

Tax and Tech Summit · Abuja · March 16,  
2026

# The *Digital Future* of Tax in Nigeria

Navigating the Intersection of Innovation,  
Compliance, and Economic Growth

**David Seyi Akanbi, PhD**  
Vice-Chancellor, American Open University  
Nigeria

# Taxes and Technology



*"Nothing is certain except death and taxes."*

— Benjamin Franklin,  
1789



**Death**

Comes  
once



**Taxes**

Annual, monthly, daily (VAT, WHT)



**Technology**




Continues to evolve and transform  
everything

*Now, nothing is certain except death, taxes, and tech  
advancement*

# The Birth of NRS



## The Mandate

-  Digitalize filing processes
-  Improve compliance rates
-  Reduce tax burdens through efficiency

## The Legal Framework Nigeria Tax Act, 2025

- Streamlined, consolidated legislation
- Replaces fragmented tax laws
- Designed for the digital age

# Time and Tech: The Foundational Metaphor



*"Time and tide wait  
for no man."*

— 14th Century

Proverb

*Miss the tide — your  
ship stays stranded.*



## Time

The relentless march of  
technological progress



## Tide

The massive, unstoppable  
flow of digital data and global  
economic integration

# NRS

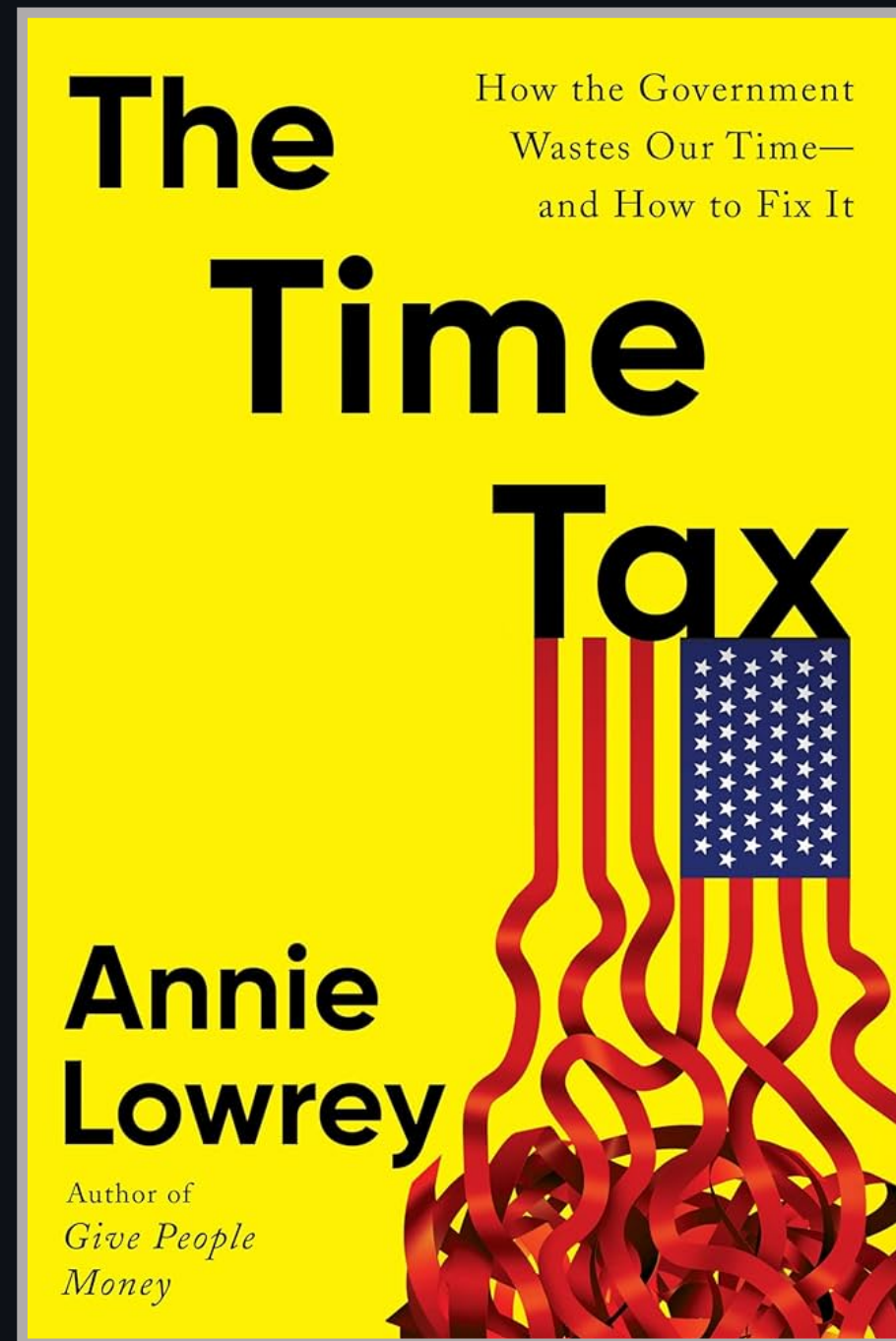
**NIGERIA  
REVENUE  
SERVICE**



## The NRS Response

**Nigeria has not waited. We have caught the tide.**

# The Time Tax



## The Time Tax

Excessive, unpaid hours navigating inefficient, manual, bureaucratic systems — separate from the tax itself.

### Activity

Filing VAT returns

Reconciling WHT credits

Registering business for tax

### Manual System

8 hours

3 days

2 weeks

### Integrated Digital

**15 minutes**

**Instant**

**24 hours**

# NRS Digital Infrastructure: The Foundation

## 🎯 The NRS Mission

Eliminate the Time Tax through digitalization and streamlined processes.

### 💻 TaxPro-Max Platform Continued & Enhanced

- ✓ e-Filing & payments
- ✓ Tax Clearance Certificate applications
- ✓ Withholding Tax credit tracking  
Now under NRS
- ✓ management

### 🌐 Digital Economy Compliance (DEC) Tool

- Identifies foreign digital companies
- ✓ (SEP) Calculates VAT for non-resident suppliers
- ✓ Taxes global tech companies

### Nigeria Tax Act, 2025 — Key Digital Provisions

- 🕒 Real-Time Transaction Data via API
- 🔗 Legal framework for API-based data sharing
- 📈 Mandate for real-time reporting
- 📄 E-invoicing requirements
- 👤 Digital identity integration (BVN/NIN)

🚩  
**100%**  
Digital Filing by 2027

# The Three Pillars Framework

## From Digitization to Digital Transformation



01

### Innovation

Building the technological infrastructure

*"The ship we sail"*

APIs, AI agents, MCP integrations



02

### Compliance

Training and adoption

*"Learning to navigate"*

Educating taxpayers & officials



03

### Economic Growth

The destination and purpose

*"Reaching new shores"*

Broadening the tax base, funding infrastructure

*Innovation without compliance fails. Compliance without growth is pointless. Growth without innovation is unsustainable.*

# Why NOW is Nigeria's Moment



## Demographic Dividend

70% under 30

Digital natives expecting mobile-first services



## Fintech Boom

Leading Africa

Flutterwave, Paystack, Moniepoint, OPay



## Policy Momentum

NTA 2025 + NRS

Digital service taxes, e-invoicing mandates



## Global Pressure

OECD BEPS 2.0

AfCFTA requires interoperable, API-driven systems

**The tide is high.**

All conditions have aligned.

### **⚠️ If We Delay**

- Capital flight to automated-compliance countries
- Revenue leakage from informal & digital sectors
- Brain drain of young tax professionals



# The Integration Imperative: From Silos to Ecosystems

## The Problem: Siloed Systems

- Tax software, accounting software, bank data — all separate
- Manual downloads, re-entry, reconciliation
- The source of the Time Tax



*"Isolated tide pools that dry up"*

vs

## The Solution: Integrated Ecosystems

- Bank captures transaction → flows to NRS, Customs, CAC
- Real-time, automated, zero manual re-entry
- The future is  $N+M$ , not  $N \times M$



*"Connected waterways — rising tide flows everywhere"*



**The NRS  
Vision:**

A fully integrated tax ecosystem where data flows seamlessly between government agencies, financial institutions, and businesses.

# The Four Levels of Integration

## Access Layer

Plugins & SSO  
Meeting users where they are



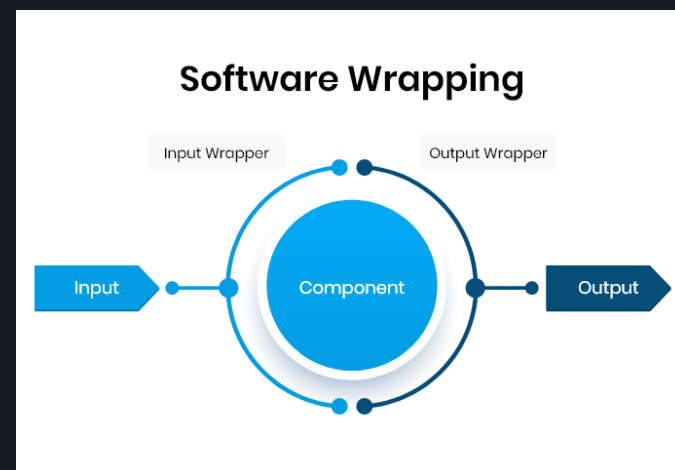
Single Sign-On

2026

Levels 1 & 2 — SSO with BVN/NIN, wrappers for legacy systems

## Abstraction Layer

Wrappers & Layered Approaches  
Enhancing existing systems without replacement

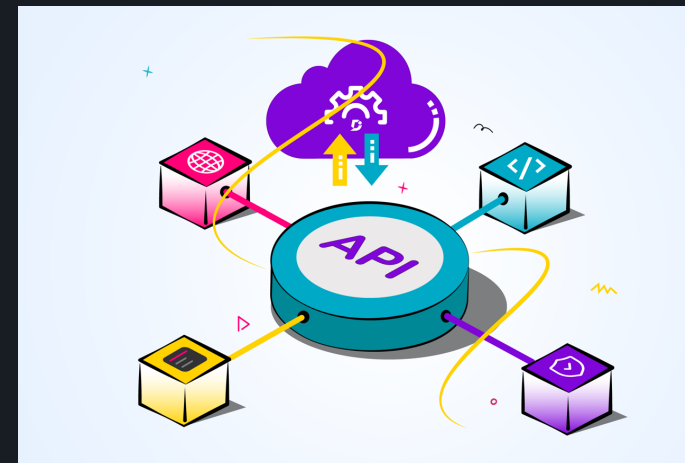


2027

Level 3 — Open APIs for TaxPro-Max, bank integration

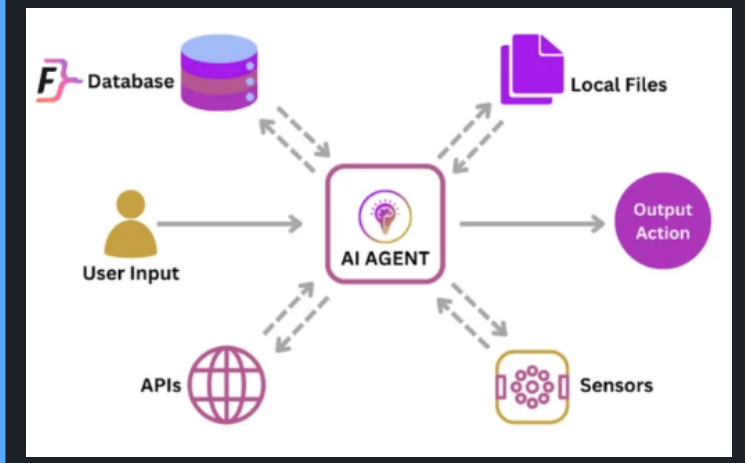
## Data Exchange Layer

API Economy  
Real-time communication between systems



## Intelligence Layer

AI Agents & MCP  
Autonomous decision-making and filing



2028–2030

Level 4 — AI agents, MCP adoption

# Access Layer: Plugins & SSO



## Access Layer: Plugins & SSO

### Plugins & Extensions

*"Meet users where they are — don't force entirely new systems"*

#### Example

VAT calculation plugin for Shopify/WooCommerce → Nigerian SMEs calculate and remit VAT without leaving their e-commerce platform

Tax functionality inside familiar tools

### Single Sign-On (SSO)

*"One credential for multiple government portals"*

BVN   NIN   Corporate Login

- ✓ Eliminates forgotten passwords
- ✓ No multiple registrations
- ✓ Unified, verifiable digital identity

 NRS Implementation: 2026

BVN/NIN integration for SSO across all NRS portals · Pilot programs for e-commerce plugins

# Abstraction Layer: Wrappers

## What is a Wrapper?

A software layer built on top of existing systems (Sage, QuickBooks, Xero). Doesn't replace — enhances.

Business does daily accounting



Wrapper auto-calculates tax liability



Ready for filing — zero manual intervention

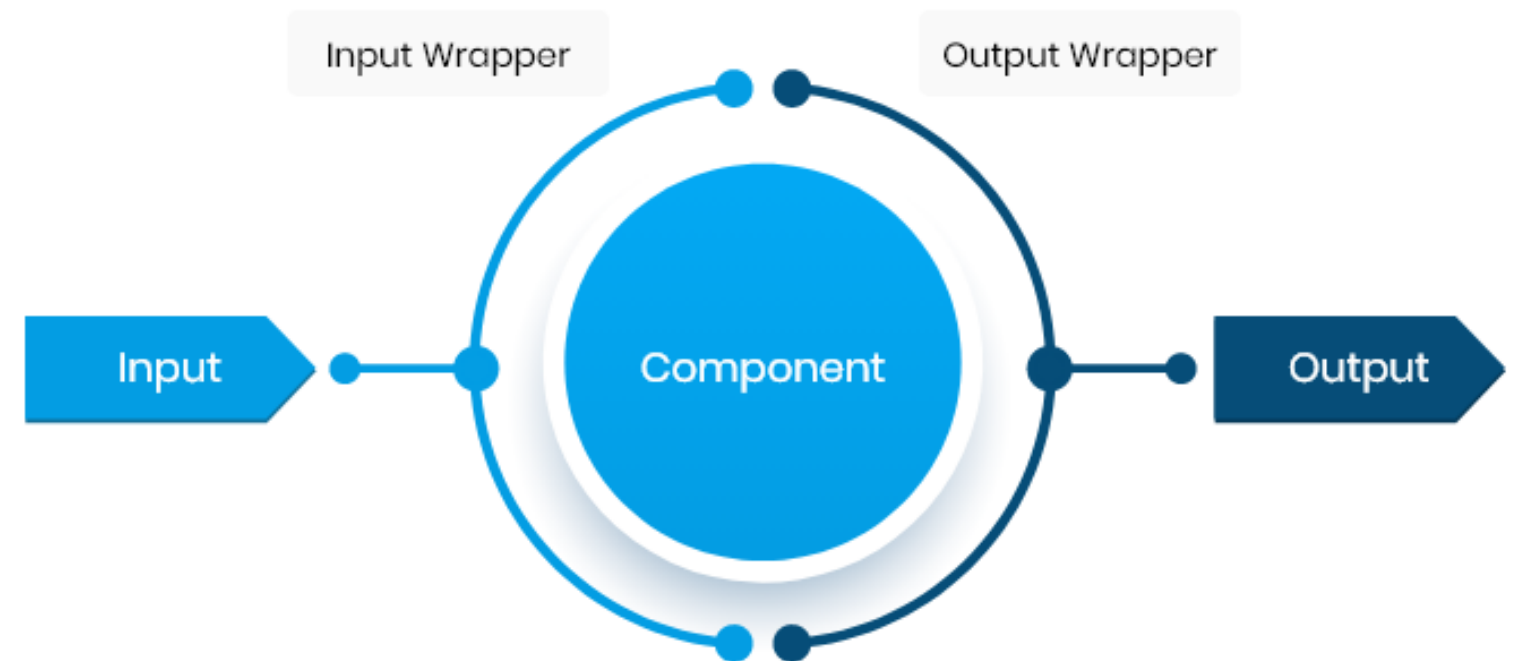
### The Invisible Tax

Tax compliance as a byproduct of normal business operations

### Benefits

- 🔄 Translate legacy systems into modern interfaces
- ↗ Incremental modernization without costly replacements
- 🎯 Abstract complexity, present unified experience

## Software Wrapping



### NRS Strategy

- Partner with accounting software providers
- Develop NRS-certified wrappers
- Incentivize adoption through simplified compliance

# Data Exchange Layer: The API Economy

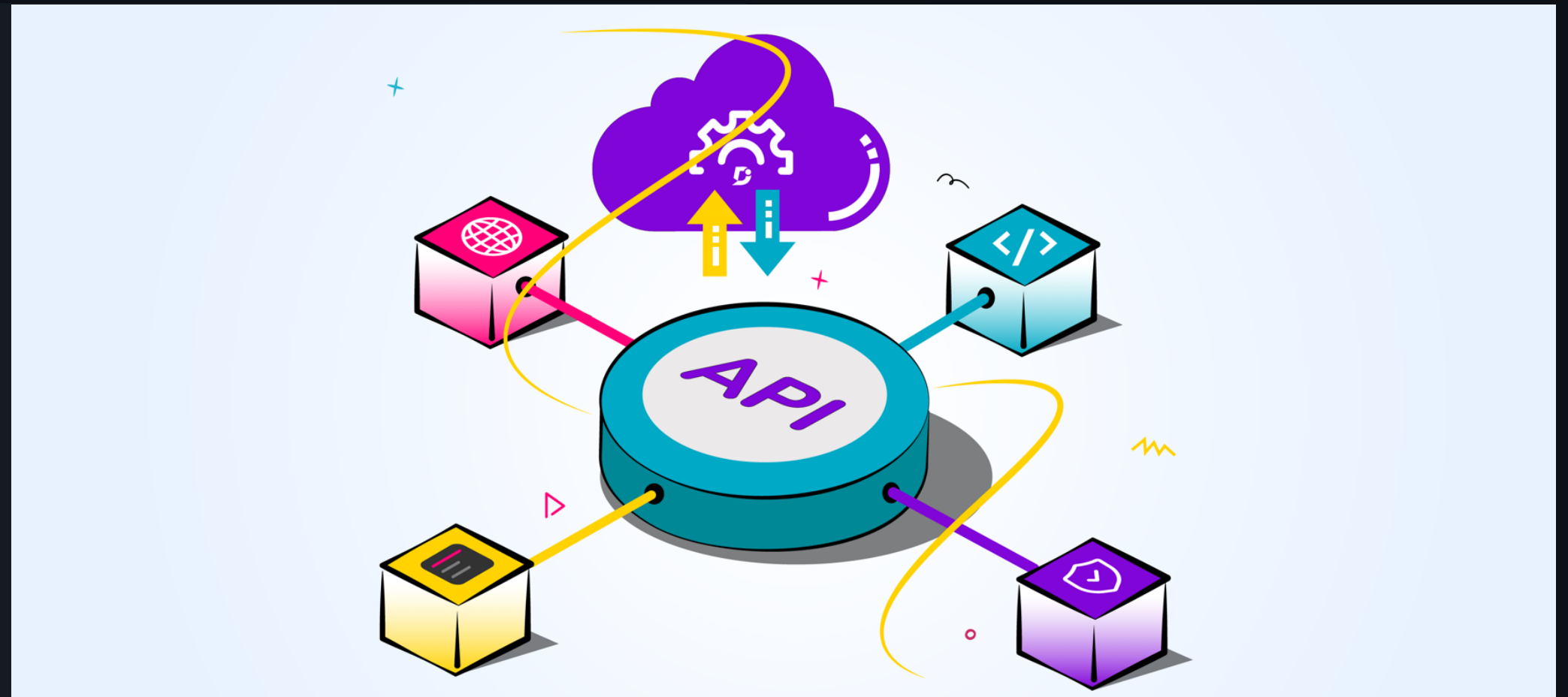
## ↔ What is an API?

Application Programming Interface — the digital bridge between software systems.

*Like a waiter: you tell the waiter what you want, it brings it from the kitchen — you don't need to know how the kitchen works.*

## TaxPro-Max connects to

- Commercial Banks**  
Real-time WHT deductions
- Corporate Affairs Commission**  
Auto TIN on registration
- Nigeria Customs Service**  
Auto import duty & VAT reconciliation
- Point of Sale**  
Instant VAT remittance



## 🛡️ Tax Implication

**If systems are integrated via API, hiding revenue becomes mathematically impossible.**

## NRS Roadmap: 2027

- Publish open APIs for TaxPro-Max
- Mandate API integration for banks and payment processors
- Real-time data sharing with CAC and Customs

# API Architecture: The Connected Ecosystem



## 01 Data Exchange

Real-time synchronization

## 02 Functionality Extension

Connect payment gateways, e-invoicing, audit tools

## 03 Process Automation

Eliminate manual data entry

# Intelligence Layer: AI Agents & Autonomous Tax

## Traditional APIs vs. AI

### Traditional APIs

Human programmers write specific rules

### Modern AI

Independently decides which API to use, when, and how to pull data

## The Paradigm Shift

### Automated Tax

Doing things faster



### Autonomous Tax

Systems that think, reconcile, and file independently

## Tax Professional types:

*"AI, review this client's bank API feed, cross-reference with Nigeria Tax Act 2025 provisions, and draft their corporate tax return."*

- 1 Connects to accounting software
- 2 Pulls transaction data
- 3 Applies current tax law
- 4 Drafts completed return
- 5 **Pushes form to NRS portal**

# The N×M Problem: The Cost of Fragmentation

## Before Integration Standards

Every AI app needs a custom connector for every data source

$N = 10 \text{ apps} \times M = 10 \text{ sources}$

**$10 \times 10 = 100$**

**custom connectors**

Each connector:

- Built separately
- Maintained separately
- Updated independently
- Secured individually

***Fragmented. Costly. Unscalable.***

## Why This Matters for NRS

Without integration standards, every tax software provider needs custom connectors to NRS systems.

- ⊗ Limits innovation
- ⊗ Increases costs
- ⊗ Slows adoption

***But there's a solution — and it's revolutionary.***

# The N+M Solution: Model Context Protocol (MCP)

## What is MCP?

Universal standard for AI integration — like HTTP did for the web.

Introduced by Anthropic, Nov 2024

Adopted by:

Anthropic    OpenAI

Google DeepMind

*Any AI application connects to any data source through ONE standard protocol layer.*

Before

$$10 \times 10 = 100$$

custom connectors



After MCP

$$10 + 10 = 20$$

standard connections

**80% reduction in complexity**

## Benefits

- 🌐 Open standard — vendor-neutral, no lock-in
- ⚡ Reduced latency & lower costs
- 🗑️ Dramatically reduces AI hallucinations
- 📈 Scalable — add new systems without exponential complexity

### ☆ NRS Recommendation

Adopt MCP as the standard protocol for AI integration with NRS systems by 2028.

# MCP Architecture: Technical Deep Dive

Client-Server Model (JSON-RPC 2.0)

## Three Components

### Hosts

AI applications users interact with

*Desktop tax assistant, NRS AI interface*



### Clients

Connection managers (managed by Host)

*One client per server connection*



### Server

External services exposing data and tools

*NRS database, bank statements, CAC registry*

## Three Capability Primitives

### Tool

Functions AI can call

`calculate_VAT()`

`submit_return()`

`lookup_TIN()`

### Resources

Data AI can read

Taxpayer records • Regulation databases • Filed returns

### Prompts

Pre-built templates

"Summarize taxpayer's outstanding liabilities under NTA 2025"

# Training the Navigators



## Digital Literacy

Target: SMEs, Informal Sector

Using portals, understanding APIs

01



## Technical Skills

Target: Tax Professionals, NRS Staff

API design, data analytics, AI prompt engineering

02



## Change Management

Target: All Stakeholders

Overcoming resistance, building trust in automated processes

03



## Ethical Frameworks

Target: AI Designers, Policy Makers

Fair AI, data privacy and security

04




### NRS Training Initiative 2026–2027


Nationwide digital literacy programs · Professional development for NRS staff · Partnerships with CITN, SWIT, universities

# The Destination


## Broaden the Tax Base

- 1  Capture the informal sector, tax the digital economy, reduce evasion via real-time monitoring

## Increase Revenue Efficiency

- 2  Lower collection costs, eliminate the ₦400B Time Tax

## Fund Critical Infrastructure

- 3  Education, healthcare, transportation, attract foreign investment

## Improve Business Environment

- 4  Predictable, transparent tax system · Competitive advantage in AfCFTA



## The NRS Vision

*Tax compliance as a seamless byproduct of economic activity — not a burden, but an enabler of growth.*

*This is the shore we're sailing toward.*

# VIPs Framework



**American  
Open University  
Nigeria**

**V**

Value

**I**

Impact

**P**

Profitabilit  
y

**S**

Sustainability