



# THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

## NEW PROFESSIONAL EXAMINATIONS SYLLABUS

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**EFFECTIVE DATE: APRIL 2021**

## **VISION**

To be one of the foremost professional associations in Africa and beyond

## **MISSION**

To build an Institute which will be a citadel for the advancement of taxation in all its ramifications

## **MOTTO**

Integrity and Service

## CHAIRMAN'S STATEMENT

In this era of dynamic change affecting of all facets of business engagements, it is important that relevant information is shared for day to day running of affairs.

Professional bodies charged with educating members and the public in professional matters cannot also remain docile in the face of global stiff competition, hence the need to move with time.

The Chartered Institute of Taxation is aware of its role as spelt out in the Laws of the Federal Republic of Nigeria and thereby taking a lead in Taxation as a Profession. The Syllabus of the Institute for educating its members is always reviewed every five-year to address contemporary issues from time to time.

The current Syllabus will be expiring by the beginning of 2018 and will necessarily give way to a new one now being proposed.

The New Syllabus is benchmarked along with all other relevant professional syllabi all over the world to address salient developmental issues necessary for complete professional education. It is designed to make a Total Tax Practitioner, Administrator and Educator by every definition of terms. The Issue of \*Professional Ethics driving global businesses today is given prominence in this syllabus. Besides, there is linkage between academic and professionalism to create a solid platform for Tax Education especially where there is a need for one exemption or the other

The Council of this Institute is therefore happy to present this syllabus before all and for the use of all.

Professor Ishola Rufus AKINTOYE (FCTI-680)

**BA (Accounting & FM, Sunderland-UK), BSc (Economics- Ghana), MBA (Accounting & Finance), MSc (Finance), PhD (Accounting), PhD (Financial Management), FCA, FCTI, FNIM**

\*Professor of Accounting & Finance

\*2017 ICAN Merit Awardee

\*Chair, 1<sup>st</sup> CITN Professorial Chair of Taxation & Fiscal Policy

Chairman, Syllabus Review Committee, CITN

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## FOREWORD

The tax space is witnessing a major turnaround in the areas of policy, legislation, administration and tax practice. As a dynamic profession consisting of multiple disciplines, its curriculum must affirm its status as the melting point for the distillation and impartation of contemporary thoughts shaping those strands of disciplines from which taxation has birthed. Council of the Institute therefore learnt its weight behind this work by constituting the Syllabus Review Committee.

The Institute has produced a slim, simple and concise revised syllabus with clear and distinct subjects tailored towards affording Tax Professionals take on the onerous task of delivering an efficient tax system for the mutual benefit of everyone.

It is gratifying to note the conversion policy which gives old students the opportunity to migrate to the new syllabus while the newly registered students will commence from the new syllabus. At the end of the examination and subsequent induction into the full fledge membership of the Institute, the country would continue to be rest assured of possession of highly skilled and well groomed manpower required to propel taxation, as a profession to the next level.

The Institute remains grateful to the members of the Syllabus Review Committee under the able Chairmanship of Prof. Ishola Rufus Akintoye, FCTI, the first CITN Professorial Chair in Taxation, at Babcock University, for the steadfastness and commitment to the given mandate, inspite of the tight schedule. Contributions of other persons are also acknowledged including Pastor Benjamin Omonayajo, Chairman, Examination Committee, Dr. Godwin Emmanuel Oyedokun, Chairman, Education Committee and Dr. Titilayo Eni-itan Fowokan, Chairman, Students and Tertiary Institutions Affairs Committee. Other resource persons who submitted inputs to the Committee are also appreciated. This is to thank the staff of the Examination and Students' Affairs Department of the Institute headed by the Registrar/Chief Executive, Mr Adefisayo Awogbade, FCTI for their hard work in ensuring that this project sees the light of the day.

**Chief (Dr) Cyril Ikemefuna Ede, FCTI**  
**President/Chairman of Council**

## MEMBERS OF THE SYLLABUS REVIEW COMMITTEE

S/N	NAMES	STATUS	DESIGNATION
1.	Prof. Ishola Rufus Akintoye	Chairman	Accounting Department, Babcock University/CITN Professorial Chairperson
2.	Pastor Benjamin Omonayajo	Member	Council Member, Chairman, Examination Committee
3.	Dr. Godwin Emmanuel Oyedokun	Member	Council Member, Chairman, Education Committee, Vice Chairman, Examination Committee
4.	Dr. (Mrs.) Titilayo Eni-Itan Fowokan	Member	Council Member, Chairman, Students' Affairs Committee
5.	Prof. Rafiu Oyesola Salawu	Member	Accounting Department, Obafemi Awolowo University, Ile-Ife
6.	Mr. Taiwo Oyedele	Member	Partner/Head of Tax PwC
7.	Mrs. Junila Nneka Takon	Member	Director, Human Capital, FIRS
8.	Barr. Rasaan O Bello	Member	Vice Chairman I, Examination Committee
9.	Mrs. Ojuolape Fajuyitan	Member	Vice Chairman II, Examination Committee
10.	Mrs. Sandra Momah	Member	Associate Director, International Tax & Service, Ernst & Young
11.	Mr. Martins Arogie	Member	Senior Manager, Tax & Regulatory, KPMG
12.	Mrs. Asiata Agboluaje	Member	Senior Manager, Tax & Regulatory, Deloitte
13.	Mr. Igho Otejiri Orienru	Member	Assistant Director, Head, Staff Training School, LIRS
14.	Mr. Kenneth Erikume	Member	Partner, PwC
15.	Dr. Olusola John Dada	Member	Lecturer, Accounting & Finance Department, McPherson University
16.	Mrs. Oyeronke Ojo	CITN	Assistant Director, (Head) Examination & Students' Affairs Department, CITN
17.	Mr. Ayodeji Adeyemi	CITN	Deputy Manager, Examination & Students' Affairs Department, CITN
18.	Mrs. Adeola Oyefeso	CITN	Assistant Manager, Examination & Students' Affairs Department, CITN

# **PROFESSIONAL EXAMINATION SYLLABUS**

## **INTRODUCTION**

The Chartered Institute of Taxation of Nigeria started on February 4, 1982 as Association of Tax Administrators and Practitioners. Thereafter, it metamorphosed into Nigerian Institute of Taxation, which was formally launched on February 21, 1982 and statutorily recognized on May 6, 1987 as a Company Limited by Guarantee. The Institute was chartered by the Federal Government of Nigeria through Decree number 76 of 1992 and was charged with the duty, among others of determining what standards of knowledge and skill are to be attained by persons seeking to become its members. Membership of the Institute cuts across such professions like Accounting, Law and other professionals who have acquired relevant tax experience.

## **AIMS AND OBJECTIVES**

The aims and objectives of the Institute as laid down in its enabling Act are, among others, as follows:

- i. To raise, maintain and regulate the standard of taxation practice amongst its members.
- ii. To promote professional ethics and efficiency in tax administration and practice.
- iii. To encourage, promote and co-ordinate research for the advancement of taxation in Nigeria.

## **MEMBERSHIP**

There are two main classes of membership of the Institute at the moment. These are Fellows and Associates.

### **FELLOWS**

Associates who wish to advance to fellowship may do so by submitting an acceptable these and then satisfying the council that his/her work has been closely connected with and of direct relevance to Nigeria Taxation for an unbroken period of at least five (5) years prior to such application as fellow. In the alternative, a total qualifying period of at least five (5) years prior to such application may be considered if it falls within a period not exceeding ten (10) years immediately prior to such application for admission as a fellow.

### **ASSOCIATE MEMBERS**

In accordance with the Charter and Rules and Regulations of the Institute, a person is admitted as an associate member on application, if he/she is a graduate member of the Institute and has acquired the relevant tax experience or has completed any of the recognized examinations of the Institute. Members of other professional bodies are admitted after they have served a specific period either in tax practice and administration.

## **DESIGNATORY LETTERS**

Every member of the Institute having been admitted at appropriate level is entitled to use the following designatory letters after his/her name.

**ACTI** – Representing Associate Member of the Chartered Institute of Taxation of Nigeria.

**FCTI** – Representing Fellow of the Chartered Institute of Taxation of Nigeria.

## **MEMBERSHIP, FEES AND SUBSCRIPTION**

Admission fees and annual subscription are payable by each member in accordance with the Rules and Regulations.

### **ADDRESS OF THE SECRETARIAT**

The Chartered Institute of Taxation of Nigeria  
Tax Professionals' House  
Plot 16, Otunba Jobi Fele way,  
CBD, Alausa Ikeja  
P.O. Box 1087, Ebute-Metta,  
Lagos State, Nigeria.  
Tel: 09080888815  
E-mail: [citn@citn.org](mailto:citn@citn.org).  
Website: [www.citn.org](http://www.citn.org)

### **ABUJA LIASON OFFICE**

David Ajibola Olorunleke's House  
Block 26 (27), Abidjan Street, Wuse Zone 3,  
Abuja, FCT, Nigeria  
Tel: (234) 09-2918349  
E-mail: [citn@citn.org](mailto:citn@citn.org),  
Website: [www.citn.org](http://www.citn.org)

### **For more information about the syllabus, please contact:**

Mr. Adefisayo Awogbade, FCTI  
Registrar/Chief Executive  
E-mail: [registrar@citn.org](mailto:registrar@citn.org).

## **ENTRY REGULATIONS AND REGISTRATION**

### **A. REGISTRATION PROCEDURE:**

Application for admission to student membership must be made on the prescribed form. This requires an undertaking on the part of the applicant to abide by the rules laid down by the Council from time to time. The procedure as stipulated below:

**All forms for Application have to be filled online ([www.citn.org/join\\_citn](http://www.citn.org/join_citn))**

This information is by the order of the Council of the Chartered Institute of Taxation of Nigeria. For further enquiries, please, contact the Examinations and Students' Affairs Department of the Institute on [studentsaffairs@ctn.org](mailto:studentsaffairs@ctn.org) or [exams@citn.org](mailto:exams@citn.org)

Every applicant shall produce satisfactory evidence of age, name, character and eligibility together with photocopies of his/her educational certificates. The Council reserves the right to grant or refuse any application or to terminate the registration of a candidate. A successful applicant shall be required to pay the prescribed registration and annual subscription fees for the year; upon which he shall be allocated a student number. This number must be quoted in full in all communications with the Institute.

### **B. CONDITIONS TO BE SATISFIED**

Every prospective candidate for admission to student membership must satisfy the Council that:

- He possesses the basic minimum educational qualification as set by Council.
- He is a fit and proper person to be registered.

Any student failing to comply with the above regulations may be liable for such penalties as the Institute may decide

### **C. ELIGIBILITY TO REGISTER**

An applicant shall be eligible to register as a student if he/she possesses a minimum of:

- First degree, Higher National Diploma or its equivalent.
- Undergraduates with evidence of admission into higher institutions

## **EXAMINATIONS**

### **1. Eligibility to Register for the Examination.**

Entry for the Institute's Examinations is open to all registered student members of the Institute. A registered student member is however expected to have paid the regular annual subscription and entry fees in force at the date of entry.

## 2. EXAMINATION RESULTS AND CREDIT SYSTEM

The new credit system stipulates that candidates can sit for any number of paper up to four at a particular level. However, a candidate must finish a level before proceeding to another. That candidate must pass minimum of one (1) paper out of the four papers. Candidate will be credited with the paper(s) previously passed. There will be opportunity to re-write the remaining papers at subsequent examinations subject to limited period. Candidate writing the Professional Examinations would have a maximum of eight (8) years to pass all levels of examinations within which candidate will be credited with earlier passed papers, but start afresh if unable to satisfy this condition within the specified period. Any candidate who passes one paper out of all the papers written should be credited with that paper subject to the provision that the candidate must apply to sit for all papers he/she would have been eligible to participate in the diet. On completion of examination, candidate must has fulfilled a total credit requirement of 36units.

## 3. EXAMINATION STRUCTURE- STUDENT ASSESSMENT

### FOUNDATION:

<b>SECTION A</b>	Multiple Choice Question	- 20 Questions	- 1 mark each
	Short Answers	- 10 Questions	- 1 marks each
	Sub – Total		30 marks

### SECTION B Theory

Question 1 is compulsory with 25 marks	25 marks
Answer 3 questions out of 5 with 15 marks each	45 marks
Sub – Total	70 marks
Overall Total	100 marks

### PROFESSIONAL TAXATION I

Question 1 is compulsory with 40 marks	40 marks
Answer 4 questions out of 6 with 15 marks each	60 marks
Overall Total	100 marks

### PROFESSIONAL TAXATION II

Question 1 is compulsory with 40 marks	40 marks
Answer 4 questions out of 6 with 15 marks each	60 marks
Overall Total	100 marks

The Institute shall introduce Computer Based Test (CBT), which will be a phased project commencing in the year 2020.

#### **4. NEW EXEMPTION FEE**

##### **1. Foundation**

Exemption form fee	4,000.00
Per Subject Fees	7,000.00

##### **2. Professional Taxation 1**

Exemption form fee	4,000.00
Per Subject Fees	9,000.00

##### **3. Professional Taxation 2**

Exemption form fee	4,000.00
Per Subject Fees	10,000.00

#### **5. NEW EXAMINATION FEE**

##### **1. Foundation**

Examination Form Fee	1,000.00
Registration Fees (Non Refundable)	8,000.00
Per Subject Fees	7,000.00
Total Subject Fees (4 Papers)	28,000.00
Study Material/Per Subject Fees	1,500.00

##### **2. Professional Taxation 1**

Examination Form Fee	1,000.00
Registration Fees (Non Refundable)	10,000.00
Per Subject Fees	9,000.00
Total Subject Fees (4 Papers)	36,000.00
Study Material/Per Subject Fees	1,500.00

##### **3. Professional Taxation 2**

Examination Form Fee	1,000.00
Registration Fees (Non Refundable)	12,000.00
Per Subject Fees	10,000.00
Total Subject Fees (4 Papers)	40,000.00
Study Material/Per Subject Fees	1,500.00

## 6. CONVERSION

Since a credit system will be in operation when the new syllabus takes off, candidates who are unable to complete the examinations before the take-off date would only be credited with the relevant subjects/courses already passed in the old syllabus.

Candidates that failed any subject in the old syllabus will be required to write the stated subjects in the new syllabus as itemized below:

S/N	OLD SYLLABUS	NEW SYLLABUS
		<b>Subjects to be written by candidates who failed any of the subjects in the old syllabus</b>
	<b>FOUNDATION</b>	<b>FOUNDATION</b>
1.	Principles of Taxation	Principles of Taxation
2.	Accounting	Financial Accounting
3.	General Principles of Law	Business Law
4.	Economics	Economics
	<b>PROFESSIONAL TAXATION I</b>	<b>PROFESSIONAL TAXATION I</b>
1.	Quantitative Techniques	Financial Reporting and Governance, Risks & Ethics
2.	Revenue Law	Financial Reporting and Governance, Risks & Ethics
3.	Income Taxation	Income Taxation, Financial Reporting and Governance, Risks & Ethics
4.	Indirect Taxation	Indirect Taxation, Financial Reporting and Governance, Risks & Ethics
	<b>PROFESSIONAL TAXATION II</b>	<b>PROFESSIONAL TAXATION II</b>
1	Taxation of E-commerce	Taxation of E-commerce (repeat until you pass), Financial/Tax Analysis & Income Tax for Specialized Businesses.
2.	Strategy, Risk and Ethics	Governance, Risk & Ethics, Financial/Tax Analysis & Income Tax for Specialized Businesses.
3.	Tax Audit and Investigation	Tax Audit and Investigation, Financial/Tax Analysis & Income Tax for Specialized Businesses.
4.	International Taxation	International Taxation, Financial/Tax Analysis & Income Tax for Specialized Businesses.
	<b>PROFESSIONAL TAXATION III</b>	
1	Oil, Gas Taxation	Income Tax for Specialized Businesses in PT II
2	Solid Minerals Taxation	Income Tax for Specialized Businesses in PT II
3.	Tax Management	Financial/Tax Analysis
4.	Practical Cases in Taxation	Financial/Tax Analysis

**7. EXEMPTION**

S/N	QUALIFICATION	EXEMPTION (NEW)
1.	TTS (ATT)/ATS/ATSWA, (Accounting &Taxation)	Graduates, OND
2.	ICAN(ACA)	All Foundation Papers, All PT I papers & PT II papers except Income Tax for Specialized Businesses
3.	ANAN(CNA)	All Foundation Papers, All PT I papers & PT II papers except Income Tax for Specialized Businesses
4.	BL	All Foundation Papers, All PT I papers & PT II papers except Financial/Tax Analysis and Income Tax for Specialized Businesses
5.	ACCA	All subjects at all levels except Business Laws, Income Tax for Specialized Businesses
6.	CIOT	All subjects at all levels except Business Laws, Income Tax for Specialized Businesses
7.	CITN TAX ACADEMY (CTA)	Subject by subject exemption
8.	CIMA	All subjects at all levels except Business Laws, Income Tax for Specialized Businesses
9.	ACIB	All Foundation Papers, Financial Reporting and Governance, Risk & Ethics in PT I
10.	ACS/ACIS/ICSAN	All Foundation Papers, Financial Reporting, and Financial/Tax Analysis in PT II
11.	MNIM	All Foundation Papers, Governance, Risk & Ethics, and Financial Reporting in PT I
12.	LLB	All Foundation Papers, All PT 1 Papers
13.	HND/Degree Taxation	All Foundation Papers, All Papers in PT 1 and International Tax, and Tax Audit & Investigation in PT II
14.	HND/Degree (Accounting)	All Foundation Papers, All PT 1 Papers
15.	HND/Degree Banking/Finance/Insurance	All Foundation Papers, All PT 1 Papers
16.	Degree in Economics	All Foundation Papers, All PT 1 Papers

17.	HND/Degree Bus. Admin/Public Admin/Bus Management	All Foundation Papers, except Principles of Taxation, and Financial Reporting & Governance, Risk Ethics in PT 1 Papers
18.	HND/Degree Maths/Statistics	Economics in Foundation and Financial Reporting in PT I
19.	Other Degrees not stated here	Subject by subject exemption upon presentation of transcript
20.	Masters in Management Sciences with Taxation Option/Taxation course in Transcript	All papers in Foundation, all papers in PT I, International Taxation and Financial/Tax Analysis in PT II
21.	Masters' Degree in Management Sciences	All papers in Foundation, all papers in PT I
22.	All other Masters' Degree	Subject by subject exemptions upon presentation of transcript
23.	PhD in Management Sciences with Taxation Option/Taxation course in Transcript	All papers in foundation, all papers in PT I, all papers in PT II except Income Tax for Specialized Businesses
24.	PhD Degree in Management Sciences	All papers in foundation, all papers in PT I, all papers in PT II except Tax Audit & Investigation and Income Tax for Specialized Businesses
25.	All other Doctoral Degrees in Management Sciences	All papers in foundation, all papers in PT I, except Tax Audit & Investigation and Income Tax for Specialized Businesses
26.	All other Doctoral Degrees	Subject by subject exemptions upon presentation of transcript
27.	FIRS/JTB Fundamental Level	Principle of Taxation in Foundation
28.	FIRS/JTB Preliminary Level	All Papers in Foundation, all papers in PT I and International taxation in PT II
29.	FIRS/JTB Final Level	All papers in foundation, all papers in PT I, all papers in PT II except Financial/Tax Analysis
30.	All other Professional Certificates	Subject by subject exemptions upon presentation of certificate

**For all categories of exemptions, having only two subjects, without prejudice to the level can be combined within a diet, as far as the examination timetable does not clash.**

## **8. Commencement Date of the new Syllabus**

This new syllabus will take effect for new students from April 2020.

## **9. Absence from and Misconduct in an Examination**

Examination entries cannot be withdrawn after the closing date for any reason whatsoever. Consequently, if a candidate decides not to attend or is unable to attend the examination, fees paid for the examination will not be returned or transferred to subsequent examinations. Any misconduct in an examination shall be referred to the Institute's Disciplinary Committee for necessary investigation and appropriate sanction.

Disciplinary actions as prescribed by the Council of the Institute will be taken against any candidate found guilty of Examination Malpractice or Misconduct.

The identity of candidate found guilty of either Examination Malpractice or Misconduct, the offence and disciplinary action meted against him/her will be published in the Institute's journal - Nigerian Taxation, CITN Newsletter and in some Daily Newspapers.

Such disciplinary actions include one or combinations of the following:

- i. Cancellation of results of the affected candidate;
- ii. Suspension of the affected candidate from the Institute's examination for one or more diets;
- iii. Blacklisting, in which case, the affected candidate will be banned from the Institute's examinations indefinitely;
- iv. Reporting the affected candidate to the member who sponsored the entry form for the examination;
- v. Reporting the affected candidate to his/her employer or guardians;
- vi. De-registration of the candidate;
- vii. Handing over the candidate to the law enforcement agents like Police;
- viii. Publishing the identity of the candidate, the offence and disciplinary actions in the Institute's journal, CITN Newsletter, newspapers, etc.

## DETAILS OF MALPRACTICES AND PENALTIES

S/N	Malpractice	Penalties
1	Receiving or giving assistance from or to another candidate on matters relating to the paper during the course of the examination	i. Cancellation of that particular paper ii. Cancellation of all papers of candidate for the particular examination iii. Suspension for two diets.
2	Receiving or giving assistance not necessarily relating to the examination without permission	Cancellation of score relating to the particular paper
3	Copying from another candidate without the candidate's knowledge	i. Cancellation of all papers of candidate for the particular examination ii. Suspension for two diets
4	Receiving assistance from invigilators on matters relating to the examination	i. Cancellation of that particular paper ii. Invigilator to be referred to the Investigating panel
5	Taking away answer script	i. Written warning ii. Cancellation of that particular paper
6	Being rude to the Invigilator as a first offender	Written warning
7	Presentation of forged certificate/document to register for or write the examination	Blacklisting of the candidate

# NEW PROFESSIONAL SYLLABUS

## **I. Foundation:**

- Principles of Taxation
- Financial Accounting
- Business Law
- Economics

## **II. Professional Taxation I:**

- Financial Reporting
- Income Tax
- Indirect Tax
- Governance, Risk & Ethics

## **III. Professional Taxation II**

- Tax Audit and Investigation
- International Taxation
- Financial / Tax Analysis
- Income Tax for Specialized Businesses

# OLD PROFESSIONAL LEVEL

## **I. Foundation**

- Principles of Taxation
- Accounting
- General Principles of Law
- Economics

## **II. Professional Taxation I**

- Quantitative Techniques
- Income Taxation
- Indirect Taxation
- Revenue Law

## **III. Professional Taxation II**

- Tax Audit & Investigation
- International Taxation
- Taxation of E-commerce
- Strategy, Risk, Ethics

## **IV. Professional Taxation III**

- Oil, Gas Taxation
- Solid Minerals Taxation
- Tax Management
- Practical Cases

# FOUNDATION

## COURSE TITLE: PRINCIPLES OF TAXATION

### Course Description:

This course is designed to introduce students to Taxation within the Nigerian context. It teaches students the fundamental principles of taxation to enable them to appreciate the course right from its meaning to how the Nigerian tax system operates. The focus of this course is to expose students to the basic knowledge and application of tax legislation to enable them to have better comprehension of other courses in taxation.

Prerequisites: Standard qualification requirements as approved by the Institute

### Aims and Objectives of the Course:

At the end of this paper, candidates will be able to:

- i. Define tax and taxation; list the objectives and characteristics of taxation;
- ii. Explain the legislative framework of taxation;
- iii. Discuss theories of taxation and list types of taxes;
- iv. Describe the concepts of Nigeria tax system-tax policy, tax laws and tax administration; and
- v. Explain commonly used terms, other related fundamental concepts and principles of taxation required at an introductory level.

### 1. AN OVERVIEW OF TAXATION

- The Concept of Taxation
  - i. Definition/Meaning of Tax and Taxation
  - ii. The Difference between Tax and Other Charges
  - iii. Justification for Taxation as the most Reliable Source of Revenue to Government
- History of Taxation
  - i. Origin of Taxation
  - ii. Taxation in Nigeria: Colonial Era
  - iii. Taxation in Nigeria: Post Independence Era to Date
- Legislative Framework
  - i. Enabling Acts
  - ii. Sources of the tax laws in Nigeria
- Objectives of Taxation
  - i. Some of the purposes for which Government spends money
- Types of Taxes
  - i. Direct Tax
  - ii. Indirect Tax
- Classification of Tax

- i. By Tax Base
- ii. By Tax Incidence
- iii. By Method-Proportional, Progressive, and Regressive
- Characteristics/Qualities of a Good Tax
  - i. Equity and Justice; Convenience; Certainty; Administrative Efficiency; Neutrality; Flexibility; Impartiality; Simplicity

## 2. THE NIGERIAN TAX SYSTEM

- The Relationship between Tax Policy, Tax Law and Tax Administration
  - i. The National Tax Policy
- Nigerian Tax Administration:
  - i. The Joint Tax Board
  - ii. Federal Inland Revenue Service
  - iii. State Board of Internal Revenue
  - iv. Local Government Revenue Committee

## 3. OTHER FUNDAMENTAL CONCEPTS/PRINCIPLES

- i. Tax Appeal Tribunal
- ii. Tax Reforms
- iii. Tests of Trade
- iv. Definition of Employment
- v. Differences between Employment and Engagement on contract
- vi. Measurement of Income
- vii. Revenue Income/Expenses, Capital Income/Expense
- viii. Pioneer Status and other Tax incentives

### READING TEXTS: Textbooks/Journals and Others

Federal Government of Nigeria	- National Tax Policy 2012/2017
Gboyega Adejuwon	-Analysis of Taxation Principles for Nigerian Students Vol. 1
Joseph Ajibola Arogundade (2016)	-Nigerian Income Tax & International Dimension Spectrum Book Limited.
<b>Lekan Soyode &amp; Sunday Kajola</b>	<b>- Taxation Principles and Practice in Nigeria</b>
Offiong U. Basse(2013)	-Company Taxation in Nigeria. CIBN Press
Obatola S. Olugbenga	- The Rudiments of Nigerian Taxation
Ogundele E. Afe	- Elements of Taxation
Oni, I. O.	- Nigerian Companies Income Tax: Law & Practice
Ochei, B. B.	- The Nigerian Taxman's Book
Teju Somorin	- TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I &II
CITN	- Tax Guide and Statutes
CITN	- Tax Series

# **COURSE TITLE: FINANCIAL ACCOUNTING**

## **Aims and Objectives of the Course:**

At the end of this paper, candidates will be able to:

- i. Knowledge and understanding and application of the fundamental principles, processes, concepts, conventions and regulatory framework employed in preparing financial statements;
- ii. Proficiency in double-entry accounting techniques and maintenance of accounting records;
- iii. Ability to identify and correct omissions and errors in accounting records and financial statements;
- iv. Ability to prepare financial statements of sole traders, not-for-profit organizations, partnerships (including admissions, dissolutions, amalgamations and absorption) and limited liability companies using basic accounting principles and relevant accounting standards;
- v. Awareness of various accounting techniques and their uses;
- vi. Ability to analyze and interpret simple accounts with aid of financial ratios.

## **COURSE CONTENTS**

### **1. INTRODUCTION TO BUSINESS AND ACCOUNTING**

- i. Types of business
- ii. Introduction to financial accounting by business entities
- iii. Bases of accounting
- iv. The need for financial statements
- v. The components of financial statements
- vi. Business transactions

### **2. THE IASB'S CONCEPTUAL FRAMEWORK**

- i. A conceptual framework for financial reporting
- ii. The IASB Conceptual Framework
- iii. Qualitative characteristics of useful financial information
- iv. The elements of financial statements
- v. Recognition in financial statements: IASB Conceptual Framework
- vi. Other accounting concepts
- vii. Fair presentation

### **3. ACCOUNTING EQUATION**

- i. The accounting equation
- ii. Preparing a simple statement of financial position
- iii. Statement of profit or loss

### **4. DOUBLE ENTRY BOOKKEEPING**

- i. Introduction to accounting systems
- ii. Basic rules of double-entry bookkeeping
- iii. Account balances and the trial balance
- iv. General journal

- v. General ledger
- 5. SALES AND PURCHASES**
- i. Introduction to books of prime entry
  - ii. Accounting for sales
  - iii. Accounting for purchases
  - iv. Accounting for cash
  - v. Petty cash
- 6. NON-CURRENT ASSETS AND DEPRECIATION**
- i. End of year adjustments
  - ii. Non-current assets
  - iii. Depreciation and carrying amount
  - iv. Methods of charging depreciation
  - v. Derecognition of property, plant and equipment
  - vi. Disclosure requirements of IAS 16
- 7. BAD AND DOUBTFUL DEBTS**
- i. Bad debts
  - ii. Doubtful debts
- 8. ACCRUALS AND PREPAYMENTS**
- i. Accruals and prepayments introduced
  - ii. Accruals
  - iii. Prepayments
  - iv. Unearned and accrued income
- 9. INVENTORY**
- i. End-of-year adjustments for inventory
  - ii. Measurement of inventory
- 10. CONTROL ACCOUNTS AND CONTROL ACCOUNT RECONCILIATIONS**
- i. Receivables control accounts and receivables control account reconciliations
  - ii. Payables control accounts and payables control account reconciliations
  - iii. Supplier statements: reconciliation with ledger account
- 11. BANK RECONCILIATIONS**
- i. Bank reconciliations
  - ii. Chapter review
- 12. CORRECTION OF ERRORS**
- i. Trial balance
  - ii. Correcting errors
  - iii. Suspense accounts
- 13. COMPANY FINANCIAL STATEMENTS**
-

- i. The components of financial statements
- ii. Structure and content of the statement of financial position
- iii. Structure and content of the statement of profit or loss
- iv. Accounting for taxation
- v. Accounting for share issues
- vi. Financial statements – specimen formats

#### **14. PARTNERSHIP ACCOUNTS**

- i. Features of partnerships
- ii. Sharing the profits between the partners
- iii. Changes in partnerships
- iv. Amalgamation and dissolution of partnerships

#### **15. NOT FOR PROFIT ACCOUNTS**

- i. Not for profit organizations
- ii. Receipt and payment accounts
- iii. Income and expenditure account

#### **16. CONCEPT OF ACCOUNTS FROM INCOMPLETE RECORDS**

- i. The nature of incomplete records
- ii. Techniques for incomplete records

#### **17. STATEMENTS OF CASH FLOW**

- i. Statement of cash flows: Introduction
- ii. Statement of cash flows: Format
- iii. Cash flows from operating activities: The indirect method
- iv. Indirect method: Adjustments for working capital
- v. Cash flows from operating activities: The direct method
- vi. Cash flows from investing activities
- vii. Cash flows from financing activities
- viii. Statement of cash flows – specimen formats

#### **RECOMMENDED TEXTBOOKS:**

- |                 |  |
|-----------------|--|
| Akeju J. B      | - Financial Accounting (Volume I & II) – JBA Associates Limited Lagos.                                     |
| Anao A.R.       | - An Introduction to Financial Accounting, Longman.  |
| Danjuma Zubairu | - Modern Financial Accounting  |
| Frank Wood      | - Business Accounting I & II (Financial Times, London) IASB – International Financial Reporting Standards. |
| Ifede A. I      | - Fundamentals and Practice of Financial Accounting (Gondolier I. Ventures)                                |
| IFRS            | - Statements of Accounting Standards (Relevant IFRS)   |
| <br>            |  |
| Igben R.O.      | - Financial Accounting made simple (Volume I & II) ROI Publishers Lagos.                                   |

Jennings, A. (2015) - Financial Accounting, I & II (MCgraw Hill)  
Mainoma M.A. & Adebayo P.A. - Financial Reporting Standards: Comparative Synthesis  
Soyode A. - Accounting (Graham Burn). Spicer & Pegler -Book- keeping & Accounting.  
Teju Somorin - TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I &II  
CITN - Tax Guide and Statutes  
CITN Study Pack on Accounting  
ICAN Study Pack on Accounting

# COURSE TITLE: BUSINESS LAW

## Course Description:

Taxation is based on law, thus it is important to understand the fundamentals of law, the legal system and how it operates. This course is aimed at introducing candidates to diverse types of laws that relate to business and its taxation, ranging from law of contract, sale of goods, agency law, company law, intellectual property law, employment law, revenue law and other relevant laws.

### **Aims and Objectives of the Course:**

The purpose of this course is to examine candidates' knowledge and understanding of the general principles of Law with particular reference to Nigerian legal and tax system and basic principles regulating business transactions.

Candidates are expected to be able to identify and apply the elements of contracts, applicable legal principles to different types of transactions and how they may be impacted by taxes. The course also seeks to introduce candidates to revenue laws in Nigeria, modalities for interpretation and administration as well as overview of the available dispute resolution mechanisms.

It prepares candidates for subsequent courses. It is considered prerequisites for the following courses: Practice of Income & Indirect Taxation, Income Tax for Specialized Businesses, International Taxation as well as Tax Audit & Investigation. It also enhances ability to provide practical advice upon becoming a chartered tax practitioner.

## **COURSE CONTENTS**

### **A. INTRODUCTION TO NIGERIAN LEGAL SYSTEM & REVENUE LAW**

#### **1. Nigerian Legal and Court System**

- i. The definition of law and distinction between its validity and efficacy
- ii. Nature and functions of Law
- iii. The distinction between criminal law and civil law
- iv. Nigerian legal system and administration of law
- v. Separation of Powers - Legislature, Executive and Judiciary – and their functions
- vi. Sources of Nigerian law- Received English Law, Local legislation and International law regulating business; conflict of laws
- vii. Alternative dispute resolution mechanisms
- viii. Hierarchy of courts in Nigeria
  - National Industrial Court
  - Investments and Securities Tribunal and other Tribunals
  - Tax Appeal Tribunals

- High Court and Federal High Court (FHC) (exclusive jurisdiction of the FHC)
  - Court of Appeal
  - Supreme Court
- ix. The merits and demerits of court-based adjudication and alternative dispute resolution mechanisms

**2. International law application to commercial transactions**

- a) Application of international law (treaties, conventions, protocols) and conflict of laws
- b) The roles of international organisations (UN, ICC, WTO, OECD, UNIDROIT, UNCITRAL in international trade
- c) Application of UN Convention on Contracts for International Sale of Goods and ICC Incoterms

**3. Revenue law**

- a) Overview of tax system, power to make tax laws, and constitution of taxing rights, quasi-laws, circulars, guidelines etc.
- b) Introduction to tax statutes/Categories of taxation
  - i. Income Tax
    - Companies Income Tax Act
    - Personal Income Tax Act
    - Petroleum Profit Tax Act
    - Tertiary Education Tax Act
  - ii. Capital Gains Tax Act
  - iii. Indirect taxation/transaction taxes
    - Value Added Tax Act
    - Stamp Duties Act
    - Customs and Excise Management Act
- c) Overview of Finance Act 2020 – Amendments to
  - Companies Income Tax Act (sections 9,10,13, 16,19,including increased monetary penalty for late filing of tax returns)
  - Capital Gains Tax Act
  - Personal Income Tax Act (section 49)
  - Value Added Tax (sections 4,8 and 15)
  - Stamp Duties Act
  - Petroleum Profits Tax Act (section 20)
- d) Special tax incentives
  - i.Industrial Development (Income Tax Relief) Act
  - ii.Nigeria Export Processing Zones Act
- e) Interpretation of tax laws
- f) Tax administration authorities in Nigeria

- i. Federal Inland Revenue Service
- ii. State Inland Revenue Service
- iii. Joint Tax Board
- iv. Local Government Revenue Committee

## **B. LAW OF CONTRACT**

- Formation and formalities of contract
- Major types of contract and effect
- Elements of a valid contract
- Capacity to contract
- Terms of a contract
- Vitiating factors
- Discharge of contract
- Remedies for breach of contract

## **C. ECONOMIC TORTS**

1. Classification of torts
2. Liability for torts in general and exemption from liability
3. Negligence
4. Occupiers liability
5. Product liability
6. Vicarious liability
7. Passing off

## **D. AGENCY**

1. Agency and its types
2. Relationship between principal and agent – rights and duties
3. Implication of agency relationship
4. Termination

## **E. COMMERCIAL TRANSACTIONS**

### **1. Sale of goods**

- a) Domestic Laws and Introduction to the UN Convention on Contracts for the International Sale of Goods and ICC Incoterms
- b) Sale, conditional sale and protection of consumers
- c) Passing of ownership and risk

- d) Conditions, warranties and exclusion clauses
- e) Transportation of goods, duties and liability of carriers
- f) Delivery of the goods and highlights of various Incoterms (Free on Board (FOB), Duty Delivery Paid, Cost, Insurance & Freight (CIF) etc.)
- g) Duties, rights and remedies of buyer and seller

4. **Consumer Credit transactions (hire purchase, credit sales, and leasing)**

- a) Characteristics of hire purchase
- b) Rights and duties of parties under hire purchase
- c) Credit sales and duties of parties
- d) Types of leasing and obligations of parties

**F. BUSINESS ORGANISATIONS AND THEIR FORMATION**

1. **Nature and types of business organisation**

a) **Sole Proprietorship**

b) **Partnership** (including Limited Liability Partnership (LLP) and business name registration)

- i. Types and formation of partnership
- ii. Relationship of partners with one another and with third party
- iii. Rights and duties of partners
- iv. Termination of partnership and partner's rights and liabilities on dissolution

c) **Companies**

- i. Formation of companies and consequences of incorporation
- ii. Lifting the veil of incorporation
- iii. Promoters – duties, breach and remedies
- iv. Raising of capital – equity (share) and loan (fixed income) capital
- v. Maintenance (including payment of dividends), Increase and reduction of capital
- vi. Creation and registration of charges
- vii. Appointment, remuneration and removal of directors
- viii. Company directors and their duties
- ix. Other officers of the company – company secretary and auditors – appointment, rights, duties, and removal
- x. Company meetings and resolutions
- xi. Corporate insolvency
- xii. Corporate Restructuring – mergers, acquisition, etc.
- xiii. Winding up of the company

## 2. Insider dealing, market manipulation and corporate governance

- a) The nature and penalty for insider dealing under the Investments and Securities Act
- b) Other forms of securities market manipulation
- c) Risk management and basic corporate and internal controls

### RECOMMENDED TEXTS

Ade Ipaye	Nigeria Tax Law and Administration
Ayua, I.A.	Nigerian Tax
Abdulrazaq, M.T	Nigerian Revenue Law
Abdulrazaq M.T.	Revenue Law and Practice in Nigeria
Abiola Sanni	Revenue Law (CITN) Series
Bolaji Alabi	Business Law in Nigeria
Obilade	Nigeria Legal System
Sulu, E.A	Nigerian Tax Cases (ES Business Ltd)
Itse Sagay	Law of Contract
George Etomi (2014)	An Introduction to Commercial Law in Nigeria

CITN Tax Guide and Statutes

Teju Somori - TejuTax Reference Book. 2012 Edition. Vol. I & II

Yemi Oke - Nigerian Energy and Natural Resources Law

M. O. Adesanya - Business Law in Nigeria

CITN Study Pack on Business Law

ICAN Study Pack on Business Law

Companies and Allied Matters Act 2020

Federal Competition and Consumer Protection Act 2019

Investments and Securities Act 2007

Nigerian Code of Corporate Governance 2018

ICAN Study Pack on Business Law

# **COURSE TITLE: ECONOMICS**

## **Aims and Objectives of the Course:**

The aim and objective is to examine the candidate's knowledge and understanding of the basic economic principles and main features of Nigerian economic system. Also to intimate the students with the basic concepts of microeconomics and macroeconomics policies; and how they are applied in the real world.

## **COURSE CONTENTS**

### **PART1: MICROECONOMICS**

#### **1. NATURE AND MEANING OF ECONOMICS**

- i. Fundamental concepts – Meaning of economics, Scarcity, choice, scale of preference and opportunity cost
- ii. Economic models and Economic methods
- iii. Microeconomics and macroeconomics
- iv. Economic system- Central problems of an economy
- v. Production possibility curve and Resources allocation
- vi. Types and resources allocation under different economic system (Free market economy, centrally controlled economy, mixed economy)

#### **2. PRICE SYSTEM**

- i. Functions of price and price mechanism
- ii. Theory of Demand-Meaning, laws, types, determinants, exceptions, change and shift in demand
- iii. Theory of Supply-Meaning, laws, types, determinants, exceptions, change and shift in supply
- iv. Equilibrium and disequilibrium in demand and supply
- v. Elasticity of demand and supply, types (price, income and cross elasticity) and their calculations
- vi. Elasticity of demand and supply and tax incidence
- vii. Factors affecting elasticity of demand and supply
- viii. Government Intervention through price control and its effects.

#### **3. CONSUMER BEHAVIOUR**

- i. The basis of consumer demand–Utility
- ii. Cardinal utility theory and ordinal utility and their assumptions, utility maximization
- iii. Indifference curves theory
- iv. Characteristics of Indifference curve
- v. Total and marginal utility concepts
- vi. The law of diminishing marginal utility
- vii. Consumer surplus

#### **4. PRODUCTION AND COSTS**

- i. Factors of production and their rewards
- ii. Production functions
- iii. The law of diminishing returns-Total product (TP). Average product (AP) and Marginal product (MP)
- iv. Isoquant and Isocost curves
- v. Pricing of factors of production
- vi. Theory of cost – Opportunity cost, sunk costs, explicit and implicit costs, short run and long run concept
- vii. Total cost, fixed cost, variable cost, average cost and marginal cost
- viii. Concept of revenue- Total, average and marginal revenue
- ix. Cost minimization and profit maximization.

#### **5. THEORY OF FIRMS AND LOCATION OF INDUSTRY**

- i. Concepts of firm, industry and market
- ii. The goals of the firms
- iii. Market structure: Characteristics, pricing and output decision under the following markets- Perfect competition, monopoly, monopolistic and oligopoly
- iv. Profit maximization and cost maximization
- v. Price discrimination under monopoly
- vi. Location of industry – Reasons, advantages and problems of industrialization in Nigeria
- vii. Localization of industry – Industrial concentration- advantages and disadvantages
- viii. Industrial promotion policy in Nigeria
- ix. Privatization, commercialization, mergers, e-Commerce and firms' acquisition policy in Nigeria.

### **PART 2: MACROECONOMICS**

#### **1. NATIONAL INCOME ANALYSIS**

- i. Meaning of Macroeconomics
- ii. Definition of national income
- iii. The circular flow of Income
- iv. Basic concepts of national income- Flow variable, Stock variable, Model, Variables, Gross Domestic Product (GDP), Gross National Product (GNP), Net National Product (NNP), Personal income, Disposable income, Per capita income etc
- v. Methods of measuring national income: Expenditure Approach, Income Approach and Output Approach
- vi. Difficulties in measuring national income
- vii. Factors influencing the national income
- viii. Uses of national income accounting
- ix. Limitations of National Income in International and Intertemporal Comparison
- x. Reasons for differences in the National Income of different countries
- xi. Aggregate Demand/Supply: Consumption, Investment, Government expenditure, Export and

- Import, Aggregate supply, Saving, Marginal Propensity to consume and to save etc.
- xii. The accelerator principle.
- xiii. Consumption and savings functions, marginal and average propensities to consume(MPS), determinants and multiplier analysis
- xiv. National income equilibrium: The Injection-Withdrawal approach and the aggregate output – aggregate demand approach
- xv. Multiplier Concept

## 2. **MONEY, BANKING AND OTHER FINANCIAL INSTITUTIONS**

- i. Definition, types, feature and its functions
- ii. Demand and supply of money
- iii. Motives, determinants for demand and supply of money
- iv. Central Bank, Money Deposit Banks, Microfinance Banks their roles and functions
- v. Other financial institutions – Insurance, Credit Bureau, Bureau-de-change etc.
- vi. The Capital market – Nigerian Stock Exchange (NSE) and Security and Exchange Commission(SEC)
- vii. Roles of money and capital market in economic development.

## 3. **PUBLIC FINANCE**

- i. Concept of public finance
- ii. Government revenue and Pattern of government expenditure.
- iii. Theory of taxation – Categories and classification of taxation, objectives and functions
- iv. National Budgets – types and its roles, sources of financing deficit budget
- v. Economics of the public debts
- vi. Fiscal and monetary policies: Meaning, objectives, instruments and limitations.

## 4. **INFLATION AND UNEMPLOYMENT**

- i. Inflation-Definition, Types, Causes, Effects and control
- ii. Unemployment-Definition, Types, Causes, Consequences and Remedies

## 5. **GROWTH AND DEVELOPMENT**

- i. Distinction between growth and development
- ii. Theories of economic growth and development
- iii. Characteristics of developed and developing nations
- iv. Problems of economic development in the third world countries
- v. Roles of government in economic growth and developmental processes in Nigeria
- vi. Development planning: Meaning, Objectives, Argument for and problem of development planning.

## 6. **INTERNATIONAL TRADE AND FINANCE**

- i. International Trade-Definition and reasons for it, internal and international distinction
- ii. Advantages/disadvantages of international trade
- iii. Theory of comparative cost advantage
- iv. Terms of trade, balance of trade and payments
- v. Free trade and trade restrictions- Argument for and against

- vi. Balance of payment equilibrium and disequilibrium, causes and corrections
- vii. Foreign exchange market and its functions
- viii. Currency devaluation, depreciation and appreciation and their implications.

## 7. REGIONAL AND INTERNATIONAL ECONOMIC INTEGRATION

- i. Roles/functions and contributions of:
  - Economic Community of West African States(ECOWAS)
  - African Union(AU)
  - East African Community(EAC)
  - South African Development Community(SADC)
  - African Development Bank(ADB)
  - World Trade Organization(WTO)
  - Organization of Petroleum Exporting Countries(OPEC)

### RECOMMENDED TEXTBOOKS

Adebayo, A. (1998)	Economics: A simplified Approach, Volumes 1 &2, Lagos, African International Publishing limited 1998, 1999
Dweivedi, D.N. (1997)	Microeconomic Theory, Vikas Publishing House, New Delhi
Kontsoyiannis, A.	Modern Microeconomics and Macroeconomic Theory
Nwankwo, G.O.	Basic Economics for West African Students Paul Samuelson Economics
Jhingan, M. (2015)	Advanced Economic Theory
Lipsey, G.L. & C. Harbury	First Principles of Economics (2 <sup>nd</sup> Edition)
Gregory, M. (2008)	Principles of Microeconomics (South-Western College publication)
Lipsey, G.L.	Introduction to Macroeconomics (University of Toronto Press)
Akintoye I. R (2006)	Principles of Public Finance, Glorious Hope Publications, Lagos, Nigeria
Salawu, R. O.	Essential of Public Finance, (Obafemi Awolowo University Press Ltd)
Ishola, K. A.	Microeconomics (Cresthill Publishers Ltd)
Teju Somorin	- TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I &II
CITN Study Pack on Economics	
ICAN Study Pack on Economics	

# PROFESSIONAL TAXATION I

## COURSE TITLE: FINANCIAL REPORTING

### Aim

The financial accounting from the foundation level is taken up a level into financial reporting in the context of more complex events and transactions with a greater emphasis on compliance with regulations including International Accounting Standards and generally accepted accounting principles.

Candidates will be expected to demonstrate an understanding of and competence in financial statement preparation, analysis, interpretation and reporting.

### Main competencies

On successful completion of this paper, candidates are expected to be able to:

- i. Explain the importance of a regulatory framework for accounting and reporting;
- ii. Identify and state the circumstances in which private sector entities are required to prepare and present statutory financial statements;
- iii. Identify and state the laws, regulations accounting standards and other requirements that govern the production of financial statements by public and private sector entities;
- iv. Account for specific transactions in accordance with relevant international accounting standards;
- v. Draft and present financial statements, or extract from them, of an entity and simple groups in accordance with its chosen policies and in accordance with IFRS and local laws;
- vi. Assess the circumstances in which the use of IFRS for companies may not be required;
- vii. Analyse and interpret financial statements of an entity and simply groups; and
- viii. Understand recent developments and ethical issues in the area of financial reporting.

### Detailed Syllabus

#### A. Conceptual and regulatory framework for financial reporting

##### Conceptual Framework

- i. Explain the meaning and purpose of conceptual framework.
- ii. Explain the objectives, qualitative characteristics and limitations of financial statements.
- iii. Discuss the underlying assumptions in preparing financial statements.
- iv. Identify users of financial statements and their information needs.
- v. Identify and discuss the components of financial statements.
- vi. Explain the concept of capital maintenance.
- vii. Differentiate between principle-based and rule-based financial reporting frameworks.
- viii. Discuss accrual, cash and breakup bases of accounting.

## **Regulatory framework**

- i. Identify and discuss laws, regulations, accounting standards and other requirements that govern the preparation of financial statements.
- ii. Identify and discuss relevant provisions of Companies and Allied Matters Act Cap C20 LFN 2004, and special pronouncements by regulatory authorities (CBN, NDIC, FRCN, NAICOM, NSE, SEC, PENCOM, etc.)
- iii. Explain the standard setting process of International accounting standards board (IASB) and relationship with national standard setters.
- iv. Discuss the process of adoption of IFRS and applicable local standards.
- v. Explain the peculiar nature and relevant frameworks of specialized, not-for-profit and public sector entities (including IFRS, national standards and IPSAS).

## **B. Accounting standards and policies relating to specific transactions in the financial statements**

### **1 Tangible non-current assets (IAS 16)**

Calculate (where necessary), discuss and account for tangible non-current assets in accordance with the provisions of relevant accounting standards (IAS 16, IAS 20, IAS 23, IAS 40, and IFRS 5).

### **2 Intangible non-current assets (IAS 38)**

Calculate (where necessary), discuss and account for intangible non-current assets in accordance with the provisions of relevant accounting standard (IAS 38).

### **3 Impairment of tangible and non-intangible assets (IAS 36)**

Calculate (where necessary), discuss and account for impairment of tangible and intangible non-current assets in accordance with the provisions of relevant accounting standard (IAS 36), excluding financial assets and liabilities.

### **4 Fair value measurement, financial assets and liabilities**

- (a) Differentiate between debt and equity financial instruments.
- (b) Calculate (where necessary), discuss and account for fair value measurement of financial assets and liabilities in accordance with the provisions of relevant accounting standards (IAS 32, IFRS 7 and IFRS 9, IFRS 13) with respect to measurement, recognition, de-recognition and disclosures, excluding hedging but including simple impairment cases.

### **5 Inventories and revenue from contracts (IAS 2, IAS 41, IFRS 15)**

Calculate (where necessary), discuss and account for inventories and revenue from contracts in accordance with the provisions of relevant accounting standards (IAS 2, IAS 41 and IFRS 15).

**6 Provisions, contingent liabilities and contingent assets and events after the reporting period (IAS 37, IAS 10)**

Calculate (where necessary), discuss and account for provisions, contingent liabilities and assets as well as events after the reporting period in accordance with the provisions of relevant accounting standards (IAS 10, IAS 37).

**7 Income Taxes (IAS 12)**

Calculate (where necessary), discuss and account for income tax including current and deferred tax in accordance with the provisions of relevant accounting standard (IAS 12).

**C. Preparing and presenting separate financial statements**

**Preparation of financial statements**

- i. Calculate (where necessary), discuss and account for accounting policies and changes in accounting policies in accordance with the provisions of IAS 8 – Accounting policies, changes in accounting estimates and errors.
- ii. Prepare and present entities' separate financial statements including statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and relevant notes in accordance with IAS 1 – Presentation of financial statements.
- iii. Prepare and present statement of cash flows for single entity in accordance with IAS 7 using direct & indirect methods.

**D. Preparing and presenting financial statements of simple group (parent, one subsidiary and an associate)**

**1. Understanding a simple group**

- (a) Explain the concept of group especially a simple group and the objectives of preparing group financial statements.
- (b) Discuss the provisions of the relevant accounting standards for the preparation and presentation of financial statements of simple group – (IAS 27, IAS 28, IFRS 3, and IFRS 10), including the use of fair value for non-controlling interest.
- (c) Calculate non-controlling interest using alternative methods and effect necessary adjustments required to prepare the financial statements of simple group.

**Preparation and presentation**

- i. Prepare and present statement of financial position of a simple group (one subsidiary and an associate in accordance with the provisions of relevant standards (IAS 1, IAS 27, IAS 28, IFRS 3 and IFRS 10).
- ii. Prepare and present income statement including other comprehensive income of a simple group (one subsidiary and an associate), in accordance with the provisions of relevant standards (IAS 1, IAS 27, IAS 28, IFRS 3 and IFRS 10).

- iii. Prepare and present statement of cash flows of a simple group (one subsidiary and an associate), in accordance with the provisions of IAS 7.

## **E. Financial statement analysis and interpretation**

### **1 Understanding various types of analyses that financial statements may be subjected to and ratios used in the analysis**

- i. Identify and discuss the types of analyses and interpretation of financial statements.
- ii. Discuss the various aspects of financial position and performance that may be assessed (profitability, liquidity/solvency, gearing, investors' returns) through the analyses and interpretation of financial statements.
- iii. Define ratio, identify and calculate various types of ratios used in the assessment of financial position and performance of a business entity.
- iv. Analyse and interpret computed ratios and assess the current period financial position and performance of a business entity in comparison to (1) its prior period, (2) another given entity for the same period and (3) industry average for the same period.
- v. Analyse and interpret computed ratios and assess the current period financial position and performance of a simple group (one subsidiary and associate) in comparison to (1) its prior period, (2) another given simple group entity for the same period and (3) industry average for the same period.
- vi. Discuss the use of cash flow statement in assessing liquidity and compare its usefulness with that of a statement of profit or loss and other comprehensive income when assessing liquidity and going concern of a business entity.
- vii. Explain the use of earnings per share (EPS) in assessing the performance of corporate entities in the capital market, especially capital market reaction to earnings announcement.

Where necessary, write report as may be required when analysing and interpreting the financial position and performance of a business entity and simple group, drawing conclusions, making recommendations and giving advice from the perspectives of different stakeholders.

### **Limitations of analyses and interpretation of financial statements**

- i. Discuss the limitation of historic financial information in the analyses and interpretation of financial statements.
- ii. Explain how financial statements may be manipulated and discuss the impact of window dressing and creative accounting on calculated ratios and how they can distort analyses and interpretation of financial statements.
- iii. Explain how analyses and interpretation of financial statements of specialized and not-for-profit organizations differ from that of profit-oriented organizations.
- iv. Explain why earnings per share (EPS) trend may be a better indicator of performance when compared to a company's profit trend and discuss the limitations of using EPS as a performance measure.

- v. Explain why and how the use of consolidated financial statements might limit analyses and interpretation techniques.
- vi. Discuss the use of other information, including non-financial information relevant to the assessment of an entity's performance.

### **Ethics and current developments in financial reporting**

- i. Discuss developments around the inclusion of non-financial information in financial reporting.
- ii. Discuss new accounting standards in issue as may be specified from time to time.
- iii. Discuss and apply ethical issues in financial reporting.

### **Applicable Accounting Standards:**

Preface to IFRS

Conceptual Framework for Financial Reporting

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Statement of Cash Flows

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10 Events after the Reporting Period

IAS 12 Income Taxes

IAS 16 Property, Plant and Equipment

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance

IAS 23 Borrowing Costs

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates

IAS 32 Financial Instruments: Presentation

IAS 36 Impairment of Assets

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IAS 38 Intangible Assets

IAS 40 Investment Property

IAS 41 Agriculture

IFRS 3 Business Combinations

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 7 Financial Instruments: Disclosures

IFRS 9 Financial instruments

IFRS 10 Consolidated Financial Statements

IFRS 13 Fair Value measurement

IFRS 15 Revenue from contracts with customers

All new standards may be examined after six months from the date of issue

All applicable laws may be examined after six months from date of amendment or enactment

## RECOMMENDED TEXTBOOKS:

Adamu, S. O. and Johnson T. L.	Statistics for Beginners, Evans, Nigeria
Akintoye, I.R. (2016),	Investment Decisions in the 21st century, Unique Educational Publishers, Lagos
Alan Melville	International Financial Reporting A Practical Guide, 5 <sup>th</sup> Edition, Pearson Education Ltd
Ann Jorissen, Anne Britton, David Alexander	International Financial Reporting and Analysis, Cengage Learning EMEA; 6th Revised edition (April 12, 2014)
CITN	Tax Guide and Statutes
Jennifer Maynard	Financial Accounting, Reporting and Analysis, Oxford University Press
Prince Casmir Idekwulim	Teach yourself Group Accounting
Prince Casmir Idekwulim	Teach yourself IFRS
Shuaib Adeadebayo Abdulkabir	IFRS Relief, for Finance, Corporate and Strategic Business, Topnotch Learning Centre Ltd
Teju Somorin	- TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I & II
David Alexander, Anne Britton	-International Financial Reporting and Analysis
Lanre Owoeye	-Corporate Financial Reporting made simple on IFRS Applications
Walton and Aerts	-Global Financial Reporting and Analysis

# COURSE TITLE: **INCOME TAXATION**

## **Course Description:**

The course provides a structured approach to students gaining knowledge into the direct tax laws in force and insight into procedural aspects of assessment of tax liability for various taxpayers. It also provides an in-depth study of the various provisions of the direct taxation laws and their impact on business decision-making.

**Prerequisites:** Principles of Taxation, Financial Accounting and Financial Reporting.

## **Aims and Objectives of the Course:**

At the end of this paper, candidates will be able to:

- i. Understand the detailed principles underlying the Companies Income Tax Act, Tertiary Education Tax Act, National Information Technology Development Agency Act, Personal Income Tax Act and Capital Gains Tax Act
- ii. Compute the taxable income of a taxpayer
- iii. Understand the assessment procedures and representation before appropriate authorities under the law
- iv. Understand the available objection and dispute resolution processes

## **COURSE CONTENTS**

### **1. ACCOUNTING STANDARDS**

- i. Impact of accounting standards on taxable profit
- ii. Deferred tax and difference between income tax and levy under IFRS (IAS 12 and IFRIC 21)

### **2. ADMINISTRATION OF COMPANIES INCOME TAX**

- i. Constitutionality of income tax and administrative powers of the Federal Inland Revenue Service
- ii. Requirement that all companies shall keep books of accounts and the penalty for failure to provide any record or book - section 63 of CITA (as amended)
- iii. Registration
- iv. Types of assessment (Government assessment, turnover basis of assessment/best of judgment/administrative assessments, self-assessment)
- v. Objection and appeals process (Time limit for appeals, contents of notices of assessment, contents of notices of objection, amendment of assessments and notice of refusal to amend, Tax Appeal Tribunal, Courts etc.)
- vi. Statute of limitation and powers of the tax authorities to audit open years, noting the decision of

TAT, Benin Zone, restricting the powers of tax authorities to assess taxpayers to back-duty except where fraud, willful default or neglect on the part of the taxpayer has been established by a Tribunal or a court of competent jurisdiction.

- vii. Components of the tax returns (capital allowances, financial statements, assessment forms, etc.)
- viii. Tax return to be filed by a company other than a Nigerian company to the tax office - section 55(1A) of CITA (as amended)
- ix. Powers of the Service to specify the form of accounts to be included in a tax return by small and medium-sized companies – section 55 ((7) of CITA (as amended)
- x. Filing due date and payment due date (including resolving the conflicts between the self-assessment regulations and the Companies Income Tax Act), taking into consideration the provisions of section 77(5), (5A) and (5B) of CITA (as amended)
- xi. Tax clearance certificate (content, timing for issuance of tax clearance certificate, conclusions reached from the Warm Spring and Ors vs FIRS on issuance of TCC)

### **3. SCOPE OF COMPANIES INCOME TAX, TERTIARY EDUCATION TAX, NIGERIA INFORMATION TECHNOLOGY DEVELOPMENT LEVY**

- i. Persons Chargeable for the various taxes
  - Definition of Nigerian and Foreign companies,
  - Definition of companies liable to NITDA levy, examples and ambiguities
- ii. Treatment of residents and non-resident companies
- iii. Capital vs revenue – receipts, expenditures
- iv. Concept of business profits and passive/investment income
- v. Definition of Non-resident companies (NRCs) under the CITA.
- vi. Legal Basis of Income Taxation for NRCs – Reference to Section 13 (2) of the CITA
- vii. Define and explain the concepts of fixed base; dependent agent; turnkey projects and arms-length transaction and how they apply to NRCs.
- viii. Determination of CIT payable by NRCs (candidates are to note that the basis for arriving at the taxable profits is similar for Nigerian companies – however, reference should also be made to the turnover method – Deemed profit model)
- ix. Basis for non-payment of Tertiary Education Tax for NRCs
- x. Other special issues which include:
  - Capital importation and repatriation issues which typically arise from the absence of a certificate of capital importation.
  - Format of audited accounts used in tax filing
  - Obligation to withhold tax on payments to vendors

#### **4. COMPUTATION OF COMPANIES INCOME TAX, TERTIARY EDUCATION TAX AND POLICE FUND LEVY**

- i. Definitions of small, medium-sized and large companies
- ii. Allowable and non-allowable expenses
- iii. Expenses incurred in deriving exempt income
- iv. Restriction on cost of donations to any fund set up by government relating to any pandemic or natural disaster based on the Finance Act, 2019
- v. Tax or penalty borne by a company on behalf of another person
- vi. Interest on loan – gas utilization (downstream operations)
- vii. Incentives available to a company engaged in a trade or business of gas utilization in downstream operations
- viii. Restrictions on the deductibility of interest in respect of debt issued by a foreign connected person to a Nigerian company
- ix. Tax exemption on interest on foreign loans
- x. Exemption from tax the profits of a Nigerian company in respect of goods exported in line with the provision of section 23(1q) of CITA (as amended)
- xi. Incomes chargeable to tax and incomes exempted from tax
- xii. Definition of gross turnover
- xiii. Adjustment of income for tax purposes
- xiv. Difference between assessable profit and total profit
- xv. Determination of basis period based on the provisions of the Finance Act, 2019
- xvi. Currency for tax settlement and implications for functional currency,
  - exchange losses (realized vs unrealized)
  - Conversion of foreign currency income to Naira for ₦10 retention for capital allowances, small companies tax rate and percentage applied to turnover for minimum tax purposes
- xvii. Commencement rule, change of accounting date and cessation rule, taking into consideration the provisions of the Finance Act, 2019
- xviii. Qualifying capital expenditure
- xix. Capital allowances, including the treatment of capital allowances for small companies
- xx. Treatment of research and development costs (capital, revenue and provisions) and rural investment allowance
- xxi. Loss relief
- xxii. Computation of CIT
- xxiii. Determination of dividends paid out of retained earnings in line with the provisions of the Finance Act, 2019
- xxiv. Exemption of small companies from the payment of income tax
- xxv. Scope of minimum tax provision and minimum tax computation - section 33 of CITA (as amended)]
- xxvi. Treatment of dividend income and distributions (including definition of dividend, franked investment income and treatment of profits of holding companies, treatment of non-distribution of dividend for company with 5 shareholders or less)

- xxvii. Computation of Tertiary Education Tax (TET)
- xxviii. Computation of Police Fund Levy at 0.005% of the net profits of companies operating in Nigeria based on the provisions of the Nigeria Police Trust Fund (Establishment) Act, 2019

## **5. CAPITAL GAINS TAX**

- i. Nature and objectives of Capital Gains Tax
- ii. Administration of Capital Gains Tax
- iii. Charge to tax and persons chargeable
- iv. Chargeable assets and examples (including examples of property created by the person disposing of it, or otherwise coming to be owned without being acquired)
- v. Exemptions, including assets transferred or sold in business reorganisation and reorganisation, and exclusions
- vi. Allowable and disallowable expenditure
- vii. Treatment of residents with assets inside Nigeria and assets outside Nigeria
- viii. Treatment of non-residents with assets inside Nigeria and treatment of non-residents with assets outside Nigeria
- ix. Definition of location of assets (movable vs immovable) for CGT purposes
- x. Exclusion of losses, part disposal of assets and roll-over relief
- xi. Treatment of compensation for loss of office in line with the provision of the Finance Act, 2020, retirement benefit schemes, policy of insurance and instances where no asset is acquired by the person paying the capital sum
- xii. Date of acquisition and valuation of assets (including artificial transactions and transactions between connected persons)
- xiii. Part disposal of assets and bargains comprising 2 or more transactions
- xiv. Anti – Avoidance Provision - section 44(3) of CGTA (as amended)
- xv. Responsibility of the person who pays compensation for loss of office to an individual to deduct and remit the tax due within the time specified under the Pay-As-You-Earn regulations to the relevant tax authority
- xvi. Computation of Capital Gains Tax, filing of self- assessment return and remittance of tax on chargeable assets disposed in line with the provision of section 2(4) of CGTA (as amended)
- xvii. Delayed Remittances Relief
- xviii. Offences and penalties

## **6. ADMINISTRATION OF PERSONAL INCOME TAX**

- i. Constitutionality of income tax and administrative powers of the State Internal Revenue Service and Joint Tax Board
- ii. Registration for personal income tax and PAYE
- iii. Types of assessment (Direct assessment, self-assessment system and PAYE)
- iv. Objection and appeals process (Time limit for appeals, contents of notices of assessment, contents of notices of objection, amendment of assessments and notice of refusal to amend, Tax Appeal Tribunal, Courts etc.)
- v. Statute of limitation and powers of the tax authority, noting the decision of TAT, Benin Zone, restricting the powers of tax authorities to assess taxpayers to back-duty PAYE except where fraud, willful default or neglect on the part of the taxpayer has been established by a Tribunal or a court of competent jurisdiction
- vi. Components of the tax returns
- vii. Filing due date and payment due date

## **7. PERSONAL INCOME TAX ON INDIVIDUALS**

- i. The charge to tax and persons chargeable
- ii. Persons exempted from the payment of personal income tax
- iii. Principle of residence and determinants of relevant tax authority
- iv. Taxation of non-resident individuals
- v. Computation of chargeable incomes
- vi. Definition of gross income for purposes of claiming personal relief by the owner of an enterprise based on Finance Act, 2020
- vii. Computation of minimum tax
- viii. Computation of PIT, rates, etc.
- ix. Earned income vs unearned income
- x. Reliefs, Charges and statutory deductions
- xi. Income Tax Aspects of Transparent vehicles - Trusteeship, Partnerships etc.
  - Trust
  - Settlements
  - Estates
  - Partnerships
  - Existing partnership
  - Commencement of partnership
  - Dissolution of partnership
  - Admission of new partner(s)

## **8. OPERATION OF PAY AS YOU EARN (PAYE)**

- i. Status – employed vs self-employed/contractor and implication for PAYE vs Withholding Tax
- ii. Responsibility for PAYE (employer and manager) – agency workers and managed services scenarios
- iii. Earnings and benefits treated as income and exclusion for employment related expenses
- iv. Exemption of an employee from the payment of personal income tax where such a person earns gross income of National Minimum Wage or less
- v. Definition of gross income for personal relief purposes based on Finance Act, 2020
- vi. Deductions allowed from employment Income
- vii. Taxation of expatriate employees
- viii. Valuation and Taxability of Perquisites, Benefit-in-kind, non-payroll allowances, benefits and other contentious issues under PAYE
  - Gratuity
  - Payment in lieu of notice
  - Reasonable removal expenses
  - Per diem and estacodes
  - Employer provided loans and advances
  - Employer provided accommodation
  - Reimbursable expenses

## **9. WITHHOLDING TAX ON COMPANIES AND INDIVIDUALS**

- i. Treatment of non-residents for business profits and passive income
- ii. Determination of employee for PAYE vs contractor for WHT
- iii. Items subject to WHT and exemptions for sales in the ordinary course of business and capital sums, considering the decision of the Tax Appeal Tribunal, Lagos zone on November 30, 2020, in a case between Tetra Pak West Africa Limited and Federal Inland Revenue Service
- iv. Other exemptions from withholding tax
- v. Treatment of passive income for withholding tax purposes
- vi. The obligation of third parties to deduct withholding tax from payments to any tax – exempt company - section 23(1) of CITA (as amended) and remit same to FIRS
- vii. Request for refund of withholding tax suffered where a company has fulfilled the condition for the exemption of its profit from tax
- viii. Provision of Withholding Tax rate of 2.5% on contracts for the construction of roads, bridges, buildings and power plants

## RECOMMENDED TEXTS

Adesola, S. M.	Income Tax Law and Administration in Nigeria (O. A. U. Press)
Abdulrazaq, M. T.	Nigerian Tax Offences and Penalties (Batay Law Publications)
Oni, I. O.	Nigerian Companies Income Tax: Law & Practice
Teju Somorin	Teju Tax Reference Book. Malthouse Press Limited, 2012 Edition.
Offiong U. B.	Companies Taxation in Nigeria. 2016 Edition
Joseph A. A.	Nigerian Income Tax & Its International Dimension
CITN	Tax Guide and Statutes
CITN Study Pack on Taxation	
ICAN Study Pack on Taxation	
Abdullahi Danjuma Zubairu	- Understanding Nigerian Taxation
Offiong Bassey	Income Taxation
Gboyega Adejuwon	Analysis of Taxation Principles Vol. 1
Offiong Bassey	Nigeria Taxation
Olugbenga Obatola	Rudiments of Nigerian Taxation
Soyode & Sunday Kajola	Taxation Principles and Practice in Nigeria
Arowomole & Oluwakayode	A Classic Introduction to Nigerian Taxation
Idowu Abiola & Fasina H. T.	

# COURSE TITLE: INDIRECT TAXATION

## Course Description:

The course provides student with in depth knowledge of the indirect tax laws in force and insights into procedural aspects of assessment of tax liability for various taxpayers. It also provides a detailed study of the various provisions of indirect taxation laws and their impact on business decision-making.

**Prerequisites:** Principles of Taxation and Financial Accounting

## Aims and Objectives of the Course:

At the end of this paper, candidates will be able to:

- i. Understand the principles underlying the Indirect Taxation Statutes with reference to:
  - Customs and Excise Management Act;
  - The Customs, Excise Tariff, etc. (Consolidation) Act
  - Stamp Duties Act;
  - Hotel Occupancy, Restaurants and Event Centre Consumption Tax Laws;
  - Value Added Tax;
  - Cabotage and local content levies, etc.; and
  - Taxes application to transfer and use of property.
- ii. Compute the assessable value of transactions related to goods and services for levy and determination of duty liability and VAT liability.
- iii. Identify and analyze the procedural aspects under different applicable statutes related to indirect taxation.

## COURSE CONTENTS

### 1. LEGAL BASIS AND NATURE OF INDIRECT TAX

- i. Constitutional validity of Value Added Tax (VAT), consumption tax and various levies (including taxes introduced by enactment of new laws)
- ii. Features of indirect tax
- iii. Powers to administer various indirect taxes and sharing formula between tiers of -Government for Value Added Tax
- iv. Powers of state governments to collect consumption tax

### 2. HISTORY OF VAT AND GENERAL PRINCIPLES

- i. General definition of VAT
- ii. Difference between variant of VAT practiced in Nigeria and the variant practiced in most parts of the world.

- iii. International principles for cross border - Destination versus origin principles

### **3. IMPOSITION OF VAT**

- i. Scope of coverage
  - Definition of taxable person
  - Definition of supply including
    - Application of the tax on leases with a focus on what constitute taxable goods given the use of the phrase “letting of taxable goods...”
    - Definition of taxable goods and services (lack of definition vs definition in sale of goods Act and the Black Law’s dictionary)
    - Out of scope transactions - Federal High Court in the Judgment between the Federal Inland Revenue Service (FIRS) and CNOOC
  - Responsibility of Government Ministries and Agencies
  - Non-Resident Companies
- ii. Schedule of exempt items –
  - Exemptions in the law vs exemptions by the FIRS information Circulars
  - Clarification on whether VAT would apply on any transaction which is not specifically exempted in the VAT Act
- iii. Schedule of zero-rated items with examples
- iv. VAT compliance threshold
- v. Definition and application of VAT on imported goods and services including value of imported goods.
- vi. Definition and application of VAT on exported goods and services – compared and contrasted with destination and origin principles
- vii. When goods and services shall be deemed to be supplied in Nigeria in accordance with section 33(2) of the Finance Act, 2019
- viii. Basic tax point
- ix. Actual tax point
- x. Computation of VAT liability, including the treatment of opening and closing inventories
- xi. Self-account provision for which VAT was not charged
- xii. Treatment of VAT on sale and transfer of assets amongst related parties in business reorganization and restructuring
- xiii. Treatments of VAT on property, plant and equipment purchased, and operating expenses

### **4. ADMINISTRATION OF VAT**

- i. Nature, objectives and administration of VAT

- ii. Timeline for registration – commencement of business or commencement of the Act and how it applies to new businesses.
- iii. Process of registration and deregistration for VAT
- iv. Obligation to register for VAT by Non-resident companies
- v. VAT enforcement and practice
- vi. VAT audit and investigation
- vii. VAT recovery
- viii. Value Added Tax Technical Committee
- ix. VAT Tribunal
- x. Merits and demerits of VAT

## **5. RETURNS, PAYMENT AND OFFENCES**

- i. Obligation to issue a tax invoice, description of a tax invoice and information that must be given on a VAT invoice
- ii. Definition of output tax
- iii. Definition of input tax and allowable input tax
- iv. Obligation to deduct the tax at source (application to Government Ministries, Agencies, Non-resident companies (NRCs) and Oil and gas Industry)
- v. Impact of obligation to deduct on Oil and gas industry and allowable input VAT claim in the industry
- vi. Obligation (specifically who is obliged to) and timeline for submitting returns
- vii. Obligation to remit and timeline for remitting tax collected
- viii. Cash vs Accrual method of reporting and payment of VAT
- ix. Penalties
  - Provision of false documents
  - Evasion of tax
  - Failure to notify change of address
  - Failure to issue a tax invoice/issuance of a tax invoice by unauthorized persons
  - Failure to register
  - Failure to submit returns
  - Failure to keep records

## **6. CUSTOMS AND EXCISE DUTIES**

- i. Nature, objectives and administration of customs and excise duties
- ii. Provisions relating to the furnishing of information by manufacturers and keeping of goods
- iii. Delivery terms (incoterms) – impact on liability for duty and VAT
- iv. Tariff classification and rates of duty
  - Rules of classification
  - Tariff quotas, tariff suspensions and reliefs
    - Duty drawback and duty draw back facilities

- Temporary importation permits
  - Bonded warehouse
  - Export Processing Zones
  - ECOWAS Trade Liberalization Scheme
- iii. Customs valuations
- iv. Procedural aspects for importation and exportation
- Prohibitions and restrictions on imports and exports
  - Import license
  - Export license
  - Regulators – Nigerian Export Promotion Council, Nigerian Customs Service, Standards Organisation of Nigeria, Nigeria Agency for Food and Drug Administration and Control, etc
- v. Export Expansion Grant
- vi. Excise duties
- Goods imported into Nigeria that are to be charged with duties of excise in line with the relevant provision of the Finance Act, 2019
  - Dutiable liquor and tobacco products and statutory definitions
  - Valuation of goods for excise duty purposes
  - Excise factory
  - Removals and warehousing
- vii. Offences and penalties

## **7. STAMP DUTIES**

- i. Nature and objectives
- ii. Definitions
- iii. Administration
- iv. Types and forms of stamp duties
- v. Chargeable interests, transactions and consideration
- vi. Ad valorem and fixed charge and schedule of rates and charges, including those on loans and credit facilities
- vii. Exemptions and reliefs (transfer of shares, transfer of property within a group, acquisition of vessels etc.)
- viii. Instruments specifically exempted from stamp duties by the Finance Act, 2019 and Central Bank Circular number CBN/GEN/DMB/02/006 dated January 15, 2016
- ix. Electronic documents received in Nigeria
- x. Duty upon receipts

- xi. Duty on contracts
- xii. Collection of stamp duty on rent payable to a landlord
- xiii. Consequences for non-compliance with the provisions of the Stamp Duties Act Cap S8 LFN 2004 (as amended)
- xiv. Recent developments and cases on stamp duties e.g. Stanbic IBTC vs FIRS on N50 stamp duty

## **8. OTHER INDIRECT TAXES AND TRENDS**

- i. Other indirect taxes
  - Niger Delta Development Commission Fund
  - Hotel Occupancy and Restaurant Consumption Tax
  - Levies imposed by the Nigerian Maritime Administration and Safety Agency
  - Local content surcharge imposed on transactions in the oil and gas industry
  - Governor's consent and taxes applicable to transfer of property
  - Tenement rates and taxes on utilization of property
- ii. Recent trends
  - Electronic fiscal devices
  - Base Erosion and Profit Shifting proposals on the digital economy (taxing remote digital supplies)

## **9. ETHICAL ISSUES ON INDIRECT TAXATION AND TAX PRACTICE STANDARDS**

- i CITN Code of Conduct in relation to Indirect Taxation**
- ii Moral and common ethical issues in tax practice relating to indirect taxation**
- iii Subsisting CITN Statements of Taxation Standards (STS) in respect of the practice of Taxation in Nigeria**

## **10. CASE LAW (Case Study)**

- i Case Study on VAT using decided cases (Federal High Court, TAT, etc decisions)
- ii Case Study on Stamp Duties using decided cases by the Court of Appeal
- iii Case Study on Customs and Excise Duties using decided cases by the Supreme Court

### **RECOMMENDED TEXTS**

CITN	CITN Nigerian Tax Guide and Statutes
Abdulrazaq, M.T.	Introduction to Nigerian Customs and Excise Duties (CITN)
Various laws:	Nigerian Oil and Gas Content Development Act, Stamp Duties Act, Value Added Tax Act, etc
Teju Somorin	- TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I &II
CITN Study Pack on Taxation	
ICAN Study Pack on Taxation	

# COURSE TITLE: **GOVERNANCE, RISK AND ETHICS**

## **Course Description:**

This course seeks to enhance candidates' level of knowledge on contemporary business issues including business organization, management functions and processes, strategic management, effective risk management framework, sound corporate governance and importance of ethics in a business environment.

**Prerequisite:** Corporate Law, Economics, Principles of Taxation, Income Taxation, and Taxation of specialised businesses.

## **Aims and Objectives of the Course:**

At the end of this paper, candidates will be able to:

- i. Discuss business organisations, management functions and processes.
- ii. Discuss strategic management process including its benefits, distinguish between policy and strategy, and explain the elements of SWOT analysis.
- iii. Explain the concept of risk, risk management and Enterprise Risk Management
- iv. Discuss risk management framework and state some international risk management standards
- v. Define governance and explain the principles of good governance for both private and public sector
- vi. Understand the importance of ethics, including tax transparency and morality, to the larger business society.
- vii. Explain the ethical code of conduct as provided in CITN Professional Rules and Practice Guidelines (PRPG).
- viii. Identify CITN Statements of Taxation Standards (STS) applicable to specific business scenarios.
- ix. Explain the concept of Emotional Intelligence and the effect on Business success.

## **COURSE CONTENTS**

### **1. BUSINESS ORGANISATION**

- i. **Types of business organisations**
  - a. **Nature and purpose of organizations**
  - b. **formal and informal organisation**
- ii. **Environment of Business**
  - a. **Internal and external environment**
  - b. **Environmental scanning**
  - c. **Stakeholders**
- iii. **Business organisational design and structures**
  - a. **Centralised vs decentralised**
  - b. **Matrix and mixed**
  - c. **Networks and virtual arrangements**
- iv. **Organisational behaviour and culture**
- v. **Roles of teams and management committees in business**
- vi. **Impact of technology on organisations**
  - a. **Business model adopted**
  - b. **Organisational structure**

- c. Downsising
- d. Delayering
- e. outsourcing

## **2. MANAGEMENT FUNCTIONS AND PROCESSES**

- i. Management functions**
  - a. Planning
  - b. Organising
  - c. Controlling
  - d. Directing
  - e. Coordinating
  - f. supervising
- ii. Leadership and motivation**
- iii. Communication in business**
  - a. Forms of communication
  - b. Communication process
  - c. Meetings and report writing
  - d. Electronic mode of communication
  - e. Barriers to communication
- iv. Conflict and conflict resolution in organisations**
  - a. Causes of conflicts in organisations
  - b. Conflict management techniques including referrals
- v. Functional management**
  - a. Human resource**
    - Recruitment and selection
    - Learning and development
    - Performance management
    - Employee relations
    - Career planning
  - b. Production**
    - Production planning and control
    - Product selection and design
    - Production process selection
    - Quality and cost control
    - Inventory management
    - Equipment maintenance and replacement
  - c. Marketing**
    - Marketing concepts and principles
    - Marketing vs sales
  - d. Finance**
    - Budget and budgetary control
    - Treasury and cash management
    - Costing and cost control
    - Management and final accounts

- Security against fraud and money laundering
- e. Information technology
  - Procurement
  - Organisation
  - Security
  - governance

### 3. STRATEGIC MANAGEMENT

- i. Concept of Strategic management
- ii. Strategy definition and features
- iii. Components of strategy statements
  - Strategic intent
  - Mission statement
  - Vision
  - Goals and Objectives
- iv. Strategic management process
  - Environmental scanning
  - Strategy formulation
  - Strategy implementation
  - Strategy evaluation
- v. Comparison of strategy formulation and strategy implementation
- vi. Definition and characteristics of strategic decisions
- vii. Benefits of strategic management
  - Financial benefit
  - Non-financial benefit
- viii. Definition and features of business policy
- ix. Difference between business policy and strategy
- x. Definition, advantages and limitations of SWOT Analysis
- xi. SOAR analysis
- xii. Assessment of e-Business
  - Principles of e-Business
  - E-Business Application (Purchasing & Supply, Relationship Management, Taxation)

### 4. RISK MANAGEMENT:

- i. Meaning and types of risk
- ii. Components of business risk including risks arising externally or internally and relating to achievement of:

- Strategic objectives
  - Operational efficiency and effectiveness
  - Reliable reporting
  - Legal, regulatory and ethical compliance
- iii. Meaning and principles of risk management
  - iv. Risk management framework
    - Risk assessment
      - Inherent risk
      - Residual risk
    - Risk management process
      - Identification; Analysis; Evaluation & Ranking; Response Planning; Monitoring & Review
    - Risk monitoring
    - Risk mitigation strategies
    - Risk response strategies
  - v. Relationship between risk management, governance, internal control and compliance.
  - vi. Tax Audit Risk Assessment
  - vii. Meaning and concept of Tax risk Management framework.

## 5. GOVERNANCE:

- i. Meaning and concept of governance and corporate governance
- ii. Nature, significance and scope of enterprise governance and threats to effective governance,
- iii. Concept of good governance; Roles of internal and external auditors, board structure; and audit committee in good governance.
- iv. Rules-based and principles-based approaches to corporate governance.
- v. Definition and principles of good governance
  - Fair conduct of elections, representation and participation
  - Responsiveness
  - Efficiency and Effectiveness
  - Openness and transparency
  - Rule of law
  - Ethical conduct
  - Competence and capacity
  - Innovation and openness to change
  - Sustainability and long-term orientation
  - Sound financial management
  - Human rights, cultural diversity and social
  - Accountability
- vi. Nature, significance and scope of enterprise governance
- vii. Threats to effective governance from tax perspective
- viii. Role and responsibilities of an effective board
- ix. Roles and responsibilities of board committees
  - x. The Issue of 'non-compliance with laws and regulations' (NOCLAR) in relation to the responsibilities of the board.
  - xi. Nature of the oversight functions of a board and institutional shareholders over management.

- xii. Importance of probity as a principle of governance assessing issues and their implications in a given scenario.
- xiii. Principles of good governance in the public sector
  - Professional ethics
  - Professionalism
  - Leadership
  - Accountability
  - Transparency
  - Participation
  - Responsiveness
  - Compassion and humanity
- xiv. Governance issues in the accountability of management to the board, shareholders and other stakeholders.
- xv. Scope, background and concept of Corporate Social Responsibility (CSR) and Sustainability in business.
- xvi. Definition and explanation of Tax morality, Voluntary tax compliance and Tax transparency.
- xvii. Definition and application of Tax Justice concept
- xviii. Recent global development in enterprise and corporate governance.
- xix. Relevant national and international codes of corporate governance.

## 6. ETHICS:

- i. Definition of ethics, sub-divisions of ethics, (descriptive, normative and meta-ethics) and the relationship between ethics and law.
- ii.
- iii. Distinguishing features of ethics and morality
- iv. Moral duties and moral dilemma
- v. Fundamental principles of ethics
  - Principle of respect for autonomy
  - Principle of beneficence
  - Principle of non-maleficence
  - Principle of justice
- vi. Professional ethics and business ethics
- vii. Principles of Business ethics (i.e. ethical principles in the workplace)
  - Honesty
  - Integrity
  - Promise-keeping and trustworthiness
  - Loyalty
  - Fairness
  - Concern for others
  - Respect for others
  - Law abiding
  - Commitment to excellence
  - Leadership
  - Reputation and morale
  - Accountability
- viii. Relationship between business ethics and business success

- ix. Business ethics and corporate social responsibility
- x. Models of professional-client relationship; agency, contract, paternalism and fiduciary. 6
- xi. Corruption, Fraud and fraudulent behaviour in organizations including money laundering, bribery, embezzlement, theft, fraud, extortion, and blackmail
- xii. Whistle blowing
- xiii. Principles of professional ethics
- xiv. Ethical threats and their safeguards
- xv. Ethical principles for CITN Tax Professionals in accordance with Statement of Taxation Standards (STS) and the Professional Rules and Practice Guidelines (PRPG)

## 7. **EMOTIONAL INTELLIGENCE:**

- i. Definition and meaning of Emotional Intelligence (EI)
- ii. Competencies/Types of Emotional Intelligence
  - Self-awareness.
  - Self-regulation.
  - Motivation.
  - Empathy.
  - Social skills.
- iii. Comparison of Emotional Intelligence and Intelligent Quotient (IQ)
- iv. Importance of Emotional Intelligence to business success
  - Staff motivation
  - Better working environment
  - Escalation of business success
  - Team spirit and bonding
  - Elimination of communication barrier

## **RECOMMENDED TEXTS**

Ricky W. Griffin (2017) Management, 12<sup>th</sup> Edition, Centage Learning

William Nickels, James McHugh, Susan McHugh (2018) Understanding Business, 12<sup>th</sup> Edition, McGraw-Hill Education

David, K. (2017). Tax Strategy (The Nitty-Gritty Practice)

Oyedokun, G. E. (2017). Fundamentals of Leadership: ASCO Publishers; Lagos Nigeria

Oyedokun, G. E. (2019). Business policy, strategy & ethics. Lagos, Nigeria. Aaron & Hur Publishing.

CITN Tax Guide and Statutes

Teju Somorin - TejuTax Reference Book. Malthouse Press Limited, 2012 Edition.

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## INTERNET SOURCES

1. Strategic Management by Management Study Guide <<http://www.managementstudyguide.com/>>
2. What are the 5 Risk management Steps in a Sound Risk management process? <<http://continuingprofessionaldevelopment.org/risk-management-steps-in-risk-management-process/>>
3. 12 Principles of good governance and European Label of Governance Excellence (ELoGE) <<https://www.coe.int/en/web/good-governance/12-principles-and-elope/>>
4. Josephson Institute of Ethics <<http://josephsononbusinessethics.com/2010/12/12-ethical-principles-for-business-executives/>>
5. 12 Principles of good governance and European Label of Governance Excellence (ELoGE) <<https://www.coe.int/en/web/good-governance/12-principles-and-elope/>>
6. Josephson Institute of Ethics <<http://josephsononbusinessethics.com/2010/12/12-ethical-principles-for-business-executives/>>

# PROFESSIONAL TAXATION II

## COURSE TITLE: TAX AUDIT AND INVESTIGATION

### Course Description:

The course is designed to cover the audit of all the variables in the income statement, the balance sheet and the cash flow statement identifying the tax audit risk issues and risk assessment. It also covers the investigation of fraud, error of omission or commission and intentional manipulation of the variables in order to lessen the taxpayer's tax liability.

Candidates must have prerequisite knowledge of principles of taxation and financial accounting at Foundation level as well as practice of income and indirect taxation, and income tax for specialized businesses at Professional level I.

### Aims and Objectives of the Course:

The aim of this course is to enable candidates to have the knowledge and skill of identifying the risky areas in tax audit and investigation (such as financial misstatements, tax evasion and tax avoidance schemes) and provide mechanism to counter Tax Avoidance and Tax Evasion.

At the end of this course, candidates should be able to:

- i. Explain the concept of tax audit and investigation, identifying the differentiating features of the two concepts.
- ii. Discuss tax audit and investigation principles
- iii. Explain the process for planning tax audit and investigation
- iv. Describe the process for controlling and recording tax audit and investigation
- v. Explain interview techniques for tax investigation
- vi. Explain the determination of audit evidence and understand audit techniques and procedures
- vii. Describe risk based audit approach
- viii. Explain the statutory powers of tax auditors and investigators
- ix. Describe tax audit procedures and risk assessment

## COURSE CONTENTS

1. **INTRODUCTION TO AUDIT AND INVESTIGATION**
  - i. Meaning and objective of auditing and investigation
  - ii. Merits and demerits of auditing and investigation
  - iii. Qualities of an auditor and investigator
  - iv. Fundamental principles of auditing
  - v. Concept of expectation gap in auditing
  - vi. Differentiation between Tax Audit and Statutory Audit
  - vii. Differentiation between the Internal Auditor, External Auditor and Tax Auditor

## 2. TAX AUDIT/INVESTIGATION PRINCIPLES

- i. Definition, nature and purpose of tax audit/investigation
  - An overview of tax audit
  - Classification and types of audit, etc.
- ii. Rules and objectives of tax audit/investigation
  - Legal framework for tax audit
  - Tax audit fundamentals
- iii. Difference between a tax audit and a tax investigation
  - The issue of forensic audit, legal issues and the role of the tax auditor
- iv. Reasons for tax audit and tax investigation
  - Factors for selecting taxpayer for tax audit/ investigation
  - Qualities of a good tax audit and tax investigation exercise
- v. Appointment of tax auditors
- vi. Duties, rights and obligations of tax auditors
- vii. Taxpayers rights and obligation
- viii. Professional responsibilities
  - Competencies and ethics of audit staff
  - Tax auditor's independence

## 3. PLANNING OF TAX AUDIT AND INVESTIGATION

- i. Sources of taxpayers' financial and business information
- ii. General consideration, nature of business, industry, business cycle and tax compliance history
- iii. Audit/Investigation staffing and logistics
- iv. Preparation of tax audit/investigation programmes
  - Audit management and control
  - Case selection and assignment
  - Audit planning and preparation
  - Basic tax audit tools and techniques
    - Use of mark-ups
    - Use of input/output ratios
    - Use of tax performance ratios
    - Other audit techniques

## 4. CONTROLLING AND RECORDING AN AUDIT/INVESTIGATION

- i. Review of accounting system
  - Review of Receipts & Vouchers, the primary books of accounts, cash flow, etc.
  - The examination of the ledgers, control accounts and the trial balance
  - Tax examination of the income statements particularly salient variables e.g. sales, administrative expenses, closing stock, etc.
  - Tax examination of the balance sheet, particularly the current assets, current liabilities and the working capital, to check liquidity risk.
- ii. Allocation and supervision of work

- iii. Documentation of work done
  - Documentation
  - Report writing
- iv. Management of working papers
- v. Evidence of proper review, conclusion and action steps
- vi. Management of commencement and close-out meetings
- vii. Preparation of audit/investigation report
- viii. Decision making after tax audit/investigation
  - Audit/Investigation closure
- ix. Conflicts resolution and settlement of tax disputes

## 5. **INTERVIEW TECHNIQUES**

- i. Preparation for interview
- ii. Managing the interview process
  - Managing eye contact
  - Reading facial expressions and body language
- iii. Documentation of minutes of meetings and interviews
- iv. Human relation aspects of field interview

## 6. **AUDIT EVIDENCE, TECHNIQUES AND PROCEDURES**

- i. Nature of audit evidence
- ii. Relevance and reliability of audit evidence
- iii. Audit techniques, inspection, observation, enquiry
  - The elements of risk, fraud and error,
  - The application of forensic audit and substantive audit techniques.
- iv. Forensic accounting/audit techniques
- v. Independent confirmation
- vi. Computation and checks, sampling techniques
- vii. Reliance on the work of other auditors, including statutory auditors

## 7. **RISK BASED AUDIT APPROACH**

- i. Understanding Risk Based Auditing
- ii. Focus of the risk-based audit
- iii. Steps of risk based audit
  - Determination of the threats (fraud and errors) confronting the organization
  - Identification of control procedures for preventing, detecting or correcting threats
  - Evaluation of control procedures – systems review and test of controls
  - Determination of impact of control weaknesses and degree of auditing required
- iv. The risk-based approach
  - Taxpayer and Industry Profiling

- Identifying specific compliance risks e.g. Low stock values compared to turnover; International transfer pricing; Financing arrangements; Wrongly classifying capital expenditure as deductions; etc.
- v. Process of risk based audit approach
- Understand the Business Environment
  - Develop a Three-year Audit Plan
  - Preliminary Risk Assessment
  - Secondary Risk Assessment
  - Formal Exit Meeting
  - Reporting and Communication

## 8. STATUTORY POWERS OF TAX AUDITORS AND INVESTIGATORS

- i. Power to obtain information
- ii. Power to enter premises
- iii. Power to obtain third party confirmation from banks, etc
- iv. Power of search and seizure under investigation

## 9. TAX AUDIT PROCEDURES AND RISK ASSESSMENT

- i. Tax audit procedures and risk investigations
  - Tax audit procedures on income ascertainment
  - Tax audit procedures on expenditure ascertainment
  - Tax audit procedures on VAT - Input and output tax including refunds
  - Tax audit procedures on import duties
  - Cost of Freight and Insurance (CIF) investigations
  - Risk in stock taking
  - Risk controls in sales department
- ii. Sampling risk and forensic investigations
- iii. Materiality concept and tax audit investigations
- iv. Computer Assisted Audit Techniques (CAAT) relating to income and expenditure

## RECOMMENDED TEXTS - TEXTBOOKS/JOURNALS AND OTHERS

Abdulrazaq, M. T.	Principles and Practice of Tax Planning and Management in Nigeria (Batay Law Publications)
Adeniji, A. A. (2016)	Tax Audit & Investigation (Value Analysis Publishers)
Arogundade, J. A.	Nigerian Income Tax and Its International Dimension (Spectrum Books Limited), 2010
Bassey, O. U (2013)	Companies Taxation in Nigeria (The CIBN Press Ltd)
CITN -	Nigerian Tax Guide and Statutes
Fasoto, Foluso	Nigerian Tax Companion (Hortosaf Associates Ltd)

- Kumar, R. & Sharma, V. (2011) Practical Auditing: A Risk-based Approach (PHI Learning Private Limited)
- Obatola O. S. (2018) Essentials of Tax Audit & Investigation. ASCO Publisher. Lagos
- Ochei, B. B. The Nigerian Taxman's Book
- Olagbaiye, O. O. (2010) Auditing and Investigation (Alpha Resources Limited)
- Oni, I. O. Nigerian Companies Income Tax: Law & Practice
- Oyedokun G. E. (2017) Compendium of Writings in Forensic Accounting and Fraud Examination (ASCO Publishers)
- Oyedokun, G. E. (2018). Fundamentals of forensic accounting & fraud Investigation. Lagos, Nigeria. Aaron & Hur Publishing.
- Oyedokun, G. E. (2018). Ethical justification for creative accounting: Fraud & forensic Accountants' perspectives. Lagos, Nigeria. Aaron & Hur Publishing.
- Oyedokun, G. E. (2019). Imperatives of tax audit & investigation. Lagos, Nigeria. Aaron & Hur Publishing
- Teju Somorin - TejuTax Reference Book. Malthouse Press Limited, 2012 Edition. Vol. I &II
- Offiong Bassey Tax Audit and Investigation: Revision Kit

# COURSE TITLE: **INTERNATIONAL TAXATION**

## **Course Description**

This course focuses on providing students with required knowledge on taxation law and policy from a comparative and international view point. It covers principles of international tax law, tax policy, double tax treaties, transfer pricing rules and thin capitalisation.

## **Prerequisite**

Candidates taking the course should have knowledge of Principle of taxation, Income taxation, Business Law and Economics.

## **Aims and Objectives of the Course:**

At the end of this paper, the candidate should have the knowledge and understanding of the following:

- i. Basic principles of international tax law;
- ii. How different domestic tax laws interact at the international plane;
- iii. Causes of international double taxation;
- iv. Tax implications on residence Rules;
- v. Purpose of Double Taxation Treaty (DTT) and taxation of businesses, individual and investment income under the DTT;
- vi. Concept of Permanent establishment;
- vii. Application of Nigerian transfer pricing regulation to related party transactions;
- viii. Effect of Thin capitalization on income taxes;
- ix. Tax planning strategies; and
- x. The effects of offshore judicial decisions in resolving international tax matters in Nigeria.

## **COURSE CONTENTS**

### **1. INTERNATIONAL TAX POLICY**

- i. Introduction to International taxation
- ii. Objectives of international tax rules
- iii. The need for, limitations and roles of international organisations
- iv. The concept of tax neutrality
- v. Taxation of inward and outward investments
- vi. Definition of key terms
  - Active and passive income distinction
  - Portfolio investment
  - Double taxation
  - Source and residence tax jurisdiction
  - Controlled Foreign Companies (CFC)
- vii. Taxation and public international law
  - History of international tax law
  - Jurisdiction to tax including limits to tax jurisdiction arising from public international law
  - Rules of public international law governing the assessment and collection of taxes; cross-border enforcement of tax debts
  - Introduction to international fiscal policy
  - International settlement of fiscal disputes.
- viii. International fiscal policy and income/profits taxation

ix. Causes of international double taxation of income/profits

- Conflicts of residence and source
- Conflicting definitions of connecting factors
- Other causes of international double taxation (including particular issues for using citizenship as a connecting factor for taxation)

x. Methods of relief from international double taxation

- Relief by credit – including indirect/underlying credit and tax sparing credit
- Relief by exemption – including participation exemption
- Practical difficulties in applying relief by credit and relief by exemption
- Relief by exemption and relief by credit compared: capital import neutrality vs capital export neutrality
- Other methods of relief from international double taxation – relief by deduction of foreign tax; relief by deferral

xi. International fiscal policy and indirect taxation

- Causes of international double taxation of indirect taxes: origin and destination bases of taxation
- Relief for international shipping and airlines
- World Trade Organization (WTO), General agreement on tariffs and trade (GATT), General Agreement in Trade in services (GATS) and their relevance to taxation.

xii. International co-operation between tax administrations

- International co-operation by bilateral agreement; analysis of model agreements on administrative co-operation
- Multilateral co-operation between tax administrations
- Regional developments and cross-border co-operation, including regional economic integration and trade blocs, African Continental Free Trade Area Agreement (AfCFTA), etc

## 2. RESIDENCE

### i. General principles of jurisdiction

- *in personam* jurisdiction
- *in rem* jurisdiction
- general / unlimited jurisdiction on world-wide income / property
- limited jurisdiction on locally-sited or property or local-source income.

### ii. Jurisdictional links for different taxes

- Customs duties
- Goods and services taxes
- Estate and gift taxes
- income taxes

### iii. The concept of connecting factors

- In persona connecting factors
  - Nationality
  - Residence
  - Domicile

### iv. Other in persona connecting factors – ordinary residence; habitual residence.

- In rem connecting factors

- Situs
- Source -.

**v. Individual residence**

- State practice in determining residence of individuals:
  - The 183-day rules
  - Regular visitor rule e.g. business visit, 90+ days per year
  - Definition of a day (24 hours or part of a day)
  - Facts and circumstances of an individual's life e.g. availability of home, Centre of individual's life.

**vi. Residence of corporations**

- State practice in determining residence of corporations:
  - Place of incorporation
  - Place of central management and control
  - Place of seat
  - Place of head office
  - Place of principal activity

**vii. Residence of controlling shareholder(s).**

- State practice in determining residence of other entities

**viii. Partnerships – place of effective management**

**ix. Trusts – residence of trustees; place of effective management**

**x. Explain when a non-resident company is deemed to have significant economic presence in Nigeria.**

**xi. Discuss the requirement that a non-resident person that makes a taxable supply to Nigeria should register for tax, include VAT on its invoice, and appoint a representative in Nigeria for the purpose of its tax obligations.**

**xii. Explain when the profits on digital transactions rendered by non-resident companies will be deemed to have been derived in Nigeria and taxed accordingly.**

**xiii. Explain when fees earned on transactions, such as technical, management, consultancy or professional services rendered from abroad to a person in Nigeria will be taxable in Nigeria.**

**3. DOUBLE TAX TREATY (DTT)**

**i. DTT definition**

**ii. History of DTT**

- The League of Nations
- The G20 and OECD
- The UN Group of Experts

**iii. DTTs and domestic laws**

**iv. Purpose of DTT**

- Avoidance of international double taxation
- Prevention of fiscal evasion, mutual agreement procedures, exchange of information and assistance in the collection of taxes.

**v. Stages in DTT**

- Negotiating DTT
- Giving effect of DTT in domestic laws
- Commencement of DTT
- Termination of DTT

- vi. DTT FORMAT
  - OECD Model and the Commentaries to the OECD Model
  - UN MTC
  - Specific states' models: the US MTC; the Dutch MTC
- vii. INTERPRETATION OF DTT
  - General approach to interpretation
  - The importance of the Vienna Convention on the Law of Treaties.
  - The use of external aids for interpretation such as the status and use of the OECD Commentaries.
  - The application of OECD MTC
  - How interpretation issues are to be resolved by competent authority proceedings – OECD MTC.
  - Commentaries on the relevant articles based on the Base Erosion and Profit Shifting Project by OECD and the G20
- viii. DTT PROVISIONS RELATING TO BUSINESSES
  - Business profits (with or without a permanent establishment) – Art 7 OECD MTC
  - Shipping and air transport profits – Art. 8 OECD MTC (in outline)
  - Associated enterprises – Art. 9 OECD MTC: status of Art. 9 and link to transfer pricing legislation
- ix. DTT PROVISIONS RELATING TO INDIVIDUALS
  - Employment income – Art. 15 OECD MTC
  - Pensions – Art. 18 OECD MTC
- x. DTT PROVISIONS RELATING TO INVESTMENT INCOME AND GAINS
  - Income from land – Art. 6 OECD MTC
  - Dividends – Art. 10 OECD MTC –
  - Interest – Art. 11 OECD MTC
  - Royalties – Art. 12 OECD MTC
  - Capital gains – Art. 13 OECD MTC
- xi. RELEVANCE OF THE “OTHER INCOME” ARTICLE – ART. 21 OECD MTC
- xii. LIMITATION OF BENEFIT PROVISIONS- BEPS ACTION 6 PROVISION OF TREATY ABUSE.
- xiii. NIGERIAN DTT MODELS
  - Nigerian Tax Treaties and Reliefs
  - Typical clauses
  - Treaty relief by credit
  - Unilateral tax credit
  - Reforms and planning

#### **4 CONCEPT OF PERMANENT ESTABLISHMENT (PE)**

- i. Application of domestic laws
- ii. The structure of the business profits provisions
  - Overview of Arts. 5, 7, 8 and 9
  - Relationship with the dividends etc. Arts. – Art. 7(7); 10(4), 11(4); 12(3); and capital gains Article 13.
- iii. The permanent establishment concept
  - The concept of a PE – sufficient presence in a host state

- The structure of Art. 5 - The fixed place of business PE: paras. (1) – (2); the construction site PE: para. (3); the exempt activities: para. (4); the dependent agent permanent establishment: paras. (5) – (6); associated companies: para. (7); “associated” and “unassociated” permanent establishments
- iv. The “fixed place of business” PE – The basic concept in Art. 5(1)
    - The requirement of a place of business
    - The requirement of being fixed.
  - v. The illustrative list in para. (2)
    - What is the purpose of the illustrative list?
  - vi. The building site PE
    - Is it a restriction on Art. 5(1)? – does it need to be equally fixed?
    - When does the time period begin and end
    - Linked contracts
    - Use of sub-contractors.
  - vii. The exclusionary list: para. (4)
    - Facilities or storage space
    - Are the separate items all preparatory and auxiliary
    - What does “preparatory and auxiliary” mean
    - Combination of activities – (4)(f)
    - Gathering information; representative offices.
  - viii. The dependent agent PE - Dependent agent: para. (5) Definition and different concepts of agency – common law and civil law; common law: agent for an undisclosed principal; civil law courtiers and *commissionaires générales*.
  - ix. Independent agents: para. (6) - Candidates should consider broker and general commission agent; other agent of an independent status (independent legally and economically)
  - x. Associated companies - Candidates should also understand situations where subsidiaries would constitute a PE.
  - xi. OECD BEPS final report on preventing the artificial avoidance of PE status (Action 7).
  - xii. The provisions and application of the Income Tax (Country by Country Reporting) Regulations, 2018
    - Purpose and objectives of the regulations
    - Filing obligations and notification of tax residence of reporting entity
    - Contents, form and time of filing of the Country- By- Country Report
    - Non-compliance and penalties

## 5. CONCEPT OF TRANSFER PRICING AND NIGERIAN TAXATION

- i. Overview of the Nigerian Transfer Pricing Regulations, including the purpose, objectives and scope of the Income Tax (Transfer Pricing) Regulations, 2018
- ii. Definition of Key terms
  - Associate enterprise
  - Controlled transactions/ covered
  - Uncontrolled transaction
  - Independent enterprise
  - Arm’s length principle
  - Connected taxable person

- iii. Specific transactions
- iv. Transfer pricing methods
  - v. Advance pricing agreements (APA)
  - vi. Transfer pricing documentation
- vii. Comparability factors
- viii. Transfer pricing analysis
  - Industry analysis
  - Company analysis
  - Functional analysis
  - Economic Analysis
    - Transfer pricing methods
    - Bench marking analysis
- ix. Procedure for tax dispute resolution under Transfer Pricing Regulations
- x. Offences and penalties
- xi. Other issues

## **6. EFFECTS OF OFFSHORE JUDICIAL DECISIONS**

- i. Judicial decisions on international tax matters
  - The interpretation of the concept of beneficial ownership
  - Resolving issues of dual residency for individuals and corporations
  - Meaning of connecting factors
  - Meaning of “liable to tax” and “subject to tax”
  - Other relevant judgments on interpretation and application of DTT

## **7. THIN CAPITALISATION, TAX PLANNING ISSUES AND NIGERIAN TAXATION**

- i. Definitions
- ii. Measures of addressing thin capitalisation
- iii. Effects of thin capitalisation on taxes
- iv. Limitation of interest on debt issued by a foreign connected person (excluding banks and insurance companies) to a Nigerian company to 30% of earnings before interest, tax, depreciation and amortization (EBITDA)
- v. Treatment of excess interest not allowed for tax purposes in (iv) above
- vi. Tax Havens
- vii. Treaty Shopping
- viii. Non-tax Factors
- ix. Tax sparing agreements and foreign direct investments (FDI)

## **8. INTERNATIONAL TAX AVOIDANCE AND NIGERIAN TAXATION**

- i. Tax evasion and avoidance
- ii. Tax avoidance and tax planning
- iii. General principles of domestic laws
- iv. Tax savings
- v. Decided cases

## **RECOMMENDED TEXTBOOKS**

Arogundade, J. A. - Nigerian Income Tax and Its International Dimension (Spectrum Books Limited)

Van Raad, K. *Materials on International, TP and EU Tax Law 2016-2017*. Volume A (Leiden: International Tax Centre, 2016).

***Model Income Tax*** Convention, Analysis, Commentary by ***Van Raad, Kees***

OECD. Base Erosion and Profit Shifting Project: 2015 Final Reports, Executive Summaries (Paris: OECD, 2015)

OECD, Committee on Fiscal Affairs. *Model Tax Convention on Income and on Capital* (Paris: OECD, 2010) [ISBN: 9789264089488]

Qureshi, A. *The Public International Law of Taxation: Text, Cases and Materials* (London: Kluwer Law International, 1994) [ISBN: 9781853339509]

OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017

United Nations. *UN Practical Manual on Transfer Pricing for Developing Countries*

Nigerian Income Tax Transfer Pricing Regulations

Federal Govt. Press - National Tax Policy

Fowokan, T. E. & Oyedokun, G. E. (2019). *International Taxation in Nigeria*. Lagos, Nigeria. Aaron & Hur Publishing  
Teju Somorin - TejuTax Reference Book. Malthouse Press Limited, 2012 Edition.

Vol. I & II

CITN - Principles of International Taxation

CITN - Tax Incentives in a Globalised Economy

CITN - Tax Guide and Statutes

Offiong Bassey - International Taxation

# **COURSE TITLE: FINANCIAL AND TAX ANALYSIS**

## **Aims and Objectives of the Course:**

At the end of this course, candidates will be able to understand the followings:

- i. Comprehensive framework for financial statement analysis and financial reporting;
- ii. Important strategy points for the analysis of financial statements;
- iii. The purpose of accounting analysis to evaluate the degree to which firm's accounting is captured in business reality;
- iv. Ability to understand analysis required to adjust a firm's accounting numbers using cash flow information;
- v. The assessment of performance of a firm in the context of its stated goals and strategy;
- vi. To summarize the view developed in the analysis with an explicit forecast
- vii. To understand forecasting at first and second stage of prospective analysis and valuation.

## **COURSE CONTENTS**

### **1. FRAMEWORK FOR BUSINESS ANALYSIS AND VALUATION USING FINANCIAL STATEMENTS**

- i. The role of Financial Reporting in Capital Markets
- ii. From Business Activities to Financial Statements
- iii. Influences of the Accounting System on Information Quality
- iv. Alternative forms of Communication with Investors
- v. Public versus Private Corporations

### **2. BUSINESS ANALYSIS AND VALUATION TOOLS**

- i. Industry Analysis
- ii. Applying Industry Analysis
- iii. Competitive Strategy Analysis
- iv. Corporate Strategy Analysis

### **3. ACCOUNTING ANALYSIS: THE BASICS**

- i. Factors Influencing Accounting Quality
- ii. Steps in Accounting Analysis
- iii. Recasting Financial Statements
- iv. Accounting Analysis Pitfalls
- v. Value of Accounting Data and Accounting Analysis

### **4. ACCOUNTING ANALYSIS: ACCOUNTING ADJUSTMENT**

- i. Recognition of Assets
- ii. Asset Distortions
- iii. Recognition of Liabilities
- iv. Liability Distortions
- v. Equity Distortions

## **5. FINANCIAL ANALYSIS**

- i. Ratio Analysis
- ii. Cash Flow Analysis
- iii. Trend Analysis
- iv. Common Size Analysis

## **6. STRATEGIC TAX MANAGEMENT AND PLANNING**

- i. Introduction
    - Definition of tax planning.
    - Tax planning and management strategies.
    - Taxation and present value analysis.
    - Basic principles of tax planning.
    - Factors affecting tax planning.
  - ii. Tax strategies for new business
    - Organizational forms for business entities, corporate formation, partnership formation, single proprietor formation. Basic tax consequences of entity choice.
    - Sale or lease of property to controlled entities.
    - Other strategies for transferring property to controlled entities.
  - iii. Employee compensation strategies
    - Proprietor compensation, employee compensation, fringe benefits.
    - Deferred compensation, equity-based compensation, employee stock plans/option.
    - Partnership interest as payment for services.
  - iv. Taxation and business operating strategies
    - Profit measurements and reporting.
    - The entity's accounting year, tax accounting methods.
    - Differences (permanent and temporary) between book profit and taxable profit.
    - Accounting for income taxes: deferred tax assets and liabilities, corporate tax payment requirements.
  - v. Tax incentive provisions:
    - Tax incentives and after-tax business value, criticisms of tax incentives; and
    - Restrictions on their benefits.
  - vi. Tax implications of profit distributions - corporate, partnership and sole proprietorship.
  - vii. Tax implications of Anti-Avoidance Schemes.
  - viii. Taxation and Capital Marketing Activities.
  - ix. Tax planning and management, using holding companies and group structures;
    - x. Tax implications and tax management in mergers and acquisition of business entities.
    - xi. Tax planning through the use of derivative instruments.
    - xii. Tax considerations and tax planning in intellectual properties management.
-

## **RECOMMENDED TEXT**

Krishna, G. P., Paul, M., H., and Erik P., (2013). Business Analysis and Valuation: IFRS Edition;  
Andrew Ashwin.

Kintoye I.R. (2016) -Investment Decisions in the 21<sup>st</sup> Century (Unique Educational Publishers.

Olowe, R. A. (2017). Financial management: Concepts, financial system and business finance. Fourth  
Edition. Published by Brierly Jones Nigeria Limited, Lagos State.

CITN

Tax Guide and Statutes

Teju Somorin

- TejuTax Reference Book. Malthouse Press Limited, 2012 Edition.

Vol. I &II

## **COURSE TITLE:**

# INCOME TAX FOR SPECIALISED BUSINESSES AND PROCESSES

## Course Description:

The course introduces students to the peculiarities of specialised businesses and the specific tax rules that guide the imposition of income tax on the profits of companies involved in these businesses.

## Pre-Requisite:

Students taking this course must have knowledge of the following courses:

- Principles of Taxation;
- Income Taxation; and
- Financial Reporting.

## Aims and Objectives of the Course:

At the end of this paper, the candidate should have the knowledge and understanding of the following:

- i. Understand the various specialized businesses and situations which demand a shift in the general knowledge of income taxation previously studied;
- ii. Understand the operations of the specialised businesses of Banking, Insurance, Oil and Gas, Agriculture, Airlines and Shipping, Mining of Solid Minerals, Unit Trust, Real Estate Investment Companies (REIC) and Regulated Securities Lending Transaction ('SEC Lending');
- iii. Discuss the specific accounting recognition requirements for revenue and expenses for these businesses;
- iv. Understand the specific provisions of the income tax laws that guide the taxation of these businesses separately from other non-specialised businesses;
- v. Understand how these special provisions are applied in practice and any other practical tax issue impacting these businesses; and
- vi. Understand the application of the income tax provisions to companies under pioneer status as well as operating within the free trade zone.

## COURSE CONTENTS

### 1. TAXATION OF BANKS AND OTHER FINANCIAL INSTITUTIONS (BOFI)

- i. Discuss the requirement that banks should obtain the Tax Identification Number (TIN) of new and existing business customers.
- ii. Discuss the VAT exemption of services rendered by microfinance banks.
- iii. Discuss the requirement that banks should submit within seven days after the end of each month, the names and addresses of new customers in respect of the preceding month, to FIRS.

- iv. Discuss the requirements that banks should file both monthly and annual tax returns, and the penalties for failure to file such returns.
- v. Explain the concept of revenue recognition for BOFI and the various types of revenue viz interest income, commission, sale of financial instruments, financial intermediation etc.
- vi. Determine which of the streams of income would qualify as revenue and or other income under the relevant accounting standards – Specifically International Financial Reporting Standard (IFRS 15).
- vii. Explain the accounting treatment of hedging transactions and discuss its income tax implications
- viii. Define and explain the various financing arrangements and loan relationships engaged in by BOFI including but not restricted to syndicated loans and sale and lease back arrangements
- ix. Discuss the CIT exemption order for the exemption of short-term securities, bonds, Section 23(1) of the CITA etc. and their impact on the taxation of BOFI.
- x. Differentiate between income earned in the ordinary course of business and income earned outside the ordinary course of business, i.e., sale of shares by a company and the sale of shares by a brokerage company.
- xi. Compute the assessable profit, total profit and taxes payable.
- xii. Contemporary issues, such as the impact of Section 19 on Banks whose major source of income is exempted from income tax, amongst others.

## **2. TAXATION OF INSURANCE COMPANIES**

- i. Distinguish between the two types of insurance business types (General and Life) and identify their characteristics.
- ii. Identify and understand key terms which include: unexpired risks, claims, outgoings, gross premium interest, reinsurance expense, investment income, actuarial revaluation certificate, underwriting profits, premium, total premium, total profits and fees etc.
- iii. Explain investment income for life insurance business based on Finance Act, 2019.
- iv. Explain the definitions of gross income for minimum tax purposes for non-life and life insurance businesses based on Finance Act, 2020.
- v. Identify and understand what constitute income for both types of businesses
- vi. Understand the requirement to separate the reporting and tax computation for both types of businesses, using the new formats based on the Finance Act, 2019 and Finance Act, 2020
- vii. Discuss the scope and charging provision in respect of income tax for both businesses.
- viii. Understand the new provision that the reserve for un-expired risk should be based on a time apportionment basis of the risk accepted in the year
- ix. Understand the new amendment which allows for estimated amount of outstanding claims and outgoings instead of an amount based on a percentage of total premium
- x. Understand the tax treatment of estimated claims and outgoings made in one year and the adjustment in the year following
- xi. Understand the limitation on certain allowable deductions and treatment of other allowable deductions and earned investment income for life businesses
- xii. Understand the new provision on non- restriction of loss carried forward.
- xiii. Computation of companies income tax payable
- xiv. Computation of minimum tax based on Finance Act, 2019 and Finance Act, 2020

- xv. Explain and understand the provisions on the deduction of general reserve fund for re-insurance companies.
- xvi. Disclosure requirements for insurance companies that engage the services of an insurance agent, a loss adjuster or an insurance broker.
- xvii. Understand the requirement that a non-life insurance company should maintain details and schedules of policies or risks accepted in a given year, and the computation of un-expired risks associated with them
- xviii. Contemporary tax issues

### **3. TAXATION OF UNIT TRUSTS**

- i. Description and objectives of a unit trust scheme
- ii. Legal basis for the taxation of unit trusts – Section 17 of the CITA
- iii. Definition of key terms with particular reference trustees; unit holders; rights of unit holders; dividends; authorized unit trusts; etc.
- iv. Determination of the profits of a unit trust scheme and treatment of deductions suffered by unit trust schemes
- v. Applicability of provisions on dividends payment to profits accruing to trustees of unit trusts and tax-exemption (and otherwise) of dividends distributed by unit trusts
- vi. Withholding tax obligations for Unit Trust Schemes
- vii. Filing and payment requirements for unit trusts
- viii. Contemporary tax issues, such as tax transparency of the Unit trust system.

### **4. MINING OF SOLID MINERALS**

- i. Overview of the Mining Industry in Nigeria including list of solid minerals available in Nigeria and their areas of concentration; types of mining licenses and process of obtaining a mining license.
- ii. Tax Incentives available to Companies involved in the Mining of Solid Minerals in Nigeria including, income tax reliefs, accelerated capital allowances etc.
- iii. Treatment of decommissioning costs
- iv. Allowable and disallowable expenses
- v. Treatment of losses
- vi. Computation of capital allowances
- vii. Computation of total profits
- viii. Offences and penalties
- ix. Contemporary tax issues

### **7. TAXATION OF AIR/SHIPPING/CABLE UNDERTAKING BUSINESS**

- i. Definition and examples of Air/Shipping Transport Business and Cable undertakings and their peculiarities.
- ii. Explanation of key terms as defined under Sections 14 and 15 of the CITA.

- iii. Explanation of the meaning of a Nigerian Company and non-Nigerian Company
- iv. Procedure for determining profits derived from Nigeria and explanation of the concept of proportional profits
  - v. Conditions for accepting proportional profits, calculation of adjusted profits and adjusted depreciation ratios
- vi. Explanation of “fair percentage” as mentioned in the relevant provisions and related conditions (students should be aware of the applicable procedures for objections and appeal)
- vii. Minimum tax provision for these natures of businesses
- viii. Provisions of the Double Tax Treaty on Air/Shipping Transport Business and Cable undertakings.
- ix. Contemporary tax issues such as the application of the Provisions of the Nigerian Information Technology Development Agency Act (NITDA) 2007

## **8. TAXATION OF AGRICULTURAL BUSINESS**

- i. Definitions of agricultural business and primary agricultural production
- ii. Legal Basis for the taxation of agricultural business
- iii. Conditions to be met before the interest on any loan granted by a bank to a company engaged in primary agricultural production can be exempted from tax
- iv. Computation of Capital Allowances (CA) computation for agricultural business and non-restriction of capital allowances including enhanced capital allowance for agro-allied plant and equipment.
  - v. Double tax treaty (DTT) provisions on immovable properties and its application to agriculture and forestry.
- vi. Practical income tax computations for agricultural businesses
- vii. Grant of pioneer status for a small or medium company engaged in primary agricultural production for an initial period of 4 years and an additional 2 years.

## **9. TAXATION OF OIL EXPLORATION AND PRODUCTION COMPANIES**

- i. Overview of the Oil and Gas Industry in Nigeria, delineating which activities fall under upstream, midstream, downstream, gas utilization and Oil service sectors
- ii. Outline the basic roles of the Regulatory agencies in the oil and gas sectors, such as the NNPC, NAPIMS, NIPEX, DPR, CBN, FIRS, NCDMB
- iii. Understanding the applicable legislation for the various activities in the Oil and Gas Industry and the form of income tax payable.
- iv. Definition of Petroleum Operations based on the Petroleum Profits Tax Act (PPTA).
  - v. Definition of Key Terms in the Upstream Sector
- vi. Description of the various fiscal/operating arrangements for upstream petroleum operations (i.e. Sole Risk Operation, Risk Service Contracts, Joint Ventures, Production Sharing Contracts, taking into consideration the provisions of the Deep Offshore and Inland Basin Production Sharing Contract (Amendment) Act, 2019, and Marginal Field Operators etc.) and whether participants will qualify as engaged in Petroleum operations as defined under the PPTA.
- vii. Understand what constitutes accounting period for Petroleum Profit Tax (PPT) purposes and the basis of assessment.
- viii. Determine and understand the sources of income accruing to oil and gas (upstream) companies

- ix. Treatment of gas profits and analysis of gas production incentives.
- x. Definition and basis for the computation of adjusted profit, assessable profit, chargeable profit and petroleum profit tax
- xi. Basis for treating expenses as tax-deductible or otherwise for PPT purpose including a summary of specific deductible and non-deductible expenses
- xii. Peculiarities of PPT computations vis-à-vis CIT computations – Treatment of Balancing Charge/Allowance, Tertiary Education Tax, NDDC Levy, Royalties.
- xiii. Description of qualifying capital expenditure for capital allowance purpose and compute capital allowance/petroleum investment allowance claimable by petroleum companies.
- xiv. Treatment of losses for E&P companies
- xv. Differing PPT and royalty rates and their bases
- xvi. Incentives available to companies that signed PSC agreement with the Federal government of Nigeria
- xvii. Offences and applicable penalties to petroleum companies
- xviii. Registration, reporting and payment requirements for petroleum companies
- xix. Implications for the sale of license vs sale of shares, regulatory approval and applicability of transaction taxes.
- xx. Contemporary tax issues which include:
  - Treatment of abandonment/decommissioning costs
  - Unitization agreements
  - Back-in-rights
  - Interest on intercompany loans
  - Community expenses
  - Gas banking
  - Joint filing of PPT returns
  - Dividends from gas business
- xxi. Review of case laws

## **10. MERGERS, ACQUISITIONS, TAKEOVERS AND RESTRUCTURING**

- i. Description of mergers (including the various types), takeovers, acquisition and restructuring
- ii. Legal Basis for the tax treatment for the various option
- iii. Benefits of mergers, acquisitions, takeovers and restructuring
- iv. Understanding of the issues to consider before mergers, acquisition etc. (e.g. filing of returns, payment of outstanding tax liabilities, tax queries or audits, availability of tax clearance certificates.
- v. Possible tax incentives/planning options during mergers, acquisitions and takeovers
- vi. Treatment of capital allowance and tax-written down value of assets after mergers, takeovers, acquisition and restructuring
- vii. Exemptions of assets sold or transferred in business reorganization and restructuring from VAT and CGT
- viii. Application of the relevant rules (i.e., Commencement, change of accounting date and cessation rules) post mergers, takeovers, acquisition and restructuring
- ix. Conditions that must be met by any entity before the tax concessions stated in (vi) above are granted

## **11. INDUSTRIAL DEVELOPMENT (PIONEER LEGISLATION)**

- i. Define the relevant terms.
- ii. Explain the key roles of the arms of government that are involved in the formulation, approval and administration of the pioneer status incentive (PSI).
- iii. Identify various pioneer industries and products, on the pioneer list.
- iv. Explain the conditions that must be met by an applicant before it is granted pioneer status.
- v. Enumerate and understand the tax incentives available to pioneer companies (tax exemption, treatment of loss incurred during pioneer period; treatment of asset acquired during the period etc)
- vi. Explain the procedure for applying and obtaining pioneer status and how pioneer certificate can be amended, taking into consideration the application guidelines for pioneer status incentive issued by Federal Ministry of Trade and Industries in 2017.
- vii. Explain how a project presentation to Nigerian Investment Promotion Commission (NIPC) is carried out.
- viii. Explain the contents of application forms for new and extension PSI applications.
- ix. Explain the procedure for carrying out due diligence visits by NIPC staff.
- x. Explain the procedure for the submission of annual performance report to NIPC for monitoring and evaluation purposes.
- xi. Explain the payment of fees by applicants.
- xii. Explain the periodic impact assessment to be carried out by NIPC staff.
- xiii. Explain compliance with the Industrial Development (Income Tax Relief) Act, No 22 of 1971 (“IDA”) and application guidelines for PSI.
- xiv. Understand the provisions relating to retrospective operations and the date of production certification
- xv. Understand the conditions for Qualifying capital expenditure for a pioneer company
- xvi. Circumstances for cancellation, information and publication of pioneer certificate
- xvii. Tax relief period and the conditions for extension of the period by the National council of ministers
- xviii. With copious examples, explain the application of the commencement and cessation provision to pre and post pioneer businesses, together with the treatment of losses and capital allowance of pioneer period
- xix. Applicable restrictions to pioneer companies
- xx. Explain the offences and penalties.
- xxi. Contemporary tax issues

## **12. EXPORT/FREE TRADE ZONE BUSINESS**

- i. Definition of Free Zones and list at least 10 examples in Nigeria
- ii. Legal framework for the operation of Free Zones in Nigeria
- iii. Administration of the Free Trade Zone
- iv. Procedures for registering companies in the Free Zone and relevant reporting requirements
- v. The fiscal benefits/incentives for operating in a Free Zone
- vi. Specific tax implications of operating in a Free Zone which may also include transaction taxes such as value Added Tax and Withholding tax (WHT).
- vii. Compliance with filing of tax returns to the FIRS as a condition precedent to enjoy tax exemption by companies operating in the zone
- viii. Contemporary tax issues

## **7. REAL ESTATE INVESTMENT COMPANIES (REIC)**

- i. Definitions
- ii Relevant regulatory provisions
- iii Explanation of the nature of business of real estate investment scheme (REIS)
- iv Types of income of REIC
- v Taxation of fees and other income, and gains from disposal of assets
- vi Exemption of dividend and rental income received by a REIC from tax [section 23(1) of CITA (as amended)]
- vii Non-deduction of WHT from any distribution or dividend payment to a REIC pursuant to a REIS
- viii Deduction of WHT of 10% on a distribution or dividend payment to shareholders and remittance of same to the relevant tax authorities

## **8. REGULATED SECURITIES LENDING TRANSACTIONS ('SEC LENDING') IN NIGERIA**

- i Definitions
- ii Relevant regulatory provisions
- iii Explanation of regulated securities lending transactions ('SEC lending') in Nigeria
- iv Types of income under a SEC lending
- v Taxation, exemptions and concessions on the income arising from SEC lending transactions under CITA
- vi Taxation on income earned by an individual under a SEC lending
- vii Documents and transactions under a SEC lending that are exempt from stamp duties

## **RECOMMENDED TEXTS**

- Adesola, S. M. - Income Tax Law and Administration in Nigeria (O. A. U. Press)
- Abdulrazaq, M. T. - Nigerian Tax Offences and Penalties (Batay Law Publications)
- Oni, I. O. - Nigerian Companies Income Tax: Law & Practice
- CITN - Tax Guide and Statutes
- Teju Somorin - Teju Tax Reference Book. Malthouse Press Limited, 2012 Edition.  
Vol. I & II
- Offiong Bassey - Income Taxation
- Offiong Bassey - Personal Income Tax