



Tax First

Namibia Newsletter

February 2015

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

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PwC Business School:

03 Feb: Walvis Bay : People & Change: 7 HR Competencies

12 Feb : Windhoek : Bitesize Session: SAP Governance, Risk & Compliance

18 Feb: Windhoek : Tax for non-finance managers & small business owners

26&27 Feb: Windhoek : Leading People course

26 Feb: Windhoek : VAT in the Tourism, hospitality & Entertainment Industry Workshop

Visit our website for more details: www.pwc.com/na/en/business-school

Press Release: Inland Revenue

Inland Revenue issued a press release on 14 January 2015 with new deposit codes for certain tax payments.

Electronic funds transfer and direct deposits can now be paid into the general revenue account for the following taxes:

- Non-Resident Shareholders' tax;
- Withholding tax on royalties;
- Transfer duties;
- Stamp duties.

General Revenue Account

Account number : 165001
Branch code : 980172

Deposits can be made at Bank Windhoek, FNB Namibia, Nedbank Namibia and Standard Bank Namibia. Enquiries related to this notification should be addressed to the Directorate: Tax Administration and Support Services, Tel: +264 (61) 209 2941.

Please find the reference codes on page 2.

Income Tax Pitfalls

Tax deductibility of accounting provisions

When calculating company taxes the question of whether an accounting provision is deductible for tax purposes always comes up.

In terms of tax legislation an expense is only deductible for tax purposes if the expense was **actually incurred**. An accounting provision arises due to a liability that the company may have to pay at some future date. This liability can further be classified as either a conditional liability or an unconditional liability.

The general principle is that unconditional liabilities (i.e. the amount is payable without any conditions) are deductible for tax purposes, as it can be argued that the expense was actually incurred in the year of assessment when the liability arises.

Conditional liabilities (i.e. future payment would depend on some trigger event or for which the amount payable is uncertain) are generally not tax deductible.

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New deposit reference codes: EFT payments to Inland Revenue

The codes consist of a compulsory three letter code to be entered in the first space of the deposit reference number. The remaining fields should be used for the tax number.

Such additional referencing will enable Inland Revenue Department to classify and allocate the payment correctly and issue a receipt to the taxpayer.

Taxpayers are advised to use the following format when transferring funds and making deposits:

Non-Resident Shareholders' Tax (NRS):

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
N	R	S	Enter the tax reference number of the company liable to deduct NRST														

Withholding Tax on Royalties (TOR):

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
T	O	R	Enter the tax reference number of the person making a payment and period														

Transfer Duties (TDP):

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
T	D	P	Enter the Plot or Unit number or any other information relating to the property														

Stamp Duties (STD):

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
S	T	D	Enter the full name of the person making a payment and period														

Minimum wage introduced for Domestic Workers

The Government Gazette published 24 December 2014, stipulates the regulations regarding domestic workers, and more specifically the minimum wage payable to domestic workers.

The minimum wage for a domestic worker will become effective **01 April 2015:**

- N\$1,218.00 per month;
- N\$281.09 per week
- N\$56.21 per day, or
- N\$7.02 per hour

The minimum overtime pay for work on a Sunday or public holiday is:

- N\$10.53 per hour for overtime;
- N\$14.04 per hour for work on Sundays;
- N\$14.04 for work on a public holiday.

In addition to the above, an employer may not deduct from the minimum wage any value in-kind payments or contributions, such as food, clothing or housing.

Also mentioned in the Gazette is that the minimum wage will **increase with 5%** with effect from **1 April 2016**, plus a percentage increase equal to the CPI (customers

price index), for the past 12 months.

The following benefits are specified:

- **Transport allowance:** where public transport is available, a live-out domestic worker is entitled to a transport allowance in addition to the basic wage allowance which equals the cost of a round trip to and from work.
- **Food:** an employer must provide suitable food in reasonable quality, without charge to the employee;
- **Accommodation:** suitable accommodation to be provided for a live-in domestic worker.

Every employer must provide a domestic worker with a written employment contract at the date of appointment. The contract must be retained for at least 5 years.

Lastly it is important to note it is illegal to appoint a person under the age of 18 years as a domestic worker.

Domestic workers means *“any person engaged in domestic work in an employment relationship, including a child-minder, cook, driver, gardener and housekeeper.”*

Tax Calendar - February 2015

Mon	Tue	Wed	Thu	Fri
16	17	18 *Tax for Non-Finance managers Workshop Contact: hady.basson@na.pwc.com	19	20 • PAYE Returns; • Import VAT return; • Withholding Tax on Services return; • VET Levy.
23	24 • VAT return (Category A)	25 *VAT in the Tourism, hospitality & Entertainment Industry Workshop Contact: hady.basson@na.pwc.com	26	27 • Social Security payment; • Tax return - companies with 30 September 2014 year-end; • 1st provisional return - companies with August year-end; • 2nd provisional returns - companies with February year-ends; • Individual provisional tax-payers - 2nd provisional return

Are you in good standing with Inland Revenue?

Many companies face challenges regarding outstanding balances and returns at Inland Revenue when applying for a good standing certificate at Inland Revenue.

Contact: dolly.mouton@na.pwc.com

Being in good standing with Inland Revenue confirms that you the taxpayer have met all the regulatory requirements for operating a business in the applicable areas:

- Income Tax
- Value Added Tax
- Employees Tax / PAYE
- Import VAT
- Withholding taxes

When there are no outstanding returns or balances on tax accounts at Inland Revenue, a good standing certificate will be issued 5 working days from date of request by Inland Revenue.

A normal good standing letter are valid for 30 days.

It is strongly advised to request tax status reports regularly to avoid any surprises and to ensure that good standing certificates are issued without delays should it be required urgently for tender purposes.✕

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

Windhoek

344 Independence Ave
Telephone Number: +264 (61) 284 1000

Walvis Bay

2nd Floor, Nedbank Building, Sam Nujoma Ave
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PwC Bitesize Session

SAP Governance, Risk and Compliance (GRC) introduction and lessons learned



Focused on the day-to-day concerns of the business, management often feels too busy to ask if they're getting all they can from their SAP ERP implementation.

SAP GRC can help to reduce the cost and effort of managing your governance, risk, and compliance initiatives. It can help to embed risk and compliance activities into strategy, planning, and execution, continuously improve performance by accounting for risk and confidently protect revenue streams, shareholder value, and brand reputation.

Join us to learn how PwC is helping organisations to leverage SAP GRC technology to transform their risk and control environment and gain insight into the following topics:

- Understand the benefits of GRC technology
- Learn from other PwC implementations of SAP GRC technology
- How to leverage from existing PwC project accelerators, tools and intellectual property
- Integration of compliance efforts within the GRC suite

We'd like to offer you the opportunity to gain valuable insights into reducing the cost of compliance and driving insight, visibility,

automation and accountability around risk and control throughout your organisation.

Meet us for coffee, muffins and networking, and we will explain the more complex concepts to you in a short session designed with busy professionals in mind.



12 February 2015



PwC Business School, 344
Independence Avenue, Windhoek,
Namibia



RSVP:

By Friday, 06 February 2015
Josephine Keister
T: +264 61 284 1197
F: +264 61 284 1597
josephine.keister@na.pwc.com



No charge



07h30 to 08h00
Coffee, networking
& welcome

08h00 to 09h30
Bitesize session



*Friskie Coetzer
Associate Director
IT Risk Assurance
Services*

PwC Business School

Tax Training for Non-finance managers



Many entrepreneurs and business managers end up, by default, with the responsibility to ensure that their businesses pay taxes and comply with tax laws.

However, most do not have the basic understanding of taxes required to manage this.

Our Tax for Non-finance Managers course is a to-the-point 3 hour session that will empower managers and entrepreneurs to understand:

- which taxes apply to your business;
- what you need to do to comply with the law;
- what will happen if you don't; and
- common mistakes and pitfalls to look out for.



18 February 2015



PwC Business School
344 Independence
Avenue,

Windhoek, Namibia



RSVP:

By Friday, 13 February
2015

hady.basson@na.pwc.com
Tel: 061 284 1239



N\$ 860.00 (excl VAT)
pp.



07:30 for 08:00

Coffee, networking &
welcome

08:00 to 11:00

Income Tax, Withholding Taxes,
VAT, Customs, PAYE, Individual
Taxes, Stamp Duty, Social
Security and the VET levy