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THE ALP REVIEW

REGULATORY COMPLIANCE
AND PUBLIC SECTOR

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Tax Reform Bills to Increase States' VAT Revenue To 55%

The Nigerian government seeks to pass Tax Reform Bills (the Bills), which seek to increase the percentage of Value Added Tax (VAT) revenue distributable to states from 50% to 55% while reducing the Federal Government's share to 10%. Under this new framework, the revenue distributable to States will remain at 35%, whilst there is a proposed zero VAT on exports and essential goods.

President Bola Tinubu's introduction of the Tax Reform Bills were met with spirited responses amongst lawmakers and stakeholders across party lines. Leading a debate at the plenary of the Senate on 28 November 2024, Mr Bamidele Opeyemi, the Senate majority leader explained that the Bills were aimed at simplifying the tax landscape, reducing the burden on small business and streamlining how taxes are collected.

Comment: Unlike what is obtainable under the existing tax regime

where the Federal Government takes a lion share of VAT revenues, it is proposed that the sharing formula should allow the state governments share 55% of VAT revenue while reducing that of the federal government to 10% sharing formula.

However, Local Governments' share of VAT revenue remains unaffected. Relatedly, basic items consumed by Nigerian households such as food items, medical services and pharmaceuticals, educational fees, electricity etc. are exempted from VAT.

Again, as part of efforts to ease the administration of income taxes and levies across the Federation, there is a reasonable effort made to consolidate core tax statutes and related tax legislations.

For more information, please click [here](#).

NAICOM Signs MoU with NDPC to Strengthen Data Protection in Insurance Sector

The National Insurance Commission has signed a Memorandum of Understanding (MoU) with the Nigerian Data Protection Commission (NDPC), a great initiative toward enhancing data protection within the insurance sector.

The move, which aims to strengthen data protection in the insurance sector, has some other objectives: Training and Capacity Building: Providing training to enhance awareness and skills in data protection; Establishing Privacy Clinics: Setting up specialized clinics to address data protection concerns and provide guidance, and Conducting Compliance Activities: Regularly monitoring and enforcing compliance with data protection regulations. Others outlined in the MoU are: Promoting Awareness, Educating insurance companies on the importance of data protection and the benefits of adhering to best practices, and Developing Data Protection Guidelines: Creating specialised

guidelines for insurance institutions to ensure they can effectively handle data protection responsibilities.

Comment: This collaboration is a milestone in safeguarding the personal data of policyholders and promoting trust in the insurance sector.

To ensure the effective implementation of the MoU, an implementation committee will be established, and it will comprise representatives from the two agencies, as well as other relevant industry associations, including the Nigerian Insurers Association (NIA) and the Nigerian Council of Registered Insurance Brokers (NCRIB).

For more information, please click [here](#).

NESG Inaugurates Advisory Council to Champion Economic Reforms

The (NESG) has inaugurated its National Economic Advisory Council to strengthen its mission of fostering an open, inclusive, sustainable, and globally competitive Nigerian economy.

The Council consists of distinguished economic experts with renowned research experience in African and Nigerian economic issues. The council will convene quarterly to receive briefings on the Nigerian economy, deliberate on findings and challenges, and provide strategic advice to the NESG on short, medium, and long-term economic policy advocacy.

Additionally, the Council will hold an annual retreat to evaluate and refine the NESG Research Agenda and assess its impact on NESG's advocacy and reform activities.

In his remarks, Niyi Yusuf (the NESG Chairman) emphasised the urgency of inaugurating the Council in light of the ongoing economic challenges such as the rapid implementation of fuel subsidies and exchange rate reforms, food insecurity, declining living standards and poor Human Capital Development (HCD) indicators, among others.

Comment: Nigeria has encountered various economic and political obstacles in recent years, underscoring the urgent need to redesign its systems and address structural issues. The new council which includes Prof Osita Ogbu, Dr Mohammed Sagagi, Prof Risikat Oladoyin Dauda and Dr Yemi Kale are expected to make recommendations and support efforts to address challenges relating to the allocation of resources, macro-economic instability, and institutional deficiencies.

For more information, please [click here](#).



CONTACT US:

 **Lagos**
15 Military Street, Onikan, Lagos

 +234 201 700 2570-9

Abuja
3 Lobito Crescent, Wuse 2, Abuja

+234 209 700 2570-9

 www.alp.company

 alp@alp.company

 ALP NG & Co

 [alpng.co](https://www.instagram.com/alpng.co)

 ALPNigeria

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