



PUBLIC NOTICE

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ASSIGNMENT OF OUTSTANDING TAX DEBTS FOR COLLECTION FROM THIRD PARTIES PURSUANT TO SECTION 68 OF THE NIGERIA TAX ADMINISTRATION ACT, 2025

Lagos State Internal Revenue Service (LIRS) issues this Public Notice to inform the general public, particularly employers, financial institutions, businesses, agents and intermediaries, of the provisions of the Nigeria Tax Administration Act, 2025 (NTAA 2025) relating to the assignment of outstanding tax debts to third parties for the purpose of tax collection.

Background

The NTAA 2025 empowers the LIRS to assign the collection of outstanding tax debts to a duly appointed third party (financial institution, debt recovery practitioner or any person approved by LIRS), where a taxpayer fails to settle a tax liability and all legal steps in the law have been followed.

This provision enables the LIRS to engage debt recovery agents, including but not limited to financial institutions, licensed collection companies, and other authorised entities, to recover unpaid taxes on behalf of the Service. The delegation of such collection authority does not relieve the tax defaulter of liability nor diminish the powers of LIRS to take additional enforcement actions where necessary.

This Public Notice is issued to provide clarity to taxpayers, assigned agents, and the general public on the operation and requirements of the tax debt assignment process.

Legal Basis

Section 68, Nigeria Tax Administration Act, 2025.

Implication

Where a taxpayer defaults in paying any outstanding tax liability including Personal Income Tax (PIT), Capital Gains Tax (CGT), Stamp Duties and Withholding Tax (WHT), LIRS may assign the recovery of such outstanding liability to an approved debt recovery agent.

Once an assignment is made:

1. The appointed debt recovery agent is authorised to demand, recover, and receive payment of the outstanding tax from the tax defaulter;
2. Any payment made to the authorised debt recovery agent is deemed payment to LIRS;
3. The tax defaulter is obligated to cooperate fully with the agent and provide all necessary information for the purpose of recovery;
4. The tax defaulter remains liable for any balances outstanding even after partial recovery by the assigned debt recovery agent.

NOTE: Assignments may be limited to a specific tax period, tax type, or amount as determined by LIRS.

Compliance Requirements

1. Obligations of Assigned Debt Recovery Agents

Upon receipt of an official assignment from the LIRS, the appointed agent is required to:

- Notify the tax defaulter of the assignment in the format prescribed by LIRS;
- Collect the outstanding tax debt and remit same to LIRS through the e-Tax platform: www.etax.lirs.net;
- Maintain accurate records of collections and engagement activities;
- Submit periodic reports to LIRS as may be required;
- Apply fair and lawful collection practices at all times.

Lagos State Internal Revenue Service

Lagos Revenue House, Assbifi Road, Central Business District, Ikeja, Lagos State

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Agents must strictly adhere to confidentiality obligations and any terms or conditions specified in the assignment instrument.

2. Obligations of Taxpayers

Taxpayers with outstanding tax liabilities assigned for collection are expected to:

- Engage with the appointed debt recovery agent promptly upon notification;
- Provide truthful and complete information where required for verification;
- Settle the outstanding tax debt within the time frame specified;
- Notify the LIRS immediately of any disputed amounts.

Failure to cooperate with an authorised debt recovery agent shall be treated as non-compliance with LIRS directives.

3. Continued Authority of LIRS

The assignment of debt collection does not limit the enforcement powers of LIRS. Where necessary, LIRS may:

- Reassign the debt;
- Issue substitution orders;
- Resume recovery actions including distraint, garnishee, or prosecution.

4. Penalties for Non-Compliance

Failure to settle outstanding tax debts assigned for collection exposes the tax defaulter to:

- Accrual of penalties and interest on the unpaid tax;
- Additional enforcement actions under NTAA 2025;
- Possible criminal sanctions for deliberate evasion or obstruction.

Assigned agents who fail to comply with the terms of the assignment may face:

- Withdrawal of authorization;
- Liability for any losses resulting from negligence or misconduct.

5. Enquiries

The office of the **Executive Chairman LIRS**, Revenue House, Assbifi Road, Alausa, Ikeja Lagos
or
visit www.lirs.gov.ng or email: info@lirs.gov.ng or call **0700-CALL-LIRS (0700 2255 5477)**

Signed

Ayodele Subair
Executive Chairman, LIRS
Date: 21/ 01/ 26