

# FIRS waives interest and penalty by another 2 months

July 2020 | Nigeria

Federal Inland Revenue Service (FIRS) has allowed additional time for tax defaulters to enjoy penalty and interest waiver by two (2) months. The tax waiver covers outstanding payments on the following;

1. self-assessment filing,
2. tax audit,
3. tax investigation, and
4. desk review assessments.

It also includes any outstanding installment that FIRS granted to a taxpayer under VAIDS (Voluntary Assets and Income Declaration Scheme). To access the waiver of penalty and interest, a taxpayer must liquidate the principal sum on or before 31 August 2020.

## BRC Comments

The recent notice is the third time FIRS has extended the deadline to claim a tax waiver in the year 2020. Hence, the total period for the concession on interest and penalty is 123 days. Although the first waiver was valid for 31 days, BRC recommended a minimum period of 90 days due to possible cash flow issues from the post-COVID era. The additional time of three months to regularize tax debts is more appealing than the one month. FIRS concession has also struck a balance between sourcing for reliable revenue and supporting the economic development of Nigeria. Therefore, persons falling under any of the categories above should make good use of the waiver and regularise their tax affairs.