

Nigeria

1. Nigeria was first reviewed during the 2017/2018 peer review. This report is supplementary to Nigeria's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Nigeria applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

2. Nigeria's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[2]), except for the following:

- It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

3. It is recommended that Nigeria have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

4. It is however noted that Nigeria will not be exchanging CbC reports in 2019.

5. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions. Bilateral relationships are now in place so the recommendation is removed.

6. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Nigeria is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Nigeria's compliance with the terms of reference on appropriate use.

Part A: The domestic legal and administrative framework

7. Nigeria has primary law (hereafter the "regulations") in place for implementing the BEPS Action 13 minimum standard¹ establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has been published.² Nigeria has provided an update with respect to the processes it has in place to ensure effective implementation.

(a) Parent entity filing obligation

8. No changes were identified with respect to the parent entity filing obligation.³

(b) Scope and timing of parent entity filing

9. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

10. No changes were identified with respect to the limitation on local filing obligation. As Nigeria is included on the list of non-reciprocal jurisdictions, it is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

12. Nigeria's 2017/2018 peer review included a general monitoring point concerning the fact that there was no specific process to that would allow it to take appropriate measures in case Nigeria is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Nigeria has provided updated information, explaining that, in such a situation, the CbC Reporting Unit of International Tax Department will be responsible for notifying the obligated MNEs of failure to file and deficiencies in report filed, as well as levying penalties, as appropriate. The notification will be made within a maximum period of 7 days. The Policy and Programme Monitoring Department (PPMD) is responsible for monitoring compliance with set internal policies, standard, rules and processes. In view of this update and specific process, the monitoring point is removed.

13. No other changes were identified with respect to the effective implementation.

Conclusion

14. Nigeria has a domestic legal and administrative framework to impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Nigeria. Nigeria meets all the terms of reference relating to the domestic legal and administrative framework except for the local filing requirements. It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.

Part B: The exchange of information framework***(a) Exchange of information framework***

15. It was recommended in the 2017/2018 peer review that Nigeria take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions and which Nigeria have international agreements which allow for the automatic exchange of tax information. There are now bilateral relationships in place so the recommendation is removed.

16. As at 31 May 2019, Nigeria has 51 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Nigeria has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.⁴ Regarding Nigeria's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

17. Nigeria does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

(c) Completeness of exchanges

18. Nigeria does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

(d) Timeliness of exchanges

19. Nigeria does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.

(e) Temporary suspension of exchange or termination of QCAA

20. Nigeria does not have process or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

21. Nigeria does not have processes or written procedures in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

(g) Format for information exchange

22. Nigeria has not confirmed the format that will be used for the international exchange of CbC reports.

(h) Method for transmission

23. Nigeria has not indicated that it uses the Common Transmission System, or any other mechanism, to exchange CbC reports.

Conclusion

24. The recommendation in Nigeria's 2017/2018 peer review that Nigeria take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use condition is removed.

25. It is recommended that Nigeria take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its

first exchanges of information. It is however noted that Nigeria will not be exchanging CbC reports in 2019.

Part C: Appropriate use

26. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Since the 2017/2018 peer review, Nigeria has issued a guideline⁵ and provided details in relation to these measures, enabling it to answer "yes" to the additional questions on appropriate use. As such, the recommendation with respect to appropriate use issued in the 2017/2018 peer review is removed.

Conclusion

27. Nigeria's 2017/2018 peer review included a recommendation that Nigeria take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Nigeria is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. The recommendation is removed and it is not necessary for this peer review evaluation to reach any conclusion with respect to Nigeria's compliance with the terms of reference on appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Nigeria take steps to amend its legislation or otherwise ensure that local filing requirements only apply in accordance with the terms of reference.
Part B	Exchange of information framework	It is recommended that Nigeria have in place the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

Notes

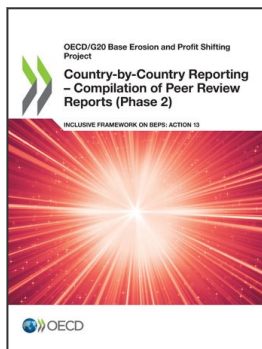
¹ Nigeria's primary law consists of the Income Tax (Country-by-Country Reporting) Regulations 2018, which was published by Federal Republic of Nigeria Official Gazette on 8 January 2018.

² Guidance consists of Country-by-Country reporting published on the website of the Federal Inland Revenue Service: <http://www.firs.gov.ng/Tax-Management/Pages/Country-by-Country-Reporting.aspx>.

³ Nigeria's 2017/2018 peer review included a monitoring point relating to the definition of "Excluded MNE group". This monitoring point remains in place.

⁴ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.

⁵ Guideline named "Guidelines for the appropriate use of information contained in CbC reports" was published on 3 July 2018 (Information Circular No. 2018/02).



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