Economic Development Tax Incentive

APPLICATION GUIDELINES

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DISCLAIMER

This Document provides the considerations for assessing applications for Economic Development Tax Incentive from companies with investment projects and outlines the application processes. The Guidelines are issued by the Nigerian Investment Promotion Commission (NIPC) for the purpose of ensuring clarity on the aim and requirements of the EDTI. In exercise of the powers conferred on it under Chapter Eight, Part II (Economic Development Tax Incentive) of the Nigeria Tax Act (NTA), 2025, the NIPC reserves the right to amend this Guidelines from time to time, as deemed appropriate.

1.0 Foreword

1.1 The Federal Government of Nigeria (FGN) is committed to promoting investment in priority sectors of the economy as a catalyst for sustainable economic growth and national development. Through the Economic Development Tax Incentive (EDTI), the Government seeks to achieve the following objectives:

- Economic growth and diversification;
- Domestic Direct Investment and Foreign Direct Investment;
- Industrial growth
- Employment
- Skills and technology transfer
- Import substitution; and
- Export development and competitiveness

1.2 The Economic Development Tax Incentive (EDTI), established under the Nigeria Tax Act, 2025, provides eligible companies with tax credit to encourage investments in priority sectors of the economy. The Incentive is designed to improve the viability, sustainability, and long-term profitability of qualifying investment projects while advancing Nigeria's economic development objectives.

1.3 The EDTI will enhance Nigeria's competitiveness, attract investments, and support economic transformation.

1.4 This guide outlines eligibility, application procedures, and obligations for EDTI beneficiaries.

1.5 Eligible investors are invited to leverage the EDTI to boost competitiveness and growth.

Aisha Rimi
Executive Secretary
Nigerian Investment Promotion Commission

2.0 Overview of Economic Development Tax Incentive

2.1 The EDTI is a tax incentive scheme that grants tax credit on Qualifying Capital Expenditure (QCE) to priority sectors listed in the Tenth Schedule to the NTA, 2025. The incentive provides a 5% tax credit on the QCE value as it relates to the threshold provided in the Tenth Schedule to the NTA.

2.2 As provided in the NTA, products or services listed in the Tenth Schedule shall be designated as priority, if:

a. the sector is not operating on a scale suitable to the economic requirements of Nigeria, or there are favourable prospects of further development; or
b. it is expedient in the public interest to encourage the development or establishment of the sector in Nigeria for the purpose of:
    i. generating employment;
    ii. attracting foreign direct investment inflows; or
    iii. promoting economic diversification.

2.3 The priority designation is conferred by the inclusion of the relevant product or service in the Tenth Schedule to the NTA, 2025. The President may, by Order published in the Federal Gazette, amend the Tenth Schedule where, in his opinion, any sector, product, or service within a sector has become sufficiently developed to necessitate its removal, or where it is desirable in the public interest to add new sectors, products, or services.

2.4 The key roles of Government Executives involved in the formulation, approval and administration of the EDTI are as follows:

2.4.1 The President;

i. is responsible for amending the sectors listed in the Priority List in the Tenth Schedule to the NTA, 2025.
ii. may approve an application for the grant of an EDTI Certificate, on the recommendation of NIPC to the Minister.

iii. may cancel any EDTI Certificate where the beneficiary company is found to have contravened the provisions of the Act, breached conditions of approval, or engaged in conduct inconsistent with the objectives of the Scheme.

2.4.2 Minister, Ministry of Industry, Trade and Investment (FMITI), may recommend;

i. the application to the President for approval, on the recommendation of NIPC.
ii. to the President to suspend the EDTI Certificate, where a beneficiary company breaches, contravenes conditions of approval, or the Act, or misuses its priority status on the recommendation of NIPC.
iii. to the President for the cancellation of the EDTI Certificate, on the recommendation of NIPC.

2.4.3 The Executive Secretary, Nigerian Investment Promotion Commission (NIPC);

i. receives and processes applications, assessing compliance with QCE thresholds, and evaluating eligibility, recommending to the Minister, for approval or otherwise.
ii. issues EDTI Certificate on the approval of the President.
iii. cancels EDTI Certificate in cases of non-compliance on the application of priority company, cessation of priority business, liquidation on grounds of winding up or failure of company to commence production 12 months after the proposed production day.
iv. recommends for the suspension of the EDTI Certificate to the Minister and require the priority company to, not later than three months, remedy a non-compliance.
v. recommends to the Minister, the cancellation of the EDTI Certificate for a priority company's failure to remedy non-compliance or furnish details of the compliance within the specified time.
vi. cancels EDTI Certificate and benefit that has accrued to the priority company from the EDTI, on the approval of the Minister.
vii. receives and processes applications for EDTI extension on the condition that the priority company reinvests 100% of its priority profit for expansion of the same product(s)/service.

viii. gives notice of suspension, cancellation, or withdrawal of benefits accruing to the company to the Nigeria Revenue Service (NRS) and the company specifying the effective date thereof.
ix. publishes names of companies granted an EDTI Certificate alongside the priority sector(s) or product(s)/service on the Official Gazette.
x. submits an annual report of the list of sectors and beneficiary companies to the Minister FMITI who shall not, later than 30 days, present a copy to the President and the National Economic Council.

2.4.4 The Director, Industrial Inspectorate Department (IID) of FMITI;

i. certifies the production day from which the EDTI takes effect.
ii. determines the Qualifying Capital Expenditure (QCE) prior to production day and during the priority period.
iii. notifies NIPC and NRS within one month of certifying the production date and determining the QCE.

2.4.5 The Executive Chairman, Nigeria Revenue Service (NRS);

i. certifies and issues the certification on the amount of QCE incurred by the company prior to production day.
ii. notifies NIPC, upon certification of the QCE.
iii. notifies NIPC where it certifies that, on or before the production date, a company has incurred QCE lower than the amount specified in the Tenth Schedule.
iv. handles objections on QCE certificates issued by NRS.
v. grants tax credit to priority companies who have maintained separate records of income and books of account for priority and non-priority businesses; or refuse the grant of tax credit to priority companies who carry out a non-priority business, and fail to maintain separate records of income and books of account for each business.
vi. withdraws or discountenances an EDTI tax credit (not later than six years) after the cancellation of EDTI Certificate. For cases of fraud, there is no limit to the withdrawal of the EDTI tax credit.
vii. shall, within the time prescribed under the Nigerian Tax Administration Act (NTAA), 2025, issue notice of additional assessment to the company where an EDTI tax credit is withdrawn or discountenanced.

2.5 The Priority List, as approved, shall be made available on the websites of NIPC, FMITI and NRS. The Priority List shall be reviewed as contained in the Tenth Schedule. Any additions approved by the President shall become effective immediately. Any deletions approved by the President shall become effective immediately and no company shall be issued EDTI with respect to any pending application. A company issued an EDTI Certificate before the removal, shall exhaust its unexpired incentive period only.

2.6 These Guidelines, application forms for new EDTI and extension, shall be made available on the websites of NIPC, FMITI and NRS.

3.0 Considerations and Mode of Application

3.1 Considerations

3.1.1 An application for EDTI Certificate may be made by a company incorporated in Nigeria, company granted exemption from incorporation or by promoter of a company which is yet to be incorporated.

3.1.2 The application for EDTI Certificate by a company shall be considered, where the QCE to be incurred by the company, on or before production day is not below the threshold specified in the Tenth Schedule to the NTA, 2025.

3.1.3 An applicant must be engaged in an activity listed as a priority product(s) or service(s).

3.1.4 An applicant must provide evidence of all requisite legal and regulatory compliance documentation.

3.1.5 An applicant must demonstrate the tangible impact the activity [product(s)/service(s)] will have on Nigeria's economic diversity and growth, industrial and sectoral development, employment, skills and technology transfer, export development and import substitution.

3.1.6 Application must be accompanied with full payment of fees.

3.1.7 During the priority period, a performance report must be submitted to NIPC annually for monitoring and evaluation purposes.

3.1.8 An EDTI Certificate may be extended for an additional period of five years and no more on the condition that the Priority company reinvests 100% of its priority profits for expansion of the same product(s) or service(s).

3.2. Flowchart for New Application/Additional Product(s)/Service(s)

Phase 1: Nigerian Investment Promotion Commission (NIPC)

Application Submission & Preliminary Screening (8 weeks)

i. The applicant applies for the EDTI Certificate to NIPC, accompanied by a non-refundable application fee.
ii. NIPC acknowledges receipt of the application.
iii. NIPC reviews the application.
iv. The applicant makes a project presentation to NIPC.
v. The applicant submits Part-1 application form and supporting documents to NIPC.
vi. NIPC conducts due diligence visits to validate the information provided by the company.
vii. NIPC prepares and forwards its recommendation to the Minister.
viii. The Minister reviews NIPC's submission, makes recommendations to the President for approval or otherwise.
ix. Minister communicates The President's approval to NIPC.
x. Where the President grants approval, NIPC issues the EDTI Certificate to the company.
xi. NIPC submits annual report to the Minister.
xii. Minister presents a copy of the report to the President and the National Economic Council.
xiii. NIPC conducts annual monitoring and evaluation for impact assessment.

Phase 2: The Industrial Inspectorate Department (IID) of the Federal Ministry of Industry, Trade and Investment (FMITI)

Certification of Production Day and determination of QCE (4 weeks)

i. The company shall apply to IID for:
   a. determination and certification of production day upon attainment of production at commercial quantity.
ii. IID shall inspect the company's project site to:
   a. determine and certify the production day.
   b. determine the QCE prior to production day
iii. The IID transmits copies of the Production Day Certificate and Certificate of Acceptance of New/Additional Investment Value to NIPC and NRS.

b. determination of its QCE prior to the production day and during the priority period.

and during the priority period.

Phase 3: Nigeria Revenue Service (NRS)

Certification of Qualifying Capital Expenditure (4 weeks)

i. The company applies to NRS for certification of its QCE with full particulars of the capital expenditure so incurred and Certificate of Acceptance of New/Additional Investment Value from IID.
ii. Upon completion of certification, NRS issues the QCE certificate to the company, indicating the certified value of the QCE.
iii. NRS notifies NIPC of the company's QCE certification and qualification status.
iv. Where the company meets the threshold under the Tenth Schedule of the NTA 2025, NRS shall grant the company 5% Tax credit of the QCE value.

Phase 4: NRS/NIPC/Minister/President

(In a case of non-qualification)

i. Where the QCE incurred by the company is found to be lower than the amount specified in the Tenth Schedule, the NRS shall notify the NIPC.
ii. NIPC notifies the Minister of the company's non-qualification.
iii. The Minister may, on the recommendation of the NIPC, suspend the EDTI process and require the company to, not later than three months, remedy a non-compliance.
iv. Where the company fails to remedy the non-compliance within the stipulated timeframe, the Minister shall recommend to the President for cancellation.
v. Upon cancellation, NIPC notifies NRS, and the company concerned, specifying the effective date of the cancellation.

3.3 Flowchart for Extension Application

Phase 1: Nigerian Investment Promotion Commission

i. NIPC receives application for extension.
ii. Company makes PowerPoint Presentation to NIPC.
iii. NIPC requests NRS to verify that the company has reinvested 100% of its EDTI profit for expansion of the same product(s)/service(s).
iv. Upon verification by NRS, NIPC notifies the company of the approval or otherwise.

Phase 2: Nigeria Revenue Service

i. NRS receives request from NIPC to verify that the company has reinvested 100% of its EDTI profit for expansion of the same product(s)/service(s).
ii. NRS reviews the submission and conducts due diligence.
iii. NRS communicates the company's reinvestment status to NIPC.

3.4 Project Presentation

3.4.1 Following notification of a company's interest to make a new EDTI application, the company will be required to make a project presentation to NIPC, covering all the topics listed below:

a. Company overview
    i. Company Status (Incorporated/Pre-incorporated/Exempted)
    ii. History
    iii. Board, Management and Shareholding Structure
    iv. Detailed Company Assets
b. Project overview
    i. Sector overview
    ii. Sector opportunity
    iii. Description of project
    iv. Description of production or service delivery process
    v. Objectives for seeking EDTI

c. Project impact
    i. Economic diversity and growth
    ii. Industrial and sector development
    iii. Employment
    iv. Skills and technology transfer
    v. Export development
    vi. Import substitution
    vii. Environmental, Social and Governance policies and plans
d. Financial analysis
    i. Project cost/ Qualifying Capital Expenditure (QCE)
    ii. Financing sources
    iii. Source of asset purchase (Locally/Overseas/Location)

3.4.2 A company making an application for EDTI extension will be required to make a presentation on the topics listed in 3.4.1, highlighting any material changes since the company was initially granted EDTI.

3.5 Application Forms

3.5.1 The application for EDTI is in three parts:

Part I: To be submitted to NIPC in electronic and one print copy with supporting documents. The submission should include the following, amongst others:

i. Formal covering letter to the Executive Secretary of NIPC
ii. Company information
iii. Company contact(s) information
iv. Project overview
v. Project cost (QCE)
vi. Financing sources
vii. Shareholders, Directors and Management
viii. Production and financial performance
ix. Number of employees and emolument
x. Training cost
xi. Skills and technology transfer
xii. Raw materials and components
xiii. Export earnings and destinations
xiv. Corporate Social Responsibility
xv. Environmental, Social and Governance policies and plans

xvi. 5-year business plan
xvii. Declaration signed by Managing Director/Promoter

Part II

Form A: To be submitted to IID in electronic and one print copy with supporting documents, following receipt of notification of eligibility. The submission should include the following, amongst others:

i. Formal covering letter to Director of IID
ii. Production record
iii. Certificate of incorporation
iv. 11-months' sales revenue record
v. 11-months' cash flow record
vi. Machinery and equipment (Local and Foreign)
vii. Energy and water requirements
viii. Environmental Impact Assessment
ix. Declaration signed by Managing Director/Promoter

Form B: Project Completion Form (PCF) to be completed and submitted with supporting documents in electronic and one print copy alongside **Part II** form covering the following:

i. Building and site development
ii. Machinery and equipment (Local and Foreign)
iii. Installation
iv. Miscellaneous items

Part III: To be submitted to NRS in electronic and one print copy with supporting documents, following receipt of notification of eligibility. The submission should include the following, amongst others:

i. Formal covering letter to the Executive Chairman, NRS
ii. A Copy of EDTI Certificate issued by NIPC
iii. A Copy of the completed **Part I** form
iv. A Copy of the Certificate of Incorporation
v. Certified True Copy of Status Report from CAC
vi. Certified True Copy of Memorandum and Articles of Association
vii. Current Tax Clearance Certificate
viii. Import Duty Payment Receipts

ix. Evidence of VAT payment via Fiscalization Regime
x. A Copy of the current NIPC Business Registration Certificate
xi. A Copy of the regulatory license(s) to operate in the sector or business activity (where applicable)
xii. A Copy of the approval letter received for any incentive/waiver/concession/grant from other government agencies (where applicable)

3.5.2 The application for EDTI extension is in two parts:

Part I: To be submitted to NIPC in electronic and one print copy with supporting documents, following project presentation on extension. The submission should include the following, amongst others:

i. Formal covering letter to the Executive Secretary of NIPC
ii. Evidence of reinvestment of 100% of EDTI profits
iii. Evidence of un-utilized Tax Credit
iv. Net Profit
v. Tax Credit Utilized
vi. Capital Expenditure
vii. Tax Foregone for the past five years
viii. Amount of tax Credit utilized for the past five years
ix. Number of employees and emolument
x. Skills and technology transfer
xi. Raw materials and components
xii. Export earnings and destinations
xiii. Environmental, Social and Governance policies and plans
xiv. Evidence of company's financial accounts filed for the past five years
xv. Evidence and information on dividend issued in the past five years
xvi. Declaration signed by Chief Executive Officer/Managing Director

Part II: To be submitted to NRS in electronic and one print copy with supporting documents. The submission should include the following, amongst others:

i. Formal covering letter to the Chairman, NRS
ii. Evidence of reinvestment of 100% of EDTI profits
iii. Evidence of un-utilized tax credit
iv. Net Profit
v. Tax credit utilized
vi. Capital Expenditure

vii. Tax Foregone for the past five years
viii. Amount of tax credit utilized for the past five years
ix. Number of employees and emolument
x. Skills and technology transfer
xi. Raw materials and components
xii. Export earnings and destinations
xiii. Environmental, Social and Governance policies and plans
xiv. Evidence of company's financial accounts filed for the past five years
xv. Evidence of company's AGM report for the past five years where applicable
xvi. Evidence and information on dividend issued in the past five years
xvii. Declaration signed by Chief Executive Officer/Managing Director

3.5.3 NRS activity in respect to application for extension of priority period will be dealt with on a case-by-case basis.

3.6 Due Diligence Visits

3.6.1 For new EDTI applications, two visits will be made to the company's project:

- Verification visit: Following evaluation and internal due diligence on a company's application, 3 NIPC staff shall visit the company's project to verify the information provided in its application. If required, NIPC may request for the company to furnish it with additional information during the verification visit.
- Inspection visit: Following evaluation of a company's application for production day certification, 3 IID staff shall visit the company's project to inspect and gather information for the computation of its production day.

3.6.2 For EDTI extension applications, one visit will be made to the company's project:

- Monitoring and Evaluation Visit: Following evaluation and internal due diligence on a company's application for extension, 3 NIPC staff shall visit the company's project to verify the information provided in its application. If required, NIPC may request for the company to furnish it with additional information during the monitoring and evaluation visit.

3.7 Certificates

3.7.1 For new EDTI applications, three certificates will be issued to a company with qualifying priority products or services:

i. Economic Development Incentive Certificate: Upon receipt of approval by the President, NIPC will issue an EDTI Certificate to the company and request for the company to select to receive the original copy of the certificate by courier or in person.
ii. Production Day Certificate: Upon determination of the production day of product(s)/service(s), IID will issue a Production Day Certificate (PDC) to the company. IID will send a duplicate copy to the company and request for the company to select to receive the original copy of the certificate by courier or in person.
iii. Qualifying Capital Expenditure Certificate (QCEC): Upon approval from NIPC, determination of QCE and PDC from IID, the NRS issues QCEC after confirming that the value of the company's QCE is up to the threshold required for that priority sector as provided in the Tenth Schedule of NTA, 2025.

4.0 Obligations of Beneficiary

4.1 Submission of Annual Report

4.1.1 A beneficiary is to submit its annual report to NIPC and NRS annually. On the application of a company for EDTI Certificate, an applying company is to:

i. show commitment or the ability to commit the minimum capital required to invest in the priority sector in line with the Tenth Schedule.
ii. state whether its parent company is a resident or non-resident company.
iii. give particulars of the assets incurred for QCE including the source and cost, on or before the production day, and a period of three years following the production day.
iv. state the location where the asset is to be situated.
v. state the date or projected date of production.
vi. specify products or services of the company which are not listed as priority businesses under the Tenth Schedule and give estimate of quantities and value of such product or services during a period of one year from production date.

vii. give particulars of loan or share capital of company including the amount and date of such issued shares and the source of the capital raised.
viii. provide the details of the owners of the company and nationality of all the Directors.
ix. provide the name, Tax ID, address and nationality of each promoter and proposed ownership structure.
x. the application must contain a declaration signed by the applicant attesting to the information provided to be true. With an undertaking to produce proof if required.
xi. company to maintain separate records of income and books of account for priority and non-priority business.

4.2 Impact Assessment

4.2.1 NIPC shall carry out periodic EDTI impact assessment surveys.

4.2.2 NIPC, FMITI and NRS shall publish the EDTI impact assessment report on its websites with data presented in an aggregated format.

5.0 Compliance with NTA, 2025 and Application Guidelines for EDTI

5.1 Beneficiaries of EDTI are required to comply with the provisions of the EDTI and conditions set out in this document.

6.0 Contact Information

Federal Ministry of Industry, Trade and Investment
Old Federal Secretariat
Garki, Area 1
Abuja

Key Contacts:
Minister of Industry, Trade and Investment
Director, Industrial Inspectorate Department

Website:
www.fmiti.gov.ng

Email:
productionday@fmiti.gov.ng

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