



Tax First Alert

Implementation of the Integrated Tax Administration System (ITAS)

The much anticipated Integrated Tax Administration System (ITAS) will go live for taxpayers on 17 January this year. In order to prepare you for the transition, please find below a summary of changes that are required. This is also available on the website of Inland Revenue at <http://www.mof.gov.na/>.

We attach as annexures to this Alert the documents that can be downloaded from the website.

One of the most important aspects for now is to ensure that you have a **tax representative** appointed. Taxpayers are allowed to appoint only ONE person that handles the taxpayer's affairs on their behalf. Such a representative can then file tax returns and submit requests. Refer to the attached form "Authority on Special Power of Attorney by Tax Practitioner" required to be completed.

Where PwC handles your tax affairs, please return this form to us as soon as possible. You can email the completed form to:
[**pwccompliance@na.pwc.com**](mailto:pwccompliance@na.pwc.com)

The authorization allows PwC to file returns on your behalf or obtain information on your tax affairs per Inland Revenue records, for example, obtaining transaction reports, tax status or good standing certificates. It will also grant PwC access to your ITAS portal. As taxpayer you will also have access to your portal.

Taxpayer Identification Number (TIN)

The new system requires a "0" (zero) to be added in front of your existing TIN.

Employees' Tax Returns (PAYE Returns)

From 1 March 2019 all employers would be required to submit detailed monthly employee tax returns that contain details of all employees' PAYE that make up the amount as per the PAYE return. An excel sheet will be available for this purpose that can be downloaded from ITAS and uploaded again once completed.

Changes in tax periods disclosed on returns for PAYE, all withholding taxes and VAT on imported services

All tax periods would be aligned to the tax year of the Ministry of Finance. Thus in future – 01/2020 will be for the period March 2019, 04/2020 for June, etc.

Implementation of the Integrated Tax Administration System (ITAS) (continued)

Tax period number for all tax types

The tax period numbers as per ITAS will not reflect the calendar month, but instead be aligned with the tax year as previously explained. For example, 01/2019 would be for the period March 2019.

VAT period alignment to financial year end

All VAT periods would be aligned to the company's financial year end. For example, if a company year end is December, the first VAT period would be 1 January to 28 February and will be due on 25 March. Concern exists as this is in contradiction with the VAT Act.

Monthly VAT submissions abolished

In future, only individuals trading as farmers would be allowed to submit VAT returns on a monthly basis. All other arrangements for monthly VAT submissions would be cancelled and re-aligned as per the above.

Multiple tax type file identification numbers to be abolished

ITAS is designed to accommodate only one tax type number. Taxpayers with multiple PAYE numbers (i.e. 014, 024, 034 etc.) would no longer be able to continue with the arrangement and will only be allowed to have the standard number (014).

Taxpayers Account management

Taxpayers will only be allowed to have ONE office of registration from which all tax affairs will be handled. You can no longer have the income tax account registered in one office (for example Windhoek) and the VAT account registered in another (for example Walvis Bay).

EFT tax reference numbers

A new format has been introduced and banks are already implementing the proposed changes accordingly.

Please be reminded that the system downtime at Inland Revenue will continue until 16 January 2019 and will only be available again from 17 January 2019.

For any queries, please contact one of our tax experts:

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REPUBLIC OF NAMIBIA
Ministry of Finance – Inland Revenue Department

Authority on Special Power of Attorney by Tax Practitioner

THE COMMISSIONER OF INLAND REVENUE DEPARTMENT

I.....**TAX NO.**.....
(Taxpayer details)

Herewith appoints: * *Tax No:

Practice No *Contact Noto be my lawful
(Representative details)

representative and agent at the Receiver of Revenue/Ministry of Finance, as envisaged by the Income Tax Act or the VAT Act in preservation of secrecy.

I herewith specifically allow the appointed staff members of the Receiver of Revenue/Ministry of Finance to disclose any information, records pertaining to all tax matters to.....
(Tax Practitioner's Name/Entity)

as they may request it on my behalf. This applies to hardcopies as well as electronic/online disclosure, submission and retrieval of tax documents via the Integrated Tax Administration System (ITAS) to be implemented by the Ministry of Finance.

This request is valid until such a time I will notify the Receiver of Revenue/Ministry of Finance of the cancellation of the aforementioned in writing.

Signed at (Place) on this day of the month and year

Signature	
Day	
Month	
Year	

Signatures:

As witness

1..... Full Name:

2..... Full Name:

List of Changes that Came with the New System (ITAS)

1. Taxpayer Representative

- A Taxpayer Representative is an individual who will be able to handle a taxpayers affairs on behalf of a taxpayer who appointed them as a representative.
- Taxpayer Representative can register on Portal and use the e-service to submit requests and file tax returns on behalf of their clients (the taxpayers who registers them as representative).
- Taxpayer should first appoint a representative and register them on ITAS by modifying their registration information.
- The system only allows one Representative per Taxpayer

2. Taxpayer Identification Number (TIN)

- With the New system (ITAS), a TIN is made up of 8 digits. While on the old system (TAXLIVE), a TIN is made up of 7 digits.
- All TIN's (7 digits) on TAXLIVE will be migrated to ITAS, were an additional digit, "0'(zero)", will be added in front of the existing 7 digits in order to make up the 8 digit TIN required for ITAS. Example: Taxlive TIN: 1234567 to ITAS TIN 01234567
- All new registrations done on ITAS will be allocated an 8 digit TIN.

3. Taxpayer Names for Different Tax Types

- Taxpayers will be registered with one taxpayer name for all tax types
- Taxpayers migrated from Taxlive and were registered with different names have been converted into one name using the Income Tax.
- ***For example*** Taxpayer registered for Income as ***ABC Construction Trading CC***, while VAT name was ***ABC Construction***. ITAS has adopted the Income Tax name which is ***"ABC Construction Trading CC"***

4. ETX Employees Tax (ETX) Return Tax details

- Employees Tax return is designed to capture employees tax details
- This change will be effected as from 1st March 2019, and all taxpayers (Employers) will be required to submit a detailed monthly ETX return which contains Employees PAYE 4 details as oppose to just a monthly payment (amount).
- The 1st return of such nature will be the return of 1st March 2019 to 31st March 2019 which is due on the 20th of April 2019.
- An excel sheet template designed for this purpose can be downloaded from the portal and can be uploaded after completing it when taxpayer submit the return.

5. Tax Periods for ETX, WTI, WTS, TOR, VIA & NRST

- Tax Period is aligned to Tax Year
- March being period 1 and February being period 12
- **For example**, *tax period of 01/2019 is period from 01.03.2018 to 31.03.2018*
- Taxpayers are advised to focus more on **Period From** and **Period To**, to know their tax periods

6. TAX Period Number for all Tax Type

- With ITAS, the tax period number does not represent the calendar Month
- For example, period 01/2019 does not mean Jan/2019, but it means the period one (1) of 2019
- Taxpayers are advised to focus more on **Period From** and **Period To**, to know their tax period (s).

7. VAT Period Alignment to Financial Year

- All VAT Periods have been aligned to the financial year End.
- To manage the alignment, the system will either issue a short or long period for the 1st issued returns by ITAS. (This change will apply to affect Business & Individual Taxpayers only).
- **For example**, *if the Company year-end is December, the 1st VAT period will start on 1st January to 28th February and is due for submission on the 25th of March (For the two monthly VAT periods).*
- NB: Submission due dates of 25th January & 25th February 2019 won't be affected by this change

8. Monthly VAT Submissions

- Taxpayers will no longer be allowed to submit monthly VAT returns
- Taxpayers would be required to submit VAT returns as defined in Sec 23 of the VAT Act.

9. Multiple Tax Type File Identification Numbers (FIN)

- Multiple Tax Type will no longer be catered for in ITAS.
- **For example**, *Taxpayers with multiple ETX numbers (i.e. -014, -024, and -034) will only have one ETX number, -014.*
- The return declaration information submitted on multiple FIN's has been combined into one return.

10. Taxpayers Accounts Management

- Taxpayers Accounts will be managed in one registration office.
- *Taxpayer's accounts will no longer be managed in different registration offices, **for example** the Income Tax (ITX) account is kept in Windhoek while the VAT account is kept in Walvis Bay.*
- Taxpayers are advised to indicate to Receiver of Revenue the registration office where they prefer their taxpayer accounts to be kept.

11. Electronic Fund Transfer (EFT) Tax Reference Number (TRN) Format

- ITAS has introduced a new Tax Reference Number as stated below:
- TRN will comprise of the following information: **Payment Type (1) + IRD Registration Office Code (2) + TIN (8) + Tax Type (2) + Tax Period (6).**
- This is an example of the Tax Reference Number “**1020123456715201802**”
- **1020123456715201802** refers to Payment Type which is EFT
- **1020123456715201802** refers to IRD Registration Office Code
- **1020123456715201802** refers to Taxpayer Identification Number (TIN)
- **1020123456715201802** refers to Tax Type in this case VAT
- **1020123456715201802** refers to Tax Period
- When making the payment at commercial banks, taxpayer will only be required to capture the TIN. The rest of the information will be selected from the dropdown list such as IRD registration office code, Tax Type & Tax Period.
- TRN is currently being implemented by all Commercial banks.
- Taxpayers are advised to a call IRD Call Centre @ +264612894000 for assistance on Tax Reference number.