



Jackson, Etti & Edu

KEY TAKEAWAYS FROM THE STAKEHOLDERS
ENGAGEMENT SESSION ON STAMP DUTIES
AND PERFECTION OF SECURITY IN LAGOS
STATE ORGANISED BY JACKSON, ETTI & EDU
ON 2ND NOVEMBER, 2018.



Key Takeaways from the Stakeholders Engagement Session on Stamp Duties and Perfection of Security in Lagos State Organised by Jackson, Etti & Edu on 2nd November 2018.

The inaugural session of the Jackson, Etti & Edu Stakeholder Engagement Series held on the 2nd November 2018. The theme of this year's session is "Stamp Duties and Perfection of Security: Contending Issues and Contemporary Solutions". The discussants at the session included key personnel of the Federal Inland Revenue Service, the Lagos State Internal Revenue Service, and the Lagos State Lands Bureau. The discussions addressed most of the overarching challenges militating against ease of perfection of security in Lagos State and provided the participants the opportunity of learning some of the reforms instituted by the government.

Some key takeaways from the inaugural session are set out below.

1. Fundamental Reforms in the Lagos State Lands Bureau

The Lagos State government is initiating important reforms in the State Land Bureau to enhance smoother and faster registration process. The Lands Bureau believes that one-day registration of documents is possible.

Restructure of Land Service Department: The States intends to launch a restructured Land Services Department in within the first quarter of 2019. This will entail a restructuring and reorganisation of the entire Land Services Department to achieve a more efficient and pragmatic land registration and administration regime. Top on the restructuring plans is the excision of the Consent Unit from the Land Services Department to set it up a new Department of Land Transactions as an independent but interrelated department charged

with the processing of Governor's Consent for applicants. This reform will enable the Land Services Department focus on purely ministry duties.

The restructure will include the introduction of location-based desk at the registry. Each desk will be designated to a particular zone out of the six delineated zones and will be headed by a Desk Officer appointment for that purpose.

Digitization of the Lands Bureau:

The Lagos State Government is currently optimising technology to harmonise the entire Lands Bureau and enhance ease of title registration, safekeeping and record management. This will guarantee the sanctity of title in line with international best practices. The state government is collaborating with a reputable international organisation in digitizing the lands bureau, provide accurate mapping and survey of lands and build an electronic cadastral data bank upon which the technology can be sustained.

Publication of Process and Requirements:

The Lands Bureau is compiling the various processes, requirements, guidelines and fees applicable to the different types of transactions conducted at the Lands Bureau. This compilation will be published and made accessible to the public. It is expected that this will reduce compliance lapses and increases processing time and efficiency.



2. Automation of Stamp Duty Assessment and Payment

The FIRS is about to implement a full automation of the stamp duties payment and assessment process. Through this initiative, assessment and payment of stamp duties will through an online platform, hence parties would be able carry out self-assessment and payment of stamp duties. It expected that this would enhance the elimination of inconsistency in assessments and rates, multiple adjudication of same instruments by several commissioners and improve customer engagement process.

3. Robust Engagement and Clarification on Contemporary Challenges

Some key highlights of the discussions are as follows:

Payment of stamp duty in foreign currencies: There is divergence of opinion regarding the position of law and attitude of FIRS with respect to payment of duty on transactions denominated in foreign currency. Whilst the FIRS believes that payment of stamp duties should be made in the currency of the transaction opposing views believe that the Stamp Duties Act recognises conversion of currency of the transaction to Naira.

Complaint Handling and Feedback Mechanism: The Lagos State Land Registry, has provided a public register for the recordation of complaints. The Registry officials are also available and accessible to

members of the public from Tuesday - through Friday of every week by 9am prompt. In dealing with the officials of the Lands Bureau, it is advised that an individual makes good and proper use of available escalation procedures when faced with persistent challenges.

Request for Mortgagee/Mortgagor Directors Income Tax: The official position of the Lagos State Stamp Duty Office is that it does not query the origin of a Tax Clearance Certificate presented by persons resident in other states, although it may query the adequacy of such tax payments. Hence contrary to the extant practice, Tax Clearance Certificates obtained in other states shall be accepted in Lagos State as proof of payment of Personal Income Tax.

It was further emphasised that the LIRS will be less inclined to delay a perfection of mortgage on ground of proof income tax by the Mortgagor's director, to avoid causing exposure to the mortgagee's security.

Prohibition of Retrospective Application of new Policies / Innovations: New policies or innovations are not to be applied retrospectively on instruments or transactions which were completed before it become effective. The difficulty of securing the cooperation of parties to a transaction to rectify an instrument to comply with a new policy which wasn't in existence at the time the instrument was executed is a great disincentive.

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