

# Tax First

## Press Release:

### Withholding Tax Compliance

#### *Special Edition 5*

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## *25% Withholding Taxes on fees paid to non-residents*

*Today the Directorate of Inland Revenue issued a press release to clarify the registration and compliance procedures in terms of the new Section 35A withholding tax legislation on service fees paid to non-residents, i.e. withholding tax on service (WTS).*

The Press Release reads as follows:

“The Income Tax Act was amended on 30 December 2011 to introduce a withholding tax (final tax) when a Namibian resident person or company must pay an entertainment, management, consultancy fee or director’s fee to a non-resident or company for such services. The Namibian resident will be liable to withhold tax on the service fee paid to the non-resident. The withholding tax on services is payable within 20 days after the month following the month in which the payment to the recipient was made.

The Income Tax Act makes provision for a return to be submitted in a prescribed form. To enable the DIR to distribute the monthly return on time to those persons or institutions that are liable to withhold the tax to remit it within the prescribed time to the DIR, it is essential to obtain the necessary information for the registration process.

Application forms for registration will be available as from **29 February 2012** and can be obtained from Ms. E le Roux on the 5th floor at room 516, Inland Revenue building; or at any other Inland Revenue Regional Office, which must be returned not later than 20th March 2012 to enable the DIR to effect registration and payment.

When rendering your Withholding Tax on Services (WTS) return, please make use of your new WTS File Identification Number (FIN). Your WTS FIN comprised of the first 9 digits of your Income Tax (ITX) FIN plus the digit 8, e.g. ITX FIN: 1234567-0-1-1 will result in the WTS FIN: 1234567-0-1-8.”

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***WTS registration  
and return forms  
are available as of  
29 Feb 2012***

***First payment of  
withholding tax  
is due 20 March  
2012***

