



FEDERAL MINISTRY OF FINANCE

Office of the Honourable Minister of Finance & Coordinating Minister of the Economy

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GENERAL TRANSITION GUIDELINES FOR THE TAX ACTS 2025

Made pursuant to Section 144 of the Nigeria Tax Administration Act 2025 and 200 of the Nigeria Tax Act 2025

PART I – PRELIMINARY

1. Citation

These Guidelines may be cited as the *General Transition Guidelines for the Nigeria Tax Act 2025, the Nigeria Tax Administration Act 2025, Nigeria Revenue Service (Establishment) Act 2025 and the Joint Revenue Board (Establishment) Act 2025 (the Acts)*.

2. Commencement

These Guidelines are applicable to tax returns that are due for filing from **1st January 2026**.

3. Purpose

The purpose of these Guidelines is to -

- (a) ensure consistent application in the implementation of the Acts;
- (b) provide rules to assist taxpayers and other stakeholders in the transition from the repealed tax laws to the new legislation;
- (c) prevent retroactive application of the Acts;
- (d) resolve ambiguities or internal conflicts within the Acts;
- (e) address any external conflicts between the Acts and other laws; and
- (f) provide operational clarity for administration by relevant tax authorities and compliance by taxpayers.

4. Scope of Application

These Guidelines apply to all taxpayers, tax agents, tax practitioners, and officials of government agencies with administration or implementation roles under the Acts including

the Nigeria Revenue Service (NRS), a State Internal Revenue Service, the FCT Internal Revenue Service, and Joint Revenue Committees of Local Government Councils.

PART II – TRANSITIONAL ARRANGEMENTS

5. General Transition Principles

- (1) The Acts shall apply prospectively from the date of commencement, except where expressly provided to the contrary in the Acts as a specific matter rather than a general rule.
- (2) No tax, penalty, surcharge, interest, filing obligation, or administrative requirement under the Acts shall apply to any period prior to its commencement.
- (3) Where an assessment, compliance or enforcement action relates to a period before commencement, such assessment, compliance or enforcement action shall be governed by the law applicable to that period.

6. Filing Obligations

- (1) Tax returns that are due before the commencement date shall be filed using existing forms and procedures under the repealed legislation.
- (2) Returns that are due on or after the commencement date shall be filed using rules, forms, schedules or electronic templates issued under the Acts.
- (3) Existing forms and procedures shall continue to be valid after the commencement date of the Acts pending the introduction of new forms and procedures.

7. Treatment of Pending Disputes and Appeals

- (1) Any appeal or objection filed before the commencement date shall continue under the rules of the repealed legislation.
- (2) Where a taxpayer raises an objection after the commencement date, the procedure under the Acts shall apply, irrespective of the year of assessment in dispute.
- (3) The transitional interpretation contained in these Guidelines shall apply for dispute resolution purposes.

8. Transition for Incentives, Exemptions and Reliefs

- (1) Any incentives granted under the repealed laws shall continue until their expiration.
- (2) Provisions of the Acts shall apply to new and pending applications for incentives, exemptions or reliefs as at the commencement date.

9. Transitional Record-Keeping Responsibilities

- (1) Taxpayers shall retain records under the old laws for the applicable statutory periods.
- (2) New record-keeping requirements under the Act apply prospectively.

PART III – PREVENTION OF RETROACTIVE APPLICATION

10. Non-retroactivity

- (1) No taxpayer shall be assessed based on provisions of the Acts with respect to taxes on a transaction, supply, or disposal occurring before the commencement date.
- (2) Penalties, computations, rates, thresholds, definitions, or administrative obligations under the new tax Acts shall not apply retrospectively.

10.1 Income Taxes

10.1.1 Individuals

PAYE - In the case of an individual in employment whose personal income tax for 2025 has been deducted and remitted on a monthly basis using the provisions of the repealed laws up to December 2025, the filing of tax returns for the 2026 year of assessment shall be based on the repealed laws. PAYE tax for compensation payable to an individual with effect from January 2026 shall be based on the new Acts.

Direct Assessment - In the case of an individual or a group of individuals whose personal income taxes are filed based on direct assessments, the income earned for the year 2025 and due for filing in 2026 shall be taxed based on the repealed laws. Income earned from January 2026 shall be taxed based on the new Acts.

10.1.2 Companies

- (1) Companies Income Tax (CIT) - Income tax payable on any basis period ending before the commencement date shall be taxed based on the repealed laws notwithstanding that filing and payment may fall due after the commencement of the Acts. Income tax payable in respect of any basis period ending after the commencement date shall be taxed based on the new Acts.
- (2) Earmarked taxes on profits - All taxes payable on the profits of a company including TETFUND levy, NASENI, NITDA levy for accounting period ending before the commencement of the Acts shall be based on the repealed laws. An accounting period ending after 1st January 2026 shall be subject to development levy as stipulated under the new Acts, it shall not be subject to earmarked taxes under the repealed legislation.
- (3) Small business - A small or medium-sized company shall be subject to the tax rates and rules under the repealed laws for basis periods ending before 1st January 2026. Any basis

period ending after 1st January 2026 shall be subject to the tax rate and rules under the new Acts.

(4) Notwithstanding any provisions of these Guidelines, a taxpayer may, subject to the approval of the relevant tax authority in writing, file its income tax return in respect of an accounting period ended before the commencement date using provisions of the Acts.

10.2 Transaction Taxes

10.2.1 Deduction at source, VAT and stamp duties

A transaction for goods delivered or services rendered for the period up to 31 December 2025 shall be subject to WHT, VAT and stamp duties based on the repealed laws irrespective of when payment is made. Such transactions occurring as from 1st January 2026 shall be subject to transaction taxes under the new Acts except where payment has been made in advance before commencement of the new Acts.

10.2.2 Transitional Transactions Spanning Two Regimes

(1) Where a contract is entered into before the commencement date but executed after, the taxpayer shall apply provisions of the new Acts only to the portion executed after the commencement date.

(2) Sums received before the commencement date shall be taxed under the repealed law; while sums received after are taxed under the new Acts.

11. Administrative Safeguards Against Retroactivity

(1) The Relevant Tax Authority shall implement internal controls to prevent retroactive assessments.

(2) Systems, audit programs, and enforcement tools shall be updated to enforce non-retroactivity.

PART IV – RESOLVING CONFLICTS WITH OTHER LAWS

12. Possible Areas of Conflicts

Potential conflicts may arise from -

- (a) residual provisions of repealed tax laws;
- (b) definitions or interpretation of terms;
- (c) regulations or circulars issued by the relevant tax authority prior to the new Acts;
- (d) thresholds for exemption, incentives or filing requirements; and
- (e) the mode of compliance where more than one option is available.

14. General Conflict Resolution Principle

(1) Where any provision of another law relating to tax is inconsistent with the new Acts, the provisions of the new Acts shall prevail to the extent of the inconsistency.

(2) Where two provisions of the new Acts appear inconsistent, the interpretation that best reflects legislative intent, economic neutrality, and administrative simplicity shall prevail.

(3) Where any provision of the Acts is clearly inconsistent with another, the conflict or inconsistency shall be resolved in favour of the taxpayer.

15. Procedure for Resolving Conflicts

(1) Any conflict identified which has not been specifically addressed by these guidelines shall be referred to the relevant tax authority.

(2) The relevant tax authority may issue further clarification by way of a public notice specifying the prevailing practice.

16. Guidance to MDAs

(1) All MDAs shall align their internal tax-related rules, procedures, directives and compliance obligations with the new Acts.

(2) Where an MDA administers a levy or fee that is due to any tier of government, it shall obtain direction from the relevant tax authority for harmonisation.

PART V – ADMINISTRATION AND COMPLIANCE FRAMEWORK

17. Roles and Responsibilities

(1) The relevant tax authority shall administer the new Acts and may issue regulations on administrative matters.

(2) The Minister shall maintain policy oversight and may issue regulations on policy matters and for the generality of implementation of the new Acts.

(3) The Joint Revenue Board shall support harmonised revenue administration and coordinated policy implementation across the federation.

18. Registration and Identification

(1) Every taxpayer shall register with the relevant tax authority as applicable.

(2) Taxpayer identification numbers (Tax IDs) shall be standardised and linked to the national identity framework.

(3) Taxpayers may be migrated to a unified system when available.

19. Filing and Payment Rules

Detailed filing deadlines, payment channels, electronic platforms, and accepted documentation formats shall be outlined in administrative notices issued by the relevant tax authority.

PART VI – INTERPRETATION AND SAVINGS

20. Interpretation

The following terms used in this guidelines shall be construed to mean:

“commencement date” - 1st January 2026

“old law or legislation” - the repealed tax laws

“minister” - the minister responsible for finance

“relevant tax authority” - the NRS, a State IRS, FCT IRS or LG Revenue Committee

“small company” - for the purpose of taxation under the repealed laws is a company with annual turnover not exceeding N25 million while under the new Acts it is turnover not exceeding N100m and assets not exceeding N250m

“the Acts or new Acts” - the Nigeria Tax Act, 2025; the Nigeria Tax Administration Act, 2025; the Nigeria Revenue Service (Establishment) Act, 2025; and the Joint Revenue Board (Establishment) Act, 2025.

21. Savings

Any administrative decision validly made under the repealed laws shall remain in effect unless specifically withdrawn or inconsistent with the new Acts.



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and Coordinating Minister of the Economy