

Overview of Key Provisions of the General Transition Guidelines for the Tax Acts 2025

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Introduction

On 18 June 2026, the Honourable Minister of Finance and Coordinating Minister of the Economy, Taiwo Oyedele, issued the “General Transition Guidelines for the Tax Acts 2025” (the “Guidelines”).¹ The Guidelines outline the operational rules for implementation of the recently enacted tax Acts: the Nigeria Tax Act, 2025, the Nigeria Tax Administration Act, 2025, the Nigeria Revenue Service (Establishment) Act, 2025, and the Joint Revenue Board (Establishment) Act, 2025 (the “Tax Acts”).

The Guidelines, which apply to all tax returns due for filing from 1 January 2026 (the “commencement date”), were issued to establish operational clarity,

¹ Taiwo Oyedele, Federal Government Issues Transition Guidelines for Tax Acts 2025” (*LinkedIn* 18 June 2026) <https://www.linkedin.com/posts/taiwoyedele_federal-ministry-of-finance-press-release-share-7473405303053639680-1LN4/?utm_source=share&utm_medium=member_desktop&rcm=ACoAACfvVFgBFyDDYuV4EuvyEF2e8ChMyYGRzjk> accessed 23 June 2026.

resolve internal or external legal conflicts, and balance administrative simplicity with taxpayer compliance across all tiers of government, including the Nigeria Revenue Service (NRS), State Internal Revenue Services, the FCT Internal Revenue Service, and Local Government Joint Revenue Committees.

Key Provisions of the Guidelines

No Retroactive Application

The Guidelines underscore strict enforcement of prospective application, ensuring that no taxpayer faces retroactive burdens, penalties, surcharges, interest, or filing obligations for transactions and activities completed before the commencement date.² This position aligns with the stance of the courts that tax statutes do not have retrospective application.³

Filing Obligation

Tax returns due before the commencement date must be processed using the old forms and rules under the repealed legislation.⁴ Conversely, returns due on or after the commencement date are required to transition to the new legislative rules, forms, schedules, and electronic templates.⁵ To prevent systemic disruptions, existing forms and procedures will remain temporarily valid after the commencement date pending the formal roll-out of new electronic tools.

Treatment of Income Tax – Individuals and Companies

For individual taxpayers, monthly Pay-As-You-

² Paragraphs 5 and 10 of the Guidelines

³ *Accugas Limited v FIRS & Anor* FHC/ABJ/CS/1289/2020 delivered on 27 June 2022 per Hon. Justice N.E Maha.

⁴ The repealed legislation include Companies Income Tax Act, Capital Gains Tax Act, Value Added Tax Act, Personal Income Tax Act, Stamp Duties Act.

⁵ Paragraph 6 of the Guidelines

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Earn (PAYE) remittances and final filings for the 2025 calendar year will remain subject to the repealed legislation, meaning the 2026 year of assessment for 2025 income would be regulated under the old system. However, employment compensation earned from January 2026 onward will adopt the rates and structures under the Tax Acts. For individuals or group of individuals under direct assessment, 2025 income filed in 2026 shall be taxed based on the repealed legislation, while income earned from January 2026 will be subject to the Tax Acts.⁶

For companies, the application of companies income tax (CIT) is determined by their respective accounting or basis periods; basis periods ending before the commencement date would be governed by the repealed legislation, while those ending on or after the commencement date would be subject to the provisions of the Tax Acts.⁷ Small and medium-sized companies will also be subject to the rates under the repealed legislation for basis periods ending before the commencement date. Notably, a taxpayer may, subject to written approval from the relevant tax authority, opt to file an income tax return for an accounting period ending before the commencement date using the provisions of the Tax Acts.⁸

Treatment of Transaction Taxes

For transaction-based taxes like value added tax (VAT), withholding tax (WHT), and stamp duties, the Guidelines provide that any goods delivered or services rendered up to 31 December 2025, would

be governed by the repealed legislation regardless of when the payment is actually made.⁹ Transactions occurring from the commencement date are subject to the Tax Acts, except where an advance payment was already made before the commencement date.

Where a contract is entered into before the commencement date but executed after, the taxpayer shall apply provisions of the Tax Acts only to the portion executed after the commencement date. Sums received before the commencement date shall be taxed under the repealed legislation; while sums received after, are taxed under the Tax Acts.

Applicable tax regime for dispute resolution

While pending tax disputes, appeals and objections filed prior to the commencement date will be concluded under the repealed legislation,¹⁰ any new objections raised after the commencement date must comply with the procedures under the Tax Acts, irrespective of the year of assessment in dispute.¹¹

Preservation of Existing Incentives and Reliefs

Any incentives granted under the repealed legislation shall continue until their expiration, but all new or pending applications as of the commencement date will be subject to the provisions of the Tax Acts.¹² Taxpayers must also retain their past records for the required statutory periods, while new record-keeping obligation will only apply prospectively.¹³

⁶ Paragraph 10 of the Guidelines

⁷ *ibid*

⁸ Paragraph 10.1.2 of the Guidelines

⁹ Paragraph 10.2 of the Guidelines

¹⁰ This is inconsistent with the savings provisions in section 198(c) of the Nigeria Tax Act, 2025 and section 146(d) of the Nigeria Tax Administration Act, 2025 which

respectively provides that an enforcement process or legal proceedings commenced or pending prior to the commencement of the Tax Acts shall continue and be disposed of as if it was commenced under the Tax Acts.

¹¹ Paragraph 7 of the Guidelines

¹² Paragraph 8 of the Guidelines

¹³ Paragraph 9 of the Guidelines

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Conflict Resolution

Where a residual provision of a repealed legislation, definitions or interpretation of terms or regulations or circulars issued by the relevant tax authority prior to the Tax Acts, clash with the Tax Acts, the provisions of the Acts will prevail to the extent of the inconsistency.¹⁴ In instances where internal contradictions or ambiguities arise within the texts of the Tax Acts, the interpretation that best reflects legislative intent, economic neutrality, and administrative simplicity will prevail. Where two provisions are clearly inconsistent with one another, the conflict must be resolved in favour of the taxpayer.

Impact Analysis and Recommendations

The Guidelines bring much-needed clarity to the transition into the new tax framework. They establish firm principles for determining which legal regime applies during the transitional period, thereby reducing uncertainty for taxpayers. Yet, this clarity also places responsibility on taxpayers to carefully examine their tax positions, compliance processes, contractual arrangements, and reporting obligations to ensure that the correct legislative framework is applied in every case.

Before the Guidelines were published, the NRS had configured the Rev360 platform to administer filings for the 2026 year of assessment under the Tax Acts. The Guidelines, however, provide that tax treatment is determined by the relevant basis period rather than the year of filing. This means that a company whose accounting period ends in December 2025, but files in 2026, remains subject to the repealed legislation. The Rev360 platform, as currently configured, risks forcing taxpayers into manual workarounds or exposing them to erroneous penalty flags for past periods. It is therefore

essential that the NRS update the platform to reflect the Guidelines, ensuring consistency and fairness in administration.

Given the limited timeframe, there is also a pressing need for clear, penalty-free grace periods. These would allow taxpayers to adjust their books and processes to the new framework without fear of immediate sanction.

In practical terms, taxpayers should begin by reviewing their accounting periods and filing obligations to confirm whether they fall under the old or new regime, and to ensure that returns are filed using the appropriate forms and procedures. Contracts and ongoing projects entered before the commencement date but continuing beyond that date should be carefully assessed, with apportionment applied to determine the correct tax treatment for each portion. Similarly, companies benefiting from existing incentives should note their preserved status, while those with pending or contemplated applications must reassess eligibility under the new Economic Development Tax Incentive framework.

Outstanding transactions and deferred payments also require close attention. Since tax treatment depends on when the underlying transaction occurred rather than when payment is made, the timing of supplies or services will determine the applicable rules for VAT, WHT, and stamp duty. Early engagement with tax advisers and relevant authorities is advisable to mitigate risks and ensure a smooth transition.

Given that tax filings are now submitted through the Rev360 platform, taxpayers should promptly file their returns to avoid penalties, but equal

¹⁴ Paragraph 14 of the Guidelines

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importance should be placed on maintaining thorough records. Where the Rev360 applies provisions of the Tax Acts in a manner inconsistent with the Guidelines, taxpayers should document the variance clearly so that any future clarification, refund, or adjustment can be properly supported.

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