





Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		(b) In determining the assessable profits of Lottery and Gaming businesses, the following deductions shall be allowed: (i) Any amount paid as winnings, prizes or any similar payment from the relevant Prize Fund or contributions to the Lottery Trust Fund, as may be applicable; (ii) Agent Commission expenses incurred; (iii) Taxes and levies paid to relevant regulatory and government authorities as contained in relevant federal and state laws; (iv) Deductions in line with the Second Schedule of this Act; and (v) Other allowable deductions as contained under Section 24 of this Act. (c) For the purposes of this section- "Gaming" includes gambling, wagering, video poker, roulette, craps, bingo, slot machine, gaming machine and the likes.  "Lottery" or "Lotteries" includes any betting, game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of real or virtual sporting events, or any other game, scheme, arrangement, system, plan, competition or device, which the President may by notice in the Gazette declare to be lottery and which shall be operated accordingly.  "Lottery Trust Fund" refers to the Lottery Trust Fund created pursuant to the National Lottery Act or any other enactment that replaced it."	provisions were inadvertently omitted by the Legislature in passing the Finance Act, 2021 into law, so these provisions are being restored, in line with extant laws, to enhance tax equity and eliminate ambiguity prevalent in the taxation of Lottery and Gaming companies, globally. This is fosters Tax Equity by ensuring gaming, gambling, betting, lottery companies abide by extant rules to assess corporate profits to taxation.	
5. Section 26	26. Deduction for research and development  (1) Notwithstanding anything contained in section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for any period from any source chargeable with tax under this Act, there shall be deducted the amount of reserve made out of the profits of that period by that company for research and development.	Section 26 of the Companies Income Tax Act is amended by inserting a new subsection (4), as follows –  "26. Deduction for Research and Development, and Investment Tax Credits  (1) Notwithstanding anything contained in section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for any period from	In line with Nigeria's Climate Change and Green Growth commitments at COP 26 and COP 27, this amendment promotes the reduction of gas-flaring by incentivising winning and commercial utilisation of both associated and non-associated gas. Medium and Large	Policy Anchors: #2-Climate Change / Green Growth; #3-Job Creation / Economic Growth; & #4-Tax

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	(2) The deduction to be allowed to any company under subsection (1) of this section for any year of assessment shall not exceed an amount which is equal to ten per cent of the total profits of that company for that year as ascertained before any deduction is made under this section and section 25 of this Act.  (3) Companies and other organisations engaged in research and development activities for commercialisation shall be allowed twenty per cent investment tax credit on their qualifying expenditure for that purpose.	any source chargeable with tax under this Act, there shall be deducted the amount of reserve made out of the profits of that period by that company for research and development.  (2) The deduction to be allowed to any company under subsection (1) of this section for any year of assessment shall not exceed an amount which is equal to ten per cent of the total profits of that company for that year as ascertained before any deduction is made under this section and section 25 of this Act.  (3) Companies and other organisations engaged in research and development activities for commercialisation shall be allowed twenty per cent investment tax credit on their qualifying expenditure for that purpose.  (4) Medium and large companies engaged in the commercial winning, capture, production and utilisation of associated and non-associated gas shall be allowed a single fifty per cent investment tax credit on their qualifying expenditure for that purpose; p Building means any structure permanently affixed to a land for all or most of its useful life and shall include, without limiting the generality of the foregoing, a house, garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly roofed structure affording protection and shelter and other similar structures but excludes any fixtures or structures that can easily be removed from such land for example radio and television masts, transmission line, cell towers, vehicles, Mobile homes, caravans and trailers. provided, however, that:  (a) the gas utilisation investment tax credit may be utilised against the relevant company's income tax liability in the year of assessment in which the expense is incurred and may be carried forward to subsequent years of assessment until fully utilised; and	Companies utilising associated and non-associated gas, henceforth, shall benefit from a 50% investment tax credit on their qualifying investment for that purpose.	Incentives' Reform

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		(b) the quantum of gas utilisation investment tax credit utilised in any tax year shall be limited to a maximum of fifty percent of the company's income tax liability for each relevant year of assessment.		
6. Section 32	32. Reconstruction Investment Allowance  (1) Where a company has incurred an expenditure on plant and equipment, there shall be allowed to that company an investment allowance as provided in subsection (2) of this section and shall be in addition to an initial allowance under the Second Schedule of this Act  [No. 3 of 1993 and Second Schedule.]  (2) The rate at which investment allowance is to be allowed for the purpose of subsection (1) of this section shall be ten per cent of the actual expenditure incurred on such plant and equipment.  [No. 3 of 1993.]  (3) Any provisions of the Second Schedule applicable to an initial allowance shall also apply to an investment allowance under this section, except that an investment allowance shall not be taken into account in ascertaining the residue of qualifying expenditure in respect of an asset, for the purpose of the said Schedule.  (4) If in the case of any qualifying expenditure incurred on the new asset, any such event as is mentioned in the next following subsection occurs within a period of five years beginning with the date on which the expenditure was incurred, no investment allowance shall be made in respect of the expenditure, or if such allowance has been made before the occurrence of the event, it shall be withdrawn.  (5) The events referred to in subsection (4) of this section are—  (a) any sale or transfer of the asset representing the expenditure made by the company incurring the expenditure otherwise than to a person acquiring	Without prejudice to any pre-existing rights relating to any qualifying capital expenditure incurred or qualifying capital assets acquired on or before [31 <sup>st</sup> December 2022], Section 32 of the Companies Income Tax Act is hereby deleted, provided that a company that has incurred capital expenditure on plant and equipment on or before the effective date of this repeal shall continue to enjoy the allowance under this section until it is fully utilized.  In line with the Strategic Revenue Growth Initiative (SRGI), the rationalisation of tax expenditures advances the Federal Government's ongoing fiscal policies to streamline antiquated tax incentives by replacing blunt tax allowances (such as this one) with more targeted and effective tax incentives.	Policy Anchors: #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administration	

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		the asset for a chargeable purpose or for scrap;  (b) any appropriation of the asset representing the expenditure made by the company incurring the expenditure to a purpose other than a chargeable purpose;  (c) any sale, or transfer or other dealing with the asset representing the expenditure by the company incurring the expenditure, being a case where it appears that the expenditure was incurred in contemplation of the asset being so dealt with, and being a case where it is shown either—  (i) that the purpose of obtaining tax allowances was the sole or main purpose of the company for incurring the expenditure or for so dealing with the asset; or  (ii) that the incurring of the expenditure and the asset being so dealt with were not bona fide business transactions or were artificial or fictitious transactions, and were designed for the purpose of obtaining tax allowances.  (6) A company incurring any expenditure in respect of which an investment allowance has been made and has not been withdrawn, shall give notice to the Service if, to the knowledge of the company, any of the events as is mentioned in subsection (5) of this section occurs at any time before the expiration of five years beginning with the date when the expenditure was incurred.  (7) Any notice of a sale or transfer given under subsection (6) of this section shall state the name and address of the person to whom the sale or transfer is made.  (8) Where an asset in respect of which an investment allowance has been made is sold or transferred, it shall be the duty of the purchaser or transferee, and of the personal representatives of any such		

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		person, on being required to do so by any officer duly authorised by the Service to give that officer all such information as he may require, and as they have or can reasonably obtain, about any sale or transfer of the asset representing the expenditure or about any other dealing with the asset.  (9) Any person who, without reasonable excuse, fails to comply with this section, shall be guilty of an offence and liable on conviction to a penalty not exceeding ₦400 plus the amount of tax lost by the granting of the investment allowance made in respect of the expenditure in question.  (10) All such additional assessments and adjustments of assessments shall be made as may be necessary in consequence of the withdrawal of any investment allowance, and may be so made at any time.  (11) For the purposes of this section—  "artificial or fictitious transactions" has the same meaning as in section 22 of this Act;  "chargeable purpose" means the purpose of putting the assets to a use such that profits accrue or are intended to accrue therefrom and will be chargeable tax;  "initial allowance" has the same meaning as in the Second Schedule to this Act;  "qualifying expenditure" has the same meaning as in the Second Schedule to this Act.		
7. Section 34	34. Rural Investment Allowance  (1) Where a company incurs capital expenditure on the provisions of facilities such as electricity, water or tarred road for the purpose of a trade or business which is located at least 20 kilometres away from such facilities provided by the government, there shall be allowed to the company in addition to an initial allowance under the Second Schedule to this Act an allowance (in this Act called "rural investment allowance") at the appropriate	Without prejudice to any pre-existing rights relating to any qualifying capital expenditure incurred or qualifying capital assets acquired on or before [31 <sup>st</sup> December 2022], Section 34 of the Companies Income Tax Act is hereby deleted provided that a company that has incurred qualifying capital expenditure on or before the effective date of this repeal shall continue to enjoy the allowance under this section until it is fully utilized.	In line with the Strategic Revenue Growth Initiative (SRGI), the rationalisation of tax expenditures advances the Federal Government's ongoing fiscal policies to streamline antiquated tax incentives by replacing blunt tax allowances such as the Rural Investment Allowance with more targeted and	Policy Anchors: #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		per cent certain as set out in subsection (2) of this section of the amount of such expenditure: [No. 11 of 2007, s. 9 (a) and Second Schedule.]  Provided that where any allowance has been given in pursuance of this section, no investment allowance under section 32 of this Act shall be due or be given in respect of the same asset or in addition to the allowance given under this section.  [No. 3 of 1993.]  (2) The rate of the rural investment allowance for the purpose of this section shall be as follows—  (a) no facilities at all ..... 100% (b) no electricity ..... 50% (c) no water ..... 30% (d) no tarred road ..... 15%  [No. 3 of 1993 and No. 11 of 2007, s. 9 (b)]  (3) For the purpose of this section the rural investment allowance shall be made against the profits of the year in which the date of completion of the investment falls and the allowance or any fraction thereof, shall not be available for carry forward to any subsequent year whenever full effect cannot be given to the allowance owing to there being no assessable profits or assessable profits less than the total allowance for the year the investment was made.	effective tax incentives such as the Road Infrastructure Tax Credit Scheme pursuant to Executive Order #007 of 2019.	
8. Section 37	37. Incomes in Convertible Currencies to be Exempt  Incomes in Convertible Currencies to be Exempt	Twenty-five percent of incomes in convertible currencies derived from tourists by a hotel shall be exempt from tax, provided that such income is put in a reserved fund to be utilised within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development.	In line with the Strategic Revenue Growth Initiative (SRGI), the rationalisation of tax expenditures advances the Federal Government's ongoing fiscal policies to streamline antiquated tax incentives, such as this one.	Policy Anchors: #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administration
9. Section 40	40. Rates of Tax  Rates of Tax	There shall be levied and paid for each year of assessment in respect of total profits of every Company,  (1) There shall be levied and paid for each year of	Following the recovery from COVID-19, and to enhance the Government's revenue generation, it is important to	Policy Anchors: #2-Climate Change; #4-Tax



Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	tax as follows, in the case of a- (a) Small company, tax as provided under section 23 (1) (a) of this Act; (b) Medium-sized company, tax at the rate of 20 kobo for every Naira; and (c) Large company, tax at the rate of 30 kobo for every Naira.	assessment in respect of total profits of every Company, tax as follows, in the case of a- (a) Small company, tax as provided under section 23 (1) (a) of this Act; (b) Medium-sized company, tax at the rate of 20 kobo for every Naira; (c) Large company, tax at the rate of 30 kobo for every Naira; and (d) Gas-flaring company, tax at the rate of 50 kobo for every Naira. (2) Provided that where an upstream petroleum operations company that is either yet to complete the conversion process as provided under section 92 of the Petroleum Industry Act or for any other reason is not liable to Companies Income Tax in a year of assessment flares gas, such company shall be liable to pay the tax pursuant to subsection 1(a) above; (3) The amount to be subjected to tax at the rate specified in subsection (d) for such Gas-flaring Company that is not otherwise liable to Companies Income Tax shall be the market value of the gas flared or vented by such company, determined by reference to the pricing principles established by sections 167 and 168 of the Petroleum Industry Act; and (4) Nothing in this section shall be deemed to subject a Gas-flaring Company that flares or vents gas due to an emergency in accordance with section 104 of the Petroleum Industry Act, 2021 or any law replacing that statute.	return all taxpayers (excluding small companies) to the 30% corporate tax band, particularly as the objective of accelerating the rationalisation of tax incentives pursuant to the National Tax Policy has not been sufficiently advanced. This risk-based approach to corporate taxation will sustain incentive support to Micro and Small Businesses in their continued exemption from corporate tax. Furthermore, in line with Nigeria's Climate Change commitments to reducing Greenhouse Gas Emissions, Gas-flaring Medium and Large Companies henceforth are liable to corporate taxation at a [50%] penalty deterrent rate, well above the 30% nominal income tax rate.	<b>Incentives' Reform &amp; #5-Revenue Generation / Tax Administration</b>
10. Section 105 Interpretation	[NOT APPLICABLE]	Section 105 of the Companies Income Tax Act is amended by inserting a new definition for "Gas-flaring Company" as follows -  "Gas-flaring Company" means any medium-sized or large company that vents or flares any associated or non-associated natural gas in any year of assessment, unless such flaring is proven by that company to be in the case of an emergency in accordance with Section 104 of the Petroleum Industry Act, 2021 or any law replacing that statute"	In line with Nigeria's Climate Change commitments at COP 26 and COP 27 to reduce gas-flaring, Gas-flaring Medium and Large Companies, henceforth, shall be liable to corporate taxation at a [50%] penalty deterrent rate, well above the 30% nominal income tax rate	<b>Policy Anchors: #2-Climate Change; #4-Tax Incentives' Reform &amp; #5-Revenue Generation / Tax Administration</b>

14

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
<b>Customs, Excise, Tariff etc (Consolidation) Act (CETA)</b>				
11. Section 13 Power to impose, vary or remove any import duty and to amend the Schedules	[NOT APPLICABLE]	Section 13 CETA is hereby amended by introducing a new subsection (4) as follows -  "(4) In addition to extant customs duties and other approved charges, a levy of 0.5% is hereby imposed on all eligible goods imported into Nigeria from outside Africa to finance capital contributions, subscriptions and other financial obligations to the African Union, African Development Bank, African Export-Import Bank, ECOWAS Bank for Investment and Development, Islamic Development Bank, United Nations and other multilateral institutions as may be designated by regulation issued by the Minister responsible for Finance."	This amendment is essential to ensure certainty and sustainability of funding of the African Union and other key multilateral development institutions, to bring into effect the Decision of the Outcome of the Retreat of the Assembly of the African Union (Assembly/AU/Dec.605; XXVII), and Federal Executive Council decision.	<b>Policy Anchors: #3-Job Creation / Economic Growth; &amp; #5-Revenue Generation / Tax Administration</b>
12. Section 21 Goods liable to Excise Duty	21. Goods liable to Excise Duty (2) Telecommunication services provided in Nigeria shall be charged with duties of excise at the rates specified under the duty column in the Schedule as the President may by Order prescribe pursuant to section 13 of this Act	Section 21 of the CETA is hereby amended as follows -  "(2) All services, including but not limited to telecommunication services, provided in Nigeria shall be charged with duties of excise at the rates specified under the duty column in the Schedule as the President may by Order prescribe pursuant to section 13 of this Act"	This amendment is essential to expand the scope of duties beyond the telecommunication sector in order to avoid and undue focus on levying duties on this sector, thereby removing the limitation of the scope of services that may be subject to excise duty.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>
13. Section 22 Citation, repeals and interpretation	22. Citation, Repeals and Interpretation (1) This Act may be cited as the Customs, Excise Tariff, etc. (Consolidation) Act. (2) The Customs, Excise Tariff, etc. (Consolidation) Act is hereby repealed. (3) "Minister" means the Minister charged with responsibility for matters relating to finance. (4) "Tariff Review Board" means the Board charged with the responsibility for the review of customs and excise tariff, etc. in this Act.	Section 21 of the CETA is hereby amended as follows -  "(1) This Act may be cited as the Customs, Excise Tariff, etc. (Consolidation) Act. (2) The Customs, Excise Tariff, etc. (Consolidation) Act is hereby repealed. (3) "Minister" means the Minister charged with responsibility for matters relating to finance, including the responsibility for the supervision of the Tariff Review Board. (4) "Tariff Review Board" means the Board charged by the Minister with the responsibility for the review of customs and excise tariff, etc. in this Act."	This amendment is essential to clarify the supervising role of the Minister responsible for Finance over relevant tariff and fiscal matters.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>
<b>Personal Income Tax Act (PITA)</b>				

15

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
14. Section 33 Personal relief and relief for children, dependants, etc.	33. Personal Relief and Relief for Children, Dependants, Etc.  There shall be allowed a deduction of the annual amount of any premium paid by the individual during the year preceding the year of assessment to an insurance company in respect of insurance on his life or the life of his spouse, or of a contract for deferred annuity on his own life or the life of his spouse.	Section 33 of the Act is hereby amended by substituting for subsection (3), a new subsection (3), as follows -  "(3) Subject to section 17(1) of this Act, there shall be allowed a deduction of the annual amount of any premium paid by the individual during the year preceding the year of assessment to an insurance company in respect of: (i) insurance on his life or the life of his spouse, or (ii) contract for a deferred annuity on his own life or the life of his spouse; Provided that any portion of the deferred annuity that is withdrawn before the end of 5 years from the date the premium was paid, shall be subject to tax at point of withdrawal."	The PITA was amended via Finance Act 2021 to disallow premiums paid in respect of deferred annuities to prevent taxpayers entering into fixed-period annuity contracts with the primary purpose of avoiding tax. However, this has negatively impacted interest in such products & had an unintended consequences. This proposal reintroduces the deduction of premiums of deferred annuities subject to a minimum 5 year holding period, similar to voluntary contributions under the PRA	<b>Policy Anchors: #1-Tax Equity; &amp; #3-Job Creation / Economic Growth; &amp; #5-Revenue Generation / Tax Administration</b>
<b>Petroleum Profits Tax Act (PPTA)</b>				
15. Section 2 Interpretation	[NOT APPLICABLE]	Section 2 of the PPTA is amended by inserting, after the definition of "chargeable tax" the definition of "Commission" as follows -  "Commission" means the Nigerian Upstream Petroleum Regulatory Commission, established under the Petroleum Industry Act, 2021.	This amendment is essential to appropriately align the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>
16. Section 10 Deductions	[NOT APPLICABLE]	Section 10 PPTA is amended by -  (a) Inserting a new paragraph (n) as follows - "(n) any amount contributed to a fund, scheme or arrangement approved by the Commission for the purpose of decommissioning and abandonment, subject to the production of the Statement of Account of the decommissioning and abandonment fund: Provided that the surplus or residue of the fund after decommissioning and abandonment of the field shall be subject to tax under this Act;" And	As there has hitherto been no provision for the tax deductibility of Decommissioning Abandonment expenses, this amendment is essential to allow oil companies recover the amounts set aside as for these expenses and further align the PPTA with the Petroleum Industry Act, 2021.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>

16

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
17. Section 23 Additional Chargeable Tax payable in certain circumstances	23. Additional chargeable tax payable in certain circumstances  (1) If, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts. (2) The amount referred to in the foregoing subsection is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to, if the reference in section 9(1)(a) and (b) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil by the relevant sum per barrel. (3) For the purposes of subsection (2) of this section the relevant sum per barrel of crude oil exported by a company is the posted price applicable to that crude oil reduced by such allowances (if any) as may from time to time be agreed in writing between the Government of Nigeria and the company. (4) The whole of any additional chargeable tax payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period apart from this section, and shall be assessed and paid by the company accordingly under the provisions of this Act. (5) In this section, "posted price", in relation to any crude oil exported from Nigeria by a company, means the price F.O.B. at the Nigerian port of export for crude oil of the gravity and quality in question which is from time to time established by the company after agreement with the Government of Nigeria as to the procedure to be followed for the purpose, as its posted price for Nigerian crude oil of that gravity and	(b) Renumbering the section accordingly.  Substitute for section 23, a new section "23" as follows -  "(1) Where, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period, equal to the difference between those two amounts. (2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to, if the reference in section 9(1)(a) and (b) of this Act to the proceeds of sale were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel. (3) For the purpose of subsection (2), the total value of the chargeable oil for a company shall be the sum of the multiplications of volume and fiscal oil price as established by the Commission at the measurement point. (4) The whole of any additional chargeable tax for crude oil payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period. (5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal oil price for such stream and every fiscal oil price per barrel established shall bear a fair and reasonable relationship - (a) to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or (b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, it shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of	These amendments are essential to appropriately align the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>

17

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
18. Section 30 Preparation and Delivery of Accounts and Particulars	30. Preparation and Delivery of Accounts and Particulars  (1) Every company which is or has been engaged in petroleum operations shall for each accounting period of the company, make up accounts of its profits or losses, arising from those operations, of that period and shall prepare the following particulars- (a) computations of its estimated adjusted profit or loss and of its estimated assessable profits of that period; (b) in connection with the Second Schedule to this Act. A schedule showing- (i) the residues at the end of that period in respect of its assets; (ii) all qualifying petroleum expenditure incurred by it in that period; (iii) the values of any of its assets (estimated) by references to the provisions of that Schedule) disposed of in that period; and (iv) the allowances due to it under that Schedule for that period; (c) a computation of its estimated chargeable profits of	comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors. (6) Where a particular company's chargeable oil is exported from Nigeria or sold locally by another company, that chargeable oil for the purpose of this section shall be deemed to be exported from Nigeria or sold by that particular company."  (7) References in this section to crude oil include references to casing head petroleum spirit which has been injected into crude oil. (8) Where any crude oil which in relation to a particular company is chargeable oil is exported from Nigeria otherwise than by that company, that crude oil shall for the purposes of this section be deemed to be exported from Nigeria by that company.	quality. (6) Every posted price established as aforesaid must bear a fair and reasonable relationship- (a) to the established posted prices of Nigerian crude oils of comparable quality and gravity, if any; or (b) if there are no such established posted prices for such Nigerian crude oils to the posted prices at main international trading export centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and all other relevant factors. (7) References in this section to crude oil include references to casing head petroleum spirit which has been injected into crude oil. (8) Where any crude oil which in relation to a particular company is chargeable oil is exported from Nigeria otherwise than by that company, that crude oil shall for the purposes of this section be deemed to be exported from Nigeria by that company.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>
18. Section 30 Preparation and Delivery of Accounts and Particulars	30. Preparation and Delivery of Accounts and Particulars  (1) Every company engaged in petroleum operations shall for each accounting period of the company make up accounts of its profits or losses and prepare the following particulars for the purpose of determining Petroleum Profits Tax - a. a statement of accounts of its profits or losses; b. computation of its actual adjusted profit or loss and actual assessable profits of that period; c. in connection with the Second Schedule to this Act, a schedule showing - (i) the residues at the end of that period in respect of its assets; (ii) all qualifying petroleum expenditure incurred by it in that period, (iii) the values of any of its assets disposed of in that period; and (iv) the allowances due to it under that schedule for	Section 30 of the PPTA is amended by Substituting for section 30 of PPTA a new section 30, as follows -  "(1) Every company engaged in petroleum operations shall for each accounting period of the company make up accounts of its profits or losses and prepare the following particulars for the purpose of determining Petroleum Profits Tax - a. a statement of accounts of its profits or losses; b. computation of its actual adjusted profit or loss and actual assessable profits of that period; c. in connection with the Second Schedule to this Act, a schedule showing - (i) the residues at the end of that period in respect of its assets; (ii) all qualifying petroleum expenditure incurred by it in that period, (iii) the values of any of its assets disposed of in that period; and (iv) the allowances due to it under that schedule for	These amendments are essential to appropriately align the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>

18

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
18. Section 30 Preparation and Delivery of Accounts and Particulars	30. Preparation and Delivery of Accounts and Particulars  (1) Every company engaged in petroleum operations shall for each accounting period of the company make up accounts of its profits or losses and prepare the following particulars for the purpose of determining Petroleum Profits Tax - a. a statement of accounts of its profits or losses; b. computation of its actual adjusted profit or loss and actual assessable profits of that period; c. in connection with the Second Schedule to this Act, a schedule showing - (i) the residues at the end of that period in respect of its assets; (ii) all qualifying petroleum expenditure incurred by it in that period, (iii) the values of any of its assets disposed of in that period; and (iv) the allowances due to it under that schedule for	that period; (d) a statement of other sums, deductible under section 22 of this Act, the liability for which were incurred during that period; (e) a statement of all amounts repaid, refunded, waived or released to it, as referred to in subsection (5) of section 20 of this Act, during that period; and (f) a computation of its estimated tax for that period. (2) Every company which is or has been engaged in petroleum operations shall, with respect to any accounting period of the company, within five months after the expiration of that period or within five months after the date of publication of this Act in the Federal Gazette upon enactment (whichever is later) deliver to the Board a copy of its accounts (bearing an auditor's certificate) of that period, made up in accordance with the provisions of subsection (1) of this section, and copies of the particulars referred to in that subsection relating to that period; and such copy of those accounts each copy of those particulars (not being estimates) shall contain a declaration, which shall be signed by a duly authorised officer of the company or by its liquidator, receiver or the agent of such liquidator or receiver, that the same is true and complete and where such copies are estimates each copy shall contain a declaration, similarly signed, that such estimate was made to the best of the ability of the person signing the same.  (2) Every company engaged in petroleum operations shall with respect to any accounting period of the company and within 5 months after the expiration of that period, deliver to the Service a copy of its accounts, bearing an auditor's certificate, of that period, in accordance with the provisions of subsection (1) of this section and copies of the particulars referred to in subsection (1) of this section relating to that period with copy of the delivered company accounts and each copy of those particulars, shall contain a declaration signed by authorised officer of the company or by its liquidator, receiver or the agent of the liquidator or receiver, that the same is true and complete.  (3) Notwithstanding the provisions of this section, every company which is yet to commence bulk sales or disposal of chargeable oil, shall file with the Service its audited accounts and returns - a) within 18 months from the date of its incorporation, in the case of a newly incorporated company; and b) within 5 months after any period ending on 31st December of the following year, in the case of any other company, provided that where there is an interval between 31st December of the preceding year and the date on which the company commences the bulk sale or disposal of chargeable oil or condensate, the interval shall be deemed to form part of the preceding period.	that period; d. a computation of its actual chargeable profits of that period; e. a statement of amounts repaid, refunded, waived or released to it, referred to in section 10(2) of this Act, during that period; f. duly completed self-assessment form attested to by the principal officer of the company; and g. evidence of payment of the final instalment.  (2) Every company engaged in petroleum operations shall with respect to any accounting period of the company and within 5 months after the expiration of that period, deliver to the Service a copy of its accounts, bearing an auditor's certificate, of that period, in accordance with the provisions of subsection (1) of this section and copies of the particulars referred to in subsection (1) of this section relating to that period with copy of the delivered company accounts and each copy of those particulars, shall contain a declaration signed by authorised officer of the company or by its liquidator, receiver or the agent of the liquidator or receiver, that the same is true and complete.  (3) Notwithstanding the provisions of this section, every company which is yet to commence bulk sales or disposal of chargeable oil, shall file with the Service its audited accounts and returns - a) within 18 months from the date of its incorporation, in the case of a newly incorporated company; and b) within 5 months after any period ending on 31st December of the following year, in the case of any other company, provided that where there is an interval between 31st December of the preceding year and the date on which the company commences the bulk sale or disposal of chargeable oil or condensate, the interval shall be deemed to form part of the preceding period.	<b>Policy Anchor: #5-Revenue Generation / Tax Administration</b>

19



Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Row 19: Section 51. Penalty for offences. Proposed Amendment: Substitute for section 51, a new Section "51," as follows - (1) A person who fails to comply with the provisions of this Act or any Regulations made under this Act for which no other penalty is specifically provided, shall be liable to an administrative penalty of N10,000,000, and where the default continues beyond a period stipulated by this Act or Regulations, the person shall be liable to a further administrative penalty of N2,000,000 for each day the default continues or such other sum as may, by Order, be prescribed by the Minister of Finance.

20

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Row 20: Section 52. Penalty for Making Incorrect Accounts, etc. Proposed Amendment: Substitute for section 52, a new Section "52," as follows - (1) A person who without reasonable excuse - (a) makes up or causes to be made up any incorrect accounts by omitting or understating any profits or overstating any losses of which he is required under this Act to make up accounts; (b) prepares or causes to be prepared any incorrect schedule required to be prepared by section 30 of this Act by overstating any expenditure or overstating any royalties or other sums or by omitting or understating any amounts repaid, refunded, waived or released; or gives or causes to be given any incorrect information in relation to any matter or thing affecting his liability to tax, shall be guilty of an offence and shall be liable to a fine of N1,000,000 and double the amount of tax which has been undercharged in consequence of such incorrect account, schedule, statement or information or would have been so undercharged if the account, schedule, statement or information had been accepted as correct and shall still be liable for the appropriate tax which would have been charged.

21

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Row 22: Section 55. Penalties for offences by authorised and unauthorised persons. Proposed Amendment: Section 55 is hereby deleted. Justification: These amendments are essential as Section 44 of the FIRSEA has already provided adequate and overriding provisions more relevant vis-à-vis redundant offence and penalty.

22

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section Stamp Duties Act (SDA). 23. Section 89. 89A(4) Electronic Money Transfer Levy. Proposed Amendment: Section 89A of the Stamp Duties Act is amended by substituting for subsection (4), a new subsection (4) as follows - (4) Notwithstanding any formula that may be prescribed by any other law, the revenue accruing by virtue of the operation of this section, shall, on the basis of derivation, be distributed as follows - (a) 15% to the Federal Government and the Federal Capital Territory, Abuja; (b) 50% to the State Governments; and (c) 35% to the Local Governments.

23

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section Value Added Tax Act (VATA). 24. Section 7. Administration of the tax. Proposed Amendment: Section 7 of the VAT Act is amended by including new subsections (3), (4), (5) and (6) as follows - 7. Administration of the tax (1) The tax shall be administered and managed by the Federal Inland Revenue Service (in this Act referred to as "the Service"). (2) The Service may do such things as it may deem necessary and expedient for the assessment and collection of the tax and shall account for all amounts so collected in accordance with the provisions of this Act.

24

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section 25. Section 14(3). Collection of Tax by Taxable Person. Proposed Amendment: Section 14(3) of the VAT Act is amended by replacing it with a new subsection 3, as follows - "The Service may appoint any person to withhold or collect the tax, and the person so appointed shall, on or before the 21st day of the following month, remit the tax so withheld or collected to the Service in the currency of the transaction"

25

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section 27. Section 46. Interpretation. Proposed Amendment: Section 14(3) of the VAT Act is amended by replacing it with a new subsection 3, as follows - "Building" means any structure permanently affixed to land for all or most of the useful life of that structure and shall include, without limiting the generality of the foregoing, a house, garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly fixed structure affording protection and shelter, but excludes any fixtures or structures that can easily be removed from such land, such as radio and television masts, transmission lines, cell towers, vehicles, mobile homes, caravans and trailers.

26

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section 28. Section 22(4). Bribery for Giving Assistance Etc. in Regard to Contracts. Proposed Amendment: Section 22 of the ICPC Act is amended by substituting for subsection (4), a new subsection (4) - (4) Any public officer who, in the discharge of his official duties awards or signs any contract without budget provision, administrative approvals and procurement plan, shall be guilty of an offence under this Act and on conviction be liable to three (3) years imprisonment and a fine of one hundred thousand Naira.

27

Table with 5 columns: Section, Current Provision, Proposed Amendment, Justification, Policy Drivers. Section 29. Section 16(1)(b). Fundamental Principles for Procurement. Proposed Amendment: Section 16 of the Public Procurement Act is amended by substituting for subsection (b), a new subsection (b) - (1) Subject to any exemption allowed by this Act, all public procurement shall be conducted: - (b) based only on procurement plans supported by prior budgetary appropriations and no procurement proceedings shall be formalized until the procuring entity has ensured that funds are available to meet the obligations and subject to the threshold in the regulations made by the Bureau, has obtained a "Certificate of No Objection" to Contract Award" from the Bureau.

28