



THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

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COMMUNIQUÉ ISSUED BY THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA AT THE END OF ITS 12TH ANNUAL TAX CONFERENCE HELD AT NICON LUXURY, ABUJA, FCT, NIGERIA FROM 5TH - 8TH MAY, 2010.

Background:

The 2010 Annual Tax Conference of the Chartered Institute of Taxation of Nigeria (CITN) was held at NICON Luxury, Abuja, FCT, Nigeria from 5th to 8th May, 2010. The theme of this year's Conference "TAX HARMONISATION FOR REGIONAL INTEGRATION" was chosen against the following background:

- Regional integration has become imperative in view of the world becoming a global village. The global economic meltdown necessitated the need to consider other strategies employed by various regional communities for economic development.
- The reliance on oil revenue has contributed to the current loss being experienced within the Nigerian fiscal economy and this has in turn challenged the country on the need to find alternative sources of revenue.
- The attendant benefit however, of this economic holocaust is the fact that the Nigerian Government has turned to taxation as a viable means of revenue generation for the nation, as a strategy to accelerate fiscal economic recovery.
- Taxation is a key fiscal instrument for economic re-engineering hence there is the need for regional cooperation and coordination in the harmonization of tax policies.
- The domestic tax laws and policies need to be well structured to meet the challenges that regional harmonization poses.

Faculties and Papers Presented:

Paper 1: Tax Harmonisation for Regional Integration

By Prof. Franszen Riel

Professor of Economics, University of Pretoria, South Africa.

Paper 2: Sustainability of Tax Revenue for Global Economic Stability

By Dr. Mohammed Ibn Chambers, Former President, ECOWAS

Paper 3: Taxation a Dominant Source of Source Of Revenue for Economic Development

By Dr. Shamsudeen Usman, Honourable Minister of National Planning

Paper 4: The Role of Taxation during Global Economic Recovery

By Prof. Akin Oyebo, HOD, Jurisprudence & Law,

Faculty of Law, University of Lagos

Special Presentation: Introducing the National Tax Policy

By Mr. M.A.C. Dike, Director, Tax Policy, Federal Inland Revenue Service, Abuja.

ATTENDANCE:

The conference recorded a total of 678 in attendance. Participation cuts across membership of CITN and other stakeholders both within and outside the country.

COMMUNIQUE:

Following the presentation of the above-titled papers and discussion of crucial issues arising therefrom, the Conference noted that:

- Nigeria should consider and harmonize different existing tax laws to protect her economic interests and ensure sustainable economic Development.
- Tax rates should be harmonized for effective economic development; however, the current reliefs should be reviewed to cushion the effect of the harmonized taxes.
- Consequently, Government should facilitate speedy and timely promulgation of various tax laws and legislations in the country to enhance the smooth administration of taxes in the country. In particular, the Personal Income Tax Act (Amendment) Bill which is currently before the National Assembly should be considered and passed into law immediately.
- Tax collection at the local government and state levels should be properly structured and reviewed before regional integration can be achieved. Multiple taxes should be eliminated within the three tiers of Government.
- Sustainable and improved revenue generation can only be achieved when governments at ALL levels give the required independence to their tax authorities. A tax administration that is autonomous is expected to attract the right caliber of staff, acquire necessary equipment, train and retrain staff, etc. all in the bid to meet up with set targets. Obviously, this will set the tone for professionalizing tax administration in Nigeria and ensure respect from the taxpayers.
- The position of the Chairman of any tax authority should strictly be occupied by a member of CITN in line with the laid down laws. A situation whereby non CITN members and indeed non knowledgeable members of the public are forced on the tax system can best be described as not only retrogressive but illegal.
- Arising from the above will be eradication of bad governance and corruption from the Nigerian fiscal system.
- In tax administration, there is need to integrate a uniform database and tax code hence the Federal Inland Revenue Service (FIRS) and Joint Tax Board (JTB) should immediately ensure the implementation of the Unique Taxpayers Identification Number (UTIN) so that potential tax payers would be identified and easily brought into the tax net. While machinery should be put in place to identify and register eligible tax payers in the informal sector of the economy, the conference wondered why a major stakeholder such as CITN is excluded in the Implementation Committee of the UTIN.
- Provision of social amenities and infrastructural development most especially in the area of energy is vital hence Government should focus on same in order to encourage voluntary compliance.
- Government should ensure judicious utilization of tax revenue for the purpose of accountability and to drive voluntary tax compliance while the taxpayers should demand for transparency and accountability from the government on the usage of funds generated.
- Government should speed up the adoption of the recently approved National Tax Policy and ensure the implementation of same.
- Good leadership and corporate governance should be promoted for sustainable development while tax awareness and tax education should be carried out through the media and other means.
- Simplification and harmonization of local tax laws should be carried out to avoid making ambiguous legislation and to pave way for regional harmonization.
- Tax revenue processes at all levels should be automated. To this extent, the pay-direct system should be implemented in all Revenue Authorities to avoid leakages.
- Issue of Double Taxation Treaties needs to be addressed in order to eliminate double taxation among member states
- Tax harmonization will create a check on national jurisdiction in tax matters as an aggrieved tax payer may approach a regional tax court for redress. This will in turn lead to a common ground for conflict resolution in tax matters.
- There should be improved communication amongst member states of ECOWAS and African Union to enhance transmission of tax ideas and reviews which will enhance harmonization.
- CITN should collaborate with ECOWAS, the Chartered Institute of Taxation Ghana, South Africa Institute of Tax Practitioners and other stakeholders in ensuring the establishment of both West Africa Union of Taxation Institutes (WAUTI) and Association of African Taxation Institutes (AATI).
- Institutions of higher learning should be encouraged to include taxation as part of their school curriculum.


Prince Rasaq Adekunle Quadri, FCTI
President/Chairman of Council

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