

THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

ACCEPTANCE SPEECH BY THE 9TH PRESIDENT/CHAIRMAN OF COUNCIL, PRINCE R. 'KUNLE QUADRI, FCTI DELIVERED AT THE INVESTITURE CEREMONY HELD ON WEDNESDAY, 09 09 09 AT SHERATON HOTEL & TOWERS, IKEJA, LAGOS.

PROTOCOLS

In the name of God, the Beneficent, the Merciful.

My election as the President of CITN at the 109th Council meeting held on Thursday, 4th June, 2009 marked the turning point in my service to professional bodies. I want to publicly acknowledge with thanks the rare opportunity granted me by the members of Council to serve the Institute, Nigeria and humanity. This singular act has brought upon me challenges that I know God will assist to overcome.

I stand before you today to accept to serve our great Institute, The Chartered Institute of Taxation of Nigeria as the President for the 2009-2011 tenure. I accept also, the mantle of service on behalf of other officers, elected to various offices to serve this great body of professionals.

While acknowledging the past cooperation of all stakeholders, the dedication and commitment of my ladies and gentlemen of Council, distinguished members of the Institute and all in this wise cannot be over emphasised. I pray that God shall continue to guide and guard the Council towards the upliftment of the Institute, the Nigerian tax system and tax profession in general.

I must at this juncture salute the courage and foresight of the founding fathers (and mothers) of the Institute who, 27 years ago, thought it fit to establish this professional body. There is no doubt in my mind that these revered men and women of honour are today happy to note the vibrancy of what they gave life to. I am aware that past officers of the Institute have given free, their knowledge, sacrifice their money and time which cannot be paid for while bringing this Institute to a respectable height in the comity of professional bodies both within and outside the country. The result of your labour is the Institute which is now the toast of everyone.

Let me mention that The Chartered Institute of Taxation of Nigeria has come of age. I make bold to state with all sense of humility that the members of the new Executive Committee are taking over an Institute which is matured, focused and well accepted by the community both nationally and globally. The CITN has established itself as the only brand name worth dealing with when it comes to taxation profession in this country. We adore God for this and other things that He has done for our Institute and individual members.

THE FOCUS OF COUNCIL IN THE YEARS AHEAD

The shifting of emphasis of government from the oil to non-oil revenue sector in generating income for the country is overdue. The leadership of the Institute is aware of the enormous task ahead as much is now expected from both the Institute and its members. The years ahead are vital to our Institute in order to fully position CITN and the following shall be the focus of Council in the next few years.

1. *Improvement of Technical Output*

The need to continuously improve the technical output of the Institute in order to meet the aspirations of stakeholders has always been stressed. In order to achieve this, Council has reintroduced four faculties as was established in the past. The following faculties which are being headed by Deans and Deputy Deans have been inaugurated. These are:

- ✓ Direct Taxation Faculty;
- ✓ Indirect Taxation Faculty;
- ✓ Oil & Gas & Solid Minerals Taxes Faculty; and
- ✓ International Taxation & Treaties Faculty.

I assure you that these faculties are headed by technically sound and distinguished members of our Institute with global tax experience. The nation's tax system has already started harvesting the positive results of the activities of these faculties going by the feedback we are getting from the stakeholders. In order to enrich yourself on taxation matters, I advise that you always visit our website at **www.citn.org**

We have mapped out plans to intensify taxation enlightenments throughout the federation in view of the low level of awareness within the taxpayers. The training relationship CITN has with organisations such as Federal Inland Revenue Service, Economic & Financial Crime Commission, Office of Accountant General of the Federation and others shall be extended to other organisations with which we are already discussing. Our doors shall be open to organisations that require our services in this area. In addition, majority of Nigerians are yet to come to reality that no matter how simple a tax system is, there is need to avail themselves of the technical expertise of genuine tax professionals (i.e. Chartered Tax Practitioner or Administrator) for the purpose of the taxation aspect of their day-to-day business activities (just like your banker, engineer, lawyer, accountant, etc.) The awareness in this direction will be intensified in view of the current high tempo of revenue drive by the government at all levels.

I need to state however that the technical unit of our Institute continues to face great challenges particularly with respect to funding. It is in this wise that Council hereby requests for yearly government allocation of funds and donations from well-meaning Nigerians to enable the unit carry out research into developing an enduring tax system where voluntary compliance shall be the hallmark.

2. *Stamping out Quackery and Touting in the Tax System*

In order to ensure a more efficient system, there is need to stamp out quackery and touting in the Nigerian tax system. The focus of the Tax Practice Monitoring Committee of Council has been redefined towards vigorously eliminating these vices. The country is looking up to us and we cannot afford to fail. The benefits of professionalizing the tax system shall include sanitizing the system to the extent that meaningful development shall be achieved. As you are aware, the symbol of professionalism in the Nigerian tax system has always been the CITN practising seal and stamp. Council shall implement the Charter of the Institute to the letter by ensuring that only members of the Institute who carry its practising licence practise taxation in accordance with the laws of the federation.

I call on all stakeholders to give necessary support towards the implementation of our Charter.

3. Secretariat Matters

a) Staffing and Staff Welfare

The secretariat is the engine room of the Institute, its robustness and efficiency will impact on moving the Institute to the next level. Council is therefore committed towards providing the Institute with well motivated, dedicated and absolutely loyal staff to achieve the vision of the founding fathers. While the issue of staff welfare shall be taken seriously, the systems of reward and sanction shall be reviewed to ensure that measures are taken as appropriate to encourage staff in the pursuit of their work. It is in the pursuit of this, that a team building retreat was organised for management staff recently. I am happy to note the positive impact of the retreat in the manners of work by the staff.

b) Secretariat Building

It is becoming an embarrassment to note that CITN, after 27 years of its existence still operates from a rented apartment. The past administration has taken a bold step in acquiring a piece of land in Lagos State. The time is ripe for us to commence the building of our secretariat and all hands must be on deck as soon as the Survey Plan is received. Alternatively, the Institute may acquire a property in a more suitable area and develop to taste. At the appropriate time, we shall call on you all for assistance towards this noble venture.

4. Corporate Image and Product Marketing

I am happy to note that the profile of the Institute has continued to rise over the years. Much still needs to be done especially in the area of Information and Communication Technology. The next few months shall see us moving into the desired fashionable paperless environment as most of our transactions shall be made on line. I appreciate my members of Council for approving the expected radical transformation of the image of the Institute. My office shall work closely with the ICT Subcommittee to achieve this within a reasonable time.

Our educational materials shall be improved upon in terms of contents and timeliness of delivery. The Corporate Affairs Unit and the Publicity and Publication Committee have been given mandate to ensure that our outputs get to the desired audience within the shortest possible time.

5. *Best use of the institute's organs*

As part of the need to spread the good news of the Institute to every corner of the country, our District Societies have been challenged to make their relevance felt within their jurisdictions. Council shall continue to encourage and support any activity that propagates the Institute's vision of becoming one of the foremost and referenced professional associations in Africa and beyond.

I am happy to note the developments within the Society of Women In Taxation (SWIT in formation). I have been assured that SWIT shall soon be inaugurated to contribute its quota to the Nigerian tax system.

6. *Relationship with Other Tax Institutes*

CITN is committed to ensuring that Nigeria continues to maintain its enviable position and would therefore maintain good relationship with other international taxation organs. Our membership of the International Tax Directors Forum (ITDF) shall be strengthened with increased participation while the establishment of the West Africa Union of Tax Institutes (WAUTI) and Association of Africa Tax Institutes (AATI) shall be vigorously supported by our Institute. I must at this juncture acknowledge the very cordial relationship existing between CITN, The Chartered Institute of Taxation of Ghana (CITG) and South Africa Institute of Tax Practitioners (SAIT). I confirm to this gathering that a formidable team of our members are currently in Johannesburg, South Africa for participation in the SAIT's Tax Conference. I believe the exchange programmes between the bodies shall continue to enrich the tax system in our respective jurisdictions.

You will agree with me distinguished ladies and gentlemen, that the above listed programmes, as lofty as they are, can only be realised with cooperation and support of members and the public at large. As in the past, we must collectively and as individuals be ready to make sacrifices in the best interest of the future of

the Nigerian tax system. It is then that we can look back in future and thank God for the legacy that we built over the years.

I must not fail to briefly mention here the challenges faced by the Institute in ensuring a good tax system worthy of being proud of.

1. *Illegal and Multiplicity of Taxes*

This is prevalent particularly in the third tier of government. It creates confusion in the tax system and also serves as disincentive to investment (both local and foreign). One vital issue that has created this problem is the unending debate on fiscal federalism. Our institute is already compiling our recommendations on this very important matter and shall submit same towards the review of the Nigerian constitution.

Meanwhile, we strongly support the Lagos State government in streamlining the manners of assessing, collection and appeal procedures through the Lagos State Local Government Levies (Approved List for Collection) Bill. The Institute has made its comments on the Bill to the relevant authorities. Other states are enjoined to follow this footsteps, eliminating touting and illegal road blocks.

The fall out from the above is the need to give more powers to the Joint Tax Board so that it can effectively coordinate the many tax authorities all over the country. A situation whereby the JTB can only bark but not bite should be reversed with either moving an amendment to the Personal Income Tax Act or bring about a law that will give better life to Nigerians through the roles expected to be played by the JTB.

2. *Earmarked taxes*

There have been attempts at bringing about many bills for earmarked taxes that would compel the taxpayers to make further tax payments to the government. The CITN has made it known to relevant authorities that creating tax or charge for every Ministry or Agency is disincentive and will affect negatively investment in the

country. What is required is putting in place the machinery that will bring all taxpayers into the tax net.

3. *The Draft National Tax Policy*

The benefits that should accrue to Nigeria as a country shall continue to elude us until we put in place a National Tax Policy which is currently in its draft form. Our Institute has availed the Honourable Minister of Finance and the Chairman, Joint Tax Board with our comments. Hopefully, all other stakeholders shall forward their inputs to enable both the Technical and Presidential Committees produce a final draft policy that will stand the test of time.

4. *Outstanding Tax Bills in the National Assembly*

As of today, only four out of the eight tax reform bills have been passed into laws. Since these tax bills are very crucial to the tax reform efforts of this administration and the country at large, I implore the leadership of the National Assembly to use their good offices to ensure speedy passage of the remaining tax bills.

5. *Democracy At 10*

The Institute joins other Nigerians in celebrating the tenth anniversary of our new found democracy. It is also noteworthy that the various arms of government are more matured in the way businesses are transacted. CITN is however concerned that much still needs to be achieved in the area of ensuring dividends of democracy for the citizenry. It pains our heart to learn that corporate organizations leave the shore of the country for other neighbouring countries on the account of lack of infrastructure most especially in the area of provision of regular supply of electricity. I call on the government to step up activities towards delivery of the dividend of democracy.

6. *Judicious Use of Revenue Collected*

There is no doubt that most of the taxpayers have abdicated their roles as good citizens due to the disconnect between them and the governments. The generation of revenue through compliance by the taxpayers calls for a new order. All governments at various levels are advised to judiciously apply the funds

generated as people will more than ever before ask questions. Leaders should show good sense of transparency and accountability in order to earn the required trust from the followers. I advise that the government allow the people know its plans, the challenges and how they are being tackled. The development of infrastructures throughout the country shall be a major boost to the economy. Without this, no amount of funds pumped into the economy will yield and meaningful result. I use this medium to salute the good works of the all our leaders who are building legacies that will not only outlive them but also many generations to come.

7. *Establishment of Taxation Committee in the Legislative Houses*

There is need for the various legislative arms of government to establish Taxation Committee just as applicable to Banks, Capital Market, etc as doing this will ensure adequate attention being paid to taxation as a major source of governments' revenue. It will be the responsibility of this committee to review taxation matters and bring them up from time to time. CITN is convinced that the existence of this committee in the National Assembly would have ensured speedy passage of the existing tax bills.

8. *Single Currency for West Africa*

May I seize this opportunity to comment on the revised road map targeting 2020 for the full realization of the dream for a single currency for West Africa and the desire by 2015 to ratify the legal instruments for the creation of the West African Monetary Zone (WAMZ) comprising Nigeria, Ghana, The Gambia, Guinea (Conakry), Sierra Leone and as envisaged, Liberia, before the introduction of the Eco common currency in January 2015, to be followed by the withdrawal of the national currencies of the five constituent member states. It is noted that also contained in the roadmap are actions to be taken ahead of the new date which includes the review and harmonization of the convergence criteria, the harmonization of statistics, domestic policies and the legal, accounting and statistical frameworks of public finance.

The result of all these is the need to harmonize the various taxes, levies and duties across the region as one of the convergence criteria.

Council therefore calls on the West African Monetary Institute and the ECOWAS Commission to involve the Tax Institutes in the region as stakeholders to enable them make their contributions and avoid the kind of situation that led to the cancellation of the VAT rate increase in Nigeria whose underlying reason was the need to meet one of the convergence criteria of the monetary union.

The next few years shall be used to properly position the Institute and I call all stakeholders to please cooperate with the leadership with all sincerity. As my Past President J.B. Okele, FCTI would always put it *„the CITN train is moving very fast, anybody left behind must catch it at the next stop „, and it's only for those who can make it ...*

ACKNOWLEDGEMENTS

In concluding this speech, I have to acknowledge my relationship with the Immediate Past President, Alhaji Kamorudeen Ayodele Adigun, FCTI. In him, I found a professional and an astute administrator. I commend you for the brotherly relationship that existed between us particularly during your tenure as the President of the Institute. I also thank Mr. Gabriel Fasoto FCTI (PP) and all those whom God has used to guide me to this position. My appreciation goes to Mr. Ibrahim Audu, FCTI to whom I shall continue to be indebted all my life. In giving honour to those honour is due I appreciate my parents, my dear Papa and Mama, family members, clients, friends and well wishers for the various roles played in bringing me up. Above all, I thank the Almighty God for making us relevant to our society.

Thank you for listening and God Bless.

Prince R. 'Kunle Quadri, FCTI
President/Chairman of Council