

# Tax First

## Namibia Newsletter

### April 2018



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

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#### Venue hire

For more information, contact our Business School Managers.

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Or visit our website at: <https://www.pwc.com/na/en/about-us/business-school.html>

#### Record keeping for VAT in Namibia

As a VAT registered person, there are requirements that must be adhered to with regards to record keeping and maintaining relevant documentation.

The completion of VAT returns is highly dependent on maintaining a comprehensive set of records. VAT is regarded as a self-assessment tax and this places an administration burden on the registered person. Output taxes declared and input taxes claimed must be accurate and complete at all times, as erroneous disclosures may lead to consequences such as fines and penalties.

According to the Namibian VAT Act, all records must be kept in English.

Although the records as stated must be kept at the registered person's place of business in Namibia, the accounting records of an entity may be kept outside Namibia provided they are maintained on a centralized computer system and are connected by way of an online computer network to Namibia.

As per the Section 48 of the VAT Act, Act 10 of 2000, records that are to be retained should be in a 'hard-copy' format. Additional copies may also be retained in an electronic format. On request by the Commissioner, computer printouts and access to the centralized computer system must be provided within a timeframe of 24 hours.

As stated in Section 58 of the VAT Act, any person who fails to maintain proper records (including accounting records) in accordance with the Act, shall be guilty of an offence and liable on conviction:

- Where the failure was made knowingly or recklessly, to a fine not exceeding N\$8 000 or to imprisonment for a period not exceeding two years or to both such fine and imprisonment
- In any other case, to a fine not exceeding N\$4 000 or to imprisonment for a period not exceeding one year or to both such fine and imprisonment.

Record keeping is an element of VAT that requires registered persons to maintain documents and accounting records in a format or a level of standard as prescribed by the VAT Act. Non-compliance to these standards and requirements may lead to a costly experience.

Should a registered person face uncertainty in this area, we advise that he/she obtain technical assistance from our VAT experts.

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#### TIM's TIP:

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

For queries please mail us at [namibia@taxtim.com](mailto:namibia@taxtim.com) or register for TaxTim today at [pwc.taxtim.com/na](http://pwc.taxtim.com/na)



## VET Levy claims procedure

All companies with an annual payroll of N\$ 1 million or more are liable to pay a 1% VET levy to the Namibia Training Authority (NTA) before or on the 20th of each month. In terms of the Employer Training Grant, VET levy-paying employers may claim up to 50% of the levies paid. All claims must be submitted on or before 30 April each year.

Employers must meet the following criteria to submit a claim under the Employer Training Grant:

- VET Levy payments and returns must be up to date for the full financial year.
- No outstanding penalties or interest must reflect on the employers' account.
- The employer must complete and submit a claim form to the NTA together with the relevant documentation.

The claim forms must be completed and submitted online and the required evidence must be attached.

Evidence to be submitted together with the claim form are as follows:

### External Training

Where training is conducted by external service providers.

- Signed attendance register
- Assessment and certification records
- Outline of course objectives of training attended
- Evidence of actual training costs incurred – tax invoice from the training service provider
- Receipts / proof of payment of the training costs
- Subsistence and travelling expenses incurred – proof of payments
- Accommodation expenses incurred – proof of payments
- Any other supplementary records and receipts applicable to the training

### Internal Training

Where training is conducted in-company, the following evidence must be disclosed on the entity's letterhead and signed by the human resources department or financial manager:

- Description of the training
- The charge out rate of the person providing the course
- The total number of hours of the training

NTA will not refund any claims if one or more of the above-mentioned documents are not included in the refund claim application. Employers must retain all the required documents and relevant supporting information for inspection purposes by NTA should they want to inspect original documents.

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## PwC Business School Training Calendar



### Upcoming training dates:

#### Windhoek

11-12 Apr	Organisational Development Conference
13 Apr	Director's Training: Duties & Responsibilities of Co Directors
13 Apr	Conflict Handling Workshop
16-18 Apr	Finance Training for Non-Financial Managers
18-19 Apr	Practical Approach to Excel
24-25 Apr	Developing Effective Telephone Skills

For more information, contact one of our Business School Managers.

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#### Walvis Bay

10-12 Apr	Finance Training for Non-Financial Managers
16 Apr	Microsoft Word—Basic Level
17 Apr	Microsoft Word—Advanced level
18 Apr	Microsoft Excel—Basic Level
19 Apr	Microsoft Excel—Advanced Level
20 Apr	Microsoft Power Point—Basic Level
23 Apr	Microsoft Power Point—Advanced Level
27 Apr	SME Series: Tax Compliance Training

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*"An education isn't how much you have committed to memory, or even how much you know. It's being able to differentiate between what you know and what you don't know."*

- Anatole France

# New Legislation Tracker

This diagram tracks the progress of proposed tax legislation. The following is the status of proposed legislative changes up to 30 March 2018. No effective date has been set for any of the proposed legislation.

Repeal the **EPZ Act** and introduction of **Special Economic Zones** (with sunset clause).

**Individual tax rate** lower bracket to decrease from 18% to 17% and introduction of higher brackets:  
 > N\$1.5 mil 39%  
 > N\$2.5 mil 40%

Abolish current practice of the **conduit pipe** (flow-through) principle in the taxation of trusts.

Establishment of **Revenue Authority** - planned implementation for July 2018.

Explore a profit tax of 37% on **betting and gaming** entities.

VAT on income earned by listed **asset managers**.

Subject income derived from **commercial activities** by charitable, religious, educational and other types of institutions under Section 16 of the Income Tax Act to normal corporate tax.

Expand coverage of current **Export Levy Act** to include other products not covered.

Introduction of 10% **dividend tax** on dividends paid to local residents.

Deepen the current hybrid tax system by taxing all income earned from **foreign sources**.

VAT on proceeds on sale of shares or membership in a company owning **commercial immovable property**.

## Tax Calendar - April 2018

Mon	Tue	Wed	Thu	Fri
16	17	18	19	20 <ul style="list-style-type: none"> <li>• VET Levy return;</li> <li>• PAYE return;</li> <li>• Import VAT return;</li> <li>• Withholding Tax returns: Services, Royalties, Interest;</li> <li>• NRST.</li> </ul>
23	24 <ul style="list-style-type: none"> <li>• VAT return</li> </ul>	25	26	27
30 <ul style="list-style-type: none"> <li>• Social Security payment;</li> <li>• 1st provisional for taxpayers with October 2018 year-end;</li> <li>• 2nd provisional for taxpayers with April 2018 year-end;</li> <li>• Tax return for companies with 30 September 2017 year-end.</li> </ul>				

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

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