a guideline for the administration of the tax.



Stamp Duty

- ✓ Chargeable instru ments executed in Nigeria are now required to be stamped within 30 days after execution.
- ✓ The list of instruments exempted from stamp duties have been reduced.



Stamp Duty

- ✓ Lease agreements with an annual value of less than NGN10 million or10 times the annual minimum wage, whichever is higher, are now exempt from stamp duty.



Value Added Tax (Suspended items)

- ✓ Petroleum products.
- ✓ Renewable energy equipment.
- ✓ CNG, LPG,
- ✓ Other gaseous hydrocarbons.

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Joint Revenue Board Establishment Act, 2025



- The JRB coordinates the integration and maintenance of a national taxpayer identification database (Tax IDs).
- JRB advises on double taxation matters.

OFFICE OF THE TAX OMBUD
Ensuring fairness

- The Tax Ombud will act as an independent body to resolve taxpayers' tax issues.
- The Tax Ombud will receive, investigate, and resolve complaints about administrative malpractice, delay, or unfair treatment by revenue agencies. However, it does not possess the power to interpret tax laws.

TAX APPEAL TRIBUNAL

- The Tax Appeal Tribunal (TAT) was established to provide a mechanism for efficient dispute resolution.
- The Tribunal exercises the jurisdiction and powers to settle any tax dispute and controversy arising from the administration of this Act or any other tax laws made by the National Assembly.

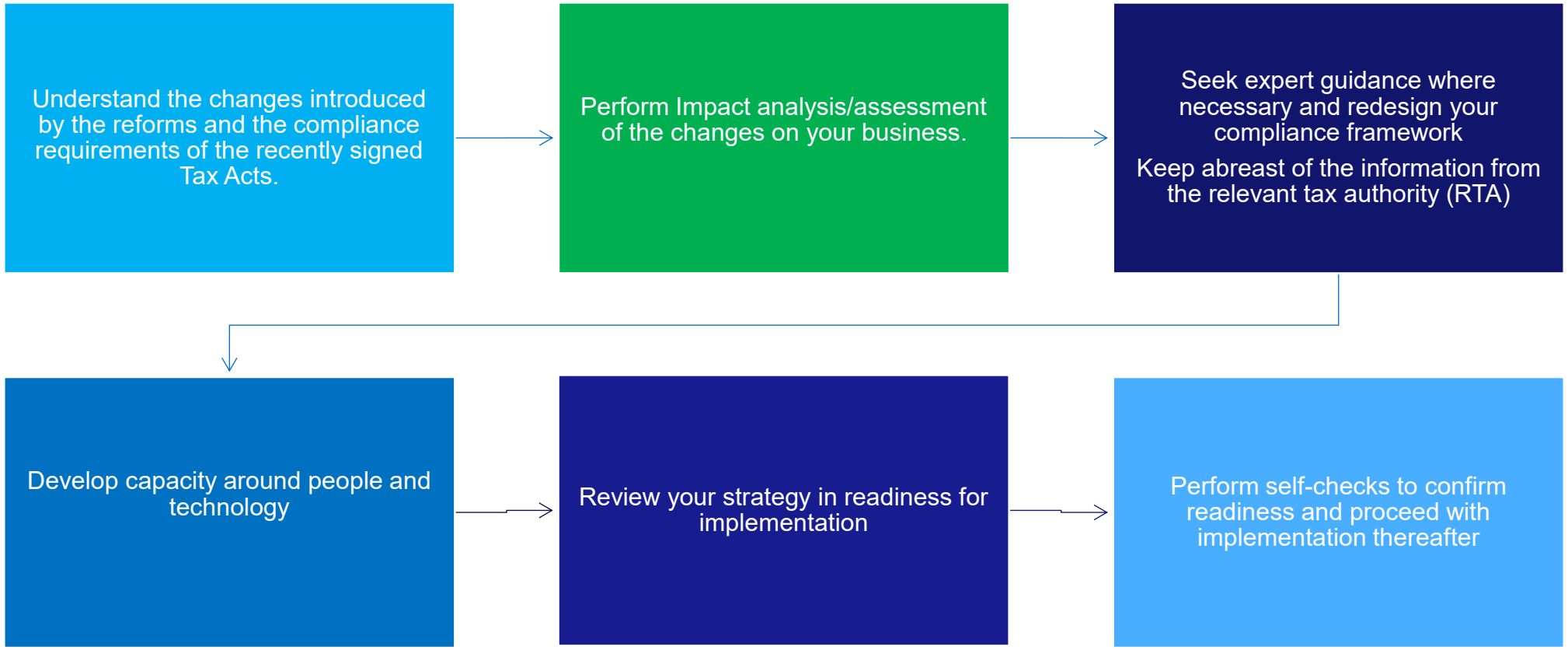
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Compliance Readiness



Compliance readiness

Tax practitioners play key roles in driving compliance. As intermediaries between tax administrators and taxpayers, they are expected to communicate clear compliance requirements based on the provisions of the tax laws and provide necessary support to the taxpayers in fulfilling those obligations accordingly.



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Areas of Opportunities

Though the reform focuses on harmonization of various taxes, improved tax system, redefining administrative processes, optimize tax revenue, incentivize compliance, it also open some opportunities for relevant stakeholders.

- ✓ The need for capacity development.
- ✓ Provide advisory services/support.
- ✓ Assist with the design of compliance framework.
- ✓ Review and redesign reporting & compliance processes.
- ✓ Develop implementation guidelines.
- ✓ Others.



Conclusion

‘’The discussion is no longer about the changes introduced by the tax reforms, rather it’s about navigating the implementation phases for a seamless compliance. How ready are you for the journey into the new tax regime?’’

- Ajibola Sogunro.

Questions for discussion



Contact

Partner & TCF Leader, Forvis Mazars in Nigeria

Ajibola Sogunro | Partner |TCF Leader



Forvis Mazars
18 Oba Akran Avenue, Ikeja
Lagos, Nigeria.

+234 805 503 8588/ 703 080 6046

ajibola sogunro@forvis.mazars.com

Professional Membership
- Institute of Chartered Accountants of Nigeria.
- Chartered Institute of Taxation of Nigeria
- Institute of Chartered Economists of Nigeria
- Nigeria Institute of Management

Competences & Project Experience
- Tax Control Framework Product Development (TCF Inbound & Homeland TCF Services)
- Tax Process and Organization Consulting
- Tax Advisory and Process Management
- Tax Governance & Risk Management
- Tax Compliance Management System
- Tax Restructuring & Engineering

Focus:
- Tax Advisory Services
- Tax Control Framework
- Tax Compliance & Risk Management
- Tax Dispute Resolution
- Tax Engineering and process set-up

Industry Experience
- Financial Services & Insurance
- FMCG
- Telecommunication
- Fintech & Digital Economy
- Health & Hospitality Services
- Construction/Real Estate
- Agro-Allied
- Oil & Gas
- Aviation & Marine
- Logistics and Servicing
- Others.