

**FEDERAL INLAND REVENUE SERVICE****15 SOKODE CRESCENT, WUSE ZONE 5, P.M.B 33, GARKI, ABUJA, NIGERIA**[www.firs.gov.ng](http://www.firs.gov.ng)**NOTICE ON INTENTION BY FEDERAL INLAND REVENUE SERVICE (FIRS) TAX TO ENFORCE VAT ON DEFAULTING DOMESTIC AIRLINES.**

The Federal Inland Revenue service (FIRS) has implemented an auto tracking and remittance platform for Value Added Tax (VAT) from sales of tickets by domestic airlines in Nigeria. The platform is called **FIRS VAT-Collect** and all domestic airlines in Nigeria have been sensitized on the need to enrol on the **FIRS VAT-Collect** platform. The platform was launched on August, 2013 and some airlines have linked up to the system, leaving out four (4) airlines.

2. The benefit of this collection system is that VAT revenue from domestic ticket sales are remitted promptly by the collecting banks to the VAT pool account at the Central Bank without delay. This creates transparency and efficiency in the collection process and facilitates easy reconciliation with FIRS.

3. Regrettably, a few airlines (details of which are provided below) have refused to link up to the system despite several entreaties from FIRS and are also in default of their obligations under the Value Added Tax Act. As FIRS is desirous of delivering this project, it cannot afford to wait indefinitely for the defaulting airlines to link up, nor can we afford to leave out any airline in our efforts to close out on the project. Failure to link up the system, means that the defaulting airlines will continue to operate a manual system, which will discourage those that are compliant and also leave room for continued leakages and non-compliance in the VAT remittance system.

4. In response to this recalcitrant behaviour by the defaulting airlines, FIRS is serving a notice that it will allow the deviant airlines three weeks beginning from August 10, 2015 to link up to the system. Failure to comply, FIRS will embark on an enforcement action to compel compliance by these airlines. This enforcement action will cause significant disruption to their operations and amongst others, prevent sale of tickets and flying of passengers by the airlines during the period of enforcement. The enforcement action will continue until the airlines link up to the VAT Collect platforms as requested by FIRS and begin to comply with their VAT obligations.

The affected airlines are:

- (i) Overland Airways
- (ii) First Nation Airways
- (iii) Azman air; and
- (iv) Air Peace

5. Accordingly, the general public is by this notice informed to refrain from purchasing domestic flights tickets from the aforementioned airlines or patronizing their services from **1<sup>st</sup> September, 2015**, when the enforcement action will commence until such a time the airlines comply. The Nigerian Civil Aviation Authority and other relevant enforcement agencies have been notified about the impending action and will provide assistance to FIRS for the successful implementation of the proposed enforcement action.

**Kola Okunola,**

Acting Coordinating Director,  
Modernisation Support Group,  
Federal Inland Revenue Service.