Client Alert

NRS Issues Compliance Reminder for Large Taxpayers under the E-Invoicing & Electronic Fiscal System (EFS) Regime.

July 2026

Overview

The Nigeria Revenue Service **("NRS")** has issued a Public Notice reminding all large taxpayers that it has commenced compliance monitoring under the National E-Invoicing and Electronic Fiscal System **("EFS")** regime pursuant to Section 23 of the Nigeria Tax Administration Act, 2025 **("NTAA")** and Section 158 of the Nigeria Tax Act **("NTA").** The notice follows the implementation timeline published by the Service on 17 February 2026, which established a phased rollout of mandatory e-invoicing across different taxpayer categories.

Large taxpayers that have not completed onboarding and commenced compliant invoice transmission are required to do so **on or before 31 July 2026**, failing which regulatory enforcement measures may be initiated.

Background

The NRS officially launched the Merchant Buyer Solution **("MBS")**, the national E-Invoicing and Electronic Fiscal System for large taxpayers on 1 August 2025, following stakeholder consultations and pilot deployments. Under the phased implementation framework, large taxpayers have completed stakeholder engagement, pilot rollout and go-live phases and are currently within the post-go-live review and compliance enforcement stage. The implementation timeline also indicates that medium taxpayers will commence mandatory implementation from 1 July 2026, while emerging taxpayers are scheduled to join the regime from next year, 1 July 2027.

Compliance Scope

The current compliance reminder applies exclusively to large taxpayers. However, medium and emerging taxpayers should note that the phased rollout timelines remain unchanged, making early system readiness critical before their respective implementation dates. Ahead of the **31 July 2026 deadline**, affected taxpayers are expected to:

- Complete onboarding onto the NRS Merchant Buyer Solution (MBS).
- Successfully integrate their ERP or accounting systems through approved Access Point Providers (APPs) and/or Systems Integrators (SIs).
- Complete all required testing and validation before commencing production use.
- Commence active electronic invoice transmission to the NRS platform in accordance with prescribed technical standards and guidelines.
- Ensure that only compliant e-invoices bearing a valid Invoice Reference Number (IRN) are accepted from suppliers.

Key Implications

The commencement of compliance monitoring indicates that the NRS expects implementation to move beyond registration and technical integration. Businesses that have delayed onboarding or are yet to complete systems integration should treat the remaining implementation period as an opportunity to address operational and technical gaps before enforcement actions commence.

Failure to process a taxable supply through the fiscalisation system as deployed by the NRS exposes the taxable person to an administrative penalty of **₦200,000, 100% of the tax due on the transaction, and interest on the unpaid tax** at the prevailing Central Bank of Nigeria **("CBN")** Monetary Policy Rate per annum, pursuant to section 104 of the NTA. Separately, section 103 of the NTAA imposes an administrative penalty of **₦1,000,000** for the first day of default and **₦10,000** for each subsequent day where a person refuses to grant the relevant tax authority access to deploy the required technology after 30 days of receiving the statutory notice.

Next Steps

Consequent to the above, we recommend that large taxpayers to:

- Confirm that onboarding on the Merchant Buyer Solution has been successfully completed.
- Review the status of ERP integration with approved APPs or Systems Integrators.
- Complete outstanding testing and validation exercises.
- Verify that invoices are being transmitted successfully and that valid Invoice Reference Numbers (IRNs) are generated and received.
- Assess supplier readiness to ensure incoming invoices also comply with the EFS requirements.
- Conduct an internal compliance review before the 31 July 2026 deadline.

Conclusion

The latest NRS notice confirms that the implementation phase of the E-Invoicing regime has transitioned into active compliance monitoring for large taxpayers. The focus has shifted from preparing for implementation to demonstrating operational compliance with the EFS framework. Large taxpayers should therefore prioritise the completion of all onboarding, integration and invoice transmission requirements before 31 July 2026 to minimise regulatory and operational risks. Medium and emerging taxpayers should equally use the remaining rollout period to prepare for their respective implementation dates.

You may reach out to our team at: info@wtsblackwoodstone.com for further guidance and support.

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