

27

SOUTH SOUTH ZONE  
SECRETARY  
75/9/15  
P. SOA M

IN THE TAX APPEAL TRIBUNAL  
IN THE SOUTH-SOUTH ZONE  
HOLDEN AT BENIN

APPEAL NO. TAT/SSZ/006/2014

BETWEEN

TRANSOCEAN SUPPORT SERVICES NIGERIA LIMITED

- Appellant

AND

RIVERS STATE BOARD OF INTERNAL REVENUE

- Respondent

TERMS OF SETTLEMENT

**WHEREAS:**

By a Notice of Appeal filed on 24 July 2014, the Appellant prayed the Tribunal to set aside the Respondent's decision (as contained in the Respondent's letter of 14 July 2014 which was delivered to the Appellant on 18 July 2014) to not discharge the Personal Income Tax ("PIT") Notice of Additional Assessment No R.698/14/GTM/ANOL.1116 dated 8 May 2014 and setting out an additional assessment to PIT in the sum of N622, 959, 692.50 (Six Hundred and Twenty Two Million, Nine Hundred and Fifty Nine Thousand, Six Hundred and Ninety Two Naira, and Fifty Kobo) for the year ending 2006.

**AND WHEREAS** in response to the Appeal, the Respondent filed a Notice of Preliminary Objection dated 9 September 2014 and also filed a witness statement and documents to be relied upon.

**AND WHEREAS**, the parties herein have agreed on their own volition, to amicably resolve the dispute between them and hereby enter into a full and final settlement of the dispute pursuant to the terms found in the succeeding paragraphs hereunder:

**IT IS HEREBY AGREED AS FOLLOWS:**

1. The Parties in agreeing to these Terms of Settlement do not accept liability of either party's position as contained in their respective processes filed in this Appeal.



Agreement  
1. Terms - ~~₦500~~  
2. Filing - ~~₦100~~  
~~₦600~~  
[Signature]  
25/03/15

2. The Parties Agree that:

- a. The additional PIT due from the Appellant to the Respondent for the year 2006 is **N330,000,000 (Three Hundred and Thirty Million Naira)**.
- b. The Appellant has paid to the Respondent, and the Respondent has received from the Appellant, the sum of **N151, 081,807 (One Hundred and Fifty One Million, Eighty One Thousand, Eight Hundred and Seven Naira)** towards the 2006 additional PIT assessment; therefore, the outstanding sum to be paid by the Appellant to the Respondent as additional PIT for 2006 is the sum of **N178,918,193 (One Hundred and Seventy Eight Million, Nine Hundred and Eighteen Thousand, One Hundred and Ninety Three Naira)**.
- c. The Appellant shall pay to the Respondent the outstanding sum of **N178, 918,193 (One Hundred and Seventy Eight Million, Nine Hundred and Eighteen Thousand, One Hundred and Ninety Three Naira)** in full and final settlement of the claims made by the Appellant in this Appeal and the Claims made by the Respondents in the Notice of Additional Assessment No *R.698/14/GTM/ANOL.1116* dated 8 May 2014.

The parties further agree that for subsequent audits, and/or investigations , the provisions of PITA, all relevant laws and the following principles which are not inconsistent with the Law shall be recognized and applied by the Respondent:

- i. Due consideration will be given to the Personnel on Board (POB) records kept on the Appellant's rigs and which record all entries into and exits from the rigs, when analyzing the number of days spent in Nigeria by an expatriate working on such rigs who is not listed on the Company's immigration quota returns.
- ii. In accordance with the Personal Income Tax Act as amended, the Respondent shall be entitled to assess to tax only expatriates who work on rigs or in any office or place located in Rivers State.




iii. Consistent with the law, the Respondent shall exclude from tax the income of expatriates who: (a) spent less than 183 days per 12 months period in Nigeria (including annual leave or temporary periods of absence), and (b) do not have a Nigerian employment, and the remuneration of the employee is not recharged to a fixed base of the Employer in Nigeria, and (c) originate from countries who have a double tax treaty in force with Nigeria, or in the case of pre-2011 audits, are from countries that tax their residents on their worldwide earnings.


3. The sum set out in Clause 2 (c) above shall be paid as within 3 weeks from the entry of these terms as the judgment of the Tax Appeal Tribunal.
4. The parties herein shall bear their respective costs in relation to the prosecution or defence of this Appeal. Such costs include but are not limited to legal fees, cost of filing court processes, expenses incurred before, during, or after the drafting and signing of this Agreement.
5. The parties hereto hereby agree that the terms set out herein shall be made the Judgment of this Honourable Court in this cause and be binding on all parties.

Dated this 25<sup>th</sup> day of MARCH 2015

  
Appellant (TRANSOCEAN SUPPORT SERVICES NIGERIA LIMITED)

Respondent (RIVERS STATE BOARD OF INTERNAL REVENUE)

  
Appellants' Counsel

  
Respondent's Counsel

