

Tax First Namibia Newsletter

August 2016



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

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Also in this issue:

2	PwC Business School Tax Trainings
2	Environmental Duties payable on stock due by 31 August 2016
3	New Legislation Tracker
3	Tax Calendar - August 2016
4	PwC Annual Namibian Tax Symposium 2016—Walvis Bay

Tax for Expats in Namibia

Due to some skills shortages, Namibian entities often need to employ skilled and experienced expatriates to support businesses that provide specialized services or goods.

In Namibia the liability for tax is generally dependent on the source or deemed source of the receipts. A person's place of residence is not taken into consideration.

The deemed source provision in section 15(1)(e) of the Act stipulates that income derived from services rendered, or work done by any person in the carrying on, in Namibia, of any 'trade' is deemed to be from a Namibian source, irrespective of whom pays for the services and where payments are made.

Based on the deemed source principle of taxation, employees seconded to Namibia will be taxed on remuneration earned whilst employed in Namibia as the definition of "trade" specifically includes employment.

Double taxation relief might be applicable should the employee seconded be a resident of a country with which Namibia has a Double taxation agreement.

Withholding tax obligation

Namibian residents paying a non-resident for consulting, administration, management or technical services may have an obligation to withhold 10% tax on these payments. When a Namibian resident pays a non-resident individual for his services as an employee, it will not be subject to the 10% withholding tax on services as a salary is not included in the ambit of the withholding tax on services provision. Directors' fees being paid to a non-resident is however subject to withholding tax of 25%.

However, when the employee is seconded to the Namibian company, an employer employee relationship may exist. This will result in the Namibian company having an obligation to withhold employee tax ("PAYE") from the salary paid to the employee. If the arrangement with the employee is that the Namibian company will bear the tax in Namibia, one should remember that the tax paid on behalf of the employee will result in a taxable fringe benefit in the hands of the employee.

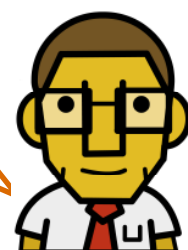
Keep in mind that Namibian residents being seconded to other countries, will also have tax implications for them as individuals as well as for their employer companies, that needs to be considered.

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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 taxtim@na.pwc.com or register for TaxTim today at www.taxtim.pwc.com.na





PwC trainings for August and September:

Windhoek

4 Aug	Tax for Non-Finance Managers
10 Aug	VAT & Income Tax for Short-Term Insurance Industry
18 Aug	Incentive Schemes: Link Reward to Performance
23 Aug	Accounting Simplified: IFRS for SME's
31 Aug	Information Session on Customs Duties & Environmental Levy
1 Sept	VAT Training: Retail Industry
5-7 Sept	Basic Accounting Training
15 Sept	Annual IFRS Update
19-20 Sept	Excel for Remuneration Practitioners

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

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Or click on the link for more details on the website:

<http://www.pwc.com/na/en/events.html>



Walvis Bay

15-17 Aug	Finance for Non-Finance Managers
7-8 Sept	PwC Annual Tax Symposium
12 Sept	Annual IFRS Update

Environmental Duties payable on goods in stock on 11 July

Goods which have been **imported prior to 11 July 2016** and have **NOT been delivered** from stock, will be **subject** to the relevant environmental duties as from 11 July 2016.

Lamps

- All lamps listed in the Government Notice.
- Excludes automotive lamps, energy saving lamps, etc.

Tyres

- All new pneumatic tyres.
- All used or re-treaded tyres.

Vehicles

- All passenger vehicles and SUV's.
- All double cab bakkies.

Stock on hand had to be taken on all goods specified in the Government Notice and dealers, manufacturers and importers having such goods on hand should have within 7 (seven) days, i.e. by **18 July 2016**, delivered to the Customs Controller having jurisdiction over the area where the business is located, a **Sworn Statement with details of all goods subject to the environmental duties in his or her stock prior to 11 July 2016**.

Payment of Environmental Duties on stock is payable by **31 August 2016**.

The following payment options are available:

- 1 Cash (N\$ or ZAR) once assessed by Customs border office
- 2 Bank guaranteed Namibian cheque (limited to N\$100,000 currently)
- 3 EFT payment into Customs bank account at Bank of Namibia (Account no: 165002, Branch code:980172, Name: Customs and Excise, Ref: C-no of SAD500)
- 4 Credit account for deferment of payment 5 days after next month-end e.g. import in July, payable by 5 September etc.

For more details on how to register for a credit account, contact our Customs experts:

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New Legislation Tracker

This diagram tracks on the progress of proposed tax legislation.

The following is the status of announced legislation up to 31 July 2016:



Tax Calendar - August 2016

Mon	Tue	Wed	Thu	Fri
22 <ul style="list-style-type: none"> • PAYE Returns; • Import VAT return; • Withholding Tax on Services return; • VET Levy; • NRST Return; and • Withholding tax on Royalties & Interest. 	23	24	25 <ul style="list-style-type: none"> • VAT return 	26
29	30	31 <ul style="list-style-type: none"> • Social Security payment; • 1st provisional for companies with a February 2017 year-end; • 2nd provisional for companies with August 2016 year-end; • Tax return - companies with 31 January 2016 year-end.; and • Payment for Environmental Duties (incl stock on hand 1 Jul) 		

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

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PwC Business School

Annual Namibian Tax Symposium 2016

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

WHERE: Walvis Bay

DATE: 7 and 8 September 2016

VENUE: Pelican Bay Hotel

NOTE: You can book any one of the sessions or more than one session.

7 September 2016 Morning Session

Introduction to Income Tax
5 hour session, covering the following topics:

- Basic Income Tax Rules: Tax Framework; Gross income definition; Deductions; Capital allowances and Recoupment; Individual Taxes
- Thin Capitalisation & Transfer Pricing
- Withholding taxes

Time:
07h30 - 13h00

Cost:
N\$ 2000 (incl VAT) per delegate

7 September 2016 Afternoon Session

Employee Pay and Taxes

3 hour session, covering the following topics:

- Tax framework
- Total Cost to Company
- Employee's Tax

Time:
14h00 - 17h00

Cost:
N\$ 1200 (incl VAT) per delegate



8 September 2016

Basic VAT

Full Day session, covering the following topics: Imposition of VAT; Rules on supplies; Rules on input tax; Import VAT apportionment; VAT and accounting system

Time:
07h30 - 17h00 includes lunch

Cost:
N\$ 3000 (incl VAT) per delegate



Registrations close Thursday, 01 September 2016



Register with **Liza Mollentze** on +264 64 217 765 or
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