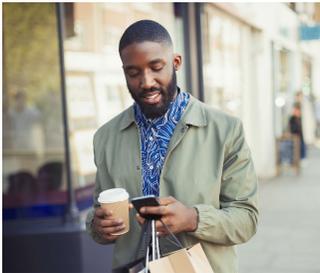


FIRS launches the electronic filing platform for transfer pricing

March 2020

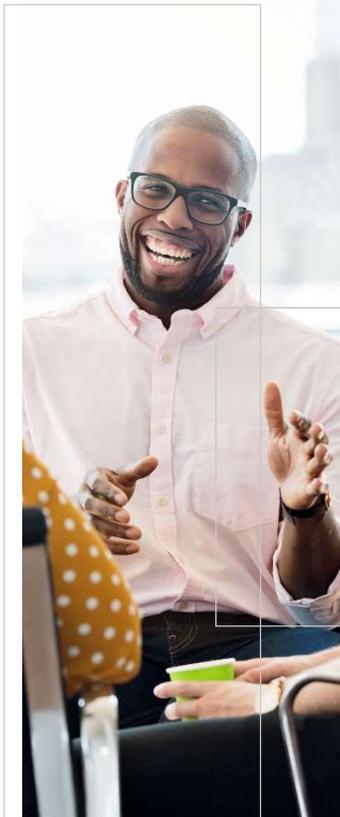


For a deeper discussion, please contact any member of our team below or your usual contact with PwC Nigeria:

Seun Adu
+234 (1) 271 1700 Ext 52001
seun.y.adu@pwc.com

Tiwalade Otufale
+234 (1) 271 1700 Ext 52003
tiwalade.otufale@pwc.com

Bernard Okorie
+234 (1) 271 1700 Ext 39064
bernard.okorie@pwc.com



Background

On 17 March 2020, the Federal Inland Revenue Service (FIRS) organized a stakeholder's event for the official launch of its electronic filing solution for Transfer Pricing (TP) called E-TP PLAT 2.0.

This electronic filing solution will allow taxpayers with TP and Country by Country Reporting (CbCR) obligations to file their annual TP and CbCR returns electronically.

How will the E-TP PLAT 2.0 work?

The E-TP PLAT 2.0 can be accessed via transferpricing.firs.gov.ng.

Taxpayers will be required to complete an E-TP access application form to register and obtain access to the E-TP PLAT 2.0 platform. The form is available via the above site and is to be submitted to FIRS once completed.

Once registered, taxpayer will be able to give access to their representatives including consultants.

The FIRS intends to release guidelines to give taxpayers direction on the use of the platform.

What returns will taxpayers be able to file on the platform?

The platform will be used for the electronic filing of the following returns:

- TP declaration forms;
- TP disclosure forms;
- CbCR notification forms; and
- CbC reports.

When will electronic filing start?

The FIRS expects that taxpayers will be able to file their 2020 year of assessment returns using the platform. It is therefore expected that the platform will go live shortly. Further information will be released by the FIRS in due course.

Will it still be possible to file paper based returns?

Yes. Taxpayers will still be able to file paper based returns. However, it is possible that this will be phased out over time. Further guidance will also be provided by the FIRS.

What support will be provided to taxpayers?

A support link has been provided on the platform. Registered taxpayers can raise their queries on the platform. Each query will be assigned via email to a staff at the FIRS who will have the responsibility to attend to it.



In addition, the FIRS plans to setup a small "e-kiosk" in the international tax department, where taxpayers can walk in and complete the electronic filing in the FIRS' office with assistance from FIRS personnel.

Takeaway

The launch of the electronic filing solution for TP is a welcome development and it is expected to help ease the compliance burden on Taxpayers.

It is also likely to allow the FIRS better monitor compliance and analyse the data provided by taxpayers in their returns. Taxpayers must therefore ensure that all returns are filed on time and that their TP risks are identified and addressed early enough.

Taxpayers should also consider the digitisation of their processes as this will make the process of collating the required information for the filing of returns on the portal easy.

Taxpayers should expect, and plan for possible teething issues. Experience with similar electronic filing initiatives, that have been introduced by different tax authorities, has shown that these are quite common.

Taxpayers who intend to use the platform should plan to file their returns well ahead of the deadline to reduce the risk that they are unable to do so due to unexpected technical glitches (especially on deadline day). This is important as the cost of missing the filing deadline can be material.



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