COMPANIES INCOME TAX (RATES, ETC. OF TAX DEDUCTED AT SOURCE (WITHOLDING TAX) REGULATIONS S.1 10 1997

Ist January 1995

I.-(I) The rate at which a person as defined in paragraph (2) of this regulation shall deduct tax under the Decree from a payment made by him for an activity or service listed in Column I of the Schedule to these Regulations shall be as set out in Column 2 of the Schedule.-

.(2) For the purposes of paragraph (1) of this regulation -

"person' includes a body corporate and unincorporate, a Government Ministry, Department and agency, a Local Government, a statutory body, a public authority and any other institution, Organisation, establishment and enterprise which operates a Pay-As-You-Earn Scheme.

2. A deduction made from a payment shall not be regarded as an additional cost of the contract to be included in the contract price but as tax due on the payment.

3.-(I) A person who deducts tax from a payment shall issue a receipt for the tax so. deducted and a statement containing the following information, that is -

(a) the name, address and the Federal Inland Revenue Service reference number of the (b) the nature of the activity or service in respect of which the payment was made;

(c) the gross amount paid or payable;

(d) the amount of tax deducted; and

(e) the period to which the payment relates.

(2) Where a company from whom tax is deducted claims tax credit for the tax so deducted it shall submit the receipt issued to it under paragraph (1) of this regulation to the relevant tax authority as evidence of the tax deducted.

4.-(I) A person who deducts tax from a payment shall, when the payment is credited or paid, which ever is earlier submit, to the relevant office, of the Federal Inland Revenue service, the evidence of remittance to the designated branch of the bank zoned to that office of the tax deducted.

(2) The submission shall be accompanied with a statement containing the

following information

(a) the name address and the Federal Inland Revenue Service reference number of the person from whom the tax was deducted

(b) the nature of the activity or service in respect of which the payment was made;

(c) the gross amount paid or payable,

(d) the amount of tax deducted; and

(e) the period to which the payment relates.

5. A person required to deduct tax at source under the Act and under these Regulations who fails to do so or having deducted tax fails to pay the tax to the Federal Inland Revenue Service within thirty days from the date the tax was deducted or the time the duty to deduct the tax arose is-guilty of an offence and liable on conviction to the penalty set out in section 64 of the Act.

6. In these Regulations, unless the context otherwise requires -

(a) 'the Act" means the Companies Income Tax Act

(b) a word or an expression 'used in these Regulations has the meaning assigned to it in the Act.

7. These Regulations may be cited as the Companies Income Tax Act (Rates, Etc. Of Tax Deducted At Source (Withholding Tax) Regulations 1997 and shall be deemed to have come into force on lst January 1995.

PAYMENTS FROM WHICH TAX IS TO BE DEDUCTED AND RATE OF TAX

Column I	**Column 2**
Payments in respect of	**Rate at which tax is to be deducted**
I . All aspects of building construction and related activities	5 %
2. All types of contracts and agency arrangements, other than sales in the ordinary course of business	5 %
3. Consultancy and professional services	10 %
4.Management services	10 %
5. Technical services	10 %
6. Commissions	10 %