

# Tax First

## Namibia Newsletter

### June 2015



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

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### Annual Namibian Tax Symposium 2015

9, 10 & 11 June 2014  
Hilton Hotel Windhoek

- Basic Income Tax,
- Employee pay and taxes, VAT for beginners,
- Thought leadership breakfast

See page 4 or  
[Click here to register](#)



## Connected Party Transactions

**Business today is not only conducted with 3rd parties but also with connected parties or “connected persons” (as referred to in the VAT Act) on a daily basis.**

To ensure these transactions are conducted at arm's length or on market related terms, our VAT Act prescribes special rules for such transactions:

### **Rule #1 Time of supply**

The time of supply rule prescribes the date on which the transaction should be declared on the VAT return for connected party transactions:

<b>Nature of supply</b>	<b>Time of supply</b>
Movable goods	At the time the goods are removed from the supplier's premises
Immovable goods (e.g. property)	At the time the goods are made available to the recipient
Services	At the time the services are performed by the service provider
Management or similar services	At the end of each calendar month

These sub-rules apply where the tax invoice is issued or any payment is received in respect of a particular transaction in a VAT period following the VAT period in which the transaction would fall due to the above rules.

Where a tax invoice is issued or payment is received in the same VAT period as the VAT period in which the rule places the transaction, then no VAT risk exists, as the transaction would be declared in the correct VAT period.

### **Rule #2 Value of supply**

The value of supply rule prescribes the value at which the transaction should be declared on the VAT return.

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**The deadline for Individual Salaried taxpayers and non-business trust are **30 June 2015**.**



**Meet PwC's TaxTim on page 3, he can help you and your employees to complete your tax returns.**

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## Connected Party Transactions (continued from page 1)

Where the value of the transaction is NIL or below market value, the value to be used for purposes of declaring Output VAT on the VAT return is:

<b>Recipient status</b>	<b>Value of supply</b>
Where transacting with a VAT registered recipient.	The value charged to the recipient.
Where transacting with a non-VAT registered recipient.	The open market value of the transaction (i.e. the value which a similar transaction would fetch when conducted between 3 <sup>rd</sup> parties).

### Rule #3 Barter transactions

Barter transactions are part and parcel of connected party transactions whereby something is provided by one party to the other in return for the supply of something else by the other party.

For example, the one party supplies goods or services in return for the supply of goods or services by the other party. There is thus no or minimal exchange of money or payment between the two parties, but mainly the exchange of goods or services.

The VAT Act prescribes that each supply should be seen as a separately transaction and be treated accordingly:

- The supply of goods for either the supply of goods or services should be treated as the supply of goods by the supplier; and;
- The supply of services for either the supply of goods or services should be treated as the supply of services by the supplier.

Thus, where fish product is for example provided by party A in return for transport services by party B, party A will sell goods (fish products) to party B and party B will sell / supply transport services to party A. The market value of the one supply compared to the other may not necessarily be the same nor may the time of supply of these transactions be the same.

The VAT Act therefore prescribes that the value of each transaction within a barter transaction be the open market value of those transactions for purposes of declaring Output VAT on the VAT returns. The timing of such declarations should also be in line with that prescribed by rule #1 above.

It is essential to keep in mind that special rules apply whenever transactions are entered into between connected parties and to ensure these transactions are properly accounted for for VAT purposes. Neglecting these rules may result in unnecessary compliance costs for your business.

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## PwC Business School - June

### Register now!

**Below are the PwC Business School training session and workshops scheduled for June:**

9 June	Annual Tax & HRS Symposium: Windhoek - Basic Income Tax, employee pay and taxes
10 June	Annual Tax & HRS Symposium: Windhoek - VAT for beginners
11 June	Annual Tax & HRS Symposium: Windhoek - Thought Leadership Breakfast
17 June	IFRS for Small Medium Enterprises
24 June	Workshop: VAT in the Tourism, Hospitality & Entertainment industry

To avoid missing any new events, please visit our website for more details:

[www.pwc.com/na/en/business-school](http://www.pwc.com/na/en/business-school)

## Introducing PwC's TaxTim for 30 June deadline

*Is the completion of your personal tax return an administrative nightmare?*

PwC's TaxTim is the world's first online digital tax assistant for individuals. TaxTim is a friendly online assistant that asks you a series of questions. In the end he provides you with a completed tax return ready for submission to Inland Revenue.

Key benefits of PwC's TaxTim include:

- it's the fastest easiest way to do tax returns, do a return in less than 30 min;
- save money and time by doing the return yourself with confidence;
- be tax compliant and do you tax right the first time;

We also provides attractive **employer packages**, for groups of employees.

**Make your tax quick and easy** - don't delay, register today and get started now.



### Our pricing

Opening special pricing  
N\$370 per tax return

Discounted packages are available:

- Employer group packages 30%
- Refer a friend 15%

For more information please contact us at  
[taxtim@na.pwc.com](mailto:taxtim@na.pwc.com)  
or visit the website to register  
[taxtim.pwc.com.na](http://taxtim.pwc.com.na)



## Tax Calendar - June 2015

Mon	Tue	Wed	Thu	Fri
22 • PAYE Returns; • Import VAT return; • Withholding Tax on Services return; • VET Levy.	23	24	25 •VAT return	
29 •Social Security payment; • 1st provisional for companies with a December 2015 year-end; • 2nd provisional for companies with June 2015 year-end •Tax return - companies with 31 November 2014 year-end; •Salaried individuals and non-business trust annual income tax returns			30	

Let TaxTim help you 

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

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# PwC Business School

## Annual Namibian Tax & HRS Symposium

### 2015



PwC Tax & HRS teams will again host our popular three-day Symposium on Namibian VAT, PAYE and Income Tax.

**WHERE:** Windhoek

**DATE:** 09, 10 & 11 June 2015

**VENUE:** Hilton Hotel

<b>DAY 1: 09 June 2015</b>	<b>TARGET AUDIENCE</b>	<b>TIME: (Lunch included)</b>	<b>COST: (per delegate per day)</b>
<b>Basic Income Tax</b> Gross Income, Special Inclusions, Exemptions, General deductions, Specific exclusions, International Tax (Transfer pricing, WHT, DTA's)	Accountants, Tax administrators/consultants	DAY 1: 07h30 to 13h00	DAY 1: N\$ 1,725 (incl VAT)
<b>OR</b>			
<b>Employee pay and taxes</b> Total-Cost-To-Company Structuring, Employees Tax & Payroll Pitfalls, Payroll administration	HR Administrators, Payroll Administrators & Managers	DAY 1: 07h30 to 17h00	DAY 1: N\$ 2,990 (incl VAT)
<b>DAY 2: 10 June 2015</b>	<b>TARGET AUDIENCE</b>	<b>TIME: (Lunch included)</b>	<b>COST: (per delegate per day)</b>
<b>VAT for beginners</b> Imposition of VAT, Rules on supplies, Rules on input tax import VAT apportionment, VAT and accounting system	Debtors and creditors clerks, Financial accountants, tax administrators/consultants	DAY 2: 07h30 to 17h00	DAY 2: N\$ 2,990 (incl VAT)
<b>DAY 3: 11 June 2015</b>	<b>TARGET AUDIENCE</b>	<b>TIME: (Lunch excluded)</b>	<b>COST: (per delegate per day)</b>
<b>Thought Leadership breakfast</b> 1. Speakers from Inland Revenue and Customs on proposed Tax legislation and other topical matters. 2. 4 hours of Tax technical training sessions by PwC experts on a USB flash drive - select relevant topics and watch at your convenience.	CFO's, Financial Managers, Senior Accountants	DAY 3: 07h30 to 11h00	DAY 3: N\$ 1,725 (incl VAT)

Refer to our website for registration alternatively, register with **Hady Basson** on (061) 284 1239 or [hady.basson@na.pwc.com](mailto:hady.basson@na.pwc.com)

**Registrations close Friday 05 June 2015**