



Case Note

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Evidentiary Flexibility at the Tax Appeal Tribunal: Lessons from TSKJ v F.I.R.S.

Introduction

The scope of the Tax Appeal Tribunal's (TAT) adjudicatory powers and the extent to which it is bound by the strict rules of evidence have long been subjects of discussion in Nigerian tax jurisprudence. As a specialised tribunal established to determine disputes arising from tax assessments and liabilities, the TAT occupies a unique position within Nigeria's dispute resolution framework, combining administrative expertise with quasi-judicial functions.

In this edition of our Case Note, we examine the decision of the Supreme Court in *TSKJ C.I.S.U. LDA v. F.I.R.S.* [2025] 19 NWLR (Pt. 2019) 93, in which the Court clarified the evidentiary standards applicable before the TAT and reaffirmed the Tribunal's role as a specialised fact-finding body in tax disputes.

Relevant Facts

The dispute arose from tax assessments issued by the Federal Inland Revenue Service (FIRS) now Nigeria Revenue Service (NRS) against the appellant. Dissatisfied, the appellant challenged the assessments before the Tax Appeal Tribunal. During the proceedings, questions arose as to the admissibility and consideration of certain materials relied upon by the Tribunal in determining the appropriate tax liability of the appellant.

The matter ultimately progressed through the appellate courts to the Supreme Court, where one of the issues for determination was whether the Tax Appeal Tribunal, in the exercise of its statutory functions, is bound to strictly apply the provisions of the Evidence Act in the same manner as conventional courts.

Decision of the Court

In its judgment, the Supreme Court held that the Tax Appeal Tribunal is not bound to strictly apply the provisions of the Evidence Act in carrying out its statutory mandate, provided that the principles of fair hearing are observed. The Court described the TAT as an administrative tribunal established to determine the correctness of tax assessments and the appropriate tax liability of taxpayers without undue fixation on procedural formalities. At page 129, paragraphs F-H of the law report, the Court stated:

"The Tax Appeal Tribunal is an administrative tribunal set up to determine the correctness of assessment to tax without undue fixation with formality ... The last fact-finding tribunal comprising of a panel of experts who determine the appropriate tax liability on all available data without undue adherence to the strict application of the Evidence Act while ensuring compliance with the principles of fair hearing."

The Supreme Court therefore recognised the specialised nature of the Tribunal and affirmed its authority to consider all relevant materials necessary for the determination of tax liability, so long as the parties are afforded a fair opportunity to present their cases and respond to adverse materials. Significantly, the Court relied on previous decisions of the Tax Appeal Tribunal itself in reaching its conclusion on this issue.

Commentary

This decision provides welcome clarity on the procedural framework governing proceedings before the Tax Appeal Tribunal. By acknowledging the Tribunal's status as a specialised administrative body, the Supreme Court has reinforced the principle that the determination of tax liability should not be hampered by unnecessary procedural technicalities where the interests of justice can be adequately protected through compliance with the requirements of fair hearing.

The decision is particularly significant given the nature of tax disputes, which often involve complex financial records, commercial documents, and technical data. A rigid application of evidentiary rules in every instance could impede the Tribunal's ability to effectively ascertain the correct tax position and may, in some cases, operate to the detriment of both taxpayers and the government.

The Court's recognition of the TAT as the final fact-finding body in tax disputes also underscores the importance of its specialised expertise and practical approach to tax dispute resolution. Equally noteworthy is the Supreme Court's reliance on the Tribunal's own jurisprudence in arriving at its conclusion, demonstrating a measure of judicial confidence in the institutional competence of the TAT.

Overall, the decision strikes a balance between procedural flexibility and the fundamental requirement of fair hearing. It affirms that while the Tribunal is not constrained by strict evidentiary formalities, its proceedings must remain fair, transparent, and consistent with the principles of natural justice. The judgment is therefore a positive development in Nigerian tax jurisprudence and is likely to guide future proceedings before the Tax Appeal Tribunal and the courts.

Contact Details



Dafe Ugbeta
Partner
Litigation & ADR Practice Group
dafe.ugbeta@aret-bret.com