



Tax First Namibia Newsletter

April 2014

Application for Good Standing Certificates

Inland Revenue amended some of the requirements when taxpayers apply for certificates of good standing. To obtain a certificate taxpayers should meet these requirements:

1. All tax accounts for which the taxpayer are registered should be in good standing i.e.:
 - All taxes, interest and penalties should be paid and captured on Inland Revenue's system;
 - No returns should be outstanding/show as outstanding on the system.
2. The applicant should state the nature/purpose of the certificate required for:
 - Tender;
 - Home affairs;
 - SME;
 - Property transfer;
 - Bank; or
 - Own use purposes

Inland Revenue will issue a 'certificate' for good standing for tender applications and a 'confirmation letter' for good standing for all other purposes as stated above.

3. Should the certificate be required for tender purposes a tender number should be provided.
4. After successful submission of the application, Inland Revenue requires 7 working days to issue a certificate.

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A monthly newsletter published by PwC Namibia providing informed commentary on current developments in the local tax arena. Though analysis and comments on new law and administrative changes assists business executives to identify developments and trends in tax law and revenue practice that might impact their business.

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This newsletter and previous issues are available on

www.pwc.com/na/en/publications/tax-first

Namibian Court Case Update

In a recent Namibian High Court case, the judge ruled that an agreement that was (in the court's view) entered into for the purpose of evading tax (or simulated in such a way), was null and void. Specific reference was made to two South African cases dealing with tax avoidance namely Strauss and Another v Labuschagne (case no. 44/2009) and the Commissioner for SARS v NWK Ltd.

The impact of this ruling could have far reaching effects for taxpayers who conclude structured agreements that result in reduced taxes. More to follow in our May newsletter.

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Sale of an entity or part thereof as a going concern

When selling an entity or part of an entity as a going concern it means that the entity or the part of the entity that is sold, can continue operating as a stand-alone business.



The sale of a business can be perceived as the sale of all, or specific assets, liabilities and goodwill bundled together.

In a normal sale of assets, VAT would be charged on the sale of each asset according to the rules applicable to that asset (i.e. standard rate, apportionment ratio, denied inputs).

However, if the sale of a business is treated as a going concern, the sale is treated as a single transaction. The sale is subject to VAT at a zero rate provided that the following conditions are met:

- Both the buyer and the seller should be VAT registered at the time the supply takes place;
- The sale must be a going concern, meaning the buyer must be able to continue with the business carried on by the seller;
- If only part of a business is transferred, that part must be capable of separate operation;
- The seller must carry on the taxable activity up to the time it is transferred to the buyer;
- The Commissioner must be notified in writing within 21 days after the sale and the notice must include the details of the supply;

It is important to remember that the entity must be an income earning business for the sale to be a 'going concern sale'. For example:

1. An entity that has ceased its operations and is subsequently sold, cannot be regarded as a going concern sale;
2. An entity with cash flow problems may be regarded as a going concern sale despite the poor financial position;
3. When a business is liquidated, the sale cannot constitute a going concern sale;
4. Undeveloped vacant land that does not generate income, is not considered to be a business. The sale will therefore not be regarded as a sale of a going concern (unless a rental agreement is in place and is transferred to the new owner and the existing tenant is also transferred to the new owner).

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Government Gazettes

Government Gazettes for the period March 2014 is included in this edition. This is not an exhaustive list of Acts/Notices/Proclamations published.

Legislation

No 33 - 2014	Promulgation of Agricultural (Commercial) Land Reform Amendment Act, 2014 (Act No. 1 of 2014). This, inter alia, stipulates that the Government will now have a first right of refusal to the minority shares/ members interest in entities that own agricultural land in the event of alienation thereof.
No 16 & 17 - 2014	Commencement of Veterinary and Veterinary Para Professions Act, 2013 and related Regulations.
No 34 & 35 - 2014	Commencement of the Tobacco Products Control Act, 2010 and related Regulations. This amendment prohibits smoking within 2 meters and in public places. Fines may be levied to offenders, including owners and people in charge of public places.

Tax Calendar - April 2014

Mon	Tue	Wed	Thu	Fri
14	15 *PwC Business School course : Professional Behaviour in the Workplace	16 *PwC Business School course : Professional Behaviour in the Workplace Contact liretha.jordaan@na.pwc.com for bookings	17	18 Good Friday
21 Easter Monday	22 • PAYE Returns • Import VAT return • Withholding Tax on Services return	23 *PwC Business School course : Interview Skills Training Contact liretha.jordaan@na.pwc.com for bookings	24	25 • VAT return (Category B)
28	29	30 • Social Security payment • Tax return - companies with 30 September 2013 Year-End; • 2nd provisional returns - companies with April Year-End		

Upcoming PwC Tax Events:

11 April 2013

Tax Bitesize session on International Taxes (Invite attached)

11 - 13 June 2013

2014 Annual Tax Symposium, Windhoek

5 - 8 October 2014

African Tax and Business Symposium 2013,

King Fahd Palace Hotel, Dakar, Senegal

"Save the Date" details attached



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

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PwC Business School

Business Bitesize

Tax on International Transactions



Understanding the tax impact of cross-border transactions and double tax agreements on your business.

Target Audience includes:

- Financial/Tax Managers and Directors from Multi-national companies;
- Foreign investors
- Namibian companies expanding into Africa

Please note that space is limited. Book your seat now to avoid disappointment.

PwC Business School invites you to an interactive session with our tax experts.

Date: Friday, 11 April 2014

Time: 07h30

Venue: PwC, 344 Independence Ave, Windhoek

Topics

- How to read and interpret Double tax agreements (DTAs);
- DTA relief and the impact thereof;
- Transfer pricing and thin capitalization;
- Withholding taxes
- Tax planning for international transactions

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Our presenters:



Johan Nel
Associate Director
Corporate Tax Services



Jaatje Pretorius
Corporate Tax Manager

Agenda:

07H30 to 08H00	Registration & welcome
08H00 to 09H00	International Tax Presentation
09H00 to 09H30	Coffee and networking



Save the date!

Africa Tax and Business Symposium 2014

5-8 October 2014

King Fahd Palace Hotel, Dakar, Senegal

Africa is now the fastest growing continent in the world, according to the African Development Bank's Annual Development Effectiveness Review 2013. In particular, West Africa is expected to continue its rapid growth with a rate of 7.4% in 2014. It has become the fastest growing region of the continent. Growth in the region is not only driven by oil and mineral sectors but also by agriculture and services and, on the demand side, often by consumption and investment.

At our 17th Africa Tax and Business Symposium PwC and other specialists on Africa (from more than 20 countries) will present topics covering the tax, regulatory and business aspects of doing business in Africa, in a range of plenary and workshop sessions. You will also be able to attend pre-arranged one-one-one client service meetings.

This is an unrivalled opportunity to interact with peers managing tax and other business challenges in Africa. If you are interested in, or are already doing business in Africa, you should not miss this prestigious event.

Registration information, a detailed agenda and additional information will be forwarded to you in the near future.

We look forward to seeing you in Senegal!

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