A country’s tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PFK member firms who gave up their time to contribute the vital information on their country’s taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

Richard Sackin
Chairman, PKF International Tax Committee
Eisner Amper LLP
richard.sackin@eisneramper.com
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PREFACE

The PKF Worldwide Tax Guide 2013 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world’s most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 1 January 2013, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country’s personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not to be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com
ABOUT PKF INTERNATIONAL LIMITED

PKF International Limited (PKFI) administers the PKF network of legally independent member firms. There are around 300 member firms and correspondents in 440 locations in around 125 countries providing accounting and business advisory services. PKFI member firms employ around 2,270 partners and more than 22,000 staff. PKFI is the 11th largest global accountancy network and its member firms have $2.68 billion aggregate fee income (year end June 2012). The network is a member of the Forum of Firms, an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

Services provided by member firms include:

- Assurance & Advisory
- Insolvency – Corporate & Personal
- Financial Planning/Wealth management
- Taxation
- Corporate Finance
- Forensic Accounting
- Management Consultancy
- Hotel Consultancy
- IT Consultancy

PKF member firms are organised into five geographical regions covering Africa; Latin America; Asia Pacific; Europe, the Middle East & India (EMEI); and North America & the Caribbean. Each region elects representatives to the board of PKF International Limited which administers the network. While the member firms remain separate and independent, international tax, corporate finance, professional standards, audit, hotel consultancy and business development committees work together to improve quality standards, develop initiatives and share knowledge and best practice cross the network.

Please visit www.pkf.com for more information.
STRUCTURE OF COUNTRY DESCRIPTIONS

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   CAPITAL GAINS TAX
   BRANCH PROFITS TAX
   SALES TAX/VALUE ADDED TAX
   FRINGE BENEFITS TAX
   LOCAL TAXES
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D. CORPORATE GROUPS

E. RELATED PARTY TRANSACTIONS

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H. PERSONAL TAX

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES
### INTERNATIONAL TIME ZONES

**AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:**

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<th>Country</th>
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<td>Austria</td>
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<td>Qatar</td>
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<td>Romania</td>
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    Chicago ..................... 6 am
    Houston ........................ 6 am
    Denver ........................ 5 am
    Los Angeles ................. 4 am
    San Francisco ................ 4 am
    Uruguay ..................... 9 am

V
  Venezuela ........................ 8 am

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  Zimbabwe ........................ 2 pm
A. TAXES PAYABLE

FEDERAL TAXES AND LEVIES

COMPANY TAX

All companies operating in Nigeria outside the oil and gas sector of the economy are required to pay income and education tax. The rate is 30% of total profit for income tax and 2% of assessable profit for education tax. Total profit is profit after deducting previous year losses carried forward and capital allowances. Assessable profit is obtained prior to deducting capital allowances.

Resident companies pay tax on their worldwide income. Non-resident companies are taxed on the proportion of their income earned in Nigeria. Companies are deemed to be resident companies if they are registered or incorporated in Nigeria.

The fiscal year runs from 1 January to 31 December. A Company can choose any date for its accounting year-end but must file returns not later than six months after its accounting year-end. Tax can be paid in a maximum of six equal monthly instalments if a taxpayer files self-assessment and applies for payment in instalments.

PETROLEUM PROFIT TAX

Companies in the oil and gas sector together with construction and consulting companies providing services to oil companies are regulated by separate tax laws. Tax rates are different for resident companies in the upstream sector of the oil and gas industry. The rates range from 50% for some of the new production sharing contracts to 65.75% for others in the first five years, during which all pre-operation expenses are expected to be fully amortised, and 85% of their chargeable profits thereafter. The tax rate in the downstream sector is 30%.

Chargeable profit is profit of the company after deducting allowances. For offshore companies that engage in petroleum operation, 20% of their turnover is deemed profit and taxed accordingly.

Petroleum companies are required to file their returns of estimated tax within two months into a new accounting year and commence payment of the tax in 12 monthly instalments pending determination of the result of their operation at the close of the year.

Both estimated and final taxes are computed in US dollars and payment made in US dollars in accordance with returns filed.

CAPITAL GAINS TAX

Capital gains and losses are treated differently from regular business transactions of individuals, partnerships and companies in Nigeria. Gains arising from the disposal of assets are taxed at the rate of 10%. Taxable assets include land and building situated in Nigeria, as well as plant and machinery. Corporate Securities are exempted from Capital Gains Tax.

Inflation is rarely taken into account in determining capital gains. Payment of capital gains tax can be postponed if the proceeds on disposal of an asset are reinvested in acquiring similar assets.

Capital losses cannot be charged against normal trading income but can be carried forward to offset future capital gains tax from the same source.

BRANCH PROFIT TAX

There is no branch profits tax in Nigeria. Non-Nigerian companies operating branches, which are exempted from local incorporation by the Federal Government, are treated as separate entities and taxed on income earned from their activities in Nigeria.

Activities of non-Nigerian companies, which would attract tax in Nigeria and other special issues, are spelt out in the laws. Examples are turnkey projects, allocation
of income and expenditure between the foreign company and its branch in Nigeria, transfer pricing etc.

**SALES TAX/VALUE ADDED TAX**

VAT is imposed on non-exempt supplies of goods and services within Nigeria as well as on goods imported. Export goods are non-taxable.

The standard rate is 5%. VAT is generally assessed by a taxable person who supplies taxable goods and services and payment made when filing monthly returns.

Transactions on basic food items produced within the country, books and educational materials, plant and machinery for use in Export Free Zone, agricultural equipment, and all medical and pharmaceuticals products and services, amongst others, are exempt from VAT.

**OTHER TAXES**

**CUSTOM AND EXCISE DUTY**

Customs duties are levied on goods coming into the country at varying rates from 5% to 75% of import value at each port of entry. Excise duties hitherto paid by companies on locally manufactured goods have been abolished.

**STAMP DUTIES**

A number of transactions attract stamp duties. These include incorporation of companies, increase in companies authorised share capital, mortgage bonds, debenture and dealing in securities, settlement of estates and conveyance of property.

**LOCAL TAXES**

States in Federation (there are now 36 states) have a variety of local taxes in their areas of jurisdiction. Local taxes include motor vehicles’ licence/registration; consent fees for transfer of property in real estate; property tax; gaming/casino tax; water rates etc. Local Councils impose tenement rates and several other fees.

**B. DETERMINATION OF TAXABLE INCOME**

Taxable profit of a company is determined by ascertaining its income on ordinary activities and subtracting all allowable deductions based on financial results of the preceding year.

To be deductible, expenses must be of revenue nature and incurred wholly, exclusively, necessarily and reasonably for earning the income reported. Donations to certain bodies are not allowable for tax purposes.

**CAPITAL ALLOWANCES/DEPRECIATION**

Capital allowances are granted to companies against taxable income in lieu of the wear and tear of business assets. Rates of capital allowances are highest (95%) for expenditure on replacement plant and machinery for mining agricultural production, industrial plant and machinery, and motor vehicles used for public transportation.

In addition, investment allowances of between 10% to 15% are available to manufacturing companies in their first year of acquisition of plant and machinery. Other business assets such as factory buildings, furniture and fittings enjoy capital allowances at lower rates but generally at 50% initial and 25% annual in other cases.

**STOCK/INVENTORIES**

Closing stocks have to be appropriately valued at the lower of cost or net realisable value. Accepted valuation methods are first-in-first-out (FIFO) and weighted average but last-in-first-out (LIFO) valuation is not acceptable. Valuation method once adopted must be consistently followed.

**CAPITAL GAINS AND LOSSES**

Capital gains and losses as discussed above are excluded from regular trading operation of a company and assessed separately under different tax law.

**DIVIDENDS**

Dividends received by a Nigerian company from other domestic companies are excluded in the determination of taxable income to the extent that such distribution has suffered withholding tax in the hands of recipient. Dividends paid to non-resident companies and investors attract withholding tax of 10%, which is the final tax, while dividends distributed by Unit Trusts and pioneer companies during the pioneer period are tax-exempt in the hands of recipients and withholding tax is not deductible for such dividend.

**INTEREST**

Interest paid on loans used for business operations are allowable for tax purposes. For new business, such interest is capitalised prior to starting commercial production.
Interest income received by lending institutions on loans to export oriented companies and agricultural businesses are granted tax exemptions depending on tenure and moratorium of the loans.

LOSSES
Normal business losses can be carried forward indefinitely except for insurance companies who can only carry forward losses for a maximum of four years.

TAX INCENTIVES
GOVERNMENT INCENTIVES TO INDUSTRIES
Nigeria’s Industrial Policy document introduces a number of incentives designed to promote investment, employment, product mix and various other aspects of industry. These incentives fall within the following broad categories:

a) Fiscal measures on taxation
b) Effective protection of local industries with import tariff
c) Export promotion of Nigerian-made products
d) Foreign currency facility for international trade.
e) CIT (Exemption of Profit) Order.

Enterprises which fulfill the required criteria are free to apply for the following specific incentives:

1. Pioneer Status
   100% tax-free period for five years for pioneer industries that produce products declared as “pioneer products” under the Industrial Development (Income Tax Relief) Act.

2. Local Raw Materials Utilisation
   30% tax concession for five years to industries that attain minimum local raw materials utilisation as follows:

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>Minimum Level</th>
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<tbody>
<tr>
<td>Agro</td>
<td>80%</td>
</tr>
<tr>
<td>Agro-Allied</td>
<td>70%</td>
</tr>
<tr>
<td>Engineering</td>
<td>60%</td>
</tr>
<tr>
<td>Petro Chemical</td>
<td>70%</td>
</tr>
</tbody>
</table>

3. Labour Intensive Mode of Production
   There is a 15% tax concession for five years. The rate is graduated in such a way that an industry employing 1,000 persons or more will enjoy the 15% tax concession while an industry employing 100 will enjoy only 6%, while those employing 200 will enjoy 7% and so on.

4. Local Value Added
   There is a 10% tax concession for five years. This applies essentially to engineering industries where some finished imported products serve as inputs. The concession is aimed at encouraging local fabrication rather than the mere assembly of completely knocked down parts.

5. In-Plant Training
   There is a 2% tax concession for five years of the cost of facilities provided for training.

6. Export-Oriented Industries
   There is a 10% tax concession for five years. This concession will apply to industries that export not less than 60% of their products. The emphasis here is on the encouragement of the pre-establishment stage of an export-oriented enterprise.

7. Infrastructure
   20% of the cost of providing basic infrastructure such as roads, water, electricity where they do not exist is tax deductible once and for all.

8. Investment in Economically Disadvantage Areas
   There is a 100% tax holiday for seven years and an additional 5% depreciation allowance over and above the initial capital depreciation.

9. Research and Development (R and D)
   There is an incentive of 120% tax deductible expenses provided the research and development is carried out in Nigeria; and 140% for R&D on local raw materials.
10. Abolition of Excise Duty
In order to boost local industries, stimulate trade and reduce business costs, the Government decided that all excise duties be abolished with effect from 1 January 1998 but from 1 January 1999 excise duties were re-introduced on the following specific products:
- Spirits and other spirit-based alcohol
- Cigarettes, cigars, cheroots and cigarillos
- Other manufactured tobacco and tobacco-manufactured substitutes.

11. Re-Investment Allowance
This incentive is granted to companies engaged in manufacturing which incurs qualifying capital expenditure for the purpose of approved expansion, etc. The incentive is in the form of a generous allowance of capital expenditure incurred by companies for the following:
- Expansion of production capacity
- Modernisation of production facilities
- Diversification into related products.
This scheme is to encourage re-investment of profits at a time when such investment is declining.

12. Companies engaged in Export Trade
With effect from 1 January 1996:
   i) Profits of any Nigerian company in respect of goods exported from Nigeria provided that the proceeds from such exports are repatriated to Nigeria and are used exclusively for the purchase of raw materials, plant and equipment and spare parts, are exempted from tax.
   ii) The profits of companies whose products are used exclusively as inputs for the manufacturing of products for exports is tax exempt. For this purpose, the exporter must give a certificate of purchase of the input of exportable goods to the seller before the profit can be eligible for tax exemption.

13. Taxation of Export Free Zone Enterprises
All new industrial undertakings including foreign companies and individuals operating in any Export Processing Zone in Nigeria shall be allowed a full tax holiday for three consecutive years of assessment.

14. Tax relief to export oriented enterprises
The profit or gains of 100% of export oriented undertakings established outside an export free zone shall be fully exempted from income tax for three consecutive assessment years provided that:
   i) The undertakings is 100% oriented.
   ii) The undertaking is not formed by splitting up or the reconstruction of a business already in existence.
   iii) It manufactures, produces and exports during the relevant year, and the proceeds or goods exported during the year are not less than 75% of its turnover for the year
   iv) The undertaking is not formed by transfer of machinery or plant previously used for any purpose to the new undertaking or, where it does, the written down value does not exceed 25% of the total value of the plant and machinery
   v) That the undertaking repatriates at least 75% of the export earnings to Nigeria and places this in the domiciliary account with a bank in Nigeria.

15. Solid Minerals
Companies engaged in the mining of solid minerals are entitled to claim Initial and Annual Allowances as follows:
   - Initial Allowance 30%
   - Annual Allowance 20%

In addition, they are to enjoy a tax-free holiday for the first three years of operation.

16. Replacement of Industrial Plant and Machinery
Plant and machinery purchased to replace old ones are to enjoy a once and for all 95% capital allowances in the first year and the remaining 5% is to be retained as the book value until the final disposal of the asset.

In addition, an investment tax credit of 15% was granted for such replacements with effect from 1 January 1996.
17. Tax Incentives for Hoteliers and Tourism Services
25% of income derived from tourism by hotels in convertible currencies will be exempted from tax with effect from 1996 provided such incomes are set aside and put in reserve fund to be utilised within five years in expansion or the construction of new hotels, conference centres and new facilities useful for tourism development.

18. Tax Incentives for Local Manufacturers
All companies engaged wholly in the fabrication of tools, spare parts and simple machinery for local consumption and export are to enjoy 25% Investment tax credit on their qualifying capital expenditure.

Any taxpayer who purchases locally manufactured plant and machinery and equipment is similarly entitled to 15% investment tax credit on such fixed assets bought for business use.

19. Employment Tax Relief (ETR)
This is an income tax relief on the employment of persons that do not possess any previous work experience within three years of graduating from school or any vocation. To qualify for this, a company must have a minimum net employment of 10 employees in an assessment year of which 60% must be new graduates who must have no previous work experience within three years of graduating.

‘Net Employment’ is defined as “the difference between incoming and outgoing employees of the company within the assessment period.”

The relief to be enjoyed is 5% of the company’s assessable profit and shall be limited to the gross salary of the qualifying employees.

It should also be noted that, in line with the order, the tax exemption (relief) shall only be utilised in the year of assessment in which the employees were first employed and any unabsorbed deduction shall not be carried forward to another assessment period.

20. Work Experience Acquisition Program Relief (WEAPR)
This is a relief on the employment and retention of experienced employees.

The basic criterion is that a company must have a minimum net employment of five new experienced employees and retain such employees for a minimum of two years from the year of assessment when the employees were first employed.

The company shall enjoy an exemption from income tax of 5% of its assessable profits in the assessment period in which the company qualifies.

The tax exemption (relief) shall only be utilised in the year of assessment in which the company qualifies and any unabsorbed deduction shall not be carried forward to another assessment period.

21. Infrastructure Tax Relief (ITR)
The Exemption Order also stipulates that, where a company incurs expenditure on infrastructure or facilities of a public nature, 30% of the cost of the infrastructure or facilities will be granted as an exemption from income tax in the assessment period in which the infrastructure or facilities were provided.

The infrastructure or facilities, according to the Order include:
- Power (electricity)
- Roads and bridges
- Water
- Health, education and sporting facilities and
- such other infrastructure or facilities as may be determined by Order issued from time to time by the Minister of Finance.

Before a company can qualify for ITR, the infrastructure or facilities must have been completed and in use by the company and the public.

The exemption shall be enjoyed in the assessment period in which the infrastructure or facilities was provided and may only be carried forward for a maximum period of two assessment periods following the period in which it first became available.

The incentives set out in this section are in no way exhaustive and neither are the quantum or percentage of relief mentioned fixed for all time. There is the
need therefore to ascertain the current operative figures at the time of making investments.

D. CORPORATE GROUPS

There are no provisions for consolidation of accounts for group taxation in Nigeria.

E. RELATED PARTY AND ARTIFICIAL TRANSACTIONS

Related party transactions are required by the tax laws to be disclosed separately and the tax officials are given power to determine whether the transactions are at arm’s length and the adjustment to be made to the liability. When a disposition is not, in fact, given effect to and the transaction is artificial or fictitious, the transaction may be set aside by the Revenue.

The Tax authority in March 2012 published Transfer Pricing guidelines on “connected taxable person” which include various categories of entities, Individual, companies, partnerships, joint ventures, trusts or associations. This regulation shall apply to transactions between connected persons within and outside Nigeria carried on in a manner consistent with the arm’s length principle and includes:

i. Transactions between a Permanent Establishment (PE) and its head office or other related branches. Branches are treated as separate entities
ii. Sales and purchase of goods and services
iii. Sales, purchase or lease of tangible assets
iv. Transfer, purchase or use of intangible assets
v. Provision of services
vi. Lending or borrowing of money
vii. Manufacturing arrangement
viii. Any other transaction which may affect profit and loss or any matter incidental to the foregoing.

For each tax year, a connected taxable person shall, without notice or demand, make a disclosure in the prescribed form (through a TP disclosure form) with details of transactions that are subject to this regulation. The TP disclosure form and other necessary document shall be filed along with the connected persons annual income tax returns for each tax year.

G. EXCHANGE CONTROL

Exchange control regulations have been abolished in Nigeria. Under the new foreign exchange and investment promotion laws, a foreign investor is guaranteed unconditional transferability of funds through an authorised dealer in freely convertible currencies in respect of:

- Dividends or profit (net of taxes) attributable to the investment
- Payment in respect of loan serving where foreign loan has been obtained
- The remittance of proceeds (net of all taxes) and other obligations in the event of a sale or liquidation of the enterprise or any interest attributable to the investment.

Authorised dealers of foreign currencies need to notify the Central Bank of Nigeria of any cash transfer to or from a foreign country of any sum in excess of US$ 10,000. A tax clearance certificate must, however, be obtained by anyone wishing to remit dividend and interest funds outside the country.

F. WITHHOLDING TAX

Certain payments to domestic companies and individuals and non-resident companies/investors are subject to withholding tax at the following rates:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Corporate Bodies (%)</th>
<th>Individual (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Royalties</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Interest</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Director Fees</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Rent (including hire of equipment)</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>All aspect of building construction and related activities</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Corporate Bodies % | Individual %
---|---
All aspect of contract activities or agency arrangements including contract for supply | 5 | 5
Management Services | 10 | 5
Consultancy and Professional fee | 10 | 5
Technical Services | 10 | 5
Commission | 10 | 5

Withholding tax paid by resident person and companies in Nigeria is payment on account of tax and can be used to offset part of personal and companies income tax except in the case of dividend and interest (Franked Investment Income) where withholding tax become a final tax. Withholding tax paid by non-resident individuals and companies is a final tax.

**H. PERSONAL TAX**

While the above outline applies mainly to companies, different tax rules and principles apply to individuals in employment, sole traders, partners in a partnership and trustees as outlined below.

The concept of residence determines the extent to which the income of taxpayer is liable to Nigerian tax. A resident person is assessable to tax on his global income, i.e income accruing in, derived from, brought into or received in Nigeria. An individual is regarded as resident in Nigeria in an assessment year if he/she:

i) is domiciled in Nigeria
ii) sojourns in Nigeria for a period or periods in all amounting to 183 days or more in a 12 month period or
iii) serves as a diplomat or diplomatic agent of Nigeria in a country other than Nigeria.

The profit of a trade, profession or vocation is liable to tax in Nigeria regardless of the period such a trade, profession or vocation has been carried on. Income from employment, however, is liable to tax when a person becomes resident.

Non-resident persons pay tax on the portion of their income sourced in Nigeria. They become liable to tax from the day they begin to carry on a trade, business, profession or vocation in Nigeria. Double taxation treaties have been concluded with a number of countries and double taxation relief applies to such income.

The pay-as-you-earn system of collection is in operation. There are a number of allowances against total income.


The Bill seeks to amend the provisions of the Principal Act, Personal Income Tax Act, Cap. P8, LFN 2004 by substituting the existing Sixth Schedule for the new Sixth Schedule.

The highlights of the New Personal Income Tax (Amendment) Act, 2011 are as follows:

- Gross emolument is defined to include benefits in kind, gratuities, superannuation and any other incomes derived solely by reason of employment.
- Principal place of residence to include places where branch offices and operational site of companies are situated.
- Operational sites are defined in the bill to include oil terminals, oil platforms, flow stations, construction sites, etc with a minimum of 50 workers.
- Full tax exemption to be granted on interest from bonds issued by Federal, State and Local Governments and their Agencies, corporate entities and interest earned on short term securities.
- Interest for default in tax remittance to be charged at the prevailing minimum re-discount rate of the Central Bank of Nigeria on an annual basis.
- Individual tax clearance certificates (TCC) to be required for change of ownership of vehicles and application for land title transfer or perfection.
- Due date for filing employee tax returns to be 31 January.
- Stiffer criminal penalties for non-compliance. The penalty for late filing by corporate bodies is N500,000 and N50,000 for individuals.
- Tax officers to apply for a warrant from the High Court before levying any distress on a taxpayer.
• “itinerant worker” includes an individual irrespective of his status who works at any time in any state during a year of assessment (other than as a member of the armed forces) for wages, salaries or livelihood by working in more than one state for a minimum of 20 days in at least three months of every assessment year. The relevant tax authorities are empowered to collect taxes from itinerant worker.

Income Tax Table
(1) Relief shall be granted thus:
  • Higher of 1% of gross income
  • Or a consolidated relief allowance on income at a flat rate of N200,000; plus 20% of gross income.

(2) Tax Exempt Income
The following deductions are tax exempt:
(a) National Housing Fund Contribution
(b) National Health Insurance Scheme
(c) Life Assurance Premium
(d) National Pension Scheme
(e) Gratuities.

(3) After the relief allowance and exceptions had been granted in, accordance with paragraphs 1 and 2 of this Schedule, the balance of income shall be taxed as specified in the following tax table, subject to a minimum of 1% of gross income whichever is higher.
  • First N300,000 @ 7%
  • Next N300,000 @ 11%
  • Next N500,000 @ 15%
  • Next N500,000 @ 19%
  • Next N1,600,000 @ 21%
  • Above N3,200,000 @ 24%

Overall, the Bill seeks to bring personal income tax administration up to date with existing realities and simplify compliance by tax payers.

It also replaces a complicated system of computing reliefs and allowances under the existing laws with a simpler and more straightforward system.

I. TREATY AND NON-TREATY WITHHOLDING TAXES

<table>
<thead>
<tr>
<th>Dividend (%)</th>
<th>Interest (%)</th>
<th>Royalties (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Treaty Countries:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Treaty Countries:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Canada</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Pakistan</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Romania</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

**Note:** The above apply to resident individuals and companies only and provide a general guide. For further details, please refer to the individual treaties.