



Tax First Alert

Tax Incentive Program

27 January 2017

A press statement released by the Minister of Finance, Hon Calle Schlettwein, dated 26 January 2017 announced the commencement of the Incentive Program for the Recovery of Outstanding taxes, envisaged to start on 1 February 2017.

The Ministry of Finance is offering an incentive program for writing off a portion of the interest charged on outstanding tax, as well as penalties. Taxpayers with delinquent accounts and persons (individuals and companies) that qualify to register for any tax type but did not do so are offered this once-off opportunity to become compliant with tax laws.

Herewith the highlights covered in the above-mentioned press release:

- 1) The Incentive Program takes effect from **1 February 2017** and ends on **31 July 2017**.
- 2) All **individuals, businesses, companies, close corporations and other entities** with outstanding debt on their tax account/s may apply to participate in the Incentive Program.
- 3) **Penalties will be waived in full** and **80% of interest will be waived**, provided that the requirements set out in point 6 below have been met. No tax amount will be waived.
- 4) Penalties and interest paid before the effective date of the Incentive Program are **not refundable**.
- 5) The Incentive Program applies to the following **taxes** administered by Inland Revenue Department:
 - Income tax
 - Value Added Tax (VAT)
 - VAT on Imports
 - Employee's Tax (PAYE)
 - Stamp Duty
 - Non-Resident's Shareholders Tax (NRST)
 - Tax on Royalties (patents, trademarks, copy right, etc)
- 6) In order to benefit from the Incentive Program, the following **requirements** must be met:
 - Total outstanding tax amount and 20% of outstanding interest must be paid;
 - The full payment must be made no later than 31 July 2017; and
 - An application form must be completed (refer to point 7 below).
- 7) **Application forms** for the Incentive Program will be available at all Regional Revenue Offices countrywide and must be duly completed and submitted to such Regional Revenue Offices.
- 8) Payments may be made in **installments over a maximum period of 6 months**, with the last installment due on 31 July 2017.
- 9) Should **returns not yet have been assessed**, taxpayers should accurately calculate the liability and include such amounts in the payments made before 31 July 2017.
- 10) A **special bank account** has been opened into which payments in respect of arrear taxes by participating taxpayers must be made. The banking details of this account is as follows:
Bank: Bank of Namibia
Account name: Receiver of Revenue
Branch code: 980-172
Account number: 165011 (Current account)

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