

Nigeria

This guide covers only the taxation of digital services. If you sell goods, this guide does not apply.

Tax rate

The VAT rate in Nigeria in 2023 is 7.5%.

Threshold

There is no sales threshold for registration, which means that affected digital companies must register for VAT purposes in Nigeria from the moment they are first sold to customers based in Nigeria.

List of services

Services covered shall include but not be limited to:

- Streaming, downloading, or access to digital content including movies, music, e-books, magazines, news, applications, games, library services, or like services;
- Online gaming;
- Online ticketing excluding international air travel and freight charges;
- Online betting services;
- Online intermediation platform services, including online marketplaces, payment platforms, ride-hailing, travel and accommodation booking, rental services, or like services; vi. Online advertising services;
- Subscription-based social media platforms including video conferencing applications, instant messaging, chat, dating, image/video sharing, or like services;
- Standardized online education services such as e-learning, webinars, or like services;
- Cloud computing services including cloud storage services;
- Auction services;
- Automated online professional and consultancy services;
- Online stores;
- E-library.

Piece of evidence

The recipient of the supply resides in Nigeria which is supported by a Nigerian billing, business, residential or postal address;
It can be inferred from information provided to the supplier that the consumer's usual place of residence is Nigeria;
The customer is a company incorporated under any law in Nigeria;
The customer's URL, geo-location, or IP address is in Nigeria;
The services are physically performed in Nigeria;
There is other evidence suggesting that the supply is consumed or utilized in Nigeria or that such supplies can only be utilized in Nigeria;
Where a place of consumption cannot be established for the supplies using any of the above indices, the place of consumption is Nigeria if the payment for the supplies originates from a bank or any other financial institution licensed in Nigeria pursuant to Nigerian laws.

Registration procedure

The non-resident suppliers are to log on to the registration portal and supply the required information in a prescribed online form.

The information to be supplied by the non-resident suppliers include:

- Name of the business, including the trading name;
- Whether it is a Primary or Intermediary Supplier or both;
- Nature of supplies;
- Name of contact person or agent responsible for dealing with the Service;
- The registered address of the business and it's the contact person if different from the above;
- Telephone number of the contact person;
- Electronic address of the contact person;
- Website URL of the non-resident suppliers through which its business is conducted in Nigeria;
- Tax identification number of the NON-RESIDENT SUPPLIERS in its jurisdiction of residence, if such a number is issued to the supplier to conduct business in the supplier's jurisdiction;
- Nigerian Tax Identification (If already registered for VAT in Nigeria);
- Any other information the non-resident suppliers may deem relevant.

Tax representative

The Act enables a taxpayer to appoint a representative for the purposes of compliance with the Act. As such, the non-resident suppliers may utilize the services of a representative or a third-party service provider to act on its behalf in carrying out certain procedures or auxiliary functions, such as submitting returns, et cetera.

VAT returns filing and VAT payment date

Non-resident suppliers registered for VAT purposes will be required to file monthly VAT returns even for months where no taxable supply has been made to Nigeria.

The return may be filed, where possible, remotely via a portal.

The return may also be filed using the special VAT Form and forwarded by email.

The report shall be submitted in the prescribed template issued by the Service, indicating the:

Supplier's registration identification number;

Tax period;

Taxable amount;

Currency of payment;

Total tax paid or payable;

The name of the person from whom the tax was collected;

Such other information as may be prescribed by the service.

The returns are to be rendered no later than 21 days after the end of the month in which the supplies were made.



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