

***Laws & Conventions 202301***  
***Monday, June 19, 2023***

***Nigerian freight tax demands***

***Dear Members:***

**Nigeria issues freight tax demands on tanker owners/vessels having called Nigerian ports dating back to 2010.**

According to advice issued by Intertanko, some tanker members have received demand letters from the Nigerian Inland Revenue Service (FIRS) in relation to alleged sums of freight tax due, owing and payable by owners/vessels that have called at Nigerian ports to load wet cargoes, dating back to 2010. The total liability amounts do not indicate how much freight tax has been calculated per voyage, only per ship, spread out over several years (2010-2019). For example, a Gard tanker member received a demand for payment of almost USD 2.7 million on one vessel alone but involving multiple charterparties/calls during the period 2012-2019. The total amounts demanded include a penalty charge of 10% and interest at 19% but no detailed calculations noting the precise cargo/freight amounts per voyage, have been provided.

Initial advice received from Nigerian lawyers is that a reply will have to be sent to each FIRS letter, each case investigated for tax reciprocity and a letter of appeal sent within 30 days (of the notifying letter) to prevent measures being taken by the FIRS.

Tanker owners/operators are advised to be alert to the possibility of receiving letters from the FIRS. The Inland Revenue Service considers non-payment of the demands to be classified as tax evasion and a criminal offence. Intertanko has written to the FIRS requesting, amongst other information, further detailed information as to how the freight tax has been calculated and whether demands have been sent to charterers as well.

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