



FEDERAL INLAND REVENUE SERVICE
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www.firs.gov.ng

PUBLIC NOTICE

ON ADMINISTRATION OF PENALTY AND INTEREST RATES REGIME UNDER THE COMPANIES INCOME TAX ACT, CAP C21, LFN 2004

As part of the efforts of the Federal Inland Revenue Service (FIRS) to promote voluntary tax compliance among taxpayers, by providing clarity and certainty in tax operation, the FIRS hereby wishes to publish for year 2017, the approved rates of penalty and interest to be applied as sanctions on all unpaid tax amounts, arising as either tax debt or arrears.

2. Section 32(1) of the FIRS (Establishment) Act has specifically provided that if any tax is not paid within the periods prescribed: **"a sum equal to 10% of the amount of the tax payable shall be added thereto as penalty"**; and **"the tax shall carry interest at the prevailing Central Bank of Nigeria (CBN) Minimum Rediscount Rate (MRR), plus a spread to be determined by the Minister"**.

3. On the strength of Section 32(1)(b) aforementioned, the Honourable Minister of Finance has approved a spread of 5% over the CBN Minimum Rediscount Rate of **14%**, translating to an interest rate of **19%** on unpaid taxes for the year 2017, effective **1st July, 2017**.

4. The Federal Inland Revenue Service hereby wishes to inform the general public, taxpayers, tax consultants and tax officials that, for the year 2017:

Applicable rate of penalty on unpaid taxes remains at **10%** of tax payable,

Applicable rate of interest on unpaid taxes is now **19%** of the tax payable, with effect from **1st July, 2017**.

5. The general public and all stakeholders are to note that penalty and interest shall be regarded as additions to the principal amount of tax payable.

6. All FIRS Officers and Tax Consultants are requested to please, give this publication wide publicity among the relevant stakeholders.

7. Any enquiry in connection with this publication should be referred to:

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15, Sokode Crescent,
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Abuja**

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Signed:
Tunde Fowler
Executive Chairman
Federal Inland Revenue Service.