



2021 – 2024 MEDIUM TERM PLAN

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EXECUTIVE CHAIRMAN'S MESSAGE



I am honored to serve as the Executive Chairman of the Federal Inland Revenue Service. The 5th Medium Term Plan (MTP) covers a period of four years (2021-2024). The success and pitfalls of the expired 2016-2020 MTP have set the stage for the 2021-2024 MTP to address the vital issues that will drive the vision of the Service.

This Plan is designed to key into the Federal Government Strategic Revenue Growth Initiative (SRGI), 2020 Finance Act and the four cardinal pillars of the current Management which are; Achieving Government Revenue Targets, Building a Data-centric and Customer Centric Organization, and Strengthening FIRS Institutional Framework. The plan shall also focus on strengthening relationships between FIRS and its stakeholders through various engagement forums.

To achieve the desired goals and objectives of the Service, we need an efficient administrative capacity encapsulated with well trained and motivated staff. Over the next four years, we shall give emphasis to capacity building of our work force to ensure that we retain the right employees who will drive excellence in our operations and enable the actualization and implementation of future strategies.

Also, the need for continuous digitization of our tax processes cannot be over emphasized. The board and Management are pursuing strategies that will ease our tax administration processes to meet the needs of our stakeholders. In the course of the next four years, the Service shall adopt better use of information and communication technology to transform both our internal processes and the relationship between the Service and taxpayers. The 2020 Finance Act will assist the Service enormously in information, intelligence and data gathering for improved tax administration. The full adoption of Taxpro (e-solution platform) will also help the Service in actualizing its goal of becoming a Data-Centric Organization.

While we are optimistic, we take nothing for granted. We will remain vigilant and focused on the key value drivers of our business which is to assess, collect and account for all



taxes accruable to the Federation. It is paramount that we create the right environment for all our stakeholders in order to maximize revenue potentials in Nigeria's economy by making taxation a major source of revenue for the government.

It is important to note that FIRS plays a very critical role in the provision of revenues that would allow the Federal Government finance critical public expenditure, address the current health crisis and support future economic development. By working together as a team, we hope to take the Service to the desirable height and ensure that the goals and objectives of the Service are actualized. We are confident that we have the skills to successfully pursue the actions in this plan and most importantly deliver on our mandate.

Muhammad Nami

Executive Chairman

PART 1: INTRODUCTION

This Medium-Term Plan is the fifth strategic plan since the commencement of FIRS reforms in 2004 and is for a period of 4 years (2021-2024). The first plan spanned the period 2004-2007 while the second and third covered the period 2008-2011 and 2012-2015 respectively. The fourth plan which has just expired was for the period 2016-2020. All the aforementioned plans were keyed to the Federal Government of Nigeria Vision 20:2020 which also expired in 2020.

This current plan 2021-2024 comes at a strategic moment when Federal Government has set an ambitious target of increasing tax revenue by approximately 7.0 percent of GDP in five years, bringing total tax revenue to gross domestic product (GDP) to 15 percent by 2025. To reach this goal the FGN developed a Strategic Revenue Growth Initiative (SRGI) with four main objectives: raise revenue to GDP to 15 percent; expand the tax base; counter tax evasion and promote cultural change to encourage payment of taxes by citizens; enhance transparency and reduce corruption in the tax system and improve compliance'. Thus, to play its statutory role in realization of this program, the FIRS 2021-2024 Medium-Term Plan will align with the Strategic Revenue Growth Initiative of the Federal Government.

The plan will also focus on implementing various measures in the 2020 Finance Act and CAMA 2020 which would be pivotal in meeting Government revenue targets.

This plan will also accentuate the four cardinal pillars of the current Management which are; Achieving Government Revenue Targets, building a Data-centric and Customer Centric Organization, Strengthening FIRS Institutional Framework and Strengthening relationships between FIRS and its stakeholders.

The 2021-2024 Medium Term Plan reviews the 2016-2020 plan. 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.

PART 2: FIRS MANDATE, VISION, MISSION AND CORE VALUES



Mandate

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



Vision

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



Mission

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



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

PART 3: OPERATING ENVIRONMENT AND OUTLOOK 2021-2024

Global Outlook

For most countries and regions around the world, economic situations remain highly fluid. Financial markets, investment and corporate decision-making and global economic growth projections have been beclouded by an unusually high degree of uncertainty resulting from the nature of the COVID-19 pandemic and policy responses targeted at containing its spread. The severity and duration are subject to significant uncertainty and this has fundamentally changed the prospects of the global economy for the short, medium and potentially, long-term.

Compounding the economic situation has been a historic drop in the price of crude oil. While prices have recovered somewhat from the low of around \$20 per barrel, they continue to hover around \$40 to \$45 per barrel, reflecting the decline in global economic activity, while also contributing to the decline of the global economy through various channels. Estimates so far indicate the pandemic could trim global economic growth by 3.0% to 6.0% in 2020, with partial recovery expected in 2021.

Before the outbreak of COVID-19, the global economy was struggling to regain a broad-based recovery as a result of the lingering impact of growing trade protectionism, trade disputes among major trading partners, falling commodity and energy prices, and economic uncertainties in Europe over the impact of the UK withdrawal from the European Union¹. These uncertainties remain unresolved and have weakened the global economy and reduced the available policy flexibility of many countries, especially, the leading developed economies.

The economic fallout from the pandemic raises the risks of a global economic recession with levels of unemployment not experienced since the Great Depression of the 1930s. The human costs in terms of lives lost will permanently affect global economic growth in addition to the cost of rising levels of poverty, lives upended, careers derailed, and increased social unrest². As a result, initial growth forecast around the world by International Monetary Fund (IMF), World Bank, Organization for Economic Cooperation and Development (OECD) have all been revised downward.

Global trade is also projected to fall by 18%, depending on the depth and extent of the global economic downturn, exacting an especially heavy economic toll on trade-dependent developing and emerging economies.

The introduction of monetary and fiscal measures in the form of stimulus packages, interest rate reduction, tax cuts and all forms of bailouts by various countries as well as the provision of emergency funds by IMF, World Bank, African Development Bank among others will soften the impact of the pandemic in the short term and position the economy for medium to long term recovery and growth. However, fiscal debt is estimated to widen as governments spend significant amounts to attempt to mitigate the impact of the pandemic and the economic downturn. IMF has predicted a fiscal deficit of 5 percentage points of GDP for developing economies. Even though this is expected to worsen the existing debt positions of these countries and may likely trigger their financial crisis, the debt impact will depend on the sound policy choices such as sound debt management and transparency, good governance, effective regulation and supervision and robust macroeconomic policies.

Global Oil Market

Following the unprecedented oil demand shock in the 1st quarter of 2020 caused by the economic conflict of Saudi Arabia and Russia and the COVID-19 pandemic, commodity prices have experienced excessive volatility. Crude oil prices reacted abruptly, by declining by more than 70% from the start of the year 2020 to stand at an 18-year low of about \$20 per barrel. The downturn was particularly pronounced in jet fuel due to the suspension of air travel. The fall in oil prices has further worsen the revenue profile of resource depended countries thus plunging them into higher fiscal deficits.

The goal to restore the balance in the market by signing of the declaration of cooperation to adjust production by OPEC and non-OPEC members and the introduction of measures to ease lockdown by most countries has seen the gradual return of economic activities. This has brought about increase in demand for crude oil, particularly from China thus reflecting in its rising price from as low as \$20 per barrel to

about \$45 per barrel. This recovery, if sustained, will provide the much-needed resources to the government to finance its program.

Domestic Outlook

Since the exit of 2016 recession, Nigeria's economy was on the gradual recovery path driven on the supply side by services sector, agriculture and oil industry which contributed about 50% to GDP; and on the demand side by growing net exports and investment. The global shock delivered by the pandemic changed the prospects of the global economy for the short, medium and long-term. The outlook for emerging market and developing economies have been revised to contract by 2.5 percent. For Nigeria, growth forecast has also been revised to contract by 3.2% due to limited fiscal space, the baseline assumption that oil price will average \$35 per barrel and that the spread of the virus will be contained before the end of 2020.

With uncertainty over the long-term impact of the pandemic, various fiscal and monetary measures have been introduced to stimulate aggregate demand and reposition the economy to the path of growth. One of such policy measures is the Nigeria Economic Sustainability Plan (NESP). It is a 12-month, 2.3 Trillion Naira 'Transit' Plan between the Economic Recovery and Growth Plan (ERGP) and the successor plan to the ERGP. It is designed to promote local production, services, bring about innovations and use of local materials; ensure liquidity, prevent business collapse and stave off worst impact of potential recession; support of Medium, Small and Micro Enterprise (MSME) by providing low interest loans and promoting their ease of doing business; job preservation and creation by investment in labour intensive infrastructure programs such as mass housing, roads, facility maintenance. This plan is expected to stimulate economic activities for short, medium and long term.

In addition, the fiscal space in the medium to long term is expected to be enhanced through the Central Bank of Nigeria (CBN) monetary policy interventions such as the disbursement of 50 billion-naira (\$138.89 million) credit facility to households and small and medium enterprises most affected by the pandemic, a 100 billion-naira (\$277.78 million) loan to the health sector, a 1 trillion naira (\$2.78 billion) to the manufacturing

sector and an one-year moratorium and interest rates reduction from 9 to 5 percent on all CBN interventions facilities.

The resumption of aviation sector and the reopening of the economy is expected to enhance demand for crude oil. This will raise oil revenue and spur the performance of associated sectors within the industry.

It is hoped that the Service will maximize revenue collection by taking advantage of the opportunities provided by the economy for the short, medium and long term.

PART 4: SWOT ANALYSIS

Following the general review of the environment undertaken, the opportunities offered and threats posed by the environment to the operations of FIRS in the Plan period 2021-2024 will now be deciphered. These will be reviewed along with the internal strengths and weaknesses identifiable in order to properly situate FIRS for greater performance in the Plan period.

STRENGTHS

1. Strong legal framework (FIRSEA) that gives FIRS organizational autonomy.
2. Highly educated and skilled staff.
3. Dynamic & committed Management.
4. New Organizational Structure aligned to people and processes.
5. Modern ICT infrastructure.
6. Conducive work environment & modern work tools.
7. Wide spread coverage to reach out to taxpayers around the country.
8. Restructuring of the Tax audit and Investigation functions.

WEAKNESSES

1. None adherence to standards, operational procedures and processes.
2. Skilled gaps in specialized sectors such as the digital economy and extractive industries.
3. Un-coordinated compliance improvement strategies.
4. Failure to imbibe a risk culture in the Service.
5. Poor Data Management across the Service.
6. Communication Gap between Management and staff.
7. Weak Performance Management System.
8. Absence of targeted training and capacity building for staff.
9. Inadequate use of criminal proceedings against tax defaulters
10. Lack of synergy among operating units in the Service.
11. Unethical practices performed by some staff.
12. Inadequate succession planning and implementation.

OPPORTUNITIES

1. Federal Government's commitment to enact Finance Acts annually.
2. Membership and collaboration in international organizations.
3. Sustained government support.
4. New taxable segments such as the digital economy.
5. Fairly stable political climate.
6. Government deliberate policy to diversify the economy away from oil to Non-oil.

THREATS

1. The economic impact of the COVID 19 Pandemic
2. Increased cost of doing business.
3. Unascertainable Tax expenditure (untracked granting of tax waivers and pioneer status)
4. Decline in oil production, supply and pricing.
5. Unstable exchange rate.
6. Taxpayer apathy towards payment of taxes
7. High incidence of insecurity experienced in the country.

PART 5: THE MAIN GOALS FOR 2021-2024

Over the years, FIRS has chosen the Balanced Scorecard as a planning tool. In this regard, for the period 2021 to 2024, FIRS will have four main strategic goals in line with the four perspectives of the balanced scorecard model; Financial, Internal Processes, Customers and Learning and Growth Perspectives.

All other short-term objectives will be derived from and geared towards achieving these major objectives.

1.	<p>Achieve Government Revenue Targets;</p> <p>A key responsibility of the FIRS is to raise revenue to finance government expenditures at all levels; Federal, State and Local Governments. Whatever we do therefore is geared towards performing this onerous and most important function. We will therefore deploy all our existing resources and seek to acquire more resources and capabilities to achieve this. We will deepen collaboration with all relevant stakeholders in the Nigerian tax system and indeed the entire economy to enable us achieve this important objective.</p>	<p>Strategies:</p> <ul style="list-style-type: none"> i. Implement a comprehensive Compliance Improvement Plan for all taxpayer segments (Large taxpayers, Medium taxpayers and Medium & Small taxpayers). ii. Develop and implementing an e-commerce strategy for the digital economy. iii. Develop a programme for the effective recovery of tax arrears and enhance enforcement activities to boost compliance and arrears reduction. iv. Develop a more focused approach to audit with a smaller number of comprehensive audits and a more targeted approach to issue-oriented audits.
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		<p>v. Implement the key changes and initiatives introduced in the annual Finance Acts.</p> <p>vi. Simplify tax procedures and processes.</p>
2.	<p>Build a Data-Centric Organization;</p> <p>Making FIRS a Data-Centric institution is one of the key aspirations of Management. That is, one in which its people, processes, and technologies are all geared towards a clear goal of generating and utilizing clear and relevant data/information for efficient revenue generation.</p> <p>A data-centric organization aligns people, processes and technology to produce, organize, protect and use relevant information to move the organization forward. It places data at the heart of tax administration – gaining actionable insight and enabling better decision making.</p>	<p>Strategies</p> <ul style="list-style-type: none"> i. Develop and implement policies, procedures, standards and methodologies for data centricity. ii. Develop and Implement a digital transformation plan. iii. Fully deploy all modules of the TaxPro Max Solution to ease tax administration iv. Develop and implement a clear strategy to harmonize data and decommission legacy systems. v. Institutionalize and automate the exchange of data between FIRS and key strategic partners. vi. Strengthen Enterprise Risk Management to detect and mitigate institutional risks. vii. Implement the Compliance Risk Management Strategy.
3.	<p>Build a Customer Centric Institution;</p> <p>FIRS will be built into an institution that supports Nigeria's longing to become an</p>	<p>Strategies:</p>

	<p>investment destination by moving up further on the global Ease of Doing business ladder. This can only be done if the Service focuses on efficient service delivery to taxpayers and provides a positive customer experience on all tax processes.</p> <p>In the light of this, the Service is prioritizing Customer-centricity. Customer-centricity (also known as client-centricity) is a business strategy that is based on putting your customer and in our case the taxpayer first and at the core of your business in order to provide a positive experience and building long-term relationships. It involves aligning organizational resources for effectively responding to the ever-changing needs of customers, while building mutually profitable relationships.”</p>	<ul style="list-style-type: none"> i. Design and implement a Taxpayer Engagement and Awareness Framework. ii. Improve taxpayer assistance services. iii. Implement a robust customer relations management system. iv. Customize information to meet the specific needs of all taxpayer segments. v. Simplify administrative procedures and requirements for taxpayers. vi. Introduce a Taxpayer Appreciation Day to celebrate exemplary taxpayers. vii. Institutionalize Stakeholder Engagement to facilitate structured and consistent engagements that offer solutions to key tax issues.
4.	<p>Strengthen FIRS Institutional Framework;</p> <p>The institutional framework of the Service has weakened over time, hence during this period, Management plans to build and strengthen the capacity of departments, functions and staff. Fundamentally, rebuilding institutional framework will improve FIRS governance framework and performance.</p>	<p>Strategies:</p> <ul style="list-style-type: none"> i. Maintain a proper and effective alignment between organizational structure, people and business/internal processes. ii. Introduce a knowledge management framework, to build a

		<p>knowledge driven culture and increase level of expertise.</p> <ul style="list-style-type: none"> iii. Implement a comprehensive framework for performance management to cover all functional areas of FIRS. iv. Reposition FIRS Training School to ensure development of required skills. v. Continuously improve the welfare of employees to improve motivation and commitment to organizational goals. vi. Develop and Implement a robust succession plan. vii. Instill the FIRS core values in all staff to promote professionalism in the Service. viii. Ensure all offices are provided with needed facilities and equipment that will aid effective operations. ix. Provide staff with the necessary tools, technology and skills towards high performance.
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PART 6: PLAN MONITORING AND EVALUATION

Monitoring and Evaluation is central to the planning process in order to track the implementation of various initiatives and provide feedback necessary in the decision-making process.

Like in previous Medium – Term Plans, implementation of the Plan will be done through the Corporate Annual Plans with targets/goals cascaded to the Groups, Departmental and individual performance levels.

The planning starts with a clear view of the Service's direction/ intended outcomes and when carrying out monitoring and evaluation, the plan is kept in focus on high level objectives/outcomes.

In order to enhance institutional efficiencies, continuous monitoring of the plan shall be conducted to assess the achievement of the planned results and outcomes. FIRS has adopted a result-based management system hence the monitoring and evaluation framework is based on the result from processes, outputs and outcomes that collectively deliver the intended strategic goals.

Below is the process that cascades the corporate goals down to individual's level:

Level I: Corporate Balanced Score Card – comprises the high-level goals and objectives of the Service.

Level II: Departmental Balanced Score Card – specific departmental targets that contribute to the achievement of the Corporate Score Card.

Level III: Individual KPIs – Individual performance indicators. Targets with specific relevant interventions aimed at achievement of Level II departmental KPIs.

The monitoring of the plan will be coordinated as a corporate function under the Planning, Research and Statistics Department of the Service. Monitoring and Evaluation activities will be conducted on quarterly basis and management reports prepared.

PART 7: REVENUE FORECAST FOR 2021-2023

2021-2023 Approved Medium Term Fiscal Framework (MTFF)

	Tax Type	2021F (=N=)	2022F (=N=)	2023F (=N=)
	FEDERATION ACCT:			
a	OIL TAX			
	Petroleum Profits Tax	1,554,775,136,822	2,025,001,178,106	2,350,075,894,874
	Sub-total	1,554,775,136,822	2,025,001,178,106	2,350,075,894,874
b	NON-OIL TAXES			
	Company Income Tax	1,274,801,531,567	1,606,582,846,490	1,657,691,869,925
	NLNG Tax	202,070,326,095	254,661,381,910	262,762,734,768
	Gas Income	486,034,066,822	508,947,701,024	527,446,034,238
	Capital Gains Tax	7,258,508,670	9,147,616,497	9,438,622,807
	Stamp Duty	12,398,869,904	15,625,814,067	16,122,906,451
	Sub-total	1,982,563,303,058	2,394,965,359,988	2,473,462,168,189
		3,537,338,439,881	4,419,966,538,093	4,823,538,063,063
	OTHER NON-OIL TAXES			
c	VAT POOL			
	Non-Import VAT	1,378,760,105,684.28	1,468,734,566,925.88	1,521,266,901,476.74
	NCS-Import VAT	459,586,701,894.76	489,578,188,975.29	507,088,967,158.91
	Sub-total	1,838,346,807,579	1,958,312,755,901	2,028,355,868,636
d	EDUCATION TAX	323,287,939,274.03	377,277,025,132.80	467,240,672,912.97
	Consolidated Acc.	74,745,370,481.28	87,227,847,351.65	120,904,065,987.78
f	NITDEF	18,840,140,215.58	21,986,443,631.58	22,705,790,990.53
g	Total Non-oil (b+c+d+e+f)	4,237,783,560,607.93	4,839,769,432,005.20	5,112,668,566,715.93
h	Grand Total (a+g)	5,792,558,697,429.93	6,864,770,610,111.20	7,462,744,461,589.93

ASSUMPTIONS

1. Crude oil Production to average 1.86 mb/d for 2021, 2.09mb/d for 2022 and 2.38mb/d for 2023.
2. Crude oil price is projected to average \$40 pbl for the 3 year period.
3. Average exchange rate is projected at N360/\$1 for the 3 year period.
4. Tax Rate to remain the same for the period.

PART 8: REVIEW OF 2016-2020 MEDIUM TERM PLAN IMPLEMENTATION

8.1 Propose appropriate new taxes

Proposing new taxes during the review period would have been counterproductive as the focus of government was to simplify and reduce the number of taxes. In reality, the Federal Government of Nigeria wishes to provide fiscal relief for taxpayers and is presently reviewing/amending some of the tax laws through the Annual Finance Act that was introduced in 2019. The 2019 Finance Act introduced changes to CITA, VATA, PIT, PPT, CGT and Stamp Duties Act.

8.2 Ensure full implementation of the National Tax Policy

FIRS participated in two stakeholder engagements on the Draft Revised National Tax Policy Document held on the 7th and 8th of November 2016 in Abuja and Lagos respectively. Some technical issues were escalated and were resolved by the Tax Policy and Technical Committee

8.3 Expand tax treaty network as well as exchange of information agreements and MOUs with relevant Tax Authorities and other identified stakeholders

The Nigerian Double Taxation Agreement Model was reviewed by the Service in line with the outcome of the Base Erosion and Profit Shifting (BEPS) Project of the OECD Inclusive Framework. A Nigerian Tax Treaty Policy was also produced which provides a detailed direction that ensures consistency in the negotiation of tax treaties in Nigeria.

8.4 Introduce new initiatives to improve international tax.

Drafts of the Transfer Pricing Legislation, Regulation and TP Documentation Guidelines and Guidelines for Filing Income Tax Returns by Foreign Companies have been developed.

8.5 Host at least two international tax conferences:

Two international conferences were held during the period under review.

1. The 3rd International Conference on Tax in Africa (ICTA), held in Abuja on 29 September 2017. The ICTA, the flagship conference of the African Tax Administration Forum (ATAF), had as its theme: "Building Strong Domestic Tax Regimes in Africa: Strengthening VAT, PIT and CIT."

The focus of the conference was on domestic taxes, hence the theme for ICTA 2017. The Conference was focused on specific domestic taxes including VAT, Personal Income Tax (PIT) and Corporate Income Tax (CIT) due to their potential contribution and the underlying risks that are likely to undermine the revenue take.

2. The NTRN conference held in Abuja on 5th and 6th December 2019. The conference brought together stakeholders and showcased the best current research on the pressing challenges of taxation and revenue in Nigeria, exchanged ideas, and began conversations. The overarching theme of the two-day event was 'Revenue challenges online and offline: Bridging the digital divide in an analogue economy,' and papers featuring original research on any subject addressing this theme were presented. Submissions were sought from academics, tax professionals, social research groups and NGOs, or independent scholars.

SECOND PART: TAX LEGISLATION

8.6 Ensure legislation in place to support implementation of the National Tax Policy.

In line with the provisions in the National Tax Policy document the Service has continued to:

1. Collate and submit proposals for areas of amendments to the extant tax laws annually, some of the proposals featured in Finance Act 2019 & 2020.

2. Digitize tax administration processes for ease of tax compliance;
3. Conduct taxpayer engagement to educate taxpayers on their obligations under the extant tax laws.

The Minister of Finance on the other hand has continued to prepare annual amendments to support the annual budget of the Federation and specifically, to support the Automation of tax administration, the National Assembly through the Finance Act 2020 amended the FIRS Establishment Act to empower the Service to automate tax administration processes, including connection to taxpayers' system.

8.7 Review Current Regime of tax incentives for relevance and effectiveness.

The Federal Government of Nigeria invited the World Bank in 2020 to support it in building the first Tax Expenditure Statement of Nigeria. This thus implies a need to determine the tax measures that are tax expenditures as well as measuring the amount of the expenditure. This assignment will also enable the FGN determine the relevance of the current tax incentive regime and its effectiveness and if there is a need for review. The World Bank team worked with a team from FIRS to collect the relevant data for this assignment.

Preliminary report from the assignment indicated the large size of Nigeria's revenue forgone from CIT, VAT, PPT and Customs. Nigeria's non-oil revenue potential is at least twice its current collections. The preliminary estimate of revenue forgone from CIT incentives and concessions in 2019 is NGN 1.1 trillion; for contrast, 2019 CIT collections was NGN 1.6 trillion. The preliminary estimate of revenue forgone from VAT policy choices and compliance gaps is estimated to be NGN 3.1 trillion and could possibly be more. Customs data shows total commodity tax relief on imported supplies for that year was almost 350 billion Naira which is more than one quarter of the total realized revenue. Revenue forgone from Excises, and Personal Income

Tax and concessions under the Oil and Gas Zones legislation is yet to be computed.

8.8 Operations:

Complete the implementation of Integrated Tax Administration System (ITAS) project and achieve full automation of operations.

The ITAS project has been halted and replaced by an inhouse developed solution (TaxPro Max) which has been deployed in all offices. Training on all the modules has been completed. TCC, registration and VAT modules are currently being used by offices. CIT, EDT and NITDEF modules activated. Other modules such as PPT, Special taxes and Audit being developed.

8.9 Sustain ISO Certification: Implementation of ISO 27001:2013 Certification-

Information Security Management System (Phase one) was successfully conducted. Gap assessment report with recommendations for remediation to close gaps submitted for Management's approval.

8.10 Achieve the Medium-Term Revenue Framework as projected:

S/N	YEAR	TARGET (N Trillion)	ACTUAL COLLECTION (N Trillion)	ACHIEVEMENT (%)
1	2016	4,200.18	3,307.46	78.75
2	2017	4,889.67	4,027.95	82.38
3	2018	6,442.03	5,320.89	82.60
4	2019	7,954.08	5,261.96	66.15
5	2020	5,076.00	4,950.50	97.52

8.11 Facilities:

Complete the new headquarters building and achieve 100% owned offices across the country.

Construction

Construction of the Corporate Headquarters is at 48% completion. The Service is yet to meet its target of 100% owned offices across the country. Out of 380 FIRS offices, 78 are owned by the Service, 17 are within the CAC building while 67 are rented.

Construction of the Tax Academy is yet to commence.

8.12 Human Resources:

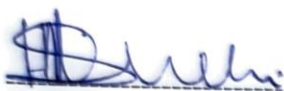
To enhance the well-being of its staff, FIRS engaged the services of a hospital in each state for the purpose of retainer-ship except for Lagos state which has three (3) hospitals in addition to the two hospitals in the FCT. Several trainings to build staff capacity were conducted during the review period.



APPROVAL PAGE

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