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NRS BEGINS COMPLIANCE MONITORING FOR LARGE TAXPAYERS UNDER THE NATIONAL E-INVOICING SYSTEM

INTRODUCTION

The Nigeria Revenue Service (NRS) has announced that 31 July 2026 is the deadline for all large taxpayers (companies with an annual turnover of ₦5 billion and above) to comply with the National E-Invoicing and Electronic Fiscal System (EFS), also known as the Merchant Buyer Solution (MBS).

The NRS has also confirmed that it has commenced compliance monitoring. This means affected companies that fail to comply may now be subject to enforcement actions and penalties.

To be regarded as compliant, affected businesses are expected to:

a. complete registration on the NRS Merchant Buyer Solution (MBS);
b. integrate their accounting or ERP systems with the NRS platform through an approved provider;
c. complete all required system testing;
d. begin transmitting invoices electronically to the NRS; and
e. ensure invoices received from suppliers carry a valid Invoice Reference Number (RIN).

WHY THIS MATTERS

The new e-invoicing regime changes how businesses issue and receive invoices for tax purposes.

Instead of relying solely on internally generated invoices, qualifying businesses must now transmit invoices electronically through the NRS platform. The system enables the NRS to monitor business transactions in real time and improve tax compliance.

The requirement is backed by the Nigeria Revenue Service (Establishment) Act, 2025, the Nigeria Tax Administration Act, 2025, and the Nigeria Tax Act, 2025, which empower the NRS to implement electronic tax administration and impose penalties for non-compliance.

WHAT THIS MEANS FOR BUSINESSES

Businesses affected by this phase should review their systems and processes immediately.

In practical terms, companies should ensure that:

a. their accounting or ERP systems are connected to the NRS platform;
b. invoices are transmitted electronically through approved providers;
c. suppliers are also compliant with the new requirements; and
d. finance, procurement and tax teams understand the new invoicing process.

Businesses should also note that only invoices successfully transmitted through the NRS platform may qualify for **VAT input credit claims**. Receiving non-compliant invoices could therefore increase tax costs and create challenges during future tax audits.

In addition, failure to comply may expose businesses to:

a. regulatory investigations;
b. tax audits;
c. financial penalties; and
d. interest on outstanding tax liabilities.

WHAT SHOULD COMPANIES DO NOW?

Affected companies should take the following steps immediately:

a. Complete registration on the NRS Merchant Buyer Solution (MBS).

b. Engage an approved Access Point Provider (APP) or Systems Integrator (SI), where necessary.
c. Complete all system integration and testing.
d. Begin transmitting invoices through the NRS platform.
e. Confirm that suppliers issue compliant invoices with valid Invoice Reference Numbers (RINs).
f. Update internal invoicing, procurement and record-keeping procedures.
g. Train relevant finance, tax, procurement and IT personnel.
h. Keep records demonstrating compliance in the event of an NRS audit.

LOOKING AHEAD

Although the current phase applies only to companies with annual turnover of **₦5 billion and above**, the implementation will gradually extend to medium-sized and smaller businesses over the next phases.

Businesses that begin preparing now are likely to experience fewer implementation challenges and will be better positioned when the requirements become applicable to them.

CONCLUSION

The commencement of compliance monitoring signals that the National E-Invoicing regime has entered its enforcement phase.

Large taxpayers should therefore treat compliance as an immediate priority. Timely implementation will not only reduce regulatory risk but also help ensure uninterrupted tax compliance and preserve entitlement to VAT input credits.