



Tax Update

**Nigeria's Changing
Tax Landscape:
The Tax Reform Bills
Have Become Law.**



After several months of stakeholder engagements and legislative processes, the President of the Federal Republic of Nigeria, Bola Ahmed Tinubu, signed the 4 (four) tax reform bills into law on 26 June 2025, introducing what could arguably be the most extensive tax reforms in Nigeria since independence. The commencement date for the various tax reform laws is set at 1 January 2026.

The tax reform bills, which have now become the Tax Reform Acts are:

- 1. The Nigeria Tax Act, 2025 (“NTA”):** The NTA repeals certain laws on taxation, consolidates the legal frameworks relating to taxation and provides for the taxation of (i) income of persons (legal and natural), (ii) transactions, and (iii) instruments. The NTA repeals several tax legislation including the (a) Capital Gains Tax Act, (b) Companies Income Tax Act, (c) Industrial Development (Income Tax Relief) Act, (d) Personal Income Tax Act, (e) Stamp Duties Act, (f) Value Added Tax Act. It also deletes or amends certain fiscal provisions in the Petroleum Industry Act, 2021, the Nigeria Export Processing Zones Act, the Tertiary Education Trust Fund (Establishment, Etc.) Act, 2011, the Customs, Excise Tariffs, Etc. (Consolidation) Act, etc.

The NTA effectively merges tax provisions from various laws into one single document, aiming to help eliminate conflicting, ambiguous and overlapping provisions that cause complexity and uncertainty. For instance, over 5 (five) taxes, levies and contributions under the Tertiary Education Trust Fund (Establishment, Etc.) Act, 2011, the National Information Technology Development Agency Act, No. 28, 2007, the National Agency for Science and Engineering Infrastructure (Establishment) Act, the Student Loans (Access to Higher Education) Act, 2024, and the Cybercrime (Prohibition, Prevention, Etc.) Act have been consolidated into a single 4% Development Levy imposed on the assessable profits of all companies, except small companies and non-resident companies.



- 2. The Nigeria Tax Administration Act, 2025 (“NTAA”):** This NTAA deals with the assessment, collection of, and accounting for revenue accruing to the Federation, Federal, States and Local Governments, and prescribes the powers and functions of tax authorities. Essentially, the administrative provisions of the various tax legislation have now been consolidated into the NTAA. It also formally recognises the validity of advance tax rulings by the Nigeria Revenue Service (“NRS”) (formerly, the Federal Inland Revenue Service (“FIRS”)). The NTA must always be read in consonance with the NTAA.
- 3. The Nigeria Revenue Service (Establishment) Act, 2025 (“NRSEA”):** The NRSEA repeals the Federal Inland Revenue Service (Establishment) Act, No.13, 2007, which established the FIRS and replaces the FIRS with the NRS. The objective is to empower the NRS to assess, collect and account for revenue accruable to the Government of Nigeria, positioning it as an agency that acts in the interest of the Federal, State and Local Governments, unlike the FIRS. This means that the NRS will be the sole revenue collection agency of the Federation, taking over revenue collection functions from other agencies like the Nigeria Customs Service, etc., so that they can focus on administration.
- 4. Joint Revenue Board of Nigeria (Establishment) Act, 2025 (“JRBEA”):** The JRBEA establishes the Joint Revenue Board (the “JRB”), the Tax Appeal Tribunal and the Office of the Tax Ombud, for the harmonisation, coordination and settlement of disputes arising from revenue administration in Nigeria. The JRB will, among other things, resolve disputes between the NRS and different tax authorities of the federating states, while the Tax Ombud will serve as an independent and impartial arbiter to review and resolve complaints relating to tax, levy, regulatory fee and charges, customs duty or excise matters.



Previous Publications

If you need a quick overview of the provisions of the NTA, you can read our February 2025 publication [here](#), which was based on the draft bill. We also analysed the provisions of the Nigeria Tax Bill in relation to Controlled Foreign Companies, which you can find [here](#), and the proposed capital gains tax regime for indirect transfers of shares and indirect interest affecting foreign entities, which you can read [here](#).

What is Next?

We expect the final version of the Tax Reform Acts to be gazetted and made publicly available in a few weeks. Once we have the gazetted versions of the laws, you can expect a deep dive into the implications of the Tax Reform Acts for businesses, individuals, foreign entities, non-profits and the economy at large.

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