



FEDERAL INLAND REVENUE SERVICE

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

www.firs.gov.ng

PUBLIC NOTICE

VALUE ADDED TAX ACT (CAP V1, LFN 2004) (AS AMENDED): APPOINTMENT OF CERTAIN COMPANIES TO WITHHOLD VAT

This Notice is given to all persons carrying on trade, profession or business of any kind, tax practitioners and the general public that, with effect from 1st January, 2023:

1. In line with the provisions of Section 14(3) of the Value Added Tax Act Cap. V1 LFN 2004 (as amended), the following companies are appointed to withhold or collect VAT charged on all taxable supplies made to them:
 - a. **MTN**
 - b. **Airtel**
 - c. **All money deposit banks (as defined by the CBN Guidelines);**
2. the companies shall remit the tax withheld or collected, in the currency of transaction, to the Service on or before the 21st day of the month immediately following the month the tax was withheld or collected;
3. the tax withheld or collected under this notice shall be remitted in the format prescribed by the Service but separately from VAT due on the companies' taxable supplies;
4. a supplier whose output tax is withheld, as provided in this notice, may:
 - a. deduct the input tax paid on the goods purchased or imported to make the taxable supply from the output tax collected on other taxable supplies, and
 - b. where the input tax paid to make the supply is not fully recovered from the output tax on other taxable supplies, the balance is refundable to the supplier; provided that a supplier who is entitled to a refund may utilise the amount refundable to offset future VAT liability or request for a cash pay-out.
5. the Service has instituted adequate measures to ensure prompt payment of refundable input tax under this arrangement;
6. input tax claims (including refunds) are subject to the limitations imposed by Section 17(2)(a) of the VAT Act; and
7. anyone obliged to comply with this notice but fail to comply is liable to the penalty imposed by Section 34 of the Value Added Tax Act (as amended) in addition to other penalties that may be due under relevant laws.

Signed:

Muhammad Nami
Executive Chairman