



## NIGER STATE INVESTMENT PROMOTION AGENCY (NSIPA)

### INVENTORY OF INVESTMENT INCENTIVE (FEDERAL & STATE)

**State Incentive:** Refer to: [https:// nsipa.nigerstate.gov.ng](https://nsipa.nigerstate.gov.ng) <https://www.nogp.nigerstate.gov.ng>

| S/N | NAME OF INCENTIVE        | NAME OF LEGAL REFERENCE INSTRUMENT   | SECTOR                                 | ELIGIBILITY OR QUALIFICATION CRITERIA (DESCRIPTION)  | DESCRIPTION OF INCENTIVE  | INCENTIVE DURATION     | FEDERAL LEVEL/STATE LEVEL | AWARDING AND IMPLEMENTING AGENCY   | YEAR INCENTIVE WAS INTRODUCED | NUMBER OF INCENTIVE RECIPIENTS (2022 – 2023) |
|-----|--------------------------|--|--|--|---|------------------------|---------------------------|--|-------------------------------|--|
| 1   | Pioneer Status Incentive | Section 10 and 17 of the supplements to Official Gazette No. 5, Vol. 51. 9 <sup>th</sup> January.<br>1964- part B. LN.2 of. 1964' ee 4 oo Lg<br>INDUSTRIAL DEVELOPMENT TAX RELIEF) ACT J (CAP.87)<br>II<br>Industrial Development (Income. Tax Relief) (yeast) Order, 1964 | Manufacturing (Industrial Development) | i. Applications must be made within the first year of operational activities.<br>ii. Applicants must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC's website.<br>iii. A non-current tangible asset of over one hundred million naira (N100 million) shall be deemed as satisfiable.<br>iv. Applicant must demonstrate the tangible impact its activity (project) will have on Nigeria's economic diversity and growth, industrial and Sectoral development, employment, skills and technology transfer, export development and import substitution.<br>v. Applicant must provide evidence of all required legal and regulatory compliance documentation.<br>vi. Applicant must make full payment of fees promptly, | Under IDITRA, companies engaged in industries/products approved as 'pioneer industries/products' shall be<br>i. Granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years ( <b>Section 10(2)(a)(b) IDITRA</b> );<br>ii. Exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax ( <b>Section 17(3) IDITRA</b> ); and<br>iii. The loss incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax- | Tax Holiday for 3years | Federal                   | i. Nigerian Investment Promotion Commission<br>ii. Industrial Inspectorate Department<br>iii. Federal Ministry of Industry, Trade and Investment<br>iv. Federal Inland Revenue Service | 2011                          | N/A  |

|   |   |  |                  |   |   |         |         |                                |      |     |
|---|---|--|------------------|---|---|---------|---------|--------------------------------|------|-----|
|   |   |  |                  | when due.<br>vii. During the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes.  | exempt period.  |         |         |                                |      |     |
| 2 | Rural Investment allowance (Investment in an economic disadvantage area)  | Section 34 COMPANIES INCOME TAX ACT<br>An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. (No. 28 of 1979, No. 11 of 2007.) (Date of commencement 1 <sup>st</sup> April, 1977) | All Sectors      | i. The company must be located at least 20 kilometers away from such facilities provided by the government. ii. Cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction Investment allowance. iii. Allowance can only be applied against the profit of the year in which such investment (facility) was completed.   | Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 30% No electricity 50% No tarred road 15% | 7 Years | Federal | Federal Inland Revenue Service | 2007 | N/A |
| 3 | Interest on bonds and short-term securities and proceeds of the disposal of Government and corporate securities | CIT (Exemption of Bonds and Short Term Government Securities) Order 2011   | Financial Sector | i. Applications must be made within the first year of operational activities.<br>ii. Applicant must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC's website.<br>iii. A non-current tangible asset of over one hundred million naira (N100 million) shall be deemed as satisfiable.<br>iv. Applicant must demonstrate the tangible impact its activity (project) will have on Nigeria's economic diversity and growth, industrial and Sectoral development, employment, skills and technology transfer, export development and import substitution.<br>v. Applicant must provide evidence of all required legal and regulatory compliance documentation.<br>vi. Applicant must make full payment of fees promptly, | Provides tax exemption for interest earned on:<br>i. Short term Federal Government securities such as treasury bills and promissory notes<br>ii. bonds issued by Federal, State and Local Government and their agencies<br>iii. bonds issued by corporate bodies including supra-nationals  | 3 years | Federal | Federal Inland Revenue Service | 2011 | N/A |

|   |                                       |   |                                 |   |   |                                  |         |                                |      |     |
|---|---------------------------------------|---|---------------------------------|---|---|----------------------------------|---------|--------------------------------|------|-----|
|   |                                       |   |                                 | when due.<br>During the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes  |   |                                  |         |                                |      |     |
| 4 | Exemption of interest on loan         | Section 11(2)CITA, 2011   | Agriculture                     | i. the moratorium shall not be less than 18 months; and<br>ii. the rate of interest on the loan shall not be more than the base lending rate at the time the loan was granted   | Provides exemption from tax interest on any loan granted by a bank to a company engaged in:<br>i. agricultural trade or business; or<br>ii. the fabrication of any local plant and machinery; or<br>iii. providing working capital for any cottage industry   | Tax Relief                       | Federal | Federal Inland Revenue Service | 2011 | N/A |
| 5 | Rural Investment allowance            | Section 34 COMPANIES INCOME TAX ACT<br>An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. (No. 28 of 1979, No. 11 of 2007.) (Date of commencement 1 <sup>st</sup> April, 1977)  | All Sectors                     | i. The company must be located at least 20 kilometers away from such facilities provided by the government.<br>ii. Cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction Investment allowance.<br>iii. Allowance can only be applied against the profit of the year in which such investment (facility) was completed. | where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the appropriate rate as follows: No facilities at all 100% No water 30% No electricity 50% No tarred road 15% | Relief                           | Federal | Federal Inland Revenue Service | 2007 | N/A |
| 6 | Gas utilization: Investment allowance | Section 34 COMPANIES INCOME TAX ACT<br>An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1 <sup>st</sup> April, 1977] | Natural Gas                     | i. A company which claims the incentive shall not also claim the tax-free dividend during the tax-free period<br>ii. Goods and services supplied to consumers for a fee at the rate of 7.5%<br>iii. Such goods must be contained in the provisions classifying the list of goods and services which are exempted from VATs                    | For companies in gas utilization (downstream operations), an additional investment allowance of 35% (which shall not reduce the value of the asset) is allowed, as an alternative to the initial tax-free period granted  | Exemption                        | Federal | Federal Inland Revenue Service | 2007 | N/A |
| 7 | Value Added Tax Exemption             | VALUE ADDED TAX ACT<br>An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1 <sup>st</sup>                                       | Manufacturing (Food production) | To be eligible,<br>i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or<br>ii. the beneficial owner of the rights in or over the goods is a taxable person in  | Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to FIRS, means that for a food item to be exempted from VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that   | Tax Exemption with no time limit | Federal | Federal Inland Revenue Service | 1993 | N/A |

|    |  |  |                                     |   |  |                                  |         |                                |      |     |
|----|--|--|-------------------------------------|---|--|----------------------------------|---------|--------------------------------|------|-----|
|    |  | December, 1993]<br>[Commencement.]   |                                     | Nigeria and the goods or right is situated, registered or exercisable in Nigeria  | can be easily stored, and eaten throughout the year by a dominant part of a population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.  |                                  |         |                                |      |     |
| 8  | Value Added Tax Exempt on all medical and Pharmaceutical Products. | VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1 <sup>st</sup> December, 1993] [Commencement.] | Health (Medical and Pharmaceutical) | To be eligible,<br>i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or<br>ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria | Outright exemption from VAT for all medical and pharmaceutical products<br>(a) Medical products and services<br>(b) Health care related services for humans and animals<br>(c) Raw materials used in manufacturing pharmaceutical products   | Tax Exemption with no time limit | Federal | Federal Inland Revenue Service | 1993 | N/A |
| 9  | Value Added Tax Exempt on all Baby Products                        | VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1 <sup>st</sup> December, 1993] [Commencement.] | Manufacturing (Baby products)       | To be eligible,<br>i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or<br>ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria | Outright exemption from VAT for all Baby Products<br>(a) Raw materials for the production of baby diapers and sanitary towels  | Tax Exemption with no time limit | Federal | Federal Inland Revenue Service | 1993 | N/A |
| 10 | VAT exempted on the other goods                                    | VALUE ADDED TAX ACT An Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1 <sup>st</sup> December, 1993] [Commencement.] | Agriculture, Manufacturing          | To be eligible,<br>i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or<br>ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria | VAT Act list the following goods exempted from VAT; (a) Books and educational materials, (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment; (c) All exports; (d) Plants and machinery imported for use in Export Processing Zones; (e) Plants, machinery | Tax Exemption with no time limit | Federal | Federal Inland Revenue Service | 1993 | N/A |

|    |  |   |                                    |  |  |                                  |         |                                |      |     |
|----|--|---|------------------------------------|--|--|----------------------------------|---------|--------------------------------|------|-----|
|    |  |   |                                    |  | and equipment purchased for utilization in gas down-stream petroleum operations; and<br>(f) Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.   |                                  |         |                                |      |     |
| 11 | VAT exempted on the specific services                | VALUE ADDED TAX ACT An Act to impose and Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1 <sup>st</sup> December, 1993] [Commencement.] | Transportation, Microfinance Banks | To be eligible, i. If the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service,<br>ii. Irrespective of the jurisdiction of origin of the service, where the services is rendered to a person physically present in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation to render such service rests on a person within or outside Nigeria, or<br>iii. The service is connected with existing immovable property (including the services of agents, experts, engineers, architects, valuers, etc.); where the property is located in Nigeria.<br>iv. it can be inferred from information provided that the consumers usual place of residence is Nigeria; | VAT Act list the following services exempted from VAT;1. (a) transportation service for public use<br>(b) all exported goods and services<br>(c) life insurance<br>(d) imported machines for use in the Export Processing Zone (EPZ) or free trade zone  | Tax Exemption with no time limit | Federal | Federal inland Revenue Service | 1993 | N/A |
| 12 | Enhanced capital allowance (tax depreciation) regime | COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]           | Agriculture                        | All companies that incur qualifying capital expenditure on Agriculture<br>i. Assessable profit<br>ii. Lease assets used in agro-allied ventures (66%)<br>iii. Lease assets in agricultural plants and equipment /expenditure (100%)  | (a) 95% capital allowance is enjoyed in the year a qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 & 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) | Year of qualifying expenditure   | Federal | Federal Inland Revenue Service | 2007 | N/A |

|    |                         |  |            |   |   |         |       |   |      |   |
|----|-------------------------|--|------------|---|---|---------|-------|---|------|---|
|    |                         |  |            |   | Companies engaged in wholly agricultural activities are entitled to carry forward unutilized capital allowances indefinitely.   |         |       |   |      |   |
| 13 | Stabilization Incentive | Sector Specific Investment Incentive Policy (Executive Approval) | All Sector | <ul style="list-style-type: none"> <li>• Evidence of Registration with CAC;</li> <li>• Evidence of Registration with NIPC, for Companies with foreign interest;</li> <li>• Registration with NSIPA</li> <li>• Quantum of Investment: <ul style="list-style-type: none"> <li>- Foreign/Large Domestic Investments with a minimum of 2 billion Naira</li> </ul> </li> <li>• Agribusiness Value Chain components: <ul style="list-style-type: none"> <li>- Pre-production, Production and Post-production &amp; marketing qualifying activities:- fertilizer blending/ production, seed multiplication/distribution, large- scale production of inputs for livestock, poultry and fishery,</li> <li>- Large-scale farming/ plantations,medium and large-scale processing, development of medium/ large-scale modern storage facilities, dev. of commodity futures market and export</li> </ul> </li> <li>• Submission of host community CSRPlan. (Applicable to foreign/large domestic investments only).</li> <li>• Evidence of compliance with Stateregulatory requirements</li> </ul> | Exemption from payment of State imposed levies/ charges for the first three (3) years ofentry, namely: <ul style="list-style-type: none"> <li>• Signage Levy</li> <li>• Business Premises</li> <li>• Tenement Rates</li> <li>• Ground Rent</li> <li>• Intent/Processing Fee forC of O.</li> </ul> | 3 years | State | Niger State Investment Promotion Agency | 2022 | 2 |

|    |  |  |                                 |  |   |         |       |   |      |     |
|----|--|--|---------------------------------|--|---|---------|-------|---|------|-----|
| 14 | Consolidation incentive                  | Sector Specific Investment Incentive Policy (Executive Approval) | Micro Small & Medium Enterprise | <ul style="list-style-type: none"> <li>• Application to NSIPA;</li> <li>• Submission of business plan/feasibility report.</li> <li>• Power Point Presentation to the Approval Committee. (Representatives of MDAs at theOSS)</li> <li>• Letter of Approval to be issued within 24 hours of approval;</li> <li>• Time frame from application to approval to be completed within 21 working days subject to the fulfilment of all the requirements on the part of the investor.</li> </ul> <p>Certificate signed by the Honourable Commissioner responsible for Investment and issued by the NSIPA</p> | For Medium Enterprises This offers investor's full exemption for 2 years from State-based imposed levies and charges  | 2 years | State | Niger State Investment Promotion Agency | 2022 | N/A |
| 15 | Micro Businesses consolidation incentive | Sector Specific Investment Incentive Policy (Executive Approval) | Micro Small & Medium Enterprise | <ul style="list-style-type: none"> <li>- This incentive is available to businesses of below 200 million Naira</li> <li>- Registration with Niger State Small, Medium and Micro- Finance Agency (SMMFA)</li> <li>- Evidence of Registration with the Commercial Department of Ministry of Commerce and Investment.</li> <li>- National Identification Number</li> <li>- Qualifying Activities: all businesses operating in the agribusiness value chain are eligible.</li> </ul> <p>Quantum of investment not required.</p>   | <p>This offers micro and small businesses full exemption for one year from payment of State-based imposed levies and charges.</p> <ul style="list-style-type: none"> <li>• Signage Levy</li> <li>• Business Premises</li> <li>• Tenement Rates</li> <li>• Ground Rent</li> <li>• Intent /Processing fee for C of O</li> </ul> | 1 year  | State | Niger State Investment Promotion Agency | 2022 | N/A |
| 16 | MSMES Service charges subsidy            | Sector Specific Investment Incentive Policy (Executive Approval) | Micro Small & Medium Enterprise | <p>All registered MSMEs are eligible. (To includes CAC business registration or Min. of Commerce, Industry and Investment registration)</p>  | <ul style="list-style-type: none"> <li>• This offers MSMEs 50% discount for business development services through Government initiatives, namely:</li> <li>• Bankable business plan; cost of entrepreneurship training; training on quality</li> </ul>  | 1 Year  | State | Niger State Investment Promotion Agency | 2022 | N/A |

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|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  | assurance and packaging for export. <ul style="list-style-type: none"><li>• This offers a single digit interest charge of not more than 5%</li></ul> |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|

**Signed:**  
**The Executive Secretary**  
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