



Nigeria

Tax Indicators	Residents	Non-residents
Fiscal year-end	December	December
Companies:		
Company tax ¹	30%	6% of Nigerian turnover
Tax on capital gains ²	10%	10%
General sales tax	None	None
Value-added tax ³	5%	5%
Individuals:⁴		
Individual marginal tax rate (maximum)	18.96%	18.96%
Basis of taxation	Residence (worldwide income)	Source
Withholding tax		
Dividends	10%	10%
Interest	10%	10%
Royalties	10% or 5% ⁵	10% or 5% ⁵
Rent	10%	10%
Technical and Management fees	10%	10%
Exchange controls	Exist	Exist
Thin capitalisation	No thin capitalisation rule but interest on loan deductions may be disallowed under the artificial transaction provisions.	
Transfer pricing	No specific transfer pricing legislation but general anti-avoidance rule exists. Draft legislation is currently being considered	
Double tax treaties⁶	Belgium, Canada, China, Czech Republic, France, Kuwait, Netherlands, Pakistan, Philippines, Romania, Slovakia, South Africa, United Kingdom and Northern Ireland.	
Treaties awaiting conclusion and/or ratification	Spain, Sweden, and Poland	

Contacts

For more detailed information, please do not hesitate to contact your tax services team:

Nigeria

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(1) An additional 2% education tax applies to Nigerian companies while a 1% information technology tax applies to certain companies. The tax rate is 85%, 65.75% or 50% for oil exploration and production companies.

(2) Capital gains tax on disposal of shares in a Nigerian company is currently suspended.

(3) There is a proposal to increase the VAT rate to 10%.

(4) Employee compensation scheme: Employer is required to contribute 1% of gross payroll to the scheme.

(5) The withholding tax rate on royalties is 10% when the beneficiary of the income is a company and 5% when it is an individual.

(6) Companies resident in treaty partner countries are subject to 7.5% withholding tax rate on dividends, interests and royalties.

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