



# FAQs On Taxation In Nigeria

## ? What are the various types of taxes in Nigeria and who are they levied on?

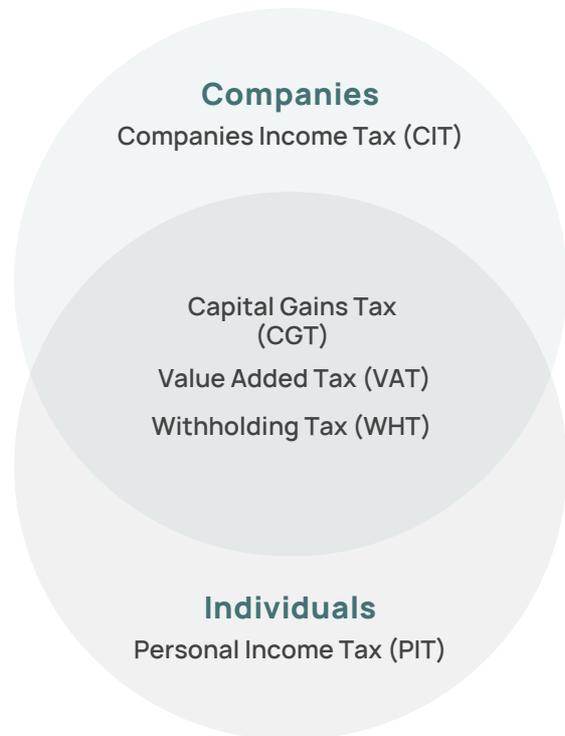
**Companies Income Tax:** This is tax levied on the profit of corporate entities in Nigeria.

**Personal Income Tax:** This is tax levied on individuals, corporate sole or a body of individuals (Partnership), Communities, Families and Trustees or Executors of any settlement.

**Valued Added Tax:** A tax is levied on certain goods and services.

**Withholding Tax:** This is tax deducted at the source. For example, income tax is deducted from an employee's salary by their employer and paid directly to the government.

**Capital Gains Tax:** This tax levied from the sale of certain types of assets (e.g. property or an investment).



## ? Which laws govern taxation of companies?

- Companies Income Tax Act.
- Capital Gains Tax Act.
- Value Added Tax Act.

## ? Which laws govern taxation of individuals?

- Personal Income Tax Act.
- Capital Gains Tax Act.
- Value Added Tax Act.

## ? What is a Tax Clearance Certificate (TCC)?

A TCC is a document issued by the Federal Inland Revenue Service certifying that the tax assessed on all the income generated by a taxpayer, for the three years immediately following the current year of assessment has been fully paid.

## ? What is a Tax Identification Number (TIN)?

TIN is a unique identifier issued by the tax office, to individuals or registered companies, to ensure accurate identification and verification of tax payments.

## ? Are foreign companies taxed in Nigeria?

Yes, a foreign company that has a subsidiary in Nigeria is expected to be registered in Nigeria and is treated as a resident company for tax purposes.