

Implications of the Finance Bill, 2019

An aerial photograph of Lagos, Nigeria, featuring the Central Mosque of Lagos with its prominent golden dome and four minarets on the left, and the Cathedral of Lagos with its distinctive pink and white facade on the right. The city skyline and greenery are visible in the background.

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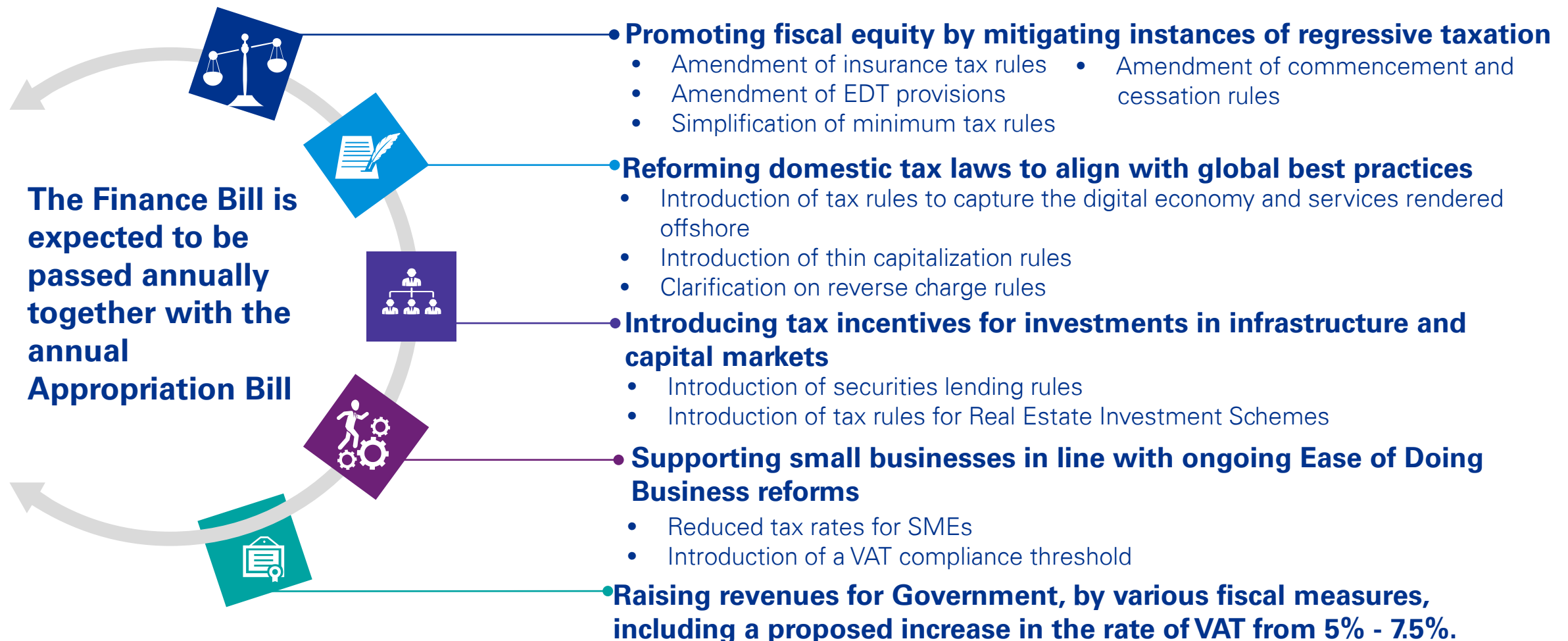
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Thematic areas of the Finance Bill, 2019

Nigeria's tax laws are generally outdated. The Finance Bill, therefore, aims to begin a process to reset the fiscal framework and position the country for economic growth and competitiveness.



Key takeaways – sectorial implications

Financial Service Industry

- Deletion of onerous insurance taxation provisions.
- Enactment of an effective tax framework for SEC-lending transactions.
- Associated costs relating to exempt income must now be matched.

FMCG

- Tax-free dividends from investments in SME manufacturers.
- Increased transaction tax compliance burden (e.g. deduction of VAT on payment to offshore vendors for use of intangibles such as patents)



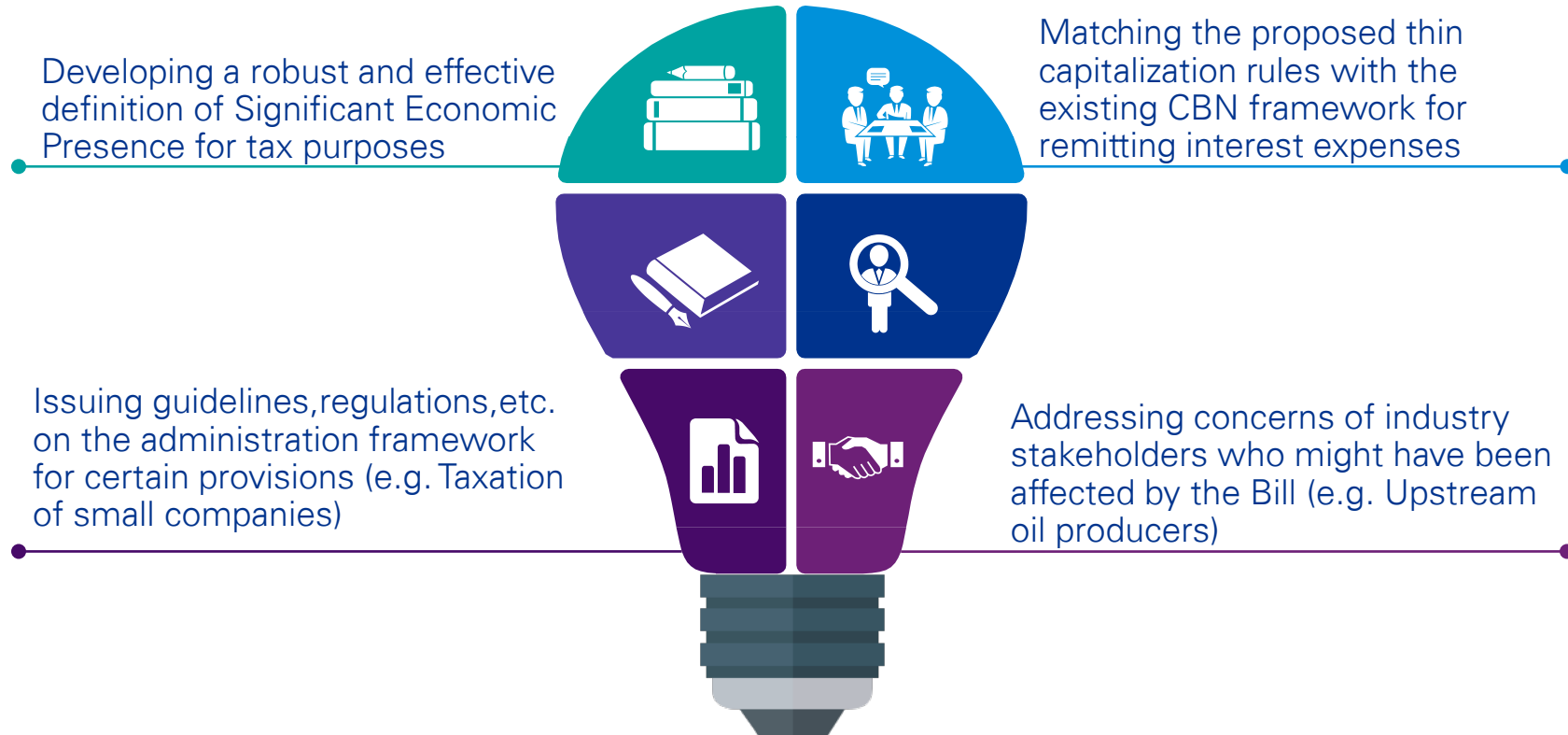
Real Estate

- Shareholders' investments in real estate companies will now be shielded from double taxation.

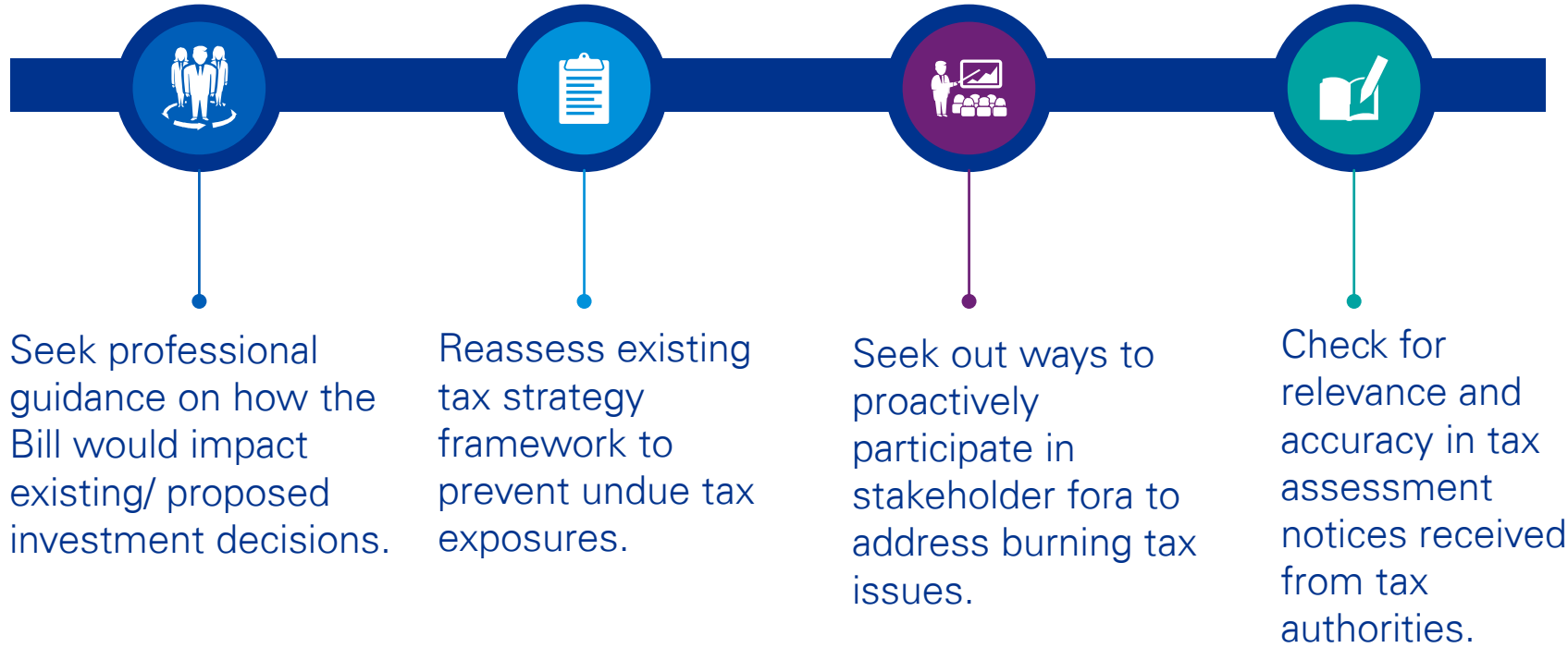
Oil and Gas

- Removal of WHT exemption on dividend distributed by upstream companies will further diminish shareholder investments.
- Pioneer companies in the downstream sector cannot extend their pioneer period by utilizing the Gas utilisation Incentive.

Some stay awake issues following the passage of the Finance Bill, 2019



Key next steps





Thank you



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