

Stren & Blan Partners Tax Alert

# Commencement and Application of Nigeria's New Tax Laws

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# Intro duction

Following the enactment of Nigeria's comprehensive tax reform legislation in June 2025, the Nigeria Revenue Service (NRS) has, on 3 February 2026, provided clarification on the effective dates and application of the new tax laws.

This alert provides critical guidance on how these changes affect your tax obligations.

# Key Changes and Effective Dates

## Transactional Taxes (VAT, Stamp Duty, and Withholding Tax)

The provisions of the Nigeria Tax Act (NTA) and Nigeria Tax Administration Act (NTAA) apply to transactions occurring from 1 January 2026 onwards. According to a memo issued by the NRS, returns filed by companies in January 2026 that relate to transactions occurring in December 2025 or earlier will continue to be assessed under the repealed tax laws.

For example, VAT on December 2025 transactions (to be filed in January 2026) remains subject to the repealed Value Added Tax Act, whilst VAT on January 2026 transactions (to be filed by February 2026) will be governed by the NTA and NTAA.

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## Company Income Tax

Income tax returns due for filing in the 2026 year of assessment will be assessed under the NTA and NTAA, regardless of when they are filed. This means that all company tax returns for the 2026 assessment year are subject to the new framework whilst tax returns for 2025 year of assessment will still be subject to the repealed laws owing to the transitional provisions.

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## Capital Gains Tax

The same transitional regime applies to capital gains tax. Chargeable gains arising from the disposal of assets between 1 January 2025 and 31 December 2025 will continue to be assessed and filed under the Capital Gains Tax Act. However, chargeable gains arising from the disposal of assets from 1 January 2026 onwards are fully subject to the NTA and NTAA and must be included in the company's tax computation as part of its annual income tax filing from the 2027 year of assessment.

# Implications for Taxpayers

Businesses must ensure their accounting systems, internal processes, and compliance frameworks are updated to reflect these changes. The NRS has directed all departments to configure their systems and processes to implement the new laws for filings relating to the 2026 year of assessment. Taxpayers should expect that all internal guidance, audits, assessments, and

enforcement actions will be aligned with the new legislative framework. Given the complexity of the transitional arrangements, particularly concerning the timing of transactions and the applicable legislation, we recommend that businesses review their current tax positions and seek professional advice to ensure full compliance.

## Recommended Actions

We recommend that taxpayers take the following steps:

1. Review all pending transactions and tax filings to determine which legislative regime applies.
2. Update internal accounting and tax compliance systems to accommodate the new requirements.
3. Train finance and tax personnel on the key changes introduced by the NTA and NTAA.
4. Engage with tax advisers to assess the impact of the new laws on your specific business operations and tax planning strategies.

# About Stren & Blan Partners

Stren and Blan Partners is a world-class ingenious law firm with a beautiful blend of the brightest minds and well-rounded individuals championed with sole responsibilities of providing solutions to business problems and equally finding answers to the questions of our clients. We are a team always guided by our professional ethics. Also, honesty and transparency have been our watchwords in practice.

Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations. We have developed a clear vision for anticipating our clients' business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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