



FEDERAL INLAND REVENUE SERVICE

20 SOKODE CRESCENT ZONE 5 WUSE, PMB 33, GARKI ABUJA, NIGERIA

PUBLIC NOTICE

WITHHOLDING OF TAX FROM INTEREST ON INVESTMENT IN SHORT-TERM SECURITIES

This Notice is issued for the information, guidance and compliance of Banks, Discount Houses, Stockbrokers, Corporate Bond Issuers, Primary Dealer Market Makers (PDMMs), other financial institutions, government agencies, tax practitioners, and the general public.

1. Sections 78(1) and 81(1) of the Companies Income Tax Act (CITA), (as amended), and the Deduction of Tax at Source (Withholding) Regulations, 2024 provide that tax be deducted from interests payable to any person (including non-corporate entities) on the date of payment.
2. Accordingly, tax shall be deducted from all interest payments on investments in short-term securities on the date of payment at the applicable rate.
3. The tax shall be deducted and remitted to the relevant tax authority not later than the 21st day of the month following the month in which the payment occurred.
4. The person from whose payment the tax was deducted is entitled to a tax credit equal to the amount withheld and remitted except where the tax deducted is the final tax.
5. Interest on bonds issued by the Federal Government is exempt from tax deduction.
6. Interest on OMO Bills issued by the Central Bank of Nigeria is not liable to tax deduction.
7. Short-term securities include (but not limited to) government bonds, treasury bills, promissory notes, corporate bonds, financial papers, bills of exchange, etc.

All relevant interest-payers are required to comply with this Circular in order to avoid the imposition of penalties and interest as stipulated in the tax law.

Further enquiries on the above subject should be addressed to the:

The Executive Chairman
Federal Inland Revenue Service
20, Sokode Crescent
Wuse Zone 5, Abuja

Signed:

Zacch Adedeji, PhD
Executive Chairman

This public notice supersedes the one published on 18th September 2025