

## FIRS Directs Landlords, Property Agents to Charge Stamp Duty from Tenants

The Federal Inland Revenue Service (FIRS) has directed landlords and property agents to charge stamp duty on all tenancy and lease agreements.

The directive was given on Wednesday July 22, 2020 by the Director, Communications and Liaison Department Abdullahi Ahmad on behalf of the federal tax authority. The directive is pursuant to the 2019 Finance Act amendment of Stamp Duty Act which gives the FIRS the absolute authority to impose, charge and collect duties upon instruments specified in the Schedule to this Act if such instrument relates to matters executed between a company and an individual, group or body of individuals.

The directive also puts the burden of payment on beneficiary of the tenancy or lease agreement, whom the Stamp Duty Act identified as the tenant or renter and the responsibility of collection and remittance on the landlord or agent in charge of the property for lease or rent.

WYZE opinion: It is not clear if the FIRS directive relates to commercial or residential properties or both. We expect the FIRS to provide more clarifications on the issue.

Please watch out for our newsletter on Administration of Stamp Duties in Nigeria in the subsequent publication.

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