



SOKOTO STATE INVENTORY OF INVESTMENT INCENTIVES

2024

State Incentives

S/ N	The name or title of Incentive	Description of Incentive Benefits	Eligibility Criteria	Legal Reference Instrument	Duration of Incentive	Year of Creation	Sector	Implementing MDA	Awarding MDA	Number of Entities that e Incentives in
1.	Waiver on Business Premises Registration	An exemption to investors from payment of Business Premises registration fees	A joint venture, wholly foreign –owned company or an indigenous company. It must have a non-current tangible asset of over ₦25,000,000.00 (Twenty-Five Million Naira) and a minimum employee size of 15	Sokoto State Incentives Order No.1,2023	Up to 5 years	2023	All sectors	Ministry of Commerce, Trade and Industry	Ministry of Commerce, Trade and Industry	45
2.	Micro and Small Enterprises Support Fund	Concessional loans (interest free) of up to ₦25,000,000.00 is extended to micro and small enterprises	Must have a registration of Business Premises, payment of Business Premises fees must be up to date and must be in the agro-processing sector	Sokoto State Incentives Order No.1,2023	One off/1 year	2023	Agro-Processing Sector	Ministry of Commerce, Trade and Industries	Ministry of Commerce, Trade and Industries	100
3.	Waiver on Ground Rent, Premium and Development Levy	Exemption to investors from payment of Ground Rent, Premium and Development Levies.	A joint venture or a wholly foreign-owned company and an indigenous company which must have non-current assets of over ₦25,000,000.00 (Twenty-Five Million Naira) investment in any of the State’s priority sectors. The investor must not have benefitted from Land Concession Incentive.	Sokoto State Incentives Order No.1,2023	One off	2023	State Priority Sectors	Sokoto State Internal Revenue Service	Sokoto State Ministry of Lands and Housing	35
4.	Land Concession	Free land allocation of up to 10 hectares of land to eligible investors.	A joint venture or wholly foreign owned company and an indigenous company must have a non-current tangible assets of over ₦100,000,000.00 (One Hundred Million Naira) investment under any of the	Sokoto State Incentives Order No.1,2023	Up to 15 years for initial period of 10 years and extendable by another 5 years	2023	State Priority Sectors	Sokoto State Ministry for Lands and Housing	Sokoto State Ministry of Lands and Housing	5

			State's priority sectors.							
5.	Provision of Infrastructural Facilities/Services	Provision of water supply, electricity, telecommunication facilities and good road network Industrial layouts and areas of investments with the state.	Public Private Partnership with the State Government	Sokoto State Incentives Order No.1,2023	One off/1 year	2023	All sectors	All related Ministries, Departments or Agencies of Government	All related Ministries , Departments or Agencies of Governm ent	2
6.	Free Access to information	Easy access to information on Raw material endowments across the State	All investors are eligible	Sokoto State Incentives Order No.1,2023	All year round	2023	All sectors	All related Ministries, Departments or Agencies of Government	All related Ministries , Departm ents or Agencies of Governm ent	4
7.	Assistance to obtaining Permits/Licenses	Assistance to obtaining Permits/Licenses such as Export License, Mining License etc.	Public Private Partnership with the State Government	Sokoto State Incentives Order No.1,2023	All year round	2023	All sectors	All related Ministries, Departments or Agencies of Government	All related Ministries , Departm ents or Agencies of Governm ent	2
				Federal Incentives						
	The name or title of Incentive	Description of Incentive Benefits	Eligibility Criteria	Legal Reference Instrument	Duration of Incentive	Year of Creation	Sector	Implementing MDA	Awarding MDA	Number of Entities that e Incentives in
1.	Pioneer Status	Tax holidays for companies in the industries that meet the pioneer status conditions as contained in the	Conditions for meeting criteria: 1. The goods and services are required in public interest 2. The industry must have favorable	Income tax reliefs for new companies that have obtained Pioneer Status	3 years at initial and extension of 2 years on request	2007	Manufacturing, Agro-Allied and infrastructure	Federal Inland Revenue Service	Nigerian Investment Promotion Commiss	1

		Industrial Development Income Tax Relief Act (IDITRA).	<p>prospects of further development in Nigeria.</p> <ol style="list-style-type: none"> 3. The goods and services are in existence but have not been developed to a stage suitable for economic development. 4. An applicant must take a new application in the first year of production/service and must apply for an extension not later than one month after the expiration of the initial tax relief period of three years or an extension of one year; 5. An applicant must be engaged in an activity listed as a pioneer industry or pioneer product ; and 6. An applicant must provide evidence of all required legal and regulatory compliance documentation. 						ion	
2.	Rural Investment allowance	In line with section 34, Company Income Tax Act (CITA) provides where a company incurs capital expenditure on the provision of facilities such as electricity , water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of CITA at the	<ol style="list-style-type: none"> 1. the company must be located at least 20 kilometers away from such facilities provided by the government 2. cannot be enjoyed if already enjoyed provision of section 32: Reconstruction investment allowance ; 3. allowance can only be applied against the profit of the year in which such investment (Facility) was completed 	Section 34 CITA	Year of incurring Capital Expenditure	2020	Manufacturing , Agro- Allied and Infrastructure	Federal Inland Revenue Service	Nigerian Investment Promotion Commission	3

		appropriate rate as Follows: -No Facilities at all 100% -No water 30% -No electricity 50% -No tarred road 15%								
3.	Small Business Exemption for Tax	Small Companies with less than 25Million turnover. Such companies are exempted from paying tax, but they must keep filing Medium Companies: Companies with investment above 25Million to 100Million are paying tax at 20%	Must have annual turnover of less than 25Million for Small Companies and above 25Million to 100 Million for Medium Companies	Finance Act 2020	When Annual turn over exceed 25Million for Small Companies and Exceed of 100Million for Medium	2020	All Sectors	Federal Inland Revenue Service	Nigerian Investment Promotion Commission	10
4.	Deduction for Research and Development (R&D)	Allows companies a 20% tax credit on investments for qualifying expenditure on R&D activities	<ol style="list-style-type: none"> Up to 10% of profits allowed as reserve for R &D qualifying expenditure as allowable expenses. 100% expensing of R&D deemed to include a levy 	Section 26, Companies Income Tax Act CAP. C21 LFN 2004 as amended 2007	Every qualifying year	2004 2007	Research and Development commercialization companies	Federal Inland Revenue Service	Federal Inland Revenue Service	3
5.	Investment Tax Relief	Where a company has incurred an expenditure the following: electricity, water, tarred road or telephone for the purpose of trade or business carried out by the company shall be allowed an investment tax relief using the following rates: No 5acilityies at all 100%, No water 30% No electricity 50% and no tarred road 15%	The Company must be located at least 20km away from such facilities provided by the government. Companies that have been granted pioneer status are not eligible for this relief.	Section 40, Companies Income Tax Act CAP.21 LFN 2004, as amended 2007	The relief shall be for each year expenditure is incurred on each of such facilities for a maximum of three years	2004 2007	All sectors	Federal Inland Revenue Service	Federal Inland Revenue Service	3
6.	Tariff	1. 0% import	Evidence of registration with	Customs and	Year of trade	2003	Agricultur	Federal Inland	Nigeria	10

	Incentives 1.Agriculture	duty on agriculture equipment and machinery	Corporate Affairs Commission, tax compliance, registration with relevant MDA in which business operates	Excise Management Act No.20 of 2003			e	Revenue Service/ Federal Ministry of Finance	Customs Service	
	2.Aviation	2. 0% import duty on commercial aircraft	Same as above	Same as above	Same as above	2003	Aviation	Same as above	Same as above	
	3.Power	3. 0% import duty on equipment and machinery in the power sector	Same as above	Same as above	Same as above	2003	Power	Same as above	Same as above	
	4.Solid Minerals	4. 0% import duty on equipment and machinery in the solid minerals sector	Same as above	Same as above	Same as above	2003	Solid Minerals	Same as above	Same as above	
7	Export Incentives 1.Export Expansion Grant (EEG)Scheme 2.Capital Allowance	1. A post shipment incentive for qualifying export 2. 100% allowance	1.Qualifying export transactions with full proceeds repatriated within 300 days calculated from the date of export and as approved by the EEG implementation Committee 2.The company must have incurred expenditure on qualifying building, plant and equipment on an approved	Export (Incentives and Miscellaneous Provisions) Act No.65 of 1992, CAP E19 LFN Section 35(1), Companies IncomeTax	Year of trade Three consecutive years	1992 2004 2007	Exports Export Processing Zones	Federal Ministry of Trade, Industry and Investment Federal Ministry of Trade, Industry and	Nigerian Export Promotion Council Nigerian Export Promotio	2

			manufacturing activity in an export processing zone. A company granted capital allowance under this subsection shall not be entitled to an investment allowance under this Act. The activity must be 100% export oriented.	CAP.C21 LFN 2004, as amended 2007				Investment	n Council	
3.Export Processing Zones Incentives	3. 100% ownership of investment, free transfer capital, profits and dividends by foreign investors, full tax holiday (both federal, state and local government), duty free/tax free on import of raw materials for goods	The Company must be approved by NEPZA and operating within the NEPZA approved zone.	Export (Incentives and Miscellaneous Provisions) Act No.65 of 1992, CAP E19 LFN	Year of trade	1992	Export Processing Zones	Federal Ministry of Trade, Industry and Investment	Nigeria Export Processing Zones Authority		

Signed

The Managing Director, Sokoto Investment Company Limited (SICL)