

FINANCE BILL, 2020

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A BILL [EXECUTIVE]

FOR

AN ACT TO AMEND THE CAPITAL GAINS TAX ACT, COMPANIES INCOME TAX ACT, PERSONAL INCOME TAX ACT, TERTIARY EDUCATION TRUST FUND (ESTABLISHMENT) ACT, CUSTOMS AND EXCISE TARIFF, ETC. (CONSOLIDATED) ACT, VALUE ADDED TAX ACT, FEDERAL INLAND REVENUE SERVICE (ESTABLISHMENT) ACT, NIGERIA EXPORT PROCESSING ZONE ACT, OIL AND GAS EXPORT FREE ZONE ACT, FISCAL RESPONSIBILITY ACT, COMPANIES AND ALLIED MATTERS ACT 2020, PUBLIC PROCUREMENT ACT, IN ORDER TO MAKE FURTHER PROVISIONS IN CONNECTION WITH THE FEDERAL GOVERNMENT FINANCIAL MANAGEMENT, PUBLIC REVENUE; AND FOR RELATED MATTERS

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria:

PART I

Capital Gains Tax Act

1. Section 36 of Capital Gains Tax (CGT Act) is amended:

Personal Injury

(a) by substituting for subsection (2), a new subsection (2) as follows:

(2) Sums obtained by way of compensation for loss of office, up to a maximum of Ten Million Naira (10,000,000.00), shall not be chargeable gains and subject to tax under this Act. Provided however that any sum in excess of Ten Million Naira (10,000,000.00) shall not be so exempt but the excess amount shall be chargeable gains and subject to tax accordingly.

(b) by inserting a new subsection 3 as follows:

1 (3) For the purpose of subsection (2) of this section, any person who
2 pays compensation for loss of office to an individual shall be required to, at the
3 point of payment of such compensation, deduct and remit the tax due under this
4 section to the relevant tax authority.

5 The tax so deducted shall be remitted within the time specified under the Pay-
6 As- You-Earn Regulations issued pursuant to the Personal Income Tax Act.

7 *Companies Income Tax Act*

Charge of tax on
interest relating
to foreign and
agricultural loans
and certain reliefs

8 2. Section 11 of Companies Income Tax Act (CITA) is To amended:

9 (a) in subsection (2) (a), by replacing the words "agricultural trade or
10 business" with the words "primary agricultural production"

11 (b) in subsection (2) by replacing the proviso to subsection (2) with
12 the following phrase:

13 "shall be exempted from tax, provided the moratorium is not less than twelve
14 months and the rate of interest on the loan is not more than the base lending rate
15 at the time the loan was granted, refinanced or otherwise restructured.

16 (c) by deleting the existing subsection (4) and replacing it with a new
17 subsection "(4)" as follows:

18 "(4)" In this section:

19 "primary agricultural production" means:

20 (a) Primary Crop Production comprising the production of raw crops
21 of all kinds, but excluding any intermediate or final processing of crops or any
22 other associated manufactured or derivative crop products;

23 (b) Primary Livestock Production comprising the production of live
24 animals and their direct produce such as live or raw meat, live or raw poultry,
25 fresh eggs and milk of all kinds, but excluding any other associated
26 manufactured or derivative livestock products;

27 (c) Primary Forestry Production comprising the production of
28 timbers of various kinds such as firewood, charcoal, uncultivated materials
29 gathered and other forestry products of all kinds, including seeds and saplings,
30 but excluding the intermediate and final processing of timber and any other

1 manufactured or derivative timber products; and

2 (d) Primary Fishing Production comprising the production of fish
3 of all kinds, including ornamental fish, but excluding any intermediate or
4 final processing of any other manufactured or derivative fish products."

5 3. Section 13 of the CITA is hereby amended by replacing the
6 proviso in line 4 of paragraph (e) with a new proviso:

Nigerian
Companies

7 Provided that the withholding tax applicable to the income under
8 this paragraph shall be the final tax on the income of a non-resident recipient
9 who 'does not otherwise fall' within the scope of subsection (2) (a) - (d)

10 4. Section 14 of CITA is amended by inserting after subsection
11 (4), a new subsection (5) as follows:

Companies engaged
in shipping or air
transport

12 "(5) The provisions of this section shall not apply to income from'
13 leasing, containers, non-freight income or any other incidental income
14 liable to tax under Section 9 of this Act.

15 5. Section 16 of the CITA is amended by:

Insurance
Companies

16 (a) substituting the existing subsection (12) with a new 1
17 subsection (12) as follows:

18 "(12) For the purpose of this Section, the tax payable by any
19 insurance company for any year of assessment shall not be less than:

20 (a) 0.5% of the gross premium for non-life insurance business;

21 (b) 0.5% of the gross income for life insurance business.

22 Provided, however, that the applicable minimum tax under this
23 section 16 shall be reduced to 0.25% for tax returns prepared and filed for
24 any years of assessment falling due on any date between 1 January 2020 and
25 31 December 2021, inclusive;

26 (b) inserting a new subsection (13) as follows:

27 "(13) For the purpose of subsection (12) of this Section:

28 "Gross premium" shall mean the total premiums written, received and
29 receivable excluding unearned premium and premiums returned to the
30 insured.

1 "Gross Income" shall mean total income earned by a life insurance business
2 including all investment income (excluding franked investment income), fees:
3 commission and income from other assets but excluding premiums received
4 and claims paid by re-insurers.

Profits Exempted

5 6. Section 23 of the CITA is amended by:

6 (a) substituting in subsection 1B, the existing paragraph (c) with a
7 new paragraph (c) as follows:

8 "a real estate investment company from tax on dividend and rental
9 income if it does not meet the conditions stipulated in subsection 1(s)".

10 (b) by repealing Section 23 (1C) as introduced by section 9 of the
11 Finance Act of 2019 with respect to companies' engaged in agricultural
12 production.

Deductibility
of Donations for
Tax purposes

13 7. Section 25 of CITA is amended by inserting after subsection (7),
14 new subsections (8), (9) and (10) which provide as follows:

15 "(8) Donations made by companies in cash or kind to any Fund set up
16 by the Federal Government or any State Government, or to any agency
17 designated by the Federal Government or to any similar Fund or purpose in
18 consultation with any Ministry, Department or Agency of the Federal
19 Government, in respect of any pandemic, 'natural disaster or other exigency
20 shall be allowed as deductions as follows:

21 (i) the value of in-kind donations made to the Government and any
22 designated agency shall be allowed as deductions;

23 (ii) where companies have' either procured or manufactured items for
24 contribution, the cost of purchase, manufacture or supply of such in-kind
25 contributions shall be allowed as deductions.

26 Provided that requisite documentation' evidencing the donation and
27 the cost thereof are provided to the relevant tax authority and demonstrated to
28 be wholly, reasonably, exclusively and necessarily incurred in relation to the
29 procurement, manufacture or supply of the in-kind contributions."

30 (9) Notwithstanding the provisions of subsections (2) and (3) of this

1 Section, amounts allowable for deduction, in respect of subsection (8), in
2 any year of assessment shall be limited to 25% of assessable profits after
3 deduction of other allowable donations made by the company.

4 (10) Where, for any year of assessment, the allowable donations
5 pursuant to subsection (8) are not utilised as a result of no assessable profits,
6 so much of the allowable deductions that have not been deducted shall be
7 carried to the following year of assessment or years of assessment, and they
8 shall be allowed as deductions against the assessable profits; provided that
9 no allowable donations shall be carried forward under this subsection for
10 more than two years of a assessment immediately succeeding the year of
11 assessment for which the donations was first made. "

12 8. Section 33 is amended by substituting for subsection (2) of Minimum Tax
13 Section 33 with a new subsection (2) as follows:

14 For the purpose of subsection (1) of this Section, the minimum tax
15 to be levied and paid shall be 0.5% of gross turnover of the company less
16 franked investment income.

17 Provided, however, that the applicable minimum tax shall be
18 reduced to 0.25% for tax returns prepared and filed for accounting periods
19 ending between 1 January 2020 and 31 December 2021, inclusive.

20 9. Section 39 of CITA is amended as follows:

21 (a) by substituting for the first sentence of subsection (1), starting Gas utilisation
(downstream
operations)
22 with the words "a company" and ending with the words "that is" a new first
23 sentence of subsection "(1)" as follows:

24 "(1) Where a company is engaged in a trade or business of gas
25 utilisation in downstream operations, the company shall, in respect of that
26 trade or business, be granted the following incentives, that is - "; and

27 (b) by substituting subsection (2) for a new subsection (2) as
28 follows:

29 "The tax-free period of a trade or business shall start on the day the
30 trade or business commences production as certified by the Ministry of

1 Petroleum Resources";

2 (c) by substituting for subsection (3), a new subsection (3) as follows:

3 "(3) This Section shall not apply with respect to any company that has
4 claimed an incentive for trade or business of gas utilisation under any law in
5 Nigeria including the Petroleum Profits Tax Act or the incentives under the
6 Industrial Development (Income Tax Relief) Act in respect of the same
7 qualifying capital expenditure:"

Self-Assessment
Tax Payable

8 **10.** Section 53 of CITA is amended by substituting for the existing
9 Section 53, a new Section "(53)" as follows:

10 "53. Self-assessment of tax payable:

11 (1) Every company filing a return under sections 52, 55 or 58 of this
12 Act shall:

13 (a) in the return, compute the tax payable by the company for the year
14 of assessment; and

15 (b) forward with the tax return, evidence of payment of the tax due.

16 (2) Where, by a deliberate and dishonest act, the returns filed fail to
17 declare the true and correct amount of profits or tax payable by the company,
18 the company shall be immediately liable to pay any outstanding tax so
19 identified and assessed.

20 The outstanding tax shall be subject to penalty and interest, in
21 accordance with the provisions of this Act or any other relevant law, and the
22 penalty and interest shall accrue from the date the incorrect return was filed."

Returns and
Provisional
Accounts

23 **11.** Section 55 of CITA is amended as follows:

24 (b) by inserting a new subsection (2) as follows:

25 "(2) Where any company other than a Nigerian company derives
26 profit from or is taxable in Nigeria under the provisions of Section 13(2) of this
27 Act, such company shall be required to submit a return for the relevant year of
28 assessment containing the following:

29 (a) the company's full audited financial statements and the financial
30 statement of the Nigerian operations, attested by an independent qualified or

1 certified accountant in Nigeria;

2 (b) tax computation schedules based on the profits attributable to
3 its Nigerian operations; and

4 (c) a true and correct statement, in writing, containing the amount
5 of profits from each and every source in Nigeria;

6 (d) duly completed Companies Income Tax Self-Assessment
7 forms:

8 Provided that in a year of assessment where a company other than a
9 Nigerian company only earns income on which Withholding Tax is the final
10 tax under this Act, the obligation to file a tax return in the manner prescribed
11 shall not apply to such company in that year of assessment.

12 (c) by inserting a new subsection "(8)" after the existing subsection
13 (6) as follows:

14 "(8) Notwithstanding anything contained in this Section, the
15 Service may by notice specify the form of the accounts to be included in a tax
16 return, instead of audited accounts specified in paragraph (a) of subsection
17 (1) of this Section, in respect of small and medium companies as defined
18 under this Act."

19 (d) renumbering the subsections accordingly.

20 12. Section 68 of CITA is amended by inserting in line 1 after the
21 words "registered post", the words, in "courier service, email or any other
22 electronic means, as directed by the Board in any Regulation issued
23 pursuant to this Act or any other relevant law."

Service of Notice
of Assessment

24 13. Section 69 of CITA is amended in subsection (1) by inserting
25 after the words "in writing" and before the word "to" in line 2, the following
26 words, "delivered in person, by courier service, email or any other electronic
27 means, as directed by the Board in any Regulation issued pursuant to this Act
28 or any other relevant law."

Revision of
Assessment in
case of objections

29 14. Section 77 of CITA is amended:

30 (a) by deleting subsections (6) and (7); and

Time within
which tax is to
be paid

1 (b) by renumbering the subsections accordingly.

Interpretation

2 15. Section 105 of CITA is amended by substituting for the definition
3 of 'gross turnover' a new definition as follows:

4 "gross turnover" means the "gross inflow of economic benefits during
5 the period arising in the course of the operating activities of an entity when
6 those inflows result in increases in equity, other than increases relating to
7 contributions from equity participants, including sales of goods, supply of
8 services, receipt of interest, rents, royalties or dividends."

Second Schedule-
Qualifying
Expenditure

9 16. The Second Schedule to the CITA is amended by inserting in
10 Paragraph I(1) before the definition of "trade or business", a new (j) under the
11 definition of "qualifying expenditure" as follows:

12 "(j) capital expenditure that is incurred on the development or
13 acquisition of software or other such capital outlays on electronic
14 applications."

15 *Industrial Development (Income Tax Relief) Act*

Publication of
List of Pioneer
Industries and
products and
issuing of Pioneer
Certificates

16 17. Section 1 of the Industrial Development (Income Tax Relief) Act
17 (IDITRA) is amended by inserting a new sub-section (7) as follows:

18 "(7) Any Small or Medium Sized' Company engaged in Primary
19 Agricultural Production shall be granted, pursuant to an application, to the
20 President, through the Nigerian;

21 Investment Promotion Commission, the following incentive:

22 (a) an initial tax-free period of five years which may be extended,
23 subject to the satisfactory performance of such Primary Agricultural
24 Production, for an additional maximum period of three years;

25 (b) such company cannot be granted similar tax holiday incentive
26 under any other Act in force in Nigeria; and (c) this and other pioneer status tax
27 incentives provided for in this Act shall be administered by the Nigerian
28 Investment Promotion Commission, in accordance with the relevant
29 provisions of this Act."

1 18. Section 25 of the IDITRA is amended by inserting, in Interpretation
2 alphabetical order, the following definitions: (IDITRA)

3 "Medium Sized Company" means a company that earns gross turnover
4 greater than Twenty-Five Thousand Naira (N25,000,000) but less than One
5 Hundred Thousand Naira (N100,000,000) per annum, or as otherwise
6 defined by the Companies Income Tax Act, as amended."

7 "Primary Agricultural Production" means:

8 (a) Primary Crop Production comprising the production of raw and
9 semi-processed crops of all kinds, but excluding any intermediate or final
10 processing of crops or any other associated manufactured or derivative crop
11 products;

12 (b) Primary Livestock Production comprising the production of
13 live animals and their direct produce such as live or raw meat, live or raw
14 poultry, fresh eggs and milk of all kinds, but excluding any other associated
15 manufactured or derivative livestock products;

16 (c) Primary Forestry Production comprising the production of
17 timbers of various kinds such as firewood, charcoal, uncultivated materials
18 gathered and other forestry products of all kinds, including seeds and
19 saplings, but excluding the intermediate and final processing of timber and
20 any other manufactured or derivative timber products; and

21 (d) Primary Fishing Production comprising the production of fish
22 of all kinds, including ornamental fish, but excluding any intermediate or
23 final processing of any other manufactured or derivative fish products. "

24 "Small Sized Company" means a company that earns gross turnover of
25 Twenty-Five Thousand Naira (N25,000,000) or less per annum, or as
26 otherwise defined by the Companies Income Tax Act, as amended."

27 *Personal Income Tax Act*

28 19. Section 6 of the Personal Income Tax Act (PITA) is amended
29 by inserting a new Section 6A, after the existing Section 6 as follows:

30 "6A. Profits of a trade or business of furnishing of services carried

Business or trade
only partially
carried on or
deemed to be
carried on in Nigeria

1 out outside Nigeria:

2 (1) Notwithstanding the provisions of Section 6 of this Act, where an
3 individual, executor, or trustee outside Nigeria carries on a trade or business
4 that comprises the furnishing of technical, management, consultancy or
5 professional services to a person resident in Nigeria, the gains or profits of the
6 trade or business shall be as deemed to be derived from and taxable in Nigeria
7 to the extent that the individual, executor or trustee has significant economic
8 presence in Nigeria.

9 Provided that the withholding tax applicable to income pursuant to
10 this Act shall be the final tax on the income of a non-resident recipient who does
11 not otherwise fall within the scope of Section 6 of this Act.

12 (2) For the purpose of this Section, the Minister may by Order
13 determine what constitutes the significant economic presence of a non-resident
14 individual, executor or trustee.

Deductions
allowed

15 **20.** Section 20 of PITA is amended by substituting for paragraph (g) in
16 subsection (1), a new paragraph "(g)" as follows:

17 "(g) a contribution to a Nigerian pension, provident or other
18 retirement benefits fund, society or scheme, as may be recognized under the
19 Pension Reform Act."

New trades

20 **21.** Section 24 of PITA is amended by substituting for the existing
21 Section 24, a new Section "24" as follows:

22 "24. The assessable income of an individual from a trade, business,
23 profession or vocation carried on by such individual in Nigeria, for its first
24 year of assessment and the two following years of assessment (which years are
25 in this subsection respectively referred to as "the first year", "the second year"
26 and "the third year") shall be ascertained in accordance with the following
27 provisions:

28 (a) for the first year, the assessable income shall be the income from
29 the date on which the individual commenced such trade, business, profession
30 or vocation in Nigeria to the end of its first accounting period;

1 (b) for the second year, the assessable income shall be the income
2 from the first day after the trade or business' first accounting period to the
3 end of its second accounting period; and

4 (c) for the third year and for each subsequent year thereafter, the
5 assessable income shall be the profits from the day after the accounting
6 period just ended."

7 **22.** Section 25 of PITA is amended by substituting for the existing
8 Section 25, a new Section "25" as follows:

9 "25. Where an individual permanently ceases to carry on a trade,
10 business, profession or vocation in Nigeria, such individual's assessable
11 income therefrom shall be the amount of income from the beginning of the
12 accounting period to the date of cessation and the tax thereof shall be
13 payable within three months from the date of cessation."

14 **23.** Section 33 of PITA is amended:

15 (a) by substituting for subsection (2), new subsection (2) as
16 follows:

17 For the purposes of this Section, "gross income" means income
18 from all sources less all non-taxable income, income on which no further tax
19 is payable, tax-exempt items listed in paragraph (2) of the Sixth Schedule
20 and all allowable business expenses and capital allowance.

21 (b) by substituting for subsection (3), a new subsection (3) as
22 follows:

23 "(3) There shall be allowed a deduction of the annual amount of
24 any premium paid by the individual during the year preceding the year of
25 assessment to an insurance company in respect of insurance on his life or the
26 life of his spouse, or of a contract for a deferred annuity on his own life or the
27 life of his spouse."

28 **24.** Section 37 of the PITA is amended by inserting a proviso after
29 the last line of the section as follows:

30 "Provided that minimum tax under this Section or as provided for

Cessation of
trades, etc.

Consolidated
Relief Allowance
(replacing Personal
Relief and Relief
for Children and
Dependents)

Charge of Income
Tax

1 under the Sixth Schedule to this Act shall not apply to a person in any year of
2 assessment where such person earns the National Minimum Wage or less from
3 an employment."

Interpretation

4 25. Section 108 of PITA is amended by inserting the definition of the
5 word "Board" as follows:

6 "Board" means the Joint Tax Board established under Section 86 of this Act.

7 "National Minimum Wage" means the extant National Minimum Wage
8 pursuant to the National Minimum Wage Act of 1981 (as amended).

General
Amendment

9 26. Sections 23, 48, 64, 73, 86, 89, 93, 96 and 106 of PITA are
10 amended by substituting for the word, "Service" the word "Board" wherever it
11 appears in the Sections.

Third Schedule

12 27. The Third Schedule of the PITA is amended by including a new
13 paragraph 33 as follows:

14 (33) The income of a person from an employment where such person
15 earns gross income of the National Minimum Wage or less from such
16 employment.

Imposition of
education tax

17 28. Section 1 of the Tertiary Education Trust Fund (Establishment,
18 Etc.) Act (TETFUND) is amended by substituting for subsection (2), a new
19 subsection"

20 "(2)" as follows:

21 "(2). The tax, at the rate of 2 percent, shall be charged on the assessable
22 profit of a company registered in Nigeria, other than a small company as
23 defined under the Companies Income Tax Act."

Offences

24 29. Section 10 of TETFUND Act is deleted.

Penalties

25 30. Section 11 of the TETFUND Act is amended by deleting
26 subsection "(3)."

27 PART II

28 *Customs & Excise Tariff etc. (Consolidation) Act*

Goods liable to
excise duty

29 31. Section 21 of the Customs & Excise Tariff (Consolidation) Act
30 (CETA) is amended by:

1 (a) deleting the proviso in subsection (1) (as amended" the Finance
2 Act 2019) and restating the Section follows:

3 "Goods imported and those manufactured in Nigeria as specified in the Fifth
4 Schedule to this Act shall be charged with duties of excise at the rates specified
5 under the "column in the Schedule".

6 (b) inserting a new subsection (2) as follows:

7 "(2) Services provided in Nigeria and specified in the Schedule to
8 this Act shall be charged with duties of excise at the rates specified under the
9 duty column in the Schedule as the President may by Order prescribe
10 pursuant to Section 13 of this Act"

11 *Value Added Tax Act*

12 32. The Value Added Tax Act (VATA) is hereby amended by
13 introducing a new Section (2A) after the existing Section 2 as follows:

Taxable Goods
and Services

14 (2A) (1) A supply shall be treated as taking place on the date of
15 supply of taxable goods or services, or the date of issuance of a tax invoice
16 for the supply of taxable goods or services, whichever occurs earlier.

17 (2) For the purpose of subsection (1), the date of the supply of
18 taxable goods or services shall be:

19 (a) In respect of goods:

20 (i) If the goods are to be removed, the date of delivery by the
21 supplier or its agent or the collection of those goods by the customer or its
22 agent;

23 (ii) If the goods are not to be removed or are of intangible nature,
24 the date the goods are made available for use to the person to whom they are
25 supplied;

26 (b) In respect of services, the date the services are performed;

27 (3) Notwithstanding the provisions of subsection (1), a supply shall
28 be treated as having taken place on:

29 (a) the date of supply, if the invoice for the supply of goods or
30 services is not issued within 60 days of the date of supply;

1 (b) the date of issuance of an invoice, if the invoice is issued in
2 advance of the supply of goods or services; or

3 (c) the date of issuance of an invoice, if goods or services are to be
4 supplied on a periodic, continuous or successive basis and the invoice for
5 services can only be issued upon completion of a milestone or as prescribed by
6 such other contractual terms.

7 (4) With respect to contracts with Ministries, Departments or
8 Agencies of the Federal Government of Nigeria entered before 1 February
9 2020, a supply shall be treated as having taken place on the date when an
10 administrative approval relating to price or other fundamental terms of the
11 contract was made by the Federal Executive Council or other such approving
12 body recognized by law; or on the date of approval of any relevant variations,
13 where applicable.

Rate of Tax

14 33. Section 4 of the Value Added Tax Act (VATA), amended is further
15 amended by inserting the words "with effect from 1 February 2020" after the
16 words per cent".

Interpretation

17 34. Section 46 of the VATA Act is amended by:

18 (i) including the following as a basic food item:

19 "Animal Feed" means raw, semi-processed, processed and otherwise enhanced
20 animal feed that is fed to domesticated and other animals raised and
21 slaughtered for human consumption to provide beef, goat, lamb, pork, chicken,
22 fish and other kinds of meat, as well as other animals cultivated and raised for
23 the production of milk, eggs as well as other sources of protein and nutrients
24 edible by humans."

25 (ii) substituting the definition of "Goods" with the following:

26 (a) all forms of tangible properties that are movable at the point of
27 supply, but does not include money or securities;

28 (b) any intangible product, asset or property over which a person has
29 ownership or rights or from which he derives benefits and which can be
30 transferred from one person to another, but does not include money, securities,

1 interest in land and any transfer thereof of such interest in land, the
2 assignment of any leasehold interest in land, the transfer of ownership of any
3 interest in a license to produce or explore for solid minerals or petroleum or
4 of a right to use water drawn from a river, dam or aquifer;

5 (iii) By substituting the definition of "Services" with the following:
6 "Services" means "anything other than goods, money, securities which is
7 supplied but does not include services provided under a contract of
8 employment, interest in land and any transfer thereof of such interest in land,
9 the assignment of any leasehold interest in land, the transfer of ownership of
10 any interest in a license or lease to produce or explore for solid minerals or
11 petroleum or of a right to use water drawn from the sea, rivers, dams,
12 aquifers and other inland waterways or bodies of water".

13 PART III

14 *Stamp Duties Act*

15 35. Section 89 of the Stamp Duties Act is amended as follows:

Provisions as to
Duty upon receipts

16 (a) by deleting in line 2 of subsection (I), the words "or electronic
17 inscription" such that the section reads:

18 (I) "For the purpose of this Act, the expression "receipt" includes
19 any note, memorandum or writing whereby any money, or bill of exchange
20 or promissory note for money is acknowledged or expressed to have
21 received or deposited or paid, or whereby any debt or demand, or any part of
22 a debt or demand is acknowledged to have been settled, satisfied, or
23 discharged, or which signifies or imports any such acknowledgment and
24 whether the same is or is not signed by with the name of any person."

25 (b) by deleting in line 3 of subsection (2), "or any
26 acknowledgement of duty charged on an electronic transaction" such that
27 the subsection reads:

28 (2) "The duty upon a receipt may be denoted by an adhesive stamp
29 which is to be cancelled by the person to whom the receipt is given before he
30 delivers it out of his hands or by a digital tag with electronic stamp."

- 1 (c) by deleting subsection (3);
 2 (d) by renumbering the existing subsection (4) as (3) accordingly and
 3 substituting it with the following: (3) "A duty paid under subsections (1) shall
 4 be applied as a credit against any duty applicable on an instrument denoted with
 5 an adhesive stamp"

6 *Electronic Money Transfer Levy*

Electronic Money
Transfer levy

7 36.-(1) There is hereby imposed a levy, to be referred to as the
 8 Electronic Money Transfer Levy, on electronic receipts or electronic transfer
 9 for money deposited in any deposit money bank or financial institution, on any
 10 type of account, to be accounted for and expressed to be received by the person
 11 to whom the transfer or deposit is made.

12 (2) The Levy shall be imposed as a singular and one-off charge of
 13 Fifty Naira (N50) on electronic receipts or electronic transfers of money in the
 14 sum of Ten Thousand Naira (N10,000) or more.

15 (3) "The Central Bank of Nigeria may, subject to the approval of the
 16 Minister of Finance, make regulations for the imposition, administration,
 17 collection and remittance of the Levy.

18 PART IV

19 *Federal Inland Revenue Service (Establishment) Act*

Functions of the
Service

20 37. Section 8 of the FIRS Act is amended by:

21 (a) Inserting after paragraph (s), a new paragraph (t) as follows:

22 "(t) provide assistance in the collection of revenue claims or any other
 23 administrative assistance in tax matters with respect to any agreement or
 24 arrangement made between the Government of the Federal Republic of Nigeria
 25 and the Government of any country or other persons or bodies as may be
 26 deemed necessary in that regard."

27 (b) Renumbering the paragraphs accordingly.

Administrative
of tax laws

28 38. Section 25 of the FIRS Act is amended by inserting new
 29 subsections (3), (4), and (5) as follows:

30 "(3) The Service may deploy any proprietary or third party payment,

1 processing or other digital platforms or applications to collect and remit
2 taxes due on international transactions in the supply of digital services to and
3 from a person in Nigeria, in the case of transactions carried out through
4 remote, digital, electronic or other such platform.

5 (4) The Service may deploy proprietary technology to automate
6 the tax administration process including tax' assessment and information
7 gathering, provided that the Service is required primarily to engage with the
8 Federal Government regulators of banks, other financial institutions, capital
9 market operators, as well as other regulated sectors, first, to obtain the
10 relevant information from the Federal Government relevant regulator of
11 such regulated taxpayers, unless as authorised by Regulations issued by the
12 Minister responsible for Finance under this Act or any other relevant law.

13 (5) The Service may receive assistance in the collection of revenue
14 claims or any other administrative assistance in tax matters with respect to
15 any agreement or arrangement made between the Government of the
16 Federal Republic of Nigeria and the Government of any country or other
17 persons or bodies as may be deemed necessary in that regard."

18 39. Section 26 of the FIRS Act is amended by substituting for
19 subsections (1), (2) and (3), new subsections "(1)", "(2)" and "(3)"
20 respectively:

21 "(1) For the purposes of obtaining full information in respect of the
22 taxation of an individual, company or any person or for the purpose of
23 performing any function conferred on it by this Act, the Service may give
24 notice to any individual, company or person, requiring such individual,
25 company or person to, within the time specified by the notice:

26 (a) complete and deliver to the Service any return specified in such
27 notice;

28 (b) appear personally before an officer of the Service for
29 examination with respect to a matter to which such notice relates;

30 (c) produce or cause to be produced for examination, books,

Call for returns,
books documents
and information

1 - documents or records, at the place and time stated in the notice, which time may
2 be from day-to-day, or for such period as the Service may deem necessary;

3 (d) provide, orally or in writing, any information specified in such
4 notice;

5 (2) For the purposes of paragraphs (a) to (d) of subsection (1) above,
6 the time specified by such notice shall not be less than 30 days from the date of
7 service of such office.

8 (3) A person who defaults in complying with the provisions of this
9 Section:

10 (a) where the default relates to a tax liability, is liable, in addition to
11 the tax liability, to a penalty of 10 percent of the tax and interest at the
12 prevailing Central Bank of Nigeria minimum rediscount rate; or

13 (b) where the contravention relates to issues other than a tax liability,
14 is liable to a penalty of Twenty-Five Thousand Naira (N 25,000.00)."

Information and
Documents to be
confidential

15 40. Section 39 of the FIRS Act is amended by substituting for the
16 existing Section 39, a new Section 39 as follows:

17 (1) Without prejudice to the provisions of any other Act concerning
18 data privacy, data protection and unlawful disclosure of taxpayer information,
19 taxpayer information shall be confidential.

20 (2) Except as otherwise provided under this Act, any other law or any
21 enabling agreement or arrangement or as otherwise authorised by the Minister,
22 any member or former member of the Board or any employee or former
23 employee of the Service or any agent or any other person who communicates or
24 attempts to communicate taxpayer information to any person other than to a
25 person legally authorised to collect the tax or misuses the information commits
26 an offence and shall be liable on conviction to a fine not exceeding One Million
27 Naira (1,000,000.00) or to imprisonment for a term not exceeding 3 years or to
28 both such fine and imprisonment.

Official secrecy
and confidentiality

29 41. Section 50 of the FIRS Act is amended by substituting for the
30 existing subsection (5), a new subsection (5) as follows:

1 "(5) Where any agreement or arrangement with any other country,
2 government or tax authority for exchange of information or with respect to
3 relief for double taxation of income or profits includes provisions for the
4 exchange of taxpayer information with that country for the purpose of
5 implementing a tax relief or preventing avoidance of tax, or for such other
6 purposes as may be enshrined in the agreement or arrangement, the
7 obligation as to secrecy imposed by this Act shall not prevent the disclosure
8 of such information to the authorised officers of the Government of such
9 country.

10 42. Section 69 of the FIRS Act is amended by inserting the Interpretation
11 following definition:

12 "taxpayer information II includes:

13 (i) Any information received or generated by the Service pursuant
14 to its powers under this Act or any extant Legislation;

15 (ii) Any information in any form received, accessed or produced by
16 the Service under any agreement or arrangement with any country,
17 government or tax authority, such as Double Taxation Agreements, Tax
18 Information Exchange Agreements, and Common Reporting Standard,
19 Country-by-Country Reporting or any other exchange of information
20 agreement or arrangement;

21 (iii) Written or electronic documents, returns, assessments, lists
22 and copies of such lists relating to profits or items of profits of any person or
23 to such matter which forms the basis of any agreement or arrangement with
24 any country, government or tax authority.

25 43. The Fifth Schedule to the FIRS Act is amended:

26 (a) In sub-paragraph (2) of paragraph 20 by the insertion of a new
27 "(viii)" in the list as follows:

28 "(viii) Conduct its hearing remotely via virtual means, using such
29 technology or application as may be necessary to ensure fair hearing. "

30 (b) renumbering the items on the list accordingly.

Fifth Schedule -
Paragraph 20(2)
of the fifth schedule
to the Act

Incentives and
related matters

1 *Nigeria Export Processing Zone Authority Act*

2 44. Section 18(1) of the NEPZA is amended by:

3 (a) Substituting for the existing subsection (1)(a), a new subsection
4 (1)(a) as follows:

5 "a. exemption from taxes, levies, duties and foreign exchange
6 regulations in accordance with section 8 of this Act, subject always to the
7 provisions of the Banks and Other Financial Institutions Act, 2020; provided
8 that all companies registered and operating in the Zone shall comply with the
9 provisions of Section 55 (1) of the Companies Income Tax Act and render
10 returns in the manner prescribed therein, to the Federal Inland Revenue Service
11 and the penalties prescribed in Section and all penalties prescribed in the
12 Companies Income Tax Act and the Federal Inland Revenue Service
13 Establishment Act that may apply in the event of non-compliance with the said
14 Section 55 (1) of the Companies Income Tax Act shall apply to such companies
15 in the event of default to comply."

16 *Oil and Gas Export Free Zone Act*

Incentives and
related matters

17 45. Section 18(1) of the OGEFZA is amended by:

18 (a) Substituting for the existing" subsection(1)(a), new subsection
19 (1)(a) as follows:

20 "a. exemption from taxes, levies, duties and foreign exchange
21 regulations in accordance with section 8 of the Act, subject always to the
22 provisions of the Banks and other Financial Institutions Act, 2020; provided
23 that companies registered and operating in the Zone comply with the
24 provisions of Section 55 (1) of the Companies Income Tax Act and render
25 returns in the manner prescribed therein, to the Federal Inland Revenue Service
26 and the penalties prescribed in Section and the penalties prescribed in the
27 Companies Income Tax Act at the Federal Inland Revenue Service
28 Establishment Act that may apply in the event of non-compliance with the said
29 Section 55 (1) of the Companies Income Tax Act shall apply to such companies
30 in the event of default to comply."

PART V

Crisis Intervention Fund

46. Crisis Intervention Fund:

Creation of crisis
intervention fund

(a) There shall be provided out of the Consolidated Revenue Fund [and the Special Accounts listed in the First Schedule to this Act] upon the coming into operation of this Act the sum of Five Hundred Billion Naira (500,000,000,000.00) or other such sums as may be approved by the National Assembly for the establishment of a Fund to be known as the Crisis Intervention Fund;

(b) The Crisis Intervention Fund may be utilised for making funds available to meet expenditure as provided in the Annual Appropriation Act to meet any Crisis related expenditure or other such exigencies that may arise pursuant to Section 12 of the Fiscal Responsibility Act (as amended) and Section 306 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended).

PART VI

Unclaimed Funds Trust Fund

47. Subject to Section 44(1) and 44(2)(h) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), there is hereby established, by way of a trust, as a sub-fund of the Crisis Intervention Fund, an Unclaimed Funds Trust Fund, provided that:

Creation of an
Unclaimed Funds
Trusts Fund

(a) From the commencement of this Act, any unclaimed dividends of a public limited liability company quoted on the Nigerian Stock Exchange and any unutilised amounts in a dormant bank account maintained in or by a deposit money bank which has remained unclaimed or unutilised for a period of not less than six years from the date of declaring the dividend or domiciling the funds in a bank account shall be transferred immediately to the Unclaimed Funds Trust Fund;

(b) The Debt Management Office established by the Debt Management Office Establishment (Etc.) Act 2003 or subsequent statutes

1 which replaces this Act shall supervise the operations of the fund;

2 (c) The unclaimed dividend and unutilised amounts in a dormant bank
3 account shall be transferred either by the public limited company, Registrar or
4 deposit money bank;

5 (d) The Unclaimed Funds Trust Fund shall be governed by a
6 Governing Council chaired by the Minister responsible for Finance and a Co-
7 Chairperson from the Private Sector, as may appointed by the President on the
8 recommendation of the Minister responsible for Finance, provided that the
9 Private Sector Co-Chairperson shall be a qualified person of irreproachable
10 integrity such as to render the person a fit and proper person to serve in this
11 capacity;

12 (e) The Secretariat of the Fund shall be in the Debt Management
13 Office and the Debt Management Office shall operate the Fund with the
14 Central Bank of Nigeria;

15 (f) All Public Limited Liability Companies quoted on the Nigerian
16 Stock Exchange and deposit money banks shall render annual return of
17 unclaimed dividend and unutilised amounts in a dormant bank account in a
18 format prescribed by the Debt Management Office of the Federation;

19 (g) The Debt Management Office shall prepare and submit the
20 financial statement of the Unclaimed Dividends Trust Fund to the Office of the
21 Auditor-General for the Federation for audit; and

22 (h) Failure by any company or deposit money bank to transfer the
23 unclaimed dividends or unutilised amounts in a dormant bank account to the
24 Unclaimed Funds Trust Fund shall constitute an offence under this Act and the
25 company or deposit money bank shall be liable upon conviction, to a fine of not
26 less than five times the value of the unclaimed dividends and unutilised funds
27 in a dormant bank account plus accumulated interest on the amount not
28 transferred at the Central Bank of Nigeria's Monetary Policy Rate:

29 Provided, however, that this section shall not apply to official bank
30 accounts owned or belonging to the: Federal Government, State Government

1 or Local Government, or any of their Ministries, Departments or Agencies.

2 *Companies and Allied Matters Act*

3 48. Section 432 of the Companies and Allied Matters Act, 2020 is
4 amended by inserting after subsection

Unclaimed
Dividends

5 (2), new subsections (3) and (4):

6 (3) Notwithstanding subsections (1) and (2), dividends of a public
7 limited liability company quoted on the Nigerian Stock Exchange which has
8 remained unclaimed for a period of six years or more from the date of
9 declaring the dividend shall be immediately transferred to the Unclaimed
10 Funds Trust Fund.

11 (4) Such unclaimed dividends transferred to the Unclaimed Funds
12 Trust Fund shall be a special debt owed by the Federal Government to the
13 shareholders and shall be available for claim by the shareholder at any time,
14 pursuant to the aforementioned perpetual trust.

15 PART VII

16 *Fiscal Responsibility Act*

17 49. Section 12 of the Fiscal Responsibility Act is amended by
18 inserting after subsection (1) a new subsection (2) as follows:

Aggregated
Expenditure
Ceiling

19 "(2) Aggregate expenditure for a financial year may exceed the
20 ceiling imposed by the provisions of subsection (1) of this Section, if in the
21 opinion of the President, as may be published in the Official Gazette of the
22 Government of the Federation, [or official directives or orders by the
23 President, or through an Appropriation Act, Virement or other Money Bill
24 pursuant to Sections 59 or 306 of the Constitution of the Federal Republic of
25 Nigeria, 1999 (as amended):

26 (a) the Federation, or any part thereof, is at war;

27 (b) the Federation is in imminent danger of invasion or
28 involvement in a state of war;

29 (c) there is actual breakdown of public order and public safety in
30 the Federation or any part thereof to such extent as to require extraordinary

1 measures to restore peace and security;

2 (d) there is clear and present danger of an actual breakdown of public
3 order and public safety in the Federation or any part thereof requiring
4 extraordinary measures to avert such danger; or

5 (e) there is an occurrence or imminent danger, or the occurrence of
6 any pandemic or disaster or such other natural calamity, affecting the
7 community or a section of the community in the Federation; or there is any
8 other public danger which clearly constitutes a threat to the existence of the
9 Federation.

Classification
of corporation
operating surplus

10 50. Section 22 of the Fiscal Responsibility Act is amended by
11 inserting new subsections (1), (2) and (3) as follows:

12 (1) Notwithstanding the provisions of any written law governing the
13 corporation, each corporation shall establish a general reserve fund and shall
14 allocate thereto at the end of each financial year, one-fifth of its operating
15 surplus for the year, provided that the cost to revenue ratio of each corporation
16 shall not exceed fifty per cent or such other ratio as the Minister may publish for
17 that particular corporation by way of order published in the official Gazette;

18 (2) The balance of the operating surplus shall be paid to the
19 Consolidated Revenue Fund of the Federal Government in accordance with the
20 Constitution of the Federal Republic of Nigeria, 1999 (as amended) on a
21 quarterly basis, in accordance with such financial guidelines or regulations that
22 the Minister may issue from time to time, provided that nothing in this Act or
23 any written law governing the corporation shall prevent the Minister from
24 effecting a direct deduction from the Treasury Single Account, or other such
25 relevant account, of that corporation to enforce due compliance with this
26 Section; and

27 (3) The Minister shall cause a financial reconciliation between the
28 quarterly direct deductions and aggregate annual deductions of operating
29 surpluses to be concluded for each corporation not later than three months
30 following the statutory deadline for publishing each corporation's accounts.

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PART VIII

Public Procurement-Act

51. Section 15 of the Principal Act is amended in subsection (1)

Scope of
application

by:

(i) substituting for the opening words, new "opening words":

"This Act applies to all public procuring and disposal entities.

under the three arms of the Federal Government", and

(ii) by inserting after paragraph (b), new paragraphs "(c)" - "(e)":

"(c) without limiting paragraphs (a) and (b), to:

(i). Federal Government, Ministries; Departments and Agencies;

(ii). Federal Government institutions,

(iii) Federal Government owned enterprises, corporations,
councils, authorities and commissions provided that they utilise public
funds;

(iv). Federal tertiary and non-tertiary educational institutions;

(v). Federal hospitals and other health institutions;

(vi). the Central Bank of Nigeria and other Federal Government
owned financial institutions;

(vii). the national defence and national security agencies;

(viii). the National Assembly; and

(ix). the Judiciary.

52. Substitute for Section 17 of the Principal Act, a new Section

Approving
authority

"17":

(1) Subject to the monetary and prior-review thresholds for
procurements in this Act as may from time to time be determined by the
Council, the following shall be the approving authority for the conduct of
public procurement:

(a) in the case of:

(i). a government agency, parastatal, or corporation, a parastatal's
Tender's Board;

1 (ii) a ministry or extra-ministerial entity, the Ministerial Tender's
2 Board;

3 (iii) The National Assembly, the Parastatals Tenders Board; and

4 (iv) the Judiciary, the Judicial Bodies Tender's Board and the Courts
5 Tender's Board;

6 (b) In the case of any other public procurement the value of which
7 exceeds the Ministerial Tender's Board threshold, or any other threshold set by
8 the Bureau and approved by the Council:

9 (i) the Federal Executive Council for the Executive Arm of
10 Government;

11 (ii) the National Assembly Tender's Board for the Legislative Arm of
12 Government; and

13 (iii) the National Judicial Council Tender's Board for the Judicial Arm
14 of Government.

15 (2) The Chief Executive and Accounting Officer of the procuring
16 entity shall chair the Parastatal Tender's Board; the Permanent Secretary shall
17 chair the Ministerial Tender's Board; while the President or his representative
18 shall chair the Federal Executive Council.

19 (3) The accounting officers of the parastatals under the National
20 Assembly shall chair the Parastatals Tender's Board; while the Clerk to the
21 National Assembly shall chair the National Assembly Tender's Board.

22 (4) The Secretaries and Chief Registrars shall chair the Boards of the
23 Judicial Bodies respectively; while the Chief Justice of Nigeria, or his
24 representative, shall chair the National Judicial Council Tender's Board.

25 (5) The Secretary to the Government of the Federation or his
26 representative, shall be the Secretary of the Federal Executive Council; the
27 Secretary, Directorate of Procurement, Estate and Works shall serve as
28 Secretary to the National Assembly Tender's Board; while the Executive
29 Secretary of the National Judicial Council, or his representative, shall be the
30 secretary of the National Judicial Council Tender's Board.

1 (6) For the Parastatal Tender's Board and the Ministerial Tender's
2 Board, the Directors of Procurement shall be the secretaries; and in the case
3 of the judiciary, the Secretaries of the Judicial Bodies and the Chief
4 Registrars of the Courts thereof shall be the secretaries.

5 53. Section 20 of the Principal Act is amended:

Accounting
Officer

6 (a) in subsection (1), by inserting after the word, "responsibility" in
7 line 4, the words, "in the case of the National Assembly, the Clerk; and in the
8 case of the Judiciary, the Secretaries of the Judicial Bodies and the Chief
9 Registrars of the Courts";

10 (b) by inserting after subsection (2), new subsections "(3)" - "(9)";

11 (3) The accounting officer of each procuring entity is empowered
12 to purchase or approve contracts without open competitive tendering
13 provided the value of such procurement (low value procurement) does not
14 exceed certain threshold set by the Bureau and approved by the Council.

15 (4) For the low-value procurement, the advert shall be for one
16 week on the Notice Board of the procuring entity.

17 (5) The Bureau shall prescribe the procedure and other conditions
18 applicable for different procuring entities and for different goods, works and
19 services to be procured.

20 (6) The accounting officer shall render a quarterly report to the
21 Parastatal Tender's Board.

22 (7) Each employee of a procuring entity and each member of a
23 board or committee of a public entity shall ensure that this Act, within the
24 areas of assigned responsibility of the employee or member, is complied
25 with.

26 (8) All bidders for the procurement of any goods, works and
27 services for any public entity shall comply with all relevant provisions of
28 this Act.

29 (9) Any stakeholder, be it the accounting officer, an officer of the
30 procuring entity, a member of a committee or board of a public entity and

1 any bidder of public goods, works and services, who fails to independently
2 perform within the respective assigned responsibility as prescribed under this
3 Act and who contravenes the provisions of this Act, shall be guilty of an
4 offence".

Tenders board

5 54. Section 22 of the Principal Act is amended by substituting for
6 subsections (1) and (5), new subsections 1/(1)" and 1/(5)1/:

7 (1) There is established by this Act:

8 (a) for the Executive Arm of Government:

9 (i) the parastatals Tender's Board in each procuring entity;

10 (ii) the Ministerial Tender's Board in each Ministry and extra
11 Ministerial Department; and

12 (iii) the Federal Executive Council;

13 (b) for the Legislative Arm of Government:

14 (i) the Parastatals Tender's Board in each procuring entity under the
15 legislature; and

16 (ii) the National Assembly Tender's Board in the National Assembly;

17 and

18 (c) for the Judicial Arm of Government:

19 (i) the judicial bodies and Courts Tender's Boards in each parastatal
20 under the Judiciary and all Courts; and

21 (ii) the National Judicial Council Tender's Board.

22 (5) The decisions of all Tender's Boards shall be confirmed
23 respectively by the Political Heads of the procuring entities, provided that the
24 Political Heads are not the Chairmen of the Tender's Board."

Open competitive
bidding

25 55. Section 24 of the Principal Act is amended by substituting for
26 subsections (1) and (2), new subsections "(1)" and "(2)":

27 (1) Except as provided by this Act:

28 (a) all procurements of goods, works and services by all procuring
29 entities shall be conducted by open competitive bidding; and

30 (b) any procuring entity that applies any other procurement option

1 prescribed in this Act, the accounting officer of the entity shall submit a
2 request and obtain the approval of the Bureau.

3 (2) Any reference to open competitive bidding in this Act means
4 the process by which a procuring entity based on previously defined criteria,
5 effects public procurements by offering to every interested bidder, equal
6 simultaneous information and opportunity to offer the goods, works and
7 services needed.

8 56. Section 25 of the Principal Act is amended by substituting for Invitation to-bid
9 subsection (2), a new subsection "(2)":

10 (2) Every invitation to an open competitive bid shall, in the case of
11 goods, works and services:

12 (b) under International Competitive Bidding, the invitation for bid
13 shall be advertised in at least two national newspapers and one relevant
14 internationally recognised publication, any official websites of the
15 procuring entity and the Bureau as well as the procurement journal of not
16 more than four weeks for contracts within the thresholds of the Parastatals
17 and Submission of bids Bid opening Ministerial Tender's Boards and not
18 more than six weeks for contracts above the threshold of the Ministerial
19 Tender's Board before the deadline for the submission of the bids for the
20 goods, works and services; and

21 (c) valued under National Competitive Bidding, the invitation for
22 bids shall be advertised on the notice board of the procuring entity, any
23 official websites of the procuring entity; at least two national newspapers,
24 and in the procurement journal not more than four weeks for contracts
25 within the thresholds of the Parastatals and Ministerial Tender's Boards and
26 not more than six weeks for contracts above the threshold of the Ministerial
27 Tender's Board before the deadline for submission of the bids for the goods,
28 works and services."

29 57. Section 27 of the Principal Act is amended by substituting for Submission of
30 subsection (I), a new subsection "(1)": bids

1 "All bids in response to an invitation to 'open competitive bidding
2 shall be submitted in writing, electronic or any other format stipulated in the
3 tender documents signed (physically or electronically) by an official
4 authorised to bind the bidder to a contract and placed in a sealed envelope".

Bid opening

5 58. Section 30 of the Principal Act is amended by substituting a new
6 section 30 as follows:

7 "All bids (physical or electronic) shall be submitted before the
8 deadline or date specified in the tender documents or any extension of the
9 deadline for submission and the procuring entity shall:"

10 (a) substituting for paragraph (e), a new paragraph "(e)":

11 "(e) call-over to the hearing of all present, the name and address of
12 each bidder, the total amount of each bid, the bid currency, validity period,
13 completion period and shall ensure that these details are recorded by the
14 Secretary of the Tenders Board or his delegate in the minutes of the bid
15 opening"; and

16 (b) inserting after paragraph (e), a new paragraph "(f)"

17 "(f) this exercise shall be carried out by the procurement department
18 of the procuring entity in the presence of the legal officer or other relevant
19 official of the entity and all those specified in Section 19 (b) of this Act".

20 (c) inserting after paragraph (f), a new proviso as follows:

21 "Provided always that the procuring entity shall in lieu of sub-
22 sections (a) to (f) above, comply with any Regulations that the Bureau may
23 make for electronic and virtual procurement pursuant to Section 18 of this Act,
24 which Regulations shall ensure the security, transparency, integrity and
25 fairness of such electronic and virtual procurement processes.

Mobilisation
fees

26 59. Section 35 of the Principal Act is amended by:

27 (a) substituting for subsection (1), a new subsection 1/(1)":

28 "(1) In addition to any other regulation as may be prescribed by the
29 Bureau, a mobilization fee of not more than 30% for local contractors only may
30 be paid to a supplier or contractor supported by an unconditional bank

1 guarantee or insurance bond issued by an institution acceptable to the
2 procuring entity until the mobilisation fee is fully amortised or recovered. "

3 (b) inserting after subsection (2), a new subsection 1/(3)";

4 "(3) Where the Bureau has set prior review thresholds in the
5 procurement regulations, no funds shall be disbursed from the Treasurer or
6 Federation Account or any bank account of any procuring entity for any
7 procurement falling above the set thresholds unless the cheque, payments or
8 other form of request for payment is accompanied by a "Certificate" of "No
9 Objection" to award of contract duly issued by the Bureau. "

10 60. Substitute for Section 36 of the Principal Act, a new Section
11 "36":

Contract
performance
guarantee

12 (1) The provision of a performance guarantee and, an
13 unconditional insurance bond shall be a precondition for the award if any
14 procurement contract upon which any mobilisation fee is to be paid,
15 provided it is not less than 10% of the contract value.

16 (2) All contracts approved by a Tender's Board requiring the
17 opening of irrevocable letter of credit shall be stated explicitly in the
18 contract agreement and the procuring entity shall liaise with the Central
19 Bank of Nigeria, for further guidelines".

20 61. Section 58 (2) of the Principal Act is amended by inserting after
21 the word, "court", in line 2, the words, "or a tribunal set up by the Chief
22 Justice of Nigeria. "

Offence relating
to public procurement

23 62. Section 60 of the Principal Act is amended by:

24 (a) substituting for the definition of contract and procuring entity,
25 the following new definitions:

Interpretation

26 "contract" means an agreement entered into between a procuring entity
27 and a contractor, supplier or consultant;

28 "procuring entity" means any public body or Government organ engaged in
29 procurement and includes a Ministry, Extra-Ministerial Office, Government

1 Agency, Parastatal, Corporation, Commission, National Assembly and
2 Judiciary;

3 (b) inserting in alphabetical order, the following definition of public
4 procurement:

5 "Public Procurement' means the acquisition by any means of goods, works and
6 services by the Government; and

7 (c) deleting the definition of procurement.

8 PART IX

9 *General*

Citation

10 **63.** This Bill may be cited as the Finance Bill, 2020.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Capital Gains Tax Act, Companies Income Tax Act, Personal Income Tax Act, Tertiary Education Trust Fund (Establishment) Act, Customs and Excise Tariff, Etc. (Consolidated) Act, Value Added Tax Act, Federal Inland Revenue Service (Establishment) Act, Nigeria Export Processing Zone Act, Oil and Gas Export Free Zone Act, Fiscal Responsibility Act, Companies and Allied Matters Act 2020, Public Procurement Act, in order to make further provisions in connection with the federal government financial management, public revenue.