



Tax First Namibia Newsletter February 2013

Abolishment of Import VAT account, increase in VAT registration threshold and introduction of controls on voluntary VAT registration in Namibia

The consultants for studies on the above issues presented their respective studies on the above issues to the Minister of Finance and other senior officials during December last year.

A subcommittee, consisting of Inland Revenue senior officials, has since been appointed to draft an executive summary on the respective studies by different consultants to the Minister of Finance after further consultations.

We were informed that the executive summary with recommendations was submitted and that subject to final approval by the Minister of Finance, amendments to the VAT Act to accommodate the recommendations will be drafted for discussion in the National Assembly soon.

We have not yet received further information or how the VAT Act will be amended. Once more information or a draft bill is available, we shall comment thereon in editions to follow.

A monthly newsletter published by PwC Namibia providing informed commentary on current developments in the local tax arena. Though analysis and comments on new law and administrative changes assists business executives to identify developments and trends in tax law and revenue practice that might impact their business.

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February 2013

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NTA Levy:

Government Gazette # 300 published 17 December 2012, contains the regulations for registration of Training Providers that will benefit from the new skills levy.

The regulations apply to all vocational education and training providers and stipulate that as from 17 December 2012 a provider in the business of vocational education and training programmes (or intends to) must within one year from that date apply for registration to the NTA.

Without registration no benefits can be drawn from the new skills levy. More details will be available soon.



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Tax Management and Maturity Model

There is a major need for clear frameworks and standards for tax management. Organisations need to be demonstrably in control and in charge of tax.

In addition they need to be able to communicate on their tax management to the internal and external stakeholders in a transparent and easy-as-possible manner.

PwC's Tax Management Maturity Model ("T3M") is an international tool for determining the quality of the tax function and the tax control framework. It is a universal, transparent model that shows in one sheet the overall tax compliance status of the entire organization – a unique tool for self-diagnosis and communication with supervisors and all internal and external stakeholders. The model helps clients to determine the as is situation and prioritise focus areas for growth and provides the basis for an efficient and effective plan of approach.

T3M provides in an easy way insight in the organization's management of all taxes (umbrella function).

Tax Management Maturity Model high level overview

- The extent to which an organisation is in control of its tax function becomes transparent, verifiable, uniform and comparable
- It is a universal, transparent dashboard that shows the compliance status in one sheet
- The model comprises an ambition level and the growth path towards the designed maturity level
- It is a unique tool for communication with stakeholders
- The model is ideal for (international) benchmarking and agreements on tailor-made supervision (enhanced relationships, cooperative compliance)
- The model is based on internationally accepted models such as COSO, CobiT
- Taxation does not exist in a vacuum, so the model enforces an integral vision and organisation wide approach
- The model provides an objective view of the degree to which an organisation is in control of its tax function.



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Introduction of environmental levies by the Ministry of Finance

As reported in an earlier newsletter edition, the Ministry of Finance will introduce environmental levies in Namibia beginning 2013.

The first levies to be introduced will be the tax on incandescent bulbs, tyres and the so-called carbon emission tax on motor vehicles.

Details of the rates and how the levies will be payable are not yet available, but they would probably be in line with the announcements made during March 2012 at an NCCI briefing meeting by the Minister of Finance.

The levies on plastic bags and bottles will be introduced later this year after the recommendations by a task team from the affected industries have been studied by the Ministry of Finance.

It is expected that the task team will submit its recommendations in February 2013.

The environmental levies will be collected by Customs and Excise, Namibia at the point of import or manufacture and amendments to the Customs and Excise will be made in this regard.

Details of the draft legislation have not been circulated for information yet by the Ministry of Finance.

Government Gazettes

Government Gazettes for the period for December 2012 is included in this edition. This is not an exhaustive list of Acts/Notices/Proclamations published.

General Notice

No 449 - 2012	Notification in terms of the regulations of the Social Security Act, 1994 (Act No. 34 of 1994): Particulars of unclaimed monies: Maternity leave, sick and death benefit fund (MSD) unclaimed monies or the period 2010 - 2011
No 448 - 2012	Bank of Namibia: Determination under the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended

Government Notices

No 300 - 2012	Regulations for registration of Vocational Education and Training Providers: Vocational Education and Training Act, 2008
No 301 - 2012	Amendment of regulations under Social Security Act, 1994 - amendment to the definition of "basic salary".
No 302 - 2012	Amendment to the Social Security Development Fund Regulations: Social Security Act, 1994
No 3 - 2013	Amendment of Government Notice No. 272 of 15 December 2010: Levies under the Meat Industry Act, 1981 - change in the special meat classification levy
No 2 - 2013	The Minister gives notice that it is required that a person harvesting marine resources under a right, an exploratory right or a fisheries agreement, to carry aboard a fishing vessel a number of fisheries observers as set out in the Schedule published.

Tax Calendar - February 2013

Monday	Tuesday	Wednesday	Thursday	Friday
18	19	20 • PAYE Returns • Import VAT return • Withholding Tax on Services return	21 Business Bite size session: <i>Ring-Fencing</i>	22
25 • VAT return (Category A)	26	27	28 • Social Security payment • Tax return - companies with 31 July 2012 Year-End; • 2nd provisional returns - Individuals and companies with February Year-End	

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