# Inside Africa's Tax Landscape - West Africa

2025 KPMG Africa Tax Summit

# Nigeria

# Key legislative changes – Nigeria

- In June 2025, the President signed four landmark tax reform bills into law, marking a significant milestone in Nigeria's fiscal and revenue administration landscape.
- The provisions of these Acts will take effect from January 2026. The gazetted copies of the Acts are now available to the public.

## 01
### Nigeria Tax Act (NTA)
It unifies and modernizes the Nigerian tax laws

## 02
### Nigeria Tax Administrative Act (NTAA)
It strengthens compliance and enhances compliance measures

## 03
### Nigeria Revenue Service (NRS) Establishment Act
It consolidates all collection of federal revenue under the NRS

## 04
### Joint Revenue Board Establishment Act (JRBEA)
It creates a framework for the resolution of tax deputes and the collaboration between the federal and state tax authority

**- NTA & NTAA primarily focuses on tax-payers**
**- NRSA & JRBEA focuses on the coordination of the tax authorities**

# Key legislative changes – Nigeria

## Tax policy changes

- **Harmonisation of various taxes / tax rates**
  - Merger of CIT and CGT.
  - Introduction of Development levy to replace TET, NASENI, etc.
- **Align bases of taxation with global practice**
  - Changes to VAT mechanism in Nigeria.
  - Introduction of minimum effective tax, driven by the BEPS Pillar II initiative.
- **Changes to available tax incentives**
  - Replacement of pioneer status incentive with the economic development incentive.
  - Free Zone Enterprises may now have to pay tax in Nigeria.
  - Expansion of scope of small companies.

## Tax administrative changes

- **Organizational rebranding**
  - Transformation from the FIRS to the NRS.
  - Expanded powers of collection to include about 60 taxes and levies due to Government.
- **Digitization**
  - Deployment of technology for the real-time filing of returns as may be prescribed by the Service and introduction of e-invoicing, tax intelligence and Tax ID harmonisation.
- **Improve the tax dispute resolution process**
  - Introduction of tax ombudsman: Independent and impartial arbiter, to conduct enquiries, institute legal proceedings on behalf of a taxpayer, act as a watchdog against arbitrary tax policy.
  - Introduction of an appeals deposit (20% of amount in dispute) to discourage frivolous appeals.

# Key legislative changes – Nigeria

## Tax policy changes

- **Capturing the digital economy**
  - Broadening the PE and SEP rules to include digital services provided to a Nigerian beneficiary.
- **Migration to a progressive tax regime**
  - Exemption of small businesses and minimum wage earners from tax .
  - Increase in tax band for high income earners.
  - Capping minimum tax to large taxpayers.

## Tax administrative changes

- **Improve general tax collection**
  - The NRS can engage third-parties to help with recovery of outstanding taxes.
  - The NRS may, on request, assist a State or Local Government in tax collection and administration.
- **Transparency**
  - NRS is required to submit a report of its activities for each year, including the audited accounts of the Service, to the Minister by 30 June of the following year.

# Key legislative changes – Nigeria

## Priority agenda 1: E-invoicing:

**2022**

The Central Bank of Nigeria published guidelines for the introduction of e-invoicing for cross-border transactions. It morphed into the Price Verification System (PVS).

**2024**

- The draft NTB is released and it contains provisions for introduction of VAT fiscalisation.
- The FIRS introduced the Merchant Buyer System (MBS) and initiated a pilot phase with a select group of large taxpayers in November 2024.
- PVS was discontinued

**2025**

- The FIRS begins roadshows to promote the early adoption of the e-invoice initiative
- NTB is signed into law, with effective date of 1 January 2026.
- The FIRS announces a phased implementation of the initiative, with all large taxpayers expected to be integrated by November 2025

**2026 and beyond**

Other categories of taxpayers are expected to integrate to the MBS

# Key legislative changes – Nigeria

**For Business-to-Business (B2B) transactions**, the FIRS has selected the clearance model of e-invoicing to validate and record e-invoices. The clearance model requires that **all e-invoices must first be cleared** by the tax authorities **before they are issued to the buyer**.

This model involves the following steps:

1. The supplier's ERP system generates the e-invoice in the prescribed Universal Business Language (UBL) format, embed the Invoice Reference Number (IRN) and QR code.
2. The invoice is then transmitted to the FIRS through an Access Point Provider (APP).
3. Upon receipt, FIRS validates the invoice data and, if compliant, appends a Cryptographic Stamp Identifier (CSID) as confirmation of clearance.
4. The cleared invoice is then automatically forwarded by FIRS to the buyer’s ERP system or designated endpoint.
5. The buyer is notified and can review, accept, or reject the invoice via the Merchant Buyer Solution (MBS) portal or through their integrated system within the prescribed timeframe.

# Key legislative changes – Nigeria

**For Business-to-Consumer (B2C) transactions,** the FIRS has selected the reporting model of e-invoicing to validate and record e-invoices. This model involves the following steps:

1. A customer makes a purchase from a VAT-registered business. The business's Point of Sale (POS) or ERP system generates a structured e-invoice in UBL format.
2. The system automatically sends the invoice to FIRS through a certified intermediary (Access Point Provider or Service Provider)
3. FIRS performs real-time or near-real-time validation. Once approved, the FIRS returns a Unique Invoice Reference Number (IRN), a digital signature & a QR code for verification.
4. The business issues a fiscal receipt to the consumer includes the invoice summary, IRN, and QR code can be printed or scanned digitally. The consumer can scan the QR code to verify the transaction with FIRS.

# Key legislative changes – Nigeria

## Priority agenda 2: Expand tax base to capture foreign and digital transactions

**01** Expansion of the significant economic presence rule (SEP) rule to capture payments made by Nigerian beneficiaries for services performed outside Nigeria.

**02** Introduction of Controlled Foreign Corporation rules

**03** Introduction of the minimum effective income tax rate for multinational companies doing business in Nigeria

**04** Profits from disposal of digital assets and online gaming business would be subject to income tax

# Ghana

# Key legislative changes – Ghana

## Legislative amendments

### 1 Special Import Levy (Amendment) Act, 2025 (Act 1125)

Act 1125 amended the Special Import Levy Act, 2013 (Act 861) to extend the imposition of the Special Import Levy on imported goods **until 31 December 2028.** Additionally, this levy is computed on the Cost, Insurance and Freight value of the goods.

### 2 Electronic Transfer Levy (Repeal) Act, 2025 (Act 1127)

Act 1127 repeals the Electronic Transfer Levy Act, 2022 (Act 1075) and its amendment, Act 1089, effectively abolishing the 1% charge on all electronic transfers. Despite the repeal of these enactments, any existing rights, liabilities, or obligations remain in effect until exercised or terminated.

### 3 Emissions Levy (Repeal) Act, 2025 (Act 1128)

Act 1128 repeals the Emissions Levy Act, 2023 (Act 1112), which previously imposed levies on carbon dioxide equivalent emissions from designated sectors and internal combustion engine vehicle emissions. As a result, these emissions are no longer subject to the levy. Despite the repeal of Act 1112, any existing rights, liabilities, or obligations remain in effect until they are exercised or terminated.

### 4 Revenue Administration (Amendment) Act, 2025 (Act 1129)

Act 1129 amends the Revenue Administration Act, 2016 (Act 915) to reduce the allocation to the Ghana Revenue Authority General Refund Account from six percent (6%) to four percent (4%) of total revenue. Consequently, the amount designated by the Minister of Finance for tax refund will not exceed four percent (4%) of total revenue collected by the Commissioner -General

# Key legislative changes – Ghana

## Tax highlights in the 2025 mid-year budget review

### 1 Withdrawal of tax exemption on Marine Gas Oil (MGO)

The Government is proposing the removal of tax exemptions previously granted to non-artisanal fishing fleets operating from Ghana to curb abuse.

### 2 Customs revenue improvement measures

To address customs revenue shortfalls, the Government plans to deploy AI tools for accurate import assessments, roll out the Advance Cargo Information (ACI) system for early shipment data, enhance anti-smuggling surveillance, and reform the Customs Division to improve transparency and operational efficiency.

### 3 External data agency engagements

The Government has partnered with eight (8) out of twenty-one (21) targeted data agencies and secured access to four (4) key databases to support tax compliance efforts.

### 4 Data warehouse & business intelligence

The GRA has completed and launched its Data Warehouse and Business Intelligence system, and this is already supporting tax audits and VAT assessments

# Key legislative changes – Ghana

## Updates on initiatives proposed in the 2025 budget statement

### 1 Comprehensive Value Added Tax (VAT) reforms

A new VAT bill will be laid in Parliament by October 2025 with notable expected changes to include abolishing of the COVID levy, removal of the cascading effect of GETFL and NHIL, increase in registration threshold, reduction in effective VAT rate among others.

### 2 Reinforcement of Modified Taxation System (MTS)

The Government, through GRA, has introduced a USSD code (*222#) and a simplified digital tax return to support the Modified Taxation System, under which eligible taxpayers pay a flat 3% tax on turnover

### 3 Rigorous tax education campaign

The Government has developed a comprehensive tax education strategy, and upon approval, GRA will launch a campaign to boost taxpayer awareness, compliance, and revenue mobilisation.

### 4 Consolidation of levies under Energy Sector Levies Act (ESLA)

The Government enacted Act 1135 to consolidate four levies into the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL). In June, Act 1141 increased the levy by GH¢1 per litre on petroleum products to help settle energy sector debts and stabilize power supply.

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