FIRS PROVIDES UPDATES TO ITS INTERIM PALLIATIVE MEASURES
We have been providing updates on our COVID-19 resource hub at https://covid-19.uubo.org, on the various efforts by the Federal Inland Revenue Service (“FIRS”) to cushion the effect of the COVID-19 pandemic on taxpayers. The FIRS has provided further updates on two of these measures, which we have highlighted below.

**FIRS provides further extension on penalty and interest waiver**

On 30th April, 2020, the FIRS issued a public notice titled “Update on the Palliative Measures to Cushion the Effects of COVID-19 on Taxpayers No 3” (the “Initial Notice”), introducing an additional palliative measure by granting a waiver on all interest accrued and applicable penalties payable on outstanding tax debts arising as a result of desk reviews, tax audits and investigations, provided that such tax debts were paid in full on or before 31st May, 2020 (see our update on the Initial Notice at https://covid-19.uubo.org/wp-content/uploads/2020/05/Interim-Palliatives-Measures-FIRS-waives-interest-and-penalties-on-outstanding-tax-liabilities-for-certain-taxpayers.pdf).

By virtue of a public notice titled “Further Update on COVID-19 Palliatives No.5: Extension of Deadline on Penalty and Interest Waiver” (the “Notice”), the FIRS has provided a further extension of the deadline for making such payments to 30th June, 2020. It will be recalled that the FIRS had specified in the Initial Notice, that the waiver was only applicable to tax payments arising from desk reviews, audits and investigations. By virtue of the Notice however, it appears that the scope of the waiver has been expanded to include outstanding tax liabilities arising from:

- self-assessment filings, and
- approved payment-by-instalment plans under the Voluntary Assets and Income Declaration Scheme (“VAIDS”) that have not been fully settled.

Consequently, affected taxpayers are advised to take advantage of the extension to settle their outstanding liabilities in full on or before 30th June, 2020. Taxpayers with outstanding tax liabilities under the VAIDS scheme risk a withdrawal of the incentives provided by the FIRS, which include –

(I) waiver of penalties and interests;

(ii) exemption from tax audits; and

(iii) exemption from tax investigations, in the event that they are unable to make the necessary payments before 30th June, 2020.
FIRS to resume field audits, investigations and monitoring exercises

The FIRS had earlier issued a press release suspending field audits, investigations and monitoring exercises (“Suspended Activities”) until further notice (see our earlier update where this measure was highlighted at https://covid-19.uubo.org/wp-content/uploads/2020/05/Interim-Palliatives-Measures-FIRS-waives-interest-and-penalties-on-outstanding-tax-liabilities-for-certain-taxpayers.pdf).

Further to the above, the FIRS, through a recently issued public notice titled “FIRS Resumes Field Audit, Investigation and Monitoring Exercises” stated that it will resume the Suspended Activities from 30th June, 2020. The reconciliation of tax findings or liabilities arising as a result of

(i) desk reviews;
(ii) monitoring visits:
(iii) tax audits and
(iv) tax investigations will however continue with immediate effect.

According to the FIRS, the resumption of the Suspended Activities is geared towards assisting the Federal Government to mobilise the revenue needed for national development in these unprecedented times.

Affected taxpayers are advised to take note of the timeline for the resumption of the Suspended Activities and put their relevant tax documentation in order, ahead of the anticipated deliberations with the FIRS.