



First Thoughts

I feel pretty elated today for lots of reasons, but I would mention just a few. I am currently attending the Annual Tax Conference of the Chartered Institute of Taxation of Nigeria (CITN), the biggest gathering of tax practitioners and professionals in Nigeria. It is no doubt that in recent times, taxation has indeed come to take its seat at the table as the mainstay of the economy and the sporadic shift from reliance on oil some years ago to the reliance on the revenue from taxation has made most Nigerians take taxation more seriously.

I saw men and women in their numbers attending the conference and listening with rapt attention to the papers, panel sessions, presentations and a host of other offerings this awesome event had to offer. It is Day 3 now and I make bold to say the 21st Annual Tax Conference is one to be remembered for a long time to come. The theme of this year's conference, 'National Development: Unlocking the Potentials of Taxation' resonated with the current realities of our nation and how taxation should not just be viewed as a means of government reaping from its citizens but on how through taxation, national development could truly be enhanced.

I had the opportunity of giving a brief Exhibitors' Speak on behalf of Taxaide and those few minutes were so precious to me, as I faced my biggest crowd (OK, second biggest crowd) ever.

Our brands – Taxaide and Taxtech were well represented as co-sponsors of the event and also in a panel session. Highlights of the Conference focused on the following and more:

- Tax Technology (ICT) for Government Revenue Mobilization and Collection
- Managing Tax Defaults (Options and Choices)
- Global Tax Transformation: Implication for Economic Growth and Development
- Tax Transparency: Implications of International Conventions and Agreements
- Corporate Governance and Ethical Tax Behaviour
- Taxation of SMSs: Exploring the Hidden Potentials



In this issue:

We take excerpts from some of these papers and presentations as follows:

Managing Tax Defaults: In this paper by Abiodun M. Aina, the Coordinating Director of the Domestic Taxes Group of the Federal Inland Revenue Service (FIRS), we take excerpts on what tax defaults are, their sources and the proactive measures that can be taken to manage tax defaults with special focus on the Nigerian situation.

Tax Technology (ICT) for Government Revenue Mobilization and Collection: In this panel session moderated by Oyeyemi Oke, Partner at Taxaide, Oladeji Akinyele, Managing Consultant, CSDC Consulting emphasizes on the need for automation to aid tax revenue mobilization with focus on automation in the specific areas.

In last week's #TaxThursday, we examined the spate of brain drain and departure of more of our best brains to foreign lands in search of greener pastures. **Chizaram Opara** takes this a notch further as she reacts to the alleged statement by Nigeria's Minister of Labour and Employment in Nigeria on the availability of more than enough doctors in Nigeria and thus, no problem with the exit of more doctors to other countries. **An Abundance of Doctors: Our Export for Foreign Exchange Earnings** is indeed an explosive read.

As usual, thank you for keeping faith with us even as we bring you The TaxaideR 1.4. We look forward to your feedback, observations, recommendations and constructive criticisms. You can email us [here](#) or follow us across all our social media platforms (Twitter, LinkedIn, Facebook, Instagram). Thank you for being there! Till next #TaxThursday!

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TAX TECHNOLOGY (ICT) FOR GOVERNMENT REVENUE MOBILIZATION AND COLLECTION

(An excerpt from a paper by Oladeji Akinyele, Managing Consultant, CSDC Consulting).

Automation remains the key trigger to drive the needed improvement in government revenue mobilization and collection. Automation in the context could be viewed from the following perspectives:

- Automation for the People
- Automation to fight corruption
- Automation on Assessment
- Automation on Collection
- Automation on Enforcement
- Automation on Relationship Management

Automation for people through:

- Performance-based remuneration
- Biometric entry and exit
- Staff Activity Tracking
- KPIs
- Review and Monitoring

Automation against Corruption that seeks to eliminate:

- Human Interface
- Revenue Fraud
- Nepotism
- Political Interference

By ensuring:

- Virtual Service Portals
- Automated Assessment and Payment Process
- Systematic Valuation of Goods
- Unified Social Amenities Portals



Automation for Relationship Management

- i. Engage taxpayers more with the use of Social Media.
- ii. Use advance analytics tools to identify tax-payers preferences and develop bespoke policies.
- iii. Collate financial and non-financial data of taxpayers on a real-time basis to track progress and changes in their situations.

MANAGING TAX DEFAULTS

(An excerpt from a paper by Abiodun M. Aina, Coordinator, Domestic Taxes Group, FIRS)

Tax defaults arise due to non-compliance with the provisions of the tax laws, regulations, etc.

Sources of Tax Default

- i. Contravening the provisions of the tax laws
- ii. Deliberate contravention
- iii. Misinterpretation or wrong application of the tax law
- iv. Provision of one or more inaccurate documents or information
- v. Deliberate provision of inaccurate information
- vi. Honest mistake in recording information
- vii. Failure to comply with the directives of the tax authority

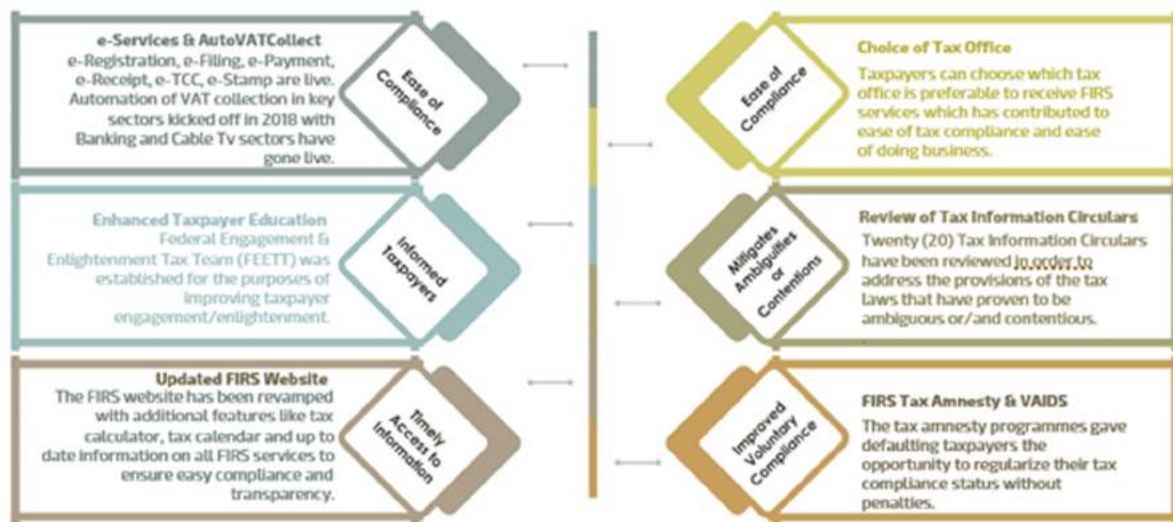
- viii. Deliberately ignoring regulations, notices and other directives of the revenue authority with regards to compliance

Managing Tax Defaults: Proactive Measures

These are measures that can facilitate the prevention of tax default and/or encourage voluntary compliance.

- i. Taxpayer Education/Enlightenment
- ii. Timely Access to Information
- iii. Ease of Compliance
- iv. Provision of Public Infrastructure
- v. Social Engineering

Proactive Measures: The Nigerian Situation



Conclusion

The best way to manage tax default is to encourage voluntarily compliance and mitigate default from occurring. All stakeholders have to work together to ensure that all taxable persons voluntarily and duly comply with the provisions of the tax law.

Voluntary compliance is much easier now than ever considering all the compliance channels FIRS has opened to taxpayers and the administrative recalibrations that have ushered in a more conducive environment for tax compliance. Particularly the use of technology.

Tax default will be at the barest minimum if we embrace voluntary compliance.

AN ABUNDANCE OF DOCTORS: OUR EXPORT FOR FOREIGN EXCHANGE EARNINGS

by Chizaram Opara

Social media was yesterday, agog with opinions, criticisms and thoughts, in reaction to the words uttered by the Minister of Labour and Employment in Nigeria, which explicitly inferred stated that Nigeria has more than enough doctors. In fact, the Minister was said to have strongly stated that he could be quoted anywhere to have made such assertion.

The Minister had said, on Channels Television's Sunrise Daily on Wednesday, that doctors who felt they wanted to relocate in search of greener pastures were free to do so as the nation had enough medical personnel. He had, while responding to a question on brain drain and the deliberate recruitment of Nigerian doctors by foreign embassies in Nigeria, said there was nothing wrong with doctors leaving the country as they would continue to send foreign exchange home which would, in turn, grow the economy.

He is quoted to have said, "No, I am not worried (about doctors leaving the country). We have surplus. If you have surplus, you export. It happened some years ago here. I was taught chemistry and biology by Indian teachers in my secondary school days.





His assertion seemed to depict that we have an abundance of medical personnel and thus, we can afford to export them and, in turn, reap foreign exchange earnings.

The statement has been decried by many to be totally untrue and statistically incorrect. The World Health Organization (WHO) has recommended a doctor to population ratio of 1:600. But in Nigeria, according to WHO's Global Atlas of the Health Workforce Statistics, there are four physicians (qualified to practice medicine) for every 10,000 persons. By this statistics, our doctor to patient ratio is 0.395 to 1000 persons. Without even inferring from statistical figures, experience in hospitals must have shown one that we have fewer doctors than are required to treat patients. The long queues and tiresome wait to see a physician except in emergency situations is glaring evidence.

This statement not only reveals the nonchalant disposition of the government to brain drain occurrences especially in the medical sector but also serves as an encouragement to those in the medical field who intend to leave this country to practice in other countries where the medical practice is deemed "more lucrative".

The Nigerian Medical Association (NMA), the National Association of Resident Doctors (NARD), the Socio-Economic Right and Accountability Project and human rights groups have however criticized the Minister over his comment that the country has enough medical doctors.

The NMA president, Dr Francis Faduyile and his NARD counterpart, Dr Segun Olaopa, said Ngige did not have the knowledge of the World Health Organisation's recommendation on doctor-patient ratio. The NMA president said Nigeria had no enough doctors, stressing the need to ensure the country retained its medical personnel.

What is more funny is the fact that in a bid to clarify his assertion, the Minister called a press briefing, according to punocracy.com, where he explained that when he mentioned doctors, he had in mind not just medical doctors but native doctors and spiritual doctors.

Whether or not our medical doctors are more than enough, do not be surprised when next you visit an hospital and happen to find next to no doctors available, be rest assured that the others have been exported for the gain of foreign exchange earnings.



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