



Tax Alert

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FIRS extends deadline for filing CIT returns and reconciliation of unutilized WHT credit notes on TaxPro Max

The Federal Inland Revenue Service (FIRS), today, 1 July 2021 has announced a one-month extension of the deadline for filing Companies Income Tax (CIT) returns and payment of tax liabilities for companies with 31 December accounting year-end. The extension also affects the ongoing exercise for reconciliation of unutilized withholding tax (WHT) credit notes for all companies on TaxPro-Max. Consequently, affected companies now have until **31 July 2021** to regularise their tax profile on TaxPro Max, submit their CIT returns and pay the resulting tax liabilities to avoid payment of late filing penalty and interest on outstanding tax liabilities.

In order to complete the CIT filing process, taxpayers' will be required to upload excel versions of their income tax computations (not more than 200kb) on the portal and submit hardcopies of their signed audited accounts at their respective tax offices. Further, the Payment Reference Number (PRN) (formerly known as Document Identification Number) generated after a successful submission of returns will remain valid until the midnight of the new due date of filing of the tax. However, companies can continue to make their Value Added Tax (VAT) & WHT payments using the "Branch TIN".

Finally, the FIRS urged taxpayers who may still have difficulties with filing their returns on TaxPro-Max to escalate such issues to their dedicated virtual situation room support officers at their respective tax offices.

Comments

We commend the FIRS for extending the filing deadline in response to stakeholders' concerns on the technical challenges experienced with WHT reconciliation, generating the relevant PRN for prompt payment of tax liabilities and submission of CIT returns on TaxPro-Max. These technical issues were not surprising given how close to the filing deadline the updated portal was launched. It is expected that the extension will

avail both the FIRS and taxpayers the opportunity to promptly address most of the identified issues to ensure a smooth filing season. In this regard, the limited option for document upload, by which taxpayers are required to submit hardcopies of their signed audited accounts with their respective tax offices, needs to be addressed to achieve full automation of filing tax returns.

Meanwhile, it is unclear whether the extension covers companies that are not required to file their CIT returns on TaxPro-Max, such as non-resident companies, free trade zones enterprises or companies with foreign currency denominated audited accounts. Pending further announcement by the FIRS, these Companies can either ensure that their CIT returns are submitted to their respective tax offices or alternatively apply for an extension of time to file their returns, as the case may be.

Relatedly, the FIRS Public Notice did not address the contentious issue of forfeiture of unvalidated WHT credit notes after the 30 June 2021 deadline noted in its Information Circular No.: 2021/07 (*Please refer to our Tax Alert [Issue No. 6.6 of 22 June 2021](#)*). The TaxPro-Max is expected to provide a more flexible platform for seamless tax compliance and continuous reconciliation of tax positions between the FIRS and taxpayers. Therefore, the FIRS should exercise caution in prescribing and implementing rules on the use of the online platform that are not supported by extant tax laws.

In the meantime, affected companies should in their own interest take advantage of the extended deadline to reconcile their WHT credit position, regularise their tax positions and file their CIT returns on the TaxPro-Max to avoid exposure to penalties.

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

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