



# Capital Gains

## Capital Gains Tax (CGT) Under Nigeria's 2025 Tax Act: Compliance, Audit, and Transparency

The Nigeria Tax Act (NTA), 2025, which has repealed and consolidated several existing tax laws, provides the legal framework for taxing profits from the disposal of chargeable assets. While many individuals and businesses see it as a tax obligation, CGT also plays a vital role in audit readiness and achieving financial transparency.

At Discovery Consulting, we break down these requirements and help companies integrate CGT compliance into broader financial and audit processes.

### What is Capital Gains Tax?

Under Section 2 of the NTA, Capital Gains Tax is chargeable on gains from the disposal of assets such as land, buildings, shares, goodwill, and other investments. This now includes digital assets like cryptocurrencies and tokens. In simple terms, if you sell an asset for more than its purchase cost, the difference (profit) is the gain, and that gain is taxable.

### CGT Rate and Scope Under the 2025 Act

- **Tax Rate:** The new law has changed the rates. For companies, CGT is now charged at 30%, aligning with the Companies Income Tax rate. For individuals, capital gains will be taxed at the applicable income tax rate based on the progressive tax band of the individual's income.
- **Chargeable Assets:** The NTA has expanded the list of chargeable assets to include land, buildings, shares, goodwill, investment properties, and now digital assets.

- **Exemptions:** Exemptions are provided for gains on the disposal of cars, household items, personal-use assets, and compensation for loss of employment. The Act also provides a tax exemption for the sale of shares in a Nigerian company where the proceeds are less than ₦150 million within any 12 consecutive months, provided the gain does not exceed ₦10 million.

This structure ensures taxpayers only pay on genuine gains, while also providing reliefs that encourage fair taxation.

### Compliance Obligations Under the Act

- **Filing:** Under the new Nigeria Tax Administration Act, taxpayers must file CGT returns with the newly established Nigeria Revenue Service (NRS) within 6 months of disposing of an asset.
- **Payment:** All payments must be made directly to the NRS.
- **Penalties:** Failure to file or pay attracts fines and interest, weakening financial records and increasing audit risks.



## How CGT Links to Audit and Transparency

Capital Gains Tax compliance is more than a tax matter—it directly strengthens audit processes and enhances transparency:

- **Audit Readiness:** Accurate CGT records provide a clear audit trail for asset disposals, making audits smoother and reducing queries.
- **Transparency in Reporting:** Linking CGT compliance to audited financial statements ensures stakeholders see a true reflection of the company's financial health.
- **Governance:** Companies that comply with CGT obligations show accountability, attracting investor confidence and building trust.

At Discovery Consulting, we connect the dots between tax services and audit and assurance, ensuring your business doesn't just pay taxes but also builds credibility.

## How Discovery Consulting Can Help

We provide end-to-end solutions that combine Capital Gains Tax compliance with audit efficiency:

- **Tax Services:** Calculation of taxable gains, applying exemptions, and filing timely CGT returns with the NRS.
- **Audit & Assurance:** Supporting audits with transparent CGT records to strengthen financial statements.
- **Business Advisory:** Aligning CGT obligations with long-term financial strategies for growth.
- **Corporate Services:** Ensuring proper documentation and governance for asset disposals.
- **Litigation Support:** Defending CGT records in case of disputes or investigations.

The 2025 Nigeria Tax Act, as it relates to Capital Gains Tax, is not just about paying tax on gains—it's about accountability, compliance, and strengthening your business reputation. By integrating CGT compliance with audit and assurance, companies achieve transparency that builds stakeholder trust.

At Discovery Consulting, we simplify the process—handling calculations, filings, and audit support—so you can focus on growth while staying compliant.

