



THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

COMMUNIQUÉ OF THE



THEME: TAXATION AND ECONOMIC COMPETITIVENESS: IMPERATIVES FOR NATIONAL DEVELOPMENT

HELD FROM NOVEMBER 4 - 6, 2020 AT EKO HOTEL & SUITES, 14/15, ADETOKUNBO ADEMOLA STREET, VICTORIA ISLAND, LAGOS, NIGERIA

INTRODUCTION

The Chartered Institute of Taxation of Nigeria (CITN) successfully held its 22nd Annual Tax Conference at the Eko Hotel & Suites, Victoria Island, Lagos, between 4th and 6th November, 2020. The Conference was held in both Virtual and Physical forms.

OVERVIEW

The hybrid Conference which had in attendance over 1700 delegates (virtual and physical attendees) drew participants from within and outside the country. Dignitaries in attendance include the Chief Host and Governor of Lagos State, His Excellency, Mr. Babajide Sanwo-Olu, and the Distinguished Guest Speaker and the Kaduna State Governor, His Excellency, Mallam Nasir el-Rufai.

The Conference had a lead paper presentation and five panel sessions, which were capped with questions and answers session. The Conference concluded with various submissions in terms of policy, legal and administrative prescriptions to achieve the theme of the Conference.

DISCUSSIONS AND PRESENTATIONS

The discussions during this conference centred on the following:

African Continental Free Trade Area (AfCFTA) : What's in it for Nigeria?

- The Digital Economy and Taxation Puzzle: Lessons Learnt from COVID-19 Pandemic
- Nexus between Tax Practice, Managing a Tax Function and Tax Administration
- Designing an Inclusive Tax System: Citizens Perception and The Role of Fiscal Exchange
- Attracting Investments through Taxation: Post COVID-19 Strategy

RECOMMENDATIONS AND SUGGESTIONS

The following recommendations and suggestions were proffered for the various taxation stakeholders:

1. FOR THE EXECUTIVE ARM OF GOVERNMENT

- i. Government should ensure that taxpayers' money is prudently managed by public office holders in order to build trust among the citizens;
- ii. Government should adopt performance-based budgeting to enhance efficiency and effectiveness in the utilization of government revenues;
- iii. Government's use of tax incentives to attract foreign direct investment may not yield the

desired positive result hence Government is advised to widen the tax net to accommodate more taxpayers in the informal sector;

- iv. Government should collaborate with the private sector to realise its constitutional objectives of promotion of the security and welfare of the people so as to and lay the foundation for a strong economic recovery;
- v. Government should give priority to investments with large job creation and high social impact in areas such as agriculture and manufacturing;
- vi. Government should intensify the building of institutional capacity geared towards the the implementation of the African Continental Free Trade Agreement (AfCFTA).

2. FOR THE NATIONAL ASSEMBLY

- i. Both arms of the National Assembly should unbundle its Finance Committee in order to create one more committee to be known as TAXATION AND REVENUE COMMITTEE to oversight government ministries, departments and agencies dealing with tax matters, and revenue generation, distribution and disbursement.
- ii. The National Assembly should nudge the Executive arm to ensure that every Appropriation Bill is accompanied by a Finance Bill, as it is done in South Africa. This approach helps in economic stability and promotes corporate planning for internal and external investors.
- iii. The National Assembly should ensure consistent review of tax laws and the overall regulatory framework of revenue generation by Government.

3. FOR TAX AUTHORITIES

- i. Tax authorities should digitalise all their tax administration processes as this will increase their tax collection and improve tax compliance;
- ii. Tax authorities should use their vantage position to ensure cordial collaboration and integrated relationship among the stakeholders of the tax system including tax administrators, tax practitioners and taxpayers;
- iii. Tax authorities should train and re-train their revenue personnel to be able to effectively cope with the challenges posed by digital transactions in tax administration;
- iv. Tax authorities should undertake or promote the simplification of tax laws, tax policy, and tax administration processes for ease of understanding of taxpayers in the informal

sector in preparation for the implementation of the presumptive tax regime.

4. FOR TAXPAYERS

Taxpayers are enjoined to abide by their social contract by discharging their tax obligations honestly and promptly to appropriate tax authorities. This is because their right to demand for transparency and accountability from the Government is directly proportional to their tax compliance.

On the inevitability of the acquisition of digital knowledge

- i. Tax practitioners are enjoined to acquire sufficient knowledge in the analysis of the digital economy, and to constantly update their skills and knowledge of data analysis and digital transactions.
- ii. Taxpayers are enjoined to leverage on the impact of covid-19 pandemic on digitalisation of business processes to streamline their tax risk management process.
- iii. Government is called upon to open digital centres in the country to complement the effort of the private sector in advancing digital literacy.

APPRECIATION AND UNDERTAKING

- i. The Institute appreciates its members who endured the postponement of the Conference from the originally fixed dates in April to November 2020 due to the covid-19 pandemic lockdown in the country. The leadership assures its members that the Institute will continue to play its professional regulatory function in Nigeria optimally with the goal of sustaining a tax compliant culture in our country, and influence fiscal policy and legal framework through advisory and interventionist programs.
- ii. The Institute undertakes to engage in more training and retraining of interested persons in digital transformation and related transactions to keep them abreast of the new normal and changes that have occurred in the taxation of digital economy.
- iii. The Institute appreciates its partners and donors, who stood by the it despite the deleterious effect of covid-19 pandemic on business incomes and government revenue generation.
- iv. The Institute appreciates the participants who attended the Conference both physically and virtually for their faith in the Institute.

Dame Gladys Olajumoke Simplice, FCTI
President/Chairman of Council
11th December, 2020.