



## **HOUSE OF REPRESENTATIVES**

## COMMITTEE ON FINANCE National Assembly complex, Abuja

A Money Bill [Act] to amend relevant tax, excises and duty statutes in line with the macroeconomic policy reforms of the Federal Government; to amend and to make further provisions in specific laws in connection with the public financial management of the Federation. The House Committee on Finance conducts a public hearing on the 2022 Finance Bill as follows:

DATE: Friday 13th January, 2023

**VENUE: 034** TIME: 10 am

MDAs, critical stakeholders and general public are hereby invited to submit their memoranda to the Chairman through the Secretariat HB 47, White House, House of Representatives, National Assembly, Abuja on or before Friday, 13th of January, 2023. For inquiries, call Committee Clerk on: 08033493582

## Finance Bill, 2022

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		PART I						
		Capital Gains Tax Act (CGTA)						
1. Section 3	3. Chargeable Assets	Section 3(a) of the Capital Gains Tax Act is amended by inserting	These provisions clarify the					
Characable	Subject to any exceptions provided by this Act all forms of	the phrase "digital assets" after the word "debt", as follows –	basis for the taxation of Cryptocurrency and other					
Chargeable Assets	Subject to any exceptions provided by this Act, all forms of property shall be assets for the purposes of this Act, whether	"Subject to any exceptions provided by this Act, all forms of	Digital Assets in line with	Generation /				
	situated in Nigeria or not, including -	property shall be assets for the purposes of this Act, whether	Government's policy thrust of enhancing the cross-	Tax				
	(b) Options, debts, and incorporeal property generally;	situated in Nigeria or not, including- Options, debts, digital assets and incorporeal property	border and international	Administration				
				i .				
		generally;"	taxation of growing e- commerce with emerging					
		generally;"	commerce with emerging markets. By doing so, Nigeria					
		generally;"	commerce with emerging markets. By doing so, Nigeria joins the league of					
		generany:	commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing digital assets, including the					
		generally;	commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing					
		generally;	commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing digital assets, including the United Kingdom, United States of America, Australia, India, Kenya and South					
3 Souther 5	E Sudwin of Losses		commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing digital assets, including the United Kingdom, United States of America, Australia, India, Kenya and South Africa.					
2. Section 5	5. Exclusion of Losses	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –	commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing digital assets, including the United Kingdom, United States of America, Australia, India, Kenya and South Africa.  Amending Section 5 of CGTA in line with Ease of Doing	Policy Anchor: #3-Job Creation				
Exclusion of	In the computation of chargeable gains under this Act, the	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –	commerce with emerging markets. By doing so, Nigeria joins the league of jurisdictions currently taxing digital assets, including the United Kingdom, United States of America, Australia, India, Kenya and South Africa.  Amending Section 5 of CGTA in line with Ease of Doing Business principles and	Policy Anchor: #3-Job Creation / Economic				
	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) in computation of chargeable gains under this Act, the	commerce with emerging ships are markets. By doing so, Rigeria markets. By doing so, Rigeria pins the league puridictions currently toxing digital assets, including the United Kingdom, United Kingdom, United Kingdom, United Africa.  Amending Section 5 of CGTA in line with Ease of Doing Business principles and allowing businesses to net capital losses against capital of the Copital foxes against capital foxes against	Policy Anchor: #3-Job Creation				
Exclusion of	In the computation of chargeable gains under this Act, the	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeoble gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person	commerce with emerging mandets By doing so, Nigeria nameters by doing so, Nigeria joins the league of jurisdictions currently axing digital assets, including the United Kingdom, United Kingdom, United Kingdom, United Africa.  Amending Section 5 of CCTA in line with Extre of Doing Business principles and allowing businesses to net capital losses against capital gain an identical capital	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from	commerce with emerging shipping and the marging shipping the league of jurisdictions currently taxing digital assets, including the United Kingdom, United Kingdom, United Kingdom, United Africa.  Amending Section 5 of CCTA in line with Ease of Doing Business principles and allowing businesses to net capital losses against capital guisness that the capital sassets in a taxable year. For instance, in the timed States	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeoble gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person	commerce with emerging anniverse by divide some principles in the league of principles in the league of principles and seases, including the United Kingdom, United States of America, Australia, Italia, Kenya and South Africa.  Amending Section 5 of CCTA  Amending Section 5 of CCTA  in line with Ease of Doing Business principles and ollowing businesses to net capital losses against capital gain on identical capital gain on identical capital seases in a toxole year. For instance, in the United States of America, if a company	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of ony loss which acrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses by any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may	commerce with emerging annafest. By doing so, Rigeria Irian market. By doing so, Rigeria Irian seek and the Irian seek and Irian seek and Irian seek seek and Irian seek seek and Irian seek seek and Irian seek and Iri	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) in computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposaing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses by any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward to the next year and so on, provided that such	commerce with emerging annafest. By doing so, Rigeria markets. By doing so, Rigeria pions the league jurisdictions currently taxing digital assets, including the United Kingdom, United Kingdom, United States of America, Astronia, India, Kenya and South Africa.  Amending Section 5 of CGTA in line with Ease of Doing Business principles and allowing businesses to net capital assess against capital again on identical capital gain on identical capital sasets in a translate year. For instance, in the United States of America, if a company sessib identical capital assess sessis identical capital assessis in a year, making gain transaction while making transaction while making	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of ony loss which acrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses by any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may	commerce with emerging ships are markets. By doing so, Rigeria markets. By doing so, Rigeria pions the league jurisdictions currently taxing digital assets, including the United Kingdom, United Kingdom, United States of America, Australia, India, Kernya and South Africa.  Amending Section 5 of CGTA in line with Ease of Doing Business principles and allowing businesses to net capital fasses against capital again on identical capital quin on identical capital passes should be year. For instance, in the United States of America, if a company sessis identical capital osses sels identical capital osses sels identical capital masses in a year, making gain in transaction while making loss in the other, the taxpoyer is allowed to net	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses thy any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward to the next year and so on, provided that such losses shall only be set off against chargeable gains arising from the same shall be set off against chargeable gains arising from	commerce with emerging annafest. By doing so, Nigeria Iran markets. By doing so, Nigeria Iran Service	Policy Anchor: #3-Job Creation / Economic				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses thy any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward to the next year and so on, provided that such losses shall only be set off against chargeable gains arising from the same shall be set off against chargeable gains arising from	commerce with emerging annafest. By doing so, Nigeria Iran Market. By doing so, Iran Market. By district	Policy Anchor: #3-Job Creation / Economic Growth				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses thy any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward to the next year and so on, provided that such losses shall only be set off against chargeable gains arising from the same shall be set off against chargeable gains arising from	commerce with emerging ships are stated to the control of the cont	Policy Anchor: #3-Job Creation / Economic Growth				
Exclusion of	In the computation of chargeable gains under this Act, the amount of any loss which accrues to a person on a disposal of any asset shall not be deductible from gains accruing to any	Section 5 of the Capital Gains Tax Act is amended by substituting the existing section 5 with a new section 5 as follows –  "5 (1) In computation of chargeable gains under this Act, the amount of any loss which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset or against any other chargeable gain from the disposal of other assets from the same asset class; and (2) Where the aggregate capital losses thy any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward to the next year and so on, provided that such losses shall only be set off against chargeable gains arising from the same shall be set off against chargeable gains arising from	commerce with emerging annafest. By doing so, Rigeria markets. By doing so, Rigeria pions the league piraldictions currently toxing digital assets, including the United Kingdom, Duline Africa. Australia, India, Kernya and South Africa.  Amending Section 5 of CGTA in line with Ease of Doing Business principles and allowing businesses to net capital losses against capital again on identical capital again on identical capital again on identical capital again on identical capital pions of America, If a company sells identical capital again on identical capital pions of America, If a company sells identical capital again to the transport of the same with the same kind, for example, 2x commercial	Policy #3-Jo / Ecoi Grow				

Section	Current Provision	Proposed Åmendment	Justification	Policy Drivers
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3. Section 31	31. Replacement of Business Assets	Section 31 of the Capital Gains Tax Act is amended by inserting a	To complete the fiscal	Policy Anchor
		new section 31, as follows –	reforms pursuant to Section 2 of the Finance Act, 2021	#1-Tax Equity
Replacement of	(1) If the consideration which a person carrying on a trade obtains for the disposal of, or of his interest in, assets (in this section		which amended Section 30 of	#5-Revenue
business assets	referred to as "the old assets") used, and used only, for the	31. Replacement of Business Assets	the CGTA by bringing shares	Generation /
	purposes of the trade throughout the period of ownership is	(4) If the excellent which a second control of the	into the asset classes liable	Tax
	applied by him in acquiring other assets, or an interest in other	(1) If the consideration which a person carrying on a trade obtains for the disposal of, or of his interest in, assets (in this section	to Capital Gains Tax. These	Administration
	assets (in this section referred to as "the new assets") which on the	referred to as "the old assets") used, and used only, for the purposes	provisions create an	
	acquisition are taken into use, and use only, for the purposes of the	of the trade throughout the period of ownership is applied by him in	appropriate category of	
	trade and old assets, and new assets are within one, and the same	acquiring other assets, or an interest in other assets (in this section	Class 5 for Shares and	
	one, of the classes of assets are within one, and the same one, of	referred to as "the new assets") which on the acquisition are taken	provide ancillary	
	the classes of assets listed in this section, then the person carrying	into use, and use only, for the purposes of the trade and old assets,	clarifications. This enhances	
	on the trade shall, on making a claim as respects the consideration	and new assets are within one, and the same one, of the classes of	Tax Equity by ensuring that	
	which has been so applied, be treated for the purposes of this Act-	assets are within one, and the same one, of the classes of assets	wealthier taxpayers pay their	
		listed in this section, then the person carrying on the trade shall, on	fair share of capital gains	
	(a) as if the consideration for the disposal of, or of the interest in,	making a claim as respects the consideration which has been so	taxes on profits from the	
	the old assets were(if otherwise of a greater amount or value)of	applied, be treated for the purposes of this Act-	disposals of shares, whilst	
	such amount as would secure that on the disposal neither a loss	(a) as if the consideration for the disposal of, or of the interest in,	preserving roll-over relief	
	nor a gain accrues to him; and	the old assets were (if otherwise of a greater amount or value) of	benefits.	
	(b) as if the amount or values of the consideration for the	such amount as would secure that on the disposal neither a loss nor		
	acquisition of, or of the interest in, the new assets were reduced by	a gain accrues to him; and		
	the excess of the amount or value of the actual consideration for	(b) as if the amount or values of the consideration for the acquisition		
	the disposal of, or of the interest in, the old assets over the amount	of, or of the interest in, the new assets were reduced by the excess		
	of the consideration which he is treated as receiving under paragraph (a) of this subsection, but neither paragraph (a) nor	of the amount or value of the actual consideration for the disposal		
	paragraph (a) of this subsection, but neither paragraph (a) nor paragraph(b) of this subsection shall affect the treatment for the	of, or of the interest in, the old assets over the amount of the		
	purposes of this Act of the other party to the transaction involving	consideration which he is treated as receiving under paragraph (a)		
	the old assets or the other party to the transaction involving the	of this subsection, but neither paragraph (a) nor paragraph(b) of this subsection shall affect the treatment for the purposes of this Act		
	new assets.	of the other party to the transaction involving the old assets or the		
	(2) Subsection (I) of this section shall not apply if part only of the	other party to the transaction involving the old assets of the		
	amount or value of the consideration for the disposal of, or of the	(2) Subsection (1) of this section shall not apply if part only of the		
	interest in, the old assets is applied as described in that subsection	amount or value of the consideration for the disposal of, or of the		
	but if all of the amount or value of the consideration expect for a	interest in, the old assets is applied as described in that subsection		
	part which is less than the amount of the gain(whether all	but if all of the amount or value of the consideration expect for a		
	chargeable gain or not)accruing on the disposal of, or the interest	part which is less than the amount of the gain (whether all		
	in, the old assets is to applied, then the person carrying on the	chargeable gain or not) accruing on the disposal of, or the interest		
	trade, on making a claim as respects the consideration which has	in, the old assets is to applied, then the person carrying on the		
	been so applied, shall be treated for the purposes of this Act-	trade, on making a claim as respects the consideration which has		
		been so applied, shall be treated for the purposes of this Act -		
	(a) as if the amount of the gain so accruing were reduced to the			
	amount of the said part (and, if not all chargeable gain, with a	(a) as if the amount of the gain so accruing were reduced to the		1
	proportion reduction in the amount of the chargeable gain); and	amount of the said part (and, if not all chargeable gain, with a		
	(b) as if the amount or value of the consideration for the acquisition	proportion reduction in the amount of the chargeable gain); and		

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	by which the gain is reduced under paragraph (a) of this subsection, but neither paragraph (a) nor paragraph (b) of this subsection shall offset the treatment for the purposes of this Act of the other part to the transaction involving the old assets or of the other party to the transaction involving the rew assets.  (3) This section shall only apply if the acquisition of, or of the	(b) as if the amount or value of the consideration for the acquisition of, or of the interest in, the new assets were reduced by the amount by which the gain is reduced under paragraph (a) of this subsection, but neither paragraph (a) nor paragraph (b) of this subsection shall affect the treatment for the purposes of this Act of the other part to the transaction involving the old assets or of the other part to the transaction involving the red assets.		
	interest in, the new assets takes place, or unconditional contract for the acquisition is entered into, in the period beginning twelve months before and ending twelve months after the disposal of, or	(3) This section shall only apply if the acquisition of, or of the interest in, the new assets takes place, or unconditional contract for the acquisition is entered into, in the period beginning twelve months before and ending twelve months offer the disposal of, or of the interested in, the old assets, or at such earlier or later time as the Beard-Evortem by by notice in writing allow:		
	is entered into, this section may be applied on a provisional basis without waiting to ascerdain whether the new assets or the interest in the new assets, is caquired in pursuance of the contract, and, when that fact is ascertained, all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation in this Act on the time within which assessment may be made.	Provided that, where an unconditional contract for the acquisition is entered into, this section may be applied on a provisional basis without waiting to ascertain whether the new assets or the interest in the new assets, is acquired in pursuance of the contract, and, when that fact is ascertained, all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation in this Act on		
	(4) If two or more persons are carrying on a business in partnership, this section shall not apply in relation to anyone of them unless he is, under this Act, to be treated both as making disposal of a share in, or in the interest in, the new assets; and if those shares are different, that partner's share shall be taken for the purposes of this section to be the smaller share.			
	(S) This section shall not apply unless the acquisition of, or of the interest in, the new assets was made for the purpose of realising a gain from the disposal of, or the interest in the new asset.  (6) The class of asset for the purpose of this section are as follows- class 1 – Assets within the head A and B below  A Event where the trade is a study of deliving in as developing.	purposes of this section to be the smaller share.  (5) This section shall not apply unless the acquisition of, or of the interest in, the new assets was made for the purpose of realising a gain from the disposal of, or the interest in the new asset.  (6) The class of asset for the purpose of this section are as follows-		
	A. Except where the trade is a trade of dealing in or developing land, or of providing services for the occupier of land in which the person carrying on the trade has an estate or interest - (a) any building or part of a building and any permanent or semi permanent structure in the nature of a building, occupied (as well as used) only for the purposes of the trade; and	Class 1 – Assets within the heads A and B below  A. Except where the trade is a trade of dealing in or developing land, or of providing services for the occupier of land in which the person carrying on the trade has an estate or interest— (a) any building or part of a building and any permanent or semi-permanent structure in the nature of a building. Occupied (as well as		
	(b) any land occupied (as well as used) only for the purposes of the trade.	used) only for the purposes of the trade; and		

ion	Current Provision	Proposed Amendment	Justification	Policy Drivers
	B. Fixed Plant or machinery which does not form part of the building or of a permanent or semi - permanent structure in the nature of a building.	(b) any land occupied (as well as used) only for the purposes of the trade.		
	Class 2 – Ship	B. Fixed Plant or machinery which does not form part of the building or of a permanent or semi - permanent structure in the nature of a building.		
	Class 3 – Aircraft			
	Class 4 – Goodwill	Class 2 – Ship		
	(7) If, over the period of ownership or any substantial part of the	Class 3 – Aircraft		
	period of ownership, part of a building or structure is, and any part is not, used for the purpose of a trade, this section shall apply as if	Class 4 – Goodwill		
	is not, use yor tine purpose by a truce, it is section small uppy us y the part so used, with any land occupied for purposes ancillary to the occupation and use of that part of the building or structure, were a separate asset, and subject to any necessing yapportionment, of consideration for an acquisition or disposal of, or of an interested in, the building or structure and other land.	Class 5 – Shares and Stocks (provided, however, that for the purposes of the application of roll-over relief for shares pursuant to Sections 30 and 31 of this Act), the proceeds from qualifying disposals must be reinvested within the same year of assessment in the acquisition of eligible shares in the same or other Nigerian companies).		
	(8) If the old assets were not used for the purpose of the trade throughout the period of ownership this section shall paply as I of part of the asset representing its use for the purposes of the trade having regard to the time and extend to which it was, and was not, used for those purposes, were a separate asset which had been wholly used for the purposes of the trade and this subsection shall apply in relation to that part subject to any necessary apportionment of consideration for an acquisition or disposal of, or of the interest in, the asset.	(7) If, over the period of ownership or any substantial part of the period of ownership, part of a building or structure is, and any part is not, used for the purpose of a trade, this section shall apply as if the part so used, with any land occupied for purposes ancillary to the occupation and use of that part of the building or structure, were a separate asset, and subject to any necessary apportionment, of consideration for an acquisition or disposal of, or of an interested in, the building or structure and other land.		
	(9) This section shall apply in relation to a person who, either successively or at the same time, carries on two trades which are in different localities, but which are concerned with goods or services of the same kind, as if, in relation to old asset used for the purposes of the other trade, the two trades were the same.	(8) If the old assets were not used for the purpose of the trade throughout the period of ownership this section shall apply as if a part of the asset representing its use for the purposes of the trade having regard to the time and extend to which it was, and was not, used for those purposes, were a separate asset which had been wholly used for the purposes of the trade and this subsection shall		
	(10) This section shall apply with the necessary modifications in relation to a business, profession, vocation or employment as it applied in relation to a trade, and in this section the expressions "trade", "business", "profession", "wocation", and "employment"	apply in relation to that part subject to any necessary apportionment of consideration for an acquisition or disposal of, or of the interest in, the asset.		
	have the same meanings as the Income Tax Acts as to the circumstances in which, on a change in the persons carrying on a trade, a trade is to be regarded as discontinued, or as set up and commenced.	(9) This section shall apply in relation to a person who, either successively or at the same time, carries on two trades which are in different localities, but which are concerned with goods or services of the same kind, as if, in relation to old asset used for the purposes		

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	(11) The provisions of this Act fixing the amount of the consideration deemed to be given for the acquisition or disposal of assets shall be applied to this section.  (12) Without prejudice to the provisions of this Act providing generally for the apportionment, where consideration is given for the acquisition or disposal of asset some or part of it are asset in relation to which a claim under subsection (1) or subsection (2) of this section applies, and some or part of which are not, the consideration shall be apportioned in manner as is just and reasonable.	of the other trade, the two trades were the same.  (10) This section shall apply with the necessary modifications in relation to a business, profession, vocation or employment as it applied in relation to a trade, and in this section the expressions "trade", "business", "profession", vocation", and "employment" have the same meanings as the Income Tax Acts as to the circumstances in which, on a change in the persons carrying on a trade, a trade is to be regarded as discontinued, or as set up and commenced.  (11) The provisions of this Act fixing the amount of the consideration deemed to be given for the acquisition or disposal of assets shall be applied to this section.  (12) Without prejudice to the provisions of this Act providing generally for the apportionment, where consideration is given for the acquisition or disposal of asset some or part of it which are assets in relation to which a claim under subsection (1) or subsection (2) of this section applies, and some or part of which are not, the consideration shall be apportioned in such monner as is just and reasonable.		
	Com	panies Income Tax Act (CITA)		
4. Section 15  Cable Undertokings, Lottery and Gaming Business	15. Cable undertakings  Where a company other than a Nigerian company carries on the business of transmission of messages by cable or by any form of wireless apparatus, it shall be assessable to tax as though it operates ships or aircraft, and the provisions of the preceding section shall apply mutatis mutants to the computation of its profits deemed to be derived from Nigeria as though the transmission of messages to places outside Nigeria were equivalent to the shipping or loading of passengers, mails, livestock or goods in Nigeria.	Section 15 of the Companies Income Tax Act is amended by —  (a) Replacing the title of this section with a new title "Cable undertakings, lottery and gaming business"  (b) Numbering the current paragraph as subsection 1  (c) Inserting after subsection 1, a new subsection 2 as follows—  "(2) Notwithstanding anything to the contrary in any other law, the taxation of lottery and gaming businesses shall, in addition to the general provisions of this Act, be as follows:  (a) The gaming revenue of a company derived from a gaming or lottery business shall be taxed in accordance with the provisions of this Act. Provided that any nongaming income earned by a company undertaking lottery and gaming business shall remain taxable under the provisions of this Act.	These provisions were proposed by Mr. President to the National Assembly in the Finance Bill, 2021 to clarify that the income of all companies engaged in gaming and lottery business shall be taxable under the provisions of the CTTA which apply to all companies registered in Nigeria. This, in no way interferes with the supervision and regulation of such companies by the relevant Federal and State uthorities. These	#1-Tax Equity & #5-Revenue Generation / Tax Administration



Section	Curre	nt Provision	Proposed Amendment	Justification	Policy Drivers
			(b) In determining the assessable profits of Lottery and Gaming businesses, the following deductions shall be allowed:  (i) Any amount paid as winnings, prizes or any similar payment from the relevant Prize Fund or contributions to the Lottery Trust Fund, as may be applicable;  (ii) Agent Commission expenses incurred;  (iii) Taxes and levies paid to relevant regulatory and government authorities as contained in relevant federal and state laws;  (iv) Deductions in line with the Second Schedule of this Act; and  (v) Other allowable deductions as contained under Section 24 of this Act.  (c) For the purposes of this section-  "Gaming" includes gambling, wagering, video poker, roulette, craps, bingo, slot machine, gaming machine and the likes.  "Lottery" or "Lotteries" includes any betting, game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of real or virtual sporting events, or any other game, scheme, arrangement, system, plan, competition or device, which the President may by notice in the Gazette declare to be lottery and which shall be operated accordingly.  "Lottery Trust Fund" refers to the Lottery Trust Fund created pursuant to the National Lottery Act or any other enactment that replaced it."	provisions were inadvertently omitted by the Legislature in passing the Finance Act, 2021 into law, so these provisions are being restored, in line with extant laws, to enhance tax equity and eliminate ambiguity prevolent in the toxotion of Lottery and Gaming companies, globally. This is fosters Tax Equity by ensuring gambling, betting, lottery companies abide by extant rules to assess corporate profits to taxotion.	
5. Section 26  Deduction for Research an	.	Deduction for research and development  (1) Notwithstanding anything contained in section 24 of this Act, for the purpose of ascertaining the profit or loss of any company for any period	Section 26 of the Companies Income Tax Act is amended by inserting a new subsection (4), as follows –  "26. Deduction for Research and Development, and Investment	In line with Nigeria's Climate Change and Green Growth commitments at COP 26 and COP 27, this amendment promotes the reduction of	Policy Ancho #2-Climate Change / Gro Growth;
Development, and Investmer Tax Credits	t	from any source chargeable with tax under this  Act, there shall be deducted the amount of  reserve made out of the profits of that period by  that company for research and development.	Tax Credits  (1) Notwithstanding anything contained in section 24  of this Act, for the purpose of ascertaining the profit or loss of any company for any period from	gas-flaring by incentivising winning and commercial utilisation of both associated and non-associated gas. Medium and Large	#3-Job Creat / Economic Growth; & #4-Tax

Section	Current Provision	Proposed Amendment Ju	lustification	Policy Drivers
	(2) The deduction to be allowed to any company under subsection (1) of this section for any year of assessment shall not exceed an amount which is equal to ten per cent of the total profits of that company for that year as ascertained before any deduction is made under this section and section 25 of this Act.  (3) Companies and other organisations engaged in research and development activities for commercialisation shall be allowed twenty per cent investment tax credit on their qualifying expenditure for that purpose.	there shall be deducted the amount of reserve a made out of the profits of that period by that company for research and development.	Companies utilising sssociated and non- sssociated gas, henceforth, and the pentif from a 50%  nvestment tax credit on  heir qualifying investment  for that purpose.	incentives' Reform

			9		
Section	Current Pro	vision	Proposed Amendment	Justification	Policy Drivers
			(b) the quantum of gas utilisation investment tax credit utilised in any tax year shall be limited to a maximum of fifty percent of the company's income tax liability for each relevant year of assessment.		
Reconstruction Investment Allowance	(1) Whe	construction Investment Allowance  are a company has incurred an expenditure on plant and there shall be allowed to that company an allowance as provided in subsection (2) of this section in addition to an initial allowance under the Second this Act  [No. 3 of 1993 and Second Schedule.]	Without prejudice to any pre-existing rights relating to any qualifying capital expenditure incurred or qualifying capital assets acquired on or before [31 <sup>st</sup> December 2022], Section 32 of the Companies Income Tax Act is hereby deleted, provided that a company that has incurred capital expenditure on plant and equipment on or before the effective date of this repeal shall continue to enjoy the allowance under this section until it is fully utilized.	In line with the Strategic Revenue Growth Initiative ('SRGI'), the rationalisation of tax expenditures advances the Federal Government's angoing fiscal policies to streamline antiquated tax incentives by replacing blunt tax allowances (such as this	Policy Anchors: #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administration
	allow shall	rate at which investment allowance is to be wed for the purpose of subsection (1) of this section I be ten per cent of the actual expenditure incurred on plant and equipment.		one) with more targeted and effective tax incentives.	Administration
		[No. 3 of 1993.]			
	initia allow allow the r	provisions of the Second Schedule applicable to an allowance shall also apply to an investment wance under this section, except that an investment wance shall not be taken into account in ascertaining residue of qualifying expenditure in respect of an asset, he purpose of the said Schedule.	<b>D</b> .		
	(4)	If in the cose of any qualifying expenditure incurred on the new asset, any such event as is mentioned in the next following subsection occurs within a period of five years beginning with the date on which the expenditure was incurred, no investment allowance shall be made in respect of the expenditure, or if such allowance has been made before the occurrence of the event, it shall be withdrawn.			
	(5) are— (a)	The events referred to in subsection (4) of this section - any sale or transfer of the asset representing the expenditure made by the company incurring the expenditure otherwise than to a person acquiring			

Section	Current Prov	ision	Proposed Amendment	Justification	Policy Drivers
	(b)	the asset for a chargeable purpose or for scrap; any appropriation of the asset representing the expenditure made by the company incurring the expenditure to a purpose other than a chargeable purpose;			
	(c)	any sale, or transfer or other dealing with the asset representing the expenditure by the company incurring the expenditure, being a case where it appears that the expenditure was incurred in contemplation of the asset being so dealt with, and being a case where it is shown either—	J. V.		
		(i) that the purpose of obtaining tax allowances was the sole or main purpose of the company for incurring the expenditure or for so dealing with the asset; or			
		(ii) that the incurring of the expenditure and the asset being so dealt with were not bono fide business transactions or were artificial or fictitious transactions, and were designed for the purpose of obtaining tax allowances.			
	(6)	A company incurring any expenditure in respect of which an investment allowance has been made and has not been withdrawn, shall give notice to the Service if, to the knowledge of the company, any of the events as is mentioned in subsection (5) of this section occurs at any time before the expiration of five years beginning with the date when the expenditure was incurred.			
	(7)	Any notice of a sale or transfer given under subsection (6) of this section shall state the name and address of the person to whom the sale or transfer is made.			
	(8)	Where an asset in respect of which an investment allowance has been made is sold or transferred, it shall be the duty of the purchaser or transferee, and of the personal representatives of any such			

Section	Current Provision		Proposed Amendment	Justification	Policy Drivers
	duly au such in have o transfe	, on being required to do so by any officer uthorised by the Service to give that officer all farmation as he may require, and as they re an reasonably obtain, about any sale or er of the asset representing the expenditure or any other dealing with the asset.			
	comply offence exceed grantir	rson who, without reasonable excuse, fails to v with this section, shall be guilty of an e and liable on conviction to a penalty not ling \$400 plus the amount of tax lost by the go of the investment allowance made in t of the expenditure in question.			
	assessi	th additional assessments and adjustments of ments shall be made as may be necessary in quence of the withdrawal of any investment nce, and may be so made at any time.			
	(11) For the	purposes of this section—			
		cial or fictitious transactions" has the same ng as in section 22 of this Act;			
	putting accrue	weable purpose" means the purpose of the assets to a use such that profits or are intended to accrue therefrom and chargeable tax;	0.		
	Second <b>"quali</b> j	I allowance" has the same meaning as in the I Schedule to this Act; fying expenditure" has the same meaning the Second Schedule to this Act.			
7. Section 34  Rural Investme Allowance	(1) Where a co- provisions of road for the located at le provided by the company	mpany incurs capital expenditure on the ffacilities such as electricity, water or tarred purpose of a trade or business which is rest 20 kilometres away from such facilities the government, there shall be allowed to	Without prejudice to any pre-existing rights relating to any qualifying capital expenditure incurred or qualifying capital assets acquired on or before [31 <sup>st</sup> December 2022], Section 34 of the Companies Income Tax Act is hereby deleted provided that a company that has incurred qualifying capital expenditure on or before the effective date of this repeal shall continue to enjoy the allowance under this section until it is fully utilized.	In line with the Strategic Revenue Growth Initiative ('SRGI'), the rationalisation of tax expenditures advances the Federal Government's ongoing fiscal policies to streamline antiquoted tax incentives by replacing blunt act ollowances such as the Rural Investment Allowance	Policy Anchor #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administratic

Se	ection	Current Provision	on		Proposed Amendment	Justification	Policy Drivers
		of the a [No. 11 Provided pursuan section 3 the samm this sect  (2)  (3) For the allowanawhich the allow available whenewe weenew owing ta	mount of 200 d that is ce of t tage of tage	in as set out in subsection (2) of this section rof such expenditure: 77, 5. 9 (a) and Second Schedule.]  where any allowance has been given in his section, no investment allowance under his ACt shall be due or be given in respect of or in addition to the allowance given under [No. 3 of 1993.]  te of the rural investment allowance for the purpose of this shall be as follows——————————————————————————————————		effective tax incentives such as the Road Infrastructure Tox Credit Scheme pursuant tox Executive Order #007 of 2019.	
8.	Convertible	37. Incomes in Convertible Currencies to be Exempt  Twenty-five percent of incomes in convertible currencies derived from tourists by a hotel shall be exempt from tax, provided that such income is put in a reserved fund to be utilised within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development.		of incomes in convertible currencies derived tel shall be exempt from tax, provided that a reserved fund to be utilised within five expansion of new hotels, conference	Without prejudice to any pre-existing rights relating to any qualifying capital expenditure incurred or qualifying capital assests acquired on or before [31 <sup>st</sup> December 2022], Section 37 of the Companies Income Tax Act is hereby deleted provided that a company that has set aside reserved funds shall continue to enjoy the exemption under this section until the funds are fully utilized.	('SRGI'), the rationalisation of tax expenditures advances the Federal Government's ongoing fiscal policies to	#4-Tax Incentives' Reform & #5-Revenue Generation / Tax
9.	<b>Section 40</b> Rates of Tax		hall be	e levied and paid for each year of respect of total profits of every Company,	Section 40 of the Companies Income Tax Act is amended by introducing a new subsection 40(1), (2), as follows —  (1) There shall be levied and paid for each year of	Following the recovery from COVID-19, and to enhance the Government's revenue generation, it is important to	Policy Anchors: #2-Climate Change; #4-Tax
					13		



Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	tax as follows, in the case of a-  (a) Small compony, tax as provided under section 23 (1) (b) of this Act; (b) Medium-sized company, tax at the rate of 20 kobo for every Nairo; and (c) Large company, tax at the rate of 30 kobo for every Naira.	assessment in respect of total profits of every Company, tax as follows, in the case of a- (a) Small company, tax as provided under section 23 (1) (a) of this Act; (b) Medium-sized company, tax at the rate of 20 kobo for every Naira; (c) Large company, tax at the rate of 30 kobo for every Naira; and (d) Gas-Flaring company, tax at the rate of 50 kobo for every naira.  (2) Provided that where an upstream petroleum operations company that is either yet to complete the conversion process as provided under section 92 of the Petroleum Industry Act or for any other reason is not liable to Companies Income Tax in a year of assessment flares gas, such company shall be liable to pay the tax pursuant to subsection (d) for such Gas-flaring Company that is not otherwise liable to Companies Income Tax in a the rate specified in subsection (d) for such Gas-flaring Company that is not otherwise liable to Companies Income Tax between the temporary determined by reference to the pricing principles established by sections 167 and 168 of the Petroleum Industry Act, and (4) Nothing in this section shall be deemed to subject a Gas-flaring Company that flares or vents gas due to an emergency in accordance with section 104 of the Petroleum Industry Act, 2021 or any law replacing that statute.	return all taxpoyers (excluding small companies) to the 30% corporate tax band, porticularly as the objective of accelerating the rationalisation of tax incentives pursuant to the National Tax Policy has not been sufficiently advanced. This risk-based approach to corporate taxation will sustain incentive support to Micro and Small Businesses in their continued exemption from corporate tax function of small Businesses in their continued exemption from corporate tax function of Small Businesses in their continued exemption from corporate tax Furthermore, in line with Nilgeria's Climate Change commitments to reducing Greenhouse Gas Emissions, Gas-floring Medium and Large Companies henceforth are liable to corporate taxation at a [50%] penalty deterrent rate, well above the 30% nominal income tax rate.	Incentives' Reform & #5-Revenue Generation / Tax Administration
10. Section 105	[NOT APPLICABLE]	Section 105 of the Companies Income Tax Act is amended by inserting a new definition for "Gas-flaring Company" as follows –  "Gas-flaring Company" means any medium-sized or large company that vents or flares any associated or non-associated natural gas in any year of assessment, unless such flaring is proven by that company to be in the case of an emergency in accordance with Section 104 of the Petroleum Industry Act, 2021 or any law replacing that statute"	In line with Nigeria's Climate Change commitments at COP 26 and COP 27 to reduce gos-floring. Gos-floring Medium and Large Companies, henceforth, shall be liable to corporate toxaction at a 50% penalty deterrent rate, well above the 30% nominal income tax rate	Policy Anchors: #2-Climate Change; #4-Tax Incentives' Reform & #5-Revenue Generation / Tax Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	Customs, Exci	ise, Tariff etc (Consolidation) Act (CETA)		
11. Section 13  Power to impose, vary or remove any import duty and to amend the Schedules	[NOT APPLICABLE]	Section 13 CETA is hereby amended by introducing a new subsection (4) as follows –  "[4] In addition to extant customs duties and other approved charges, a levy of 0.5% is hereby imposed on all eligible goods imported into Nigeria from outside Africa to finance capital contributions, subscriptions and other financial obligations to the African Union, African Development Bank, African Export-Import Bank, ECOWAS Bank for Investment and Development, Islamic Development Bank, United Nations and other multilateral institutions as may be designated by regulation issued by the Minister responsible for Finance."	This amendment is essential to ensure certainty and sustainability of funding of the African Union and other key multilateral development institutions, to bring into effect the Decision of the Outcome of the Retreat of the Assembly of the African Union (Assembly/AU/Dec.605; XXVIII), and Federal Executive Council decision.	Policy Anchors: #3-Job Creation / Economic Growth; & #5-Revenue Generation / Tax Administration
12. Section 21  Goods liable to Excise Duty	21. Goods liable to Excise Duty  (2) Telecommunication services provided in Nigeria shall be charged with duties of excise at the rates specified under the duty column in the Schedule as the President may by Order prescribe pursuant to section 13 of this Act	Section 21 of the CETA is hereby amended as follows –  "(2) All services, including but not limited to telecommunication services, provided in Nigerio shall be charged with duties of excise at the rates specified under the duty column in the Schedule as the President may by Order prescribe pursuant to section 13 of this Act"	This amendment is essential to expand the scope of duties beyond the scope of duties beyond the scope of duties delecommunication sector in order to avoid and undue focus on levying duties on this sector, thereby removing the limitation of the scope of services that may be subject to excise duty.	#5-Revenue Generation / Tax Administration
13. Section 22  Citation, repeals and interpretation	22. Citation, Repeals and Interpretation  (1) This Act may be cited as the Customs, Excise Tariff, etc. (Consolidation) Act. (2) The Customs, Excise Tariff, etc. (Consolidation) Act is hereby repealed. (3) "Minister" means the Minister charged with responsibility for matters relating to finance. (4) "Tariff Review Board" means the Board charged with the responsibility for the review of customs and excise tariff, etc. in this Act.	Section 21 of the CETA is hereby amended as follows –  "(1) This Act may be cited as the Customs, Excise Tariff, etc. (Consolidation) Act. (2) The Customs, Excise Tariff, etc. (Consolidation) Act is hereby repealed. (3) "Minister" means the Minister charged with responsibility for matters relating to finance, including the responsibility for the supervision of the Tariff Review Board. (4) "Tariff Review Board" means the Board charged by the Minister with the responsibility for the review of customs and excise tariff, etc. in this Act."	This amendment is essential to clarify the supervising role of the Minister responsible for Finance over relevant tarriff and fiscal matters.	Policy Anchor: #5-Revenue Generation / Tax Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
14. Section 33  Personal relief and relief for children, dependants, etc.	33. Personal Relief and Relief for Children, Dependants, Etc.  There shall be allowed a deduction of the annual amount of any premium poid by the individual during the year preceding the year of assessment to an insurance company in respect of insurance on his life or the life of his spouse, or of a contract for deferred annuity on his own life or the life of his spouse.	Section 33 of the Act is hereby amended by substituting for subsection (3), a new subsection (3), as follows—  "(3) Subject to section 17(1) of this Act, there shall be allowed a deduction of the annual amount of any premium paid by the individual during the year preceding the year of assessment to an insurance company in respect of:  (ii) insurance on his life or the life of his spouse, or  (iii) contract for a deferred annuity on his own life or the life of his spouse;  Provided that any portion of the deferred annuity that is withdrawn before the end of 5 years from the date the premium was paid, shall be subject to tax at point of withdrawol."	The PITA was amended via Finance Act 2021 to disallow premiums paid in respect of deferred annuities to prevent taxpoyers entering into fixed-period annuity contracts with the primary purpose of avoiding tax. However, this has negatively impacted interest in such products & had an unintended consequences. This proposal reintroduces the deduction of premiums of deferred annuities subject to a minimum 5 year holding period, similar voluntary contributions under the PRA.	Policy Anchors: #1-Tax Equity; & #3-Job Creation / Economic Growth; &
	Petr	roleum Profits Tax Act (PPTA)	i.	
15. Section 2  Interpretation	[NOT APPLICABLE]	"Section 2 of the PPTA is amended by inserting, after the definition of "chargeable tax" the definition of "Commission" as follows –  "Commission" means the Nigerian Upstream Petroleum Regulatory Commission, established under the Petroleum Industry Act, 2021.	to appropriately align the PPTA with relevant	Policy Anchor: #5-Revenue Generation / Tax Administration
16. Section 10  Deductions	[NOT APPLICABLE]	Section 10 PPTA is amended by —  (a) Inserting a new paragraph (n) as follows —  "(n) any amount contributed to a fund, scheme or arrangement approved by the Commission for the purpose of decommissioning and abandonment, subject to the production of the Statement of Account of the decommissioning and abandonment fund:  Provided that the surplus or residue of the fund after decommissioning and abandonment of the field shall be subject to tax under this Act;"  And	As there has hitherto been no provision for the tax deductibility of Decommissioning & Abandonment expenses, this amendment is essential to allow oil componies recover the amounts set aside as for these expenses and further align the PPTA with the Petroleum Industry Act, 2021.	Policy Anchor: #5-Revenue Generation / Tax Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		(b) Renumbering the section accordingly.		
17. Section 23  Additional Chargeable Tax payable in certain circumstances	23. Additional chargeable tax payable in certain circumstances  (1) If, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period equal to the difference between those two amounts.  (2) The amount referred to in the foregoing subsection is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to if, in the case of crude oil exported from Nigeria by the company, the reference in section 9 (1) (a) of this Act to the proceeds of sale thereof were a reference to the amount obtained by multiplying the number of barrels of that crude oil by the relevant sum per barrel.  3) For the purposes of subsection (2) of this section the relevant sum per barrel of the proceeds of sale thereof were a reference to the amount obtained by multiplying the number of barrels of that crude oil exported by a company is the posted price applicable to that crude oil reduced by such allowances (if any) as may from time to time be agreed in writing between the Government of Nigeria and the company (4) The whole of any additional chargeable tax payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period apart from this section, and shall be assessed and be paid by the company accordingly under the provisions of this Act.  (5) In this section, "posted price", in relation to any crude oil exported from Nigeria by a company, means the price F.O.B. at the Nigerian port of export for crude oil of the gravity and quality in question which is from time to time established by the company offer or greenment with the Government of Nigeria to the procedure to be fo	Substitute for section 23, a new section "23" as follows –  "(1) Where, for any accounting period of a company, the amount of the chargeable tax for that period, calculated in accordance with the provisions of this Act other than this section, is less than the amount mentioned in subsection (2) of this section, the company shall be liable to pay an additional amount of chargeable tax for that period, equal to the difference between those two amounts.  (2) The amount referred to in subsection (1) of this section is, for any accounting period of a company, the amount which the chargeable tax for that period, calculated in accordance with the provisions of this Act, would come to, if the reference in section 9(1)(a) and (b) of this Act to the proceeds of sole were a reference to the amount obtained by multiplying the number of barrels of that crude oil determined at the measurement point by the fiscal oil price per barrel.  (3) For the purpose of subsection (2), the total value of the chargeable oil for a company shall be the sum of the multiplications of volume and fiscal oil price as established by the Commission at the measurement point.  (4) The whole of any additional chargeable tax for crude oil payable by a company by virtue of this section for any accounting period shall be payable concurrently with the final instalment of the chargeable tax payable for that period.  (5) Where there is no fiscal oil price established for a crude oil stream, the Commission shall establish fiscal oil price for such stream and every fiscal oil price per barrel established shall bear a fair and reasonable relationship —  (a) to the established fiscal oil price per barrel established shall bear a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil streams of comparable quality and specific gravity, or  (b) where there are no such Nigerian crude oil streams of comparable quality and specific gravity, or  (c) the setablished fiscal oil price of filigerian crude oil s	These amendments are essential to appropriate automotion of the period o	Policy Anchor: #5-Revenue Generation / Tax Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	quality. (6) Every posted price established as aforesaid must bear a fair and reasonable relationship- (a) to the established posted prices of Nigerian crude oils of comparable quality and gravity, if any, or (b) if there are no such established posted prices for such Nigerian crude oils to the posted prices of main international trading export centres for crude oil of comparable quality and gravity, due regard being had in either case to freight differentials and all other relevant factors. (7) References in this section to crude oil include references to casing head petroleum spirit which has been injected into crude oil. (8) Where any crude oil which in relation to a particular company is chargeable oil is exported from Nigeria otherwise than by that company, that crude oil shall for the purposes of this section be deemed to be exported from Nigeria by that company.	comparable quality and gravity, due regard being had in either case to freight differentials and other relevant factors.  (6) Where a particular company's chargeable oil is exported from Nigeria or sold locally by another company, that chargeable oil for the purpose of this section shall be deemed to be exported from Nigeria or sold by that particular company."		
18. Section 30  Preparation and Delivery of Accounts and Particulars		Section 30 of the PPTA is amended by Substituting for section 30 of PPTA a new section 30, as follows –  "(1) Every company engaged in petroleum operations shall for each accounting period of the company make up accounts of its profits or losses and prepare the following particulars for the purpose of determining Petroleum Profits Tax –  a. a statement of accounts of its profits or losses; b. computation of its actual adjusted profit or loss and actual assessable profits of that period; c. in connection with the Second Schedule to this Act, a schedule showing –  (i) the residues at the end of that period in respect of its assets,  (ii) all qualifying petroleum expenditure incurred by it in that period,  (iii) the values of any of its assets disposed of in that period, and  (iv) the allowances due to it under that schedule for	These amendments ore essential to appropriately adjusted to appropriately adjusted to the provisions of the Petroleum Industry Act, 2021.	Policy Anchor: #5-Revenue Generation / Tox Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	that period; (d) a statement of other sums, deductible under section 22 of this Act, the liability for which were incurred during that period; (e) a statement of all amounts repaid, refunded, waived or released to it, as referred to in subsection (5) of section 20 of this Act, during that period; and (f) a computation of its estimated tax for that period. (2) Every company which is or has been engaged in petroleum operations shall, with respect to any accounting period of the company, within five months ofter the expiration of that period or within five months ofter the date of publication of this Act in the Federal Gazette upon enactment (whichever is later) deliver to the Board a copy of its accounts (bearing an auditor's certificate) of that period, made up in accordance with the provisions of subsection (1) of this section, and copies of the porticulars referred to in that subsection relating to that period; and such copy of those accounts an each copy of those particulars (not being estimates) shall contain a declaration, which shall be signed by a duly authorised officer of the company or by its liquidator, receiver or the agent of such liquidator or receiver, that the same is true and complete and where such copies are estimates each copy shall contain a declaration, similarly signed, that such estimate was made to the best of the ability of the person signing the same.	that period; d. a computation of its actual chargeable profits of that period; e. a statement of amounts repaid, refunded, waived or released to it, referred to in section 10(2) of this Act, during that period; f. duly completed self- assessment form attested to by the principal officer of the company; and g. evidence of payment of the final instalment.  (2) Every company engaged in petroleum operations shall with respect to any accounting period of the company and within 5 months after the expiration of that period, deliver to the Service a copy of its accounts, bearing an auditor's certificate, of that period, in accordance with the provisions of subsection (1) of this section and copies of the particulars referred to in subsection (1) of this section relating to that period with the copy of the delivered company accounts and each copy of those particulars, shall contain a declaration signed by authorised officer of the company or by its liquidator, receiver or the agent of the liquidator or receiver, that the same is true and complete.  (3) Notwithstanding the provisions of this section, every company which is yet to commence bulk sales or disposal of chargeable oil, shall file with the Service its audited accounts and returns – a) within 18 months from the date of its incorporation, in the case of a newly incorporated company; and b) within 5 months after any period ending on 31st December of the following year, in the case of any other company, provided that where there is an interval between 31st December of the preceding year and the date on which the company commences the bulk sale or disposal of chargeable oil or condensate, the interval shall be deemed to form part of the preceding period.		

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		(4) A company which fails to comply with the provisions of subsection (2) or (3) of this section is liable to pay as penalty for late filing — a) N10,000,000 on the first day the failure occurs; b) N2,000,000 for each and every subsequent day in which the failure continues; or c) other sum as may be prescribed by the Minister of Finance by Order published in the Gazette."		
19. Section 51  Penalties for Offences	made thereunder for which no other penalty is specifically provided, shall be liable to a fine of N 10,000 and where such offence is one under subsection (1) of section 24 of this Act, or is a	Substitute for section 51, a new Section "51," as follows—  (1) A person who fails to comply with the provisions of this Act or any Regulations made under this Act for which no other penalty is specifically provided, shall be liable to an administrative penalty of N10,000,000, and where the default continues beyond a period stipulated by this Act or Regulations, the person shall be liable to a further administrative penalty of N2,000,000 for each day the default continues or such other sum as may, by Order, be prescribed by the Minister of Finance.  (2) Notwithstanding the provisions of subsection (1) of this section, a person who is found guilty of an offence under this Act or Regulations made under this Act for which no other penalty is specifically provided, shall, yon conviction, be liable to a fine of N20,000,000 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.  (3) A person who —  (a) fails to comply with the requirements of a notice served on him under this Act;  (b) fails to comply with the requirements of a notice served on him under this Act;  (c) without sufficient cause fails to attend and answer to a notice or summons served on him under this Act or having attended fails to answer any question lawfully put to him; or (d) fails to submit any return required to be submitted under sections 30 or 33 of this Act, shall be liable to administrative penalty prescribed under subsection (1) of this section or upon conviction, be liable to penalty prescribed under subsection (2) of this section.	These amendments are essential to appropriately align the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	Policy Anchor #5-Revenue Generation / Tax Administratio

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
20. Section 52  Penalty for making incorrect accounts	52. Penalty for Making Incorrect Accounts, etc.  Every person who without reasonable excuse- (a) makes up or causes to be made up any incorrect accounts by omitting or understating any profits or overstating any losses of which he is required by this Act to make up accounts; or  (b) prepares or causes to be prepared any incorrect schedule required to be prepared by section 30 of this Act by overstating any expenditure or any incorrect statement required to be prepared by section 30 of this Act by overstating any royalties or other sums or by omitting or understating any amounts repoid, refunded, waived or released; or gives or causes to be given any incorrect information in relation to any matter or thing affecting his liability to tax, shall be guilty of an offence and shall be liable to a fine of N1,000 and double the amount of tax which has been under this Act for the accounting period in respect of or during which the offence was committed, or to imprisonment for six months, or to both such fine and imprisonment.  (2) The Board may compound any offence under this section and with the leave of the court may before judgment stay or compound any proceedings thereunder.	Substitute for section \$2, a new Section "\$2," as follows –  "(1) A person who without reasonable excuse – (a) makes up or causes to be made up any incorrect accounts by omitting or understating any profits or overstating any Losses of which he is required under this Act to make up accounts; (b) prepares or causes to be prepared any incorrect schedule or statement required to be prepared under section 30 of this Act by overstating any expenditure or overstating any royalties or other sums or by omitting or understating any omounts repaid, refunded, waived or released; or (c) gives or causes to be given any false or misleading information in relation to any matter or thing affecting his liability to tax, is liable to an administrative penalty of the higher of the sum of N15,000,000 and 1% of the amount of tax which has been undercharged in consequence of such incorrect account, schedule, statement or information had been accepted as correct, and shall still be liable for the appropriate tax which would have been so undercharged if the account, schedule, statement or information in relation to any matter or thing affecting his liability to tax a person who gives or causes to be given any false or misleading information in relation to any matter or thing affecting his liability to tax commits an offence and upon conviction is liable to a fine of the higher of the sum of N15,000,000 and 1% of the amount of tax which has been undercharged in consequence of such incorrect account, schedule, statement or information, or would have been so undercharged if the account, schedule, statement or information, or would have been so undercharged if the account, schedule, statement or information, or would have been so undercharged if the account, schedule, statement or information in eation to any more you exceeting a sum of money not exceeting the maximum fine specified for the offence and shall still be liable for the appropriate tax which would have been conflicted receipt for any money so received."	These amendments are sesential to appropriately align the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	Policy Anchor: #5-Revenue Generation / Tax Administration
21. Section 53  False statements and returns	False statements and returns     Any person who-     (ii) to keep or for himself or for any other person, or who in any return, account, particulars or statement made or furnished with reference to tax, knowingly makes any false statement or false representation, or forges or fraudulently lends, or allows to be used by any other person any receipt or token evidencing appwarm of the tax under this Act; or	Section 53 is amended, as follows –  (i). In subsection (1)(a), by inserting after the word "forges or" the words "fraudulently alters or uses"; and  (ii). In subsection (1)(b) (iii) by replacing, after the word "tax", the phrase:  "sholl be guilty of an offence and shall be liable to a fine of and treble the amount of tax for which the person assessable is	These amendments are essential to appropriately adign the PPTA with relevant provisions of the Petroleum Industry Act, 2021.	Policy Anchor: #5-Revenue Generation / Tax Administration

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Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
	(b) aids, abets, assists, counsels, incites or induces any other person- (i) to make or deliver any false return or statement under this Act; (a) for the purpose of obtaining any deduction, rebate, reduction or repayment in respect of tax prepare any false accounts or particulars affecting tax; or (iii) unlawfully to refuse or neglect to pay tax, shall be guilty of an offence and shall be liable to a fine of N1,000 and treble the amount of tax for which the person assessable is liable under this Act for the accounting period in respect of or during which the affence was committed, or to imprisonment for six months or to both such fine and imprisonment.	liable under this Act for the accounting period in respect of or during which the offence was committed, or to imprisonment for six months or to both such fine and imprisonment."  With a new phrase:  "shall be liable to an administrative penalty of the higher of the sum of N15,000,000 and 1% of the amount of tax for which the person assessable is liable to under this Act for the accounting period in respect of or during which the act or omission occurred and shall still be liable for appropriate tax which would have been assessed and charged" (iii). Inserting a new subsection (2) as follows—  "(2) Notwithstanding the provisions of subsection (1) of this section, any person who does any of the acts or makes the omissions contained in subsection (1) of this section, commits an offence, and on conviction, shall, in addition to the appropriate hydrocarbon tax which would have been assessed and charged, be table to a fine of the higher of the sum of N15,000,000 and 1% of the amount of tax for which the person assessable is liable to under this 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".		
Penalties for offences by authorised and unauthorised persons	55. Penalties for offences by authorised and unauthorised persons  Any person who- (a) being a member of the Board charged with the due administration of this Act or any assistant employed in connection with the assessment and collection of the tax who- (i) demands from any person an amount in excess of the authorised assessment of the tax payable (ii) withholds for his own use or otherwise any portion of the amount of tax collected; (iii) renders a false return, whether verbal or in writing, of the amounts of tax collected or received by him; (iv) defrauds any person, embezzles any money, or otherwise uses his position so as to deal wrongfully either with the Board or any other individual; or (v) not being authorised under this Act to do so collects or attempts to collect the tax under this Act, shall be guilty of an offence and be faible to a fine of N600 or to imprisonment for three years or both.	Section 55 is hereby deleted.	These omendments are essential as Section 44 of IRISEA has already provided adequate and overriding provisions more relevant vis-à-vis redundant offence and penalty.	#5-Revenue Generation / Tax

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		Stamp Duties Act (SDA)		
<b>23. Section 89</b> Electronic Money Transfer Levy	89A(4) Electronic Money Transfer Levy  (4) Notwithstanding any formula that may be prescribed by any other law, the revenue accruing by virtue of the operation of this section, shall, on the basis of derivation, be distributed as follows- (a) 15% to the Federal Government and the Federal Capital Territory, Abuja; and (b) 85% to the State Governments.	Section 89A of the Stamp Duties Act is amended by –substituting for subsection (4), a new subsection (4) as follows –  "(4) Notwithstanding any formula that may be prescribed by any other law, the revenue accruing by virtue of the operation of this section, shall, on the basis of derivation, be distributed as follows-  (a) 15% to the Federal Government and the Federal Capital Territory, Abuja;  (b) 50% to the State Governments; and (c) 35% to the Local Governments."	To foster Tax Equity by ensuring that Local Governments are allocated their 35% share of Electronic Money Transfer Levy receipts	Policy Anchors: #1-Tax Equity; #5-Revenue Generation / Tax Administration
	Vo	alue Added Tax Act (VATA)		
<b>24. Section 7</b> Administration of the Tax	7. Administration of the tax (1) The tax shall be administered and managed by the Federal Inland Revenue Service (in this Act referred to as "the Service"). (2) The Service may obust things as it may deem necessary and expedient for the assessment and collection of the tax and shall account for all amounts so collected in accordance with the provisions of this Act.	Section 7 of the VAT Act is amended by including new subsections (3), (4), (5) and (6) as follows –  7. Administration of the tax  (1) The tax shall be administered and managed by the Federal Inland Revenue Service (in this Act referred to as "the Service").  (2) The Service may do such things as it may deem necessary and expedient for the assessment and collection of the tax and shall account for all amounts so collected in accordance with the provisions of this Act.  (3) Where the Service is of the opinion that any disposition is not in fact given effect to or that any transaction which reduces or would reduce the amount of any tax poyable is artificial or fictitious, it may disregard any such disposition or direct that such adjustments shall be made as respects liability to tax as it considers appropriate so as to counteract the reduction of liability to tax of reduction with would otherwise be affected, or reduction which would otherwise be affected, by the transaction and any company concerned shall be assessable accordingly.	In line with ongoing fiscal policies to introduce global best practices into Nigerian tox lows, to conjourned profits of the property of the profits Shifting and Tax Evisoria, o General Anti-Avaidance Rule is introduced into the Value Added Tax Act to bring this Act in line with smill or reforms in the Personal and Corporate Income Tax Acts.	Policy Anchors: #4-Tax   #4-Tax   #5-Revenue   Generation / Tax   Administration

Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		(4) For the purpose of this section—  (a) "disposition" includes any trust, grant, covenant, scheme, agreement or arrangement;  (b) transactions between persons one of whom either has control over the other or, in the case of individuals, who are related to each other or between persons both of whom are controlled by some other person, shall be deemed to be artificial or fictitious if in the opinion of the Service or other relevant tax authority those transactions have not been made on terms which might fairly have been expected to have been made by persons engaged in the same or similar activities dealing with one another at arm's length.  (5) A taxpayer in respect of which any direction is made under this section, shall have a right of appeal in like manner as though for the purposes of Part X of the Companies known To XA cto s if such direction were an assessment in terms of that Act.		
25. Section 14(3)  Collection of Tax by Taxable Person	14(3) Collection of Tax by Taxable Person  "The Service may appoint any person to withhold or collect the tax, and the person so appointed shall, on or before the 21 <sup>st</sup> day of the following month, remit the tax so withheld or collected to the Service in the currency of the transaction"	Section 14(3) of the VAT Act is amended by replacing it with a new subsection 3, as follows —  "The Service may appoint any person to withhold or collect the tax, and the person so appointed shall, on or before the 14 <sup>th</sup> day of the following month, remit the tax so withheld or collected to the Service in the currency of the transaction"	To ease administration of input claims of suppliers whose VAT was withheld	Policy Anchor #5-Revenue Generation / Tax Administratio
26. Section 16  Collection of Tax	[NOT APPLICABLE]	Section 16 of the VAT Act is amended by including a new subsection 4, as follows –  (4) "Where taxable goods imported into Nigeria were purchased through an online electronic or digital platform, operated by a non-resident supplier that has been appointed as agent of the Service for the collection of the tax, the importer shall at the point of schedule purchased to the content of schedule purchased and the point of schedule purchased pu	This provision is essential in line with Ease of Doing Business principles, to eliminate the risk of double charge of VAT on goods purchased through online market-places operated by nor required to linclude VAT on their invoice for goods sunnlied to Ninerian	Policy Anchor #5-Revenue Generation / Tax Administratio

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Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
		registration or appointment, as well as evidence of charge of the tax on the sales invoice of the goods, or such other document as may be required by the Service, and such goods shall not be further subjected to the tax before clearing by the Nigerian Customs Service, pursuant to the necessary coordination on modalities between the Service and the Nigerian Customs Service."	customers.	
27. Section 46 Interpretation	Definition of Building  "Building" means any house, including any garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly roofed structure offording protection and shelter, radio and television masts, transmission line, tower, vehicle and other similar structure but excludes mobile homes, caravans and trailers.	Section 14(3) of the VAT Act is amended by replacing it with a new subsection 3, as follows— "Building" means any structure permanently affixed to land for all or most of the useful life of that structure and shall include, without limiting the generality of the foregoing, a house, garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly faxed structure affording protection and shelter, but excludes any faxtures 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.	To ensure that Rodio & Television Transmission Lines, Towers, Vehicles & other similar transmission tenes Towers, Vehicles & other copial assets in terms of setting off input against output tax, as well as to ameliorate the negative impact of the current VAT refunds are as on the Treasury.	
		PART II		
	Corrupt Practices a	nd other Related Offences Act (CPORO Act)		
28. Section 22(4)  Bribery for Giving Assistance Etc. in Regard to Contracts	22. (4) Bribery for Giving Assistance Etc. in Regard to Contracts  Any public officer who, in the discharge of his official duties wards or signs any contract without budget provision, approval and cash backing, shall be guilty of an offence under this Act and on conviction be liable to three (3) years imprisonment and a fine of one hundred thousand Naira.	Section 22 of the ICPC Act is amended by substituting for subsection (4), a new subsection (4) —  "(4) Any public officer who, in the discharge of his official duties awards or signs any contract without budget provision, administrative approvals and procurement plan, shall be guilty of an offence under this Act and no conviction be liable to three (3) years imprisonment and a fine of one hundred thousand Naira."	To address bureaucratic impediments in procurement laws that hinder accelerated procurement in line with ongoing public financial management reforms	Policy Anchor: #3-Job Creation & Economic Growth
	Pub	lic Procurement Act (PP Act)		
Section	Current Provision	Proposed Amendment	Justification	Policy Drivers
29. Section 16(1) (b)  Fundamental  Principles for  Procurement	16(1)(b). Fundamental Principles for Procurement  — (1) Subject to any exemption allowed by this Act, all public procurement shall be conducted: (b) based only on procurement plans supported by prior budgetary appropriations and no procurement proceedings shall be formalized until the procuring entity has ensured that funds are available to meet the obligations and subject to the threshold in the regulations made by the Bureau, has obtained a "Certificate of" No Objection' to Contract Award" from the Bureau;	Section 16 of the Public Procurement Act is amended by substituting for subsection (b), a new subsection (b) –  "16.— (1) Subject to any exemption allowed by this Act, all public procurement shall be conducted:  (b) based only on procurement plans supported by prior budgetary appropriations and no procurement proceedings shall be formalized until the procuring entity has ensured that there is approved procurement plan, subject to the threshold in the regulations made by the Bureau as well as guidelines issued by the Minister of Finance, has obtained a "Certificate of 'No Objection' to Contract Award" from the Bureau.		Policy Anchors: #3-Job Creation & Economic Growth & #5-Revenue Generation / Tax Administration

To clarify that [1st January 2022] is the commencement date of this Bill

(1) This Bill may be cited as the Finance Act, 2022.

(2) The provisions of this Finance Act, 2022 shall take effect from [1" January 2022] or such other date that shall be indicated by the National Assembly by law (or by the President of the Federal Republic of Nigeria by assent or order).

& [NOT APPLICABLE]