

# A BILL

## FOR

AN ACT TO PROVIDE TAX HOLIDAY FOR CORPORATE BODIES,  
ORGANIZATIONS OR INDIVIDUALS THAT ENGAGE IN THE PROMOTION OF  
ANY SPORTING ACTIVITIES AND FOR OTHER CONNECTED PURPOSES BILL,  
2016

*Sponsored by Senator Ohugbenga Ashafa*

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal  
Republic of Nigeria as follows:

1           1. As from commencement of this Act the Federal Government  
2 shall establish a comprehensive programme of granting tax Holiday to  
3 corporate bodies, individual, organizations engaged in the promotion of  
4 sporting activities.

5           2. The Federal Government shall from time to time direct  
6 publication in the Gazette a list of sports and sporting activities that can be  
7 sponsored by corporate bodies, organizations or individual as specified in  
8 the schedule to this Act.

Publication of  
list of Sporting  
activities

- 9           3.-(1) Any:
- 10           (a) Company;
- 11           (b) Society;
- 12           (c) Firm;
- 13           (d) Organizations
- 14           (e) Statutory body institution; and
- 15           (f) Individuals.

Organization

16 Recognized by law, not being a company, society, firm, organization,  
17 statutory body or institutions, or other body registered or incorporated for  
18 the purposes of promoting sports as a business or trade that engages in the

1 promotion of sports activities, shall be granted tax relief on the amount  
2 donated.

3 4. An individual, not being a professional sport promoter, who  
4 engages in the promotion of sporting activities, shall be granted a tax holiday  
5 for a period to be determined by the Federal Inland Revenue Service.

6 5.-(1) Every donation shall be made with an application to the  
7 Minister and shall be in such form as he may from time to time, specify.

8 (2) Every such application shall state the sporting activity to be  
9 sponsored, the amount of donation and the period of time covered by such  
10 sponsorship.

11 (3) Where an application is submitted to the Minister under this  
12 section, he may require the applicant to furnish such further particulars as the  
13 Minister may consider necessary to enable the council consider the  
14 application.

15 (4) After the application has been submitted to the Minister or, after  
16 any further particulars required by the Minister under subsection (3) of this  
17 section has been submitted to him by the application and subject to the  
18 provision of this Act, the council may approve or disapprove the  
19 application.

20 6. Where an application is approved the Minister shall issue a  
21 certificate to the applicant stating the amount to be exempted from tax and the  
22 period covered by the exemption.

23 7.-(1) At anytime during the tax holiday period, a company, firm,  
24 organization or individual may make an application in writing to the Minister  
25 to increase the amount of donation made under Section 4 of this Act.

26 (2) Every such application shall specify the new amount of donation  
27 and or new duration of sponsorship and shall state the reason for the  
28 application.

29 (3) Where the application under Section (1) of this section is  
30 approved, the Minister shall withdraw or cancel the earliest certificate issued

Mode of  
donation

Issue of  
Certificate

Amending  
Certificate

1 under section 4 and issues a new certificate stating the amount to be  
2 exempted from tax and the period covered by the exemption.

3 **8.-(1)** If the Minister is of the opinion that a company or individual  
4 has contravened any of the provision of this Act or has failed to fulfill the  
5 obligations as contained in the certificate, the Minister shall inform the  
6 President accordingly may either cancel the certificate of the company or  
7 restrict tax holiday of such company to such a period as he may consider  
8 appropriate.

Cancellation of  
certificate

9 (2) Where the certificate is cancelled or the tax holiday period is  
10 restricted, the Minister shall give notice of the cancellation or of the  
11 restriction, to the company, firm, organization or individual concerned.

12 **9.-(1)** The Minister shall cause it to be published in the Gazette:

Publication of  
Certificate

13 (a) Name of the company, firm, organization or individual issued  
14 with a certificate under Section 5 of this Act;

15 (b) Any restriction of the tax holiday period of the company firm,  
16 organization or individual pursuant to section 6(1) of this Act.

17 **10.** The tax exemption period shall commence on the date the  
18 donation is given to the Minister.

Tax Holiday  
period

19 **11.** Where a contract for sporting activity is entered into by:

Exempted from  
Tax Holiday

20 (a) A company;

21 (b) A society;

22 (c) A firm;

23 (d) An organizations;

24 (e) A statutory body institution; and

25 (f) Individual.

26 **12.** The company, society, Firm, organizations, statutory body,  
27 institution and individuals executing contracts shall not be entitled to relief  
28 under section 2 of this Act.

29 MISCELLANEOUS PROVISIONS

30 **13.** Any person who for the purpose of obtaining a tax exemption

False information  
and penalty

1 certificate comply with provision of this Act:

2 (a) makes or present any declaration or statement which is false in any  
3 material particular; or

4 (b) makes an undertaking which is false or has every reason to believe  
5 that it is false in any material particular or has not been given by the person  
6 whom it purposes to have been in any way altered or tempered with.

7 (c) commits an offence and is liable on conviction to a fine not  
8 exceeding N50,000 or imprisonment term for not. more than 5 years or to both  
9 fines and imprisonment.

Offences by  
Corporate, etc.

10 **14.** Where an offence tinder this Act is committed by a body corporate  
11 body or firm or other association:

12 (a) Every Director, Manager, Secretary or other similar officer of the  
13 body corporate;

14 (b) Every partner or office of the firm;

15 (c) Every person concerned in the management of the affairs of the  
16 association; or

17 (d) Every person who purport to act in any such capacity as aforesaid.  
18 Commits an offence and is liable to be prosecuted and furnished for the office  
19 in like manner as if he had himself committed an offence, unless the act or  
20 omission constituting the offence takes place without his knowledge, consent  
21 or connivance.

Liability  
undertaking  
enforceable  
notwithstanding  
proceedings

22 **15.** The institution of proceeding for, fine or time or imprisonment  
23 under this Act shall not relieve any person from liability to payment of any sum  
24 for, which he is or may be liable under any undertaking given to him under any  
25 provision of this Act.

Interpretation

26 **16.** In this Act, unless the context otherwise requires:

27 "Company" means a company (other than a private company) limited by shares  
28 and incorporated and registered in Nigeria and resident in Nigeria;

29 "Certificate" means certificate given under this Act certifying among other  
30 things the amount of donation duration and Tax exemption;

- 1 "President" means The President, Commander-in-Chief;  
2 "Gazette" means the Federal Gazette and includes the Gazette of any State  
3 of the Federation;  
4 The "Minister" means the Minister in charge of sports in Nigeria;  
5 "Tax Holiday period" means the period of relief specified in the certificate.  
6 17. This Act may be cited as Income Tax Holiday Bill, 2016.

Citation

## EXPLANATORY MEMORANDUM

This Bill seeks to provide for Tax Holiday to Corporate bodies, organizations, or individuals that engage in the promotion of any sporting activities and to encourage the growth and development of sports in Nigeria.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The document also highlights the need for transparency and accountability in all financial activities.

The second part of the document outlines the specific procedures and controls that should be implemented to ensure the accuracy and reliability of financial data. These procedures include regular audits, the use of standardized accounting practices, and the implementation of robust internal controls. The document also discusses the importance of training and education for all personnel involved in financial reporting.

The third part of the document provides a detailed overview of the various financial statements and reports that are required to be submitted to the relevant authorities. It explains the purpose and content of each statement and provides guidance on how to prepare and submit them. The document also discusses the consequences of non-compliance with these requirements.

The fourth part of the document discusses the role of the regulatory authorities in overseeing the financial system and ensuring that all participants are acting in accordance with the law. It highlights the importance of cooperation and communication between the regulatory authorities and the financial institutions they regulate.

The fifth part of the document provides a summary of the key points discussed in the document and offers some final thoughts on the importance of maintaining high standards of financial reporting and transparency. It concludes by emphasizing that the integrity of the financial system is essential for the stability and growth of the economy.