

SPECIAL POINTS OF INTEREST:

- **Half Year compliance check is on going; to confirm and ensure your compliance with basic filing requirements with FIRS, LIRS and other relevant regulatory and statutory authorities.**
- **Our main objective is to ensure you do not carry additional burden of penalties. You already have more than enough to bear.**
- **Kindly assist us by cooperating with our compliance officers.**

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Voted for Change...tax is changing

The current restructuring and changes being witnessed in the Nigerian tax reform has made us pay attention to the next phase of Compliance matters as regards taxation in Nigeria.

We are positioned to bring to your notice these changes as they unfold and recommend a proactive measure to ensure your company is not unduly exposed in the future.

Our review of the overall financial compliance commitment in the first half of 2015 shows a downward slide in our clients' readiness and willingness to meet these obligations. Understandably, the slow pace of the economy (due to the political activities resulting in the general

election remains a major factor for this trend).

Of course the situation brought about cash crush in the industrial earnings and spending power of businesses.



Eminent Tax Reform

In these ways we viewed the perceived reluctance of companies to meet their tax obligations.

On the other hand, the government revenue authorities are doing everything to improve on their deliverables to

their principal by restructuring their operations to expand the tax-web, ensure and enforce the relevant parts of the law to meet their desire.

Highlighted below are the latest changes/restructuring by the Tax authorities;

Federal Inland Revenue Service (FIRS)

The Tax Authority used to carry out Tax audit exercise through the various Tax stations (ITO) which are closer to you. This has changed because Tax audit exercise has been moved to regional offices headed by Directors. This is to strengthen controls and block leakages in the system. How does this affect you as a taxpayer?

It will require a higher compli-

SOC Tax Audit Procedure...

In reference to LIRS Tax audit notification, we hereby state our procedures/approach to the exercise as your Tax Consultant to ensure your company is fully prepared for the Tax audit

with no or minimal exposure.

When a Tax audit letter is received from LIRS; our approach and steps to follow:



Step	Effort Deployed	Responsibility
1	Such must be brought to our attention within 24hours of receipt;	Client
2	We shall respond to the letter probably to request for more time to prepare for the exercise (one month postponement is our standard practice);	SOC
3	We shall prepare exposure report from your company's record;	SOC
4	The exposure report is sent to your Management for consideration and decision before Tax audit exercise;	SOC/Client
5	We shall educate your account officer to scan through your payment Vouchers and deal with extraneous items that could expose your company to further taxes (especially withholding Tax on vendors invoices);	SOC/Client
6	When the above is done, we shall come to check and confirm the above exercise (as a second level check) and;	SOC
7	On the day of LIRS Tax audit, our staff shall be present to observe and guide you on the exercise.	Client/SOC

It is important to note that we would not be responsible for any document not brought to our attention but become exposed to the Tax audit team during the exercise.

We would appreciate you make concerted effort to ensure this new procedure/approach is followed through; thereby having a smooth and successful LIRS Tax audit.

Voted for Change...tax is changing

...continues

ance level from you.

Lagos State Internal Revenue Service (LIRS)

LIRS is also strengthening her processes and controls for effective tax regime. In furtherance of their efficient tax payment system, they are introducing a Multi-Channel payment System (mPay) enabled with Visa, MasterCard, and Verve etc. This system will expose greater details of individual earnings to the tax authority when linked to Central Bank of Nigeria (BVN: Bank Verification Number).

Our procedure remains:

- Strategic—ensure a positive approach to tax and compliance matters with possible tax exposures identified ahead and before occurrence to minimise impact on clients business and eliminate surprise.
- Operational – ensure transactions are conducted mindful of the tax implication of same, and documentation are maintained/ kept with third party evidences as proof to confirm and defend position taken per time.
- Routine – ensure filing of returns on all tax requirements are done as and when due to avoid penalties and unnecessary visitation by tax officials.



SOC Focal Point:

Maximum compliance to statutory obligations but minimum exposure to tax”

Reconciliation/Negotiation

Our procedure has been that a Director of the client company or a designate must be in attendance at such meetings to give it the required weight and

attention of FIRS, LIRS and other revenue agencies of government. For us to act otherwise, an express directive must be granted to us by the company to act on their behalf.

