



KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE

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KWAREVE*News*

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March/April 2019

Volume 5 Issue 32

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Editorial

KWARA STATE ON THE 2018 ANNUAL STATES VIABILITY INDEX **4TH**

Further to the editorial of the last edition of *KWAREVENEWS*, the Economic Confidential release of the Annual States Viability Index (ASVI) for the year 2018 puts Kwara State on the number four position after Lagos, Ogun and Rivers States. This is an improvement from our fifth position on the ASVI for 2017 where Edo was also ahead of Kwara State. Kwara therefore remains the most viable state in Northern Nigeria by this index since 2016.

This 2018 report is a further confirmation of the improvement in the revenue mobilization process of

the State, and the overall impact of this process improvement embarked upon by the out-going administration of Dr Abdulfatah Ahmed.

In addition to the above, the report released by Economic Confidential also shows that Kwara State, by virtue of the revenue performance, is one of the few (10) states in the country that is considered viable based on the parameters used by the organization. The table overleaf gives details of the 2018 ASVI report for the 36 states and the Federal Capital Territory, and obviously speaks for itself.

Economic Confidential Annual State Viability Index (ASVI) 2018
 Ranking of States by Internally Generated Revenue (IGR) Compared
 to Federation Account Allocation (FAA) in 2018

Ranking	Beneficiaries		Federation Account Allocation (FAA) 2018	Internally Generated Revenue (IGR) 2018	Percentage	
1	LAGOS	20	260,676,822,534.74	382,181,548,627.13	146.61%	1
2	OGUN	20	93,273,367,292.90	84,554,199,593.67	90.65%	2
3	RIVERS	23	237,349,706,726.14	112,780,373,912.23	47.51%	3
4	KWARA	16	81,798,055,631.56	23,046,944,295.60	28.17%	4
5	EDO	18	112,216,264,189.30	28,425,496,842.23	25.33%	5
6	KANO	44	183,422,664,625.55	44,107,375,284.25	24.04%	6
7	ENUGU	17	92,748,603,642.32	22,145,937,216.00	23.87%	7
8	ONDO	18	108,831,020,115.44	24,788,059,725.53	22.77%	8
9	KADUNA	23	131,222,091,391.49	29,446,386,924.74	22.44%	9
10	DELTA	25	285,517,983,907.61	58,439,598,672.31	20.46%	10
11	ANAMBRA	21	99,643,190,842.54	19,305,267,646.94	19.37%	11
12	C/ RIVER	18	91,775,243,654.34	17,552,112,937.09	19.12%	12
13	OYO	33	131,664,622,834.33	24,635,074,074.49	18.71%	13
14	SOKOTO	23	108,298,830,914.89	18,762,009,020.05	17.32%	14
15	ABIA	17	94,403,897,390.13	14,834,904,447.49	15.71%	15
16	PLATEAU	17	95,894,060,532.30	12,726,479,548.41	13.27%	16
17	IMO	27	113,793,372,264.52	14,884,271,810.31	13.08%	17
18	KOGI	21	105,063,528,057.37	11,334,113,743.55	10.78%	18
19	OSUN	30	101,623,991,273.60	10,381,663,677.98	10.21%	19
20	BENUE	23	113,165,909,788.86	11,215,482,725.16	9.91%	20
21	NASSARAWA	13	78,611,222,550.40	7,566,920,656.91	9.62%	21
22	GOMBE	11	76,838,660,613.41	7,343,549,621.53	9.55%	22
23	ZAMFARA	14	87,976,211,403.10	8,206,695,592.14	9.32%	23
24	NIGER	25	117,065,561,257.20	10,432,190,956.63	8.91%	24
25	AKWA IBOM	31	272,374,893,250.45	24,210,810,102.72	8.88%	25
26	BAUCHI	20	113,351,972,838.62	9,690,832,177.58	8.54%	26
27	EKITI	16	78,845,955,170.33	6,465,374,250.65	8.20%	27
28	JIGAWA	27	114,321,487,290.36	9,246,250,836.03	8.08%	28
29	EBONYI	13	76,983,136,941.48	6,144,587,065.65	7.98%	29
30	BAYELSA	8	192,052,784,315.21	13,636,545,716.78	7.10%	30
31	TARABA	16	88,110,024,701.77	5,968,809,583.11	6.77%	31
32	ADAMAWA	21	97,192,990,721.03	6,204,876,665.62	6.38%	32
33	BORNO	27	122,980,550,395.80	6,524,300,904.06	5.30%	33
34	KATSINA	34	138,250,235,549.68	6,961,870,329.00	5.03%	34
35	YOBE	17	89,993,091,588.52	4,382,259,456.05	4.86%	35
36	KEBBI	21	101,638,841,403.79	4,881,961,005.78	4.80%	36
37	FCT	6	29,137,455,439.06	65,519,663,654.82	224.86%	37
	TOTAL		4,518,108,303,040.13	1,168,934,799,300.22	25.87%	

Table computed and designed by the Economic Confidential Magazine
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It is obviously not in doubt that a good foundation has been laid for the in-coming administration of His Excellency, Alhaji Abdulrahman Abdulrazaq, to build upon for the sustainable development of Kwara State in the next four years.

Muritala Awodun, PhD
 Executive Chairman
 Kwara State Internal Revenue Service

KWARA STATE 4TH ON THE 2018 ANNUAL STATES VIABILITY INDEX



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Awodun Urges KW-IRS Staff to take on Leadership Responsibilities

*Victory Asonibare



Professor Muritala Awodun, Executive Chairman, KW-IRS



Dr Hakeem Ajonbadi, Lead Consultant, LCAC

The Executive Chairman of Kwara State Internal Revenue (KW-IRS), Professor Muritala Awodun enjoined the staff and management of the Service to be mentally and physically ready for leadership roles. He stated this in Ilorin at the training session tagged, “Optimising Organisational Performance”, organised by the London Corporate Advantage Consulting (LCAC) on the 22nd and 23rd of March, 2019.

Professor Awodun revealed that the prime concern of managers is to deliver on the responsibilities given to them while leaders are actively involved in formulating strategies that will drive organisational growth. He added that a



Participants at the Annual Leadership Training



manager is more concerned about his needs being met; whereas, a leader puts organisational goals and vision first, hence, “management starts with you and leadership ends with you”, he asserted.

“The objective of the training is to enlighten participants on how they can give their best to the organisation and how they can equally get the best from the organisation. I hereby implore all participants to follow through so as to get the best from the training.”

Dr. Tabani Ndlovu, who handled the first training session, expounded that Emotional Intelligence (EI) is integral to successful human relationships and invariably, organisational growth. He stressed that emotional intelligence (EI), which is relatively more important than Intelligence Quotient (IQ), begins with self-awareness. As posited by Tabani, self-awareness starts with introspection and self-evaluation. Therefore, to ensure the success of these processes, individuals must be objective.

The speaker emphasised that individuals must recognise what triggers negative emotions in them and attempt to steer clear of such conditions. He identified people, places, time and words as the four basic things that can trigger emotions. Additionally, he mentioned other aspects of emotional intelligence such as problem-solving skills, impulse control, decision making, social skills, and relationship building, among others. He noted that a successful career is dependent on individuals' responsiveness to emotion and management of their emotions.

Another session was on “Mentor-Mentee Relationship Building and Management”. The aim was to establish the essentials in mentoring and debate the possibility of its adoption into the KW-IRS organisational structure. According to Dr. Chima Mordi, the course facilitator, mentoring is a vital tool for development in a particular career path. The mentor is always a person with more experience and essential know-how in a particular field.



Professor Muritala Awodun



Mrs Iyabo Abubakar



Mrs Habibah Aiyelabegan



Dr Tabani Ndlovu



Participants at the Training



Mrs Adenike Babajamu

Dr. Tabani Ndlovu, the co-facilitator observed that the mentor-mentee relationship is a symbiotic one with mutual benefits for both parties. While the mentee gains motivation, better confidence and improved skills; the mentor learns how to relate with and get maximal productivity from subordinates.

Addressing the participants in his closing remark, the Executive Chairman of KW-IRS described the training as an enlightening and insightful experience. "I am impressed by the delivery and I hope all of us would put into practice what we have learnt", he added. The tax administrator revealed that KW-IRS would continue to engage in constant training and development to ensure utmost productivity and excellent service delivery among staff.

It was also disclosed at the event that the Service, which is the sole entity responsible for the mobilisation of revenue in Kwara State, raked in the sum of N2.1billion and N1.7billion in January and February 2019 respectively.



Mrs Ojulari Omolara



Mrs Amasa Meimunat



The Executive Chairman presenting gifts to the Facilitators



Symbolic Presentation of Certificates of Attendance to participants

Commonwealth at

Professor Awodun Calls for Social Inclusiveness

Tobiloba Olarinde



Dignitaries at the event

The Commonwealth Scholars and Fellows Alumni Association (COFSAN), Nigeria marked the 70th Anniversary of Commonwealth on the 11th of March, 2019 at the University of Ilorin premises with dignitaries from all walks of life in attendance. The event was hosted to commemorate the 70th Anniversary of Commonwealth with the title: “A Connected Commonwealth: Issues and Implication for Sustainable Development” to promote and advance education, especially in tertiary institutions, in order to create an informed society of Nigeria.

This year, students from public and private schools participated in quiz competition and imparted with Commonwealth values. Professor O.B. Oloyede (Vice Chancellor, Summit University), Prof. Age Abdulkareem (Vice Chancellor, University of Ilorin) ably represented by Professor B.F. Sule (Unilorin Deputy Vice Chancellor, Academics) were in attendance among many others at the global event.

Prof. Awodun, who was represented by Director of MDAs, Mr Lekan Rotimi, explained in his speech that the theme of Commonwealth this year is indispensable because it will encourage inclusive economic empowerment for the youths, women and other marginalized communities.

The Don added that, “economic advancement, social development and human right would guarantee a sustainable development across board”. He further expounded on the submission of Professor B.F. Oloyede, who delivered the first lecture, by adding that for consistent progress to be achieved in sustainable development there must be a great concern for unpolluted air, portable water, affordable shelter, accessible health care for all, thriving ecosystem, peace and stability, even opportunities for individuals and communities to develop, participatory democracy, and most importantly, freedom from poverty. He added that Commonwealth will continue to ensure that all member countries are consciously involved in making the world a better place.



Mr Lekan Rotimi



Cross section of students at the event



Cross section of dignitaries and students at the event



In his speech, Professor Awodun stated that the role of tax administration cannot be overemphasized in any developing or developed countries. He revealed that KW-IRS has improved IGR in Kwara State tremendously through continuous commitment, proper tax awareness and people-oriented Community Impact Projects (CIPs).

Professor B.F. Oloyede who presented the first paper reiterated that it is important for Commonwealth to increase its interest to address issues facing member countries and look far beyond current world

situations. He stated that Commonwealth is one of the oldest organizations with 53 independent countries that work together to pursue common goals, promote democracy, development and unity. He added that the organization has impacted positively by pulling resources together to improve education, particularly the tertiary education, among the member nations. He also called for Government of member countries of Commonwealth to develop their political will in terms of budgetary allocation to education especially in secondary and tertiary levels.

TAX RISKS

Some Questions Businesses Must Answer

Businesses need to understand that a tax audit or investigation by tax authorities does not necessarily have to result in additional tax to be paid by the business if appropriate investment is made in the right things

It is expected that ramping up tax collection would be one of the default options to make up the deficit in revenue arising from the crash in crude oil prices. Thus, in the same manner that the tax authorities would feel the heat, businesses would not be spared. More than ever before, businesses will have to adopt a risk-based approach to managing their tax affairs.

Businesses, the world over, face different kinds of risks which may be intrinsic to the business or geographical due to location. Common risks that businesses face regardless of country of operation include market risk, liquidity risk, resource risk, material risk, asset risk etc.

Businessmen are often more concerned with the foregoing risks and pay scant attention to tax risk or the need to manage it. Avoidable tax liabilities which encroach on a business represent a leakage in the profits of such businesses. The level of such liabilities determines the significance of the leakage and impact on bottom line as well as cash flow. While it is impossible to divorce business from risks (since the mantra is “no risk, no reward”), knowing the risks provide opportunities to manage them and improve the probability of creating and/or enhancing value to shareholders and other stakeholders in that business.

It is the discretion of managers of businesses to determine whether to carry out an enterprise wide review for risks or adopt a disaggregated approach which focuses on addressing each risk as identified or as they arise. Whatever the approach, what is not in doubt is that the assessment of tax risk triggers in the business may be preoperational and/or post-operational.

An unmitigated or unaddressed tax risk must be recognised for what it is: a threat to cash flow and leakage to the bottom line. This imposes a duty on managers of businesses, to acknowledge this risk and take steps to address it.

In this regard and with the anticipated increase in revenue drive by tax authorities (through greater frequency of scheduled tax audits and investigations), managers of Nigerian businesses must challenge their approach to the business tax affairs with the following questions:

- What is the strategy of the business? Such a strategy would define the business's focus and dictate the resource requirements. This would drive an acknowledgment of the tax function as an important part of the business and avoid catch up on tax issues by ensuring that appropriate sensitivity to tax is in the company's DNA.
- What is the fiscal profile of the business? That is, tax position; actual tax risk triggers; tax assets on the books (unutilized tax credits, unutilized capital allowances; unabsorbed losses); tax audit open years; adequacy of tax provisions etc.

- What is the compliance level of the business – is it high or low? Businesses need to understand that a tax audit or investigation by tax authorities does not necessarily have to result in additional tax to be paid by the business if appropriate investment is made in the right things.
- What is the level of debt in the business and is it optimal? Cash is the oxygen of business. It therefore matters how the business is funded and whether optimal mix and sources are being leveraged.
- What is the level of fiscal incentives in the business? It is possible from a wholistic review of the business operations to determine whether or not the existing incentive framework is adequate for the business.
- What is the effective tax rate of the business relative to competition? This is

It is the discretion of managers of businesses to determine whether to carry out an enterprise wide review for risks or adopt a disaggregated approach which focuses on addressing each risk as identified or as they arise.

important as it may reveal where the business is dropping the ball relative to its competition. It may also confirm or deny whether tax efficiency is a priority for the business.

- Is the business eligible for tax refund? Yes, tax refund is now possible upon application and successful completion of the claim verification tax audit exercise by the tax authorities, in this instance, Federal Inland Revenue Service (FIRS).
- Does the business have a competent tax function? The in-house tax function must be anchored by a competent and experienced tax professional supported by other able staff. And where the tax function is outsourced, then the business must ensure that appropriate service level expectations are defined.
- Does the business have a proper documentation & retrieval system? A proper documentation and retrieval system is necessary. The business' filing and retrieval system/process for supporting documents in respect of its transactions must be adequate. A business that has challenges in retrieving the relevant supporting documents for its transactions in particular years of assessment already lets itself down for tax audit/investigation purposes.
- Who is advising the business on tax? Whether or not the company has a competent in-house tax function, it must periodically engage with competent tax

Given the changes in the current business environment, it is only prudent for businesses to be proactive in managing the incidence of tax risks in their operations to avoid bleeding of scarce cash.

advisors and tap into their experiences on the tax issues facing the business.

Given the changes in the current business environment, it is only prudent for businesses to be proactive in managing the incidence of tax risks in their operations to avoid bleeding of scarce cash.

According to an ancient but relevant wisdom: A stitch in time saves nine.

<https://www2.deloitte.com/ng/en/pages/tax/articles/inside-tax-articles/tax-risks-some-questions-businesses-must-answer.html>



KW-IRS REWARDS EXCELLENCE AND DEDICATION

*Tobiloba Olarinde

The Kwara State Internal Revenue Service (KW-IRS) is a renowned agency recognized for rewarding excellence and dedication of its staff in various ways among which is constant training and development. Dedication to one's work is a great deal in the Service. In this light, the Service rewarded the best staff who participated in the just concluded Land Enumeration and Data Gathering Scheme that spanned from July 2018 to February 2019.

The three staff (Oluseyi Martins, Basirat Ayisat and Hamzat Abubakar) emerged as the best enumerators in the last completed enumeration exercise by having the highest number of valid data. The trio was sent on a 2-day training session organized by the Nigerian Institute of Management (NIM)'s Continuing Learning and Development (CLAD) with the theme *"Managing Multiple Priorities and Workplace Stress"* as reward for their tremendous performance. Afterwards, certificates of participation were given to the three participants upon completion of the programme.

The training session which was held at G-Pinnacle Suites in Ilorin on the 14th and 15th March, 2019 is an advanced level of MCPEP for Full Members and interested Fellows of the Institute to ensure that NIM members are in tune with trending competencies in the areas of Management and Leadership and update members with current issues in business and the economy at large.

This act of magnanimity by the Service would increase job satisfaction among staff, enhance company image and increase productivity. Over the years, regular training and development had facilitated expedite acquisition of the knowledge, skills, and abilities required for effective job performance and had provided employees with career growth opportunities consistent with corporate goals, objectives, and strategies.

While welcoming the staff, upon completion of the training, the Director of Admin and Operation, Mrs Adenike Babajamu enjoined the staff to keep up the good work and not to relent in carrying out their duties. "Make sure you continue to be a pacesetter because you are a star anywhere you find yourself", she said.



(L-R) Mrs Adenike Babajamu, Director, Admin & Operations, Oluseyi Martins, Hamzat Abubakar, Basirat Ayisat and Ms. Yetunde Salaudeen, Head, HR

KW-IRS Donates to Okada Riders Association

*Emmanuel Duntoye



(L-R) Mr Segun Olaniyi, Director Special Duties and other staff of the Service presenting a cheque donation to the Okada Riders Association

Some relief came the way of the members and executives of the Okada Riders Association (Kwara Branch) as the Kwara State Internal Revenue Service (KW-IRS) donated the sum of N500, 000 to support the Association for the construction of their office secretariat in Ilorin.

While receiving the cheque at the Corporate Head Office of KW-IRS on Monday, 25th March, 2019, the Chairman of the Association expressed his gratefulness to the Service for the

kind gesture. “We cannot thank the Service and Professor Awodun enough for the support and the donation”, he stated.

Representing the Executive Chairman of KW-IRS, the Director of Special Duties, Mr Segun Olaniyi and Head of Informal Sector, Mrs Maimunat Amasa stated that, “the Service has redeemed its pledge and we would like the Association to fulfill its part by informing all Okada riders in the State to pay their tax as and when due in order to enhance the State's development”

Women Are Pivots for the Advancement of the Nigerian Economy

Professor Muritala Awodun

*Victory Asonibare



Group photographs of the SWAN members cutting the cake



Presentation of Constitution to the President SWAN, Ilorin, Mrs Omolara Ojulari



Mr Lekan Rotimi, Director, MDAs

Professor Muritala Awodun, the Executive Chairman of KW-IRS, accentuated the crucial roles played by women in the advancement of Nigerian economy. He expounded on this at the maiden Inauguration and Investiture ceremony of the Ilorin chapter of the Society of Women Accountants of Nigeria (SWAN) which took place on the 28th of March, 2019 at the University of Ilorin Waterview Resort Hall, Kwara State. The Executive Chairman—represented by Mr Lekan Rotimi, Director, Ministries, Departments and Agencies (MDAs) of the Kwara State Internal Revenue Service (KW-IRS) – congratulated all SWAN members and expressed his delight in being part of the vision.

While he commended women for being constantly industrious and productive, he noted that for the Nigerian economy to move from its mono-culture of oil and gas, women and the entrepreneurial factor play a critical role. He stated that although, women entrepreneurship in Nigeria is threatened by factors such as lack of education and patriarchy capital, these problems are surmountable through conscious individual and collaborative efforts. He asserted that it is our collective responsibility as a nation to ensure that every woman thrives in her area of interest.

Prof. Awodun expressed his hope that the inauguration of SWAN in Kwara State would engender professionalism and social responsibility among women as well as socio-economic growth in the State at large.

The Chief Host of the event, Pastor Abel Aiyedogbon (FCA) applauded the Kwara State Internal Revenue Service (KW-IRS) for being committed to the advancement of SWAN, which has been in existence since 28th April, 1978, and its parent body, ICAN. He thanked the Executive Chairman for his constant support and donations towards ICAN programs and specifically, towards the inauguration of the Ilorin chapter of SWAN.

The Inauguration of the 9th chapter was succeeded by the Investiture of executives by Mrs Ijioma Sam, who represented the SWAN National Chairperson, Mrs Folake Onabolu (FCA).

Members of the newly inaugurated Executives include Mrs Omolara Ojulari, Chairperson; Dr (Mrs) Khadijat Yahaya, Vice- Chairperson; Mrs Mojisola Afolayan, General Secretary; and Mrs Ronke Anwa-Lawal Olaleye, Treasurer; among others.

In her acceptance speech, Mrs Ojulari, an Assistant Director in KW-IRS, expressed her appreciation. In her words, “I am immensely grateful to you all for honouring and gracing this occasion. I would like to thank KW-IRS for the sponsorship and support towards the success of this program. SWAN (Kwara Chapter) would continue to sustain the integrity of the association.”

One of the highpoints of the event was the performance by members of the Kwara State Council of Arts and Culture. Executives & members of SWAN and dignitaries graced the dance floor as the entertainers sang the praises of SWAN and dignitaries at the event.

Other guests also expressed their approval of the motives and operations of SWAN and encouraged the Ilorin chapter to continue its activities of social responsibility which have begun unofficially since January, 2018. Mrs. Iyabo Abubakar, who heads the Other Revenue Directorate in KW-IRS, also congratulated the newly elected Chairperson and all members of SWAN, Ilorin chapter.



Pastor Abel Aiyedogbon



Mrs Iyabo Abubakar,
Director, Other Revenue, KW-IRS



Mrs Omolara Ojulari



The Newly Inaugurated Executives



Dignitaries at the event



Kwara State Arts & Culture Display

KWASU Tax Club:

Acquire Fundamental Knowledge about Tax, Awodun Urges Students

*Kunmi Idowu



Alhaji Nuhu Muhammed, Director, Corporate Directorate, KW-IRS

Professor Awodun, in his speech titled “Emerging Trends in Tax Education: from the View of Tax Administrator”, gave further details about the importance of tax education in revenue mobilization using Kwara State Internal Revenue Service (KW-IRS) as a case study. He added that tax education, which can be viewed from the side of the tax officials and taxpayers, is a way of bridging the knowledge gap in taxation.

The Executive Chairman of the Kwara State Internal Revenue Service (KW-IRS) has charged students of the Kwara State University, Malete to have as much as necessary information about Tax Administration and System in Nigeria. He made this call in his paper presentation at the Conference tagged “Emerging Trends in Tax Education in Nigeria” organized by the Accounting Department of the University as part of KWASU Tax Club inauguration.

The event, which took place at the Education Auditorium on the 3rd of April 2019, was attended by Tax Administrators, consultants, and students from various tertiary institutions in the State with other well wishers.

In his opening remark, the President of the Club, Mr Olabanji expressed his delight to all attendees for gracing the event with their presence. He encouraged all members to key into the mission and work towards achieving the vision of the club. He added that there is a need for all Tax Club members to be acquainted with taxation so as to have a generation of tax compliance citizens.

The Executive Chairman, represented by Alhaji Nuhu Olaide, Director of Corporate Directorate, KW-IRS, brought to light the impacts of tax education in KW-IRS. He added that the Service in its bid to bridge the knowledge gap in taxation has engaged different stakeholders, such as the traditional rulers, artisans, market women and men on tax education, through conferences, outreaches, radio and television programs, seminars and workshops.



Mr Abdulrasaq Mustapha

“The vision of KW-IRS is to mobilize revenue for the strategic development of Kwara State. Therefore, it is pertinent to for us as a Tax Administrator to educate the residents of Kwara State on what to pay, how to pay, when to pay and who to pay to”, he added.

One of the guest speakers, Mr Abdulrasaq Mustapha stated that it is essential for every Tax Administrator to have fundamental knowledge in Accounting, Auditing Statistics and Economics in order to have a country where everyone is acquainted with the Tax System. In his presentation, he made a call for the need for all Universities in the country to have Taxation as a discipline where B.Sc would be issued to students upon completion of study.



Participants at the event



Cross section of participants at the event



Cross section of participants at the event



Participants at the KWASU Tax Club Inauguration

the last working day of the month immediately after the month to which the tax returns and payment relate.

Penalty for failure to file returns on or before the due date is N50, 000 and an additional N10,000 for each day the returns are not submitted.

Failure to pay the tax by the due date attracts monthly interest on the tax due at a rate of 150% of the average of prevailing commercial banks' lending rates as published by the Central Bank of Nigeria and for this purpose, part of one month shall be deemed to be one month. Where interest payable is not paid within one month after the due date, interest shall be paid on the unpaid interest at the same rate and manner on the unpaid tax.

Where tax, penalty and/or interest is due, FIRS may apply to the Court for an order that compels an individual or business that holds money for or on account of the service provider to pay to the FIRS that money or so much of it as is sufficient to discharge amount due. Where this situation continues, FIRS may apply to the Court for an order to distrain the assets, goods, etc. of the service provider.

In the case of liquidation or bankruptcy, the tax, penalty and/or interest due shall take precedence over other obligations.

For the purpose of verification of taxes due to government, an agent would be appointed to establish both electronic and physical monitoring mechanisms to monitor, analyse, verify and save all necessary data and information.

A service provider who refuses to provide access to its relevant network for government or its appointed agent commits an offence and is liable to a penalty of 5% of annual gross revenue of the last audited financial statements and if situation persists after 90 days, National Communications Commission (NCC) may revoke the operating license of that service provider.

There are however several issues associated with the Bill that need to be addressed in order to ensure its acceptability and success:

Multiple taxation: The CST is a consumption tax, which will be in addition to value added tax (VAT) that consumers of telecommunication services are already subjected to. This will potentially reduce the purchasing power of consumers in the midst of rising prices and negatively impact investment climate in the economy.

Discriminatory tax burden: The telecommunication sector remains one of the success stories of effective policy implementation in the last decade. Friendlier tax policies, amongst others, can only stimulate continuous

productivity and investment in the sector. Considering that telecommunication services still need to be extended especially to the rural areas, will the Bill not be perceived to be a deliberate attempt to stall the growth of this particular sector?

High cost of voice and data: Consumers in Nigerians are believed to pay one of the highest costs for voice and data services despite the high population. Will the Bill not further raise the agitation of consumers of telecommunication services?

Emphasis on collection and recovery of tax: The Bill has stringent provisions on imposition of penalty and interest for failure to collect CST in comparison with what are contained in other tax legislation. The work of service providers as collection agent of government is perceived to be a thankless job. Service providers should be compensated for acting as collection agents to encourage them to collect rather than penalizing them for not collecting.

The FGN's step towards diversification of revenue sources is laudable and demonstrates the progressive efforts to move the economy forward. However, the Government should develop structures that will ensure that taxpayers outside the tax net, especially in the informal sector, are captured and taxed adequately rather than introducing "emergency taxes" at every opportunity.

The National Tax Policy (NTP) provides that improvement in revenue generation is not necessarily achieved by increasing taxation but through expansion of the overall tax/revenue base and creation of an improved structure for tax and revenue generation at all levels of government. The FGN will achieve a lot by consulting the NTP from time to time in its quest to improve tax revenue and plug the gap created by the dwindling oil revenue.

"The Bill seeks to impose and collect communication services tax (CST or levy) on charges payable by consumers of electronic communication services in Nigeria (excluding private electronic communication services) at the rate of 9%."

<https://www2.deloitte.com/ng/en/pages/tax/articles/inside-tax-articles/ng-proposed-communications-tax-bill.html>

2018 National Sport Festival: KW-IRS Rewards Team Kwara Athletes

*Olajumoke Dada

In a bid to continue to impact positively on the society and deepen effort to support sports and athletes in Kwara State, the Kwara State Internal Revenue Service (KW-IRS) fulfilled its pledge to the Kwara State Sports Council by presenting cheques to all Team Kwara medalists from the 19th National Sports Festival held in Abuja from 6th-16th December 2018.

Towards participation in the Sports Festival, KW-IRS donated kits to the Team Kwara Athletes at the Kwara State Stadium Indoor Sport Hall in

November last year where the Chairman of the Service promised to reward any member of Team Kwara that won a medal at the 2018 National Sport Festival.

In a brief presentation ceremony at the Corporate Head Office of the Service on 12th April 2019, Oyinloye Taiye who won gold and silver medals received N800, 000 while silver medalists Tolulope, Ambali Risikat, Rofiat Abdulazeez, Muslimat Abdullahi, Soliat Usman, Taofeeq Aminat got N300,000 each. Bronze medalists Bello Aminat, Muslimat Jadesola, Muslimat Abdullahi, Zakariyya



Abdulahmon Oloruntobi received N200,000 each.

The Squash Women Team Comprising of Rofiat Abdulazeez, Soliu Oyindamola, Blessing Issac, Adeyi Odunade got N75,000 each while the Squash Men Team comprising of Oluwafunmilayo Gabriel, Abdullahi Hammed, Abdulrahman Oladipupo and Ismail Abubakar Damilola received N50,000 each for winning a bronze medal.

Speaking at the event, the Honourable Commissioner for Youth and Sports Development, Mr Muyideen Alalade expressed his profound gratitude to KW-IRS for redeeming its pledge. He also appreciated Team Kwara for making Kwara State proud by winning medals in the just concluded National Sport Festival held in Abuja.

Presenting the cheques, Prof. Muritala Awodun, the Executive Chairman of KW-IRS ably represented by Mrs. Adenike Babajamu, Dir. of Admin and Operation, said the rewards were in fulfillment of the promise of the Service and Governor Abdulfatah Ahmed's administration to reward hardwork and excellence. She appreciated His Excellency and Members House of Assembly for increasing the Service's CIP budget.

“I want to thank you for your commitment, hard work and dedication that have produced some of the results that we are celebrating today. I also want to let you know that in sports, losing does not mean that you did not work hard. Experience is also part of victory, therefore, those who competed and did not make it; I celebrate you as heroes because upon your performances, the future lies. For those who made it, we are proud of you. We are happy that you have been able to make Kwara State proud”.

The Director of Sport Council, Mr. Tunde Kazeem in his remarks appreciated the Executive Chairman for providing the sports kits used at the National Sport Festival and also for the sponsorship of Shukurat Aiyelabegan who is presently schooling in Ghana. He disclosed that apart from Delta State, Kwara State is the only State that has fulfilled its promise of rewarding the winners.

In his closing remark, the Honourable Commissioner for Youth and Sports Development, Mr Muyideen Alalade appreciated the effort of the Service for rescuing the State from recession in 2015-2017 and its effort in promoting sport in the State.



Mr Tunde Kazeem, Director of Sport Council



Mrs Adenike Babajamu, Director, Admin & Operations, KWIRS



Dignitaries at the event



Athletes showing their cheques



Athletes showing their cheques



One of the athletes appreciating the Service on behalf of others

Effective Payroll Management System in an organisation

*Olufunmilayo Olaniyi



“The compliance requirements provided under the law are extended to workers’ remuneration in many areas. Within the current legal framework, employers are deemed to be agents of government for deduction and remittance of taxes and other levies on employment income.”

It is general knowledge that the heart of every organization is the workforce that generates revenue. To manage high staff turnover and to retain the best hands, implementation of global best practices in relation to human resource functions cannot be overemphasized, payroll management being an integral part.

In this part of the world, payroll management is traditionally perceived as a low risk function and as such accorded minimal attention. However, payroll management has become increasingly complex for employers of all sizes in Nigeria. The Nigerian business environment has been described as one of the most challenging in Africa as businesses are

required to obtain several permits/approvals and comply with different laws and regulations.

The compliance requirements provided under the law are extended to workers' remuneration in many areas. Within the current legal framework, employers are deemed to be agents of government for deduction and remittance of taxes and other levies on employment income. This engenders the need for effective payroll management system. Keeping your best hands in relation to salary packages, while at the same time complying with the numerous regulatory requirements can be distracting and tasking.

In this article and in subsequent series, we will be discussing the various regulatory requirements expected of employers of labour, various components of salary packages, and how to ensure a

company's payroll is properly managed to achieve regulatory compliance and staff retention.

What is Payroll Management All About?

Payroll management refers to the administration of employees' financial records including salaries, wages, bonuses, deductions, and net pay. It entails the collection of payroll data, computation, disbursement and reporting of employees' salaries and related statutory deductions. It also involves registration with various regulators in relation to statutory payroll-related obligations, such as contributions with respect to pension, industrial training funds, employees compensation scheme, national housing funds, etc.

Interestingly, many of these contributions, while they are added value to the employees and helps in fostering loyalty, can amount to significant avoidable cost increase to employers. In addition, ensuring compliance on a monthly basis could be cumbersome, time consuming and can lead to costly errors, if not properly managed. In certain instances, there are technical complexities involved in computing contributions expected of employers, as is the case with pension contributions.

National Housing Fund (NHF) contributions also potentially impacts employees' net salary, and is often a major point to consider in payroll management. Attracting and retaining highly competent staff therefore demands proper planning and efficient payroll management by organizations.

Payroll management may be out in-house through the finance department, human resources department or any other assigned department or personnel within an organizations now deploy third enterprise resource planning (ERP) systems to manage their payroll-related functions, while some others who can afford the cost develop a customized ERP system unique to their

organization's payroll needs. Payroll management could also be outsourced by engaging a professional firm to either manage a part of, or the entire payroll management processes end-to-end.

Tax and Regularity Compliance Requirements in Payroll Management

As discussed above, closely linked to an effective payroll management system is an obligation to fulfill certain statutory requirements. Under the current legal framework, employers are expected to deduct Pay-As-You-Earn (PAYE) tax from their employees' salaries and remit same to the relevant state tax authority where the employees reside. Where an employer has a minimum of five employees or annual turnover of Fifty Million Naira, such employer is required to remit 1% of its payroll cost to the Industries Training Fund Acts (ITF) based on the provision of the ITF Act CAP 19 LFN 2004 (as amended). In addition, employers are required to contribute 1% of certain fixed monthly allowance to the Nigeria Social Insurance Trust Fund Board, a body established to administer and implement the Employees Compensation Act.

Furthermore, under the Pension Reform Act 2014, employers and employees are mandated to contribute to Retirement Saving Account (RSA) of the employees on a monthly basis. The rates of contributions for both the employee are a minimum of 10% and 8% respectively. The computation should be based on minimum of the sum of the employees' basic, housing and transport allowances'.

During monthly payroll processing and annual payroll reconciliation process, all these statutory deductions should be effectively computed and accorded due consideration in the manner prescribed under applicable laws. Employers have



the responsibility to accurately calculate payroll deduction and pay employee benefits taxes at the stipulated time. The liabilities for non-compliance or adopting wrong computation basis fall mostly on the employer.

What Does Payroll Management Process Entail?

For a payroll management system to be effective and efficient, certain records must be kept and updated from time to time. Some of the key processes of payroll management are:

Payroll Variation Input

This is the initial step in the payroll management system. The payroll variation inputs are data that determine the outcome of payroll report. They include information on new employees, exited employees, changes in certain pay items, overtime allowances, change of employees' bank details etc. Once these data are obtained, they are inputted and documented accordingly. Employers should keep an up-to-date record of all employees' biometric information, such as date of birth, place of residence, Retirement Saving Account (RSA) number, next of kin, phone number, etc. An employee's date of birth, for example is required in filling ECS/NSITF returns; the place of residence determines the relevant tax authority for the purpose of PAYE remittances, RSA number facilitates remittances, RSA number facilitates remittance of employee pension.

In relation to expatriate employees, there is a need to constantly update their status with regulation regulators to avoid potential PAYE tax liabilities. Documents such as deletion slip (shows exited expatriate employees in a company's position). Etc. all flow into variation input for payroll management purpose.

Further, of key importance is the need to differentiate between employees and independent contractors, as different tax and regulatory obligations apply each case. While PAYE tax is remitted on behalf of an employee, the law requires taxes to be withheld on payment made to independent contractors at applicable rates, depending on the type of transaction.

Payroll Report Verification Through Variance Reports

In order to avoid errors in data inputs and computation of the payroll, a proper check must be carried out to ensure that all the necessary inputs have been correctly captured on the payroll reports. This is usually achieved through the use of a variance report, which shows the difference between the last payroll cycle report and the current report. Also, a reconciliation report is required

to highlight areas of possible discrepancies.

Issues around employees with deduction more than their gross salary will have to be addressed at this phase. It is quite possible to have employees with significant loans, cooperative deductions, etc. that can potentially leave them with little or no net pay. Such employees may lose interest in work which can affect quality of their output. The employees could also resort to fraudulent means of ensuring they have something to take home at the end of the month, at the expense of the company. The reconciliation process will help the payroll team identify these lapses and make a decision that will ensure employees are motivated to work and the company is not exposed to regulatory penalties. The reconciliation process also helps the company better image instances of fraud.

The reconciliation process will help the payroll team identify these lapses and make a decision that will ensure employees are motivated to work and the company is not exposed to regulatory penalties.

Conclusion

Irrespective of an organization's staff strength, a proper payroll management system is crucial. Periodic review of the payroll management process is also important to ensure there are no staff issues and the company is not exposed to avoidable regulatory liabilities. Companies can also consider outsourcing all or a part of their payroll management process to seasoned professionals with relevant experience and skill to manage the payroll process in line with applicable laws and global best practices. At different times, there is the need to review payroll data and relevant records and identify potential planning opportunities that will ensure employers' payroll-related cost is optimizing while at the same time the best hands are retained within the organization.

Article culled from Andersen Tax Digest.
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Students Protest: Kwara State Polytechnic Management visits KW-IRS, apologizes over Students' Unruly Behaviour

*Emmanuel Duntoye

Officials of the Kwara State Polytechnic on Tuesday 5th of March paid a courtesy visit to the Corporate Head Office of Kwara State Internal Revenue Service (KW-IRS).

The officials of the institution led by the Director of Student Service, Rtd. Major Awotimeyin (CSO) and Mr Olowokere, the Staff Adviser to National Association of Kwara State Students (NAKSS, Kwara Poly Branch) visited the Service to express their disappointment and apologize on behalf of the students for their unruly actions at the Corporate Head Office on the 1st and 5th of March, 2019.

Representing the Rector, Mr Awotimeyin in his words stated that “the information got to the School authority as a shock. The institution is not even in session and we do not expect any of our students to be on the street protesting over unpaid bursary. We have contacted the new President-elect of NAKSS (Kwara Poly Branch) and she declared she was not aware of the protest.

Following the apology, the Mr Olowokere appreciated the Management and Staff of Kwara State Internal Revenue Service (KW-IRS) for their

unwavering support over the years. He added that the institution would continue to cooperate with the Service in order to increase the IGR of the State.

While responding, the Executive Chairman of KW-IRS, Prof. Muritala Awodun reiterated that the Service is solely responsible for generating revenue and by law has no access to the revenue generated. “I am disappointed by this act because of the partial shutdown caused by the protest. Money comes into the Government account through us but we cannot withdraw or spend it because the Service is not a signatory to any of the accounts. KW-IRS is not in charge of bursary disbursement. Thus, there is no reason for students to come here and disrupt our daily activities over unpaid bursary”, Professor Awodun further affirmed. He also charged the students to be logical and desist from violence, “this is a political era, and we enjoin all students to be reasonable and be at their best behavior”, he stated.

The Chairman in his magnanimity asked the management of the institution to invite the executives of the Association to the Service for dialogue; he added that KWIRS would continue to be at the beck and call of the students whenever they need the support and help of the Service.



Judicial Affirmation on the Unrestricted Right of KW-IRS to Collect Tenement Rate across Kwara State

*Emmanuel Duntoye

The Kwara State High Courts of Justice on the 12th February, 2019, in suit KWS/180/2017 delivered a judgment in favour of the Kwara State Internal Revenue Service (KW-IRS) against the residents of Ita-Amon/ Oke-Foma to Oko-Olowo axis who challenged the Service's legitimate right to collect payment on Land Charge and Tenement Rate. The case between Alhaji Ahmed Abdul & 9 Others and Attorney General Kwara State & 5 Others was presented before His Lordship, Honourable Justice M. Abdulgafar.

The court dismissed the case after the claimants' refusal to tender satisfactory evidence in support of their case that they are not liable to pay the Land Charge and Tenement Rate, coupled with the perceived outrageous bill.

Following the letters and Demand Notices distributed on January / February 2017 by the Service, the occupants of Oko-Olowo axis challenged the legality of the action by maintaining that Kwara State Internal Revenue Service (KW-IRS) lacks the authority to collect levies after payment has been compulsorily acquired by the Local Government Authorities.

In his words, the Counsel to the claimants stated that “the rates being charged are outrageous, arbitrary and in total disregard of line of method of carrying out such exercise”.

One of the defendant's staff, Mr Raheem Sharafdeen in his argument, explained that KW-IRS is the solitary agency authorized by Law to mobilize revenue in Kwara State.

He stated that all levies are calculated in agreement to the Land Charge Law and Rates approved by the Government of the State which is contrary to the claimants' argument. “There are steps to be taken before charges are levied. Our teams assess the land, generate a Demand Notice which the payee may challenge within thirty (30) days, and also there is 10% discount for payment within 30 days”, he added.

Hon. Justice AbdulGafar ruled in favour of the Service by declaring that the Land Charge is not a breach of constitution of the Federation neither has it contravened the Land Use Act.

“... I therefore hold the view that the Kwara State Land Charge Law is not in conflict or inconsistent with the provision of the constitution of the Federal Republic of Nigeria”, Hon. Justice M. Abdulgafar pronounced.

Having resolved all issues in favour of the defendants, the court dismissed the case and stated that the claimants' case was devoid of merit. He ordered the complainants to act in accordance with the order.





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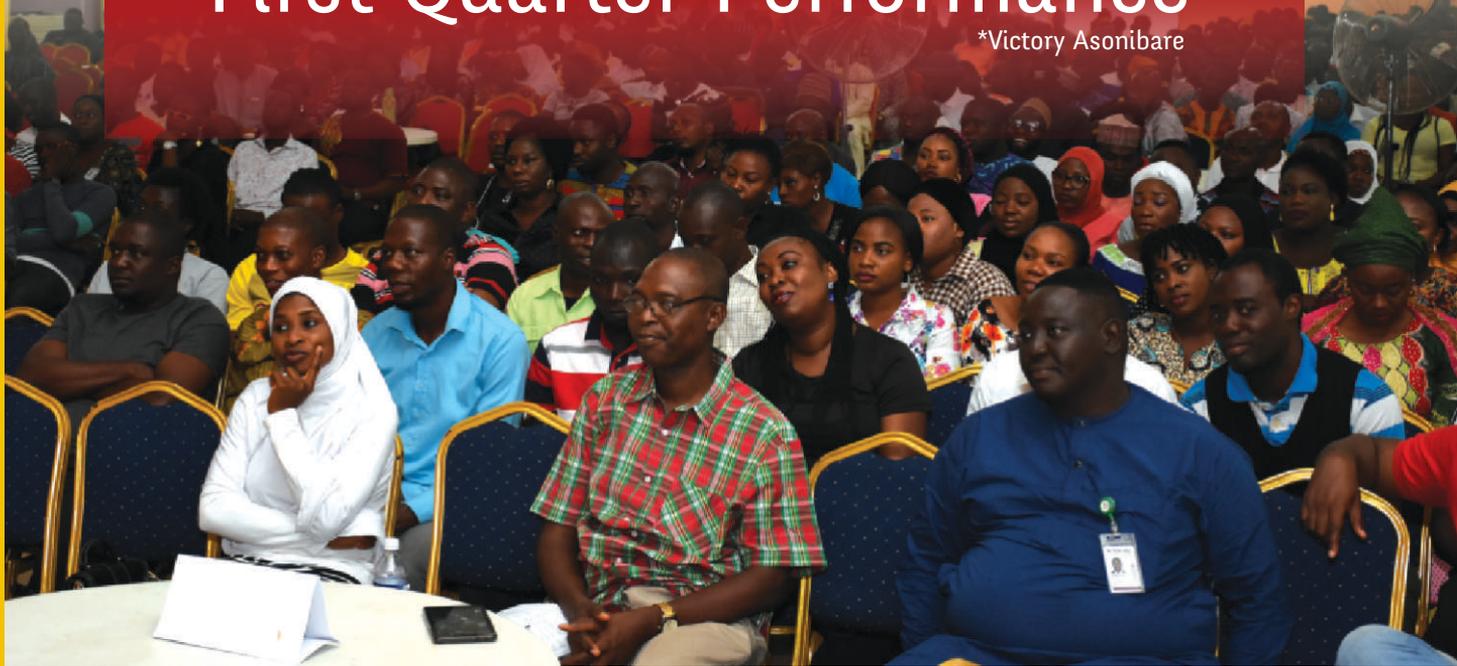
KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE

PLAY YOUR PART
PAY YOUR
TAX



KW-IRS Evaluates 2019 First Quarter Performance

*Victory Asonibare



Cross section of KW-IRS staff at the Event

On Saturday, the 13th of April, 2019, the Kwara State Internal Revenue Service held its Quarter 1 Field Feedback meeting in Ilorin. The event was intended to provide an overview of the Service's progress for the first quarter of the year.

In his opening remark, the Executive Chairman of the Service recognised the excellent performance of some staff of the Ministries, Departments and Agencies (MDAs) Directorate in collaboration with one of the Organisation's Consultants, Courteville Business Solution Plc.

Awards were presented to four members of staff for their contribution to the AutoReg. processes by representative of Courteville Business Solution Plc., alongside the Director of MDAs, Mr. Lekan Rotimi.

The feedback featured the presentation of reports by representatives of various



Professor Muritala Awodun



Mrs Adenike Babajamu

Directorates on their achievements for the first quarter of the year.

It was reported by the Accounts and Finance Department that the state's Internally Generated Revenue performance for the first quarter of 2019 totalled at a sum of Six Billion, Two Hundred and Ninety-Six Billion, and Thirty Thousand, Four Hundred and Seventy Naira Only (N6,296,030,470)

Prof Muritala Awodun, while applauding Staff of the Organisation for their diligence and commitment in the first quarter, equally encouraged them saying they could do better in other to meet the target for the year. To invigorate them, incentives were given to some staff members across the various Directorates.



Mrs Funmilayo Akin-Jacobs



Mr Segun Olaniyi



Mr Yinka Aniwofoshe



Mr Koledade Adedeji



Mr Kehinde Ajayi



Ms. Susan Ebute



Mrs Memunat Amasa



Mr Jinadu Hakeem



Ms. Josephine Aderogba



Mr Ridwan Bello



Mr Ayoola Olanipekun



Rukayat Murtala



Mr Akeem Abiola



Toluwalase Larayetan



Mr Robert Ebute



Mr Shuaib Abdulwahab



Mr Emmanuel Duntoye



Mr Kazeem Akande



Mr Ibrahim Saliu



Mr Titiloye Oluwashola



Mariam Babatunde



Mr Uthman Uthman



Mr Abubakar Idris



Mr Jamiu Kadir



Mr Azeez Quadri



Mr Taiye Alli



Mr Moshood Bankole



Mr Bolaji Abdulkadir



Mr Abdullahi Abdulrazaq



Mr Sarafadeen Abdulraheem



Mr Dare Akogun



Mr Fatai Zakariyau



Mr Olayinka Usman



Mr Ibrahim Jimoh



Prof. Muritala Awodun and Mr Lekan Rotimi



Staff at the 1st Quarter Performance Review



ON VEHICLE PARTICULARS RENEWAL

ENJOY DISCOUNT

5% ON MINIMUM OF 10 - 19 VEHICLES PARTICULARS RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	166.25	6,358.75
2.1 - 3.0	7,150.00	197.50	6,952.50
3.0 and above	9,025.00	191.25	8,833.75
Tipper	14,150.00	447.50	13,702.50
Truck	15,400.00	510.00	14,890.00

7% ON 20 VEHICLES PARTICULARS AND ABOVE RENEWED

ENGINE CAPACITY	RENEWAL FEES	FLEET DISCOUNT	DISCOUNTED AMOUNT
1.6 - 2.0	6,525.00	232.75	6,292.25
2.1 - 3.0	7,150.00	276.50	6,873.50
3.0 and above	9,025.00	267.75	8,757.25
Tipper	14,150.00	626.50	13,523.50
Truck	15,400.00	714.00	14,686.00



KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE

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PLAY YOUR PART, PAY YOUR TAX

Minimizing Tax Exposures in Share Deal Business Acquisitions:

Key Considerations from a Buyer's Perspective

*Olaleye Adebisi

A tax review could lead to the discovery of uncertain tax positions that could increase the tax risks for the buyer, particularly as the buyer may have a position on a tax issue different from that target. Similarly, there could be other tax liabilities that would only be discovered where a proper tax due diligence is conducted by the buyer.

The year 2018 witnessed a number of restructuring arrangements that necessitated the merger or the acquisition of some businesses. On 10th January 2018, Milost Global Inc. announced it has closed the acquisition of 100% interest in Primewaterview Holdings Nigeria Limited for US\$1.1billion. Zinox Technologies Limited also completed the acquisition of Konga in February 2018. Towards the end of 2018, the Board of Diamond Bank Plc also announced its proposed plan to merge with Access Bank Plc. The proposed merger would involve Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash and shares in Access Bank.

For most acquisitions, a key component of the transaction would normally be the negotiation and execution of a Share Purchase Agreement (SPA). Since the purchase of shares constitutes the purchase of the target's business including all liabilities, the share purchase transaction involves far greater risk for the buyer than an asset purchase transaction. Hence, the share deal could easily become the buyer's worst nightmare where proper due diligence is not done to identify any historical tax liabilities of the target.

Consequently, it is important that the buyer conducts a thorough tax due diligence on the target and dedicates sufficient attention to the negotiation of specific terms of the SPA relating to representations and warranties, indemnities and other provisions relating to taxation to minimize the tax risk of the transaction.

This piece discusses the importance of the tax due diligence, tax clauses in the SPA and other relevant tax considerations in planning the share acquisition deal.

Key Considerations in Minimizing Tax Exposures under a Share Deal

Generally, share deals are simple, straightforward to execute and guarantees seamless transition of the business from the seller to the buyer. Share deal also provides lot of tax benefits for both the buyer and the seller. For example, the seller is not required to pay Capital Gains Tax (CGT) where it makes a gain from the sale of shares. Similarly, the buyer would not be liable to Value Added Tax (VAT). In addition, the Stamp Duties Act (SDA) exempts instruments of transfer of shares from payment of stamp duties.

However, the benefits of share deals could easily

be neutralized where the target has huge tax liabilities or where the target has failed to comply with extant tax laws relating to its operations. These liabilities/infractions are rarely visible by looking at the market reputation of the target. It is therefore imperative for buyers to review the overall affairs of the target before concluding a share deal.

Below are some of the key considerations that a buyer should focus on to minimize tax exposure in a share deal.

a. *Conduct of comprehensive Tax Due Diligence on the Target*

As tax balances could be a significant item in the financial statement, it is important for the buyer to ascertain the value of the tax assets of the target. Generally, tax assets (such as un-utilized capital allowances and withholding tax credits, losses carried forward etc.) are useful considerations for the buyer in reviewing the transaction price. Assuming that the tax authorities have audited the target, prior to the completion date of the acquisition of the target, the tax assets may be considered in the transaction price

Furthermore, a tax review could lead to the discovery of uncertain tax positions that could increase the tax risks for the buyer, particularly as the buyer may have a position on a tax issue different from the target. Similarly, there could be other tax liabilities that would only be discovered where a proper tax due diligence is conducted by the buyer. This risk is heightened given the fact that the tax authorities are empowered to conduct investigation and back audits within 6 years from the date the tax was due and may go back indefinitely in cases of fraud, wilful default or neglect. The potential risks of penalties at 10% and interest at 19% (compounded from year to year in some cases) on resulting tax liabilities could outweigh the benefits of a share deal. It is therefore imperative that a tax due diligence be conducted before conclusion of a share deal.

b. *Careful negotiation of the terms of the Share Purchase Agreement*

An SPA captures the legal rights of the buyer/seller as well as their intentions with respect to the share purchase transaction. It sets out the terms and conditions upon which the buyer acquires the shares of the target company

from the seller. Since the buyer assumes all inherent liabilities in the target company after acquiring the seller's shares, any mistakes or gaps in the SPA may be irreversible and could diminish the value of the deal to the buyer.

Some of the key clauses that a buyer should pay special attention to when negotiating the SPA include the following:

Representations and Warranties

Representations and warranties are a major part of an SPA. Representation includes statements made by the seller confirming the existence of a fact in relation to the target. For instance, the seller may make representation as to good and un-encumbered title to the assets of the target. Because it is not everything that a due diligence exercise would uncover, it is important for the buyer to also seek warranties that a statement of fact or future fact in respect of facts or future matters is or will be true.

The seller may seek to limit its exposure by limiting the warranties as much as possible. To move the transaction along, it is important for buyers to focus the key warranties that could affect the viability of the target instead of generic warranties. For example, there may be uncertain tax positions regarding the tax treatment of transactions, which the tax authorities have not yet audited. In such instances, the buyer may request the seller to warranty that it has complied with all relevant laws in respect of the target company's tax obligations. Specifically, a buyer may request for a tax warranty that the target has paid all taxes due in respect of its business to relevant tax authorities and has duly withheld and remitted all taxes required to be withheld with respect to its employees, vendors, service providers etc. A buyer could also request for a tax warranty that the target has timely filed all tax returns with relevant tax authorities and that such tax returns are complete and correct in all material respects.

Consequently, if the tax authorities raise additional tax assessments after the completion date, the buyer would be able to claim indemnity for breach of warranty.

Indemnity

As highlighted above, an SPA would typically contain representations and warranties of the seller. However, there is a risk that these

representations and warranties may be incorrect or that the seller may breach any of its covenants to the buyer. For instance, consider a situation where a seller's warranty that there are no outstanding tax liabilities are untrue. In such situation, the buyer would be able to minimize its risks or losses under the transaction through relevant indemnity clauses that offers protection against losses, claims, taxes, penalties, costs etc, arising as a result of the breach or inaccuracy of any representation or warranty or other covenants of the seller.

Tax liabilities

Overall, given that the buyer acquires the entire company in a share deal, an understanding of the tax position of the target is important to ensure that the buyer is not acquiring existing or likely tax liabilities that may crystallize in the future.

As a rule of thumb, the SPA should contain relevant clauses that makes the seller responsible for all tax liabilities, interests and penalties prior to the closing date as well as consequences of any on-going tax audits. Typically, this would also cover any tax liability within the applicable statutory limitation periods. A buyer may use any identified or probable tax liabilities to negotiate adjustments to the purchase price or extend the payment period.

c. Tax ruling from the federal inland revenue service

Tax rulings from the FIRS are relevant for

mergers and business combinations whether carried out via a share deal or asset deal. Assuming that a business acquisition or combination qualifies for a ruling under Section 29 of the Companies Income Tax Act (CITA), it would be possible to apply for a transfer of the target company's tax assets (un-utilized tax assets etc.) to the surviving entity.

An application made under Section 29 of CITA also allows for the transfer of the target's fixed asset as Tax Written Down Value (TWDV) thereby exempting the target from income tax that would apply where the target's asset are transferred at a value that exceeds their TWDV. In practice, a ruling obtained under Section 29 of CITA would also exempt the seller from CGT.

It is important to note that an application under Section 29 of CITA is only possible where the seller and the buyer are controlled by the same person or are members of the same group of companies.

Concluding Remarks

Minimizing tax exposures in a share acquisition transaction requires a detailed due diligence and a well-negotiated SPA. Consequently, it is important that investors engage their professional advisers before concluding a share deal.

Article culled from Andersen Tax Digest.
Olaleye Adebisi,
Managing Partner, Andersen Tax
olaleye.adebisi@andersentax.ng

Tax rulings from the FIRS are relevant for mergers and business combinations whether carried out via a share deal or asset deal. Assuming that a business acquisition or combination qualifies for a ruling under Section 29 of the Companies Income Tax Act (CITA), it would be possible to apply for a transfer of the target company's tax assets (un-utilized tax assets etc.) to the surviving entity.



Signs and Treatments of an EATING DISORDERS

*Racheal Fabiyi

Disordered eating issues can develop during any stage in life but typically appear during the teen years or young adulthood. Classified as a medical illness, appropriate treatment can be highly effectual for many of the specific types of eating disorders.

Although these conditions are treatable, the symptoms and consequences can be detrimental and deadly if not addressed. Eating disorders commonly coexist with other conditions, such as anxiety disorders, substance abuse, or depression.

Contrary to the commonly held misconception that eating disorders are a lifestyle choices, eating disorders if not arrested early could lead to a serious addiction problem that becomes associated with severe health disturbances. Common eating disorders highlighted by the National Institute of Mental Health include

- Anorexia Nervosa
- Bulimia Nervosa
- Binge-Eating Disorder

Eating disorders can affect people of all ages, racial/ethnic backgrounds, body weights and genders. Researchers find that eating disorders are caused by a complex interaction of genetic, biological, behavioural, psychological and social factors.

SIGNS AND SYMPTOMS/ LONG TERM EFFECT

Anorexia Nervosa: Patients may see themselves as overweight, even when they are dangerously underweight. This reason is used to justify complete abstinence from food until serious complication force treatment. Anorexia nervosa has the highest mortality rate of any mental disorder while many people die from complications associated with starvation, others die of suicide. Other symptoms include severe constipation, brittle hairs and nails,

dry and yellowish skin, brain damage, mild anaemia and muscle wasting and weakness, multi organ failure and thinning of the bones (osteopenia or osteoporosis).

Bulimia Nervosa: Patients have recurrent and frequent episodes of eating unusually large amount of food and feeling a lack of control over the episodes later to induce vomiting in an effort to prevent absorption of the food. Many bulimic individuals are of normal weight so others might not suspect they have an eating disorder. Other symptoms are, chronically inflamed sore throat, worn tooth enamel and increasingly sensitive and decaying teeth as a result of exposure to stomach acid, acid reflux disorder and other gastrointestinal disorders, intestinal distress and irritation from laxative abuse and electrolyte imbalance (high levels of sodium, calcium potassium and other minerals) which can lead to stroke or heart attack.

Binge-Eating Disorder: People with binge eating disorder lose control over eating. Symptoms include patients eat when neither full nor hungry, feeling distressed, ashamed or guilty about your eating, eating until uncomfortably full, eating alone to avoid embarrassment. Unlike bulimia nervosa periods of binge eating are not followed by purging, excessive exercise or fasting. As a result patients are often overweight or obese. .

Signs and Symptoms of an Eating Disorder

A man or woman suffering from an eating disorder may reveal several signs and symptoms, some which are:

- Chronic dieting despite being hazardously underweight
- Constant weight fluctuations
- Obsession with calories and fat contents of food
- Engaging in ritualistic eating patterns, such as cutting food into tiny pieces, eating alone, and/or hiding food
- Continued fixation with food, recipes, or cooking; the individual may cook intricate meals for others but refrain from partaking
- Depression or lethargic stage
- Avoidance of social functions, family, and friends. May become isolated and withdrawn
- Switching between periods of overeating and fasting

Treatment for an Eating Disorder

Because of the severity and complexities of these conditions, a comprehensive and professional treatment team specializing in eating disorders is often fundamental in establishing healing and recovery.

Treatment plans are utilized in addressing the many concerns a man or woman may be facing in the restoration of their health and well-being and are often tailored to meet individual needs.

Treatment for an eating disorder is usually comprised of one or more of the following and addressed with medical doctors, nutritionists, and therapists for complete care:

1. Medical Care and Monitoring-The highest concern in the treatment of eating disorders is addressing any health issues that may have been a consequence of eating disordered behaviours.
2. Nutrition: This would involve weight restoration and stabilization, guidance for normal eating, and the integration of an individualized meal plan.
3. Therapy: Different forms of psychotherapy, such as individual, family, or group, can be helpful in addressing the underlying causes of eating disorders. Therapy is a fundamental piece of treatment because it affords an individual in recovery the opportunity to address and heal from traumatic life events and learn healthier coping skills and methods for expressing emotions, communicating and maintaining healthy relationships.
4. Medications: Some medications may be effective in helping resolve mood or anxiety symptoms that can occur with an eating disorder or in reducing binge-eating and purging behaviours.

Varying levels of treatment, ranging from outpatient support groups to inpatient treatment centers, are available and based on the severity of the eating disorder. In any case, recognizing and addressing the eating disorder are crucial in being able to begin treatment.

References

- <https://www.eatingdisorderhope.com/information/eating-disorder>
- <https://www.psychguides.com/guide/eating-disorder-symptoms-causes-and-effect/>
- <http://www.nimh.nih.gov/health/topics/eating-disorders/index.shtml/>

CROSSWORD PUZZLE

LIST OF KWARA STATE GOVERNORS

L	S	D	P	X	Q	P	S	U	R	Y	C	V	I	C	V	E	D	M	I
I	G	L	P	Y	R	Z	I	K	T	K	O	G	V	G	J	L	E	O	A
J	A	W	U	R	V	W	N	G	E	O	R	G	E	I	N	N	I	H	D
A	Z	M	O	H	A	M	M	E	D	U	M	A	R	U	I	H	C	A	R
I	P	E	T	E	R	O	G	A	R	O	O	G	M	F	F	V	P	M	Z
F	I	G	D	F	C	B	A	B	A	A	D	A	M	U	I	Y	A	M	K
A	B	D	E	M	H	A	H	A	T	A	F	L	U	D	B	A	P	E	A
L	R	A	S	H	E	E	D	S	H	E	K	O	N	I	N	P	P	D	H
A	A	N	L	J	E	H	G	R	K	F	A	R	H	R	G	V	X	L	M
B	H	T	B	D	P	Q	D	V	U	J	X	F	Z	L	U	O	Y	A	E
A	I	B	R	A	H	I	M	T	A	I	W	O	G	Y	D	N	E	W	D
A	M	E	Y	O	B	G	I	M	A	B	D	I	V	A	D	V	X	A	A
H	A	K	V	L	I	A	M	S	I	A	H	P	A	T	S	U	M	L	B
S	L	P	R	N	W	E	R	E	F	I	Y	A	D	N	U	S	N	L	D
P	K	O	S	A	L	A	U	D	E	E	N	L	A	T	I	N	W	O	U
O	A	D	A	M	U	A	T	T	A	F	F	S	A	A	B	Y	F	A	L
J	L	A	P	I	G	O	L	U	S	G	S	D	B	I	V	P	E	I	L
A	I	U	X	P	Z	D	H	A	R	I	Z	A	K	I	L	A	W	L	A
D	O	Y	A	B	E	D	A	S	U	I	L	E	N	R	O	C	I	Y	H
J	J	I	J	Z	Q	Q	N	B	U	K	O	L	A	S	A	R	A	K	I

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| ABDULFATAHAHMED | IBRAHIMTAIWO |
| ADAMUATTA | MOHAMMEDLAWAL |
| AHMEDABDULLAHI | MOHAMMEDUMARU |
| ALWALIKAZIR | MUSTAPHAISMAIL |
| BABAADAMUIYAM | PETEROGAR |
| BUKOLASARAKI | RASHEEDSHEKONI |
| CORNELIUSADEBAYO | SALAUDEENLATINWO |
| DAVIDBAMIGBOYE | SHAABALAFIAJI |
| GEORGEINNIH | SUNDAYIFERE |
| IBRAHIMALKALI | |

Send your solutions, your name and phone number via email to press@kw-irs.com with the subject: Puzzle Solution to Volume 5 Issue 32

Solution to Kwareve News Issue 31

Crossword Puzzle

KWIRS DIRECTORS AND HEAD OF DEPARTMENTS

L	E	F	M	T	O	S	Y	U	M	V	L	J	A	N
F	S	J	A	B	U	B	Y	C	G	I	E	M	W	A
A	U	E	A	B	M	O	N	G	I	M	L	A	O	K
X	N	Y	D	B	I	T	B	N	C	K	A	J	D	E
N	I	A	F	N	Z	B	A	X	H	U	U	A	U	L
V	M	O	E	Q	A	L	A	E	G	M	D	B	I	J
T	K	F	W	G	O	K	O	N	R	U	F	A	T	O
I	S	Y	S	A	A	L	O	P	K	R	R	B	O	P
R	A	K	A	B	B	A	O	O	I	V	H	Z	B	
U	M	P	T	S	I	F	F	R	B	T	C	C	O	X
B	W	M	E	E	D	Z	A	L	O	A	X	G	Z	E
P	U	E	S	J	M	D	C	F	X	L	Z	O	Y	L
D	U	D	Q	I	M	F	M	W	H	A	K	D	O	N
N	Y	B	I	R	J	O	M	O	L	A	R	A	M	E
A	V	U	M	V	Q	W	C	S	C	P	Y	F	O	P

- | | | |
|----------|----------|----------|
| ABUBAKAR | IYABO | OLANIYI |
| AGBANA | LEKAN | OLUSEGUN |
| AWODUN | MURITALA | OMOLARA |
| BABAJAMU | OKANDEJI | ROTIMI |
| HABIBAH | OLAIDE | RUFAI |

PRESUMPTIVE TAXATION

A form of assessing tax liability using indirect methods such as income reconstruction or by applying base-line taxation across the entire tax base. Presumptive methods of taxation are thought to be effective in reducing tax avoidance as well as equalizing the distribution of the tax burden. Presumptive scheme of taxation means your income is calculated on an assumption instead of actual basis. Actual basis is when you deduct business expenses from business income and pay tax on the balance.

Reference

- <https://www.quora.com/What-is-Presumptive-tax>
- http://www.investorwords.com/18863/presumptive_taxation.html

HALL OF FAME



ABDULATEEF ABUBAKAR AYINLA

Abubakar Ayinla, a staff of the Tax Audit Department under the Executive Chairman's Office, has been nominated for the Hall of Fame spotlight for the month of April, 2019.

Abubakar Ayinla is highly meticulous, professional in carrying out his duties especially in his Annual Returns and Reports. He is a good trainer who has displayed unmatched excellent ability in discharging his departmental responsibilities. He is bold, honest, intelligent, hardworking and a great team player.

The entire KwareveNews Team welcomes Abubakar Ayinla to the Hall of Fame.

Congratulations!

HEAR ME OUT

A column just for you! Views to air, concerns to voice, questions to ask? Let's hear you out.

QUESTION:

Is it possible to apply for a refund for excess PIT deduction/payments?

ANSWER:

Yes; the law provides that excess tax paid by any employee shall be refunded on application by the employee with the option of set-off against future tax liability.

QUESTION:

What is the duration for issuance of TCC?

ANSWER:

TCC can be issued only after all taxes payable by the taxpayer for the past three (3) preceding years have been paid. However, the duration for issuance of TCC depends largely on the verification of all payments made by the tax payer with effect from the day he/she files an application for TCC with the tax office and not from the date of payment of taxes to the Bank.

ADVERT RATES

Positions	Amount
Back Cover	N500,000
Inner Back Cover	N350,000
Inner Front Cover	N350,000
Pre-Editorial	N300,000
Double Spread	N450,000
Full Page (ROP)	N250,000
Half Page (ROP)	N150,000
Quarter Page (ROP)	N80,000



For Advert Placement, please contact 0700MYKWIRS (07006959477) or Email: press@kw-irs.com

Adverts should be submitted in raw CorelDraw format or Pdf and sent to press@kw-irs.com

Readers' Feedback



We are committed to continually improving KWAREVE News, your foremost Kwara State Internal Revenue Service In-house Magazine.

Kindly give us your feedback on how we can serve you better.

CONTENT	<input type="text"/>
LAYOUT/DESIGN	<input type="text"/>
PRINT QUALITY	<input type="text"/>
ANY OTHER SUGGESTION	<input type="text"/>

Note: kindly fill and cut-out the completed form and scan or snap, then send via email to press@kw-irs.com



KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE

Hereby advise the general public to pay their taxes, levies and rates to the following **Kwara State IGR Accounts** only at any branch of the respective banks listed below

LIST OF IGR COLLECTION ACCOUNTS		
S/N	BANK NAME	ACCOUNT NUMBER
1	ACCESS BANK (DIAMOND)	0072365510
2	ACCESS BANK	0004063946
3	ECOBANK	4822068065
4	FCMB	0897529151
5	FIDELITY BANK	5030063684
6	FIRST BANK	2029378380
7	GTB	0034886758
8	HERITAGE BANK	6003071503
9	POLARIS BANK	1790106140
10	STANBIC IBTC BANK	9201637207
11	STERLING BANK	0049380670
12	UBA	1019295290
13	UNION BANK	0018799797
14	UNITY BANK	0025014446
15	WEMA BANK	0122584028
16	ZENITH BANK	1010522867
17	KEYSTONE BANK	6010010789
18	JAIZ BANK	0002241278

	BANK	ACCOUNT NAME	ACCOUNT NO
TSA ACCOUNT	GTB	KWARA STATE CENTRAL REVENUE COLLECTION ACCOUNT	0199648356

Signed:

Muritala Awodun, PhD

Executive Chairman

KWARA STATE INTERNAL REVENUE SERVICE

Corporate Head Office: 27 Ahmadu Bello Way, Ilorin Kwara State

Email: info@kw-irs.com

Website: www.kw-irs.com

Telephone: 0700MYKWIRS (07006959477)

Mobilizing Revenue for the Strategic Development of Kwara State

OUR LOCATIONS

KW-IRS CORPORATE HEAD OFFICE (REVENUE HOUSE Phase 1)

27 Ahmadu Bello Way, G.R.A. Ilorin, Kwara State

KW-IRS (REVENUE HOUSE Phase 2)

Address: 5, Commissioners Lodge Way, off Ahman Patigi Road, G.R.A. (Behind KWIRS Corporate Head Office, Ahmadu Bello Way, Ilorin, Kwara State)

KW-IRS (REVENUE HOUSE Phase 3)

Address: Opposite Tuyil Pharmaceutical Ltd, along new Yidi Road, Ilorin

KW-IRS, ADEWOLE AREA OFFICE

Address: 3, Jos Road, Adewole, Ilorin

MOTOR LICENSE AUTHORITY, FATE, ILORIN

Address: 3, Fate Road, Near Roundabout, Fate Road, Ilorin

MOTOR LICENSE AUTHORITY, PAKE, ILORIN

Address: Ilorin South LGA Office, Pake, Ilorin.

MOTOR LICENSE AUTHORITY, MINI CAMPUS OFFICE

Address: University of Ilorin Mini Campus, Ilorin

MOTOR LICENSE AUTHORITY, VIO OFFICE, ILORIN

Address: Kwara State Vehicle Inspection Officer Testing Ground, Opposite 'A' Division, Ilorin

KW-IRS, KWARTMA OFFICE, ILORIN

Address: Kwara State Road Traffic Management Authority Opposite ITC, Ilorin

KW-IRS, OFFA AREA OFFICE

Address: Igbonna Road, beside State High Court, Offa.

MOTOR LICENSE AUTHORITY, OFFA

Address: Igbonna Road, beside Magistrate Court, Offa.

KW-IRS, OMU-ARAN AREA OFFICE

Address: Sub Treasury Office, behind Irepodun LGA Road (FRSC Office), Omu-Aran.

MOTOR LICENSE AUTHORITY, OMU-ARAN

Address: Irepodun LGA Road (FRSC Office), Omu-Aran.

KW-IRS, LAFIAGI AREA OFFICE

Address: Along lafiagi Local Government Road, Opposite Quality Assurance Bureau(QAB), Lafiagi

KW-IRS, ILESHA BARUBA AREA OFFICE

Address: Area Office, along Okuta Road, Ilesha Baruba LGA

KW-IRS, BODE SADU AREA OFFICE

Address: Adjacent Moro LGA Secretariat, Olorunsogo/Molete Area, Bode-Sadu

MOTOR LICENSE AUTHORITY, KOSUBOSU

Address: Baruten LGA Office, along Okuta Road, Kosubosu



KWAREVE *News*

Guidelines for Contributions

Subject Matter

Kwareve News is a monthly publication of the Kwara State Internal Revenue Service. Articles on revenue and expenditure may be accepted for publication in Kwareve News. Articles on Tax Law, Policy and Administration are especially welcome.

Format

- All articles sent should include the full name of the writer(s) with the first name first. A one paragraph bio-data including organisational affiliations of the writer(s) must also be included.
- All articles must be sent as an attached Word document file.
- Articles should be written in size 12 of Garamond font on a digital A4 sized paper.
- Text should have at least 1.5 line spacing.
- All pages must be paginated and fully justified.
- Where images are involved, they should be pasted within text where appropriate as well as

attached individually as .jpg or .png files. Images attached must be not less than 300 resolution and 2MB.

- Figures, tables, charts, graphs, photographs, etc must be consecutively labelled.
- Submissions must be limited to **3 pages** (including tables, charts, pictures, etc).

Referencing

- All contents (text, diagrams, tables, images, etc) **must not be plagiarised**.
- All contents must be properly references, both in-text and end of text.
- References or bibliography are acceptable.
- The required style is the APA.

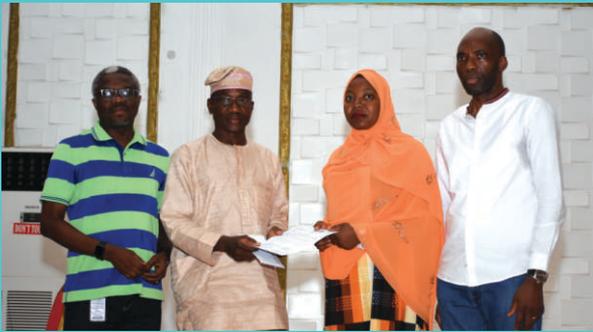
Submission

Submissions should be sent to press@kw-irs.com

Courteville

Rewards KW-IRS Staff for Excellent Performance

*Emmanuel Duntoye



Courteville Business Solution Plc, one of the biggest e-business solution companies in West Africa, honoured four staff of the Kwara State Internal Revenue Service (KW-IRS) on the 12th of April, 2019 for performing excellently in AutoReg processes Nationwide.

The AutoReg Vehicle License is the automation of the Vehicle License registration process and renewal system, which is designed for all vehicle owners within a State to register or renew their vehicle licenses without difficulty and in record time.

The I.T. Company based in Lagos State recognized Oguntoyinbo Soliu, Abdullahi Shakirat, Ummulkhair Aliyu and Yakub Suleiman of KW-IRS for their unmatched dedication and topnotch service delivery out of the hundreds of AutoReg Operators in over twenty-six (26) States across the federation.

Mr Olawiwola Adedayo, Chief Risk Management Officer, Courteville Business Solution, while presenting the awards noted that the Kwara State Internal Revenue Service (KW-IRS) is one of the best State Revenue Services in Nigeria and the selected staff have been picked because of their performance in the AutoReg process. He added that the success recorded in the Service in the last twelve months is greater than what some States have recorded in two years.

“I thank Courteville Business Solution for this recognition and special thanks to my colleagues in the Department of Road Taxes. I am so proud of them all. It is a good thing for staff to be celebrated because this would surely motivate others to work harder. Also, the old narrative about MLOs has changed and the honoured staff are not just the best in Kwara State but they are also among the best in Nigeria”, Mr Lekan Rotimi, Director MDAs stated.

CONGRATULATIONS!

TO OUR NEW

GOVERNOR

We would like to offer you our most sincere congratulations upon assumption of your new responsibilities as the Executive Governor of Kwara State.

The entire staff and management of the Kwara State Internal Revenue Service (KW-IRS) wish you lots of success and happiness in your new office.

Kwara... Ire nbe ni bi



KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE

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GOVERNOR

**ABDULRAHMAN
ABDULRASAQ**

EXECUTIVE GOVERNOR, KWARA STATE

MEDIA PARLEY: KW-IRS Rakes in 6.2 Billion in the 1st Quarter of 2019, Sabi eulogises Awodun

*Bimbo Olanrewaju

The sole agency responsible for the mobilisation of revenue in Kwara State has generated the sum of N6.2 Billion Naira in the first three months of 2019. This was made known by the Executive Chairman of the Service, Professor Muritala Awodun at the Media Parley organised in collaboration with the Ministry of Information and Communication on the 11th April, 2019.

The Tax Administrator added that with the working policy in place, KW-IRS would continue to be the pacesetter for other State Internal Revenue Services. “...with this level of commitment from our staff and stakeholders,

and the voluntary compliance of Kwara residents, Kwara State would be among the first five (5) States in terms of revenue generation in Nigeria”, he stated.

In light of the recorded achievements by the Service, Alhaji Mohammed Sabi, the Honourable Commissioner for Information and Communications, expressed utmost gratitude to the administration of His Excellency, Governor Abdulfatah Ahmed, for his spirit of discernment in identifying, and entrusting the duty of trust unto Prof. Muritala Awodun, the Executive Chairman of KW-IRS, who with his intellectual acumen has positively transformed the poor state of Revenue Administration in the State.



Prof. Muritala Awodun, Executive Chairman, KW-IRS addressing members of the Press with other dignitaries on the high table



Kwara State Internal Revenue Service Directors



Commissioner for Information, Alhaji Mohammed Sabi making his comment



Kwara State Internal Revenue Service Directors



One of the press men, making a comment



Press Men at the event



The Commissioner further commended the Management and Staff of KW-IRS under the leadership of Prof. Awodun for the ISO (International Organization for Standardization). This initiative, he said, has placed KW-IRS on an International Stand, as the first State Internal Revenue Service to be certified on ISO. More so, the Honourable Commissioner applauded the Service on her Community Impact Programmes across the State, the initiative which he said has positively transform lives and communities in the State.

Prof. Awodun expounded that all projects done directly by KW-IRS ranging from the introduction of Tax Club Competition in the State, improvement of the education sector, drilling of bore-holes, evacuation of drainages to distribution of Transformer amongst others.

The Don expressed his displeasure over public incitement and denigration of KW-IRS on social media. He disclosed that no member of KW-IRS has been invited by the EFCC for any misconduct contrary to the rumour being circulated in the State. In his words, 'KW-IRS is one of the most transparent agencies in Nigeria and all activities are accurately and appropriately documented'.

Alhaji Mohammed Sabi, Honourable Commissioner for Information and Communications in his closing remark, implore all personality present at the event, most importantly the Press Media to use their voice to advocate, sensitize, and encourage the citizens of the State to willing pay their taxes as and when due for the sustainability of the achieved successes, and continuous development of the State.



Draft German law offers procedures to resolve double tax disputes

The German finance ministry on April 16 published a draft law providing a scheme for resolving instances of double taxation within the European Union.

The draft implements EU Council Directive 2017/1852 of October 10, 2017, providing a uniform mechanism to address tax treaty disputes among EU member states that meets the BEPS Action 14 minimum standard. The directive is to be transposed into national law by the EU member states by 30.06.2019.

The German draft law closely follows the EU directive's approach, introducing a three-stage dispute resolution procedure to eliminate double taxation conflicts within the EU.

As far as possible, the same terminology is used to prevent subsequent questions of interpretation. The draft law, however, uses a different sorting and structuring.

The German draft law is divided into eight chapters, following the chronological order of the new procedure rather than following the EU's systematic in broad terms. According to the ministry, this ensures better comprehensibility for the German law user and a system adapted to the German legal system should be achieved.

The taxpayer has three years to lodge a complaint following the first notification of double taxation. If all participating member states agree that double taxation exists, a consensual agreement must be reached within two years (mutual agreement phase).

Otherwise, an advisory committee will be set up to recommend a double taxation solution within six months (dispute settlement phase). The same applies if at least one member state does not reject the complaint. If member states fail to appoint the advisory committee in due time, the taxpayer may request this in court.

The competent authorities finally decide how to resolve the issue. They may also deviate from the opinion of the advisory committee. If the affected states fail to reach a decision within six months, the complaint is considered accepted and the agreement phase. The final decision is binding on the Member States concerned but has no precedent.

The new procedure should be applied to all dispute settlement complaints filed on or after July 1 on issues related to income or assets generated in a tax year beginning on or after January 1, 2018. Competent authorities of EU member states may agree to apply the directive to cases submitted earlier or to earlier tax years.

Kenya and Mauritius sign new tax treaty following court nullification of earlier agreement

The Kenyan and Mauritius governments have signed a new tax treaty following the Kenya High Court invalidation last month of a 2012 treaty between two nations in an action brought by Tax Justice Network Africa

The new Kenya-Mauritius tax treaty, signed April 10, was one of six agreements struck during a visit by Kenyan President Uhuru Muigai Kenyatta to Port-Louis.

"The Mauritius-Kenya Double Taxation Avoidance Agreement and the Investment Protection and Promotion Agreement which our two countries have signed will be crucial mechanisms in shaping investments," said Mauritius Prime Minister Pravind Jugnauth during a banquet held in Kenyatta's honor.

A 2012 Kenya-Mauritius tax treaty, purportedly ratified by legal notice published in the Kenya Gazette in May 2014, became the subject of a lawsuit brought by Tax Justice Network Africa, the first such challenged to a tax treaty in Africa. That treaty never entered into force because Kenya did not notify Mauritius of the completion of the ratification procedures.

In a March 15 decision, Kenya's High Court concluded that the 2012 tax treaty was invalid, agreeing with Tax Justice Network Africa that the Kenyan government did not follow ratification procedures required by law because the agreement was not properly laid before Parliament.

In its suit, Tax Justice Network Africa also said that the earlier treaty was harmful to Kenya because it reduced the withholding tax on services, management fees, and insurance commissions to zero percent from its current rate of 20 percent and, moreover, because Kenya gave away its right to tax capital gains from stock sales of Kenyan companies to Mauritius, which does not charge any capital gains tax.

The group said that the 2012 tax treaty would be abused in the same manner that the India-Mauritius tax treaty had been abused. The High Court did not address this aspect of Tax Justice Network Africa's arguments, however.

As the new Kenya-Mauritius treaty has not yet been made public, it remains to be seen whether the disputed provisions in the nullified tax treaty are included in the new treaty.

Tax Justice Network Africa's director, Alvin Mosioma, called the court victory "a great achievement." He said his group will determine its next steps after it gains access to the new tax agreement.

Nigerian Society of Engineers (NSE) Ilorin Branch Inaugurates Executives

*Olajumoke Dada

The Ilorin Branch of the Nigerian Society of Engineers (NSE) held its 20th Investiture on the 27th of April, 2019 in Ilorin. The event was the Inauguration of the 2018/2019 Executive and the Induction of Corporate Members of the Association.

The newly Inaugurated Executives include Engr. Akanbi, President; Engr. Odetoeye, Vice- Chairman; Engr. Ahmed, General Secretary; Engr. Ibikunle, Treasurer; Engr. Garba, Asst. Gen. Secretary; Engr. Ashola, Financial Secretary; Engr. Ibrahim, Technical Secretary; Engr. Temim, Publicity Secretary; Engr. Lawal, Asst. Technical Secretary; Engr. Adebayo, Ex. Officio (IPC) and Engr. Abubakar, Ex. Officio.

The newly elected Branch Chairman of NSE, Engr. Moshood, joined the Kwara State Civil Service as Civil Engineer. He is currently with the Physical Planning Unit of the Kwara State Universal Basic Education Board (KWSUBEB) as Asst. Chief Civil Engineer. Engineer Moshood became a COREN registered Engineer in 2017 and also a member of the Nigerian Institution of Civil Engineers and America Society of Civil Engineers (ACE).

The guest speaker, Prof. Awodun began by appreciating the Institute for the opportunity to address the Members and also to give a brief discussion on IGR and its impact on Infrastructural Development in the State.

He explained that without IGR it is impossible for any State in Nigeria to record tangible development in terms of infrastructure. He extemporaneously talked about IGR mobilization, composition and reformation using Kwara State as a case study.

“... Revenue Sources from the second layer of governance (the State), has three sources of different revenue; the Federal allocation, the States collection



Dignitaries at the event



Dignitaries at the event



Professor Muritala Awodun



Dignitary at the event



Dignitaries at the event



Dignitaries at the event



Dignitaries at the event



Dignitaries at the event

internally, the States borrowing as another source. But the second source which is the State's collection internally is broken down into three; Tax (Personal Income Tax, Company Income Tax, Property Tax, Road Tax etc), Fees, Levies and Charges that the State imposes through one form of Law or the other (for service which the State is expected to render), and others (are all forms of revenue that comes into different kind of Parastatals created by the State). All these composition are what the state has control over which is the IGR.”

In his speech, he added that an important aspect of IGR is the judicious utilization of the revenue generated. He explained the process of the Tax System which he describes as “A Tripod which are the Taxpayer (people who make the payments), the Tax Collectors (those saddled with the responsibility of collecting), and the Tax Users (government responsible for funds utilization for the benefit of the citizen).”

“From this perspective, checks and balances were put in place to ensure the revenue generated were rein-fenced that is, it is used for what Government has identified through the creation of Infrastructure Fund Kwara (IF-K) where a certain amount of money was channeled to complete 62 abandoned projects and new projects were also initiated. The IF-K also prevents the state from borrowing to pay salaries and there was tax inclusiveness which paves way for accountability and transparency”, he added.

Engr. Moshood Akanbi-Oke pledged his allegiance and promised that efforts would be put in place for revenue mobilization in the branch through running of seminars, workshops and trainings that are capable of redirecting the technological growth of Kwara State and Nigeria as a whole to an advanced level.

Prof. Awodun congratulated the new Branch Chairman and wished him a successful tenure. He also gave assurance that the Service is opened to support the Association.



JUST PASSING

How long and far is the passageway to prominence
That leads to somewhere, a distant but sure future
A seemingly endless journey of turns and turns
Yet I just must pass this way
Riding on a vessel to greatness and enthronement

Long is the journey. Rough and bumpy is the way
With fellow travellers; voracious, avaricious and materialistic
Grabbing all along the way the juicy ornaments on their trails
Leaving none behind for inbound travellers
Who have learnt the way and are on the path

I just must pass this way
Once... maybe twice or severally; I do not know
Dressed in an apparel of honour and dignity
Clothed in brightly coloured regalia of diligence and hard work
Awaiting unwaveringly the prize of labour

Now that it is my turn and my season
I cannot be denied therecompense of my labour
My heart is delighted with nostalgia of the past
As I pick up the pieces of what remains
On my passage way to a future that is now.



MONTHLY COMMUNITY IMPACT PROGRAM

March/April 2019

DISTRIBUTION OF UMBRELLAS TO MARKETERS ACROSS THE STATE



DONATION OF TRANSFORMER TO OGODO COMMUNITY, ASA LOCAL GOVERNMENT



PHOTO NEWS



Speaker of the Kwara State House of Assembly
Rt. Hon. Ali Ahmad visits KW-IRS to pay his tax



In House Enforcement for KW-IRS Staff on Vehicle Particulars
Compliance



HODs and HOU's In House Training



MIND YOUR GRAMMAR Emmanuel Duntoye

1.
 - a) My names are Ciroma Adekunle Chukwuma (Wrong)
 - b) My name is Ciroma Adekunle Chukwuma (Right)

****Regardless of how many items you combine in the compound name, you still treat it as a singular subject or entity****
2.
 - a) He had casted his vote before the crisis (Wrong)
 - b) He had cast his vote before the crisis (Right)

****The verb is conventionally uninflected in the past tense and as a past participle****
3.
 - a) Mr Bolaji hanged the picture on the wall (Wrong)
 - b) Mr Bolaji hung the picture on the wall (Right)
 - c) The rapist was hung until he stopped breathing (Wrong)
 - d) The rapist was hanged until he stopped breathing (Right)

****The past and past participle of hang should be hanged only when referring to a person being subjected to death****
4.

KW-IRS pays its consultants as at when due (Wrong)

KW-IRS pays its consultants as and when due (Right)

21ST ANNUAL TAX CONFERENCE:

Elumelu, Awodun Call for Global Transparency

*Temi Kolawole



Mr Babatunde Fowler, Mr Tony Elumelu and a dignitary at the Tax Conference



Professor Muritala Awodun, speaking at the 21st Annual Tax Conference



Dignitaries at the 21st Annual Tax Conference

The Executive Chairman of Kwara State Internal Revenue Service (KW-IRS) and the founder of Heirs Holding, Mr Tony Elumelu have reiterated the importance of transparency in taxation and tax administration in Nigeria.

The Chairman of UBA, Mr Tony Emelu made this call during the 21st annual tax conference that spanned for four (4) days while presenting a paper on the theme of the conference alongside with Mr Babatunde Fowler, a seasoned tax administrator and Executive Chairman, FIRS.

The CITN conference, which is the single biggest assembly of tax practitioners in the country, had its theme as '**National Development: Unlocking the Potentials of Taxation**'. The conference which was held in Abuja from 23rd-26th of April, 2019 was attended by the Executive Chairman, FIRS, Babatunde Fowler; Mr Tony Elumelu, Chairman of Heirs Holding; Prof. Muritala Awodun, Chairman KW-IRS; and other top government officials.

Global Tax Transformation: Implication for Economic Growth and Development, Corporate Governance and Ethical Tax Behaviour, Tax Transparency: International Conventions and Agreement, Managing Tax Defaults: Options and Choices are few of topics discussed at the conference.



Participants at the 21st Annual Tax Conference

In his opening remark, President, CITN Chief Cyril Ikemefuna, stated that the theme of this year's conference was borne out of the yearning of the CITN to advance taxation as an essential tool for promoting macroeconomic goals of achieving full employment, income redistribution, and competitive environment for business, among others.

It is an axiomatic fact that Nigeria no longer or can no longer efficiently rely on oil revenue to invest in critical national infrastructure, enhance the economy, promote investment and fund governance. Therefore, the promotion of taxation is pertinent as it is the most sustainable means of addressing the resource mobilization challenges in Nigeria.

As part of the discussants on Tax Transparency: Implication of International Conventions and Agreement, Prof Awodun enumerated that the issue of transparency is imperative especially in a world

“Honesty and openness are two major imperative factors when it comes to global transparency. It all about value, the individual values, societal values and even the governmental values are not what they used to be and for that reasons, everybody is looking for reasons why the system needs to be shortchanged. Therefore, tax payers, tax collectors and the government have to be open, transparent and accountable.”

In his closing remark, the President of CITN, expressed his gratitude “I am pleased to note this conference has been attended by a vast array of tax professionals from the professional services firms, academia and tax administration. There is surely a broad spectrum of contributions from their experiences and expertise”.



Mr Oladeji Akinyele, speaking at the 21st Annual Tax Conference



Professor Muritala Awodun receiving a plaque at the 21st Annual Tax Conference

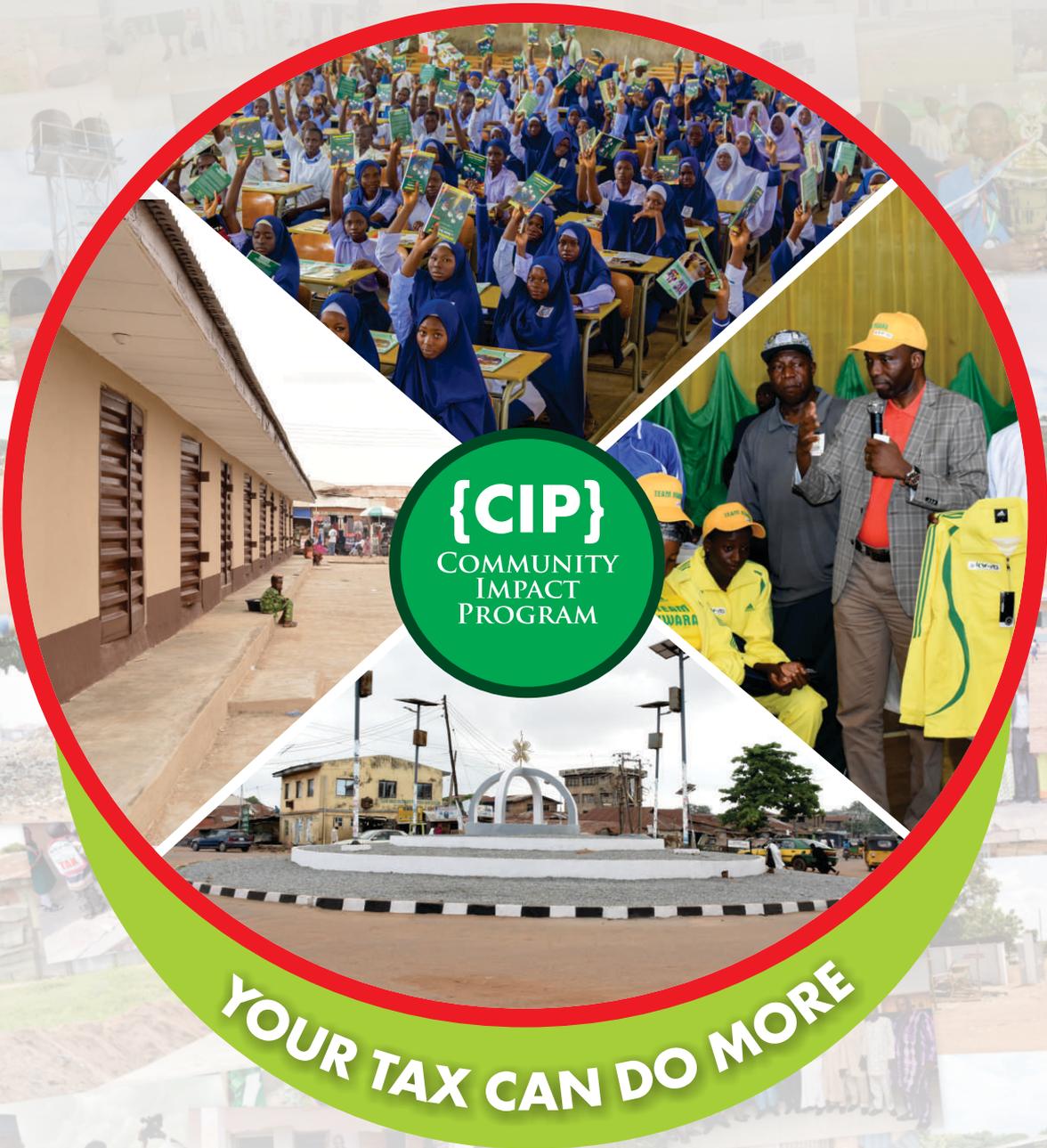


Participants at the 21st Annual Tax Conference



KW-IRS

KWARA STATE INTERNAL REVENUE SERVICE



PLAY YOUR PART
PAY YOUR TAX

Community Impact Program is an initiative of KW-IRS to impact positively the lives of the residents of Kwara State
Tax Payers' Money at Work.

Vehicle Registration and Renewal Made Easy

For your vehicle registration, renewal of vehicle particulars and production of fancy number plates, you can visit any of our **Motor Licensing Authority (MLA)** offices close to you.

You do not need to go through any third party for this purpose.

Say “NO” to touts and unauthorised agents



CATEGORY	VEHICLE LICENCE	PRICE
RENEWAL (PRIVATE MOTORCYCLE /TRICYCLE)	625	2,200
RENEWAL (COMMERCIAL MOTORCYCLE/TRICYCLE)	1,250	2,825
NEW PLATE (PRIVATE MOTORCYCLE/TRICYCLE)	(New Plate) 625	8,550
	(Revalidation) 625	6,800
NEW PLATE (COMMERCIAL MOTORCYCLE/TRICYCLE)	(New Plate) 1,250	9,175
	(Revalidation) 1,250	7,425

CATEGORY	VEHICLE LICENCE	PRICE	
RENEWAL (MOTORVEHICLE)	(1.6 – 2.0)	1,875	6,525
	(2.1 – 3.0)	2,500	7,150
	(Above 3.0)	3,125	9,025
	(Truck)	6,250	15,400
	(Tipper)	6,250	14,150
NEW PLATE (MOTORVEHICLE)	(1.6-2.0)	1,875	30,500
	(2.1-3.0)	2,500	31,125
	(Above 3.0)	3,125	33,000
	(Truck)	6,250	43,000
	(Tipper)	6,250	41,750

MLAs Office Locations

1. MLA Pake – Ilorin South LG. Ipata Market
2. AREA 1 – Revenue House, 27, Ahmadu Bello Way, Ilorin
3. MLA 1 – University mini Campus, behind General Hospital, Ilorin
4. MLA KWARTMA – KWARTMA Office, Beside Int'l Tobacco Company, Gaa Imam
5. MLA VIO – VIO Compound, beside Olak Filling Station, Ajase Ipo Road.
6. MLA Adewole – Adewole Housing Estate Ilorin
7. MLA Phase 3 – KWIRS, Behind Trillium School, Irewolede, Ilorin
8. MLA Fate - Along Fate Road, Beside Conoil Filling Station
9. MLA Omu Aran - Local Government Secretariat , Omu Aran
10. MLA Offa - Opposite Local Govt. Secretariat Offa
11. MLA Share- Opposite CAC Primary School, Beside FRSC Office
12. MLA Bode Saadu- Moro LG, Secretariat, Bode Saadu
13. MLA Lafiagi. Lafiagi
14. MLA Kosubosu – Ilesha Baruba



KW-IRS
KWARA STATE INTERNAL REVENUE SERVICE



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**PLAY YOUR PART,
PAY YOUR TAX**