NIGERIA REVENUE SERVICE
PLOT 1241, KUR MOHAMMED AVENUE, CENTRAL AREA, ABUJA, NIGERIA

INFORMATION CIRCULAR	
NO. 2026/21	PUBLICATION DATE: 31^{st} July 2026

SUBJECT: GUIDELINES ON THE TAXATION OF VIRTUAL ASSETS

These Guidelines are issued for the information and guidance of taxpayers, Virtual Asset Service Providers (VASPs), Peer-to-Peer (P2P) marketplace operators, tax consultants, financial institutions, and all persons engaged in Virtual Assets (VA) activities.

1.0 Introduction

These Guidelines have been developed to establish a clear and standardised framework for the tax administration of VA and VA transactions in Nigeria.

2.0 Purpose

The purpose of these guidelines is to provide an administrative guide on the taxation of VAs in Nigeria, including -

(a) the tax obligations of persons engaged in VAs transactions;
(b) the registration, reporting, filing and record keeping obligations applicable to taxpayers and VAs service providers;
(c) the valuation and computation of taxable income arising from VAs transactions; and
(d) clarity in the administration and enforcement of the tax laws relating to VA.

3.0 Legal Framework

(a) Section 4 of the Nigeria Revenue Service Establishment Act, 2025;
(b) Ninth Schedule to the Nigeria Tax Act, 2025 (the "NTA");
(c) Section 79 and the Fifth Schedule to the Nigeria Tax Administration Act, 2025 (the "NTAA"); and
(d) Any relevant provision under the above-mentioned Acts relating to VAs.

4.0 Scope of application

These Guidelines apply to any person who -

(a) acquires, disposes of, exchanges or otherwise deals in VA;

(b) receives income or any payment in the form of VA;
(c) operates as a VASP and P2P marketplace;
(d) derives income, profits or gains from VAs that is liable to tax in Nigeria; or
(e) provides services relating to VA.

5.0 Classification and Tax Treatment of Virtual Assets

For the purposes of these Guidelines, VA are classified into six categories each with its own tax treatment -

Category	Characteristics	Examples	Tax treatment
Category 1 — Cryptocurrencies and exchange tokens	• Functions as a medium of exchange, store of value, or unit of account. • Not pegged to any fiat currency or asset. • Value determined by market supply and demand.	Bitcoin, Ether, Solana, BNB, etc.	• Income tax on gains arising from the disposal of VA; • Stamp duty on eligible token transfers.
Category 2 — Stablecoins and payment tokens	• Designed to maintain a stable value by reference to a fiat currency. • Functions as a payment and settlement instrument.	USDT, USDC, BUSD, DAI, PYUSD etc.	• Income tax on gains arising from the disposal of VA; • Stamp duty on eligible token transfers. **Note**: stablecoins offering yield or an investment return are assessed under Category 4 in respect of that yield component.
Category 3 — Security and investment tokens	Represents ownership of economic interest in an underlying asset, enterprise, or cash flow, regulated as securities under the Investments and Securities Act, 2025.	Tokenised equity, revenue-sharing tokens, asset-backed tokens, tokenised bonds, and other tokenised assets.	• Income tax on gains arising from the disposal of VA; • Stamp duty on eligible token transfers. The exemption under section 184(h) NTA on stocks and shares applies to tokenised Nigerian stocks and shares specifically; it does not

Category	Characteristics	Examples	Tax treatment
			apply to all Category 3 tokens.
Category 4 — Utility and governance tokens	Provides access to a specific product, platform or protocol. Includes tokens that generate yield, staking rewards, or DeFi returns.	Gaming tokens, access tokens, DAO governance votes, staking derivative tokens, receipt tokens etc.	• Income tax on gains on disposal. Staking rewards, DeFi yield, and liquidity rewards taxable as income at receipt — (*see paragraphs 9.5 and 9.6).*
Category 5 — NFTs	Unique digital assets.	Digital art, music NFTs, collectibles, property NFTs etc.	Tax treatment depends on economic substance and creator/investor/trader status. *see paragraph 9.5*
Category 6 — Sovereign digital currency	A digital form of central bank money, denominated in the national unit of account, issued by and constituting a direct claim by the central bank of the issuing jurisdiction.	eNaira; foreign CBDCs held by Nigerian residents.	Same treatment applicable to fiat currencies; no VA tax obligations arise.

6.0 Applicable Taxes

VA transactions shall be subject to the applicable taxes imposed under the NTA. A single transaction may give rise to more than one tax liability such as income tax, VAT or stamp duty, where different taxable events arise from the same transaction.

6.1 Income tax

6.1.1 Income Tax of Individuals

(1) A resident individual who derives income, profits or gains from VA transactions shall be liable to income tax of individuals in accordance with the provisions of the NTA.

(2) Income liable to tax includes —

- (a) gains realised on the disposal of VA;
- (b) employment income received in VA;
- (c) professional or consultancy fees received in VA;
- (d) business income received in VA;

(e) mining rewards;
(f) staking rewards;
(g) decentralised finance (DeFi) rewards;
(h) yield on investment;
(i) liquidity mining incentives;
(j) protocol rewards;
(k) royalties received in VA;
(l) airdrops and hard fork distributions that constitute taxable income; and
(m) every other income arising from VA activities that is chargeable to tax under the NTA.

(3) Income shall be recognised at the FMV of the VA on the date the taxpayer acquires unrestricted ownership or control of the asset.
(4) Taxpayers shall declare such income in their annual income tax returns together with any supporting documentation prescribed by the relevant tax authority.
(5) Where VA are received as employment income or emoluments, the employer shall report the remuneration in VA and the quantity paid, together with its FMV in USD as at the date of payment, in accordance with section 14 of the NTAA.

6.1.2 Income Tax of Companies

(1) A company that derives profits from VA transactions shall be liable to income tax of companies under the NTA.
(2) Taxable profits include all income and gains derived from VA, including income and gains from—
(a) trading in VA;
(b) operation of VA exchanges;
(c) transaction fees charged by VASPs;
(d) brokerage commissions;
(e) custody services;
(f) wallet administration services;
(g) token issuance activities;
(h) mining operations;
(i) staking activities;
(j) decentralised finance activities;
(k) investment gains; and
(l) any other income or profit arising from VA business activities.

(3) The taxable profits of a company shall be computed in accordance with the relevant provisions of the NTA.

(4) VASPs, like every other company, shall bear their own corporate income tax liability on their revenues. This is separate from their deduction of tax at source obligations.

6.1.3 Non-resident

(1) A non-resident person that derives income, profits or gains from VA activities in Nigeria shall be liable to tax in accordance with the relevant provisions of the NTA and the NTAA.

(2) The provisions relating to Significant Economic Presence (SEP) and Nigerian-source income shall apply to VA activities in the same manner as they apply to any other taxable business.

(3) The tax liability and other obligations of non-resident persons in Nigeria are set out in the *Information Circular on Taxation of Non-Resident Persons* and *Guidelines for Filing Income Tax Returns by Foreign Companies*, both at www.nrs.gov.ng/resources.

6.2 Value Added Tax (VAT)

(1) The transfer of ownership of a VA shall not, of itself, constitute a taxable supply for VAT purposes.

(2) VAT shall, however, apply to taxable supplies connected with VA transactions including—

(a) exchange fees charged by VASPs;
(b) brokerage commissions;
(c) custody fees;
(d) wallet management fees;
(e) listing fees;
(f) transaction facilitation fees;
(g) advisory services;
(h) digital platform service fees;
(i) professional services rendered in connection with VA; and
(j) every other taxable service supplied for consideration.

(3) Where VAs are used as consideration for taxable goods or services, VAT shall apply to the underlying supply in the same manner as if payment had been made in fiat currency.

(4) The supplier shall account for and remit VAT in accordance with the applicable tax laws.

(5) Where a non-resident VASP supplies taxable digital services to persons in Nigeria, the provider shall comply with the registration and compliance obligations applicable to non-resident suppliers.

(6) Where a non-resident supplier does not charge VAT, the resident company is required to self-charge.

(7) All VAT liabilities shall be computed using the FMV of the VA at the time of transaction and remitted in the currency of transaction.

6.3 Stamp Duties

(1) Stamp duty applies to TOKEN to FIAT and FIAT to TOKEN transfers under item 33 of the Ninth Schedule to the NTA.

(2) Where the transaction is facilitated through a VASP or other recognised intermediary, the VASP or intermediary shall deduct and remit the applicable stamp duty in accordance with procedures prescribed by the Service.

(3) Where a VA is used to settle a transaction that independently attracts stamp duty under the NTA, the applicable duty on the underlying instrument shall remain payable.

(4) Nothing in these Guidelines shall be construed as exempting any dutiable instrument from stamp duty merely because settlement is effected through a VA.

(5) Payments for goods or services using VA are not dutiable except where the underlying transaction is independently dutiable under the instruments listed in the Ninth Schedule to the NTA.

(6) Where a transaction is settled using VA, the applicable duty on the underlying instrument under the Ninth Schedule shall be chargeable on the instrument.

(7) The stamp duty applicable on VA transfers and any other duty under the Ninth Schedule to the NTA are separate duties and both may apply to the same transaction.

(8) The stamp duty obligation crystallises at the point of the TOKEN to FIAT or FIAT to TOKEN conversion in Nigeria and is not affected by the subsequent transmission of the token to an offshore recipient.

(9) The duty is borne by the transferee of the token in every dutiable transaction. The stamp duty is withheld from the token credited to the transferee and does not reduce the fiat consideration payable under the transaction.

(10) A VASP shall withhold the stamp duty in token units from the tokens credited to the transferee and remit the duty so withheld to the Service not later than the 15th and 30th of the month of transaction.

(11) Application of stamp duty charge -

Transaction	Who bears the duty	Collection
Buyer acquires token with fiat	Buyer is the transferee of the token	• VASP withholds stamp duty (in tokens) at the applicable rate (*see paragraph 8.0*) from the token being credited to the buyer. • Buyer receives the token net of stamp duty in token units. • Buyer pays the full fiat consideration. • Seller receives full fiat.
Seller disposes of token for fiat	Buyer of the token is the transferee	• VASP withholds stamp duty (in tokens) at the applicable rate (see *paragraph 8.0*) from the token being credited to the buyer/ counterparty. • Buyer receives the token net of stamp duty in token units. • Seller delivers the full token quantity and receives the full fiat consideration.
Cross-border B2B payment — Naira-to-token conversion by Nigerian intermediary	Nigerian business/payer/buyer is the transferee of the token	• VASP/ Intermediary withholds stamp duty (in tokens) at the applicable rate (see *paragraph 8.0*) from the token being credited to the buyer / business before onward transmission to the foreign counterparty. • The foreign recipient is not the transferee for the purpose of Nigerian stamp duty.

Illustration 1 – Stamp Duty

Token/Fiat Acquisition

1. User A pays ₦1,000,000 to acquire 1 BTC at a market price of ₦1,000,000 per BTC.

2. Stamp duty at 1.5% = 0.015 BTC withheld from token credited to User A.

3. Net BTC credited to User A = 0.985 BTC. Seller receives ₦1,000,000 in full. VASP remits 0.015 BTC to NRS.

4. User A later sells 0.985 BTC at ₦2,000,000 per BTC (proceeds = ₦1,970,000).

5. User A receives ₦1,970,000 in full. Buyer receives 0.985 BTC less 1.5% stamp duty = 0.970225 BTC.

7.0 Taxable and Non- Taxable Events

7.1 Taxable Events

S/N	Event	Tax consequence	Collection mechanism	Income Tax (WHT/ PAYE) in	Stamp Duty in	VAT in
1	Purchase of VA with fiat — VASP or P2P escrow	• Stamp duty under Ninth Schedule item 33; • No income tax.	VASP/escrow deducts stamp duty from token credited to buyer.	N/A	Token acquired	N/A
2	Cross-border B2B payment – Naira to token conversion by intermediary	• Stamp duty at applicable rate under Ninth Schedule item 33; • No income tax at conversion; • VAT on service fees at applicable rate.	Nigerian intermediary withholds stamp duty in token before onward transmission.	N/A	Token acquired	Currency of transaction
3	Sale of VA for fiat - VASP or P2P escrow (Category 1)	For Category 1: • Income tax on chargeable gain in dollar; • WHT at applicable rate on gross proceeds; • Stamp duty at applicable rate on transferee. For Category 2: • No WHT; • Gain is measured against underlying pegged fiat; • Declared in self-assessment return where gain arises; • Stamp duty applies.	• In the case of crypto and exchange tokens: VASP/escrow withholds on gross proceeds in token disposed; • VASP/escrow deducts stamp duty from token credited to buyer; • VASP reporting + annual return.	Token disposed (Category 1); N/A (Category 2)	Token acquired	N/A
4	Sale of VA for fiat -	• Income tax on chargeable gain	• VASP/escrow withholds on gross	Token disposed	Token acquired	N/A

	VASP or P2P escrow (Category 3)	(dollar-referenced gain); • WHT on gross proceeds; • Passive incomes (dividends, interest, revenue shares) are taxable at dollar FMV on receipt.	proceeds in token disposed; • Passive income: WHT in token received; • VASP reporting + annual return.			
5	Payment for goods/services using VA	• Income tax on real dollar gain from the disposal of the VA; • VAT on underlying supply at applicable rate; • No stamp duty	• VASP reporting + annual return; • Vendor accounts for and remits VAT at standard rate on underlying supply VASP/escrow withholds on gross proceeds in token disposed.	Token disposed	N/A	Currency of transaction
6	Employment income or emoluments paid in VA	Income tax on dollar FMV converted to Naira at CBN/NAFEM rate at payroll date (monthly).	• PAYE to be deducted by employer at source where Nigerian taxpayer; • Self-assessed by recipient on annual return where employer is non-resident or does not deduct.	Naira	N/A	N/A
7	Professional fees received in VA	• Income tax computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on date of transaction; • WHT on fees;	• Deducted by payer at source where its Nigerian taxpayer; • Self-assessed by recipient on annual return where payer is non-resident or does not deduct; • Recipient accounts for VAT in Naira.	Naira	N/A	Currency of transaction

		• VAT on professional fees at applicable rate				
8	Mining rewards received	• Income tax on rewards computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on the date of receipt; • WHT on rewards where distributed by licensed VASP.	VASP reporting + Annual self-assessment returns.	Token received	N/A	N/A
9	Staking rewards received	• Income tax on rewards computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on the date of receipt; • WHT on rewards; • Cost base stepped up.	VASP reporting + Annual self-assessment returns	Token received	N/A	N/A
10	Airdrop/ Hard fork distribution — realisable FMV at receipt	• Income tax on rewards computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on the date of receipt; • WHT on rewards	VASP reporting + Annual self-assessment returns	Token received	N/A	N/A

		cost base stepped up to FMV.				
11	Airdrop/ Hard fork distribution — no realisable FMV at receipt	Income tax on full proceeds at disposal.	Annual self-assessment returns on disposal.	Token disposed	N/A	N/A
12	NFT sale by creator	• Income tax on income or profits computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on the date of receipt; • VAT on supply at applicable rate.	• Marketplace reporting + annual return; • creator accounts for VAT.	Token/fiat received	N/A	Currency of transaction
13	NFT resale by investor	• Income tax on real dollar gain; • WHT at applicable rate on gross proceeds.	• VASP/marketplace reporting + annual return; • WHT in token disposed.	Token disposed	N/A	N/A
14	DeFi yield, lending and liquidity rewards	• Income tax on rewards computed and paid in Naira; • For the purpose of income tax, VA at dollar FMV converted to Naira at CBN/NAFEM rate on the date of receipt; • WHT on rewards cost base stepped up.	• Annual self-assessment; • WHT at applicable rate where distributed by licensed VASP.	Token received	N/A	N/A

15	Gift of VA to third party	• No income tax on donor; • Recipient acquires VA for a consideration determined in accordance with section 36(2) NTA; • Gain deferred to recipient's disposal.	• No collection at time of gift; • Gain computed on recipient's disposal in accordance with NTAA.	N/A	N/A	N/A
16	Collateral liquidation on DeFi loan default	Income tax on gain determined as follows: • Liquidation proceeds less cost base of collateral at CBN/NAFEM rate on liquidation date.	• VASP/protocol at liquidation; • WHT at applicable rate on gross proceeds.	Token liquidated	N/A	N/A

7.2 Non-Taxable Events

The events listed in this paragraph do not, of themselves, constitute a taxable disposal or taxable supply but they may establish the cost base for future disposals.

7.2.1 Holding of Virtual Assets

The mere holding of a VA after acquisition shall not constitute a taxable event. Accordingly, any unrealised appreciation in the value of a VA shall not be subject to income tax until the occurrence of a taxable disposal.

7.2.2 Transfers Between Wallets

The transfer of a VA between wallets owned and controlled by the same individual shall not constitute a disposal for income tax purposes, provided that there is no change in the beneficial ownership of the VA. This does not apply where the transfer involves a company, partnership, trust, unincorporated association or any other legal person, or where there is any change in beneficial ownership.

7.2.3 Staking Lock-Up

The transfer or commitment of a VA into a staking, validation or similar protocol solely for the purpose of participating in network operations shall not constitute a disposal and shall not give rise to income tax.

7.2.4 Minting of Non-Fungible Tokens

The creation or minting of a Non-Fungible Token (NFT) shall not constitute income, a disposal of property or a taxable supply. Tax liability shall arise only upon the first sale, transfer or other disposal of the NFT for consideration.

7.2.5 Tokenisation of Real-World Assets

The tokenisation of a real-world asset shall not, of itself, constitute a disposal of the underlying asset where there is no change in beneficial ownership. The conversion of ownership rights into digital tokens shall be regarded as a change in the form of ownership and shall not give rise to income tax.

7.2.6 Collateralised Loans

The receipt of funds or other consideration under a loan secured by VA shall not constitute taxable income. Such receipt shall be treated as the creation of a liability and shall not give rise to a taxable gain.

7.2.7 Taxable Supply

The transfer of a VA does not in itself constitute a taxable supply and does not attract VAT.

7.2.8 Central Bank Digital Currencies

The eNaira and all CBDCs are excluded from the VA tax framework.

8.0 Applicable Rates and Collection of Tax

These rates shall apply until revised by subsequent legislation, regulation or instrument issued by the Service.

8.1 Rates and Collection mechanism

Tax	Legislative basis	Rate	Collection Mechanism
Income tax on gains on disposal.	NTA 2025	Applicable rates under the NTA • Progressive rates for individuals • 30% for companies other than small companies.	Self-assessed and paid by the taxpayer in accordance with the filing and payment provisions of the NTAA.

Income tax on disposal proceeds deducted at source for assets in Category 1, 3 and 5 where applicable.	Deduction of Tax at Source Regulations (WHT Regulations)	WHT rate of 1% on gross disposal proceeds	VASP/ VASP-operated P2P marketplaces to withhold from the VA disposed of.
Income tax on gains on disposal- Category 2 stablecoins.	NTA 2025; NTAA (self-assessment applies).	Applicable rates under the NTA • Progressive rates for individuals • 30% for companies	Self-assessed and paid by the taxpayer in accordance with the filing and payment provisions of the NTAA.
Income tax on income receipts (staking, mining, airdrops, DeFi yield) (Treated as passive income).	WHT Regulations	10%	• Deducted at source by payer according to the WHT rules. • Where the payer is a non-resident person or fails to deduct the tax, the recipient shall declare the income and account for the tax in the annual self-assessment return. • Where tax is not deducted at source, the taxpayer shall account for the income in the annual tax return.

Income tax on income from consultancy/professional fees	WHT Regulations	5% or 10% as applicable.	• Deducted at source by payer according to the WHT rules. • Where the payer is a non-resident person or fails to deduct the tax, the recipient shall declare the income and account for the tax in the annual self-assessment return. • Where tax is not deducted at source, the taxpayer shall account for the income in the annual tax return.
Stamp duty on TOKEN/FIAT transactions.	Item 33, Ninth Schedule to the NTA 2025	1.5%	Collected by the VASP/ VASP-operated P2P marketplaces from the VA credited to the transferee. The fiat consideration shall not be reduced by the amount of the stamp duty.
VAT on VASP service fees	NTA 2025	7.5%	VASP/ VASP-operated P2P marketplaces to deduct and remit the Service in accordance with the NTAA.
Income tax on VASP profits	NTA 2025	30%, subject to section 57 of the NTA.	VASP self-assess and file income tax returns of companies.

8.2 Collection Mechanism for Peer-to-Peer (P2P) Activity

The following is the P2P transaction category and collection mechanism subject to supervised intermediary.

Category	Description	Collection Mechanism
Category A — P2P on VASP-operated marketplace with escrow	The VASP holds the seller's VA in escrow, matches parties, confirms the fiat payment leg, and releases the asset to the buyer on confirmation.	Full collection obligation under *paragraph 8.1.* Same as regular exchange VASPs.
Category B — P2P on facilitation platform without escrow	Platform matches parties but does not hold assets. May be a VASP if it systematically facilitates VA transactions.	Same treatment as regular exchange VASPs. Registration and reporting obligations apply where the platform qualifies as a VASP.
Category C — True off-platform bilateral transactions	No intermediary of any kind. Wallet-to-wallet, messaging apps, in-person arrangements.	Annual Self-assessment returns by taxpayer applies.

9.0 VALUATION AND COMPUTATION OF TAXABLE GAINS

9.1 The dollar-referenced gain computation

9.1.1 The Rule

(1) The income tax on gain arising from the disposal of VA in Category 1 is computed by reference to the USD value of the asset at acquisition and at disposal. Only the resulting dollar gain is then converted to Naira at the CBN/NAFEM rate on the disposal date for the purpose of determining the Naira tax liability.

(2) Gains arising on disposal of VA in Category 2 are measured against the underlying pegged fiat currency and will in normal circumstances be nil or negligible.

9.1.2 The Computation Formula

Step 1 — Dollar cost base: The USD price of the asset at acquisition.

a. For fiat acquisitions, total fiat paid divided by net token units received after stamp duty deduction, converted to dollars at the CBN/NAFEM rate on the acquisition date.
b. For swap acquisitions: the dollar FMV of the asset received on the swap date.

Step 2 — Dollar disposal proceeds. The USD price of the asset at disposal.

a. For fiat disposals: Naira proceeds received divided by the CBN/NAFEM rate on the disposal date.
b. For swap disposals: the dollar FMV of the asset received on the swap date.

Step 3 — Dollar gain or loss. Dollar disposal proceeds minus dollar cost base. If negative, this is a dollar loss available for annual netting under *paragraph 9.4*.

Step 4 — Naira taxable gain. Multiply the dollar gain by the CBN/NAFEM rate on the disposal date. The resulting Naira figure is the assessable gain for income tax purposes.

Step 5 — Token deducted at source.

a. Apply the applicable WHT rate (*paragraph 8.0*) to the gross disposal proceeds expressed in token terms to determine the token quantity to be withheld by the VASP at source.
b. WHT is computed on gross proceeds, not on the gain.
c. The Naira equivalent of the withheld token at the CBN/NAFEM rate on the withholding date constitutes the taxpayer's WHT credit on the annual return.

Illustration 2 — Disposal for fiat with dollar-referenced gain

1. User A acquires 0.985 BTC (net after stamp duty) by paying ₦1,000,000. CBN/NAFEM rate at acquisition = ₦1,000/$.
2. Dollar cost base = $1,000 (= ₦1,000,000 ÷ ₦1,000/$).
3. User A sells 0.985 BTC. Proceeds = ₦1,970,000. Rate at disposal = ₦1,500/$.
4. Dollar disposal proceeds = $1,313.33. Dollar gain = $313.33.
5. Taxable Naira gain = $313.33 × ₦1,500 = ₦470,000. The Naira depreciation component (₦500,000) is excluded from taxable income.
6. For comparison: Under a straight Naira-to-Naira computation (without the dollar-referenced methodology), the apparent gain would be ₦1,970,000 – ₦1,000,000 = ₦970,000. The difference of ₦500,000 represents the effect of Naira depreciation from ₦1,000/$ to ₦1,500/$ during the holding period. Only the real dollar gain of $313.33, converted at the disposal date rate, is assessable.

Illustration 3 — TOKEN/TOKEN swap

1. User A acquired 2 ETH at $1,500 per ETH. Dollar cost base = 2 × $1,500 = $3,000.

2. User A swaps 2 ETH for 0.1 BTC when ETH = $2,000 and BTC = $40,000. The swap is treated as a disposal of 2 ETH and an acquisition of 0.1 BTC.
3. The FMV of the ETH disposed of is 2 × US$2,000 = US$4,000. Accordingly, the gross disposal proceeds are US$4,000.
4. The gain on disposal is computed as follows — (i) Dollar disposal proceeds = US$4,000 (ii) Dollar cost base = US$3,000 (iii) Dollar gain = US$1,000
5. CBN/NAFEM rate on swap date = ₦1,600/$. Taxable Naira gain = $1,000 × ₦1,600 = ₦1,600,000.
6. The VASP shall deduct withholding tax at 1% of the gross disposal proceeds from the ETH disposed of.

   Gross disposal proceeds = 2 ETH

   Withholding Tax = 1% × 2 ETH = 0.02 ETH

   The VASP shall remit 0.02 ETH to the Service. This amount enters the annual netting calculation as a WHT credit.
7. Dollar cost base of 0.1 BTC acquired = FMV of ETH given up = $4,000. This becomes the starting cost base for computing the gain when User A subsequently disposes of the BTC.

9.2 Assets not in USD

(1) Where a token is not directly priced in USD, its dollar FMV is derived by converting through its primary trading pair at the transaction timestamp. For example, a token priced in Bitcoin is converted to dollars using the Bitcoin dollar price at that timestamp; a token priced in Ether is converted using the Ether dollar price.

(2) All prices must be sourced from an aggregator approved by the Service. The Service shall publish on its website, and may update from time to time, the list of approved aggregators or valuation sources for the purposes of these Guidelines.

(3) The USD remains the reference currency for all gain computations.

(4) Where no verifiable market price exists in any trading pair, the taxpayer must document the valuation methodology and retain it for at least six years unless otherwise permitted by the Service.

9.3 Cost base

9.3.1 Fiat acquisitions

(1) The cost base per unit is the total fiat consideration paid divided by the net token units received after stamp duty deduction, converted to dollars at the CBN/NAFEM rate on the acquisition date.

(2) Where the cost base per unit therefore exceeds the market price per unit by the stamp duty component, then the duty paid at acquisition is embedded in the cost base and is not separately deductible at disposal.

9.3.2 TOKEN/TOKEN swap

The cost base of the new token received is the dollar FMV of the token disposed of at the swap date, divided by the number of units of the new token received.

9.3.3 Gratuitous receipts

(1) For gratuitous receipts including staking rewards, mining rewards, airdrops with a realisable FMV at receipt, hard forks and promotional tokens, the cost base is stepped up to the dollar FMV at the time of receipt, since the full receipt value is already assessable as income at that point.

(2) For hard fork distributions with no realisable FMV at the date of receipt, the cost base is nil and the full disposal proceeds are taxable on first disposal, consistent with treatment under *paragraph 9.6*

(3) FIFO is the default cost base method, or Weighted Average Cost is accepted as an alternative where elected consistently from the commencement of VA activity and applied without interruption. A taxpayer shall not switch methods retrospectively.

9.4 Annual netting of gains and losses

(1) Gains and losses from all VA disposals in a year of assessment shall be computed in USD and netted at year-end.

(2) Each disposal gain or loss shall first be computed in USD and then converted to Naira using the CBN/NAFEM exchange rate on the date of the transaction.

(3) The resulting Naira amounts shall be aggregated to determine the net assessable income (or loss) from VA disposals for the year.

(4) Tax withheld by VASPs shall be credited against the final tax liability, with any balance payable or refundable through the annual return.

(5) VA losses may only be set off against VA gains.

(6) Losses from non-VA activities shall not be offset against VA gains, and VA losses shall not be offset against non-VA income as provided under section 27 of the NTA.

(7) Capital losses may be carried forward indefinitely and set off only against future VA gains.

(8) In the case of individuals, trading losses incurred in the course of a VA trading business shall be deductible subject to section 28 of the NTA while in the case of companies, trading losses shall be carried forward in accordance with the provisions of NTA.

(9) Losses arising from transactions between connected persons shall be computed by reference to the FMV of the asset at the time of disposal, and not the actual consideration.

9.5 Special rules for certain transactions

The following rules shall apply to specified VA transactions—

(1) Stablecoins: Gains arising from the disposal of stablecoins shall be determined by reference to the underlying pegged fiat currency. No withholding tax shall apply to the disposal of stablecoins. Any taxable gain shall be reported through the self-assessment return.

(2) Cross-border Transactions: The conversion of Naira into VAs for cross-border settlement shall not constitute a taxable disposal for the purpose of income tax. Any subsequent disposal of the VA shall be subject to the applicable tax provisions.

(3) Employment and Professional Income: VAs received as employment income or emoluments, or professional fees shall be valued at their FMV on the date of receipt and taxed in accordance with the applicable provisions of the NTA.

(4) Staking, Mining and DeFi Rewards: VAs received as staking rewards, mining rewards, liquidity rewards or other decentralised finance incentives shall constitute taxable income on the date of receipt. The value recognised as income shall become the acquisition cost of the asset.

(5) Non-Fungible Tokens: Income derived by a creator from the sale of an NFT shall constitute business income. Gains arising from the disposal of an NFT held as an investment shall be taxed in accordance with these Guidelines.

9.6 Airdrop computation

(1) The taxable amount is the FMV of the received tokens in USD on the date of receipt, converted to Naira using the prevailing CBN/NAFEM exchange rate on that date.

(2) The cost base of the received tokens is stepped up to the FMV at receipt to prevent double taxation on future disposal.

(3) In the case of a hard fork, the cost base of the original tokens remains unchanged and is not reduced or apportioned. The new tokens acquire a separate cost base equal to their FMV on the date of receipt.

(4) Where no active market, observable bid price, or redemption mechanism exists at receipt, the taxable amount at receipt is nil. Tax is deferred until first disposal, at which point the full disposal proceeds (converted to Naira) are taxable with a nil cost base.

(5) Taxpayers must document the absence of FMV at receipt and retain records for six (6) years.

(6) Tokens with no identifiable issuer/origin, no realisable FMV, and no prospect of realisation attract no tax liability at receipt or on disposal (unless actual proceeds are received).

(7) Sub-paragraphs (4) to (6) does not apply to airdrops or hard fork distributions which remain subject to the general rules, i.e. those with no observable FMV or that are effectively worthless, benefit from the deferred taxation rule.

10.0 Wrapped Tokens and DeFi Receipt Tokens

10.1 Wrapped tokens

(1) The conversion of a VA into its wrapped equivalent, including the conversion of Bitcoin (BTC) into Wrapped Bitcoin (WBTC), shall not constitute a taxable disposal where —

(a) the taxpayer retains the beneficial ownership of the underlying VA;

(b) the wrapped token represents the same underlying asset; and

(c) no consideration is received other than the wrapped token.

(2) The acquisition cost and holding period of the original VA shall be carried over to the wrapped token.

(3) The subsequent unwrapping or redemption of the wrapped token for the underlying VA shall likewise not constitute a taxable disposal.

10.2 DeFi receipt tokens

(1) The deposit of a VA into a decentralised finance protocol in exchange for a receipt token, including the deposit of Ether (ETH) in exchange for stETH or similar receipt tokens, shall not constitute a taxable disposal where —

(a) the receipt token represents the taxpayer's continuing interest in the deposited VA;

(b) the taxpayer retains the beneficial ownership of the underlying asset; and

(c) the transaction does not result in the realisation of value.

(2) The cost base and holding period of the underlying VA shall be transferred to the receipt token.

10.3 Subsequent disposal

Where a wrapped token or DeFi receipt token is—

(a) sold;

(b) exchanged for another VA;

(c) used as consideration for goods or services; or

(d) otherwise disposed of in a transaction involving a change in beneficial ownership,

the transaction shall constitute a taxable disposal, and the gain or loss shall be computed in accordance with these Guidelines.

10.4 Income from Wrapped Tokens and DeFi Protocols

(1) Income derived from wrapped tokens or DeFi receipt tokens, shall constitute taxable income on the date the taxpayer acquires unrestricted ownership or control of the income.

(2) The FMV recognised as income shall constitute the acquisition cost of the VA received for the purpose of any subsequent disposal.

11.0 Remittance of tax

11.1 Token-native remittance

(1) Income tax deducted at source and stamp duty shall be remitted to the Service in the originating token of the transaction.

(2) VAT shall be remitted in the currency of transaction in all cases.

(3) No intermediate Naira conversion is required at the point of withholding for income tax or stamp duty.

(4) Naira translation for income tax purposes shall occur only once, at the annual tax return stage, using the CBN/NAFEM exchange rate applicable on each transaction date.

11.2 Token Treasury

(1) For the initial implementation of these Guidelines, the Service shall accept only tokens that are supported and transacted by participating registered VASPs.

The Service may publish and update the list of supported tokens from time to time.

(2) Where a token is not on the list of supported tokens and requires conversion to a supported token, the cost of such conversion shall be borne by the Service and shall not reduce the taxpayer's WHT credit.

(3) The list of supported tokens is for the purposes of remittance and shall not determine whether a VA is taxable.

11.3 Currency of Remittance per transaction Type

Transaction type	Income tax WHT remittance	Stamp duty remittance	VAT remittance
FIAT/TOKEN acquisition	• no income tax at acquisition; • cost base established	• Token received by buyer, • withheld in token units; • remitted in token	• VAT on VASP service fee • Remittance in currency of transaction
Cross-border B2B payment - Naira-to-token conversion	• no income tax at conversion; • cost base established	• Token credited to Nigerian business, • withheld in token units by Nigerian intermediary before onward transmission; • remitted in token	• VAT on intermediary service fee • Remittance in currency of transaction
TOKEN/FIAT disposal	Token being disposed of (originating token)	• Token received by buyer/counterparty, • withheld in token units; • remitted in token	• VAT on VASP service fee • Remittance in currency of transaction
TOKEN/TOKEN swap	Token being disposed of (originating token)	N/A.	• VAT on VASP service fee • Remittance in currency of transaction
Gratuitous receipts (staking,	Token received	N/A	N/A

mining, airdrops)			
Employment income or emoluments / PAYE	• Naira Remittance, • deducted by employer at source where it is a resident taxpayer; • self-assessed by recipient on annual return where employer is non-resident or does not deduct.	N/A	Remittance in currency of transaction where applicable
Professional fees in VA	• Naira Remittance, • deducted by payer at source where the payer is a Nigerian taxpayer; • self-assessed by recipient on annual return; • self-assessed by recipient where payer is non-resident or does not deduct.	N/A	Remittance in currency of transaction where applicable

12.0 Taxpayer Obligations

(1) Any person engaged in VAs activities shall register for tax purposes and obtain a Tax ID.

(2) VASPs and P2P escrow operators are required to make a valid Tax ID a precondition for account activation in accordance with section 8 of the NTAA.

12.1 Obligations of VASPs

Every VASP and P2P marketplace operator shall —

(a) deduct tax from taxable transactions outlined in these Guidelines;
(b) collect stamp duty where applicable as provided under these Guidelines;
(c) charge and account for VAT on taxable supplies;

(d) remit all taxes collected or withheld, to the relevant tax authority within the time specified in NTAA or the Deduction of Tax at Source (Withholding) Regulations;
(e) submit all returns provided in sections 11, 22, 25, 28 and any other relevant returns provided under the NTAA; and
(f) maintain records in accordance with section 31 and the Fifth Schedule to the NTAA.

13.0 Non-compliance

The penalties set out in this paragraph apply to the defaults relating to compliance with these Guidelines and are without prejudice to the application of any other penalty, interest or offence prescribed under the NTAA or any other applicable law –

	Default	**Penalty**
1.	Failure to register	₦50,000 (first month); ₦25,000 per subsequent month.
2.	Failure to file returns or filing incomplete returns	₦100,000 (first month); ₦50,000 per subsequent month of default.
3.	Failure to keep books and records	₦50,000 (company); ₦10,000 (individual).
4.	Failure to deduct tax at source	40% of the amount not deducted.
5.	Failure to remit tax deducted at source	10% per annum + CBN MPR interest + amount deducted but not remitted.
6.	VASP or P2P marketplace operator non-compliance	₦10,000,000 (first month); ₦1,000,000 per subsequent month of default.
7.	False or fictitious VAT refund claim	100% of amount claimed + CBN MPR interest.
8.	Non-payment of tax — Naira transactions	10% of amount due + CBN MPR interest.
9.	Non-payment of tax — foreign currency transactions	10% of amount due + SOFR plus spread.
10.	Failure to attend to demands, request or notices	₦100,000 (first day); ₦10,000 per subsequent day of default.
11.	Failure to disclose facts in a dutiable instrument; and	₦100,000 (administrative penalty), fine of ₦50,000 (on conviction), imprisonment term not exceeding three years or both fine and imprisonment.

	Default	Penalty
12.	Failure to notify change of address	₦100,000 (first month); ₦50,000 per subsequent month of default.

14.0 Amendment or Review of Guidelines

The Service may, at any time, withdraw or replace these Guideline or publish an amended or updated version.

15.0 Enquiries

All enquiries on any aspect of this publication should be directed to:
The Executive Chairman
Nigeria Revenue Service
Plot 1241, Kur Mohammed Avenue,
Central Area,
Abuja, Nigeria.
Or

Director,
Tax Policy and Advisory Department
Nigeria Revenue Service
Revenue House,
Plot 1241, Kur Mohammed Avenue,
Central Area,
Abuja, Nigeria.
Or

Visit our website: www.nrs.gov.ng
Email: enquiries@nrs.gov.ng
+2349073777777; +2349072111111; +2349074444441; +2349074444442

Glossary

APPENDIX 1- ACRONYMS AND ABBREVIATIONS

B2B	Business-to-Business
BUSD	Binance USD
BTC	Bitcoin
CBN MPR	Central Bank of Nigeria Monetary Policy Rate
CBDC	Central Bank Digital Currency
DAI	Decentralised Stablecoin
DAO	Decentralised Autonomous Organisation
DOLLAR	USD
DeFi	Decentralised Finance
ETH	Ether
FMV	Fair Market Value
FIFO	First in First Out
ISA	Investments and Securities Act
NAFEM	Nigerian Autonomous Foreign Exchange Market
NFT	Non-Fungible Tokens
NRS	Nigeria Revenue Service
NTA	Nigeria Tax Act
NTAA	Nigeria Tax Administration Act
P2P	Peer-to-Peer
PAYE	Pay As You Earn
PYUSD	PayPal USD
SOFR	Secured Overnight Financing Rate
USD	United States Dollar
USDC	USD Coin
USDT	Tether USD

VA	Virtual Asset
VASP	Virtual Asset Service Provider