



THE CHARTERED INSTITUTE
OF TAXATION OF NIGERIA

COMMUNIQUÉ

OF THE  ANNUAL TAX
CONFERENCE

THEME: GLOBAL DISRUPTION, TAXATION AND DIGITALIZATION:
IMPLICATIONS FOR SOCIO-ECONOMIC DEVELOPMENT

HELD FROM MAY 17 - 21, 2022

@ INTERNATIONAL CONFERENCE CENTRE PLOT 900, HERBERT MACAULAY WAY, ABUJA, NIGERIA

1.0 INTRODUCTION

The Chartered Institute of Taxation of Nigeria (CITN) successfully conducted its 24th edition of the Annual Tax Conference at the International Conference Centre, Abuja between 17th and 20th May 2022. The Conference, with the theme “Global Disruption, Taxation and Digitalization: Implications for Socio-Economic Development”, was held in a hybrid nature of physical and virtual to conform to the “new normal” and global trends.

The Conference drew participants from within and outside Nigeria. The Vice President of the Federal Republic of Nigeria, Professor Yemi OSINBAJO, GCON, SAN, who was also the special guest of honour, declared the Conference open and delivered his keynote address through Mr. Muhammed NAMI, the Executive Chairman, Federal Inland Revenue Service.

2.0 PAPER PRESENTATIONS AND DISCUSSIONS

Three papers were presented and panel sessions discussed the papers around the Conference theme of "Global Disruption, Taxation and Digitalisation: Implications for Socio-economic Development.

The discussions during the Conference centred around the following sub-themes:

- Global Tax Co-operation and Developments: Implications for Businesses and National Economy;
- Re-engineering Nigeria's Tax System: Implications for Taxpayers and Tax Administration;
- The emergence of Digital Currencies: Current Reality, Future Expectations and Tax Implications for Stakeholders; and
- Developing the Informal Sector to enhance Economic Growth and Sustainable Tax Revenue Generation.

3.0 RECOMMENDATIONS

3.1 FOR THE EXECUTIVE ARM OF GOVERNMENT

- i. Government should create a business-friendly and enabling environment to attract investors, and increase budgetary allocations to critical sectors, particularly, health, education, and infrastructure;
- ii. Policymakers should devise new approaches to decision making by consulting and incorporating the views of other stakeholders outside government;
- iii. Government should obtain inputs across the board with a view to reviewing its stance on the global corporate tax agreement by expanding its

advisory committee on the work of the OECD/G20 Inclusive framework on BEPS beyond FIRS and the Federal Ministry of Finance. Other relevant stakeholders including CITN, the organised private sector and the academia, among others, should be incorporated into the advisory committee. The committee should carry out a periodical review of Nigeria's current position so as to ensure that we are not left out in reaping any advantage that may arise from the implementation of the global tax agreement;

- iv. Government should leverage on data generation and mining to widen the tax net;
- v. Government should, through deliberate policy action, address leakages in revenue collection, especially by curbing the activities of non-State actors in the collection of multiple but unregulated levies, at the expense of government;
- vi. Government should align its accountability system to accommodate disruptive technologies;
- vii. Nigeria's National Tax Policy should be the bedrock of tax legislation and implementation;
- viii. Transparency in the utilisation of tax proceeds should be integrated into governance processes and decisions to serve as an incentive to tax compliance;
- ix. Government should restructure the tax incentive regime to reduce abuses and increase its revenue profile;
- x. Government, in liaison with the organised private sector, should categorise small businesses in the informal sector, and develop strategies to bring non-compliant entities in the informal sector, into the tax net;
- xi. Government should activate processes to urgently eliminate multiplicity of taxes through harmonization and simplification, and create one-stop tax collection centres, where appropriate;

3.2 FOR THE NATIONAL ASSEMBLY

Lawmakers should formulate laws and operational framework for the adoption and operation of cryptocurrency in Nigeria, for businesses and tax purposes, and adopt holistic reforms of the tax system to achieve sustainability.

3.3 FOR THE TAX AUTHORITIES

- i. Tax authorities should continue to exploit the opportunities offered by big data and its efficient use to drive tax revenues;

- ii. For due optimisation of revenue collection, revenue authorities should expand their skill development in digitalisation beyond their staff by making the same inclusive of other stakeholders;
- iii. Tax authorities should ensure that their staff do not compromise taxpayer information;
- iv. FIRS should liaise with the National Assembly, the Securities Exchange Commission and the Central bank of Nigeria to harmonise their positions on the legislative framework for cryptocurrency transactions in Nigeria;
- v. Tax authorities should design their tax return forms to accommodate inquiries on virtual currency transactions and effect the appropriate tax treatment in line with the expected legal framework.

3.4 FOR TAX PRACTITIONERS

- i. Tax practitioners should train themselves on digital disruptions to enhance their understanding of digitalization and taxation of digital transactions;
- ii. Tax practitioners in dealing with their clients should extend their inquiries to getting information, and keeping records, on virtual currency transactions in the course of offering their services for a fee with a view to determining the appropriate tax treatment.

4.0 CONCLUSION

Global disruption and digitalization have become real in the light of the new normal foisted on the global space as a result of the covid-19 pandemic, which has ravaged most economies since 2020. Stakeholders in the taxation system have to leverage on its fallout in making tax legislation, and designing and implementing tax policies in order to attract investments and improve our economy.

A fully digitalized economy for socio-economic development in Nigeria is achievable through the recommendations of the Conference.

Dated this 30th day of May, 2022.

ADEFISAYO AWOGBADE,
REGISTRAR/CHIEF EXECUTIVE