

How to register for tax with the Federal Inland Revenue Service

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After the Corporate Affairs Commission (CAC) issues a certificate of incorporation or business name to Business AXX, what next? This question is one of the pressing issues from new business owners in Nigeria. A new corporation may need to register with different regulatory agencies, depending on the type of industry. As paying taxes is one of the civic duties in Nigeria, a taxable person must also register for taxes in Nigeria.

The two regulatory bodies responsible for taxes in Nigeria are the Federal Inland Revenue Service (FIRS) as well as the relevant State Internal Revenue Service (IRS). Registration with FIRS will not relinquish an organization from the tax obligations with the State IRS. A taxable person, therefore, needs to register separately with both bodies. It also means that Business AXX will register for tax with FIRS and the State tax authority.

How to register for tax with FIRS

Steps for registering as a new taxpayer with the FIRS

1. Check the status of taxpayer identification number (TIN): CAC usually issues TIN to all registered companies, enterprises, and not-for-profit organizations. The TIN is also displayed on incorporation documents.
2. Registered businesses can check or verify their TIN via <http://apps.firs.gov.ng/tinverification>. Visit the address and type in the RC Number / BN Number.
3. The search result will show the corresponding business name, TIN, and Tax office.
4. The Tax office displayed on the portal will be the relevant tax office where the business will register for taxes payable to FIRS, such as corporate tax, tertiary education tax, value added tax, and withholding tax.

Documents required for tax registration with FIRS - Company

1. A copy of the following:
 - Memorandum and Articles of Association
 - Certificate of Incorporation
 - Form CAC 1.1 (Status report). Formerly, Form CAC 7 containing the particulars of the Company's Directors and CAC 2 detailing the Company's statement of share capital and return of allotment of shares.Note: For companies with hard copy certificates before the automation of CAC registration, FIRS will have a look at the original hard copy.
2. Duly completed and stamped VAT registration form 001
3. Duly completed and stamped CIT registration form - Copies of the VAT Form 001 and CIT form are available at FIRS office
4. Utility bill
5. Official application for VAT registration
6. Official application for CIT registration including the response to the FIRS questionnaire
7. Other forms that may be completed at the FIRS office are an application for e-filing, e-TP access, and new taxpayer update forms.

Documents required when the taxpayer is an individual or a sole-proprietor

1. A copy of the following;
 - Business Name Registration Certificate
 - Form CAC 1.1 (Status report). Formerly, Form CAC 7 containing the particulars of the Directors

For companies with hard copy certificates before the automation of CAC registration, FIRS will have a look at the original hard copy.

2. Duly completed VAT registration form 001
3. Utility bill
4. Means of identification
5. Official application for VAT registration

When should a taxable person register for tax?

A taxable person should register for VAT upon the commencement of business in Nigeria. A taxable person will commence operations on the date it carries out its first transaction in Nigeria at the earliest of when it –

- (i) begins to market or first advertises its products or services for sale or
- (ii) obtains an operating license from a regulatory authority in Nigeria or
- (iii) makes its first sale or purchase or
- (iv) performs its first trading contract after incorporation with the CAC or
- (v) sends or collects its first invoice or
- (vi) delivers or receives its first set of goods or
- (vii) first renders services to its customers.

Reference: Section 46 of the Finance Act 2019

Next steps

Congratulations on completing the registration process. The business is ready to prepare and file monthly and annual tax returns with FIRS. Tax registration is the starting point in the tax compliance cycle.

Complying with multiple tax laws which apply to a company's operations is the second step. The next phase is a crucial one as it involves strict fines for non-compliance. Businesses should put structure in place to manage their tax affairs to minimize their tax exposure.