

Nigeria's PIA Under the Microscope

Media Mentions

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Bracewell's **Adam Blythe** discussed with *Energy Voice* the passage of [Nigeria's Petroleum Industry Act \(PIA\)](#), marking a major step in the country's push to become more attractive to investors.

"The PIA gives companies certainty on the regulatory regime, which has not been present for the past decade," said Blythe. "This should help to clear one of the main blocks that have held back the sanctioning of new projects."

PIA replaces petroleum profits tax with a new hydrocarbon tax and also applies corporate income tax, while cutting royalties. The new royalty system will allow the government to benefit if oil prices go higher, which may go some way to preventing tinkering with the fiscal system down the line.

"Overall, the government take has been reduced," added Blythe. "Shallow and onshore fields have received the biggest net reduction in fiscal take. That looks like a strategic decision to improve tax conditions for onshore developments, where many Nigerian companies participate. Overall, the PIA makes Nigeria more competitive as an investment destination – it puts Nigeria in the mix."

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