

Nigeria:
**Transfer Pricing Returns &
CbCR Notifications - Migration
from E-TP Plat to Tax Promax**



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The migration of the filing of Transfer Pricing (TP) Returns (TP Declaration & TP Disclosure) and Country-By-Country Reporting Notification in Nigeria, from the E-TP Plat to Tax Promax Platform is a welcome development. This is one example of the steady deployment of modern technology to facilitate tax administration in the country.

Tax Promax Platform has been a game changer since its introduction. Other applications that were also in use in the past have been collapsed into Tax Promax.

The latest development will make Tax Promax to be more robust and possibly become the central tax platform of the Federal Inland Revenue Service (FIRS). Tax Promax has been very efficient in the administration of taxes in Nigeria by the FIRS, it has brought the following tax processes under a single platform:

- Returns of self-assessment on Company Income Tax (CIT), Tertiary Education Tax (TET), National Information Technology Development Levy (NITDL), Nigerian Police Trust Fund Levy (NPTFL), National Agency for Science and Engineering Infrastructure (NASENI), Value Added Tax (VAT), Withholding Tax (WHT), Withheld Value Added Tax (WVAT), Pay-As-You-Earn (PAYE) on Non-Resident Individuals & Stamp Duties.
- Revenue Authority's additional assessment on all the above tax types,

- Collection process of both cash and credit system on WHT & VAT including input suffered from purchases, Capital Allowances & Loss Relief,
- Revenue accounting through self-balancing ledger system
- Processing of Tax Clearance Certificate (TCC)- Though this is still running parallel to the e-service platform that mirrors tax compliance on the Tax Promax. It means that the e-service platform will not generate TCC if the taxpayer has non-compliance issues on Tax Promax.



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Key Provisions

- Based on the public notice, the service allows taxpayers until June 30, 2024, to fulfill all outstanding filing requirements for their Transfer Pricing Returns and to submit CbCR notifications via Tax Pro Max.
- Administrative penalties previously imposed or to be levied by the service under the Income Tax (Transfer Pricing) Regulations 2018 and Income Tax (Country by Country) Regulation 2018 will be waived.
- Finally, the publication also provides that taxpayers may choose to re-file returns previously filed on the old platform (e-TP Plat). It is advisable to do the re-filing to avoid loss of filed data.

Commentary

The enablement of taxpayers to file Transfer Pricing Returns and Country-By-Country Reporting Notification on Tax Promax demonstrates the continuous effort of the Service to make the tax system in Nigeria a seamless process. It is our belief that the Tax Promax will incorporate other tax processes of the service which include Tax Audit & Investigation, Reconciliation, Objection, Notice of Refusal to Amend Assessment, Appeals, and so on.

We encourage taxpayers to seize the opportunity of the waiver of pending administrative penalties by promptly engaging in the process provided.

By availing themselves of this option, taxpayers can mitigate potential financial burdens and streamline their tax obligations, ensuring smoother compliance and fostering a more favorable relationship with the tax authorities.

We expect that there will be some teething problems regarding taxpayer experience as additional large volumes of data are uploaded onto the Tax Promax platform.

System breakdowns and downtimes might initially create some frustrations, but we expect that over time, processing will be efficient and seamless. In this connection therefore, we anticipate that there would be stakeholder engagements organized by the tax authority to provide some guidance and to respond to stakeholder feedback and challenges.

It is also expected that the waiver of pending administrative penalties will generally incentivize taxpayers into migrating to the Tax Promax platform.

The implication is that taxpayers would upload required information within the stated timeframe to obtain the waiver, and this availability of critical taxpayer data and information will facilitate enhanced tax administrative procedures for the Federal Inland Revenue Service, as well as possibly expanding the tax net leading to higher revenues in the years ahead.



FEDERAL INLAND REVENUE SERVICE

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PUBLIC NOTICE

MIGRATION FROM E-TPPLAT TO TAXPRO-MAX PLATFORM FOR THE FILING OF TRANSFER PRICING RETURNS AND COUNTRY-BY-COUNTRY REPORTING NOTIFICATIONS

In line with our commitment to continuously improve the efficiency of our processes to alleviate compliance burden on taxpayers, the Federal Inland Revenue Service (the Service) takes this opportunity to inform taxpayers and the general public about the following updates:

1. The annual filing of Transfer Pricing Returns, and Country-by-Country Reporting (CbCR) notifications have been migrated from e-TP Plat to the TaxPro-Max Platform. Taxpayers are now required to file their Transfer Pricing Returns and CbCR Notifications on TaxPro-Max using their regular login credentials.
2. The Service, by this notice, grants both existing and prospective taxpayers up to 30th June 2024 to fulfil all pending filing obligations of their Transfer Pricing Returns, and submission of CbCR Notifications on TaxPro-Max.
3. The administrative penalties previously imposed or to be imposed by the Service or in accordance with the Income Tax (Transfer Pricing) Regulations 2018 and the Income Tax (Country-by-Country) Regulations 2018 shall be waived by virtue of compliance with paragraph (2) above. However, penalties shall be imposed on any taxpayer who fails to comply accordingly.
4. Taxpayers may choose to re-file returns previously filed in the old platform (e-TP Plat).
5. In this regard, the Service hereby invites all principal officers, owners, and representatives of companies, other stakeholders and the general public to be guided by this notice.

Enquiries

Further enquiries on any aspect of this notice should be directed to the office of:

Executive Chairman,
Federal Inland Revenue Service,
20 Sokode Crescent,
Wuse Zone 5. Abuja

or

The Director,
International Tax Dept.,
FIRS Building, 17B Awolowo,
Road Ikoyi, Lagos.

Signed:

Zacch Adedeji, PhD

Executive Chairman,
Federal Inland Revenue Service

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