

FIDBACC INVOICE

A SHORT SURVIVAL GUIDE FOR NIGERIAN SMES

The FIRS 2025 Invoice Survival Guide

What the Nigeria Tax Act 2025 actually requires — and the five fields that separate a compliant invoice from a penalty notice you don't want to receive.

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READ THIS FIRST

This guide is written for the panicking SME owner: someone who heard about Act 2025 from a friend, hasn't read it, isn't sure if it applies to them, and doesn't have a tax lawyer on speed dial. **15 minutes to read. One afternoon to fix.**

This guide is not tax or legal advice. It summarises the author's plain-English reading of publicly reported information about the Nigeria Tax Act 2025. Specific penalty figures and enforcement timelines are in flux; verify directly with FIRS public notices and a qualified Nigerian tax accountant before relying on this guide for filing decisions.

The letter you don't want to receive

It arrives on a Tuesday afternoon. Email or hard copy. The subject line is some variant of "Notice of Tax Compliance Review." Inside is a short, polite paragraph. Then a list of invoice numbers. Then a number with a ₦ sign in front of it.

You read it once. You read it again. You scroll back up to check the date. You look up the invoice numbers — they're real, you sent them, you remember the customers. You look at the missing fields the notice flagged. You realise that you have been doing it wrong for six months without noticing.

Most Nigerian SMEs will never receive this letter. The ones who do, almost always discover that the trigger wasn't a random audit — it was their own customer.

This guide is built around one premise: **compliance is much cheaper than non-compliance.** What changed under the Nigeria Tax Act 2025 is not difficult — it's just specific. Five fields. One TIN registration. A consistent footer on every invoice. That's the whole list.



Spot 01 · The letter scenario

What Act 2025 changed (plain English)

The Nigeria Tax Act 2025 took effect from January. It overhauled large parts of the tax code. For SMEs and freelancers, four changes matter most:

- ✓ **The ₦25M revenue threshold.** Once your annual turnover crosses ₦25M, you are squarely inside the new B2B compliance regime. Below that, the obligations are lighter — but the field requirements still apply if your customer needs to claim VAT.
- ✓ **Mandatory five fields on B2B invoices.** TIN, IRN (Invoice Reference Number), itemised VAT, FIRS-compliant footer text, and clear "issued by" details (your business name + address). Missing any of these = invoice technically non-compliant.
- ✓ **Six-year retention.** Issued invoices must be retrievable for at least six years from the date of issue. Word-doc PDFs in a phone's download folder will not survive a phone change.
- ✓ **Significant penalties for "wilful misreporting."** Specific penalty figures vary by violation type and have been a moving target through 2025. *Verify the current schedule directly with FIRS public notices.*

The key point: **most of these were already best practice.** What's different in 2025 is that they're enforceable.

Reports circulating in trade press have cited starting penalties around ₦500,000 per affected invoice — figures that have not been independently verified by Fidbacc. Treat them as directional, not authoritative.

How FIRS finds you (it's not random)

If you imagine that FIRS picks SMEs at random for audit, the math doesn't work. Nigeria has millions of small businesses. FIRS has a few thousand auditors. The numbers don't allow random sampling.

The way SMEs actually surface in FIRS systems is much simpler — and it's almost always the SME's own customer who triggers it.

The customer-flagged VAT-claim mechanism

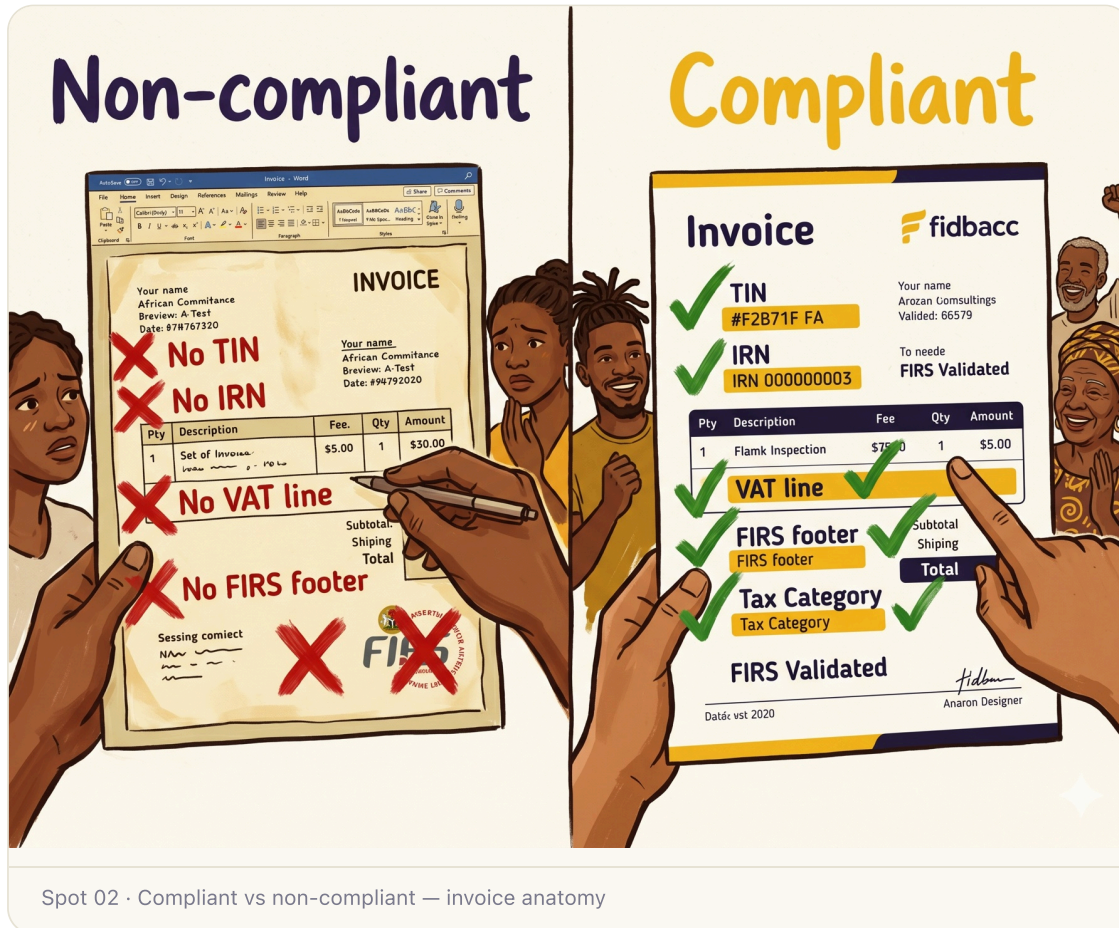
1. Your **corporate customer** wants to claim back the VAT you charged them. (This is normal — it's a major reason corporates issue formal POs.)
2. To claim VAT, the customer's accountant submits your invoice as evidence.
3. FIRS reviews the invoice. If your TIN is missing, your IRN is wrong, or your VAT calculation is off — FIRS **rejects the customer's claim**.
4. The customer comes back to you, frustrated, demanding a corrected invoice. They may also independently flag your business for verification.
5. FIRS now has a file open on you. Your other invoices come under review.

Your own customer is the one who triggers the audit. Not a random algorithm. Not a tip-off. Just a corporate accountant trying to do their job and finding that your invoice doesn't qualify.

This means compliance is a **customer-relationship problem** as much as a tax problem. A non-compliant invoice doesn't just cost you potential penalties — it costs you the customer relationship the moment they realise they can't claim.

The five fields, with visual examples

A compliant B2B invoice under Act 2025 carries five mandatory pieces of information. None of them are exotic. All of them have to be present on every single invoice.



The next page breaks each field down — what it is, where it goes on the invoice, and why FIRS rejects an invoice when it's missing.

Field-by-field

Field	Where it goes	Why it matters
TIN	Top of the invoice, near your business name	Without it, FIRS cannot link the invoice to your tax record.
IRN	Header — typically beside the invoice number	A unique reference that prevents duplicate-claim fraud.
Itemised VAT	Line items + summary block	Customer needs the line item to claim. Bundled "inclusive" VAT often fails.
FIRS-compliant footer	Bottom of the invoice	Stamps the invoice as issued under the right regulatory framework.
"Issued by" details	Header block	Business name + registered address. Doing-business-as nicknames don't qualify.

If any one of these is missing, the invoice is technically non-compliant — and your customer's accountant cannot use it to claim VAT. That's the moment the relationship turns awkward, and the moment your business surfaces in FIRS systems.

Your three-step compliance setup

Whether you use Fidbacc, a different tool, or a Word-doc template — these three steps put you on the right side of Act 2025 within an afternoon.

STEP 1 — REGISTER FOR A TIN (IF YOU DON'T ALREADY HAVE ONE)

If your business has a CAC registration, you almost certainly already have a TIN — FIRS issues them automatically. Find yours at tin.firs.gov.ng.

If you operate as a sole proprietor without CAC registration, register with FIRS using your bank verification details. Free. Takes 24-48 hours.

STEP 2 — AUDIT YOUR LAST 10 INVOICES

Open the last 10 invoices you issued. Check each one for the five fields on the previous page. Missing a field on one or two? Reissue corrected versions and notify the customer. Missing a field on most or all of them? Stop the bleeding now — your next invoice should be compliant.

Reissuing is not punishment. It's normal practice. Your customer's accountant will thank you.

STEP 3 — FIX YOUR INVOICING TOOL, OR SWITCH

If your current tool doesn't make the five fields automatic — they will keep going missing. Word doc templates fail this test almost universally. Most generic invoice apps require you to manually edit footers per invoice. Fidbacc handles all five fields automatically once you enter your TIN once at invoice.fidbacc.com/dashboard/settings.

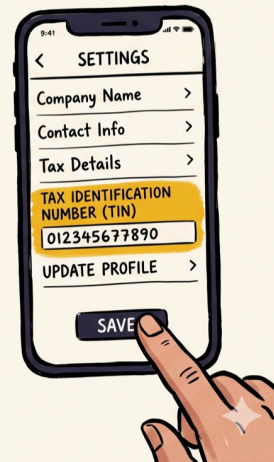
STEP 1: TIN REGISTRATION



STEP 2: INVOICE REVIEW



STEP 3: PROFILE UPDATES



Spot 03 · Three-step compliance

An afternoon. That's the entire scope. You will not get a Tuesday letter if you've done these three things — because the customer who would have triggered the audit now has a clean invoice they can claim against.

What Fidbacc does automatically

Requirement	How Fidbacc handles it
TIN on every invoice	Entered once in settings; appears on every invoice forever after.
IRN per invoice	Auto-generated using a deterministic format that satisfies FIRS's reference structure.
Itemised VAT	Calculated automatically from the line items you voice in or type in.
FIRS-compliant footer	Default footer text appears on every invoice. Editable for your specific RC number / VAT registration.
"Issued by" block	Pulled from your business profile. Address, name, phone, email all rendered correctly.
Six-year retention	All invoices stored permanently in your account. Searchable, exportable, downloadable as PDF or CSV.

THE MATH

Fidbacc Pro: **£1,750/month**. Less than one missed customer relationship. Less than one corrected-invoice exchange with an angry corporate accountant. Less than one peaceful Sunday spent dreading a brown envelope.

A note from Victor

I'm not a tax lawyer. I built Fidbacc because the gap between "what the law requires" and "what most SMEs actually send" was big enough that good vendors were getting blindsided.

The five fields aren't hard. They just have to be on every invoice, every time. We made a tool that does that automatically because the alternative — relying on memory and copy-paste — fails the moment you're busy.

If this guide helped, send "Hi" to [+1 \(203\) 646-1089](tel:+1(203)646-1089). We'll set you up in five minutes.

— **Victor Omolayo**

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This guide is not tax or legal advice. Specific penalty figures, enforcement timelines, and threshold rules under the Nigeria Tax Act 2025 may have changed since publication. Consult FIRS public notices at firs.gov.ng and a qualified Nigerian tax accountant before relying on any compliance claim in this guide.

FIDBACC INVOICE

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