



JOINT TAX BOARD

...creating a tax friendly environment!

COMMUNIQUE ISSUED AT THE END OF THE 156TH MEETING OF THE JOINT TAX BOARD (JTB) HELD ON THE 10TH AND 11TH DECEMBER 2024 AT HOTEL PRESIDENTIAL, PORT HARCOURT, RIVERS STATE

The theme of the meeting was **"Opportunities and strategies for improved taxation of high net-worth individuals in Nigeria"**

The Board deliberated on various issues around the theme and other related matters in the nation's tax ecosystem and adopted the following resolutions:

1. The Joint Tax Board notes that taxation of high net-worth individuals (HNWIs) in Nigeria has increasingly come under focus given the perceived unfairness in the distribution of the tax burden among this category of taxpayers in relation to other taxpayers.
2. The Joint Tax Board recognizes the need for improved intelligence gathering to identify, track, and profile HNWIs in Nigeria. Accordingly, broad based collaboration with relevant national and sub-national agencies is encouraged to strengthen the data collection and analytics capabilities of sub-national revenue authorities for tax purposes.
3. That investment in capacity building for tax administrators through targeted training and development programs are necessary to enhance operational skills and expertise in understanding and addressing the sophisticated tax planning and evasion schemes oftentimes adopted by HNWIs.
4. That strengthened advocacy for policy and tax law reforms to address the complexities of taxing HNWIs is a necessary measure to ensure fairness and equity in the nation's tax ecosystem.
5. That the Joint Tax Board shall continuously seek to leverage technology, including the use of data analytics, tax intelligence, and other digital tools to detect and mitigate tax evasion, while fostering international cooperation to improve tax compliance and curtail cross-border tax evasion to ensure that HNWIs are taxed fairly and transparently.
6. That the Joint Tax Board encourages regular review and evaluation of the effectiveness of adopted strategies and initiatives, and support needful adjustments where and when necessary, to ensure results, and optimise opportunities that will improve taxation of HNWIs in Nigeria.
7. That revenue authorities explore adopting risk-based approach to auditing and monitoring HNWIs, focusing on high-risk individuals and transactions.
8. That political will, commitment of respective political authorities, adequate multi-pronged approach to stakeholder engagement, and establishment or strengthening institutional structures of revenue authorities are necessary factors for successful taxation of HNWIs.
9. The Joint Tax Board notes the urgent need to accurately classify Electronic Money Transfer Levy (EMTL) disbursements, Stamp Duties, Withholding taxes and other revenue items as tax, and takes the position that such items should be credited to the internally generated revenue (IGR) accounts of the respective sub-nationals, rather than to the respective Federation Account Allocation Committee (FAAC) accounts, for purposes of assuring accuracy in reporting, and appropriate accounting.
10. The Board agreed to ensure that adequate public enlightenment and sensitization is undertaken prior to any introduction of new rates for driver's license and vehicle number plates, to afford members of the public the opportunity to be well informed in advance while educating them on the rationale behind the decision.

SIGNED:

M. L. Abubakar
For: Chairman, Joint Tax Board

Olusegun Adesokan
Secretary, Joint Tax Board