

Tax First

Namibia Newsletter

July 2016



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

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Environmental Duties to be implemented under Customs and Excise Act

The rates for payment of duties on certain disposable products and the carbon dioxide emissions by specific listed vehicles was published in Government Gazette No. 100 of 2016, dated 30 May 2016.

The Notice purports to amend the Customs and Excise Act, Act No. 20 of 1998 by adding a new Part 3. dealing with Specific Environmental Duties.

The procedures for collection of the duties have not been implemented by Customs yet. We understand however that authorization to program the Asycuda system has been granted recently and stakeholders as well as clearing agents will be informed on the relevant procedures to be followed for payment of the environmental levies.

The products which will be subject to environmental duties include light bulbs, car tyres and vehicles. A complete list of affected products are included in Appendix A of this newsletter.

The Customs office has indicated that the Environmental Duties is currently planned to be implemented on Monday, **11 July 2016**. Customs officials indicated that a Public Notice will be published in Namibian newspapers later this week. We shall relay any new information we receive from Customs on the implementation of these Duties.

For more information or to assist with the future compliance please contact chantell.husselmann@na.pwc.com or denis.hyman@na.pwc.com

Also in this issue:

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Export Levies Act published on 20 June 2016

The Export Levy Act, No. 2 of 2016, has been published in the Government Gazette on 20 June 2016. The Act will become effective on a date to be published by Notice by the Minister of Finance in the Government Gazette.

We understand that the Ministry is in the process of:

- Consulting exporters in the affected industries on the relevant Customs procedures,
- Working on system changes to the Customs AsycudaWorld system to facilitate the new Customs procedures.

We understand that the law will become effective once these processes are completed.

The Export levy will apply to specified mineral, fish and agricultural products that are exported, with rates ranging between 0% and 2%. Please refer to Appendix B for a complete list of products and applicable rates.

For more information or to assist with the future compliance please contact chantell.husselmann@na.pwc.com or denis.hyman@na.pwc.com

Withholding Tax on Foreign Directors' Fees to remain at 25%

On the 21st of June 2016, the Income Tax Amendment notice, Notice 134, was published in the Government Gazette.

The amendment will increase the reduced withholding tax on services of 10% back to 25% for fees paid to non-resident directors and foreign entertainers.

With the income tax amendments passed in December 2015, the rate for withholding tax on services (rendered by non-residents) was reduced from 25% to 10%.

However the Minister of Finance proposed to amend the rate for Directors and Entertainers again, as these should have been excluded when the rate was adjusted to 10%. The Minister stated that the reduced rate was intended to only be applicable on the management, technical, admin and consulting fees paid to non-residents.

Consequently, the Bill was approved and the amended rate will be effective as from 21 June 2016.

Therefore any payment made to non-resident directors/entertainers after 21 June, will be subject to withholding tax of 25%.

The majority of Namibian Double Tax Agreements do not reduce this rate.

johan.nel@na.pwc.com

Inland Revenue's Customer Call Centre

In recent weeks Inland Revenue re-vamped their Customer Care Call Centre and moved the operations to the first floor in Room 121, of the Olde Poste Building in Moltke Street in Windhoek.

Their direct telephone numbers are listed below:

1. 2092008
2. 2092109
3. 2092110
4. 2092641
5. 2092644
6. 2092645

Inland Revenue Customer Care can assist with the following matters of enquiry:

- general enquiries;
- tax / account balances;
- tax number enquiries;
- general assessment queries amongst other things.

Jacolene.briers@na.pwc.com



The 2016 tax return deadline for Individual Salaried taxpayers was extended to **31 July 2016**.

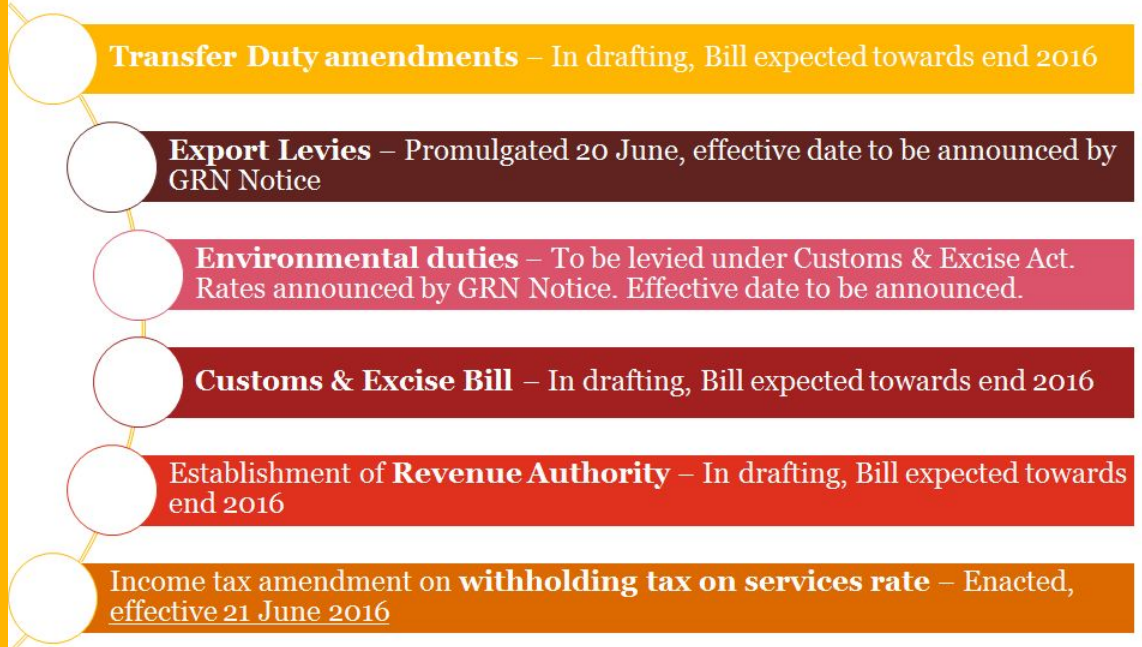
Don't delay - use **PwC's TaxTim** to complete your 2016 tax return TODAY! www.taxtim.pwc.com.na



New Legislation Tracker

This diagram tracks on the progress of proposed tax legislation.

The following is the status of announced legislation up to 30 June 2016:



Tax Calendar - July 2016

Mon	Tue	Wed	Thu	Fri
18	19	20 <ul style="list-style-type: none"> • PAYE Returns; • Import VAT return; • Withholding Tax on Services return; • VET Levy • NRST Return • Withholding tax on Royalties & Interest 	21	22
25 <ul style="list-style-type: none"> • VAT return 	26	27	28	29 <ul style="list-style-type: none"> • Social Security payment; • 1st provisional for companies with a January 2017 year-end; • 2nd provisional for companies with July 2016 year-end • Tax return - companies with 31 December 2015 year-end;

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

Windhoek

344 Independence Ave
Telephone Number: +264 (61) 284 1000

Walvis Bay

2nd Floor, Nedbank Building, Sam Nujoma Ave
Telephone Number: +264 (64) 217 700

Stefan Hugo

stefan.hugo@na.pwc.com

Chantell Husselmann

chantell.husselmann@na.pwc.com

Johan Nel

johan.nel@na.pwc.com

Riana Esterhuyse (Walvis Bay)

Riana.esterhuyse@na.pwc.com

Appendix A

Environmental levies to be implemented - Part 3, Section A Environmental Duties

<i>Customs tariff subheading</i>	<i>Product description</i>	<i>Rate of environmental duty</i>
8539.21.45	Tungsten halogen electric filament lamps with power of 15W and more but not exceeding 1000W and voltage exceeding 100V but not 260V	N\$3.00/lamp
85.39.21.90	Other tungsten halogen electric filament lamps	N\$3.00/lamp
8539.22.45	Other electric filament lamps (i.e. not tungsten halogen) of a power not exceeding 200W and for a voltage exceeding 100V: with a power of 15W and voltage not exceeding 260V	N\$3.00/lamp
8539.22.90	Other	N\$3.00/lamp
8539.29.50	Other, vacuum type electric filament lamps of less than 15W	N\$3.00/lamp
8539.29.57	Other of a power exceeding 200W but not exceeding 1000W and for voltage exceeding 100V but not 260V	N\$3.00/lamp
8539.29.90	Other electric filament lamps, e.g. power exceeding 1000W and voltage exceeding 260V	N\$3.00/lamp
4011.0000	All new pneumatic tyres	N\$10.00/tyre
4012.0000	All retreaded or used pneumatic tyres	N\$10.00/tyre
8703.21.90	Passenger motor vehicles, including station wagons with cylinder capacity not exceeding 1 000 cc spark-ignition, internal combustion (petrol) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.22.90	Passenger motor vehicles, including station wagons with cylinder capacity exceeding 1 000 cc but not 14 000cc spark-ignition, internal combustion (petrol) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.23.90	Passenger motor vehicles, including station wagons with cylinder capacity exceeding 1400 cc but not 3 000 cc spark-ignition, internal combustion (petrol) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.24.90	Passenger motor vehicles, including station wagons with cylinder capacity exceeding 3 000cc spark-ignition, internal combustion (petrol) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.31.90	Passenger motor vehicles, including station wagons with cylinder capacity not exceeding 1 400 cc compression-ignition internal combustion (diesel) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.32.90	Passenger motor vehicles, including station wagons with cylinder capacity exceeding 1 400 cc but not 2 400 cc compression-ignition internal combustion (diesel) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.33.90	Passenger motor vehicles, including station wagons with cylinder capacity exceeding 2 400 cc compression-ignition internal combustion (diesel) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8703.90.90	Other vehicles with compression-ignition with internal combustion (diesel) engines	N\$40 per g/CO ₂ emissions exceeding 120g/km
8704.21.81	Other, double cab of vehicle mass not exceeding 2 000 kg or GVM not exceeding 3 400 kg with compression-ignition with internal combustion (diesel) engines	N\$40 per g/CO ₂ emissions exceeding 140g/km
8704.31.81	Other, double cab of vehicle mass not exceeding 2 000 kg or GVM not exceeding 3 400 kg with spark-ignition internal combustion (petrol) engines	N\$40 per g/CO ₂ emissions exceeding 140g/km

Appendix B

Export Levies to be implemented once the amendments are enacted.

Below is a list of the goods, the export levy and the rates applicable for minerals, gas and crude oil products.

Main Product	Specific Product	Export Levy Rate
Diamond	Pure unsorted rough diamonds	2.0%
	Sorted by size	1.5%
	Sorted & graded	1.0%
	Cut & Polished	0.5%
	Products of jewellery etc.	0.0%
Zinc	Crushed Ore	2.0%
	Zinc Concentrate	1.0%
	Zinc Sheets	0.5%
	Zinc Ingots	0.25%
	Steel Products	0.0%
Lead, other metals	Lead concentrate	1.0%
Uranium	Uranium oxide/yellow cake	0.25%
Copper	CU Concentrate	1.0%
Gold	Gold bullion	1.0%
Manganese	Manganese Concentrate	1.0%
Fluorospars	Acid Grade Fluorospars	0.25%
Other metals, precious and semi-precious stone	Pure metal/Stone	0.25%
Dimension stones	Stone Blocks	2.0%
Marbles	Stone Blocks	2.0%
Gas	Unrefined gas of all types	1.5%
	Refined gas of all types	0.0%
Crude Oil	Unrefined crude oil of all types	1.5%
	Refined crude oil of all types	0.0%
Fish of all types, except for line fish other than angel fish, fresh fish, horse mackerel, fresh tune and tune-like species, crustaceans, products of aquaculture and freshwater fish	Whole Round	1.5%
	Headed & Gutted	1.5%
	Mince Blocks	1.5%
	Whole Round or Gutted	1.5%
Angel Fish	Whole Round or Gutted	1.5%
Pilchard		
Large Pelagic (frozen)	Frozen Cutlets	1.5%
	ALBA CORE TUNA, Frozen WR, H&G or G&G	1.5%
	Big Eye TUNA, Frozen WR, H&G or G&G	1.5%
	Yellowfin TUNA, Frozen WR, H&G or G&G	1.5%
	SWORDFISH, Frozen WR, H&G or G&G	1.5%
	SHARKS of all type, Frozen WR, H&G or G&G, Trunks skinless or with skin on	1.5%
Seals	Seal Fur	1.0%
Mopane Roots	Mopane root, unsorted	1.5% - 2.0%
	Sandblasted mopane root	0.0%
Devil's Claw	Root tubers	1.5%
	Devil's Claw, sliced & dried & Chemical Extraction	1.0%
	Pharmaceutical & other products	0.0%
Hoodia	Hoodia plant log	2.0%
	Hoodia, Sliced and Dried	1.0%
	Chemical extraction of Hoodia	0.25%
	Pharmaceutical & other products	0.0%

The Act further makes provision for certain **administrative arrangements**, such as:

- The Commissioner for Customs and Excise is responsible for collection and administration of the export levy
- An exporter may lodge an objection within 90 days of any assessment of the levy by Customs
- The exporter must keep records of all customs declarations and related documents for 5 years
- A penalty of double the export levy is prescribed if the exporter provided false or misleading statements to the customs authority
- The Minister may make Regulations and amend the Schedules from time to time.