

Did *you* know.

Tax Compliance Edition



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From January 1, 2026, Nigeria entered what many may regard as “A New Tax Year.” On the tax scene, it will no longer be business as usual. Here’s one key detail every individual, business, and potential government contractor should know.

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A Tax Identification Number (TIN) is a unique number issued to all registered entities or persons for the payment of all tax types. Under Section 4 of the Nigeria Tax Administration Act, 2025, “Every taxable person shall register with the relevant authority and obtain a Taxpayer Identification Number (Tax ID) for the purpose of compliance with tax obligations.”

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Interestingly, Section 7(3) provides that the tax authority may register and issue a Tax ID to a person who should apply but fails to do so. That word “may” is important because it means the law gives the authority the discretion, not the duty. So, it’s ultimately your responsibility to ensure registration.

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More crucially, Section 8 of the Act provides that having a valid Tax ID is now a condition for entering into any contract with a federal, state, or local government body. In other words, the government is saying, if you are not within the tax net, it will not do business with you.

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And that's not all. Under *Section 100(2), of the Nigeria Tax Administration Act* a “statutory body or company who awards a contract to an unregistered person, shall be liable to pay an administrative penalty of N5,000,000.00”.

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Bottom Line

Tax registration and obtaining a TIN are no longer optional, it is now essential. If you or anyone you know plans to bid for government contracts soon, share this information with them. Compliance today could save millions tomorrow.

