



FEDERAL INLAND REVENUE SERVICE

15, SOKODE CRESCENT, ZONE 5, WUSE, P.M.B 33, GARKI, ABUJA, NIGERIA

www.firs.gov.ng

PUBLIC NOTICE

CLARIFICATION ON ADMINISTRATION OF STAMP DUTIES IN NIGERIA

In response to requests by some taxpayers seeking clarification on the current administration of Stamp Duties Act in Nigeria, the Federal Inland Revenue Service (FIRS) hereby provides the following clarifications to guide taxpayers and the general public:

1. Stamp Duty is a tax payable in respect of dutiable instrument as provided under the Stamp Duties Act, CAP S8, LFN 2004 (as amended). Such instruments include Agreements, Contracts, Receipts, Memorandum of Understanding (MOU), Promissory notes, Insurance policies and others stipulated in the Schedule to the Stamp Duties Act.

2. **Origin/Background of Stamp Duties in Nigeria:** - Stamp Duties came into effect as a result of Ordinance 41 of 1939. The Stamp Duties Act has undergone several amendments over the years up to the Finance Act of 2019. The most recent amendment recognised technology, e-commerce and cross border transactions in line with global practice and current economic realities.

3. **Chargeable transactions and rates:** - Stamp Duty is chargeable on both physical and electronic instruments in two ways i.e. **Ad-valorem:-** where duty payable is a percentage of the consideration on an instrument; or **Fiat Rate:-** where a fixed sum is chargeable irrespective of the consideration on dutiable instrument or document.

4. **Table of Rates**

Name	Type	Rate	Extra Copy
Appointment of Receiver	Flat Rate	₦500.0	₦50.00
Appointment of Trustee or of Attorney	Flat Rate	₦500.0	₦50.00
Appraisalment or Valuation of Property	Ad Valorem	1.5%	₦50.00
Bank Cheque Per Leaflet ₦1.00 per leaflet (Premium)	Flat Rate	₦1.0	
Bank Deposit/Transfer	Flat Rate	₦50.0	₦100.00
Bill of Sale	Ad Valorem	1.5%	₦50.00
Bonds (Mortgage)	Ad Valorem	0.375%	₦50.00
Certificate of Occupancy, Partnership	Flat Rate	₦1000.0	₦50.00
Contract Agreement	Ad Valorem	1.0%	₦50.00
Contract Notes	Ad Valorem	0.08%	₦50.00
Debenture	Ad Valorem	0.375%	₦50.00

Name	Type	Rate	Extra Copy
Deed of Assignment	Ad Valorem	1.5%	₦50.00
Deed of Gift	Ad Valorem	1.5%	₦50.00
Deed of Release/Surrender/Discharge	Ad Valorem	0.075%	₦50.00
Deeds of Conveyance or Transfer on Sale of Property	Ad Valorem	1.5%	₦50.00
Discharge or Release	Ad Valorem	0.075%	₦50.00
Documents from Ministries and Parastatals (Letter from Legal Adviser of the Ministry of Parastatals required)	Non-Chargeable	Free	₦0.00
Gift (Land)	Ad Valorem	1.5%	₦50.00
Goodwill Debenture, Settlements	Ad Valorem	0.375%	₦50.00
Guarantor's Form (For Loan Application)	Flat Rate	₦500.0	₦50.00
Insurance Policy/Policies	Ad Valorem	0.075%	₦50.00
Joint Venture Agreements	Flat Rate	₦500.0	₦50.00
Legal Mortgage	Ad Valorem	0.375%	₦50.00
Legal Mortgage (Upstamping)	Ad Valorem	0.375%	₦50.00
Loan Agreement	Ad Valorem	0.125%	₦50.00
Loan Agreement (as accompanying document to a mortgage/debenture)	Flat Rate	₦500.0	₦50.00
Marketable Securities	Ad Valorem	2.25%	₦50.00
Memorandum and Articles of Association (Alteration of memo)	Flat Rate	₦500.0	₦500.00
Memorandum of Understanding (Related to Land, Sales, Joint Venture, Surrender, Subdivision Agreements)	Ad Valorem	1.5%	₦50.00
Memorandum of Understanding (Related to Ordinary agreements)	Flat Rate	₦500.0	₦50.00
New Company Registration (Government Organizations Only)	Flat Rate	₦500.0	₦50.00
Notaries Act	Flat Rate	₦500.0	₦50.00
Oath and other affiliates bodies relating to above	Flat Rate	₦500.0	₦50.00
Oaths, Affidavit-Affirmation, Statutory Declaration, Agreement	Flat Rate	₦500.0	₦50.00



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Name	Type	Rate	Extra Copy
(Memo of Handwritten) Ordinary			
Ordinary or Open Agreement Underhand Articles	Flat Rate	N500.0	N50.00
Power of Attorney - Revocable/not land related	Flat Rate	N500.0	N50.00
Power of Attorney (Irrevocable/Land Related)	Ad Valorem	1.5%	N50.00
Power of Attorney (POA not relating to sales, conveyance, transfers of any landed property)	Flat Rate	N500.0	N50.00
Promissory Notes of Ordinary Documents/I.O.U	Ad Valorem	0.1%	N50.00
PROXY FORM	Flat Rate	N500.0	N50.00
Sales Agreement	Ad Valorem	1.5%	N50.00
Settlement of any Instrument	Ad Valorem	0.375%	N50.00
Share Increase	Ad Valorem	0.75%	N50.00
Share Increase (Pre-Incorporation)	Ad Valorem	0.75%	N50.00
Share Reduction	Flat Rate	N500.0	N50.00
Share Reduction (Pre-Incorporation)	Ad Valorem	0.75%	N50.00
Share Transfer	Non Chargeable	Free	N0.00
Share Transfer (Pre-Incorporation)	Ad Valorem	0.75%	N50.00
Shipping Agreement	Non Chargeable	Free	N0.00
Surrender, Bills of Exchange	Ad Valorem	0.1%	N50.00
Tenancy/Lease	Ad Valorem	6.0%	N50.00
Vending Agreement	Ad Valorem	1.0%	N50.00
Will	Flat Rate	N500.0	N50.00

5. Administration of Stamp Duties in Nigeria

- Section 4(1) of the Stamp Duties Act provides that the Federal Inland Revenue Service shall be the only Competent Authority to impose, charge and collect duties upon instruments where such instruments relate to matters executed between a Company and any person.
- Section 4(2) of the Stamp Duties Act provides that the relevant tax authority of a state shall collect duties in respect of instruments executed between individuals.
- In respect of banking transactions, the FIRS is vested with the powers to collect stamp duties on all banking transactions.
- As such, the powers given to the State Government through their respective revenue authorities to administer stamp duties by ensuring the assessment, collection and accounting for stamp duties between individuals into the State Government revenue accounts does **not** include banking transactions.
- The **Stamp Duty Commissioner** is appointed by the relevant tax authority (Federal or State) as prescribed by jurisdictional authority to administer the Act. The function of the Commissioner is to administer the provisions of the Act and to supervise the Stamp Duties office; adjudicating/assessment, stamping, the imposition of penalties where necessary, ensuring the security of stamped instruments, and accounting for duties collected.

6. Payment and remittance of stamp duties on receipts:-

A fixed-rate of **N50 FIRS adhesive stamp** is applicable in respect of all receipts. A **N50 Stamp Duty** is also due from customers in respect of electronic transfers done by them through the Money Deposit Banks (MDBs) in Nigeria where the transfer is **N10,000** and above. The MDBs have the obligation to deduct and remit the stamp duties due on such transactions.

7. Remittance of Stamp duties

- Money Deposit Banks shall remit stamp duties collected on behalf of the FIRS into the FIRS Stamp Duties Account with the Central Bank of Nigeria.
- In the case of ad-valorem, the stamp duty is chargeable at the prescribed rates and shall be remitted to the Stamp Duties Account of either the Federal or the State Government.

Please note that the stamp duties chargeable on all electronic transfers of money (including those initiated by an individual and received by another individual) through any Money Deposit Bank in Nigeria, **shall be remitted into the FIRS Stamp Duties Account ONLY**. This account is a Federation Account; the revenue accruing therein is distributed monthly to the three tiers of government in Nigeria (i.e. Federal, State and Local Governments) at the Federation Accounts Allocation Committee (FAAC) meetings.

8. Burden of Payment

- The burden of payment of stamp duties whether fixed or ad-valorem is that of the beneficiaries of a contract, or Money Deposits Banks customers who transfer an amount of **N10,000** and above from his account to another customer's account. In any case, the party making payment shall have the obligation to account for the applicable stamp duties.
- The MDBs, MDAs, Landlords, and other executors of chargeable transactions are only agent of collection whose duties are to ensure that the stamp duties due on each transaction is remitted to the Federal or State Governments stamp duties Account as and when due.
- It is the responsibility of MDAs, MDBs, Companies, Landlords, Executors etc. to ensure that service providers, contractors, tenants etc. pay stamp duties due on agreements, receipts and other dutiable instruments.

9. FIRS Adhesive Stamp vs Postage Stamp

It is necessary to state that postage stamp is administered by NIPOST for the purposes of delivery of items and documents. It does not denote duty and, therefore, not a substitute for the FIRS adhesive stamp which is produced for the sole purpose of stamp duty payment. Section 5(2) of the Stamp Duties Act provides that stamp duty may be denoted by an adhesive stamp. To this end, the Service produced and launched FIRS adhesive stamps for denoting stamp duty.

10. Penalties and Interest

Failure to deduct or remit stamp duties into the Federal or State Stamp Duties Account attracts penalty and interest as stipulated in the Stamp Duties Act, Cap 58, LFN 2004 (as amended).

11. Conclusion

The FIRS is prepared to reposition Stamp Duties and make it the next major revenue source for Nigeria. As revenue from oil and gas continues to dwindle due to global fall in demand and price, indirect taxes such as Stamp Duty remain the viable and sustainable alternative revenue source for funding budgetary requirements by the Nigerian Government.

We hope that the above clarification and information on general or specific clarifications contained in the Stamp Duties Act and Public Notices by the Service would provide adequate information and guidance for the administration of stamp duties in Nigeria.

Signed:
MUHAMMAD NAMI
Executive Chairman