



BRAU Newsletter from Jackson, Etti and Edu
JULY 2020

Financial Reporting Council of Nigeria (FRC) – Report on Compliance with the Nigerian Code of Corporate Governance (NCCG) 2018

The Financial Reporting Council of Nigeria (FRC) issued a Guidance for Reporting on Compliance with the Nigerian Code of Corporate Governance (NCCG) 2018; it also stipulates timelines for corporate entities to report compliance with the NCCG 2018. The guidance is in furtherance of the Council’s engagement with all sector regulators to develop sectoral guidelines of corporate governance on specific requirements relevant to each sector, which are not covered under NCCG 2018. Further Sectoral Guidelines are to be released once the engagement with Sectoral Regulators is complete. Reporting entities shall report on the application of the Code in their annual reports for financial years ending after January 1, 2020 in the form and manner prescribed by the FRC.

The table below contains timelines for completing the template for reporting on compliance with the Code for financial years ending after January 1, 2020 given different financial year ends adopted by reporting entities.

S/N	Companies’ Year End	NCCG 2018 Compliance Reporting Timeline for 2020	NCCG 2018 Compliance Reporting Timeline from 2021
1.	31 January	30 July 2020	30 April 2021
2.	29 February	30 July 2020	30 May 2021
3.	31 March	30 July 2020	30 June 2021
4.	30 April	30 July 2020	29 July 2021
5.	31 May	30 August 2020	30 August 2021

6.	30 June	29 September 2020	29 September 2021
7.	31 July	29 October 2020	29 October 2021
8.	31 August	29 November 2020	29 November 2021
9.	30 September	29 December 2020	29 December 2021
10.	31 October	29 January 2021	29 January 2022
11.	30 November	28 February 2021	28 February 2022
12.	31 December	31 March 2021	31 March 2022

The reporting template provided by the FRC is designed along the principles contained in the Code and seeks to assess the company's level of compliance with the principles in the NCCG 2018. Entities are to explain how these principles have been applied, specify areas of deviation from the principles, and give reasons for these deviations and any alternative practice(s) adopted. Also, the FRC stated further that though the online portal developed for electronic submissions of reports on compliance with the NCCG 2018 is yet to be completed, companies should download the reporting template from the FRC's website at www.financialreportingcouncil.gov.ng, complete it and submit a copy of the completed report to their sector regulators; the FRC at fookediran@financialreportingcouncil.gov.ng; and, for listed companies, the stock exchanges on which they are listed. Also, a completed copy of the reporting template should be hosted on the investors' portal on the company's website for a minimum of five (5) years, alongside the company's communication policy, annual reports, and other relevant information as indicated in Section 27.4 of the Code.

Corporate Affairs Commission (CAC) – Tax Identification Number

The Corporate Affairs Commission (CAC) in furtherance of the Ease of Doing Business Initiatives, issued a notice stating that Certificates of Incorporation of companies registered under Part A of CAMA will henceforth bear the Tax Identification Numbers (TIN) issued by the Federal Inland Revenue Service (FIRS) to such companies. Companies no longer have to apply for the issuance of Tax Identification Numbers from the FIRS after incorporation.



Federal Inland Revenue Service - Audit and Recovery of Stamp Duty Payments



The Federal Government of Nigeria has inaugurated an Inter-ministerial Committee for the Audit and Recovery of Stamp Duty payments from 2016 till date. The Committee headed by the Hon. Attorney General of the Federation and Minister of Justice is saddled with the responsibility of increasing tax revenue generation, through the stamp duty levy imposed on agreements and other contractual instruments.

Transactions which are covered by this audit includes, documentations in commercial transactions like powers of attorney, deeds of assignment, leases, deeds of gift, wills, bond notes, cheques, loan application guarantors' form, insurance policies, mortgage and other security documents, proxy forms and share documents etc. Businesses and MDAs are to expect a revenue audit and stamp duty recovery drive from the government following this directive. This audit will cover 2016 till date, and defaulters will face penal sanctions like fines and/or criminal prosecution.

The FIRS is ready to make stamp duty remittances one of the most significant sources of government earnings in the wake of dwindling oil prices; the Stamp Duties Act, the Finance Act 2019, provides the legal framework for this exercise. Compliance officers, in-house counsel, and external solicitors are to ensure compliance to forestall liability.