New Tax Laws, New Rules: What Nigeria's Transition Guidelines Mean for Tax Compliance

Introduction

Nigeria's tax reform programme has entered its implementation phase. Following the enactment of the Nigeria Tax Act 2025, Nigeria Tax Administration Act 2025, Nigeria Revenue Service (Establishment) Act 2025, and Joint Revenue Board (Establishment) Act 2025, the Federal Ministry of Finance published the General Transition Guidelines in June 2026 to govern the shift to the new regime.

The Guidelines apply to tax obligations due from 1 January 2026 and are intended to prevent retroactive application, resolve ambiguities, address conflicts with existing legislation, and provide operational clarity for taxpayers and tax authorities.

Key Highlights

- **No retrospective application:**

The new tax Acts do not apply to periods before 1 January 2026. Tax liabilities, penalties, interest, audits, and enforcement actions for earlier periods remain governed by the repealed legislation.

- **Transition to the new filing regime:**

Returns due before 1 January 2026 remain subject to the previous tax laws, while returns due from that date must comply with the new Acts. Existing filing procedures remain valid until replaced.

- **Disputes and appeals:**

Tax objections and appeals already underway before 1 January 2026 will continue under the previous tax laws. However, any objection filed on or after that date—even if it relates to an earlier tax assessment—must follow the procedures under the new Acts. The Guidelines do not expressly address court cases that were already pending before the transition.

- **Existing incentives preserved:**

Tax incentives granted under the previous legislation remain effective until expiry, while new and pending applications will be determined under the new regime.

- **Transitional tax treatment:**

Accounting periods ending before 1 January 2026 remain subject to the previous laws, while later periods fall under the new regime. Goods supplied and services rendered on or before 31 December 2025 also remain taxable under the former legislation.

- **Record-keeping continues:**

Taxpayers must retain records required under the repealed laws for the applicable statutory periods. New record-keeping obligations apply only prospectively.

- **Conflict resolution framework:**

The Guidelines establish rules for resolving inconsistencies between the new Acts and other tax legislation, with unresolved inconsistencies within the new Acts interpreted in favour of the taxpayer.

What This Means for Stakeholders

- **For taxpayers and businesses:**

Tax positions, accounting periods, contracts, and filing obligations should be reviewed to determine which regime applies, especially for transactions spanning the transition period.

- **For finance teams and tax advisers:**

Compliance processes, filing calendars, and record-retention policies should be updated while preserving records required under the repealed laws.

- **For MDAs and tax authorities:**

Internal tax-related rules, procedures, and levies should be aligned with the new Acts to support consistent implementation.

- **For parties in tax disputes:**

The distinction between substantive tax liability (which regime parties owe under) and procedural rules (which govern parties' objections and/or appeals) will require careful attention.

The Road Forward

The General Transition Guidelines provide needed clarity on Nigeria's new tax regime. However, practical issues, including pending court proceedings, transitional transactions, and the interaction between the new Acts and existing administrative practices, may require further guidance.

Taxpayers should review tax positions, update compliance frameworks, and identify issues requiring early engagement with tax authorities.

For support with tax compliance reviews, transition planning, tax disputes, and implementation of Nigeria's new tax framework, contact info@scp-law.com or visit www.scp-law.com.