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ARE THE TRANSFER PRICING REGULATIONS A CLOG TO BUSINESS SUSTAINABILITY IN NIGERIA?

Adewusi, Adefolake
Senior Associate, AELEX, Legal Practitioners & Arbitrators.
aadewusi@aelex.com; pholarke@nigerianbar.ng

Quadri, Moshood
Associate, AELEX, Legal Practitioners & Arbitrators.
mquadri@aelex.com

Abstract
Nigeria's population of over 190 million and its continuously expanding consumer market have made it an investment destination of interest to foreign investors for some time due in part to its low corporate taxes relative to other countries. The Income Tax (Transfer Pricing) Regulations 2018 provide guidance on the application of the arm's length principle in related-party transactions which would typically involve a Nigerian incorporated entity and its foreign affiliate. The 2018 TP Regulations which replaced the 2012 version, introduced a regime of specific administrative penalties for non-compliance with the filing of TP forms and documentations. The objective of this paper is to determine whether the TP Regulations are a clog to business sustainability in Nigeria. This paper finds that the TP Regulations where enforced to the letter, may stifle the Nigerian business environment and proposes that in order not to clog operations of small and medium-sized businesses, the right of the Federal Inland Revenue Service (FIRS) to require submission of TP documentation by companies with a controlled transaction value of less than N300 million should be activated only in the most deserving of circumstances. The paper also proposes that large businesses within the TP Regulations net, should proactively prepare their TP returns ahead of their audited accounts to anticipate and address TP issues which could be flagged by FIRS in its review of the audited accounts.

KEYWORDS: Transfer Pricing, Regulations, Clog, Business, Sustainability

Introduction
Nigeria's population of over 190 million and its continuously expanding consumer market have made it an investment destination of interest to foreign investors for some time. Nigeria is the largest economy in Africa, with a GDP of US$375.8 billion as at December 2017. Investors may have viewed the country's relatively low corporate tax rates as a good incentive to do business in Nigeria, in spite of infrastructure deficits and the multiplicity of taxes at the different tiers of government which can make running a business in Nigeria quite challenging.

The Income Tax (Transfer Pricing) Regulations 2018 (the “TP Regulations”) provide guidance on the application of the arm's-length principle in related-party transactions.

The Regulations allow related parties to adopt any of a number of listed methods as a basis for pricing of controlled transactions. The 2018 TP Regulations which replaced the 2012 version, incorporate the 2017 updates to the OECD's TP guidelines and introduced a regime of specific administrative penalties for non-compliance with the filing of TP forms and documentations.

The focus of this paper is to determine whether the TP Regulations are a clog to business sustainability in Nigeria. To address this issue, this paper is divided into four parts. Part One introduces the Paper, provides an overview of the Nigerian business environment and describes the concept of business sustainability. Part Two examines the meaning of transfer pricing and provides an overview of the TP Regulations, also highlighting its relationship with the Income Tax (Country-by-Country Reporting) Regulations. Part Three responds to the issue of whether the TP Regulations are a clog to business sustainability in Nigeria while Part Four concludes the paper with recommendations.

Overview of the Nigerian Business Environment

Foreign investors desirous of carrying out business in Nigeria – Africa's largest market, must do so by incorporating a Nigerian company at the Corporate Affairs Commission as provided by the Companies and Allied Matters Act[3]. The company may be public or private and the liability of its members could be limited by shares, limited by guarantee, or unlimited.

Many companies in Nigeria are either private or public companies limited by shares, with private companies being preferred for being easier to maintain effective control over the entity and being subject to less regulatory requirements than public companies. The law however prescribes for instances where a company is required to be a public company. For example, if a company aspires to be quoted on the Nigerian Stock Exchange, it must be a public company.

A company with a foreign investor is required to have a minimum share capital of N10,000,000 (Ten Million Naira). It should, however, be noted that certain sectors have a minimum share capitalisation requirement that could be more than N10,000,000 (Ten Million Naira). In such instances, the foreign investor would be required to satisfy the capital requirement for the sector in which it intends to invest. Following its incorporation, the NIPC Act provides that the company should be registered with the NIPC prior to commencing business. In addition, foreign investors are required to obtain a business permit (for the business) and expatriate quota (for its foreign personnel) from the Ministry of Interior pursuant to the Immigration Act 2015. A company is also required to have its registered office in Nigeria and can undertake any type of legitimate business activity as contained in its Memorandum of Association.

The primary body responsible for encouraging and promoting foreign investment in Nigeria is the Nigerian Investment Promotion Commission (NIPC), which was

[3]Chapter C20, Laws of the Federation of Nigeria 2004.

established by the Nigerian Investment Promotion Commission Act 1995 ("NIPC Act"). By virtue of the NIPC Act, foreigners enjoy unlimited freedom to engage in any enterprise either wholly or in partnership with Nigerians. However, foreign investors and Nigerians are prohibited from participating in certain sectors of the economy considered to be on the negative list as defined under Section 31 of the NIPC Act.

Notably, certain regulated sectors of the Nigerian economy require prospective business entities, in addition to the above, to obtain various licences and/or approvals irrespective of the composition of its membership. These sectors include banking, insurance, broadcasting, power generation and distribution, oil and gas, mining, telecommunications and aviation. Barring these regulated sectors, foreign investors may freely invest in any sector of the economy but only after fulfilling the registration requirements.

What is Business Sustainability?

The World Council for Economic Development (WCED) defines sustainability as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability, therefore, is an approach to creating true and real value to the systems and resources upon which that value depends on. Building on the foregoing, Business Sustainability can be said to be a process of analysis and decision-making across business functions, obtained through a committed and clear understanding of transitions that may occur in the present or the future.[4]

Thus, a business is sustainable when it holds a multi-dimensional view of its operations, its stakeholders, and its profits. In doing so, the business manages its triple bottom line namely profit, people, and planet.

In the context of this paper, business sustainability refers to the likelihood of sustenance or continuation of a business over an extended period of time. Noting that an incorporated company is theoretically expected to exist forever barring the conclusion of any winding up proceedings, it stands to reason that business sustainability is of prime importance to any investor and is indeed a major reason why the limited liability company structure is preferred to non-incorporated businesses like sole proprietorships and partnerships.

TRANSFER PRICING AND THE TP REGULATIONS

What is Transfer Pricing?

Transfer pricing is a practice that allows for the pricing of transactions internally between subsidiaries that operate under common control or ownership, including cross-border transactions. Where a subsidiary or affiliate company sells goods or services to the parent company or a fellow subsidiary, the price charged is called a transfer price.

[4] A Guide to Business Sustainability in Nigeria at https://sustyvibes.com/wp-content/uploads/2016/10/AGuidetoBusinessSustainabilityinNigeria.pdf?source=ebook-page-download (last accessed 9 August 2019).

It is the price at which goods (tangible and intangible) and services are traded between related (taxable) parties. The consideration of transfer pricing should not be confused with the consideration of problems of tax fraud or tax avoidance, even though transfer pricing policies may be used for such purposes.

When independent enterprises transact with each other, the conditions of their commercial and financial relations (such as the price of goods transferred or services provided and the conditions of the transfer or provision) ordinarily are determined by market forces. When associated enterprises transact with each other, their commercial and financial relations may not be directly affected by external market forces in the same way, although associated enterprises often seek to replicate the dynamics of market forces in their transactions with each other.

Transfer pricing relies on the application of the arm's length principle which means that the terms and conditions applied in transactions between related parties should be comparable to those used between independent parties. When transfer pricing does not reflect market forces and the arm's length principle, the tax liabilities of the associated enterprises and the tax revenues of the host countries could be distorted. Therefore, the tax authority may adjust the profits of associated enterprises as necessary to correct any such distortions and thereby ensure that the arm's length principle is satisfied.[5] An appropriate adjustment is achieved by establishing the conditions of the commercial and financial relations that they would expect to find between independent enterprises in comparable transactions under comparable circumstances.

From the perspective of the tax authority, companies can through transfer pricing, inappropriately alter their taxable income and saving taxes, as transfer pricing mechanism allows room to shift tax liabilities to low-cost tax jurisdictions. As such, there is usually a caveat that transactions between connected companies/associated enterprises/related parties must be at arm's length and it is this distortion that the TP Regulations seek to prevent and regulate. Adjustments can be made by a tax authority where the related party transactions do not comply with the arm's length principle.

Nigeria's TP Regulations: What are its Highlights?

The first transfer pricing specific regulation introduced in Nigeria was the Income Tax (Transfer Pricing) Regulations No. 1, 2012 which was enacted on 2nd August 2012. The Board of the Federal Inland Revenue Service ("FIRS") introduced the Regulation in exercise of the powers conferred on it by Section 61 of the FIRS (Establishment) Act, 2007 ("FIRS Act") which states that:

The Board may, with the approval of the Minister, make rules and regulations, as in its opinion are necessary or expedient for giving full effect to the provisions of this Act and for the due administration of its provisions and may in particular, make regulations prescribing the—

[5] See for instance, Article 9 of the OECD Model Tax Convention.

a) forms for returns and other information required under this Act or any other enactment or law; and
b) the procedure for obtaining any information required under this Act or any other enactment or law.

The 2012 TP Regulations were subsequently replaced by the Income Tax (Transfer Pricing) Regulations 2018 (the "TP Regulations").

The objectives of the TP Regulations are as follows:

i. Ensure that Nigeria is able to tax on an appropriate taxable basis corresponding to the economic activities deployed by taxable persons in Nigeria, including in their transactions and dealings with related persons;
ii. Provide the Nigerian authorities with the tools to fight tax evasion that may arise through over or under pricing of transactions between related persons.
iii. Reduce the risk of economic double taxation;
iv. Provide a level playing field for both multinational enterprises and independent enterprises carrying on business in Nigeria; and
v. Provide taxable persons with certainty of transfer pricing treatment in Nigeria.[6]

The TP Regulations give effect to the relevant provisions in the Personal Income Tax Act, Companies Income Tax Act, Petroleum Profits Tax Act, Capital Gains Tax Act and Value Added Tax Act on taxation of artificial transactions.[7]

The Arm's Length Principle

The TP Regulations define "arm's length principle" as: the principle that the conditions of a controlled transaction should not differ from the condition that would have applied between independent persons in comparable transactions carried out under comparable circumstances.[8]

Where a connected person[9] has entered into a transaction or a series of transactions to which the Regulation applies, the person shall ensure that such transaction is structured in a manner that is consistent with the arm's length principle. Where it does not, the FIRS is empowered to make adjustments where necessary to bring the transaction in accordance with the arm's length principle.[10]

Where a taxpayer carries out, under the same or similar circumstances, two or more controlled transactions that are economically closely linked to one another or that form a continuum such that they cannot reliably be analysed separately, those transactions may be combined to perform the comparability analysis required by the TP Regulations.[11] Also, profit allocation should correlate with risk allocation – capital-rich, low-function companies.[12]

[6] Regulation 2 of the Income Tax (Transfer Pricing) Regulations.
[7] Regulation 1 of the Income Tax (Transfer Pricing) Regulations.
[8] Regulation 27 of the Income Tax (Transfer Pricing) Regulations.
[9] Generally, persons are deemed connected where one person has the ability to control or influence the other person in making financial, commercial or operational decisions, or there is a third person who has the ability to control or influence both persons in making financial, commercial, or operational decisions. See Regulation 12 of the Income Tax (Transfer Pricing) Regulations.
[10] Regulations 4(1), (2) & (3) of the Income Tax (Transfer Pricing) Regulations.
[11] Regulation 5(5) of the Income Tax (Transfer Pricing) Regulations.
[12] Regulation 8 of the Income Tax (Transfer Pricing) Regulations.

Documentation Requirements

The TP Regulations provide that:

> A connected person shall record, in writing or on any other electronic device or medium, sufficient information or data with an analysis of such information and data to verify that the pricing of controlled transactions is consistent with the arm's length principle (Documentation) and the connected person shall make such documentation available to the service upon written request by the service.[13]

This obligation placed on the connected person does not preclude the FIRS from requesting for additional information at any time during the course of any audit procedures it conducts on such connected person.[14] The Documentation must be in place prior to the due date for filing the income tax return for the year in which the documented transaction took place.[15]

The Documentation must be submitted within 21 (twenty-one) days of receiving a request to issue same from the FIRS and failure to submit the Documentation within this period means that the connected person shall be liable to pay a fine of N10,000,000 (Ten Million Naira) or one percent of the total value of all controlled transactions, whichever is greater, and N10,000 (Ten thousand Naira) for each day the failure persists[16] unless the connected person applies to the FIRS in writing for an extension of time to submit the Documentation and such application is granted.[17] However, where the extended submission date is not met, the penalty would apply as if no extension was granted.[18]

Information Requirements

A connected person is required to maintain all contemporaneous documentation specified in the schedule to the TP Regulations.[19] Where a merger or divesture occurs, the relevant contemporaneous documentation must be kept by the surviving enterprise.[20] The maintenance of contemporaneous documentation is however not required where the total value of controlled transactions for a connected person is less than N300,000,000 (Three Hundred Million Naira) provided that, where the FIRS demands for the relevant documentation, it is submitted not later than 90 (ninety) days from the date of receipt of the demand.[21]

Where the connected person fails to submit the documentation after receipt of a notice from the FIRS to submit same, a fine of N10,000,000 (Ten Million Naira) or one percent of the total value of all controlled transactions, whichever is greater, and N10,000 (Ten thousand Naira) for each day the failure persists shall apply unless a letter for extension of time is written and granted by the FIRS.[22]

[13] Regulation 16(1) of the Income Tax (Transfer Pricing) Regulations.
[14] Regulation16(2) of the Income Tax (Transfer Pricing) Regulations.
[15] Regulation16(4) of the Income Tax (Transfer Pricing) Regulations.
[16] Regulation 16(5) of the Income Tax (Transfer Pricing) Regulations.
[17] Regulation 16(6)(7) of the Income Tax (Transfer Pricing) Regulations.
[18] Regulation 16(8) of the Income Tax (Transfer Pricing) Regulations.
[19] Regulation 17(1) of the Income Tax (Transfer Pricing) Regulations.
[20] Regulation 17(2) of the Income Tax (Transfer Pricing) Regulations.
[21] Regulation 17(3) of the Income Tax (Transfer Pricing) Regulations.
[22] Regulation 17(4) of the Income Tax (Transfer Pricing) Regulations.

In addition, it is likely, depending on which arm's length pricing method is adopted, that the FIRS will at some stage need to enquire into some or all of the following matters:

i. the open market prices of goods or services comparable to those supplied by or to the taxpayer;
ii. production costs;
iii. research and development costs; and
iv. the price at which the multinational group of which the taxpayer is a part ultimately sells the goods into the open market.

Offences and Penalties

Certain offences and penalties are stipulated in the TP Regulations. A connected person who is required to maintain contemporaneous documentation and fails to submit the documentation it is required to keep within 21 (twenty-one) days from the receipt of a notice from the FIRS to submit same commits and 0ffence and is liable to an administrative penalty of a sum equal to N10,000,000 (Ten Million Naira) or one percent of the total value of all controlled transactions, whichever is greater, and N10,000 (Ten Thousand Naira) for each day the failure persists.[23] It is also an offence for a connected person who is not required to keep contemporaneous documentation to fail to submit the documentation within 90 days of the receipt of a notice from FIRS to submit same. Such failure also attracts a fine of N10,000,000 (Ten Million Naira) or one percent of the total value of all controlled transactions, whichever is greater, and N10,000 (Ten Thousand Naira) for each day the failure persists.[24]

Where a person contravenes a provision of the Regulation for which no penalty is stipulated, the penalty prescribed in the relevant tax law will apply.[25]

Country by Country Reporting

The OECD has produced a number of reports on transfer pricing[26] which provide guidance when seeking to establish and maintain a transfer pricing policy. The reports provide at the very least, an invaluable bench mark against which multinational groups can start to evaluate their own pricing policies.

The OECD and G20 countries had adopted an Action Plan to address Base Erosion and Profit Shifting (BEPS) and promote:

i. coherence of corporate tax at the international level
ii. substance or value creation; and
iii. cooperation and transparency, together with certainty and predictability.

[23] Regulation 16(3) of the Income Tax (Transfer Pricing) Regulations.
[24] Regulation 17(2) of the Income Tax (Transfer Pricing) Regulations.
[25] Regulation 20 of the Income Tax (Transfer Pricing) Regulations. The relevant tax laws are the Personal Income Tax Act, Companies Income Tax Act, Petroleum Profits Tax Act, Capital Gains Tax Act and Value Added Tax Act.
[26] See OECD Comm. on Fiscal Affairs, Issues In International Taxation (1987); OECD Comm. on Fiscal Affairs, Transfer Pricing And Multinational Enterprises ? Three Taxation Issues (1984); See also Paras 18 and 19 of the Regulations.

In pursuance of these objectives, BEPS Action 13 requires the OECD to: develop rules regarding transfer pricing documentation to enhance transparency for tax administrations, taking into consideration the compliance costs for business.

The rules to be developed will include a requirement that multinational enterprises (MNEs) provide all governments with the needed information on their global allocation of the income, economic activity and taxes among countries according to a common template.[27]

In furtherance of these objectives, the FIRS issued the Income Tax (Country-by-Country Reporting) Regulations (the "CbC Regulations") and the Guidelines on CbC Reporting in Nigeria (the "Guidelines"). The CbC Regulations were issued with the aim of implementing the OECD Base Erosion and Profit Shifting ("BEPS") program framework. They place an obligation on MNEs operating in Nigeria to provide more transparent information on the fiscal and economic activities of such MNEs, which will ultimately lead to better assessments by the tax authority and limit tax avoidance and tax evasion.[28]

Under the CbC Regulations, the Ultimate Parent Entity of an MNE with an annual consolidated group revenue equal to or higher than N160,000,000,000 (One Hundred and Sixty Million Naira only) in the preceding fiscal year is required to file a Country-by-Country ("CbC") Report with the FIRS.[29] The CbC Report shall not be filed later than 12 months after the last day of the reporting accounting year of the MNE Group.[30] Failure to file the CbC Report as at when due attracts a penalty of N10,000,000 (Ten Million Naira only) and N1,000,000 (One Million Naira only) for every month in which the default continues.[31] Filing an incorrect or false CbC Report attracts a penalty of N10,000,000 (Ten Million Naira only).[32]

Furthermore, every Constituent Entity that is resident in Nigeria is obliged to submit a yearly notification to FIRS pursuant to regulation 6 of the CbC Regulations. The entity will notify the Service whether it is the Ultimate Parent Entity or Surrogate Parent Entity, or otherwise, the details of the Reporting Entity.[33] Failure to file this notification as at when due attracts a fine of N5,000,000 (Five Million Naira only) and an additional N10,000 (Ten Thousand Naira only) for each day of default.[34]

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[27] OECD BEPS Action Plan, Action 13.
[28] Regulation 2 of the Income Tax (Country-by-Country Reporting) Regulations.
[29] Regulation 3 of the Income Tax (Country-by-Country Reporting) Regulations.
[30] Regulation 9 of the Income Tax (Country-by-Country Reporting) Regulations.
[31] Regulation 11 of the Income Tax (Country-by-Country Reporting) Regulations.
[32] Regulation 12 of the Income Tax (Country-by-Country Reporting) Regulations.
[33] Regulation 6 of the Income Tax (Country-by-Country Reporting) Regulations.
[34] Regulation 13 of the Income Tax (Country-by-Country Reporting) Regulations.

DO THE TP REGULATIONS CLOG BUSINESS SUSTAINABILITY IN NIGERIA?

Benedikt states that the relationship between corporate sustainability performance (CSP) and corporate tax avoidance is currently both theoretically and empirically ambiguous. From a theoretical perspective, traditional economic theories suggest that firms engage in tax avoidance and attempt to increase their sustainability performance to maximise shareholder value. Minimising the corporate tax liability increases shareholder value, which is limited by reputational risks and the probability of detection and punishment.[35] It is not new for companies to attempt to maximise profits by employing tax avoidance strategies and shifting profits from jurisdictions with high tax rates to jurisdictions with low tax rates.

The TP Regulations were issued with the aim of curbing tax evasion, double taxation, and to ensure that companies do not indiscriminately shift profits from Nigeria to countries with low tax rates thus depriving Nigeria of its fair share of tax, among others. Generally, by using transfer pricing, companies are able lower their tax burdens and boost their profits. Under Nigerian law, any transaction between related parties or connected persons must be at arm's length. The methods to be applied in determining whether a transaction is at arm's length are stated in the TP Regulations and are as follows:

i. The Comparable Uncontrolled Price ("CUP") method;
ii. The Resale Price method;
iii. The Cost Plus method;
iv. The Transactional Net Margin method; and
v. The Transactional Profit Split method.[36]

Where a transaction is deemed not to be at arm's length by the FIRS, it is at liberty to adjust the transaction to reflect the arm's length transaction.[37]

The implication of not conducting transactions at arms' length in FIRS' estimation, is that pricing adjustments will be made by FIRS and any ensuing profits will be subject to tax at the corporate tax rate of 30% (thirty percent). There are also penalties for failing to keep appropriate documentation, make[38] the required disclosures,[39] and various other requirements as specified by the TP Regulations.

Again, for commodity transactions, FIRS may select a quoted price at the transaction date that does not accord with the reality of transaction between the related parties.[40] The quoted price at transaction date is the applicable date in commodity transactions. In this regard, quoted price means the price obtainable from an international or domestic

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[35] B. Benedikt, "Essays on Transfer Pricing, Taxes and Corporate Sustainability Performance" at https://doi.org/10.5167/uzh-149126 (last accessed 9 August 2019).
[36] Regulation 5(1) of the Income Tax (Country-by-Country Reporting) Regulations.
[37] Section 13(2)(d) of the Companies Income Tax Act.
[38] Regulation 16 of the Income Tax (Country-by-Country Reporting) Regulations
[39] Regulations 13, 14, 15 of the Income Tax (Country-by-Country Reporting) Regulations
[40] Regulation 9 of the Income Tax (Transfer Pricing) Regulations.

commodity exchange market, or from recognised and transparent price reporting or statistical agencies, or from governmental price-setting agencies, or any other index, that is used as a reference by unrelated parties to determine prices in transactions between them. Where there is more than one recognised market, statistical or price-setting agency, FIRS may by notice specify the process for determining the most appropriate index.[41]

There is also no obligation for FIRS to accept customs valuation when determining the transfer pricing.[42] This may work hardship on parties who have relied on the pricing given by another regulatory agency – Nigeria Customs Service in closing the transaction.

Also there are limited deductions for royalty. As such, allowable deductions for royalties paid for transfer of rights in intangibles (except alienation) restricted to 5% (five percent) of EBITDA.[43]

In its quest to reduce the risk of economic double taxation, double taxation may result from an adjustment is made to the taxation of a transaction or transactions of a connected person resident in Nigeria by a competent authority of a country which has a double taxation agreement with Nigeria. In such an instance, FIRS upon a request by a connected person can make a corresponding adjustment to the amount of tax charged in Nigeria on the income.[44] This ensures that the profits from a business are taxed at the appropriate location, regardless of whether that location is Nigeria or not.

From the foregoing, it seems clear that the intent of the TP Regulations is to nip tax avoidance and evasion in the bud by capturing within the tax net, taxable income which would otherwise have been lost through ingenious tax planning schemes carried out by MNEs. While this intent is laudable, there is some concern that FIRS may go overboard in its implementation of the intent and indeed some of the provisions of the TP Regulations tease out this eventuality. For instance, the punitive penalties which in many cases appear to be strict-liability based[45] and could run into a million naira per month, could cripple small and medium-sized enterprises (SMEs), where enforced by FIRS to the letter.

Of course, the corollary argument would be that ignorance of the law is no excuse and in any event, companies regardless of size, would be motivated to comply with the provisions timeously to avoid incurring the penalties.

[41] Regulation 27 of the Income Tax (Transfer Pricing) Regulations.
[42] Regulation 8 of the Income Tax (Transfer Pricing) Regulations.
[43] Regulation 7(5) of the Income Tax (Transfer Pricing) Regulations. EBITDA means earnings before interest, taxes, depreciation and amortisation.
[44] Regulation 10(1) of the Income Tax (Country-by-Country Reporting) Regulations
[45] Strict liability offences are offences which do not consider the presence of fault before holding the offender liable. As such, an ignorant or mistaken offender can be held liable for a strict liability offence.

Conclusion

When associated enterprises transact with each other, their commercial and financial relations may not be directly affected by external market forces in the same way as non-associated enterprises. Tax administrations should not therefore automatically assume that associated enterprises have sought to manipulate their profits. There may be a genuine difficulty in accurately determining a market price in the absence of market forces or when adopting a particular commercial strategy.

In the final analysis, it can be stated that the TP Regulations are intended to eliminate tax avoidance and tax evasion without having any negative impact on the business sustainability of responsible corporate entities. To fully achieve this intent without clogging business sustainability, the following action items are recommended.

Recommendations

1. The right of the FIRS to require submission of TP documentation by companies with a controlled transaction value of less than N300 million should be enforced only in the most deserving of circumstances instead of routinely. This would align with part of the rationale for replacing the 2012 version of the Regulations and would ensure that SMEs are not unduly clogged by the human, money and time resources needed to file the documentation. This, would be an indirect boost to their business sustainability.

2. MNEs and other large businesses within the TP Regulations net, should proactively prepare their TP returns before finalising their audited accounts to anticipate and address TP issues which could be flagged by FIRS in its review of their audited accounts.