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TEMPLARS Transcripts: Tax Digest

Policy & Administration

Federal Government of Nigeria Signs Tax Incentive Framework for Deep Offshore Projects

On 6 August 2026, the President of the Federal Republic of Nigeria, President Bola Ahmed Tinubu (the "**President**") signed the Deep Offshore Oil and Gas Projects Incentives (Tax Remission) Order 2026 (the "**Order**"), establishing a framework for tax incentives applicable to qualifying deep offshore oil and gas developments under production sharing contracts.

The Order is intended to provide a more structured and transparent basis for granting fiscal incentives, replacing project-specific negotiations with defined eligibility criteria, administration procedures, and policy objective of unlocking up to US$50 billion in deep offshore investment.
The Order provides for Standard and Supplementary Production Tax Credits ("PTCs") for qualifying developments, as well as a Profit Oil Reset mechanism, and other administrative provisions relevant to the implementation of the incentive framework.

For a detailed analysis of the key provisions, eligibility requirements and practical implications of the Order, please see our Client Alert **here**.

The Office of the Tax Ombud and the Oil and Gas Free Zones Authority Partner to Address Investor Disputes in Oil and Gas Free Zones

The Office of the Tax Ombud (the "**Tax Ombud**") and the Oil and Gas Free Zones Authority (the "**OGFZA**") have resolved to explore inter-agency collaboration aimed at attracting more foreign direct investment into Nigeria's oil and gas free zones and improving tax-to-GDP ratio by addressing tax and fee-related grievances through the Tax Ombud's mediation services.

The Tax Ombud explained that the areas of collaboration could include taxpayer complaint resolution, clarification of tax incentives, review of systemic complaints, and promotion of transparency and accountability. As a first step towards implementation, the two agencies have appointed liaison officers to coordinate their activities and facilitate the implementation of the collaboration.

The partnership reflects the Tax Ombud's posture in extending its dispute resolution mandate beyond the general taxpayer population to the specialist investor community operating in free zones, where tax disputes have historically been handled through less structured channels. Additionally, it signals a recognition that the existing incentive and exemption framework within the oil and gas free zones requires a dedicated mechanism for complaint resolution if investor confidence is to be sustained.

Federal Government Approves Tax Waivers for Nearly 4,000 Electric Vehicles

The Federal Government of Nigeria has approved tax waivers for nearly 4,000 electric vehicles ("EVs") imported in the first half of 2026. This represents the first batch of EVs processed under the Federal Government's programme aimed at reducing the cost of importing electric vehicles and accelerating the adoption of clean-energy transportation in Nigeria.

The programme provides for the removal of value added tax on electric vehicles and a reduction in import duties from 5% to 0% for 2026. These measures are also aligned with the Nigeria Tax Act, 2025's priority-sector framework and the Federal Government's broader energy-transition agenda. The Government has set a target for EVs to account for 60% of Nigeria's vehicle fleet by 2050, although EVs currently represent less than 1% of vehicles on Nigerian roads.

While the fiscal incentives are expected to reduce the cost of EV imports, infrastructure constraints remain a significant barrier to widespread adoption. As of late 2025, Nigeria had approximately 48 public EV charging stations, concentrated mainly in Lagos and Abuja, compared with over 500 in South Africa. The national grid also supplies approximately 4,000 megawatts to a population of over 200 million, resulting in many EV owners relying on solar or generator-based charging. Notwithstanding these challenges, the waivers provide a tangible fiscal incentive for importers, fleet operators and local assemblers operating in the EV sector.

Judicial Decisions

Tax Appeal Tribunal Rules that an Error in a Taxpayer's Name Does Not Invalidate an Assessment — Bayelsa State Board of Internal Revenue v Continental Oil and Gas Limited (2026) 99 TLRN 68

The Bayelsa State Board of Internal Revenue (the "BSBIR") commenced an appeal against Continental Oil and Gas Limited (the "Respondent") at the Tax Appeal Tribunal in respect of tax assessments and related demand notices. The notices were, however, addressed to "Conoil Plc" and "Conoil Producing Limited" rather than the Respondent. The BSBIR subsequently applied to amend its processes and demand notices to reflect the Respondent's correct name. On this basis, the Respondent filed a Motion on Notice seeking to strike out the appeal.

Notice of Intention to Distrain were not addressed to it, but to separate legal entities, namely Conoil Plc and Conoil Producing Limited. It argued that it had not been served with the statutory notices required under the Personal Income Tax Act and that such service was a mandatory condition precedent to the accrual of a valid cause of action. The Respondent further argued that the omission was not a mere technical defect but went to the root of the proceedings and deprived the Tribunal of jurisdiction. It therefore urged the Tribunal to strike out the appeal as incompetent.

On its part, the Appellant argued that the Respondent's application to strike out the appeal was an abuse of process, particularly because the Tribunal had previously granted the Appellant leave to amend its Notice of Appeal, accompanying processes and Demand Notices to reflect the

Respondent's correct name. The Appellant maintained that the order remained valid and binding, having not been set aside, varied, vacated or stayed. It further relied on section 42 of the Nigerian Tax Administration Act 2025 **("NTAA")**, which provides that an assessment is not invalidated by a mistake as to the name of the company assessed, provided that the notice is duly served on the person intended to be assessed. The Appellant therefore submitted that the appeal should be determined on its merits notwithstanding the error.

The Tribunal rejected the Respondent's objection, holding that the subsisting order granting the Appellant leave to amend its processes, including the Demand Notices, could not be ignored or disregarded. Further, in applying section 42(2) of the NTAA, the Tribunal determined that an assessment is not necessarily invalidated by an error in the taxpayer's name where the notice is duly served on the person intended to be assessed and contains the substantive particulars of the assessment. The Tribunal considered the Appellant's application to amend its processes to be an acknowledgement that the Respondent, rather than Conoil Plc or Conoil Producing Limited, was the entity intended to be assessed. Accordingly, the error did not invalidate the assessment or render the appeal incompetent.

If you require any further clarification, do not hesitate to contact us.