

New TIN Registration System and Consolidated National Taxpayer Database

Background



- The New JTB National TIN Registration System and Consolidated National Taxpayer Database was flagged off by His Excellency, the Vice President of the Federal Republic of Nigeria on Monday, 1st July 2019.
- The introduction of the new system is an improvement and an enhancement on the old Taxpayer Identification Number (TIN) system.

- While the objectives of the old TIN system were laudable, it encountered quite some challenges in its implementation which ultimately saw it ending up as more or less a disaggregated collection of unusable data silos within the respective State Revenue Authorities.
- The sub-optimization of the old system was underscored by the fact that at the end of its lifespan, just over two million records have been captured into the database.

What has changed?



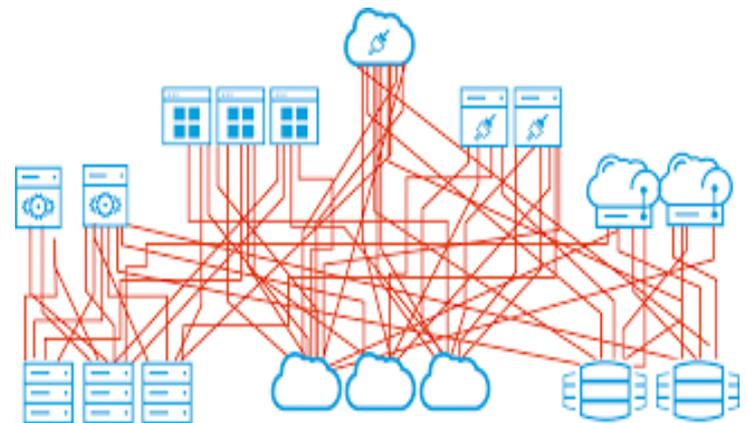
What has changed?

- The new TIN Registration System and Consolidated National Taxpayer Database is a far departure from the old system.
- The old system depends on registering individual taxpayers who are required to physically present themselves to be captured.
- However, the new system, leverages on already existing data of individuals and corporate bodies and automatically generates TIN for them.



- These already existing data are derived from Corporate Affairs Commission (CAC), National Identity Management Commission (NIMC), Nigeria InterBank Settlement System (NIBSS), etc.
- Data integration has also been achieved with the Nigeria Customs Service (NCS), the Federal Road Safety Corps (FRSC), and expectedly the Nigeria Stock Exchange (NSE).

What has changed?



Features

- While capable of obtaining data from the multiple sources as identified earlier, the New System can also send notifications to the taxpayer via a robust and secure system-to-system integration.
- Other features of the new system include:
 - Downloadable application for access and use.
 - Location of nearest tax office via the JTB App available on google store.
 - Ability to verify TIN details and print TIN certificates via the TIN Verification Portal.
 - Ability for both tax administrators and taxpayers to initiate TIN registration from the comfort of their homes and at their convenience.
 - Online and real time availability of the system all day, every day.
 - Ability to retrieve TIN via a USSD code.
 - Resolution of challenges and submission of queries through the JTB online helpdesk service.
 - Downloadable and printable TIN certificate.
 - Multiple access channels, i.e. web via <https://tin.jtb.gov.ng>, via JTB Mobile Application or via USSD code

Features and Objectives of the New System



Talking Numbers

Facts and figures on MSMEs

- Micro  36,994,578

- Small  68,168

- Medium  4,670

- Total 37,067,419

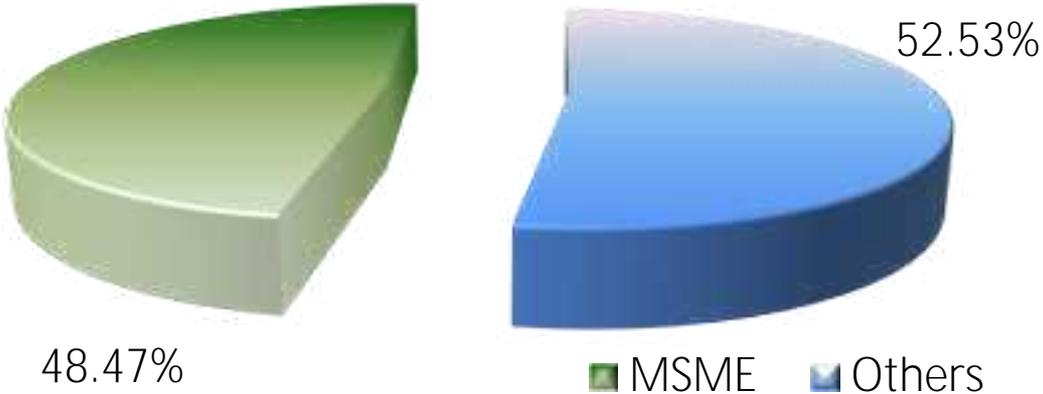
- Available statistics from a 2016 survey by National Bureau of Statistics (NBS) Survey in partnership with the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) indicate the MSMEs number 37,067,419.
- The breakdown is indicated as follows.

Facts and figures on MSMEs

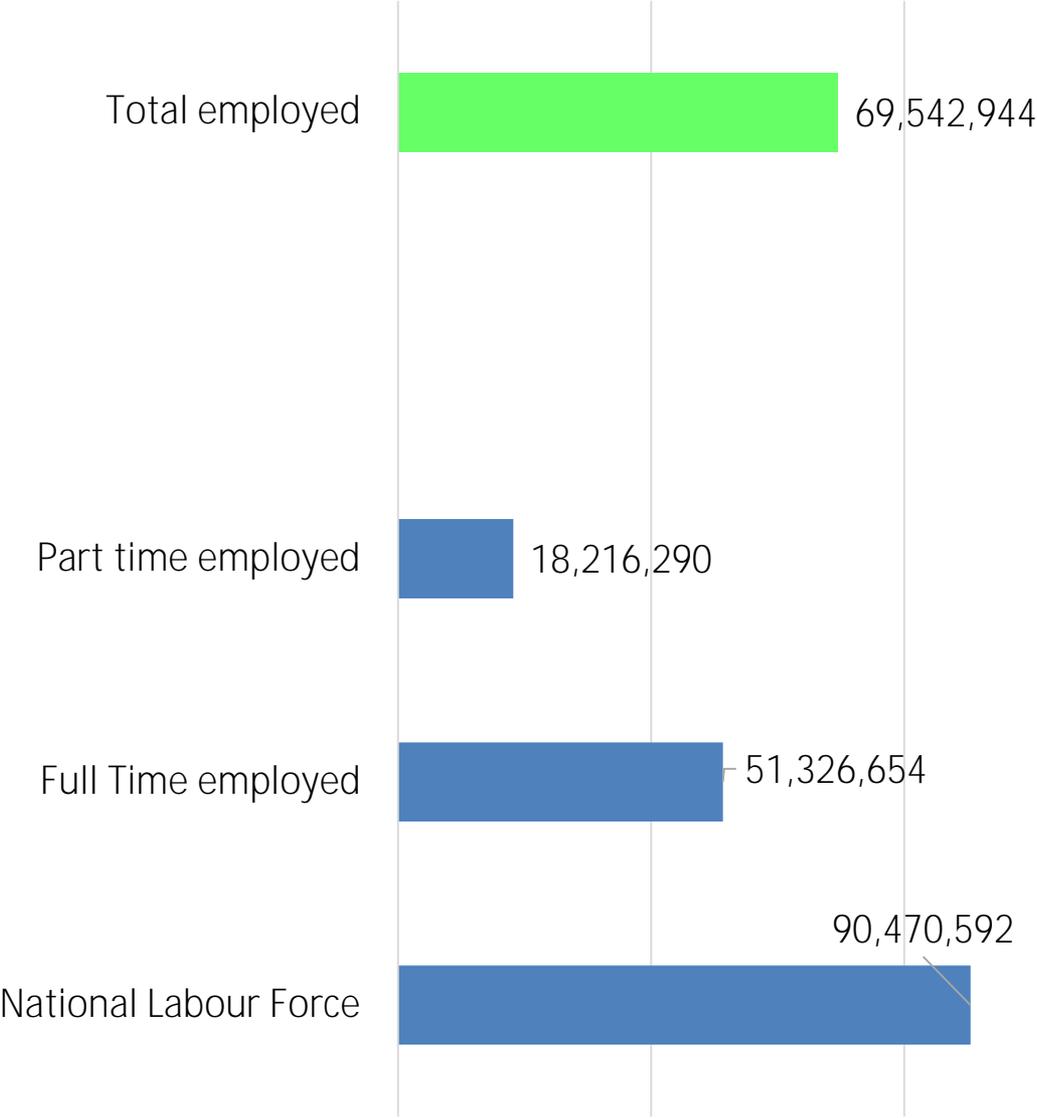
Contribution to National Labour Force



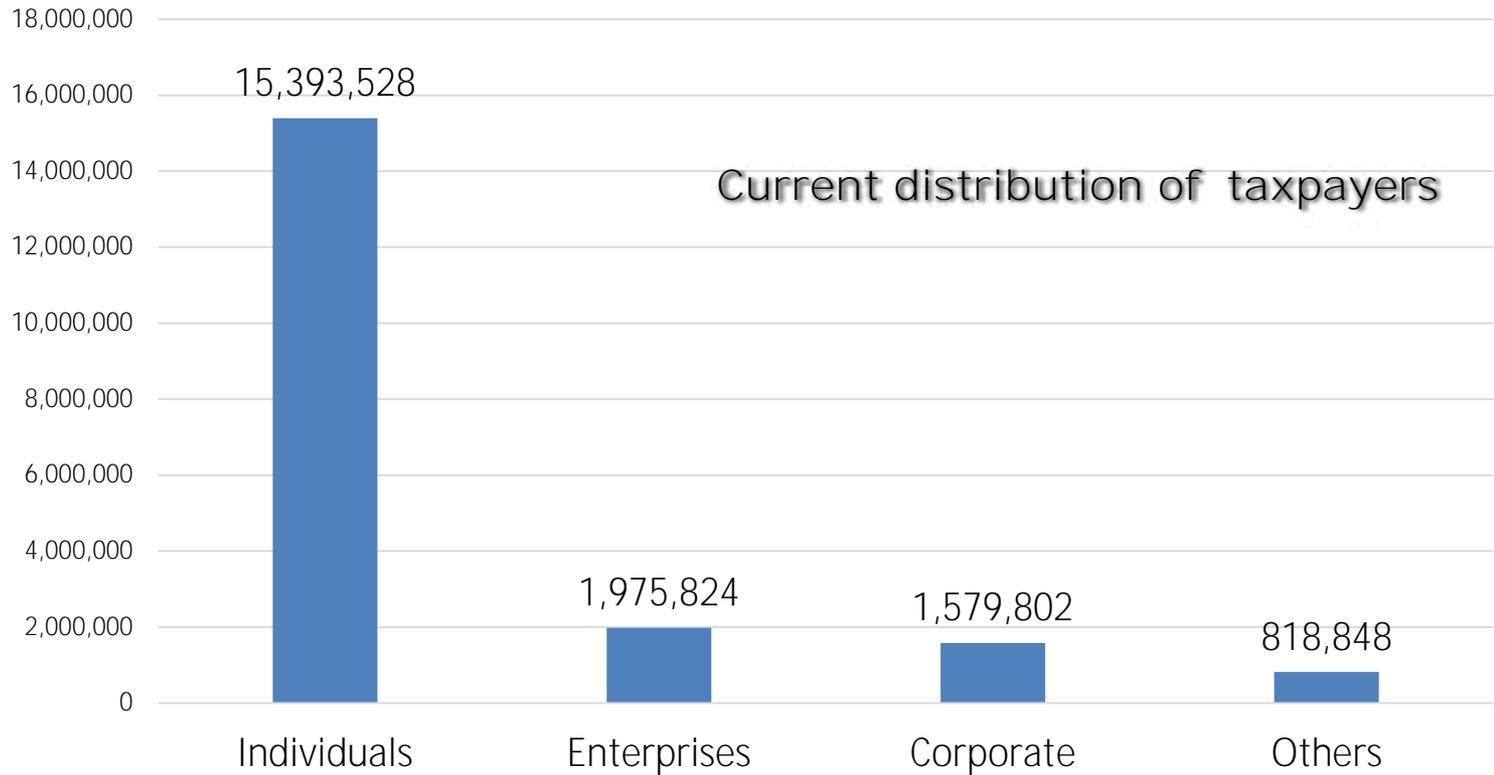
Contribution to Nominal GDP



Distribution of National Labour force

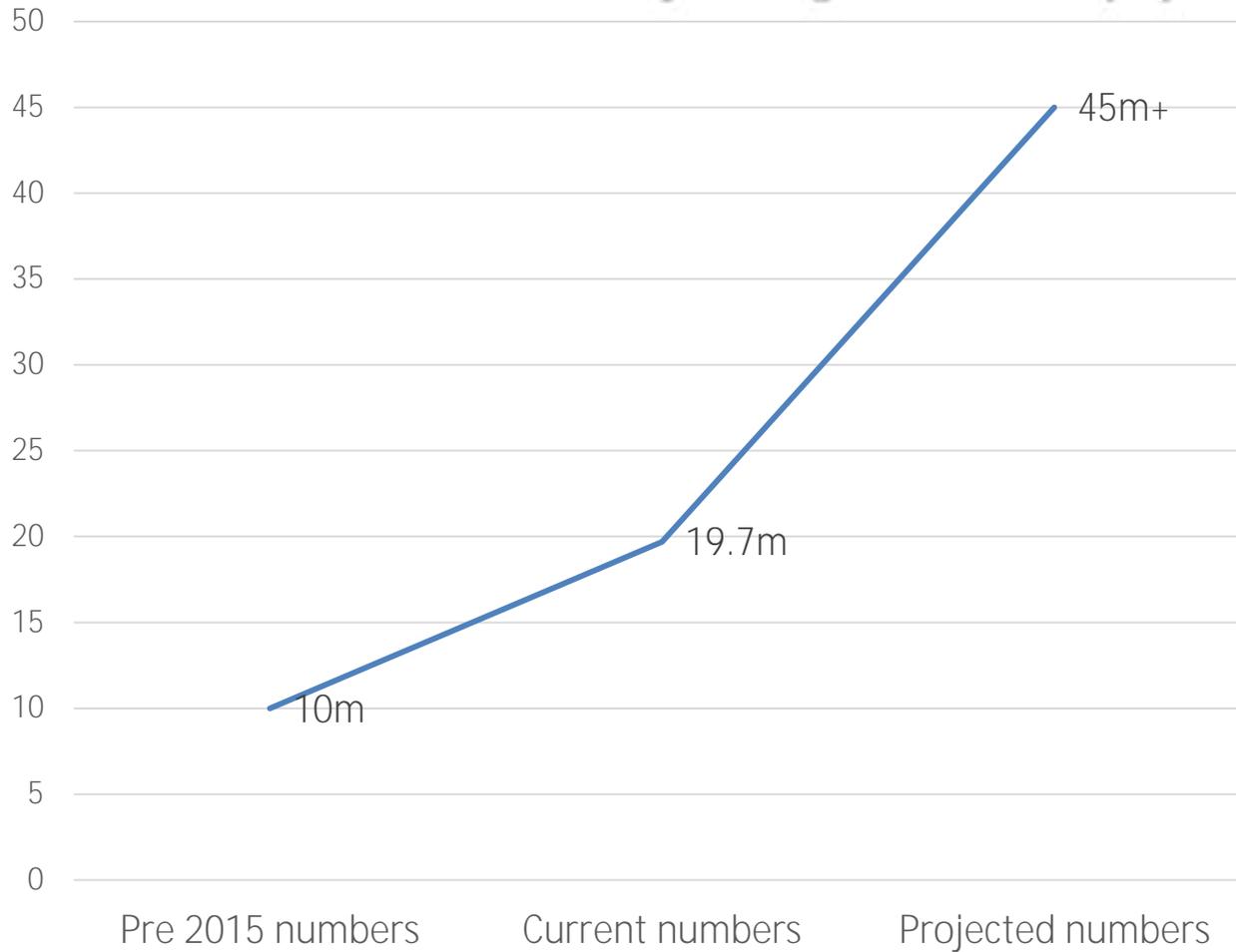


Talking Numbers



Talking Numbers

Projected growth of taxpayers



Talking Numbers

- Presently, the national taxpayer database is made of about 20 million taxpayers; including individual and corporate taxpayers.
- By the end of this 4th quarter, we expect the number to increase to about 45 million records.
- This milestone, if achieved would represent 125% increase in the national taxpayer database. This increase would also positively contribute to the level of tax revenue collectable at both the national and sub-national levels in the country.
- Efforts are also being channelled to bring individuals in the informal sector into the tax net. In achieving this, JTB is collaborating with Nigeria Communications Commission (NCC) to get relevant data of subscribers of the various telecoms service providers.

Still on numbers...

- When we take following numbers into consideration and juxtapose with current population of registered individual and corporate taxpayers, the possibilities that present itself when the unaccounted individuals are brought into the tax bracket are immense.
- This is where the New TIN System comes in to ensure that as many eligible taxpayers are brought into the tax net.

- The New TIN Registration System is meant to be a solution to tax administration while promoting ease of doing business and reinforcing ease of tax compliance.

- However, the commencement of any journey is bound to have its challenges. Some of these include:
 - Slow pace of migrating the relevant data from National Identity Management Commission (NIMC) and the Nigeria Interbank Settlement System (NIBSS) to the JTB consolidated taxpayer's database.

 - Some states lack the necessary infrastructure and ICT platform to effectively take advantage of the New TIN Registration System.

Challenges

Future of Tax in Nigeria

- With the new JTB TIN Registration system, we have provided a platform for automation of tax processes at all levels in the country as the system is able to integrate with the various Integrated Tax Administration Systems (ITAS) used by Tax authorities.
- This would lead to elimination of leakages in the tax system and further enhance the ease of doing business as taxpayers can carryout tax transactions without necessarily going to the tax office.
- These initiatives are based on the need to look beyond oil and the fact that oil revenues are unsustainable as current reserves may not drive the economy much farther into the future.

Future of Tax in Nigeria

- Furthermore, aside the fact of its market price volatility, emerging global energy trend is shifting away from energy dependent on fossil fuels into more efficient and environmentally sustainable ways of generating energy.
- Thus, it is imperative to identify initiatives that would enhance the generation of non-oil revenues (tax) so as to serve as a viable alternative to oil revenues.

Summary

Issues	Challenges	Prospects
<p>1. The New TIN Registration System is designed and deployed for use by all tax authorities and relevant agencies of Government for profiling taxpayers and issuing a unique identification that is applicable nationwide.</p> <p>2. The design and implementation of the new TIN Registration System commenced in October 2018 to promote effective data exchange between tax authorities and reduce the burden on taxpayers.</p> <p>3. The TIN operations are guided by the TIN Regulations 2014, a subsidiary legislation to the Personal Income Tax Act (as amended).</p> <p>4. The new TIN Registration system was launched by the Vice President; Professor Yemi Osinbajo SAN, GCON on 1st July 2019 in Abuja, FCT</p>	<p>1. Slow pace of migrating the relevant data from NIMC and NIBSS.</p> <p>2. Some states lack the necessary infrastructure and ICT platform to effectively take advantage of the New TIN Registration System.</p>	<p>1. Provides an enduring platform for automation of tax processes at all levels in the country as the system is able to integrate with the various Integrated Tax Administration Systems (ITAS) used by Tax authorities.</p> <p>2. Ultimate elimination of leakages in the tax system.</p> <p>3. Enhancement of ease of doing business as taxpayers can carry out tax transactions remotely.</p> <p>4. A more sustainable revenue generation process across all levels of government.</p> <p>5. Thus, it is imperative to identify initiatives that would enhance the generation of non-oil revenues (tax) so as to serve as a viable alternative to oil revenues.</p> <p>6. Provides nationwide support for the unique identification and verification of taxpayers.</p>

Thank you