

# Tax First Namibia Newsletter

May 2016



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

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## Withholding Tax on Directors' & Entertainer fees proposed to remain at 25%

**On the 21st of April 2016, the Minister of Finance, Hon. Calle Schletwein presented an Income Tax Amendment Bill in Parliament.**

**The Bill proposes to increase the recently reduced withholding tax on services of 10% to 25% for fees paid to non-resident directors and foreign entertainers.**

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

According to the official address to Parliament, the motivation for the change is as follows;

*"this was done to relieve the hardship Namibian businesses and organizations faced when making use of foreign service providers for a number of technical and specialized services such as technology, finance, mining, geology, petroleum etc., which cannot be sourced in Namibia."*

*The 25% withholding tax often had the effect of increasing the cost of acquiring these services which place hardship on the Namibian businesses and organizations. Lowering the withholding tax rate to 10% reduces and eliminates the costly effect of acquiring foreign technical services on Namibian businesses."*

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. Therefore the withholding tax applicable on non-resident directors' fees and entertainment should remain at 25%.

The Income Tax Amendment Bill was presented in Parliament for approval. Once the Bill is approved and signed by the President the legislation will be amended. The draft Bill indicated that the date of implementation for this amendment will be the date at which the amendment is published in the Government Gazette.

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### PwC's TaxTim's TIP:

TaxTim offers a **mobile logbook tool free of charge** all employees signed up for Employee Assist and also for Users registered as provisional taxpayers!

For queries register for TaxTim today at [www.taxtim.pwc.com.na](http://www.taxtim.pwc.com.na). Or e-mail [taxtim@na.pwc.com](mailto:taxtim@na.pwc.com)



# Export Levy Bill

*The long-awaited Bill has been introduced earlier this week and is currently in its second reading stage in the National Assembly.*

Once passed through the legislative process, exporters of the Namibian raw material products below, will be liable to pay export levies. Once a Customs entry is assessed by Customs Namibia on export of the listed products, the exporter is liable to pay the levy to the customs authority of Namibia. In his speech to parliament the Minister indicated that they consulted extensively with affected industries prior to issuing the Bill. Below is a list of the goods (from to Schedule 3 of the Bill) with the proposed export levy rates:

Main Product	Specific Product	Proposed 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%
Fluorspar	Acid Grade Fluorspar	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 (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	Whole Round	1.5%
	Headed & Gutted	1.5%
	Mince Blocks	1.5%
Angel Fish	Whole Round or Gutted	1.5%
Pilchard		
Large Pelagic (frozen)	Frozen Cutlets	1.5%
	ALBA CORE TUNE, 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%
	Seal Fur	1.0%
Seals		
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 Bill 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.



## Individual Tax returns quick & easy!

TaxTim is an online digital assistant that **completes your tax return for you**, supported by PwC tax experts.

Tim asks **simple and easy questions**, and uses your answers to fill in your tax return instantly and professionally.

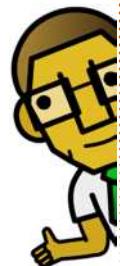
He automatically **calculates the totals** and he knows exactly where what should go in the return. The final product is a printable tax return, **ready for submission** to the Taxman.

We also offer attractive **employer packages**, for tax compliance assistance to employees.

[www.taxtim.pwc.com.na](http://www.taxtim.pwc.com.na)

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[mari-nelia.hough@na.pwc.com](mailto:mari-nelia.hough@na.pwc.com) (Employer Packages)



## Our pricing

### Standard TaxTim pricing

Brown return	= N\$99
Blue return	= N\$ 349
Yellow Return	= N\$499

### Discounted packages are available:

- Employer group packages—up to 30%
- #FileTaxEarly discount for early return completion in May 2016— 15%

## Tax Calendar - May 2016

Mon	Tue	Wed	Thu	Fri
16	17	18	19	20 <ul style="list-style-type: none"> <li>• PAYE Returns</li> <li>• Import VAT return</li> <li>• Withholding Tax on Services return</li> <li>• VET Levy</li> <li>• NRST Return</li> <li>• Withholding tax on Royalties &amp; Interest</li> </ul>
23	24	25 <b>Public Holiday - Africa Day</b>	26 VAT return	27
30	31 <ul style="list-style-type: none"> <li>• Social Security payment</li> <li>• 1st provisional for companies with an November 2016 year-end</li> <li>• 2nd provisional for companies with May 2016 year-end</li> <li>• Tax return - companies with 31 October 2015 year-end</li> </ul>			

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

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