



2016 – 2020 MEDIUM TERM PLAN

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1.0 INTRODUCTION

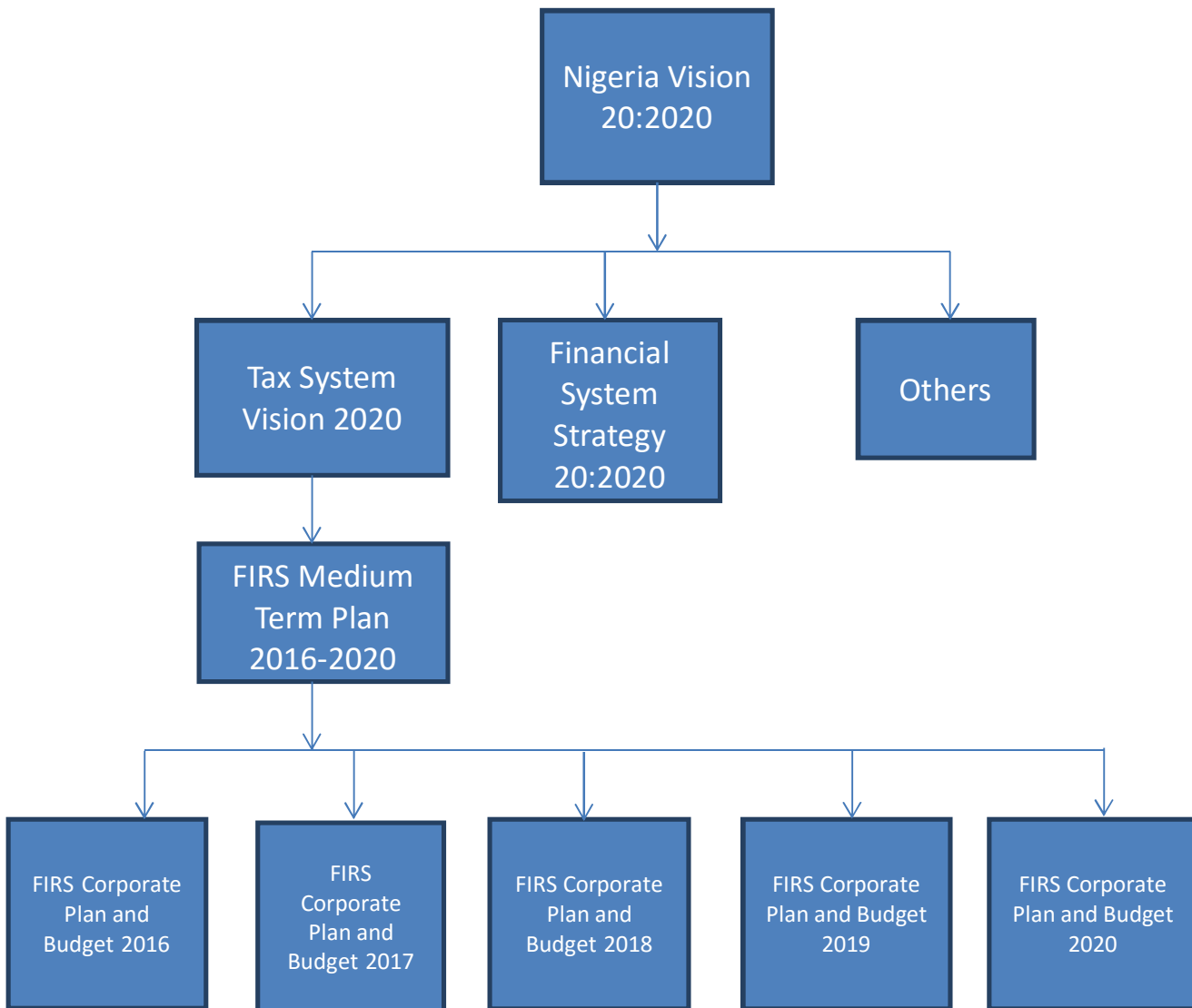
This Strategic Plan is for a period of 5 years (2016-2020). It is the fourth strategic plan since the commencement of FIRS reforms in 2004 and last in line with the Nigeria Vision 20:2020. The first plan spanned the period 2004-2007 while the second covered the period 2008-2011 and third 2012-2015. The implementation of these plans have had a significant impact on the performance of the Service as it has brought about increased efficiency in the Service, translating to increase in revenue collection. This was largely as a result of a motivated workforce and a more conducive work environment.

In the course of implementing the Medium Term Plan, annual plans will be developed that specify major departmental and functional strategies, activities, and Key Performance Indicators for the year.

This Strategic Medium Term Plan as is the case with the previous ones is keyed into the Federal Government of Nigeria's Vision 20:2020; a programme which aims at placing Nigeria among the top 20 economies in the world by the year 2020. To play its statutory role in the realization of this programme through the provision of tax revenue, the FIRS has developed the Tax System Vision 2020 that is keyed into Nigeria's Vision 20:2020 and is aimed at taking tax administration to an enviable level. Thus the FIRS medium term and annual corporate plans are accordingly derived from the vision. Figure 1 below depicts the interrelationship between Nigeria's Vision 20:2020, FIRS Vision 20:2020 and the Medium Term and Annual plans.

The 2012-2015 Medium Term Plan reviews the out-going 2008-2011 plan, highlighting achievements and identifying gaps. A review of the operating environment envisaged over the Plan period is made, following which a SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis is undertaken to properly situate FIRS in the context of the internal and external environment. The Corporate objectives of FIRS for the Plan Period are then set out, concluding with a presentation on the modalities to be adopted for Plan implementation and monitoring.

Figure 1: The interrelationship between Nigeria's Vision 20:2020, FIRS vision 20:2020 and its Medium Term and Annual plans.



2.0 FIRS MANDATE, VISION, MISSION AND CORE VALUES

2.1 **Mandate**

To effectively administer the taxation of the corporate taxpayers, enterprises and individuals within its tax jurisdiction, through efficient tax assessment, collection and accounting

2.2 **Vision**

To deliver quality services to taxpayers in partnership with other stakeholders and make taxation the pivot of national development

2.3 **Mission**

To operate a transparent and efficient tax system that optimizes tax revenue collection and voluntary compliance

2.4 **Core Values**

▪ **Professionalism**

- Competence and know-how
- Accountability
- Fairness
- Continuous learning
- Respect to taxpayers, constituted authority and colleagues

▪ **Integrity**

- Candour
- Courage
- Transparency
- Self-discipline

▪ **Efficiency**

- Speed
- Accuracy

▪ **Ownership & Collective Responsibility**

- Collaborative decision making
- Team spirit
- Partnering
- Information sharing

3.0 TAX SYSTEM VISION 20:2020

TAX POLICY	TAX LEGISLATION	TAX ADMINISTRATION
<ol style="list-style-type: none"> 1. The vulnerability in the country's revenue profile attributed to oil has been contained. With more effective harnessing of Non-Oil Taxes among other strategies. 2. Prominent use of indirect taxes in the drive for Government revenue. 3. Multiple-taxation has ceased to be an issue. 4. Channels for receiving Stakeholder input into tax policies have become well established and effective. 	<ol style="list-style-type: none"> 1. Tax System is simple and service driven. 2. Policy and Legislation are effectively synchronized and are progressive. 3. A tax knowledgeable Legislature is in place. 4. The Judiciary is expeditious in dealing with Tax cases. 5. The Fiscal Responsibility Act is fully and effectively operational. 6. All Constitutional constraints to an effective Tax system have been identified and removed. 	<p><u>Operation</u></p> <ol style="list-style-type: none"> 1. The Taxpaying population has become compliant with self-assessment. 2. Tax operations are driven by a robust and cost effective Integrated Tax Administration System (ITAS). 3. A dynamic and functional Data-Warehouse is in use. 4. Effective Taxpayers Education and Service Delivery has become the tradition. 5. The Collection of Personal Income Tax has become centralized with improved professionalism. <p><u>Facilities</u></p> <ol style="list-style-type: none"> 6. A well-established Tax Academy with full accreditation for the award of Diplomas/Degrees in Tax and related studies is in place. 7. Modern, intelligent and well-secured FIRS owned offices and a befitting Head-office building are in place. <p><u>Human Resources</u></p> <ol style="list-style-type: none"> 8. The workforce is highly skilled, productive, professional, well rewarded but mobile. 9. The Human Resources Management System is modern and effective on performance, reward and skill retention.

4.0 REVIEW OF 2012-2015 MEDIUM TERM PLAN IMPLEMENTATION

APPENDIX 1: REVIEW OF 2012-2015 OBJECTIVES OF FIRS

TAX POLICY						
S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
1.	Propose appropriate new taxes.	Property tax has been approved for FCT BIRS. FCT BIRS has already been set up for the collection of Property tax.	Proposing new taxes may be counterproductive as the focus now is to review/amend existing laws to simplify and reduce the number of taxes	I. Multiplicity of taxes II. More burden on taxpayers	Proposing new taxes may be counterproductive as it negates the National Tax Policy.	There is the need for FCT BIRS, FIRS and the National Assembly to come together to harmonize these taxes.
2.	Publish and widely disseminate the National Tax Policy.	<ul style="list-style-type: none"> The National Tax Policy has been approved by the Federal Executive Council (FEC) and the National Economic Council (NEC) in 2009. The Policy has been published and disseminated but yet to be fully adopted by key stakeholders. 	<ul style="list-style-type: none"> Collaborate with the Federal Ministry of Finance, JTB and other key stakeholders to speed up the process of its full adoption. Ensure legislation is in place to support the implementation of the National Tax Policy. 	I. FMF should drive the support role. It is yet to indicate its readiness II. The Tax Law drafting project is ongoing.	I. FMF has not indicated its willingness to drive the process. II. The redrafting was halted because of the general elections.	I. FMF should be reminded of its responsibility. The NTP members to drive the flag up. II. FIRS will establish contact with the Consultant so that he can come back and complete his work.
3.	Expand tax treaty network as well as exchange of information agreements and Memorandum of Understandings with relevant Tax Authorities and	1. Ratification of signed Avoidance of Double Taxation Agreement (ADTA) with Sweden, Spain, Rep. of Korea and Mauritius.	1. MOJ to prepare the instrument of ratification on Mauritius ADTA for president's signature. 2. Spain, Sweden and Rep. of	1. There is overlap functions between FIRS and FMF in	1. While FMF is in charge of Tax Policy, the National Tax	1. FIRS to carry out its tax treaty function in line with the National Tax policy. 2. Management to support and approve

TAX POLICY

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
	other identified stakeholders.	2. ADTAs with Kenya and Qatar to be ratified by FEC and processed for signing by the Minister in charge of Finance or his authorized representative. 3. Singapore and UAE have few Articles to be concluded. 4. Review of operational and pending ADTAs was carried out by a technical committee set up by FMF. The report of the committee has been submitted and approved by FMF. 5. MOU on exchange of information has been signed with: <ul style="list-style-type: none"> • JTB (on behalf of 36 SBIRS) • CAC • CBN. 	Korea ADTAs to be submitted to MOJ for onward transmission to NASS enactment for enactment into law. 3. Negotiate and conclude Article 2 of Singapore ADTA and 8 and 10 of UAE ADTA. 4. Set up implementation strategy for the committee report and commence ADTA negotiations with countries identified in the report as desirable of ADTA with Nigeria. Implementation and continued collaboration.	respect of ADTA processes. 2. Knowledge/Skill Gap in ADTA negotiation due to lack of adequate international training. 3. Delaying in ratification of ADTAs by FEC and enactment into law by NASS.	Policy gives treaty negotiation to FIRS. 2. There is no domestic training on tax treaty. 3. Slow inter-agency and legislative processes	International training for staff of tax treaty unit to improve their knowledge and skill in ADTA negotiation. 3. Prompt implementation of the report of the technical team on ADTA review. 4. Convene further Stakeholders engagement.
4.	Introduce new initiatives to improve international tax especially in the area of; -Transfer pricing regulation	<ul style="list-style-type: none"> • Transfer pricing (TP) regulation was formally approved in October, 2012 and disseminated to all staff and 	<ul style="list-style-type: none"> • Develop additional guideline notes for taxpayers; • Develop practice notes for tax officers; 	<ul style="list-style-type: none"> • Compliance level not at optimum • Low-quality TP returns 	<ul style="list-style-type: none"> • Newness of TP regime • Lack of penalty provisions in the TP Regulation 	<ul style="list-style-type: none"> • Improved taxpayer education • Introduce penalty clause into the TP Regulation • Advocacy work to encourage taxpayers and tax

TAX POLICY

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
	<p>-Risk management</p>	<p>uploaded into the web-portal.</p> <ul style="list-style-type: none"> Framework for the implementation prepared and approved by Management in June, 2013; Transfer pricing (TP) Regulations was signed, TP function set up and TP audit commenced. Education of officers and stakeholders carried out and still progressing. Database of persons liable to file TP returns set up and being updated. Technical assistance secured from OECD. Domestication of Base Erosion and Profit Shifting (BEPS) outcome has begun. Risk Management Department is working on an updated risk management 	<ul style="list-style-type: none"> Further expose staff on tax career path to the transfer pricing regulation; Propose amendments to TP Regulations and other legislative instruments in collaboration with other stakeholders Activate dispute resolution process (set-up of Decision Review Panel) Domesticate Base Erosion and Profit Shifting (BEPS) Action Outcomes Improve the pace and quality of TP audit. Secure management approval of a risk management framework/policy and guidelines. 	<p>and TP documentations submitted to FIRS</p> <ul style="list-style-type: none"> Inadequate data on MNEs operating in Nigeria TP audits take long time 	<ul style="list-style-type: none"> Limited knowledge of TP by both with the taxpayers and their representatives Paucity of public data on economic activities in Nigeria <p>Limited skills of officers handling TP function</p>	<p>consultants to learn more about TP</p> <ul style="list-style-type: none"> Closer work with other stakeholders like chambers of commerce, business & associations Improved training for tax officers

TAX POLICY						
S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		framework/policy and guidelines.				
5.	Secure favourable ranking from the global forum in 2013.	Phase 1 Peer Review Report has been approved by the OECD Global Forum in November, 2013 in Indonesia.	Ensure Nigeria secures favorable ranking in phase 2 stage by 2015			
6.	Host at least two international tax conferences.	Held a joint conference with African Tax Forum	Management approval for payment of subscription for membership of WATAF is required.	Tax Policy is no longer driving membership of and participation in International tax organization.	The responsibility was taken away from the department and given to International Taxation Department.	Tax Policy should drive FIRS membership of international Tax Organizations and their activities.

TAX LEGISLATION						
S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
1.	Ensure legislation in place to support implementation of the National Tax Policy.	The NTP in itself has self-implementing strategies and institutions. See chapter 6&7 of the NTP	Speed up the process of putting a legislation in place		This strategic objective is misconceived because the NTP is not meant to be supported by any legislation. It is a statement	The objective should be changed to £ Ensure Implementation of NTPq

TAX LEGISLATION

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
					of government's philosophy and agenda for tax administration.	
2.	<p>Introduce relevant new taxes, review existing taxes and ensure relevant tax laws to back them up including the following:</p> <ul style="list-style-type: none"> - Tax Administration Law - New Income tax law to harmonise all income tax laws - New VAT law - New Stamp Duty law - New CGT law - Petroleum Industry Act 	<ul style="list-style-type: none"> • Tax Laws Redrafting Working Team has concluded work and review of the Tax Administration Act and The Concurrently Collected Taxes of the Federation Act. • The Draft VAT Act has been reviewed • Stamp Duty and Capital Gains Tax Acts have also been reviewed • Petroleum Industry Act is pending the direction of the PIB. • A request has been made to IMF to extend the funding of Prof. Peter Harris to revisit Nigeria for the concluding part of the outstanding Tax Laws. 	Speed up the review process	<ul style="list-style-type: none"> • VAT policy issues are outstanding: World Bank consultant is yet to conclude work. 	<p>Awaiting Management/FMF's input and direction.</p> <p>Management is yet to decide on VAT policy issues while the World Bank is yet to extend the assignment of its consultant for the project.</p>	<p>The objective should read Regular and Periodic review of tax laws</p> <p>FIRS, FMF&OAGF are to collaborate and align their positions.</p>
3.	Review Current Regime of tax incentives for relevance and effectiveness.	An Inter-Agency Committee was set-up to Review Pioneer Status Administration In Nigeria while another committee was set up to come up	<ul style="list-style-type: none"> • Conclude the review of tax incentives. 	NIPC is currently working on the amendment.	This Act was made in 1971 and needs to reflect current realities.	The Industrial Development (Income Tax Relief) Act needs a total amendment.

TAX LEGISLATION

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		<p>with implementation strategies to achieve the recommendations of the Inter-Agency Committee report.</p> <p>A final report on the Reforms of the Pioneer Status Administration by the Inter-Agency committee made up of the FIRS, FMF, NIPC etc. had been submitted to the Ministry of Finance.</p>				
4.	<p>Make submission to constitution review efforts to support better tax environment, particularly relating to:</p> <ul style="list-style-type: none"> - Removing ambiguity in tax laws. 	<p>A draft memorandum to the National Assembly on proposed amendments to the constitution has been prepared.</p>	<ul style="list-style-type: none"> • The proposed amendments have been forwarded to The Coordinating Minister for the Economy and Hon. Minister for Finance for onward submission to the National Assembly. • Follow up to ensure swift passage. 	<p>The issue of the exclusive power of the NASS to make laws on consumption tax (VAT) was not included.</p>	<p>omission</p>	<p>It should be included in subsequent reviews.</p>
5.	<p>Review the FIRS Establishment Act and introduce regulations to implement it.</p>	<p>Yet to begin the review of the Act</p>	<p>Speed up the process of review</p>	<p>Yet to be identified.</p>	<p>Review process has not commenced.</p>	<p>Board/Management directive to identify areas.</p>

REVIEW OF 2012-2015 OBJECTIVES OF FIRS

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
1.	<p>Operations:</p> <p>Complete the implementation of all on-going projects and programmes including</p> <p>a) Implement the Integrated Tax Administration System (ITAS) project and achieve full automation of operations.</p>	<p>Work In Progress (WIP)</p> <p>a. Four (4) out of the six (6) procured core modules have been operationalized. These are: Enrolment, Assessment, Document/file, & e-Filing. Outstanding are Payment/Refund & With-holdings</p> <p>b. Four (4) out of the seven (7) procured peripheral modules have been operationalised. These are: Letters/Reminders, Management Reports, Reports, & Administration. Outstandings are; Audit, Objections, & Collection enforcement.</p> <p>c. All the outstanding core & peripheral modules are in UAT.</p> <p>d. Two (2) Add on modules . multi-currency deployment; multi-filing deployment have been operationalized. Outstanding are</p>	<ul style="list-style-type: none"> • Self assessment regulation to be aligned with principal legislations (CITA) • Detraction on ITAS implementation by introduction of various tools/software • Partial implementation of some Project deliverables e.g. End User Training • Delay in delivery of project activities in line with project work plan • In adequate attention to remediation of issues identified in ITAS readiness assessment report • Unstable network in some offices • Absence of basic computer skills for some FIRS staff across the service 	<ul style="list-style-type: none"> • Wrong interpretation for filing and payment due date • Lack of ownership and adoption by stakeholders • Delay and Inadequate funding of project activities • Untimely approval of key activities on the critical path of the project • Infrastructural and system shortage in offices earmarked for rollout • Poor service provision from Wide Area 	<ul style="list-style-type: none"> • Companies Income Tax was not detailed on Self-assessment as it became compulsory in 1996 • Inadequate attention paid to ITAS • Budgetary constraints • Difficulty in obtaining sign-off • New and relocated offices. And depreciated infrastructures in some locations • Non implementation of terms and conditions of Service Level Agreement 	<p>Next Steps:</p> <p>Get managements position/approval to implement the following -</p> <ul style="list-style-type: none"> • Deploy all the core & peripheral modules, & Add-ons to the identified pilot offices (12 of them) in Abuja (5) & Lagos (7) • Enable end2end e-Filing capabilities in the pilot offices • Stabilize the pilot offices • Rollout to all the other offices across the country • Train the end users in all the officers • Enable end2end e-Filing capabilities including payment in all the tax offices

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		<p>Interfaces & Workflow, both of which are in UAT.</p> <p>e. Process metrics are being developed and will be mapped to workflow to assess user performance on the established benchmarks.</p> <p>f. 1 out of the 5 internal interfaces - Web Portal has been operationalized. Outstanding are SAP HR, SAP FiCo, Microsoft Exchange; & Active Directory.</p> <p>g. 1 out of the 6 external interfaces - JTB for taxpayer Registration has been operationalized. Outstanding are CAC, CBN, OAGF, NCS, & the payment gateways (In UATs).</p> <p>h. Commenced work on the Three (3) Abuja pilot offices . LTO, MTO & MSTO (Wuse) . to enable end to end Tax Admin processes and transactions in ITAS.</p>	<ul style="list-style-type: none"> Unstable client end system configuration- Browser for ITAS Implementation 	<p>Network providers</p> <ul style="list-style-type: none"> Lack of continuous and just in time training for end users Difficulty in accessing services provided by ITAS 	<p>ent (SLA)</p> <ul style="list-style-type: none"> Budgetary constraints and poor implementation organizational training program Lack of Original Equipment Manufacturer (OEM) support for certain configuration items on the browser 	

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
	b) Continue Taxpayer Education on Self-Assessment and other aspects of taxation.	<ul style="list-style-type: none"> ✓ Regular and massive taxpayer education/enlightenment and engagement programs are carried out in collaboration with internal and external stakeholders ✓ Simplified taxpayer information materials are prepared to aid tax compliance ✓ Improved services are provided through various taxpayer assistance programs 	<ul style="list-style-type: none"> ✓ Provide improved services to reduce tax compliance gap ✓ Sustain strategic taxpayer education/enlightenment and engagement programmes with focus on sectors, professional associations, trade groups, etc. ✓ Sustain generation of taxpayer information and ensure efficiency in distribution of same ✓ Provide improved services on continuous basis 	Tax compliance gap in registration, filing and payment of taxes, records keeping, and adoption of Self-Assessment.	Insufficient enlightenment, education and taxpayer engagement programs	Effective collaboration with internal and external stakeholders, massive enlightenment and education programs are critical for success.
	c) Provide the necessary support for the completion of the Unique Taxpayer Identification Number (UTIN) project.	<ul style="list-style-type: none"> • A taxpayer database has been developed and a Taxpayer Identification Numbering System with approximately 1,674,689 taxpayers registered as at August 2015 • Generation of TIN for taxpayers is a continuous activity • Integration of corporate TIN to FIRS web portal has been achieved 	Provide continual IT support for TIN adoption and seamless integration into the tax system.	<p>The Database Unit does not have a record of TINs generated by Field Offices.</p> <p>The Database Unit cannot generate accurate and up to date reports on</p>	Staff of the Database Unit do not have access to information on taxpayers registered by field offices because the access password has been disabled.	The Database Unit in OCD/DTG should be granted access to be able to stream information on taxpayers who are registered by field offices.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
				taxpayers registered by Field Offices.		
	d) Take advantage of the Tax Appeal Tribunals and the new Evidence Act (2011) which admits electronic evidence to fast track the prosecution of Tax offenders.	Summary of cases handled by the TAT are: <ul style="list-style-type: none"> Case load inherited as at Jan 2013 : 253 Fresh Appeals filed 2012-2015 : 224 Number of Appeals concluded from 2012–Dec 2015 : 259 Case load as at Dec 2015: 218 	<ul style="list-style-type: none"> Management's directive that cases involving Tax liability should be referred to the Debt Management Office at first instance has slowed down the activities of the Legal Department at the Tax Appeal Tribunal. Engage Tax Controllers on the need for them to escalate cases of tax offences to the Legal Department 	Inadequate referral of cases from tax offices.	Failure on the part of the Field Offices to refer cases to the Legal Units at the Headquarters and the Regions. Where they do refer cases, the cases referred do not fully comply with the Legal Department's check-list for litigation.	<ul style="list-style-type: none"> Reversal of Management's directive on the referral of cases to the Debt Management Office as against the Legal Department. Engage Tax Controllers on the need for them to escalate cases to the Legal Department. Field offices should be directed to refer cases in which the Assessment Notices have become final and conclusive to the Legal Department.
	e) Improve the Tax refund mechanism to make it more effective and efficient to encourage voluntary compliance.	This has been operationalized and a timeframe for the processing of all tax refund applications from the receipt of relevant documents as follows: <ul style="list-style-type: none"> Bank reconciliation tax refund = 30 days; Audit tax refund = 6 months; Diplomatic tax refund = 30 days. 	<p>Ensuring the stakeholders are equipped with adequate enlightenment and awareness on tax refund.</p> <p>Ensuring information and documents required as stipulated by the tax refund guidelines are</p>	<p>Very low awareness on Tax refund policy.</p> <p>Delays from the Banks/Tax payers in providing all required documentation for processing</p>	<p>No Enlightenment gathering on tax refund operations and policy.</p> <p>Applicants/Tax payers' non access to their payments record on remittances made on</p>	<p>Workshop/seminars/stakeholders meeting on tax refund policy and operation required urgently.</p> <p>ITAS Enabled Encrypted direct access by tax payers to remittances on their behalf by MDAS/agents especially on WHT and VAT through FIRS Website to enable</p>

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			<p>provided on processing.</p> <p>Ensure all tax refund applications are processed within the timeframe.</p>	<p>of refund application</p> <p>Delays in response to requirements/actions by the FIRS Tax/Audit offices.</p> <p>Incoherent information and documentations supplied by the tax/audit offices</p> <p>Insufficient funds for tax refund account to meet the payment of all approved refund cases.</p>	<p>their behalf by MDAS/Agents of collection. Lack of set time frame for response from field offices</p> <p>Delay of fund approval and release by OAGF.</p>	<p>tracking of unremitted funds.</p> <p>Management of FIRS to involve stakeholders on fund release in any enlightenment programme on tax refund policy and operations.</p>
	<p>f) Implementation of an electronic business process Management System</p>	<p>Overall Status: Work In Progress.</p> <p>a. The Records Management Policy was approved by Management on 30th April, 2013 and circulated to all staff.</p> <p>b. Records Management and Document Tracking (RMDT) project phase I was</p>	<p>Provide Service Level Agreement (SLA) for the maintenance of the mobile filing cabinets</p>	<p>Poor Knowledge of records management</p>	<p>Inadequate training on Records Management</p>	<p>Next Steps:</p> <ul style="list-style-type: none"> • Strengthen the Change management approaches to resolve compliance issues • Procure and deploy the EDRM solution • Engage firm in back-scanning of documents etc • Get management approval to build

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		<p>concluded in December, 2014.</p> <p>c. On 22nd June, 2015, Short Term Experts (STEs) engaged by the European Union(EU) as Technical Assistance for the EU support to Federal Government Reform Program (SUFEGOR) to Re-engineer Records Management & Document tracking for a 100 days resumed in FIRS.</p> <p>d. This Phase II kicked off with an in house development of the Electronic Document and Records Management System (EDRMS) Users Requirements document which is being signed by relevant stakeholders.</p> <p>e. Championed the compliance of registry and administrative staff towards reducing file retrieval times from twenty five (25) minutes to five (5) minutes.</p>				<p>capacity for end users of RMDT Phase I & II deliverables.</p>
	<p>f. The automation of the HR, F&A and Procurement processes.</p>	<p>Active & Operational</p> <ul style="list-style-type: none"> Owner Dept (HCMD and F&A) has taken ownership & driving 	<ul style="list-style-type: none"> Improving job satisfaction and training for retained staff 	<ul style="list-style-type: none"> We still have some integration gaps 	<ul style="list-style-type: none"> SAP management training has not been 	<p>Next Steps:</p> <ul style="list-style-type: none"> Enable and optimize all the features to realize

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		<p>adoption supported by PMO in optimizing the full potential & features of the solution.</p> <ul style="list-style-type: none"> The FIRS Project Management Processes (Enterprise Microsoft Server) has been automated but yet to be operational. Completed and Closed. The newly built interactive FIRS website was fully transferred to the user department (C&LD) and is now administered by them. 	<p>to optimize the full potential & features of the solution.</p> <ul style="list-style-type: none"> Timely and accurate budget and funding. Automation of Project Management Processes Complete the implementation of the FIRS Website Redesign 	<p>whereby manual intervention is made in workflow into FICO.</p>	<p>done and is still outstanding.</p> <ul style="list-style-type: none"> We are yet to understand how the omitted processes will benefit us. FICO data and REMITA were not ready till 2015. Now they are live and we have to tweak the integration to match actual needs. HCMD never defined these processes to be in SAP. The Leave process runs off the ESS system. Data gaps in Org prevented smooth 	<p>the full potentials of the solution.</p> <ul style="list-style-type: none"> Stabilize the ICT infrastructure . NETWORK & SAP Platform. Rebuild the Organization Module to accurately reflect the actual structure of the organization. Integrate SAP Recruitment system with the Recruitment Portal. <p>Note: SAP Recruitment is no longer supported by SAP</p>

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
					flow of process.	
2.	Implement projects and processes to ensure full compliance with the International Financial Reporting Standard (IFRS).	<ol style="list-style-type: none"> 1. SAPfico an ERP software has been implemented and deployed for processing of financial transactions. Full adoption for all our reporting requirement including IPSAS compliance financial statement is on-going. 2. About 70% of our staff with relevant qualifications have been trained on IFRS. 	Unstable client end system configuration- Browser for ITAS Implementation	<ol style="list-style-type: none"> 1. Lack of adequate training on the use of the software. 2. Financial statement that comply with IPSAS has not been prepared using the SAPfico. 	<ol style="list-style-type: none"> 1. Due date for Adoption of IPSAS for preparati on of financial statement is January 2016. 2. The choice of IPSAS over IFRS is in line with the nature of the services reporting requirements and source of funding as stated in the IPSAS National implementation road map by FAAC. 	<ol style="list-style-type: none"> 1. To train and retrain our staff on the use of the SAPfico using our live transactions. 2. To complete the training on IPSAS for all the remaining F&A staff.
3.	Obtain ISO Certification.	<ul style="list-style-type: none"> • ISO certificate obtained on 9th Dec, 2014 	<ul style="list-style-type: none"> • Certificate has been presented to ECFIRS and Management. • Certification publicity to FIRS Staff and Stakeholders yet to be presented. 	<ul style="list-style-type: none"> • The Service is behind in the Quality Audit schedule. 	<ul style="list-style-type: none"> • Approval for Audit pending with the ECFIRS. • The Federal Government Transition Program 	<ul style="list-style-type: none"> • Management to approve proposal. • The service to re-communicate to the SON rescheduling a new date for the Surveillance Audit.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
			<ul style="list-style-type: none"> The External Auditors (Standard Organisation of Nigeria) are yet to conduct any Post-certification/Surveillance Audit. Conduct Internal Quality Audit in readiness for the Surveillance Audit. 		<p>me and the Restructuring exercise carried out by the previous Management were major factors</p> <ul style="list-style-type: none"> Review of the Groups, Departments and other offices manuals affected the exercise. 	
4.	Achieve the Medium Term Revenue Framework as projected: 2012 : N5,084.64 billion 2013 : N4,965.31 billion 2014 : N5,167.45 billion 2015 : N5,505.08 billion	Achieved the following: Jan-Dec. 2012: 5,007.65 billion (98.4%) Jan-Dec., 2013: 4,806 billion (96.7%) 2014: 4,714.58 billion (91.2%) 2015: 3,520.62 billion (63.94% as at 30 th November, 2015)	Adopt strategies to increase collection of oil and non-oil taxes.	2012: 1.6% 2013: 3.3% 2014: 8.8% 2015: 36.06% (as at 30 th November, 2015)	Revenue leakages due to the adoption of some policies, such as granting of waivers and pioneer status to some taxpayers on terms that are not consistent with the tax laws. Economic down turn in the past years	Granting of waivers and pioneer status to tax payers on terms not supported by law should be stopped.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
5.	Improve relations with the State Boards of Internal Revenue.	The JTB used as the platform for strengthening relations with the States	Continue to strengthen relations with the States through the JTB	None availability of some data required from the SBIR	Inadequate skills etc	
6.	Produce appropriate regulations for the Freedom of Information Act and establish structures for its implementation.	<ul style="list-style-type: none"> Drafted educational materials for staff. Drafted a presentation to Management & OMM. Drafted strategy implementation and forwarded to Management. 	Presentation to Management and staff Internal sensitization to the Service	No approval granted by management for the presentation.	Approval for strategy yet to be given.	Sensitization of Management and all staff, all Heads of Offices to understand and drive the concept.
7.	Provide continuous education to the Legislature, Executive, Judiciary and relevant Stakeholders through engagement in FIRS activities such as conferences, REMM, Study tours as well as FIRS website.	The Legislature, Executive, Judiciary and relevant stakeholders need further education on taxation. Tax Museum	Continually engage relevant stakeholders on FIRS activities: <ul style="list-style-type: none"> Tax Radio, Tax pages, Tax Matters. Media Engage correspondents at National Assembly (i.e. FICAN, Business Editors, Bureau Chiefs. Campaigns . 360 (mass media) Documentaries 	Low level of Tax awareness. No clear directive on the establishment of FIRS Tax Museum		

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
			<ul style="list-style-type: none"> - Establishment of Tax Museum 			
8.	Institute effective brand management through entrenchment of the core values of the Service including ethical issues and standardization of facilities and services.	FIRS has an improved Corporate brand image but its core values are not effectively lived by the staff	Focus on continual entrenchment of FIRS core values and ethics.	Need for culture change realignment.		A culture change project should be developed, approved and implemented.
9.	Implement ICT roadmap to support the operations.	ICT Strategy document was approved in December, 2011 and implementation completed in Dec, 2014.	Completed implementation by end of 2014.			Upgrade of staff skills in core functions like Tax audit using Computer Aided Audit Tools as most companies are automated, IFRS, and Business Intelligence & Data Analytics, deploy ITAS solutions, Improved self-assessment and compliance among other initiatives which

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
						would enhance and support non-oil revenue generation and capacity building.

REVIEW OF 2012-2015 OBJECTIVES OF FIRS

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
1.	<p>Facilities: Complete the new headquarters building and achieve 100% owned offices across the country as against the present 55% rented offices.</p>	<ul style="list-style-type: none"> The new headquarter building is 28% completed. The percentage of rented offices is 46% while FIRS owned offices is 54%. 7No. prototype MSTOs being constructed. 	<ul style="list-style-type: none"> Actualise the corporate headquarter building; The number of rented offices is still high. 	<ul style="list-style-type: none"> Budgetary provision is often inadequate to purchase the desired number of buildings every year. More offices are always being opened and changing the benchmark. Delay in property acquisition process (e.g. the need to wait for Ministry of lands valuation) Long construction timelines. 	<ul style="list-style-type: none"> Management decision timelines. Delay in responses from Ministry of land and housing. Delay in completion of construction project by contractors. 	<ul style="list-style-type: none"> Continuous follow up with Ministry for valuation. Early initiation and continuous follow up of purchase processes. Closer monitoring of contractors for early completion of projects.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
2.	Complete the Tax Academy and Durumi Training School.	<ul style="list-style-type: none"> • Tax Academy is still at conceptual stage; • Durumi Training School has been completed. • Phase 2 of the Training School design already approved by management. • The award of contract for the construction of phase 2 was advertised in 2015 and the tender process is ongoing at the procurement Department. 	<ul style="list-style-type: none"> • Design of Durumi Training School extension ongoing by consultants. Awaiting the purchase of the adjoining plot to be concluded for effective domestication of designs. 			<p>Employing the services of an independent town planner.</p> <p>Early completion of the tendering process to enable the construction process to commence.</p>

REVIEW OF 2012-2015 OBJECTIVES OF FIRS

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
1.	Human Resources: Achieve 100% computer literacy and access in the entire workforce.	99.5% computer exposure among staff achieved.	<p>Ensure 100% computer literacy and access is achieved at expiration of the Medium Term Plan.</p> <p>Deploy computer literacy related courses at Zonal levels so as to reach more members of staff</p> <p>Complement above with Technical Sessions thereby addressing peculiar needs</p>			<ul style="list-style-type: none"> • Improvement in training Budget • Approval of the Training Plan should suffice for all the courses in the approved training plan.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
2.	Institutionalize a robust electronic Performance Management System.	<p>An Electronic Performance Management System (Online Appraisal) has been deployed in the service.</p> <p>7 out of the 11 Regions (HQ, FCT, NC, SW, LI, LME & LMW) have been implemented bringing the percentage achieved to 63.64%. The remaining 4 Regions will join in Q1 2016 for the Q4 2015 appraisals.</p> <p>100% to be achieved by Q1 2016.</p>	<p>Only the performance appraisal module is in use right now, and not the full Performance Management system is available on full SAP.</p> <p>Implementation of the Performance Appraisal module has been phased quarterly as follows</p> <ul style="list-style-type: none"> • 33.3% has been done covering 3 Regions (HQ, FCT & North Central) • 66.7% left (6 Regions . Lagos, SW,SE,SS,NW & NE) • 100% to be achieved by Q1 2016. 	<p>Network challenges have limited the take-off of the Performance Appraisal module Service-wide.</p> <p>The gaps are:</p> <ul style="list-style-type: none"> • Succession planning • Career planning • Development planning • Individual development planning • Talent Management • Profile match-up (for generating gaps and suggested trainings to close identified gaps) 	<p>Non implementation of the full Performance Management system as the version of SAP initially installed is an old version that cannot manage these features.</p>	<p>The SAP software should be upgraded to the most recent version.</p>
3.	Develop specialized industry skills and core professional groups within the service.	<ul style="list-style-type: none"> • Training has been restructured and classified as follows: <ul style="list-style-type: none"> • OPS Training • Skills & General Training & 	<ul style="list-style-type: none"> ▪ Strengthen and operationalise the Zonal training structure in the Service to enhance all year round 	<ul style="list-style-type: none"> ▪ The procurement process for the deployment of E-library is 	<ul style="list-style-type: none"> • . 	<ul style="list-style-type: none"> • Develop pool of Resource Persons • Seek collaboration with necessary and relevant Institutions

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		<ul style="list-style-type: none"> • Professional Development Courses. ▪ To further enhance the development of specialized skills in the Service, Business Critical and General Courses has been grouped into Operations, Skills and General training. ▪ Curriculums were developed for all the Career based courses ▪ Lectures notes were developed for the Preliminary and Final Inspectors of Taxes course. ▪ 420 staff were trained in the 10 different Career Paths (i.e. 6.5% of staff) ▪ 2188 staff were trained in tax related courses (i.e. 33.7% of staff) ▪ 286 staff attended leadership related courses (i.e. 4.4% of staff) ▪ 875 attended Professional development & Group based courses (i.e. 13.5% of staff) ▪ 432 staff attended safety/security related and general 	<p>training delivery.</p> <ul style="list-style-type: none"> ▪ Optimise Training Research, publication of Tax Journals and Content development/Management ▪ Complement the learning delivery process in the Service with the deployment of E-learning. 	<p>being awaited.</p> <ul style="list-style-type: none"> ▪ Delay in securing approvals for courses. 		<ul style="list-style-type: none"> • Improvement in training budget and facilities • Approval of the training plan should suffice for all the courses in the approved training plan. <p>Align training delivery with the approved calendar.</p>

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
		<p>courses (i.e. 6.6% of staff).</p> <ul style="list-style-type: none"> Total staff trained in 2015 Service-wide 4547 (i.e. 69.95% of staff) 				
4.	Ensure the security and safety of personnel and property.	<ul style="list-style-type: none"> All FIRS offices are manned by professional Security guards. Security and safety equipment installed in all FIRS offices Security Threat / Risk assessment, safety inspection and audits impact analysis carried out regularly and gaps followed up for close out. Sensitization of Staff through issuing of advisories and formal workshop setting about security, Health and safety issues has been carried out. Weekly security briefing to Management and at any FIRS gathering. Insurance cover for all FIRS assets. 	Continually focus on raising the bar on security and safety standards	<ul style="list-style-type: none"> Delay in procurement processes. Lack of synergy between key stakeholders such as the Nigeria Police domicile with the Service, the ICT Department and Procurement Department. 	<ul style="list-style-type: none"> Lack of Management commitment. Dwindling revenue collection. 	<ul style="list-style-type: none"> Remodeling of the Control Command Centre (Control Room) Retraining of Security and Safety Management staff to enable them position the Service ahead of all security threats in the nation. <ul style="list-style-type: none"> All S&SM staff have attended First AID & Life Emergency resuscitation training. Four others have attended the Lead Auditor in Health & Safety training. Improve synergy between key stakeholders. <ul style="list-style-type: none"> S&SM held an interactive stakeholders meeting in Sept 2015 with security service providers and state security agencies for an improved relations and integrated effort.

S/N	2012-2015 STRATEGIC OBJECTIVES	STATUS	ISSUES/ACTIONS REQUIRED	GAPS	REASONS	RECOMMENDATION FOR IMPROVEMENT
5.	Implement the change management and communication plan with emphasis on attitudinal change.	Not done. a. Work on the Culture Realignment Project which began in 2012 was stepped down by management in 2013.	Management to consider the resurrection of the Culture Realignment project as a vehicle for delivering attitudinal change Service-wide.	n/a	A degree of culture shift or realignment is required to entrench the FIRS Core Values as well as support ongoing change initiatives in the Service	Management to approve the implementation of the Culture Realignment project as presented/ modified by D/HCM&DD.
6.	Obtain National Honours for deserving staff.	The reward and recognition function in the Service has been put in abeyance as directed by Management.	Revisit the issue		Letters requesting for nominations always come from the Head of Service. The issue shall be revisited once the Service nomination is request.	Proactive engagement with the office of the Head of Service.

5.0 SUMMARY OF OUTSTANDING ISSUES FROM 2012-2015 MEDIUM TERM PLAN

- The National Tax Policy has been approved, published and disseminated but yet to be fully adopted by key stakeholders. Collaborate with Federal Ministry of Finance, JTB, and National Economic Council to ensure full implementation of the National Tax Policy.
- Adopt strategy to increase/expand tax treaty network as well as exchange of information agreements and ADTAs.
- Continuous advocacy of Transfer Pricing framework to ensure full implementation.
- Oil taxes are still dominant. Adopt strategies to increase non-oil taxes collection.
- Education of the Legislature on Taxation is still sub-optimal. Engage the legislature in FIRS activities such as REMM, stakeholders engagement forums and seminars.
- **Many bills still not passed by the NASS. Ensure the passage of all outstanding Tax bills and drafts currently in progress by the National Assembly and introduce relevant new taxes.**
- Enforcement activities still lagging. Take advantage of the Tax Appeal Tribunals to step up compliance and enforcement.
- The ITAS project is yet to be fully actualised. Ensure full implementation of the ITAS project.
- Taxpayer education not optimal. Enhance taxpayer education, information and assistance through the Taxpayer Services Department.
- Average of 65% self-assessment achieved as at 30th June, 2015. Continuous advocacy and training on self-assessment to achieve 100% implementation by proactive engagement with professional groups.
- SAP Solutions project gone live and operational. Ensure full implementation and upgrade of the SAP Solutions to enable and optimize all features to realize the full potentials of the solution.
- UTIN project still in progress. Continuous collaboration with JTB to fully operationalise the UTIN project.
- A standard law library is non-existent. Provide a standard law library and prioritise the training of lawyers.
- Construction of Corporate Headquarters building has commence. Complete the Corporate Headquarters building and increase the ratio of FIRS owned offices to rented offices.
- Construction of Tax Academy yet to commence. Complete and commissioned phase one (1) of FIRS Training School. Commence and complete phase two (2) of FIRS Training School and the Tax Academy.

6.0 FIRS OPERATING ENVIRONMENT AND OUTLOOK

6.1 Global Economic Outlook:

The global economy continued its moderate growth in 2015 and is now expected to expand at 3.1%. Some important economic developments marked this year's growth. The OECD managed to accelerate its growth level again slightly. In the emerging economies, India saw stronger than-expected growth and China's momentum moderated, while Russia and Brazil

experienced contractions. Lower oil prices provided support for consumers in the US, Euro-zone, China and India, but the shortfall in investments and the lower income from the oil sector in major oil producer countries has offset some of these positive effects. Monetary decisions have continued to play a key role in the global economy, not just in the OECD economies but also in China and India. An expected interest rate hike by the US Federal Reserve has affected capital flows and currencies, but the full impact will only be seen once the decision is taken. In the meantime, the increase in monetary stimulus in the Euro-zone and Japan has not been as effective in supporting these economies as planned. In contrast, China's stimulus plans have achieved some success in supporting the country's economy. The development of monetary policies will remain an influential factor in the coming year, including for the oil market. In 2016, the global economy is forecast to grow by 3.4%, with the growth risk slightly skewed to the downside.

6.2 The Oil Future Market.

Crude oil futures weakened significantly in November; this was not only due to oversupply, it was linked to physical demand and storage issues as well. Crude oil storage swelled on land to record levels. Refinery demand was low on prolonged outages. Oil markets have been dogged by oversupply, with an estimated 1.8 mb/d above demand being produced. Crude futures prices were also pressured as the dollar rallied to record highs and concerns faded that escalating tension in the Middle East could disrupt supply. A tumble in Chinese equities added pressure to an oversupplied market. The oil complex as a whole has been weakened by concerns that stockpiles of refined US oil products, such as heating oil, were also growing, with refineries ramping up output as they emerge from maintenance season amid milder-than-usual weather. The oil complex was also caught in a broader commodities sell-off.

6.3 World Oil Demand

Global oil demand growth has been revised up 30 tb/d since the previous report largely to reflect better-than-expected oil consumption in OECD Europe and Other Asia. World oil demand growth currently stands at 1.53 mb/d to average 92.88 mb/d. For 2016, projected oil demand growth has been kept unchanged at 1.25 mb/d, averaging 94.13 mb/d.

6.4 Review of Domestic Environment

- The key challenges in the domestic economy that commenced in the beginning of the year are still lingering but more fundamentally, most of the issues are directly or remotely linked to the adverse developments in the global economy. The softness in aggregate output, which started in the early part of the year is still lingering, GDP's

estimated at 2.84 per cent in the third quarter of 2015, compared with 6.23 per cent in the corresponding period of 2014.

- Apart from the security challenge in certain parts of the country, which weighed down on agricultural activities, a large chunk of the softness could also be attributed to development in the oil sector. Oil and gas sector recorded a negative growth of 0.85 per cent in the first half of the year on the backlash of plummeting international price of crude and to some extent production losses due to pipeline vandalism and associated vices. Notwithstanding, it is not unlikely that structural rigidities in the economy could have contributed to the weakness in output.
- A diagnosis of the structure of the GDP shows that growth in the manufacturing sector has been recording consistent slow down since 2013, having posted a growth rate of 21.8, 14.7, and 9.1 per cent, in 2013, 2014, and end- June 2015, respectively. Given that weakness in macroeconomic indicators is more of a recent phenomenon, the fairly long history of declining trend in the manufacturing sector underscores the fact that some common factors outside deteriorating macroeconomic variables are at play. It also appears that the structural challenge within the larger economy has dovetailed into the banking system. Available statistics show that all the money market rates have been running below the Monetary Policy Rate, signifying excess liquidity in the system, yet the banks are not lending.
- Growth in credit to the private sector has recorded abysmal performance, reinforcing the fact that the lending climate is generally unattractive. Another key development is the high inflationary pressure. It sounds fairly good that all measures of inflation decelerated marginally in October, the current levels however are still not comfortable. Headline inflation at 9.2 per cent in October is still at the border of single digit, with elevation coming from both the core and food components, suggesting that both structural and macroeconomic factors are at play.

7.0 ANALYSIS OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Following the general review of the environment undertaken in section 6.0, the opportunities offered and threats posed by the environment to the operations of FIRS in the Plan period 2016-2020 will now be deciphered. This will be reviewed along with the internal strengths and weaknesses identifiable in order to properly situate FIRS for greater performance in the Plan period.

7.1 Strengths

- i. Firm statutory anchor (FIRSEA) for HR autonomy and funding.
- ii. Knowledgeable and committed Leadership.
- iii. Strong Executive Support.
- iv. Implementation of key ICT initiatives including ITAS and UTIN.
- v. Improved skills enhancement system, remuneration and motivation of the workforce.
- vi. ICT enabled integration with key data bases (CAC, Customs) virtually completed.
- vii. Improved work environment and tools.
- viii. Improved Corporate Brand.

7.2 Weaknesses

- i. FIRS core values and service charter not being lived.
- ii. Inadequate revenue risk profiling.
- iii. Ineffective coordination and collaboration between functions.
- iv. Tax refund mechanism remains sub-optimal.
- v. Inadequate taxpayer engagement and enforcement.
- vi. Slow arrears reduction.
- vii. Poor capital budget performance.

7.3 Opportunities

- i. Relative stability in the political environment.
- ii. Sustained peace in the Niger Delta and its positive effect on oil production.
- iii. Likely increase in taxable earnings in the oil sector by Nigerian participants with occasioned by the anticipated passage of the Petroleum Industry Bill.
- iv. Implementation of the NV 20:2020 and the First National implementation plan and its improvement of the macroeconomic environment.
- v. CBN banking sector reforms and investor-friendly monetary and fiscal policies.
- vi. Introduction of TSA and BVN

7.4 Threats

- i. Uncertainties in the world oil market
- ii. Security threats arising from terrorist activities.
- iii. Low capacity utilization, corporate migration and mortality as a result of poor infrastructure
- iv. Likely resistance to increase in VAT rate
- v. Taxpayer apathy to payment of tax especially in the informal sector and SMEs
- vi. Growing informal sector and unemployment
- vii. High incidence of poverty

8.0 SWOT MIX

Location of factor	Internal	
		<p>Strengths</p> <ul style="list-style-type: none"> • Firm statutory anchor (FIRSEA) for HR autonomy and funding. • Knowledgeable and committed Leadership. • Strong Executive Support • Implementation of key ICT initiatives including ITAS and UTIN. • Improved skills enhancement system, remuneration and motivation of the workforce. • ICT enabled integration with key data bases (CAC, Customs) virtually completed. • Improved work environment and tools. • Improved Corporate Brand. <p>Weaknesses</p> <ul style="list-style-type: none"> • FIRS core values and service charter not being lived. • Inadequate revenue risk profiling. • Ineffective coordination and collaboration between functions. • Tax refund mechanism remains sub-optimal. • Inadequate taxpayer engagement and enforcement. • Slow arrears reduction. • Poor capital budget performance.

<p>External</p>	<p>Opportunities</p> <ul style="list-style-type: none"> • Anticipated relative stability in the political environment. • Sustained peace in the Niger Delta will ensure stable oil production which will mitigate to an extent the effect of any fall in oil prices. • Anticipated increase in taxable earnings in the oil sector by Nigerian participants with the passage of the Petroleum Industry Bill. • Implementation of the NV 20:2020 and First National implementation plan • CBN bank sector reforms. • Introduction of TSA and BVN. 	<p>S-O MIX</p> <p>Integration with key data bases, improved automation of operations and enhanced staff skills and motivation, along with the opportunities provided by the envisaged monetary and fiscal policies and a relatively stable political environment will provide opportunities for increased revenue collection. This will be further enhanced by greater engagement with taxpayers and improving VAT collection processes.</p>	<p>W-O MIX</p> <p>Non-adherence to FIRS core values, Ineffective coordination and collaboration between functions and inadequate taxpayer engagement hampers voluntary compliance. There are however opportunities in the external environment (increased incomes resulting from the passage of PIB, banking sector reforms, introduction of TSA and BVN) that could be leveraged upon to improve revenue collection.</p>
	<p>Threats</p> <ul style="list-style-type: none"> • Uncertainties in the world oil market. • Insecurity situation arising from terrorist activities. • Corporate migration and mortality as a result of poor infrastructure. 	<p>S-T MIX</p> <p>Uncertainties in the world oil market including possible reduction in demand for Nigeria's oil and fall in the world oil price might pose a threat to PPT collection. Similarly, low capacity utilisation, corporate migration and mortality occasioned by poor</p>	<p>W-T MIX</p> <p>Non-adherence to FIRS core values and the Service Charter as well as ineffective coordination and collaboration between functions deters effective service delivery, necessary for an effective tax administration. The</p>

	<ul style="list-style-type: none"> • Likely resistance to increase in VAT rate. • Taxpayer apathy to payment of tax especially in the informal sector and SMEs. • Growing informal sector and unemployment. • High incidence of poverty. • Slow review of tax laws. 	<p>infrastructure and the growing informal sector pose further threats to non-oil revenue collection. The focus in the years ahead should be on VAT, CGT and SD in order to reduce the dependence on oil tax substantially. This can be achieved through the introduction of presumptive tax regime, taxpayer engagement and close collaboration with the National Assembly and other Stakeholders for speedy review and passage of tax laws.</p>	<p>focus in the next five years should therefore be on correcting this situation in order to effectively mitigate the effects of some of the negative environmental factors.</p>
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9.0 2016-2020 OBJECTIVES

Having reviewed the previous plan (2012-2015), identified outstanding issues, and considering the economic and other environmental factors, the following are identified as the broad objectives to be pursued in the next five years (2016-2020).

Tax Policy	Tax Legislation	Tax administration
<ol style="list-style-type: none"> 1. Propose appropriate new taxes. 2. Ensure full implementation National Tax Policy. 3. Expand tax treaty network as well as exchange of information agreements and MOUs with relevant Tax Authorities and other identified stakeholders. 4. Introduce new initiatives to improve international tax especially in the area of; <ul style="list-style-type: none"> - Transfer pricing regulation - Risk management 5. Host at least two international tax conferences. 	<ol style="list-style-type: none"> 1. Ensure legislation in place to support implementation of the National Tax Policy. 2. Introduce relevant new taxes, review existing taxes and ensure relevant tax laws to back them up including the following: <ul style="list-style-type: none"> - Tax Administration Law - New Income tax law to harmonise all income tax laws - New VAT law - New Stamp Duty law - New CGT law - Petroleum Industry Act 3. Review Current Regime of tax incentives for relevance and effectiveness. 4. Make submission to constitution review efforts to support better tax environment, particularly relating to; 	<p><u>Operations:</u></p> <ol style="list-style-type: none"> 1. Complete the implementation Integrated Tax Administration System (ITAS) project and achieve full automation of operations. 2. Implement projects and processes to ensure full compliance with the International Financial Reporting Standard (IFRS). 3. Sustain ISO Certification. 4. Achieve the Medium Term Revenue Framework as projected: <ul style="list-style-type: none"> • 2016----N 4,200.18b • 2017----N 4,889.67b • 2018----N 6,442.03b • 2019----N 7,954.08b • 2020----N 9,377.05b (Details in Appendix I) 5. Institute effective brand management through entrenchment of the core values of the Service including ethical issues and standardization of facilities and services. <p><u>Facilities:</u></p> <ol style="list-style-type: none"> 6. Complete the new headquarters building and

	<ul style="list-style-type: none"> - Removing ambiguity in tax laws. <p>5. Review the FIRS Establishment Act and introduce regulations to implement it.</p>	<p>achieve 100% owned offices across the country as against the present 56% rented offices.</p> <p>7. Complete the Tax Academy and the 2nd phase of the Durumi Training School.</p> <p><u>Human Resources:</u></p> <p>8. Achieve an efficient, mobile and satisfied work force.</p>
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10.0 PLAN IMPLEMENTATION AND MONITORING

As we implement our strategies to achieve our goals and objectives, it is essential that we monitor and evaluate our progress towards their attainment. To this end, the following activities will be undertaken:

10.1 Operational Planning

The annual operational plans are the principal means through which the Service sets out its key activities, programmes and projects for each year. The annual plans are linked to the Strategic Medium Term Plan by identifying the objectives to be pursued within the year that will lead to attainment of the overall objectives for the medium term.

10.2 Quarterly Performance Evaluation

Departments/Functions in the Service will be assessed by the Planning, Research and Statistics Department based on their Key Performance Indicators (KPIs) on a quarterly basis to determine level of progress made towards the attainment of the corporate objectives and goals of the Service.

10.3 Customer Satisfaction Surveys

To ensure that the needs and problems of taxpayers are identified and addressed, FIRS will periodically conduct a survey of taxpayers' satisfaction with its services. In particular, the survey will provide feedback from taxpayers on such things as courtesy, readiness to help, professionalism, service efficiency, physical facilities and service environment, level of trust and confidence in staff that determine the overall quality of our services. Taxpayers' feedback will be used to improve service quality and interactions with taxpayers.

10.4 Employee Satisfaction Surveys

To address issues that affect our internal customers such as staff welfare, work environment, training and development and so forth, the Service will periodically survey staff for their opinions. Feedback received will help in developing effective human resources management strategies and creating a more work friendly environment to raise staff productivity.

10.5 Other Measures

Other ways through which responses from our key stakeholders will be gathered are Town Hall Meetings, Regional Enlarged Management Meeting (REMM), and analysis of online and offline complaints/suggestions from tax payers/customers.

Appendix I

TAX REVENUE PROJECTIONS: 2016 – 2020

Table 2 below presents our projections for our mandate taxes for the period 2016 to 2020.



FEDERAL INLAND REVENUE SERVICE
MEDIUM TERM FISCAL REVENUE
FRAMEWORK
2016-2020 (N'BILLION)

Table 2

		2016	2017	2018	2019	2020
		Collection Target	Collection Target	Collection Forecast	Collection Forecast	Collection Forecast
	SOURCES OF REVENUE	N'BILLION	N'BILLION	N'BILLION	N'BILLION	N'BILLION
a	Oil and Gas	602.56	1053.58	2904.48	3,071.33	3,620.78
	Petroleum Profit Tax	484.74	910.31	2,666.02	3,002.53	3,539.68
	Gas Income @ Companies Income Tax Rate	117.82	143.27	238.46	68.80	81.10
b	Non-Oil	3,597.62	3,836.09	3,537.56	4,882.75	5,756.27
1	Company Income Tax	1,791.41	1,704.34	1,669.32	2,399.40	2,828.65
2	Capital Gains Tax	19.47	20.75	17.87	6.28	7.40
3	Stamp Duty	66.14	16.97	44.61	17.64	20.80
	Federation A/C (CIT)	1,877.02	1,742.05	1,731.81	2,423.32	2,856.85
4	Value Added Tax	1,475.03	1,800.00	1,543.99	1,920.12	2,263.63
5	Education Tax	149.82	188.72	207.07	306.00	360.74
6	Personal Income Tax	73.82	81.20	12.15	213.30	251.46
7	Technology Levy	21.93	24.12	42.54	20.01	23.59
	Grand Total (a+b)	4,200.18	4,889.67	6,442.03	7,954.08	9,377.05

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