

# Tax First Namibia Newsletter

From PwC Namibia

A look inside this issue:

By Bianca Cooper  
Namibia's Trade  
Verification System  
("TVS")

Page 1

By Ivandro Peterson  
2023/2024 Mid-Year  
Budget Review  
Highlights

Page 2

Announcements  
Business School  
Training & Tax Calendar

Page 3

## Namibia's Trade Verification System ("TVS")

NamRA, in collaboration with the Bank of Namibia, recently launched the **Trade Verification System ("TVS")**, a web-based application integrated with the "AsycudaWorld" customs system, specifically designed to manage and monitor cross-border transactions, ensure the promotion of efficient trade practices and improve tax collection whilst reducing fraud.

Its implementation will enhance proper reconciliation of cross-border money transfers to the movement of goods, corroborated by accelerated reporting and through the use of digitally automated processes, reduce errors and unnecessary delays.

The use of this system is mandatory for all Namibian traders effective from **16 October 2023**.

To achieve this, Namibian traders will be required to obtain a trader identification from NamRA, all transactions will be assigned a generated **unique consignment reference (UCR)** and trade documents will be uploaded onto NamRA's AsycudaWorld system.

Going forward, the following must be kept in mind when processing a Bill of Entry on AsycudaWorld:

- ✦ The system will include a field for traders to report transactions in the foreign currency as per the proforma / commercial invoice. The "shipped on board date" field must also be completed, however. This is the date that TVS will use to perform the currency conversion to reflect the Namibian Dollar equivalent on the form as required by 81 of the Customs and Excise Act 20 of 1998.
- ✦ Where a trader exports goods with an FOB value in excess of N\$500,000, they will be required to indicate their tax identification number to support the requirements of section 15 of the Namibian VAT Act.
- ✦ The invoice number must be inserted on the SAD500 form, so that goods declared at Customs can be matched to cross-border payments made by the commercial bank.
- ✦ The authorized dealer for the transaction must be provided. Authorized dealers will comprise recognised banking institutions in Namibia, including NamPost.
- ✦ The terms of payment relating to the transaction must also be indicated and options include making an advance payment, settling the invoice on 30/60/90/180 day terms or making no payment at all (e.g. a donation).
- ✦ All transactions must be assigned a UCR. For prepaid exports, a UCR number has to be generated by the trader and declared at the bank and to NamRA. In the case of all other terms of payment, AsycudaWorld will auto-generate the export UCR.
- ✦ All supporting documents, such as the proforma / commercial invoice and the transport documents, must be uploaded on the AsycudaWorld system where it will be stored. Where documents are not uploaded, the system will prompt the user for action before allowing them to proceed.

The last point is a notable one as it eliminates the previously manual presentation of the required **Export Declaration Form F178** to the commercial bank before a payment can be made.

Form F178 is still applicable, but commercial banks can now access the trade documentation directly on the system, allowing improved controls and assisting them to ensure that funds flows are not duplicated or remain unmatched.

Since TVS is still new, preparing Customs related documentation may take longer than usual. If you are in the business of importing and/or exporting goods, reach out to NamRA or your clearing agent to ensure that you remain compliant with the new procedures.



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# 2023/2024 Mid-Year Budget Review Highlights

The budget review by the Honourable Minister of Finance and Public Enterprises, lipumbu Shiimi was delivered in Parliament, carrying forward the theme of **economic recovery and caring for the poor**.

As the name suggests, the Mid-Year Budget Review provides a chance for review where the Honourable Minister assigns funds to priority programs that address the government's policy efforts for the Medium Term Expenditure Framework ("MTEF") and fiscal reduction.



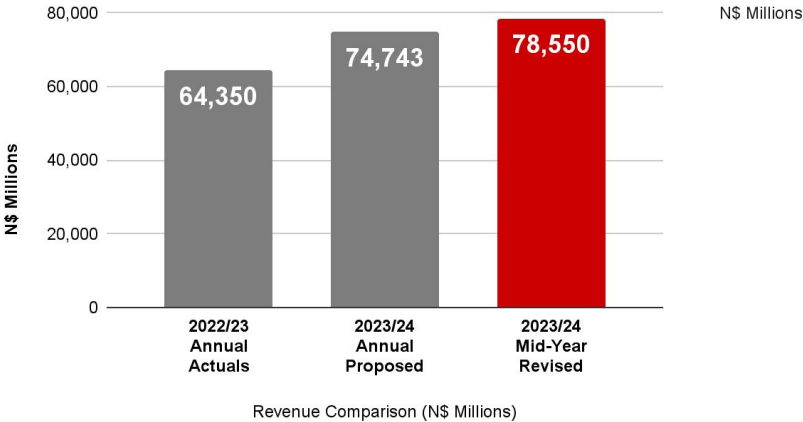
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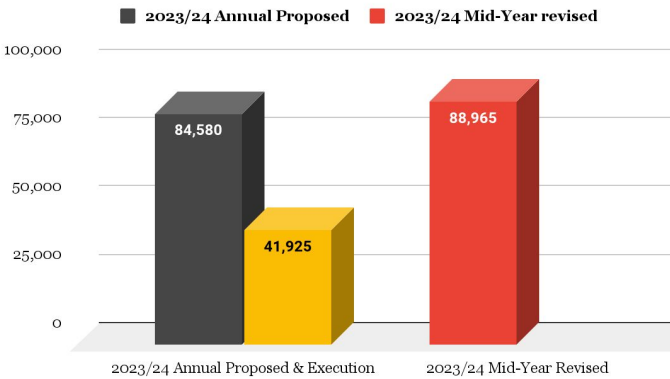
## Revenue Outlook



The budgeted revenue is expected to rise by **5.09%** to **N\$78.5 billion**, with a **53.7%** collection rate at the halfway point.

The revised expenditure shows a **5.18% increase** from **N\$84.6 to N\$88.9 billion**, with the expenditure execution rate at **49.6%**.

## Expenditure Execution (N\$ Millions)

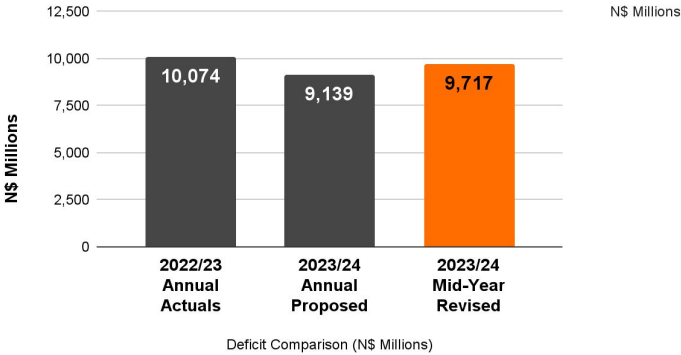


It is noted that a slight sacrifice was made in the development budget to allocate additional funds to operations.

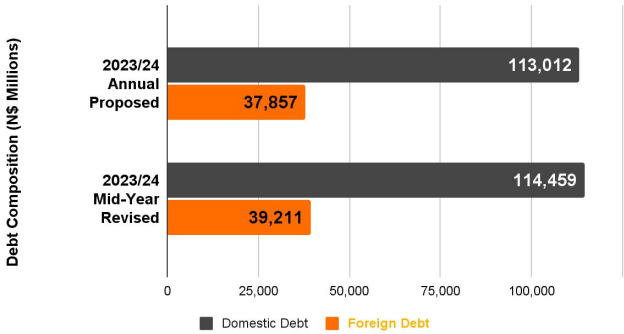
The revised numbers for the **budget deficit** reflect a **6.32% increase**, bringing it to **N\$9.7 billion**.

Another important point is our debt as a nation, which currently stands at 66% of GDP.

## Deficit Outlook



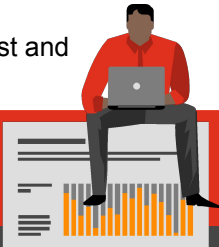
## Domestic Debt vs Foreign Debt



Among the **MTEF policy priorities** noted, was the prioritised allocations made in the development budget for ongoing projects and projects contained in the second **Harambee Prosperity Plan (HPP II)**.

Some of the new tax proposals covered include the **renegotiation of Namibia's Double Taxation Agreements**. Other proposals are a continuation of previous conversations and fellow Namibians are encouraged to stay abreast and read up on the announced proposals.

Our detailed mid-year budget speech analysis is available at <http://www.pwc.com/na/en/publications/budget/mid-year-budget.html>



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# PwC Business School

Interested in attending?

Email: [na\\_busschool@pwc.com](mailto:na_busschool@pwc.com)

Telephone: +264 (61) 284 1190

## Upcoming Training Dates | November 2023

Date	Training	Price per Delegate (incl VAT)	More info
8 November	Bitesize Session - Withholding Taxes	N\$ 500.00	<a href="#">Click for more info</a>
10 November	IFRS Summer Update - Walvis Bay	N\$ 2,500.00	<a href="#">Click for more info</a>
21 November	Financial Wellness Series - Part 3	N\$ 1,500.00	<a href="#">Click for more info</a>
22 November	IFRS Summer Update - Windhoek	N\$ 2,500.00	<a href="#">Click for more info</a>

## Tax Calendar | November 2023



Important Submission Dates  
to note in your calendar



Contact us:

20 November	Monday
Import VAT Return;	
PAYE Return	
Withholding Tax Returns: Services, Royalties, Interest; NRST	
VET Levy Return	

27 November	Monday
Value Added Tax Return	
30 November	Thursday
Social Security Return	
1st provisional for taxpayers with a May '24 year-end;	
2nd provisional for taxpayers with a November '23 year-end;	
Tax return for companies with a April '23 year-end;	



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