

SPECIAL POINTS OF INTEREST:

- ◆ **Stamp Duties... Newest in Compliance Drive.**
- ◆ **Tax Procedures: FIRS 2015 Audited Account Filing.**
- ◆ **CAC Annual Returns Filing.**

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Stamp Duties... Newest in Compliance Drive

We welcome you to the 2nd quarter of the year. We want to believe your company's compliance level has been upped to meet the required compliance demand in the sector/industry you operate.

In our 1st Financial Compliance Training of the year participants left the Training with a *buzzword* amongst other lessons that "Non-compliance cost more and it put more money in the pocket of the government" Think about this!

The Central Bank of Nigeria (CBN) on 15 January 2016 released a circular directing all Deposit Money Banks (DMBs) and Financial Institutions to commence the charging

of N50 as stamp duties on all receipts given in acknowledgement of services rendered for eligible transactions.

As part of the recent efforts



CENTRAL BANK OF NIGERIA

by the Federal Government to boost the country's non-oil revenue base, the stamp duty charge was revisited.

It is informative to know that Stamp Duties is not new as regards Financial Compliance obligation but it is an Act that has been idle on the shelf since 1993 until the present

government picked up for enforcement/compliance.

Stamp duties basically on instruments (defined to include every written document). The duties are either specific (fixed) or Ad valorem. It is important to stamp instruments, otherwise, such instrument will not, except in criminal proceedings, be given/admitted in evidence, or be available for any purpose whatsoever, in a claim for title or rights. Stamp duties are governed by Stamp Duties Act Cap 58, LFN 2004, which provides for the levying of stamp duties on certain documents and matters specified in the Act with effective date of 1 April, 1993.

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2015 Audited Account Filing— FIRS

It is informative to know that companies whose Financial Year End is December 2015 are under obligation to make returns to FIRS on or before 30 June 2016. it is understood that majority of companies' Financial Year End is December, generally

audited accounts and returns are to be filed not later than six months after the end of the company's accounting year if the company has been in business for more than eighteen months.

For a newly incorporated company, the audited accounts and returns are to be filed within eight-



Requirement for FIRS filing

Item	Documents	Responsibility
1	One original copy of Audited Account	Client
2	Two copies of Audited Account	SOC
3	Tax Computation and Capital Allowance	SOC
4	Original WHT credit notes receipt to offset CIT	Client
5	Evidence Payment of Assessed Tax Payable	Client
6	Duly completed Self-Assessment forms	SOC

een months from the date of its incorporation or not later than six months after the end of its first accounting period, whichever is earlier. Any company which fails to file its audited account and returns within the stipulated time is liable to pay a penalty for late filing:

- ◆ ₦25,000 in the first month in which the failure occurs, and;
- ◆ ₦5,000 for each subsequent month in which the failure continues.

Non-compliance Costs



We advise you to do everything within your power to avoid the penalty applicable to non-filing of 2015 audited account with FIRS.

Stamp Duties ...continues

Forms of Stamp Duties

1. Specific/Fixed

These are duties that do not vary with the value of the consideration on the document that is subject to the stamp. In other words, the same duty is payable irrespective of the value on the instrument. Instruments that attract fixed duties include:

- ◆ Deeds of assignment
- ◆ Mortgages
- ◆ Insurance policy (non-life)
- ◆ Debenture trust deeds
- ◆ Proxy forms
- ◆ Bank notes
- ◆ Cheque leaves.

2. Ad Valorem

Ad valorem means “as per value”. There are duties that vary with the value of the consideration on the document that is subject to the stamp. Instruments that attract Ad valorem Duties include:

- ◆ Bills of exchange
- ◆ Property valuation reports
- ◆ Memorandum and articles of association of companies
- ◆ Promissory notes
- ◆ Lease documents conveyance of sale
- ◆ Marketable securities
- ◆ Policy of life insurance.

COMPLIANCE

SOC Focal Point:

Maximum compliance to statutory obligations but minimum exposure to tax”

Exemptions to the Stamp Duties on banking transactions

The CBN circular exempts the imposition of stamp duties on certain receipts, they include–

- ◆ Transfer from self to self, whether inter or intra bank i.e. transfers between accounts held by the same person.
- ◆ Any form of withdrawals or transfers from savings accounts

The following are exempted from stamp duties:

- ◆ Treaties/agreement
- ◆ Liquidation sales/transactions – any property sold by a liquidator
- ◆ Company reconstructions and amalgamations.
- ◆ Receipts issued for the payment of any government taxes, duties or levies; or
- ◆ Instrument providing for penal rent in the nature of a penal rent.

Corporate Affairs Commission—Annual Returns Filing

CAC Annual returns must be filed with the Commission immediately after 42 days of the holding of the annual general meeting for the year. Non-Compliance attracts penalty as specified by CAC. Kindly ensure com-

pliance to avoid penalty and the rush that may occur when evidence of CAC Annual Returns filing is required for business transaction.



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