



RECENT TAX REFORMS IMPACTING THE NIGERIAN CAPITAL MARKET

**A Presentation at the third
CAPITAL MARKET COMMITTEE (WEBINAR) MEETING**

by

Federal Inland Revenue Service (FIRS)

On Thursday, 11th November 2021

IMPORTANT DEVELOPMENTS WITH IMPLICATION ON CAPITAL MARKET ACTIVITIES

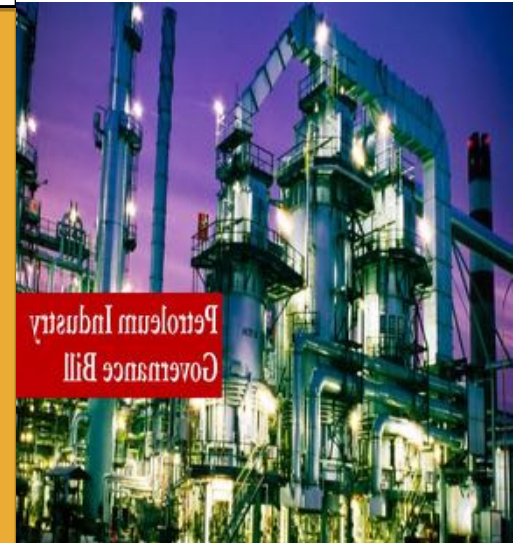
1. Value Added Tax (Modification) Order 2021-

Pursuant to the provision of Section 38 of VATA, the Honourable Minister of Finance, Budget and National Planning has modified the first schedule to the VATA and replaces the old schedule and all others VAT orders.



Petroleum Industry Act (PIA)-

An Act for the regulation of petroleum industry was signed into law 16th August 2021. The act also provides for the taxation of Petroleum Industry. PIA shall run concurrently with the Petroleum Profit Tax Act (PPTA) pending the conclusion of the petroleum contracts signed under the PPTA.



IMPORTANT DEVELOPMENTS WITH IMPLICATION ON CAPITAL MARKET ACTIVITIES

3. Taxation of Digitalized Service-

OECD inclusive frame work on pillar 1 and pillar 2 comprising on 136 countries have released a global rule on taxation on digitalized services - Nigeria did not commit to the agreement due to some concerns perceived not to be in the interest of the Nigeria and other developing economies.

4. Value Added Tax (VAT) Simplified Registration Guideline-

Pursuant to the provision Section 10 (5) of the Value Added Tax Act , the FIRS have issued a guideline on simplified registration for non resident.



CHALLENGES/STEPS TAKEN

- The Service is still awaiting the Honourable Minister of Finance, Budget and National Planning to approve and release the Companies Income Tax (Non-Interest Finance) Regulations.

ISSUES FOR CMC DELIBERATION

The Finance Bill 2021 is currently being developed by the Fiscal Policy Reform Committee, of which the Securities and Exchange Commission is a member.

Framework for Digital asset in Nigeria.