

ELECTRONIC INVOICING COMPLIANCE IN NIGERIA

★ **FEATURED ON SAP.COM** — recognized by SAP as a global partner solution for real-time, NRS-validated electronic invoicing, built for Nigeria's national e-invoicing mandate.

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Powered by SAP Document and Reporting Compliance (DRC)

The Challenge

Nigeria has moved to a mandatory, real-time electronic invoicing regime under the National E-Invoicing and Electronic Fiscal System (EFS), known as the Merchant Buyer Solution (MBS), run by the Nigeria Revenue Service (NRS, formerly FIRS) under the Nigeria Tax Administration Act 2025 and Nigeria Tax Act 2025. The mandate covers all VAT-registered suppliers — domestic and foreign — across B2B, B2G and B2C transactions, and applies to companies by annual turnover in three phases.

Large taxpayers (turnover of ₦5 billion and above) must be fully onboarded, integrated and transmitting compliant invoices by 31 July 2026. Medium taxpayers (₦1 billion–₦5 billion) begin implementation from 1 July 2026, with enforcement from 1 January 2027. Emerging and small taxpayers follow from 1 July 2027, with enforcement from 1 January 2028. Under the new framework, VAT input credits can only be claimed on invoices validated and transmitted through the MBS platform, making supplier non-compliance a direct risk to the buyer's own tax position. Organizations running SAP need a standard, scalable path to compliance — without re-architecting their landscape or taking on custom-code risk.

The Crimson Solution

Crimson's Electronic Invoicing Compliance solution for Nigeria extends SAP Document and Reporting Compliance to address MBS/EFS requirements end to end, while remaining fully aligned with SAP's standard architecture.

- Native integration with SAP ERP (ECC) and SAP S/4HANA — no custom development required
- Real-time, NRS-validated invoice submission through the Merchant Buyer Solution, via direct API or Access Point Provider (APP) integration
- Automatic Invoice Reference Number (IRN), Cryptographic Stamp Identifier (CSID) and QR-code retrieval for buyer-side verification
- Supports both SAP-native billing documents and external-system documents, converted into e-documents within SAP DRC
- Secure, auditable data exchange built entirely on SAP-standard configuration

How It Works

1**Create & Convert**

Billing documents from SAP Finance and Sales are consolidated and converted into e-documents under a single compliance framework.

2**Validate in Real Time**

The e-invoice is submitted to the NRS Merchant Buyer Solution, which validates the document and returns an IRN, CSID and QR code, including rejection reasons if any.

3**Deliver & Retain**

The compliant, QR-coded invoice is delivered to the customer; the record is securely archived to support NRS audit and VAT input-credit requirements.

Phased Rollout by Taxpayer Category

Large Taxpayers

Turnover ≥ ₦5bn. Live since 1 Aug 2025; full compliance and enforcement required by 31 Jul 2026.

Medium Taxpayers

Turnover ₦1bn–₦5bn. Implementation from 1 Jul 2026; enforcement from 1 Jan 2027 to 31 Mar 2027.

Emerging & Small Taxpayers

Turnover below ₦1bn. Implementation from 1 Jul 2027; enforcement from 1 Jan 2028 to 31 Mar 2028.

Key Benefits

Reduced Compliance Risk

Delivered entirely through SAP-standard configuration, minimizing custom-code exposure and audit risk.

Centralized Visibility

One consolidated framework to monitor e-invoicing and reporting status across the business.

Future-Proof by Design

Aligned with SAP's upgrade roadmap and ready to extend as the NRS mandate reaches medium and small taxpayers through 2027-2028.

Minimal Disruption

Fast, standard-configuration deployment that avoids re-architecture of the existing SAP landscape.

Why Crimson

Crimson Technology Consulting combines deep SAP expertise with regulatory insight, helping organizations turn compliance into a controlled, efficient, and strategic capability — today and for the years ahead.

- SAP DRC implementations delivered across 60+ countries and multiple industries
- Proven regional and multi-jurisdiction depth — Nigeria, Kenya, Ghana, Zambia, Tanzania, Uganda, Congo, Ivory Coast, Morocco and beyond
- A single, consistent user experience across every market we deploy in
- Direct engagement with NRS and NITDA technical specifications to keep the solution current as the mandate expands

A GLOBAL STANDARD FOR E-INVOICING COMPLIANCE

See the full solution profile on SAP store and let's discuss your compliance roadmap.

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Global Offices

United Kingdom

1st Floor, Royal Liver Building,
Pierhead, Liverpool, L3 1HU

United States

30 N Gould St, Suite N,
Sheridan, WY 82801

United Arab Emirates

FDAU0282 Compass Building, Al
Shohada Road, Al Hamra
Industrial Zone-FZ, Ras Al
Khaimah

India

Plot No 15, Brindavana Teachers
Colony, Ameenpur, Hyderabad,
Telangana, 502032

Web www.crimson-partners.com
Phone +44 7835 640116

Email info@crimson-partners.com
LinkedIn linkedin.com/company/crimson-sap-ltd