

# Tax First Namibia Newsletter

June 2017



A monthly newsletter published by PwC Namibia providing informed commentary on current developments in the local tax arena.

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## Structuring of tax affairs to minimise tax liability

*Currently there is a big debate worldwide on tax morality.*

Tax avoidance generally occurs when the taxpayer has arranged his / her tax affairs in a legal manner which has the result that income is reduced or that there is no income on which tax is payable.

Tax evasion, on the other hand, refers to when the taxpayer illegally and deliberately frees himself / herself from paying taxes, for example, omitting income from his / her annual income tax return. This arrangement is normally accompanied by fraud, dishonesty, deceit, misrepresentation.

It is important to note that the Namibian Income Tax Act does not distinguish between tax evasion and avoidance. Transactions, schemes or operations entered into for the purpose of avoiding or postponing liability or for reducing the amounts of taxes on income is regulated by Section 95 of the Income Tax Act.

Please note that the purpose of tax evasion extends further than just income tax. Section 95(1)(c) reads “...any tax, duty or levy (whether imposed by this Act or any previous income tax law or any other law administered by the Minister)...”.

Changes made in a company's shareholding specifically to utilize that company's tax losses is specifically regulated by Section 95(2) of the Income Tax Act. For example, acquiring an entity solely to utilize its tax losses.

If all the requirements of Section 95 are simultaneously present, the Commissioner has the power to determine the taxpayer's tax liability as if the transaction, scheme, operation, etc. did not take place.

The ultimate onus is on the taxpayer to prove that the operation, scheme, transaction etc. was not ultimately entered into to avoid, postpone or reduce the liability for the payment of tax.

Taxpayers are, however, allowed to arrange their tax affairs in a bona fide legal manner which reduces their tax liability as there is no obligation for a taxpayer to pay more tax than is legally required under the Income Tax Act.

However, we recommend further professional tax advice is obtained when this is done to ensure that the arrangements will not be challenged under Section 95 of the Income Tax Act.

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### TIM's TIP:

Sign up your employees today! Click here to view our TaxTim Employee Assist Services video: <https://youtu.be/KdDQFkMcJiw>

For queries please mail us at [taxtim@na.pwc.com](mailto:taxtim@na.pwc.com) or register for TaxTim today at [www.taxtim.pwc.com.na](http://www.taxtim.pwc.com.na)



# PwC Business School Windhoek | Annual Tax Symposium

The PwC tax team will again host our popular 3 day Symposium on Namibian Taxes on 7, 8 and 9 June 2017.

**WHERE:** Windhoek

**VENUE:** PwC Business School and Safari Hotel

Book any one or more than one of the below sessions:

## 7 June 2017 | Morning session

### *Introduction to Income Tax*

**Time:**

07:30 for 08:00 - 13:00

**Venue:**

PwC Business School Training Centre, Windhoek

**Cost:**

N\$2,250 per delegate (incl VAT)

## 7 June 2017 | Afternoon session

### *Employee Pay and Taxes*

**Time:**

14:00 - 17:00

**Venue:**

PwC Business School Training Centre, Windhoek

**Cost:**

N\$1,350 per delegate (incl VAT)

## 8 June 2017 | Full day session

### *Basic Value Added Tax*

**Time:**

07:30 for 08:00 - 17:00

**Venue:**

Safari Hotel, Windhoek

**Cost:**

N\$3,250 per delegate (incl VAT)

*\* Special offer: Register 3 delegates and get the 4th one free*

## 9 June 2017 | Morning session

### *International Tax & Transfer Pricing*

**Time:**

08:00 - 11:00

**Venue:**

PwC Business School Training Centre, Windhoek

**Cost:**

N\$1,100 per delegate (incl VAT)

**Registrations close Monday, 5 June 2017 | [Click here to register](#)**



**Are you experiencing difficulties with your PAYE account? Refer to our May 2017 Tax First Alert for more information on the merging of the old and new PAYE accounts on Inland Revenue's system: <http://www.pwc.com/na/en/publications/tax-first.html>**

## PwC Business School Training



### *Training for June:*

#### **Windhoek**

31 May		How to develop a pay scale
2 Jun		Time Management Course
7-9 Jun		Annual Tax Symposium Windhoek
22 Jun		King IV Seminar
28-30 Jun		COBIT 5 Implementation Course

#### **Walvis Bay**

7 Jun		Directors training: Basic duties & liabilities of directors
8 June		SME series: Employment compliance
13-15 Jun		Basic Accounting Training
20-22 Jun		Finance training for non-FM's, business owners and entrepreneurs



For more information, contact one of our Business School Managers.

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Or follow the below link to our website:  
<http://www.pwc.com/na/en/events.html>

## New Legislation Tracker

This diagram tracks the progress of proposed tax legislation.

The following is the status of announced legislation up to 31 May 2017:



## Tax Calendar - June 2017

Mon	Tue	Wed	Thu	Fri
19	20	21	22	23
	<ul style="list-style-type: none"> <li>VET Levy return</li> <li>PAYE return</li> <li>Import VAT return</li> <li>Withholding Tax returns: Services, Royalties, Interest</li> <li>NRST</li> </ul>			
26	27	28	29	30
<ul style="list-style-type: none"> <li>VAT return</li> </ul>				<ul style="list-style-type: none"> <li>Social Security payment</li> <li>1st provisional for taxpayers with December 2017 year-end</li> <li>2nd provisional for taxpayers with June 2017 year-end</li> <li>Tax return for companies with 30 November 2016 year-end</li> </ul>

For assistance or advice please contact one of our tax specialists.

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