



CHARTERED INSTITUTE OF TAXATION OF NIGERIA

TEST OF PROFESSIONAL COMPETENCE OCTOBER 2025

EXAMINATION (PRESEEN)

INSTRUCTION

A. PRE – EXAMINATION

- Print your examination slip/ docket containing your exam link, username & password.
- Review the **pre-seen document/information** below.
- Get acquainted with the **pre-seen** ahead of the examination.
- It is crucial that you conduct sufficient research and analysis on your own to gain a thorough understanding of the pre-seen part of the examination.
- Conduct any study or research that you know about the areas of taxation discussed in the pre-seen.

B. DURING THE EXAMINATION

- You **MUST NOT** have in your possession any jottings, summary, note or the “pre seen” document received before the examination. This will be provided along with additional **exhibits** and information during the examination.

Assessment/Marking modalities:

Marks are awarded for the demonstration of professional competence as follows:

Assessment criteria	Score (%)
Assimilating and using information	20%
Understanding & Application of relevant tax laws and regulations	20%
Substantiated conclusions and relevant advice	20%
Logical Consistency and Presentation	10%
Demonstration of experience, knowledge, and skills	10%
Preparation of an Executive Summary & treatment of ethical issues	20%

- Candidates should note that marks are not awarded for just simply restating facts from the scenario. Scores are awarded for the demonstration of professional competence, technical depth and substantiated conclusion and relevant recommendations in terms of tax advice. To earn maximum mark, candidates are therefore required to:
 - (i) Demonstrate adequate understanding of the scenario/exhibits;
 - (ii) Demonstrate knowledge of ethical principles and organisational ethics, which include accountability, fairness, honesty, integrity and social responsibility (where necessary);
 - (iii) Carry out appropriate research, identify the tax issues, and analyse the tax issues involved;
 - (iv) Make informed judgments based on the analysis of the tax issues and relevant tax laws and regulations; and
 - (v) Present a substantiated conclusion and offer relevant advice

Exhibit 1: About you and your employer

You are Amina Sule, a Trainee Consultant with Adebisi & Mohammed (Chartered Tax Practitioners & Advisory Services). You are reporting directly to Mr. Chinedu Adebisi, FCTI, the Founding Partner and Head of the Corporate Tax & International Tax Advisory Unit.

Your responsibilities include:

- Researching complex tax issues and preparing detailed technical memoranda and opinions for client meetings;
- Assisting clients with tax compliance matters, including the review and finalisation of Company Income Tax, Value Added Tax, and Personal Income Tax returns;
- Advising clients on tax-efficient business structures, mergers, acquisitions, and restructuring exercises;
- Keeping abreast of changes in Nigerian tax laws, regulations, and public circulars from the Federal Inland Revenue Service (FIRS), and analysing their impact on the firm's clients; and
- Preparing reports and presentations for client engagements, ensuring all advice is substantiated by relevant sections of tax laws.

Exhibit 2: Client Profile – Chief Bola Adekunle & Bola Foods Nigeria Limited

Background:

Chief Bola Adekunle, a 68-year-old Nigerian citizen and tax resident, is the founder and Managing Director of Bola Foods Nigeria Limited. The company was incorporated on April 10, 2010. Its principal activity is the processing, packaging, and distribution of staple food products (Garri, Rice, Beans). The company operates from its factory in Ibadan and supplies retailers across South-West Nigeria.

Chief Adekunle wishes to retire by December 31, 2025, and hand over the business to his children in a structured and tax-efficient manner. He is also exploring opportunities for business expansion.

Key Individuals and family dynamics

- Chief Bola Adekoya: Founder and Managing Director. He owns 80% of the company and is actively involved in its daily operations.
- Tunde Adekoya (Son, Age 40): Lives in Lagos. Currently the Operations Manager. He is keen on expanding the business and has identified potentials in other West African markets.
- Funke Adekoya-Davis (Daughter, age 38): A Certified Accountant (ACCA) who has lived and worked in the UK for the past 12 years. She is interested in returning to Nigeria to run the finance and strategy side of the business. She is currently a non-resident of Nigeria for tax purposes.
- Seyi Adekoya (Son, age 35): Lives in Accra, Ghana, where he runs a small importing business. He is hesitant to return to Nigeria full-time but is interested in having a financial stake in the family business and assisting with expansion into Ghana.

Bola Foods Nigeria Limited – Financial summary (year ended December 31, 2024)

Description	Amount (₦)
Turnover	580,000,000
Profit before tax	145,000,000
<i>Add: Disallowed expenses (entertainment)</i>	5,000,000
<i>Less: Capital allowances (see below)</i>	(25,000,000)
Taxable profit	125,000,000
Companies income tax (CIT) @ 30%	37,500,000
Tertiary education tax (TET) @ 3% of PBT	4,350,000

Capital allowances summary

- Unabsorbed capital allowances brought forward (1/1/2024): ₦20,000,000
- Capital allowances for the year (2024): ₦5,000,000
- Total available for 2024: ₦25,000,000
- Unabsorbed capital allowances carried forward (31/12/2024): Nil

Company assets (at Cost, as of December 31, 2024)

- Factory building (Ibadan, acquired 2011): ₦120,000,000
- Plant & machinery (acquired at various times): ₦280,000,000
- Delivery vans (5 units): ₦45,000,000
- Land (Lekki, Lagos, purchased in 2022 as an investment): ₦90,000,000.

This land is currently unused and has been held as a capital asset.

Shareholding structure:

- Chief Bola Adekoya: 4,000,000 shares (80%)
- Tunde Adekoya: 1,000,000 shares (20%)