The Tax Acts 2025 Transition Guidelines: What They Mean for Estates, Trusts and Family Wealth

Introduction

On 18 June 2026, the Federal Ministry of Finance issued the General Transition Guidelines for the Tax Acts 2025 (the Guidelines), clarifying how Nigeria's new tax framework will apply during the transition from the repealed tax laws to the Nigeria Tax Act 2025 (NTA). The Guidelines rest on three stated principles — clarity, fairness and administrative certainty — and confirm that no taxpayer faces "retroactive burdens, penalties, surcharges, interest, or filing obligations for transactions and activities completed before" the commencement date of 1 January 2026.

For high-net-worth individuals, family offices, executors (the people responsible for administering a deceased person's estate), and trustees (the people responsible for managing assets held in trust), the Guidelines provide certainty on how estates, trusts, and wealth structures that span the transition to the new regime should be treated.

Key Highlights

- **The new tax laws are not retrospective:** Tax liabilities, assessments, audits, penalties, and enforcement actions relating to periods before 1 January 2026 continue to be governed by the repealed tax laws.

- **The applicable rules depend on timing:** Returns due before 1 January 2026 are filed under the previous tax legislation, while returns for later periods are governed by the Tax Acts 2025. Similarly, disputes generally follow the procedural rules in force when an objection or appeal is filed.

- **Existing tax incentives remain protected:** Exemptions and incentives granted under the repealed laws continue until they expire, although new applications and pending requests are assessed under the Tax Acts 2025.

- **The Guidelines address transitional arrangements:** They provide direction on the treatment of income, transactions, record-keeping obligations, and other matters that span both the old and new tax regimes. For instance, tax liabilities, assessments, audits, investigations and disputes arising before 1 January 2026 continue to be governed by the repealed tax laws through to conclusion.

What This Means for Stakeholders

- **For executors and trustees:** Estates that remain under administration after 1 January 2026 may need to account for income under both the old and new tax regimes. Clear records and proper allocation of income between the two periods will be important to support compliance and minimise disputes.

- **For families and high-net-worth individuals:** Existing trusts—particularly those where the person who established the trust continues to retain significant control over its assets—should be reviewed to understand how the new tax rules may affect the taxation of trust income and the overall succession plan.

- **For family offices and wealth advisers:** Estate plans, family investment structures, trusts, and succession arrangements should be reviewed to determine whether they remain appropriate under the new framework, particularly where existing tax incentives or cross-border wealth structures are involved.

- **For wealth planning generally:** Although the NTA does not introduce a direct inheritance tax, it changes the way estate income, trust income, and certain wealth-transfer arrangements are taxed and administered. Families should therefore consider the tax implications of proposed gifts, restructurings, and succession arrangements before implementation.

The Road Forward

The Transition Guidelines provide welcome certainty on how Nigeria's new tax framework will operate in practice. However, for families and fiduciaries, the transition is about more than compliance. It is an opportunity to review existing wealth structures, succession plans, and trust arrangements to ensure they continue to achieve the family's long-term objectives under the new tax regime.

As the new framework becomes embedded, families, executors, trustees, and family offices should ensure that estate records are properly maintained, existing trust structures are reviewed, and significant wealth transfers or restructuring arrangements are carefully assessed before implementation.

For guidance on estates, trusts, succession planning, family offices, and the tax implications of wealth transfer under the Tax Acts 2025, contact info@scp-law.com or visit www.scp-law.com.