



# Tax Alert

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## **FIRS announces the deployment of Automated Tax Administration System**

The Federal Inland Revenue Service (FIRS) on Tuesday, 30 March 2020 issued a Public Notice announcing its intention to commence the deployment of its Automated Tax Administration System (ATAS or “the System”). The ATAS will access for tax purposes, relevant data, information, records, etc., held in systems, electronic devices, or cloud computing facilities, including point of sales or invoicing platforms maintained, operated, owned or controlled by taxpayers or their agents.

The connection of ATAS to taxpayers’ systems will commence not earlier than 30 days from the date of the Public Notice, i.e., **Friday, 30 April 2021**. The FIRS enjoins affected persons to comply with its requirement or be penalized for failing to do so in accordance with Section 26(3) of the FIRS Establishment Act (FIRSEA), as amended.

### **Comments**

The ATAS initiative is pursuant to Section 25 of the FIRSEA, as amended by Finance Act, 2020, which provides that the FIRS may utilize “*proprietary or third-party payment processing or other digital platform or application to collect and remit taxes*”. However, in exercising its powers, the FIRS should consider the nuances of each sector, e.g., with respect to VAT administration, which vary from manufacturing, trade and commerce, oil and gas sector to the service industry. Additional considerations must be given to business continuity, cybersecurity, data privacy and information security during the implementation.

It is expected that the FIRS will issue a guideline on the modalities for the integration process. In the meantime, it behoves all taxpayers to proactively prepare for the implementation of ATAS as announced by the FIRS.

Please click [here](#) to read the FIRS’ Public Notice

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