

## Tax and legal framework

A new [Petroleum Industry Bill \(PIB\)](#) has been in the making since 2007, and is expected to reorganise the legal and fiscal terms fiscal terms governing the oil and gas sector. Companies operating with a concession or license in the oil sector are liable to pay royalties, petroleum profit tax and corporate income tax. In many cases, production-sharing contracts between the government and petroleum companies also determine the fiscal terms of oil and gas operations in the country. Companies involved in mining activities are liable to company income tax (20% or 30%), capital gains tax (10%), value added tax (5%) and education tax (2%) among others.

The state participates in the oil and gas sector through its national oil company, [NNPC](#), and its various subsidiaries, which represent government interests in the various production arrangements and contracts in the oil and gas sector. The government is on the path of restructuring the NNPC as part of the reforms under the PIB.

### Licenses

In accordance with the Petroleum Act, the Ministry of Petroleum Resources, through the Department of Petroleum Resources is empowered to oversee the license allocation process in the oil and gas sector. Oil and gas licenses are awarded through open tenders or direct negotiations, and the Minister of Petroleum Resources is empowered to grant licenses on a discretionary basis.

In the mining sector, the Mining Cadastre Office is responsible for granting licences and for maintaining a records of all license applications. Licenses are granted according to the [Guidelines on Mineral Titles Application](#) and on a “first come, first served” basis

 [Department of Petroleum Resources of Nigeria](#)



**Tax code**  
[2015 Global Oil and Gas Tax Guide: Nigeria](#)



**Licence registry**  
[Cadastre map from the national Mining Cadastre Office](#)



**Information on licenses and permits**  
[Department of Petroleum Resources of Nigeria](#)