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**FEDERAL INLAND REVENUE SERVICE
(ESTABLISHMENT) ACT, 2007
TAX ADMINISTRATION (SELF ASSESSMENT)
REGULATIONS, 2011**



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S. I. No. 41 of 2011

**FEDERAL INLAND REVENUE SERVICE
(ESTABLISHMENT) ACT, 2007**
**TAX ADMINISTRATION (SELF ASSESSMENT)
REGULATIONS, 2011**

[12th day of December, 2011]

Commence-
ment.

In exercise of the powers conferred on it by section 61 of the Federal Inland Revenue Service (Establishment) Act, No. 13 of 2007 ("the Act") and all other powers enabling it in that behalf, the BOARD OF THE FEDERAL INLAND REVENUE SERVICE established under section 3 of the Act ("the Board") with the approval of the Minister of Finance, hereby makes the following Regulations :

PART I—OBJECTIVE AND SCOPE OF APPLICATION

1. These Regulations set out processes and procedures and provide standard guidelines for the implementation of the established Self-Assessment Regime in support of an efficient tax administration system in Nigeria. Objective.

2. These Regulations apply to all Self - Assessment requirements under the provisions of the— Scope of Application.

(i) Companies Income Tax Act, CAP. C21, Laws of the Federation of Nigeria, 2004 (as amended by the Companies Income Tax (Amendment) Act, 2007) ;

(ii) Tertiary Education Trust Fund (Establishment, Etc.) Act, 2011 ;

(iii) National Information Technology Development Agency Act, CAP. N156, Laws of the Federation of Nigeria, 2004 (as amended in May 2007) ;

(iv) Petroleum Profits Tax Act, CAP. P13, Laws of the Federation of Nigeria, 2004 (as amended by the Petroleum Profits Tax (Amendment) Act, 2007) ;

(v) Personal Income Tax Act, CAP. P8, Laws of the Federation of Nigeria, 2004 (as amended by the Personal Income Tax (Amendment) Act, 2011) ;

(vi) Value Added Tax Act, CAP. V. 1, Laws of the Federation of Nigeria 2004 (as amended by the Value Added Tax (Amendment) Act, 2007) ;

(vii) Federal Inland Revenue Service (Establishment) Act, No. 13 of 2007 ; and

(viii) tax laws, rules and regulations covered under the provisions of the Federal Inland Revenue Service (Establishment) Act, 2007 and such other tax laws, rules and regulations, as may be enacted from time to time.

PART II—SELF-ASSESSMENT REGIME, FORMS AND MODE OF FILING OF RETURNS

3.—(1) The established Self-Assessment Regime requires the concurrent filing of returns and payment of tax due on or before the due date. Self-
Assessment
Regime.

(2) A taxpayer must compute his tax liabilities, pay the tax due and file the relevant returns with evidence of payment of the tax on or before the due date.

(3) The relevant tax authority shall accept all tax returns submitted by the taxpayer and carry out necessary checks to ensure that all required information have been appropriately entered into the tax return forms.

(4) Failure by a taxpayer to submit the tax returns forms on or before the due date is a breach of this Regulation and the taxpayer shall be liable to pay such fines together with interests as may be prescribed in these Regulations or under applicable tax law provisions.

Forms for
filing tax
returns.

4.—(1) For the purpose of filing of tax returns required under the tax laws listed in Regulation 2 above :

(a) in the case of the Personal Income Tax Act and other taxes on individuals, the tax return forms shall be as may be prescribed by the relevant tax authority ;

(b) in the case of taxes on companies, the tax return forms shall be as may be prescribed by the Board of the Federal Inland Revenue Service ;

(c) in the case of the tax return forms required under the Value Added Tax Act, the forms shall be as may be prescribed by the Board of the Federal Inland Revenue Service ; and

(d) in the case of all other taxes not covered by paragraphs (a), (b), and (c) of this Regulation, the tax return forms shall be as may be authorized by the relevant tax authority responsible for the collection of the tax.

Mode of
filing returns.

5.—(1) A taxpayer must file returns under the Self-Assessment Regime in person or engage the services of accredited agents to file returns on his behalf.

(2) For an agent to carry out the services required under this Regulation, the agent must be fully certified by any one of the under listed bodies, that is—

(a) the Association of National Accountants of Nigeria ;

(b) the Chartered Institute of Taxation of Nigeria ; and

(c) the Institute of Chartered Accountants of Nigeria.

(3) For the agent to render the services under this Regulation, the agent must have the accompanying seals of any of the bodies listed in sub-regulation (2) of this Regulation.

Agent to be
tax
compliant.

6. Where an agent is engaged to file returns on behalf of a taxpayer, the agent must be tax compliant.

Signing of
forms where
agent is
engaged by a
taxpayer.

7. Where an agent has been engaged by a taxpayer for the purpose of filing tax returns :

(a) in the case of filing returns for Personal Income Tax Act, the forms must be signed by the taxpayer in person ;

(b) in the filing of returns under the Companies Income Tax Act, the forms must be signed by a Director or the Company Secretary.

8.—(1) Staff or employees of relevant tax authorities are prohibited from acting or being engaged as agents of taxpayers or influencing the appointment of such agents.

Prohibition of staff of relevant tax authority from acting as agents.

(2) Any violation of the provision of sub-regulation (1) of this Regulation is an offence punishable under the provision of these Regulations or under any applicable tax law provision, rules or regulations.

9. Where an agent is engaged as provided under these Regulations, and any payment of tax has been made by a taxpayer, the Agent must provide evidence of direct payment into a collecting bank of the whole or part of the tax.

Agent to show evidence of payment of tax.

10. A relevant tax authority may where appropriate, assess the competence and professionalism of an agent to ensure compliance with the standards set by relevant professional bodies.

Relevant tax authority to assess agents competency, etc.

11. A relevant tax authority in the exercise of its responsibilities under these Regulations may :

Listing and delisting of agents by relevant tax authority.

(a) compile annually a list of agents upon being satisfied that they are knowledgeable in applicable tax law provisions, rules and regulations ; and

(b) remove from such list, in consultation with the relevant professional body, any agent who fails to satisfy the standards referred to in these Regulations.

PART III—TIME FOR FILING RETURNS

12.—(1) *For Personal Income Tax Act—*

(a) The due date for the filing of self-assessment returns under the Personal Income Tax Act shall be on or before the 31st day of March of every year.

Due dates of filing returns under the provisions of existing tax laws.

(b) The provision of paragraph (a) of this sub-regulation notwithstanding, an employer shall :

(i) within ten days of the end of every month, pay to the designated bank of the relevant tax authority, all taxes deducted under the Pay-As-You-Earn (PAYE) regulations with an accompanying return as may be approved by the relevant tax authority showing the total emolument and total tax deducted from each employee during the month.

(ii) not later than thirty days after the end of each year, render to the nearest tax authority, on the prescribed form as may be approved by the relevant tax authority, a return in respect of each employee showing the total emolument during the year with tax reliefs, if any, and total tax

deducted from the employee accompanied by a statement and a declaration under oath on the relevant form.

(2) *For Companies Income Tax Act—*

The due date for filing self-assessment returns under the Companies Income Tax Act shall be six months from the end of the accounting year ;

(3) *For Petroleum Profit Tax Act—*

Under the Petroleum Profit Tax Act, a company shall file a return of its estimated tax for an accounting period within two months after the commencement of each accounting period while installment payment shall commence not later than the third month of the accounting period and the final return shall be filed within five months after the end of the accounting period with evidence of payment of the final installment.

(4) *For Value Added Tax Act—*

Taxable persons and agents of Ministries, Department and Agencies of government subject to Value Added Tax ('VAT') shall render a return of activities of the preceding month and remit VAT due on or before the 21st day of the month after the month of transaction with evidence of payment.

Extension of
time for
making
returns.

13.—(1) For the purpose of filing income tax returns, a taxpayer may apply in writing to the Board of the relevant tax authority for an extension of time within which to file returns provided the taxpayer :

- (a) makes the application before the due date of filing returns ; and
- (b) shows good cause for its inability to comply.

(2) Where the Board of the relevant tax authority, is satisfied with the good cause shown in an application made under sub-regulation (1) of this Regulation, the Board may in writing grant the extension of time for making returns to such time as it may consider appropriate.

Conditions
for granting
of extension
of time for
making
returns.

14.—(1) In granting any extension under Regulation 13 of these Regulations the Board of the relevant tax authority shall take the following into consideration :

- (a) in the case of an individual taxpayer, on the death of the taxpayer within the period of filing of the returns ;
- (b) in the case of a company, on the death of any principal officer of the company, such as the Chairman, Managing Director or Company Secretary, within the period of filing of the returns ; and
- (c) where the company experienced a fire or natural disaster within the period of filing.

(2) For the purpose of sub-regulation (1) (b) and (c) of this Regulation, the company must provide verifiable evidence of the fire or natural disaster or of the death of the principal officer of the company.

15. Where an extension is granted, any late filing outside the period of extension whether accompanied by payment of tax due or not shall be penalized for late filing under these Regulations.

Consequence of late filing under the period of extension.

16. Any approval granted by the Board of the relevant tax authority under Regulation 13 of these Regulations shall not be construed as to alter the time within which payment of taxes shall be made under any applicable tax law provision.

Approval to extend time not to alter time for payment of taxes.

17. The provision of these Regulations on extension of time for filing of returns shall not apply to the filing of returns for Value Added Tax.

Exclusion of VAT from extension of time for filing of returns.

PART IV—PROVISIONS RELATING TO INSTALMENT PAYMENT, REQUESTS FOR FURTHER RETURNS AND ADMINISTRATIVE ASSESSMENTS

18.—(1) A taxpayer may make installment payments of tax due by commencing payment in the relevant year of assessment in a manner that the final installment payment shall be made not later than the due date provided that :

Installment payments of Income Tax.

(a) the taxpayer notifies the relevant tax authority of his intention to make installment payments ; and

(b) the taxpayer files returns on or before the due date with evidence of payment of the final installment.

(2) The relevant tax authority may grant approval for installment payments for companies filing self-assessment returns provided that :

(a) the taxpayer commences installment payment in the relevant assessment year before the due date in a manner that the last installment is paid not later than two months after the due date ; and

(b) any balance of taxes unpaid as at the due date shall attract interest for failure to pay on the due date.

(3) The relevant tax authority shall, notwithstanding the provisions of sub-regulations (1) and (2) of this Regulation, not approve more than three installment payments from the due date.

19. The provisions of Regulation 18 of these Regulations shall not apply to Value Added Tax.

Exclusion of VAT from installment payments.

Power to call
for further
returns and
payment of
tax.

Payment of
tax due.

Administra-
tive
Assessment
for failure to
file returns.

Procedure
for making
an
Administra-
tive
Assessment.

20. Where a self-assessment return has been filed, a relevant tax authority may by notice issued to any person it considers necessary, and as may be specified in the notice, call for further returns and payment of tax.

21. Where a tax falls due and is not paid under any enactment by any person from whom it is due, whether or not the payment of such tax is secured by a bond, the tax due shall be paid on demand by the relevant tax authority or by delivering the demand notice in writing to his place of abode or business or through his agent, registered post or approved courier service.

22.—(1) For the purpose of this Regulation the term "Administrative Assessment" means an assessment raised by a relevant tax authority where a taxpayer has failed to file returns and pay taxes due on or before the due date or where there is an understatement of tax in the returns filed.

(2) Administrative Assessments can be raised by a relevant tax authority under the following circumstances :

(a) in the course of an authorized audit of a taxpayer's books provided that the taxpayer has been given not less than seven days notice that an audit into its books and affairs is to be conducted ;

(b) in the course of an authorized investigation into the affairs of the taxpayer ; and

(c) in the administration of the Pay-As-You-Earn Regulations under the provisions of the Personal Income Tax Act, the relevant tax authority shall within the year of assessment or within six years after the expiration of the year of assessment serve a notice of assessment on every employer to be assessed.

23. The procedural requirements for making Administrative Assessments are :

(a) tax officers shall obtain relevant records and documents from taxpayer's offices or premises or through such other means as are appropriate to determine the total assessable profit or chargeable incomes and other relevant information ;

(b) computation by tax officers of tax liabilities based on records and accounts obtained from taxpayers' sources during the course of visits to taxpayers offices or premises or any other information obtained in relation to the company, person or industry in which the taxpayers operate ; and

(c) the preparation and issuance of a notice of assessment on taxpayers by the relevant tax authority.

24. A determination of the tax payable through Administrative Assessment shall not relieve taxpayers from the obligation to file tax returns of their businesses, in the case of a company or full disclosure of income from all sources in the case of an individual.

Administrative Assessment not to relieve a taxpayer from obligation to file returns.

25. Administrative Assessment shall include penalties and interests imposed as part of the liability due, effective from the time the returns became due.

Administrative Assessment to include penalties and interests.

26. All relevant tax authorities shall apply uniform procedures as set out in these Regulations to all taxes administered by a relevant tax authority.

Uniformity of procedures.

PART V—SANCTIONS AND PENALTIES

27.—(1) Where a taxpayer fails to file the relevant tax returns on the due dates specified in Regulation 12 of these Regulations, the taxpayer shall be liable to such fines, penalties and interests as provided in the applicable tax laws.

Late submission of returns.

(2) The penalties referred to in sub-regulation (1) of this Regulation shall be applicable from the due date.

28. Where a relevant tax authority in the course of examination of the returns filed by a taxpayer discovers under-declaration of tax, the relevant tax authority shall demand for the tax due and impose penalties and interests on the tax due with effect from the due date of filing.

Under-declaration of tax.

29. Where a taxpayer, agent or employer fails to file the tax returns for an accounting period after the time extended by the relevant tax authority, the taxpayer, agent or employer shall be liable to pay prescribed penalties for late filing of returns from the due date of filing.

Failure to file returns after extension of time.

30. Where a taxpayer, agent or employer fails to pay the tax due on the due date of payment, the relevant tax authority shall impose penalties and interests for late payments on the amount due.

Failure to pay tax on due date.

31. Where an employee or staff of any relevant tax authority is in breach of the provision of Regulation 8 of these Regulations, the employee or staff commits an offence and liable to such punishments as may be prescribed in applicable laws, rules or regulations.

Breach of prohibition to act as agent.

32. The determination of penalties and interests shall be as prescribed under the relevant tax laws, rules and regulations issued by the relevant tax authorities from time to time.

Determination of penalties and interests.

PART VI—DISPUTE RESOLUTION

Appeal
procedure.

33. Where a taxpayer is dissatisfied with any administrative assessment levied on him under the established Self - Assessment Regime, he may seek redress as follows :

(a) lodge an appeal with the appropriate tax office of the relevant tax authority responsible for the assessment ;

(b) if dissatisfied with the decision of the appropriate tax office of the relevant tax authority, he may appeal directly to the Executive Chairman of the relevant tax authority or its equivalent ;

(c) in the event that the assessment complained of remains unresolved, the taxpayer may appeal directly to the Tax Appeal Tribunal ;

(d) any further appeal from the Tax Appeal Tribunal may be lodged at the Federal High Court for resolution ; and

(e) time within which to appeal or raise objection shall be as prescribed by the relevant law.

PART VII—GENERAL PROVISIONS

Confidentiality of
documents
and
information.

34.—(1) All information and documents obtained in connection with the requirements of the laws referred to in these Regulations are confidential.

(2) An officer of the relevant tax authority shall treat all documents, information and returns and all matters relating to the profits of any company as confidential.

(3) A taxpayer's information can only be disclosed to government agencies in accordance with the requirement of the Laws of the Federal Republic of Nigeria and a relevant tax authority shall not disclose a taxpayer's information to a third party unless as may be required under any relevant tax law or any legislation in force in the Federal Republic of Nigeria.

Interpreta-
tion.

35.—(1) In these Regulations—

(a) "*accounting period*" means the period with reference to which financial accounts of an entity are prepared ;

(b) "*accounting year*" means a twelve month period over which an entity's financial accounts are made up ;

(c) "*Administrative Assessment*" means an assessment issued by the relevant tax authority as defined in Regulation 22 of these Regulations ;

(d) "*due date*" means the day prescribed by the law for the filing of returns and making of payments by taxable persons as specified in Regulation 12 of these Regulations ;

(e) "*duly authorized officer*" includes an officer of the relevant tax

authority that has been specifically designated and authorized by the Executive Chairman of the relevant tax authority to act on such matters ;

(f) "*relevant tax authority*" means the Federal Inland Revenue Service or the State Internal Revenue Service as specified in the provisions of the relevant tax laws ;

(g) "*tax compliant*" refers to a person that has paid taxes as and when due as evidenced by production of current tax clearance certificate issued by the relevant tax authority ;

(h) "*year of assessment*" means a period of twelve months commencing on 1st day of January of each year. Citation.

37. These Regulations may be cited as Tax Administration (Self Assessment) Regulations, 2011.

MADE at Abuja this 12th day of December, 2011.

IFEKO OMOIGILI OKAURI, MFR
Executive Chairman

