

Tax Alert

FIRS announces e-invoicing mandate for large taxpayers in Nigeria

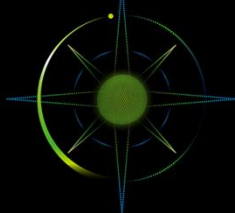


Introduction

The Federal Inland Revenue Service (FIRS) has announced that large taxpayers (i.e., businesses with a turnover of NGN5billion and above) supplying taxable goods and services, would be required to comply with the mandatory e-invoicing requirement with effect from **1 August 2025**. This announcement was made via a public notice (“hereinafter “the Notice”) issued on Wednesday, 9 July 2025.

Recall that in November 2024, FIRS had announced the adoption of the Merchant Buyer Solution (MBS), an e-invoicing initiative aimed at enhancing tax compliance, curbing revenue leakages and modernizing financial transactions. At that time, FIRS indicated that there would be a phased roll-out of the initiative beginning with taxpayers selected for the voluntary pilot program, and subsequently, making it mandatory for large taxpayers. The expectation was that other taxpayers would be mandated to comply at a later time.

It appears that FIRS is now ready to go-live with mandatory e-invoicing in Nigeria for large taxpayers, albeit providing only a short time for large taxpayers which were not part of the voluntary pilot program. We have provided below, highlights of the Notice and our views on this latest development:



Highlights of the Notice

From 1 August 2025, compliance with the e-invoicing requirements would no longer be optional but mandatory particularly for large taxpayers. To comply, large taxpayers are required to:

1. register and onboard on FIRS' e-Invoicing platform;
2. integrate their invoicing systems with FIRS platform in line with the Merchant-Buyer model; and
3. commence real-time invoice generation, validation, and transmission through designated e-invoicing channels.



Commentary

FIRS has largely followed the right steps in rolling out the mandatory e-invoicing mandate, with the voluntary pilot program and several stakeholder engagements in its ongoing efforts to modernize revenue collection and tighten regulatory oversight.

However, given the length of time it took the pilot large taxpayers to integrate their systems with FIRS' MBS, one would have expected FIRS to give other large taxpayers a similar length of time to integrate their systems with FIRS' MBS. This would ensure there are minimal disruptions to business operations, especially at a time when businesses are also preparing for the recent change in the tax legislation.

Nonetheless, we expect that taxpayers who are unable to comply with the mandatory e-invoicing mandate from 1 August 2025, would seek an extension from FIRS, potentially stating what steps are being taken to comply and when compliance would commence.



Other related development: FIRS reiterates that non-resident persons would be covered by mandatory e-invoicing mandate

On a separate but related note, FIRS has reiterated that non-resident persons supplying taxable goods and services to Nigeria would be covered by the mandatory e-invoicing mandate. This clarification was made during a sensitization session held on Tuesday, 8 July 2025, by the FIRS Non-Resident Persons Tax Office.

While the effective date for compliance by non-resident persons has not been communicated, non-resident persons who were previously uncertain about the applicability of the mandatory e-invoicing mandate to their businesses, have been advised to reassess their current invoicing and tax systems to evaluate the technical, operational, and financial requirements of complying with the mandatory e-invoicing mandate in Nigeria.



Conclusion

The roll-out of mandatory e-invoicing mandate marks a significant milestone in the country's journey toward transparent, efficient, and equitable tax administration.

While mandatory e-invoicing brings about new compliance challenges, the initiative underscores Nigeria's commitment to safeguarding its revenue base and fostering a robust and modernized business environment.

As FIRS continues to refine and support this initiative, both resident and non-resident companies will need to adapt, innovate, and collaborate to ensure seamless compliance and mutual growth.

To find out more about e-invoicing and how Deloitte can help your business develop a centralized strategy for e-invoicing, please refer to the [Deloitte placemat](#). Otherwise, please reach out to ngtaxpartners@deloitte.com.



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