

TAX GOVERNANCE AS AN INTEGRAL COMPONENT OF CORPORATE GOVERNANCE: INSIGHTS FROM THE 2025 TAX REFORM ACTS

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Abstract

This study examines the role of tax governance as an integral component of corporate governance in the context of Nigeria's fiscal framework under the 2025 tax reforms Acts. The study interrogates the extent to which these laws have reshaped corporate obligations and emphasised tax compliance as a board-level responsibility. Adopting a doctrinal and analytical approach, the paper evaluates key provisions such as the minimum effective tax regime, mandatory disclosure of tax planning arrangements, e-fiscalisation requirements, and enhanced enforcement mechanisms. The findings reveal that the 2025 reforms fundamentally transform tax compliance from a routine administrative function into a strategic governance imperative. Consequently, they impose heightened responsibilities on boards of directors, particularly in the areas of tax risk management, transparency, and regulatory engagement. The study further finds that failure to integrate tax governance frameworks exposes corporations to significant financial, reputational, and operational risks. To this end, the paper recommends enhancement and/or institutionalisation of structured tax governance framework for corporate organisations, including board-level oversight through audit committees, investment in digital tax infrastructure, and the alignment of tax strategy with corporate values and stakeholder expectations. It concludes that robust tax governance is indispensable for sustainable corporate performance in Nigeria's evolving regulatory environment.

Keywords: Tax Governance; Corporate Governance; Nigeria Tax Reforms 2025; Tax Compliance; Board Oversight; Fiscal Accountability

1. Introduction

The relationship between taxation and corporate governance has, for too long, been characterised by an artificial separation in many businesses, wherein tax compliance is treated as a technical or administrative function, rather than as an integral component of corporate stewardship.¹ This operational partition has been costly, not only to the integrity of corporate conduct, but also to the developmental aspirations of emerging economies, whose revenue foundations depend upon the consistent and transparent discharge of tax obligations by the private sector.² It is an error in both concept and practice that modern jurisprudence, institutional governance literature, and, increasingly, legislative reform is moving decisively to correct.

It is important, however, to acknowledge that this separation has never been absolute. In well-governed and sophisticated corporate institutions, particularly within capital-intensive and highly regulated sectors such as oil and gas, financial services, and telecommunications, tax governance has long been embedded within corporate structures. Dedicated tax departments, led by senior tax professionals and integrated into finance leadership, have historically provided the technical and strategic guidance upon which key commercial decisions are made. In such contexts, tax has never

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¹ A Siman and R Avi-Yonah, 'Taxation and Corporate Governance' (2024) 16(1) *Columbia Journal of Tax Law* 51-85

² Ater Solomon Vendaga, 'Increasing Government Revenue Through Taxes in Nigeria's Growing Economy' (SabiLaw, 16 January 2022) <<https://sabilaw.org/increasing-government-revenue-through-taxes/>> accessed 31 March 2026.

been merely a compliance obligation; it has been a recognised dimension of enterprise risk and value optimisation.

What has changed, however, is the regulatory expectation. The enactment of Nigeria's four landmark Tax Reform Acts on 26 June 2025 represents perhaps the most consequential restructuring of the country's fiscal landscape in several decades. The four statutes, namely the Nigeria Tax Act 2025 (NTA), the Nigeria Tax Administration Act 2025 (NTAA), the Nigeria Revenue Service (Establishment) Act 2025 (NRSEA), and the Joint Revenue Board (Establishment) Act 2025 (JRBEA), collectively constitute what may fairly be characterised as a fiscal constitution for the modern Nigerian enterprise.³ Their combined effect is not merely administrative but is transformative in what it demands of corporate boards, audit committees, and executive management. The reform package dismantles a fragmented, often contradictory body of tax legislation and replaces it with a unified, transparent, and internationally oriented framework that leaves no responsible corporate governance practitioner unaffected.

This paper advances the argument that, although corporate governance and tax compliance have each received considerable scholarly attention, there remains a clear doctrinal gap in the literature on how tax governance operates as a distinct board-level function in Nigeria, especially under the four Tax Reform Acts enacted on 26 June 2025: the Nigeria Tax Act, the Nigeria Tax Administration Act, the Nigeria Revenue Service (Establishment) Act, and the Joint Revenue Board (Establishment) Act. This paper seeks to fill that gap by demonstrating how the 2025 tax reform regime relocates tax from a mere compliance exercise to a core governance responsibility for boards and audit committees. To achieve this objective, the paper proceeds by examining the conceptual foundations of tax governance within the corporate governance literature, interrogating the specific demands of the 2025 reform framework upon Nigerian corporations, and proposing the framework of an integrated tax governance model suited to contemporary Nigerian business practice.

2. Tax Governance as an Integral Component of Corporate Governance

The idea of corporate governance has evolved considerably over the last three decades, driven in equal measure by spectacular corporate failures and the normative aspirations of international institutions. For instance, the first version of the UK Corporate Governance Code was published in 1992 by the Cadbury Committee. It defined corporate governance as:

The system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place.⁴

In the same vein, the UK's 2018 Code of corporate governance defines the concept of corporate governance as "*the purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company*".⁵ This definition emphasises that, within a well-structured corporate governance system, the interests of various stakeholders, including shareholders, employees, customers, and the broader community, are

³ Nigeria Tax Act 2025 (No 7); Nigeria Tax Administration Act 2025 (No 5); Nigeria Revenue Service (Establishment) Act 2025 (No 6); Joint Revenue Board (Establishment) Act 2025 (No 8). All four statutes were signed by President Bola Ahmed Tinubu on 26 June 2025 and took effect on 1 January 2026.

⁴ Financial Reporting Council, 'The UK Corporate Governance Code' *FRC* (July, 2018)

<<https://www.ecgi.global/sites/default/files/codes/documents/2018-uk-corporate-governance-code-final.pdf>> accessed 30 March 2026

⁵ *Ibid.*, 1

carefully balanced and aligned.⁶ In this way, directors are entrusted with the responsibility of steering the company towards achieving its strategic objectives while ensuring compliance with legal and regulatory frameworks.⁷

Of note is the OECD Principles of Corporate Governance which was first published in 1999 and substantially revised in 2015. These Principles articulate a framework premised upon accountability, transparency, responsibility, and fairness.⁸

While these principles have historically concentrated on board composition, executive remuneration, internal controls, and the protection of shareholder rights, the growing sophistication of tax planning strategies adopted by multinational enterprises, as well as the increased scrutiny surrounding tax compliance obligations, requires a fundamental rethinking of the scope of governance obligations. In this sense, tax conduct, once considered an internal commercial matter, now has a profound public dimension that governance frameworks cannot responsibly ignore.

Tax governance concerns itself with the structures, policies, and processes by which a corporation manages its tax risks, obligations, and public responsibilities. It is a set of processes and rules aimed at effective management of a company's tax obligations.⁹ It encompasses board-level responsibility for approving the company's overall tax strategy and risk appetite, the establishment of internal tax risk management frameworks, mandatory disclosure of material tax positions to regulators and shareholders, and the alignment of tax planning with corporate values and broader stakeholder expectations. Strong tax governance frameworks reduce risk while improving compliance, trusted external relationships and access to preferential treatment such as amnesties.¹⁰ The fundamental insight animating this discipline is that a corporation's tax conduct is not merely a legal matter but a moral and reputational one. Consequently, the goal of tax governance is to ensure compliance with tax regulations, minimise tax risk, and optimise tax liabilities within acceptable legal and ethical boundaries.¹¹

Building on this, contemporary literature has increasingly recognised tax governance as an integral sub-set of corporate governance. This is because, it encapsulates the structures, policies, and oversight mechanisms through which a company manages its tax strategy, compliance posture, and tax-related risks. As demonstrated in the study by Salaudeen and Abdulwahab,¹² effective corporate governance mechanisms such as board composition, managerial ownership, and the presence of non-executive directors have a direct and measurable impact on tax compliance behaviour among firms in Nigeria. This underscores that tax compliance is not merely a statutory obligation but a governance issue requiring active board-level attention.

As earlier noted, tax governance is not, in itself, a novel construct within corporate practice. Thus, what the 2025 Tax Reform Acts achieve is not the introduction of tax governance as a new obligation, but its elevation into a universal and legally enforceable governance imperative applicable across all corporate entities, regardless of size or sophistication. In well-structured institutions, particularly within the oil and gas, financial services, and telecommunications sectors,

⁶ Principle 1, Nigerian Code of Corporate Governance, 2018

⁷ O A Aladeitan, A A Agbebi and S V Ater, 'A Commentary on the Securities and Exchange Commission's Circular on the Transmutation of Independent Non-Executive Directors and Tenure of Directors of Public Limited Companies' (2023) 3(1) *Taraba State University Law Journal* 175–186.

⁸ OECD, G20/OECD Principles of Corporate Governance (OECD Publishing 2015). The Principles identify accountability, transparency, responsibility and fairness as the cardinal pillars of sound governance.

⁹ CGO Legal, 'Tax Governance' <<https://cgolegal.com/tax-governance/>> accessed 29 March 2026.

¹⁰ Ernst & Young (EY), 'How Strong Tax Governance Builds Trust and Compliance' (1 October 2025) <https://www.ey.com/en_us/insights/tax/how-strong-tax-governance-builds-trust-and-compliance> accessed 29 March 2026.

¹¹ *Ibid*

¹² YM Salaudeen and SS Abdulwahab, 'Corporate Governance Mechanism and Tax Compliance: The Nigerian Experience' (2022) 7(1) *European Journal of Business and Management Research* 45.

tax oversight has long been embedded within corporate governance frameworks through dedicated tax departments, senior tax executives, and audit committee supervision.¹³

Furthermore, the “tone at the top” plays a decisive role in embedding tax discipline within corporate structures.¹⁴ Where boards demonstrate awareness and oversight of tax planning, compliance, and reputational risks, firms are more likely to align their tax practices with both legal requirements and stakeholder expectations.¹⁵ Conversely, weak governance frameworks characterised by poor transparency, ineffective monitoring, or excessive managerial discretion may incentivise aggressive tax behaviour, thereby exacerbating agency conflicts and undermining shareholder value.

In this regard, tax governance operates as a bridge between regulatory compliance and broader corporate accountability. It ensures that tax decisions are not treated as isolated financial strategies but are integrated into the ethical and fiduciary responsibilities of the firm. Consequently, embedding robust tax governance within corporate governance frameworks enhances transparency, mitigates agency costs, strengthens stakeholder confidence, and ultimately promotes sustainable corporate performance.

The Companies and Allied Matters Act 2020, Nigeria’s primary corporate legislation, provides the statutory scaffolding within which tax governance responsibilities must be situated. Section 305 of that Act imposes upon every director a duty to act in good faith in the best interests of the company.¹⁶ Subsection 5 of the section is very instructive here. Hence, it is imperative to pluck it out, *verbatim ac literam* whence it is ingrained firmly in the statute book, thusly:

A director shall act at all times in what he believes to be the best interests of the company as a whole so as to preserve its assets, further its business, and promote the purposes for which it was formed, and in such manner as a faithful, diligent, careful and ordinarily skillful director would act in the circumstances and, in doing so, shall have regard to the impact of the company’s operations on the environment in the community where it carries on business operations.

Read generously and purposively, as sound statutory interpretation requires, this duty encompasses the prudent management of all material financial risks, including tax risk. A director who permits a company to accumulate undisclosed tax liabilities, to adopt positions of questionable legal integrity without proper professional advice, or to structure transactions in a manner that exposes the company to regulatory sanction cannot credibly claim to have discharged the duty of acting in the company's best interest.

Moreover, the growing international consensus, reflected in the OECD's Base Erosion and Profit Shifting project and its subsequent embodiment in the legislative frameworks of numerous jurisdictions, that aggressive tax avoidance,¹⁷ even when technically lawful, undermines public trust, distorts competition, and imposes social costs on the communities from which corporations derive their economic sustenance.¹⁸ For Nigerian corporations, operating within an institutional environment simultaneously characterised by heightened international scrutiny and strong domestic

¹³ Nadya Britton, ‘How the Evolving Role of the CFO is Impacting Corporate Tax Departments’ Thomson Reuters, (15 August 2024) <<https://www.thomsonreuters.com/en-us/posts/tax-and-accounting/cfo-evolving-role/>> accessed 6 April 2026

¹⁴ Salaudeen and Abdulwahab (n 12)

¹⁵ *Ibid*

¹⁶ CAMA 2020, s 305.

¹⁷ YS Uthman and SV Ater, ‘Legal Analyses of the Nigerian Approach Towards the Taxation of the Digital Economy’ (2023) *AAUA Journal of the Department of Jurisprudence and International Law*, 79-102

¹⁸ OECD, Addressing the Tax Challenges of the Digital Economy, Action 1: Final Report (OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing 2015). Nigeria incorporated analogous principles through the Income Tax (Transfer Pricing) Regulations 2018 and subsequently through the Nigeria Tax Act 2025.

fiscal imperatives, the case for robust tax governance rests not merely on regulatory compliance but on the deeper logic of sustainable enterprise. A corporation that treats its tax affairs as a site of perpetual minimisation, disconnected from its governance obligations and its social compact, misunderstands both the nature of corporate accountability and the direction of legal and institutional evolution. Consequently, what the 2025 Tax Reform Acts demand, therefore, is not the invention of a governance function where none existed, but the substantive enhancement of structures that the best-governed Nigerian corporations already possess.

3. Nigeria Tax Reform Acts and the Imperative for Tax Governance

The 2025 Tax Reform Acts introduce a constellation of provisions that, taken together, define the perimeter of enhanced tax governance for the Nigerian corporation. They do not address routine compliance alone; they engage directly with the company's cross-border structure, its tax planning conduct, its transactional transparency, and the integrity of its financial records. The following analysis examines the most governance-significant of these provisions, organised around the principal dimensions of the enhancement they demand.

3.1 Controlled Foreign Corporations (CFC) Rules, Minimum Effective Tax Rate, and Transfer Pricing

NTA is the centrepiece of the reform framework. It consolidates the legal frameworks previously dispersed across six major tax statutes into a single unified legislative instrument.¹⁹ This consolidation eliminates the ambiguity and interpretive inconsistency that had for decades permitted both inadvertent compliance failures and deliberate tax arbitrage. Its effect on corporate governance is direct and non-trivial: boards can no longer plead legislative complexity or regulatory confusion as justification for inadequate tax oversight. The unified framework demands a correspondingly unified governance response, one in which the board's responsibility for tax is as explicitly articulated and systematically discharged as its responsibility for financial reporting or risk management.

Among the most consequential innovations of NTA that bears close attention for tax governance imperative is the introduction of a minimum effective tax rate regime. Large companies with annual turnover exceeding NGN50 billion, or companies that form part of multinational groups with global revenues exceeding EUR750 million, are now subject to a minimum effective tax rate of 15 per cent.²⁰ Where a company's actual tax liability falls below this threshold, a top-up tax is triggered automatically to close the gap.²¹ This provision is modelled substantially on the OECD Pillar Two global anti-base erosion framework and represents Nigeria's most explicit alignment with contemporary global tax norms. Its implications for governance are profound. These include tax planning strategies that previously reduced effective tax rates below the minimum threshold now carry not merely tax risk, but regulatory and reputational risk that boards are fiducially obligated to assess and manage.²²

¹⁹ Nigeria Tax Act 2025, Long Title. The Act consolidates the Companies Income Tax Act (Cap C21 LFN 2004), the Personal Income Tax Act (Cap P8 LFN 2004), the Petroleum Profits Tax Act (Cap P13 LFN 2004), the Value Added Tax Act (Cap V1 LFN 2004), the Capital Gains Tax Act (Cap C1 LFN 2004), and the Stamp Duties Act (Cap S8 LFN 2004).

²⁰ NTA 2025, 57

²¹ Nigeria Tax Act 2025. The minimum effective tax rate of 15 per cent is modelled substantially on the OECD Pillar Two global anti-base erosion (GloBE) rules. See generally OECD, *Tax Challenges Arising from the Digitalisation of the Economy — Global Anti-Base Erosion Model Rules (Pillar Two)* (OECD Publishing 2021).

²² PricewaterhouseCoopers Nigeria, *The Nigerian Tax Reform Acts: Top 20 Changes to Know and Top 6 Things to Do* (PwC June 2025).

NTA also introduces Controlled Foreign Corporation rules under section 6(2), requiring that where a Nigerian parent company controls a foreign entity that fails to distribute its profits within the prescribed period, those undistributed profits are attributed to and taxed in the hands of the Nigerian parent.²³ This provision directly targets the structural mechanisms by which profits have historically been deferred or exported from Nigeria, and it places an affirmative governance obligation on corporate boards to review, and where necessary restructure, their cross-border arrangements.

In like manner, section 190 of NTA codifies the arm's length principle governing related party transactions, empowering the tax authority to adjust any pricing arrangement between connected persons that does not reflect economic reality.²⁴ These provisions do not merely impose legal obligations; they create material financial risks that demand board-level deliberation and oversight, and which cannot responsibly be delegated exclusively to the finance function.

Section 120 of NTA provides, in terms of considerable practical significance, that the provisions of any applicable Double Taxation Agreement take precedence over the domestic taxing provisions of the Act to the extent of any inconsistency.²⁵ For corporations with cross-border operations or foreign shareholders, this provision carries both planning and governance implications, as the informed and strategic utilisation of treaty protections requires deliberate board-level consideration of the company's international tax position.

3.2 E-administration Requirements and Enforcement Channels

NTAA, which provides the administrative framework for the new regime, introduces several provisions of acute governance significance. Section 8 mandates that all taxable persons, including corporate entities and their financial counterparties, obtain and utilise a Tax Identification in all official and transactional documentation, including government contracts and procurement processes.²⁶ This requirement effectively embeds tax compliance into the fundamental infrastructure of commercial activity. A company that fails to maintain adequate tax registration and documentation now faces potential exclusion from the very markets, contracts, and financial relationships upon which its commercial viability depends. Section 11(2) of the NTAA further requires every company to file self-assessment returns supported by full audited financial statements, without awaiting a demand from the tax authority.²⁷ The mandatory emphasis on electronic filing amplifies this obligation, requiring companies to invest strategically in tax technology infrastructure, a decision that is inherently governance-oriented and must be reflected in board-level deliberation and resource allocation.

Most strikingly from a governance standpoint, section 60 of NTAA empowers the tax authority to issue substitution notices directing banks, business partners, tenants, and other parties holding funds on behalf of a defaulting taxpayer to remit those funds directly to the revenue authority in settlement of outstanding liabilities.²⁸ This enforcement mechanism transforms tax non-compliance from a private regulatory matter into a systemic financial and commercial risk, one that can disrupt the company's banking relationships, supplier arrangements, and market standing with little warning. The governance implication is unambiguous. It means that tax liabilities are no longer a matter that management may quietly defer; they are a class of risk whose potential consequences are severe enough to demand active and continuous board oversight.

²³NTA 2025, s 6(2).

²⁴*Ibid.*, s 191. The arm's length principle requires that transactions between connected or related parties be priced as if conducted between independent parties. This provision builds upon the Income Tax (Transfer Pricing) Regulations 2018 (SI No 20 of 2018).

²⁵ NTA 2025, s 121.

²⁶ NTAA 2025, s 8.

²⁷ *Ibid.*, s 11(2).

²⁸ *Ibid.*, s 60.

3.3 Mandatory Disclosure of Tax Planning Arrangements

Of particular governance salience is section 30 of the Nigeria Tax Administration Act, 2025, which introduces a mandatory obligation to disclose tax planning arrangements to the relevant tax authority. The provision adopts a broad approach, encompassing any arrangement, transaction, scheme, or structure designed to obtain a tax advantage or reduce tax liability. Significantly, the obligation extends beyond the taxpayer to include any person involved in the design, promotion, or implementation of such arrangements, reflecting a legislative intent to dismantle the ecosystem within which aggressive tax planning is conceived and propagated. The disclosure is required within a prescribed period following the arrangement, and the regime is subject to such exclusions as may be provided under regulations or administrative guidance. Notwithstanding these qualifications, the scope of the obligation remains deliberately expansive. From a corporate governance perspective, section 30 necessitates a structural response: boards, acting through audit or risk committees, must institutionalise internal mechanisms for the identification, review, and pre-implementation assessment of tax arrangements to ensure compliance and mitigate regulatory and reputational risk.

3.4 Penalty Regime and the Governance of Tax Risk

The penalty regime under the 2025 tax reforms deserves particular governance attention, for it signals with considerable clarity the legislature's determination to move from a regime of voluntary compliance, imperfectly enforced, to one of structured accountability with meaningful financial consequences for default. Sections 100 to 127 of the NTAA prescribe a graduated schedule of penalties that apply across the spectrum of compliance failures, from late filing and incorrect returns to underpayment of tax and failure to cooperate with the revenue authority.²⁹ The severity of these penalties, which escalate with the duration and quantum of default, has profound implications for the way in which corporate boards must conceptualise tax risk: non-compliance is no longer merely a contingent liability capable of being settled through negotiation; it is a quantifiable financial exposure that must be measured, provisioned for, and reported in accordance with applicable accounting standards.

3.5 E-Fiscalisation Framework and the Demand for Tax Governance

Closely related to the penalty regime is the e-fiscalisation framework introduced jointly by the NTA and the NTAA, a development that represents perhaps the most technologically ambitious dimension of the 2025 reforms. Section 23 of the NTAA requires every person making a taxable supply to record and report transactions through an Electronic Fiscal System (EFS) approved by the Nigeria Revenue Service. Section 157 of the NTA defines the scope of the fiscalisation infrastructure to encompass approved software, devices, and communication networks.³⁰ The fiscal and governance implications of this framework are transformative. In practical terms, the EFS enables the revenue authority to monitor the transactional activity of every taxable business in near-real time, effectively eliminating the information asymmetry that has historically shielded non-compliant conduct from detection. For the compliant corporation, this digitisation of the tax compliance process represents an opportunity to embed tax governance within its operational framework; for the non-compliant entity, the penalties are immediate and substantial. Section 103 of the NTAA imposes a fine of NGN1,000,000 for the first day of failure to permit deployment of the EFS and NGN10,000 for each subsequent day, while section 104 prescribes a NGN200,000 fine together with a 100 per cent surcharge on the full tax due for any supply processed outside the fiscalisation system. The governance imperative is unmistakable: the deployment, integration, and ongoing maintenance of EFS-compatible systems is not a matter for the IT department alone; it requires a board-sanctioned

²⁹ NTAA, 2025, ss 100–127.

³⁰ *Ibid.*, ss 23, 103, 104; NTA 2025, s 158.

investment decision, a defined implementation timeline, and a named accountability structure within the organisation.

3.6 Books of Account, Record-Keeping, and Evidence-Based Tax Compliance

No dimension of the 2025 reform framework is more foundational to sound tax governance than the obligation, codified in section 31 of the NTAA, to maintain proper books of account and adequate records.³¹ The section requires every taxable person to maintain books and records sufficient to enable the accurate computation of tax liability, in a format and for a retention period prescribed by the tax authority, and further requires that such records be maintained within Nigeria or be made accessible to the authority upon demand. This obligation applies irrespective of whether the company is liable to tax in a given year of assessment, reflecting a legislative understanding that the evidential basis for non-liability is as important as the computation of a positive liability. The governance dimension of this obligation is both immediate and enduring. Immediately, a company that fails to maintain adequate records is exposed to the risk of administrative assessment by the tax authority, which may produce a tax liability materially different from and generally adverse to the company's own computation. Over the longer term, the absence of adequate documentation will frustrate the company's ability to defend its tax positions before the Tax Appeal Tribunal, to demonstrate compliance in the context of a tax audit, or to support the restructuring of its affairs in response to changing business circumstances. The obligation to maintain books of account must therefore be understood not merely as a compliance duty but as an investment in the institutional integrity and evidential credibility of the company's tax governance framework. This is not merely a routine function; it requires active board oversight, appropriate resourcing, and periodic independent review.

3.7 Increased Scrutiny and Role of Revenue Authorities

Under NRSEA, Federal Inland Revenue Service (FIRS) has morphed into the Nigeria Revenue Service (NRS), an institution endowed with an expanded mandate for both tax and non-tax revenue collection, enhanced enforcement powers, and a new emphasis on digital infrastructure and professionalised human capital.³² It is also charged with the responsibility to:

“collaborate and facilitate exchange of information with relevant national or international agencies or bodies on tax matters;³³ establish and maintain a system for monitoring international dynamics of taxation in order to identify suspicious transactions, and the perpetrators or other persons involved;³⁴ provide and maintain access to up-to-date and adequate data and information on all taxable persons, individuals, corporate bodies or all agencies of Government involved in the collection of revenue for the purpose of efficient, effective and correct tax administration and to prevent tax evasion or fraud.”³⁵

This institutional transformation signals a change not only in administrative culture but in the quality and intensity of regulatory engagement that corporations should anticipate as there is now a mandate for scrutiny and information sharing that can easily track tax mismanagement. This is more so as in carrying out its function, NRS can “adopt measures to identify, trace, freeze, confiscate or seize

³¹ NTAA 2025, s 31.

³² NRSEA 2025, s 4(j).

³³ *Ibid.* 4(i)

³⁴ *Ibid.*, 4(k)

³⁵ *Ibid.*, s 4(l)

proceeds derived from tax fraud or evasion, in line with the provisions of the NRSEA 2025".³⁶ The JRBEA establishes the Joint Revenue Board and tasked it with the responsibility to "maintain a platform for revenue data collection, integration and exchange of information among the various tax authorities in Nigeria".³⁷ Similarly, the Tax Appeal Tribunal is formally established with expanded jurisdiction and expedited resolution timelines.³⁸ These institutions collectively create an ecosystem of accountability that places a premium on transparent, consistent, and defensible corporate tax conduct.

4. Towards an Enhanced Tax Governance Framework for the Nigerian Business

The analysis in the preceding section makes plain that the 2025 Tax Reform Acts do not require Nigerian corporations to build a tax governance function from nothing; they require those corporations to significantly enhance the governance function they already possess. For the most sophisticated institutions, that is those with established tax departments, disciplined CFO reporting lines, and active audit committees. This enhancement will demand principally a widening of scope and a sharpening of accountability. For those corporations where tax has been managed as a purely operational function, the reforms demand a more fundamental reconstitution of the relationship between the tax function and the board.

At the foundational level, the board of directors must assume explicit, documented, and regularly reviewed responsibility for the company's tax strategy and risk appetite. This does not require that every director possess deep technical tax expertise; it does require that the board receive regular, competent, and candid briefings on the company's tax position, that material tax risks be identified and escalated through appropriate governance channels, and that tax strategy be formally aligned with the company's broader commercial objectives and stated values. An audit committee, properly constituted, adequately resourced, and informed by qualified tax counsel, remains the most appropriate vehicle for board-level tax oversight, and its terms of reference should expressly include responsibility for reviewing the company's tax risk profile and approving its overall tax strategy.

More practically, the internal compliance frameworks for businesses must be redesigned to reflect the specific obligations of the new legislative framework. Given the emphasis on electronic filing, mandatory Tax Identification Number usage across all transactional documentation, and self-assessment obligations in NTAA, the enterprise resource planning systems of corporate entities must be configured and regularly tested to generate accurate, timely, and auditable tax data. The company secretary, as the custodian of corporate compliance, must be appropriately equipped to ensure that registration obligations are maintained across all transactional and contractual relationships, and that returns are filed punctually within statutory timelines. The investment in digital tax infrastructure is not a matter of operational preference; under the new regime, it is a governance imperative of the first order.

For corporations subject to the minimum effective tax rate or CFC provisions of NTA, the governance dimension acquires even greater urgency and strategic complexity. The board must commission and receive considered advice, whether from internal or external tax counsel, on whether the company's existing tax planning structures remain legally and commercially tenable under the new regime. Any restructuring of corporate or holding arrangements must be undertaken in a manner that reflects both the arm's length standard under section 192 of NTA. A tax strategy that is commercially motivated, professionally advised, and transparently documented is both the most defensible and the most enduring.

³⁶ *Ibid.*, s 4 (g)

³⁷ JRBEA, 2025, s 5(e)

³⁸ *Ibid.* ss 23-29

Finally, given the robust dispute resolution infrastructure established under the JRBA, corporations should invest deliberately in maintaining comprehensive and contemporaneous documentation of their tax positions, computations, and the professional advice upon which they rely. Documentation discipline is not merely a practice of institutional prudence; under the new enforcement regime, it is a commercial and legal necessity. The ability to present a coherent, well-evidenced account of the company's tax conduct before the Tax Appeal Tribunal or the Office of the Tax Ombudsman may, in material disputes, prove decisive. More fundamentally, the discipline of documentation both reflects and reinforces a governance culture in which tax affairs are managed with the rigour, transparency, and accountability that the company's stakeholders and the Nigerian state are entitled to expect.

5. Conclusion

The 2025 Tax Reform Acts represent the most ambitious legislative effort to reshape Nigeria's fiscal framework in a generation. Their significance for corporate governance lies not in the novelty of the tax governance obligation, which has long been recognised by the country's most sophisticated enterprises, but in the heightened institutional demands they impose on every corporation within their scope. The CFC rules and minimum effective tax rate under the NTA require boards to monitor and manage international tax exposure with a level of precision that was previously optional. The mandatory disclosure regime under section 30 of NTAA introduces a pre-implementation governance dimension to tax planning that is genuinely new. The e-fiscalisation framework demands a board-sanctioned technology investment that touches the company's most fundamental transactional processes. The penalty regime imposes a scale of financial consequence for non-compliance that renders tax risk as material as any other category of enterprise risk that boards are expected to govern.

Nigerian corporations that have historically maintained strong tax governance through competent CFOs, engaged audit committees, and disciplined tax functions will find in these reforms a confirmation of the institutional choices they have already made. For them, the reform demands principally an enhancement of scope, a sharpening of process, and a deepening of the board's engagement with a function that has always belonged within its purview. For corporations where tax has been managed as a purely operational matter, disconnected from the board's deliberations and insulated from its oversight, the reforms represent an urgent and non-negotiable call to institutional change. In either case, the message of the 2025 Tax Reform Acts is the same: the governance of tax is the governance of the enterprise, and it cannot responsibly be conducted anywhere other than at the highest levels of the organisation.

The corporations that will thrive in Nigeria's fiscal regime under the 2025 tax reforms Acts are those whose boards understand, with genuine institutional seriousness, that good tax governance characterised by strategic deliberateness, technological preparedness, evidential rigour, and transparent disclosure is not a constraint upon business success but one of its most essential and enduring conditions. The 2025 reforms do not merely change the rules of the Nigerian tax game. They redefine, at a foundational level, what it means to govern a Nigerian corporation well.