



2025 Tax Acts: Key Changes - NTAA, NRSEA & JRBNEA

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03	Overview
04	Highlights of the Nigeria Tax Administration Act (NTAA) 2025
10	Key Penalties under the NTAA
13	Nigeria Revenue Service (Establishment) Act 2025
14	Joint Revenue Board of Nigeria (Establishment) Act 2025

Overview of the NTAA 2025, NRSEA 2025 and JRBNA 2025

- ✓ Nigerian Tax Administration Act (NTAA) 2025: This Act consolidates and modernizes Nigeria's tax administration framework, providing uniform procedures for registration, filing, assessment, audits, and dispute resolution across all tax types.
- ✓ Nigerian Revenue Service Establishment Act (NRSEA) 2025: The NRSEA repeals the Federal Inland Revenue Service (Establishment) Act and establishes the Nigerian Revenue Service (NRS) as the new central tax authority.
- ✓ Joint Revenue Board of Nigeria Establishment Act (JRBNEA) 2025: This Act establishes a unified Joint Revenue Board to coordinate tax administration between the federal, state, and local governments.



Highlights of the NTAA 2025

Unified Tax Administration and the Role of Relevant Authorities: The NTAA introduces a unified tax administration structure aimed at streamlining the country's tax system.

Under the Nigeria Tax Administration Act, 2025, all taxable persons — including individuals, businesses, government MDAs, and eligible non-residents — must register and obtain a Taxpayer Identification Number (Tax ID) for tax compliance purposes.

Non-resident companies taxable in Nigeria are now required to include, as part of the returns submitted to the Service, a computation of the effective tax rate and any additional tax payable.

The Act seeks to expand the tax base by formalizing the informal sector, requiring all companies to file income tax returns, while empowering RTAs to issue simplified return guidelines for low-income earners, thereby improving revenue tracking and fiscal sustainability.

Priority companies and recipients of tax incentives are now required to file detailed annual returns covering both **incentivized and non-incentivized activities**, enabling tax authorities to monitor the utilization of such benefits, with RTAs mandated to transmit individual incentive returns to the NRS within 60 days of the annual filing deadline.

The Act requires that VAT returns are to be filed by the 21st of the following month, clarifying that filing extensions granted by the NRS do not extend to payment deadlines, and exempts small businesses from VAT compliance unless they choose to opt out in writing from the exemption granted.

Highlights of the NTAA 2025

Interest on unpaid taxes, for both Naira and foreign currency remittances, will now be charged on a compound basis and will apply to all outstanding tax debts from the commencement of the Act.

The Act mandates taxable persons engaged in chargeable fossil fuel products to file surcharge duty returns including service value and duty payable by the 21st of the following month ensuring transparency and accountability through strict reporting and record-keeping

Companies engaged in petroleum operations shall file a monthly self-assessment return of royalty with the Service, in the prescribed form, on or before the 14th day of the following month, whether there is production, or not.

Taxable persons must file monthly surcharge returns by the 21st day of the following month, including service value, surcharge payable, and any other required details.

With approval of the relevant government, a tax authority may authorise another tax authority to administer taxes in its jurisdiction on agreed terms.

Highlights of the NTAA 2025

Tax and VAT refund may be applied as a set-off against any outstanding tax liability of the taxpayer.

If a tax authority finds non-compliance during an audit involving tax owed to another authority, it must report the matter to that authority or invite them to conduct a joint audit.

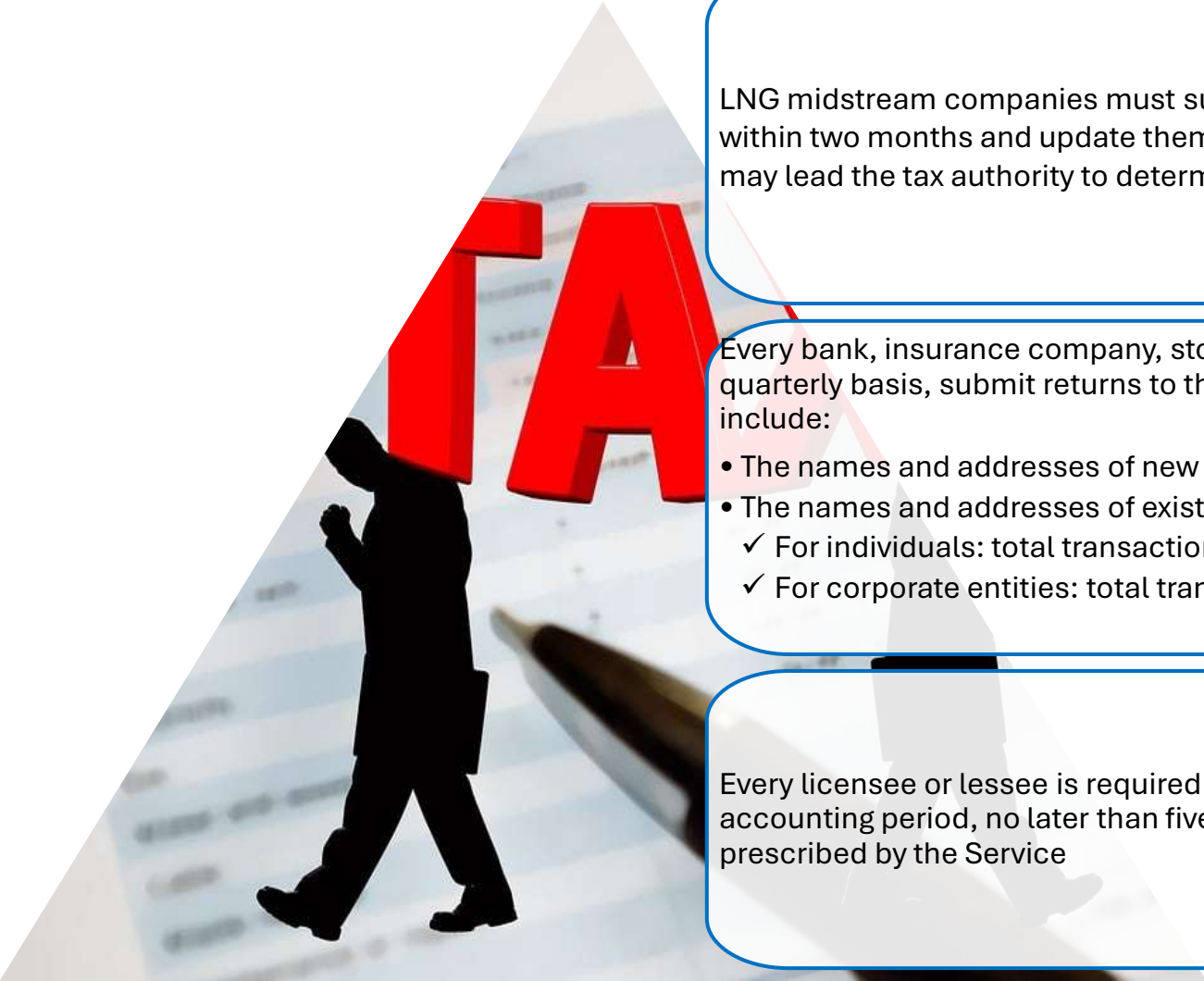
The tax authority can appoint someone holding a taxpayer's money, funds, or assets as the taxpayer's agent to recover unpaid tax. The agent must pay the tax from those assets, and if they fail, enforcement actions can be taken against them as if they owed the tax themselves.



The FIRS must respond to a taxpayer's objection to an assessment within 90 days; otherwise, the objection is deemed upheld.

FIRS may request a taxpayer's representation, either in writing or in person, with a notice period of not less than 7 days

Highlights of the NTAA 2025



LNG midstream companies must submit profit or loss estimates for each accounting period within two months and update them whenever there is a material change. Failure to comply may lead the tax authority to determine the estimated tax payable using its best of judgement.

Every bank, insurance company, stockbroking firm, or other financial institution must, on a quarterly basis, submit returns to the relevant tax authority, whether requested or not, that include:

- The names and addresses of new customers, and
- The names and addresses of existing customers who meet either of the following conditions:
 - ✓ For individuals: total transactions in a month amounting to ₦25,000,000 or more
 - ✓ For corporate entities: total transactions in a month amounting to ₦100,000,000 or more.

Every licensee or lessee is required to file an annual return of the actual royalty paid during an accounting period, no later than five months after the end of that period, using the format prescribed by the Service

Highlights of the NTAA 2025

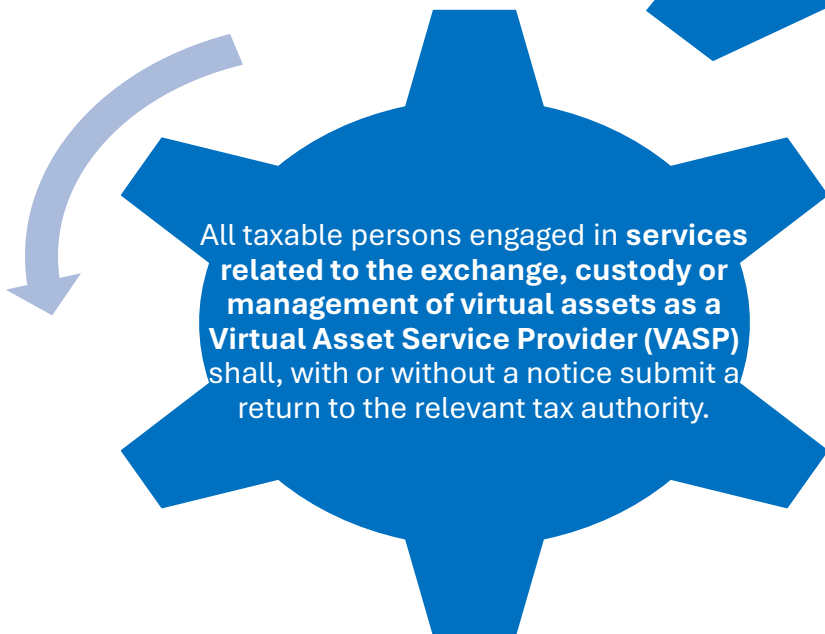
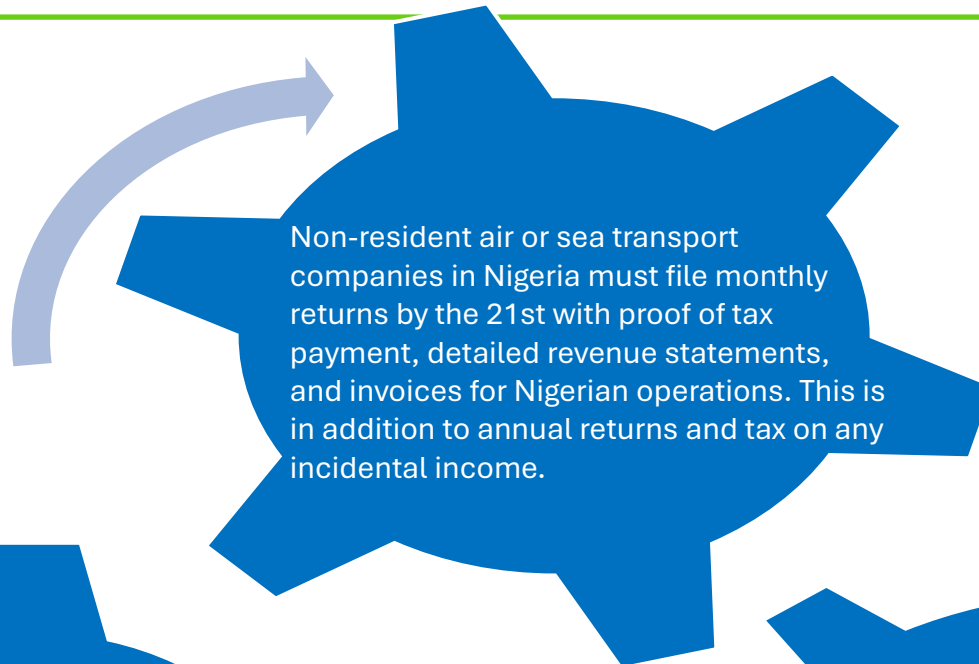
The NTAA mandates the use of an Electronic Fiscal System (EFS) for recording and reporting taxable supplies, aimed at improving accuracy, efficiency, and transparency in tax administration, while reducing errors, fraud, and inefficiencies.

Refusing the RTA access to deploy technology within 30 days attracts a penalty of ₦1,000,000 for the first day and ₦10,000 for each additional day. Failure to process taxable supplies through the fiscalisation system attracts a ₦200,000 penalty, plus 100% of the tax due and interest at the CBN MPR.

The NTAA allows tax authorities to set a deemed profit margin for non-resident companies when reported profits seem unusually low, using EBIT (excluding finance costs) as the taxable basis.

The NTAA revises the VAT sharing formula, reducing the Federal Government's share to 10% and increasing States' and LGAs' shares to 55% and 35%. State and LGA allocations are divided 50% equally, 20% by population, and 30% by place of consumption, with fiscalisation expected to enhance accuracy in identifying consumption locations.

Highlights under the NTAA 2025



Key Penalties under the NTAA 2025 (General Application)

- ✓ **Failure to register for tax:** ₦50,000 first month; ₦25,000 each subsequent month.
- ✓ **Contracting with unregistered person:** ₦5,000,000.
- ✓ **Failure to file returns / filing inaccurate returns:** ₦100,000 first month; ₦50,000 each subsequent month.
- ✓ **Failure to grant access for technology deployment:** ₦1,000,000 first day; ₦10,000 each subsequent day.
- ✓ **Failure to use fiscalisation system:** ₦200,000 + 100% of tax due + interest at CBN MPR.
- ✓ **Failure to deduct or Withhold Tax:** 40% of amount not deducted.
- ✓ **Failure to make or notify attribution:** ₦1,000,000.
- ✓ **Failure to remit tax deducted / collected:** Pay unremitted tax + 10% penalty p.a. + interest at CBN MPR.
- ✓ **Failure to self-account for tax:** Pay unpaid tax + 10% penalty p.a. + interest at CBN MPR.
Possible imprisonment (up to 3 years) or fine (\geq principal + 50% penalty)
- ✓ **Failure to comply with tax notices, summons, or questions:** ₦100,000 first day + ₦10,000 daily penalty thereafter
- ✓ **Failure to provide requested tax information/documents:** ₦200,000 first day + ₦10,000 daily penalty thereafter
- ✓ **Non-compliance by VASPs:** ₦10,000,000 first month + ₦1,000,000 monthly or license suspension/revocation
- ✓ **Failure to submit prescribed information on legal arrangements:** ₦1,000,000 first day + ₦10,000 daily penalty thereafter

Key Penalties under the NTAA 2025 for Petroleum Operations

- ✓ **Late Filing Penalties:** Companies that fail to file estimated or actual tax returns on time face a penalty of ₦10 million on the first day and ₦2 million for each subsequent day, or another amount set by the Minister. Interest may be charged on underpaid estimated taxes.
- ✓ **Late Payment Penalties :** Unpaid petroleum tax, royalty, or remittance becomes a debt with an added 10% penalty. Interest applies at the prevailing Secured Overnight Financing Rate (SOFR) plus 10% or other spread (as determined by the Minister) for foreign currency transactions, and 2% above CBN MPR for Naira transactions. The tax authority can seize assets or revoke licenses if payment defaults persist. Interest is compounded.
- ✓ **Non-Compliance with Notices:** Failure to comply with tax notices, appear for summons, answer questions, or submit returns results in an administrative penalty of ₦10 million, with additional daily penalties. Conviction may lead to fines up to ₦20 million and/or 6 months imprisonment.
- ✓ **Incorrect Accounts and False Information:** Deliberate preparation or submission of incorrect accounts, statements, or misleading information results in a penalty of ₦15 million plus 1% of undercharged tax, in addition to payment of the correct tax liability. Conviction carries similar fines and payment of the tax liabilities.
- ✓ **False Claims and Statements:** Making false statements, forging tax payment evidence, or aiding tax evasion in upstream petroleum taxes results in fines of ₦15 million plus 1% of tax undercharged, imprisonment up to six months, or both, plus payment of the tax due.
- ✓ **Misconduct by Tax Officials:** Tax officers who abuse their position by demanding excess tax, embezzling, or falsifying returns will face fines up to 200% of the amount involved, or imprisonment up to three years, or both.
- ✓ **Unpaid Petroleum Royalties:** Unpaid penalties over 30 days attracts the same penalty as late payment penalties.
- ✓ **General Non-Compliance :** For violations without specified penalties, administrative fines start at ₦10 million plus daily penalties. Conviction can lead to fines up to ₦20 million or imprisonment up to six months.

Key Penalties under the NTAA 2025 for Surcharge

✓ **Contravention of Surcharge Provisions:**

- Any person who violates surcharge rules under this Act or the Nigeria Tax Act, 2025, faces an administrative penalty of ₦10,000,000.
- A taxable person who fails to pay the surcharge must pay an additional 10% of the surcharge amount plus interest at the prevailing Central Bank Monetary Policy Rate.

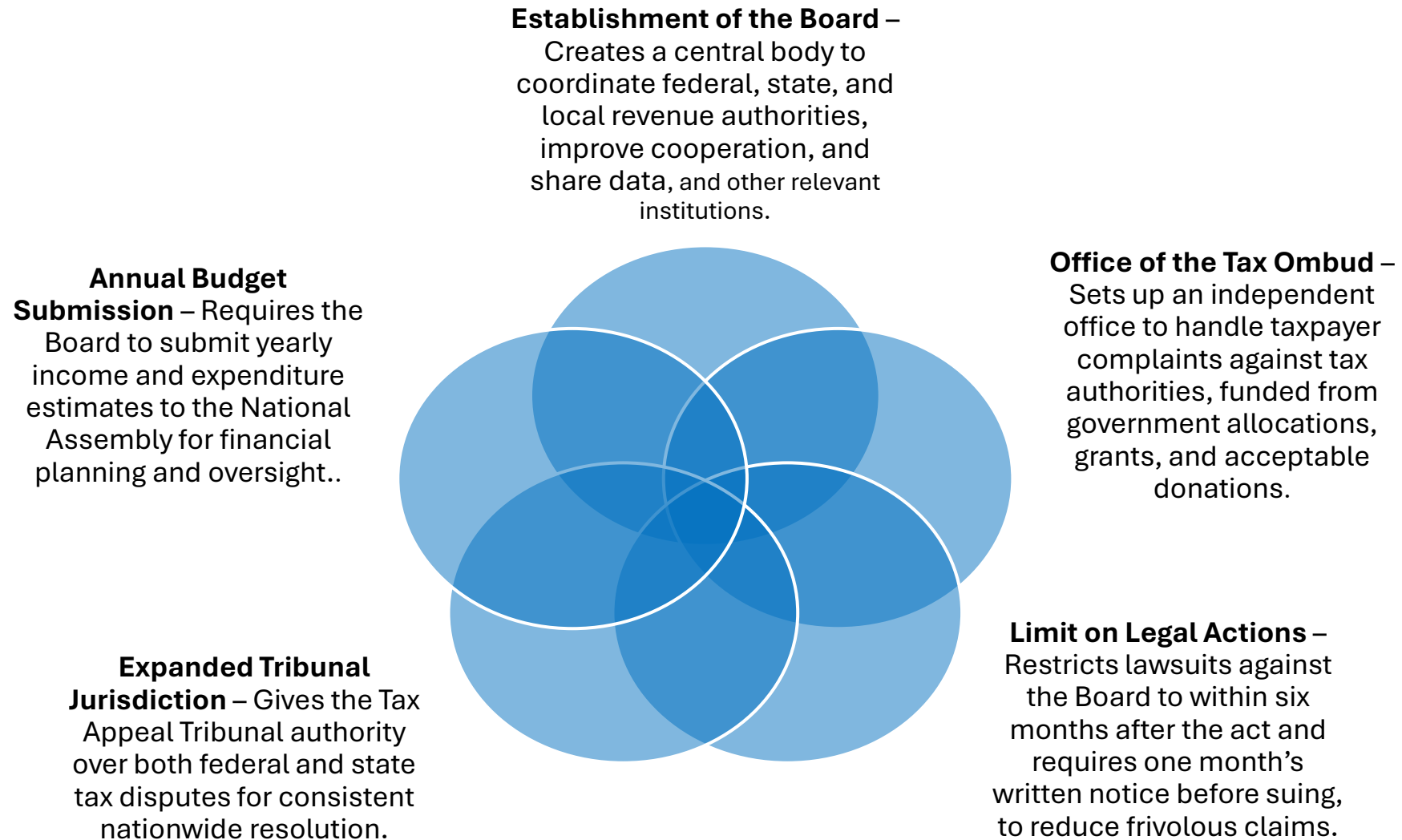
✓ **Refusal of Access to Authorized Officers:**

- Refusing immediate access or entry to an authorized officer exercising powers under the Act incurs an administrative penalty of ₦1,500,000.
- On conviction, the person may face imprisonment for up to one year, or a fine, or both.

Nigeria Revenue Service (Establishment) Act 2025

- ✓ **The NRS Establishment Act 2025 centralizes federal tax administration under the Nigeria Revenue Service, granting it enhanced enforcement powers, digital compliance capabilities, oversight of taxpayer rights and appeals, and authority to implement anti-avoidance measures across all tax types.**
- ✓ **Section 3 of the NRS Establishment Act 2025 expands the Service's powers beyond tax laws enacted by the National Assembly to include any other law that explicitly confers similar authority on the NRS.**
- ✓ **Section 18 of the NRS Establishment Act 2025 establishes a Management Committee, comprising only the Executive Chairman and Executive Directors, to oversee day-to-day operations and ensure effective policy implementation.**
- ✓ **Sections 1 and 4 of the NRS Establishment Act 2025 expand the Service's functions to include accounting for all government revenue and assessing individuals for tax, thereby broadening its authority and streamlining enforcement.**
- ✓ **Section 3 of the NRS Establishment Act 2025 formally establishes the Nigeria Revenue Service (NRS), rebranding the former FIRS and signaling a broader mandate to manage all government revenue—aimed at enhancing efficiency, transparency, and national identity, though the transition may initially cause confusion and operational adjustments.**

Joint Revenue Board of Nigeria (Establishment) Act 2025



Joint Revenue Board of Nigeria (Establishment) Act 2025



Functions of the Board

- ✓ **Maintain a national TIN database and platform for revenue data collection, integration, and information exchange in collaboration with all tax authorities.**
- ✓ **Resolve residency disputes and other disputes between various tax authorities.**
- ✓ **Advise government on double taxation (domestic & international), nationwide tax matters, and the introduction or amendment of taxes.**
- ✓ **Promote harmonisation of taxes, levies, rates, charges and ensure uniformity of tax administration across Nigeria.**
- ✓ **Provide periodic impact analysis, capacity-building recommendations, and tax policy reforms in collaboration with relevant bodies.**
- ✓ **Collaborate on surveys, tax indices, statistics publication, and tax expenditure reporting on waivers, exemptions, and incentives.**
- ✓ **Support research to tackle tax fraud, evasion, and other threats to effective tax administration, and recommend preventive measures.**
- ✓ **Provide guidance for accreditation of tax agents.**
- ✓ **Perform any other function assigned by the National Assembly.**

Joint Revenue Board of Nigeria (Establishment) Act 2025



Powers and Functions of Office of the Tax Ombud

- ✓ **Act as an independent, impartial arbiter to review and resolve taxpayer complaints relating to taxes, levies, fees, customs duties, or excise.**
- ✓ **Handle complaints against tax officials/authorities through mediation or conciliation using informal, fair, and cost-effective procedures.**
- ✓ **Investigate complaints by entering and inspecting premises, examining relevant persons, and gathering evidence.**
- ✓ **Make recommendations to revenue authorities and agencies for implementation, and issue guidelines, directives, or orders for resolution.**
- ✓ **Institute legal proceedings on behalf of taxpayers.**
- ✓ **Provide public education on taxpayer rights, obligations, and the role of the Ombud.**
- ✓ **Identify and review systemic or emerging fiscal issues, act as a watchdog against arbitrary policies, and report concerns to the National Assembly.**
- ✓ **Delegate powers to officers as necessary.**

Services are free of charge.