Transfer Pricing Awareness Survey

February 2020

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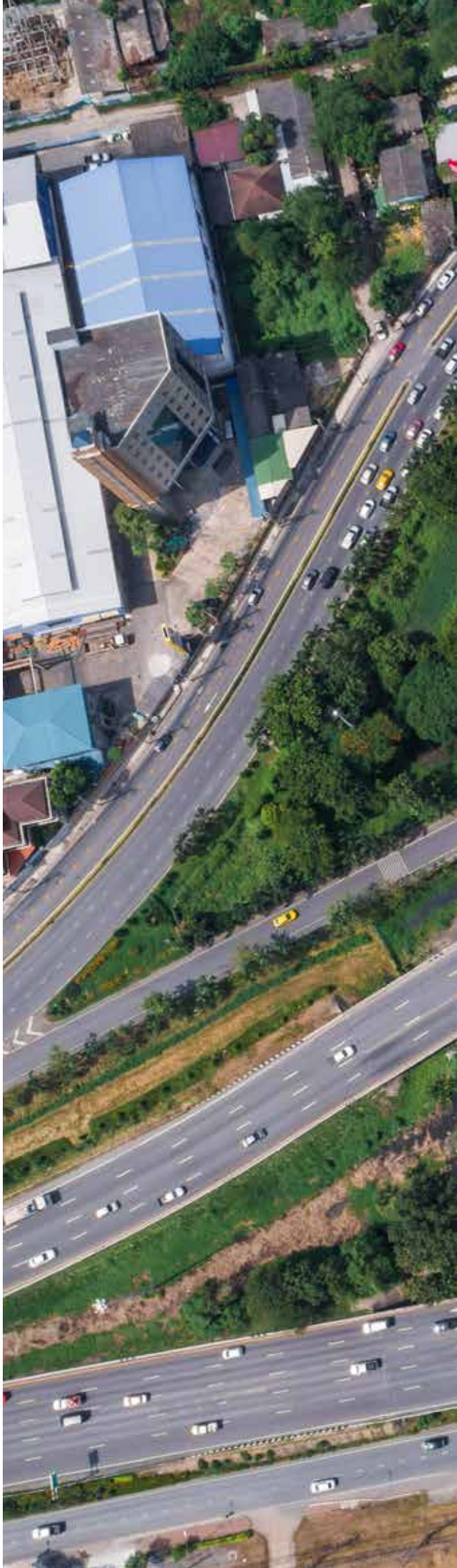
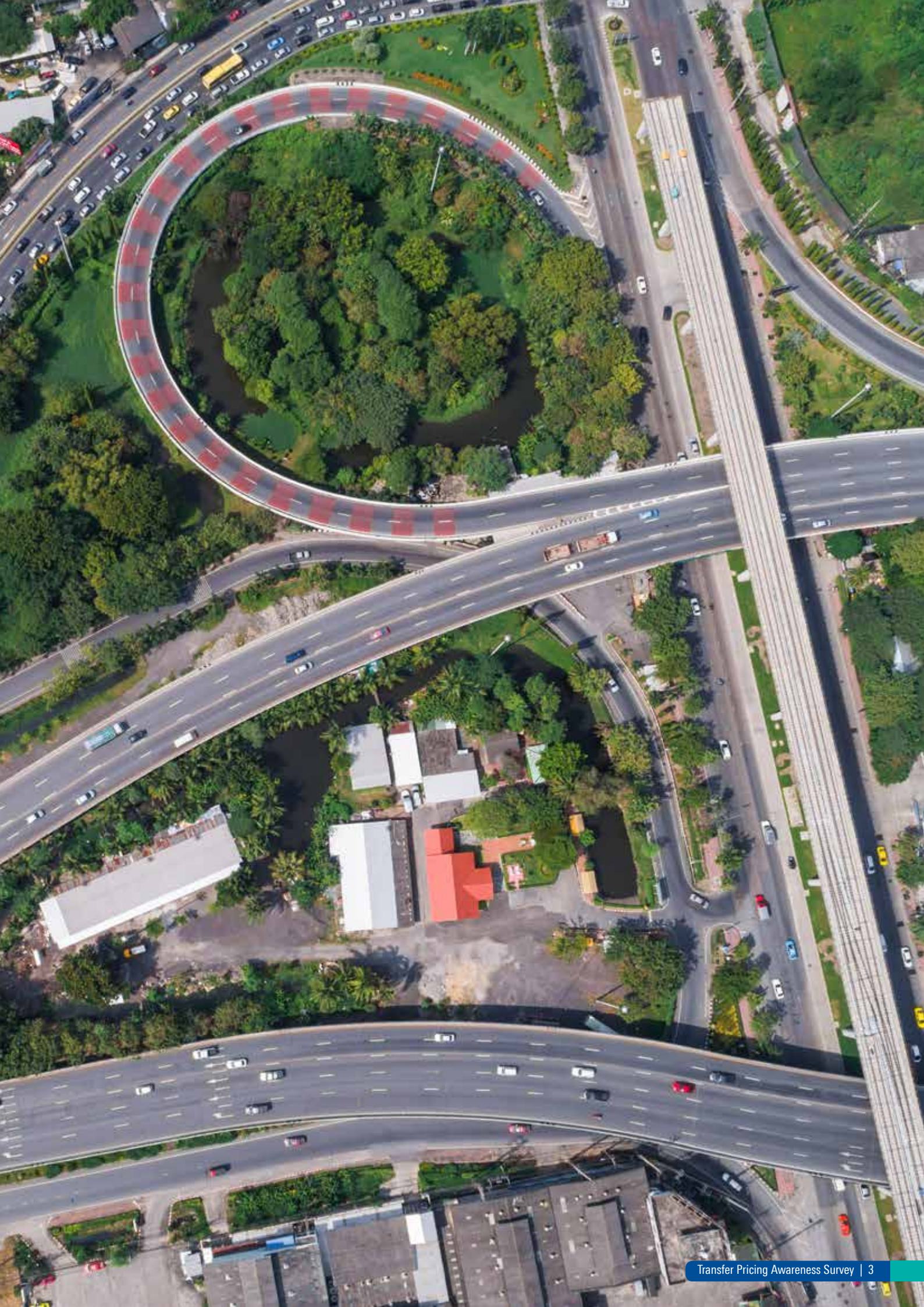
Contents





Foreword

The Federal Inland Revenue Service (FIRS) published the revised Income Tax (Transfer Pricing) Regulations, 2018 (revised TP Regulations) in August 2018. The revised TP Regulations has an effective date of 12 March 2018 and applies to basis periods commencing on or after that date. With the introduction of the revised TP Regulations, it has become imperative for taxpayers to review their related party transactions to ensure that they align with the provisions of the Regulations. The objective of such review is to ensure full compliance and avoid TP adjustments or administrative penalties for non-compliance.

This TP survey was conducted in 2019 to determine the degree of taxpayers' awareness of TP compliance requirements and TP risk assessment as well as gauge their TP audit experience. We are pleased to present the findings from the third edition of our survey. For this edition of the survey, we had 59 respondents, representing the major industry sectors.

Based on the feedback provided, we observed a significant improvement in the respondents' level of compliance with the Regulations. Also, in respect of the Income Tax (Country-by-Country) Regulations, there is a high level of awareness and compliance as taxpayers in Nigeria are quickly embracing the changes in the ever evolving TP landscape. This may be as a result of the stringent administrative penalties imposed on defaulting taxpayers.

We hope that this edition of the survey will serve as a valuable reference material on TP from both the Nigerian and international perspectives. We also trust that our readers will find the results and insights provided useful in improving their organization's TP compliance and audit experience.

We acknowledge and thank all the respondents that took out time to be a part of this year's survey. We look forward to your participation in subsequent editions. We encourage our readers to provide feedback on the publication and participate in the subsequent editions of the survey. You can send your comments or indication of your interest to participate in future surveys by sending an email to KPMGTPSurvey@kpmg.com.

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1

Glossary of Terms

BEPS	Base Erosion and Profit Shifting
BIK	Benefit In Kind
CbCR	Country-by-Country Reporting
DRP	Decision Review Panel
FIRS	Federal Inland Revenue Service
G20	International forum for the governments and central bank governors from 19 countries and the European Union
GTPS	Global Transfer Pricing Services
IDR	Information and Documents Request
IF	Inclusive Framework
MNE	Multinational Enterprise
OECD	Organisation for Economic Cooperation and Development
PAYE	Pay As You Earn
TP	Transfer Pricing
UN	United Nations
WBG	World Bank Group

2

Overview of TP Regime in Nigeria

Background

Over the course of 2018, the Nigeria TP regime witnessed major changes introduced by the Federal Inland Revenue Service (FIRS or the Service) as a result of the experience gathered by the Service since the introduction of TP in 2012 and the works of other key stakeholders on the global front. One major change was the publication of the revised TP Regulations which revoked the Income Tax (Transfer Pricing) Regulations, 2012 (the old Regulations). The revised TP Regulations introduced taxpayers to a regime of administrative penalties for non-compliance and incorporates some of the updates effected by the Organisation for Economic Cooperation and Development (OECD) in the 2017 edition of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

TP compliance requirements

The revised TP Regulations and the Income Tax (Country-by-Country Reporting) Regulations, require taxpayers to prepare the following documents in order to achieve full compliance with the TP requirements in Nigeria.

i. The master file: The master file provides an overview of the global business operations of the Multinational Enterprise (MNE) Group to which a taxpayer belongs including the nature of its global business operations, its overall transfer pricing policies, and its global allocation of income and economic activity.

ii. The local file: The local file is expected to disclose detailed information on the enterprise's related party transactions such as overview of the Company, related party relationship – related parties information, overview of controlled transaction, contracts or agreements, controlled transactions flow, functional asset and risk analysis, intangibles involved, financial data, segmented data details of tax information (tax rates, treatments and jurisdictions) and information on changes in related party relationships which occurred during the financial year.

iii. TP returns: The revised TP Regulations also require a connected person to file annual TP returns. The TP returns consist of the declaration and disclosure forms. The declaration form contains general information relating to a company such as the details of the company secretary and tax consultants, shareholding structure, details of company directors and information on all connected parties. The disclosure form, on the other hand, contains information on the nature and the value of controlled transactions for the period, the method used to analyze the controlled transactions, the name and tax jurisdiction of the connected parties involved in the controlled transactions and other general financial information on the Company and the group.

iv. Country-by-Country Reporting (CbCR): The CbCR Regulations require Nigerian headquartered Multinational Enterprise (MNE) Groups with consolidated revenue of N160 billion or above to file the Country-by-Country (CbC) report with the FIRS. Nigerian resident members of MNE Groups, headquartered outside Nigeria, are required to notify the FIRS of the identity and tax jurisdiction of the entity that will be responsible for filing the CbC report where the Group has a consolidated revenue of EUR750 million or near equivalent in the domestic currency of the jurisdiction of the ultimate parent entity or surrogate parent entity.

Penalties for non-compliance

Type of default	Penalty
Failure to submit declaration form within statutory period	₦10 million plus ₦10,000 for every day in which the failure continues.
Failure to submit updated declaration form	₦25,000 for every day in which the failure continues
Failure to submit TP disclosure form	Higher of ₦10 million or 1% of value of undisclosed controlled transactions plus ₦10,000 for every day in which the failure continues
Failure to appropriately disclose related party transaction	Higher of ₦10 million or 1% of value of omitted controlled transactions plus ₦10,000 for every day in which the failure continues
Incorrect disclosure of controlled transactions	Higher of ₦10 million or 1% of the value of the incorrectly disclosed controlled transactions
Failure to provide TP documentation within the stipulated period	Higher of ₦10 million or 1% of the total value of all controlled transactions plus ₦10,000 for every day in which the failure continues
Failure to file CbC report within the statutory deadline	₦10million and ₦1million for every month in which the failure continues.
Filing incorrect or false report	₦10 million.
Failure to notify the FIRS of the entity that will file the CbC report within the statutory period	₦5 million and ₦10,000 for every day in which the failure continues.

TP audit process

TP audits usually commence with the FIRS sending an Information and Documents Request (IDR) to selected companies based on the outcome of the tax authorities' internal TP risk assessment. A selected taxpayer has 21 days to respond to an IDR. The FIRS may also request the taxpayer to make a presentation on the processes, procedures and operations of the company. The aim is to enable the FIRS understand the business. This presentation is usually done at the FIRS' office. The next phase, after the IDR and presentation, is the field visit and interview sessions with key personnel of the company being audited. The tax authorities seek to validate the facts and declarations presented in the TP compliance documentation during the interview sessions. After the field visit, the FIRS issues an audit report highlighting their key findings. Where tax authorities disagree with a taxpayer on their understanding of relevant facts, the tax authorities may make TP adjustments, resulting in additional tax liabilities. In a situation whereby the taxpayer disagrees with the adjustments by the FIRS, the TP dispute resolution process can be used to resolve the areas of differences.

Conclusion

In view of the significant changes witnessed on the Nigerian TP landscape in the last one year, it is obvious that driving taxpayers' compliance with the relevant regulations is at the core of the new approach adopted by the FIRS. Hence, taxpayers are advised to keep abreast of developments and enhance their internal capability with a view to complying fully with the TP compliance requirements and managing potential TP risks.

3

The TP Structure in Organisations

The need for TP personnel

The survey results show that about 44% of the respondents have staff dedicated to TP matters in their organizations. On the other hand, about 56% of the respondents do not have staff dedicated to handling TP matters within their organization.

While there may not be a need to create an entire department dedicated to TP, especially for small organizations, the changing landscape and increasing TP compliance requirements and complexity warrants that businesses think of how to shore up TP capacities.

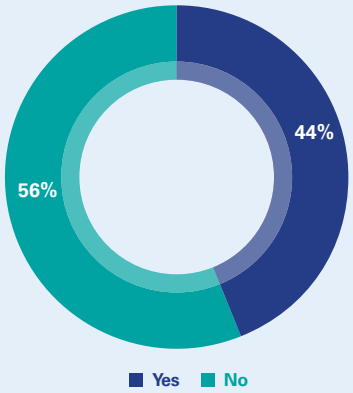
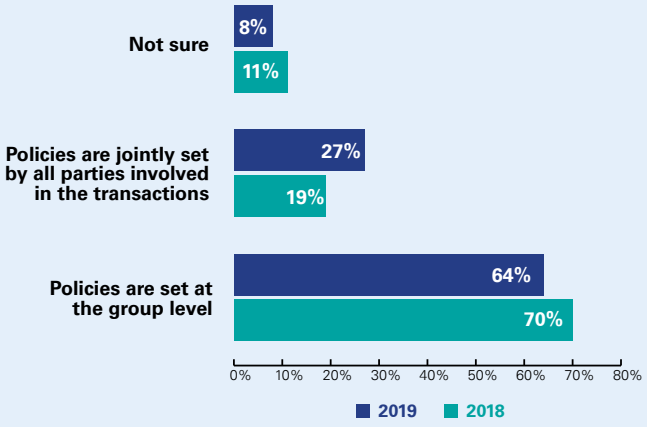


Figure 1 : Do you have staff dedicated to TP matters in your company?

TP policies are still being driven at the group level…

As far as setting of TP policies is concerned, the responsibility still lies largely with the Group as indicated by 64% of the respondents. However, when compared with results from prior years, it can be seen that more organizations are encouraging the participation of local entities in the setting of TP policies.

The result is reflective of the widespread adoption of TP in increasing number of tax jurisdictions around the globe. Hence, it is imperative for organizations, especially MNEs, to carry the local entities along on TP matters and give due consideration to the TP legislations in the jurisdictions of operation of the MNEs.



4

Consciousness of TP Requirements

Increased level of awareness of TP compliance requirements

Following the issuance of the revised TP Regulations that introduced stringent penalties for non-compliance, taxpayers are required, more than ever, to be aware of their TP compliance requirements in order to completely avoid defaulting on any TP compliance obligations.

The results of the survey indicated a high level of awareness of TP compliance requirements in Nigeria with 92% of the respondents indicating that they were aware of the TP compliance requirements in Nigeria. 50% of the respondents indicated a high level of awareness against 58% in prior year, while about 46% indicated an average level of awareness regarding TP compliance requirements against 38% in prior year. The decline in the level of awareness of respondents maybe as a result of the introduction of the revised TP Regulations.

However, the results of the survey confirm that more taxpayers are making efforts to ensure compliance with the TP Regulations as about 82% of the respondents indicated that they have filed their TP returns to date, while 62% have their TP documentation in place for the relevant years. Only about 8% and 19% have never filed a TP return and prepared TP documentation respectively.

The results showed an increased level of compliance with the relevant provisions of the TP Regulations. However, the rise in the level of compliance is not necessarily an indication of how well taxpayers understand the changes to the TP Regulations and the potential impact of these changes on their activities. As such, there may be a need for taxpayers to review their current TP arrangements to mitigate against potential exposure due to revisions to the provisions of the TP Regulations. Also, there is the need for emphasis on the preparation of annual TP documentation as about one-fifth of the respondents are yet to prepare a TP documentation.

Furthermore, internal TP policies may be used as an effective tool to provide guidance in the setting of prices in controlled transactions and demonstrating compliance with the arm's length principle. As such, taxpayers with internal TP policies are more likely to attain a defensible position in a TP audit.

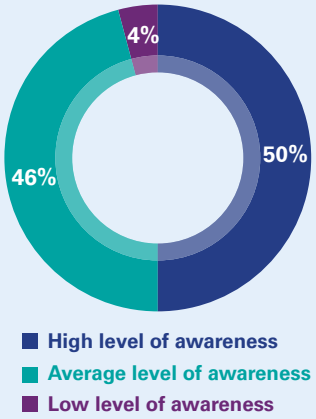


Figure 3: What is your level of awareness of the TP compliance requirements in Nigeria?

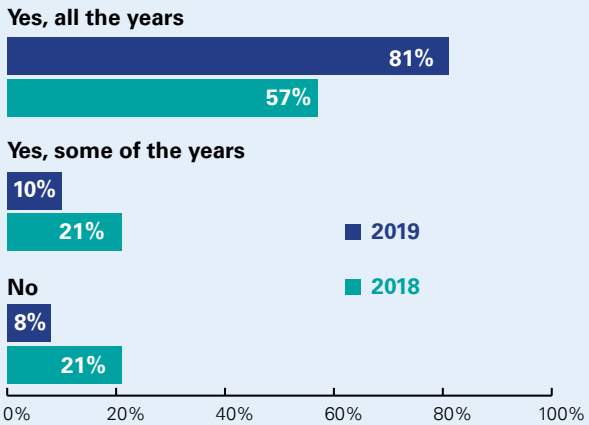


Figure 4: Has your company filed TP returns annually since the 2013 financial year?

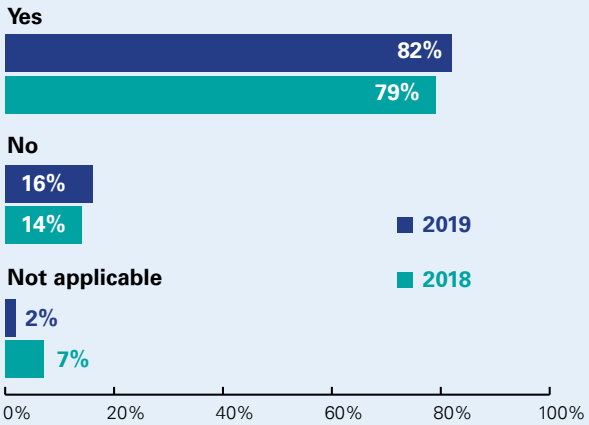


Figure 5: Does your company have an internal TP Policy that guidesyour transactions with your related parties?

Country-by-Country Reporting – Impact of this development…

When asked about their knowledge of their Company's obligations under the CbCR Regulations, 76% of the respondents provided favorable responses, while 17% were not sure. About half of the respondents indicated that they had complied with the CbCR Regulations, while about 27% indicated that the CbCR Regulations does not apply to their organization and about 5% had not complied with CbCR Regulations.

Although the survey results suggest that taxpayers have good knowledge of their CbCR obligations, taxpayer education is still required in the area of compliance. It is also important for companies to proactively review their current structure in order to determine their obligations with a view to preventing exposure to penalties.

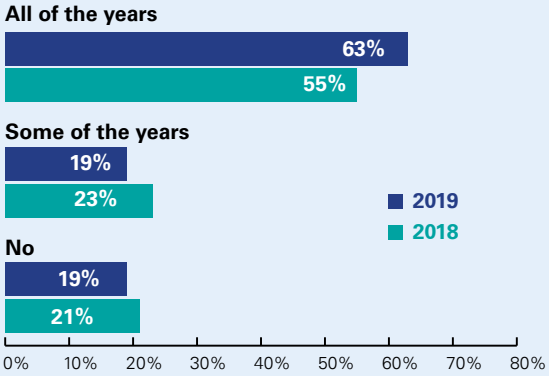


Figure 6: Has your company filed TP returns annually since the 2013 financial year?

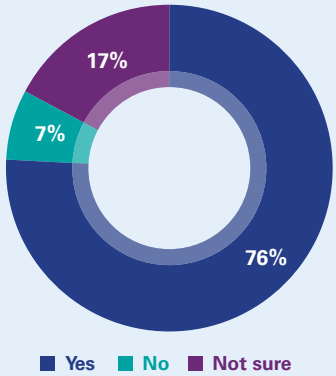


Figure 7: Are you aware of your Company's obligations under the 2018 Country-by-Country Reporting Regulations?

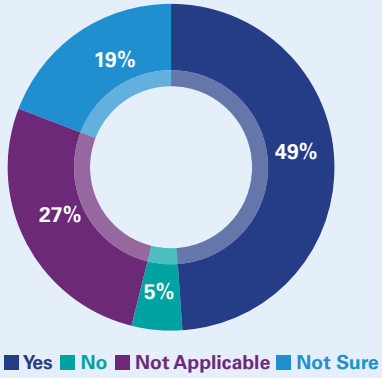


Figure 8: Has your Company complied with the Country-by-Country Reporting Regulations?


TAX

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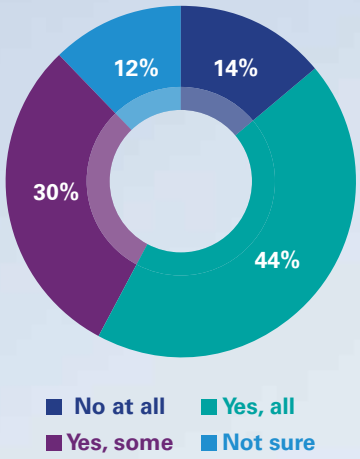
TP Risk Assessment & Audit Experience

Existence of Intercompany agreements

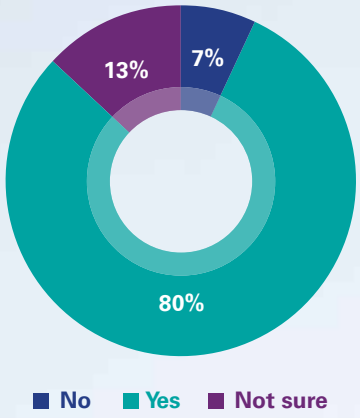
From the survey results, 44% of the respondents indicated that their organisations have contracts/agreements for all related party transactions while 31% of the respondents had contracts/agreements for some related party transactions. This indicates a decrease from previous years' results of 47% and 31% respectively. Taxpayers are encouraged to have agreements covering related party transactions considering that they form a vital part of the documentation required to demonstrate the arm's length nature of these transactions. Furthermore, efforts should be made to regularly review and update these agreements to align with the actual conduct of the transactions.



Aligning financial statements disclosures with source documents

According to the survey, 80% of the respondents have procedures to guarantee the accuracy of controlled transactions disclosed in the financial statements, while 20% were either not sure or did not have such procedures.

The accuracy of the related party disclosures in the financial statements is very important given that this is the first reference point for the tax authorities in assessing and verifying the taxpayer's related party transactions. Therefore, a wrong disclosure may become a red flag for the FIRS and result in a request for source documents which may trigger a TP audit.



TP audit experience

A significant share of the respondents have neither ongoing nor completed TP audits, with only 5% having completed their TP audit exercise. Unsurprisingly, the entire 22% that have either ongoing or completed audits indicated that the audits covered more than 1 year, with over half of these audits only in the IDR stage. It can be deduced that the FIRS may be challenged by limited resources (in terms of personnel) to carry out these TP audits which may be very demanding on the taxpayers as well.

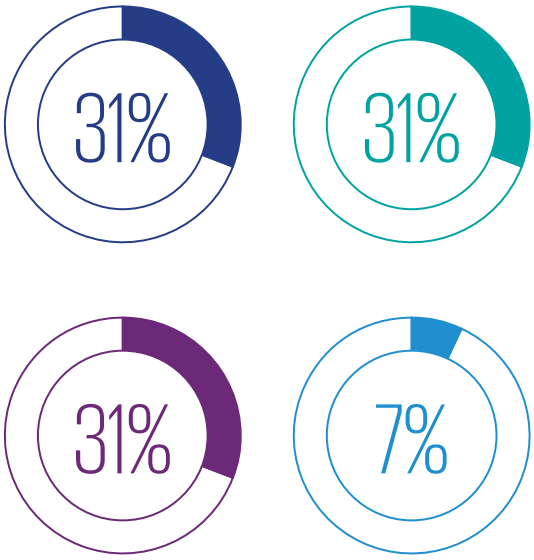
Also, it can be noted from the survey results that the FIRS may be focusing on making progress on the existing TP audits as more than half of the respondents with on-going TP audits had received correspondence on the audit from the FIRS within the last 6 months, from the time of the survey. Furthermore, 70% of the respondents with ongoing or completed TP audit exercises consider the pace of the audit to be adequate, while only 15% think the audit process is very slow.

When asked on ways to improve on the pace of the audit, the respondents generally suggested that the FIRS communicate the expected time frame for completion of audit to enable taxpayers adequately plan for the audit.

FIRS stance on audits may be changing…

The results obtained from the respondents with TP audit experience suggest that the FIRS may be shifting their stance on TP audits to a less aggressive position. When compared with prior year results, only about 7% consider the FIRS' stance as very aggressive against 33% in prior year.

As in the prior years, respondents indicated they would prefer to resolve TP disputes using less adversarial approach. 32% of the respondents would rather resolve their TP disputes through reconciliation and negotiation, 5% through the DRP and about 44% would prefer a combination of the options. Only 2% of the respondents indicated that they will consider the option of going to court. It can be observed that, although the FIRS is considered generally aggressive during TP audits, taxpayers still consider peaceful and conciliatory approach as the best option to resolve differences.



■ Not applicable ■ Not aggressive

■ Aggressive ■ Very aggressive

6

KPMG Global TP Services

The TP environment is constantly changing, in terms of both risk and opportunities. In the wake of the OECD's BEPS Action Points, multinationals must be able to present cogent, globally consistent arguments supporting their TP decisions, substantiated by thorough, authoritative analyses that reflect local rules governing their transactions. Add to that the increasing call for greater transparency, multinationals are left facing more complexity than ever.

Multinationals need to ensure that they stay up-to-date with the latest TP developments and best practices. Businesses need to be flexible enough to respond to changing laws and regulations, as failure to do so may be costly. They can still optimize opportunities as well as their global effective tax rate while ensuring compliance with changing guidelines and regulations, to minimize the risks associated with TP audits. A well designed TP policy and properly coordinated defense strategy for such a policy are basic necessities in today's dynamic commercial environment.

Keeping track of the fast moving TP landscape is itself a challenge. From detailed TP Regulations to stricter documentation requirements, the call for greater transparency, robust audit practices to harsher penalties for non-compliance, global companies must deal with an even more complex environment. Above all, ensuring an effective TP strategy means being proactive in planning, implementation, risk management, documentation and dispute resolution. Taxpayers need to understand the global perspective, but also be able to combine it with local expertise and orientation in putting together a coherent and defensible TP policy which is responsive enough to adapt to the constant changes that businesses experience.

TP has also become a topic of public controversy on the matter of whether the current TP rules permit multinationals to pay less than their fair share of tax in some of the territories that they operate in. This means that multinationals now need to evaluate their TP practices from the perspective of subjective areas like corporate reputation and public perception.

Organisations recognize that TP strategies can add significant value to business projects and help fund future growth as they look to maximize efficiencies and optimize their global tax liabilities.

KPMG approach

In today's post BEPS world, TP has been transformed. Companies face new reporting and information sharing challenges and the need for a global narrative.

KPMG's Global Transfer Pricing Services (GTPS) practice includes a core TP group of more than 2,000 professionals representing 48 member firms around the world. The practice includes an extensive network of former government officials and is composed of economists, tax practitioners and financial analysts with years of experience.

KPMG firms can help companies develop and implement economically supportable transfer prices, document the policies and outcome, and respond to questions raised by the tax authorities. With KPMG's global network providing access to TP professionals around the world, the GTPS practice is well equipped to provide the local experience and global context that multinationals need to thrive in today's environment.

How clients can benefit

Professionals in the KPMG GTPS network help clients make difficult decisions about prioritizing limited resources every day. Navigating the proliferation of BEPS-driven requirements with a finite budget requires careful risk tiering and consideration. It also requires a focus on process and technology.

Member firm clients can benefit from a technology-enabled, risk based approach by:

- Reducing controversy
- Limiting double taxation
- Increasing the likelihood of favorable outcomes when controversies arise
- Aligning tax goals with business objectives
- Reducing the amount of time that corporate resources need to spend on TP

Global TP Services

Transfer Pricing life cycle and services

7

Global Principles for a Responsible Tax Practice

The key focus of the KPMG tax practices is supporting our clients. In all areas of our work we apply uncompromising professional standards. KPMG's Global Principles for a Responsible Tax Practice[1] are the foundation of expected standards and conduct.

1. **We act lawfully and with integrity and expect the same from our people, our firms' clients, tax authorities and other parties with whom we interact. Above all else, in every respect our work shall be fully compliant with relevant legal, regulatory and professional requirements.**

2. **We are committed to providing clients with high quality tax advice tailored to their particular circumstances.**

3. **We shall explain clearly and objectively to our clients the technical merits and the sustainability of any tax advice we give.**

4. **Whenever relevant and practical to assess, we may discuss with clients any likely impact of any tax advice we give on relevant communities and stakeholders and any potential reputational risk.**

5. **We shall make recommendations to clients only where:**
   i. we consider, at least on the balance of probabilities, that the relevant interpretation of law is correct; or
   ii. it otherwise clearly meets the applicable local professional standards.

6. **We shall only advise clients to enter into, or assist them to implement, transactions or arrangements on the basis that they have any substance required by law, as well as any business, commercial or other non-tax purpose required by law.**

7. **We shall not advise clients to enter into transactions with the purpose of securing a tax advantage clearly and unambiguously contrary to the relevant legislation and shall not assist them to implement such transactions. If, in our view, the language of the legislation is uncertain, we shall consider the intention of the relevant legislators when advising clients.**

8. **We support a relationship with tax authorities aimed at building mutual trust and respect which will enable constructive dialogue and responsiveness by all parties, facilitate compliance and reduce or assist in early resolution of disputes.**

9. **We shall comply with all our disclosure requirements and advise our clients to do the same.**

10. **When advising clients on entering into transactions we shall do so on the understanding that all material facts will be known to the tax authorities.**

[1] These Principles set out the way KPMG approaches tax on a global basis. They are not intended to refer to terms of acts or legislations in any specific country.

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- **One link access to all KPMG social media channels**
- **Provides access to other thought leadership materials prepared by KPMG, locally and globally**
- **Approved partnership with some online news media for sharing of news extracts on the App**

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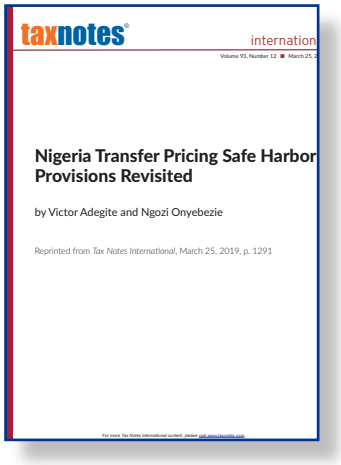
Thought Leadership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Nigeria Transfer Pricing Safe Harbor Provisions Revisited

by Victor Adegite and Ngozi Onyebezie

Reprinted from *Tax Notes International*, March 25, 2019, p. 1291

For more *Tax Notes International* content, please visit www.taxnotes.com.

1. Nigeria Transfer Pricing Safe Harbor Provisions Revisited

by Victor Adegite and Ngozi Onyebezie

Taxpayers have been fulfilling transfer pricing regulations requirements since their introduction into Nigeria in 2012. The requirements include filing statutory returns and keeping transfer pricing documentation. The documentation is used to demonstrate to the tax authority that a taxpayer's related-party transactions have been conducted following the arm's-length principle.

You can read the full article at http://tinyurl.com/yxzsv5pa

Adegite Victor

Ngozi Onyebezie


Nigeria / OECD

A Review of the Nigerian Country-by-Country Reporting Regulations

Victor Adegite

Issue: Bulletin for International Taxation, 2018 (Volume 72), No. 12

Published online: 5 November 2018

1. Introduction

2. Salient Features of the Regulations

2.1. Legal basis

2. A Review of the Nigerian Country-by-Country Reporting Regulations

by Victor Adegite

A new dawn arose for the world of taxation on 5 October 2015. On that day, the Final Reports of the OECD/G20 Base Erosion and Profit Shifting (BEPS) initiative were published. Action 13 of the OECD/G20 BEPS initiative, which is one of the 15 Action Points, relates to transfer pricing documentation.

You can read the full article at http://tinyurl.com/yyv63fbz

Adegite Victor


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International Tax News

Nigeria

INSIGHT: Tax and Transfer Pricing in Nigeria—Major Changes to Have Impact in 2019

By Victor Adegite and Ngozi Onyebezie

New Transfer Pricing Regulations

3. Tax and Transfer Pricing in Nigeria - Major Changes to Have Impact in 2019

by Victor Adegite and Ngozi Onyebezie

Major changes in the tax and transfer pricing landscape driven by the implementation of the recommendations of the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting project were introduced in Nigeria. These changes will significantly impact taxpayers in the conduct of their business and so far, are already driving increased tax compliance.

You can read the full article at https://www.bna.com/insight-tax-transfer-n57982094981/

Adegite Victor

Ngozi Onyebezie


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Nigeria

INSIGHT: Practical Lessons from Transfer Pricing Audits in Nigeria

4. Practical Lessons from Transfer Pricing Audits in Nigeria

by Victor Adegite and Nana Abu

Since introducing the Transfer Pricing ("TP") Regulations in 2012, the tax authority in Nigeria has gone through a learning curve. The International Tax Department of the Federal Inland Revenue Service ("FIRS") have significantly improved their skills, with support from multilateral agencies such as the United Nations, the Organization for Economic Cooperation and Development ("OECD"), the World Bank Group, International Monetary Fund, and the African Tax Administrators Forum.

You can also read the full article at:
https://news.bloombergtax.com/daily-tax-report-international/insight-practical-lessons-from-transfer-pricing-audits-in-nigeria


Victor Adegite


Nana Abu

5. Revised Transfer Pricing Regulations in Nigeria - Implications for MNEs

by Tayo Ogungbenro, Victor Adegite and Omojo Okwa

The recent Transfer Pricing Regulations in Nigeria have introduced some major changes which impose additional obligations and requirements for taxpayers. Significant administrative penalties have also been introduced in an attempt to improve compliance.

You can also read the full article at:
https://home.kpmg/xx/en/home/insights/2018/10/tnf-nigeria-insights-into-transfer-pricing-regulations-implications-for-mnes.html


Tayo Ogungbenro


Victor Adegite


Omojo Okwa

Tax Issue

Filing tax returns: CITN emphasises use of stamp, seal by members

...sets January 2, 2019 as effective date

Transfer Pricing and Quasi Equity Loans – Considerations for the imputation of interest

Federal Inland Revenue Service provi clarification on recent tax developme

6. Transfer Pricing and Quasi Equity Loans – Considerations for the Imputation of Interest

by Gali Aka and Ngozi Onyebezie

The Nigerian Income Tax (Transfer Pricing) Regulations, 2012 lists the lending and borrowing of money as one of the transactions that should be conducted in a manner consistent with the arm's length principle. Inter-company financial transactions are quite common especially among Multinational Enterprises (MNEs). These kind of transactions include debt, guarantees, and quasi-equity loans. The focus of this article is imputation of interest on loans – taxing the lender on the arm's length rate of interest - where the actual reward is less than arm's length.

You can read the full article at https://www.businessdayonline.com

Gali Aka

Ngozi Onyebezie

Bloomberg Tax

International Tax News

Nigeria

INSIGHT: International Fiscal Agreements and the Nigerian Nexus

7. International Fiscal Agreements and the Nigerian Nexus

by Victor Adegite, Gali Aka and Segun Adefolaju

With the emergence of international fiscal conventions and agreements, Nigeria, like any other jurisdiction, has signed up to a number of agreements. The article reviews the agreements Nigeria has entered into and the likely impact on the Nigerian tax system.

You can also read the full article at: http://tinyurl.com/yxgtvj3j

Victor Adegite

Gali Aka

Segun Adefolaju

Wednesday, 29 May, 2019 BUSINESS DAY 35

TAX ISSUES

CITN inducts 560 new members, emphasises on professional conduct

The Nigerian Transfer Pricing Regulations: A tool for enhancing tax competitiveness

8. The Nigerian Transfer Pricing Regulations: A Tool for Enhancing Tax Competitiveness

by Omojo Okwa and Gali Aka

Omojo Okwa

Gali Aka

According to Adam Smith, a good tax system must possess the qualities of equity, certainty, economy and convenience. All tax laws and accompanying tax regulations must be written with the intention of balancing these qualities with meeting the core objective of taxation, which is to enable the collection of all monies due to government. This article seeks to review the potential effectiveness of the current TP Regulations in enabling the accomplishment of the objectives stated above and suggests ways by which the Regulations can enable the realization of these objectives.

You can also read the full article at:
http://tinyurl.com/y2s5ve5w

Wednesday, 12 September, 2018 BUSINESS DAY

Tax Issues

Filing tax returns: CITN emphasises use of stamp, seal by members

...sets January 2, 2019 as effective date

Transfer Pricing and Quasi Equity Loans – Considerations for the imputation of interest

PROWAM seminar to explore ways of achieving economic self-sufficiency, poverty reduction

Deloitte Tax Advisory

Federal Inland Revenue Service provides clarification on recent tax developments

9. Transfer Pricing and the Right to Use Intangible In Nigeria: Is the Arm's – Length Principle at Risk?

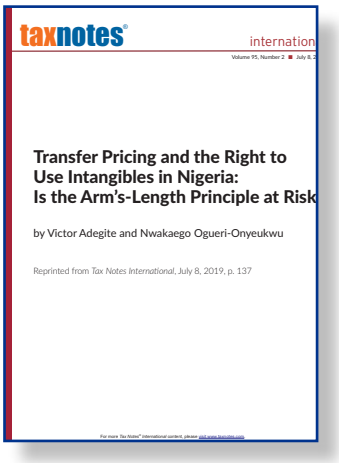
by Victor Adegite and Nwakaego Ogueri-Onyeukwu

Victor Adegite

Nwakaego Ogueri-Onyeukwu

In 2018 Nigeria's Federal Inland Revenue Service (FIRS) issued new Income Tax (Transfer Pricing) Regulations along with guidelines providing information on the transfer pricing documentation requirements. The revised regulations took effect on March 12, 2018, and repealed the Income Tax (Transfer Pricing) Regulations, 2012, which had taken effect on August 2, 2012. In this article, the authors discuss Nigeria's new transfer pricing regulations, focusing on how the rules treat transfers of the right to use intangible assets and whether the rules contradict the arm's-length principle.

You can read the full article at
https://www.taxnotes.com/tax-notes-international/asset-taxation/transfer-pricing-and-right-use-intangibles-nigeria-arms-length-principle-risk/2019/07/08/29j87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international
Volume 95, Number 2 ■ July 8, 2

Transfer Pricing and the Right to Use Intangibles in Nigeria: Is the Arm's-Length Principle at Risk

by Victor Adegite and Nwakaego Ogueri-Onyeukwu

Reprinted from *Tax Notes International*, July 8, 2019, p. 137

10. Revised Transfer Pricing Regulation in Nigeria – Implications for Transfer Pricing Audit Process

Adegite Victor

by Victor Adegite

The Nigerian tax authority published the revised Transfer Pricing Regulations in 2018. In this article, the author examines the implications of the revised Regulations on the transfer pricing audit process.

You can read the full article at

https://www.ibfd.org/IBFD-Products/Journal-Articles/International-Transfer-Pricing-Journal/collections/itpj/html/itpj_2019_04_ng_1.html


Wednesday 25 July 2018
BUSINESS DAY
Tax Issues

Uncertainty in tax matters: Causes, solutions

Transfer Pricing considerations for commodities transactions

11. Transfer Pricing Considerations for Commodities Transactions

Victor Adegite

Nana Abu

by Victor Adegite and Abu Nana

A commodity is a product of value that can be traded across multiple markets. Generally, commodities could be categorized as either hard or soft. Hard commodities include natural resources which are either mined or extracted from the environment such as crude oil, bitumen, natural gas, gold silver, steel, copper, aluminum etc. Soft commodities, on the other hand, are agricultural goods or livestock which are grown. Transactions in the commodities market may involve physical trading (buying and selling physical goods) or derivatives trading (trading involving an underlying asset).

You can also read the full article at:
https://businessday.ng/

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About the Survey

This report presents our findings from the 2019 TP Awareness Survey conducted by KPMG Nigeria. The survey was administered on 59 persons who are mainly Tax Managers/ Directors, Managing Directors/Chief Executive Officers, Chief Finance Officers and Heads of Finance in leading organisations across major industry sectors in Nigeria.

The survey elicited responses in respect of TP compliance, TP risk assessment, TP audit, TP controversy and dispute resolution.

The distribution of our respondents across the sectors is illustrated below:

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