

# NIGERIA: LAWS AFFECTING PHILANTHROPIC GIVING

 = Companies laws    = tax laws    = criminal laws    = NGO laws



## Companies and Allied Matters Act, Cap C20, 1990

This Act provides the most comprehensive regulation of the formation, registration and operation of businesses, associations and NGOs. The Act designates the Corporate Affairs Commission as the agency to incorporate companies, register business names and incorporate non governmental organisations and associations. It is relevant to any NGO working in the philanthropic and nonprofit space in Nigeria.



## Companies Income Tax Amendment Act, No 11, 2007

The law integrates several taxes (plant and machines, interim dividends, foreign and agricultural loans, minimum tax, tax reliefs, exemptions and penalties to be paid by companies) and charges on good and services. NGOs engaging in businesses or trade need to pay attention to this law as it provides information on taxes from which nonprofits are exempt.



## Federal Inland Revenue Service (Establishment) Act, 2007

This Act gives tax regulation and administration powers to the Federal Inland Revenue Service (FIRS), which assesses, collects, and accounts for revenues accruable to the government. NGOs working in the nonprofit and philanthropic space must register with FIRS and be issued a tax identification number.



## Value Added Tax Act No. 102, 1993

The law provides a framework for the imposition of Value-Added Tax on certain goods and services and how the tax is administered.



## Value Added Tax (Amendment) Act, 2007

The law provides a framework for the administration of value added tax, value of taxable goods and services, imported goods, VAT refunds and exemptions. NGOs operating in the nonprofit and philanthropic space are exempt from paying VAT but collect and remit VAT to the State from which they are operating. FIRS implements the VAT (Amendment) law.



## Taxes and Levies (Approved List for Collection) Decree No 21, 1998

This law establishes a list of taxes, levies and fees collectible by the various tiers of government in Nigeria (States, Local and Federal Governments). These include personal income taxes and withholding taxes for individuals, which States collect. NGOs operating in the nonprofit and philanthropic space must remit these taxes to the State.



## Personal Income Tax Act (PITA) No. 104, 1993

This Act establishes a legal framework for income tax on individuals, communities, families, and executors and trustees, and provides for the assessment, collection, and administration of the tax. In Nigeria individuals are taxed on their salaries or professional incomes. Individuals working with NGOs are not exempted from the personal income tax.



## Money Laundering Prohibition Act As Amended, No 11, 2011, & No 1, 2012

The law widens the scope of offences considered to be money laundering and heightens customer due-diligence requirements. NGOs must register with the Special Control Unit on Money Laundering (SCUML), which implements the Act, and obtain a registration certificate (free of charge) before they can operate a bank account. Additionally, NGOs operating in the nonprofit and philanthropic space must keep an updated profile of their donors internally and report to SCUML on a monthly basis income in excess of US\$ 1,000 (cash) and US\$ 10,000 (online transactions).



## Criminal Code Act, Chapter 77, 1990

This Code compiles a significant list of criminal offences according to jurisdiction and applicable penalties in Nigeria. NGOs working in the philanthropic giving space should be familiar with the prescribed offences and penalties.



## National Planning Commission Act, 1993

This Act establishes the National Planning Commission (NPC) to determine and advise on policies that will best promote national unity and sustain the Nigerian nation. The NPC coordinates and monitors the activities of international NGOs in the country. In addition to registering with the Corporate Affairs Commission, international NGOs operating in the nonprofit and philanthropic space must register with the NPC.