FEDERAL INLAND REVENUE SERVICE

15 SOKODE CRESCENT, WUSE ZONE 5, P.M.B 33, GARKI, ABUJA, NIGERIA

INFORMATION CIRCULAR

NO: 2020/04 **Publication Date: 29th April 2020**

Subject: **CLARIFICATION ON SUNDRY PROVISIONS OF THE FINANCE ACT 2019 AS IT RELATES TO COMPANIES INCOME TAX ACT**

This circular is issued for the information and guidance of the general public, taxpayers and tax practitioners in line with the provisions of the relevant tax laws. This instant circular amends, updates or replaces contents of any circular, notice or other publication previously issued by the Service that is inconsistent with its contents to the extent of such inconsistency.

1.0 Introduction

The Finance Act 2019 amended various provisions of the tax laws. While the Federal Inland Revenue Service has issued circulars on some specific amendments, this circular provides clarification on other amendments introduced by the Finance Act.

2.0 Section 19 of CITA

Section 19 of Companies Income Tax Act (CITA) Cap C21 LFN 2004(as amended) was amended by inserting a new subsection (2), which excludes the following classes of dividend from the application of Section 19(1):

i. Dividends paid out of retained earnings of a company, provided that the dividends are paid out of profits that have been subjected to tax under Companies Income Tax Act, Petroleum Profit Tax Act (PPTA) or the Capital Gains Tax Act (CGTA);

ii. Dividend paid out of all tax-exempt incomes pursuant to the CGTA, PPTA & Industrial Development (Income Tax Relief) Act or any other legislation;

iii. all franked investment income under CITA; and

iv. distributions made by a Real Estate Investment Company to its shareholders from rental or dividend income received on behalf of those shareholders;

The exemption, provided in this section, is applicable even where the profits that generated such dividend accrued in a year other than the year in which the dividend was paid.

NOTE:

Taxpayers are required to maintain, and include in their annual tax returns, a schedule to track the sources of dividend paid in relation to items listed in (i) to (iv) above and the evidence of tax paid, where applicable.

2.1 Determination of Dividends Paid out of Retained Earnings

In determining whether a dividend has been paid out of retained earnings for the purposes of Section 19(1), profits of the current year disclosed in the financial statements shall be considered first. For instance, where the profits reported for an accounting period are sufficient to cover the dividend declared for that year, such dividend will not be treated as having been paid from retained earnings.

Illustration 1

An extract from the financial statements of Dividends Limited for 2019 shows the following:

	₦
Accounting Loss for the Year	(500,000)
Retained Earnings brought forward	1,000,000
Dividend declared for 2019 (paid in 2020)	500,000

From the above illustration, **₦500,000** dividend paid will be exempt from the application of Section 19(1), because it is reasonably clear that the dividend was paid out of the company's retained earnings for previous years.

Illustration 2

An extract from the financial statements of MKL1 Nigeria Limited for 2019 shows the following:

	₦
Profit for the Year	1,000,000
Retained Earnings brought forward	2,000,000
Dividend declared for 2019 (paid in 2020)	1,500,000

From the above, dividend of ₦500,000 from the ₦1,500,000 paid can be said to be paid from the retained earnings of previous years, hence the amount to be subject to the application of section 19(1) shall be restricted to ₦1,000,000 i.e. dividend declared and paid from profit reported for the year 2019.

Illustration 3

An extract from the financial statements of MKL2 Nigeria Limited for 2019 shows the following:

	₦
Accounting Profit for the Year	5,000,000
Retained Earnings brought forward	10,000,000
Dividend declared for 2019 (paid in 2020)	4,000,000

The dividend of ₦4,000,000 declared and paid for 2019 will not be exempt from the application of section 19(1), since the accounting profit of ₦5,000,000 in 2019 is greater than the dividend paid for the year.

3.0 Section 23 of CITA

3.1 Exemption of Small Companies from Income Tax

Section 23(1)(o) of CITA, as amended, exempts "the profits of a "**small company"** in a relevant year of assessment" from companies income tax.

The exemption is applicable only to companies with a gross turnover of ₦25 million and below. The amendment provides that **such company must have registered for tax purpose, filed its tax returns on or before the due date and complied with all other provisions and obligations stipulated under CITA, including provisions relating to penalties for breach of statutory duties.**

In view of the conditions attached to the tax exemption, a company that defaults in meeting those conditions shall, in addition to the penalty prescribed under the Act, forfeit the exemption. The Service shall appropriately assess the company to tax including, but not limited to, administrative or best of judgement assessment based on the information available to it.

Similarly, the dividends received by a small company from another small company in the manufacturing sector in the paying company's first five years of operation is exempt from tax under Section 23(1)(o) (ii) of CITA.

3.1.1 Withholding Tax Obligations

The exemption of the profits of a company from tax would not remove the obligation of companies (doing business with the tax-exempt company) to withhold tax from relevant payments due to the company and remit same to FIRS. Where a company has fulfilled the condition for the exemption of its profit from tax under section 23(1)(o) of CITA, such company may request for the refund of the withholding tax suffered.

Similarly, a company whose profits are exempt from tax shall continue to deduct and remit withholding tax from relevant payments due from it to other companies.

3.1.2 Small Companies and Tertiary Education Tax (TET)

Section 1(2) of the Tertiary Education Trust Fund Act 2011 provides that the TET be charged at 2% of the assessable profit of a company registered in Nigeria. A small company whose profit is exempt from tax under Section 23(1)(o) of CITA will not have assessable profit. Accordingly, companies, whose profits are exempt under CITA, will not pay tertiary education tax with respect to those exempt profits.

3.1.3 Treatment of Capital Allowances for Small Companies

Capital allowances are claimable on qualifying capital expenditure (QCE) used in generating taxable income. Where the profits of a small company is exempt from tax under section 23(1)(o), capital allowances on QCE employed in generating such tax-exempt profits is deemed fully utilised for and in those years of assessment in which the profits of the company were exempt from tax.

As such, capital allowances relating to those years of assessment are not available for carry forward to future year(s) of assessment in which the company becomes taxable under the Act. This is in line with **Sections 24** and **27(1)(h)** of CITA (as amended).

Where a small company incurred qualifying capital expenditure prior to crossing the threshold to medium or large. All allowances (initial and annual) for the period it was a small company are deemed utilised. Only annual allowance pertaining to the assessment years it operated as a medium or large company can be claimed. For qualifying capital expenditure incurred after crossing the threshold to medium or large, all capital allowances shall be available in line with the law.

Illustration

ABC limited incurred QCE on Furniture and fittings of ₦1,000,000 in 2020 year of assessment when the company has a gross turnover of ₦20,000,000; the relevant profits were exempt under Section 23(1)(o) of CITA. The company crossed the threshold into a medium company in the fifth year of assessment after the QCE was incurred. What will be the capital allowance claimable on the QCE in that fifth year of assessment (i.e. 2024 YOA).

Initial allowance is claimable for the year of assessment in which the QCE was first put into use, i.e. 2020 YOA. The initial allowance (deemed fully utilised) in that 1st YOA is ₦250,000 (i.e. 0.25 X ₦1,000,000), while the annual allowances claimable yearly is ₦150,000 (0.2 X ₦750,000).

At the end of the fourth year (2023 YOA), a total capital allowance of ₦850,000 would be deemed utilised (i.e. initial allowance of ₦250,000 plus annual allowance of ₦600,000 for four years). The tax written down value of the QCE carried forward to the fifth year of assessment will be ₦150,000. As such, the capital allowance claimable in the fifth year of assessment (i.e. 2024) is ₦150,000 *less* the retention.

3.1.4 Anti-abuse

Section 22 of CITA empowers the Service to discountenance any disposition, arrangement or structure made for the purposes of reduction of tax liability. As such, where:

i. transactions or business dealings being carried on by a company prior to the commencement of the Finance Act 2019 is subsequently split between one or more entities, for the purposes of enjoying the benefit provided for small companies under CITA, the Service shall discountenance such splitting, aggregate such transactions or business dealings and attribute all to the company originally doing the business, for the purpose of application or otherwise of this provision.

ii. A person, after the commencement of the Finance Act 2019, incorporates, or uses, two or more companies to carry on a contract or business that could have been otherwise carried out by one company and the Service is convinced that the arrangement by which the business or contract is split is targeted at obtaining the benefit available to small companies under CITA, the value of such contract or business shall be aggregated and taxed as appropriate in the hand of one of the companies.

iii. A company that conceals its turnover for the purposes of obtaining tax benefit available to small companies under CITA shall be prosecuted along with its directors and relevant principal officers in accordance with

section 42 of the FIRS Act. In addition, taxes due shall be recovered with penalties and interest.

3.2 <u>Profits on Goods Exported (Section 23(1q))</u>

Section 23(1)(q) as amended exempt the profits of a Nigerian company, in respect of goods exported from Nigeria, if the proceeds of such exports are used for the purchase of raw materials, plant, equipment and spare parts. Where such proceeds were not so fully utilised, the profits to be exempt from tax shall be limited to the proportion of the proceeds utilised.

Consequently, the profits relating to the portion of export proceeds not utilised in the purchase of raw materials, plant, equipment and spare parts shall be subject to tax proportionately.

In order to ascertain the portion of export proceeds to be exempted from tax, a company engaged in export of goods shall maintain a schedule and evidence of utilisation of its export proceeds for the purchase of raw materials, plant, equipment or spare parts.

NOTE:

In accordance with the provisions of Section 27(1)(h) of CITA, any expense incurred in deriving the profits relating to the export proceeds, whose profits are exempt from tax, is not deductible for tax purposes.

4.0 Section 24 – Deductions Allowed

Section 24 of CITA was amended by inserting after the word "profits" in line 5, the words "chargeable to tax".

By this amendment, deductions will be allowed only for expenses incurred wholly, exclusively, necessarily and reasonably in the production of profits chargeable to tax. As such, expenses incurred in generating profits not chargeable to tax (such as exempt income, franked investment, etc.) will ***not be allowed*** as deduction against profits chargeable to tax.

4.1 Interest Deductibility

Section 24(a) introduced a restriction on deductibility of interest for a Nigerian company or a fixed base of a foreign company in Nigeria that has incurred any interest or deduction of similar nature where loans or debts are obtained from a foreign connected person.

Where a Nigerian company or a fixed base of a foreign company in Nigeria has incurred such interest or deduction of similar nature, the deduction allowed

under Section 24(a) of CITA shall be restricted to **only 30%** of the company's earnings before interest, tax, depreciation and amortisation (EBITDA).

NOTE:

1. The interest deductibility rule in the Seventh Schedule to CITA complements and does not replace the transfer pricing rule. As such, taxpayers are to ensure that interest expenses comply with the Income Tax (Transfer Pricing) Regulations 2018 before applying the interest deductibility rule.
2. In computing the 30% of EBITDA allowed under section 24(a) of CITA for such companies, total interest paid or payable (including interest payment to third parties) shall be considered. However, such interest must be those directly incurred in respect of loan or debt obtained wholly, exclusively, necessarily and reasonably for the production of profits chargeable to tax. Where the loan or debt was not utilised for the production of the profits chargeable to tax, no portion of the interest is allowable deduction.
3. Interest and deductions of similar nature means the cost of borrowing money or other financial charges. It includes interest, discounts, fees, premium, share of profit, finance cost element of finance lease or foreign exchange losses that are paid or payable in relation to a loan or a debt, or any other payment in relation to derivatives used in hedging a loan or debt.
4. EBITDA shall be computed based on assessable profits i.e. assessable profits before the deduction of interest expense (or similar charges).
5. Any taxpayer that fails to apply the restriction on interest deductibility as provided by this rule will be liable to specific penalties and interest under paragraph 5 of the Seventh Schedule in addition to other relevant penalties or interest imposed by other relevant provisions of the tax laws.

Where any amount of interest or deduction of similar nature has been disallowed by virtue of the limitation imposed, such amount may be carried forward for a period of not more than 5 years from the year for which the excessive interest expenditure was first computed. The amount so carried forward shall constitute interest for the purposes of computing the restriction for succeeding years. For this purpose, the deduction of interest shall be on first-in, first-out basis.

The restriction provided in section 24(a) and the Seventh Schedule of CITA does not apply to a Nigerian subsidiary of a foreign company engaged in banking or insurance business. However, the rule shall be applicable to Nigerian banking or insurance companies that are parents to foreign

companies, where the Nigerian Company paid interest to that foreign subsidiary.

Illustration

XYZ Nigeria Limited is a subsidiary of XYZ (UK) Limited. The following information was extracted from the financial statement of the Nigerian company for 2020 year of assessment:

	₦
Assessable Profit	*400,000*

In arriving at the assessable profits, the following amounts of interest had been deducted:

Interest on debts: paid to XYZ UK Limited	*400,000*
paid to other creditors	*200,000*

₦100,000 out of the amount paid to third parties was in respect of loan obtained in generating tax-exempt profits.

The restriction provided under section 24(a) and Seventh Schedule of CITA will apply to XYZ Nigeria Limited because the company has made interest payment to a foreign connected person.

Consequently, the amount of interest allowable for tax purposes in 2020 year of assessment shall be restricted to 30% of its EBITDA, as computed thus:

EBITDA = Assessable Profit before Interest Deduction

Assessable Profit = ₦400,000
Interest Deducted = ₦600,000
EBITDA = ₦400,000 + ₦600,000 = ₦1,000,000

Total interest deductible (before restriction):

	₦
Int. on Loan from XYZ UK	400,000
Int. on Loan from Others	200,000
Total Interest Exp.	600,000
Less: Int. for Tax Exempt Profit	100,000
Interest Qualifying for Deduction	500,000

30% of EBITDA (30% of ₦1,000,000) = ₦300,000

Amount of interest deductible in 2020 YOA is ₦300,000 which is the lower of:

i. 30% of EBITDA (₦1,000,000) ₦300,000 and

ii. Total interest on qualifying debts ₦500,000

The excess interest of ₦200,000 (i.e. ₦500,000 - ₦300,000) will be carried forward to 2021 YOA and added to the interest expense for that year for the purposes of computing the restriction for that year. The excess interest of ₦200,000 may only be carried forward for a period not exceeding 5 years, i.e. to 2025 YOA, using, for each of the year, the same rule with which the excessive interest expenditure was first computed.

Any amount (out of the ₦200,000 carried forward in 2020) not deducted after 2025 YOA shall no longer be deductible.

5.0 Section 27(1)(h) –Expenses Incurred in Earning Exempt Income

Section 27(1)(h) disallows any expense incurred in deriving tax exempt income, losses of a capital nature and any expense allowable as a deduction under the Capital Gains Act for the purposes of determining chargeable gains. As such, any expense directly incurred in generating income that is exempt from tax shall not be allowed in computing the company's assessable profits.

Where a deductible expense is incurred for the purposes of generating both exempt and non-exempt income, the portion of the expense that relates to income assessable to tax shall be determined on pro-rata basis and allowed for deduction. The remainder i.e. portion that relates to the tax-exempt income shall not be allowed as a deduction.

Illustration 1

Banking Bank Plc secured a pool of fund which was wholly invested in generating an income of ₦1billion which is exempt from tax. The bank incurred the sum of ₦100million by way of interest, administrative and other operating costs pertaining to the investment. The company incurred another ₦200million by way of interest, administrative and other operating costs in its other banking business to generate ₦2billion which is wholly assessable to tax.

Only ₦2billion is assessable to tax. The sum of ₦100million being cost incurred for the purposes of generating tax-exempt income of ₦1billion cannot be charged to the ₦2billion income; only the ₦200million can be deducted from the taxable income.

Illustration 2

Company XYZ incurred ₦200,000 deductible expenses in generating business profits of ₦1million in the year ended 31st December 2019. Only the sum of ₦700,000 of the total business profits is assessable to tax while the remaining ₦300,000 is tax-exempt. How much of the expense would be allowed for deduction?

In order to determine the portion of the expense to be allowed, the following formula is applied:

$$\frac{A}{A+B} \times C$$

Where:

A: - represents income assessable to tax i.e. ₦700,000

B: - represents tax-exempt income i.e. ₦300,000

C: - represents total available expenses.

$$\frac{₦700,000}{₦(300,000 + 700,000)} \times ₦200,000$$

$$\frac{₦700,000}{₦1,000,000} \times ₦200,000 = ₦140,000.$$

Accordingly, ₦140,000 will be allowed for deduction against the income of ₦700,000 while ₦60,000 (i.e. ₦200,000 – ₦140,000) will not be allowed.

5.1 Section 27(1)(l): Tax or Penalty Borne on Behalf of Another Person

By the introduction of subsection 27(1)(l), any tax or penalty borne by a company on behalf of another person is not an allowable deduction for tax. As such, where a contract is issued net of taxes, any withholding tax (WHT) or any other taxes borne by the payer on behalf of the vendor will not be deductible.

Illustration

Company A agreed the hire of a facility from Company B for ₦1million per annum net of all taxes. Company A paid ₦1million to Company B and in addition remitted ₦100,000 WHT to FIRS.

In ascertaining the assessable profits, Company A may deduct the hire charge of ₦1million but the sum of ₦100,000 WHT remitted on account of the hire charge is not deductible.

6.0 Section 29 of CITA – 2020 YOA Returns

2020 YOA tax returns that were due for submission before the coming into effect of the 2019 Finance Act shall be prepared and submitted on the basis of the extant provisions on the respective due dates. Such tax returns should not be adjusted for the new provisions introduced by the 2019 Finance Act. The

tax returns for subsequent years of assessment shall be in line with the changes introduced by the 2019 Finance Act.

7.0 Section 33 of CITA – Minimum Tax

Section 33 of CITA relating to minimum tax was amended. Minimum tax is computed at a fixed rate of **0.5% of Gross Turnover**. Gross turnover, for the purposes of computing minimum tax, shall not include **franked investment income**.

In computing minimum tax, franked investment income is first deducted from the gross turnover (where franked investment income had been included in gross turnover) and the amount derived is multiplied by 0.5%.

Franked investment income is defined under **Section 80(3)** of the Act as *dividend received by one company from another after deduction of withholding tax* as specified in that Section.

Any dividend that has not suffered WHT is not a franked investment income and shall not be deducted from gross turnover for the purposes of minimum tax. As such, provision of evidence of WHT suffered is a condition to be met before treating dividend income as Franked Investment Income. Also, the franked investment income is only deductible where it has been included in the gross turnover.

"Gross turnover" is *the gross inflow of economic benefits* (cash, revenues, receivables, other assets, etc.) arising from the operating activities of a company such as sale of goods, supply of services, lending of money, letting of assets, granting of rights, investment activities, etc.

Gross turnover, for the purposes of minimum tax, includes all operating incomes or revenues anywhere embedded.

Illustration

The following information was extracted from the Statement of Profit or Loss of ABC Limited:

	₦
Turnover (main business activities)	20,000,000
Profit from Discontinued operations	305,000
Profit from other non-core operating activities	500,000
Rent received (Gross)	1,000,000
Dividend received from XYZ Limited (Gross)	2,000,000

Notes to the accounts further disclosed the following information:

Revenue from Discontinued operations	3,000,000
Less: Expenses on Discontinued operations	(2,695,000)
Profit from Discontinued operations	305,000

Revenue from other non-core operating activities	5,000,000
Less: Expenses	(4,500,000)
Profit from other non-core operating activities	500,000

Compute the minimum tax of the company.

The gross turnover of the company is computed thus:

	₦
Turnover from main business activities	20,000,000
Revenue from Discontinued operations	3,000,000
Revenue from other non-core operating activities	5,000,000
Dividend received from XYZ Limited (Gross)	2,000,000
Rent received (Gross)	1,000,000
Total Turnover	31,000,000
Less: Dividend from XYZ (Franked Investment Income)	2,000,000
Gross Turnover (for minimum tax)	29,000,000

The minimum tax = 0.5% X ₦29,000,000

= ₦145,000

6.1 Scope of the Minimum Tax Provision

The new minimum tax rule is applicable to all companies, except those specifically exempt by the Act, namely:

i. Companies with less than ₦25million gross turnover.
ii. Companies carrying on agricultural trade or business as defined in section 11(4) of CITA.
iii. Any company in its first four calendar years of business operations.

NOTE:

1. A company with at least 25% imported equity capital is no longer exempt from payment of minimum tax.
2. Computation of minimum tax for insurance companies is not covered in this Section because it has been specifically provided for under Section 16 of CITA.

7.0 Section 39 - Gas Utilisation (Downstream Operations)

Section 39(1)(e), which allows for the deduction of interest payable on any loan obtained with the prior approval of the Minister for a gas project has been deleted. Accordingly, such interest on loan shall only be deducted if:

a. the relevant income or profit is not exempt from tax;

b. the interest satisfies the wholly, reasonable, exclusive and necessary (WREN) principle; and
c. the interest satisfies the interest deductibility rules introduced by section 24(a) and the Seventh Schedule of CITA.

Section 39 of CITA grants a tax-free period of three (3) years in the first instance to a company engaged in gas utilisation (downstream operations); the tax free period may be renewed for an additional period of two (2) year subject to the satisfactory performance of the business.

By the insertion of a new subsection 3, the above incentive will not be available to a company which had claimed or wishes to claim the incentives under the Industrial Development (Income Tax Relief) Act with respect to the same capital expenditure. Likewise, any company that has claimed the incentives under this section shall not be entitled to claim the incentives under the Industrial Development (Income Tax Relief) Act.

8.0 Section 40 - Rate of Tax

The rate of tax under section 40 of CITA has been reviewed. Below is the summary of the new tax rates.

S/NO	CLASSIFICATION	THRESHOLD (GROSS TURNOVER ₦)	TAX RATE
1.	Small Company	₦25million and below	Income is exempt from tax subject to conditions (see paragraph 3.1 of this Circular)
2.	Medium Company	Above ₦25million but less than ₦100million	20%
3.	Large Company	₦100million and above	30%

Section 40 of CITA has further been amended by the deletion of the provisions relating to Pre-operational levy, Investment Tax Relief and excess profit tax. As such, companies yet to commence business will no longer be required to pay Pre-operational levy (POL) before obtaining Tax Clearance Certificate (TCC).

9.0 Section 77 of CITA

9.1 Section 77(1) - Removal of Provisional Tax

Section 77(1) of CITA has been deleted, therefore provisional tax is no longer applicable.

9.2 Section 77(5) - Filing and Payment of Tax

By Section 77(5) of CITA as amended:

1. Payment of tax is to be made on or before the due date of filing in one lump sum or instalments.
2. Any taxpayer that wishes to pay in instalments prior to the due date of filing may do so; however, the final instalment must be paid on or before the due date of filing.
3. A company that pays all of its tax liability 90 days before the due date shall be granted a bonus of 2% of the tax in the case of a medium-sized company or 1% for any other company.
4. A company granted early payment bonus may set-off the bonus against its future taxes.
5. Any tax due and unpaid by the due date of filing shall attract interest and penalties as provided in the extant tax laws.

Illustration

ABZ Limited makes up its accounts to 31st December 2019, in essence, its due date of filing is 30th June 2020. As such, the company is expected to pay its tax due on or before the due date of 30th June 2020 in one lump sum or by instalment. Where it desires to pay by instalments, the final instalment **must** be paid on or before 30th June 2020 (the due date).

NOTE:

The due date of filing and due date of payment have converged. Consequently, any additional tax arising as a result of incorrect disclosure or reporting of profits shall attract interest and penalty from the date the tax was first due for payment irrespective of when the incorrect disclosure was discovered or the additional tax assessed.

10.0 Section 81 - WHT Rate for Construction Contracts

Section 81(2) of CITA provides a Withholding Tax rate of 2.5% for contract of construction of roads, bridges, buildings and power plants.

NOTE:

1. The 2.5% rate is limited to contract for construction of roads, bridges, buildings and power plants. WHT rate on other forms of construction contracts are not affected; such other contracts shall continue to attract WHT at the rates specified in the relevant legislation;

2. WHT rate of 2.5% is applicable to construction work only. However, any part of the construction works (other than the actual construction work) subcontracted shall attract WHT at the rate specified in the law. For example, subcontracts for supply of materials, equipment, labour, etc. or services such as survey, architectural design, soil test, environmental impact assessment, structural design etc., shall not qualify for 2.5% WHT rate, but shall attract WHT at the rate specified for such supplies or services in the law.

3. Where construction work and other activities that are preparatory, incidental or ancillary to that construction (e.g. survey, architectural design, soil test, environmental impact assessment, structural design, etc.) are embedded in a construction contract, the applicable WHT rate on the entire contract sum shall be 2.5%. However, any subcontract thereof shall attract WHT at the applicable rate in line with paragraph 2 above.

11.0 Relief for Foreign Loans

The Third Schedule to CITA relating to relief for foreign loans was amended as follows:

S/N	Repayment period	Grace period (including Moratorium)	Tax exemption allowed
1	Above 7 years	Not less than 2 years	70%
2	5-7 years	Not less than 18 months	40%
3	2-4 years	Not less than 12 months	10%
4	Below 2 years	Nil	Nil

NOTE:

Moratorium is a period during which the borrower is not expected to make a repayment of principal or interest. Where principal or interest repayments are made during the moratorium period, tax exemption shall be in line with actual moratorium granted.

12.0 Amendment or Revision of the Circular

The Service may, at any time, withdraw or replace this Circular or publish an amended or updated version.

13.0 Enquiries

Any request for further information or clarifications on this Information Circular should be directed to the:

Executive Chairman,
Federal Inland Revenue Service,
Revenue House,
No 15 Sokode Crescent,
Wuse Zone 5, Abuja.

Or

Director, Tax Policy and Advisory Department
Federal Inland Revenue Service
Revenue House (Annex 1),
No 15 Sokode Crescent,
Wuse Zone 5, Abuja.

Or

Visit our website: www.firs.gov.ng
Email: enquiries@firs.gov.ng
Telephones: 09074444441, 09074444442, 09072111111, 09073777777