

## THE HARD WAY, THE ONLY WAY!

### A Bird's Eye View on the FIRS Suspension of Lien on Bank Accounts

About two weeks ago, a good number of corporate and individual business owners got the shock of their lives when most suddenly, they were served notices on their bank accounts. The accounts had been placed on a freeze on the instruction of the Federal Inland Revenue Service (FIRS) due to the lack of regularization of their tax status or some default on their part. Business owners had funds ranging from hundreds of thousands to millions and even billions stuck in their banks!

The result: The FIRS offices all across the country became a sudden beehive of activities as these business owners besieged these offices like white on rice. Tax advisory and Tax management firms had a field day. The calls were endless. There was palpable fear in the business world. The FIRS was driven into overtime and it was evident if some crowd control measure wasn't put in place, they would burn out. They could not afford to shut their offices and they could not tell these business owners to go home. Telling them to 'go home' would have been tantamount to asking a man to go and sleep with a burning roof over his head. Businesses in Nigeria thrive on funds and these funds were trapped so there was no home to go. In the new popular lingo, it was a 'we die here' situation. The FIRS suddenly realized they may have acted too fast and somehow the action was blowing back in their face.

On Friday, 15th February 2019, the FIRS issued a circular announcing a temporary suspension on the freeze. There was a huge sigh of relief and business owners could breathe easy again as their frozen funds were now accessible again. However, it is not clear if most business owners know that the suspension is a temporary one and only valid for 30 days. Of course, they should know! The letter from the FIRS stated this clearly but the reactions from most business owners affected by this has not actually shown that they understand that Judgment Day was not over but had just been extended by a mere 30 days and we know how short 30 days is, these days. In fact, it's been almost one week already implying we have barely 23 days left before the suspension is back.

It is also possible most believe that there would be another extension as is very characteristic of most deadlines put in place by government agencies. However, we do not think that is a risk worth taking and we expect these businesses to go all out to get their tax status regularized. A faster way to achieving this would be to contact a licensed Tax Manager or Tax Management firm.

A curious case for thought however would be the fact that the average Nigerian always waits till the last minute to do the needful and they run faster when the pressure is on. Perhaps, this is not peculiar to Nigeria alone or maybe we just love the pressure and the adrenaline rush that comes with it. Sometimes, the hard way is the only way!