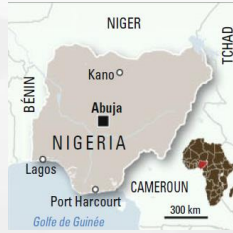
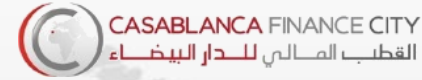




NIGERIA



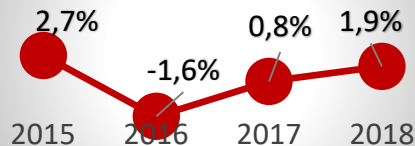
COUNTRYFACTSHEET–NIGERIA



A key regional player in West Africa, Nigeria is the largest economy in Africa and the 22nd largest in the world and is ranked among the ten fastest growing economies in the world. Nigeria has attracted the most FDI capital in the last 5 years and has the 2nd most FDI projects in Sub Saharan Africa. As the government begins to implement the structural reforms outlined in its economic recovery and growth plan, Nigeria is projected to be the first 'Africa's trillion Dollar' economy by 2030.

KEY FACTS

- **Population:** 190.1 million
- **Demographic growth:** 2,43%
- **GDP per capita:** \$2458
- **Life Expectancy:** 53 years
- **Literacy Rate:** 59%
- **Inflation:** 15,37%
- **Human development index (HDI) (over 188 countries) :** 152nd
- **FDI (Net Inflows):** \$ 4,434 million (2016)
- **Current accounts:** 1,9%
- **Primary export:** Crude oil (oil and natural gas)
- **Last elections:** 2015
- **GDP Growth (%) :**



* Source : World Bank data 2017

INVESTMENT INCENTIVES

Tax Incentives

The federal government is in the process of streamlining tax incentives to improve governance and transparency and ultimately improve the investment climate. Currently, the investment incentives are managed by various Ministries, departments and agencies (MDAs). The Federal Inland Revenue Services (FIRS) has rolled out ITAS online filing system that ensures transparency, eliminates corruption and instills efficiency in the tax administration.

Some fiscal incentives offered to investors include:

Pioneer Status (Tax holiday -3-5 years) incentive is administered by NIPC in collaboration with the industrial Inspectorate Department of Federal Ministry

of Industry Trade and

Investment (FMITI) and the federal Inland Revenue Services (FIRS).

ATTRACTIVE INDUSTRIES

The industrial sector, which includes mining and quarrying as well as manufacturing, remains an important contributor to aggregate output

TOP 5 COMPANIES :

11 Plc (Formerly Mobil Oil Nigeria)
7-Up Bottling Company Plc
A.G. Leventis Nigeria Plc
Abbey Mortgage Bank Plc
Academy Press Plc

WORK PERMIT

- Visa approval Letter (pre-approved visa letter) valid for 90 days from the date of issuance
- Passport with 6 months validity and at least 2 blank pages for visa endorsement
- 2 passport sized photographs (35/40mm) on a white background taken within the last 6 months.
- Duly completed Visa Form IMM22
- Evidence of payment of Visa fee



INTEREST AND CURRENCY EXCHANGE

Monetary Policy Rate

In Nigeria, interest rate decisions are taken by the Central Bank of Nigeria. **The official interest rate is the Monetary Policy Rate (MPR).**

Monetary Policy Rate

14% (Nov.2017) (Source: Central Bank of Nigeria)

Currency: Naira (NGN). It is subdivided into 100 Kobo

Only the Central Bank of Nigeria has the authority to issue legal currency in the Federation

ZAR1 = NGN24.13 (March 2017) (Source: Oanda)

USD1 = NGN311.26 (March 2017) (Source: Oanda)

EUR1 = NGN332.76 (March 2017) (Source: Oanda)

CORPORATE TAXES

Corporate income tax

Resident companies in Nigeria are subject to the Company Income Tax (CIT) on their worldwide income, the CIT is generally levied at a flat **30%** rate, but is reduced to **20%** for smaller companies (with a turnover not exceeding NGN 1m).

Withholding tax

The withholding tax rate on dividends and interest for residents and for recipients in non-treaty countries is generally 10%. However, certain dividends are exempt from tax (see *Dividends*). Taxable interest income includes interest on all time deposits with banks and on savings passbook accounts of NGN50,000 and above. Certain types of interest income are exempt from tax.

Capital Gains Tax

Capital gains are taxed at a rate of **10%** (although gains from the disposal of shares are exempt). Nonresident companies are subject to the same rate as resident companies; Nigeria does not levy a branch profits tax.

Anti-avoidance

In Nigeria, the Income Tax Law applicable to companies contains general provisions on related party transactions. It requires that transactions by related parties are conducted at arm's length; if otherwise, the price will be restated.

Dividends

Dividends are generally subject to a final **10%** withholding tax.

Dividends distributed from pioneer profit (see *Rates of corporate tax*) or from after-tax petroleum profit are exempt from tax.

Value-Added Tax (VAT)

The Value Added Tax Act (VATA or the Law), 2007 governs the administration of VAT in Nigeria. VAT is levied at each stage of the production chain at **5%** of the value of the taxable good or service supplied, but it is eventually borne by the final consumer, being a consumption tax.

Petroleum Profit Tax (PPT)

PPT (rather than corporate tax) is imposed on petroleum companies. Income for PPT purposes refers to the value of the oil and related substances extracted, except gas, plus any other income of the company. Various deductions are allowed. The nature of the contract entered into by persons in the oil and gas industry determines the person's tax regime. The income derived by companies engaged in petroleum operations is assessable to tax at the rate of **85%** with some variations for companies within the first five years of operation and those involved in a production sharing contract. Profit from any activity that does not qualify as petroleum operation is subject to tax at a rate of **30%**.

Starting a Business – Rank 130 out of 189

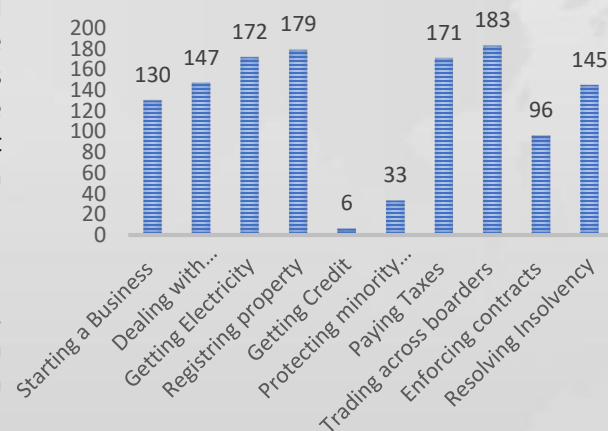
Nigerian Investment Promotion Centre (NIPC), established by the NIPC Act 16 of 1995 serves as a on stop destination for international Investors in Nigeria.

Steps To start a Business :

1. Reserve a unique company name
2. Prepare the requisite incorporation documents and pay the stamp duty

4. Sign the declaration of compliance (Form CAC 1.1) before a Commissioner for Oaths or a Notary Public for Oaths or a Notary Public
5. Register the company at the Corporate Affairs Commission and pay registration fees
6. Make a company seal
7. Register for income tax and VAT
8. Register for personal income tax PAYE at the State Tax Office
9. Register business premises with the Lagos State Government and pay the business premises levy

DOING BUSINESS 2018 – 145/189



USEFUL LINKS / SOURCES :

- [Invest In Nigeria](#)
- [Lagos Chamber of Commerce](#)
- [Central Bank of Nigeria](#)
- [PWC Doing Business in Nigeria Report](#)
- [Tax Guide Ernest & Young](#)
- [Nigeria Country Report –Euler Hermes](#)
- [Fiscal Brochure–Deloitte](#)