



CITN

Magazine

The Magazine of The Chartered Institute of Taxation of Nigeria -

First Quarter (January - June 2022 Edition)

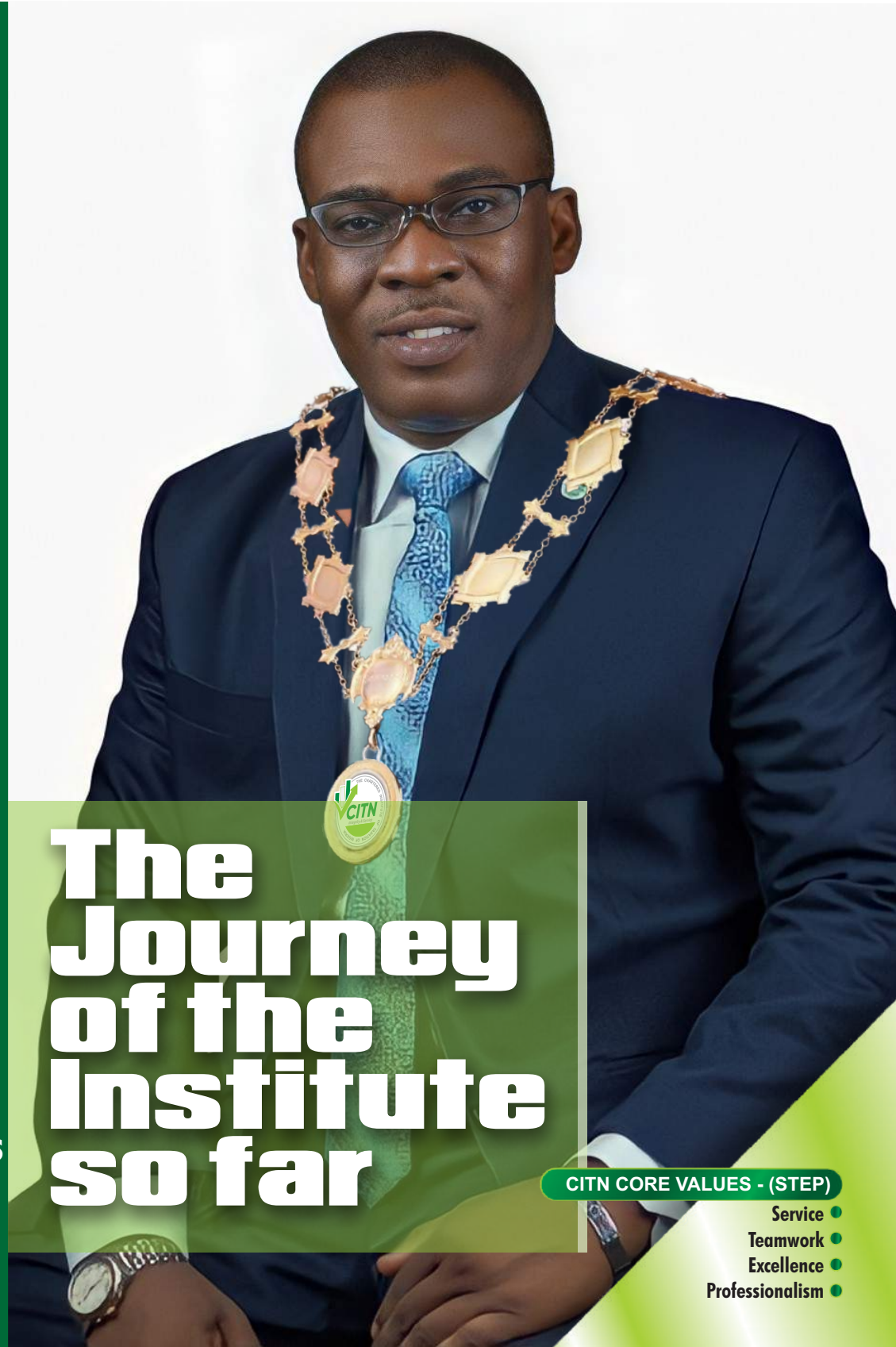
**EVOLUTION OF
TAXATION
AS A PROFESSION
IN NIGERIA:
THE BIRTH OF CITN**

**CITN DEFENDS
PROFESSIONALISM**

**THE NIGERIAN
FINANCE ACTS –
A BUILDING BLOCK
TO THE EASE OF
DOING BUSINESS
IN NIGERIA**

**DIGITAL CURRENCY
AND TAXATION OF
DIGITAL ASSETS:
A CONCEPTUAL
REVIEW OF THE
NIGERIAN eNAIRA.**

**EXAMINATION OF
CRYPTOCURRENCY
TRANSACTIONS:
TAXATION, ACCOUNTING &
REGULATORY PERSPECTIVES**



The Journey of the Institute so far

CITN CORE VALUES - (STEP)

- Service ●
- Teamwork ●
- Excellence ●
- Professionalism ●



ANTHEMS



THE NATIONAL ANTHEM

Arise, o Compatriots,
Nigeria's call obey
To serve our fatherland
With love and strength and faith
The labour of our heroes past
Shall never be in vain
To serve with heart and might
One nation bound in freedom
Peace and unity.

O God of creation,
Direct our noble cause,
Guide thou our leaders right,
Help our youths the truth to know
In love and honesty to grow
And living just and true
Great lofty heights attain
To build a nation where peace
And justice shall reign.

THE NATIONAL PLEDGE

I pledge to Nigeria my country,
To be faithful loyal and honest,
To serve Nigeria with all my strength
To defend her unity
And uphold her honour and glory
So help me God.

CITN ANTHEM

1. We uphold integrity and service
With God on our side
We shall attain the dreams of our
founding fathers to achieve a
tax-driven economy

Chorus:

CITN CITN

Chartered Institute of Taxation of Nigeria
Promoting tax compliance culture
CITN is soaring higher

2. To be one of the foremost professional
Associations in Africa and beyond
To build an institute which will be a citadel
For advancement of taxation.
3. To train individuals worthy of
becoming tax professionals
with knowledge,
skills and expertise
Regulating tax practice in Nigeria.
CITN is soaring higher .

2022/2023 Council Members

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	Date joined Council
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Adesina ADEDAYO, mni, FCTI	– 2007
VICE PRESIDENT	
Samuel Olushola AGBELUYI, (Barr.), FCTI	– 2012
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Cecilia Odenafenale ODIBO, Mrs., FCTI	– 2020
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Sheriff Adeyemi SANNI, (Dr.), FCTI	– 2021
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Funsho Olutayo ABIDAKUN, FCTI	– 2022
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Rep. of Joint Tax Board	
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FROM THE DESK OF THE CHAIRMAN

It is my pleasure to present the January to June 2022 Edition of the CITN Magazine to you. The Magazine aims to publish articles on contemporary issues in taxation, thereby, educating members of the Institute, non-members, and the general public on tax, fiscal policies, and other related interesting matters. This edition of the CITN Magazine is educating and entertaining.

This edition chronicles the Evolution of Taxation Profession in Nigeria: The Birth of CITN, as the Institute celebrates its 40th Anniversary. Other articles in this edition include but are not limited to: The Nigerian Finance Acts – A building block to the Ease of Doing Business, Sugar Tax Introduction, and its holistic impact on the Nigerian economy. Digital Currency and Taxation of Digital Assets: A Conceptual Review of the Nigerian e-Naira, Enhancing Corporate Governance in Organization and Economic Development. An attempt has been made to also reflect the mandate of the institute viz-a-viz the achievements of the 15th President of the Institute, Chief Adesina Adedayo, mni, FCTI.

I would like to thank the 15th President of the Institute, Chief Adesina Adedayo, mni, FCTI, and the trust reposed in my committee for this important task, also, I appreciate all members of the Publicity & Publications Committee at large, all members of the editorial board and reviewers, the Registrar/Chief Executive, the Staff of the Institute, especially the

Secretary and Assistant Secretary of the Publicity and Publications Committee, for their support towards putting this edition together. Your efforts in accomplishing this are well appreciated.

I also want to thank the various authors who sent in their articles. Thank you for your expert opinion report and your immensely valuable contributions. I appreciate the 2021/2022 Branding & Corporate Development Committee who started the compilation and review of some contents of this edition as led by Barrister (Mrs) Cecilia Odenafenale Odibo, FCTI.

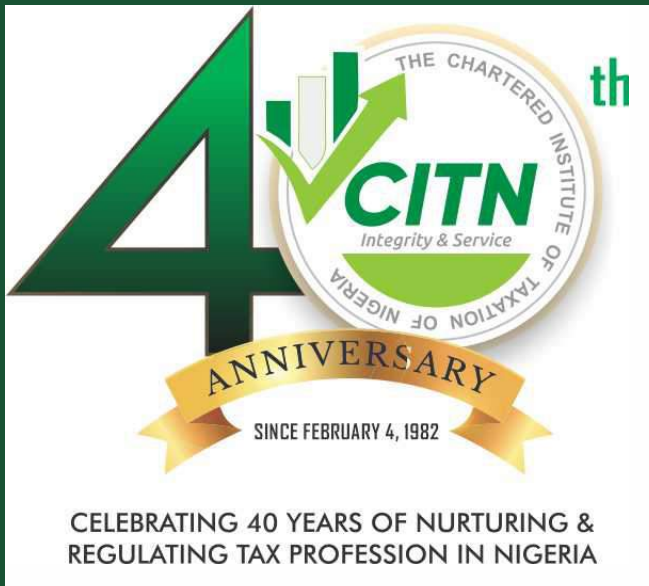
As you enjoy every piece of the write-up, I wish you a pleasurable reading.

With warm regards,

Prof. Godwin Oyedokun, FCTI

Chairman, Publicity and Publications Committee

2022/2023 Presidential Year



REPORT OF THE PLANNING COMMITTEE ON THE 40TH ANNIVERSARY OF THE INSTITUTE AS @ FEBRUARY 15, 2022

The Planning Committee for the celebration of the 40th Anniversary of the Institute was inaugurated by the 15th President, Mr Adesina Adedayo, mni, FCTI, who was ably represented by the Vice President, Barr Olushola Agbeluyi, on Friday, November 5, 2021, at the Council Chamber of the Tax Professionals' House. During his inaugural speech, the President stated that for an Institute established over thirty-nine years ago, it is exceptionally prime for us to put in perspective the journey to our present position as a professional Institute.

In this context, he also stated that Council deemed it fit to put necessary machinery to celebrate forty years of our existence as a foremost professional tax Institute. He spelt out the terms of reference of the Committee as detailed below:

1. To plan, organize and implement the celebration of the 40th Anniversary of the establishment of CITN as an Institute;
2. To facilitate the unveiling and launch of the History of CITN as an integral event of the 40th Anniversary;
3. To identify prospective sponsors and sources for funding of the event;
4. To prepare a checklist for the event and;
5. To carry out any other related responsibility that may be directed by the President.

Members of the Committee:

1. Mr. Foluso Fasoto, FCTI - Chairman
2. Dame Olajumoke Simplice, FCTI - Vice Chairman



- | | | |
|------------------------------------|------------------|---|
| 3. Barr. Samuel O. Agbeluyi, FCTI | - Member | 4. Jumaat & Church Thanksgiving |
| 4. Mr Innocent Ohagwa, FCTI | - Member | 5. Budget |
| 5. Dr. (Mrs) Abiola Adimula, FCTI | - Member | 6. Dignitaries |
| 6. Mr. Muhammed Abba Aliyu, FCTI | - Member | 7. Souvenir and Entertainment |
| 7. Alh. Rasaq Olaowo, FCTI | - Member | 8. Launching of History of CITN |
| 8. Hon. Hakeem Shittu, FCTI | - Member | 9. District Societies' Relation |
| 9. Mrs. Cecilia Odibo, FCTI | - Member | 10. Welfare & Internally Displaced Person Camps |
| 10. Mrs Juliet Uwejeyan, FCTI | - Member | 11. Tax Walk |
| 11. Gbenga Oyewole, FCTI | - Member | |
| 12. Princess Elemanya Ebilah, FCTI | - Member | |
| 13. Mr Adeyemi Sanni, FCTI | - Member | |
| 14. Alh. Adamu Lawal Bello, FCTI | - Member | |
| 15. Mrs. Ronke Ojo | - Secretary | |
| 16. Mrs Christy Oji | - Ass. Secretary | |

Commencement of the Planning:

The Committee swung into action and came up with the following activities to celebrate the Anniversary:

1. Media Break - January 4, 2022
2. Live TV Appearance - January 27, 2022
3. Jumaat Service - January 28, 2022
4. Recorded TV Appearance - January 29, 2022
5. Church Thanksgiving Service - January 30, 2022
6. Tax Walk - January 31, 2022
7. Public Lecture - February 1, 2022
8. Visit to IDP Camp - February 3, 2022
9. Dinner & Award Night - February 5, 2022

The Council duly approved the programmes and the checklist of the events. Members of the Committee were divided into different sub-committees who reported to the main Committee on what they had done for the progress of the celebration. The following sub-committees were put in place:

1. Fund Sourcing
2. Public Lecture
3. Publicity

Materials for the Anniversary:

The following materials were proposed and approved for the Anniversary:

1. Jute bag
2. Towel
3. Jotter
4. Pen
5. Flask
6. Power bank
7. Face cap

Venue and Location of the main events

The Council approved Sheraton Hotels, Abuja and Lagos Continental Hotel, Victoria Island, Lagos for the Public Lecture and Dinner, respectively.

Partnership with all the District Societies

To achieve success in all events outlined for the Anniversary, the Council approved the Committee's proposal to involve all the 42 district societies. It enables the Institute to reach out to the grassroots and for the wider publicity of the Anniversary. Though the benefit might not be for immediate reward but long-time promotion, every Nigerian knows what the Institute stands for.

The Institute's Leadership Courtesy visit to Niger State and Abuja

Before kick-starting the Anniversary proper, the leadership of the Institute paid a courtesy visit to Niger State and FCT. The purpose of the visit was to show appreciation to the former military President, Gen. Ibrahim Badamasi Babangida, (rtd), GCFR, who signed the Institute's Charter in 1992.



During the visitation, the leadership also visited the following Government functionaries in Niger State:

1. The Honourable Commissioner for Finance was absent due to the loss of his stepmother in the early hours of the day of the visit. The Accountant-General of the State, Alh. Saidu Abdullahi, FCTI welcomed the team to his office and conveyed the message of the Commissioner of Finance that he is willing to support the Institute's programmes. The President appreciated the Commissioner's pledge of donating a bus to the district.
2. The next visit was to Head of Service (HoS), Hajiya Salamatu T. Abubakar, mni, FCTI, represented by the Permanent Secretary, Mr Yakubu Mohammed Bello. The President informed the HoS team about the 40th

Anniversary celebration forthcoming Annual Tax Conference in May and solicited for sponsorship of their staff to the Institute's programmes. The Permanent Secretary was optimistic in supporting the course of the Institute in Niger State.

3. The Deputy Governor of Niger State, Alh Muhammed Ketso welcomed the CITN team to the Government House. He received the entourage on behalf of the Executive Governor, who was on an official trip to Abuja. The President appreciated the Governor and solicited their support for the Institute's programmes. The Deputy Governor said that his state is deliberating seriously on improving the IGR of the State with the Executive Chairman of the Internal Revenue Service. He promised to support the Institute's programmes and allocate land to the District Society when it processed its application.
4. Stakeholders' session and dinner in the evening

The district organized a dinner where members were opportune to ask questions about the Institute's activities and development.

In Abuja:

1. The delegate visited the Executive Chairman of the Federal Inland Revenue Service, Mr Muhammed Nami. He appreciated the delegation led by the President and promised to continue to support the Institute in regulating the tax profession in the country. There was a clear indication that the service would sponsor the Anniversary and ATC.
2. The delegate also visited the Ag. Executive Chairman of the FCT Internal Revenue

Service, Mr. Harun Abdul. He also appreciated the CITN representatives and promised to continue to support the Institute in regulating the tax profession in the country. There was a clear indication that the service would sponsor the Anniversary and ATC. The service was ready to collaborate with the Institute.

Branding and Publicity

To ensure more comprehensive coverage and publicity of the Anniversary events, the Council approved the advertisement of the 40th



Anniversary through the digital and analogue billboards in 4 locations in the country. The locations are Lagos, Abuja, Port Harcourt and Kano. Also, there were newspaper publications in major national dailies.

Details of Each Anniversary Events:

1. Media Break was held on Tuesday, January 4, 2022, at the Tax Professionals' House. It was attended by EXCO members, Committee members in Lagos, Management Staff of the Institute, and Pressmen from different media houses.



2. The 15th President, Mr Adesina Adedayo and the Chairman of the Committee, Mr Foluso Fasoto was, on TV programme live at Television Continental on January 27, 2022, to broadcast to the public what the CITN stands for and more about the 40th Anniversary.

3. Jumaat Service was held on Friday, January 28, 2022, at Alausa Central Mosque and other designated mosques in other district societies all over the country. The National team was led by one of the revered Past President, Prince Rasaan' Kunle Quadri



4. The leadership also visited Tax Matters in its Ogba office on Saturday, January 29, 2022, for recording to be broadcast later about the 40th Anniversary and what the CITN stands for.



5. The Church thanksgiving service was held on Sunday, January 30, at the Chapel the Light

Church, Alausa, Ikeja and other designated churches in other district societies. The Presidency led the delegates that worshipped God during the thanksgiving service.



6. The tax walk event was held in almost all the Institute's district societies on Monday, January 31, 2022. At the national headquarters, the President led the walk from the Tax Professionals' House to the FIRS office, Agidingbi through the LIRS office. It was such a memorable day in the history of the Institute.



7. On Tuesday, February 1, 2022, the Public Lecture was held at Sheraton Hotel, Abuja. The lead paper for the event was themed: Evolution of Taxation as a Profession in Nigeria: the Birth of the Chartered Institute of Taxation of Nigeria (CITN)

Dignitaries at the events were:

- i. The Permanent Secretary, Ministry of Finance, Mr Aliyu Ahmed, represented

the Honourable Minister of Finance, Budget, and National Planning as well as His Excellency, Prof Yemi Osinbajo, Vice President of the Federal Republic of Nigeria.

- ii. Dr. J.K. Naiyeju, the Past President of the Institute, presented the lead paper while his paper was discussed by Prof. Teju Somorin and Prof. Aminu Mikailu. The moderator of the session was Prince Rasaan Kunle Quadri
- iii. The second paper, titled Actualizing Nigeria's Development Plans 2021-2025: The Critical Roles of Taxation and Fiscal Policies, was presented by Mr Taiwo Oyedele. The discussants at the second session were Prof. Abulmumini Bala Ahmed and Prof. Segun Ajibola, while the moderator was Mr Kamoru Ayodele Adigun.
- iv. All the living Past Presidents, aside from the Doyen of Taxation, were at the Public Lecture. The 1st Vice President, Chief Emmanuel Ijewere, was also in attendance. Presidents of Professional bodies and other major stakeholders in tax administration and practice also attended the event. The event was aired virtually as well.



8. The Benin and District Society welcomed the 15th President's entourage with a warm reception at the Benin airport on Thursday, February 3, 2022. The leadership of the Institute visited the office of the Executive Chairman, Edo State Internal Revenue Service, who received the delegates on behalf of the Executive Governor of Edo State, H.E. Godwin Obaseki, ACTI. The Head of the IGR Team, Mr John Osagie Inegbedion, FCTI, welcomed the delegate to Edo State and promised to uphold the course of taxation professionalization in the country.



The delegate train moved directly to the 'ICC Home for the Needy IDP camp' in Benin City. As part of the Corporate Social Responsibility (CSR) to celebrate the Anniversary, the Institute presented various food items and clothing to the camp. The owner and other camp dwellers were happy to see the CITN

team at their camp.



9. Visit to Gubio Road IDP camp, Maiduguri
To show the national presence of the Institute, the leadership of the Institute visited the Gubio road IDP camp in Maiduguri, Borno State. The first contact point was the Executive Chairman of the Borno State Internal Revenue Service, Alh. Mohammed Alkali. The move to establish the District Society was opened with the Presidency. The leadership advised on the need for members in the state to commence with the procedure for creating the district society.

The leadership also paid a courtesy call to the Tax Controller of Federal Inland Revenue Service in Maiduguri, Mr Titus Dauda Bugadu and his team. CITN members and students in attendance had fruitful discussions with the President and his entourage.

The next visit in Maiduguri was to the office of the Director-General (DG), Borno State Emergency Management Agency, Hajiya Ya Bawa Kolo. She welcomed the delegates to her office before proceeding to the Gubio Road IDP camp. At the camp, the delegates met with the Internally Displayed Persons and the gift items were presented to them as part of the Institute's Corporate Social Responsibility to the needy. The DG and the

camp representative appreciated the Institute for their excellent gesture.

10. Dinner at Lagos Continental Hotel, Victoria Island

The grand finale of the Anniversary took place on Saturday, February 5, 2022, at Lagos Continental Hotel, Kofo Abayomi Street, Lagos. The event featured dinner and presentation of awards to the past presidents and the founding fathers of the Institute to appreciate their selfless service to the Institute during their tenure and the founding fathers who conceived the idea to form the Institute 40 years ago. The Special Guest of Honour at the event, the Executive Governor of Edo State, Mr Godwin Obaseki, ACTI, was represented by the Head of IGR Team in the State Internal Revenue Service, Mr John Osagie Inegbedion, FCTI.



List of Major Sponsors

The success of the 40th Anniversary was attributed to the support of the Presidency, Council, members of the Planning Committee, Secretariat Staff and host of sponsors is hereby attached as appendix 1. Other individuals also make available their good old clothes for IDP camps and also a bag of rice was received.

The account for the programme is being collated, and it will be hosted on the committee platform before its final closure.

Finally, let me appreciate the Council for the opportunity given to entire committee members to serve. The selfless sacrifice of members and secretariat staff are valued towards the success recorded for the 40th Anniversary of our great Institute.

Long live CITN
Long live Nigeria.

Thank you.

Foluso Fasoto, FCTI
Chairman, CITN 40th Planning Committee

@40 - Media Break



CITN Showing care @ IDP Camp Benin



CITN Showing care @ IDP Camp Maiduguri



40th - Jumat Service



@40 - Church Thanksgiving



@40 - Courtesy Visits



Visit to FIRS Office at Abuja



Visit to Edo State IRS



Visit to FCT-IRS Office at Abuja



@40 - Tax Walk



Visit to FIRS Office at Agidingbi - Lagos



Visit to LIRS Office at Good Shepherd House, Alausa - Ikeja Lagos



@40 - Public Lecture at Sheraton Hotel, Abuja



@40 - Dinner at Lagos Continental Hotel, Victoria Island, Lagos



As we are celebrating the 40th
we want to use this opportunity to
celebrate our Quadragenarians! Life they say,
begins at 40! Live right, live well



NOSIRU ADEGBENGA
Senior Manager, ICT
MARCH 31

CHRISTIANA OJI
Deputy Manager
February 8

OLUBUNMI ABIJO
Deputy Manager
March 7

RICHARD ADELEYE
Officer III
September 4

Evolution of Taxation As a Profession in Nigeria

The Birth of The Chartered Institute of Taxation (CITN)



CELEBRATING 40 YEARS OF NURTURING &
REGULATING TAX PROFESSION IN NIGERIA



Dr. J. K. Naiyeju^{JP, OON, FCTI}
on
Tuesday, 1st February, 2022

SALUTATION

- To God Almighty
- The Doyen of Taxation in Africa, Chief David Ajibola Olorunleke, FCTI
- All other founding members, both living and late.
- The members of 40th Anniversary Committee

Journey through memory lane...



came crashing down. God's mercy kept us all, no single life was lost.

27th October 2011, This building in which CITN occupied the 3rd and 4th floors at Maryland

Association of Tax Administrators and Practitioners (ATAP)

Nigerian Institute of Taxation (NIT)



Association of Tax Practitioners

Association of Tax Administrators

Birth of the Institute

The fusion of the "Association of Tax Practitioners" and "Association of Tax Administrators led to the birth of " Association of Tax Administrators and Practitioners (ATAP)" on Thursday, 4th February 1984 after a series of meetings and decisions by the founding members.

We have grown from just 20 members at inception to over 25,000 presently in forty years.

The Chartered Institute of Taxation

- The journey to ensure the Institute is

recognized by enabling Act of the Federal Republic of Nigeria started on Tuesday, July 31, 1990, and in December 1992 by the Decree 76, the Chartered status was conferred on the Institute, and by the virtue of this decree, the former NIT became Chartered Institute of Taxation of Nigeria (CITN).

- In 2004, the decree 76 of 1992 was repealed and replaced by Act of the Parliament, now CITN Act Cap C 10 Volume 2, Laws of the Federation of Nigeria (LFN) and reaffirmed that the CITN is the only regulatory body for Taxation profession in Nigeria.

The Chartered Institute of Taxation Objectives

- To determine what standards of knowledge and skill are to be attained by persons seeking to become registered members of the taxation profession in Nigeria and reviewing those standards from time to time as circumstances may require
- To promote professionalism in tax practice and administration
- To secure in accordance with the provisions of the Act the establishment and maintenance of the register of fellows; associates, graduates, and students of the institute and the publication from time-to-time list of those persons;
- To regulate and control the practice of the profession in all its ramifications;
- To maintain according to the Act, discipline within the profession;
- To perform through its Council the functions conferred on it by the Act;
- To encourage compliance with relevant tax laws; and

- To explain tax implication of business agreements entered or about to be entered into by clients.

CITN GOVERNING BODIES

- Act No. 76 of 1992 established the Chartered Institute of Taxation of Nigeria which we proudly referred to as "The Charter".
- By virtue of this Act, the governance of the Institute is vested on the Council with the Chairman who is the President of the Institute and Vice-Chairman, who is the Vice President.
- The Charter clearly highlights the statutory functions and membership of the Institute, how the President and Vice President should emerge, membership of the Council and its power. Part (i) of the charter creates the position of the Registrar and the preparation of the register of members.
- The President runs the administration of the Institute through the Registrar, Committees of the Council, faculties and the district societies. (Appendixes I & II).

CHALLENGES

- Challenges are usually stepping stones to success if faced with determination and pragmatic action.
- The CITN/ICAN Case: The most turbulent challenge that our Institute has faced since 2004.
- Preponderance of unqualified Tax practitioners (quack) in the tax arena.
- Multiple taxes still dominating the tax scene and uncoordinated efforts of the tax authorities to enforce the pockets of taxes in the country.
- Endemic corruption in the tax system.

Contributions of CITN to the Fiscal and Economic Development of the Country

- Periodically, the Institute passes its professional opinions and communiques to the government on topical taxation matters, most of the recommendations of our Institute have found favour in the ears of the legislative and executive arms of government. They have even sharpened the fiscal and economic strategies of government policies through our inputs.
- Technical contributions of our Institute during the introduction of the Value Added Tax in 1993/94 in the midst of stiff opposition by the ignorant public to the consumption tax.
- Our valuable recommendations with others led to the present Tax Policies and various amendments in the tax laws and the new Finance Act, 2021.
- Widespread capacity building and training in Taxation and improved awareness in civic responsibilities across the country.

Horoscope into taxation future

My informed predictions include but not limited to;

- Next 40 years is going to be smoother and rosier than the outgoing period..
- The ICAN/CITN controversy that eroded our productive efforts and resources would have faded away with the present MoU.
- The global economic downturn would stimulate new ideas and thoughts to break new grounds of taxation methods and strategies to provide the desired revenue for good governance.
- Promax software by FIRS: The automation of the tax administration in the country by tax

authority is a step in the right direction which our members must quickly embrace.

- The implementation of the 2021 Finance Act and MoU among ICAN/CITN/ANAN, will go a long way to establish the long awaited accreditation of Tax Agents by the JTB to guide the tax administrators and tax authorities in dealing with taxpayers. This will put an end to the chaos in the tax practice arena.
- The Institute needs to intensify training and retraining of its members, flush out bad and undesirable tax practitioners and discipline any erring member in our midst.
- The disciplinary committee of the Institute should be further strengthened, to be chaired by a retired tax judge, and be more aggressive to dish out severe punishment for any erring member both in government and practice for any tax corruption practice.

I can see a bright future for our great Institute but we must continue to work harder, be more research oriented, continue to widen the frontier of knowledge through more training, enthrone good leadership and exercise more discipline in our practice.

With God, determination and dint of hard work, whatever your mind conceives is a possible achievement. – Age Long Saying

CONCLUSION

Always put the Institute and its reputation first in your dealings and continue to promote the image of the Institute.

CITN!!!

Integrity and Service



Highlights of
**PRESIDENT'S
ACHIEVEMENTS**



At the occasion of his investiture as the 15th President of CITN on 5 June 2021, Chief Adesina ADEDAYO, mni, FCTI laid out a Strategic Plan tagged "Developing the Tax Profession". The strategic direction of the Plan was hinged on connecting with stakeholders, building administrative and technical capacity as well as effective communication.

This Chronicle is therefore, a reflection of how well the Administration of the 15th President of the CITN has fared in the last 16 months. The performance management Index employed for this purpose was a simple appraisal of achievements vis-à-vis components of Strategic Plan.

COMPONENT ONE OF THE PLAN: CONNECTING WITH STAKEHOLDERS

To achieve component one of the Strategic Plan, the following strides were made:

Visit to the Secretary, Joint Tax Board

Chief Adesina ADEDAYO had led a delegation to the Office of the Secretary, Joint Tax Board in June 2021. The strategic outcome of that visit was an agreement by both sides to sign a Memorandum of Understanding. The key highlight of the MOU among others was the agreement that the CITN would on consistent

basis conduct capacity building for staff of the Joint Tax Board to enhance their effectiveness and service delivery.

To advance the effective actualization of Component One (connecting with Stakeholders), the Administration of Adesina ADEDAYO has within 14 months signed --- MOUs. These are: Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and The Nigerian Association of Chambers of Commerce Industry, Mines and Agriculture (NACCIMA).

Visit to the Executive Chairman, Enugu State Internal Revenue Service



The investiture of the Chairperson, Enugu and District Society afforded Chief Adesina ADEDAYO the opportunity to pay a courtesy visit to the Executive Chairman of Enugu State Internal Revenue Service, Prince Emeka Odoh. Perhaps based on his people-centric leadership and jovial personality, he was invested with the chieftaincy title of 'Enyi



Oha (Friend of the People) 1 of Igboland' by His Royal Highness, Igwe Nnaji of Nike, Enugu.

Visit to the Office of the Auditor General for the Federation

On 16th May, 2022, the President's delegation paid a courtesy call on the Auditor General for the Federation, Mr. Adolphus Aghughu, JP, FCTI. The high point of that strategic visit was the pledge to collaborate with the Institute in developing the capacity of auditors in his office.

Visits to Various States and Executive Governors

Our continuous collaborations with stakeholders at the state level is central to the successful execution of the mandate of the Institute. Within the period under review, visits were made to 10 states namely; Oyo, Enugu, Edo, Borno, Akwa Ibom, Kebbi, Niger, Kwara, Kaduna and Katsina States.

On one of such visits where he superintended, he was able to get a commitment for the provision of a land for the Minna and District Society from the Executive Governor of Niger State. The Institute was also able to get both financial sponsorship and provision of land by the Akwa Ibom State Government for the Uyo and District Society and as well as the South-South Zone of the CITN Tax Academy.

The Institute has equally been allocated 10 hectares of commercial plots located along Eiyenkorin, Ilorin, Kwara State, for the CITN Tax Academy Project. Additionally, Kebbi State Government also allocated a plot of land for the construction of the Kebbi and District Society Secretariat. The foundation for the project was laid with fanfare by the Deputy Governor of

K e b b i State, His Excellency, C o l . Samaila Y o m b e Dabai, mni, o n 9 t h A u g u s t , 2 0 2 1 . We hope to build on t h e s e successes before the end of this presidential year.



Driven by the objective to ensure a wide spread of the CITN tax academy across Nigeria, the 15th President on June 7 2022, visited the Chief Justice of Katsina State on the occasion of the inauguration of Katsina and District Society. On that visit, the Institute was promised portions of land for the northern wing of the CITN Tax Academy.

COMPONENT TWO OF PLAN: BUILDING ADMINISTRATIVE AND TECHNICAL CAPACITY

Component Two of the Strategic Plan was birthed from his organizational management and productivity Philosophy. He believes that there is no organisation that can grow beyond the capacity and capability of its human resource pool". Without an informed workforce, an organisation can merely strive and not necessarily thrive. To this end, the following strides were made:

Capacity Building

During the course of this presidential year, the Registrar Chief Executive, the Deputy Registrar 1, a Director and the Deputy Vice President were sponsored to attend the Policy, Strategy and Leadership Course of the National Institute for Policy and Strategic Studies (NIPSS Kuru).

Also, several in-house and external capacity building courses were sustained through engagement with Tax People Advisory Services and other capacity building service providers.



Staff Welfare was also on the front burner during the year under review. Staff were sponsored to training programmes towards enhancing their capacity to meet the demands of members and other stakeholders. Council also approved the employment of new staff and a review of staff salaries to levels almost commensurate with industry standards.

Effective Communication

Effective communication is a strategic instrument for projecting the image of the CITN

to all and sundry. The following were efforts in this regard:

Increase in District Societies

On the 7th of June 2022, He Inaugurated the Katsina and District Society. Currently, only three States (Nasarawa, Jigawa and Borno) are yet to have District societies. Plans have reached advanced stage for their inauguration.

Catch them Young Program (Establishment of the Association of Nigerian Tax Students)

Turning to the future, we at CITN are excited by the potentials of the next generation of tax professionals, pivoted through the establishment of the Association of Nigerian Tax Students (ANTAS).



The CITN organised a regional tax quiz for university students in Nigeria and its grand finale was held during the 24th Annual Tax Conference in Abuja in the month of May, 2022. With the support of members, the winner of the quiz went home with about N300,000, a desktop computer and an offer for internship in a reputable firm which comes with monthly allowance.

At secondary school levels, CITN in collaboration with Akwa-Ibom State Internal Revenue Service organized a tax quiz for secondary schools in the State. During the quiz, the students displayed a great deal of knowledge in taxation and many of

them won prices.

CITN, TAXATION AND YOU

This initiative came into life under the Administration of Chief Adesina ADEDAYO, mni, FCTI. The media programme features professionals from various sectors of the economy to discuss about topical issues that relate to



taxation. The first episode of the programme was tagged “Proactive Public Funding for Tertiary Education Development in Nigeria”.

Building of a New Liaison Office in Abuja

The Olorunleke House is being constructed under this administration, contract has been awarded to Casronic Associates Limited for the construction of a storey building with a pent house. The project is going to be delivered after six months of commencement.

Taxpayer Education & Enlightenment Campaign

Strategic Communication in its true form takes into serious consideration the issue to tax payers education and enlightenment. Thus, the Institute organised Taxpayers Education and Enlightenment programme jointly with Enugu State Internal Revenue Service, Cross River State Internal Revenue Service and FCT Internal Revenue Service. The events were well attended

and attracted the presence of many stakeholders like Taxpayers, Tax Administrators and Tax Consultants.

INTERNATIONAL ACADEMIC CONFERENCE ON TAXATION

The Institute successfully held its 5th International Academic Conference in Kwara State University, Malete, Kwara State from August 15 – 16, 2022 with more than 100 virtual and physical participants.



Induction of New Members

In this current administration, the Institute conducted the 45th induction ceremony in November 27, 2021 with the total number of 850 candidates inducted as Associates. In April 30, 2022, the Institute inducted 371 candidates as Associate members of the Institute.



The 11th CITN South West Zonal Tax Conference (Lagos 2022)

The South West Zone of the District Societies of Chartered Institute of Taxation of Nigeria (CITN) organized a two-Day Conference and theme was Presumptive Tax Regime & ICT in Optimizing Revenue Generation at Oriental Hotel, Victoria Island, Lagos from Wednesday July 20 to Friday July 22, 2022.

The host CITN Lagos and District Society in conjunction with other Districts in the South-West zone coordinated this hugely successful zonal conference.

In attendance were, the President of Chartered Institute of Taxation of Nigeria Mr. Adesina Adedayo mni, FCTI, the Lagos State Internal Revenue Service Chairman, Mr. Ayodele Subair, FCTI who was ably represented by the Director, Informal Sector LIRS Dr. Afolasade Coker, FCTI, Ogun State Internal Revenue Service Chairman, Mr. Olaleye Olugbenga and other notable dignitaries.

The 9th South West Zonal Tax Conference (Akure 2021)

The South West Zone of the District Societies of Chartered Institute of Taxation of Nigeria (CITN) organized a two-Day Conference which focused on Taxation as a Sustainable Nation Builder at International Cultural and Event Centre (The Dome) Akure from Wednesday October 20 to Thursday October 21, 2021.



FIRS EXTOLS TAXPAYERS

Pursuant to the provisions of section 8 (r) Federal Inland Revenue Service (Establishment) Act No. 13, 2007 and the requirements of National Tax Policy 2017, the Federal Inland Revenue Service engaged in a tax awareness campaign, to imbibe tax paying culture into the citizen's mind through a tax week programme.



The Federal Inland Revenue Service tax week which commenced on 28th March 2022 had lots of lined up activities to appreciate taxpayers. From the National Tax Dialogue Session to National Tax Walk to Top Management Retreat to a Dinner party that culminated on 2nd April, 2022

At the Dinner party tax offices and officers of the Service who had distinguished themselves in the 2021 collection performance were handsomely recognized. Many were rewarded with plaques and awards of cash donation by the Management of the Service led by Mr. Muhammad Mamman Nami.

Barr. (Mrs.) Cecilia Odenafenale Odibo, FCTI
Council member CITN,
Chairman, CITN Branding and Corporate Development Committee (2021/2022)
Chairman, CITN Investigation Panel
State Coordinator, SWIT Lagos Chapter
Tax Controller, Alaba Msto FIRS



CITN DEFENDS PROFESSIONALISM

“Could this be another TRAVAILS for the CITN, the only body charged by its Charter to regulate taxation in Nigeria” was the news in the media space 4th February in Abuja as the Institute held her public lecture in the Federal Capital Territory, Abuja as reading of ICAN proposed amendments was being entertained in the National Assembly.

The proposed ICAN amendment bill, ‘A bill for an Act to amend the Institute of Chartered Accountants of Nigeria Act 1965, CAP. I11, LFN, 2004, sponsored by Hon. Abubakar Yunusa Ahmad, is to address emerging trends in the Nigerian economic environment and for related matters (HB 1178)’ aimed at empowering the Institute to regulate its members to practice accounting and taxation, among other professions, has been described as an encroachment into the statutory obligations of other professional bodies. The Chartered Institute of Taxation of Nigeria (CITN), Institute of Chartered Secretaries and Administrators (ICSAN), Association of Forensic Accounting Researchers (AFAR), Taxpayers' Rights Initiative, were among the professional bodies that took this position during the Public Hearing of the House of Representatives Committee on Finance on Tuesday, February 2, 2022, on the Institute of Chartered Accountants of Nigeria Act, 1965 (Amendment) Bill, 2020.

In the course of his presentation, the Legal Adviser of the Chartered Institute of Taxation of

Nigeria, Mr. Chukwuemeka Eze, cited the CITN Act No.76 of 1992, which in its section 1 empowers the CITN to regulate and control the practice of taxation in all its ramifications.

The Bill has brazenly included tax practice in section 21 (which introduces a new Section 15 to the Principal Act) of the ICAN Bill that “a Chartered Accountant shall be entitled to practice or hold himself out to practice as an Auditor, a Reporting Accountant, Financial Accounting and Corporate Reporting Services Practitioner, Financial Management Practitioner, Corporate Services Practitioner, Governance Risk and Compliance Services Practitioner, Tax Practitioner....”

Section 28 of the Bill (amending Section 19 of the Principal Act) defines "Accountancy practice" as including “auditing, reporting accounting, investigations and forensic accounting, Financial Accounting and Corporate Reporting Services, Financial Management Services, Management Consultancy Services, Corporate Services, Governance Risk and Compliance Services, tax practice, accounting information systems practice, insolvency practice including receivership and liquidation, financial advisory”.

Eze postulated that the proposed bill would be akin to having a dual regulator (a primary regulator, that is CITN and a secondary regulator, that is ICAN) to regulate taxation practice.

This amounts to an aberration, which will cascade into legislative confusion.

Eze disclosed that on the dispute between CITN and ICAN, CITN was victorious at the High Court, and Court of Appeal in 2007,

ICAN eventually succeeded all the way till the parties entered into tripartite Memorandum of Understanding on May 31, 2021.

In his own presentation, Prof. Muhammad Akaro Mainoma, Chairman, Board of Trustees of

the Association of Forensic Researchers opined that the bill would inflict injury to other professions. Every profession though has residual knowledge in other professions but does not give such a profession the right to practice the other profession. He said that on this basis, sections 21 and 28 should be expunged from the bill in order to engender inter-Institutional harmony.

**Barr. (Mrs.) Cecilia Odenafenale Odibo, FCTI
CITN Council Member**

**LAGOS STATE SECONDARY SCHOOLS EDUCATION PUBLIC SPEAKING ON TAXATION
OVERALL WINNER WAS RUTH IDOWU DAVID FROM APAPA SENIOR HIGH SCHOOL APAPA**



COURTESY VISIT TO THE DOYEN OF TAXATION, CHIEF DAVID AJIBOLA OLORUNLEKE, FCTI



COURTESY VISIT TO THE 1ST VICE PRESIDENT OF THE INSTITUTE, MR. EMMANUEL IJEWERE, FCTI



CITN...Developing the Tax Profession

THE NIGERIAN FINANCE ACTS – A BUILDING BLOCK TO THE EASE OF DOING BUSINESS IN NIGERIA

The ease of doing business over the years in Nigeria has been more of a challenge to owners of businesses in Nigeria. The terrain to doing business has been hectic more often than not. This has scared away potential business investors and individuals, who would have been interested in having a business running in Nigeria. Evaluating the overheads involved in running some businesses in the country, one would see that it is far much more than the benefits of the business; in this a lot opt out from the business they have ventured into in Nigeria.

Statistics show that the mortality rate of small businesses in Nigeria is very high. According to the Small and Medium Scale Enterprises Development Agency of Nigeria (SEDAN), 80% of SMEs die before their 5th anniversary, a smaller percentage goes into extinction between the sixth and tenth year while only about 5 to 10% survive, thrive and grow to maturity. SMEs are faced with the problem of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. Among the factors responsible for these untimely close-ups are tax related issues, ranging from multiple taxes to enormous tax burdens among other issues.

This is where the introduction of the finance acts comes into play. The Nigeria Government were propelled with the assistance of finance experts to ease the process involved in doing business in

Nigeria by amending laws that would favour Nano, Micro, Small And Medium Scale Enterprises [NMSMEs].

A brief summary below highlights how the changes from the finance acts has been in favour to businesses especially medium to small and Nano businesses in Nigeria to encourage more businesses to be established while retaining already existing businesses.

Finance Act 2019

The legislative arm of the Federal Republic of Nigeria published the gazetted copy of 2019 Finance Act ("the Act") in February 2020. Based on interpretation, the finance act "took effect" from 1st February 2020.

1. The first and major important change that emerged from the Finance Act 2019 is the fact that "Small businesses with turnover less than N25m are exempted from Companies Income Tax" which helps small businesses to grow and focus on their core operations with the aim of making profit.

There were questions raised then if Education Tax was affected by this same clause, and the further Finance Acts took care of this clarification.

2. A lower rate of Company Income Tax of 20% is to apply to medium-sized companies with

turnover between N25m and N100m; this also assists businesses in reducing the amount to be paid as tax in which the savings from this can be plunged back into the business.

3. 2019 Finance Act added to the VAT exempted list making consumers have a higher purchasing power of money as they have more items to purchase with lesser money. These includes; "Basic food items –additives (honey), bread, cereals, cooking oils, culinary herbs, fish, flour and starch, fruits (fresh or dried), live or raw meat and poultry, milk, nuts, pulses, roots, salt, vegetables, water (natural water and table water), locally manufactured sanitary towels, pads and tuition fees relating to nursery, primary, secondary and tertiary education.
4. Commencement and cessation rules modified to eliminate overlaps and gaps to avoid double taxation and complication during commencement. This came in quite handy as to avoid double taxation of same years.
5. Minimum tax provisions amended to 0.5% of turnover and exemption of minimum taxes clause to include companies that their annual gross turnover is less than NGN25,000,000.
6. Insurance companies can now carry forward tax losses indefinitely, deduct reserve for unexpired risks on time apportionment bases while special minimum tax for insurance has been abolished.

A few to mention.

2020 Finance Act

The house of senate and house of representatives passed the finance bill on 15th and 17th December 2020 respectively. On 31st December, The President assented; and the "Act" took effect from January 2021. The Act has effect on 80 changes to 14 different laws in Nigeria

Key Changes that outrightly assist in the ease of doing business in Nigeria.

Tertiary Education Tax

1. Exemption of small companies less than NGN25million turnover from paying tertiary education trust fund.

Company Income Tax

2. Minimum Tax has been reduced to 0.25% from 0.5% of annual gross turnover less Franked Investment Income i.e Dividend, for any YOA falling due on any date between 01/01/2020 - 31/12/2021.
3. The second schedule of CITA was amended to include the claim of Capital Allowance on the development or acquisition of software or electronic applications.
4. Donations made by companies to a pandemic [i.e Covid 19 Crisis Intervention fund] set up by the Government will be allowed for tax purposes which will be 10% of assessable profit after all allowable deductions.

Value Added Tax

5. Exemption of commercial Airline Ticket from

VAT, and Hire or lease of Agricultural Equipment for Agricultural purposes and animal feed.

6. Land and Building including House Rent are non-Vatable.

Stamp Duties

7. Section 89A (2): Deletion of Electronic Bank Transfer as transaction liable to stamp duty and introduction of Electronic Money Transfer levy of NGN50 on electronic transfer of money deposited in any bank or financial institution on sums of NGN10,000 and above.

Revenue to be shared on derivation 15% to FG & FCT and 85% to states.

Company and Allied Matters Act

8. Section 432 (3&4): Unclaimed Dividend from a listed company unutilized for 6 years and above will be transferred to an "unclaimed funds trust funds" and claimable at anytime by the shareholders

Industrial Development [Income Tax Relief] Act

9. Section 1 (7): A small <NGN25million or medium >NGN25million <NGN100million Company engaged in Primary Agricultural Production may be granted Pioneer Status for an initial 4 years and an additional 2 years based on satisfactory performance.

Primary Agricultural Production includes: Primary crop production, Primary livestock production, Primary forestry production and Primary Fishing Production.

Personal Income Tax

14. Section 37: Persons who earn the national minimum wage of NGN30,000 or less is exempted from personal income tax.

15. Gross Income for personal relief purposes has been revamped as income from all sources less non-taxable income, exempt items and income on which no further tax is payable, AND for enterprise, less all allowable business expenses and capital allowance.

It is worthy to note that the calculation of CRA – Consolidated Relief Allowance has changed [The formula will be applied on Gross Income less all applicable deductions (i.e pension, NHIS) and not on "the total gross income" as previously computed to get "Chargeable Income" and apply the rates of 7%, 11%, 15% and so on.

Capital Gains Tax [CGT]

16. Section 36 (2): Clarification that compensation for loss of office less than NGN10,000,000 will be exempted from tax, while any above this amount will be charged to tax.

17. Section 2 (4): Any person who disposes an asset chargeable under CGTA shall not later than 30 June and 31 December compute, remit and file capital gains tax for the asset disposed in the period

A few to mention.

2021 Finance Act

Finance Act 2021 also came out as a tool to execute the Nigerian Budget 2021 and also assist the ease of doing business in Nigeria.

Finance Act 2021 signed into law by the Nigerian

President 31 December 2021 and took effect from 1 January 2022.

An important change to assist businesses and companies is:

1. Minimum Tax rate has changed from 0.5% to 0.25% of turnover (less franked investment income) and will apply to any of two periods between January 1 2019 and 31 December 2021 chosen by the taxpayer. [it means if a taxpayer has already filed 2019FS, the company has to choose either of 2020 or 2021 to apply 0.25% after which is to revert to 0.50%].

Other changes were mostly introduction of new aspects of the law as can be seen below:

1. The rate of tertiary education tax has been increased from 2% of assessable profit to 2.5% of assessable profit.
2. FIRS may assess tax on the turnover of a foreign digital company involved in transmitting, emitting, or receiving signals, sounds, messages, images or data of any kind including e-commerce, app stores, and online adverts to Nigeria. Companies in this category are also obliged to charge, collect and remit VAT to FIRS amending Section 10 (4) CITA 2004 as amended.
3. N10 per litre on non-alcoholic, carbonated and sweetened beverages have been introduced in Nigeria.
4. Capital gains from disposal of shares and stocks in Nigerian companies, for

aggregate proceed amounting to N100 million or more in any 12 consecutive periods, is subject to CGT at 10%, provided that the proceed is not reinvested within 12 months.

5. Companies engaged in the business of banking, mobile telecommunication, ICT, aviation, maritime and oil and gas, with turnover of N100 million and above, are to pay NASENI tax of 0.25% of their profits before tax. [science and engineering companies].
6. Profits of companies engaged in educational activities are no longer exempt from tax under Section 23(1)(c) of CITA regardless of whether such activities are of a public character.
7. The profits of companies from the exports of goods produced in Upstream, Midstream and Downstream Petroleum operations are no longer exempt from tax under section 23(1)(q) of CITA.
8. The enforcement, accounting, collection, assessment, administration of levies and taxes due to the Federal Government and any of its agencies is saddled with "the Service" – FIRS except otherwise stated.
9. Companies providing digital goods and services to Nigerian customers and liable to tax.
10. Companies engaged in Upstream Petroleum operations will continue to

have obligation to withhold VAT, even when they have not commenced commercial operations or have turnover less than N25 million.

gross turnover is below N25,000,000 being exempted; inclusive of Company Income Tax as mentioned in Finance Act 2019.

11. Assessment, Collection and Enforcement of the payment of the Nigerian Police Trust Fund levy at 0.005% on net profits of companies operating in Nigeria provided under the Nigeria Police Trust Fund (Establishment) Act and introduced in 2019 will kick start fully from hence which was meant to last for 5 years to assist the police force.

It is obvious that within the next decade, the tax sphere in Nigeria will be on a global rating as all hands are on deck year in year out.

This should encourage more businesses springing up and new investors coming into the country.

Nigeria is a great nation and we all have to see to her greatness.

12. Any bank that fails to prepare and submit quarterly returns or returns of any information requested, or submit incorrect returns or information to the relevant tax authority, as required by section 28 of FIRSEA or sections 47 and 49 of PITA, is now liable to a penalty of N1m for each quarterly return or information not provided or incorrect returns or information provided.

Entrepreneurs should keep hope alive, while encouraging more people to join in this course as the ease of doing business in Nigeria is being looked into in Nigeria with the advent of the Finance Acts and other majors tools put in place in the nation.

Thanks for reading.

Onyinye Y. Afolabi, ACTI
Tax Consultant, Abuja, Nigeria

A few to mention.

TO CONCLUDE:

It is obvious that 2020 Finance Act had majority of changes in favour of the ease of doing business. A lot of taxes were eased off like; Persons who earn the national minimum wage of NGN30,000 or less is exempted from personal income tax.

Exemption of commercial Airline Ticket from VAT, and Hire or lease of Agricultural Equipment for Agricultural purposes and animal feed. Land and Building including House Rent are non-Vatable.

Education Tax of small companies whose annual

SUGAR TAX INTRODUCTION AND ITS HOLISTIC IMPACT ON THE NIGERIAN ECONOMY

1.0 INTRODUCTION

The Nigerian Government through the Finance Act 2021 amendment to the Customs and Excise Tariff, Etc. (Consolidation) Act imposed a charge of N10 per litre as excise duty on sweetened products consumed in Nigeria. The introduction of the charge received mixed reactions from Nigerians. Some schools of thought believed it is another strategy for the government to increase its revenue base, while another school received it on health grounds and as an opportunity to discourage the citizens from taking sweetened products. If both are to be taken into account, the outcome will hang in between the government's desire to increase its revenue drive and on the other hand, achieve its mandate of discouraging the citizens' sugar intake. The question begging for an answer is, will the introduction of the sugar tax cause a reduction in the consumption of sugar? And if the answer is

yes, it means it has achieved the purpose of government's effort at ensuring reduction in the health hazards associated with sugar consumption. If the answer is otherwise, it relatively means that government will generate more revenue from the consumption of sugar but need to provide adequate health facilities to cater for diseases emanating from its consumption. Irrespective of the side of the dice, it is imperative to analyze both possibilities and understand their impact on the government and the governed.

2.0 BUSINESS PERSPECTIVE ON THE SUGAR TAX

You will recall that the Nigerian economy is the biggest in Africa considering our population size which was estimated at 213 million individuals in 2021, and according to data from Statista, a global consumer survey firm said and I quote that "Revenue in the soft drinks segment in Nigeria



amounted to \$24,048,550,877.00 in 2021 or N9.992 trillion" and further analyzed that the market is expected to grow annually by 17.12 percent. In the soft drinks segment, the expected volume will amount to 14,713.5 million litres in 2026 but it is expected to show a volume growth rate of 0.5 percent in 2022, this will amount to 73.567.500 million litres of soft drinks that would be consumed in Nigeria in 2022. Reports also say that presently in Nigeria, we have more than 100 soft drink brands either made or bottled in Nigeria, whereby the resources needed to produce them were imported and by the statistics, it is evident to see clearly why the government established a policy imposing sugar tax to that sector of our economy. If the trend continues to increase as analyzed above, it means more revenue for the government either to provide adequate health facilities to cater for diseases emanating from sugar consumption or use the revenue generated to reduce its budget deficits. From business consideration, it means that the Sector will continue to contribute its quota to our GDP. This also indicates that a rationale and expectation that the imposition of a sugar tax will lead to a reduction in consumption of excessive sugar will not be applicable in this case.

3.0 HEALTH PERSPECTIVE ON SUGAR TAX

In the United Kingdom (UK) where sugar tax is imposed, the largest global soft drinks brands reduced sugar content to avoid the levy and when the announcement is made about the levy, almost half had a sugar content of over 8grams per 100ml and there were very few brands in the 4-5grams and 5-8grams ranges respectively, the 0.4grams category was dominated by diet products. In 2018, almost a

third of brands in the sample had shifted to the 4-5grams category (and thus coming in just below the tier of the levy) while the number of brands in the 8grams plus category had dropped substantially, the outcome of the levy shows that people appear to be consuming less sugar from soft drinks since the UK introduced a tax on sugary drinks

In Nigeria, the Minister of Finance Zainab Ahmed said apart from raising excise duties and revenues, the policy is also to discourage excessive sugar consumption in beverages, and because of its resulting health conditions such as diabetes and obesity etc, the consumption will raise revenues for the health sector. Here comes the issue, if the UK government that provides standard health facilities still imposes a sugar tax to reduce the sugar produced drinks and beverages and free the government from spending on related diseases occasioned by consuming such, rather divert government spending on education and development, Nigeria should not be exempted from imposition of a sugar tax to achieve both results.

4.0 CONCLUSION

However, in the case of Nigeria and practically, with our constant and growing population, a sugar tax could help to some extent to reduce the high rate of sugar consumption and therefore serve as a good health policy that will minimize the occurrence of diabetes, obesity, and related diseases. It is also a serious concern for the business community that the effect of the sugar tax on businesses will result in transferring such a tax burden to the consumers and when the tax burden is transferred, it will shift the consumption pattern of the consumers, when that happens it

will affect the sustainability of the investors.

Finally, we could adopt the UK model whereby sugar tax is categorized and tax them separately depending on the contents of sugar usage, the government could also exempt certain grams whereby forcing the manufacturers to automatically reduce the sugar contents to avoid payment of sugar tax making them fall under the exemption clause. The stakeholders should not be in a haste to castigate the government policy rather all hands must be on deck to ensure that the applicability by the collection agency of government is fair and just, and the methodology for adoption or implementation must be flexible.

Author:

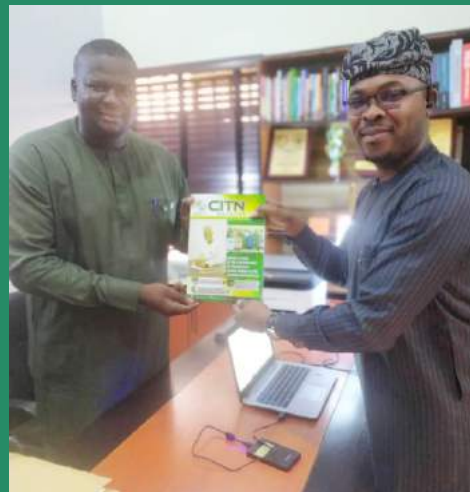
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APPRECIATING SOME OF OUR CONTRIBUTORS TO THE CITN MAGAZINE



DIGITAL CURRENCY AND TAXATION OF DIGITAL ASSETS: A CONCEPTUAL REVIEW OF THE NIGERIAN eNAIRA.

Introduction

Over the last one decade, there has been a substantial growth in the popularity and proliferation of digital currency world over. Despite this, every nation of the world makes use of a fiat currency, which is accepted as the legal tender, and fundamentally regulated by the government. This leaves every economy in the globe with two fold currency options: either to continue with the fiat currency alone or mainstream the use of digital currency.

Digital currency can operate in two major forms namely, Crypto currency e.g Bitcoin, Litecoin, ethereum, Ripple e.t.c. and Central Bank Digital currency (CBDC) e.g eNaira. The feature common to both is that the mode of transmission is digital.

Despite the dramatic, global upsurge of interest in virtual currency, there is currently substantial discussion on the need for a legal and regulatory oversight of virtual currencies (Matsuura, 2016). The need for a legal, as well a regulatory

framework for digital currency operation in Nigeria gave rise to the issuance of regulatory guidelines on eNaira launched on 25th October 2021 by the Central Bank of Nigeria. The issuance of regulatory guidelines on eNaira by Central Bank of Nigeria is an attempt to legalize the digital currency in the Nigerian financial and economic space.

The taxation of digital assets relates solely to the taxation of crypto assets while it has no application to the Central Bank Digital Currency (CBDC). Another very sharp distinction between crypto and the Central Bank Digital Currency is the fact that, crypto is substantially unregulated while CBDC is highly regulated by the government through the Central Bank of the nation in question. One of the major criticisms of the crypto currency operation is the volatility of the assets, bringing about sharp fluctuations in the value of the currency. This consideration, coupled with the fact that the security of the crypto currency environment cannot be guaranteed by the regulatory authority, informed

the declaration of the Central Bank of Nigeria restraining Nigerians from participating in the crypto currency sector.

The digital currency sector is fundamentally an emerging sector in the Nigerian financial and economic space and must be given the desired attention because Nigeria cannot exist in isolation but will continue to operate within the globe.

The article is therefore out to generally review crypto currency operations, globally, the attendant opportunities and threats, the associated criticisms, the possibility of tax evasion resulting from the sector and the recommended process of taxing this sector. The article further presents a conceptual review of the eNaira operation in Nigeria including the guidelines and the expected benefits.

The Issuance of the eNaira is a welcome development which presents all benefits associated with automated systems especially in a well regulated environment. The Central Bank of Nigeria is desirous of making the eNaira a legal tender on the same pedestal with the conventional currency. The very pertinent question is 'does the eNaira possess the characteristics of money which allows it to perform the functions of money'?

It is also very pertinent to determine whether these characteristics of money are possessed by crypto currencies and whether it can sufficiently perform the functions of money or possibly another set of characteristics and functions should define the operation of crypto currencies. These characteristics range from

durability, portability, divisibility, uniformity to acceptability while money must be limited in supply. Furthermore, any currency that cannot serve as "a medium of exchange, a store of value, a unit of account as well as a standard of deferred payment" cannot function as money.

Every nation of the world makes use of a Fiat currency which is accepted as the legal tender in that economy and regulated by the government. Digital currency can present itself in two major forms:

- * Crypto-currency e.g Bitcoin, Litecoin, Ethereum, Ripple e.t.c..
- * Central Bank Digital Currency (CBDC) e. g eNaira.

The feature common to both is that the **mode of transmission** is digital.

Conceptual Review of the eNaira Operation in Nigeria.

The eNaira is a Central Bank Digital Currency issued by the Central Bank of Nigeria, Nigeria being the first African Country to issue e-money.

The Central bank of Nigeria (CBN) as empowered by Section 19 of the CBN (Act) and the Bank and other Financial Institutions Act (BOFIA), has launched the digital currency called eNaira with effect from 25th October 2021.

It is a direct liability of the Bank, a legal tender and will form part of the currency in circulation and will be at par with the physical Naira (that is 1:1). The eNaira shall complement traditional Naira as a less costly, more efficient, generally acceptable, safe and trusted means of payment (CBN Regulatory Guidelines on eNaira, 2021).

In addition, it will improve monetary policy effectiveness, enhance government's capacity to deploy targeted social interventions and boost remittances through formal channels. The eNaira platform shall host eNaira wallets for different stakeholders while the eNaira wallet contains the financial resources held by each account holder.

Financial Institutions shall integrate their backend systems to the Digital Currency Management System for efficient transfer of eNaira between bank accounts and eNaira wallets. (CBN Regulatory Guidelines on eNaira 2021). This means that Banks will be fully involved unlike the situation in crypto currency operations where financial intermediaries are not captured in the value chain.

Participants in the value chain including, Central Bank of Nigeria, Financial Institutions (FI), Merchants, Ministries, Departments and Agencies (MDAs) and Consumers, all have different roles to play (CBN Regulatory Guidelines on eNaira, 2021).

Banks will be fully involved unlike the crypto assets where financial intermediaries are not captured in the value chain. The eNaira platform shall host eNaira wallets for different stakeholders while the eNaira wallet contains the financial resources held by each e-wallet holders. The eNaira application can be downloaded and operated by each individual or corporate entity. Funds can be transferred from your bank accounts to your e-wallet while fund can also be moved from your e-wallet to your bank accounts. While funds in the bank accounts are held by commercial banks, funds in the e-wallet

are held by the CBN. E-wallet holders are not Account holders. The CBN is not a retail banker and does not open accounts for customers.

There is a limit to the maximum amount that can be held by any e-wallet holder. This is very important in order to guide against strangulating the banking sector of funds. Failure to put this control in place may result in financial system instability, stemming from lack of adequate loanable funds for banks, distortion of amount available for CBN through the Cash Reserve Ratio as well as amount made available to the Nigeria Deposit Insurance Corporation (NDIC).

Expected Benefits of the eNaira

The Issuance of the eNaira is a welcome development which presents all benefits associated with automated systems especially in a well regulated environment:

- It has capacity to improve the value of the Naira.
- It may help to achieve increase in government revenue due to increased activities and enhanced ease of concluding transactions.
- It will help improve monetary policy effectiveness.
- Enhance government capacity to deploy targeted social intervention programs more effectively.
- Ability to transfer money from your bank account to your e-wallet.
- It will facilitate cross-border transactions and boost economic growth.
- Provides opportunity for transaction monitoring.
- Provides opportunity for increased financial inclusion.
- It will help to boost diaspora remittances using

formal channels.

Criticisms of the Crypto currency operation and Measures put in place by the Central Bank of Nigeria to mitigate associated Risks

- o Lack of government backing which may impact negatively on the level of patronage. The eNaira is a Central Bank Digital Currency (CBDC), which has the backing of the Federal Government as well as a legal and regulatory Compliance framework.
- o Lack of involvement of financial intermediaries e.g Banks. The CBN guideline expressly states that Financial Institutions shall maintain a treasury e-wallet for holding and managing eNaira on the Digital Currency Management System (DBMS).
- o There is a risk of lack of acceptability as a medium of exchange and as a store of value. The CBN Regulatory Guideline on the eNaira declares it as a legal tender forming part of the currency in circulation. It is stated as being at par with the physical Naira at (1:1) This therefore sufficiently addresses the issue.
- o The risk of exposure to the nefarious activities of cyber criminals. Section 3.4 of the CBN

guideline states that the two-factor authentication and other security measures shall be adopted to ensure the security of eNaira wallets.

- o There is a likelihood that crypto currency operation may facilitate money laundering. The Anti-Money laundering/Combating the Financing of Terrorism (AML/CFT) checks for fraud detection and prevention has been stated to be fully applicable on the eNaira platform.

Criticisms of the eNaira

- o Lack of inclusivity at the planning stage of the project. The CBN did not involve the public during the planning of the digitization of the currency.
- o Failure of the Federal Government to address the challenge of poor power supply.
- o There should have been a phased implementation and proper test running of the system before launching.
- o Failure of the Federal Government to address the poor network system and improve on the general communication system and the available Bandwidth.

	Crypto Currency	Central Bank Digital Currency (eNaira)
1	Substantially unregulated	Highly regulated.
2	May experience high Volatility and fluctuation in value.	The currency is at par with the nation's fiat currency at ratio 1:1 and is not subject to indiscriminate fluctuation in value.
3	Transactions take place between parties whose identity is unknown.	Transactions take place between parties known to each other.
4	The currencies are generated through computer programs	The currency is minted by the government through the regulatory authority.
5	There is no interface with financial intermediaries.	There is constant interface with financial intermediaries.
6	It makes use of block chain technology.	The two-factor authentication will be adopted.
7	In most cases, there is lack of appropriate legal and regulatory framework.	Appropriate legal and regulatory framework is usually in place.

Crypto Currency

The Crypto currency is a decentralized, virtually anonymous, substantially unregulated digital currency that has become exponentially popular in the recent years (Lee K.D.C (Ed) 2015.) Crypto currency makes use of block chain technology with the following features:

- o Records are decentralized.
- o Administrative functions are disintermediated i.e there is no central financial intermediary like a bank.
- o Transactions posted to the ledger are immutable i.e once they are validated, changes cannot be made, lending credence to its security and integrity.

The Crypto currency platform makes use of distributed ledger technology. A distributed ledger is a record of transactions which are held simultaneously in several places (Baucherel K. 2020).The strength of a distributed ledger is that there are many identical copies that are all updated with the same transactions as they occur. This means that transactions can be entered to the ledger by any party and it will be incorporated in every instance of the ledger. Crypto currencies are generated through computer programs.

Generally, Crypto currency presents computer-based platforms which provide efficient and transparent mechanism for rapid and convenient global payment transactions. These platforms enable individuals and organizations participate directly in digital transactions without the intervention of financial intermediaries such as banks. Many nations globally, including UK, USA, Brazil etc are players in the digital currency space. The Brazilian government, in its recent

intervention in the crypto asset space, defined electronic currencies as resources that are stored on electronic system which enable end users perform payment or value exchange transactions.

Taxation of Digital Assets

There is a need for the evolution of tax policy on taxation of crypto assets. Individuals and corporate entities who deal in crypto assets must understand that there are tax implications. Tax, as we all know is collected when income is generated or profit is made. The fundamental question here shall be: Has income been generated? Has profit been made? If the answer is yes, then the issue of taxation is uncontested.

For revenue authorities to be able to achieve this, there must be a reliable way of monitoring the disposal, receipts and movements in crypto assets while the onus is on the players in the industry to keep proper financial records in a transparent manner.

The UK HM Revenue and Customs for instance has published guideline for people who hold crypto assets explaining what taxes they will be subjected to (www.gov.uk). Digital currencies may be in the form of Central Bank Digital Currency or financial crypto currencies (stable coin). Crypto currencies are held as a "store of value" as well as a "medium of exchange".

Capital Gains Tax

When crypto assets appreciate, taxes may not be due until when such asset is disposed and capital Gains Tax will then be applicable. The Capital Gains Tax Act (CGTA) Cap C1 LFN 2004 (as amended) imposes a tax of 10% on the total amount of chargeable gains arising from the

disposal of chargeable assets.

Section 3 of the Capital Gains Tax Act (CGTA) provides that all forms of property, shall be assets for the purpose of Capital Gains Tax, whether situated in Nigeria or not including;

- a) Options, debts and incorporeal property generally.
- b) Any currency other than Nigerian currency and
- c) Any form of property created by the person disposing of it.

Note that the act specifically mentioned currency, but failed to mention digital currency/assets. For the applicable tax to be collectible by the tax authority, there has to be an amendment to section 3 of the Capital Gains Tax Act to include crypto assets. This may be by way of amendment through subsequent finance acts.

Income Tax

Individuals who receive income or remunerations in digital currency are expected to pay their taxes in digital currency. (Personal Income Tax)

Corporate entities who engage in taxable transaction in digital currency should also pay Companies Income Tax (CIT) in digital currency provided the turnover of the entity is above N25m in line with Finance Act 2019. This means that every taxable transaction in digital currency should also give rise to tax payment remitted to the revenue authority in digital currency.

Value Added Tax (VAT)

Section 10 (3) of the Value Added Tax Act

provides that a taxable person shall withhold and remit the tax to the service (Federal Inland Revenue Service) in the currency of the transaction.

This means cross border taxable transactions involving VAT payments made in digital currency should also be remitted in digital currencies.

Tax Evasion resulting from Digital Currency Operation.

While the issue of taxation speaks to the crypto economy, the eNaira cannot be taxed because it is just another form of the conventional currency. The issue of tax evasion however, is applicable to the eNaira operation to the extent that funds transmitted above a particular threshold should be further investigated to ascertain the fact that the funds as well as the individuals involved have been appropriately taxed.

Crypto currencies poses a significant potential risk of tax evasion. Virtual currencies like bit coin and etherum offer a way to shield income from a nation's revenue service.(www.cnbc.com)

The American government is particularly concerned about wealthy individuals who shift taxable assets into the crypto economy to avoid tax. Currently in America, the Biden administration's tax compliance agenda recently issued, suggests that the government is resolute about the plan to close the tax gap resulting from crypto economy. (www.cnbc.com).

About 80% of the tax gap is from under-reported or unreported income according to the treasury

which significantly includes income from crypto economy.

In Nigeria, banking transactions up to 10m and above are reported as part of Nigeria Financial Intelligent Unit (NFIU) requirements. The essence of this is to create awareness which is expected to spur the government into forensic moves to ascertain the legitimacy of the source as well as ascertaining whether the individuals involved and the funds involved have been appropriately taxed.

This sort of intelligence must be built into the regulatory framework for the eNaira, to minimize tax evasion.

Ways of Increasing Tax Compliance in a digital Currency Environment

Stronger reporting Standards. The International Financial Reporting Standard (IFRS) setting body should put together a standard that will prescribe the recognition criteria, the measurement model as well as the disclosure requirements for digital currency due to its importance and increasing global acceptability.

A more robust legal and regulatory framework should be put in place. This would present government's position as well as create an enabling environment for the taxation of the sector.

The tax returns should be structured in such a manner that tax payers can declare their crypto assets and income generated therefrom.

A culture of documentation and financial record keeping by individuals as well as corporate entities must be encouraged while the government should put in place, a mechanism to enforce this.

Discussion

A research adventure into the digital sector shows that not many researchers world over have delved into the taxation of digital assets. The article shows clearly, with relevant sections of the extant laws, the fact that digital assets can be taxed including the way and manner this can be achieved.

The article specifically presents, the need for appropriate legal and regulatory framework for financial reporting as well as the need for amendment of relevant provisions of existing tax laws to appropriately accommodate taxation of digital assets.

The article typifies how rich individuals as well as corporate entities in different nations hide a good percentage of taxable income in digital assets with a view to evading tax knowing fully well that the sector has been grossly under taxed world over. The article goes further to exemplify what positive impact, increased tax compliance will have on revenue generation as well as the extent of enhanced growth and development that will be achieved.

A well-articulated program of digital asset taxation in economies world over will have considerable impact not only on the revenue generation but also on the Gross Domestic Product (GDP) of the particular nation.

The article presents in a conscientious conceptual review of the operationality of the eNaira, reflecting its ability to exhibit the characteristics of money (durability, portability, divisibility, uniformity and acceptability) as well as the functions of conventional money as a store of value, as a medium of exchange, and as a unit of account.

The regulatory guidelines on eNaira'' issued by the Central Bank of Nigeria states that the eNaira is a legal tender, which will form part of the currency in circulation, and will be at par with the physical Naira at (1:1). It also categorically states that the eNaira will be exchangeable for other Central Bank Digital Currency, while through the Digital Currency Management System (DCMS), the CBN will mint and issue eNaira. Financial Institutions shall maintain a treasury eNaira wallet for holding and managing eNaira on the DCMS using the financial institution suite as the primary application.

The review reveals that there is a mechanism for rendering returns by financial institutions to CBN in line with the provisions of the Banks and other financial institutions Act (BOFIA) and as may be specified from time to time. This will serve as a feedback mechanism reflecting a robust interface between e-wallet holders and financial institutions and also between financial institutions and CBN. Such interface is not available in crypto currency operation. The monthly/annual returns to CBN will also help monitor the progress as well as resolve challenges present in the sector.

A robust dispute resolution platform already put in place to resolve consumer's complaints will

also go a long way in making the operation of the eNaira a successful and sustainable one. This includes complaints from financial institutions as well as disputes arising between financial institutions. It further stated that, in the event one or more parties are unsatisfied with the resolution, the issue shall be referred to an arbitration panel as provided under the extant 'Arbitration and Conciliation Act.

Conclusion

There appears to be an increasing level of global acceptability in the use of crypto currency as a medium of exchange as well as a store of value. An internet-based, decentralized, electronic payment system that is built on block chain as well as distributed ledger technology has become a global desire.

Despite this, there are associated challenges which may end up as setbacks to this system if not effectively managed. Tax evasion is one of the major challenges of the crypto economy. Taxation as we all know, is the singular most consistent source of revenue that is common to most nations of the world, hence the need to publish this research-based article.

This research work has sufficiently shown that if all the recommendations given in this publication are adhered to by the government of nations, tax collection in respect of digital assets will be more seamless while the contribution to the revenue generation as well as the Gross Domestic Product (GDP) will be unquantifiable.

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Disclaimer

All views, positions and opinions expressed in this paper are those of the writer and do not in any way represent the positions of his employer or that of the Central Bank of Nigeria.

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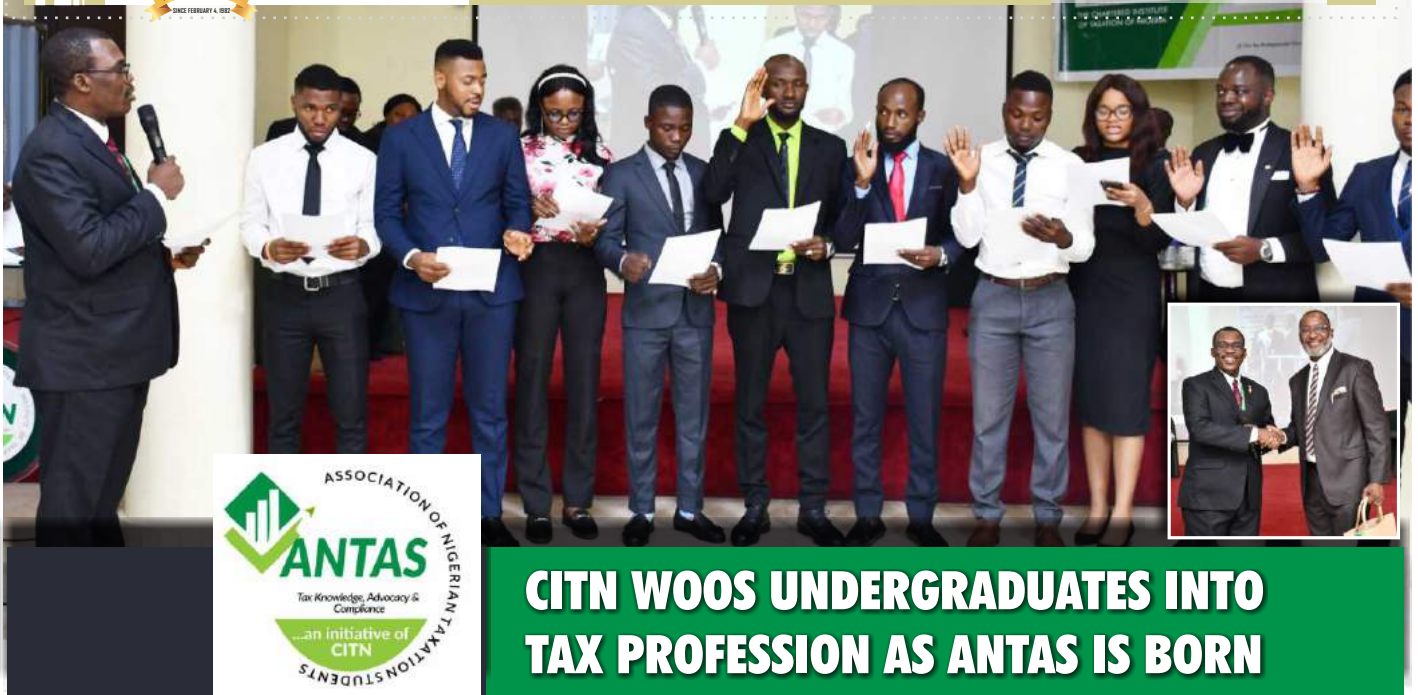


SOCIETY OF WOMEN IN TAXATION (SWIT) @ COTONOU



DURING THE PRESIDENTIAL DINNER NIGHT OF THE NATIONAL BODY OF SOCIETY OF WOMEN IN TAXATION (SWIT)





CITN WOOS UNDERGRADUATES INTO TAX PROFESSION AS ANTAS IS BORN

The President of the Chartered Institute of Taxation of Nigeria, Adesina Adedayo, has encouraged students in tertiary institutions to embrace the tax profession.

He spoke during the inauguration of the Association of Nigerian Taxation Students (ANTAS) in Lagos.

He said, "It is a well-known fact that the youth of any country is a great asset and they are the future. It is imperative to acknowledge the role of youths in nation-building and support them to drive positive change in the world.

"Therefore, there is no better time to form this association bearing in mind that taxation is a distinct course and we must develop the tax profession."

He said the initiative was part of the institute's catch-them-young agenda geared towards creating a community of taxation students who would be nurtured to become qualified tax practitioners and build leadership skills over time.

While congratulating the newly inaugurated executives, he urged them to promote awareness of the taxation discipline and operate within the constitution as provided and be a worthy

ambassadors of the institute.

The Chairman, Students Affairs & Tertiary Education Relations Committee, Dr. Titilayo Fowokan, said the mission of the initiative powered by the CITN is to build an association that would nurture prospective members of CITN in tax administration, academia, and practice.



Fowokan said, "The aims and objectives of putting this national body together include but not limited to stimulating the interest of students in taxation as a field of study; providing a platform for intellectual interaction among taxation students; promoting greater awareness of the relevance and importance of taxation in meeting societal needs and redressing social inequalities; creating a platform for an increase in the students' membership base.

ENHANCING CORPORATE GOVERNANCE IN ORGANISATION AND ECONOMIC DEVELOPMENT

INTRODUCTION

In the assessment of effect of the performance of corporate governance in organisation and economic growth it was found out that the performance of corporate governance is significantly not favourably related to the economic growth in both specification and in all models and therefore it matters not only for the current year but also persisted in the future. In the same vein, it was found out that role played by human capital is insignificant but physical capital and government final consumption expenditure plays significantly positive role in the economic growth of cross-section of countries. Also, the impact of life expectancy and fertility rate is discovered to be negative and positive on economic growth respectively. While the trade does not have significant impact on the economic development.

In the context of this work, the relationships between corporate governance and economic development and well-being will be reviewed. The work shall emphasize how better-governed corporate frameworks benefit firms through greater access to financing, lower cost of capital, better firm performance, and more

favorable treatment of all stakeholders. Numerous studies agree that these channels operate not only at the firm level, but also in sectors and countries at large with corporate governance being the cause. There is also evidence that when a country's overall corporate governance and property rights systems are weak, voluntary and market corporate governance mechanisms have more limited effectiveness. Importantly, attentions are paid on the dynamic aspects of corporate governance which include; how corporate governance regimes change over time and what the impacts of these changes are. Less evidence is available on the direct links between corporate governance and social outcomes, including poverty and environmental performance. There are also some specific corporate governance issues in various regions and countries that have not yet been analyzed in detail. In particular, the special corporate governance issues of banks, family-owned firms, and state-owned firms are not well understood; neither are the nature and determinants of public and private enforcement. Therefore this work will be rounded up by identifying how corporate governance in organisation and economic development can

be enhanced, as well identify major policy and research issues that require further study.

HISTORICAL BACKGROUND

Corporate governance is more encompassing than legal infrastructure per se. Weimer and Pape

(1999) defines corporate governance as a 'country specific framework of legal, institutional and cultural factors, shaping the patterns of influence that stakeholders exert on managerial decision making'.

Charreaux (1997) defines corporate governance as "...all the organisational mechanisms which have the effect of bounding the powers and of influencing the decisions of the managers, in other words, the mechanisms which 'govern' their behaviour and define their discretionary space". Pass (2004) argues that corporate governance deals with the 'duties and responsibilities of a company's board of directors in managing the company and their relationships with the shareholders of the company and the stakeholder groups'.

Two decades ago, the term corporate governance meant little to all but a handful of scholars and shareholders. Today, it is a mainstream concern a staple of discussion in corporate boardrooms, academic roundtables, and policy think tanks worldwide. Several events are responsible for the heightened interest in corporate governance. During the wave of financial crises in 1998 in Russia, Asia, and Brazil, the behavior of the corporate sector affected entire economies, and deficiencies in corporate governance endangered the stability of the global financial system. Just three years later,

confidence in the corporate sector was sapped by corporate governance scandals in the United States and Europe that triggered some of the largest insolvencies in history. And, the most recent financial crisis has seen its share of corporate governance failures in financial institutions and corporations, leading to serious harm to the global economy, among other systemic consequences.

In the aftermath of these events, economists, the corporate sector, and policymakers worldwide recognize the potential macroeconomic, distributional, and long-term consequences of weak corporate governance systems.

The crises, however, are manifestations of several structural factors and underscore why corporate governance has become even more central for economic development and society's well-being. The private, market-based investment process is now much more important for most economies than it used to be; that process needs to be underpinned by better corporate governance. With the size of firms increasing and the role of financial intermediaries and institutional investors growing, the mobilization of capital has increasingly become one step removed from the principal-owner. The allocation of capital has also become more complex as investment choices have multiplied with the opening up and liberalization of financial and real markets.

Structural reforms, including price deregulation and increased competition, have broadened companies' exposure to market forces. These developments have made the monitoring of the uses of capital more complex in many ways,

enhancing the need for good corporate governance.

STEPS TO ENHANCING CORPORATE GOVERNANCE

According to the Organisation for Economic Co-Operation and Development (OECD), Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. It is important to note that Corporate Governance has an even bigger role to play and is essential to well-functioning and vibrant financial markets. The Cytonn Corporate Governance Ranking (CGR) Report 2017, highlighted the strong correlation between Corporate Governance and returns on stocks of the listed entities. The top 25 companies as rated in the Cytonn CGR Report delivered an absolute return of approximately 37.8% over the last 5-years compared to the bottom 25 companies, which delivered an absolute return of (5.1%) per annum over the last 5-years.

In order to ensure that corporate power is exercised in the best interest of the company and its stakeholders, a company can use a myriad of best practice codes and regulations. In Kenya, one of those regulations is the Capital Markets- Code of Corporate Governance Practices for the Issuers of Securities to the Public 2015, which can serve as a guideline to any company that wants to enhance its governance to local best practice standards. The Code sets out the principles and specific recommendations on structures and processes, which companies can adopt in making good Corporate Governance an integral part of their business dealings and culture.

In light of the above, here are eight steps that a company can take to enhance Corporate Governance:

1. The Structure and Composition of the Board of Directors

In order for a company to have effective Corporate Governance, the first thing to consider is to have a properly constituted Board. The company will have to look into the following matters:

- The members of the board need to have the right qualifications as per the needs of the company as well as the competence required to exercise that mandate. This will be required especially for the key figures like the Chairman, the Chief Executive Officer, and the Company Secretary.
- The Board and its respective Committees need to exercise independent judgment.
- Introduce independent members and a lead independent director. Independent non-executive directors are recommended to be at least one-third of the total number of Board members.
- Ensure that the Board encompasses diversity in its composition. Specific criteria include gender, nationality, regional balance, and age.
- The Board and its respective Committees need to disclose conflicts of interest.
- Ensure continuous skills development and board evaluation annually.
- Have the Board well informed with Board papers and further, ensure adequate time for the Board members to review the board papers presented to them.

The Board should focus on not only guiding the strategic development of the company but fully understand their role with regard to their

fiduciary duty towards the shareholders and external stakeholders.

2. Understanding the Rights of Shareholders

Investor protection and shareholder rights are imperative to ensuring that a company is not only able to innovate and raise the capital needed to grow but is able to compete effectively in the market. Companies, therefore, need to provide a framework for their protection which includes equitable treatment of all shareholders, including the minority shareholders. In order to do this effectively, information needs to flow to the shareholders especially with regard to access to annual reports and accounts as well as notices for attendance of annual general meetings. Companies may consider doing this by way of website updates, regular shareholder information releases through emails or pamphlets. As well, a company, should it have the opportunity to, may consider holding regular shareholder forums to connect with its shareholders.

3. Manage your Stakeholder Relations

Stakeholders include any group of persons who can either affect or be affected by the decisions of a company or the company's reputation. To this end, the Board is encouraged to take a stakeholder-inclusive approach when executing its strategy. For this to be effective, the first step is to identify who those stakeholders are. For instance, for a marketing company, the stakeholders would include their suppliers, media channels, and clients. The second step is to develop policies on how to manage the

relations with the identified stakeholder group. Finally, the board needs to ensure that all stakeholders receive relevant information about the company and create a feedback mechanism back to the board, even if the same is in electronic form and an internal team dedicated to responding to stakeholder requests.

4. Maintain Ethical Standards

Over and above the general responsibilities of the Board, there is one specific aspect that should underpin the conduct of all the persons working for the company, and that is ethics. The Board is responsible for setting the standard of ethical behavior that is expected of Board members, managers and employees. In order to do this, it is important to have the Code of Conduct in place. This way, decisions will comply with the legal requirements, the company's core values and the legitimate expectations of the stakeholders.

5. Good Corporate Citizenship through Corporate Social Responsibility (CSR)

The company does not exist in a vacuum. In as much as the company is an economic institution interested in its reputation, its returns, and its clients, it has to maintain a balance between economic, social and environmental value. The Company exists in a social environment and it has the responsibility to act as a good corporate citizen of the community in which it conducts its day to day business. So how does the company achieve good corporate citizenship? This can be done by having programs that address social and

environmental issues that impact the community for the long term. There is really no good measure of what an effective program is as long as the leadership is committed to ensuring good corporate citizenship and not just serving the public relations aspect of making the company look good. Some of the ways companies do this is by having CSR programmes that are aligned to an aspect of the business, in which the staff would be able to seamlessly support or have a flagship cause that the company would be willing to be identified with.

6. **Prioritize Risk Management**

Risk management is essentially identifying and analyzing any risks that are associated with the company and then taking the requisite steps to manage those risks. The Board is charged with the mandate of ensuring that the proper systems are in place to enhance accountability, promote risk management, and internal controls. One of the ways to get this done is by having a competent Audit and Risk committee that reviews the processes. For instance, the committee will ensure that not only are financials done on time but also are reliable and comply with financial reporting standards. In addition, the committee may require the management to develop appropriate risk frameworks, which would be used to measure the compliance of culture of the firm and as well temper the company's approach towards risk.

7. **Transparency is Key**

Disclosure is a very powerful tool. It can attract investors to invest in the company; it

can help maintain the confidence of the company in the markets as well as enhance shareholder protection. However, if the company's disclosure is weak, then this can encourage unethical practices by the Board or the company's employees and even loss of investor confidence. For this reason, companies are encouraged to issue its annual reports detailing its activities, the members of its board, how they are evaluated and even how they are remunerated. Without proper disclosure, it would be difficult for stakeholders to understand the activities of the company, its performance in the market, its values and its policies.

Understand that good governance is not limited to compliance conformity (i.e. compliance with legislation, regulation, and codes of practice); it has to balance itself with performance. This is the job of the Board. One can achieve this by ensuring management puts in place robust strategy and policies. The Board needs to elaborate its position and understanding of the major functions it performs as opposed to those performed by management.

8. **Develop and mature through a Corporate Governance framework**

The final step is to ensure that the company has a framework, which it uses to gauge the Corporate Governance level at a particular point in time. All the above steps are elements of a Corporate Governance framework. When effected, the framework could be reviewed annually and can also be used to analyze the company's level of Corporate

Governance and forge a way to improve. In addition, the framework should strive to transition the company from the baseline practice of Corporate Governance to a leading practitioner in Corporate Governance - An example of best practice framework is the OECD Principles of Corporate Governance Framework. Locally a tool that can assist in evaluating a company's level of Corporate Governance framework is the Cytonn Corporate Governance Index (CGI). It is a diffusion index consisting of 24 metrics used to rank listed companies on their Corporate Governance structure by basing it on five main areas (i) board composition, (ii) audit functions, (iii) CEO tenure and evaluation, (iv) remuneration, and (v) transparency. Once a company comes up with the best framework to assess these metrics, then it can use it to ensure it remains within the recommended standards.

Whatever the stage a company is at and if the company concurs that a Corporate Governance Framework is vital to its prosperity, the best advice would be to get started and mature steadily.

CONCLUSION

The steps to good Corporate Governance can be quite elusive. Corporate Governance is not just about posting surplus information about the company on its website. In order to improve on Corporate Governance, companies need to take active steps in ensuring the long-term sustainability of the firm. The above eight steps are a good way to start.

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INVESTITURE OF CHIEF (MRS) DR, NNEIFE NKEMDILIM VIRGINIA UDEH AS THE 5TH CHAIRMAN, ENUGU AND DISTRICT SOCIETY OF CITN AND INAUGURATION OF EXCO MEMBERS ON 15TH TO 16TH AND TAX ENLIGHTENMENT PROGRAMME ON 17TH MARCH, 2022

On 15th March, 2022, the President and his team arrived Akanu Ibiam International Airport, Enugu where some CITN Enugu and District Society members received them, honoured and checked them in at Discovery Suits/hotel with Daughters of Ihe Shikeaguma (Umuada Ihe) band group. The entourage stayed briefly at the hotel and moved to

- Government House for courtesy visit to His Excellency, Rt Hon. Ifeanyi Ugwuanyi the Executive Governor of Enugu State ably represented by the Secretary to the State Government Prof (Barr.) Simon Uchenna Otuanya. See pics below.



CHIEF (MRS) DR, NNEIFE NKEMDILIM VIRGINIA UDEH

From there to Office of the Rector, Institute of Management and Technology Enugu Prof. Augustine Uchechukwu Nweze, FCA, FCTI.

-We also paid courtesy visit to His Royal Highness, Igwe Barr Julius Nnaji, Igwe Odezuluigbo III of Nike Kingdom of Enugu State who honoured the President/Chairman of the Council of CITN, Chief Adesina Adedayo mni FCA, FCTI with coronation of Chieftaincy title "Enyioha I (Friend of all) of Igboland, Enugu State. The honour attracted glamorous merriment hence, the President that came in Enugu State of Nigeria (Igboland) with, "Mr" went back with "Chief" UMUADA IHE Band Group graced the occasion

with their musical entertainers.

On 16th March, 2022, we commenced again with Courtesy visits to Office of the Executive Chairman, Enugu State Internal Revenue Service Prince Emeka Odo and to FIRS Enugu Zonal Coordinator South East, Enugu, Ebonyi and Abia,

Sir Bennett Agu, after which the team proceeded to the investiture/Inauguration venue at Destiny Event Centre 45c Nza Street by New Haven link Road Independent Layout Enugu. Among the dignitaries present were, the special guest of honour, Executive Chairman, Enugu State Internal Revenue Service Prince Emeka Odo who delivered the opening remarks, while

the CITN National President Chief Adesina ADEDAYO, mni, FCTI gave the key note address. Others include:

Vice President, Barr. Samuel Agbeluyi, FCTI, Deputy Vice President and JDS Chairman, Mr. Innocent Ohagwa, FCTI, Immediate Past President, Dame Gladys Olajumoke Simplice, FCTI, Exco member, Dr Justina Okoror, FCTI, the Senior Special Assistant to Governor of Enugu State, His Excellency Rt Hon Ifeanyi Ugwuanyi on Financial Matters, Sir Dr. Paschal I. Okolie FCTI Hon. Commissioner for Finance - Hon Mrs Adaonah Kene-Uyanwune ably represented by the Permanent Secretary Dr. Benedict Ezema,

Royal Father of the Day, His Royal Majesty, Igwe Amb. (Dr) Ezedioranma. E.M.C. Aniagu, the Ozuluigbo I of Ndigbo, Ezeudo III of Ihe Shikeaguma, Mother of the day, Dame Eunice Nwanneka Ugwu, Accountant General/Permanebt Secretary (rtd), Chairman of the occasion Hon Chief Tom Onyeagwa FCTI, The Rector, Institute of Management and Technology (IMT) Enugu Prof Augustine Uchechukwu FCNA, FCTI delivered a paper titled: the highlights of the Finance Act 2021"

Welcome Address by former Head of Service, Ozo Chidi Ezema, Deputy Vice Chairman CITN Enugu and District Society while the IPC, Sir Dr. Paschal I.Okolie the IPC gave valedictory speech. The investiture was conducted by the President Chief Adesina Adedayo mni FCA, CITI. The pictures below depicts the activities.

On 17th March, 2022, Tax Enlightenment Programme commenced and Dignitaries

include President, Vice, and Deputy Vice including Dr. Justina Okoror FCTI. Prince Emeka Odo, Executive Chairman Enugu State Internal Revenue Service delivered the welcome address while the Key note address was said by the President/Chairman of the CITN Council Chief Adesina ADEDAYO, mni, FCTI

Goodwill messages came from the following personages;

Hon Commissioner for Finance and Economic Development, Enugu State Hon Mrs Adaonah Kene-Uyanwune ably represented by Dr Benedeth Ezema and Regimus Odo the Enugu State Accountant General.

Lead Paper 1 presentation on Tax Compliance Statutory Obligations for Individuals by the Dean of Taxation Administration and Policy Faculty of CITN by Banke Akanni, FCTI

Discussants: Hon Dr (Sir) -Paschal I. P. Okolie



CONFERMEN OF ENYI OHA 1 OF IGBOLAND (FRIEND OF ALL 1 OF IGBO LAND) TITLE ON THE PRESIDENT BY HRH IGWE DR. JULIUS NNAJI, EZE ODEZULIGBO III OF NIKE KINGDOM, ENUGU STATE

FCNA FCTI, the SPA on Financial Matters, Govt House, Enugu

- Prince Emeka Odo, Executive Chairman of Enugu State Internal Revenue Service

Lead Paper 2 Presentation on "Recent Changes in Tax Legislation by Lady Ngozi Monika Okonkwo, member Tax Administration and

Policy Faculty of CITN

Discussants were: Mr. Innocent Ohagwa FCTI, the Deputy Vice President and Chairman JDS of CITN

- Regimus Odo, the Accountant General Enugu State ably represented by Ezema Chidi



EXAMINATION OF CRYPTOCURRENCY TRANSACTIONS: TAXATION, ACCOUNTING & REGULATORY PERSPECTIVES

CONCEPT OF CRYPTOCURRENCY

A cryptocurrency is a decentralized, digital store of value and medium of exchange. It is not a currency with any physical tokens, like dollar bills, and it lacks any centralized governmental oversight. Instead, cryptocurrency relies on encrypted, distributed ledgers so-called blockchain technology to record and verify all transactions. Think of blockchain ledgers as a constantly updated checkbook that tracks every single transaction ever made in a given cryptocurrency.

A cryptocurrency, crypto-currency, or crypto is a digital asset designed to work as a medium of exchange wherein individual coin ownership records are stored in a ledger existing in a form of a computerized database using strong cryptography to secure transaction records, to control the creation of additional coins, and to verify the transfer of coin ownership. It typically does not exist in physical form (like paper money) and is typically not issued by a central authority. Cryptocurrencies typically use decentralized control as opposed to centralized digital currency and central banking systems. When a cryptocurrency is minted or created prior to

issuance or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each cryptocurrency works through distributed ledger technology, typically a blockchain, that serves as a public financial transaction database.

Bitcoin, first released as open-source software in 2009, is the first decentralized cryptocurrency. Since the release of bitcoin, other cryptocurrencies have been created.

HISTORY OF CRYPTOCCURRENCY

In 1983, the American cryptographer David Chaum conceived an anonymous cryptographic electronic money called ecash. Later, in 1995, he implemented it through Digicash, an early form of cryptographic electronic payments which required user software in order to withdraw notes from a bank and designate specific encrypted keys before it can be sent to a recipient. This allowed the digital currency to be untraceable by the issuing bank, the government, or any third party.

In 1996, the National Security Agency published a paper entitled How to Make a Mint: The

Cryptography of Anonymous Electronic Cash, describing a Cryptocurrency system, first publishing it in an MIT mailing list and later in 1997. In 1998, Wei Dai published a description of "b-money", characterized as an anonymous, distributed electronic cash system. Shortly thereafter, Nick Szabo described bit gold. Like bitcoin and other cryptocurrencies that would follow it, bit gold (not to be confused with the later gold-based exchange, BitGold) was described as an electronic currency system which required users to complete a proof of work function with solutions being cryptographically put together and published.

In 2009, The first decentralized cryptocurrency, bitcoin, was created by presumably pseudonymous developer Satoshi Nakamoto. It used SHA-256, a cryptographic hash function, in its proof-of-work scheme.

In March 2018 the word Cryptocurrency was added to the Merriam-Webster Dictionary.

DEFINITION OF TERMS

According to Jan Lansky, a cryptocurrency is a system that meets six conditions:

1. The system does not require a central authority; its state is maintained through distributed consensus.
2. The system keeps an overview of cryptocurrency units and their ownership.
3. The system defines whether new cryptocurrency units can be created. If new cryptocurrency units can be created, the system defines the circumstances of their origin and how to determine the ownership of these new units.
4. Ownership of cryptocurrency units can be proved exclusively cryptographically.
5. The system allows transactions to be performed in which ownership of the cryptographic units is changed. A transaction statement can only be issued by an entity proving the current ownership of these units.
6. If two different instructions for changing the ownership of the same cryptographic units are simultaneously entered, the system performs at most one of them.

The following Terms are used for Cryptocurrency Transactions

a) Altcoins

Tokens, cryptocurrencies, and other types of digital assets that are not bitcoin are collectively known as alternative cryptocurrencies, typically shortened to "altcoins" or "alt coins". Paul Vigna of The Wall Street Journal also described altcoins as "alternative versions of bitcoin" given its role as the model protocol for altcoin designers. The term is commonly used to describe coins and tokens created after bitcoin.

b) Crypto token

A blockchain account can provide functions other than making payments, for example in decentralized applications or smart contracts. In this case, the units or coins are sometimes referred to as crypto tokens (or cryptotokens). Cryptocurrencies are typically generated by their own blockchain like Bitcoin and Litecoin whereas tokens are usually issued within a smart contract running on top of a blockchain such as Ethereum.

c) Blockchain

The validity of each cryptocurrency's coins is provided by a blockchain. A blockchain is a continuously growing list of records, called

blocks, which are linked and secured using cryptography. Each block typically contains a hash pointer as a link to a previous block, a timestamp and transaction data. By design, blockchains are inherently resistant to modification of the data. It is "an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way". For use as a distributed ledger, a blockchain is typically managed by a peer-to-peer network collectively adhering to a protocol for validating new blocks. Once recorded, the data in any given block cannot be altered retroactively without the alteration of all subsequent blocks, which requires collusion of the network majority. Blockchains are secure by design and are an example of a distributed computing system with high Byzantine fault tolerance. Decentralized consensus has therefore been achieved with a blockchain.

d) Nodes

In the world of Cryptocurrency, a node is a computer that connects to a cryptocurrency network. The node supports the relevant cryptocurrency's network through either; relaying transactions, validation or hosting a copy of the blockchain. In terms of relaying transactions each network computer (node) has a copy of the blockchain of the cryptocurrency it supports, when a transaction is made the node creating the transaction broadcasts details of the transaction using encryption to other nodes throughout the node network so that the transaction (and every other transaction) is known. Node owners are either volunteers, those hosted by the organisation or body

responsible for developing the cryptocurrency blockchain network technology or those that are enticed to host a node to receive rewards from hosting the node network.

e) Timestamping

Cryptocurrencies use various timestamping schemes to "prove" the validity of transactions added to the blockchain ledger without the need for a trusted third party. The first timestamping scheme invented was the proof-of-work scheme.

f) Application-Specific Integrated Circuit (ASIC) Bitcoin Miner

An application-specific integrated circuit (ASIC) miner is a device that I designed for the sole purpose of mining-not coal, but rather digital currency. Generally, each ASIC miner is constructed to mine a specific digital currency. So, a Bitcoin ASIC miner can mine only bitcoin.

g) Mining

In cryptocurrency networks, mining is a validation of transactions. For this effort, successful miners obtain new cryptocurrency as a reward. The reward decreases transaction fees by creating a complementary incentive to contribute to the processing power of the network. The rate of generating hashes, which validate any transaction, has been increased by the use of specialized machines such as ASICs running complex hashing algorithms like SHA-256 and scrypt. This arms race for cheaper-yet-efficient machines has existed since the day the first cryptocurrency, bitcoin, was introduced in 2009. With more people venturing into the world of virtual currency,

generating hashes for this validation has become far more complex over the years, with miners having to invest large sums of money on employing multiple high performance ASICs.

h) Wallets

A cryptocurrency wallet stores the public and private "keys" (address) or seed which can be used to receive or spend the cryptocurrency. With the private key, it is possible to write in the public ledger, effectively spending the associated cryptocurrency. With the public key, it is possible for others to send currency to the wallet. There exist multiple methods of storing keys or seed in a wallet from using paper wallets which are traditional public, private or seed keys written on paper to using hardware wallets which are dedicated hardware to securely store your wallet information, using a digital wallet which is a computer with a software hosting your wallet information, hosting your wallet using an exchange where cryptocurrency is traded. or by storing your wallet information on a digital medium such as plaintext.

i) Anonymity

Bitcoin is pseudonymous rather than anonymous in that the cryptocurrency within a wallet is not tied to people, but rather to one or more specific keys (or "addresses"). Thereby, bitcoin owners are not identifiable, but all transactions are publicly available in the blockchain. Still, cryptocurrency exchanges are often required by law to collect the personal information of their users.

GLOBAL REGULATION AND LEGALITY OF CRYPTOCURRENCY

Global Cryptocurrency market size was 754 billion USD as at 2019

Countries that have accepted cryptocurrency transactions are: USA, Canada, Australia, South Africa, the European Union, Finland, UK & Germany. On the other hand, in 2019 the following countries banned cryptocurrency transaction due to lack of regulations. They are: China, Russia, Vietnam, Bolivia, Columbia, Ecuador, Afghanistan, Bangladesh, Saudi Arabia and Qatar. As the popularity of and demand for online currencies has increased since the inception of bitcoin in 2009, so have concerns that such an unregulated person to person global economy that cryptocurrencies offer may become a threat to society. Concerns abound that altcoins may become tools for anonymous web criminals.

Cryptocurrency networks display a lack of regulation that has been criticized as enabling criminals who seek to evade taxes and launder money. Money laundering issues are also present in regular bank transfers, however with bank-to-bank wire transfers for instance, the account holder must at least provide a proven identity.

Transactions that occur through the use and exchange of these altcoins are independent from formal banking systems, and therefore can make tax evasion simpler for individuals. Since charting taxable income is based upon what a recipient reports to the revenue service, it becomes extremely difficult to account for transactions made using existing cryptocurrencies, a mode of exchange that is complex and difficult to track.

Systems of anonymity that most cryptocurrencies offer can also serve as a simpler means to launder money. Rather than laundering money through an intricate net of financial actors and offshore bank accounts, laundering money through altcoins can be achieved through anonymous transactions.

ACCOUNTING STANDARD FOR CRYPTOCURRENCY

At first, it might appear that cryptocurrency should be accounted for as cash because it is a form of digital money. However, cryptocurrencies cannot be considered equivalent to cash (currency) as defined in IAS 7 and IAS 32 because they cannot readily be exchanged for any good or service. Although an increasing number of entities are accepting digital currencies as payment, digital currencies are not yet widely accepted as a medium of exchange and do not represent legal tender. Entities may choose to accept digital currencies as a form of payment, but there is no requirement to do so.

IAS 7 defines cash equivalents as 'short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value'. Thus, cryptocurrencies cannot be classified as cash equivalents because they are subject to significant price volatility. Therefore, it does not appear that digital currencies represent cash or cash equivalents that can be accounted for in accordance with IAS 7.

Intuitively, it might appear that cryptocurrency should be accounted for as a financial asset at fair value through profit or loss (FVTPL) in

accordance with IFRS 9. However, it does not seem to meet the definition of a financial instrument either because it does not represent cash, an equity interest in an entity, or a contract establishing a right or obligation to deliver or receive cash or another financial instrument. Cryptocurrency is not a debt security, nor an equity security (although a digital asset could be in the form of an equity security) because it does not represent an ownership interest in an entity. Therefore, it appears cryptocurrency should not be accounted for as a financial asset.

Cryptocurrencies are not financial assets. They also lack physical substance. Therefore, they meet the definition of an intangible asset and would be recorded at acquisition cost (i.e. price paid or consideration given). Intangible assets are subject to an impairment test.

Any recognized impairment losses cannot be subsequently reversed. Some believe the intangible model does not properly reflect the economics of cryptocurrencies because they can potentially be written down for impairment but never written up when they appreciate in value.

Digital currencies do appear to meet the definition of an intangible asset in accordance with IAS 38, Intangible Assets. This standard defines an intangible asset as an identifiable non-monetary asset without physical substance. IAS 38 states that an asset is identifiable if it is separable or arises from contractual or other legal rights. An asset is separable if it is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability. This also

corresponds with IAS 21, The Effects of Changes in Foreign Exchange Rates, which states that an essential feature of a non-monetary asset is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Thus, it appears that cryptocurrency meets the definition of an intangible asset in IAS 38 as it is capable of being separated from the holder and sold or transferred individually and, in accordance with IAS 21, it does not give the holder a right to receive a fixed or determinable number of units of currency.

Cryptocurrency holdings can be traded on an exchange and therefore, there is an expectation that the entity will receive an inflow of economic benefits. However, cryptocurrency is subject to major variations in value and therefore it is non-monetary in nature. Cryptocurrencies are a form of digital money and do not have physical substance. Therefore, the most appropriate classification is as an intangible asset.

IAS 38 allows intangible assets to be measured at cost or revaluation. Using the cost model, intangible assets are measured at cost on initial recognition and are subsequently measured at cost less accumulated amortisation and impairment losses. Using the revaluation model, intangible assets can be carried at a revalued amount if there is an active market for them; however, this may not be the case for all cryptocurrencies. The same measurement model should be used for all assets in a particular asset class. If there are assets for which there is not an active market in a class of assets measured using the revaluation model, then these assets should be measured using the cost model.

IAS 38 states that a revaluation increase should be recognised in other comprehensive income and accumulated in equity. However, a revaluation increase should be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset that was previously recognised in profit or loss. A revaluation loss should be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset. It is unusual for intangible assets to have active markets. However, cryptocurrencies are often traded on an exchange and therefore it may be possible to apply the revaluation model.

Where the revaluation model can be applied, IFRS 13, Fair Value Measurement, should be used to determine the fair value of the cryptocurrency. IFRS 13 defines an active market, and judgement should be applied to determine whether an active market exists for particular cryptocurrencies. As there is daily trading of Bitcoin, it is easy to demonstrate that such a market exists. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available. In addition, the entity should determine the principal or most advantageous market for the cryptocurrencies.

An entity will also need to assess whether the cryptocurrency's useful life is finite or indefinite. An indefinite useful life is where there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. It appears that cryptocurrencies should be considered as having an indefinite life for the purposes of IAS 38. An intangible asset with

an indefinite useful life is not amortised but must be tested annually for impairment.

In certain circumstances, and depending on an entity's business model, it might be appropriate to account for cryptocurrencies in accordance with IAS 2, Inventories, because IAS 2 applies to inventories of intangible assets. IAS 2 defines inventories as assets:

- Held for sale in the ordinary course of business
- In the process of production for such sale, or
- In the form of materials or supplies to be consumed in the production process or in the rendering of services.

For example, an entity may hold cryptocurrencies for sale in the ordinary course of business and, if that is the case, then cryptocurrency could be treated as inventory. Normally, this would mean the recognition of inventories at the lower of cost and net realisable value. However, if the entity acts as a broker-trader of cryptocurrencies, then IAS 2 states that their inventories should be valued at fair value less costs to sell. This type of inventory is principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. Thus, this measurement method could only be applied in very narrow circumstances where the business model is to sell cryptocurrency in the near future with the purpose of generating a profit from fluctuations in price.

As there is so much judgement and uncertainty involved in the recognition and measurement of cryptocurrencies, a certain amount of disclosure is required to inform users in their economic decision-making. IAS 1, Presentation of Financial Statements, requires an entity to

disclose judgements that its management has made regarding its accounting for holdings of assets, in this case cryptocurrencies, if those are part of the judgements that had the most significant effect on the amounts recognised in the financial statements. Also, IAS 10, Events after the Reporting Period requires an entity to disclose any material non-adjusting events. This would include whether changes in the fair value of cryptocurrency after the reporting period are of such significance that non-disclosure could influence the economic decisions that users of financial statements make on the basis of the financial statements.

So, accounting for cryptocurrencies is not as simple as it might first appear. As no IFRS standard currently exists, reference must be made to existing accounting standards (and perhaps even the Conceptual Framework of Financial Reporting). SBR candidates should be prepared to adopt this approach in an exam situation because it allows them to substantiate their conclusion which is an approach that will be expected by employers in practice.

ACCOUNTING & TAX STRUCTURES OF COMPANIES INVOLVED IN CRYPTOCURRENCY TRANSACTIONS

1. Cryptocurrency Investment

Where a company invest her funds into Cryptocurrency such investment will be recognized as intangible assets in the statement of financial position of the company. Where the company sells such cryptocurrency, gains made from the disposal of cryptocurrency investment will be subjected to capital gains tax of 10%.

However, if loss was made as a result of the disposal of cryptocurrency transaction such loss

can be recorded in the statement of comprehensive income of the company. however, such loss will not be allowed for tax relief purpose.

2. Cryptocurrency Trade

Where a company's principal activity is purely purchase and sale of cryptocurrency, all gains made from the beginning to end of the year will be recorded as revenue to the company and all cost incurred will be charged against the revenue to arrive at a profit for taxation (Company Income Tax). In this case, cryptocurrency will become stock in trade for the company.

Cryptocurrency will not be treated as intangible assets (investment) but will be treated as a current asset in the statement of financial position of the company.

TAXATION OF CRYPTOCURRENCY

U.S. Tax Status

On 25 March 2014, the United States Internal Revenue Service (IRS) ruled that bitcoin will be treated as property for tax purposes. This means bitcoin will be subject to capital gains tax. In a paper published by researchers from Oxford and Warwick, it was shown that bitcoin has some characteristics more like the precious metals market than traditional currencies, hence in agreement with the IRS decision even if based on different reasons.

In July 2019, the IRS started sending letters to cryptocurrency owners warning them to amend their returns and pay taxes.

Crypto taxes are based on a 2014 IRS ruling that determined cryptocurrency should be treated as a capital asset (like stocks or bonds), rather than a currency (like dollars or euros). This decision has major ramifications for people who own crypto, as it opens them up to more complicated taxes.

Capital assets are taxed whenever they are sold at a profit. When you purchase goods or services with cryptocurrency, and the amount of crypto you spend has gained in value over what you paid for it, your spending incurs capital gains taxes.

Example

Let's say you bought \$400 worth of Bitcoin and held it as it rose in value to \$600. If you used the bitcoin to buy \$600 worth of groceries, you'd owe capital gains taxes on the \$200 in profit you'd realized—even though it seems as if you spent the Bitcoin, rather than sold it. For the IRS, it's the same thing.

Instances Where Cryptocurrency Transactions are not Taxed

There are instances when cryptocurrency is not taxed. Transferring cryptocurrency from one exchange to another is not taxable. Purchases are also not taxable. Gifts of cryptocurrency are not counted as income; however, if they later produce income, that income is taxable. Also, if cryptocurrency is received as part of an inheritance to satisfy an heir's right to an estate's income, it is treated as income from the property and is taxable.

Cryptocurrency Losses are Tax-Deductible

As with trading stocks, losses incurred by trading cryptocurrency must be reported to the tax authority. It can then provide relief based on

those losses in the form of a tax refund.

How to File Cryptocurrency Taxes

All income derived from cryptocurrency must be reported. In 2019, the IRS included a question in Form 1040 asking taxpayers about income derived from cryptocurrency. Taxpayers who have profited from cryptocurrency should answer “yes.” Cryptocurrency owners must also file an IRS 8949 capital gains and losses report. Failure to file attracts penalties and interests.

UK and South African Example

Although there is currently no international consensus on the treatment of cryptocurrency transactions for tax purposes, various governments such as those of the United Kingdom and South Africa currently impose taxes on cryptocurrency transactions. For example, both countries impose Capital Gains Tax on the disposal of cryptocurrencies as they are treated as chargeable assets for capital gains purposes.

Nigerian Perspective

In Nigeria, the government’s approach towards the treatment and taxation of cryptocurrency has been rather conservative. In January 2017, the Central Bank of Nigeria (CBN) and the Securities Exchange Commission issued two separate circulars advising Nigerians, banks and other financial institutions to desist from the trade and use of cryptocurrencies as they are not recognized as legal tender in Nigeria.

The CBN also issued a circular dated February 28, 2018 warning Nigerians on the inherent risks in engaging in cryptocurrency transactions on the basis that cryptocurrencies are not regulated all over the world. Despite these circulars, the

Nigerian crypto industry reportedly generated \$115 million in trading volume in 2017. The implication of the government’s approach is that potential revenue from taxation of cryptocurrencies may be lost because these transactions are not tracked by the government. This newsletter highlights the prevalence of cryptocurrency transactions, the tax treatments of crypto-related transactions across different jurisdictions as well as the intrinsic revenue prospects for Nigerian tax authorities.

Also there is no tax framework for Cryptocurrency transactions in Nigeria. It is expected that as Nigeria is about to embrace digital taxation, that the finance act will be amended so as to bring gains of cryptocurrency transactions under the capital gain tax act as seen in the USA.

THE NEED FOR CRYPTOCURRENCY REGULATORY FRAMEWORK IN NIGERIA

The Cooperate Affairs Commission (CAC), The Nigeria Security Commission (NSE) the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Cooperation (NDIC) need to come together and develop a regulators framework for the operations of cryptocurrency in Nigeria.

Regulation for the Taxation of Cryptocurrency in Nigeria

In 2020, statistics shows that Nigeria traded more than \$400 million (193 billion Naira) worth of Cryptocurrency on local exchange plat forms. Despite that, the relevant tax authorities in Nigeria are yet to come up with specific regulations on the taxation of cryptocurrency.

While it can be argued that gains made from cryptocurrency are taxable in the hands of investors, the nature of cryptocurrency makes it

difficult for gains on investments, to be tracked by the relevant authorities.

While it is agreed that blockchain technology is relatively new, therefore staff of the tax agencies may not understand how it works and as such may be unable to come up with guidelines on how such transactions should be taxed, it might be prudent for Nigeria to look to the United States model by compelling existing currency exchange dealers to disclose all cryptocurrency transactions for the purpose of taxation.

There is also the need to adequately train the staff of the various agencies on the workings of blockchain technology and cryptocurrencies as well as provide adequate infrastructure and equipment to enable these agencies operate on the same level as their international counterparts.

Plugging the loss of revenue that should accrue to the government from cryptocurrency transactions in Nigeria is possible, but the right regulations must be put in place to make this happen.

By:

Dr. Kennedy Iwundu, FCTI

Managing Partner, Accounting Tools Consulting Services, FCT Abuja, Nigeria

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GLOBAL CORPORATE MINIMUM TAX ENDORSEMENT BY THE G20. WHICH WAY NIGERIA?:

Takeaways From The CITN, 24th ATC.

At the Conference where the Nigerian tax Czar, Mr Muhammad Mamman Nami FCTI represented the Finance Minister in the capacity of the special guest of honour, The ECFIRS has this to say in response to questions posed by the participating audience in a press release of Monday, 23rd May 2022.

Nigeria Did Not Endorse The OECD Minimum Corporate Tax Agreement In The Country's Best Interest - FIRS

Nigeria's cautious approach to the endorsement of the Organization for Economic Cooperation and Development (OECD)/ G20 Inclusive Framework two-pillar solution to the taxation of the digital economy is in the best interest of the country, and to ensure that Nigeria does not lose out on potential revenue from the digital economy.

Explaining in his statement, why the agreement is unfair to Nigeria and the developing countries in general, Muhammad Nami stated that the country, having reviewed the conditions of the agreement had concerns over the impact that the signing of the agreement would have on the country's tax system and tax revenue generation.

"There are serious concerns on how the rules



would compound the issues in our tax system. Firstly, for instance, to be able to tax any digital sale or any multinational enterprise (MNEs), that company or enterprise must have an annual global turnover of €20 billion and a global profitability of 10%. That is a concern. This is because most MNEs that operate in our country do not meet such criteria and we would not be able to tax them.

"Secondly, the €20 billion global annual turnover in question is not just for one accounting year, but it is that the enterprise must make €20 billion

revenue and 10% profitability in average for four consecutive years, otherwise that enterprise will never pay tax in our country, but in the country where the enterprise comes from, or its country of residence,” the statement read.

Thirdly he noted that for Nigeria to subject a Multinational Enterprise to tax under the rule, the



entity must have generated at least €1 million turnover from Nigeria within a year.

Mr. Muhammad Nami stated that this is an unfair position especially to domestic companies which, with a minimum of above N25 million (that is about €57,000) turnover, are subject to companies income tax in Nigeria. He added that this rule will take-off so many Multinational Enterprises from the scope of those that are currently paying taxes to Nigeria. In other words, even the MNEs that are currently paying taxes in Nigeria would cease to pay taxes to us because of this rule.

Fourthly, on the issue of dispute resolutions under the Two-Pillar Solution, the FIRS Executive Chairman explained that the rules were such that in the event of a dispute between Nigeria and a Multinational Enterprise, Nigeria would be subject to an international arbitration panel as against Nigeria’s own justice system.

“It would be subject to international arbitration and not Nigeria’s judicial system and laws even

where the income is directly related to a Nigerian member of an MNE group, which is ordinarily subject to tax in Nigeria on its worldwide income and subject to the laws of Nigeria. We are concerned about getting a fair deal from such process. More so, such a dispute resolution process with a Multinational Enterprise, in an international arbitration panel outside the country, would lead to heavy expenses on legal services, traveling and other incidental costs.

“Nigeria would spend more; even beyond the tax yield from such cases,” the statement read.

MY TAKEAWAYS:

On the issue of Nigeria losing significant revenue if it fails to sign into the OECD Inclusive Framework rules for the taxation of the digital economy, the FIRS Executive Chairman noted that this was not a problem as the country had already put forward four ongoing solutions to the challenge of taxation of the digital economy.



“One, we have made it a point of practice to annually amend our tax laws to reflect the current global realities, it was courtesy of these reviews that we developed the Significant Economic Presence (SEP) rule, through the Finance Act of 2019 and 2020. The SEP rules set threshold for Multinational Enterprises, without physical presence in Nigeria, for registration and payment of taxes to the country.

“Two, we have deployed technology in order for us to bring digital transactions to the tax net. Coupled with the Significant Economic Presence rule, we have started seeing the impact of the technology we have deployed; companies like Twitter, Facebook, Netflix, LinkedIn, among others who have no physical presence in Nigeria and that were hitherto not paying taxes have now registered for tax purposes and are paying taxes accordingly. A positive to this is that we surpassed our target in the year 2021, despite the challenge posed to the global economy, including our own economy, by the Covid-19 pandemic.

“The third initiative is the Data-4-Tax Initiative, a blockchain technology which FIRS is jointly developing with the Internal Revenue Service of the 36 states and that of the FCT, under the auspices of the Joint Tax Board. With this project we are confident that we are going to have a

seamless view and access to all economic activities of individuals and corporate bodies in Nigeria going forward, including money spent on digital commerce.

“The fourth is that we have set up a specialised office, the Non-Resident Persons Tax Office, to manage the taxation of non-resident persons and cross-border transactions, including all tax treaty operational issues and income derived from Nigeria by non-resident individuals and companies,” the statement read.

The Executive Chairman, FIRS appreciated members of the Nigerian public who had raised concerns at various occasions over Nigeria's decision not to endorse the Two-Pillar solution, stating that their concerns came from a place of genuine passion and patriotism, anchored on seeking a better Nigeria.

“The concerns over Nigeria's decision not to endorse the agreement are well-understood by us. We know that these questions come from a place of genuine concern and passion for a better Nigeria. We appreciate your patriotism,” Mr Nami said.

Barr. (Mrs.) Cecilia Odenafenale ODIBO, FCTI.
Tax controller, Alaba Msto FIRS
Council member, CITN.





ANNUAL TAX CONFERENCE

The Chartered Institute of Taxation of Nigeria (CITN) held its 24th Annual Tax Conference (ATC) from Tuesday, May 17 to Friday, May 20, 2022 at the International Conference Centre, Plot 900, Herbert Macaulay Way, Abuja. The theme of the 24th ATC was Global Disruption, Taxation and Digitalization: Implications for Socio- Economic Development. The ATC which was both physical and virtual had both members and non-members of the Institute in attendance. The following Sub-Themes were discussed at the ATC:

1. Global Tax Co-operation and Developments: Implications for businesses and National economy
2. Re-engineering Nigeria's Tax System:

3. Implications for Tax Payers and Tax Administration
4. Emergence of Digital Currencies: Current Reality, Future Expectations and Tax Implications for Stakeholders
5. Developing the informal Sector to enhance Economic growth and sustainable Tax Revenue Generation.

The key note speaker, Prof. Yemi Osinbanjo, GCON, SAN, the Vice President of the Federal Republic of Nigeria was ably represented by Mr. Muhammed Nami, the Executive Chairman of Federal Inland Revenue Service. The Special Guest of Honor at the Conference are Hajia Zainab Shamsuna Ahmend, the Honorable Minister for Finance, Budget and National Planning. Also present at the conference were

Guests of Honor which include: Mr Udoma Emmanuel, the Executive Governor of Akwa Ibom State and Alhaji Abdullahi Sule, Governor of Nasarawa State. There were various eminent speakers at the conference.

Other side attractions during the ATC are: the work out session, football match, indoor games and swimming.

The climax of the ATC was the Gala night which took place on Friday, May 20, 2022 at the International Conference Centre.

"The fourth is that we have set up a specialised office, the Non-Resident Persons Tax Office, to manage the taxation of non-resident persons and cross-border transactions, including all tax treaty operational issues and income derived from Nigeria by non-resident individuals and companies," the statement read.

The Executive Chairman, FIRS appreciated members of the Nigerian public who had raised concerns at various occasions over Nigeria's decision not to endorse the Two-Pillar solution, stating that their concerns came from a place of genuine passion and patriotism, anchored on seeking a better Nigeria.

"The concerns over Nigeria's decision not to endorse the agreement are well-understood by us. We know that these questions come from a place of genuine concern and passion for a better Nigeria. We appreciate your patriotism," Mr Namisaid.

Barr. (Mrs.) Cecilia Odenafenale ODIBO, FCTI.
Tax controller, Alaba Msto FIRS
Council member, CITN.





THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

COMMUNIQUÉ OF THE 24TH ANNUAL TAX CONFERENCE

THEME: GLOBAL DISRUPTION, TAXATION AND DIGITALIZATION: IMPLICATIONS FOR SOCIO-ECONOMIC DEVELOPMENT

HELD FROM MAY 17 - 21, 2022

@ INTERNATIONAL CONFERENCE CENTRE PLOT 900, HERBERT MACAULAY WAY, ABUJA, NIGERIA

1.0 INTRODUCTION

The Chartered Institute of Taxation of Nigeria (CITN) successfully conducted its 24th edition of the Annual Tax Conference at the International Conference Centre, Abuja between 17th and 20th May 2022. The Conference, with the theme "Global Disruption, Taxation and Digitalization: Implications for Socio-Economic Development", was held in a hybrid nature of physical and virtual to conform to the "new normal" and global trends.

The Conference drew participants from within and outside Nigeria. The Vice President of the Federal Republic of Nigeria, Professor Yemi OSINBAJO, GCON, SAN, who was also the special guest of honour, declared the Conference open and delivered his keynote address through Mr. Muhammed NAMI, the Executive Chairman, Federal Inland Revenue Service.

2.0 PAPER PRESENTATIONS AND DISCUSSIONS

Three papers were presented and panel sessions discussed the papers around the Conference theme of "Global Disruption, Taxation and Digitalisation: Implications for Socio-economic Development. The discussions during the Conference centred around the following sub-themes:

- Global Tax Co-operation and Developments: Implications for Businesses and National Economy;
- Re-engineering Nigeria's Tax System: Implications for Taxpayers and Tax Administration;
- The emergence of Digital Currencies: Current Reality, Future Expectations and Tax Implications for Stakeholders; and
- Developing the Informal Sector to enhance Economic Growth and Sustainable Tax Revenue Generation.

3.0 RECOMMENDATIONS

3.1 FOR THE EXECUTIVE ARM OF GOVERNMENT

- i. Government should create a business-friendly and enabling environment to attract investors, and increase budgetary allocations to critical sectors, particularly, health, education, and infrastructure;
- ii. Policymakers should devise new approaches to decision making by consulting and incorporating the views of other stakeholders outside government;
- iii. Government should obtain inputs across the board with a view to reviewing its stance on the global corporate tax agreement by expanding its

advisory committee on the work of the OECD/G20 Inclusive framework on BEPS beyond FIRS and the Federal Ministry of Finance. Other relevant stakeholders including CITN, the organised private sector and the academia, among others, should be incorporated into the advisory committee. The committee should carry out a periodical review of Nigeria's current position so as to ensure that we are not left out in reaping any advantage that may arise from the implementation of the global tax agreement;

- iv. Government should leverage on data generation and mining to widen the tax net;
- v. Government should, through deliberate policy action, address leakages in revenue collection, especially by curbing the activities of non-State actors in the collection of multiple but unregulated levies, at the expense of government;
- vi. Government should align its accountability system to accommodate disruptive technologies;
- vii. Nigeria's National Tax Policy should be the bedrock of tax legislation and implementation;
- viii. Transparency in the utilisation of tax proceeds should be integrated into governance processes and decisions to serve as an incentive to tax compliance;
- ix. Government should restructure the tax incentive regime to reduce abuses and increase its revenue profile;
- x. Government, in liaison with the organised private sector, should categorise small businesses in the informal sector, and develop strategies to bring non-compliant entities in the informal sector, into the tax net;
- xi. Government should activate processes to urgently eliminate multiplicity of taxes through harmonization and simplification, and create one-stop tax collection centres, where appropriate;

3.2 FOR THE NATIONAL ASSEMBLY

Lawmakers should formulate laws and operational framework for the adoption and operation of cryptocurrency in Nigeria, for businesses and tax purposes, and adopt holistic reforms of the tax system to achieve sustainability.

3.3 FOR THE TAX AUTHORITIES

- i. Tax authorities should continue to exploit the opportunities offered by big data and its efficient use to drive tax revenues;

- ii. For due optimisation of revenue collection, revenue authorities should expand their skill development in digitalisation beyond their staff by making the same inclusive of other stakeholders;
- iii. Tax authorities should ensure that their staff do not compromise taxpayer information;
- iv. FIRS should liaise with the National Assembly, the Securities Exchange Commission and the Central bank of Nigeria to harmonise their positions on the legislative framework for cryptocurrency transactions in Nigeria;
- v. Tax authorities should design their tax return forms to accommodate inquiries on virtual currency transactions and effect the appropriate tax treatment in line with the expected legal framework.

3.4 FOR TAX PRACTITIONERS

- i. Tax practitioners should train themselves on digital disruptions to enhance their understanding of digitalization and taxation of digital transactions;
- ii. Tax practitioners in dealing with their clients should extend their inquiries to getting information, and keeping records, on virtual currency transactions in the course of offering their services for a fee with a view to determining the appropriate tax treatment.

4.0 CONCLUSION

Global disruption and digitalization have become real in the light of the new normal foisted on the global space as a result of the covid-19 pandemic, which has ravaged most economies since 2020. Stakeholders in the taxation system have to leverage on its fallout in making tax legislation, and designing and implementing tax policies in order to attract investments and improve our economy.

A fully digitalized economy for socio-economic development in Nigeria is achievable through the recommendations of the Conference.

Dated this 30th day of May, 2022.

ADEFISAYO AWOGBADE,
REGISTRAR/CHIEF EXECUTIVE

CITN HOLDS 30TH ANNUAL GENERAL MEETING (AGM)

The Chartered Institute of Taxation of Nigeria held its 30th Annual General Meeting on Wednesday, June 1, 2022 at the Event Hall, Tax Professionals' House Alausa Ikeja. The 30th AGM was hybrid in nature with few members of the Institute on ground while other members connected via Youtube and other social media platforms.

In attendance were the President/Chairman of the Council, Chief Adesina Adedayo mni, FCTI, the Vice President, Barr. Samuel Olushola Agbeluyi, FCTI, the Deputy Vice President, Mr. Innocent Ohagwa, FCTI, the Honorary Treasurer, Mr. Simon Nwanmaghyi Kato, FCTI, the Immediate Past President, Dame Gladys Olajumoke Simplice, FCTI, EXCO Member Dr. (Mrs) Justina Adaku Okoror, the Registrar/Chief Executive Mr Adefisayo Awogbabe FCTI and other Council members and Past Presidents were all present.

The AGM proceedings was streamed live for members and non-members that connected virtually.

Addressing members during the AGM the President highlighted some of his key achievements in 2021 which include:

- Building Administrative and capacity building
- Connecting with Stakeholders
- Women inclusiveness
- Revamp of the model of administering the Mandatory Professional Training Programme (MPTP)
- Establishment of the Association of Nigerian Tax Students (ANTAS)
- Engagement with legislative arm of government
- Engagement with members of the Institute
- Engagement with the Media
- Relationship with Regional and International Professional Bodies.
- Celebration of the CITN's 40th Anniversary
- Book Publications

Other issues related to the institute were also addressed by the President.

The Chief Scrutineer, Mr. Kamarudeen Adeleke Adigun, FCTI read the Scrutineers' report and announced the winner of the 2022 Council Elections.

Overall, the 2022 AGM was well coordinated and it was a great success.

EXCERPT FROM THE REPORT OF SCRUTINEERS DELIVERED AT THE 2022 ANNUAL GENERAL MEETING OF THE INSTITUTE HELD ON WEDNESDAY, JUNE 1, 2022

In exercising its powers as stated in Section 4, subsection 3 of the Institute's Charter, the Council appointed the following to serve as members of 2022 Scrutineers in respect of the 2022 Council's election:

1. Mr Kamarudeen Adeleke Adigun, FCTIPP
- Chief Scrutineer
2. Mrs. Oluwatoyin Grace Falomo, ACTI
- Scrutineer
3. Dr. (Mrs) Angela Nkechi Duru, FCTI-Scrutineer
4. Mr. Amamitari Patric Ogbe, FCTI - Scrutineer
5. Mr. Muhammadu Jubril, FCTI - Scrutineer
6. Mr. Mohammad Lawan Abbaya, FCTI
- Scrutineer
7. Mr. Aminu Zurmi Dalhatu, FCTI - Scrutineer

8. Mr. Ayodeji Adeyemi - Secretary

VOTING EXERCISE

The e-voting portal hosted on evota.com.ng was opened for commencement of voting on Wednesday, May 25, 2022 at exactly 12:00 noon. In ensuring that no eligible member was disenfranchised from his/her voting right during the voting process, committee directed that several emails and text messages on awareness be sent to eligible voters.

The e-voting portal was closed on Tuesday, May 31, 2022 at 12 noon in the presence of all the Scrutineers and stakeholders (Chams Plc and Deloitte & Touche).

ANNOUNCEMENT OF ELECTION RESULTS

At the end of the election process, the results in respect of eleven members of the Institute who presented themselves for election and were approved by Council are listed alphabetically below:

S/N	SURNAME	OTHER NAMES	MEMBERSHIP NUMBER	VOTES RECEIVED
1	Abidakun	Olutayo Funso	9620	1477
2	Ayerite	Nengimote	16352	1297
3	Fowokan	Titilayo Eni-Itan	6855	2571
4	Igbalajobi	Timothy Oluwasola	9811	625
5	Kato	Simon Nwanmaghyi	6403	1663
6	Moshood	Hakeem Kolawole	17748	727
7	Ogbeide	Eki Benjamin	13087	1241
8	Omonayajo	Benjamin Akanji	2455	1035
9	Oyedokun	Godwin Emmanuel	9987	1781
10	Umanhonlen	Ogbeiyulu Felix	20057	338
11	Umar	Muhammad Kabir	6942	1225

In view of the results presented above, the Scrutineers returned the following contestants with the highest votes as elected Council members for three years 2022 to 2025:

S/NO.	LAST NAME	OTHER NAMES	MEMBERSHIP NUMBER	VOTES RECEIVED	POSITION
1	Fowokan	Titilayo Eni-Itan	6855	2571	1 st
2	Oyedokun	Godwin Emmanuel	9987	1781	2 nd
3	Kato	Simon Nwanmaghyi	6403	1663	3 rd
4	Abidakun	Funso Olutayo	9620	1477	4 th



Culled: <https://bit.ly/3vZ6MMo>

MEET OUR NEWLY ELECTED COUNCIL MEMBER



**FUNSO
OLUTAYO
ABIDAKUN, FCTI**

Abidakun O. Funso B Sc, FCTI, FCA, ACIB, is a Seasoned and Consummate Tax Administrator. He has been in the tax arena for more than two decades. A very active member of the Institute at both the District and National levels. He is currently in the service of Lagos State Internal Revenue Service. Mr. Funso Abidakun hold a Bachelor of Science degree in Economics from the University of Maiduguri, Borno State. He had a brief spell in the Banking Sector before venturing into Tax Administration. He will bring his experiences to bear in the service to the Institute

SERVICE TO THE INSTITUTE

- * General Secretary, Ikeja & District Society of CITN/ General Administration of the District's activities; Administrative head of the District (2009-2011)
- * Deputy Vice-Chairman, Ikeja & District Society of CITN/ Assist the Chairman in the effective running of the affairs of the District (2015-2017)
- * Vice-Chairman, Ikeja & District Society of CITN/ Assist the Chairman in the effective running of the affairs of the District (2017-2019)
- * Chairman, Ikeja & District Society of CITN/ Serve as the Executive Head of the District, Represented the District Society in all the Joint Districts Societies, Organized the Tax Week Activities, Attended all the Annual Tax Conferences, Sensitization of Taxpaying public on the activities of the Institute as major Stakeholders, Presided over the monthly technical sessions, for members to broaden their scope of knowledge (2019-2021)
- * General Secretary South West Zonal Districts/ Carry out the general operational and coordination of the affairs of the South West District, Pillar of support for the smooth successful organization of zonal conference (2021-Till Date)

- * Chief Invigilator, CITN Professional Examinations/ Serve as the overall head of supervision at Exam Centre, Orderliness of candidates for Exams (2021 Till Date)
- * Member, International Taxation Faculty/ Collaborate with other members of the Faculty to discuss on the International dimension of taxation in relation to the tax system in our local environment (2019 Till Date)

SERVICE TO OTHER PROFESSIONAL BODIES, INSTITUTIONS, ETC.

Member, Ikeja & District Society of ICAN Representative, Represented the LIRS at the 64th edition of the Joint Tax Board Training programme in Abuja Sept to December (Sept 2017 - Dec 2017)

MEMBERSHIP OF/SERVICE TO SOCIAL ORGANISATIONS

- * Club Auditor/ Annual Audit of Club records & Accounts, Advance Stars Club of Nigeria, Idimu, Lagos (2016 Till Date)
- * General Secretary/, Administrative and Secretariat duties of the Association, Grass root mobilization for
- * Community Development, Act as interface between Government and the people of community, Act as Agent of change for sustainable development to the community, Enlightened the community about the policies of Government for sustainable development among others
- * Premier Community Development Association, Igando-Lagos (2010-2015)

HOBBIES

1. Reading
2. Traveling

A. OTHER RELEVANT INFORMATION – SPECIAL AWARDS

1. Lagos State Internal Service/ Outstanding Staff Performance/2009;
2. Performing Musician Association of Nigeria, Ondo State Chapter (PMAN)/ Merit Award/2019;
3. Lagos City News Magazine/ Excellence and Enterprise Award/2020

MEET THE RE-ELECTED COUNCIL MEMBERS



**TITILAYO
ENI-ITAN
FOWOKAN, FCTI**

Industries Limited and oversees the tax affairs of Dangote entities Groupwide. She is involved in training and capacity building, and delivering papers on selected topics on taxation, accounting, fraud examination, governance, and controls. She started her professional career in accountancy and taxation with Price Waterhouse in April 1994 and later joined the firm of Akintola Williams Deloitte in July 2006. She left tax practice for industry in January 2010 when she joined Oando Plc as the Group Tax Manager. After 6 years of working in Oando Plc, she moved to Dangote Industries Limited in April 2016 as the Group Head of Dangote Tax Dept. where she is till date. Titilayo is a Chartered Accountant, Tax and Governance Practitioner with over 27 years of experience in audit, accounting, and taxation services. She has significant experience in business assurance services, internal controls, tax compliance, planning and advisory services for both corporate entities and individuals.

Her expertise in tax advisory covers inbound investment advisory for international companies as well as expatriate tax management. Her industry experience covers Financial Services, Oil & Gas, Manufacturing, and Service industries. She has National Certificate in Education (N.C.E) in Mathematics and Physics from Ogun State College of Education, Ijebu-Ode (now Tai Solarin College of Education) as the best graduating student of her department, a Bachelors in Education (B.Ed.) in Mathematics from Ogun State University, Ago Iwoye (now Olabisi Onabanjo University) as the best graduating student of her department. She also has Masters in Accounting (MSc.) from Charisma University, Turks and Caicos Islands, Masters in International Business Law (LLM) from University of Cumbria, United Kingdom and Doctor of Philosophy (PhD)

in Accounting from Charisma University, Turks and Caicos Islands, British West Indies. She is a regular facilitator and a seasoned paper presenter on fraud examination, forensic accounting, risk and controls, international taxation, and other topical tax matters for CITN, the Institute of Chartered Accountants of Nigeria (ICAN), West African Union of Tax Institutes (WAUTI), the Association of Certified Fraud Examiners (ACFE) - Lagos Chapter, Federal Inland Revenue Service (FIRS), the Joint Tax Board (JTB), the United Nations Office on Drugs and Crime (UNODC), Lagos State Internal Revenue Service, amongst other

- Elected Member CITN Governing Council (2019/2022)
- Examiner (International Taxation) CITN Examination Committee April 2022
- Planning Chairperson SWIT Maiden International Professional Women Conference, Cotonou Feb 2022 to date.
- Member SWIT Training Committee 2021 – date
- Member SWIT Ad-hoc Committee on Inclusiveness 2021
- Planning Coordinator Inauguration of Association of Nigerian Taxation Students (ANTAS) March 2022.
- Chairman Student Affairs and Tertiary Education Committee June 2021-date.
- CITN Award Sponsor Best Female Student in International Taxation Apr 2021 – date.
- Chairperson Society of Women in Taxation (SWIT) Lagos Chapter 2019/2021.
- Facilitator CITN Tuition Houses Training Sep. 2021.
- Paper Presenter CITN – Uyo MPTP Sep. 2021.
- Member Adhoc Committee on CITN Finance Act 2020 Publication 2021
- Paper Presenter CITN In-house Training for Tuition Houses Feb 2021.
- Chairman 23rd Annual Tax Conference Committee May, 2021
- Chairman 22nd Annual Tax Conference Committee Nov. 2020.
- Member Adhoc Committee on Finance Act 2019 Monograph 2020.
- Paper Presenter CITN - Abuja MPTP 2019
- Elected Member Member CITN Governing Council 2016/2019

- Co-opted Member CITN Governing Council 2016/2019
- Vice-Chairman CITN ICT E-Learning Implementation Ad-Hoc Committee 2018/2019
- Chairman Student Affairs and Tertiary Education Committee 2017/2018.
- Chairman Student Affairs Committee 2016/2017
- Chairman Education Committee 2016/2017
- Member Ad-Hoc Committee for 2016 Council Retreat 2016
- Paper Presenter CITN Education Committee (MPTP) 2017
- Paper Presenter Annual Tax Conference (ATC) 2015
- Member Director Nigerian Academy of Taxation Governing Board 2014–2019
- Vice-Chairperson Society of Women in Taxation (SWIT) Lagos Chapter 2014–2019
- Examination Reviewer CITN Examination Committee 2013–2019
- Member CITN Lagos District Society 2009 to date
- Member Nigerian Tax Standards Board (NTSB) 2013–2015
- Dean International Taxation Faculty (ITF) 2013–2015
- Member Publication Committee 2013/2014
- Member Ad-Hoc Committee for 2012 Chief D. A. Olorunleke Birthday Lecture 2012
- Vice Dean International Taxation Faculty 2010/2011
- Member Ad-Hoc Committee for 2011 Chief D. A. Olorunleke Birthday Lecture 2011
- Member International Taxation Faculty 2010/2011
- Member Ad-Hoc Committee on Review of Defund Project Committee Report 2010
- Paper Presenter CITN Membership Committee (Induction) 2009/2019
- Member Tax Practice Monitoring Committee 2009/2010
- Paper Presenter CITN Education Committee (MPTP) 2007/2015



**GODWIN
EMMANUEL
OYEDOKUN, FCTI**

Godwin started his academic career by attending Ebenezer Anglican Primary School, Akingbile Ibadan, and Apomode/Moniya High School, Moniya, Ibadan for. He proceeded to Osun State College of Technology EsaOke for his National Diploma in Financial Studies and Higher National Diploma in Accountancy in this same College after he had previously obtained his Advanced Diploma Certificate in Computer Techniques and Applications from the University of Ibadan's Consultancy Unit in the year 1999.

His quests for knowledge and love for education did not allow him to stop at that level, he sought and got admitted for his Bachelor of Science Education Degree in Accounting at the then University of Ado-Ekiti now Ekiti State University (EKSU). He furthered to attend Olabisi Onabanjo University for his Master of Business Administration with Accounting and Finance and M.Sc Business & Applied Economics (Finance Option) where he graduated in record time. He was equally admitted for his PhD in Finance in the same University.

Godwin did not relent in his passion for more knowledge acquisition. He moved on to Babcock University for his M.Sc. & Ph.D. in Accounting, while he holds BSc Accounting & Finance (First Class); BSc Business Administration (First Class), MSc in Taxation & Fiscal Policy and PhD in Forensic Accounting & Audit of Charisma University, United Kingdom; and Advanced Certificate in Fraud Examination of South Africa Financial & Accounting Services Sector Education & Training Authority.

He is the co-founder OGE Professional Services Group, President at OGE Business School, Principal Partner at Oyedokun Godwin Emmanuel & Co (Chartered Accountants, Forensic Auditor & Tax Practitioners).

Prof. Oyedokun worked with Ibraheem Jimoh & Co Chartered Accountants as a Partner, Audit and Forensic Services, and as the Director- Tax, Forensic & Regulatory Services at Saffron Professional Services. He was the Head of Department of Education, Research & Technical and the Head – Finance & ICT Department of the Chartered Institute of Taxation of Nigeria (CITN). He was the Senior Analyst- Enterprise Risk Management & Control at XL Management Services Ltd and the Accounts Manager (Head) at Bond Group of Companies.

Prof. Oyedokun had his compulsory professional accountancy training in the Firm of Adesina Adedayo & Co Chartered Accountants, Gbolahan Oyegoke & Co Chartered Accountants and Lekan Jinadu & Co Chartered Accountants and currently serves as Associate Partner to the Firms and five others in Nigeria.

Prof. Oyedokun is a sought-after intellectual, who had presented over 720 technical/seminar papers in various conferences/training/seminars and also an examiner to some professional bodies, both in Nigeria and abroad. He is a seasoned scholar-practitioner who is currently serving as an Advisory Council Member of the Association of Certified Fraud Examiner (ACFE), Austin, Tx. USA, he is the pioneer/current President of the Lagos Nigeria Chapter of ACFE. He was the Chairman of Nigeria Board of the International Institute of Certified Forensic Investigation Professionals (IICFIP) USA. He is also a Governing Council member of both the Chartered Institute of Taxation of Nigeria (CITN) and the Business Recovery & Insolvency Practitioners Association of Nigeria (BRIPAN), he is the current Global President of the Association of Forensic Accounting Researchers (AFAR) and a member of the Board of Regent of Saint Monica University. He is also a member of the Association of Certified Anti-Money Laundering Specialists (ACAMS) USA.

Prof. Oyedokun is the pioneer and current Treasurer of the Capital Market Academics of Nigeria (CMAN), a board member of Covenant Capital Business School of the Covenant Nation Church, Lagos and he is currently a member of Publication and Image Committee and a Board Member of Audit, Investigation and Forensic Accounting Faculty of the Institute of Chartered Accountants of Nigeria (ICAN). He is a Member,

Capacity Building and Certification Committee of the Chartered Institute of Bankers of Nigeria (CIBN) and the Treasurer of Lagos Branch of same CIBN having previously held a position of Assistant General Secretary. He is also a member of Education Committee of the Chartered Institute of Stockbrokers (CIS) and Member of Publication Committee of the Association of National Accountants of Nigeria (ANAN).

Prof. Oyedokun is an Erudite Professor, a Consummate Educationist, and Human Capital Development Expert who has taught in all level of education. He is a Member of the Board of Trustees of the Association of Management & Social Sciences Researchers of Nigeria (AMSSRN). He was the Chairman, Audit Committee of Osun State College of Technology Alumni Association and the International President of Alumni Association of Charisma University, UK. He is the Secretary and member of Trustees of Joint Mind International (JMI).

Prof. Oyedokun is a member of about 30 Professional Bodies/Associations having previously passed their membership examinations where applicable.

Prof. Oyedokun has also attended programmes at Lagos Business School, Lagos Nigeria and Joseph Business School, Chicago, USA.



**SIMON
NWAMANGBHYI
KATO, FCTI**

Born on 14th January, 1966 from Kaduna State, Mr Simon Nwanmaghyi Kato is a Deputy Director with the Federal Inland Revenue Service and currently the Head, Stamp Duty Division of the Emerging and Special Tax Department in the Special Tax Operations Group. Mr Kato is a Chartered Tax Administrator and has so far served meritoriously in different capacities in the services of the Kaduna State Internal Revenue Service (KDSIRS), The Federal Capital Territory Administration, (FCTA), and the Federal Inland Revenue Service (FIRS), for over 31 fruitful years.

Mr Simon N Kato had his first degree in Economics in 1988 and currently holds two Master degrees in Economics and Accounting with specialization in Fiscal Policy & Taxation. He is a Fellow of the Chartered Institute of Taxation of Nigeria (CITN), a Fellow of the Association of National Accountants of Nigeria (ANAN), a member of the Nigerian Economic Society (NES), and a Certified Forensic Investigation Professional of the International Institute of Forensic Investigation Professionals (IIFIP) USA, Inc.

Mr Simon N Kato is the current the Honorary Treasurer of the Chartered Institute of Taxation (CITN), a very friendly and easy going but hard working personality. He is well travelled, experienced and happily married and blessed with 3 children.

SERVICE TO THE INSTITUTE

1. Honorary Treasurer Advising and Overseeing the financial wellbeing and net worth of the Institute 2021 to Date.
2. As Member of Council Served as Chairman /member to several committees including but not limited to the following :- Professional Membership & Ethics, Publicity, Publications & Branding, Disciplinary committee, Annual Tax Conference committee, etc.

- 2016 to date
3. Vice Chairman Joint District Societies 2021 to date
4. Member Finance & General Purposes Committee 2021 to date
5. Member Finance & Budget Sub-Committee 2021 to date
6. Severally as Member Annual Tax conferences Committee
7. Director Conference Director to Annual Tax Conferences
8. Chairman Abuja & District Societies 2012-2016
9. Secretary General Abuja & District Societies 2011-2012
10. Served in various other
11. Capacities Kaduna District Societies and the Tax Professionals House Lagos

SERVICE TO OTHER PROFESSIONAL BODIES, INSTITUTIONS, ETC:

1. My Church Body Served in the music, missions, youth and Men fellowship ministry over the years 1978 to date
2. Bible Society of Nigeria Special member 2015.

MEMBERSHIP OF/SERVICE TO SOCIAL ORGANISATIONS:

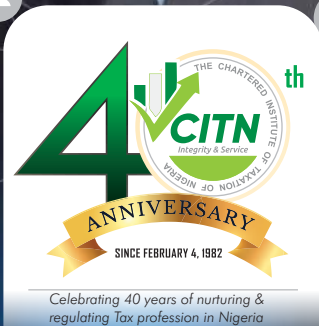
1. Member Atyap Youth Development Association
2. Member Kataf Youth Christian Association

HOBBIES:

Travels, Personal time with family, Wrestling and Football.

OTHER RELEVANT INFORMATION – SPECIAL AWARDS:

Recognition at various CITN District Society levels especially Abuja & District Societies over the years



THE CHARTERED INSTITUTE OF TAXATION OF NIGERIA

Developing the Tax Profession

For further details, contact:
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