

Nigeria

Transfer Pricing Country Profile¹

October 2025

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic transfer pricing framework² make reference to the arm's length principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Section 22 (2) (b) of the Company-Income-Tax-Act.pdf Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf
2	Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Part V, Regulations 18 &19 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf

¹ Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

² For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

		practical manual on Transfer Pricing and the OECD documents referred to in Regulation 18, the provisions of the relevant tax laws shall prevail.	
3	Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>“(1) Generally, persons are deemed to be connected where one person has the ability to control or influence the other person in making financial, commercial or operational decisions, or there is a third person who has the ability to control or influence both persons in making financial, commercial, or operational decisions.</i></p> <p><i>(2) In these Regulations, “connected person” include persons who are related, associated, or connected to one another as defined in –</i></p> <p><i>(a) the Companies Income Tax Act, CAP. C21, Laws of the Federation of Nigeria, 2004 (as amended);</i></p> <p><i>(b) the Petroleum Profit Tax Act, CAP. P13, Laws of the Federation of Nigeria, 2004;</i></p> <p><i>(c) the Personal Income Tax Act, CAP. P8, Laws of the Federation of Nigeria, 2004 (as amended); Nigeria Updated July 2021</i></p> <p><i>(d) the Capital Gains Tax Act, CAP. C1, Laws of the Federation of Nigeria, 2004;</i></p> <p><i>(e) Article 9 of the OECD and UN Model Tax Convention and the Agreements for Double Taxation between Nigeria and other countries; and</i></p> <p><i>(f) the OECD TP guidelines and UN TP manual.</i></p> <p>AND</p> <p><i>Paragraph 6 of the Seventh Schedule to the Company Income Tax Act states that “For the purposes of this section, the expression-</i></p> <p><i>(a) “connected person” means-</i></p> <p class="list-item-l1">(i) <i>any person controlled by or under common control, ownership or management.</i></p> <p class="list-item-l1">(ii) <i>any person who is not connected but receives an implicit or explicit guarantee or deposit for the provision of corresponding or matching debts, or</i></p>	<p>Part III, Regulation 12 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p> <p>Seventh Schedule, Paragraph 6 (a) of Company-Income-Tax-Act.pdf</p>

(iii) any related party as described under the Nigerian Transfer Pricing Regulation 2018."

Transfer Pricing Methods

<p>4 Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1" data-bbox="673 468 1527 627"> <thead> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (If so, please describe)</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </tbody> </table> <p><i>5(4) A connected person may apply a transfer pricing method other than those listed in this regulation, where the person can establish, to the satisfaction of the Service, that –</i></p> <p class="list-item-l1"><i>(a) none of the listed methods can be reasonably applied to determine whether a controlled transaction is consistent with the arm's length principle;</i></p> <p class="list-item-l1"><i>(b) the method used gives rise to a result that is consistent with that between independent persons engaging in comparable uncontrolled transactions in comparable circumstances; and</i></p> <p class="list-item-l1"><i>(c) reliable information needed to apply the chosen transfer pricing method exists.</i></p>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)	<input checked="" type="checkbox"/>	<p>Part II, Regulation 5(1) and (4) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>					
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (If so, please describe)									
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
<p>5 Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?</p>	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods <input checked="" type="checkbox"/> Most appropriate method <input type="checkbox"/> Other (if so, please explain)</p> <p><i>(2) In each case, the most appropriate transfer pricing method shall be used taking into account the –</i></p>	<p>Part II, Regulation 5(2) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>												

		<p>(a) respective strengths and weaknesses of the transfer pricing method in the circumstances of the case;</p> <p>(b) appropriateness of a transfer pricing method having regard to the nature of the controlled transaction determined, in particular, through an analysis of the functions performed, assets employed and risks assumed by each person that is a party to the controlled transaction;</p> <p>(c) availability of reliable information needed to apply the transfer pricing method; and</p> <p>(d) degree of comparability between controlled and uncontrolled transactions, including the reliability of adjustments, if any, that may be required to eliminate any differences between comparable transactions.”</p>	
6	Does your domestic transfer pricing framework contain specific guidance on commodity transactions?	<p><input checked="" type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> No</p> <p>(9) Notwithstanding any other provision in these Regulations, where a person chargeable to tax in Nigeria engages directly or indirectly in a transaction with a connected person for the export or import of commodities and:</p> <p>(a) in the case of export, the price that was agreed upon with the connected person is lower than the quoted price, the quoted price on the “date of transaction”, regardless of the means of transport, shall be, the sale price for the purposes of computing the taxable income of that person, unless the person provides all of the evidence needed to show that adjustments are appropriate to that quoted price to be consistent with the arm’s length principle,</p> <p>(b) in the case of import, the price that was agreed upon with the connected person is higher than the quoted price, the quoted price on the “date of transaction”, regardless of the means of transport, shall be, the sale price for the purposes of computing the taxable income of that person, unless the person provides all of the evidence needed to show that adjustments are appropriate to that quoted price to be consistent with the arm’s length principle.</p>	Part II, Regulation 5(9) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf

		<p><i>Provided that in the case of goods exported from Nigeria that are subsequently sold by a related party to an unrelated party, if the price agreed upon between that related party and the unrelated person is higher than the quoted price at the abovementioned date, the agreed price, in this case, will be considered as the sale price for the purposes of computing the seller's taxable income in Nigeria unless the person provides all of the evidence needed to show that adjustments are appropriate to that sale price to be consistent with the arm's length principle."</i></p>	
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Comparability Analysis

7	<p>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>(3) An uncontrolled transaction is comparable to a controlled transaction within the meaning of this regulation –</p> <p>(a) where there are no significant differences between the uncontrolled transaction and a controlled transaction under comparable circumstances which could materially affect the conditions being examined under the appropriate transfer pricing method; or</p> <p>(b) where such differences exist, reasonably accurate adjustments can be made in order to eliminate the effects of such differences, or reduce the effects of such differences, to the extent that all material differences are eliminated.</p> <p>(4) In determining whether two or more transactions are comparable, the following factors shall be considered to the extent that they are economically relevant to the facts and circumstances of the transactions –</p> <p>(a) the characteristics of the goods, property or services transferred or supplied;</p> <p>(b) the functions undertaken by the persons entering into the transaction taking into account the assets used and risks assumed;</p> <p>(c) the contractual terms of the transactions;</p> <p>(d) the economic circumstances under which the transactions were undertaken; and</p> <p>(e) the business strategies pursued by the connected persons to the controlled transaction.</p>	<p>Part III Regulation 11 (3) & (4) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>
8		<p><input type="checkbox"/> Yes</p>	

	Is there a preference in your jurisdiction for domestic comparables over foreign comparables?	<input checked="" type="checkbox"/> No Local comparables are largely unavailable.	
9	Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10	Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(6) Where the application of the most appropriate method results in a number of financial indicators for which the degree of comparability of each to the controlled transactions, and to each other, is uncertain, a statistical approach shall be used. Where such an approach is used, the interquartile range shall be considered to be an arm's length range."</i>	Part II, Regulation 5(6) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf
11	Are comparability adjustments required under your domestic transfer pricing framework?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(b) where such differences exist, reasonably accurate adjustments can be made in order to eliminate the effects of such differences, or reduce the effects of such differences, to the extent that all material differences are eliminated."</i>	Part III, Regulation 11 (3) (b) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf
Intangible Property			
12	Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below)	Part II, Regulation 7 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf

		<input type="checkbox"/> No Regulation 7 contains guidance specific to the pricing of controlled transactions involving intangibles.	
13	Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Deduction of tax from interest, royalties, etc. Where any interest (other than interest on interbank deposit) or royalty becomes due from one company to another company or to any person to whom the provision of personal income tax Act applies, the company making such payment shall, at the date when payment is made or credited whichever first occurs deduct therefrom tax at the rate prescribed in subsection 2 of this section and shall forthwith pay over to the Board the amount so deducted.	Section 78 of the Company-Income-Tax-Act.pdf
Hard-to-Value Intangibles³			
14	Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?⁴	<input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG? <input type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input checked="" type="checkbox"/> No No, the HTVI approach has not been adopted in domestic legislation in Nigeria. However, reference can be made to the OECD TPG as permitted by Regulation 18 of the Nigeria TP Regulation	

³ Please note that questions in this section are imported from the HTVI questionnaire and integrated into this TPCP to centralise all jurisdiction-related transfer pricing information.

⁴ In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

Intra-group Services

23	<p>Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	<p>Part II, Regulation 6 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>
24	<p>Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services?</p>	<p><input type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	
25	<p>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	

Financial Transactions

26	<p>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</p>	<p><input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input checked="" type="checkbox"/> No</p>	
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27	<p>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The Companies income tax Act has a provision on interest deductibility rule consistent with the recommendations of BEPS Action 4 Report. The rules cover connected persons, and deductions are limited to 30% of earnings before interest, taxes, depreciation and amortisation.</p>	<p>Seventh schedule “Deductible Interest” of the Company-Income-Tax-Act.pdf</p>
Cost Contribution Arrangements			
28	<p>Does your jurisdiction allow cost contribution arrangements?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>The TP Regulations do not expressly mention Cost Contribution Arrangements. However, reference can be made to the OECD TPG as permitted by Regulation 18 of the Nigeria TP Regulations.</p>	

Transfer Pricing Documentation

29	<p>Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG <input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG <input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG <input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return) <input type="checkbox"/> Other (specify): <p>Regulation 13 of the TP Regulations requires connected persons to file TP Declaration Form, which should be updated in any year there is a change in the information provided in declarations earlier filed. The TP Declaration Form must be filed within 18 months of incorporation or 6 months after the end of the first accounting period, whichever comes first. Any updates to the declaration are to be made and submitted to the FIRS within six months of the end of the accounting year in which the event occurred.</p> <p>Regulation 14 of the TP Regulations requires connected persons to file an annual TP Disclosure Form to disclose their controlled transactions. Any Taxpayer that enters into related-party transactions is expected to file an annual TP Disclosure Form not later than six months after the end of each accounting year or eighteen months after the date of incorporation, whichever is earlier. The form contains detailed information on the nature, value, and pricing method of controlled transactions.</p> 	<p>Part IV, Regulations 13,14,15,16,17 and Schedule to Regulation 17 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>
30	<p>Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)</p>	<p>TP Documentation: A connected person shall record, in writing or on any other electronic device or medium, sufficient information or data with an analysis of such information and data to verify that the pricing of controlled transactions is consistent with the arm's length principle (documentation) and shall make such documentation available to the Service upon written request by the Service.</p> <p>A connected person shall maintain contemporaneous documentation consistent with the provisions of the Schedule to the Regulations.</p>	<p>Part IV, Regulations 16 (1) (4) & (5), 17 (1) & (3) and Part VII Regulations 24 and schedule 1 and 2 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p> <p>Part III, Regulation 9 and 14 of the Income Tax (Country-By-Country Reporting) Regulations, 2018</p>

	<p>TP documentation shall be in place prior to the due date for filing the income tax return for the year in which the documented transactions occurred (contemporaneous documentation). The documentation is expected to be submitted to the Service within 21 days of receiving a request from the Service.</p> <p>A connected person whose total value of controlled transactions is less than three hundred million naira may choose not to maintain contemporaneous documentation; provided that, where the Service deems it necessary, it may demand that relevant documentation shall be prepared and submitted to the Service not later than 90 days from the date of receipt of a notice from the Service.</p> <p>Country-by-Country Report: The Country-by-Country Report should be filed not later than 12 months after the last day of the Reporting Accounting Year of the MNE Group.</p> <p>The official language for purposes of documentation is the English language. Where a document is not in the English language, the Service may, by written notice require the taxpayer to, at his own expense, produce a translation in the official language, prepared and certified by a sworn translator or another person approved by the Service.</p>	
31	<p>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>TP Documentation: failure to submit to the Service TP documentation within 21 days of receiving a request from the Service shall attract an administrative penalty of a sum equal to ten million naira or 1% of the total value of all controlled transactions, whichever is higher and ten thousand naira for every day in which the failure continues.</p> <p>Extension of submission date for TP documentation: Where the taxable person fails to meet the extended submission date granted administrative penalties for TP documentation shall apply as if no extension was granted.</p> <p>Exemption from documentation: A connected person whose total value of controlled transactions is less than three hundred million naira may choose not to maintain contemporaneous documentation; provided that, where the Service deems it necessary, it may demand that relevant documentation shall be prepared and submitted to the Service not later than 90 days from the date of receipt of a notice from the Service. Any person who fails to furnish the Service with any information or document required within the time specified in a notice shall be liable to an administrative penalty of a sum equal to 1% of the value of each</p>	<p>Part IV, Regulations 16 (5) (8), and Part VI Regulation 20 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p> <p>Part IV, Regulations 11,12 and 13 of the Income Tax (Country-By-Country Reporting) Regulations, 2018</p>

		<p>controlled transaction for which the information or document was required in addition to ten thousand naira for each day in which the failure continues.</p> <p>General offence: A taxable person who contravenes any of the provisions of the TP Regulations for which no specific administrative penalty is provided for in the Regulations shall be liable to a penalty as prescribed in the relevant tax law.</p> <p>Country -by -Country Report:</p> <p>Late Filing of CbC Report: Where a Reporting Entity fails to file the Country - by -Country Report on or before the date specified in Regulation, the Federal Inland Revenue Service (FIRS) shall impose an administrative penalty of N10,000,000 in the first instance and N1,000,000 for every month in which the default continues.</p> <p>Filing An Incorrect or False CbC Report: Where a reporting entity files an incorrect or false CbC Report, FIRS shall impose an administrative penalty of N10, 000,000.</p> <p>Failure To Provide Notification on whether it is the Ultimate Parent Entity or the Surrogate Parent Entity: Where a Constituent Entity of an MNE Group that Nigeria Updated July 2021 is resident for tax purposes in Nigeria fails to provide the notification FIRS shall impose an administrative penalty of N5,000,000 in the first instance and N10,000 for every day in which the default continues.</p>	
32	<p>Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>A connected person whose total value of controlled transactions is less than three hundred million naira may choose not to maintain contemporaneous documentation; provided that, where FIRS deems it necessary, it may demand that relevant documentation shall be prepared and submitted to the Service not later than 90 days from the date of receipt of a notice from the Service.</p>	<p>Part IV, Regulation 17(3) of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>
Administrative Approaches to Avoiding and Resolving Disputes			
33	<p>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</p>	<p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement or cooperative compliance programmes</p>	<p>Part II, Regulation 9 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf</p>

	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Advance Pricing Agreements (APA) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unilateral APAs <input checked="" type="checkbox"/> Bilateral APAs <input checked="" type="checkbox"/> Multilateral APAs <input type="checkbox"/> International Compliance Assurance Programme (ICAP) <input checked="" type="checkbox"/> Mutual Agreement Procedures <input checked="" type="checkbox"/> Other (<i>please specify</i>): Decision Review Panel – Regulation 21 set up the Decision Review Panel for an administrative review of TP adjustment or any other TP related decision communicated to a taxpayer, upon a request from the taxpayer. 	<p>Guidelines On Advance Pricing Agreements (APAs) <u>NIGERIA_APAGUIDELINES-1.pdf</u></p>
	<p>Regulation 9 of the TP Regulation allows FIRS to enter into an Advance Pricing Agreement with a taxable person either alone or together with the competent authority of countries of the connected person. Nigeria published its APA Guidelines on 27th November 2024. An Advance Pricing Agreement entered into with FIRS shall apply to the controlled transactions for a period not exceeding three years. The APA Guidelines allows for a rollback of an APA.</p> <p>Nigeria has in place a MAP Guidelines, which provides the rules, guidelines and procedures on how taxpayers can access and use MAP. The Nigerian MAP Profile is also published on OECD website.</p>	

Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities

34	Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG?⁵	<ul style="list-style-type: none"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other (please elaborate) 	
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⁵ In the case of jurisdictions that do not apply the simplified and streamlined approach (i.e. they responded “no” to question 34), it is not necessary to respond to questions 35, 36 and 38 and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

37	Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
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Safe Harbours and Other Simplification Measures

39	Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Part VII, Regulation 22 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf
A connected person may be exempted from the requirements of regulation 16 of the TP Regulations where the controlled transactions are priced in accordance with specific guidelines that may be published by the Service for that purpose from time to time. However, the Service has not published a guideline for the implementation of the provision.			

Other Legislative Aspects or Administrative Procedures

40	Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Part II, Regulation 10 of the Income-Tax-Transfer-Pricing-Regulations-2018-2.pdf
41	Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?	<input type="checkbox"/> Yes. Year-end adjustments are required. <input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed. <input type="checkbox"/> No	Section 90 of the Company-Income-Tax-Act.pdf

42	<p>Does your domestic transfer pricing framework provide for secondary adjustments?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The TP Regulations do not explicitly provide for secondary adjustment.</p>	
Attribution of Profits to Permanent Establishments			
43	<p>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</p>	<p><input type="checkbox"/> Article 7, as it read before 2010. <input type="checkbox"/> If so, please indicate in how many treaties: <input type="checkbox"/> Article 7 as it reads after 2010. <input type="checkbox"/> If so, please indicate in how many treaties: <input checked="" type="checkbox"/> Other (please provide additional details)</p> <p>Some of our Agreements contain Article 7 of the UN Model (with the full force of attraction rule in paragraph 1). Others are hybrids of the UN Model and Article 7 of the OECD MTC as it read before 2010. (i.e. they have a limited force of attraction rule, a limited force of attraction rule that acts anti-abuse rule, limited expense deductibility rule in paragraph 3, or modified paragraph on non-attribution of profit to permanent establishment for mere purchase).</p>	
44	<p>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)</p> <p>Nigeria adopts the force of attraction principle under the UN Model and limited expense deductibility of head office expenses as contained in the UN Model</p>	

45	<p>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</p>	<p><input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)</p> <p><input checked="" type="checkbox"/> No</p>	<p>Nigeria's TP regulation does not specify how profit will be attributed to PE, but such attribution must satisfy the Arm's length principle.</p>
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Other Relevant Information

46	<p>Other legislative aspects or administrative procedures regarding transfer pricing</p>	<p>Other legislative procedures regarding transfer pricing include:</p> <p>(a) Section 17 of Personal Income Tax Act, CAP. P8, Laws of the Federation of Nigeria, 2004;</p> <p>(b) Section 15 of Petroleum Profits Tax Act, CAP. 13, Laws of the Federation of Nigeria, 2004 (as amended by the Petroleum Profits Tax (Amendment) Act, 2007);</p> <p>(c) Section 20 of Capital Gains Tax Act, CAP. C1, Laws of the Federation of Nigeria, 2004.</p>	
47	<p>Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire)</p>	<p>Nigeria is preparing a new TP Regulations to align with the recently enacted Tax Acts that becomes effective from 1st January 2026.</p>	

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>