



FEDERAL INLAND REVENUE SERVICE

2020 CORPORATE PLAN

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1.0 MESSAGE FROM THE EXECUTIVE CHAIRMAN



The 2020 Corporate Plan highlights the focus of the Service for the fiscal year. It is the 5th and final plan derived from the 2016-2020 Medium Term Strategic Plan. The Plan focuses on four fundamental goals; maximize revenue collection, enhance voluntary compliance, improve service delivery and strengthen organizational capacity. To achieve these four broad goals, the Service will pursue ten objectives, from which

strategies, initiatives and performance measurement indicators (Balanced Score Card) will be developed.

Having successfully grappled with 2019 and its challenges which impacted on businesses and the economy and contributed to the not so satisfactory performance recorded in the past year, it is imperative for all staff of the Service to brace up to the challenges ahead, work as a team and implement strategies that will help us achieve our mandate and set target of N8.5trn in 2020.

Our commitment is to reposition the Service for improved revenue collection. We will therefore review our organizational structure and operational procedures and processes to enhance our efficiency and effectiveness.

I am very confident that with our uncommon commitment to duty, surpassing our target is achievable, having done so in the past. The various Groups/Departments/Functions are expected to align their Measures of Success and Work-plans with this Corporate Plan to ensure uniformity of purpose. I implore us all at this juncture, to work harder, think outside the box and come up with fresh ideas that can help us succeed as a team and uphold the good image of the Service.

Thank you and God bless.

2.0 WHO WE ARE: FIRS MANDATE, VISION, MISSION AND CORE VALUES

OUR MANDATE

Under the Federal Inland Revenue Service Establishment Act (FIRSEA) 2007, the Service is charged with the powers of assessment, collection of and accounting for revenues accruable to the Government of the Federation and for related matters.

OUR VISION

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

OUR MISSION

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

OUR 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 and Collective Responsibility

- Team spirit
- Partnering
- Information sharing

3.0 REVIEW OF 2019 REVENUE PERFORMANCE

3.1 INTRODUCTION

The 2019 Review highlights the performance of the Service against the set targets for the period. The Service recorded a variance when compared to the 2019 target as well as the preceding year, but recorded a significant improvement in collection of some tax types (especially VAT & CIT). These shortfalls are credited to volatile exchange rates, political instability (election year anxiety) with huge uncertainty and poor tax culture among the populace. However, the cumulative performance against target was slightly above average.

The Service achieved total revenue collection of ~~N~~5.262trillion against a target of ~~N~~8.802trillion which translates to 59.78% achievement for the year. The performance was ~~N~~0.06trillion or 1.14% lower than the 2018 collection of ~~N~~5.32trillion.

Petroleum Profits Tax (PPT) collection for the year was N2.114trillion which was 49.16% achievement of its annual target of N4.301trillion and accounted for 40.17% contribution to the total collection. On the other hand, non-oil taxes collection for the year was ~~N~~3.148trillion which was 69.93% achievement of its annual target of ~~N~~4.501trillion and accounted for 59.83% contribution to the total collection.

An analysis of major non-oil taxes collection by tax types revealed that Companies Income Tax (CIT) recorded collection of ~~N~~1.605trillion which was 93.92% achievement of its annual target of ~~N~~1.709trillion and this placed it as the highest performing tax type for the year. Value Added Tax (VAT) Pool recorded a collection of ~~N~~1.189trillion which was 69.84% achievement against its target of ~~N~~1.704trillion for the year.

Similarly, Consolidated Pool recorded a collection of ~~N~~70.630billion which was 84.25% achievement of its annual target of ~~N~~83.831billion and became the second highest performing tax type. Education tax recorded a collection of ~~N~~221.058billion which was 80.27% achievement of its target of ~~N~~275.398billion for the year and this placed education tax as the third performing tax type for the year.

A summary of the collection performance for the period is presented in **Figures I-IV** below:

Tax Revenue Collection Performance, January-December, 2019

FIRS TAX REVENUE COLLECTION PERFORMANCE, 2019															
Tax Type	Annual Target (=N='b)	January (=N='b)	February (=N='b)	March (=N='b)	April (=N='b)	May (=N='b)	June (=N='b)	July (=N='b)	August (=N='b)	September (=N='b)	October (=N='b)	November (=N='b)	December (=N='b)	Cumulative Collection (Jan-Dec) (=N='b)	% Achievement
FEDERATION ACCT:															
a Oil Tax															
Petroleum Profit Tax	4,301.1836	156.8787	182.9869	153.3543	197.6660	99.1019	206.2256	187.2624	211.9344	193.3507	191.7401	151.5783	182.1891	2,114.2684	49.16
Sub-total	4,301.1836	156.8787	182.9869	153.3543	197.6660	99.1019	206.2256	187.2624	211.9344	193.3507	191.7401	151.5783	182.1891	2,114.2684	49.16
b Non-Oil Taxes															
Company Income Tax	1,708.5085	93.3076	69.8650	66.6554	80.6638	178.0770	248.2109	192.4950	199.1127	121.7738	132.3886	86.1765	135.9722	1,604.6985	93.92
Gas Income	685.6381	0.0000	1.0667	1.9106	0.0000	1.6298	2.3498	1.8250	3.3069	2.3724	2.6214	3.8329	1.0147	21.9302	3.20
Capital Gains Tax	6.2798	0.0405	0.0152	0.0407	0.1744	0.2504	0.5504	0.7749	0.1565	0.3672	0.5606	0.3449	2.7013	5.9770	95.18
Stamp Duty	17.6413	1.2447	1.3438	0.7982	1.0937	1.6679	0.9571	1.3917	1.1449	1.1603	1.7905	2.9230	2.6762	18.1920	103.12
Sub-total	2,418.0677	94.5928	72.2907	69.4049	81.9319	181.6251	252.0682	196.4867	203.7211	125.6736	137.3610	93.2772	142.3644	1,650.7976	68.27
Total Federation Account (a+b)	6,719.2513	251.4715	255.2776	222.7592	279.5979	280.7270	458.2938	383.7491	415.6555	319.0243	329.1011	244.8555	324.5534	3,765.0660	56.03
OTHER NON-OIL TAXES															
c VAT POOL															
Non-Import VAT	1,277.9200	83.2058	80.1359	72.6888	74.3281	84.9791	87.1594	73.8136	67.5478	72.3814	81.9789	71.4430	95.8021	945.4640	73.98
NCS-Import VAT	425.9733	21.2629	16.2533	19.4927	22.1575	21.8474	21.4715	20.3459	20.5346	20.4928	22.9311	18.7236	19.0039	244.5173	57.40
Sub-total	1,703.8933	104.4687	96.3892	92.1815	96.4856	106.8265	108.6309	94.1595	88.0825	92.8742	104.9100	90.1667	114.8060	1,189.9813	69.84
d EDUCATION TAX	275.3982	2.3833	1.8196	3.0267	4.3146	4.6606	29.4367	58.5617	25.3099	69.9772	14.6956	4.0712	2.8006	221.0577	80.27
e CONSOLIDATED ACCT:	83.8314	6.0683	6.1389	4.7942	5.4750	8.9094	4.1018	5.2221	6.4102	3.8815	6.4901	6.1095	7.0291	70.6302	84.25
f NITDEF	20.0118	0.0221	0.0328	0.0562	2.1107	2.0845	8.9536	1.24370583	0.23490198	0.18248702	0.09443606	0.05567618	0.11010308	15.1812102	75.86129263
g Total Non-oil (b+c+d+e+f)	4,501.2024	207.5352	176.6712	169.4635	190.3178	304.1061	403.1912	355.6737	323.7586	292.5891	263.5512	193.6802	267.1102	3,147.6480	69.93
h Grand Total (a+g)	8,802.3860	364.4139	359.6581	322.8178	387.9838	403.2080	609.4168	542.9361	535.6930	485.9398	455.2913	345.2585	449.2993	5,261.9163	59.78

Tax Revenue Collection Performance, January-December, 2018

	Tax Type	2018 Target	2018 Collection Performance													
		Annual	January	February	March	April	May	June	July	August	September	October	November	December	Commulative Collection Jan-Dec	%
		(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)	(=N=b)
	FEDERATION ACCT:															
a	Oil Tax															
	Petroleum Profit Tax	2,666.0183	180.8981	296.0873	167.7897	197.5911	186.7614	139.4998	160.6269	265.9858	199.7712	276.0552	232.5374	163.9768	2,467.5807	92.56
	Sub-total	2,666.0183	180.8981	296.0873	167.7897	197.5911	186.7614	139.4998	160.6269	265.9858	199.7712	276.0552	232.5374	163.9768	2,467.5807	92.56
b	Non-Oil Taxes															
	Company Income Tax	1,669.3235	73.9554	61.0607	64.0982	138.9603	101.1902	181.6504	147.9689	108.3672	91.7609	88.7791	157.0592	125.4789	1,340.3294	80.29
	Gas Income	238.4606	0.9716	2.0694	1.5318	2.9727	2.5876	44.1710	11.4258	2.1440	0.9995	1.8149	2.0293	3.2702	75.9878	31.87
	Capital Gains Tax	17.8690	0.0309	0.0608	0.2225	0.1673	0.0310	5.9680	5.7473	0.0777	0.0185	0.0476	0.0948	0.1283	12.5947	70.48
	Stamp Duty	44.6126	0.7768	1.7366	1.7446	0.7839	0.8514	0.9462	0.8942	1.4540	1.2823	1.8400	1.7120	1.7754	15.7974	35.41
	Sub-total	1,970.2657	75.7347	64.9275	67.5971	142.8842	104.6602	232.7356	166.0362	112.0429	94.0612	92.4816	160.8953	130.6528	1,444.7093	73.33
	Total Federation Account (a+b)	4,636.2840	256.6328	361.0148	235.3868	340.4753	291.4216	372.2354	326.6631	378.0287	293.8324	368.5368	393.4327	294.6296	3,912.2900	84.38
	OTHER NON-OIL TAXES															
c	VAT POOL															
	Non-Import VAT	1,157.9960	77.5856	74.4964	67.7140	69.2338	74.5014	66.6093	63.6820	65.9810	57.8002	85.9904	72.9345	82.4897	859.0182	74.18
	NCS-Import VAT	385.9987	19.0609	14.9506	15.9863	18.7320	18.9219	18.7333	18.6314	48.5613	18.8482	19.1813	19.1443	18.2703	249.0218	64.51
	Sub-total	1,543.9947	96.6465	89.4470	83.7003	87.9658	93.4233	85.3426	82.3133	114.5423	76.6484	105.1717	92.0788	100.7600	1,108.0400	71.76
d	EDUCATION TAX	207.0721	20.7274	1.6949	3.3751	1.6533	9.5907	18.4527	59.4265	27.1228	3.2475	52.6155	2.8868	2.4916	203.2847	98.17
e	CONSOLIDATED ACCT***	12.1475	10.8829	6.8616	7.0809	10.2731	8.6820	5.6420	6.9447	5.1360	4.0728	7.1182	5.1912	7.5380	85.4235	703.22
f	NITDEF	42.5361	0.0978	0.0329	0.0322	0.0759	3.8232	5.1875	2.2703	0.1215	0.0471	0.0389	0.0389	0.0871	11.8533	27.87
g	* Amnesty Tax	305.0000														
h	Total Non-oil (b+c+d+e+f+g)	4,081.0161	204.0893	162.9639	161.7856	242.8523	220.1794	347.3604	316.9911	258.9655	178.0770	257.4259	261.0910	241.5294	2,853.3107	69.92
i	Grand Total (a+h)	6,747.0344	384.9874	459.0512	329.5753	440.4434	406.9408	486.8602	477.6180	524.9513	377.8482	533.4811	493.6284	405.5062	5,320.8914	78.86

FIGURE I: GRAPHICAL COMPARISON OF REVENUE COLLECTION PERFORMANCE FOR 2018 AND 2019

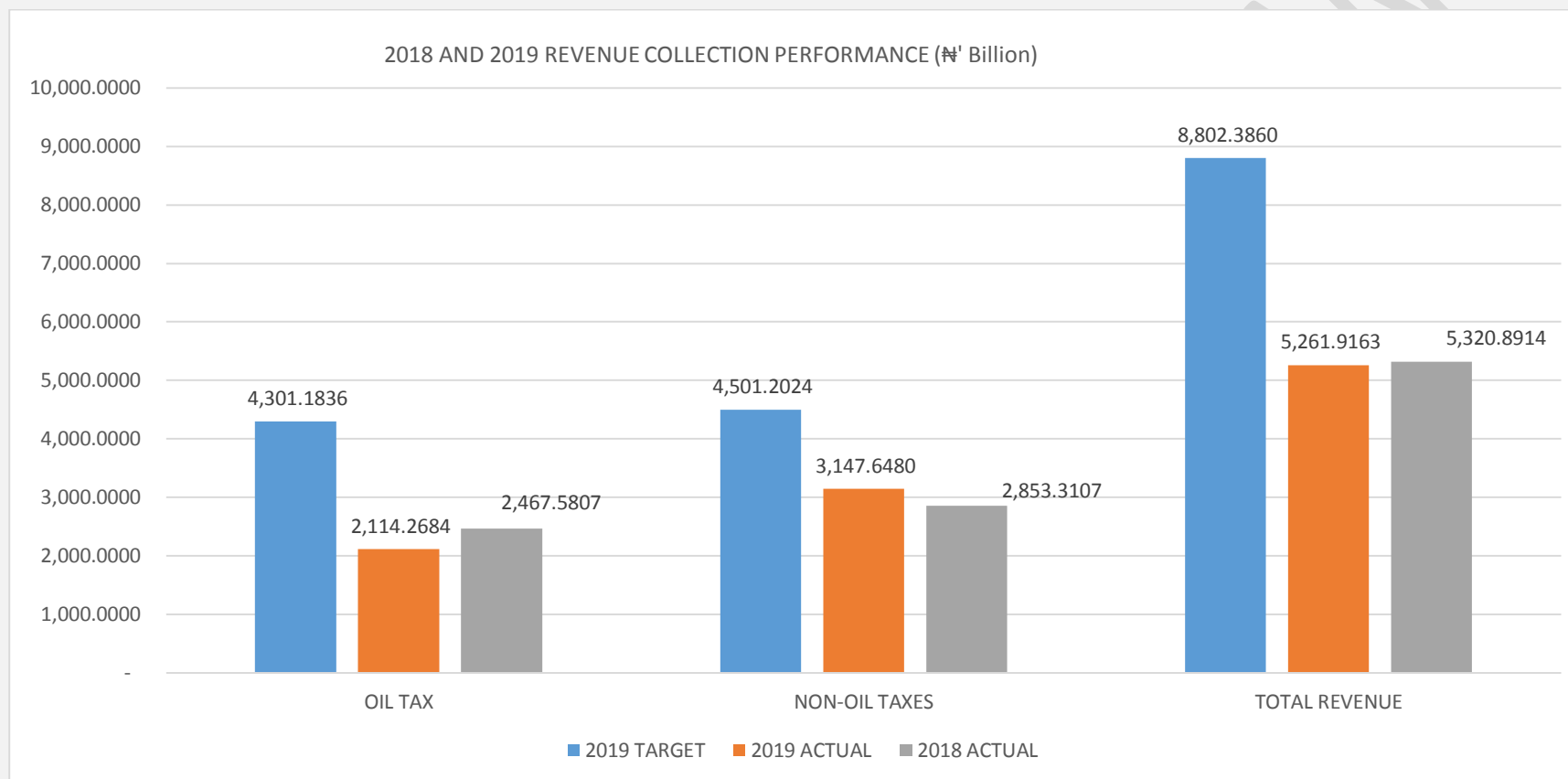


FIGURE II: REVENUE PERFORMANCE ACHIEVEMENT BY TAX TYPES

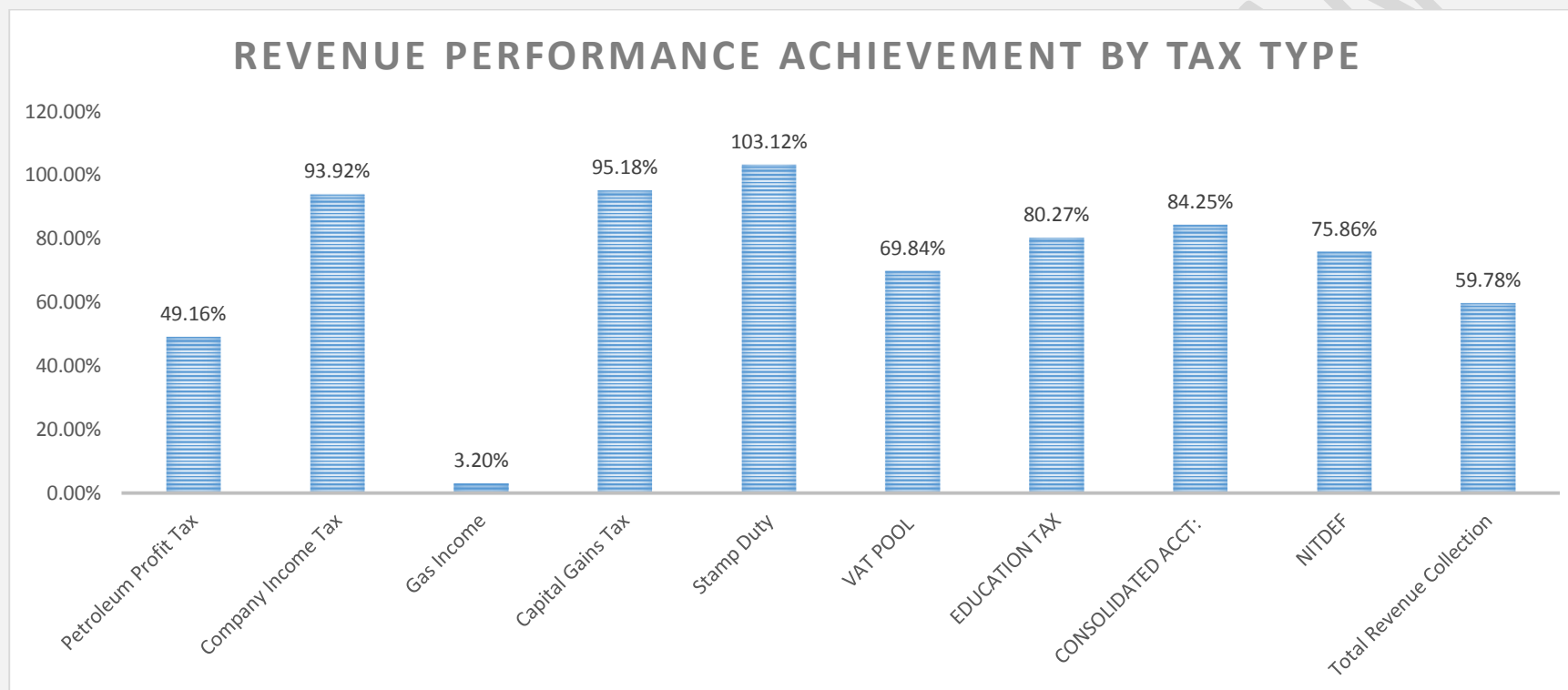


FIGURE III: REVENUE PERFORMANCE (CONTRIBUTION OF OIL AND NON-OIL)

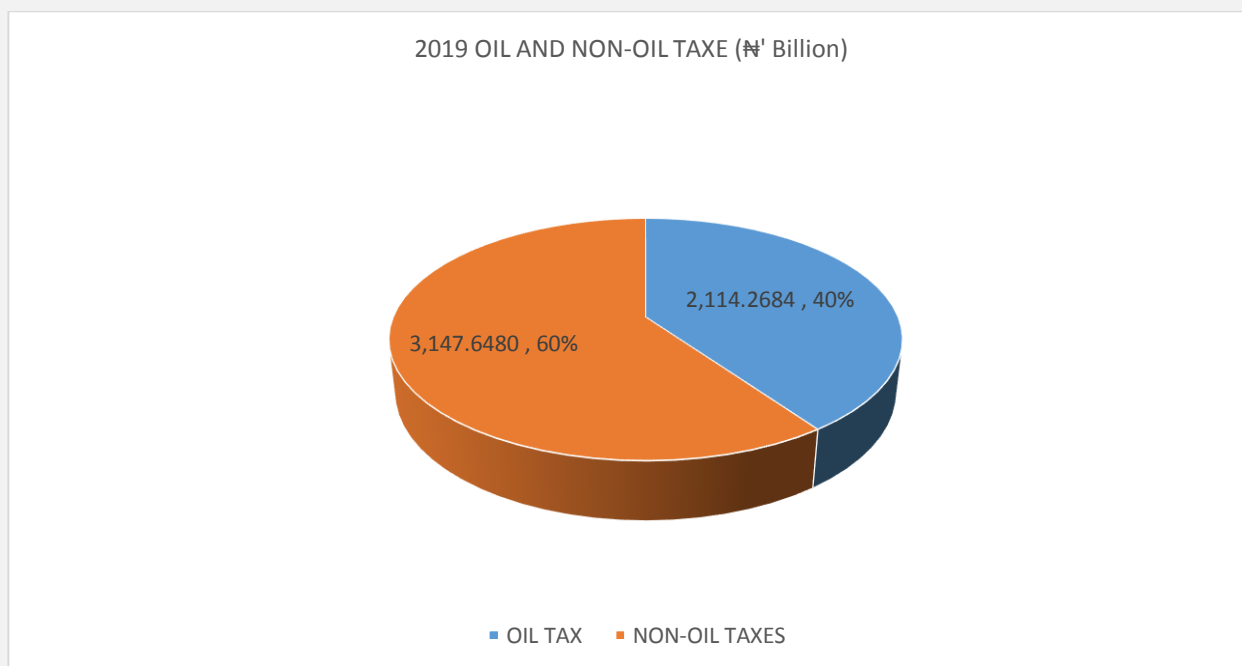
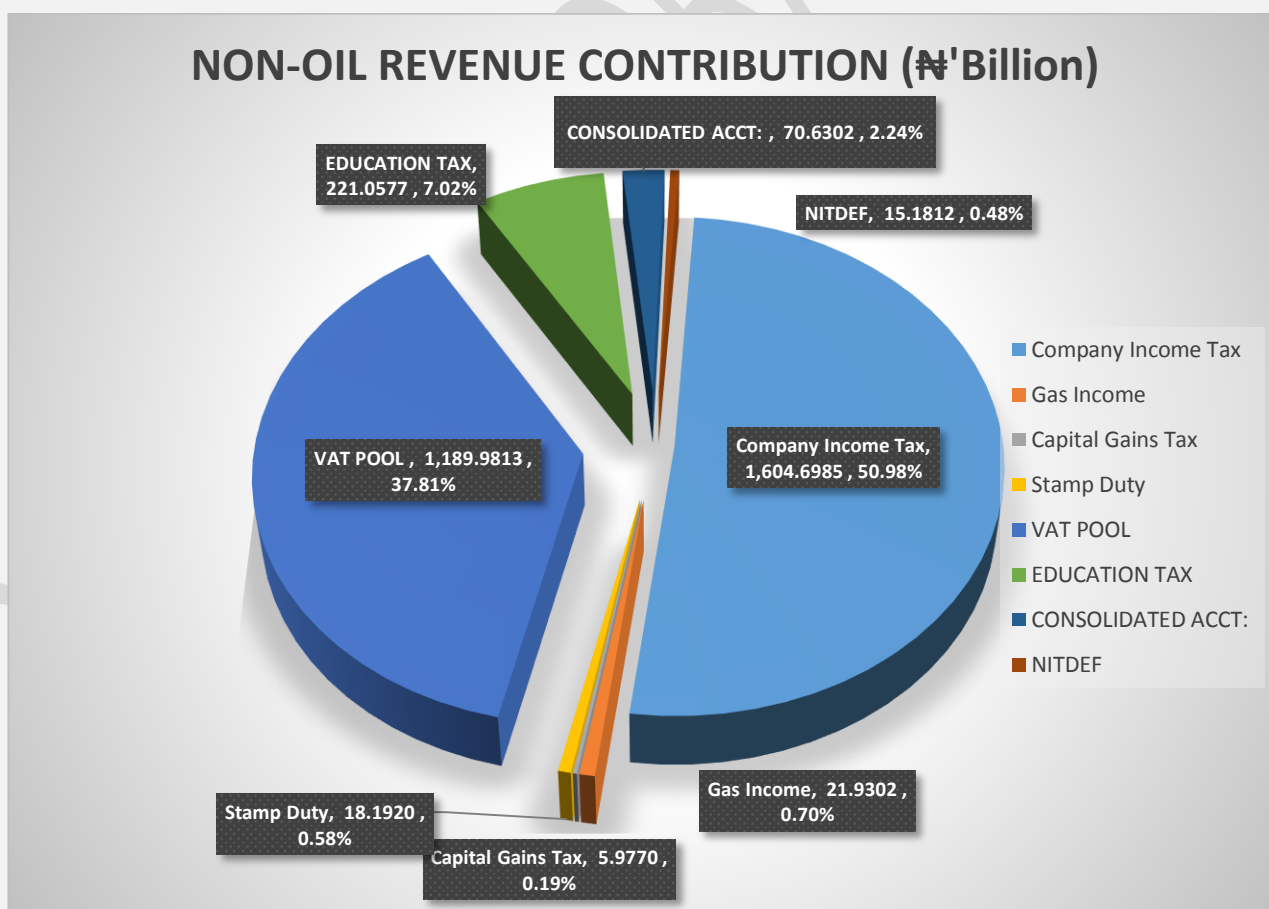


FIGURE IV: NON-OIL REVENUE CONTRIBUTION BY TAX TYPE



4.0 FIRS OPERATING ENVIRONMENT AND OUTLOOK FOR 2020

Global economic growth is projected to pick up to 3.3 percent in 2020,¹ reflecting primarily a projected improvement in economic performance in a number of emerging markets in Latin America, the Middle East, and others that are under macroeconomic strain. However, with uncertainty about prospects for several of these countries, a projected slowdown in China and the United States, and prominent downside risks, a much more subdued pace of global activity could well materialize. To forestall such an outcome, policies should decisively aim at defusing trade tensions, reinvigorating multilateral cooperation, and providing timely support to economic activity where needed. To strengthen resilience, policymakers should address financial vulnerabilities that pose risks to growth in the medium term, making growth more inclusive, which is essential for securing better economic prospects for all, should remain an overarching goal.²

Global Oil Market

The dynamics of the global oil market keep changing vis-à-vis the earlier projections made for the year 2020. The oil market was doing well with improvements in oil prices at the beginning of the year, though there were projections for a probable decline in the growth in oil demand in Organization for Economic Cooperation and Development (OECD) countries starting from Mid-2020. The improvement in oil prices was however short-lived as crude oil prices have come under strong pressure on both demand and supply sides, with worries about the Coronavirus (COVID-19) pandemic decreasing oil demand continually since the outbreak of the virus while over-supply fears have grown after top exporter Saudi Arabia raised output and dropped prices to increase sales to Asia and Europe in the wake of the pandemic.

The global oil market is one of the worst hit by the COVID-19 pandemic. The impact of the Covid-19 related developments on an already fragile global economic situation has been quite challenging and requires coordinated global policy action of all market participants. The fall in oil prices has decreased oil revenue for all exporting countries.

Interestingly, OPEC still sees a rise in global crude oil demand for year 2020 despite the spread of the coronavirus, but now expects an increase of just 60,000 bpd, which is much

¹ IMF, *World Economic Outlook Update*, 1 (January 20 2020). Available at <https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020> (accessed 4 February 2020)

² See Highlights/Breakdown of the 2020 Approved Budget (Presentation by the HMOF/BNP 19th December, 2019)

less than its forecast at the beginning of the year, the organization said in its first analysis of 2020 market fundamentals.³

OPEC estimates that total global oil demand will come in at 99.73 million bpd in 2020, with the second half of the year expected to see higher consumption than the first half.

Original forecasts for growth in crude demand in 2020 have been slashed, as factory operations, travels and other economic activities around the world have been heavily curtailed by measures aiming to contain the coronavirus pandemic.

Goldman Sachs projects that oil prices could drop to as low as \$25 per barrel by April, 2020. This is as crude oil consumption is dropping owing to the shutting down of several production factories across the globe – all in the bid to contain the ravaging virus.

Oil prices are sensitive to geopolitical tensions, adding to the worsening COVID-19 pandemic situation, the unrelenting price war between Russia and Saudi Arabia has taken a toll on oil price. There is an unusually high degree of uncertainty in the global oil market, a situation which may not improve soon.

Back home, Nigeria faces the challenge of huge revenue decline, the Federal Government of Nigeria has slashed her national budget by N1.5trn and reduced oil price benchmark to \$30 (with considerations to further reduce the benchmark to \$20), owing to the huge daily decline in oil prices, accompanied by a reduction in the oil benchmark as well as global oil demand. Nigeria's 2020 budget which was signed into law in December 2019, was based on projected oil production of 2.18 million bpd with the benchmark price of \$57 per barrel. The review of the budget became necessary in the face of reality. There is a continuous high degree of uncertainty in the global oil market with oil losing grounds daily as the pandemic ravages the world, putting economic activities under unprecedented threats in varying degrees across the world.

Sub-Saharan Africa

Africa's economy continues to grow stronger. Regional growth is expected to accelerate to 3.6% in 2020. This projection is based on the following assumptions: that investors' sentiments towards some of the large economies of the region improves, oil production will recover in large quantities for the major exporters in the region, and that robust growth in

³ See OPEC Publication (Revenue and Outlook 2020) <https://www.opec.org>

non-resource-intensive economies will be underpinned by continued strong agricultural production and sustained public investment. While per capita GDP is expected to rise in the region, it will nevertheless be insufficient to significantly reduce poverty. In 2020, growth in South Africa, Angola and Nigeria is anticipated to rise to 1.5%, 2.9% and 2.2% respectively.⁴

Domestic Economy

Nigeria's economy is still recovering from the substantial terms-of-trade shock that triggered the 2016 recession. Over the past two years, the rebound in oil prices, a tight monetary policy, and a convergence in foreign exchange windows have helped reduce inflation and rebuild external buffers. However, persistent structural and policy challenges, including a large infrastructure gap, low revenue mobilization, and high dependence on "hot money" constrain growth to below the level needed to reduce vulnerabilities and improve development outcomes. With the general election now over, there is a greater chance for faster policy implementation.⁵

The federal government's fiscal expenditure framework for 2020 has a budget of ₦10.59 trillion, recurrent expenditure of ₦4.84trillion, capital expenditure of ₦2.78trillion and debt servicing of ₦2.45 trillion. The assumptions are oil production of 2.18mbpd, oil price of \$57pb, exchange rate of ₦305/\$ and inflation rate of 10.81%.

Real GDP is projected to grow by 2.93% in 2020 as implementation of the Economic Recovery and Growth Plan (ERGP) gains pace. However, the slide in oil prices from late 2018 coupled with an output cut imposed by OPEC poses a downside risk to the economic outlook.

The outlook depends on the pace of implementation of the ERGP, which is anchored on Nigeria's industrialization by establishing industrial clusters and staple crop processing zones to give firms a competitive edge through access to raw materials, skilled labor, technology, and materials.

⁴ See McKinsey & Company Energy Insights Outlook Overview (Global Oil Supply & Demand Outlook 2035), available at www.mckinsey.com.

⁵ See IMF Publication (Nigeria: 2019 Article IV Consultation – Press Release; Staff Report; and Statement) by the Executive Director for Nigeria.

The Power Sector Reform Programme, if effectively implemented, could attract private investments. It targets 10 gigawatts of operational capacity by 2020. From a tax perspective, this is welcome as it is bound to have positive impact on revenue collection especially in the mid to long term. This is because of the debt finance and capital expenditures that would most likely be expensed in the short term. Notwithstanding the foregoing, some collection would still be made in the short term from vendors that will service the new investments. However, to achieve this, Nigeria needs to reorient its federal budget, currently dominated by recurrent spending, towards more capital expenditure and accumulate savings to sustain social spending.

Nigeria signed the African Continental Free Trade Agreement (AfCFTA), which allows goods to move between member states in Africa without tariffs. This agreement favours African nations that have lower costs of production, as they can export cheaper and gain market share. As the AfCFTA effectively removes the intra-African borders in the context of trade, it is expected that there would be a drop in the VAT collection from the Nigerian Customs Service.

With increasing domestic debt burden, the percentage of revenues spent on debt servicing in Nigeria is rising; even though the country's debt burden has increased by as much as 128% in the last eight years, Nigeria's Debt to Gross Domestic Product ratio however remains low.

The Federal government is favourably disposed to diversifying its earnings with a greater focus on non-oil and gas earnings. To this end, the new Finance Act is expected to be operational in 2020. The implementation of the provisions of the Act is expected to increase the Federation's tax to GDP ratio and stimulate economic growth. The early passage of the 2020 budget (tagged "Budget of Continuity, Sustaining Growth and Job Creation") is a remarkable development which will enable the economy return to a predictable January to December fiscal year and is hoped to impact the economy positively if fully implemented.

The economy is on the path of growth, having recorded ten consecutive quarters of positive growth since the exit from recession, though the growth levels remain below desirable targets. It is hoped that the economy would do better in 2020 with significant improvements in all indices.

There is a need for the Service to reposition itself, re-align its operations and processes to take advantage of the prospects in the economy and surpass its 2020 revenue collection target of ₦8.5trn.

5.0 SWOT ANALYSIS

Conducting a SWOT analysis to identify the internal and external factors that would impact the operations of an organization is a critical part of the planning process, and strategic plan development in particular. Therefore, to prepare the Service to take advantage of its strengths and opportunities, and also deal effectively with challenges within and outside the organization we conducted a SWOT analysis of both our internal and external operating environments to identify the organizational strengths, weaknesses, opportunities open to us and the threats that may hinder our operations and efficient service to our taxpayers in the year and beyond. The outcome of the SWOT analysis is highlighted below:

5.1 Strengths and Weaknesses

Strengths and weaknesses are factors internal to the organization and are within the control of the organization. While strengths are those inherent factors within the organization that will allow future strategies to be successfully implemented, weaknesses are those internal processes, resources, cultural or political factors that will likely be barriers or obstacles to achieving set objectives such as delivering optimal value to taxpayers. The following strengths and weaknesses have been identified for FIRS:

5.1.1 Strengths

- i. Powers conferred on the Service by FIRSEA and other extant legislations
- ii. Qualified, competent, committed and dynamic leadership (Board/Management Team)
- iii. A clear vision for the organization's objectives and future state, with well-articulated strategies of achieving them
- iv. Increased workforce comprising experienced, knowledgeable old staff and new, young and hi-tech staff
- v. Presence of e-payment gateways
- vi. Presence of tax offices nationwide
- vii. Financial autonomy (adequate resources and self-funding of operations)
- viii. Monopoly over tax administration

5.1.2 Weaknesses

- i. Non-adherence to standards, operational procedures and processes, and duplication of functions at the Headquarters
- ii. Taxpayers' compliance with self-assessment is still low
- iii. Concentration of approving powers for operational activities at the center and none delegation of responsibilities for effective performance
- iv. Poor and haphazard coordination between departments and functions
- v. Suspension of structured performance monitoring systems for tax revenue drivers
- vi. Absence of clear reporting lines
- vii. Data integrity issues within the system
- viii. Sub-optimal tax compliance
- ix. Lack of job satisfaction
- x. Lack of proper orientation and training for new staff
- xi. Ineffective communication between staff and management and absence of feedback mechanism
- xii. Inadequate training/capacity building
- xiii. Inadequate working tools/ICT equipment and software.

5.2 Opportunities and Threats

Opportunities and threats exist in the external environment which the organization has little or no control over. These external factors often impact the organization directly should they crystalize. The opportunities and threats to FIRS' operations include but are not limited to the following:

5.2.1 Opportunities

- i. Sustained Government support
- ii. Presidential assent of the Fiscal Amendment Act (Finance Act)
- iii. Implementation of Deep Offshore Inland Basin Production Sharing Contract (DOIBPSC) amendment Act
- iv. The timely passage of the FGN 2020 budget and its focus on fiscal consolidation, growth and job creation
- v. Strong support from Development Partners e.g. The World Bank, IMF etc.
- vi. Availability of Foreign Technical Assistance
- vii. Increased collaboration and networking with other Tax Authorities (local and foreign)
- viii. Relatively stable political climate

5.2.2 Threats

- i. Continuing security challenges especially in the North-East region and other volatile parts of the country
- ii. Substantial underground economy (rapidly growing informal sector)
- iii. Loss of institutional goodwill
- iv. Indiscriminate grant of Tax waivers (tax exemptions and concessions)
- v. Natural disasters that may impact revenue collection

6.0 2020 CORPORATE GOALS AND OBJECTIVES

2020 GOALS AND OBJECTIVES

In 2020, the Service will continue to pursue the major goals as identified in the 2016-2020 Medium Term Plan, in alignment with Nigeria's Vision 20-20-20 and the ERGP. Having reviewed year 2019 performance alongside the recommendations from International Monetary Fund-Fiscal Affairs Department (IMF-FAD) based on the Tax Administration Diagnostic Assessment Tool Performance Assessment Report (TADAT-PAR), the four (4) Goals and ten (10) objectives identified for the year as well as the proposed strategies and initiatives for achieving them are highlighted below:

6.1 MAXIMIZE REVENUE COLLECTION

Objective I: Achieve Government Revenue Targets

Suggested Strategies:

- Conclude and fully implement automation of VAT collection at source in the Aviation sector and extend same to other key sectors (Power, Telecommunication, Oil & Gas, Hospitality, etc.).
- Innovate approaches to enhance collection in sectors with low compliance, such as the informal sector.
- Strengthen intelligence gathering on bank accounts that have turnover of ₦100 million and above.
- Extend withholding VAT charge to other companies apart from Government and Oil & Gas, i.e. all Public Interest Entities (PIEs), which are backed by strong refund process.

Objective II: Strengthen Audit and Investigation Functions

Suggested Strategies:

- Reorganize and strengthen the Audit Staff and process.
- Revitalize the Tax Investigation function in the Service.
- Establish a systematic risk based approach to case selection processes.

- Focus audit coverage on areas of highest risks (e.g. large taxpayers and critical economic sectors).
- Establish an automated cross-checking process to verify information in tax declarations with third parties (data centric environment).
- Improve the capabilities of the audit teams through training and upgrade of working tools.

Objective III: Strengthen Payment and Arrears Management

Suggested Strategies:

- Develop and deploy an automated tax arrears management system that facilitates tracking and monitoring of debt cases.
- Develop and implement action plan to write-off uncollectable debts.
- Facilitate closure of outstanding cases by the Tax Appeal Tribunal (TAT) backed by monitoring of the closure of cases by region. Propose amendment to the tax laws to include payment of assessed tax liability before appeal.
- Recovery of outstanding PPT as established by various audits, including NEITI.
- Develop a clear monitoring plan for non-filers.
- Develop a programme for the effective recovery of tax arrears and enhance enforcement activities to boost compliance and arrears reduction.

6.2 ENHANCE VOLUNTARY COMPLIANCE

Objective IV: Enhance Taxpayers Education and Enlightenment

Suggested Strategies:

- Proactively and routinely inform taxpayers on changes in tax laws or administrative policies before obligation becomes effective.
- Provide a clear, complete, accurate and timely guidance to taxpayers to help them understand and meet their obligations under the tax laws.

- Continuous Taxpayer Engagement and Education to sustain and enhance taxpayer enlightenment with focus on voluntary compliance.
- Customize information to meet the specific needs of particular taxpayer segments.
- Introduce a Taxpayer Appreciation Day to celebrate consistently compliant taxpayers.

Objective V: Strengthen Stakeholder Relationship

Suggested Strategies:

- Formalize MOU's with key FIRS strategic partners (NCS, CAC, NPC, CBN, NCC, NIPC, NBS, NIA, SEC, NPA, Federal Ministry of Industry, Trade and Investment, NFIU etc.) to facilitate the securing, analysis and matching of bulk data.
- Conclude seamless interface of FIRS/NCS database for real-time import VAT.
- Continue consultation with the relevant stakeholders for further review and propose update of the tax laws targeted at emerging industry 4.0 sector types (digital economies e.g. online VAT).
- Conclude and implement the Automatic Exchange of Information (AEOI) implementation process and commence automatic exchange of information.
- Expand/harmonize the Tax Identification Number (TIN) database to cover Federal, State and LGAs to establish a reliable tax base across Nigeria (leveraging on JTB data).
- Set up revenue war rooms integrated to banks to tackle tax evasion.

6.3 IMPROVE SERVICE DELIVERY

Objective VI: Improve Internal Operations

Suggested Strategies:

- Review the organizational structure and reporting lines to increase efficiency and effectiveness.
- Implement Compliance Risk Management Strategies (CRMS) Plan.
- Ensure compliance to organizational policies, procedures and processes.
- Optimization of SAP modules.

- Develop and Implement a clear strategy to harmonize data and decommission legacy systems.
- Deployment of Fit for use tax administration system.
- Conclude and implement FIRS' Taxpayer Register Data Cleansing Policy.

Objective VII: Enhance E-Service Solutions

Suggested Strategies:

- Implement more effective procedures for maintaining the integrity of the taxpayer register including the use of electronic third party information.
- Establish FIRS Point of Service for taxpayers to update their details online and clear internal procedures for staff to update the register.
- Enhance FIRS website with on-line services capabilities.
- Upgrade/review FIRS IT infrastructure operations
- Complete ISO 27001 certification to support automatic exchange of information

Objective VIII: Increase Taxpayer Satisfaction

Suggested Strategies:

- Provide unique quality tailor-made taxpayers services to all taxpayer segments.
- Conduct a Taxpayer Perception Survey (coordinated by an independent body), evaluate the feedback received from the exercise and use it to improve the Taxpayers Service Strategy.
- Improve Taxpayer Service Processes and establish an effective customer care center.
- Develop an effective Taxpayers Service Delivery Plan.
- Automate FIRS Helpdesk with internationally acceptable functionalities.

6.4 STRENGTHEN ORGANIZATIONAL CAPACITY

Objective IX: Provide a Conducive and Secure Working Environment

Suggested Strategies:

- Ensure all offices are provided with needed facilities and equipment that will aid effective operations.

- Carry out periodic safety and security assessment of offices and facilities to identify gaps and provide timely remediation.
- Ensure the provision of working tools, operational vehicles for smooth operations.

Objective X: Improve Performance Management

Suggested Strategies:

- Implement a comprehensive framework for performance management to cover all functional areas of FIRS.
- Provide staff with the necessary support for high performance (Tools/Technology/Skills).
- Create proper and effective internal alignment between Structure, people and business process Strategy/Goals.
- Conduct relevant training to improve staff capacity.

APPROVAL PAGE

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