



FIRS announces additional palliative measures in response to COVID-19 Pandemic

Sequel to our [Tax Alert Issue 3.6|March 2020](#) analysing palliative measures introduced by the Federal Inland Revenue Service (FIRS) and other agencies of the Federal Government, the FIRS has announced the following additional measures to further manage the impact of the Coronavirus disease (COVID-19) on taxpayers:

- Waiver of late returns penalty for taxpayers who pay their tax liabilities early but submit their tax returns later. Evidence of tax payment can be forwarded to the relevant FIRS e-mail address, or submitted later to the appropriate tax office
- Extension of timeline for remittance of VAT from the 21st day to the last day of the month, following the month of deduction
- Taxpayers facing challenges in sourcing foreign exchange (FOREX) to settle tax liabilities on their FOREX-denominated transactions are permitted to pay the Naira equivalent, based on the prevailing Investors & Exporters FOREX window rate on the day of payment
- Extension of personal income tax (PIT) returns filing deadline for personnel of Foreign Affairs, Military and Police, and non-resident persons by three months from 31 March 2020 to 30 June 2020
- Indefinite suspension of all field tax audit, investigation and monitoring visits.

Comments

We commend the FIRS for introducing additional measures to help reduce the effects of COVID-19 on taxpayers. While, the phrase “early payment” was not defined, it can be taken to mean payment in advance or by the last due date for payment. However, beyond granting waiver of penalty and interest in such instance, the FIRS should consider waiver of interest and penalty where a taxpayer files its tax returns by the due date, but is not in a position to fully pay its tax liability at once due to the severe impact of COVID-19 on its cashflow. France, Netherlands, Austria and Belgium are examples of countries that have announced plans to waive interest and penalty on any late payment of income taxes during the pandemic.

We also laud the FIRS for permitting companies to settle their FOREX-denominated tax liabilities in Naira. At the same time, the FIRS should be willing to allow such taxpayers the flexibility to pay their tax liabilities in instalments if they are not liquid enough to make the payment in a lump sum.

Lastly, the extension of PIT filing deadline and indefinite suspension of field tax audit, investigation and monitoring visits by the FIRS are steps in the right direction given the need to maintain social distance in order to curtail the spread of COVID-19.

We expect the FIRS to continue to review the COVID-19 situation and introduce additional palliative measures for business survival in this challenging time.

Please click [here](#) to read the FIRS’ announcement and [here](#) to read our earlier Newsletter on the tax and economic measures introduced by the Federal Government in response to COVID-19 pandemic.

For further enquiries, please contact:

Wole Obayomi

ng-fmtaxenquiries@ng.kpmg.com

Download KPMG Nigeria Tax Mobile App: [Apple](#) [Android](#)

[Contact Us](#) | [Subscribe](#)

© 2020 KPMG Advisory Services, a partnership registered in Nigeria and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International

kpmg.com/socialmedia



kpmg.com/app

