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TEMPLARS Transcripts: Tax Digest

Policy and Tax Administration

- **Federal Inland Revenue Service (FIRS) and the Lagos state Internal Revenue Service (LIRS) establish Joint Tax Audit and Investigation Team pursuant to the Memorandum of Understanding (MoU) signed on 06 February 2023**

On 08 June 2023, the FIRS and LIRS released a joint public statement on the MoU signed between the FIRS and LIRS on 6 February 2023. According to the statement, the MoU was signed in order to improve tax administration with a view to enhancing tax revenue generation, creation of a robust database and improve on Nigeria's tax to Gross Domestic Product (GDP) ratio.

The statement further revealed that following the signing of the MoU, the FIRS and LIRS will establish a Joint Audit or Investigation Team to be known as **FIRS/LSBIR JAIT** to conduct joint audit or investigation exercises relevant to both tax authorities. The Joint Tax Audit and Investigation Team will also facilitate automatic exchange of information for gathering data for the purpose of tax administration. Its overall objective will be to improve tax administration by reducing tax compliance costs, thereby enabling ease of doing business in Nigeria. The statement further enjoined the public, taxpayers and tax practitioners to provide full support to the JAIT.

- **World Bank opines that Nigeria is due for carbon tax implementation:¹**

In May 2023, the World Bank issued a report highlighting that Nigeria and five other African countries are ripe for the adoption of a carbon tax policy because Nigeria already has legal frameworks to establish an emissions trading system. Carbon tax is levied on entities for their greenhouse gas ("GHG") emissions as a financial incentive and policy tool by the government to reduce GHG emissions.

¹ Omono Okonkwo, "Insights: Nigeria, 5 Other African Countries are Ripe for Carbon Tax Implementation – World Bank" (Nairametrics, June 2023) < <https://nairametrics.com/2023/06/05/insights-nigeria-5-other-african-countries-are-ripe-for-carbon-tax-implementation-world-bank/> >

The report noted that there is a growing interest in the implementation of Carbon Taxes and Emissions Trading Systems (ETS) in other African countries such as Senegal, Botswana, and Cote d'Ivoire. It further noted that South Africa is the only African country that has implemented a carbon tax regime, and further noted that the Nigeria Climate Act, 2021, establishes a council with the authority to establish an ETS and given the continuous increase in GHG emissions in Nigeria, the country is ripe for the adoption of a carbon tax policy.

On its part, Nigeria announced that it is developing, and will soon adopt a tax policy. On 13 February 2023, the Federal Government of Nigeria (FGN) announced plans to unveil a Carbon Tax Policy and Budgetary System for Nigeria in accordance with the provisions of the Climate Change Act 2021 (the "Policy")². In the meantime, it appears that the Nigerian Government has begun the imposition of forms of carbon tax on goods and services that are GHG intensive. For example, the recently issued Fiscal Policy Measure 2023 (FPM 2023) introduced green taxes on Single Use Plastics and certain categories of vehicles. It is expected that the Federal Government may impose other variations of carbon taxes in order to reduce GHG emissions and meet up with its net-zero emissions target.

- **FIRS issues tax assessments to international petroleum transport vessels on Nigerian income**

Following information gathered from regulators in the petroleum and shipping industries, the FIRS began issuing tax assessments to companies engaged in international petroleum tanker transportation which were deemed to have carried on business in Nigeria. The FIRS, through a public notice issued in 2021, had requested companies engaged in international shipping and who derive income from Nigeria to regularise their tax affairs before 28 February 2022. It would appear, however, that the FIRS recorded low compliance from the affected companies thereby prompting the FIRS to issue assessments especially given that the grace period for compliance has elapsed.

Separately, the recently passed Finance Act 2023 appeared to confirm the apparent policy direction of the FIRS. The Finance Act 2023 introduced new compliance obligations for international shipping companies which require regulatory agencies in the shipping industry to request (i) evidence of tax filing for the preceding year and (ii) Tax Clearance Certificates (TCC) of the shipping companies obtained from the FIRS in order for the shipping companies to continue to carry on business in Nigeria or obtain any relevant permits or approvals.

- **Banks Begin Collection of Tax Clearance Certificates on FX Requests**

Between 30 May 2023 and 1 June 2023, commercial banks in Nigeria communicated to their customers that all foreign exchange requests (FX requests) must now include a valid copy of the applicant's Tax Clearance Certificate (TCC), alongside other required documents on the Central Bank of Nigeria (CBN) trade monitoring system portal. FX requests for Personal Travel Allowance (PTA), Business Travel Allowance (BTA); Personal Home Remittances, in addition to applications for government loans, certificate of occupancy and registration of motor vehicles, are included under this new requirement.

² See our [publication](#) of 15 May 2023 where we reviewed the proposed policy and the possible impact on the Nigerian economy.

The banks' advise to their customers comes in furtherance to a directive issued by the Federal and State Governments of Nigeria, pursuant to **section 85 of the Personal Income Tax Act (PITA) 2011** (as amended), to commercial banks and Ministries, Departments and Agencies of Government (**MDAs**) to henceforth require the provision of the TCC before carrying on any business with individuals and organizations in the country. MDAs, banks and other corporate bodies were, further to the directive, to ensure that all presented TCCs go through a rigorous verification process by the issuing tax authority to ascertain authenticity.

Judicial Decisions

Tax Appeal Tribunal validates FIRS Powers to Appoint Bolt Operations as Tax Collector Agent: Bolt Operations OU (Bolt.) v. FIRS

By a letter dated 26 July 2021, FIRS appointed Bolt as its agent to collect VAT from drivers and restaurants using Bolt's platform to provide services to customers. FIRS relied on Section 10(3) of the Value Added Tax Act as amended by the Finance Act 2021 and its Guidelines on Simplified Compliance Regime for Value Added Tax for Non-resident Suppliers dated 11 October 2021 (the Guidelines). The Guidelines appoint non-resident suppliers who supply goods or services through electronic or digital means including services provided by ride hailing services as VAT collectors for FIRS. Further, the Guidelines provide that where a supply is made through an intermediary³, the intermediary is deemed to be the supplier of the services and is responsible for the tax obligations of the actual supplier.

Dissatisfied with the basis of FIRS' appointment, Bolt instituted an appeal at the Tax Appeal Tribunal (TAT) to challenge FIRS' appointment as well as the interpretation of the relevant provisions of the Value Added Tax Act.

At the Tribunal, Bolt argued that the FIRS had made a legal error by appointing Bolt, a non-resident supplier, as the agent responsible for charging, collecting, and remitting VAT on supplies made by Nigerian resident suppliers to their customers through Bolt's platform. Bolt asserted that the power to appoint an individual to collect another person's tax is typically exercised when the appointee is either directly involved in the taxable transaction as either the supplier or the recipient, or when the appointee possesses the consideration of the supply. Also, Bolt contended that the primary obligation to remit VAT lies with the person who supplies the goods or services, as specified in Sections 12 and 14 of the VAT Act. This obligation applies exclusively to goods and services provided by the supplier and does not extend to goods or services that are not supplied by the supplier.

In addition, Bolt argued that the Nigerian resident suppliers on its platform are exempted from VAT obligations under section 15(2) of the VAT Act as they do not make taxable supplies exceeding a cumulative sum of N25,000,000.00 (Twenty-Five Million Naira) within a calendar year. Consequently, Bolt, as an agent, cannot be

³ The Guidelines define "intermediary" as means any person, a digital interface or platform who facilitates the supply of goods, services or intangibles through electronic or digital means or who is responsible for issuing the invoices and collecting payment for the supply on behalf of the underlying suppliers. Since Bolt is a digital platform that facilitates supply of goods and services through digital means, it is deemed to be an intermediary under the Guidelines.

held responsible for an obligation that does not apply to its principal, which in this case, refers to the drivers.

In response, FIRS argued that it has the powers under Section 10(4) of the VAT Act to appoint any person including Bolt as a VAT collection agent of the FIRS and that its authority to appoint any person, including the Respondent (Bolt) as an agent for VAT collection is unrestricted by the VAT Act.

Additionally, the FIRS contended that goods and services not listed in the First Schedule are not automatically exempted, unless expressly exempted elsewhere in the VAT Act. They clarified that the provisions of Section 15(2) only exempt persons below the minimum threshold from fines and penalties listed in Sections 8(2), 13A, 29, 34, and 35 of the VAT Act, but it does not exempt them from the payment of VAT as per the provisions of the Act. Therefore, Bolt could be appointed as VAT collection agents of the drivers and restaurants on their platform.

Agreeing with the FIRS, the Tribunal held that that the FIRS validly exercised its powers under the law to appoint Bolt as a collection agent with respect to the activities of the food vendors and the ride-hailers on its platform. Further, the Tribunal avoided analysing Bolt's argument on whether it can be appointed as an agent to collect taxes of persons who are exempt from VAT on the premise that Bolt had no locus to raise the argument.

It remains to be seen how this issue will be resolved on appeal.

Legislative Advancements

Finance Act 2023 Introduce Changes to the Nigerian Tax and Fiscal Regime

In line with the Federal Government's established practice of annually amending relevant provisions of various tax laws in order to bring them in tandem with global best practices and generate revenue for government, the immediate past president, President Muhammadu Buhari signed the Finance Bill 2022 into law on 28 May 2023. This is the fourth Finance Act in a series of Finance Acts since 2020. Similar to the previous Finance Acts, the FA 2023 amends provisions of Nigeria's tax and fiscal legislation including the Capital Gains Tax Act, Companies Income Tax Act, Customs, Excise Tariff etc. (Consolidation) Act, Personal Income Tax Act, Petroleum Profits Tax Act, Stamp Duties Act, Value Added Tax Act, Corrupt Practices and other Related Offences Act, the Public Procurement Act and Ministry of Finance (Incorporated) Act.

We have provided below, a highlight of the key changes introduced by the Act and its implication for businesses.

Highlight of Key Provisions of the Act

Amendments to the Capital Gains Tax Act

- ❖ **Introduction of Digital Assets as Chargeable Assets under the CGTA:** With the enactment of the FA 2023, the list of chargeable assets has been expanded to include digital assets. Accordingly, gains accruing from the disposal of digital assets such as cryptocurrency and NFTs may be subject to the payment of Capital Gains Tax (CGT).

Prior to the enactment of the FA 2023, there was no clear regulatory framework for the taxation of digital assets in Nigeria. Although Nigeria's taxing legislation includes omnibus taxing language which tends to include gain from or profit from all sources of income⁴, none of the tax laws expressly imposed a tax on digital assets or recognised that they should be included as taxable assets.

While it is now clear that CGT is applicable to digital assets, some questions remain unanswered. For example, in what currency should the tax be remitted? Taxes are generally remitted in the currency of the transaction, however for digital asset transactions that are consummated with digital coins such as NFT, Bitcoin, Ethereum etc., will the tax authority collect digital currencies as tax? It is expected that the FIRS and state tax authorities will issue guidance documents on the administration of tax on digital assets in the coming months.

Further, it remains to be seen how the imposition of CGT on digital assets will align with the lack of clarity around the regulation of digital currencies by regulators of the Nigerian financial markets. The Central Bank of Nigeria (CBN) in a circular issued in February 2021 prohibited trading in cryptocurrencies in Nigeria. However, the Securities and Exchange Commission (SEC) issued a circular in May 2022 regulating the exchange and custody of digital assets in Nigeria. Accordingly, it is clear that the regulatory framework surrounding the ownership and trading of digital assets will have to be settled to ensure the implementation of an effective and seamless tax regime.

- ❖ **Deduction of Losses Arising from Sale of one Asset from the Gains Derived from the Sale of another Asset of the Same Class:** The CGTA was amended to the effect that losses arising from the sale of a capital asset can now be deducted from gains derived from the sale of another capital asset, provided that the assets are in the same class.⁵ For example, where a taxpayer sells assets and records a loss, the loss accruing from the disposal of those assets can be deducted against the gains derived by the company from the sale of other assets in the same category as the previous assets. In addition, where the aggregate amount of losses arising from the sale of capital assets exceeds the gain derived from sale of other capital assets, such excesses losses can be carried forward for a maximum period of five years.
- ❖ **Roll-over Relief to Apply to Sale of Shares:** Section 32 of the CGTA allow taxpayers to defer/roll-over the CGT payable where they dispose of or exchange certain business assets used for the purpose of a trade or business and replace them with another asset of a similar class for the purpose of the same business. Prior to the FA 2023, the classes of assets on which the roll-over relief can be enjoyed were:

⁴ The Companies Income Tax Act imposes tax on "any source of annual profits or gains" accruing to a company, further the Personal Income Tax Act imposes tax on all profit accruing to an individual. Similarly, the CGTA imposes CGT on "all forms of property".

⁵ Section 3 of the Act. Section 5 of CGTA

- Class 1 – Land and building and Plant or Machinery;
- Class 2 – Ship;
- Class 3 – Aircraft; and
- Class 4 – Goodwill

The FA2023 introduces **shares** as a new class of asset on which the roll-over relief can be claimed provided that the proceeds of sale of the shares are reinvested in the acquisition of shares in the same or other Nigerian company within the same year of assessment.⁶ Therefore, where businesses or individuals dispose of shares which constitute chargeable assets for CGT purposes, they can defer payment of CGT on the shares to another year provided that the proceeds of the disposal are reinvested in the same or another Nigerian company within the same year of assessment.

Amendments to the Companies Income Tax Act

- ❖ **Removal of Reconstruction Investment Allowance:** The FA2023 deletes the investment allowance of 10% which was applicable to capital expenditure incurred on plant and equipment under section 32 of the CITA. This removal will however not affect assets acquired on or before the effective date of the FA2023 i.e., 28 May 2023.⁷ Companies may continue to invest in plant and equipment for their business operations, but will no longer be able to enjoy this allowance.
- ❖ **Removal of Rural Investment Allowance:** The FA2023 also deletes the rural investment allowance ranging from 15% to 100% applicable to capital expenditure incurred on the provision of certain facilities such as electricity, water or tarred road for the purpose of a trade or business which is located at least 20 kilometers away from the available government-provided facilities. This removal does not affect any asset acquired on or before the effective date of the FA2023.⁸
- ❖ **Removal of Income Tax Exemption Granted in respect of Convertible Currencies:** The FA2023 deletes the income tax exemption applicable to 25% of incomes in convertible currencies derived from tourists by companies engaged as hoteliers. Notably, where companies have reserved funds for the purpose of this exemption, such companies will continue to enjoy the exemption until the funds are fully utilized.⁹
- ❖ **Introduction of Unrestricted Capital Allowances for Companies in the Upstream and Midstream Petroleum Industry:** Prior to the enactment of the FA2023, only agro-allied and manufacturing companies were allowed to claim 100% of capital allowance in respect of qualifying capital expenditure incurred by them. Other companies had their capital allowance restricted to 66^{2/3}rd of their assessable profit. However, with the enactment of the FA2023, companies engaged in upstream and midstream petroleum operations will now enjoy unrestricted capital allowance.
- ❖ **Filing of Returns for Non-Resident Companies Engaged in Shipping or Air Transport:** The Act provides that any non-resident company engaged in shipping or air transport which files returns (but fails to provide separate financial statements of its Nigerian operations) shall submit detailed gross revenue statements of its Nigerian operations showing the full sums earned

⁶ Section 5 of the CGTA.

⁷ Section 6 of the Act.

⁸ Section 7 of the Act.

⁹ Section 8 of the Act.

in the relevant period, certified by one of the company's directors and their external auditor, and supported by all invoices issued to the relevant customers.

Regulatory agencies in the shipping and air transport sectors shall also mandate all companies taxable in such sectors to present evidence of their income tax filings for the preceding year and TCCs for the preceding three years in order to continue carrying on business in Nigeria or obtain any relevant approvals / permits.

Amendments to the Customs, Excise, Tariff Etc. Consolidation Act (CETA)

- ❖ **Imposition of Levy on All Eligible Goods Imported into Nigeria from Outside Africa:** The Act introduces a new subsection (4) to section 13 of the CETA which provides for the imposition of a levy of 0.5% on all eligible goods imported into Nigeria from outside Africa. The proceeds from the collection of this levy will be applied towards financing capital contributions, subscriptions and other financial obligations to the Africa Union, African Development Bank, Africa Export-Import Bank and other multilateral institutions as may be designated by regulation issued by the Minister responsible for Finance. While it is not specifically stipulated, we believe that this provision will not eliminate any existing exemptions provided under and in relation to the CETA.
- ❖ **Imposition of Excise Duty on All Services:** The FA2023 widens the scope of services subject to excise duty to cover services other than telecommunications services.¹⁰ It is expected that the President will issue an order containing the services on which the excise duty will be imposed as well as the relevant rates.
- ❖ **Minister of Finance to Oversee Tariff Review Board:** The Act clarifies the powers of the Minister of Finance to supervise the activities of the Tariff Review Board. The TRB is responsible for reviewing rates of custom and excise duties under the CETA.

Amendments to the Personal Income Tax Act

- ❖ **Premium to be an Allowable Deduction:** The FA 2023 seeks to make premiums paid to an insurance company in respect of a contract for deferred annuity for an individual or his/her spouse an allowable deduction under PITA, provided that the premium is not withdrawn before the end of 5 years from the date the premium was paid.

Employees who make premium payments to insurance companies in respect of a deferred annuity can have such premium payments reduced from their PIT provided that they do not withdraw the premium before the end of 5 years from the date the premium was paid. PIT will therefore apply to any portion of the deferred annuity withdrawn within the 5 years minimum holding period.

Amendments to the Petroleum Profits Tax Act

- ❖ **Contributions to Decommissioning and Abandonment Funds to be deemed Allowable Deductions:** The FA2023 introduces a new paragraph (a) to section 10 of the PPTA to the effect that contributions made to any fund, scheme or arrangement approved by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) for the purpose of decommissioning and

¹⁰ Section 12 of the Act.

abandonment are treated as allowable tax deductions under the Petroleum Profits Tax Act upon provision of the statement of account of the Fund. Any surplus amount left in the Fund account after decommissioning will be subject to petroleum profits tax.¹¹

This provision is in alignment with the Petroleum Industry Act which requires upstream companies to establish a decommissioning and abandonment fund and to take contributions to the fund as a deductible expense in computing their taxes. Upstream companies that are yet to convert to the PIA regime are required to establish the fund and also take contributions to the fund as a deduction against their chargeable profits.

- ❖ **Clarification of the Nigerian Upstream Regulatory Commission (NUPRC) as the regulator of the upstream oil and gas industry:** The term PPTA now includes a definition for the term "Commission". This brings the PPTA in line with the PIA which creates the NUPRC as the regulator of the upstream petroleum sector.
- ❖ **Omnibus Penalties Applicable Where No Penalty is Prescribed:** Previously, the penalty for contravention of the Act or regulations made pursuant to the PPTA in respect of which no specific penalty is stipulated was N10,000 for the first day of default and N2000 for each subsequent day that the default continues. This has however been revised to a penalty of N10,000,000 (Ten Million Naira) for the first day of default and N2,000,000 (Two Million Naira) for every continuing day of default.

In addition, the Act imposes on any person **convicted** for an offence for which no other penalty is specifically provided for in PPTA or its Regulations, a fine of N20,000,000 (Twenty Million Naira) or such other sum as may, by Order, be prescribed by the Minister of Finance, or to imprisonment for 6 months or to both fine and imprisonment.

- ❖ **Penalties for Making incorrect Accounts:** Previously, the penalty for making incorrect returns was N1000 plus an amount equal to double of the applicable tax or six months imprisonment or both. This has however been revised to an administrative penalty in the sum of N15,000,000 (Fifteen Million Naira) or 1% of the amount of tax which has been undercharged, whichever is higher. **The Act** further make it a criminal offence for any person to make incorrect accounts, with the penalty being either a fine of N15,000,000 (Fifteen Million Naira) or 1% of the amount of tax which has been undercharged, whichever is higher.
- ❖ **Penalties for Making, Keeping or Delivering False Statements:** Prior to the enactment of the FA2023, the penalty for making, keeping or delivering false statements was N1000 plus an amount equal to three times of the applicable tax or six months imprisonment or both. The FA2023 revises this to an administrative penalty in the sum of N15,000,000 (Fifteen Million Naira) or 1% of the amount of tax for which the person assessable is liable, in addition to the appropriate tax which would have been assessed and charged on the person.

Likewise, the Act makes it a criminal offence to engage in the above-mentioned acts, with the penalty for such criminal offence, upon conviction, being a fine in the sum of N15,000,000 (Fifteen Million Naira) or 1% of the amount of tax for which the person assessable is liable under the

¹¹ Section 16 of the Act.

Act for the accounting period in respect of or during which the offence was committed, or to imprisonment for 6 months or to both the fine and imprisonment”.

The new penalty regime under the PPTA is aimed at ensuring compliance by operators in the industry and deterring any act criminalised under the PPTA or its regulations. Upstream companies are advised to take note of the new penalty regime which could include a penalty imposed at the discretion of the Minister of Petroleum Resources.

Amendments made to the Value Added Tax (VAT) Act

- ❖ **VAT to be Remitted on or before the 14th Day of the Following Month:** Persons appointed by the FIRS to withhold and collect VAT at source are now required to remit the VAT to the FIRS on or before the 14th day of the following month and no longer on or before 21st day of the following month. FIRS on 9 June 2023 issued a public notice informing appointees to remit VAT collected in June to the FIRS on or before 14 July 2023.
- ❖ **Introduction of Anti-Avoidance Provisions:** The VAT Act is amended to empower the FIRS to disregard any disposition of transaction which has no economic substance or which FIRS deems to be fictitious or artificial and to adjust such transactions by imposing the applicable VAT. This provision is similar to the general anti avoidance provisions (GAAP) in other taxing legislations like the CITA, PPTA and CGTA.
- ❖ **Elimination of double VAT on goods purchased on a digital platform and imported into Nigeria:** Importers of taxable goods purchased through an electronic or digital platform operated by a Non-Resident Supplier and imported into Nigeria will not need to pay VAT to the Nigerian Customs Service (NCS) at the point of clearing the goods provided that the importer furnishes evidence of registration or appointment of such NRS as a collection agent of the FIRS and evidence of VAT charged and collected on the sales invoices of the goods.

This provision is aimed at eliminating the incidence of double VAT charge at the point of purchasing the goods and importing same into Nigeria. Separately, following the enactment of the Finance Act 2021 which gave the FIRS powers to appoint digital non-resident suppliers of services as VAT collection agents, FIRS has since appointed a number of digital non-resident suppliers as its VAT collection agents. Similarly, and based on this amendment, FIRS may begin to appoint NRS who supply goods through digital platforms and export same to Nigeria as VAT collection agents.
- ❖ **Redefinition of building for purposes of exemption from VAT:** The Act redefines building to mean structures permanently affixed to land for all or most of its useful life such as a house, garage, dwelling apartment, hospital and institutional building, factory, etc. the definition specifically excludes 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.

The Finance Act 2021 had excluded building from VAT. However, building was not defined under the Act and as such it was left open to subjective interpretation from taxpayers and the tax authorities alike. This may in some cases give rise to a controversy on what should qualify as building for VAT purposes. The redefinition of “building” to exclude fixtures or structures that

can be easily removed from land such as radio and television masts, transmission lines, cell towers, mobile homes etc. is aimed at ensuring that such assets are not eligible for the VAT exemption that apply to buildings.

FIRS in a public notice issued on 9 June 2023 reiterated this provision and stated that all items removed from the definition of building have become chargeable to VAT. Consequently, companies letting, trading in or furnishing services with such items are required to charge VAT with effect from 1 July 2023.

Amendments made to the Tertiary Education Trust Fund (Establishment Etc) Act

- ❖ **Increase of Education Tax Rate:** The rate of education tax (EDT) has been increased from 2.5% to 3%. This is the second year in a row that EDT will be increased. FIRS in its public notice of 9 June 2023 stated that the new TET rate of 3% shall take effect for TET becoming due in respect of accounting period ending on or after 1 July 2023. Companies registered in Nigeria are advised to take note of the due date for TET.

Amendments made to the Stamp Duties Act

- ❖ **Local Governments now included in the Sharing Formula for Revenue Derived from Electronic Money Transfer Levy:** The FA2023 includes local governments in the sharing formula with respect to revenue generated from the collection of Electronic Money Transfer Levy (EMTL) under the Stamp Duties Act. Previously, EMTL was shared between the federal government (15%) and state governments (85%). The revised sharing formula is now as follows: Federal Government- 15%, State Governments- 50%, Local Governments- 35%.

Amendment made to the Corrupt Practices and Other Related Offences Act

- ❖ **Requirements for the Award and Signing of Contracts by Public Officers:** Based on the proposed amendment introduced by the FA2023, public officers are required to (i) seek administrative approvals, (ii) have an approved procurement plan and budget provision prior to awarding or signing contract failing which such officer will be liable to 3 years imprisonment and a fine of N100,000 on conviction.

Amendment made to the Public Procurement Act (PPA)

- ❖ **Requirements for Public Procurement:** Public procurement under the PPA is to be conducted based on approved procurement plans supported by prior budgetary appropriations in addition to other existing regulatory requirements.

Amendment made to the Ministry of Finance (Incorporated) Act

- ❖ Based on the amendment made to MoF Act, the President on the recommendation of the Minister is empowered to appoint persons to the Governing Council, Executive Board and Management Team of the Ministry of Finance Incorporated (the Corporation).

The Corporation has powers to develop, adopt, amend, revoke or supplement appropriate codes, internal guidelines and procedures consistent with the MoF Act.

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