

REVIEWING THE OFFICE OF AN OMBUD UNDER THE NEW TAXING SPACE IN NIGERIA*

Abstract

On 26 June 2025, President Bola Ahmed Tinubu signed into law a historic package of tax reform legislation, marking the most comprehensive overhaul of Nigeria's fiscal architecture in decades. Thus, the four Acts namely, Nigeria Tax Act, Nigeria Revenue Service (Establishment) Act, Nigeria Tax Administration Act and the Joint Revenue Board (Establishment) Act, seek to streamline revenue administration, enhance compliance, strengthen inter-governmental coordination, and thus reposition the tax system to support inclusive growth. Thus, the study seeks to examine the philosophy behind the creation of the office of the Ombudsman, the apparent gaps in the enabling statute and to what extent the emergence of the new office shall mediate and resolve tax-related grievances. To prosecute the above, the study used the doctrinal legal approach, by analyzing legislation, case laws, constitutional clauses and academic literature in order to critically evaluate the symmetrical distance between the powers of the Ombudsman against the restoration of taxpayer confidence. The central argument proposed in the study is whether the new office of the Ombudsman would complement or deplete the extant Tax Appeal Tribunal? The study, therefore, advocates enhanced statutory clarity, judicial review mechanisms, and improved procedural safe-guards within the enabling statute to secure taxpayer confidence with a view to strengthening the legitimacy of Nigeria's tax administration.

Keywords: Taxation, Ombudsman, Reform, Nigeria

1. Introduction

The 2025 tax laws¹ in Nigeria were enacted primarily to address chronic fiscal challenges, including a historically low tax-to – GDP (gross domestic product) ratio, a fragmented tax system, and an over-reliance on volatile oil revenue². The reforms signed into law on June 26, 2025 aim to broaden the tax base, simplify compliance, and create a more transparent and modern fiscal framework³. For decades, Nigeria struggled with weak revenue mobilization, with a tax-to-GDP ratio hovering around 10%, significantly below the African average⁴. The underperformance⁵ stemmed from a maze of overlapping taxes, poor enforcement, and an economy heavily dependent on oil, thus a mono-economy which could power nor instigate envisioned overall infrastructural growth and development. This complexity led to compliance burdens and jurisdictional disputes between federal and state authorities, thus discouraging investments.

Hitherto, the previous tax landscape⁶ was complex, governed by over a dozen different statutes (including the Companies Income Tax Act, Personal Income Tax Act, Value Added Tax Act, etc) with conflicting or ambiguous provisions that made compliance difficult which led to jurisdictional disputes and multiple taxation issues. The new tax reform was ignited towards consolidating law and streamlining administration environment to attract local and foreign investment and encourage the formalization of small and medium enterprises (MSMEs).⁷

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¹ Nnamdi Oragwu *et al*, *The Nigerian Tax Reform Act 2025: An In –Depth Guide for Business, Investors and Taxpayers* (Lagos: Multinational publishers, 2025) 19-21.

² *ibid* 34-36

³ *ibid* 25.

⁴ National Bureau of Statistics, Tax – GDP ratio revised computation on Nigeria via <https://www.Nigerian.statistics>. Accessed 24 January 2026 at 1.07am.

⁵ *ibid*.

⁶ A Sanni, 'An Appraisal of the Legal Framework for Taxation in Nigeria' (2019) *JLPG* 82.

⁷ Isiaka Adebisi & Ors, *Role of Multinational Enterprises in Corporate Social Responsibility in Nigeria* (Lagos: Interscience Enterprises Ltd, 2019) 39 – 43.

To consummate above views and thoughts, a Presidential Committee on Fiscal Policy and Tax Reforms was inaugurated in 2023⁸ to propose a wholesale redesign of the system, which culminated in four landmark bills transmitted to the National Assembly in late 2024⁹ and signed into law in June 2025¹⁰. independent voice, one that can give taxpayer a fair hearing, hold revenue authorities accountable, and help rebuild confidence in a system many consider burdensome or arbitrary¹¹.

For Nigeria, the creation of such an office also addresses a pervasive challenge; taxpayers limited awareness of their rights. Many individuals and small and medium enterprises (SMEs) remain unclear about the boundaries of tax authorities' powers, leaving them vulnerable to intimidation, improper assessment, or unlawful enforcement practices¹². Thus, an Ombud has now arrived with the mandate to investigate complaints, mediate disputes, issue public guidance and even initiate legal action on behalf of taxpayers with no financial burden on them¹³.

2. Envisioned Benefits of the Tax Ombud

The functions of the tax Ombud, as set out in the Act, are broad. The office may receive and investigate complaints concerning taxes, levies, customs, excise duties, regulatory fees and administrative abuses.¹⁴ It can mediate between taxpayers and revenue authorities, review systemic problems, issue guidelines, educate the public and advocate fair treatment. Although it cannot¹⁵ assess taxes or determine liability, yet its role as an impartial mediator and watch-dog introduces an important layer of accountability previously missing from the system¹⁶.

The potential benefits of the tax Ombud are significant. An Ombud can restore a measure of trust, encouraging taxpayer to comply voluntarily when they know disputes would be handled fairly. The tax Ombud can reduce the number of cases escalating to the Tax Appeal Tribunal, saving time, reducing costs and minimizing disputes to business. The new office would also create a protective mechanism for SMEs and vulnerable taxpayers who often lack the resources to challenge unfair treatment at trial¹⁷.

3. Creation of Tax Ombud: An overlap with Tax Appeal Tribunal?

One of the central criticisms¹⁸ of the Tax Ombud is that it might duplicate the role of the Tax Appeal Tribunal (TAT), thus leading to jurisdictional confusion. While the Tax Ombud focuses on administrative complaints and the TAT on substance legal issues and quasi-judicial matters, yet the boundary between these categories is often blurred. In many cases, what begins as an administrative complaint may evolve into a full legal dispute. By such scenario, thus without clear rules delineating the roles of both bodies, the risk of duplication or procedural inefficiency becomes very apparent¹⁹. Moreover, unlike the TAT, which issues legally binding judgments, the Tax Ombud has no enforcement power²⁰. This could reduce public confidence in its ability to deliver meaningful relief. There is also a danger that tax authorities might simply ignore recommendations. That are unfavourable to them,

⁸President Tinubu Sets up Committee on Tax Reforms via <https://www.statehouse.gov.ng>. Accessed 25 January 2026 at 3.45am.

⁹ *ibid*

¹⁰Khadijat Akewushola, Key Provisions of Nigeria's 2025 Tax Reform Laws via <https://www.nesgroup.org>. Accessed 10 December 2025 at 5.38pm.

¹¹Nnamdi Ben. Igwenyi, The Ombudsman in Nigeria: A Jurisprudential Overview, *Global Journal of Human-Social Science* (GJHSS) Volume 20 Issue 3, H (interdisciplinary) 201-219.

¹² *ibid* 209 – 213.

¹³ Joint Revenue Board (Establishment) Act 2025 s 36 part 6.

¹⁴ *ibid*.

¹⁵ DC Towat, *The Ombudsman, Citizen's Defender* (London: Geoge Allen and Unwin Books, 2010) 150 – 159.

¹⁶ L Adamolekun, *Politics, Bureaucracy and Development in Africa* (Ibadan: Spectrum Books Ltd, 2006) 306.

¹⁷JO Chijioko, *Law of Public Administration in Nigeria* (Lagos: ASCON Publishers, 2009) 246-251.

¹⁸ *ibid* 249 – 250

¹⁹Patience Aliu & Chinenye Eze, *From Tax Appeal to Tax Ombud: Old Wine in a New Bottle?* (Business day Newspaper: Tuesday 10 June 2025) 19.

²⁰ *ibid* 21.

especially in the absence of a mechanism to sanction non-compliance or punish defaulters²¹. Again, and also, a view that is gaining some currency points to the fact that critics seem to be worried that the Tax Ombud may eventually become a symbolic office²², used to give the impression of taxpayer engagement without the institutional strength to enforce accountability. This concern is not unfounded. Perhaps similar institutions in Kenya²³, South Africa²⁴, and Tanzania²⁵ suffer from such limitations in independence and authority.

4. Comparison with other Jurisdictions:

Perhaps it is no longer news that some African countries, have also established tax Ombudsman in their climes. For instance, in Kenya,²⁶ the Ombudsman is located in the Kenya Revenue Authority with the mandate to handle administrative complaints. This structure has created some concerns regarding objectivity. In South Africa,²⁷ the office of the Tax Ombud which was inaugurated in 2013, appears institutionally more independent but nevertheless reports to the finance minister. Although the office seems to enjoy greater autonomy than the Keyan, yet it lacks the ability to enforce compliance with its proposals. Whereas in Tanzania²⁸, its tax Ombudsman was unveiled in 2019. Here tax Ombudsman was equally established to address procedural complaints. Again, like wise as in the case of Kenya and South Africa, the tax Ombudsman in Tanzania²⁹ also lacks coercive powers and thus relies on the nation's tax authority goodwill to implement recommendations.

5. Pitfalls³⁰ in the Enabling Law Creating the Tax Ombud.

There is no gainsaying that the introduction of a tax Ombud marks a meaningful evolution in Nigeria's tax governance framework. Still, the new system is not without some risks. For instance, the Ombud's recommendations are not enforceable³¹, meaning that revenue agencies may ignore or delay compliance. Its jurisdiction is limited to procedural fairness and does not extend to interpreting tax laws or determining liability constraints that could weaken its impact. Filing a complaint³² does not automatically suspend enforcement actions, thus leaving taxpayer exposed even while seeking redress. Even at that, approaching the Ombud by an aggrieved taxpayer is also optional³³, taxpayers can bypass it entirely and thus proceed directly to the tribunal, which may reduce the Ombud's relevance.

6. Conclusion and Recommendation

Thus far, the author asserts and firmly too, that the inauguration of the tax Ombud is an important milestone in Nigeria's pursuit of a transparent, predictable and business-friendly tax environment. If empowered and effectively implemented, it can ease longstanding tensions between taxpayers and the state, improve voluntary compliance, and therefore strengthen the integrity of tax administration.

²¹ *ibid.*

²² OJ Ohaejiegbu, Historical Background of the Public Complaint Commission in Nigeria via [https://www.ng/articles/material in nigeria](https://www.ng/articles/material%20in%20nigeria). Accessed 27 January 2026 at 5:30am.

²³ *ibid.*

²⁴ The Constitution of Kenya, 2010 (Article 59c4) establishes the Ombudsman in Kenya otherwise officially known as the Commission on Administrative Justice (CAJ).

²⁵ The Ombud came into South Africa through a combination of the following states constitution of the republic of South Africa 1996 (Act 108 of the Republic of South 1996 (Act 108 of 1996, Legal Practice Act 28 of 2024 section 47).

²⁶ The Ombudsman was inaugurated in Tanzania through a combination of these enabling laws, The Constitution of the United Republic of Tanzania of 1977 Arts 129 – 131,

²⁷ Inauguration of Ombudsman in Kenya (n 24).

²⁸ Ombudsman in South Africa (n25).

²⁹ Unveiling of Ombudsman in Tanzania (n 26).

³⁰ *ibid.*

³¹ The Author asserts, and in strong terms too, that the enabling statute creating the office of Ombudsman appears to be skewed to render the office holder a 'mere paper tiger', therefore without any power to enforce any decision.

³² Joint Revenue Board (Establishment) Act 2025, sections 30 & 42.

³³ *ibid.*

Above said, the author now advocates that the new institution must be supported by robust enforcement, strong cooperation across agencies and widespread public education. Otherwise, the new sheriff in Nigeria's tax landscape risks becoming a mere figurehead – 'a payer tiger' unable to deliver the justice and fairness it pledges. However, the author nonetheless quips – till then, time shall tell.