

KW-IRS ANNOUNCES WINNERS OF MAIDEN VIRTUAL TAX CLUB QUIZ COMPETITION PRELIMINARY STAGES



The Kwara State Internal Revenue Service (KW-IRS) in collaboration with the Ministry of Education and Human Capital Development has concluded the preliminary stages of the 2024 Tax Club Quiz Competition on Thursday 4th July, 2024.

The preliminary stages commenced on 24th June 2024, following a coordinated mock test organized by KW-IRS for all registered participants written in their respective schools to ensure they familiarize themselves with the online Computer Based Test.

A total number of one hundred and fifty-four (154) schools from across the State registered for the competition out of which eighty-three (83) schools participated in the preliminary online Computer Based Test. After the first round, sixty-one (61) schools qualified for the second round of the preliminary stage of the competition.

At the end of the two preliminary rounds, twelve (12) schools have distinguished themselves and qualified for the semi-final stage of the competition. The qualified schools, four (4) from each Senatorial District, are Government Day Secondary School, Gaa-Akanbi, Ilorin South Local Government Secondary School, Oke-Adini, Eucharistic Heart of Jesus Model College, Asa Dam and Total Child Secondary School, Ilorin from Kwara Central; Oyun Baptist High School, Ijagbo, Anglican Boys' Academy, Oro, Kwara State College of Education Model Secondary School, Oro and Apostolic Faith Secondary School, Egosi-Ile from Kwara South; Government Secondary School, Lafiagi, Royal Seed High School, Jebba, Shepherd Secondary School, Lafiagi and Baptist Model High School, Kaiama from Kwara North.

The Convener, KW-IRS Tax Club Advocacy Committee (TACAC), Funmilola Oguntunbi, speaking on behalf of the Executive Chairman, Shade Omoniyi, stated that the preliminary stage of the competition was a huge success and a landmark achievement for the Service despite some challenges and technical glitches experienced. She said, "For the first time in the history of the Tax Club Quiz Competition and in line with our automation

strategy, KW-IRS organized a virtual competition which enabled students to participate in the preliminary rounds virtually, without having to travel across the State".

A representative of the Honourable Commissioner, Kwara State Ministry of Education and Human Capital Development, Mrs. Roseline Ayansola, who was present during the back-end monitoring of the preliminaries and analysis of final results, commended all registered schools for taking up the challenge to compete for the ultimate N2.5m prize money in the annual tax quiz competition. She applauded the twelve (12) schools for braving the odds and emerging victorious after the rigorous preliminary rounds.

The semi-final stage will also hold virtually as a Computer Based Test (CBT) on 7th October 2024, where six (6) schools are expected to proceed to the final stage of the competition which will hold in Ilorin on 7th November 2024.

POGSASS, UNIVERSITY OF
ILORIN HONOURS KW-IRS BOSS



The Postgraduate Students Association (POGSASS) of the prestigious University of Ilorin, Ilorin, Nigeria, honored the Executive Chairman Kwara State Internal Revenue Service (KW-IRS), Shade Omoniyi, with a Leadership Award during the association's 2024 Leadership Summit. The event, themed

*“Empowering
the Future
Leadership in a
Dynamic
World,”*

took place on Thursday, 1st August, 2024.



The Management of Kwara State Internal Revenue Service (KW-IRS) has concluded a three-day strategic session to review the Service performance so far and outline strategies to enhance internally generated revenue as the year draws to a close. The session, which held from 10th to 12th September, 2024 at the KW-IRS Corporate Head Office in Ilorin, brought together members of the top management team, Heads of Departments, and selected staff.

In her opening remarks, the Executive Chairman, KW-IRS, Shade Omoniyi, commended staff for their dedication, and encouraged the team to stay focused and committed to meeting the year's revenue targets. She also highlighted the impending tax reforms currently being proposed by the Taiwo Oyedele-led Presidential Committee on Fiscal Policy and Tax Reforms, urging staff to be prepared for a major shift in tax administration.





The retreat featured presentations by various Departments, assessments and performance evaluations, and areas for improvement. The strategies outlined include fostering interdepartmental collaboration, enhanced customer service, reclassification of taxpayers, increased data gathering, elimination of revenue leakages through full automation of all revenue processes and continuous synergy with other Ministries, Departments, and Agencies (MDAs) in the State.

In attendance at the retreat were the Director, Legal and Compliance, Shehu Abdullahi; Director, Income Tax, Mohammed Shehu; and Director, MDAs, Omotayo Ayinla.

The Head, Corporate Planning Department, Mohammed Audu who organized the retreat, appreciated everyone for their invaluable contributions, adding that each department should work on the identified areas of improvement for the continued success of KW-IRS.

MANAGEMENT RETIREAT

ENHANCING WORKPLACE SAFETY:

KW-IRS ORGANIZES 2-DAY TRAINING PROGRAM FOR SAFETY OFFICERS



As part of proactive measures to ensure the well-being of its employees and create a secure work environment for all, KW-IRS organized a 2-day training on Workplace Safety and Emergency Preparedness for its Safety Officers between 11th and 12th September, 2024. The training, which took place at the Phase III office of the Service located at Irewolede, Ilorin, was facilitated by AB-Factor Global Concept Ltd, a renowned training provider.

Safety officers from various departments gathered to share experiences and gain knowledge on essential topics such as hazard identification, risk assessment, fire safety, first aid, and emergency response planning. Through interactive sessions, group discussions, and practical exercises, participants remained engaged throughout the two-day training. Scenario-based simulations allowed the Safety Officers to practice responding to emergencies like fires and medical emergencies, receiving expert guidance and feedback from facilitators.

The training highlighted the importance of collaboration and communication in ensuring workplace safety, working together effectively to identify and mitigate potential hazards, and communicating emergency procedures to all employees.

Issa Umar, the Chief Incident Commandant and Head, Admin Department, thanked the facilitators for the insightful training and appreciated the participants for their enthusiasm and commitment to workplace safety. He also emphasized the readiness of the Service to implement the lessons learned to create a safer workplace for all employees.

IMPROVING KWARA IGR: KW-IRS VISITS KWARA STATE COUNCIL FOR ARTS AND CULTURE



In the continuous bid to improve the IGR of Kwara State through effective inter-agency collaboration, delegates from the Kwara State Internal Revenue Service (KW-IRS) paid a courtesy visit to the Kwara State Council for Arts and Culture, on Wednesday, 18th September, 2024.

The KW-IRS team, led by the Director, Income Tax, Mohammed Usman, who represented the Executive Chairman, Shade Omoniyi, was warmly received by the dance troupe and other staff of the Council.

In his welcome address, the Council Secretary, Aliyu Jamiu, highlighted the functions of the Council, which include drama, dance, singing, live performances, and arts and crafts. He commended the support of KW-IRS, while pledging the Council's partnership and unflinching commitment to the revenue growth of Kwara State.

In response, Mohammed Usman appreciated the Council's efforts, performance, and for upholding the image of the State as a foremost Arts and Cultural Troupe in the country. He reiterated the continued support of the Service as both agencies progressively collaborate towards the attainment of the overall success of the State.

Other members of the visiting team include the Head, Parastatals Department, Abayomi Ajiboso, Team Lead, Parastatals, Adenike Taiwo, Ag. Head, Corporate Affairs, Funmilola Oguntunbi and other staff of the Service.





KW-IRS HOSTS 2-DAY TAX DISPUTE RESOLUTION WORKSHOP

As part of continuous tax advocacy, the Kwara State Internal Revenue Service (KW-IRS), organized a 2-day Tax Dispute Resolution workshop for Kwara State Judges, Revenue Magistrates, Law Officers, and KW-IRS management staff from Thursday, 26th to Friday, 27th September, 2024 at its Corporate Head Office in Ilorin.

In her welcome address, the Executive Chairman, KW-IRS, Shade Omoniyi, emphasized the importance of taxation in the economy and the need for effective dispute resolution mechanisms. She appreciated the Chief Judge of Kwara State, Honourable Justice Abiodun Adebara, who was represented by Honorable Justice H.A. Ajayi, and the facilitators from Eze & Associates.

Omoniyi stated that the purpose of the workshop was to bring together some stakeholders in the Kwara State revenue drive, and equip professionals with practical skills and requisite knowledge to navigate tax disputes efficiently and effectively.

Also speaking at the workshop, Justice H.A. Ajayi commended KW-IRS for organizing the workshop, highlighting the significance of proper dispute resolution in tax administration. She urged participants to engage actively and make the best of the workshop.

The Lead Facilitator, Mr. Chukwuemeka Eze, guided participants through the application of Best of Judgment Assessment, analysis of its adoption, and explained Kwara State's legal stance.

The workshop featured engaging presentations on prosecution and invocation as options in tax recovery, as well as insightful discussions and agreements on superior orders. Participants also shared ideas on ways of maximising revenue generation through voluntary tax compliance in the State, among others.

In his closing remarks, the KW-IRS Income Tax Director, Mohammed Usman, expressed sincere appreciation to the representative of the Chief Judge of Kwara State, Honorable Justice H.A. Ajayi, facilitators of the workshop, participants and the organizing team for their invaluable contributions.

Attendees of the workshop include Judges and Magistrates from the State High Court, KW-IRS management staff and other members of staff.



ANALYZING THE PROPOSED CRYPTOCURRENCY TAXES IN NIGERIA

By Victor Temitope Adebayo, KW-IRS

Cryptocurrency has become an integral part of Nigeria's digital economy, with the country ranking among the top users of digital currencies globally. The Nigerian government is set to introduce comprehensive tax reforms by September 2024, which will include cryptocurrency regulation. This proposal, led by the Federal Inland Revenue Service (FIRS), represents a significant shift in how the government plans to manage the emerging sector of digital assets. The new tax laws aim to modernize Nigeria's outdated tax system and regulate the fast-growing cryptocurrency market.

Current State of Cryptocurrency Regulation in Nigeria

Despite its widespread use, cryptocurrency in Nigeria currently operates in a regulatory gray zone. There are no specific laws governing its use, and previous actions by the Central Bank of Nigeria (CBN) to ban financial institutions from engaging in cryptocurrency-related activities have not stifled its adoption. It is estimated that up to 33% of Nigerians hold some form of cryptocurrency, making the country one of the largest cryptocurrency markets in Africa.

The government's proposal reflects a need for a legal framework that aligns with global practices in cryptocurrency regulation. According to FIRS Chairman Dr. Zacch Adedeji, the upcoming reforms will provide guidelines for regulating cryptocurrency transactions, a move intended to close existing legal loopholes and boost tax compliance in the digital economy. He emphasized that the Nigerian government cannot "run away" from the cryptocurrency ecosystem, and its regulation is crucial to ensuring transparency and protecting the nation's revenue base.

Existing Taxation on Digital Assets

Although there are no explicit tax laws addressing cryptocurrency in Nigeria, the Finance Act 2023 provides some groundwork. Under the Capital Gains Tax Act (CGTA), digital assets are recognized as taxable. Specifically, any gains from the sale or transfer of cryptocurrency are subject to a 10% capital gains tax. However, this is the only tax applicable to cryptocurrency transactions so far, and it does not comprehensively address the broader spectrum of activities related to digital assets.

With the new legislation, the government aims to expand and clarify tax regulations around digital assets. This may include transaction-based taxes and potential compliance requirements for both individuals and businesses involved in cryptocurrency trading.

The proposed framework will be designed to modernize revenue collection, making it easier for the government to capture earnings from digital transactions.

Rationale for the Proposed Cryptocurrency Taxes

The rationale behind the proposed regulation of cryptocurrency is multifaceted. Firstly, it seeks to ensure the government captures a fair share of revenue from the growing digital economy. Nigeria's cryptocurrency market is estimated to be worth over 400 million naira, and its unregulated status has created opportunities for tax evasion. Additionally, the introduction of taxes on cryptocurrency could enhance transparency, reduce financial crimes, and protect investors.

Another driving force behind the reforms is the need to align Nigeria's tax system with global trends. Countries like the U.S., U.K., and India have established regulatory frameworks for cryptocurrency taxation, and Nigeria is looking to follow suit to maintain its competitive edge in the global digital economy. The regulation of cryptocurrency will also help integrate the sector into the formal economy, ensuring that the government can effectively monitor and manage its growth.

Implications for the Nigerian Economy

The proposed cryptocurrency regulations and taxes will likely have wide-ranging implications for Nigeria's economy. On one hand, the regulation could encourage more institutional participation in the cryptocurrency market, as businesses and investors will have greater confidence in a clear legal framework. On the other hand, excessive taxation or overly restrictive regulations could drive crypto users to underground markets or to seek alternatives outside the formal financial system.

Moreover, the introduction of cryptocurrency taxes comes at a time when Nigeria is grappling with fiscal challenges. The federal government's budget deficit and efforts to diversify revenue sources make the taxation of digital assets an attractive option. According to the FIRS, the reforms are part of a broader strategy to increase national revenue, with a target of N19.4 trillion for 2024.

Conclusion

The Nigerian government's proposal to regulate and tax cryptocurrency is a necessary step in modernizing its tax system and capturing the value generated by the digital economy. As Nigeria continues to be a leading market for cryptocurrency adoption, the introduction of comprehensive regulations will provide much-needed clarity for both users and businesses involved in digital assets. However, the success of these reforms will depend on their design and implementation, ensuring that they balance revenue generation with fostering innovation in the crypto space.

In summary, the upcoming cryptocurrency tax reforms are an essential move toward creating a legal framework that supports the growth of Nigeria's digital economy while ensuring transparency and tax compliance.

As the global cryptocurrency market evolves, Nigeria's proactive stance could serve as a model for other developing economies grappling with similar regulatory challenges.

References

Daily Trust. (2024, August 19). FG plans new taxes, cryptocurrency regulation by September. <https://dailytrust.com/fg-plans-new-taxes-cryptocurrency-regulation-by-september>

The Nation. (2024, August 17). FIRS unveils plans to overhaul tax system, regulate cryptocurrency. <https://thenationonlineng.net/firs-unveils-plans-to-overhaul-tax-system-regulate-cryptocurrency>

DID YOU KNOW?

1. The Taiwo Oyedele-led Presidential Committee on Fiscal Policy and Tax Reforms has proposed incentives to encourage job creation by offering tax relief to companies that hire more people.
2. A deduction reduces taxable income, while a credit reduces tax liability.
3. To apply for Tax Clearance Certificate, you need to submit an application form, provide required document, pay any outstanding taxes or fees, and wait for processing and issuance.
4. Tax Clearance Certificate can be used for government contracts, business registration, export/import licenses, visa application and tender processes?
5. You can use your Tax Identification Number (TIN) for filing of tax returns, opening of bank accounts, applying for credit, etc.

KW-IRS COMMUNICATION CHANNELS INCLUDE:

Website:	www.kw-irs.com
Customer Care line:	07006959477
Email:	helpdesk@kw-irs.com
Facebook:	@KwaralRS
X:	@KwaralRS
Instagram:	@kwirs
LinkedIn:	Kwara State Internal Revenue Service
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PHOTO NEWS



UPCOMING EVENTS

2024 TAX CLUB QUIZ COMPETITION

Final Stage

07th November, 2024