

FINANCE & GOVERNANCE BRIEF

Nigeria's 2026 tax transition: what boards must address now

The Federal Government has clarified how obligations under the repealed tax laws interact with the new framework. Leadership teams now need disciplined implementation—not another high-level summary of the reforms.

Foxtrot Shield Intelligence Team 27 June 2026 7 minute read

EXECUTIVE ASSESSMENT

The principal near-term risk is not simply the amount of tax payable. It is applying the wrong framework to the wrong period, relying on incomplete records, overlooking transactions that span the transition or allowing inconsistent interpretations across business units. The response should be governed as an enterprise change programme involving finance, legal, technology, procurement, payroll and executive leadership.

What the transition guidance settles

The four-part framework comprises the Nigeria Revenue Service (Establishment) Act, Nigeria Tax Act, Nigeria Tax Administration Act and Joint Revenue Board (Establishment) Act. The June guidance is important because it addresses the boundary between the old and new systems.

The transition is date-sensitive

The Nigeria Tax Act took effect on 1 January 2026, while each of the four Tax Acts applies from its enacted commencement date.

Legacy matters remain under legacy law

Liabilities, assessments, audits, investigations, disputes and enforcement relating to earlier periods remain governed by the repealed framework.

Accounting periods matter

Returns for periods ending before 1 January 2026 follow the previous laws; periods ending from that date are administered under the new framework.

Existing incentives are not automatically lost

Existing incentives and exemptions continue until expiry, while new and pending applications fall under the new Acts.

Why this is a governance issue

Tax transition affects more than the tax function. Contracts may allocate liabilities using old assumptions. Technology systems may classify transactions differently. Procurement, payroll and sales teams may hold the evidence needed to support a position. Incentives may depend on conditions managed outside finance.

A technically correct interpretation can still fail if it is not translated into process, data, controls and accountable ownership. Boards should therefore seek assurance on implementation quality as well as the organisation's headline tax exposure.

Six actions for leadership teams

01

Create a transition map

List every tax type, entity, accounting period, open audit, dispute, incentive and material transaction. Assign the applicable legal regime and responsible owner.

02

Review contracts and transaction design

Identify agreements that span the transition, especially where tax allocation, invoicing, withholding, gross-up provisions or pricing assumptions may be affected.

03

Test data and record readiness

Confirm that finance, payroll, procurement and sales systems can produce complete records under the new administrative framework without losing legacy-period evidence.

04

Validate incentives and exemptions

Document the legal basis, grant date, expiry and conditions attached to every material incentive. Separate existing approvals from pending or planned applications.

05

Strengthen governance

Define who interprets new guidance, who approves positions, who monitors implementation and what issues must be escalated to executive leadership or the board.

06

Control external communication

Use certified legislation and formal government guidance. Avoid changing systems or commercial decisions in response to unauthorised texts, commentary or social-media summaries.

Questions the board should ask

Which material transactions cross the old and new regimes?

Can management evidence the legal basis for every significant tax position?

Are open audits, disputes and assessments clearly separated by period?

Do current systems retain the records needed for both frameworks?

Which incentives are approved, pending, expiring or at risk of non-compliance?

Has the organisation identified cash-flow, pricing or contract implications?

Who reports transition risk and implementation progress to the board?

FOXTROT SHIELD PERSPECTIVE

The strongest transition programmes will preserve a defensible audit trail from legal interpretation through system configuration, transaction processing and management approval. Organisations should treat uncertainty explicitly, obtain specialist advice where needed and update controls as further official guidance emerges.

PRIMARY SOURCES

Federal Ministry of Finance: General Guidelines for the Implementation of the Tax Acts 2025, 18 June 2026

Voice of Nigeria: House of Representatives Releases Certified Tax Acts to the Public, 5 January 2026

This briefing provides general risk and governance analysis. It is not legal, tax, technical or investment advice.