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NEWS UPDATE

**FIRS RECOMMENCES FIELD AUDIT,
INVESTIGATION AND MONITORING EXERCISES AND
EXTENSION OF DEADLINE OF PENALTY AND INTEREST WAIVER**

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FIRS RECOMMENCES FIELD AUDIT, INVESTIGATION AND MONITORING EXERCISES AND EXTENSION OF DEADLINE OF PENALTY AND INTEREST WAIVER

■ TAX AUDITS & INVESTIGATIONS

On 6th of April 2020, the Federal Inland Revenue Service (“FIRS”) published a press release and listed palliative measures to support taxpayers during the period of initial COVID-19 pandemic spread. One of these measures included suspension of Field Audit, Investigations and Monitoring Visits by the FIRS till further notice.

The FIRS has now released an update to inform the public of its intention to restart the suspended Audits, Investigations and Monitoring Visits which shall commence again in two (2) stages.

Stage 1: Commencing immediately. This will involve continuation of reconciliation and findings/tax liabilities that arose as a result of past desk Reviews, Monitoring Visits, Tax Audits and Tax Investigations.

Stage 2: To commence 30th June 2020. This will involve new field Visits as regards Monitoring, Tax Audits and Tax Investigations.

■ TAX WAIVER

In April, the FIRS had granted a waiver of penalty and interest to taxpayers with already established tax liabilities resulting from tax audits, tax investigations and desk reviews. This waiver was based on the condition that the taxpayers make full payment of the tax liabilities by 31st May 2020.

This month, the FIRS has now provided an extension of the applicability of the waiver to tax liabilities fully paid by 30th June 2020. In addition, the FIRS has expanded the waiver of interest and penalty to cover:

1. Self-Assessment filings.
2. Approved installment payment plans under the 2018 Voluntary Asset and Income Declaration Scheme (VAIDS) that has not been complied with or were partially complied with. Taxpayers that had defaulted with approved installment payments under VAIDS are now advised to make remittance of the remaining total liabilities within this period of grace, to avoid a situation whereby the incentives earlier granted to the tax payers would be withdrawn.
3. Tax liabilities established through desk reviews, tax audits and investigations.

This is an opportune time for defaulting taxpayers to regularize their tax filings and payments, and take advantage of the added benefit of the waiver of penalties and interests.