



# Edo State Revenue Administration System (ERAS)

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Edo State Internal Revenue Service  
11<sup>th</sup> December 2018



# Presentation Outline



# the vision

## **THE VISION**

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To render value added services to tax payers by entrenching a sustainable system of tax administration and optimized revenue generation.

## **OUR MISISON**

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To become the most efficient and transparent revenue service in Nigeria, built on integrity, accountability and tax payers' confidence.

# ACHIEVING THE VISION

1

## VALUE FOR MONEY

Ensure that citizens derive benefits from payment of taxes through value added services like health benefits, education subsidies etc.

2

## ENLIGHTENMENT & SOCIAL INCLUSION

Stakeholders' consultation and public enlightenment will ensure that citizens imbibe the principles of payment of tax as a civic responsibility.

3

## TECHNOLOGY SELECTION

The right technology platform and mix of enterprise solutions will ensure that our process is cash-light and therefore increases the integrity of financial records.

4

## LEGAL & REGULATORY ENVIRONMENT

The legal & regulatory environment adds clarity to tax assessment, collection and enforcement.

5

## AVAILABILITY OF DATA

Sufficient data will ensure that our tax net is optimized and tax payers properly identified and tied to their location.

6

## HUMAN CAPITAL CAPACITY

Human Capacity Development to produce professional tax administrators within the EIRS is critical to the success of the Service.

# Background to our reforms – Situation Analysis

## 1) Haemorrhage

- a) Massive leakage of revenues arising from non-collection and suppression of cash collections by appointed collectors across the state;
- b) Illegal collections by non-government actors
- c) Inefficient collection systems

## 2) Multiple Taxation

There were repeated claims by the public of multiple taxation by state and LG actors

## 3) Lack of clarity on the source of Revenue

Over the years the drive by government at all levels resulted in imposition of levies and rates on the paying public outside of the guidelines provided for by laws regulating Statutory, Permissive and incidental Revenue Sources.

## 4) Local Government Council Indebtedness

The indebtedness by LGAs on lending, contractual and payroll obligations was a source of concern about the solvency of most of the LGAs requiring urgent intervention and remedial action.

# EIRS mandate

- ❑ Implement the Edo State Revenue Administration System to deliver maximum IGR to the State;
- ❑ Develop & Maintain a single database of all tax payers in Edo State;
- ❑ Issue single Tax Clearance electronically across all revenue assessment areas;
- ❑ Achieve a minimum of 50% growth in IGR Year-on-Year over the next three years;
- ❑ Build internal capacity to achieve minimal support requirement from external vendors for the revenue administration system;
- ❑ Enhance potential for citizens' voluntary tax compliance through enlightenment of taxpayers and stake holders' engagement.

# Our Approach



## **TAME THE BULLS!**

A good Revenue Administration System will unlock the true realisable potential from the economically active population.

Edo State has an estimated population of 4.2 million people and it is estimated that about 1.7 million make up the labour force.

With just about 250,000 active tax payers in the net, we believe there is significant head room to grow our IGR leveraging technology.

# Who are the Bulls?



## 1) Leakages

- Suppression of revenue collected by legitimate employees of the revenue authority
- Financial Control

Source - Internal



## 2) Non-Compliance

Lack of voluntary self compliance

Source - External

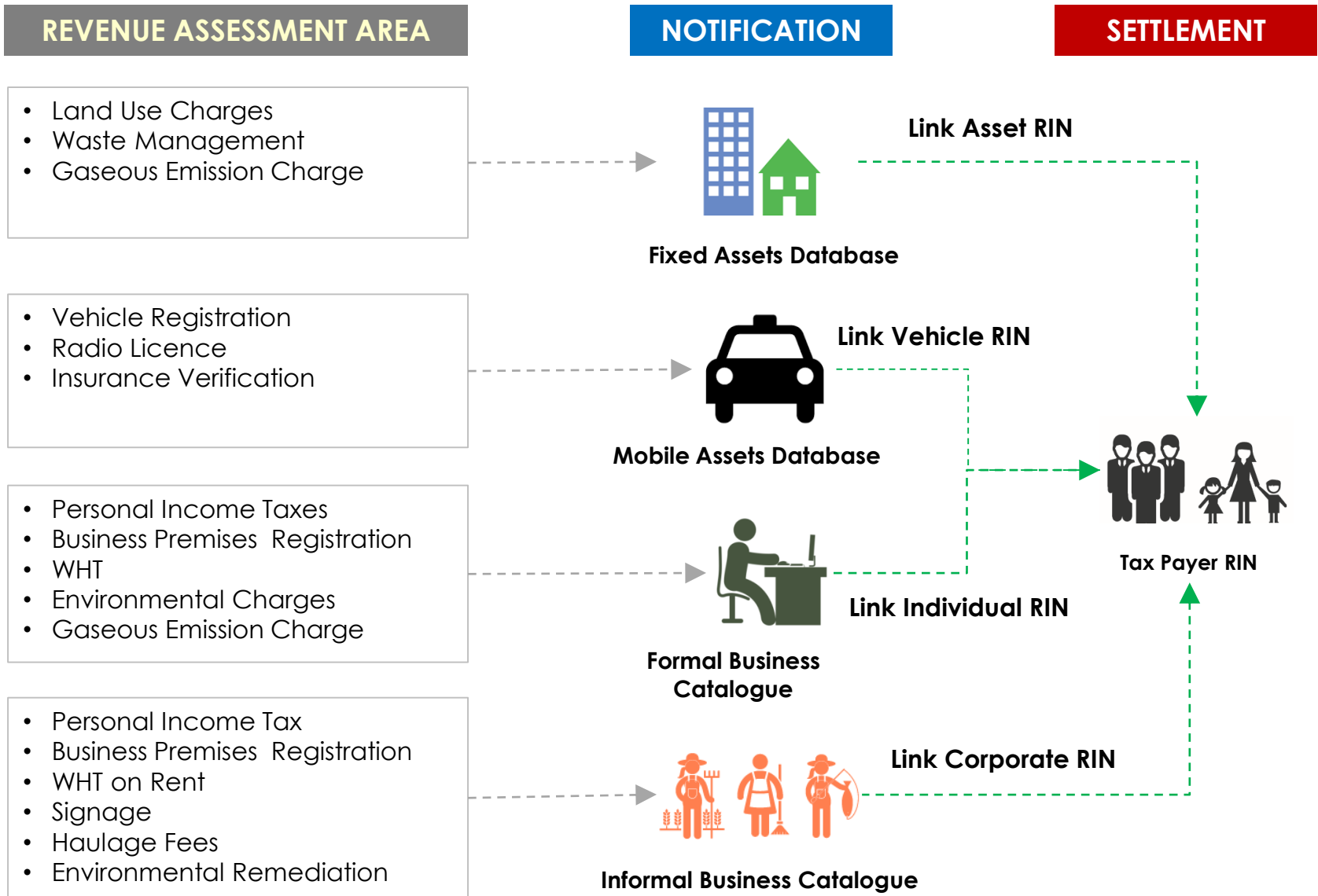


## 3) Illegal Revenue Collectors

Collection/extortion by unauthorised non-government actors

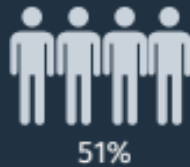
Source - External

# Follow the money

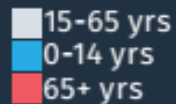
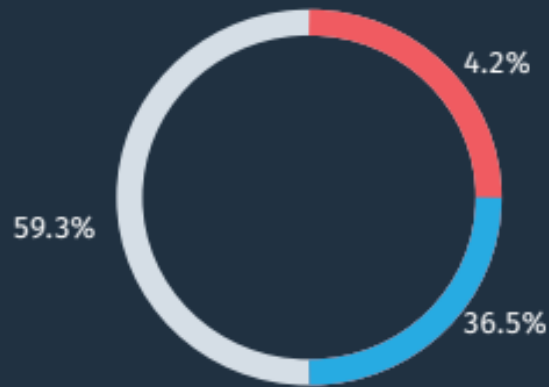


# Estimating IGR Potential – Key Drivers

## POPULATION



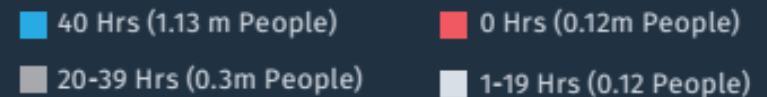
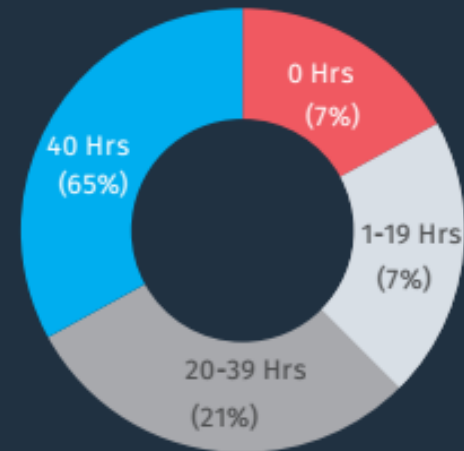
## AGE DISTRIBUTION



## WORK FORCE



## WORK FORCE PRODUCTIVITY





## OVERVIEW: OREDO



Total number of businesses: 15,374

### Business Type:

- a. Formal: 11,749
- b. Informal: 3,625

### Structure:

- a. Self Employed: 10,404
- b. Corporate Business: 1,801
- c. Multiple Employees: 1,403
- d. Single Employees: 1,766

### Size:

- a. Small: 9,778
- b. Medium: 2,791
- c. Large: 841
- d. Unknown: 1,963



## OVERVIEW: EGOR



Total number of businesses: 5,631

### Business Type:

- a. Formal: 4,523
- b. Informal: 1,108

### Structure:

- a. Self Employed: 3,616
- b. Corporate Business: 599
- c. Multiple Employees: 391
- d. Single Employees: 1,029

### Size:

- a. Small: 3,680
- b. Medium: 841
- c. Large: 167
- d. Unknown: 943



## OVERVIEW: IKPOBA-OKHA



Total number of businesses: 8,566

### Business Type:

- a. Formal: 7,187
- b. Informal: 1,379

### Structure:

- a. Self Employed: 4,180
- b. Corporate Business: 753
- c. Multiple Employees: 2,528
- d. Single Employees: 475

### Size:

- a. Small: 4,436
- b. Medium: 1,085
- c. Large: 319
- d. Unknown: 2726

# The Revenue Administration Process

**1**

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## **CAPTURE**

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Capture Tax Payers

State-wide enumeration of users and buildings. Registration and validation of users, enterprises and entities under the Revenue Identification Scheme (RINS) to be in line with TIN requirements.

**2**

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## **PROFILE**

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Profile Tax Payers

Data intelligence organisation and tax payer profiling which involves stratification and redefinition based on data and information obtained from the capture process category.

**3**

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## **ASSESS**

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Generate Tax Payer Assessments

Processes revenue management and creates an estimate of EDSG Revenues through informed or best of judgement approach.

**4**

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## **NOTIFY**

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Notify and Alert Tax Payers

On completion of intelligent assessment, a notification of assessment is communicated to the tax payer with relevant and required information.

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## SETTLE

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Tax Payer Payments and Settlements

Tax payer is expected to settle assessment amount through pre- defined and configured payment methods and channels.

6

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## DEMAND

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Demand Tax Defaults

Where a settlement is not fulfilled or completed, a demand is generated. Defined service levels and workflow guide demand notification after a period of unfulfilled settlement amount.

7

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## ENFORCE

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Enforce Tax Owed

Application of the Law for defaulters where a demand has been ignored or not fully settled. A similar service days period is applied to move from demand to enforcement.

8

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## SANCTION & REPORT

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Prosecute Tax Defaulters

Prosecution of erring Tax Payers after the process of enforcement fails. This more often involves litigation and court processes. Management and performance information including operational target monitoring is done at reporting stage.



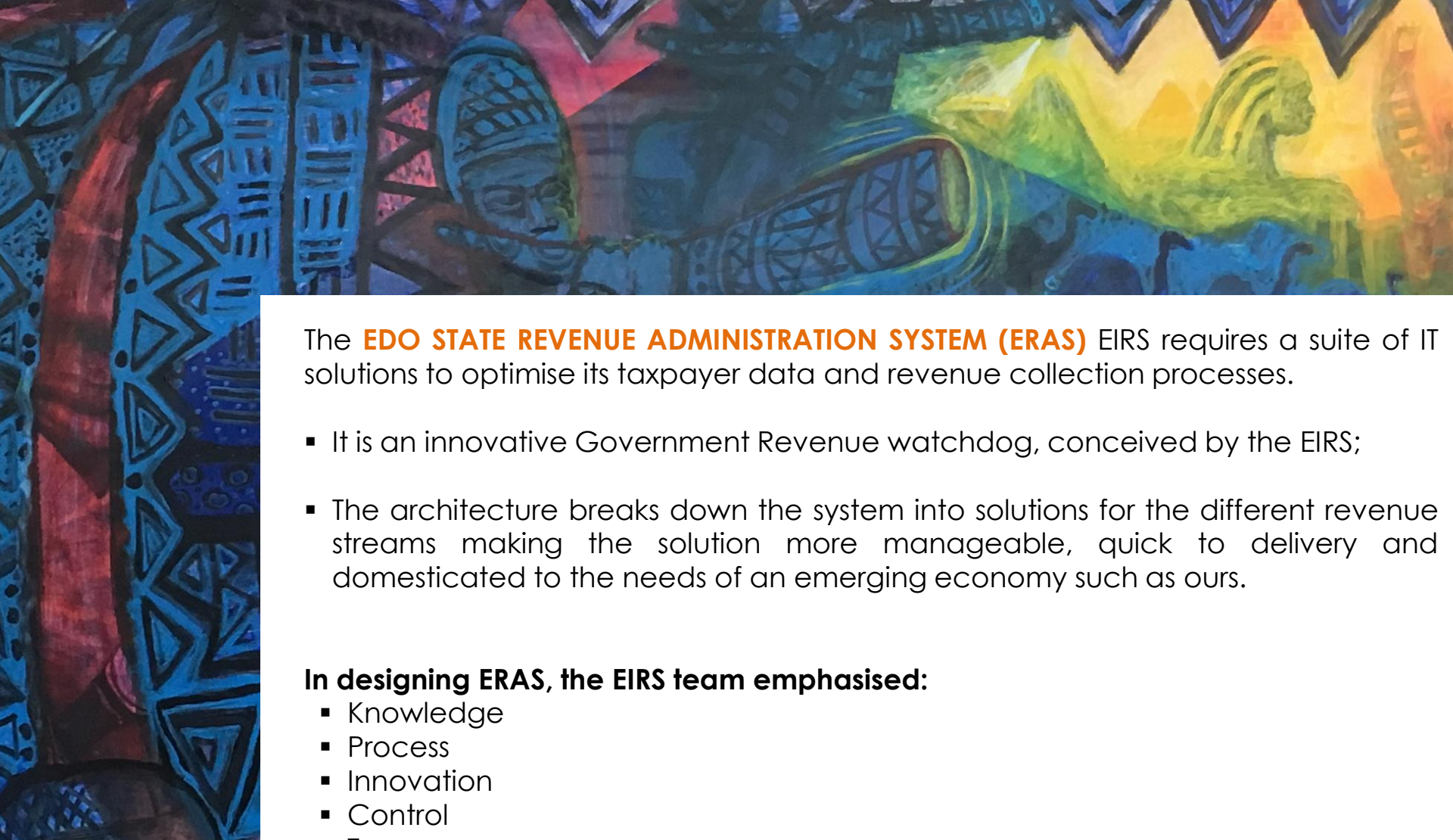
# PROJECT DOBERMANN

The EIRS Revenue Administration System ('**Project Dobermann**') will unlock the true realisable potential from the Informal Sector

## Karl Friedrich Louis Dobermann



- He was the first breeder of Doberman Pinscher;
- He started the creation of this dog breed in 1890, following the Franco-Prussian War;
- Dobermann served in what was perceived as the dangerous role of local tax collector;
- With access to dogs of many breeds, he aimed to create a breed that would be ideal for protecting him during his collections, which took him through many dangerous, bandit-infested areas;
- He set out to breed a new type of dog that, in his opinion, would be the perfect combination of strength, loyalty, intelligence, and ferocity.



The **EDO STATE REVENUE ADMINISTRATION SYSTEM (ERAS)** EIRS requires a suite of IT solutions to optimise its taxpayer data and revenue collection processes.

- It is an innovative Government Revenue watchdog, conceived by the EIRS;
- The architecture breaks down the system into solutions for the different revenue streams making the solution more manageable, quick to delivery and domesticated to the needs of an emerging economy such as ours.

**In designing ERAS, the EIRS team emphasised:**

- Knowledge
- Process
- Innovation
- Control
- Transparency
- Accountability

# How ERAS works?

## What do we expect?

### 1) Reference Data Management

- Single database warehousing of all assets, businesses and Individuals in the tax net
- Revenue Identification Numbering (RIN) - Unique Referencing for each entity and individual in database through
- Asset profile will be linked to the RIN of the Tax Payer
- Each asset and business will be profiled for ALL relevant assessment items
- Personal Income Taxes will be coded against the Tax Payers' RIN

### 2) Accurate Location

- Physical asset location with Geographic coordinates will ensure ease of assessment notifications and point of enforcement
- All assets will be profiled with ownership information linked to a Tax Payer's RIN

### 3) Aggregation

- The RIN will ensure that each Tax Payer's liability can be generated across all assessment areas at the click of a button for enforcement
- Liabilities across all assessment areas will be notified each time a tax payer transacts with the state

### 4) Ease of transacting

- Multiple electronic payment options including mobile solutions will ensure ease of transacting

## What has ERAS delivered

### 1) Single Tax Payers' View

- Unique Individual / Business / Asset Identity
- Associated Assets
- Associated Businesses
- Associated Bill items
- Payments on Account

### 2) Financial Inclusion

- The system is designed to cater for all revenue assessment areas
- Provides convenient payment solutions for Tax Payers with online and off-line electronic capabilities.

### 3) Strong Planning and Budgeting Resource

- The system will provide not just the EIRS but the Edo State Government with significant information and parameters for planning and budgeting;

### 4) Huge Data Capability

- The EIRS reference data systems will process and hold tax payer reference data that define the set of permissible values to be used by the revenue and payment systems;
- These systems will validate common data across all other system categories;

### 5) Voluntary Citizens' Compliance

- The system architecture will ensure voluntary citizens' compliance by linking each citizen engagement with their compliance across all applicable assessment areas.

# Cashless Collection - Wealth creation and Employment generation



## AGGREGATOR

Generate barcodes and PINs for denominations



## CARD PRODUCER

Print Scratch Cards



## Warehouse Cards



## EIRS

Activate Cards for Sale @ discount



Produce  
Haulage  
Waste Mgt  
Transporters  
Bus.  
Premises  
Dir.  
Assessment



## SUB-DEALERS



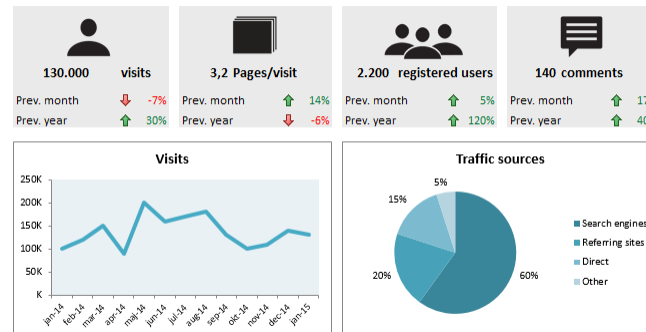
Buy cards and sells to sub-dealers

## SUPER DEALER

### Revenue Officers



- Data Capture
- Revenue Collection
- Processing
- Reporting



**EIRS/LGAs**  
Financial Reporting and Exception Management

# Specific Government Intervention

## 1) Policy Action on use of revenue agents

- a) Prohibition on the use of revenue agents and consultants;
- b) This received further legislative backing with the execution into law of The Uniform and harmonized levies, rates, fees and charges Law 2017
- c) Road Transport Union dues are now collected on behalf of unions by government with the unions acting as enforcers to supply control data;

## 2) Consolidation of collections to single collection by the EIRS

The Edo state Government has consolidated all payments by the paying public taking a single tax payer's view to eliminate multiplicity of collections and sufficiently enlighten the paying public on their annual obligations;

## 3) Use of Technology

- The Edo Revenue Administration System, the birth child of the EIRS has been developed to automate the entire revenue administration process from capture through assessment to collection taking into consideration the requirements of both formal and informal sectors.
- It has been developed to aggregate all tax payer obligations across the revenue streams in a single view;
- The mobile collection technology allows cashless collection from the informal sector and provides for online and offline collection processing.

# Specific Government Intervention

## 4) State Tax Education & Enlightenment Program (STEET)

- a) As part of our stakeholders' enlightenment initiative, the EIRS has deployed officers on a door-to-door tax payers' education and enlightenment campaign to educate business owners, operators and staff on the basis of their tax assessments and the role of government;
- b) Each STEET Officer is expected to profile each tax payer as part of the process for assessment generation;
- c) With 50 STEET Officer deployed in Benin City area and two other teams of 10 each in two other towns, Over 1,500 assessment profiles are processed daily as each officer has a target to complete 25 profile forms daily which translate to assessment notices.

## ERAS

- > Dashboard
- > Reports

## Tax Payers

- > Individuals
- > Corporates
- > Governments
- > Special

## Assets

- > Businesses
- > Buildings
- > Lands
- > Vehicles

## Revenue Data

- > Assessment Bills
- > MDA Service Bills
- > Assessment Rules
- > MDA Services

## Profile Data

- > Pay As You Earn

## Individual Tax Payer

### List of Individual Tax Payers

10 records

Search:

RIN	Individual Name	TIN	Address	Action
	Individual Tax Payers	255,461		Action
	Government	333		Action
	Businesses	46,268		Action
	Buildings	28,853		Action
	Corporate	18,089		Action
	Motor Vehicles	59,008		Action

Showing 1 to 10 of 255,461 entries

## ERAS

- > Dashboard
- > Reports

## Tax Payers

- > Individuals
- > Corporates
- > Governments
- > Special

## Assets

- > Businesses
- > Buildings
- > Lands
- > Vehicles

## Consumption Tax

### Consumption Tax

10 records

Search :

Profile Name	Action
Consumption Tax Collections	Action ▾
Consumption Tax Collections - Bars	Action ▾
Consumption Tax Collections - Restaurants	Action ▾
Consumption Tax Collections - Event Centres	Action ▾
Consumption Tax Collections - Guest Houses	Action ▾
Consumption Tax Collections - Hotels	Action ▾
Consumption Tax Collections - Motels	Action ▾
Consumption Tax Collections - Online Drinks Trading	Action ▾

Showing 1 to 8 of 8 entries

## ERAS

- > Dashboard
- > Reports

## Tax Payers

- > Individuals
- > Corporates
- > Governments
- > Special

## Assets

- > Businesses
- > Buildings
- > Lands
- > Vehicles

## Consumption Tax

### Consumption Tax

Adesuwa Road	25
Airport Road	33
Akhionbare Stree	12
Aknezua Street	3
Boundary Road	17
Etete Road	20
Ihama Road	40
Reservation Road	1
Ugbor Road	34

arch :

#### Action

Action ▾

Action ▾

Action ▾

Action ▾

Action ▾

Action ▾

Action ▾

Action ▾

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1

# Thank You

Beware of the dogs

[Go Home](#)



[www.eras.eirs.gov.ng](http://www.eras.eirs.gov.ng)