



# CITN MAGAZINE

A Publication of the Chartered Institute of Taxation of Nigeria

JANUARY/JUNE 2026

VOL. 026 | ISSUE 02

THE VOICE OF  
TAX PROFESSIONALS  
THE ENGINE OF  
NATIONAL PROGRESS

## CITN INAUGURATES FELLOWS' FORUM TO DEEPEN LEADERSHIP & MENTORSHIP



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### CITN AND CALEB UNIVERSITY SIGN LANDMARK MOU TO STRENGTHEN TAX EDUCATION

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### CITN INDUCTS NEW GENERATION OF TAX PROFESSIONALS

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#### FEATURED ARTICLE

## CLOSING NIGERIA'S VAT GAP THROUGH E-INVOICING & DIGITAL FISCALIZATION

By Paulinus Iyika (Reviewed)



Increase Revenue



Enhance Compliance



Drive Transparency



Build Trust



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IN PUBLIC SERVICE  
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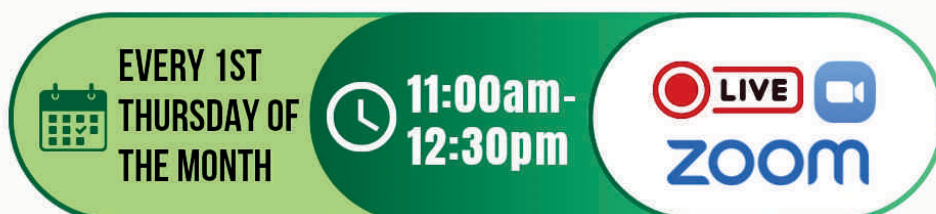
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# EDITOR-IN-CHIEF'S Note

Dear Reader,

The taxation profession continues to evolve in response to technological advancements, fiscal reforms, and the growing demand for efficient and transparent revenue administration. This edition of the CITN Magazine reflects these developments while highlighting significant milestones that reinforce the Chartered Institute of Taxation of Nigeria's commitment to advancing taxation practice, education, and national development.

Among the notable highlights in this edition are the inauguration of the CITN Fellows' Forum, a strategic platform designed to deepen leadership, mentorship, and knowledge sharing within the profession. We also feature the landmark Memorandum of Understanding between CITN and Caleb University, aimed at strengthening tax education, research, and professional development. Additionally, we celebrate the induction of a new generation of tax professionals and recognise distinguished members whose achievements in public service and corporate leadership continue to elevate the profile of the Institute.

This edition further showcases the launch of the CITN Taxation & You Studio and the Institute's strategic AI partnership with Corvendra, both of which underscore CITN's commitment to innovation, public engagement, and digital transformation.

Our feature articles examine important issues shaping the future of taxation. Topics covered include technological innovation in tax administration, the implementation of Nigeria's e-invoicing system, closing the VAT gap through digital fiscalisation, and the growing relevance of environmental taxation as a tool for sustainable development.



Collectively, the articles and features presented in this edition reflect a profession that is adapting to change while remaining focused on excellence, professionalism, and national development. We hope the insights shared will stimulate informed discussions and contribute meaningfully to the advancement of taxation policy and practice in Nigeria.

We sincerely appreciate our contributors, reviewers, partners, and stakeholders for their support in making this publication possible.

**Dr. Anthonia Alebiosu**  
Editor-in-Chief  
*CITN Magazine*

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## VISION

To be one of the foremost professional associations in Africa and beyond



## MISSION

To build an Institute which will be a citadel for the advancement of taxation in all its ramifications



## CORE VALUES

Service  
Teamwork  
Excellence  
Professionalism

**MOTTO:** Integrity & Service



## FROM THE **CHAIRMAN'S DESK**

Welcome to this edition of the CITN Magazine — a publication committed to promoting professional excellence, knowledge-sharing, and informed conversations within Nigeria's evolving tax and fiscal landscape.

As Nigeria continues to pursue major fiscal reforms, strengthen revenue administration, and embrace digital transformation, the role of taxation professionals has become more critical than ever. This edition captures some of the significant milestones, strategic initiatives, and emerging conversations shaping the future of taxation in Nigeria and beyond.

One of the major highlights in this issue is the inauguration of the CITN Fellows' Forum, a strategic platform designed to deepen mentorship, institutional continuity, and professional leadership within the Institute. The initiative reflects CITN's commitment to harnessing the experience and expertise of senior professionals toward strengthening the future of taxation practice and fiscal governance in Nigeria.

We also feature the landmark Memorandum of Understanding between CITN and Caleb University, aimed at advancing tax education, research collaboration, and professional development. The partnership reinforces the growing importance of bridging academia and professional practice in preparing a new generation of globally competitive tax professionals.

Another defining moment captured in this edition is the successful induction of over 1,400 new members into the Institute during the 54th Induction Ceremony. At a period of expanding fiscal reforms and changing regulatory realities, the admission of these professionals further strengthens the capacity and future of the tax profession in Nigeria.

This edition equally celebrates the growing influence of CITN members across public service, corporate leadership, and national economic management. Their achievements continue to reinforce the strategic relevance of taxation

professionals in governance, fiscal policy, and institutional transformation.

Readers will also find insightful articles on contemporary issues including environmental taxation, technological innovation in tax administration, e-invoicing, digital fiscalisation, and the future of taxation in a rapidly changing global economy.

As always, the CITN Magazine remains a platform for professional engagement, policy reflection, and intellectual exchange. We appreciate our contributors, stakeholders, and readers for their continued support and commitment to the advancement of the profession.

Thank you for reading, and we hope you find this edition both insightful and enriching.

Usman Ibrahim Alfararai, FCTI  
Chairman, Branding, Publicity &  
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2025/26 Presidential Year



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# CITN INAUGURATES FELLOWS' FORUM TO DEEPEN LEADERSHIP & MENTORSHIP



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The Chartered Institute of Taxation of Nigeria (CITN) recently recorded another significant milestone in its institutional development with the inauguration of the CITN Fellows' Forum — a strategic platform designed to strengthen engagement among Fellows of the Institute and further consolidate the role of senior professionals in shaping the future of taxation in Nigeria.

The inauguration, which has generated considerable attention within professional and taxation circles, is widely viewed as a deliberate effort by the Institute to harness the vast experience, intellectual capacity, and institutional memory of its senior membership cadre toward advancing the tax profession and supporting national fiscal development.

The establishment of the Fellows' Forum comes at a particularly important period in Nigeria's fiscal evolution, as

the country intensifies efforts toward tax reforms, revenue optimisation, digital tax administration, and enhanced public sector accountability.

The Forum is expected to serve as a high-level professional platform through which Fellows of the Institute can contribute more strategically to policy conversations, institutional mentoring, professional ethics, research, advocacy, and the continuous development of taxation practice in Nigeria.

According to information available from the Institute's professional engagements and recent public communications, the initiative aligns with CITN's broader vision of strengthening professionalism, promoting knowledge-sharing, and building a more responsive and future-ready tax profession.



Some participants at the Forum

With taxation becoming more dynamic due to digitalisation, international tax developments, artificial intelligence, and changing fiscal policies, the Forum is expected to provide a reservoir of expertise capable of guiding both the Institute and younger practitioners through emerging challenges and opportunities.

## A Strategic Platform for Senior Professionals

The inauguration ceremony brought together distinguished Fellows, past presidents of the Institute, senior tax practitioners, policymakers, academics, revenue administrators, and key stakeholders within Nigeria’s taxation ecosystem.

Speakers at the event reportedly emphasised that the Forum was conceived not merely as a ceremonial association of senior members, but as a strategic think-tank capable of providing leadership and direction on critical issues affecting taxation and fiscal governance in Nigeria.

The Forum is expected to focus on several key objectives, including:

- Providing strategic advisory support to the Institute on taxation matters;
- Promoting mentorship and succession development within the profession;
- Preserving and transmitting institutional values and professional ethics;
- Supporting research, policy formulation, and thought leadership;
- Encouraging deeper collaboration among senior tax professionals;
- Strengthening advocacy on national fiscal and tax reform issues.

Observers note that the creation of the Fellows’ Forum reflects the Institute’s recognition of the invaluable role that experienced professionals must continue to play in navigating the increasingly complex and technology-driven global tax environment.

## Reinforcing Mentorship and Professional Succession

One of the major themes highlighted during discussions surrounding the inauguration was the importance of mentorship and intergenerational knowledge transfer within the profession.

The Institute has continued to witness remarkable growth in membership over the years, including the induction of large numbers of young professionals and graduates into the profession.

Consequently, stakeholders stressed the need for experienced Fellows to intentionally guide, mentor, and nurture the next generation of tax practitioners.

Participants reportedly underscored that professional excellence cannot be sustained solely through technical knowledge, but must also be built upon integrity, discipline, institutional culture, and practical experience acquired over time.

The Fellows’ Forum is therefore expected to provide a structured avenue through which emerging professionals can benefit from the wisdom, experience, and professional guidance of accomplished tax administrators and practitioners who have contributed significantly to the development of the profession over several decades.

Industry analysts believe this mentorship dimension could become one of the most enduring legacies of the Forum, particularly at a time when Nigeria requires a stronger

pipeline of highly competent and ethically grounded tax professionals.

## Supporting Tax Reforms and National Development

The inauguration also comes against the backdrop of ongoing tax reform initiatives and intensified national conversations on fiscal sustainability, revenue mobilisation, and economic competitiveness.

Recent engagements involving the Institute have consistently emphasised the need for a modern, transparent, equitable, and technology-driven tax system capable of supporting Nigeria’s development aspirations.

Within this context, the Fellows’ Forum is expected to function as an intellectual and professional resource platform capable of contributing meaningfully to public policy debates and reform implementation strategies.

Experts believe the collective expertise of the Fellows could prove particularly valuable in areas such as:

- Tax policy formulation and implementation;
- Digital taxation and emerging technologies;
- International taxation;
- Tax dispute resolution;
- Fiscal transparency and accountability;
- Revenue administration efficiency;
- Taxpayer education and compliance;
- Ethical standards and professional regulation.

By bringing together accomplished professionals from diverse sectors including public service, consulting, academia, legal practice, and corporate taxation, the Forum is expected to enrich the quality of discourse around Nigeria’s tax administration system.

### Strengthening Institutional Continuity

Another major significance of the inauguration lies in its contribution to institutional continuity and organisational stability.

Professional bodies globally increasingly rely on senior professional networks and advisory forums to preserve institutional heritage, support leadership transitions, and sustain long-term strategic direction.

For CITN, the Fellows’ Forum is expected to deepen continuity by ensuring that the experiences and contributions of senior members remain actively integrated into the Institute’s evolving programmes and initiatives.



The Forum may also strengthen collaboration between past and present leadership structures while fostering unity, inclusiveness, and stronger member engagement across various categories of membership.

Stakeholders have described the initiative as a timely and visionary intervention capable of consolidating CITN’s position as one of Africa’s foremost professional taxation bodies.

## Advancing the Future of the Profession

The inauguration of the Fellows’ Forum further demonstrates the Institute’s continuing commitment to innovation, institutional strengthening, and professional advancement.

Over the years, CITN has steadily expanded its influence through policy advocacy, professional training, strategic partnerships, digital transformation initiatives, research engagements, and stakeholder collaboration.

The establishment of the Forum therefore represents another important step in positioning the Institute to respond effectively to the rapidly changing realities of modern taxation practice.

As Nigeria continues to pursue comprehensive fiscal reforms and broader economic transformation, the role of experienced tax professionals will remain critical in ensuring that taxation contributes meaningfully to national development, public trust, and economic sustainability.

The Fellows’ Forum is expected to become a major pillar in this process by mobilising the expertise, influence, and leadership capacity of the Institute’s most senior professional members toward the continued growth of the tax profession and the strengthening of Nigeria’s fiscal system.



# CITN AND CALEB UNIVERSITY SIGN LANDMARK MOU

TO STRENGTHEN TAX EDUCATION, RESEARCH AND PROFESSIONAL DEVELOPMENT IN NIGERIA



The Chartered Institute of Taxation of Nigeria has entered into a landmark Memorandum of Understanding (MoU) with Caleb University as part of sustained efforts to deepen collaboration between academia and professional practice in the advancement of taxation education and capacity development in Nigeria.

The strategic partnership, formalised at a signing ceremony attended by principal officers and representatives of both institutions, represents a major step toward promoting excellence in tax education, strengthening professional competence, encouraging research and innovation, and preparing students for the rapidly evolving demands of the tax and fiscal environment.

The collaboration is expected to create a robust framework for institutional cooperation in areas such as curriculum development, professional training, taxation research, internship opportunities, student mentorship, knowledge exchange programmes, and continuous professional development initiatives. It will also provide a platform for students and academics to engage directly with industry practitioners and emerging trends in taxation practice and administration.

Speaking during the ceremony, the President/Chairman of Council of the Chartered Institute of Taxation of Nigeria described the partnership as timely and strategic, noting that the future of taxation practice in Nigeria depends greatly on the quality of professional education and the strength of collaboration between professional bodies and tertiary institutions.



According to him, the MoU reflects CITN's commitment to nurturing a new generation of highly skilled, ethical, innovative, and globally competitive tax professionals capable of contributing meaningfully to national development and economic growth. He further emphasized that the Institute remains committed to supporting institutions of higher learning through professional guidance, technical collaboration, and educational support initiatives designed to improve the quality of tax education in Nigeria.

He stated that taxation has become increasingly dynamic due to global economic realities, digital transformation, fiscal reforms, and evolving regulatory frameworks, making it imperative for students and young professionals to acquire both theoretical knowledge and practical industry exposure. He added that the partnership with Caleb University would help bridge existing gaps between classroom learning and professional practice while positioning students for greater career opportunities within the taxation and financial sectors.

The Deputy Vice-Chancellor of Caleb University, Prof. Sunday Adewale, who represented the Vice Chancellor, while expressing appreciation to CITN for the collaboration, described the partnership as a significant milestone in the University's drive toward academic excellence, innovation, and industry relevance. He noted that the University remains committed to producing graduates who are not only academically sound but also professionally prepared to compete favourably in today's knowledge-driven global economy.

He further stated that the collaboration would enrich the University's programmes in Accounting, Finance, Taxation, Business Administration, Economics, and related disciplines through increased exposure to professional standards, current industry practices, and practical learning experiences. According to him, the partnership will also enhance research opportunities, faculty development, and professional networking for both staff and students.

Representing Caleb University at the signing ceremony were Prof. Sunday Adewale, Deputy Vice Chancellor, Academic; Mr. Mayokun Olumeru, Registrar; Prof. Teju Somorin, Dean, College of Arts, Social and Management Sciences; and Prof. Barine Michael Nwadohie, Dean, Caleb Business School.

Under the terms of the Memorandum of Understanding, both institutions will collaborate in several strategic areas including:

- Curriculum enhancement and academic collaboration;
- Professional certification support and examination guidance;
- Joint research initiatives in taxation and fiscal policy;
- Internship, industrial attachment, and mentorship programmes for students;
- Guest lectures, seminars, conferences, and workshops;
- Executive training and capacity building programmes;
- Knowledge-sharing and professional exchange initiatives;

- Promotion of ethical standards and professionalism in taxation practice; and
- Continuous professional development opportunities for academics and practitioners.

The MoU is expected to significantly contribute to the development of competent tax professionals equipped with the technical expertise, ethical orientation, analytical skills, and practical knowledge required to support efficient tax administration, improved revenue generation, fiscal sustainability, and national economic transformation.

The agreement also aligns with CITN's broader institutional vision of strengthening taxation education and expanding strategic partnerships with universities and other institutions of higher learning across Nigeria in order to build a stronger and more professionally competent tax ecosystem.

The event concluded with the formal signing of the Memorandum of Understanding by representatives of both institutions, reaffirming their shared commitment to educational advancement, professional excellence, institutional collaboration, and national development.

### About CITN

The The Chartered Institute of Taxation of Nigeria is the foremost professional taxation body in Nigeria charged with regulating taxation practice and promoting professional excellence, ethical standards, capacity building, and taxation education in the country.

### About Caleb University

Caleb University is one of Nigeria's leading private universities renowned for its commitment to academic excellence, innovation, character development, entrepreneurship, and the production of globally competitive graduates.



# CITN Inducts New Generation of Tax Professionals

## Amid Nigeria's Expanding Fiscal Reforms



CITN Inducts New Generation of Tax Professionals Amid Nigeria's Expanding Fiscal Reforms

The Chartered Institute of Taxation of Nigeria (CITN) once again demonstrated its commitment to strengthening professionalism within Nigeria's tax ecosystem with the successful hosting of its 54th Induction Ceremony in Abuja, where over 1,400 new members were formally admitted into the nation's foremost professional taxation body.

The colourful and highly significant ceremony marked another milestone in the Institute's over four-decade journey of advancing tax administration, professionalism, fiscal policy advocacy and ethical standards in Nigeria. The event brought together senior members of the profession, government officials, policymakers, corporate leaders, academics, family members of inductees and other stakeholders within the nation's fiscal and economic landscape.

Held at a period of major fiscal transition in Nigeria, the induction ceremony came against the backdrop of sweeping tax reforms and the implementation of new tax laws aimed at modernising the country's tax administration system. Consequently, discussions throughout the programme focused heavily on the increasing need for competent, ethical and forward-looking tax professionals capable of supporting the nation's evolving fiscal realities.

### Pre-Induction Orientation Programme Sets the Tone

Before the induction ceremony itself, the Institute organised a comprehensive Pre-Induction Orientation Programme for prospective members in Abuja. The orientation programme served as a critical preparatory platform aimed at equipping intending members with the ethical, technical and professional foundations required for effective practice within the taxation profession.

The programme brought together seasoned professionals, facilitators and institutional leaders who engaged participants

on contemporary issues in taxation, evolving regulatory frameworks, professional ethics, compliance obligations and the practical realities of tax administration in Nigeria's rapidly changing fiscal environment.

Speaking during the opening of the orientation programme, the 17th President and Chairman of Council of CITN, Innocent Ohagwa, emphasized that the nation's evolving tax landscape now requires highly skilled and adaptable professionals capable of responding effectively to the demands of ongoing reforms. He noted that recent fiscal transformations had significantly expanded the responsibilities of tax practitioners, particularly in compliance, advisory and representation functions.

According to him, the Institute deliberately structured the pre-induction programme to ensure that prospective members are not only technically prepared but are also fully grounded in the ethical and professional standards expected of CITN members. He reiterated that the Institute, under its statutory charter, remains responsible for setting standards of competence and professionalism within the tax profession in Nigeria.

Also addressing participants during the orientation programme was Dr. Titilayo Eni-Itan Fowokan, Chairman of the CITN Tax Academy Committee. She congratulated the prospective inductees on reaching an important milestone

in their professional journey and described their admission into the programme as evidence of discipline, resilience and professional determination.

Dr. Fowokan explained that the orientation programme represented a critical bridge into full membership of the Institute, as it exposed participants not only to technical taxation issues but also to professional conduct, ethics and institutional values. She emphasized the Institute's core values of Service, Teamwork, Excellence and Professionalism (STEP), urging participants to embody these principles throughout their careers.

Participants at the orientation programme also had opportunities to interact closely with experienced practitioners and resource persons who shared practical insights into tax administration, client management, compliance procedures, emerging tax trends and the future direction of the profession. The sessions were designed to prepare the prospective members for the realities, expectations and responsibilities that come with professional practice in today's complex fiscal environment.

The Institute equally stressed that participation in the orientation programme was mandatory and formed an important prerequisite for qualification for induction into membership.



## Formal Admission into the Profession

Following the orientation programme, the induction ceremony itself was held amidst excitement, pride and celebration as the new members were formally admitted into the Institute.

Delivering his keynote address during the ceremony, Innocent Ohagwa described the induction as more than a ceremonial event. According to him, it represented a call to service at a critical period in Nigeria's fiscal evolution. He stated that "there is perhaps no better time to be a tax professional than now," noting that businesses, institutions and individuals increasingly require expert guidance to navigate the complexities of the changing tax environment.

He further explained that the enactment of new tax laws, including the Nigeria Tax Administration Act, 2025, had significantly elevated the strategic relevance of certified tax professionals by recognising only accredited practitioners for certain tax representation functions.

The CITN President therefore charged the newly inducted members to uphold integrity, competence and professionalism at all times, stressing that ethical conduct and technical excellence have become indispensable in today's taxation practice. He also disclosed that the Institute had strengthened its recertification and professional development standards in response to the changing realities within the profession.

In his welcome remarks, Chairman of the Membership and Professional Conduct Committee, Dr. Yemi Sanni, described the induction as a watershed moment for both the Institute and the taxation profession in Nigeria. He observed that the comprehensive reforms introduced in recent years — including tax law harmonisation, restructuring of tax authorities and the emergence of new administrative frameworks — would require active professional participation to succeed.

Dr. Sanni urged the newly inducted members to see themselves as active contributors to national development and the ongoing tax reform process, rather than mere observers. He encouraged them to bring innovation, professionalism and integrity into their practice while supporting compliance and fiscal accountability within the system.

The Registrar and Chief Executive of the Institute, Afolake Oso, formally welcomed the new members into the

Institute and reminded them of the responsibilities attached to membership of the nation's leading professional taxation body. She encouraged them to remain committed to continuous learning through the Institute's Mandatory Professional Training Programmes (MPTP), annual conferences, webinars, district society activities and other professional engagements.

## Distinguished Guests and Key Messages

One of the major highlights of the induction ceremony was the presence of notable dignitaries and stakeholders within Nigeria's public finance and governance space.

Serving as Guest of Honour, Senator Enyinnaya Abaribe, represented by Senator Sunday Katung, challenged tax professionals and the Institute to continue demanding transparency and accountability in the utilisation of public revenues generated from taxpayers. He emphasized that citizens must experience visible improvements in infrastructure and public services as government intensifies efforts to expand the nation's tax base.

He noted that taxation remains central to national development and economic sustainability, adding that tax professionals occupy a strategic position as custodians of public trust and fiscal accountability.

## Awards, Recognition and Professional Excellence

A major feature of the ceremony was the administration of the oath of membership, symbolising the formal admission of the new inductees into the Institute. The atmosphere was filled with excitement and fulfilment as the newly admitted members took their oath before senior professionals, family members and invited guests. The event also featured the presentation of awards and prizes to outstanding performers in the Institute's professional examinations. Candidates who distinguished themselves academically received commendations and recognition for their exceptional performance, further reinforcing the Institute's longstanding culture of excellence, merit and professionalism.

Beyond the formal proceedings, the induction ceremony provided an important networking platform for the new members, many of whom interacted with senior practitioners, institutional leaders and fellow professionals within the taxation ecosystem. The engagements reflected

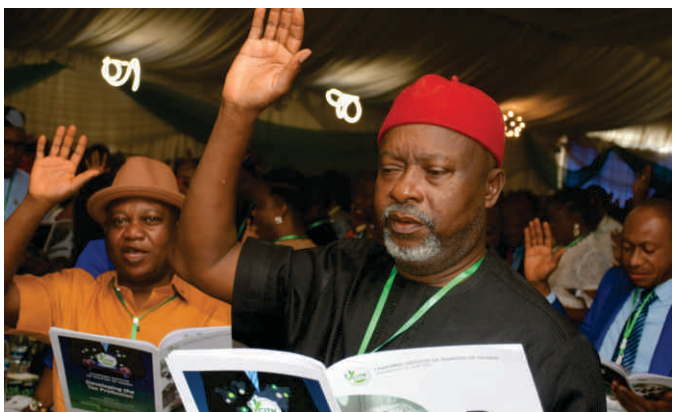
optimism about the future of the profession and confidence in the capacity of the new inductees to contribute meaningfully to Nigeria’s fiscal development.

### **Strengthening the Future of Taxation in Nigeria**

Media commentaries and stakeholder reactions surrounding the induction consistently highlighted the significance of the admission of over 1,435 new professionals into Nigeria’s tax system at a time of extensive fiscal reforms. Analysts noted that strengthening professional capacity would play a critical role in improving tax administration, enhancing taxpayer advisory services and supporting efficient implementation of ongoing reforms.

Ultimately, the 54th Induction Ceremony and the accompanying Pre-Induction Orientation Programme represented far more than institutional formalities. Together, they reaffirmed the Chartered Institute of Taxation of Nigeria’s unwavering commitment to building a tax profession anchored on competence, ethics, professionalism, accountability and continuous learning.

As the newly inducted members commence their professional journey within the Institute, expectations remain high that they will contribute significantly toward strengthening tax compliance, improving fiscal governance and supporting sustainable national development through an efficient and globally relevant tax system.





## New Appointments Feature

# CITN Members Continue to Scale New Heights In Public Service and Corporate Leadership

The growing influence of members of the Chartered Institute of Taxation of Nigeria (CITN) across strategic sectors of the Nigerian economy has once again come to the fore with the recent elevation, nomination and appointment of several distinguished members of the Institute into high-profile positions in government, finance, consulting and public administration.

From ministerial nominations and appointments into critical national policy roles to leadership positions in globally renowned professional services firms as well as state economic management portfolios, members of the Institute continue to demonstrate the depth of competence, professionalism, integrity and technical expertise for which the CITN brand has become widely respected.

These milestones are not only personal achievements for the individuals concerned, but also a strong testament to the quality of professional development, ethical orientation and technical capacity that the Institute has consistently promoted over the years in the taxation profession and allied disciplines.

The recent wave of recognitions and appointments has further reinforced the strategic relevance of taxation professionals in shaping national economic policy, driving fiscal reforms, promoting transparency and strengthening institutional governance both in the public and private sectors.

### Taiwo Oyedele, FCTI – National Tax Reform Arrowhead and Ministerial Recognition



One of the most prominent personalities associated with the ongoing tax reform conversation in Nigeria is Mr. Taiwo Oyedele, FCTI, whose expertise and influence in fiscal policy formulation have continued to attract national and international attention.

Widely regarded as one of Nigeria's leading tax and fiscal policy experts, Oyedele has played a central role in shaping conversations around tax harmonisation, revenue optimisation, economic competitiveness and fiscal sustainability. Over the years, he built an enviable professional reputation through his extensive work in taxation, advisory and public policy.

His emergence as a key figure in Nigeria's fiscal reform ecosystem has not only elevated the profile of the taxation profession but has also further positioned the CITN as a major stakeholder in national economic development.

The Institute had earlier congratulated him following his nomination into a ministerial role connected with the nation's economic management architecture, describing the development as a reflection of the quality and competence embedded within the Institute's membership base.

Oyedele's rise has continued to inspire younger professionals within the Institute, especially in demonstrating how technical competence in taxation can translate into broader national leadership responsibilities.

**Joseph Olasunkanmi Tegbe, FCTI – From KPMG Leadership to National Economic Service**



Another distinguished member whose recent elevation has attracted widespread attention is Mr. Joseph Olasunkanmi Tegbe, FCTI.

A highly respected corporate strategist and public policy expert, Tegbe previously distinguished himself as Partner and Head of Technology Advisory and

Markets at KPMG Nigeria, where he contributed significantly to advisory services spanning technology, public sector reforms, telecommunications and strategic transformation initiatives across Africa.

Following decades of impactful private-sector leadership, Tegbe transitioned into public service and national economic development initiatives, where he has continued to deploy his extensive experience in governance, policy advisory and economic transformation.

His appointment into national economic leadership responsibilities, including his role in tax policy implementation initiatives and subsequent ministerial appointment, reflects the increasing confidence reposed in CITN members to provide direction in critical sectors of the economy.

Tegbe's professional journey underscores the growing intersection between taxation, governance, technology and economic planning, while also reinforcing the strategic relevance of tax professionals in modern nation-building.

**Tola Adeyemi, FCTI – Leading KPMG One Africa**



In the global consulting and professional services space, Mr. Tola Adeyemi, FCTI, continues to make the Institute proud through his emergence as Chief Executive Officer for KPMG One Africa.

Adeyemi, who possesses over three decades of professional experience, has built a distinguished

career advising local and international organisations across financial services, energy, telecommunications, consumer markets and the public sector.

His ascension to the top leadership position within one of the world's leading professional services organisations further demonstrates the global competitiveness and managerial capabilities of CITN members.

As a Fellow of the Chartered Institute of Taxation of Nigeria, his success story highlights the increasing recognition accorded taxation professionals within broader corporate leadership and strategic advisory environments.

His leadership role within KPMG One Africa is particularly significant given the evolving economic and regulatory landscape across the African continent, where taxation, compliance, governance and business sustainability continue to occupy centre stage.

## CITN Members in Public Finance and Economic Administration

Beyond the corporate environment, several members of the Institute have also continued to distinguish themselves in public finance administration and state economic management.

Across various states of the federation, members of the Institute have either served or are currently serving as Commissioners for Finance, economic advisers, heads of revenue agencies, directors of finance and public sector reform champions.

These appointments are reflective of the confidence government institutions continue to place in the competence and professionalism of CITN-certified practitioners.

One notable example is Mr. Obinna Oriaku, a member associated with public finance administration who served as Commissioner for Finance in Abia State and later earned national recognition through federal appointment into another strategic public office.

Similarly, professionals such as Ayodeji Ariyo Gbeleyi, FCTI, who currently occupies strategic responsibilities in public enterprise administration and economic governance, continue to demonstrate the expanding influence of taxation professionals in Nigeria's economic management structure.

Also deserving of recognition is Mr. Muyiwa John Adetola, a distinguished member of the Chartered Institute of Taxation of Nigeria, who was appointed as the Accountant-General of Lagos State and Permanent Secretary, State Treasury Office, effective March 2, 2026. Prior to his appointment, Adetola served as the State Auditor-General, where he earned commendation for professionalism, accountability and fiscal oversight.

His elevation by the Lagos State Government is widely regarded as a testament to his competence, dedication and extensive experience in public financial management. Given Lagos State's strategic position as Nigeria's commercial nerve centre and one of Africa's largest sub-national economies, the office of the Accountant-General remains one of immense responsibility and national significance.

As Accountant-General, Adetola is expected to play a central role in treasury management, fiscal discipline, financial reporting, accountability and the efficient administration of public resources. His emergence further reinforces the growing visibility and relevance of CITN members in driving sound governance, institutional transparency and economic sustainability within the public sector.

The appointment also adds to the growing list of CITN professionals occupying strategic positions across Nigeria's financial and economic governance architecture, thereby further strengthening the Institute's reputation as a breeding ground for excellence and transformational leadership.

The public sector relevance of CITN members has also been visible in revenue administration, fiscal policy implementation, budgeting, debt management and institutional reforms at both federal and sub-national levels.

### **A Growing Legacy of Professional Excellence**

The continued rise of CITN members into influential positions across sectors is not accidental. It is the product of years of deliberate professional development, ethical training, technical competence and institutional discipline championed by the Institute.

Established as Nigeria's foremost professional taxation body, the Chartered Institute of Taxation of Nigeria has consistently played a central role in deepening tax professionalism, promoting fiscal responsibility and enhancing the quality of tax administration in the country.

Through its professional examinations, mandatory training programmes, conferences, research initiatives and policy advocacy engagements, the Institute has continued to produce professionals capable of competing favourably at both national and international levels.

The Institute's expanding influence has become even more visible in recent years as taxation increasingly

assumes a strategic role in economic diversification, revenue mobilisation and national development.

## **Strengthening the Institute's National Visibility**

The appointment and elevation of CITN members into influential positions also contribute significantly to enhancing the visibility and reputation of the Institute within national and international circles.

For younger members and aspiring tax professionals, these achievements serve as powerful motivation and evidence that excellence within the taxation profession can open doors to broader leadership opportunities in governance, corporate strategy, economic management and international consulting.

The Institute's leadership has repeatedly emphasised the importance of professionalism, ethical conduct, innovation and continuous learning as essential ingredients for success in today's rapidly evolving economic environment.

The accomplishments of these distinguished members therefore stand not only as personal victories, but as collective achievements for the entire CITN family.

## **CITN's Enduring Impact on National Development**

As Nigeria continues to pursue fiscal reforms, expand its revenue base and strengthen institutional accountability, the role of highly skilled taxation professionals will remain indispensable.

Members of the Chartered Institute of Taxation of Nigeria have continued to prove themselves as trusted professionals capable of contributing meaningfully to economic transformation, policy formulation, financial governance and corporate leadership.

The recent appointments, nominations and elevations recorded by notable members of the Institute therefore represent more than ceremonial recognitions; they are affirmations of the growing strategic importance of taxation professionals in national development.

Indeed, the continued emergence of CITN members in positions of authority and influence across government

institutions, multinational organisations and corporate establishments further reinforces the Institute's reputation as a breeding ground for excellence, integrity and transformational leadership.

As the Institute continues to advance the frontiers of taxation practice and professional development in Nigeria and beyond, the accomplishments of its members will undoubtedly remain a source of pride, inspiration and institutional prestige.



## **CITN Taxation & You Studio:** **Giving Taxation a Stronger Voice in Nigeria**

The conversation around taxation in Nigeria is changing. What was once viewed largely as a technical subject reserved for professionals and policy makers is increasingly becoming a matter of national interest—touching businesses, governments, entrepreneurs, employees, and everyday citizens alike. Recognising the need for sustained public engagement, simplified education, and real-time policy communication, the Chartered Institute of Taxation of Nigeria (CITN) has taken a bold and historic step with the establishment of the CITN Taxation & You Studio.

Now fully operational, the studio marks a significant milestone not only for the Institute but also for professional practice and public enlightenment in Nigeria. Widely regarded as the first of its kind among professional institutes in the country, the initiative positions CITN at the forefront of media-driven professional advocacy and taxpayer education.

The studio was conceived as more than a broadcasting facility. It is a strategic knowledge platform designed to deepen tax awareness, stimulate informed national

conversations, and bring taxation closer to the people. Through professionally produced television and radio programmes, the Institute now has a dedicated channel through which critical fiscal and economic issues can be discussed consistently, credibly, and in language accessible to all.

From policy analysis and expert interviews to public enlightenment programmes and live event coverage, the CITN Taxation & You Studio is redefining how taxation is communicated in Nigeria. The platform is already creating opportunities for direct engagement between tax administrators, policy makers, practitioners, business operators, and taxpayers.

For government and revenue authorities, the studio provides an important avenue to explain reforms, clarify implementation concerns, and build greater public confidence in the tax system. In an era where misinformation can spread rapidly, the value of a credible professional platform dedicated to fact-based tax communication cannot be overstated.



Already, the studio has begun airing engaging programmes addressing topical national issues including tax reforms, digital economy taxation, revenue generation, fiscal sustainability, tax administration challenges, and the role of taxation in national development. Early audience feedback has reflected growing interest in having a consistent, authoritative source of tax information presented in an engaging and simplified format.

The establishment of the CITN Taxation & You Studio also reflects the Institute's broader commitment to innovation and public impact. In a rapidly evolving media and digital communication environment, professional relevance increasingly depends on visibility, accessibility, and the ability to shape public understanding beyond conference halls and technical publications. The Institute has clearly recognised this reality and responded proactively.

Importantly, the studio is expected to strengthen tax culture in Nigeria over time. By sustaining regular public education and encouraging constructive dialogue, the initiative can contribute meaningfully to improved compliance, enhanced civic responsibility, and stronger trust between taxpayers and government institutions.

As the studio continues operations, expectations remain high for the quality of programming and the impact it will have on national conversations around taxation and economic development. What is certain, however, is that the Institute has opened a new chapter—one in which taxation is no longer discussed only among experts, but increasingly becomes part of mainstream public discourse.

With the CITN Taxation & You Studio, the Institute is not merely broadcasting programmes; it is amplifying knowledge, shaping policy conversations, and redefining professional engagement in Nigeria's tax ecosystem.

For taxpayers, the benefits are equally significant. Many Nigerians often struggle with understanding tax obligations, compliance requirements, available incentives, and evolving fiscal regulations. The studio bridges this information gap by translating complex tax concepts into practical and relatable discussions capable of improving voluntary compliance and public understanding.

Tax practitioners and members of the Institute also stand to benefit immensely. Beyond showcasing professional expertise, the platform offers members increased visibility and opportunities to contribute to national discourse through interviews, technical sessions, policy debates, and educational programmes. It further reinforces the Institute's role as the leading voice of taxation in Nigeria.



# Green and Environmental Taxes: A Global Review and Policy Roadmap for Nigeria.

By:

**Ikuesewo Sunday Oyewole-CPIA**

Member- Society for West African Internal  
Audit Practitioners (SWAIAP)

+234 806 814 9796

adetoyeoyewole@yahoo.com

## 1. Introduction

The 21st century is characterised by escalating climate change and widespread environmental degradation. Rising global temperatures, extreme weather events, biodiversity loss, ocean pollution, and toxic air quality illustrate the severity of the global ecological crisis (Intergovernmental Panel on Climate Change [IPCC], 2023; United Nations Environment Programme [UNEP], 2022). These challenges have prompted governments to adopt fiscal strategies that influence economic behaviour and promote environmental sustainability. Among these strategies, green and ecological taxes have emerged as critical tools for mitigating environmental harm while generating public revenue (Organisation for Economic Co-operation and Development [OECD], 2023).

Green or environmental taxes are compulsory financial charges levied on activities that negatively impact the environment, including fossil fuel combustion, greenhouse gas emissions, industrial effluents, plastic pollution, deforestation, and improper waste disposal (World Bank, 2023). Their theoretical basis is grounded in Pigouvian economics, which holds that when production or consumption activities impose negative externalities on society, governments can levy taxes equal to the social cost of environmental damage to realign private incentives with societal welfare (Pigou, 1920; Fullerton & Metcalf, 2021).

This aligns with the polluter-pays principle (PPP), a core doctrine in international environmental law endorsed by the OECD and the European Union, which mandates that those responsible for pollution bear the costs of prevention and remediation (OECD, 2021; European Commission, 2022).

Globally, environmental taxation has evolved from theory to implementation. The European Union employs energy taxes, landfill levies, and emissions trading systems to reduce pollution and finance green initiatives (European Environment Agency, 2023). Sweden pioneered the world's first comprehensive carbon tax in 1991, contributing to a significant reduction in carbon emissions while sustaining economic growth (Swedish Ministry of Finance, 2022). Germany's ecological tax reform linked increases in energy taxes to reductions in pension contributions, thereby balancing environmental goals with social equity (Federal Ministry of Finance, Germany, 2021).

Emerging economies such as South Africa, India, and China have introduced pollution charges, coal taxes, and carbon pricing mechanisms tailored to their developmental and industrial contexts (World Bank, 2023; National Development and Reform Commission of China, 2022).

For Nigeria, the urgency of adopting environmental taxation is undeniable. The nation faces critical environmental challenges, including chronic gas flaring in the Niger Delta, oil spills, deforestation in the northern region, plastics and waste pollution in urban centres, and recurrent flooding in coastal states (Federal Ministry of Environment, Nigeria, 2023; UNEP, 2022). While policies exist—such as gas flaring penalties and enforcement by the National Environmental Standards and Regulations Enforcement Agency (NESREA), these measures remain fragmented and insufficient within Nigeria's broader fiscal framework (NESREA, 2021; Ahmad & Omofonmwan, 2023). With declining oil revenues, growing climate-related vulnerabilities, and commitments under the Paris Agreement, environmental taxes offer Nigeria a pathway to diversify revenue sources, curb pollution, and align with global climate finance mechanisms (International Monetary Fund [IMF], 2023; Federal Inland Revenue Service [FIRS], 2023).

Accordingly, this article examines the concept of environmental taxation, global best practices, Nigeria's current environmental and fiscal challenges, economic and legal implications, institutional barriers, and strategic policy recommendations. It is designed to inform policymakers,

tax professionals, and key institutions such as the Chartered Institute of Taxation of Nigeria (CITN), the Federal Inland Revenue Service (FIRS), the Ministry of Environment, and NESREA.

## 2. Main Discussion and Implications

### 2.1 Understanding Green and Environmental Taxes

Green and environmental taxes are compulsory and non-reciprocal payments imposed by governments on activities, products, or services that cause environmental harm (OECD, 2023; World Bank, 2023). These taxes aim not only to generate revenue but primarily to influence behaviour by making environmentally harmful practices more costly, thereby promoting cleaner production and consumption patterns (Fullerton & Metcalf, 2021; European Environment Agency, 2023).

#### Theoretical Foundation:

The intellectual foundation of green taxation lies in Arthur Pigou's economic theory of externalities. Pigou (1920) argued that when economic activities impose external costs, such as pollution, on society, governments can correct the distortion by imposing a tax equal to the marginal social cost of the damage. This approach is known as a Pigouvian tax, designed to internalise negative externalities and align private costs with social costs (Fullerton & Metcalf, 2021).

This concept is closely aligned with the Polluter-Pays Principle (PPP), which mandates that those responsible for generating pollution or environmental degradation should bear the costs of its prevention, control, and remediation (OECD, 2021; European Commission, 2022). PPP has been adopted widely in international environmental agreements and national legislations, serving as a guiding principle for environmental fiscal reforms (UNEP, 2022). A more contemporary innovation is the concept of Ecological Fiscal Transfers (EFTs). Under EFT systems, national governments redistribute tax revenues to sub-national governments based on ecological criteria such as biodiversity conservation, carbon sequestration, or protection of forest reserves (Ring et al., 2022; OECD, 2023). This incentivises local governments to preserve ecosystems and maintain protected areas while compensating them for the fiscal opportunity costs of conservation.

#### Type of Environmental Taxes:

Environmental taxes can take various forms depending on

the targeted pollutant or environmental objective. Common categories include:

**Carbon Taxes:** Levied on fossil fuels based on their carbon content or per tonne of CO<sub>2</sub>-equivalent emissions (World Bank, 2023).

**Plastic Taxes:** Imposed on the production or import of virgin plastics or single-use products to reduce waste and promote recycling (UNEP, 2022).

**Fuel Excise Duties:** Taxes on petrol, diesel, and other energy products that indirectly discourage fossil fuel consumption (IMF, 2023).

**Pollution or Emission Charges:** Fees on industrial discharges of pollutants such as sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), or wastewater contaminants (NESREA, 2021).

**Landfill and Waste Disposal Levies:** Taxes on the disposal of waste in landfills to incentivise waste reduction, recycling, and circular economy practices (European Environment Agency, 2023).

Through these instruments, governments seek to realign economic incentives, protect natural resources, and generate revenue that can be redirected toward climate adaptation, renewable energy projects, waste management, and sustainable development priorities (IMF, 2023; World Bank, 2023).

Environmental taxes take multiple forms depending on the environmental issue they are designed to address.

**The most widely adopted categories include the following:**

#### **Carbon Tax:**

A carbon tax places a direct price on each tonne of carbon dioxide (CO<sub>2</sub>) equivalent emitted from fossil fuels such as coal, oil, and natural gas. It is considered one of the most efficient tools for reducing greenhouse gas emissions by internalising the environmental cost of carbon pollution (World Bank, 2023; IMF, 2023). Countries like Sweden, Canada, and South Africa have implemented carbon taxes to encourage cleaner energy choices and promote decarbonization (Swedish Ministry of Finance, 2022; National Treasury South Africa, 2021).

#### **Plastic Tax:**

Plastic taxes are levied on the production or importation of

virgin plastic materials or single-use plastic products to discourage plastic pollution and stimulate recycling industries (UNEP, 2022; OECD, 2023). For example, the United Kingdom introduced a Plastic Packaging Tax in 2022 on packaging that contains less than 30% recycled content (UK HM Revenue & Customs, 2022).

#### **Fuel Excise Duties:**

Fuel excise duties are taxes imposed on petrol, diesel, kerosene, and other refined petroleum products. Although traditionally introduced to raise revenue, they also reduce fossil fuel consumption and emissions by increasing fuel costs and influencing consumer behaviour (IMF, 2023; European Environment Agency, 2023). Many European countries and emerging economies include environmental components in fuel excise structures to discourage carbon-intensive transport.

#### **Emission Charges:**

Emission charges (or pollution charges) are fees imposed on the discharge of pollutants such as sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), chemical effluents, or wastewater into the environment (OECD, 2021; NESREA, 2021). These charges encourage industries to install pollution-control technologies and adopt cleaner production methods. China and India have implemented such measures for industrial air and water pollution control (National Development and Reform Commission of China, 2022).

#### **Landfill and Waste Disposal Levies:**

Landfill taxes are imposed on each tonne of waste disposed of at landfills to make landfill use less economically attractive and promote recycling, composting, and waste-to-energy programs (European Environment Agency, 2023; UNEP, 2022). The United Kingdom's Landfill Tax and similar policies in Germany and South Korea have successfully reduced landfill dependency and boosted circular economy initiatives (OECD, 2023).

## **2.2 Global Experiences and Lessons**

Several countries offer valuable lessons in designing, implementing, and evolving green taxes, illustrating how policy, administration, and revenue recycling can influence environmental outcomes.

**Sweden:** A global pioneer, Sweden introduced the world's first carbon tax in 1991. To ensure political acceptability, the tax was implemented alongside reductions in income taxes, making it fiscally neutral (Swedish Ministry of Finance, 2022). Over the past three decades, Sweden has

achieved a significant reduction in greenhouse gas emissions while maintaining strong economic growth, demonstrating that a predictable and gradually increasing tax rate allows businesses and consumers time to adapt and invest in cleaner technologies (World Bank, 2023).

**Germany:** Germany's (Ecological Tax Reform), launched in 1999, systematically shifted part of the tax burden from labour to energy consumption. The additional revenues were used to subsidise renewable energy projects and reduce pension contributions, demonstrating the power of revenue recycling to mitigate regressive impacts and fund the green transition (Federal Ministry of Finance, Germany, 2021; OECD, 2022). This experience underscores the importance of integrating environmental taxes within broader fiscal reforms.

**India:** In 2010, India introduced a Clean Energy Cess on coal to finance renewable energy initiatives through the National Clean Energy Fund. While conceptually effective, the program faced administrative challenges and the eventual depletion of earmarked funds, diluting its impact (Government of India, 2022; IMF, 2023). For Nigeria, this highlights the critical need for clear legal frameworks and dedicated revenue allocation to ensure that environmental taxes are used as intended.

**South Africa:** South Africa's Carbon Tax Act (2019) adopted a flexible "polluter-pays-for-transition" model. The law provides significant tax-free allowances (up to 60–95% during the first phase) for entities that meet certain emission-reduction benchmarks, allowing a gradual adjustment for industrial competitiveness (National Treasury South Africa, 2021; World Bank, 2023). This phased approach demonstrates the importance of balancing environmental goals with economic considerations, particularly in energy-intensive sectors.

**Kenya and Rwanda:** Both nations implemented stringent bans and levies on plastic bags, resulting in dramatic reductions in plastic pollution (UNEP, 2022). Their success illustrates the effectiveness of targeted, high-impact taxes on specific pollutants and highlights the need for robust enforcement mechanisms to achieve measurable environmental benefits.

**China:** China's Environmental Protection Tax Law (2018) replaced the ineffective pollutant discharge fee system. By shifting administration from environmental agencies to the tax authority, enforcement was strengthened, and revenue collection improved (National Development and

Reform Commission of China, 2022). This demonstrates the critical role of a strong administrative apparatus and the advantage of leveraging existing tax collection infrastructure to enhance compliance and transparency.

### **2.3 Nigeria's Environmental Challenges and Tax Responses**

Nigeria faces severe environmental challenges, yet its use of environmental taxation remains fragmented and underdeveloped (UNEP, 2022; Ahmad & Omofonmwan, 2023).

**Niger Delta and Gas Flaring:** The Niger Delta region continues to suffer extensive environmental degradation from oil extraction activities, including gas flaring, oil spills, and soil contamination (Akpan & Akpabio, 2021). The government has imposed a Gas Flaring Penalty. Still, its rate has historically been far below the estimated social cost of flaring, making it economically more feasible for oil companies to pay fines than to invest in gas capture or reduction technologies (FIRS, 2023; Okafor et al., 2022). Recent policy adjustments between 2021 and 2024 have attempted to increase penalties and link them to international gas prices; however, enforcement remains inconsistent, and large-scale flaring continues (Federal Ministry of Environment, Nigeria, 2023).

**Ecological Fund:** Established to fund ecological restoration and emergency interventions, the Ecological Fund has suffered from allegations of misappropriation, weak oversight, and poor transparency (Ahmad & Omofonmwan, 2023; UNEP, 2022). Its limited effectiveness demonstrates that without clear criteria, robust accountability mechanisms, and public monitoring, dedicated environmental funds risk underperformance or resource misuse.

**Sub-National Initiatives:** Lagos State has pioneered environmental taxation at the sub-national level, introducing waste management levies and exploring policies to reduce single-use plastics (Lagos State Ministry of Environment, 2022). While these initiatives show promise, they can result in regulatory fragmentation, creating compliance challenges for businesses operating across multiple states (FIRS, 2023).

**Draft Climate Change Bill:** The proposed national legislation seeks to establish a carbon budget, implement a carbon tax, and formalise climate-related fiscal measures (Federal Ministry of Environment, Nigeria, 2023). If enacted, this bill could provide a coherent framework for

environmental taxation and align Nigeria with global carbon reduction targets. However, its passage has been delayed due to political inertia and competing fiscal priorities (IMF, 2023).

## 2.4 Economic, Social, and Environmental Implications

The introduction of green taxes constitutes a significant economic intervention with multifaceted impacts. Economically, taxes on fuel, energy, and raw materials can raise production costs, potentially contributing to inflation and reducing competitiveness in carbon-intensive sectors such as manufacturing and transportation (IMF, 2023; World Bank, 2023). However, adverse effects can be mitigated through revenue recycling, where proceeds are used to lower distortionary taxes or fund targeted support for affected industries and households (OECD, 2022).

Socially, green taxes are often regressive, disproportionately affecting low-income households that spend a larger share of their income on energy and transportation (UNEP, 2022). Equity considerations necessitate social cushioning measures, including direct cash transfers, energy subsidies, or public transport support, to protect vulnerable populations (Fullerton & Metcalf, 2021).

Environmentally, well-designed green taxes incentivise emission reductions, resource efficiency, and sustainable practices (European Environment Agency, 2023). Revenues can be allocated to public environmental goods, such as renewable energy projects, afforestation, flood control infrastructure, and water purification systems, generating a positive feedback loop that enhances environmental health and supports sustainable development (World Bank, 2023; UNEP, 2022).

## 2.5 Legal, Institutional, and Administrative Framework

Nigeria's institutional framework for environmental taxation remains fragmented, limiting effectiveness (Ahmad & Omofonmwan, 2023; UNEP, 2022). Key actors include:

**Federal Inland Revenue Service (FIRS):** Possesses the broadest tax collection infrastructure and should administer national green taxes, such as a carbon tax (FIRS, 2023).

**National Environmental Standards and Regulations Enforcement Agency (NESREA):** Sets technical standards and monitors compliance, but lacks strong tax-collection authority (NESREA, 2021).

**Ministry of Environment:** Responsible for policy formulation and international climate commitments (Federal Ministry of Environment, Nigeria, 2023).

**Nigerian Customs Service:** Enforces border taxes on imported plastics, e-waste, and pollutants (IMF, 2023).  
**Chartered Institute of Taxation of Nigeria (CITN):** Develops professional capacity, ethical guidelines, and training in environmental taxation (CITN, 2022).

A dedicated Environmental Tax Act is necessary to consolidate provisions, define tax bases, set rates, and ensure transparent revenue allocation (OECD, 2023). Digital solutions, including GIS, satellite monitoring, e-taxation platforms, and blockchain, can enhance compliance, transparency, and real-time tracking of environmental tax revenues (World Bank, 2023; UNEP, 2022).

## 2.6 Barriers and Challenges

Nigeria's implementation of green taxes faces multiple obstacles. Governance deficits, including corruption and vested political interests in the oil and gas sector, undermine enforcement and create loopholes for exemptions (Ahmad & Omofonmwan, 2023). Data gaps limit the ability to set accurate tax rates or evaluate environmental impacts (UNEP, 2022). The informal sector, which accounts for a significant portion of the economy, facilitates tax evasion through activities such as smuggling untaxed plastics (IMF, 2023). Public resistance is heightened by poor awareness of environmental benefits and perceptions of green taxes as revenue-generating measures rather than sustainability tools (OECD, 2023; World Bank, 2023).

## 3. Conclusion and Way Forward

Global experience demonstrates that green taxes are a powerful, efficient, and fiscally sound mechanism for mitigating environmental degradation (World Bank, 2023; OECD, 2023). For Nigeria, which is at a crossroads between a fossil-fuel-dependent economy and sustainable development, the adoption of environmental taxation is no longer optional but essential (Ahmad & Omofonmwan, 2023; UNEP, 2022). Currently, initiatives such as gas flaring penalties, the Ecological Fund, and sub-national waste levies are promising but fragmented, with weak enforcement and the absence of a coherent national framework (FIRS, 2023; Lagos State Ministry of Environment, 2022).

The way forward requires decisive and coordinated action:

1. Enact a National Green Tax Policy and Environmental Fiscal Framework: The Federal Government should formalise principles, objectives, and a phased roadmap for green taxation, supported by a dedicated Environmental Tax Act to ensure legal clarity and enforceability (Federal Ministry of Environment, Nigeria, 2023; OECD, 2023).

2. CITN-Led Capacity Building: The Chartered Institute of Taxation of Nigeria should develop specialised training modules, practice guidelines, and national dialogues to prepare tax professionals for environmental taxation administration (CITN, 2022).

3. Ensure Transparency and Earmark Revenues: All green tax revenues must be independently audited and transparently allocated to renewable energy, afforestation, climate adaptation projects, and pro-poor initiatives to build public trust (IMF, 2023; UNEP, 2022).

4. Introduce Complementary Incentives: Policies such as accelerated capital allowances, tax credits, and reduced import duties for clean technologies can reward sustainable practices and encourage compliance (OECD, 2022).

5. Launch Public Awareness and Multi-Stakeholder Collaboration: A nationwide education campaign and a council including CITN, NESREA, FIRS, business associations, and civil society can ensure understanding, cooperation, and effective implementation (World Bank, 2023).

By adopting this strategic, phased, and inclusive approach, Nigeria can transform environmental challenges into fiscal resilience, sustainable development, and improved public health outcomes (Ahmad & Omofonmwan, 2023; UNEP, 2022).

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# Technological Innovation and the Future of Taxation



Technological Arsenal reshaping Tax

**Shogbetun, Olakunle Nosiru B.Sc, ACA, ACTI**  
 Emails: ripefinancialconsultant@gmail.com,  
 olakunleshogbetun10@gmail.com

**Abstract**

Tools such as artificial intelligence, blockchain, and big data analytics enable real-time tax reporting, automated audits and improved revenue collection. These are technological tools that have brought improvements to taxation while minimizing tax evasions and fraud. However, it also raises concerns about data privacy, cybersecurity, and regulatory adaptation. Ultimately, technology-driven taxation promises smarter, more equitable systems that support sustainable economic growth.

**Introduction**

Taxation, the cornerstone of modern governance, is on the brink of a revolution. For centuries, the fundamental principles of assessment, collection, and enforcement have remained relatively unchanged, often mired in bureaucracy, complexity, and adversarial relationships between taxpayers and authorities. However, a confluence of technological advancements—Artificial Intelligence (AI), Blockchain, Big Data, and the Internet of Things (IoT)—is poised to dismantle these traditional models, heralding a new era of efficiency, transparency, and automation.

The global tax landscape is characterised by challenges such as tax evasion and avoidance by multinational corporations, the difficulty of taxing the digital economy, and the high administrative costs of compliance. The Organisation for Economic Co-operation and Development (OECD) has been at the forefront of addressing these issues through its Base Erosion and Profit Shifting (BEPS) project. Still, technology offers a more fundamental solution (OECD, 2021). This article argues that technological innovation is not merely an administrative tool but a transformative force that will redefine the future of taxation, moving it from a retrospective, declarative system to a prospective, embedded, and real-time framework. We will explore the key technologies driving this change, their practical

applications, the future landscape they are creating, and the significant challenges that must be navigated.

**I. The Technological Arsenal Reshaping Tax**

Several key technologies are converging to create a new paradigm for tax administration and compliance.

1.1. Artificial Intelligence (AI) and Big Data Analytics  
 AI, particularly machine learning, and Big Data analytics are the most powerful tools in the modern tax authority's arsenal. Their power lies in moving from sampling to analysing entire populations of data.

- Risk Assessment and Audit Selection: Tax authorities are using AI to move beyond random audits to highly targeted, risk-based compliance. Algorithms can analyse vast datasets—including bank transactions, customs records, social media activity, and property records—to identify patterns and anomalies that suggest non-compliance. For instance, the Australian Taxation Office (ATO) uses sophisticated data matching and analytics to pre-fill tax returns and identify discrepancies, significantly improving compliance rates (ATO, 2022).

- Predictive Analytics and Policy Design: Governments can use AI to model the economic and distributional impact of proposed tax policies. By simulating how changes in corporate tax rates or VAT might affect investment, employment, and revenue, policymakers can make more informed, evidence-based decisions.

- Automated Customer Service: AI-powered chatbots and virtual assistants are becoming the first point of contact for taxpayer inquiries. These systems, such as those deployed by HM Revenue & Customs (HMRC) in the UK, can handle routine questions about deadlines, forms, and payments 24/7, freeing up human agents to handle more complex issues (HMRC, 2023).

## 1.2. Blockchain and Cryptography

Blockchain, a distributed and immutable ledger, introduces an unprecedented level of transparency and security into financial transactions.

- **Combating VAT/GST Fraud:** One of the most promising applications is fighting Value-Added Tax (VAT) or Goods and Services Tax (GST) fraud, particularly carousel fraud, in which the same goods are traded multiple times with VAT evaded. A blockchain-based invoice system would create an unalterable chain of custody for every transaction, making it impossible to claim fraudulent input tax credits. Countries like China and Brazil are already piloting blockchain solutions for VAT and e-invoicing (PwC, 2021).

- **Smart Contracts for Automatic Withholding:** Smart contracts, self-executing contracts with terms written directly into code, can be programmed to automatically calculate and remit taxes at the point of transaction. For example, a smart contract governing a royalty payment could instantly deduct the correct withholding tax and transfer it to the government's wallet, eliminating delays and evasion.

- **Transparency in Revenue Use:** While more aspirational, blockchain could be used to create a public, verifiable ledger of tax revenue collection and expenditure. This "tax-to-spend" traceability could enhance public trust and, in turn, improve voluntary compliance.

## 1.3. Real-Time Reporting and the Internet of Things (IoT)

The concept of periodic tax returns is becoming obsolete, replaced by continuous, real-time data transmission.

- **Continuous Transaction Controls (CTCs):** Many tax jurisdictions, including countries in Latin America and Europe, have implemented or are moving towards CTCs. These systems require businesses to submit invoice data to the tax authority in real time or near real time. This gives authorities a real-time view of economic activity, enabling immediate validation and drastically reducing opportunities for underreporting.

- **IoT and Asset Monitoring:** The IoT, comprising connected sensors, offers novel ways to assess tax liability. For instance, sensors in a truck could monitor distance travelled and weight carried to calculate a more accurate road tax or toll. Similarly, smart utility meters can provide verifiable consumption-based data for environmental taxes.

## 2. The Emerging Future Landscape of Taxation

The integration of these technologies will lead to several fundamental shifts in how taxation operates.

### 2.1. The Era of Pre-populated and Frictionless Compliance

For most individual taxpayers and small businesses, the process of filing taxes will become virtually invisible. Tax authorities, armed with data from employers, banks, and financial platforms, will be able to pre-populate tax returns. The taxpayer's role will shift from a declarant to a verifier, simply confirming or amending the pre-filled information. This "frictionless" model is already a reality in countries like Denmark and Finland (OECD, 2019).

### 2.2. Embedded Taxation (Tax-by-Design)

Taxation will become increasingly embedded directly into economic transactions and digital platforms. We see the early stages of this with digital platforms like Airbnb and Uber being required to collect and remit VAT and tourist taxes on behalf of their users. In the future, as central bank digital currencies (CBDCs) and smart contracts become more prevalent, tax collection could become an automatic, inseparable part of the payment process, a true "tax-by-design" model.

### 2.3. The Global Tax Grid and the Digital Economy

The challenge of taxing highly digitalised multinational enterprises is being addressed through the OECD/G20 Two-Pillar Solution. Pillar One focuses on reallocating taxing rights to market jurisdictions, while Pillar Two introduces a global minimum corporate tax (OECD, 2023). Technology is essential for administering this new framework. A global tax grid, powered by standardised data formats (like XBRL - eXtensible Business Reporting Language) and secure data exchange protocols, will be necessary for jurisdictions to share information and enforce these complex rules effectively.

### 2.4. The Rise of the "Taxtech" Ecosystem

Just as "fintech" disrupted financial services, "taxtech" is emerging as a vibrant ecosystem of startups and software providers building innovative solutions on top of both public and private data. These companies develop apps and platforms that help businesses and individuals navigate the complexities of the new tax landscape, from automated cross-border VAT compliance to AI-driven tax optimisation tools for gig economy workers.

### 3. Challenges and Ethical Considerations

This technological transformation is not without its significant risks and challenges.

#### 3.1. Data Privacy and Security

The vision of a data-driven tax authority is also a potential surveillance nightmare. The collection and analysis of vast amounts of personal and financial data by the state raises profound privacy concerns. For example, Telenor Myanmar, a wholly owned subsidiary of Telenor South East Asia Investment, operated in Myanmar between 2014 and until its sale in 2022, was alleged to have disclosed personal data to the military junta by Myanmar civil society groups and victims of post-coup repression, among others, are confirmations of risk associated with where and how data are issued. Robust legal frameworks, such as the European Union's General Data Protection Regulation (GDPR), are essential to prevent state overreach and protect citizens' rights. Furthermore, centralising such sensitive data makes tax authorities a prime target for cyberattacks, necessitating unprecedented levels of cybersecurity investment.

#### 3.2. The Digital Divide and Administrative Capacity

The shift to digital tax administration risks excluding those who lack access to technology or the digital literacy to use it, such as the elderly, the poor, and those in rural areas. Governments must maintain alternative, non-digital channels to ensure equitable access. Furthermore, the capacity gap between advanced and developing countries could widen. While rich nations invest in AI and blockchain, poorer tax administrations may struggle to keep up, potentially exacerbating global inequality.

#### 3.3. Algorithmic Bias and Fairness

AI systems are only as unbiased as the data they are trained on. If historical data contains biases (e.g., against certain business types or demographics), the AI can perpetuate and even amplify these biases, leading to unfair audit selection and enforcement. Ensuring algorithmic fairness and maintaining a human-in-the-loop for critical decisions is paramount to preserving the legitimacy of the tax system.

#### 3.4. Legal and Regulatory Adaptation

Existing tax laws and treaties were written for a paper-based, territorial world. They are ill-equipped to handle concepts like smart contracts, decentralised autonomous organisations (DAOs), and the instantaneous, borderless nature of digital transactions. A massive effort of legal and regulatory modernisation is required to provide clarity and legal certainty in this new environment.

### Conclusion

The future of taxation is intelligent, automated, and deeply integrated into the fabric of the digital economy. Technologies like AI, blockchain, and real-time data analytics are transforming tax authorities from reactive auditors to proactive, data-driven administrators. This shift promises immense benefits: higher revenue collection, reduced compliance costs, a more level playing field for businesses, and a tougher environment for tax evaders. However, this technological promise must be balanced with a steadfast commitment to ethical principles. Building public trust is the most critical component of this transition. This requires transparent governance, robust data protection, and a relentless focus on fairness to ensure that the digital tax system serves all citizens, not just the most technologically adept. The journey ahead is not merely a technical upgrade; it is a fundamental re-imagining of the social contract for the 21st century. The success of this transformation will determine not only the fiscal health of nations but also the future relationship between citizens and the state.

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# GATHERING THE NATION'S FINEST TAX MINDS FOR SUSTAINABLE REFORM



The 28th Annual Tax Conference of the The Chartered Institute of Taxation of Nigeria was not merely a professional gathering; it was a convergence of ideas, expertise, policy direction and professional camaraderie aimed at shaping the future of Nigeria's fiscal landscape.

Held from May 11 to 15, 2026 at the Bola Ahmed Tinubu International Conference Centre, Abuja, the conference drew an impressive assembly of tax professionals, government officials, policymakers, members of the academia, captains of industry and international stakeholders under the theme: "Tax Reforms and Global Relevance: Positioning Nigeria's Tax System for a Sustainable Future."



The conference served as a strategic platform for deep engagement on the evolving dynamics of taxation within the context of Nigeria’s ongoing economic reforms and the rapidly changing global fiscal environment. Participants explored policy directions, implementation challenges, digital taxation, revenue optimisation, tax administration efficiency, subnational fiscal coordination, tax transparency and the role of technology in building a future-ready tax system.

Delivering the Lead Plenary Address, Taiwo Oyedele emphasized that Nigeria’s tax reform agenda was fundamentally aimed at building “a tax system that is globally relevant, economically competitive, socially equitable, and fiscally sustainable.” He noted that tax reform conversations had moved beyond technical discussions to become critical national development imperatives.

Another prominent participant was Zacch Adedeji, Executive Chairman of the Nigeria Revenue Service, whose presence highlighted the strategic importance of efficient tax administration in driving national economic growth and sustainable revenue mobilisation.

Joseph Tegbe, Chairman of the Presidential Committee on Tax Policy and Fiscal Reforms, also played a significant role at the conference. In his goodwill remarks, he described Nigeria’s ongoing tax reform efforts as one of the country’s most ambitious fiscal transformation initiatives in recent history and commended the Institute for sustaining professional excellence and policy engagement over the years.

The organised private sector perspective was strongly represented by Segun Ajayi-Kadir, Director-General of the Manufacturers Association of Nigeria (MAN), who spoke extensively on balancing taxation with industrial competitiveness and investment growth.

The conference further benefitted from the participation of several respected professionals and former tax administrators, including Ifueko Omoigui-Okauru, former Executive Chairman of the Federal Inland Revenue Service, who shared valuable insights from her extensive experience in tax administration and institutional reforms. Ayodele Subair, Executive Chairman of the Lagos State Internal Revenue Service, contributed significantly to discussions surrounding subnational taxation, internally generated revenue and strengthening taxpayer confidence at the state level.

Other notable contributors included Victor Muruako, Chairman/Chief Executive Officer of the Fiscal Responsibility Commission, who addressed fiscal accountability and governance issues; Dapo Okubadejo, Honourable Commissioner for Finance and Chief Economic Adviser to the Ogun State Government; and Dr. Zaid Abubakar, Executive Chairman of the Kano State Internal Revenue Service, who brought practical subnational tax administration perspectives to the conference.

The technical sessions were enriched by leading tax consultants, legal practitioners and industry experts including Wale Ajayi of KPMG, Babatunde Olaniyi of PwC, Olaleye Adebisi of Andersen, Celestina Nwabueze of Olaniwun Ajayi LP and Olamide Obajimi, all of whom served as discussants and resource persons across various

sessions bordering on tax compliance, international taxation, dispute resolution, fiscal reforms and emerging trends in tax administration.

The conference also featured contributions from distinguished past leaders of the Institute including Professor Olateju Somorin and Barrister Samuel Olushola Agbeluyi, Immediate Past President of CITN, who reinforced the importance of professionalism, ethics and capacity building in sustaining the integrity and future relevance of the tax profession in Nigeria.

Legal and adjudicatory perspectives were represented by Chukwuemeka Eze and Anita Erinne, who addressed issues relating to tax adjudication, dispute resolution mechanisms and legal interpretation within Nigeria's evolving tax framework. Civil society participation was equally notable with Auwal Musa Rafsanjani contributing to conversations around transparency, accountability and citizen trust in public finance administration.

Beyond the technical and policy engagements, the conference also delivered memorable moments of relaxation, networking and social interaction which added colour and warmth to the entire event.

The Hospitality Nite held on the opening day provided a vibrant atmosphere for welcoming delegates and participants from across the country and beyond. The evening featured rich entertainment, music, cultural displays and an impressive variety of delicacies and refreshments which created opportunities for informal networking, reunion among colleagues and relationship building within the tax community. The convivial environment helped set the tone for what would become several days of impactful engagement and professional interaction.

Equally memorable was the highly anticipated Gala Nite, which served as one of the grand highlights of the

conference. The evening combined elegance, celebration and recognition as awards and prizes were presented to deserving winners of various conference activities and engagements. Delegates were treated to a rich array of delicacies, entertainment and social activities in an atmosphere that reflected the Institute's culture of excellence, unity and professional camaraderie.

The Gala Nite further underscored the Institute's tradition of celebrating excellence, rewarding participation and fostering stronger bonds among members and stakeholders of the tax profession.

Speaking ahead of the conference, Innocent Ohagwa, President and Chairman of Council of the Institute, had stated that the conference was designed to gather stakeholders at all levels to examine critical issues shaping Nigeria's tax system and economic future, especially within the context of ongoing reforms.

Indeed, the conference achieved that objective. From the insightful plenary sessions and technical workshops to the rich networking engagements and social events, the 28th Annual Tax Conference successfully reinforced the position of the The Chartered Institute of Taxation of Nigeria as the leading voice in advancing taxation discourse, professional development and fiscal policy advocacy in Nigeria.

As participants departed Abuja at the close of the conference, one message resonated strongly across all sessions and interactions: the future of Nigeria's economic sustainability will depend significantly on building a tax system that is efficient, transparent, technology-driven, equitable and globally relevant. The conference not only reignited that national conversation but also reaffirmed the Institute's unwavering commitment to leading the transformation of the tax profession and supporting sustainable national development.





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# The New E-Invoicing System in Nigeria:

Relevance, Implementation and Adoption by Business Entities

By Anyanechi Ikemefuna Maximus ACTI  
E-mail: ikemefunam@yahoo.com

## Abstract

Nigeria's transition to electronic invoicing (e-invoicing) marks a pivotal reform in its tax administration and digital economy strategy. This paper explores the relevance of e-invoicing in Nigeria's fiscal landscape, outlines the regulatory and technical implementation framework, and evaluates the readiness and challenges of adoption by Nigerian business entities. Drawing on global benchmarks and Nigeria's 2025 National Regulatory Guideline, the study highlights the transformative potential of e-invoicing to enhance transparency, curb tax evasion, and improve operational efficiency.

## 1. Introduction

The Federal Inland Revenue Service (FIRS), in collaboration with the Central Bank of Nigeria (CBN) and the National Information Technology Development Agency (NITDA), has introduced a mandatory electronic invoicing system to modernise Nigeria's tax infrastructure. This initiative is part of a broader digital transformation agenda designed to

improve tax compliance, reduce fraud, and align Nigeria with global best practices in fiscal governance. According to the World Bank (2023), Nigeria's informal sector contributes over 50% of GDP, yet remains largely untaxed due to opaque transaction reporting. E-invoicing introduces real-time transaction visibility, enabling tax authorities to monitor taxable activities and reduce underreporting.

## 2. Relevance of E-Invoicing in Nigeria

### 2.1 Economic Imperatives

Nigeria's tax-to-GDP ratio remains below 10%, significantly lower than the African average of 15% (OECD, 2022). The informal economy, characterised by cash-based transactions and limited documentation, contributes to this gap. E-invoicing offers a mechanism to track transactions in real time, thereby reducing underreporting and fraud.

By mandating digital invoice submission, the government can better monitor business activities, ensure accurate VAT reporting, and reduce opportunities for tax evasion. This is particularly relevant in sectors such as retail, hospitality, and logistics, where cash transactions dominate.

## 2.2 Global Benchmarks

Countries such as Chile, Italy, and Rwanda have demonstrated that e-invoicing significantly improves VAT compliance and reduces administrative costs. Rwanda's Electronic Billing Machine (EBM) system led to a 20% increase in VAT revenue within two years of implementation. Italy's Sistema di Interscambio (SdI) platform has become a model for EU-wide e-invoicing integration.

Nigeria's model draws from these examples, particularly Rwanda's EBM and Italy's SdI, adapting them to local regulatory and technological contexts.

## 3. Implementation Framework

### 3.1 Regulatory Timeline

The implementation of e-invoicing in Nigeria follows a phased approach:

- February 2022: CBN mandates e-invoicing for all import/export transactions via the Trade Monitoring System (TRMS).
- March 2025: FIRS conducts stakeholder engagement with large taxpayers and consultants.
- July 2025: Initial pilot phase begins for companies with annual turnover  $\geq$  5 billion.
- 1st August 2025: Original compliance deadline for large taxpayers to begin mandatory e-invoicing.
- 11 August 2025: FIRS issues a circular extending the compliance deadline to 1st November 2025, citing operational challenges and the need to promote voluntary compliance.
- September 2025: Full implementation under NITDA's National Regulatory Guideline begins for broader taxpayer categories.

This extension provides large taxpayers additional time to configure their ERP systems, engage service providers, and ensure readiness for real-time invoice transmission to the FIRS Merchant Buyer Solution (MBS).

### 3.2 Technical Specifications

According to NITDA's 2025 guideline:

- Invoices must be in XML or PDF/A-3 format, digitally signed using Elliptic Curve Digital Signature Algorithm (ECDSA).
- XML invoices must comply with XAdES, while PDFs must follow PAdES standards.
- Secure communication between ERP systems and FIRS requires OAuth 2.0 and Cryptographic Stamp Identifier (CSID).
- Mandatory fields include buyer/seller TIN, invoice number, date, item description, quantity, unit price, and applicable taxes.

### 3.3 Institutional Roles

- FIRS: Oversees compliance and system integration.
- CBN: Verifies pricing and monitors cross-border transactions.
- NITDA: Ensures cybersecurity and data protection under the Nigeria Data Protection Act 2023.
- Access Point Providers: Accredited entities responsible for secure invoice transmission.

## 4. Adoption by Nigerian Entities

### 4.1 Large Corporations

Multinational firms and listed companies are expected to lead adoption due to existing ERP infrastructure. Sectors such as oil & gas, telecommunications, and banking are already integrating with FIRSMBS. These entities benefit from economies of scale and technical expertise, making compliance more feasible.

### 4.2 SMEs and Informal Sector

Small and medium enterprises (SMEs), which constitute over 80% of Nigeria's businesses, face significant barriers:

- Limited digital literacy
- High cost of ERP systems
- Resistance to change

To address these challenges, the government must provide tax incentives, training programs, and subsidised software solutions. Public-private partnerships can also play a role in capacity building.

### 4.3 Legal and Data Protection Compliance

Entities must comply with the Nigeria Data Protection Act 2023, which mandates the secure handling of personal and financial data. Violations may result in fines and reputational damage.

## 5. NITDA Requirements for IT Companies and Registration

NITDA plays a central role in accrediting and regulating IT companies that support the e-invoicing ecosystem. These companies include System Integrators and Access Point Providers.

### 5.1 Categories of Service Providers

- System Integrators: Configure and integrate taxpayers' ERP systems with the FIRS platform.
- Access Point Providers: Serve as secure gateways for transmitting e-invoices to FIRS.

## 5.2 Accreditation Requirements

To be accredited by NITDA, IT companies must:

- Be registered with the Corporate Affairs Commission (CAC)
- Demonstrate technical capability in XML/PDF formats, digital signatures, and secure APIs
- Comply with cybersecurity and data protection standards
- Submit operational documentation and business plans
- Maintain  $\geq 99.5\%$  service availability
- Employ certified IT professionals.

## 5.3 Licensing and Post-Accreditation

Accredited companies must:

- Pay licensing fees and renew annually
- Undergo performance reviews and audits
- Risk license revocation for non-compliance

### 5.4 Registration Process for Businesses

Businesses must:

1. Register with FIRS using their TIN
2. Select an accredited Access Point Provider
3. Integrate ERP systems
4. Map invoice data to FIRS's UBL schema
5. Digitally sign invoices with CSID.

## 6. Role of Consulting Firms in Nigeria's E-Invoicing Ecosystem

While NITDA and FIRS certify technology vendors to transmit and integrate e-invoices, global consulting firms play a different but critical role in implementation:

Who Are the Implementers?

- PwC Nigeria
- KPMG Nigeria
- Deloitte Nigeria
- Ernst & Young (EY) Nigeria
- BDO Nigeria
- Andersen Nigeria

These firms are not listed as official Access Point Providers or System Integrators, but they are deeply involved in:

- Stakeholder engagement and pilot testing (e.g., PwC and KPMG participated in FIRS workshops in March 2025)
- ERP configuration and invoice mapping for large taxpayers
- Advisory on compliance strategy, data governance, and risk mitigation
- Training and onboarding support for finance and IT teams
- Audit readiness and documentation for e-invoicing controls

## 6.2 What They Don't Do

- These firms do not transmit invoices to FIRS or host invoice gateways.
- They do not replace certified vendors like Interswitch, Remita, or Courteville.
- They do not issue CSIDs or operate under NITDA's licensing framework.

Instead, they work alongside certified vendors to ensure that large enterprises — especially those with complex ERP systems — meet all technical and regulatory requirements.

## 7. Challenges and Recommendations

### Technical Barriers

- Infrastructure Limitations: Many regions in Nigeria, especially rural areas, suffer from unreliable internet connectivity, making real-time invoice transmission difficult.
- ERP Accessibility: Small and medium enterprises (SMEs) often lack access to enterprise resource planning (ERP) systems due to high costs and limited technical capacity.
- Standardisation Issues: The absence of uniform invoice templates across industries creates integration challenges for IT providers and businesses.
- Limited-Service Providers: There are a few accredited Access Point Providers and System Integrators, which slows down onboarding and support.

### Policy Gaps

- Regulatory Overlap: Misalignment between FIRS, CBN, and NITDA regulations can cause confusion and delays in implementation.
- Dispute Resolution: There is no clear mechanism for resolving invoice errors or transmission failures between taxpayers and FIRS.
- Cross-Border Ambiguity: Guidelines for validating and accepting foreign e-invoices remain unclear, especially for import/export transactions.

### Strategic Recommendations

- National Helpdesk: Establish a centralised support system to assist taxpayers and IT providers with technical and regulatory queries.
- SME Incentives: Offer financial subsidies, tax credits, or free ERP tools to encourage adoption among small businesses.
- Public Awareness Campaigns: Launch nationwide education initiatives to inform stakeholders about the benefits and requirements of e-invoicing.
- Sandbox Testing: Create a controlled environment for

businesses and developers to test invoice formats, APIs, and system integrations before going live.

- Compliance Dashboard: Develop a real-time monitoring tool for FIRS to track invoice submissions, system uptime, and taxpayer engagement.

## 8. Conclusion

Nigeria's e-invoicing system is a transformative initiative that promises to enhance fiscal transparency, improve tax compliance, and streamline business operations. While implementation challenges persist, strategic stakeholder engagement and phased rollout can ensure successful adoption. The system positions Nigeria to align with global digital tax standards and unlock new efficiencies in its economic ecosystem.

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# CITN Deepens Digital Tax Transformation Through Strategic AI Partnership with Corvendra

*The Chartered Institute of Taxation of Nigeria (CITN) has taken another significant step toward advancing technology-driven tax administration with the formalisation of a strategic partnership with Corvendra Ltd for the deployment of TaxiPadi, an artificial intelligence-powered tax compliance platform designed to modernise tax practice and improve compliance nationwide.*

The landmark Memorandum of Understanding (MoU), signed in Abuja on Wednesday, 29 April 2026, has continued to attract widespread media attention across major national newspapers and digital business platforms, with analysts describing the initiative as a major milestone in Nigeria's journey toward a smarter and more efficient tax system.

The collaboration reflects CITN's sustained commitment to innovation, professional excellence, and the deployment of practical digital solutions capable of strengthening tax administration, improving compliance culture, and enhancing the efficiency of tax practice in Nigeria.

## A Strategic Response to Emerging Tax Realities

Globally, tax administration is undergoing rapid transformation, driven by digitalisation, automation, artificial intelligence, and data analytics. Tax authorities and professional bodies across jurisdictions are increasingly embracing technology to improve compliance monitoring, automate routine processes, minimise leakages, and enhance taxpayer experience.

In Nigeria, the need for technology-enabled tax administration has become more pressing in recent years due to increasing revenue mobilisation demands, evolving regulatory requirements, expanding digital commerce, and the growing complexity of tax compliance obligations. Against this backdrop, the partnership between CITN and Corvendra represents a proactive response to the changing dynamics of tax administration and professional practice.

Media reports noted that the initiative seeks to address longstanding challenges within the Nigerian tax ecosystem, including reliance on manual processes, fragmented compliance systems, and limited digital adoption among businesses, particularly small and medium-sized enterprises.

### **The TaxiPadi Solution**

At the centre of the partnership is TaxiPadi, an AI-powered platform developed to simplify and automate core tax processes, including tax computation, filing, compliance monitoring, and advisory support.

According to reports published by leading national media organisations, the platform is designed to enhance speed, accuracy, transparency, and efficiency in tax administration while ensuring compliance with Nigeria's tax laws and regulatory framework.

The deployment of intelligent digital tools within the tax ecosystem is expected to significantly reduce administrative bottlenecks, improve voluntary compliance, and support tax practitioners with more data-driven advisory capabilities.

Industry observers have also pointed to the growing global shift toward AI-enabled compliance systems, particularly in high-regulation sectors such as taxation, finance, and anti-money laundering compliance.

### **CITN's Commitment to Innovation**

Leading the Institute's delegation at the signing ceremony was the 17th President of CITN, Mr. Innocent Chinyere Ohagwa, FCTI. Other members of the delegation included Dr. Simon Nwanmaghyi Kato, FCTI (Vice President); Dr. (Mrs.) Titilayo Eni-Itan Fowokan, mni, FCTI (Deputy Vice President); and Mrs. Afolake Oso, FCTI (Registrar/Chief Executive).

Speaking during the event, the CITN President reaffirmed the Institute's commitment to advancing tax practice through innovation and strategic collaboration. He

emphasised that the partnership aligns with CITN's statutory mandate of promoting professionalism, efficiency, and high standards within the tax profession.

The Institute has consistently demonstrated leadership in promoting discussions around digital taxation, e-invoicing, artificial intelligence, and technology-enabled compliance. Recent CITN programmes and professional workshops have increasingly focused on the role of digitalisation and data analytics in strengthening tax administration and improving compliance outcomes.

This latest collaboration further reinforces CITN's positioning as a forward-looking professional body committed to aligning Nigeria's tax ecosystem with global best practices.

### **Capacity Building and Professional Development**

Beyond technology deployment, the partnership also places strong emphasis on training and capacity building for tax practitioners.

Reports indicate that the collaboration will focus on three major areas:

- Deployment of the TaxiPadi platform across the tax profession;
- Capacity building and training for tax practitioners; and
- Promotion of digital compliance and data-driven tax advisory services.

This approach recognises the critical role of human capital development in achieving sustainable digital transformation within the profession.

As technology continues to reshape tax administration globally, professionals must increasingly develop competencies in digital compliance systems, data interpretation, AI-enabled advisory services, and technology-assisted tax management.

The initiative is therefore expected to equip practitioners with the knowledge and tools required to remain effective and competitive in a rapidly evolving professional environment.

### **Industry Significance and Broader Implications**

The partnership between CITN and Corvendra also reflects a growing trend of collaboration between professional institutions and technology providers in addressing public-sector and regulatory challenges.

Across several jurisdictions, tax authorities and professional bodies are investing heavily in automation, artificial intelligence, and integrated compliance systems to

improve operational efficiency and increase revenue assurance.

Analysts believe the CITN-Corvendra collaboration could serve as an important catalyst for broader digital transformation within Nigeria's tax administration architecture.

With governments under increasing pressure to improve internally generated revenue and strengthen compliance levels, intelligent tax technologies are becoming increasingly relevant in driving efficiency, reducing errors, and supporting transparent tax administration.

The initiative also comes at a time when conversations around digital taxation, e-invoicing, and technology-enabled fiscal governance are gaining momentum globally and within Nigeria's public finance ecosystem.

### Positioning CITN for the Future

Since its establishment, The Chartered Institute of Taxation of Nigeria has remained at the forefront of promoting professionalism, ethics, research, and capacity development within Nigeria's tax system.

The Institute's vision of becoming one of the foremost professional associations in Africa and beyond continues to drive its commitment to innovation and institutional relevance.

By embracing strategic technology partnerships and supporting the digital evolution of tax practice, CITN is not only strengthening the profession but also contributing meaningfully to national economic development and improved fiscal governance.

The partnership with Corvendra therefore represents more than a technology initiative; it is a strategic investment in the future of tax administration, professional practice, and compliance culture in Nigeria.



# TECHNOLOGY: EMBRACING THE EMERGING DATA ANALYTICS HUBS FOR SMARTER TAX AUDIT AND INVESTIGATION IN NIGERIA AND BEYOND

BY:

**ITAR-CHOT CLETUS EDIM**

ACA, FIMC CMC, CMS, ACTI

cletusita63@gmail.com:  
08106999427.

## 1.0. INTRODUCTION

### 1.1 Key Background

Tax audits are thorough examinations, scrutiny, and/or reviews of tax records, entries, postings, and transactions. The tax authority conducts it, be it national or subnational, to establish the accuracy or compliance of an individual's or a business's tax data and returns.

Furthermore, it ensures compliance with tax laws and identifies potential discrepancies in reported income, deductions, tax credits, tax exemptions, tax holidays, and the application of tax rules.

They also serve to dig deep to detect underreporting of income or improper allowable and disallowable expenses. It can trigger from random selection, specific indicators, data analytics, pointing out potential matters in the taxpayer's financial reporting system.

The tax audit procedures entail a systematic approach, which starts with a communication to conduct an audit from the tax authorities, followed by data gathering, that is, relevant documents, interviews and evaluating financial records.

The structured process helps to ensure fairness and thoroughness in the review of taxpayers' records.

Key audit concepts may involve desk, field, and correspondence audits. Each audit concept varies in nature, complexity, and the environments or jurisdictions in which it occurs. Such distinctions are important for taxpayers to navigate and understand their obligations and resolutions during the Andor end of the exercise.

Investigation, on the other hand, is an unsolicited visitation carried out by the tax authority based on factual and precise or definitive evidence that the taxpayer has deliberately committed an offence by avoiding paying tax or an act of wilful evasion of tax under the array of tax laws and regulations. The goal of tax investigation is to establish the taxpayers who are responsible for the offence, the tax liability, and to verify and assess properly the correct amount of tax to be paid. It also aims to raise awareness among taxpayers of the consequences of noncompliance with tax laws and regulations and, in some cases, to encourage voluntary compliance.

### 1.2. The traditional tax audit process.

The traditional, age-old tax audit and investigation process involved manually reviewing a large volume of financial information, documents, and transactions. It was time-consuming and strenuous, with challenges in detecting complex tax data patterns and attendant evasion thereof. Embracing new technology through tax data analytics has ushered in a new era of tax audit and investigation.

### 1.3 Data analytics as the New Normal

Data Analytics is changing how financial reporting and tax administration are conducted today. Paper-based methodology, time-consuming tax administration process and tax data management are now a thing of the past. Modern real-time software, such as cloud accounting, automated tools, ERPs, and advanced analytics, is disrupting the financial reporting, tax audit, and investigation landscape by speeding up procedures, improving accuracy, and providing a better understanding of financial data patterns, trends, and insights. Compliance and standards are met, be it in financial reporting or tax compliance with laws and regulations. Tax audits and investigations are conducted with ease via data hubs used by tax ecosystem stakeholders, while businesses gain a competitive advantage in today's data-driven environment.

## 2.0. MAIN DISCUSSION AND IMPLICATIONS

## 2.1 Getting started and Beyond

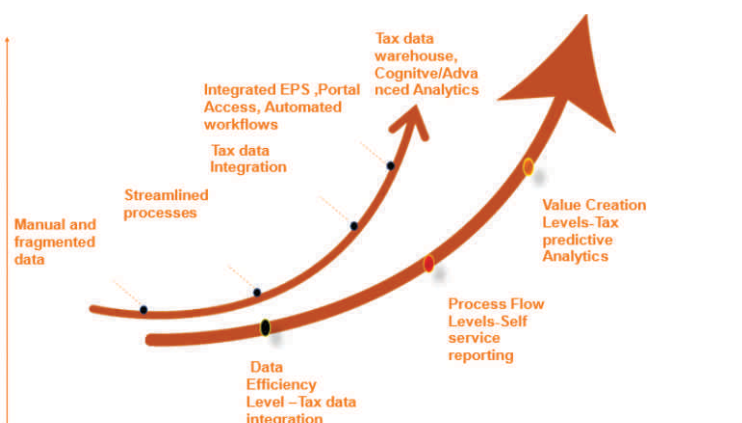
A deep dive into the tax data analytics hub, the tax function is one of the largest consumers of data within the tax administration, tax assurance, consulting, and taxpayers' ecosystem. Data such as trial balance, statement of financial position, statement of cash flows, statement of changes in equity and disclosures in the note to the financial statements are in high demand and in utmost accuracy also are such data from other tax transactional systems such as transfer pricing document and regulations, tax treaties., international tax pronouncement and best practices documents all these are non-quantitative data build in the hubs through NLPs. The tax function spends more than 50% of its time gathering tax data and 30% on strategic tax analysis. Tax leaders and executives find it difficult to obtain tax-ready information to address tax issues because the tax function is often considered a downstream data user.

Starting next year in Nigeria, 80% of the tax function will utilise better technology and integration to deliver improved tax functions more effectively.

Hence, the emergence of tax data analytics hubs. There is a strong need for high-quality, timely tax data, which will ultimately shape processes and resources. The tax function must be actively involved in budgeting for data management centres and analytic projects, as this is an ongoing practice in other industries and jurisdictions.

More use of enterprise resource planning ERP's system, Business Intelligence Tools (BIs) and tax data hubs (TDH) to provide the tax eco system with tax- ready information will emerge. More so, increasing importance of standardized tax data through analytics and the need to address data security will increasingly emerge.

### TAX DATA ANALYTICS MATURITY MODEL



tax assurance, compliance, planning, consulting, audit and investigation does not originate from within the tax function and not from a single source, but are found in multiple departments such as human resources, corporate finance, account and finance, sales and marketing, information and communication technology (ICT) department etc. The ERP would consolidate our various data information and collect operational

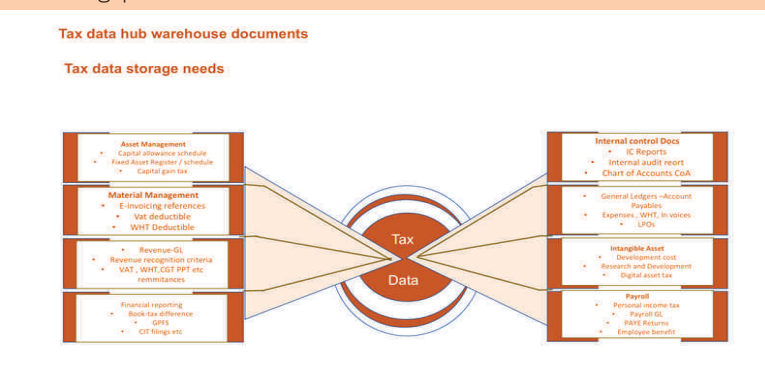
information into one bucket. Gathering this information from fragmented locations such as different organizations, different tax authorities, different international organization, could be difficult because of multiple geographical, business unit, and multiple tax authorities and this organization has legal entity barriers. So, integrating finance and tax data from multiple system, applications, tools and software into a common information hub is what is now known as tax data analytics hub, and it can.

- Significantly reduce the time and effort spent in manual method of data gathering.
- Change the focus from spreadsheet-oriented task to a system or data base driven analysis, and forecasting.
- Empower tax stakeholder to devote more time to a prospective analysis centred on predictions, and forecasting and planning to provide quicker responses to tax queries from tax leaders, executives, tax assurance providers, authorities, consultants, auditors, and investigators etc.
- Embrace alternative resource models.

## 2.3. Challenges of Tax data analytic hubs

Tax function is face with myriads of issues in gathering high quality and timely data which includes and not limited to:

- Increase transparency, stricter financial reporting requirement
- Fragmented data storage sources.
- Manually received, reconciled, and manipulated data sets
- Lack of expertise in data interpretation
- Legal and jurisdictional barriers
- Data privacy policy
- Still f gaps in human resources



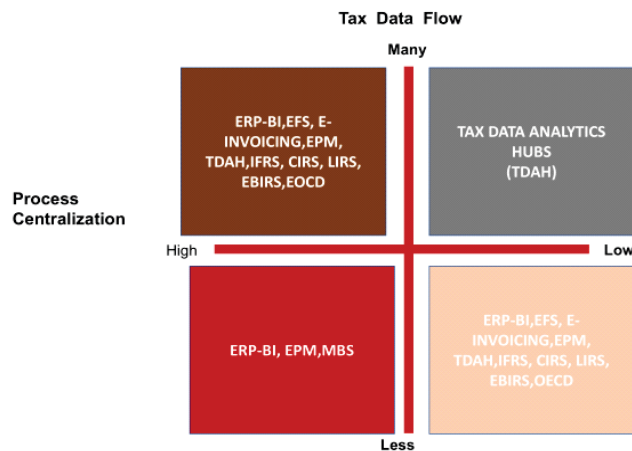
**3.0. CONCLUSION AND WAY FORWARD.**

**3.1 The emerging hubs**

The FIRS adopting data analytics in tax audit and his regulations is a major leap in tax management and practice. The next step is to embrace this emerging policy radar by taxpayers and other stakeholders. All stakeholders are gearing up for the new directive from the relevant tax authority, and they must proactively adopt the new technology on board. They should ensure keeping accurate record, adopting strong data security protocols and engaging quality tax advisors, consultants and practitioners in the on-boarding process. thereby it will result in agreed transparent and equitable tax system in Nigeria and further synchronize with the global best practice.

To further solidify the need for tax data hub in Nigeria the Federal Inland Revenue Service (FIRS) now Nigeria Revenue Services. (NRS) commenced an electronic invoicing solution, e- invoicing aimed at revolutionizing tax payment system in Nigeria.

**TAX DATA FLOW HUBS**



The e-invoicing system also known as the Merchant Buyer Solution (MBS) makes tax compliance easier, faster, transparent for all tax shareholders. It went live in august 1 2024 on a pilot phase which began in November 2024.

Large taxpayers with annual turnover of 50 billion and more are expected to be the first to onboard the platform The remaining large taxpayers are expected to be onboarded in November 2025. The national e -invoicing solution is an electronic fiscal system (EFS) developed by FIRS(NRS) to provide a real time online or offline visibility into commercial transactions of entities with large taxes which ensures authenticity, accuracy, and completeness.

A tax data hub is a powerful tool that receives data into a centralized hub from different ERP s applications, consolidation tools and different systems and data files into a standard tax- ready format. It creates more automated, efficient, and predictive tax information by facilitating the use of data, tax reporting, forecasting and analytics.

This can be achieved except if

- Organizations with complex financial environment with different ERP’s are not Streamlined.
- Legal barriers or details are not available within the ERP tools.
- Multiple spreadsheet data sources and system not integrated within the ERP or related financial integrated landscape
- Isolated or fragmented data
- Unstructured business data

**3.2. Benefits of tax Data Analytics Hubs TDAH**

- Eliminate manual procedures
- Empowers self service
- Automation of task
- Centralized, transparent, trial balance, statement of financial position, statement of profit or loss and other comprehensive income, statement of cashflow, statement of changes in equity, notes to the financial statement other non- financial information such as sustainability and ESG Disclosures and ratings

**3.3 Tax Data Analytics Hub establishment.**

The BB and R. models  
 The BUILD BUY and RENT approaches/models can be deployed or adopted by the tax stakeholders as follows

**The BB and R models**



**BUILD:**

- Authorities build a tax data hub internally by:
- Extending an existing enterprise financial data hub to tax function

- Extending an integrated ERP business intelligence (BI) environment into a tax data hub function.
- Leveraging other available business intelligence (BI) tools to develop a tax specific reporting environment thereby converting the data to a tax – ready report format
- Enhancing accurate consolidation of EPM Enterprise Performance Management environment to include a tax reporting enquiry and tax analytical tools optimized

**BUY:**

If the tax function, organization or centres has limited tax technology IT expert, off – the shelf tax data hub (TDH) from a third party can be purchased. The third party can license or host the infrastructure on behalf of the tax function, authority or tax centre

**RENT:**

A co-sourcing arrangement with an accounting or tax Assurance provider with expertise form that provides the tax function with access to data collection analysis, documentation work -payer creation, reporting, returns, and analytics can be opted for, this will be in collaboration with Access point providers (APPs) the APPs on the other hand validate securely transmitted invoices from clients evolving solution to FIRS, NRS, (MBS,) Solution.

**3.4 Tax analytics hub data flows.**

The shift from data gathering to data analytics enables tax functions to spend more time looking at the data sets differently using different analytics techniques embedded in the hubs. Such as

- Correlation analysis
- Sentiment analysis
- Trend analysis
- Exploratory analysis
- Optimization analysis
- Predictive analysis

**3.5 Tax analytics hub data security**

Security issues mainly with the aspect of transferring tax data to the third parties for storage, processing and or support are one of the primary reasons why stakeholders in tax space are reluctant to switch or onboard the tax data hub via a cloud arrangement. To address the security concerns the stakeholders must be active participant in enterprise technology know how like master data management, data security governance. Etc.

**The stakeholders should:**

- Anticipate data security threats and provided safeguards.
- Identify and evaluate its data
- Institute strong internal control of data framework
- Implement data classification policy
- Establish ethical behaviours to create and promote data security rise awareness and responses.
- Comply with data management laws.

**3.6 Developing a tax data strategy.**

Below are steps to improve the process of gathering quality data and enhancing quality tax decision making insights.

- Identify the data flow process and it uses by the tax function, data dependences, and business intelligence needs.
- Assess the alignment of tax function and the future data drift /flows
- Implement and utilize data to address challenges
- Design road map or timelines into managing the strategies in phases considering short, medium, and long-term goals.
- Evaluate and document current tax data process
- Integrate with and leverage enterprise technologies.
- Continuous improvement cycles.

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## CHARTERED INSTITUTE OF TAXATION OF NIGERIA

# Developing the Tax Profession

For further details, contact:

**Afolake Oso**, FCTI  
Registrar/Chief Executive

### CHARTERED INSTITUTE OF TAXATION OF NIGERIA

#### Tax Professionals' House

Plot 16, Otunba Jobi Fele Way Central Business District, Alausa - Ikeja.  
P. O. Box 1087, Ebute-Metta, Lagos State, Nigeria.

Tel: +234 805 039 9355

**Liaison Office:** David Olorunleke House, Plot 26(27), Abidjan Street, Wuse Zone 3, Abuja.

Tel: +234 209 291 8349

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info@citn.org



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www.citn.org