

# *Tax First*

## Namibia Newsletter

### January 2013



*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.*

Compiled by  
Mari-Nelia Nieuwoudt  
[mari-nelia.nieuwoudt@na.pwc.com](mailto:mari-nelia.nieuwoudt@na.pwc.com)  
[www.pwc.com/na](http://www.pwc.com/na)  
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## *New Skills Levy effective June 2013*

*The Ministry of Finance, together with the Ministry of Education, plan to implement a Vocational Education and Training (VET) levy, also known as the skills levy, from June this year.*

According to a Press releases, all companies with a payroll over N\$350,000.00 a year will be liable to pay a 1.5% VET levy to the Namibia Training Authority (NTA) before or on the 20th of each month.

The NTA will act as a collecting agent and will be responsible for the administration of the VET fund in Namibia.

Once the official notice to collect the levy has been published, every employer will be required to, within 30 days, provide the following information to the NTA in writing:

- Type of business
- Physical/ postal address
- Sector in which business operates
- Ownership
- Employment status of employees
- Banking details

The VET fund will be used for training, education and skills development of young

Namibians in support of sustainable economic growth.

Deputy Minister of Education, Dr David Namwandi, said that the implementation of the levy is in line with the country's future development plans including the forth National Development plan (NDP4) and Vision 2030.

According to Dr Namwandi, the funds collected will be used as follows:

- 50% - Training requirements of employers
- 35% - Expansion of the VET sector and to support Government and sector priorities
- 15% - Administrative costs

Businesses are advised to keep the levy in mind when preparing budgets for the new year. This new tax will also require an additional administrative filing process once it is in force.

### *Also in this issue:*

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# *The Roles and Responsibilities of a Namibian Public Officer*

*In terms of the Income Tax Act, every company carrying on business or has an office in Namibia should be represented by an individual residing in Namibia, known as a Public Officer.*

*The compliance requirements for a company in respect of its Public Officer are as follows:*

- A Public Officer must be appointed within one month of commencing business or acquiring an office in Namibia. Thus the appointment of a Public Officer forms part of the Company registration process with the Registrar;
- Public Officers are appointed by the Company, or by any person who has authority to appoint such a person;
- Public Officers must be approved by the Minister / Ministry of Finance as part of the tax registration process;
- If no Public Officer is appointed, the Minister may appoint the managing director, director, any other officer of the company or him/herself to act as the Public Officer by default.

*Other administrative matters to remember include:*

- If a company changes Public Officers or the place for the service or delivery of notices, they must inform the Minister and update records within 14 days of such changes.
- The position of Public Officer may not be vacant. If a company fails to appoint a Public Officer or fails to appoint a place for service or delivery of notices, or fails to inform the Minister of any changes to the aforementioned, or fails to keep the office of the Public Officer filled and up-to-date, they shall incur a penalty not exceeding NS\$2,00 for every day during which the default continues.



*The roles and responsibilities of the Public Officer include:*

- The Public Officer is considered to be the "representative taxpayer" of the company.
- The Public Officer may be held responsible for a company's tax affairs, and in case of evasion by the company/taxpayer, may be liable to the penalties levied.
- Any legal notice, process or proceeding of the Act, may be served upon the Public Officer.
- Any tax payable in respect of any assessment issued to a public officer of a company in his capacity as such shall be recoverable from the company of which he is the public officer.
- Everything the Public Officer does during his/her appointment as representative of the Company shall be deemed to have been done by the company which he/she represents.
- Any notice served by the Minister or the Registrar of the Special Court to the public officer in his capacity as such of a company shall be deemed to have been served to the company itself.

*It is important for all Public Officers to comprehend the roles and responsibilities of this appointment, and be aware of the consequences should there be a misrepresentation.*

## **Bulletin:**

*The Financial Intelligence Act 2012 (Act No. 13 of 2012) was promulgated on 14 December 2012. No effective date for the Act was published and the commencement of the Act will be at the date to be determined by the Minister per notice in the Government Gazette.*

*The Act provides the legislation for the Financial Intelligence Centre as the national centre responsible for collecting, requesting, receiving and analysing suspicious transaction reports and suspicious activity reports which may relate to possible money laundering or the financing of terrorism.*

# 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.*

## Legislation

No 298 - 2012 Terrorist Activities	Promulgation of Prevention and Combating of Terrorist Activities Act, 2012 (Act No. 12 of 2012)	Effective 14 December 2012
No 299 - 2012 Financial Intelligence	Promulgation of Financial Intelligence Act, 2012 (Act No. 13 of 2012)	Commencement date to be determined by the Minister.

## Government Notices

No 306 - 2012 Competition Act	Determination of class mergers to be excluded from Chapter 4 of Competition Act, 2003.	
No 307 - 2012 Competition Act	Determination of threshold of annual turnover or value of assets below which Part II of Chapter 3 of Competition Act, 2003: Does not apply to, as set out in the Schedule published.	
No 294 - 2012 Close Corporations Act	Amendment of the regulations under the Close Corporations Act, 1988	Amendments to regulation 17(1) of the Regulations in terms of section 10

## Tax Calendar - January 2013

Monday	Tuesday	Wednesday	Thursday	Friday
14	15	16	17	18
21 • PAYE Returns • Import VAT return • Withholding Tax on Services return	22	23	24	25 • VAT return (Category B)
28	29	30	31 • Social Security payment • Tax return - companies with 30 June 2012 Year-End; • 2nd provisional returns - companies with 31 January Year-End	

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

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

**Walvis Bay**  
2<sup>nd</sup> Floor, Nedbank Building, Sam Nujoma Ave  
Telephone Number: +264 (64) 217 700

**Stefan Hugo**  
stefan.hugo@na.pwc.com  
Telephone Number: +264 (61) 284 1102

**Chantell Husselmann**  
chantell.husselmann@na.pwc.com  
Telephone Number: +264 (61) 284 1327

