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Overview of The General Transition Guidelines for The New Tax Acts 2025

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Introduction

On 18 June 2026, the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Taiwo Oyedele, issued the General Transition Guidelines for the Tax Acts 2025 (the "***Guidelines***") pursuant to Section 144 of the Nigeria Tax Administration Act 2025 and Section 200 of the Nigeria Tax Act 2025.

The Guidelines provide a framework for the orderly transition from the repealed tax laws to the new tax Acts namely: the Nigeria Tax Act, 2025 ("***NTA***"), the Nigeria Tax Administration Act, 2025 ("***NTAA***"), the Nigeria Revenue Service (Establishment) Act, 2025 ("***NRSEA***"), and the Joint Revenue Board (Establishment) Act, 2025 ("***JRBEA***") (collectively, the "***New Tax Acts***"). The NTA and NTAA took effect on 1 January 2026 (the "***Commencement Date***") while the NRSEA and JRBEA became effective on 26 June 2025.

The Guidelines apply to all taxpayers, tax agents, tax practitioners, and government agencies, including the Nigeria Revenue Service ("***NRS***"), State Internal Revenue Services, Federal Capital Territory Internal Revenue Service, and Joint Revenue Committees of Local Government Councils. The purposes of the Guidelines are to ensure consistent application of the New Tax Acts, prevent retroactive application, resolve ambiguities, and provide operational clarity during the transition period.

Key Transition Principles

Prospective application: The NTA and NTAA apply only from the Commencement Date except where otherwise, expressly provided in any of the New Tax Acts. No tax, penalty, surcharge, interest, filing obligation, or administrative requirement under the New Tax Acts will apply to any period before the Commencement Date.

Non-retroactivity: No taxpayer is to be assessed under the New Tax Acts for transactions that occurred before the Commencement Date. Penalties, rates, thresholds, and definitions under the New Tax Acts do not apply retrospectively.

Filing obligations: Returns due before the Commencement Date are to be filed using the forms and rules under the old tax laws. Returns due on or after the Commencement Date are to be filed using the forms, rules, schedules or electronic templates under the New Tax Acts. Existing forms remain valid pending issuance of new ones.

Pending disputes and appeals: Objections and appeals filed before the Commencement Date are to be resolved under the old tax laws while the New Tax Acts will apply to objections raised after the Commencement Date, regardless of the assessment year in dispute.

Incentives and exemptions: Incentives validly granted under the old tax laws will continue until expiration. New or pending applications for incentives as at the Commencement Date are to be governed by the New Tax Acts.

Record-keeping: Records relating to the old tax laws must be retained for the applicable statutory periods. New record-keeping requirements apply prospectively from the Commencement Date.

Administrative safeguards: The relevant tax authority shall implement internal controls, update systems, and align audit and enforcement tools to prevent retroactive assessments.

Income Tax Transition Rules

Category	*Transition Rule*
Individuals (PAYE)	Where 2025 PAYE was deducted monthly under the old tax laws through December 2025, the annual return for the 2026 year of assessment shall be filed under the old tax laws. PAYE on compensation payable from January 2026 shall be filed under the New Tax Acts.
Individuals (Direct Assessment)	Income earned in 2025 shall be taxed under old tax laws, while income earned from January 2026 shall be taxed under the New Tax Acts.
Companies (CIT)	For basis periods ending before the Commencement Date, the old tax laws will apply (even if filing/payment is due after the Commencement Date). For basis periods ending on or after the Commencement Date, New Tax Acts will apply.
Earmarked Taxes (TETFUND, NASENI, NITDA)	For accounting periods ending before the Commencement Date, the old tax laws will apply, while Development Levy under the New Tax Acts will apply in respect of accounting periods ending on or after the Commencement Date.
Small Companies	A small company under the old tax laws is a company with annual turnover not exceeding ₦25 million while under the New Tax Acts, it is a company with turnover not exceeding ₦100 million and assets not exceeding ₦250 million. The definition of small companies under the old tax laws will apply to accounting periods ending before the Commencement Date while the definition under the New Tax Act will apply to accounting periods ending after the Commencement Date.

Opt-in provision: A taxpayer may, with the written approval of the relevant tax authority, elect to file under the New Tax Acts for accounting periods that ended before the Commencement Date.

Transaction Taxes

Withholding Tax, Value Added Tax, and Stamp Duties

Transactions for goods delivered or services rendered up to 31 December 2025 would be subject to the old tax laws, regardless of when payment is made.

Transactions from the Commencement Date would be subject to the New Tax Acts. Where advance payments were already made before the Commencement Date, the old tax laws will apply.

Contracts Spanning Two Regimes

Where a contract spans the old and new tax regimes, the New Tax Acts will apply only to the portion of the contract executed after the Commencement Date. Sums received before the Commencement Date are to be taxed under old tax laws. Sums received after the Commencement Date are to be taxed under the New Tax Acts.

Conflict Resolution Framework

The New Tax Acts will prevail over inconsistent provisions of other legislation. Where two provisions of the New Tax Acts are in conflict, the interpretation favouring legislative intent, economic neutrality, and administrative simplicity will prevail. Any clear inconsistency that cannot otherwise be resolved shall be determined in favour of the taxpayer.

Conflicts that are not addressed by the Guidelines are to be referred to the relevant tax authority which may issue clarifications via public notices. Ministries, departments and agencies are required to align internal tax-related rules, directives and compliance obligations with the New Tax Acts.

Conclusion

The Guidelines provide a clear framework on the transition to Nigeria's new tax regime. Importantly, the guarantee against retroactivity, preservation of existing incentives, and the resolution of conflict in favour of the taxpayer give substantial comfort. Taxpayers should ensure that their systems, contracts and filing mechanisms comply with the New Tax Acts.

DISCLAIMER

This alert is for general information only and does not constitute legal or tax advice. Specific professional advice should be sought before acting on any matter discussed..

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