



Tax Alert

Implementation of the Phased Rollout of the E-Invoicing & Electronic Fiscal System (EFS) Regime

The Nigeria Revenue Service (NRS) has issued a Public Notice announcing the phased implementation of its E-Invoicing and Electronic Fiscal System (EFS) regime. You may download a copy of the Public Notice [here](#).

The rollout, which commenced in November 2025 for large taxpayers (defined as businesses with an annual turnover of above ₦5 billion), has recorded significant progress, with many taxpayers successfully transmitting invoice data to the Merchant-Buyer Solution (MBS).

The NRS intends to implement the roll-out in the following stages:

- Stakeholder Engagement
- Pilot Rollout
- Go-Live
- Post Go-Live Review
- Compliance Enforcement

The timeline for each phase is outlined below:

Taxpayer Category	Annual Turnover Threshold	Stakeholder Engagement	Pilot Rollout	Go-Live	Post Go-Live Review	Compliance Enforcement
Large Taxpayers	Above ₦5 billion	Completed	Completed	Completed	Jan – March 2026	April – June 2026
Medium Taxpayers	₦1 billion - ₦5 billion	Jan – March 2026	April – June 2026	1st July 2026	Oct – Nov 2026	Jan – March 2027
Emerging Taxpayers	Below ₦1 billion	Jan – March 2027	April – June 2027	1st July 2027	Oct – Nov 2027	Jan – March 2028

Commentary

This initiative underscores the NRS's commitment to driving the adoption of the e-invoicing solution and advancing the digital transformation of Nigeria's tax administration system. It also represents a significant shift in the tax compliance landscape. Though MBS is a VAT-focused compliance tool, it may evolve into a control mechanism for income tax purposes. Taxpayers that are non-compliant may not be able to claim, as deductible expenses, those expenses that are not supported by compliant electronic invoices, subject to specified exemptions. It has, therefore, become imperative that qualifying taxpayers manage their tax compliance risks appropriately.

Taxpayers should take note of the implementation timeline, particularly considering the Tax Reform Acts, which mandate the use of government-approved fiscal systems and prescribe penalties for non-compliance. KPMG is an approved system integration services provider and is willing to assist organisations in conducting readiness assessments and navigating the complexities of E-invoicing, ensuring full compliance with the evolving tax laws and regulations.

For further insights, you can access our detailed publication on the E-invoicing solution [here](#).

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