

Compiled by Amanda Gous  
 amanda.gous@na.pwc.com  
 www.pwc.com/na



## Is PAYE the slow puncture in your vehicle benefits scheme?

Are you aware of what is included under the term vehicle benefits and further more how the tax man deals with these benefits? Herewith the breakdown of the various benefits:

### Vehicle allowance

This is a fixed monthly amount paid to the individual and will enable him/her to purchase a private vehicle of choice. It could be expected of this vehicle's owner to use it for business purposes from time to time.

This allowance will be taxed subject to monthly PAYE on the private portion of all your travels for which you used your car.

### Company owned vehicle

This vehicle is owned by the company and made available to a specific

individual for his/her exclusive use, be it business or private. The benefit usually includes the maintenance, insurance and fuel paid by the company.

On this benefit the taxman will collect fringe benefit tax on 1.5% of the original cost price of the vehicle, or 1.4% if private fuel is paid by the individual, excluding finance charges) to be included on the monthly taxable income.

### Pool car

This vehicle is considered the company's taxi and is available to all staff or shall we say "first come first serve" to conduct official affairs.

The use of this benefit in itself will not raise the eyebrows of the taxman. However, should you be allowed to

take this vehicle home every once in a while a minimal benefit amount of N\$ 100 should be included on your monthly tax calculation.

### Reimbursement rate per kilometre

This is a company reimbursement, most common on AA tariffs, for the actual business kilometres travelled with your own vehicle.

How will you disclose this to the eyes of the taxman? The reimbursement will not trigger any PAYE liability, but should you receive this in conjunction with a vehicle allowance, beware. The taxman will wish to then see the vehicle allowance taxed in full and the allowance and reimbursement receipts combined on your annual PAYE 5 certificate.<sup>o</sup>

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## Surviving a VAT refund audit at Inland Revenue

Many small business owners are so focused on running their businesses that they tend to neglect essential issues like accurate VAT compliance administration.

And as the paperwork piles up, they tend to push VAT administration to the back burner, further procrastinating and eventually missing all deadlines. This results in a desperate scramble around the end of the financial year or when one has been selected for an audit.

Sound familiar? Of course in an ideal world you would stay up to date with all your record keeping and would have it ready to hand it over to your bookkeeper, accountant or Inland Revenue for audit and when needed. Take a few moments and read these tips on how to prepare for a VAT refund audit.

### Best practice on record keeping for VAT claiming purposes:

Upon receipt of an invoice ensure it is a valid Tax Invoice. Ask yourself what the likelihood is that you will need the invoice in the next 5 years or for an audit to proof VAT on income and or expenses. Keep in mind that certain documents

need to be kept for Tax/ VAT refund audits or legal purposes and should not be discarded or destroyed. To claim a deduction for input on your VAT return, you must hold a valid tax invoice.

The following details are required on a Tax Invoice, Tax Credit Note and Tax Debit Note according to Schedule VI in the VAT Act:

### Tax Invoices, Tax Credit Notes and Tax Debit Notes

Unless otherwise allowed, a tax invoice must in terms of the VAT Act contain the following particulars:

- The words "tax invoice" in a prominent place;
- the name, address and VAT registration number of the registered person making the supply;
- the name and address of the recipient of the supply; the name and address of the recipient of the supply;
- the individualised serial number and the date on which the tax invoice is issued;
- a description of the goods or services supplied;
- the quantity/volume of the goods/ services supplied;

- the total amount of the tax charged, the consideration for the supply, and the consideration including tax.

Once you have decided that a document should be filed, it needs to be categorised and filed together with similar documents. Best practice is to schedule a time each day or week to do the filing.

### What records should be kept in Namibia

Every registered person and every person other than a registered person who is liable for the payment of tax under this Act shall maintain accounting records in the English language at such registered person's place or places of business in Namibia.

The accounting records required can be maintained in a country other than Namibia provided that it is maintained on a central computer system and is linked to such registered or other person's place or places of business in Namibia. Irrespective of what filing system you choose to use, always ensure that documents must be easy to find and must be accessible to all who is authorised to use it.

## Government Gazettes

Government Gazettes for the period 13 April until 23 May 2011 was included in this edition. This is not an exhaustive list of Acts/Notices/Proclamations published.

### 13 April 2011—General Notices

74–98/2011—Competition Commission notices.

### 20 April 2011—Government Notice

46/2011—Promulgation of Animal Health Act, Act 1 of 2011.

### 20 April 2011—General Notices

113/2011—Bank of Namibia: Statement of Assets and Liabilities as at close of business on 31 March 2011.

### 3 May 2011—General Notice

114/2011—Namibian competition commission: Notice of receipt of application for exemptions in respect of professional rules (in re: Law Society of Namibia)

### 18 May 2011—Government Notice

64/2011—Commencement of Communication Act, Act 8 of 2009

### 18 May 2011—General Notices

123–131/2011 Regulations and publications in terms of the Communication Act.

### 20 May 2011—General Notice

133/2011—Municipality of Henties Bay: Dog Control Regulations: Local Authorities Act, 1992. o

## Bills in progress\*

- B 6-2008 National Youth Service Bill
- B1-2010 Industrial Property Bill
- B7-2010 Namibian Planning and Construction Council Bill
- B15-2010 Employment Service Bill
- B 18-2010 Architectural and Quantity Surveying Bill

- B26-2010 Statistics Bill
- B1-2011 Unit trust control Amendment Bill
- B2-2011 Long term insurance Amendment Bill
- B3-2011 Pension Fund Amendment Bill
- B4-2011 Inspection of Financial Institutions
- B5-2011 Income Tax Amendment Bill

\* Source: Parliament of Namibia [www.parliament.gov.na/bills](http://www.parliament.gov.na/bills)

## Introducing Remchannel services

**PwC Remchannel was formed by the merger of the Reward business of PwC, and Remchannel (Pty) Limited. PwC Remchannel provides clients with a “Total Reward Solution”.**

### PwC Remchannel Survey Overview

PwC Remchannel has an extensive and detailed current internet-based remuneration survey, customised for the complexities of Southern Africa's remuneration practices. The survey is currently published in South Africa, Namibia and Botswana, with further expansion into African countries on the agenda in the near future.

PwC Remchannel, the product was launched in late December 2000 and since then the participant list has grown to more than 350 organisations. Today, PwC Remchannel provides benchmark data for more than 1,500 positions across a variety of disciplines and industries. The sample size has increased to more than 700 000 data points with in excess of 10,000 Executive data points on the Paterson E and F Bands.

Our leading-edge survey system allows discerning practitioners to make informed reward and strategy decisions based on the following distinctive features of the system:

- Real time: a rolling, live database, capable of constant updating ;
- Choice: supreme flexibility in defining comparator market ;
- Friendly: absolute ease of data submission and retrieval ;
- Access: instantaneous, finger-tip driven, generation of reports;
- Freedom: freeing up HR time to pursue strategy and not drudgery;
- Value: one data submission once per annum provides access to multiple surveys.

PwC Remchannel offers participants an exceptional value proposition that allows access to more than one survey for one data submission annually and one survey fee:

- Top Executive Survey;
- General Staff Survey ;
- Industry Specific Survey;
- Job Based Survey ;
- Grade Based Survey (correlated to all major grading systems).

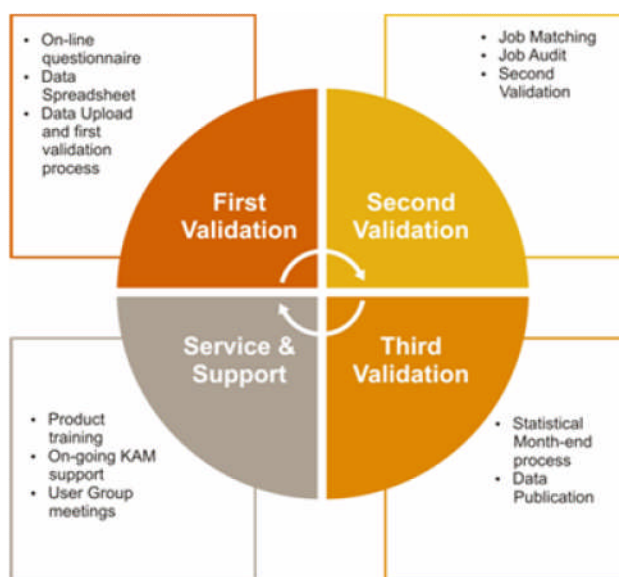
### PwC Remchannel Unique features

In addition to the exceptional value proposition offered by PwC Remchannel, the Survey offers extra value added features:

- Race analysis;
- Gender analysis;
- Age analysis;
- Internal and external equity measure;
- Detailed benefit quantum analysis;
- Selection of own package component analysis;
- Selection of percentile comparison;
- Automatic age correction of data;
- Interactive web based selection (“what if” scenarios);
- Real-time database;
- Reports can be copied and exported into Microsoft Office packages for presentation to remuneration committee .

### Validation of Survey Data

The data upload process consists of three validation phases and an on-going Service and Support element, which is captured in the PwC Remchannel Data Collection Model below.



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## Introduction to Remchannel services

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The confirmation and validation of remuneration and benefit data as well as accurate job matching is critical to the success of the PwC Remchannel Survey. It is also important to note that outdated remuneration information is not retained in the database. All participants agree contractually that data will be removed if refreshed information cannot be provided timeously.

The PwC Remchannel Key Account Managers assist participating organisations with their job matching to the PwC Remchannel suite of jobs, based on job content and not just job title. The PwC Remchannel Job Matching Methodology applied is illustrated below:



The PwC Remchannel uncompromised data collection process, job matching methodology, stringent validation phases and on-going service and support enables PwC Remchannel to deliver on high quality survey results. This provides our participants with a real return on their investment. A satisfaction questionnaire is forwarded to all participants after the completion of a Data Collection Process, to ensure that we receive feedback which will allow us to continuously enhance our services.

## PwC Tax Business School presents *Tax 1st 2011*

This year PwC Tax Business School will again present tax training in Windhoek and the coast. The aim of the course is to provide technical tax skills and knowledge to accountants, debtors and creditors clerks, payroll administrators, financial accountants and other staff with responsibilities in the tax cycle. The training will include updated legislation and practises to refresh experienced attendees and provide a strong technical base to first time participants

**Tax 1st 2011** will cover the following modules:

- Basic income tax;
- Basic employment tax training;
- Basic value added training; and
- Basic customs training.

To allow all parties to attend training in both direct and indirect tax training PwC will provide training over a two day period, combining income tax and employee taxes in one session and value added taxes and customs in another session.

This will allow for a single participant to attend the corporate tax training on day one and the VAT training on day two.

As a company sending more than two participants that specialises in one field, separate registration is possible to maximise the training potential provided.

The training will take place on the 8th and 9th of June 2011 in Windhoek and the 13th and 14th of June 2011 at the coast. The venues will be announced at a later date.

Further detail will be available in the press and from Progress Amadhila ([progress.amadhila@na.pwc.com](mailto:progress.amadhila@na.pwc.com)) at our Windhoek office.

### Tax Training June 2011

## Tax Calendar— June 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8 Tax 1st Training— Windhoek	9 Tax 1st Training— Windhoek	10	11
12	13	14 Tax 1st Training— Walvis Bay	15 Tax 1st Training— Walvis Bay	16	17	18
19	20 PAYE payment Import VAT re- turns	21	22	23	24	25
26	27 VAT returns (Category A)	28	29	30 * Submission of income tax returns for salaried indi- viduals * Social Security payment		

## Meet the PwC Namibia Tax Practice - Consultants in the Indirect Tax Department

### **Stefan Hyman**

Consultant—Indirect Tax



Stefan.hyman@na.pwc.com  
Telephone +264 61 284 1130

### **Richelle McNab**

Tax Academy



Richelle.mcnab@na.pwc.com  
Telephone: +264 51 284 1212

### **Jeremiah Kasida**

Consultant—Indirect Tax



Jeremiah.kasinda@na.pwc.com  
Telephone: +264 61 284 1391

### **Samantha Maasdorp**

Consultant—Indirect Tax



Samantha.maasdorp@na.pwc.com  
Telephone: +264 61 284 1062

### **Harrison Kavikairua**

Tax Academy



Harrison.kavikairua@na.pwc.com  
Telephone: +264 61 284 1230

### **Bernadette Louw**

Consultant—Indirect Tax



bernadette.louw@na.pwc.com  
Telephone: +264 61 284 1023

### **Edison Zaaruka**

Consultant—Indirect Tax



Edison.zaaruka@na.pwc.com  
Telephone: +264 61 284 1033

### **Windhoek**

344 Independence Avenue

P O Box 1571, Windhoek, Namibia

Telephone Number: +264 (61) 284 1000

Fax Number: +264 (61) 284 1001

## *Give us feedback*

Please give us feedback on our newsletter at  
[amanda.gous@na.pwc.com](mailto:amanda.gous@na.pwc.com).

### **Walvis Bay**

2nd Floor, Nedbank building, Sam Nujoma Avenue

P O Box 12, Walvis Bay, Namibia

Riana Venter—Corporate Tax

Telephone Number: +264 (64) 217 700

Nellie du Toit—Value Added Tax

Telephone Number: +264 (64) 217 700

