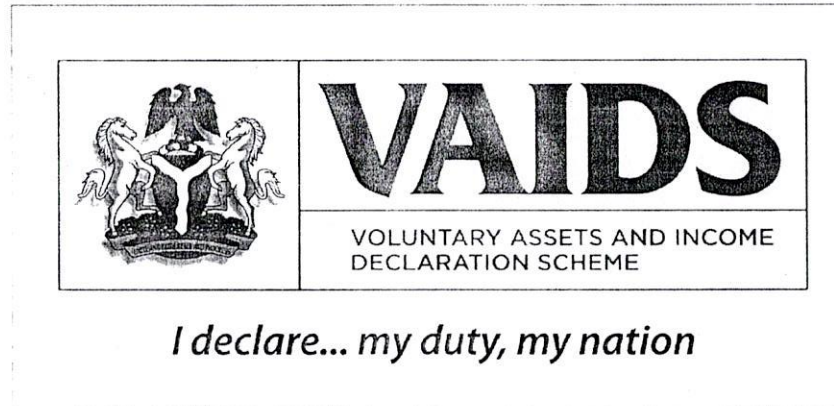




Nigerian Association of Small and Medium Enterprises



**Administering VAIDS – 2017 In Nigeria: The Role of Stakeholders
138th Meeting of the Joint Tax Board (JTB)**

**Presented By: SIR (PRINCE) DEGUN AGBOADE, President & Chairman of
Council, NASME**

Venue: Transcorp Hilton Hotel, Abuja

Date: Monday, 14th August 2017

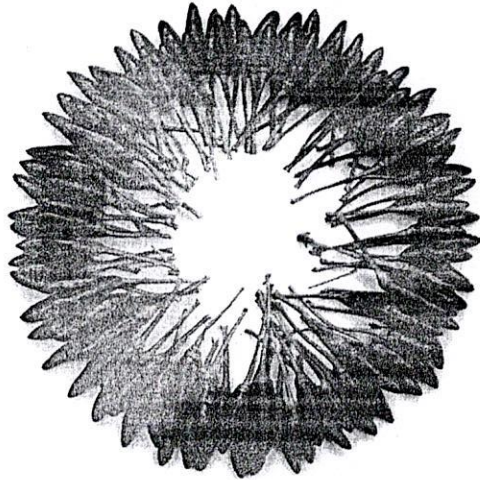
Time: 10:00am

Introduction (Appreciation & About NASME)

- I use this opportunity to thank **Mr. Babatunde Fowler**, the Executive Chairman of the Federal Inland Revenue Service (FIRS)/Chairman of Joint Tax Board (JTB) of Nigeria and all other members of the JTB for this invitation to make presentation to you all during this auspicious time.
- Nigeria Association of Small and Medium Enterprises (NASME) was registered in 1996 as a Business Membership Association (BMO) to co-ordinate and foster the promotion of Micro, Small and Medium Enterprises (MSMEs) in Nigeria. As an apex organization that coordinates MSME activities, we remain a foremost National Association for all MSMEs in Nigeria. **We are in 30 states including Federal Capital Territory (FCT) out of the 36 States in Nigeria and very active in 25 states currently.**



Overview of the NASME Tax Advocacy Program



NASME-Led Coalition of MSME Stakeholders

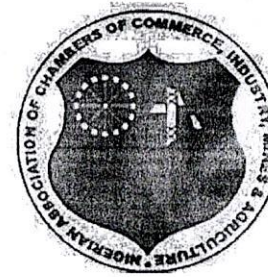
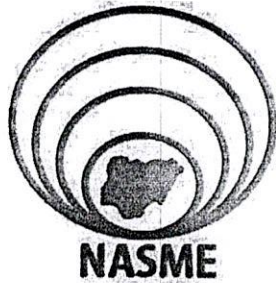
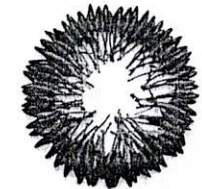
In May 2016, a NASME-Led coalition of **Twenty-One (21) MSME Stakeholders** (*and counting*) was formed to launch the tax and regulatory environment advocacy campaign supported by our UKAID development partner - Enhancing Nigerian Advocacy for a Better Business Environment 2 (ENABLE2).

This coalition is made up of:

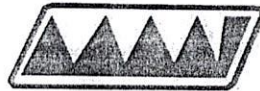
- Business Membership Organisations (BMOs)
- Professional Institutes
- Non-Governmental Organisations (NGOs)
- Civil Society Organisations (CSOs)
- Academia
- Private Institutions, etc



Our Current Coalition Members



MANUFACTURERS ASSOCIATION OF NIGERIA



FATE FOUNDATION



ENTERPRISE DEVELOPMENT CENTRE
PAN-ATLANTIC UNIVERSITY

NIRA
Nigeria Internet Registration Association

W-Holistic BUSINESS SOLUTIONS
Ideas - Structure - Capital

S.S. Afemikhe Consulting
Value Added Consulting Services



WimBiz
WOMEN IN MANAGERIAL BUSINESS & PUBLIC SERVICE

ACCERS
Accounting, Consulting & Finance Services



ASBON
ASSOCIATION OF SMALL BUSINESS OWNERS

NNEW
NECA's Network of Entrepreneurial Women



NIGERIAN ASSOCIATION OF SMALL & MEDIUM ENTERPRISES
NASME - Lagos chapter



Our Advocacy Recommendations

In November 2016, the NASME-Led Coalition of MSME Stakeholders held its Public-Private Dialogue (PPD) where it presented its recommendations. These recommendations were also submitted at all Stakeholder Forums (Abuja - August 2016 & Lagos - September 2016) held by the Tax Review Committee towards the review of the National Tax Policy

01

Amnesty Programme For Voluntary Disclosure:

- 2 Years voluntary disclosure under the amnesty programme

03

Restructuring SMEDAN to serve as a one-stop-shop agency for MSMEs:

- SMEDAN should have a desk in every state or geo-political zone (in line with the Rwandan experience).

02

Harmonisation of taxes, fees and levies to reduce the incidence of multiple taxation:

- Approved taxes should be streamlined and adhered to, by all tiers of government.

04

Dedicated MSME-friendly tax regime:

- New tax rates:
 - Micro – 2.5% of profit
 - SMEs – 5% of profit
- No minimum tax
- Commencement rule will not apply
- 100% loss relief against future profit
- 3 years tax holiday for start-ups



Our ScoreCard: Results So Far

01

Amnesty Programme For Voluntary Disclosure:

- FIRS: Granted three (3) months extension of (24th Nov, 2016 - 28th Feb, 2017), Use of Management Accounts, Waiver of penalties & interests beyond 2013.
- NTP: Section 4.2 (iv) & Section 5.1 (xviii) – Tax Amnesty;
- NTP: Section 5.1 (ix) – Tax Policy Implementation Committee



03

Restructuring SMEDAN to serve as a one-stop-shop agency for MSMEs:

- FMITI during our advocacy visits indicated that the Abuja Enterprise Agency (AEA) would be the pilot one-stop-shop for the FCT after which would be scaled to States



02

Harmonisation of taxes, fees and levies to reduce the incidence of multiple taxation:

- Section 2.2.6 (i) - Reduction in no of Taxes
- Section 2.2.6 (ii) - Avoidance of Multiple Tax
- Section 5.1 (ii) – The Role of the President & Governors
- Section 5.1 (ix) – Tax Policy Implementation Committee
- Section 5.1 (xii) – Office of Tax Simplification



04

Dedicated MSME-friendly tax regime:

- Section 5.1 (vi) – Further reduction in Income Tax Rate for MSMEs
- Section 5.1 (ix) – Tax Policy Implementation Committee
- Section 5.1 (vii) – Minimum Threshold for VAT Registration for Micro Businesses
- Laws & Regulations recommended for review & amendment by NASS**





VAIDS

VOLUNTARY ASSETS AND INCOME
DECLARATION SCHEME

How We See VAIDS

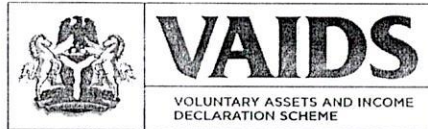
01

Amnesty Programme
For Voluntary
Disclosure

- 0% NO INTEREST**
- NO PENALTIES**
- NO TAX PROSECUTION**
- NO TAX AUDIT**

After six (6) months, tax interest applies





Some VAIDS Launch Takeaway Statistics

69.9 million

Economically Active
Individuals in Nigeria

14 million

Tax Payers (approx. 20% of
Economically Active Individuals)

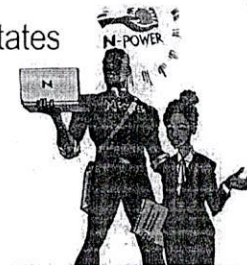
9 months

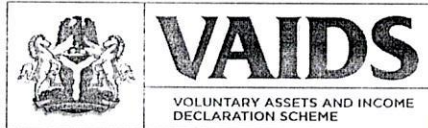
Waiver from July 1st,
2017 – March 31st, 2018

7,500

N-Tax Volunteers / Community
Tax Liaison Officers

- Tax promotion across the 36 States
- Document Review
- Record Keeping
- Answering Online Inquiries
- Customer Management
- Report Writing





Our Actions to Date since VAIDS Launch

v-PPD

Virtual Public-Private
Dialogue on Tax Policy &
VAIDS in collaboration
with FIRS on Wednesday,
20th July, 2017

Coalition Meeting

NASME-Led Coalition of
MSME Stakeholders
Meeting/VAIDS
Sensitization on Tuesday,
8th August, 2017

VAIDS
July 1, 2017

Advocacy Visits

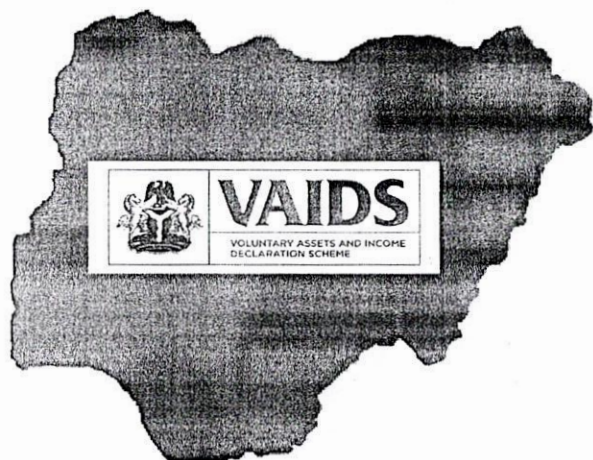
Visits to Relevant Public
Sector Agencies (FIRS,
SMEDAN, FMITI, etc)
between Wednesday, 2nd
August, 2017 to Friday,
4th August, 2017

Technical Working Committee (TWC) Meeting

TWC Meeting to be held on
Thursday, 17th August, 2017
(#TaxThursday) to develop the
Proposal for State-Level
Campaign



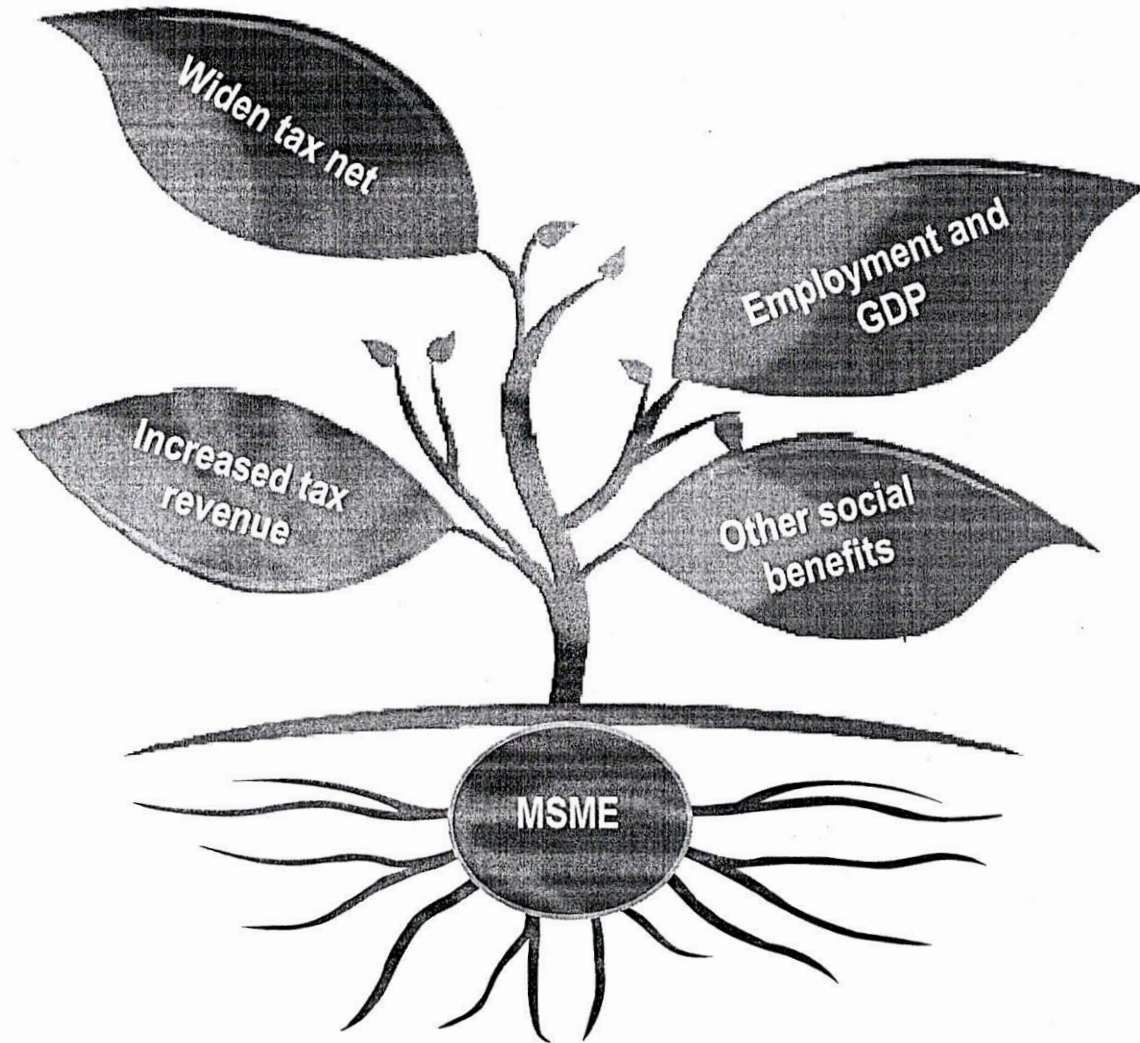
Stepping Tax Advocacy Campaign to States



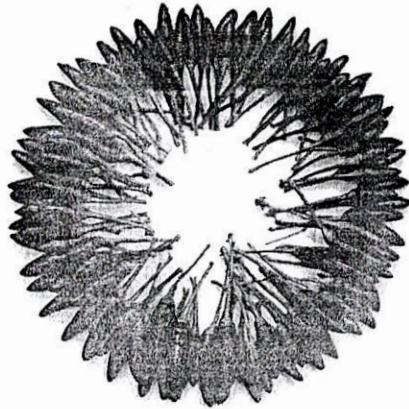
State-Level Campaign

- With the target to widen the tax net to **40million tax payers** (FIRS) in Nigeria, the NASME-Led Coalition of MSME Stakeholders is the best partner.
- **Why?** The MSME sector accounts for 84.02% of the total labour force in Nigeria. In addition, with 37.06 million MSMEs in Nigeria, over 36.99 million are micro enterprises (SMEDAN/NBS, 2013), hence the need for the State-Level intervention and the support/cooperation of all stakeholders including the JTB is required in this regard.
- **The NASME-Led Coalition of MSME Stakeholders are developing the proposal to cascade the Tax Advocacy Campaign to the States and would deliver it to the JTB by 1st Week of September, 2017.**

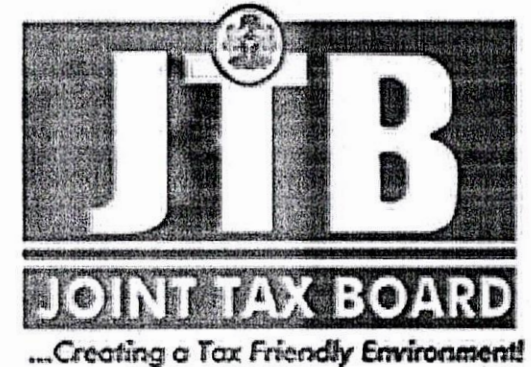
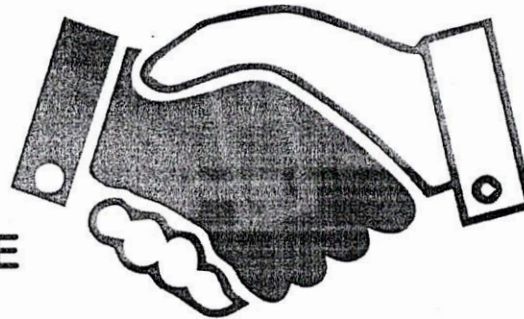
Benefits to Government



Partners In Progress



NASME-Led Coalition of MSME Stakeholders



We are assuring the FIRS, States Internal Revenue Service and the Joint Tax Board of Nigeria that NASME as the foremost MSME Advocacy Organisation in Nigeria is willing to partner with you all.

Thank you for your kind attention!



THE END

THANK YOU

AND

ENJOY THE REST OF THE MEETING