

PUBLIC NOTICE ON WITHHOLDING TAX RATES

1 The Federal Inland Revenue Service wishes to notify the general public of the prevailing withholding tax rates applicable to relevant transactions as follows.

WITHHOLDING TAX RATES

TYPES OF PAYMENT	COMPANIES	INDIVIDUALS
Dividend, Interest and Rent	10%	10%
Directors Fees	N/A	10%
Royalties	10%	5%
Commissions	10%	5%
Consultancy, Professional and Management fees	10%	5%
Technical Service Fees	10%	5%
Construction of roads, bridges, buildings or power plants	2.5%	5%
Other construction contracts	5%	5%
All types of contracts and agency arrangements, other than sales and purchase of goods in the ordinary course of business.	5%	5%

2 In line with the provisions of extant tax laws, every taxable person making payments for the respective transactions listed in the foregoing paragraph is, by this notice, reminded:

- a.** to withhold the tax at the appropriate rate, as specified in paragraph 1 above;
- b.** to remit the tax withheld to the relevant tax authority on or before the 21st day of the month following the month in which the tax was withheld or the duty to withhold arose;
- c.** that any person who fails to comply with the legal requirement to withhold tax or having withheld, fails to remit the tax, commits an offence and liable to penalty and interest prescribed by the relevant tax laws.

3 A taxable person, in this notice, includes a body corporate or unincorporate, a Ministry, Department or Agency of government, a company, firm, any statutory body, a public authority or any other institution, organisation, and establishment or enterprise.

Signed
Muhammad Nami
 Executive Chairman, FIRS