To: All Member-Companies

Dear Sir/Madam,

OPPORTUNITIES FOR BUSINESSES IN GOVERNMENT’S ECONOMIC RESPONSE TO COVID 19 PANDEMIC

The outbreak of Coronavirus (COVID-19) has resulted in countries taking drastic socio-economic and environmental steps to protect their territories and citizens from the Pandemic. The Pandemic has contributed to sharp drop in crude oil prices, uncertainty in global financial markets, manufacturing and supply chain disruption, among others.

As with other countries, the Nigerian Government, albeit with well-articulated counsels from NECA and other interest groups, initiated economic responses aimed at providing palliatives to businesses to mitigate the effects of the crisis.

These measures provide opportunities for businesses to sustain operation in some instances during the crisis and competitive post-Covid 19. The opportunities are as below:

- **The Central Bank of Nigeria (CBN)**
  - Intervention Fund of N1.1Trillion to support the local manufacturing sector, boost import substitution and support health authorities
  - One-year moratorium on principal repayments on its intervention programmes (and reduced interest rate for one year from 9% to 5% per annum) on all CBN intervention facilities, effective 1 March 2020.
  - Pharmaceutical companies intending to expand or open drug manufacturing plants in Nigeria can also get intervention facilities in form of loans from the CBN.
  - N50 Billion Targeted Credit Facility (TCF) through the NIRSAL Microfinance Bank (NMFB) to support Micro, Small and Medium Enterprises and households that are affected by the pandemic.
  - The CBN has also granted all Deposit Money Banks (DMBs) leave to consider temporary and time-limited restructuring of the tenor and loan terms for households and businesses most affected by the pandemic particularly manufacturing, agriculture and oil and gas.

- **The National Assembly**
  - The House of Representatives passed an Emergency Economic Stimulus Bill ("the Bill") as part of the quick measures to cushion the adverse effect on Nigerians. One of the major highlights of the Bill is a 50% income tax rebate on the actual amount due or payable as Pay-As You-Earn (PAYE) tax for employers who maintain the same employee status, without laying off their staff between 1st March 2020 and 31st December 2020.
It is important to note that companies subject to tax under the Petroleum Profit Tax Act are exempted from this palliative. In determining qualifying employers, death, voluntary retirement or breach of the Labour Act by the employee shall not preclude the employer from enjoying the rebate.

- **Tax and Others Regulatory Authorities**
  - The Federal Inland Revenue Service (FIRS) in its Public Notice of 23 March 2020, extended the timeline for filing VAT and Withholding Tax (WHT) from the 21st day of every month to the last working day of the month following the month of deduction. The due date for filing Companies Income Tax (CIT) returns has also been extended by one month. Furthermore, the FIRS has improved its online capacity and provided online platforms for submission of relevant tax returns.
  - The Lagos Inland Revenue Service (LIRS) via a Public Notice extended the deadline for filing annual returns for individual taxpayers and self-employed persons, who are resident in Lagos State, from 31 March 2020 to 31 May 2020.
  - Similarly, the National Information Technology Development Agency (NITDA) has extended filing deadline for filing the mandatory Data Protection Audit Report by Data Controllers to 15th May, 2020 and advised all Data Protection Compliance Organizations (DPCOs) to suspend visit to client sites and NITDA offices as part of the precautionary measures in tackling the pandemic.
  - The Securities and Exchange Commission on its part, has approved a 60-day extension, in the first instance for public companies and capital market operators to file their 2019 annual reports and Q1 2020 reports.

While we commend Government for initiating these measures, we are, however, still engaging Government to expand the scope and reach of the Palliatives. We urge member-companies to take advantage of these initiatives.

Thank you.

Yours faithfully,

Dr. Timothy Olawale
Director General

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