

GUIDANCE NOTES

USE THESE NOTES TO HELP YOU FILL IN YOUR FORM VA2

Complete this form electronically or in **BLACK** ink only using **CAPITAL LETTERS**

WHERE TO START

Complete this form accurately for your company or any other form of business enterprise. You may need access to the following documents:

- Previous tax returns/ tax clearance certificates.
- Financial statements.
- Other relevant business records including management accounts.
- Bank statements, dividend distribution, or other investment statements.

Any authorised personnel or external adviser may fill in the form but as the CEO or business owner you are **RESPONSIBLE** for the declaration and you must **SIGN** the form.

HOW TO FILL IN YOUR INFORMATION

Please read the following instructions carefully:

1. SECTION A - ABOUT THE BUSINESS

Use this section to detail information about the business.

- **Q1** - Include any previous business names in case there has been a change of name in the past 6 years.
- **Q4** - For tax purposes, this is the address where the head office is situated. If you are unsure, please seek advice.

2. SECTION B – NATURE OF THE BUSINESS

Use this section to detail source(s) of long term capital of the business.

Long term capital refers to money used in setting up and running the business other than working capital or short term funds.

3. SECTION C – ABOUT BUSINESS TAX HISTORY

Use this section to detail tax payments you have made in the last 6 years.

Please focus on taxes paid by the business. For instance, item (7) should be WHT deducted by the entity and paid to government on behalf of vendors and service providers. If tax was deducted from the entity's income such as WHT on your invoice, this should be reported under CIT item (1) or as the case may be.

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4. SECTION D – ABOUT BUSINESS INCOME AND EXPENSES

Use this section to provide information on all your sources of income and expenses incurred by the business.

Declare all your actual income according to source. You should include main income as well as any other type of income regardless of whether tax has been paid or not. In the case of expenses, you should include all expenses paid and/or borne by the business whether for business purpose or otherwise.

5. SECTION F – ABOUT BUSINESS ASSETS

Use this section to declare all your business assets which individually or as a group cost at least N1 million at the time of acquisition. Also indicate any allowances claimed and provide further breakdown in respect of items (1) & (2) in Section G and H respectively for balance of assets as at the end of 2016.

- **Nominal Owner** - if an asset is registered in the name of a nominee, such as a trust or a special purpose vehicle, declare it and state name of the legal owner. Once VAIDS is over, you can freely own/transfer the asset in entity's name.
- State the asset acquisition cost, detailing the source of financing for all assets.

Below, is an example of how an office building has been financed. The same explanation applies to all assets including immovable assets and investments.

The sources of financing for office building costing N20Million might be declared as follows:

- a) Purchased from retained profits (taxed) and a loan:
- Details of previously taxed income should be consistent with returns and payments.
 - Provide details of any mortgage/loan including account number and lender's name.

Acquisition Cost							
	Previously taxed profit		Gift	Loan			Untaxed profit
20,000,000	5,000,000			15,000,000	<i>- Silver Bank A/c 200901891</i>		

- b) Purchased from a combination of gift and proceeds of trading that had not been taxed.

Acquisition Cost							
	Previously taxed profit	Gift		Loan			Untaxed profit
20,000,000		5,000,000	<i>-from CEO</i>				15,000,000

Gift:

- Include details of whom property was received from and use additional sheets if space is inadequate.

6. Additional Information

Use page 11 to provide any additional information such as the currency of transaction and/or official exchange rates used or any useful information not already provided elsewhere on the form.

7. DECLARATION

Company representative must be the Chief Executive Officer or an appropriate Executive Director or Company Secretary. In the case of unincorporated entities, this must be the business owner.