



Recent Business Disruptions - Further tax palliatives to ameliorate the effect of COVID 19 and EndSARS Protests.

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It is no longer news that COVID-19 hit the global economy hard. The impact of the pandemic ranges from the drastic decline in business activities to organizations shutting down their operations and laying off of employees, just to mention a few.

The impact of the pandemic can hardly be ignored. While organizations are still licking this wound, “EndSARS Protest” broke out. The protest also added to the plights of businesses when it resulted in violence. Weeks after the protest, businesses are still counting their losses.

In reaction to the impact of the COVID-19 pandemic on businesses across the world, governments in different countries, initiated measures in form of palliative to alleviate the impact of the prevalent situation. The Nigeria government also reacted by also giving incentives to businesses and individuals.

Amongst others, the Federal inland Revenue Service (FIRS) extended the filing timeline for the filing of Value Added Tax (VAT) returns and the waiver of interest and penalty for tax liabilities that were overdue and paid within a specified window.

Also, in reaction to the losses incurred by businesses during the “EndSARS Protest”, the FIRS issued a public notice on Monday, 4 November 2020 to assist business during this difficult time. The following were the palliative measures announced by the FIRS:

- i. Waiver of the penalty and interest in respect of outstanding tax debts for businesses that pay up in full the principal portion of their outstanding liabilities between now and 31st December 2020. This includes liabilities arising from self-assessment and additional assessments from desk audits, field audits or investigations.
- ii. Extension of the timeline for filing of value added tax and withholding tax from the 21st day to the last working day of the month, following the month of deduction. This has been in existence since March 23, 2020.
- iii. Taxpayers facing challenges in sourcing foreign exchange (FOREX) can settle their tax liabilities, for FOREX-denominated transactions, in its Naira equivalent and based on the prevailing Investors & Exporters FOREX window rate on the day of payment.



Conclusion

These measures introduced by the FIRS is a welcome development for taxpayers to embrace as it demonstrates the tax authority’s sensitivity to the disruptions and losses incurred by businesses.