



**FEDERAL INLAND REVENUE SERVICE 15 SOKODE CRESCENT, WUSE  
ZONE 5, P.M.B 33, GARKI, ABUJA, NIGERIA**

**PUBLIC NOTICE ON PAYMENT OF INCOME TAX ON PROFIT FROM BONDS  
AND SHORT-TERM GOVERNMENT SECURITIES.**

The Federal Government by an Order dated 2<sup>nd</sup> January 2012 exempted bonds and short-term Government Securities from income tax for a period of **10 years**. The exemption expired on 1<sup>st</sup> January 2022, except for Bonds Issued by Federal Government.

Consequently, the taxpaying public is hereby invited to note that income tax applies to income derived by companies from bonds and short-term securities effective from 2<sup>nd</sup> January 2022, except for Bonds Issued by Federal Government. Taxpayers are therefore expected to comply with the law by including such income in the self-assessment returns and tax computation of companies and paying appropriate taxes.

Similarly, agents of collection of withholding taxes (WHT) are to note the above for deduction of WHT on interest and other payments made to any company on account of income from bonds and other securities.

For clarity, such bonds and short-term securities on which tax is due effective from 2<sup>nd</sup> January 2022 include:

- (i) Short term Federal Government of Nigeria Securities, such as Treasury Bills and Promissory Notes;
- (ii) Bonds Issued by State and Local Governments and their Agencies;
- (iii) Bonds issued by corporate bodies including supra-nationals; and
- (iv) Interest earned by holders of the Bond and Securities mentioned in paragraph (i) to (iii) above.

All enquiries on any aspect of this notice should be directed to the office of:

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**Muhammad Nami**  
Executive Chairman  
Federal Inland Revenue Service