

SECRETARY
TAX APPEAL TRIBUNAL
ABUJA

SIGN _____ DATE _____

IN THE TAX APPEAL TRIBUNAL
IN THE ABUJA ZONE

TAT/ABJ/APP/005/2005

BETWEEN

SEACOR MARINE NIGERIA INC. APPELLANT

AND

FEDERAL INLAND REVENUE SERVICE RESPONDENT

TERMS OF SETTLEMENT

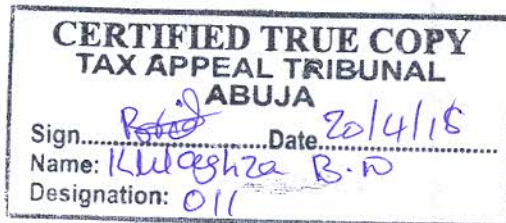
- 1.0. Federal Inland Revenue Service (FIRS) assessed and issued Assessment Notices on Seacor Marine Nigeria Inc. for the Eight (8) Years of Assessment which commenced from the year 1996 to 2003, in respect of outstanding tax liability for Companies Income Tax.
- 2.0. Seacor Marine Nigeria Inc disagreed with the aforesaid Assessments and objected to the inclusion of recharges by FIRS in arriving at the Additional Assessments and stated that recharges were part of the operating cost incurred by it (Seacor Marine Nigeria Inc) in the execution of the company's contract from its subsidiary company - Seacor Marine Nigeria Inc which was set up to provide administrative and support services to Seacor Marine Nigeria Inc in Nigeria.
- 3.0. The FIRS disagreed with the Seacor Marine Nigeria Inc's grounds of objection to the Additional Assessments stating that the recharges were not allowable deductible expenses in the application of deemed profit in respect of companies other than Nigerian companies such as Seacor Marine Nigeria Inc. and as provided in Section 26 of Companies Income Tax Act, CAP 60, LFN 1990.
- 4.0. As a result, Seacor Marine Nigeria Inc. filed this Appeal before the defunct Body of Appeal Commissioners (BAC) (which is now the Tax Appeal Tribunal), claiming that FIRS misdirected itself when it erroneously included the payment of recharges as part of the total income earned by Seacor Marine Nigeria Inc. before the assessment.

CERTIFIED TRUE COPY
TAX APPEAL TRIBUNAL
ABUJA

Sign: B. D. Date: 20/4/15
Name: K. W. O. O. B. D.
Designation: O. I.

TAX APPEAL TRIBUNAL
Page 1/4
Filing Date: 20/4/15
15/4/2015

Receipt: 9002209668



- 5.0. At the trial of this Appeal before the TAT, Seacor Marine Nigeria Inc. requested and obtained the permission of the TAT to enter into negotiations with the FIRS with a view to arriving at an amicable settlement between the parties.
- 6.0. The parties have agreed to settle the matter and issues, in respect of the total outstanding tax liability in the sum of \$ 769,699.84 only for the 1996 to 2003 years of Assessment on the following terms and conditions:
- a) FIRS agreed to discharge Assessments Notices for 1996 to 1999 on Recharges in the total sum of \$**586,378 .58** which amount represents the sum due for the period of Assessments, the Management of FIRS having considered that the above assessments were raised before the use of Recharges in tax returns was first questioned in the course of auditing Halliburton West Africa Limited and that the first assessment was not raised on Recharges until 2002 and that the financial burden of paying tax on an item dating back to Eight (8) years for which no provision was made would be heavy on Seacor Marine Nigeria Inc. and has duly approved the discharge of the Assessment Notices for the period of assessments as follows:
- | | | |
|-------|--------|--------------|
| (i) | 1996 - | \$93,729.62 |
| (ii) | 1997 - | \$127,222.85 |
| (iii) | 1998 - | \$139,034.82 |
| (vi) | 1999 - | \$226,391.29 |
- b) Seacor Marine Nigeria Inc. has agreed to immediately pay to the FIRS the total sum of \$ **185,594.26** which amount represents the Recharges for the period of assessments from 2000 to 2003 as follows:

- (i) 2000 - \$77,428.12
- (ii) 2001 - \$18,287.96
- (iii) 2002 - \$24,525.43
- (iv) 2003 - \$65,352.75

CERTIFIED TRUE COPY	
TAX APPEAL TRIBUNAL	
ABUJA	
Sign.....	Date.....
Name: <i>Kulagha B. P.</i>	<i>20/4/15</i>
Designation: <i>OII</i>	

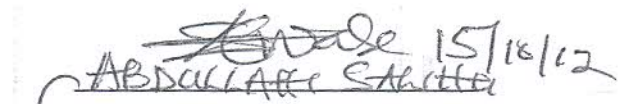
- c) These payment shall be full and final payment of all taxes for 2000 to 2003 years of assessment on recharges.
- d) The parties have agreed that these terms of settlement shall be made the final judgment of the Tribunal between the parties in this Appeal in respect of the outstanding tax liability in the years of assessment under reference.
- e) The Seacor Marine Nigeria Inc have also agreed not to apply recharges from 2004 to date.
- f) That the Service shall immediately issue additional Assessments of **\$810,416.62 (Eight Hundred and Ten Thousand, Four Hundred and Sixteen Dollars Sixty-two cents)** on recharges for the tax year 2004 to 2011. The said Additional Assessment shall immediately be paid by Seacor Marine Nigeria Inc .
- e) Each party shall bear its own respective costs.

CERTIFIED TRUE COPY
TAX APPEAL TRIBUNAL
ABUJA
Sign: B. D. Date: 20/4/18
Name: Muhammad B. D.
Designation: O.I.

The Parties to this Terms of Settlement hereby affix their Common Seals and their representatives set their hands.


The Common Seal of **FEDERAL INLAND REVENUE SERVICE** has hereunto been affixed in the presence of:


AP. **EXECUTIVE CHAIRMAN**


BOARD SECRETARY

The Common Seal of **SEACOR MARINE NIGERIA INC.** has hereunto been affixed in the presence of:


DIRECTOR


SECRETARY