

FIRS e-Invoicing Mandate: Compliance Begins 1st August 2025 – What You Need to Know

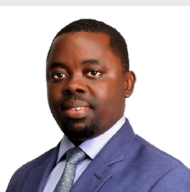
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FIRS e-Invoicing Mandate: Compliance Update

The Federal Inland Revenue Service (FIRS) continues to advance its e-Invoicing system as part of Nigeria's digital tax transformation

strategy. This initiative is designed to enhance tax transparency, reduce revenue leakages, and enable real-time visibility into business transactions.



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Revised Implementation Timeline

The pilot phase is expected to be concluded on 31st July 2025, with full implementation scheduled to begin on 1st August 2025 for taxpayers with an annual turnover of ₦5b (Five Billion Naira) and above. This implementation date has prompted

concern among many large taxpayers in this category, particularly regarding their preparedness and the potential risk of penalties for non-compliance.

Legal Backing and Enforcement

The initiative is supported by the Nigeria Tax Administration Act 2025 ("NTAA" or "the Act"), which introduces penalties for non-compliance. While enforcement under the Act will commence

from 1st January 2026, taxpayers are expected to begin processes for compliance from 1st August 2025.

Immediate Compliance Steps

Qualified taxpayers should begin the compliance process without delay, following the prescribed steps below:

1

Visit the FIRS e-Invoicing Portal

- Go to: <https://einvoice.firs.gov.ng>
- Login: using your Company's Taxpromax details

2

Check Enablement Status

- Click on the "Businesses" tab.
- Enter your Company's details (e.g., TIN or RC number) to check if your business is already enabled.

3

Initiate Enablement (if not already enabled)

- If your business is not yet enabled, click "Get Enabled".
- Fill in the required information, including:
- Industry classification

- ERP/accounting system details
- Aggregate turnover
- Preferred invoice exchange method
- Notification preferences

4

Accept the Service Level Agreement (SLA)

- Review the SLA provided by FIRS
- Accept the terms to proceed to the system dashboard

5

Complete Business Profile Setup

Provide additional business details as required [This will help FIRS to tailor support and integration options to your business needs]

6

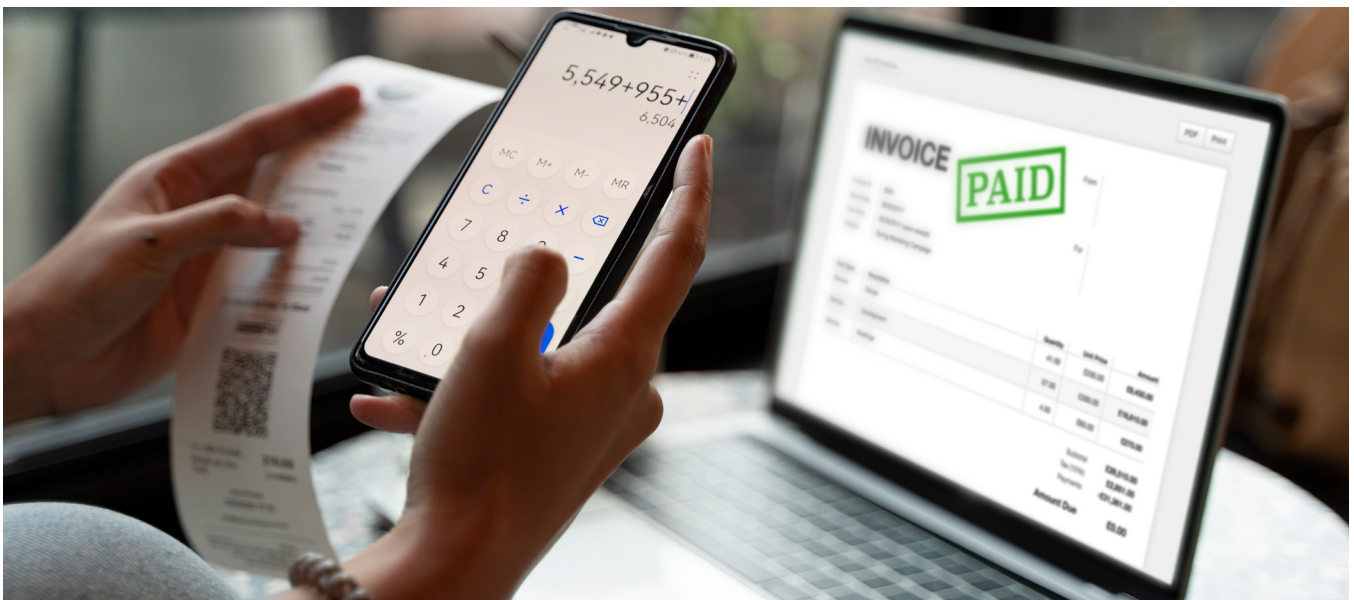
Begin System Integration

- Once registered, appoint a System Integration and Access Point Provider to begin integrating your ERP/accounting system with the FIRS platform.
- Integration typically takes a minimum of 3 months and should be planned to avoid operational disruptions.

7

Testing and Go-Live

- Conduct sandbox testing with FIRS.
- After successful testing, switch to production environment by updating API keys and URLs.
- Confirm go-live status with FIRS.



What the FIRS E-Invoicing System Means for Your Business

The key implications of transitioning to the FIRS e-invoicing system for qualified taxpayers are as follows:

- A. Affected Companies must integrate their accounting or ERP systems with the FIRS Merchant Buyer Solution (MBS) to enable real-time invoice validation. This will likely require system upgrades, technical configuration, and staff training to ensure seamless compliance.
- B. The new system mandates that all business-to-business (B2B) and business-to-government (B2G) invoices be cleared by FIRS before they are issued to customers. For business-to-consumer (B2C) transactions, invoices must be reported to FIRS within 24 hours of issuance. This shift to real-time reporting significantly changes how businesses manage their invoicing processes.
- C. The scope of the mandate is broad. It applies to all VATable transactions, including domestic and cross-border sales, and affects non-resident suppliers registered for VAT in Nigeria. This means that Companies must ensure their invoicing systems can handle a wide range of transaction types in compliance with the new rules.
- D. Failure to comply with the e-invoicing requirements could result in administrative penalties, delays in transaction processing, and increased scrutiny from tax authorities. Businesses that are not prepared may also face reputational risks and operational disruptions.
- E. Early compliance may offer strategic benefits; Companies that adapt quickly could enjoy improved transparency, better audit readiness, and more efficient VAT reporting. In the long run, the e-invoicing system is expected to enhance trust between taxpayers and the tax authority while supporting Nigeria's broader digital transformation agenda.

Final Thoughts

The FIRS e-invoicing mandate represents more than just a compliance obligation. It marks a significant step in Nigeria's broader transition toward digital tax administration. For businesses, this shift presents both a challenge and an opportunity.

Companies that act early by investing in the right systems, processes, and training will not only avoid potential penalties but also position themselves for long-term operational efficiency and improved regulatory trust. To achieve this, it is essential to establish robust internal structures that support full compliance with the e-invoicing requirements.

It is also advisable to seek professional guidance to navigate the technical and regulatory aspects of the implementation process. Engaging qualified advisors can help ensure a smooth transition, minimise operational disruptions, and unlock the strategic benefits of early adoption.



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