

# Tax First Namibia Newsletter

October 2017



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

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## VAT and Import VAT registrations—what to know

*VAT registrations play an important role in the tax collection system, in the sense that a registered person collects output tax on behalf of Inland Revenue. A registered person is required to render VAT returns to Inland Revenue covering a period of two months (except for farmers who may elect their tax periods).*

When registered for VAT, a taxpayer can claim input tax credits which reduces the VAT liability.

In order to be registered for VAT, certain requirements have to be met.

### Requirements:

- For **voluntary** registration, the taxpayer's taxable supplies (turnover) should be between N\$ 200 000 and N\$ 500 000 during any 12 month period; or
- For **compulsory** registration, the taxpayer's taxable supplies (turnover) should be N\$ 500 000 or more; and
- The taxpayer should have a Namibian bank account; and
- The taxpayer should have a physical address where the Namibian offices of the business are situated.

**For Import VAT, an estimated annual value of imports and estimated frequency of imports is required to be indicated on the application form.**

### Documentation required:

- A fitness certificate for the business property obtained from a local municipality/town council (e.g. City of Windhoek); and
- The company representative/Public Officer's identity documents. In case of a non-Namibian residing in Namibia, a valid work permit is required; and
- If the business property is being leased, the lease agreement must be provided.

### Additional Information:

- In case of a new company, cash flow/financial projection for 12 months.
- The Import VAT number has to be linked to the Customs & Excise systems before any transactions can take place.

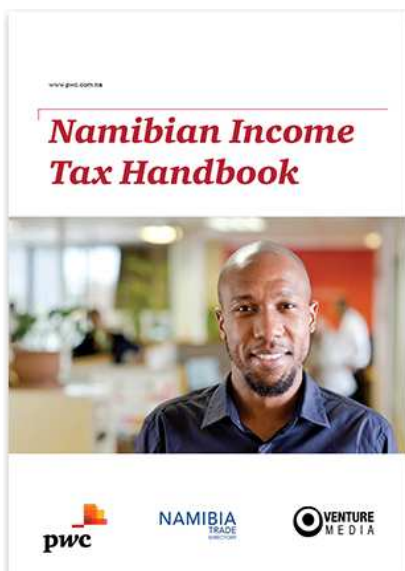
We strongly advise that taxpayers consult their tax consultants when there's uncertainty around their VAT registration status.

[dolly.mouton@pwc.com](mailto:dolly.mouton@pwc.com)

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# The Namibian tax landscape within the mining industry

*It is evident that Africa is changing. The political environment has stabilized, meaning sovereign risk attached to investments in Africa has reduced. The timing of this improvement is ideal – coinciding with the resurgence of the mining sector, which has been a key contributor to economic growth on the continent and in Namibia specifically.*

Based on the PwC Australia Africa Practice Publication “Two Steps forward, one step back” issued earlier this month, the following statistics are laid out:

Namibia is the only one of the four countries analysed where mining would be developed and the government would receive revenues and associated economic development. Other countries included in the publication was Ghana, Tanzania and Egypt.

Various factors influence investment within a country, noticeably the larger the capital injection the greater the risk. For the mining industry such factors include mineral availability (countries with the greatest mineral potential), stability (providing the miner the opportunity in constructing an operating mine) and return on capital invested by investors (considering taxation regimes and fiscal settings). The Namibian tax regime for the mining industry can be summarized in the following tables:

## Corporate Tax Rates (Mining Industry)

Company tax rates	2017/2018
Diamond mining companies	55%
Mining Companies (other than diamond mining companies)	37.5%

## Mining Royalties

Royalties are levied in terms of the Prospecting and Mining Act as a percentage of the market value of the minerals extracted by license holders in the course of finding or mining any mineral or group of minerals.

Group of minerals	Royalty %
Precious metals/ Base and rare metals	3%
Semi-precious stones/Industrial metals/Non-Nuclear fuel minerals	2%
Nuclear fuel minerals	3%
Oil and Gas	5%

Should certain payments be made to non-residents, withholding tax may also be applicable. However, double taxation relief may be available.

## Important considerations for future development

Emphasis is placed on the importance of collaboration between mining companies and the Government of Namibia. Both parties can significantly benefit in this manner, for example where government assists with the reduction of certain power costs for a mining company, which would in turn result in less expenditure and higher corporate tax cut for the government. At the same time, this could allow for the expansion of operations of the mining company.

It appears that flexibility in relation to the way in which returns on a project are allocated between miners and governments is critical. The challenge is whether the miner and government, would be willing to work together (tailoring a flexible and accommodating structure) in ensuring an appropriate allocation of project returns. As Helen Keller once said, “Alone we can do so little; together we can do so much”.

*jacques.van.zyl@pwc.com*

## PwC Business School Training Calendar



### Training for October:

#### Windhoek

2-6 Oct	COBIT 5 & ITIL Foundation Training
4 Oct	Basic Excel Training
5 Oct	Intermediate Excel Training
9-11 Oct	COBIT 5 Implementation Training
18-20 Oct	Basic Accounting Training
24 Oct	Risk Culture Building Workshop
7-8 Nov	Learning & Development Conference

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

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Or follow the below link to our website:  
<http://www.pwc.com/na/en/events.html>



#### Walvis Bay

16-17 Oct	Excel Skills for Remuneration Practitioners
18 Oct	Basic Excel Training
19 Oct	Intermediate Excel Training

## New Legislation Tracker

This diagram tracks the progress of proposed tax legislation.

The following is the status of proposed legislative changes up to 30 September 2017. No effective date has been set.

**Transfer Duty amendments** – In drafting, expected date not yet set.

Expansion of Capital Gains Tax provisions to provide for wealth-based taxation on new categories of capital assets.

Simplified Presumptive Tax on small businesses to be developed.

**Establishment of Revenue Authority** – In drafting, expected date not yet set. Planned implementation for 2018/2019.

Tax proposals on wealth tax will be developed to embody principles of Solidarity Tax .

Proposals to remove base-eroding Income Tax and VAT exemptions in future.

Develop the Double Taxation Agreement Policy and increase collaboration with international tax authorities to counter transfer pricing.

## Tax Calendar - October 2017

Mon	Tue	Wed	Thu	Fri
16	17	18	19	20 <ul style="list-style-type: none"> <li>VET Levy return</li> <li>PAYE return</li> <li>Import VAT return</li> <li>Withholding Tax returns: Services, Royalties, Interest</li> <li>NRST</li> </ul>
23	24	25 <ul style="list-style-type: none"> <li>VAT return</li> </ul>	26	27
30	31 <ul style="list-style-type: none"> <li>Social Security payment</li> <li>1st provisional for tax-payers with April 2018 year-end</li> <li>2nd provisional for tax-payers with October 2017 year-end</li> <li>Tax return for companies with 30 March 2017 year-end</li> </ul>			

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

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*PwC Business School*

# ***Risk Culture Building Workshop***



***Date:*** 24 October 2017

***Venue:*** PwC Business School

***Time:*** 07h30 - 17h00

***Price:*** N\$ 2950 (Incl. VAT)



# Risk Culture Building Workshop

*Building a robust and pervasive risk culture in your organisation for long term viability transformation and sustainable competitive advantage.*

## Program overview:

The Global Financial Crisis has taught us valuable lessons in Risk Management. This workshop looks at the lessons learned and the application of those to build an effective risk culture in your organisation for better risk management and sustainable competitive advantage. The key objective is to give you TRANSFORMATION!

This Executive and risk practitioner workshop will help delegates to understand ERM and provide guidance and practical tools on how to design and develop a unique ERM and Risk Culture Building program for their organization.

The workshop will change the way you see and think about the management of risk and equip you with knowledge and practical experiences on how to apply that thinking in your organisation to drive value from your risk management initiatives and embed an effective Risk Culture in your organisation.

## Workshop outline

### Session 1: Overview of ERM and the latest developments

- Overview of ERM and Risk Culture and the importance of paying attention to people risk
- The advantages of ERM and an effective risk culture and how to drive the value-add aspect
- Establish the internal and external context of risk culture and attitude, objectives and sustainable development
- Group work and discussion on the 2008/2011 global financial crisis and the implications thereof on the industries represented by the delegates
- Apply ERM theory to the needs of the organisation

### Session 2: People Risk

- People Risk and how to build a people risk mitigation strategy
  - Practical People Risk Assessment exercise
- How to learn from the mistakes of others and the vast experience of the course presenter

### Session 3: Planning & Governance

- ERM and Strategic Planning, Incorporating business and economic intelligence – The importance of embedding an effective ERM Culture and how to support the process

- The role of corporate governance and compliance in ERM

### Session 4: Selling the concept and designing the roadmap for improvement

- Build ERM business cases to harvest necessary support and resources essential to success.
- Learn how to show the value and return on investment.
- Build a strategy or learn how to refine and improve the existing strategy
- Learn how ERM can improve decision making in the organization and improve the bottom line.

### Session 5: What in the level of Risk Culture Maturity in my company?

- How to build and implement an effective risk sanctioning process – Practical study on how to evaluate the existing ERM Framework and level of ERM Culture Maturity and how to identify focus areas and next steps.
  - How to assess the level of maturity in your organisation?
  - How to build and evaluate the results of the assessment and to build an action plan that can help to achieve the desired levels of maturity
- Practical guidance and a tool to do this in your organization



## Session 6: The Future of Risk reporting

- What is comparative dashboard reporting and how to structure and implement this in your organisation?
  - Risk reporting requirements
  - Risk reporting Dashboard
  - Data- feeds for Risk Reporting



### Programme:

07h30 - 08h00	Registration and coffee
08h00 - 10h00	Session 1 & 2
10h00 - 10h20	Morning break
10h20 - 13h00	Sessions 3 & 4
13h00 - 13h45	Lunch
13h45 - 15h00	Session 5
15h00 - 15h15	Afternoon break
15h15 - 16h45	Session 6
16h45 - 17h00	Closure & evaluation

**Date: 24 October 2017**

**Price: N\$ 2,950.00 (Incl. VAT)**

Special for companies : Register 3 and get the 4th person free



**Registrations close 20 October 2017**  
**Register via [busschool@na.pwc.com](mailto:busschool@na.pwc.com)**

## Professional Profile: Horst Simon

**Risk Culture Builder**

**Director-Risk, Strong Advice**

**Advisor, British University in Dubai**

**Former Director-Trainer, Moody's Analytics**



Horst Simon has been in commercial banking and the risk management consultancy industries for almost 4 decades.

During his earlier career in Africa he supported the capacity building program of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), training Central Bank Supervisors in Africa in Operational Risk Management. He also represented Lesotho in the World Bank project to review and improve payment systems in the Southern African Development Community (SADC).

After a career of almost 25 years in Southern Africa, Horst started his work in the Middle East in 2005 at (the now) Emirates NBD Group, where he was tasked with building an Operational Risk Management function for the Group. He held previous operational risk and banking operations positions with Barclays Bank plc and with the Standard Bank Group of South-Africa Ltd, living in 4 countries and working in more than 20 on short-and long term assignments.

As Head of Risk Technology in Mashreq Bank in the United Arab Emirates, he pioneered the concept of Risk Technology Management; the implementation of a strategic risk mitigation framework to achieve active risk management capability, support good risk governance and ensure sustainable competitive advantage

Since 2010 he is a Risk Management Consultant and Trainer and was associated with leading global players in the field of Risk Management Consultancy and Training as well as Business Process Outsourcing. Most recently; he was a full-time Director-Trainer with Moody's Analytics where he delivered Non-Financial Risk Management Training and co-developed an Operational Risk Leadership training program for a large Global bank.

In 2011 he built an on-line Risk Culture Maturity Assessment tool with a leading UK Consultancy and the next year he contributed to the Institute of Risk Management's Guidance Papers on Risk Culture.

His special interest is in the field of People Risk and he has delivered many risk management training workshops in Africa, Asia and the GCC. He also regularly presents at international conferences on the Mitigation of People Risk, Risk Culture Building and other enterprise risk management topics.

He owns a professional group with more than 7800 members on Linked-In, runs a virtual community on "The Future of Risk Management" at the Madinah Institute for Leadership and Entrepreneurship and he is the Co-Regional Director of the Dubai Chapter of the Global Association for Risk Professionals.



# Registration form

## Risk Culture Building Workshop

To secure your place, please complete and submit your confirmation to [busschool@na.pwc.com](mailto:busschool@na.pwc.com)

Please note that by signing the Registration Form you bind your organisation to the reservation and payment of the delegate/s fee, noting that payment is due on presentation of invoice.

Cancellation/replacement of delegates to be done 3 working days prior to the Course.

Failure will result in full payment of the booking.

**PRICE: N\$ 2,950.00 including VAT, refreshments and training material per delegate.**

Name & Surname	Job Title/designation	Email

Organisation Name

PwC Audit Client

Circle the correct one: YES

NO

Postal Address

Person Responsible for  
Payment

Name:

Designation:

Tel.

E-mail:

Approving Manager

Name:

Designation:

Signature:

### Conditions of Registration

All registrations are accepted on the basis that registrants are aware of and accept the conditions below:

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