
Adopting and Enforcing Transfer Pricing in Nigeria: A Mixed-Methods Analysis of the Petroleum Sector

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Abstract

Transfer pricing (TP) is pivotal to revenue mobilisation in resource-dependent economies. Focusing on Nigeria's petroleum sector, this study examines the adoption and implementation of TP regulations introduced in 2012 and updated in 2018. Guided by institutional theory and the resource-based view (RBV), it employs a mixed-methods design: a survey of 140 stakeholders across government, multinational oil companies, advisers, civil society, and donors, complemented by 16 semi-structured interviews with senior practitioners and officials. Results show a clear preference for a hybrid framework that blends OECD and UN guidance with local adaptations: only 32 per cent of respondent's view wholesale OECD adoption as fully appropriate, 48 per cent favour a hybrid model, and 20 per cent prefer the UN manual alone. Motives for adoption are led by revenue protection (76 per cent), alongside legitimacy-seeking alignment with global practice. Implementation capacity remains constrained: while basic administrative structures exist, technical expertise and access to reliable comparables are insufficient, and political-economy frictions impede consistent enforcement. Key barriers include skills gaps, data limitations, weak political will, and resistance from powerful actors. The study contributes empirical evidence from a lower-capacity, extractives context and advances a dual theoretical account: institutional pressures explain adoption, whereas RBV-type capabilities determine effectiveness. Policy recommendations prioritise a tailored hybrid rule set, sustained capacity building (including data infrastructure), targeted but domestically embedded international support, and stronger governance to move Nigeria from formal compliance to credible, revenue-secure TP administration.

Keywords: : transfer pricing; petroleum; Nigeria; institutional theory; resource-based view (RBV); BEPS; OECD; UN; tax administration

1. Introduction

Transfer pricing (TP) has emerged as one of the most pressing issues in international taxation. More than 60 per cent of world trade occurs within multinational enterprise (MNE) groups, making the determination of intra-firm prices a critical factor in both corporate profitability and government tax revenues. While transfer pricing is a legitimate business practice, the potential for mispricing—where intra-group transactions are deliberately manipulated to shift profits to low-tax jurisdictions—poses a substantial risk of base erosion and profit shifting (BEPS).

For developing economies, the stakes are even higher. Limited administrative capacity, weak enforcement mechanisms, and dependence on resource-based revenues make these countries especially vulnerable to aggressive transfer pricing practices. In sub-Saharan Africa, for example, UNCTAD (2013) estimates that illicit financial flows linked to tax avoidance and transfer mispricing deprive the continent of between USD 50–80 billion annually. Such losses constrain investment in infrastructure, social services, and poverty reduction.

The petroleum sector epitomises these challenges. Petroleum transactions often involve complex arrangements such as cost-sharing agreements, joint ventures, technology transfers, and marketing subsidiaries. These transactions frequently span multiple jurisdictions and are executed by highly sophisticated multinational oil companies. For host states like Nigeria, which rely heavily on oil for fiscal stability, the potential for revenue leakage through transfer mispricing is both real and significant.

Nigeria is Africa's largest oil producer, with petroleum exports accounting for approximately 90 per cent of foreign-exchange earnings and more than 80 per cent of government revenue (World Bank, 2014; NNPC, 2012). Despite this dependence, the country has historically lacked robust transfer pricing regulations. Prior to 2012, the Federal Inland Revenue Service (FIRS) relied mainly on general anti-avoidance provisions under the Companies Income Tax Act. These provisions were inadequate for addressing the sophisticated pricing structures of multinational oil corporations.

Recognising the fiscal risks, Nigeria introduced its first TP regulations in 2012, subsequently updated in 2018. The initial framework drew heavily from the OECD Transfer Pricing Guidelines, reflecting a broader trend among developing countries to adopt internationally recognised models. However, this approach raised several important questions:

- Appropriateness: Are OECD-based frameworks suitable for Nigeria's institutional environment?
- Motivations: What drove Nigeria's adoption of TP regulations—domestic revenue concerns, international legitimacy, or a combination?
- Capacity: Does the Nigerian tax administration possess the resources, expertise, and institutional capability to implement TP rules effectively in the petroleum sector?
- Barriers: What obstacles are most likely to hinder effective implementation—political will, technical expertise, data limitations, or administrative weaknesses?
- Support: What kinds of external guidance, training, and institutional support are necessary to strengthen Nigeria's TP regime?

This study addresses these questions empirically, contributing to the comprehensive examinations of transfer pricing in Nigeria with a focus on the petroleum industry.

The research is guided by institutional theory and the resource-based view (RBV). Institutional theory suggests that organisations conform to global norms and external pressures to gain legitimacy, even when such adoption does not necessarily reflect local efficiency (DiMaggio & Powell, 1983; Scott, 2013). Applied to Nigeria, this perspective explains why the country may have embraced OECD-based TP frameworks: to signal compliance with international best practice and reassure investors, donors, and global partners. The RBV, in contrast, emphasises the internal capabilities of an organisation to achieve sustained performance (Barney, 1991). From this perspective, even if Nigeria adopts globally recognised frameworks, successful implementation depends on the FIRS's internal resources—skilled personnel, access to comparable data, training, and enforcement capacity.

By integrating these two perspectives, the study captures both the external pressures driving adoption and the internal capacities (or constraints) that determine practical outcomes.

2. Literature Review

This literature review maps the intellectual terrain that informs Nigeria's evolving transfer pricing (TP) regime, with particular attention to the petroleum sector. It brings together three strands of scholarship and practice. First, it sets out the theoretical foundations that shape how TP is understood and governed—namely the Arm's-Length Principle (ALP) as the lodestar of international taxation (Eden, 2001), institutional theory explaining legitimacy-seeking adoption of global norms (DiMaggio & Powell, 1983; Scott, 2013), and the resource-based view (RBV) highlighting the internal capabilities required for effective implementation

(Barney, 1991). Second, it reviews international regulatory developments and standard-setting—OECD Guidelines and the OECD/G20 BEPS actions alongside the United Nations Practical Manual on Transfer Pricing for Developing Countries—to assess their stated aims, methodological prescriptions, and administrative demands for lower-capacity jurisdictions (OECD, 2010; OECD, 2012; United Nations, 2013). Third, it synthesises empirical evidence from developing economies and extractive-industry contexts to illuminate recurrent implementation challenges (data comparables, expertise, enforcement) and revenue implications, situating Nigeria within these patterns.

Across these strands, the review foregrounds three persistent debates that are central to the present study: (i) the applicability of OECD-oriented frameworks to resource-dependent, capacity-constrained settings; (ii) the extent to which adoption is driven by external legitimacy versus domestic revenue protection; and (iii) the capability gap—skills, data infrastructure, and governance—between rule design and day-to-day enforcement. By organising prior work along these themes, the review establishes the conceptual and empirical baseline for the study's mixed-methods investigation and clarifies where this research contributes: adapting global norms to local realities, testing stakeholder perceptions across sectors, and linking institutional pressures to administrative capacity in Nigeria's petroleum taxation (UNCTAD, 2013; Christian Aid, 2011).

2.1 Theoretical Foundations of Transfer Pricing

2.1.1 Arm's-Length Principle and Economic Rationale

The arm's-length principle (ALP) is the cornerstone of international transfer pricing regulation. It requires intra-firm transactions to be priced as if they occurred between independent entities under comparable circumstances. The principle aims to prevent profit shifting by aligning taxable income with value creation across jurisdictions (Eden, 2001). However, critics argue that applying ALP in practice is fraught with difficulty, especially in sectors characterised by unique assets, intangibles, and complex value chains, such as petroleum.

2.1.2 Institutional Theory

Institutional theory provides a useful lens for understanding why countries adopt TP regulations. It suggests that organisations and states conform to global norms and rules to secure legitimacy, even when these frameworks are not fully aligned with local needs (DiMaggio & Powell, 1983). For Nigeria, adopting OECD-inspired TP rules can be interpreted as a response to coercive and normative pressures from international organisations, donor agencies, and trading partners.

2.1.3 Resource-Based View (RBV)

The RBV shifts attention inward, focusing on whether organisations possess the necessary capabilities to implement adopted frameworks. Effective TP enforcement requires skilled personnel, robust information systems, access to comparable pricing data, and adequate financial resources. In the absence of these resources, regulatory adoption risks becoming symbolic rather than substantive.

2.2 International Developments in Transfer Pricing Regulation

2.2.1 OECD Guidelines

The OECD Transfer Pricing Guidelines (1995; updated 2010, 2017) remain the dominant reference for global practice. They provide methods for determining arm's-length prices, including comparable uncontrolled price, resale price, cost-plus, profit split, and transactional net margin methods. Their widespread adoption reflects the influence of OECD countries in

shaping international tax norms. However, many scholars note that OECD guidelines are designed primarily for advanced economies with sophisticated administrative capacity.

2.2.2 United Nations Manual

Recognising the limitations of OECD guidance for developing countries, the United Nations issued its *Practical Manual on Transfer Pricing for Developing Countries* (United Nations, 2013). The UN framework emphasises capacity constraints, simplified approaches, and the developmental priorities of low- and middle-income countries. It offers more flexible interpretations of the ALP and advocates incremental capacity building.

2.2.3 Base Erosion and Profit Shifting (BEPS) Project

The OECD/G20 BEPS initiative, launched in 2013, further intensified debates on TP. Actions such as country-by-country reporting and stricter rules on intangibles aimed to curb profit shifting by MNEs. While BEPS has global implications, critics argue that its complexity may exacerbate administrative burdens for developing countries with limited enforcement capacity (OECD, 2013).

2.3 Empirical Studies on Transfer Pricing in Developing Economies

2.3.1 Revenue Implications

Empirical studies highlight the significant revenue losses attributable to transfer mispricing in developing economies. Fuest and Riedel (2012) estimate that profit shifting reduces corporate tax revenues in low-income countries by up to 30 per cent. In Africa, Cobham and Janský (2019) show that illicit financial flows linked to TP practices account for billions in lost revenue annually, with extractive industries particularly vulnerable.

2.3.2 Administrative Challenges

Studies in Ghana (Quaye, 2015), Kenya (Mutava, 2019), and South Africa (Olivier, 2017) demonstrate recurring challenges: lack of expertise, insufficient data on comparable transactions, political interference, and limited taxpayer cooperation. These findings resonate with the Nigerian case, where FIRS faces similar institutional bottlenecks.

2.3.3 Petroleum Sector-Specific Studies

In the petroleum sector, transfer mispricing often occurs in crude oil sales, intra-group services, management fees, and financing arrangements. For example, **Christian Aid (2011)** documented how oil MNEs use offshore marketing hubs to shift profits. Empirical evidence from Angola, Nigeria, and Equatorial Guinea reveals patterns of revenue leakage linked to opaque pricing structures and weak regulatory oversight.

2.4 Nigeria in the Transfer Pricing Debate

Nigeria's adoption of TP regulations in 2012 positioned it among the early adopters in sub-Saharan Africa. However, research remains limited. Early assessments (Gbegi & Adebisi, 2013) raised concerns about the wholesale adoption of OECD principles without sufficient adaptation to Nigerian realities. More recent studies (Akinyomi & Tasie, 2019; Oyedele, 2020) emphasise the challenges of implementation: inadequate training of FIRS officials, limited databases of comparable prices, and the political economy of petroleum taxation. This gap underscores the significance of the present study, which systematically investigates stakeholder perceptions across multiple groups in Nigeria's petroleum sector.

2.5 Synthesis and Identified Gaps

The literature reveals several key insights: the dominance of OECD frameworks, while their applicability to developing countries is contested; successful implementation depends not only on adoption but also on administrative capacity; and the high stakes of oil revenues, coupled with technical complexity, make the sector especially prone to transfer mispricing. Existing literature is largely conceptual and descriptive, while robust empirical analysis remains limited. This study contributes to bridging these gaps by empirically examining Nigeria's transfer pricing regime through survey and interview data, framed by institutional theory and the RBV.

3. Methodology

This study adopts a mixed-methods research design combining quantitative and qualitative approaches. The choice of a mixed design was informed by the complexity of TP regulation, which involves both measurable patterns (e.g., stakeholder perceptions, capacity assessments) and nuanced insights (e.g., expert reflections, political considerations) (Creswell, 2009).

3.1 Research Design

The quantitative component consisted of a structured questionnaire survey distributed to a broad range of stakeholders, providing generalisable evidence of perceptions regarding Nigeria's TP regulations. The qualitative component comprised semi-structured interviews with key experts, allowing for deeper exploration of contextual issues and triangulation of the survey findings (Creswell, 2009). This design aligns with Creswell's (2009) recommendation that combining methods enhances both breadth and depth of analysis, ensuring greater validity in contexts where institutional and technical dimensions intersect.

3.2 Target Population

The population for this study included stakeholders directly or indirectly involved in TP regulation in Nigeria, particularly within the petroleum sector. This included officials and representatives of the following organisations:

- Federal Inland Revenue Service (FIRS)
- Multinational oil companies operating in Nigeria
- Tax consultants and accounting firms providing TP advisory services
- Nigerian National Petroleum Corporation (NNPC)
- Civil society organisations (CSOs) focused on extractive-sector governance
- Members of the academia specialising in taxation and petroleum economics
- International organisations and donor agencies engaged in tax reform support

3.3 Sampling Technique

A purposive sampling strategy was employed to ensure representation across the eight key stakeholder categories. Within each category, respondents were selected based on their involvement in TP-related activities, policy, or oversight. This strategy was necessary due to the specialised nature of the subject and the relatively small pool of individuals with relevant expertise (Creswell, 2009).

3.4 Sample Size

Survey: 140 usable responses were obtained across the stakeholder groups. This sample size is considered adequate for non-parametric statistical analysis, given the focused nature of the population (Bryman & Cramer, 2004).

Interviews: 16 in-depth interviews were conducted with senior officials, practitioners, and experts. These participants were selected to provide high-level insights that complement and contextualise the survey results (Miles & Huberman, 1994).

3.5 Data Collection

3.5.1 Questionnaire Survey

The questionnaire was designed to capture stakeholder perceptions on five key themes: preferred framework for Nigeria's TP regulations; motives underlying adoption; institutional and administrative capacity for implementation; barriers to effective implementation; and needs for external guidance and support. The instrument included both closed-ended questions (Likert scales, multiple-choice) and open-ended items. It was pre-tested with five experts to ensure clarity, relevance, and validity, after which necessary adjustments were made (Creswell, 2009).

3.5.2 Semi-Structured Interviews

The interview guide was structured around the same five themes but allowed for open-ended discussion and probing. Interviews were conducted face-to-face and via telephone, each lasting between 45 and 90 minutes. With participants' consent, interviews were recorded and later transcribed verbatim for analysis (Miles & Huberman, 1994).

3.6 Data Analysis

3.6.1 Quantitative Analysis

Survey data were coded and entered into SPSS for statistical analysis. Descriptive statistics (frequencies, percentages, means) were used to summarise overall patterns. To test for differences across stakeholder groups, the Mann–Whitney U test and Kruskal–Wallis test were employed, as the data did not meet normality assumptions required for parametric tests (Bryman & Cramer, 2004).

3.6.2 Qualitative Analysis

Interview transcripts were subjected to thematic analysis following Braun and Clarke's (2006) framework. Coding was conducted manually, identifying recurring patterns, themes, and contradictions. Themes were then mapped against the five key research objectives to facilitate integration with the survey findings (Hsieh & Shannon, 2005).

3.6.3 Integration of Quantitative and Qualitative Findings

Results from both data sets were triangulated to enhance robustness. Survey findings provided generalisable trends, while interview data added depth, nuance, and contextual interpretation. Divergent findings were analysed to identify underlying explanations and ensure balanced conclusions (Creswell, 2009).

3.7 Validity and Reliability

The internal consistency of the survey instrument was assessed using Cronbach's alpha, which produced coefficients above 0.7 across the five scales, indicating acceptable reliability (Bryman & Cramer, 2004). The research questions were grounded in existing literature on transfer pricing and refined through expert consultation, ensuring that the instrument measured what it intended to capture (OECD, 2010; United Nations, 2013). The use of both quantitative and qualitative methods enhanced validity by reducing the bias associated with a single method. Triangulation between survey and interviews allowed for cross-verification of findings (Creswell, 2009).

4. Results

The results are organised thematically around the five research objectives: (i) appropriate framework, (ii) motives for adoption, (iii) capacity for implementation, (iv) barriers to

implementation, and (v) guidance and support needs. Quantitative results are summarised using descriptive and inferential statistics, while qualitative insights provide depth and context.

4.1 Appropriate Framework for Nigeria's Transfer Pricing Regulations

When asked to identify the most appropriate framework for Nigeria, respondents showed mixed preferences. While the OECD guidelines were recognised as the dominant global model, only 32 per cent considered them fully appropriate for Nigeria. By contrast, 48 per cent favoured a hybrid model, combining elements of OECD and UN guidelines with local adaptations. A further 20 per cent supported the exclusive adoption of the UN Manual, citing its emphasis on developing-country realities (OECD, 2010; United Nations, 2013).

Statistical tests indicated significant differences across stakeholder groups (Kruskal–Wallis, $p < 0.05$). Multinational oil companies leaned more toward OECD frameworks, while FIRS officials and civil society organisations preferred hybrid or UN-based models.

Interviews confirmed scepticism about wholesale adoption of OECD frameworks. Several experts argued that OECD guidelines are “designed for advanced economies with sophisticated tax administrations” and may overwhelm FIRS with complexity. By contrast, a hybrid model was described as “a pragmatic compromise” that signals international legitimacy while accommodating Nigeria's institutional limitations (United Nations, 2013).

4.2 Motives for Adoption

Respondents identified multiple motives behind Nigeria's adoption of TP regulations. The most frequently cited were:

- Safeguarding Nigeria's tax base – 76%
- Aligning with global practice and securing legitimacy – 61%
- Responding to donor/international pressures – 42%
- Improving investor confidence – 38%

The Mann–Whitney U test showed significant variation between stakeholder groups: government officials prioritised revenue protection, while multinational corporations highlighted global alignment and investor confidence (Eden & Kudrle, 2005; UNCTAD, 2013).

Experts consistently emphasised revenue protection as the primary driver. One senior FIRS official remarked: “Without TP rules, our petroleum revenues are vulnerable to aggressive mispricing—this is fundamentally about defending our tax base.” Some interviewees, however, highlighted symbolic motives, suggesting Nigeria's adoption of OECD-style rules was partly intended to signal compliance with international standards rather than immediate administrative feasibility (DiMaggio & Powell, 1983).

4.3 Capacity for Implementation

Perceptions of Nigeria's institutional capacity to implement TP regulations were mixed. While 58 per cent of respondents agreed that FIRS had the basic administrative infrastructure to coordinate TP enforcement, only 34 per cent felt the agency had sufficient technical expertise. Access to reliable comparable data was identified as a major weakness, with 72 per cent rating this capacity as “inadequate.”

Stakeholder differences were again evident: oil companies tended to rate FIRS's capacity more negatively than government respondents, suggesting divergent perceptions of administrative competence (Scott, 2013; UNCTAD, 2013).

Interviews highlighted both progress and limitations. FIRS had established a TP unit and conducted some training, but the shortage of highly specialised expertise was repeatedly emphasised. One consultant noted: “Nigeria has the institutional skeleton, but lacks the

technical muscle to implement OECD-type rules.” Limited access to databases of comparable petroleum transactions was also seen as a critical handicap (United Nations, 2013).

4.4 Barriers to Implementation

The most significant barriers identified by survey respondents were:

- Shortage of technical expertise – 69%
- Lack of access to comparable data – 64%
- Weak political will – 52%
- Administrative bottlenecks and bureaucracy – 48%
- Resistance from multinational corporations – 41%

These findings suggest that barriers are both technical (skills, data) and political (commitment, resistance) (Christian Aid, 2011; UNCTAD, 2013).

Interviewees confirmed these barriers, with particular emphasis on political will. Several experts argued that entrenched interests within the petroleum sector, including state-owned enterprises, limited the enforcement of TP rules. One respondent commented: “The rules exist on paper, but enforcement is selectively applied, reflecting broader governance challenges.”

4.5 Guidance and Support Needs

Respondents strongly supported the need for external guidance and support to strengthen Nigeria’s TP regime. The most frequently cited needs were:

- Technical training for FIRS officials – 78%
- Financial support for capacity building – 65%
- Access to international TP databases – 60%
- Simplified compliance procedures for taxpayers – 46%

Experts reinforced these findings, stressing the need for sustained capacity-building partnerships with international organisations (e.g., OECD, UN, ATAF). One donor representative emphasised: “Short-term training is not enough; Nigeria needs long-term institutional strengthening, including data infrastructure” (United Nations, 2013; OECD, 2012).

4.6 Summary

Taken together, the findings suggest that Nigeria’s TP regulations are perceived as necessary and timely, but their effectiveness depends heavily on institutional capacity and political commitment. Stakeholders broadly support a hybrid framework that adapts global norms to local realities. Revenue protection is the primary motive, but symbolic legitimacy also plays a role. Capacity gaps—especially expertise and data—remain critical barriers, highlighting the importance of external guidance and support (Scott, 2013; UNCTAD, 2013).

5. Discussion

5.1 Appropriateness of Frameworks

The results indicate a strong stakeholder preference for a hybrid approach that combines OECD and UN principles with adaptations to Nigeria’s local realities. This finding supports earlier arguments in the literature that the wholesale adoption of OECD guidelines may be inappropriate for developing economies with limited administrative capacity (Bakare, 2013; Mutava, 2019). From an institutional theory perspective, the partial embrace of OECD guidelines reflects a balancing act between external legitimacy and internal feasibility. Nigeria cannot ignore the global dominance of OECD standards, particularly given the influence of donor agencies and international investors. Yet stakeholders recognise that without local adaptation, OECD-inspired rules risk being largely symbolic, as observed in other African jurisdictions (Olivier, 2017). The preference for a hybrid model highlights a pragmatic

pathway: one that signals conformity with global best practice while accommodating Nigeria's institutional realities, echoing Picciotto's (2018) call for regulatory creativity.

5.2 Motives for Adoption

Findings confirm that revenue protection is the primary motive for Nigeria's adoption of TP regulations, consistent with studies that emphasise the fiscal vulnerability of resource-dependent economies (Christian Aid, 2011; Fuest & Riedel, 2012). At the same time, symbolic motives—such as aligning with international practice and securing legitimacy—were also acknowledged. This duality reflects the coercive and normative pressures described by institutional theory (DiMaggio & Powell, 1983). Nevertheless, the dominance of revenue concerns suggests that, unlike some countries that adopt regulations primarily for legitimacy, Nigeria views TP rules as a practical necessity to safeguard petroleum revenues—aligning with the RBV's emphasis on mobilising scarce fiscal resources effectively (Barney, 1991).

5.3 Capacity for Implementation

Survey and interview data reveal a clear gap between Nigeria's basic institutional infrastructure and its technical capacity. While FIRS has established a TP unit and introduced some training programmes, shortages of expertise, lack of access to comparable data, and limited enforcement experience constrain effective implementation. This finding resonates with previous studies in Ghana, Kenya, and South Africa (Quaye, 2015; Mutava, 2019; Olivier, 2017). From an RBV perspective, Nigeria has not yet accumulated the critical resources—specialised human capital, data systems, and technological infrastructure—necessary to sustain effective TP administration. Adoption without capacity risks “ceremonial compliance” with OECD norms (Oliver, 1997; Scott, 2013).

5.4 Barriers to Implementation

The barriers identified—shortage of expertise, lack of comparable data, weak political will, and resistance from multinational corporations—echo concerns raised in the wider African literature (Cobham & Janský, 2019). Importantly, the findings suggest that barriers are not purely technical but also political. Weak political will reflects the broader institutional environment in which powerful petroleum interests shape regulatory enforcement. Selective enforcement undermines the credibility of Nigeria's TP regime and reinforces concerns about governance and accountability in the petroleum sector (Christian Aid, 2011; UNCTAD, 2013).

5.5 Guidance and Support Needs

The strong demand for external guidance and support—particularly technical training, financial assistance, and access to international databases—demonstrates the importance of global partnerships in strengthening Nigeria's TP regime. This supports the UN Manual's emphasis on capacity building and incremental adaptation rather than wholesale transplantation of OECD standards (United Nations, 2013). From the RBV perspective, external support can augment capabilities, but without domestic political commitment and institutional reforms, assistance risks being short-lived (Barney, 1991; Scott, 2013).

6. Conclusion and Recommendation

Nigeria's transfer pricing (TP) trajectory reflects a clear tension between external legitimacy and domestic revenue protection. The adoption of OECD-style rules signals alignment with global practice, yet effectiveness is constrained by gaps in specialised expertise, data infrastructure, and consistent political commitment. These capacity frictions—rather than the absence of rules—are the principal impediments to credible enforcement.

The study recommends a hybrid framework that blends OECD and UN approaches, tailored to Nigeria's institutional realities, and offers the most workable path forward (United Nations, 2013; OECD, 2010). Priorities should include sustained capacity building for FIRS, access to reliable comparables (ideally via regional collaboration), streamlined guidance for taxpayers, and targeted international support embedded in domestic reform plans (OECD, 2012; United Nations, 2013).

By combining a hybrid rule set with deliberate investment in capacity and governance—and by leveraging, not depending on, international partners—Nigeria can shift from formal compliance to credible, revenue-secure TP administration. The approach holds wider relevance for resource-dependent developing countries seeking to reconcile global tax norms with local institutional constraints (United Nations, 2013; OECD, 2012).

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