



Jackson, Etti & Edu

# REVIEW OF THE FINANCE ACT

# 2023

WWW.JEE.AFRICA

## INTRODUCTION

In a bid to bring Nigeria in line with modern economic realities and create more revenue for the country, the immediate past President of Nigeria, Muhammadu Buhari, on the 28<sup>th</sup> day of May 2023, signed the Finance Act 2023 into law.

The new Finance Act 2023 is a comprehensive legislation that has introduced over thirty (30) amendments to the existing tax legislations in Nigeria such as the Capital Gains Tax Act, Companies Income Tax Act, Customs and Excise Tariffs, Personal Income Tax Act, Stamp Duties Act, Petroleum Profit Tax Act, Value Added Tax Act and Tertiary Education Trust Fund (Establishment, etc) Act. The Act has also amended certain provisions of the Corrupt Practices and other related Offences Act, Public Procurement Act, and the Ministry of Finance (Incorporated) Act. These amendments were made in order to promote economic growth and address existing ambiguities in the various provisions of the laws regulating businesses.

This review summarizes the amendments in respect of the extant tax regimes and the impact on the Nigerian business scene. The term "Principal Act" as used in this piece, refers to the primary Act that governs the tax regime applicable to the relevant agencies or transactions, while "Service" refers to the Federal Inland Revenue Service.

## KEY PROVISIONS OF THE FINANCE ACT 2023

### A. Capital Gains Tax Act Cap C1, LFN 2004

Capital Gains Tax is the tax imposed on the gains derived from the sale of assets/property, whether by corporate entities or by individuals. Such asset/property is referred to as chargeable assets. Where there is a sale or disposal of asset or property, tax is therefore imposed on the gains made. The Capital Gains Tax Act is the principal legislation that governs the taxation of such gains and imposes a rate of 10% on any capital gained from a sale by companies and/or private individuals.

#### *i. Inclusion of Digital Assets as Chargeable Assets*

The Capital Gains Tax Act, pursuant to section 3, provides for chargeable assets. The section provides that subject to any exceptions as contained in the Act, all forms of property shall be assets for the purposes of the Act, whether situated in Nigeria or not, including options, debts, and incorporeal property generally. The Finance Act 2023 has amended the said section by inserting "**digital assets**" after debts.

This means that the sale of digital assets such as cryptocurrency and non-fungible tokens (NFTs) is subject to capital gains tax at the rate of 10%. Companies engaged in the business of cryptocurrency now charge 10% on the profit from the sale of same. This singular addition has brought Nigeria up to speed with the tax regime on digital assets and provided clarity to the regulation of digital assets in Nigeria.

## **ii. Computation of Losses**

The Finance Act also included a new section 5 to the Capital Gains Tax Act and deleted the former, which provided for the exclusion of losses. The new section provides that in computing chargeable gains, the amount which accrues to a person on the disposal of any asset shall be deductible from gains accruing to the person disposing that asset, provided that such loss shall only be deductible against the same type of asset.

The section further provides that where the aggregate capital losses by any taxable person in a tax year exceeds the aggregate chargeable gains, such loss may be carried forward for deduction from chargeable gains arising from the disposal of the same type of asset in the following year and so on, provided that such losses shall only be carried forward for a maximum of five years immediately succeeding the year in which the loss was incurred.

Thus, businesses which incurred a loss from the sale of a chargeable asset, are to deduct that loss from the capital gain made from the sale or disposal of an identical or similar chargeable asset *within the same tax year*. By offsetting the losses against the gains, the taxable income is reduced. This development is in our considered view indicative of the Federal Government's efforts in relation to the ease of doing business in Nigeria.

## **iii. Inclusion of Stocks and Shares as Assets**

Section 31(6) of the Capital Gains Tax Act stipulates the classes of assets. The Act also provided that gains accruing to a person from a disposal of Nigerian government securities, stocks and shares will not be liable as chargeable gains.

The Finance Act 2023 has however, amended this provision and introduced another class of asset to include stocks and shares as "class 5." This means that companies and businesses will now be liable to pay capital gains tax at a rate of 10% on the sale or disposal of stocks and shares.

## **B. Companies Income Tax Act, Cap C21, LFN 2004**

The Companies Income Tax is the tax imposed on registered local companies and foreign companies carrying on business in Nigeria. The Companies Income Tax Act is the principal legislation which regulates the taxation of registered companies in Nigeria.

The Finance Act 2023 has made salient amendments to the Companies Income Tax Act through the following provisions:

### **i. Submission of Gross Revenue Statement**

The Finance Act 2023 has made provisions requiring foreign companies carrying on the business of air or shipping transport to submit gross revenue statement in lieu of a separate audited financial statement of its Nigerian operations when filing its tax returns. The gross revenue statements of its operations in Nigeria must show the full amount earned during the period and certified by one of the company's directors and external auditor, supported with all invoices issued to customers. This requirement seeks to ensure that transparency is maintained by these companies when reporting their revenue.

**ii. New Requirement for Companies engaged in Shipping and Air Business**

Another significant change made by the Finance Act 2023 to the Companies Income Tax Act is the additional documentation to be submitted by companies engaged in shipping, air and other relevant industries before relevant permits and approvals can be obtained by supervisory regulatory authorities and parastatals. These documentations are as follows:

- a. Evidence of income tax filing for the preceding tax year
- b. Tax clearance certificate which indicates payment of income taxes for three (3) preceding tax years in order to continue to carry on business in Nigeria or obtain any relevant approvals and permits.

**iii. Cancellation of Reconstruction Investment Allowance**

The Finance Act 2023 canceled the 10% reconstruction investment allowance granted for any expenditure on plants and equipment as provided in section 18(3) and (7) of the Second Schedule of the Companies Income Tax Act.

Companies that invest in the acquisition of plants and equipment will no longer be entitled to the 10% allowance that was granted under the Principal Act. Companies that have been granted this investment allowance before the cancellation will however continue to benefit until the allowance is used up. The implication is that the allowance will be available until it is used up.

**iv. Cancellation of Rural Investment Allowance**

The Act has also canceled the rural investment allowance under the Companies Income Tax Act formerly granted to companies that incur capital expenditure in the provision of water, electricity, tarred road or telephone, where such companies are located at least 20 kilometers away from government provided facilities (that is, rural areas).

Companies which provide these facilities will no longer enjoy any such allowance from the government.

**v. Cancellation of Incomes in Convertible Currencies**

The Finance Act repealed section 37 of the Companies Income Tax Act which provided for 25% tax exemption for convertible currencies derived from tourists, granted to hotels, and which income is reserved for utilization within five (5) years, for the building and expansion of hotels for the purpose of tourism development. This exemption however remains in force for companies that have, prior to the Finance Act 2023, already set aside the 25% pending the full utilization of such funds.

From the commencement of the Finance Act, hospitality companies will now be liable to pay full tax on their income. Companies that have set aside funds as previously provided will continue to enjoy the exemption until the funds are fully utilized or after the expiration of five (5) years, whichever occurs first.

**vi. Exclusion of Upstream and Midstream Companies from Charges on their Assessable Profits**

Companies engaged in upstream and midstream gas operations are now excluded from the limitation of 66⅔ percent that was initially placed for capital allowance to be deducted from assessable profit in any year of assessment. Provided that the value of any asset on which capital allowance is to be claimed under the Second Schedule of the Principal Act, shall be reduced by the amount of any investment allowance claimable by such company.

This is good news for companies in the upstream and midstream sector as they will be allowed, after the commencement of the Act, to recover their full capital allowances, subject to the underlying condition. It is noteworthy that only companies in the agro-allied industry and manufacturing companies were accorded the above benefits but by the Finance Act 2023, this relief has been extended to companies in the upstream and midstream gas operations.

**C. Customs, Excise, Tariff Etc. (Consolidation) Act Cap C49 LFN 2004**

**i. Introduction of Import Levy**

The Finance Act 2023 introduces a new subsection 4 under section 13 of the Principal Act, imposing a levy of 0.5% on all eligible goods imported into Nigeria from outside Africa. This is to aid the Federal Government's contribution and obligations to multilateral organizations such as the African Union, African Development Bank, African Export-Import Bank, ECOWAS Bank, Islamic Development Bank, United Nations, among other designated international organizations.

**ii. Introduction of Excise Duties on all Services including Telecommunication services**

The Finance Act 2023 has introduced the imposition of excise duties on all services in Nigeria including telecommunication services. The rate at which each service is to be charged shall be prescribed by the President.

Telecommunication companies as well as other companies engaged in the importation of eligible goods in other industries are now liable to charge levies on imported goods and services provided. The rate at which companies shall charge will be stipulated by the President through an Order.

**iii. Expansion of Definition and Supervisory Role**

The Act further expanded the definition of "Minister" and "Tariff Review Board". It defines "Minister" as the "*Minister charged with the responsibility for matters relating to finance, including the responsibility for the supervision of the Tariff Review Board.*"

It defines the "Tariff Review Board" as the "*Board charged by the Minister with the responsibility for the review of customs and excise tariff in this Act.*"

The Minister of Finance is therefore charged with a supervisory role over the Tariff Review Board.

## **D. Personal Income Tax Act**

Personal Income Tax (PIT) is a tax imposed on individuals who are employed in organizations or self-employed. Employees' income taxes are deducted through a system known as Pay as you Earn (PAYE) while tax from self-employed people is deducted through a system known as Direct Assessment. The Personal Income Tax Act regulates the imposition of tax on individuals and employees. One of the significant alterations made by the Finance Act 2023 on the Personal Income Tax Act is the introduction of tax relief for annuities:

### ***Introduction of Tax Relief on Annuity with minimum holding period of Five Years***

The Finance Act 2023 has substituted the provisions of Section 33(3) of the Personal Income Tax Act with a new provision that insurance premiums paid by an individual for his life or the life of his spouse or children or contracts for deferred annuity on the individual's life or the life of their spouse, are allowable deductions for personal income tax purposes subject to a minimum holding period of 5 years. This means that payment of premiums under a contract of life insurance or deferred annuity in the preceding year of assessment on the life of the tax payer or that of his/her spouse are now tax deductible and can be used as a relief in the computation of the taxpayer's PIT.

The implication of this provision is that income tax will not apply if the annuities are held for a period of a minimum of 5 years. Where there is however, any withdrawal from the annuities within the period of 5 years, PIT will apply and as such any portion of the deferred annuity withdrawn during that period of 5 years minimum holding period will be subject to tax. Gratuities, Life Assurance Premium, National Housing Fund, Pension, National Health Insurance Scheme contributions, and other annuities can hence be used as reliefs in the computation of PIT.

This provision of the Finance Act creates incentives for people seeking to protect themselves and encourages long-term commitment to annuities.

## **E. Stamp Duties Act Cap S8 LFN 2004**

Stamp duties are a type of tax imposed on legal documents, whether written or electronic. The Stamp Duties Act, Cap S8 LFN 2004 regulates the administration of this tax. Stamp duties are usually charged *ad valorem* (at a percentage based on the value of the transaction) or as a flat rate, depending on the nature of the document. The sole amendment to the Stamp Duties Act is highlighted below:

### ***i. Allocation of Revenue on Electronic Receipts***

Section 89(4) of the Principal Act was amended to reallocate the distribution formula for revenues on electronic money transfer levies as follows:

- i. 15% to the Federal Government and the Federal Capital Territory, Abuja.
- ii. 50% to State Governments.
- iii. 35% to Local Governments.

Any tax paid on electronic money transfer levy proceeds will therefore be distributed in accordance with the above specifications as provided in the new Act.

## **F. Value Added Tax Act**

The Finance Act 2023 has made the following introductions to the Value Added Tax Act as follows:

### ***i. Introduction of Disposition and power of the Service to disregard artificial transactions.***

- a. **Tax Payable on Disposition:** The Finance Act 2023 introduced circumstances where a relevant tax authority will regard a transaction as ingenuine and provides that transactions which in its opinion would reduce the tax liability of the taxpayer may either be disregarded or adjusted to counteract the reduction of liability. The Act empowers the Service to direct that appropriate adjustments are made in this regard.
- b. **Definition of Disposition:** Pursuant to Subsection 4, dispositions were defined to include any trust, covenant, scheme, agreement, or arrangement. Also, transactions between persons, one of whom either has control over the other or, in the case of individuals, who are related to each other or between persons, both of whom are controlled by some other person, are deemed to be artificial or fictitious if in the opinion of the Service or other relevant tax authority, those transactions have not been made on terms which are fairly expected to have been made by persons engaged in the same or similar activities dealing with one another at arm's length. This provision ensures that transactions are conducted in a fair and equitable manner for tax purposes.
- c. **Right of Appeal:** The Act provides that a taxpayer to whom a direction has been made with respect to the disposition, shall have a right of appeal in like manner as though such direction were an assessment.

This means that a taxpayer has the right to appeal when they receive an order from the Federal Inland Revenue Service and the appeal process would follow the same procedure as an appeal in respect of a tax assessment.

### ***ii. Remittance of Tax by Persons Appointed by the Federal Inland Revenue Service as Agents***

The Finance Act 2023 stipulates that to remit tax to the Federal Inland Revenue Service ("FIRS" or the "Service"), the Service shall designate a person to withhold or collect tax, and that person shall then remit the tax on or before the 14th day of the following month in the currency of the transaction.

This means that tax must be remitted to FIRS on or before the 14<sup>th</sup> day of the month, where the FIRS has appointed a person to collect or withhold tax, and not the 21<sup>st</sup> day of the following month, as previously contained in the Principal Act.

Companies that have been appointed as agents to withhold tax for the Service are mandated to remit such tax on or before 14<sup>th</sup> day of the following month. The Finance Act 2023 does not however specify any penalty for failure to do so.

### **iii. Removal of VAT on Imported Taxable Goods by a Non-Resident Supplier**

The Act provides that, taxable goods imported into Nigeria, which are purchased through an online electronic or digital platform and operated by a non-resident supplier, will not be subject to Value Added Tax (VAT) upon their clearance with the Nigerian Customs Service, provided that the importer shows evidence of registration or appointment of the non-resident supplier as agent of the Federal Inland Revenue Service (FIRS) to collect or withhold tax.

The implication of the above is that goods purchased from a non-resident company but is registered with FIRS will not be subject to tax at the point of clearing the goods, where the importer shows a certificate to prove that the non-resident company is registered as an agent of FIRS. This provision eliminates the risk of double taxation.

### **iv. New Definition of Building**

The Act further expanded the definition of building as any structure permanently affixed to land for all or most of the useful life of that structure and includes without limitation, a house, garage, dwelling apartment, hospital and institutional building, factory, warehouse, theatre, cinema, store, mill building and similarly fixed structure affording protection and shelter, but excludes any fixture or structures that can be easily removed from such land, such as radio and television masts, transmission lines, cell towers, vehicles, mobile homes, caravans and trailers.

This definition makes provision for the inclusion of additional items in the definition of buildings, indicating that what constitutes buildings are structures which are permanently affixed to the land, while it excludes specific structures such as vehicles, mobile homes, caravans which are movable, from the definition of buildings. It gives a broader description of buildings as “any” permanent structures on land, whether roofed or not, as being exempted from VAT, whereas the old provisions focused more on buildings as only roofed structures.

## **G. Petroleum Profit Tax Act (PPTA)**

This Act regulates and imposes tax on profits from companies engaged in petroleum business in Nigeria. It may be noted that the PPTA was repealed conditionally by virtue of section 310(1)(g) of the Petroleum Industry Act No. 6 of 2021 (PIA), it however remains in force until the condition for its repeal is completed which is until the expiration or termination of the OMLs and OPLs granted under the old regime, and which were not converted to PMLs and PPLs pursuant to Section 92 of the PIA. Hence, the PPTA will no longer apply to any new acreage granted under the Petroleum Industry Act, and at the same time once the completion of the conversion process is achieved as provided in section 92 of the PIA, the PPTA will then cease to apply to licenses and leases granted under the old regime.

### **i. New Definition**

The Finance Act 2023 in line with the provisions of the Petroleum Industry Act (PIA) has added a new definition to the interpretation section of the Petroleum Profit Tax Act. It defines the



“Commission” as the Nigerian Upstream Petroleum Regulatory Commission established under the PIA.

The addition of this definition is to duly specify the body responsible for the administration of the petroleum tax regime.

**ii. Companies Engaged in Petroleum Operations**

Every petroleum company is expected to make accounts for its profits or losses for each accounting period and provide the following information:

- a. A statement of account of its profits or losses.
- b. Computation of its actual adjusted profit or loss and actual assessable profits of that period.
- c. A schedule showing:
  - i. The residues at the end of that period.
  - ii. All qualifying petroleum expenditure incurred during that period.
  - iii. The value of any of its assets disposed during that period.
  - iv. The allowances due to it.
- d. A computation of its actual chargeable profits for that period.
- e. A statement of amounts repaid, refunded, waived, or released.
- f. Duly completed self-assessment form attested to by the principal officer of the company.
- g. Evidence of payment of the final installment.

The company is also required to deliver a copy of its accounts, bearing an auditor’s certificate, along with the copies of documents listed above. The copies are expected to contain a declaration signed by an authorized officer of the company or by its liquidator, receiver, or their agents, certifying that they are true and complete.

Newly incorporated oil companies are required to file their audited accounts and returns (that is, Audited Financial Statement) within 18 months of incorporation. For previously existing oil companies, they are required to file their accounts and returns within 5 months after December 31 of the previous year. Failure to file the Audited Financial Statement attracts a penalty in the sum of ₦10,000,000 (Ten Million Naira) on the first day the failure occurs and ₦2,000,000 (Two Million Naira) for each subsequent day.

**iii. Additional Chargeable Tax**

Where a petroleum company is unable to meet up with the amount required for its chargeable tax, such company is required to pay additional chargeable tax. The chargeable tax for an accounting period for a petroleum company is stated as follows:

- a. 30% of the profit from crude oil for petroleum mining leases.
- b. 15% of the profit from crude oil for onshore and shallow water, as well as petroleum prospecting licenses.

The value of chargeable tax is determined by multiplying the volume of barrels and the fiscal price which will be established by the Nigerian Upstream Petroleum Regulatory Commission. The Nigerian Upstream Petroleum Regulatory Commission is empowered to establish a fiscal price

for a crude stream where there is no fiscal price, which will bear a fair and reasonable relationship to the established fiscal oil price of Nigerian crude oil streams of comparable quality and specific gravity; or where there is no Nigerian crude oil streams of comparable quality and specific gravity, a fair and reasonable relationship to the official selling prices at main international trading centres for crude oil of comparable quality and gravity.

The implication of this provision is that companies which are unable to meet the amount required, will pay an additional chargeable tax in order to meet up with the requirements of the Finance Act 2023.

**iv. Penalty for Offences**

The Finance Act prescribes stiffer penalties for non-compliance with an administrative penalty pegged at ₦10,000,000.00 (Ten Million Naira) for default in the first instance and an additional penalty of ₦2,000,000.00 (Two Million Naira) for each subsequent day the default continues. It also provides that a person who is found guilty of an offence under the Act will be liable to pay ₦20,000,000.00 (Twenty Million Naira) or any amount prescribed by the Minister of Finance or an imprisonment of six (6) months or both fine and imprisonment.

Petroleum companies who fail to comply with the provisions of the Finance Act 2023 and any relevant regulations will be liable to the payment of fines. Where the default is committed by an individual in the company, for example, a director, such a person will be liable to imprisonment.

**v. Taxation of Surplus of Amount Approved for Decommissioning and Abandonment**

A significant input made by the Finance Act 2023 was the inclusion of taxation of the surplus or residue of any amount approved by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) as contribution to a fund, scheme, or arrangement for the purpose of decommissioning and abandonment. Companies are entitled to receive the surplus of the fund, provided that such surplus will be subject to tax.

**vi. Penalty for making Incorrect Accounts**

In a bid to discourage the submission of incorrect accounts, the Finance Act 2023 has increased the penalty for such an action. Petroleum companies which submit incorrect accounts without any reasonable excuse are liable to the payment of an administrative fine up to the sum of ₦15,000,000 (Fifteen Million Naira) and 1% of the amount of tax the company is assessed for the accounting period during the occurrence of such omission.

Businesses are advised to endeavor to appoint auditors to prepare their accounts in order to avoid any inaccuracy that could lead to being liable to fines under the Finance Act 2023. The purpose of this provision is to promote accuracy and compliance in tax reporting.

**vii. Penalty for false statements**

The Finance Act also imposes a similar punishment for providing false statements. It imposes an administrative penalty of the higher sum of ₦15,000,000 (Fifteen Million Naira) and 1% of the amount of tax assessed or imprisonment of six months, or both fine and imprisonment. This

provision in the Finance Act 2023 has amended the penalty originally prescribed at the sum of ₦1,000 (One Thousand Naira) and imprisonment of six months.

Businesses/companies are also advised to appoint auditors to prepare and review their accounts statements in order to prevent the likelihood of false statements and avoid liability under the Finance Act 2023.

#### **viii. Cancellation of Penalties for Offences by Authorized and Unauthorized Persons**

Persons who were authorized with the administration of the Principal Act and persons who were not authorized to collect tax under the Principal Act were previously liable to payment of a fine of ₦600 (Six Hundred Naira) or an imprisonment of three years or both. For authorized persons, the grounds for liability were: (i) demanding from any person an amount in excess of the authorised assessment of the tax payable; (ii) withholding for personal use or otherwise any portion of the amount of tax collected; (iii) rendering a false return, whether verbal or in writing, of the amounts of tax collected or received by the authorized person; (iv) defrauding any person, embezzling any money, or otherwise uses the authorized person's position so as to deal wrongfully either with the Board or any other individual. The grounds for liability for an unauthorised person were not being authorised under the PPTA but goes ahead to collect or attempting to collect tax under PPTA. The Finance Act 2023 has however, canceled this provision. This does not automatically mean that persons who are charged with the responsibility of administering the petroleum tax and unauthorized persons will no longer be liable to penalties. Such persons may be liable to be prosecuted under the general criminal laws on corrupt practices, forgery, impersonation, and so on. This does not also affect other offences mentioned in the Act.

### **H. Tertiary Education Trust Fund (Establishment Etc.) Act**

The Tertiary Education Trust Fund is a body that is charged with the responsibility of managing, imposing tax on public tertiary education institutions in Nigeria. The Act is the principal legislation that regulates the affairs of tertiary institutions in Nigeria.

#### **Increment of Tertiary Tax**

The initial tax charged on tertiary education was at the rate of 2.5% pursuant to section 1(2) of the Tertiary Education Trust Fund (Establishment Etc.) Act. The Finance Act 2023 has however increased the rate of the tertiary education trust fund tax to 3%. This tax is charged annually.

### **I. Corrupt Practices and Other Related Offences Act**

The Corrupt Practices and Other Related Offences Act governs the activities of public officers, prescribes punishment for corrupt practices, and establishes the anti-corruption commission, that is the Independent Corrupt Practices and Other Related Offences Commission ("ICPC" or the "Commission").

### ***Increase of Fine for Public Officers***

The Finance Act 2023 increases the fine for public officers who, in the discharge of their duties, award or sign any contract without budget provision, approval and cash backing, to a fine of ₦10,000,000.00 (Ten Million Naira) and on conviction, liable to three (3) years imprisonment. The Principal Act – the Corrupt Practices and other Related Offences Act initially prescribed a fine of ₦100,000 (One Hundred Thousand Naira).

Public officers who contravene the provisions of the Corrupt Practice and Other Related Offences Act are now subject to the payment of fines or imprisonment.

### **J. Public Procurement Act**

The Public Procurement Act governs and regulates the acquisition of goods and services by government and state-owned businesses.

#### ***Inclusion of an Approved Procurement Plan***

Section 16(1)(b) of the Public Procurement Act provides that all public procurement will be conducted based only on procurement plans supported by prior budgetary appropriations, and no procurement proceedings will be formalized until the procuring entity has ensured that funds are available to meet the obligations and, subject to the threshold in the regulations made by the Bureau, obtained a “Certificate of ‘No Objection’ to Contract Award” from the Bureau. The Finance Act 2023 has amended this section by making mandatory the provision of an approved procurement plan, which will be subject to the threshold in the Regulations. While the Principal Act that is, the Public Procurement Act requires the availability of funds to meet obligations, the Finance Act 2023 on the other hand requires an approved procurement plan.

Government agencies must provide a mandatory approved procurement plan which will be subject to the threshold made in the regulations by the Procurement Bureau before any procurement proceedings are formalized. This amendment by the Finance Act 2023 aims to ensure transparency, and compliance with procurement regulations and guidelines.

### **K. Ministry of Finance (Incorporated) Act**

The Ministry of Finance Incorporated, also called the Corporation Sole (the “Corporation”), is an asset holding company under the Federal Ministry of Finance. The Corporation acts as a sole manager of the Federal Government’s investments. The Ministry of Finance was established under section 3 of the Ministry of Finance (Incorporated) Act which is the Act responsible for the administration of the Corporation.

#### ***i. Introduction of Council, Board and Team***

The Finance Act 2023 establishes a Governing Council, Executive Board and a Management Team, appointed by the President upon recommendation by the Minister responsible for Finance. This is for the effective administration and management of the Corporation, strategic direction, and good governance.

## **ii. Power to Review Internal Guidelines and Procedures**

The Corporation is empowered to develop, adopt, amend, revoke or supplement appropriate regulations, codes, and internal guidelines to aid the performance of the Corporation and ensure that it is consistent and in line with the Provisions of the Principal Act.

## **iii. Adoption of Initial Regulations and Guidelines**

The Finance Act 2023 stipulates that the initial regulations, guidelines, and procedures of the Corporation shall be adopted only after consultation with the Minister. It is, however, important and advisable to review such guidelines to ensure that they are in line with current economic realities.

## **CONCLUSION**

From our review of the Finance Act 2023, it is evident that the aim of the Act is to generate and create more revenue for the government in order to fund its objectives for the fiscal year, provide liquidity for infrastructural developments while also addressing tax avoidance and manipulation.

It is however important to consider the consequences of increased taxation on businesses, as this could negatively impact the profits retained by companies and businesses. Higher tax burdens can place additional financial strain on businesses, potentially reducing their ability to invest, expand, or retain employees.

## **Authors:**



**Taiwo Adeshina**

Partner, Head of Corporate Commercial Department

E: taiwo.adeshina@jee.africa



**Richmond Idaeho**

Senior Associate, Corporate Commercial Department

E: richmond.idaeho@jee.africa



**Amarachi Eze-Njoku**

Associate, Corporate Commercial Department

E: amara.eze-njoku@jee.africa

## Key Contacts

For further information, kindly reach the key contacts below:



### FOLASADE OLUSANYA

Partner, Corporate Commercial Department.

+234 803 610 2040

E: fola.olusanya@jee.africa



### TAIWO ADESHINA

Partner, Head of Corporate Commercial Department and Energy & Infrastructure Sector.

+234 803 717 6741

E: taiwo.adeshina@jee.africa

### Victoria Island

RCO Court,  
3-5 Sinari Daranijo Street,  
Victoria Island,  
Lagos, Nigeria  
island.

### Tel

+234-1-4626841/3,  
+234-1-2806989

### Email

jee@jee.africa

### Abuja

42, Moses Majekodunmi Crescent,  
Utako, FCT, Abuja

### Ikeja

1st floor, ereke house,  
Plot 15, CIPM Avenue  
CBD Alausa Ikeja  
Lagos Nigeria

### Accra

3 Emmause, 2nd Close  
Akosombo House  
Labone, Accra, Ghana  
P.O. Box 14951  
Accra, Ghana

### Yaoundé

3rd Floor, Viccui Building  
Apt. 15-16, Carr Street  
New Town, Yaoundé  
Cameroon

### Harare

38 Clairwood Road,  
Alexandra Park,  
Harare,  
Zimbabwe.