FAQs
Frequently Asked Questions on Withholding Tax (WHT)

Question 1: What is Withholding Tax?
Answer: Withholding Tax (WHT) is an advance payment of income tax.

Question 2: What is the Rate of Withholding Tax for companies and individuals on transactions?
Answer: There are varying rates of WHT ranging from 5% to 10% for both companies and individuals depending on the transaction.

Question 3: What is the due date for filing WHT returns?
Answer: On or before the 21st day of the month following the month in which the deductions were made.

Question 4: Who are the collecting agents for WHT?
Answer: All organisations or bodies making payments to suppliers of goods and services. They are required to make deductions of Withholding Tax and remit to the Tax Authority as payments are being made to suppliers/vendors.

Question 5: What are the relevant documents required for filing WHT returns?
Answer:
1. Evidence of payments such as bank teller, e-ticket, e-acknowledgement etc. from an FIRS designated revenue collecting bank.
2. Schedule of WHT deducted indicating the: Name of supplier/vendor, Taxpayer Identification Number (TIN) of company or individual (supplier/vendor) from which the tax was withheld and the related amount.

Question 6: How do you pay WHT?
Answer: WHT is paid into the Federation Account through all FIRS designated revenue collecting banks.

For further information or enquiries, visit our Website www.firs.gov.ng or the nearest FIRS Office nationwide.
FAQs
Frequently Asked Questions on Value Added Tax (VAT)

Question 1: What is Value Added Tax?
Answer: Value Added Tax (VAT) is a tax levied on consumption of goods and services.

Question 2: On what types of goods and services do you pay VAT?
Answer: The VAT Act CAP VI LFN 2014 requires that you pay VAT on all goods manufactured/assembled in or imported into Nigeria, and all services rendered by any person in Nigeria except those specifically exempted under the law as follows: basic (raw) food items, baby products, medical services and services rendered by Community Banks etc.

Question 3: What is the VAT rate?
Answer: 5 per cent

Question 4: What is the due date of filing VAT returns?
Answer: On or before the 21st day of the month following the month of transaction.

Question 5: What are the relevant documents required for filing VAT returns?
Answer:
   i. Evidence of payment such as bank teller, e-ticket, e-acknowledgement etc. from an FIRS designated revenue collecting bank
   ii. Completed VAT Returns Form 002 (for individuals, enterprises and companies)
   iii. Schedule of VAT collected indicating the: Name, Taxpayer Identification Number (TIN) of company or individual on whose transaction the VAT was charged and the related amount.

Question 6: Who should register for VAT?
Answer: Both individual and corporate bodies so long as they are trading in goods and services.

Question 7: How do you register for VAT collection?
Answer: Once you register with the FIRS by completing Taxpayer Registration Input Form, submit copies of prescribed documents and obtain Taxpayer Identification Number (TIN), you are automatically registered and authorised to collect VAT.

Question 8: When should a taxable person register for VAT?
Answer: All taxable persons are expected to register for VAT immediately they are registered with Corporate Affairs Commission (CAC) or on commencement of business.

Question 9: What are the penalties for:
   i. Non-registration for VAT?
   Answer: A penalty of N10,000 for the first month in which the failure occurs and N5,000 for each subsequent month. If this persists, the business premises will be sealed up after a considered reasonable period
   ii. Non-remittance of VAT?
   Answer: A penalty of a sum equal to 5% per annum plus interest at a commercial rate payable within 30 days of notification by the Tax Authority.

Question 10: How do you pay VAT?
Answer: VAT is paid through all FIRS designated revenue collecting banks into the VAT Pool Account.

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