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

INFORMATION CIRCULAR

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Subject: CLARIFICATION ON DUTIABLE INSTRUMENTS

This circular is issued for the information and guidance of taxpayers, tax practitioners and the public, in line with the provisions of the relevant tax laws. The circular replaces FIRS Information Circular No. 2021/12 of 3rd June 2021

1.0 Introduction

This circular provides clarity on the implementation of chargeable instruments imposed by Chapter Five and the Ninth Schedule of the Nigeria Tax Act (NTA) No.7, 2025.

2.0 Imposition of stamp duties

(1) Section 123 of the NTA imposes duties on any instrument which is-
- (a) first executed in Nigeria; or
- (b) executed outside Nigeria and relates to any property situated or to any matter or thing done in Nigeria.

(2) The duty is charged at a fixed or ad-valorem rate.

3.0 Administration of stamp duties

The relevant tax authority to administer stamp duties are as follows:

3.1 Nigeria Revenue Service (NRS)

The NRS is the competent authority to charge and collect duties upon instruments relating to transactions or matters executed between a

- (a) company and another company;
- (b) company and an individual;
- (c) company and a group or body of individuals; and
- (d) company and any other form of corporate entity.

Illustration 1

KYC Ltd, a real estate company, sold a block of flats to ABC Ltd, and a duplex to Mr. Kola. Aje Multipurpose Cooperative Society also bought landed property located in Port Harcourt from KYC Ltd in March, 2026. Agreements for the sales of the properties were signed by the parties involved.

Treatment
The instrument involved is an agreement for the sale of real property. The transferees, ABC Ltd, Mr. Kola and Aje Multipurpose Cooperative Society, are the persons liable to pay the stamp duty (ad valorem) on the agreements. The NRS is the relevant tax authority that will stamp and collect duty on the agreements.

3.2 States Internal Revenue Service
The relevant tax authority in a state or the Federal Capital Territory will administer stamp duties on instruments executed between one or more individual or group of individuals and another individual, partnership, group of individuals or unincorporated business.

Illustration 2

Ade & Sons Enterprises, a business resident in Osun State and Mr. Kunle, a tax resident of Ondo State, executed a lease agreement to use a 3-bedroom property of Ade & Sons Enterprise located in Oshogbo for the sum of N500,000 per annum for a period of five years.

Treatment
Mr. Kunle is the person obligated to pay the stamp duty on the lease agreement and Osun State Internal Revenue Service is the relevant tax authority to charge stamp duty on the lease agreement.

4.0 Mode of denoting duties
Duties payable on any instrument will be paid and denoted by any of the following means-

(a) tax stamps;
(b) a die;
(c) electronic or digital tagging;
(d) electronic receipt;
(e) issuance of certificate; or
(f) any other means as may be determined by the relevant tax authority.

5.0 Obligation to stamp
Every instrument executed in Nigeria is required to be stamped not later than 30 days after its execution by the person obligated to pay the appropriate duty.

The persons obligated to pay duty on an instrument in a transaction are contained in the Ninth Schedule to NTA and the Schedule to this Circular.

6.0 Admissibility of dutiable instrument in evidence
Any unstamped dutiable instrument is not admissible as evidence in court, judicial or arbitration proceedings, and in satisfying any evidentiary requirements. However, an unstamped instrument may be given in evidence in a criminal proceeding.

7.0 Chargeable instruments

Chargeable instruments are classified into the following categories:

a. Bill of exchange – includes drafts, orders, cheque and letter of credit
b. Promissory Note – includes any document in writing, except a bank note, containing a promise to pay any sum of money
c. Sale or purchase of options – includes contract notes under which an option is given or taken to purchase or sell any stock or marketable security at a future time or at a certain price.
d. Conveyance on Sale – includes every transfer of interest or rights in real property.
e. Conveyance in consideration of a debt – occurs where a property is conveyed to a person in consideration, wholly or partly of a debt due to the person
f. Duty on transfer of mineral assets – includes the transfer of any kind of mineral assets
g. Provisions as to exchange – occurs where there is an exchange of a real property for another
h. Leases – includes an agreement for the letting of land or building or other kinds of asset
i. Duty on share capital – means the share capital of a company and will be charged an ad-valorem duty.
j. Duty on loan capital - means any debenture stock, other stock or funded debt raised by any person, formed or established in Nigeria, excluding overdraft, loan obtained for a period not more than twelve months and loan obtained for onward disbursement to another person as a lending arrangement
k. Marketable Security – means an instrument made for the purpose of issuing marketable securities by or on behalf of a natural or legal person.
l. Appraisements – refers to valuation carried out for purpose of ascertaining the value of a real property.

7.0 Treatment of duties on certain dutiable instruments

7.1 Capital duty on loan capital

In accordance with the provision of Chapter Five of the NTA and the Ninth Schedule to the NTA, the following dutiable instruments will be accorded the following treatment –

(1) Loan capital of a company will be charged an ad valorem duty. The beneficiary of the disbursement is the person liable to pay the duty.

Illustration 3

XYZ Ltd issued ₦2 billion debenture at 10% interest for a tenure of 5 years on 12th January 2026. The company also issued another debenture on the same date worth ₦100 million at 5% interest for a tenure of 10 months. The company collected an overdraft (OD) of ₦5 million from JK Bank and a loan of ₦1 million for and disbursed as loan to Association of Market Women (AMW).

Treatment:

i. The loan capital instrument attracts 0.125% ad valorem stamp duty.

0.125% X ₦2 billion = ₦2.5 million

XYZ Ltd, being the borrower, is liable to pay a stamp duty of ₦2.5 million on the loan capital instrument.

ii. Stamp duty is not charged on the loan capital instrument of N100million, because the loan period does not exceed 12 months.

iii. Bank overdraft of N5million from JK Bank is exempt from stamp duty.

iv. AMW is liable to stamp duty on the N1million loan obtained on their behalf.

7.2 Conveyance or transfer on sale

A transfer of interest or rights in real property will be subject to duty as conveyance on sale payable by the transferee. The duty will not apply where:

(a) the value of the property is N10,000,000 or less

(b) the transfer is between associated companies holding at least 90% shareholding in each other or through a third party, if the instrument had been stamped when it was initially purchased.

Illustration 4

In 2026, MNO Ltd sold a plot of land to Mr. Bolu worth ₦15 million, and another plot to its subsidiary ABC Ltd for ₦30 million. MNO owns 95% shares of ABC and the initial purchase documents of the land were duly stamped by MNO Ltd. It sold another plot of land to Mr. Ade for ₦8 million.

Treatment:

i. The conveyance instrument transferring ownership of the land to Mr. Bolu attracts ad valorem stamp duty at 1.5% of ₦15 million.

Mr. Bolu, who is the transferee, is the person liable to pay the duty of ₦225,000 on the instrument.

ii. ABC Ltd as the transferee is not liable to pay stamp duty on the conveyance instrument in respect of the ₦30 million, because 95% of its share is owned by MNO Ltd and the initial purchase document had been duly stamped by MNO Ltd.

iii. Mr Ade’s conveyance instrument for the purchase of ₦8 million land is not liable to stamp duty, because the value of the land is not more than ₦10,000,000.

7.3 Agreement or Contracts (all types)

All types of agreements or contracts are liable to a fixed duty of N1,000 payable by the beneficiary of the service. The duty will not apply where the agreement or contract:

(i) relates to a subject, the value of which is less than ₦1,000,000.
(ii) is for the hire of any labourer, employee, artificer, manufacturer or menial servant.
(iii) is made for or relating to the sale of any goods, wares or merchandise, including a hire purchase agreement.

Illustration 5

OLM Ltd enters into a consultancy contract with Koko consultants to prepare its annual financial report for 2026 year of assessment, and agreed to pay the consulting firm ₦5 million for the service. The company entered into an employment agreement with an engineer for a monthly salary of N5million. It also entered into an agreement for the sale of its motor vehicle on hire purchase to Danco Ltd for ₦900,000.

Treatment:

1. Stamp duty on the consultancy contract with Koko consultants is ₦1,000 (fixed) to be paid by the beneficiary of the service (OLM Ltd).
2. OLM Ltd is not liable to pay duty on the agreements for the employment of the engineer and hire purchase because the instruments are exempt from duty.

7.4 Electronic receipts or transfers

Electronic receipts or transfers of N10,000 and above is liable to a fixed duty of N50 payable by the transferor. However, any money paid by a person into his own account or transferred electronically between accounts of the same owner within the same bank and transfers for salary payment are exempt from the duty.

Illustration 6

On 8th January, 2026, Mr. Titus transferred N15,000 to his son and N8,000 to his daughter. He also transferred N100,000 to his wife via his bank's mobile application and made a further transfer of N20,000 from his savings to current account in the same bank.

Treatment

The bank will charge Mr. Titus' account as follows:

1. a duty of N50 each on the transfer of N15,000 and N100,000 since the amount meets the threshold of N10,000;
2. duty will not be charged on the transfer of N8,000 because the amount is below the threshold of N10,000; and
3. duty will not be charged on the transfer of N20,000 because it is a transfer between his accounts in the same bank (intra-bank self-transfer).

8.0 Exemption from stamp duties

The following instruments are exempt from stamp duties:

(a) Transfer of shares in Government or legislative stocks or funds of Nigeria;

(b) Any instrument for sale, transfer or other disposition, either absolutely or by way of mortgage, or otherwise, of any ship or vessel or any part, interest, share or property of or in any ship or vessel;

(c) Any instrument on which the duty would be payable by a Nigerian Government or any of its ministries, departments or agencies;

(d) Any instrument in which the duty would be payable by any consular officer arising out of his official functions provided the foreign government he represents grants similar exemption to Nigerian consular officers;

(e) Any instrument executed by or on behalf of a co-operative society registered under any Act or law;

(f) Shares, stocks or securities transferred by a lender to its approved agent or a borrower in furtherance of a regulated securities lending transaction;

(g) Shares, stocks or securities returned to a lender or its approved agent by a borrower in pursuant of a regulated securities lending transaction;

(h) All documents relating to the transfer of stocks and shares;

(i) Electronic transfer or electronic receipts of money of a sum below ₦10,000 or its equivalent in other currencies; or

(j) Transfers for salary payment and intra-bank self-transfers.

9.0 Penalties

Failure to comply with obligations to stamp dutiable instruments shall be liable to the penalties prescribed in the relevant tax laws.

10.0 Amendment or revision of the circular

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

11.0 Enquiries

Further enquiries on this Information Circular should be directed to:

The Executive Chairman,
Nigeria Revenue Service,
Revenue House,
Plot 1241, Kur Mohammed Avenue,
Central Area, Abuja, Nigeria.

Or

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

Or
Email: *tpad@nrs.gov.ng*

SCHEDULE OF DUTIABLE INSTRUMENTS

S/N	NAME OF INSTRUMENTS	TYPE	NEW RATE	PERSONS LIABLE	EXEMPTIONS
1	Agreement or Contract accompanied with a deposit (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than ₦10,000,000
2	Agreement for sale of real property (see Conveyance on sale)	Ad Valorem	1.5%	Transferee	
3	Annuity (see Conveyance on Sale)	Ad Valorem	1.5%	Transferee	
4	Assignment (by way of security or of any security) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than ₦10,000,000
5	Irrevocable Assignment (upon a sale or otherwise) (see Conveyance)	Ad Valorem	1.5%	Transferee	
6	Bill of Exchange - Of any other Kind (Local & Foreign)	Ad Valorem	0.10%	Payee	
7	Bonds (Repayment of money & Transfer Stocks)	Ad Valorem	0.375%	Party taking security	
8	Capital Duty on Nominal Shares	Ad Valorem	0.75%	Company	
9	Capital Duty on Loan capital	Ad Valorem	0.125%	Borrower	Overdraft at the bank Loan raised for a period not exceeding 12 months Loan obtained for onward disbursement to any other person in an on lending arrangement
10	Capital Duty on Loan Capital issued wholly or partly for the purpose of converting or consolidating existing capital	Ad Valorem	0.1%	Lender	

11	Contract notes for marketable securities	Ad valorem	0.8%	Transferor	Contract note sent by a broker or agent to his principal where the principal is himself acting as a broker or agent for a principal.
12	Contract notes (Continuation note)	Ad valorem	0.08%	Transferee	
13	Contract note (Option note)	Ad valorem	0.04%	Transferee	
14	Contract note (following a duly stamped option note)	Ad valorem	0.04%	Transferee	
15	Conveyance or transfer on sale	Ad Valorem	1.5%	Transferee	• Where the property has a value of N10,000,000 or less • Where the transfer is between associated companies holding at least 90% shareholding in each other or through a third party, provided it had been stamped upon initially purchase
16	Conveyance or transfer by way of security of any property or security (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than N10,000,000
17	Conveyance or transfers (dispositions inter vivos except to entity created by Act for the benefit of Nigeria) (see Conveyance or transfer on sale)	Ad Valorem	1.5%	Transferee	
18	Covenant (payment of money or transfer or re-transfer of stock) (see mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than ₦10,000,000
19	Covenant on annuity (original creation and sale) (see conveyance)	Ad Valorem	1.5%	Transferee	

20	Covenant on annuity (not original creation and sale) (see Bond, Covenant)	Ad Valorem	0.375%	Party taking security	
21	Defeasance (of any conveyance, apparently absolute but intended only as a security for money or stock) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than ₦10,000,000
22	Demise (see Lease)	Ad Valorem	Up to 7 years = 0.78%. Above 7 years = 3%	Lessee	Property of an annual value less than ₦1,000,000
23	Further charge of further security	Ad Valorem	0.375%	Mortgagee	
24	Marketable security (all types)	Ad Valorem	0.225%		
25	Mortgage, Bond, Debenture, Covenant (See bonds)	Ad Valorem	0.375%	Party taking security	
26	Mutual disposition (see Exchange	Ad Valorem	1.5%	Transferee	
27	Partition or Division (see Conveyance on sale)	Ad Valorem	1.5%	Transferee	
28	Policy of insurance (life insurance) (on premium)	Ad Valorem	0.075%	Policy Holder	
29	Policy of insurance (of any other kind)	Ad Valorem	0.075%	Policy Holder	
30	Promissory note (see Bill of Exchange)	Ad valorem	0.1%		
31	Reconveyance (of any security) (see Mortgage)	Ad Valorem	0.375%	Mortgagee	Relates to property less than ₦10,000,000
32	Superannuation annuity (see Bond, Covenant)	Ad Valorem	0.375%	Party taking security	Relates to property less than ₦10,000,000
33	Transfer (see Conveyance)	Ad Valorem	1.5%	Transferee	
34	Transfer of Mineral Assets	Ad Valorem	2%	Transferee	
35	Agreement or Contracts (all types)	Fixed duty	N1,000	Beneficiary of service	• Relates to a subject, the value of which is less than ₦1,000,000. • Is for the hire of any labourer, employee, artificer, manufacturer or

					menial servant. • Is made for or relating to the sale of any goods, wares or merchandise, including a Hire Purchase Agreement.
36	Agreement or Memorandum of Agreement under hand	Fixed duty	N500	Beneficiary of service	(See Agreement)
37	Bill of Exchange - Payable on Demand	Fixed duty	N500	Payee	
38	Bill of Lading	Fixed duty	N500		Master's Copy
39	Cheque leaf (Bill of Exchange)	Fixed duty	N50	Account owner	
40	Counterpart or Duplicate	Fixed duty	N500	(Same as original)	
41	Draft for money (see Bill of Exchange)	Fixed duty	N50	Payee	
42	Guarantee	Fixed duty	N500	Guarantor	
43	Letter of credit (see Bill of Exchange)	Fixed duty	N500		
44	Order (for the payment of money) (see Bill of Exchange)	Fixed duty	N50	Payee	
45	Policy of marine insurance	Fixed duty	N500	Policy Holder	Cover notes, slips or other instruments made in anticipation of a formal marine insurance policy
46	Policy of insurance against personal injury	Fixed duty	N500	Policy Holder	Insurance policies on personal or household effects.
47	Receipt (for value from N10,000)	Fixed duty	N50	(Same as liable for underlying transaction)	
48	Electronic receipt or Transfer of N10,000 upwards	Fixed duty	N50	Transferor	Money paid into one’s own account or transferred electronically between accounts of the same owner within the same bank