

TIWB Programme N° L2018-0001

Host Administration:
Federal Inland Revenue Service (FIRS) Nigeria

Expert source:
Organisation for Economic Co-operation and Development (OECD)/ African Tax Administration Forum (ATAF) / World Bank Group (WBG)

Programme Dates:
June 2018 – November 2018

Nigeria indicated their interest for a TIWB tax audit assistance programme in transfer pricing (TP) and international taxation issues in late 2017. The OECD and ATAF provided assistance over four missions from June 2016 to November 2018. The WBG co-facilitated parts of the workshops conducted during this programme. TIWB assistance was provided on TP issues on anonymised cases in the extractives sector. Main tax issues included intra-group services and financial transactions, intangibles and comparability adjustments.

Impact of the practical audit assistance programme

The transfer TP assistance programme helped Nigeria achieve the following results:

- **Human Resource development – Skill and knowledge transfer:** over 30 FIRS tax auditors were trained in TP issues relating to intra-group services, commodities, business restructuring, financial transactions, intangibles and permanent establishments. The workshops conducted received very positive feedback particularly on the usefulness of working on case studies and anonymised audit cases.
- **Institutional Development – Legislative changes, tools, processes, and procedures:** The support from the expert helped FIRS draft new TP legislation and regulations and new interest deductibility rules. The expert further assisted on drafting a TP information circular as well as a TP audit manual.
- **Lessons learned:** Creating a special TP-audit unit helps ensure a greater impact of the TIWB programme on the audit capacities of the Host Administration. Relevant legislation can help tax administrations to conduct effective TP audits and have a significant impact on taxpayer compliance and the tax administration's organisational culture.