



ANNUAL REPORT

2022/3





**Great work was
achieved through
collaboration.**



**TEAM
WORK!**

TABLE OF CONTENTS

FOREWORD BY THE MINISTER OF FINANCE AND PUBLIC ENTERPRISES	05
STATEMENT BY THE CHAIRPERSON OF THE BOARD	07
OVERVIEW BY THE COMMISSIONER	09
ABOUT NAMRA	11
GOVERNANCE REPORT	12
EXECUTIVE TEAM	14
STRATEGIC OBJECTIVES.....	15
RISK MANAGEMENT AND INTERNAL AUDIT	38
THE LEGAL SPACE.....	40
TAXPAYER AND TRADER ENGAGEMENT	42
TECHNOLOGICAL CAPACITY.....	47
CORPORATE SOCIAL RESPONSIBILITY	51
ANNUAL FINANCIAL STATEMENTS	54

ABBREVIATIONS

AEO	Authorised Economic Operator
ASYCUDA	Automated System for Customs Data
e-CoO	Electronic Certificate of Origin
ICT	information and Communications Technology
ITAS	Integrated Tax Administration System
NamRA	Namibia Revenue Agency
SADC	Southern African Development Community
TRS	Time Release Study
UCR	Unique Consignment Reference
VAT	Value Added Tax
WCO	World Customs Organization

FOREWORD

BY THE MINISTER OF FINANCE AND PUBLIC ENTERPRISES



Ipumbu Shiimi

I am delighted to present this Foreword to the Namibia Revenue Agency (NamRA) Annual Report covering the fiscal year 2022/3. It is with great pride and gratitude that I extend my appreciation to NamRA for diligently upholding the provision of the law by issuing this comprehensive report, which has become an integral part of our institution.

As we reflect on the past year, it is evident that the global economy continued to face significant headwinds. However, I am pleased to highlight that, despite the challenges, the Namibian economy demonstrated resilience and determination. By the end of the 2022/3 financial year, we witnessed a resurgent growth trajectory, an improved revenue outturn and strengthened economic fundamentals.

One of the notable achievements in this period was the remarkable growth of certain domestic revenue streams, particularly Value Added Tax (VAT), which recorded an impressive 103% collection rate over the fiscal year. Additionally, income tax on individuals exhibited strong growth, contributing to the positive revenue performance.

I commend NamRA for the successful implementation of the Modified Electronic Filing Tax Relief Programme, which significantly contributed to revenue generation. This initiative yielded a collection of N\$747 million within the first six months of the year under review. The dedication and hard work of NamRA's team played a crucial role in these achievements and I extend my sincerest appreciation to the Board members, the Commissioner and the entire staff for their exceptional cooperation and dedication to efficient revenue collection.

As we implement tax relief through NamRA, I emphasise the vital importance of tax compliance. The development of countries around the world is largely driven by the commitment of their people and businesses to comply with tax obligations. NamRA stands as a beacon of prosperity for our nation, and it is imperative that we wholeheartedly support its efforts. By being tax-compliant, we contribute to the growth and stability of our economy, enabling us to build a better and more prosperous future for all Namibians. Let us all play our part in fostering a culture of compliance and responsibility as we work hand in hand towards a stronger and more resilient Namibia.

The Ministry of Finance and Public Enterprises tabled several vital Bills that were passed by Parliament. These include the Stamp Duties Amendment Bill, the Income Tax Amendment Bill and the Value-Added Tax Amendment Bill. These legislative actions demonstrate our commitment to improving our tax policies and administration for the benefit of all Namibians. NamRA is committed to implementing these new Acts.

As we move forward, we remain steadfast in our commitment to support the economy's recovery and safeguard the well-being of our citizens. The FY2022/3 Mid-year Budget Review emphasised that we should refrain from considering new tax policy proposals at this stage, as the economy, together with individual and corporate balance sheets, have not yet recovered sufficiently. Instead, we will nurture emerging growth prospects by focusing on tax administration reforms to ensure revenue enhancement through adequate tax compliance.

I must emphasise that the previously announced tax proposals and considerations will be revisited once the economy has recovered sufficiently, and individual and corporate balance sheets have stabilised. Until then, I encourage taxpayers with outstanding arrears to seize the window presented by the Tax Amnesty Programme and utilise their income recoveries to settle their tax liabilities.

Notable progress was recorded in customs and excise as well. I am also pleased to acknowledge NamRA's successful implementation of several customs modernisation initiatives that have been critical in bringing about efficiency in our revenue collection efforts, trade facilitation and overall compliance. The strategic importance of customs administrations cannot be understated, as they serve as the backbone of our economic growth and development.

Through the dedication and hard work of our customs officials, we have been able to streamline processes, enhance transparency and reduce trade barriers, resulting in an environment that is more conducive to businesses thriving and flourishing.

I commend NamRA for its relentless commitment to embracing innovation and best practices in customs administration. Together, we will continue to invest in further advancements and equip our customs authorities with the necessary tools to ensure our nation's continued economic prosperity.

In closing, I applaud the efforts of the Government in establishing NamRA as an autonomous revenue-collecting agency. The collection outcomes we have witnessed are promising, and I am confident that NamRA's continued commitment and dedication will lead to even greater success in the future.

Once again, I extend my heartfelt gratitude to NamRA and its conscientious team for their invaluable contributions to the fiscal health of our nation. Together, we will navigate the challenges ahead and build a prosperous and sustainable future for all Namibians.



Ipumbu Shiimi, MP
Minister of Finance and Public Enterprises



STATEMENT BY THE CHAIRPERSON OF THE BOARD



Anna Nakale-Kawana

It gives me great pleasure to present to you the second Annual Report of the Namibia Revenue Agency (NamRA) for the financial period ended 31 March 2023. This Report comes just as NamRA celebrates its second anniversary and our economy is recovering from the effects of COVID-19, although we continue to be plagued by escalating inflation.

As Chairperson of the Board, I am honoured to be entrusted with the responsibility of leading this exceptional institution during such a pivotal phase. I am proud to share that the Board was reappointed in December 2021 and is committed to serving until November 2024, affording us ample time to guide NamRA's transformation from a fledgling entity to a mature and capable institution. By the time our tenure concludes, NamRA will be nearing its fourth year of operations. I have no doubt that, by then, it will have continued to testify to the dedication and hard work of all stakeholders involved.

For the financial year ended 31 March 2023, I am delighted to announce that NamRA exceeded expectations by surpassing its revenue-collection target by an impressive N\$4 billion for the period in question. We were tasked with bringing in N\$53.4 billion, a goal initially perceived as ambitious, yet our collective efforts resulted in the collection of a remarkable N\$57.3 billion. This accomplishment reflects the commitment and determination of our dedicated team in ensuring the financial stability of our beloved nation.

Furthermore, I am pleased to highlight the significant strides that NamRA has made in the recruitment process in the past financial year.

In our unwavering commitment to building a proficient and dynamic team, we made considerable progress in onboarding staff members from the legacy departments of the Ministry of Finance and Public Enterprises. This concerted effort is not only ensuring a seamless transition: it has also allowed us to capitalise on the expertise and experience of existing personnel.

Moreover, we have taken a forward-looking approach to our recruitment strategy by attracting and employing a diverse pool of young professionals and experts. The infusion of fresh talent and ideas into our workforce has been invigorating, propelling NamRA towards a path of innovation and excellence. By cultivating a vibrant and inclusive work environment, we foster an atmosphere that nurtures creativity and empowers our employees to challenge conventional thinking, contributing to improved efficiency and effectiveness in revenue collection.

NamRA's mandate is a critical one, and as a Board, our role is to provide unwavering leadership and governance to guide the Agency towards achieving its objectives. I am elated to share that, during the past reporting year, NamRA maintained an exemplary record in governance. We successfully developed and approved a range of crucial policies spanning human resources, communications, information technology and customs administration. The implementation of these policies is evidence of the effectiveness of the institution and its commitment to meeting its responsibilities.

As a Board, we recognise the critical role that our staff play in NamRA's success achieved thus far. We firmly believe that, by harnessing

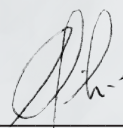
the potential of our team and providing them with the necessary support and resources, NamRA will undoubtedly evolve into a world-class revenue agency.

In conclusion, I extend my heartfelt gratitude to my esteemed fellow Board Members for their exceptional cooperation and insightful leadership. Their consistent support has been instrumental in driving NamRA's success. I also extend our appreciation to the Minister of Finance and Public Enterprises and his entire staff for their invaluable support, which has enabled us to fulfil our mandate effectively.

A special mention must also be made of NamRA's Commissioner and Management team for their exemplary dedication and collaboration. Their commitment to enhancing revenue generation for our nation has been resolute and they continue to be the driving force behind NamRA's accomplishments.

As we look towards the future, I am filled with optimism and pride in the path we have charted together thus far. The journey ahead is undoubtedly challenging, but with the dedication and unity that are already defining NamRA, I have no doubt that we will achieve even greater heights in fulfilling our national duties.

Together, we shall shape a future where NamRA stands as a beacon of excellence, driving the economic growth and prosperity of our beloved nation.



Anna Nakale-Kawana
Chairperson of the Board



OVERVIEW BY THE COMMISSIONER



Sam SHIVUTE

It gives me immense pleasure to present the 2022/3 Annual Report of the Namibia Revenue Agency (NamRA). This Report outlines our achievements, initiatives and efforts to enhance operational efficiency during the financial year under review, all in accordance with section 31(1) of the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017).

Despite challenging global and domestic economic conditions, NamRA made remarkable progress in the 2022/3 financial year. I am pleased to share that we not only met but exceeded our revenue collection target. We reached an impressive N\$57.3 billion, surpassing even our revised target of N\$53.4 billion. This accomplishment would not have been possible without the continuous support and compliance of our taxpayers and traders, and for that, we remain deeply grateful.

Our perseverance in improving service to our clients led us to open a Dedicated Service Centre in Windhoek during August 2022, and we plan to establish similar centres in various regions. We also expanded our reach by inaugurating satellite offices in Opuwo (Kunene Region) and Omuthiya (Oshikoto Region), ensuring greater accessibility for taxpayers across the country.

The highlight of the year under review was the July 2022 visit by Dr Kunio Mikuriya, Secretary General of the World Customs Organization (WCO). This visit served as a clear indication that our efforts and impact are duly recognised by esteemed international organisations and development partners like the WCO. With their instrumental support, the WCO plays a pivotal role in providing NamRA with essential technical assistance across various customs administration domains.

In its commitment to modernisation, NamRA is well on its way to becoming a world-class revenue agency known for its integrity and trustworthiness, and for enhancing the ease

of doing business in the country. We have invested substantial resources in upgrading our systems and leveraging enabling technologies. Notably, the launch of the Advance Ruling Service, Southern African Development Community's Electronic Certificate of Origin and Authorised Economic Operator Programme are significant milestones in our journey towards improved efficiency and service delivery.

We believe that these initiatives will help improve the client experience as well as our capacity to detect and deal with tax non-compliance. Additional benefits of the said modernisation initiatives include improved customs efficiencies and, hence, improved service delivery.

We also recognise the importance of stakeholder engagements, which have resulted in fruitful collaborations and cooperation. Our public education efforts were further enhanced through the launch of *NamRA Kachenu* - an audio-visual content platform - and increased participation in local exhibitions. These activities aim to improve the taxpayer experience and bolster our ability to address non-compliance.

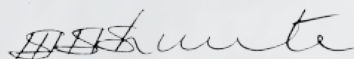
As we look ahead, our focus remains on improving debt collection, implementing recommendations on tax compliance for companies and high-income earners, accelerating criminal investigations, and countering illicit practices. Additionally, we will shape our policies and approaches to enhance revenue collection in the service of the national economy. Our commitment to compliance work will continue to gather momentum as we strive to ensure fair taxation.

I extend my heartfelt appreciation to the Minister of Finance and Public Enterprises, Honourable Ipumbu Shiimi, and NamRA Board Chairperson, Ms Anna Nakale-Kawana, together with the entire Board, for their unwavering stewardship and invaluable support throughout the year. To the dedicated NamRA leadership and our more than 1,000 hardworking employees, I express my wholehearted gratitude. Your dedication and commitment to our mission are indispensable for our success.

Lastly, a sincere and unreserved thank you to every compliant taxpayer and trader. Your tax contributions have made a significant difference and we assure you that your continued support strengthens our efforts in building a capable State that serves the well-being of all Namibians.

As we move forward, we will continue to work diligently to fulfil our mandate of collecting all revenue that is due. This is the privileged work that aligns to the sacred purpose that NamRA serves.

Thank you.



Sam SHIVUTE
Commissioner



VISION

We aspire to be a World-Class Revenue Agency, serving with passion to positively impact the livelihood of every Namibian.

MISSION

We administer and enforce the Tax and Customs laws of Namibia with consistency, fairness, efficiency and effectiveness in an effort to mobilise domestic revenue.

VALUES

Integrity
Fairness
Diversity
Efficiency
Agility

MANDATE

The Namibia Revenue Agency, governed by the Namibia Revenue Agency Act, 2017, is responsible for improving service delivery and administering the tax laws of Namibia.

BOARD COMPOSITION



Anna Nakale-Kawana
Chairperson



Stefan Hugo
Deputy Chairperson



Shirene Bampton
Member



Adv. Dennis Khama
Member



Pieter Kruger
Member



Titus Ndove
Ex-officio Member



Sam SHIVUTE
Ex-officio Member

Policies approved by the Board during the 2022/3 financial year

The Board approved the following policies and strategy documents during the period under review:

1. Investment Policy
2. Recruitment, Selection and Induction Policy
3. Performance Management Policy
4. Industrial Relations Policy
5. Internship Policy
6. Vetting Policy
7. Remote Allowance Policy
8. Information and Communications Technology (ICT) Governance Policy
9. ICT Digital Strategy
10. ICT Governance Charter
11. Organisational Performance Scorecard
12. Compliance and Enforcement Strategy

The Board also approved amendments to the following policies during the period under review:

1. Travel Policy
2. Leave Policy

Board meetings

Date	Audit and Risk Board Committee	Remuneration Board Committee	ICT Board Committee	Statutory Board
15 Jun 2022 14 Sep 2022 16 Nov 2022 28 Feb 2022			Pieter Kruger Stefan Hugo Adv. Dennis Khama Sam SHIVUTE	
17 Jun 2022 13 Sep 2022 21 Nov 2022 1 Mar 2022	Stefan Hugo Titus Ndove Sam SHIVUTE			
27 Jun 2022 14 Sep 2022 14 Nov 2022 27 Feb 2023		Shirene Bampton Adv. Dennis Khama Titus Ndove Sam SHIVUTE		
29 Jun 2022 28 Sep 2022 07 Dec 2022 29 Mar 2023				Anna Nakale-Kawana Stefan Hugo Titus Ndove Shirene Bampton Adv. Dennis Khama Pieter Kruger Sam SHIVUTE

Board Members' attendance list

Board Member	Number of Committee meetings attended	Number of Statutory Board meetings attended
Anna Nakale-Kawana	0	4
Stefan Hugo	2	3
Shirene Bampton	1	4
Adv. Dennis Khama	2	4
Pieter Kruger	1	4
Titus Ndove	2	3
Sam SHIVUTE	3	4

Board fees received 1 April 2022 to 31 March 2023

Board Member	Committee Membership	Board Fees Received 1 April 2022 to 31 March 2023 (N\$)
Anna Nakale-Kawana	0	180,779.85
Stefan Hugo	2	198,928.28
Shirene Bampton	1	174,199.04
Adv. Dennis Khama	2	188,701.57
Pieter Kruger	1	147,106.54
Titus Ndove	2	0
Sam SHIVUTE	3	0
Total		889,715.28

Meet our *Executive* TEAM



Sam SHIVUTE
Commissioner



Idi Itope
Head of Domestic Taxes



Willbroad Poniso
Head of Customs
and Excise



Fanuel Uugwanga
Chief: Human Capital and
Strategy



Nadine du Preez
Chief: Legal Officer



Haitange Nelumbu
Chief: Financial Officer and
Corporate Services



Melanie Tjijenda
Chief: Information and
Communications Technology



Yarukeekuro Ndorokaze
Chief: Strategic Communications
and Support Engagements



Ananias Iiyambo
Acting Chief of Internal Affairs



STRATEGIC OBJECTIVES



STRATEGIC OBJECTIVES

Optimise revenue collection	1	
	2	Improve voluntary compliance
Enhance trade facilitation	3	
	4	Invest in NamRA and its people
Pursue innovation	5	
	6	Optimise organisational efficiency, service delivery and cost-effectiveness
Improve data management and analytical capability	7	

1. REVENUE COLLECTION IS CENTRAL

NamRA's primary role is to optimise revenue collection from sources within Namibia or deemed to be within Namibia and through cross-border trade. Since revenue collection is one of its strategic objectives, NamRA has implemented programmes to promote voluntary compliance with the administered revenue laws through education, service delivery and enforcement. The enforcement of revenue laws is carried out through interventions ranging from audits to inspections.

TARGETS SET BY THE MINISTER OF FINANCE AND PUBLIC ENTERPRISES

The tax revenue estimates are determined by the Minister of Finance and Public Enterprises and are announced during the tabling of the national budget. This is done in compliance with Article 126(1) of the Namibian Constitution, which provides as follows:

The Minister in charge of the Department of Finance shall, at least once every year and thereafter at such interim stages as may be necessary, present for the consideration of the National Assembly estimates of revenue, expenditure and income for the prospective financial year.

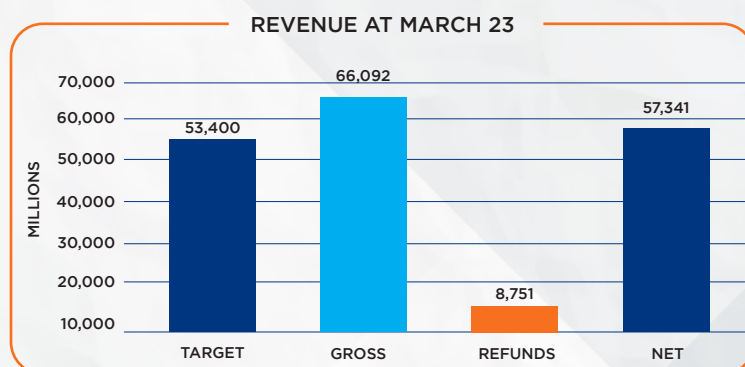
NamRA obtains its tax revenue estimates from the budget speech as announced by the Minister of Finance and Public Enterprises prior to the commencement of the financial year and as revised mid-year to provide for necessary adjustments.

REVENUE PERFORMANCE

In terms of Article 125(2) of the Namibian Constitution, ***“All income accruing to the central Government shall be deposited in the State Revenue Fund and the authority to dispose thereof shall vest in the Government of Namibia”***.

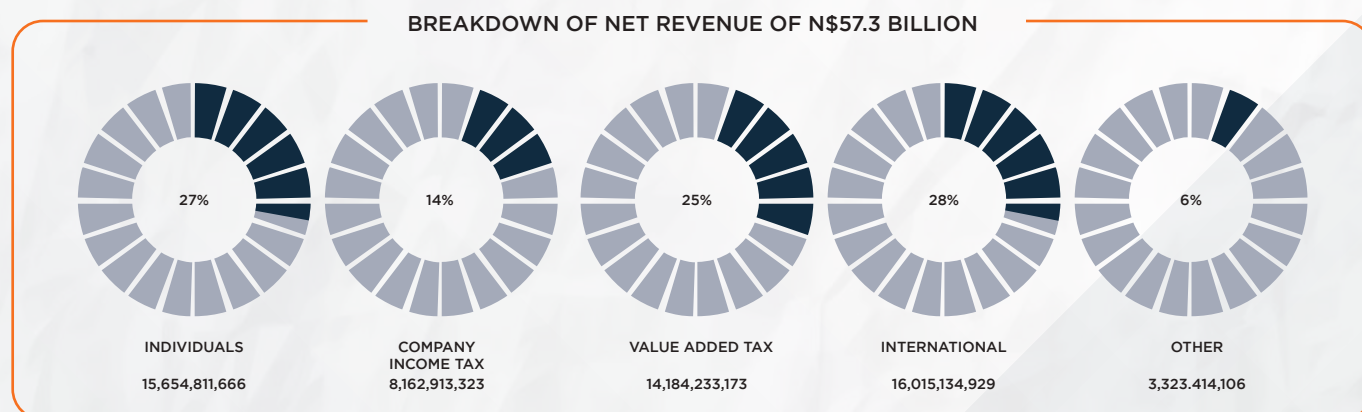
NamRA collected a net amount of N\$57.3 billion in revenue, which was deposited in the State Revenue Fund in accordance with Article 125(2). The revenue equates to 107.3% of the annual target of N\$53.4 billion set for the financial year starting on 1 April 2022 and ending on 31 March 2023. The collected revenue comprised 69% generated from domestic taxes and 31% from customs and excise fees and levies. Domestic taxes delivered a gross revenue sum of N\$48.2 billion and a net collection of N\$39.5 billion, which equates to 105% of the annual target of N\$37.6 billion. Net customs and excise revenue amounted to N\$17.8 billion, translating into 112.8% of the total annual target of N\$15.8 billion.

The figure below depicts an overview of the revenue collected as at 31 March 2023.



The figure shows that NamRA collected N\$66.1 billion in gross revenue, with a net amount of N\$57.3 billion. Refunds paid out for the period 1 April 2022 to 31 March 2023 amounted to just over N\$8.75 billion.

The net amount collected as at 31 March 2023 is broken down into various main tax categories, as shown in the figure below.

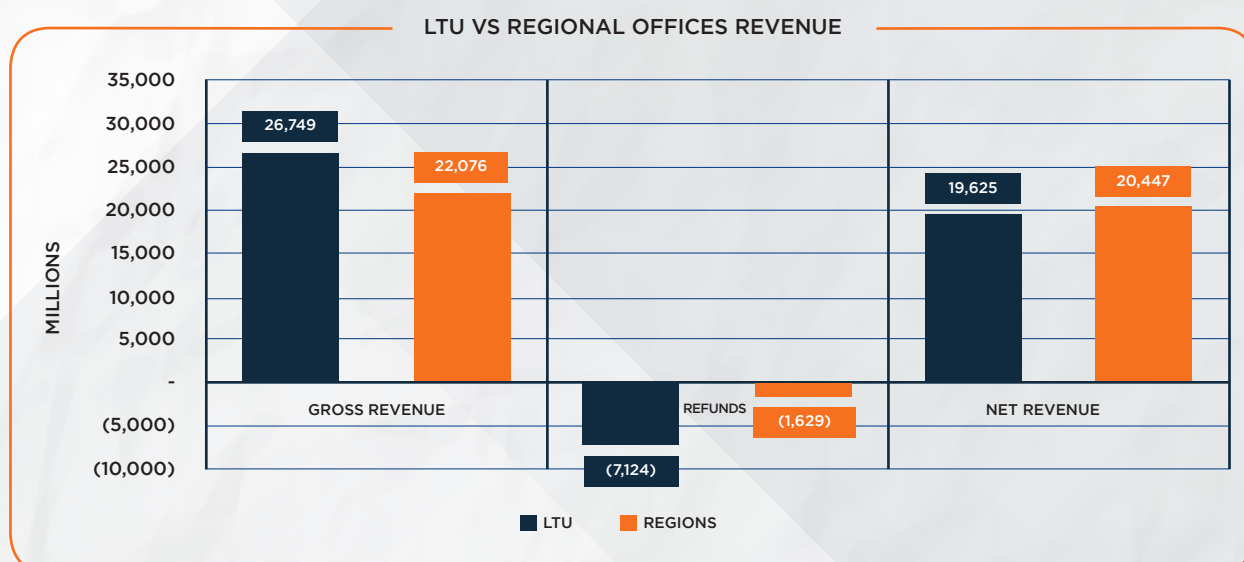


DOMESTIC TAXES

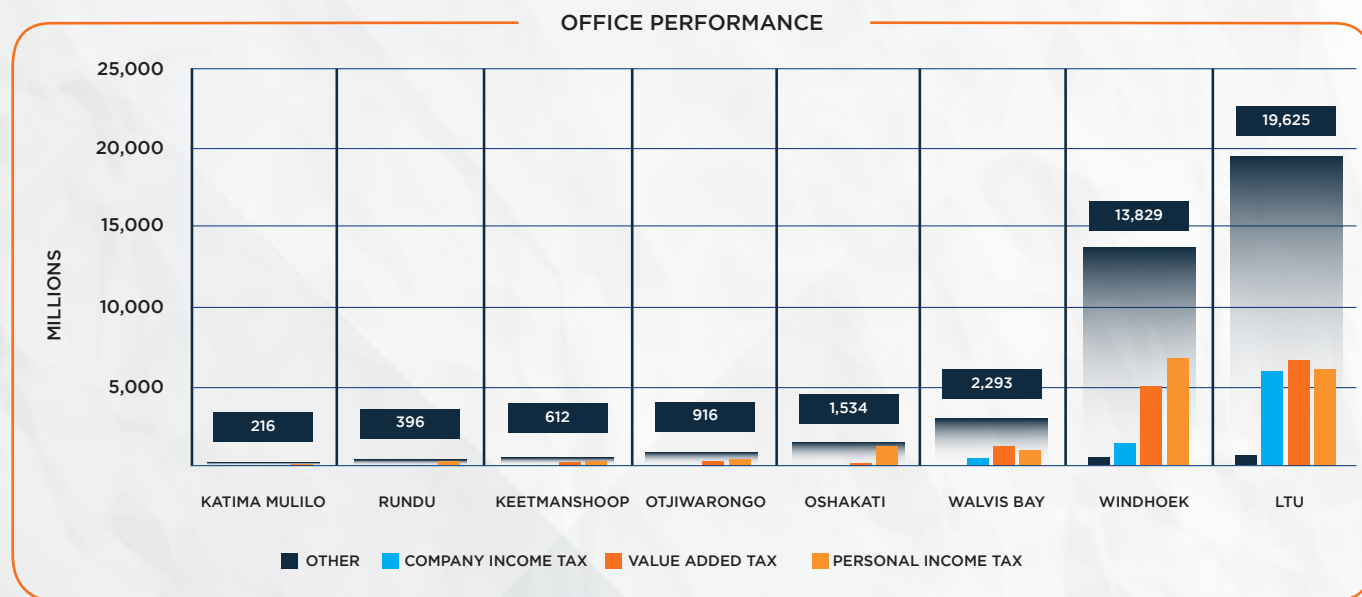
The Domestic Taxes Department consists of the Large Taxpayers Unit (LTU), the Regional Operations Division, and the Audit and Compliance Division.

All taxpayers with a turnover of N\$75 million and above are assigned to the LTU. The remaining taxpayers are assigned to the Regional Operations (RO) Division, which is responsible for the medium to small taxpayer base.

As anticipated, the LTU generated the higher gross revenue and paid out more tax refunds during the financial year than the RO Division. The latter, however, recorded higher net revenue for the reporting period, as depicted in the figure below.



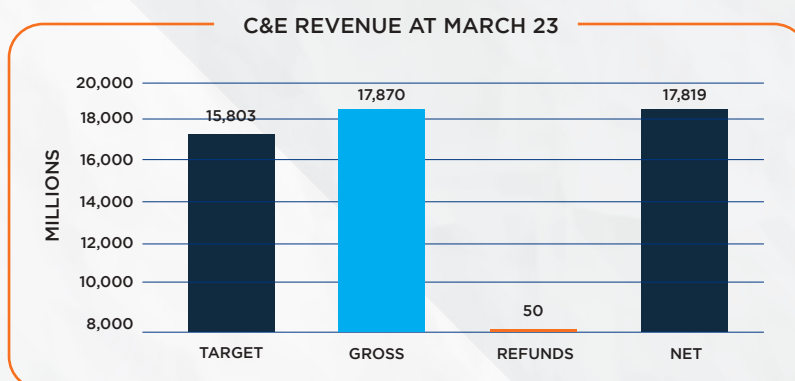
The chart below depicts the net revenue performance of each Domestic Taxes Office responsible for managing the affairs of specific taxpayers. Such an office is thus regarded as an office of registration.



As stated previously, the target for the RO Division was N\$37.6 billion. The chart above illustrates NamRA's net revenue per Domestic Taxes Office in ascending order, starting with the Katima Mulilo Office, which collected N\$216 million, and ending with the Windhoek Office, which brought in N\$13.8 billion. Together, these Offices helped the RO Division exceed its target by 5%. The chart comparison includes the LTU's net revenue collection for the reporting year, namely N\$19.6 billion.

CUSTOMS AND EXCISE

For the financial year 1 April 2022 to 31 March 2023, the Customs and Excise Department was tasked with collecting tax revenue of N\$15.8 billion. As depicted in the figure below, Customs and Excise achieved a gross revenue collection of N\$17.8 billion as at 31 March 2023. Since the Department paid out N\$50.4 million in refunds, the net collection was N\$17.8 billion – which equated to 112.8% of the financial year's target.



DEBT PERFORMANCE

The tax arrears owed to NamRA remain relatively high. Indeed, the arrears have been increasing at a rate faster than that of recovery. These arrears relate to the taxes administered by the Domestic Taxes Department. The table below indicates the tax arrears at the end of March 2022 in comparison with 31 March 2023.

Period	Tax	Penalties	Interest	Total
31-Mar-22	12 224 961 690,23	38 136 535 778,19	8 906 677 456,04	59 268 174 924,46
31-Mar-23	16 154 521 372,72	43 702 357 845,09	12 685 574 504,89	72 542 453 722,68
Net Movement	3 929 559 682,48	5 565 822 066,90	3 778 897 048,85	13 274 278 798,22
	32%	15%	42%	22%

Through its Domestic Taxes Department, NamRA implemented the Notice to Agent Standard Operating Procedure Document as approved by the Management Committee during the review period. NamRA's Standard Operating Procedure has established standardised processes and administrative uniformity within the Agency in respect of the collection of outstanding taxpayer debt. The Procedure also dictates the manner in which stakeholders are made aware of the action that NamRA will take against taxpayers if they fail to pay their taxes by the statutorily determined due dates.

TAX COLLECTION TO GROSS DOMESTIC PRODUCT RATIO

The ratio of tax to gross domestic product (GDP) is calculated as the domestic tax revenue in relation to GDP. The figure below states the GDP value at market prices in 2022, while the tax value comprises total domestic tax revenue collected during FY2022/3.

Performance area	N\$	Tax to GDP ratio	Tax to GDP ratio target
GDP FY2021/2022	187,250,887,527		
Domestic tax revenue FY2022/3	39,974,824,000	21.35%	22%
Revenue including SACU receipts FY2022/3	57,794,313,824	30.86%	32%

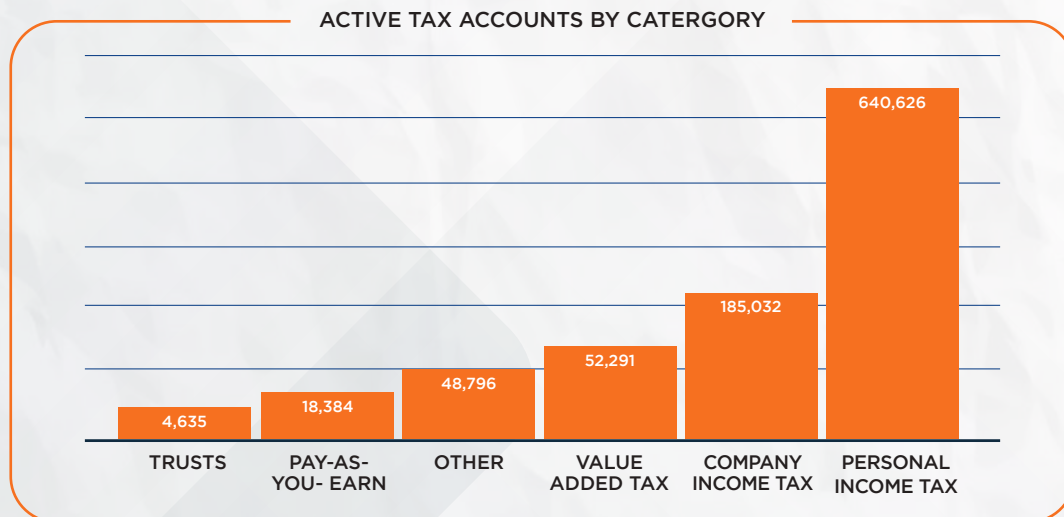
GDP source - Fiscal Strategy for Medium Term Expenditure Fund 2023/4 - 2025/6, Ministry of Finance

2. IMPROVING VOLUNTARY COMPLIANCE

In its administration of revenue laws, NamRA creates various administrative platforms to assist taxpayers and traders with their voluntary compliance with those laws.

TAXPAYER REGISTRATION BASE

Revenue collection is attributed to the tax collected from various tax registration categories that make up our tax base. As at 31 March 2023, NamRA had a total of 949,764 active tax accounts. These can be broken down into different tax categories, as shown below:



TAX RELIEF PROGRAMME

The Modified Electronic Filing Tax Relief Programme announced by the Minister of Finance and Public Enterprises on 24 February 2022 was designed to provide motivation for tax debt recovery and reduction. This gesture was intended to be beneficial not only to NamRA in its quest for revenue mobilisation, but also to taxpayers in their plea for leniency. The non-negotiable quid pro quo dictated the following:

1. Any registered taxpayer could participate in the Programme and benefit from it on condition that they signed up as electronic filers on the NamRA portal and registered themselves as Programme participants.
2. The capital amount on the applicable tax account needed to be settled in full before the benefit would accrue to the taxpayer, i.e. there was no proportional method of benefiting.
3. In return, NamRA would write off a predetermined percentage of the interest balance and reverse all imposed penalties.

The Programme commenced 1 June 2022 and was intended to run until 31 May 2023. However, on 22 February 2023, during his Budget Speech, the Minister announced the extension of what then became referred to as the Tax Amnesty Programme, which comes into effect from 1 April 2023 and ends on 31 October 2024.

WORRIED ABOUT YOUR TAX DEBTS?
WE HAVE GOT YOUR BACK AGAIN!

www.namra.org.na

INTRODUCING THE NEW
TAX AMNESTY PROGRAMME
From 1 April 2023 to 31 October 2024.

How much of a relief is this?

Total tax arrears owed to NamRA is over N\$60 billion, with the Revised Tax Amnesty Programme over N\$53 billion could be written off.

Capital Debts	Interests	Penalties
N\$15.2 billion	N\$10.4 billion	N\$4.2 billion

*As at 31 December 2022

How it works:

1. Register as an electronic filer on iTAS portal
2. File all your returns electronically on iTAS portal
3. Pay your capital amount
4. Register to partake in the Tax Amnesty

*Once you successfully register to partake in the Tax Amnesty, all your interest and penalties will be written off.

Visit your nearest NamRA office or visit our media platforms for more information on this programme.

SCAN THE QR CODE TO SIGN UP

NamRA
Namibia Revenue Agency

Serving with passion

3. FACILITATING TRADE

NamRA, in its function as a border agency, seeks to improve the trading environment for all traders who use Namibian ports of entry. To this end, its Customs and Excise Department digitised customs procedures and launched and implemented various trade facilitation initiatives during FY2022/3.

AUTHORISED ECONOMIC OPERATORS

In accordance with its membership of the World Trade Organization, Namibia ratified the Trade Facilitation Agreement (TFA) on 9 February 2018. In terms of Article 7.7 of the TFA, all signatories are obliged to develop authorised economic operator (AEO) schemes in line with international standards. These schemes provide additional trade facilitation measures related to import, export or transit formalities and procedures to operators who meet specified criteria.

The World Customs Organization (WCO) defines an AEO as a party involved in the international movement of goods in whatever function approved by or on behalf of a national customs administration. AEOs may include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders. An AEO is obliged to comply with WCO or equivalent supply chain security standards.

On 7 April 2022, NamRA formally launched its AEO Compliance (Level 1) Programme in Namibia with one accredited trader. The Programme, which complies with section 18B of the Customs and Excise Act, 1998 (Act No. 20 of 1998), offers the following benefits to the trader:

- a) Expedited VAT refunds (i.e. refund benefit to client resolved within a month)
- b) A reduced bond amount in respect of any security required to comply with a customs procedure
- c) A facilitated and flexible inspection scheme which requires fewer routine documentary and physical inspections and offers non-intrusive inspection techniques when goods are stopped or detained for inspection
- d) Expedited clearance of goods to reduce delays and pre-clearance of goods to reduce border crossing times
- e) Provision of a Client Relationship Manager to manage the relationship between the Customs Administration and the preferred trader or AEO



NamRA's AEO Unit engaged with one of its accredited AEOs, Namib Mills (Pty) Ltd, in Windhoek on 14 February 2023

From the AEO Unit's inauguration on 1 July 2022 to the end of the 2022/3 reporting year, NamRA had engaged over 15 traders. To raise awareness of the AEO Compliance Programme among Customs officials, other Government Agencies and the private sector, NamRA hosted an AEO National Awareness Session from 28 to 30 March 2023 in Windhoek with the support of the Southern African Customs Union Secretariat.



Participants at the National AEO Awareness Session held in Windhoek from 28 to 31 March 2023

TIME RELEASE STUDY

Article 7.6 of the TFA also requires its signatories to –

... measure and publish their average release time of goods periodically using tools such as, inter alia, the Time Release Study of the World Customs Organization (WCO), and to share experiences in measuring average release times, including methodologies used, bottlenecks identified, and any resulting effects on efficiency.

During the period under review, NamRA joined the Accelerate Trade Facilitation initiative, which brings together the WCO and the United Nations Conference for Trade and Development in a partnership supported by His Majesty's Revenue and Customs in the United Kingdom. Through this initiative, which underlies the effective implementation of the TFA, NamRA was provided with technical assistance to build capacity for conducting a Time Release Study (TRS) at the Port of Walvis Bay. The official launch of the TRS at the Port of Walvis Bay on 7 February 2023 was attended by WCO experts and a representative of His Majesty's Revenue and Customs. Representatives from NamRA, other Government Agencies, clearing agents and the private sector were also part of the launch.

From 15 February 2023, NamRA officials distributed TRS questionnaires to clearing agents in line with the four core phases set out in the TRS Guideline. During the period under review, a National Technical Working Group collected data, both manually and automatically, as part of the implementation of Phase 3 of the TRS and in preparation for a report to be shared with policymakers and the WCO in the 2023/4 financial year.



WCO experts, a representative of His Majesty's Revenue and Customs in the UK, representatives from other Government Agencies, clearing agents and members of the private sector attended the official launch of the TRS at the Port of Walvis Bay on 7 February 2023.

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY ELECTRONIC CERTIFICATE OF ORIGIN

The Southern African Development Community (SADC) Electronic Certificate of Origin (e-CoO) is an electronically processed and issued certificate of origin by a competent authority attesting that the goods declared by an exporter conform to specific rules of origin. The SADC e-CoO was officially launched on 7 September 2022 in Blantyre, Malawi at regional level. Subsequently, Namibia launched its SADC e-CoO on 6 December 2022.

The main objective of the SADC e-CoO is to address the barriers to movements of goods across the region, facilitate the easy movement of goods, improve intra-regional trade in addition to reducing cost of doing business within the region. This specifically relates to goods that conform to the SADC Rules of Origin.



Mr Thomas Feidieker, Head of Cooperation at the Germany Embassy, Mr Alcides Monteiro, Senior Programme Officer at SADC, and Mr Willbroad Poniso, NamRA's Head of Customs and Excise, at the SADC e-CoO launch in Windhoek on 6 December 2022

Benefits to the exporter include the following:

- Easy access to historical transaction
- Reduction in time and cost of processing
- Easy access to historical transactions
- Access to downloadable e-CoO copies
- Reduction in data errors
- Online platform allows access from anywhere, any time
- Guaranteed preferential treatment where origin is proven
- Reduction of shipment delays caused by incomplete documentation

ADVANCE RULING INITIATIVE

On 12 July 2022, NamRA launched the Advance Ruling, which is a trade facilitation tool introduced by the WCO. The initiative aims to mitigate some of the bottlenecks experienced in international trade transactions. The tool provides official and binding written decisions relating to certain admissible customs discipline measures, namely classifying goods according to certain tariffs, valuating goods, and determining their origin. Thus, prior to an import or export transaction, NamRA provides an official written ruling on the goods involved in such a transaction. This Advance Ruling, which is valid for a period specified in writing, states the tariff classification to which the goods are subject and certifies their origin. Such Rulings may also dictate the treatment to be applied to a certain element of the goods to determine their value.



WCO Secretary General Dr Kunio Mikuriya hands over the supportive instruments to NamRA Commissioner Sam SHIVUTE at the launch of the Advance Ruling initiative in Windhoek on 12 July 2022.

NamRA assists importers and exporters with these Advance Rulings by simplifying and modernising customs processes as well as enhancing efficiency. This boosts imports and exports because duty liability can be predicted and provided for, which minimises delays – thereby reducing the cost of doing business. Among other things, Advance Rulings also address integrity issues and expedite clearance processes. By 31 March 2023, some 152 Advance Rulings had been issued since NamRA introduced this trade facilitation tool.



NamRA officials pose with various stakeholders and WCO experts for the Advance Ruling launch in Windhoek on 12 July 2022.

UNIQUE CONSIGNMENT REFERENCE NUMBERING SYSTEM

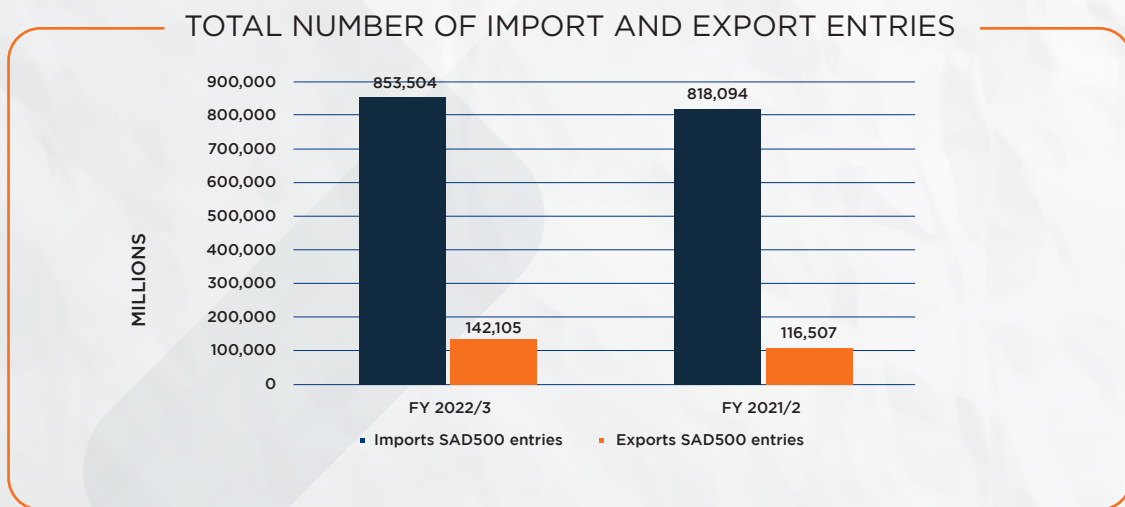
Together with the South African Revenue Services, NamRA implemented the Unique Consignment Reference (UCR) numbering system. The UCR system has been recommended by the WCO for parties involved in international trade, including customs administrations, in tracing the transit of goods from consignor to consignee. UCR numbering is used to track the transit of products from a supplier (consignor) to a recipient (consignee). The UCR system is applied at the consignment level and is issued as early as possible in the international transaction before a declaration is made. It is used to link declarations between two or more countries.

Benefits of the UCR system

- Contributes to trade security and facilitation in the framework of the international supply chain
- Facilitates the implementation of the Information Technology Utility Business
- Ensures traceability of consignments and facilitate trade data reconciliation
- Assists in aligning with the WCO's Data Model 3 and aids in the consignment pre-clearance process

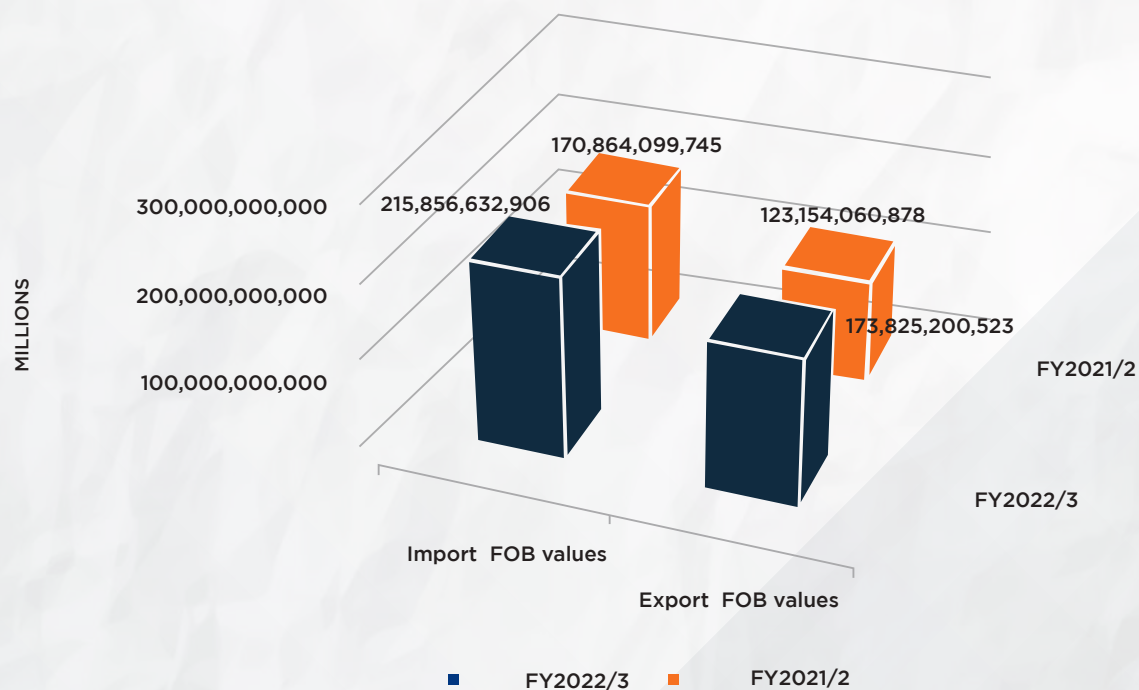
TRADE STATISTICS

The figure below summarises the overall total number of import entries and their import freight-on-board (FOB) value as well as the total number of export entries and their export FOB value, as declared during the 2022/3 financial year and as compared with the 2021/2 reporting period.



The statistics show that Namibia clearly imports more than it exports.

TOTAL NUMBER OF IMPORT AND EXPORT FREIGHT-ON-BOARD



The total FOB value for exports from Namibia illustrates low margins when compared with the FOB value for imports.



Customs and Excise officials are critical in the collection and production of trade statistics.

4. INVESTING IN OUR PEOPLE

It is vital for NamRA to attract and retain skilled talent to achieve its Strategic Objectives and to prioritise that such prized assets as employees are highly engaged. The Agency's specific focus is therefore on talent attraction, recruitment, onboarding, training and development, performance appraisal and performance feedback.

During the period under review, NamRA Management deployed various interventions including the introduction of a corporate Performance Management System aimed at optimising employees' productivity while ensuring they are adequately skilled.

At their inception, NamRA's Management and Board agreed on the following four critical components on which to focus in building the Agency:

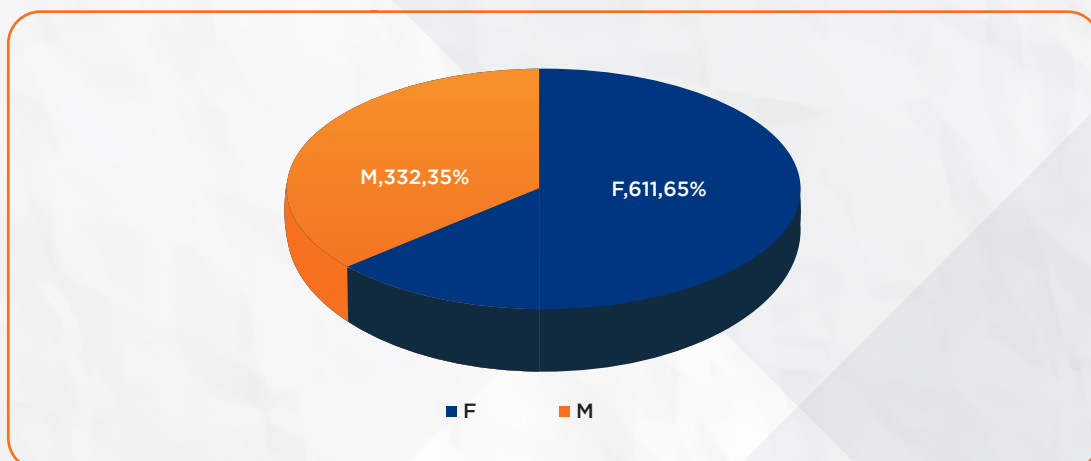
- a) **People** (talent acquisition, people management, ensuring the right people work in the right positions, etc.)
- b) **Processes** (process engineering, reengineered processes implementation, policies and procedures development, developing an operating model)
- c) **Systems** (systems upgrades and optimisation, e.g. the Automated System for Customs Data/ASYCUDAWorld, the Integrated Tax Administration System/ITAS, and enterprise resource planning)
- d) **Organisational culture** (inculcating a professional culture, living and giving effect to the values, branding, motivating and ensuring that the team and stakeholders are engaged)

NamRA's adopted performance culture ensures that the Agency's Strategic Plan is implemented along with effective monitoring and evaluation. During the 2022/3 reporting period, Management presented the Board with the Agency's Institutional Performance Score, which was subsequently approved. The Board also approved the Performance Management Policy to guide improved and consistent performance across NamRA.

STAFF RECRUITMENT

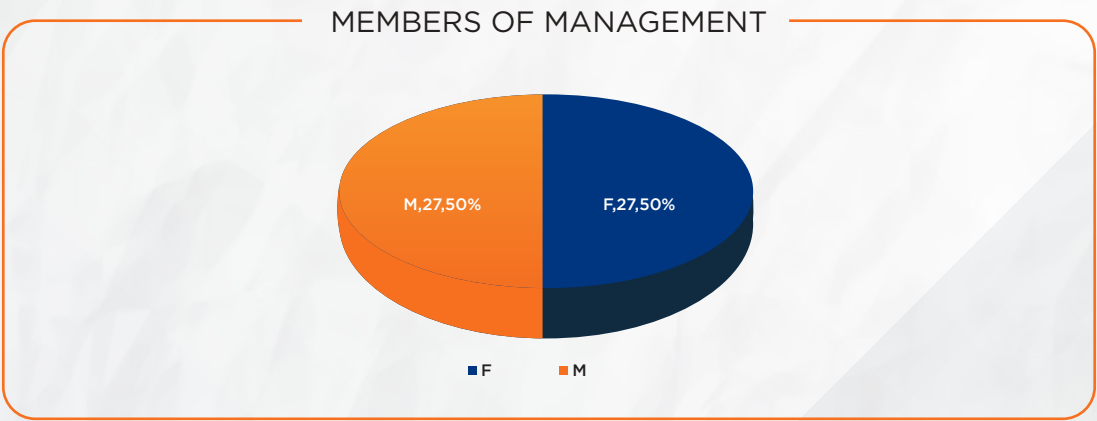
NamRA had aimed to recruit at least 80% (1,200) of its workforce by 31 March 2023, but had a staff complement of 1023 employees, comprising 943 permanent employees and the remaining 80 made up of fixed contracts, interns and acting staff, which was below the set target.

a) Gender balance in total workforce



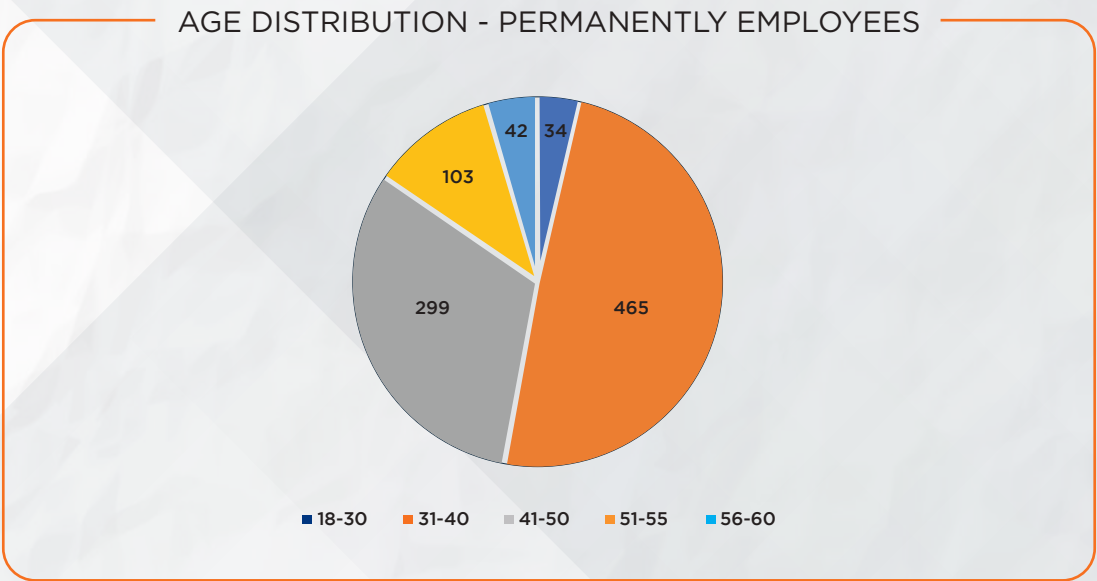
The gender balance in the workforce as at 31 March 2023 was 65% female (F) and 35% male (M) and as illustrated above.

b) Gender balance at Management level



The pie chart above shows that NamRA has a balanced gender distribution at Management level. Efforts are under way to ensure that the gender balance also improves among the general workforce.

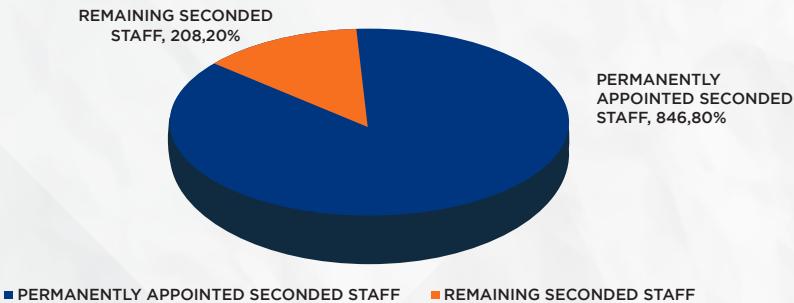
c) Age distribution in the total workforce



The above graph shows that there is a fair generational balance within NamRA, which contributes to dynamic and diverse views. The average age for the total workforce is 40 years. The Agency’s current age distribution is a good indicator of NamRA’s strength and leadership succession pipeline.

d) Seconded staff

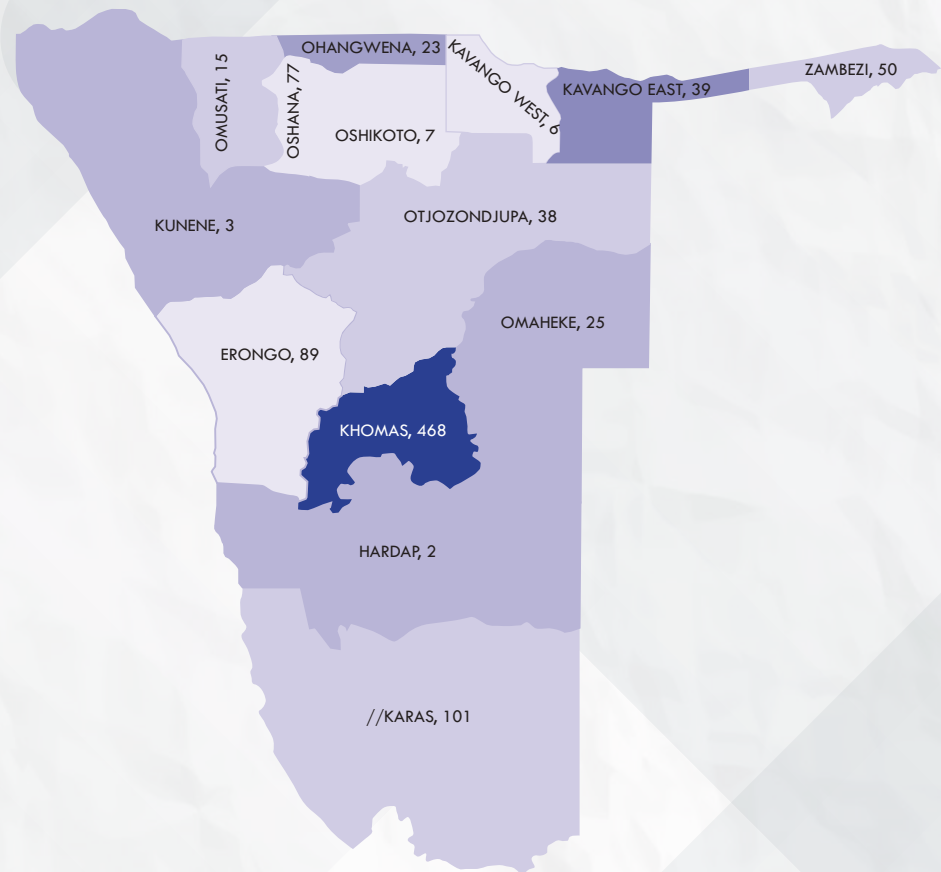
PERMANENTLY APPOINTED VS REMAINING
SECONDED STAFF



e) NamRA's geographic footprint

As at the end of the 2022/3 financial year, NamRA's footprint spanned across practically the entire country, in relation to permanent staff. Thus, not only is the Agency able to reach taxpayers and traders everywhere in the interior, but it can also protect all trade at its borders.

TOTAL DISTRIBUTION OF NAMRA EMPLOYEES ACROSS NAMIBIA



EMPLOYEE WELLNESS MANAGEMENT

NamRA recognises that its employees are the backbone and key contributors to its growth and sustainability and is therefore passionate about employee well-being. Employee wellness management is therefore geared at catering for all employee health and wellness needs, through the implementation of specific interventions.

Creating a mental health friendly workplace starts with business leaders. NamRA Leadership have committed to drive and maintain positive changes in the workplace.

Ensuring the right support is available have boosted employees moral and re-emphasise that NamRA is committed to supporting its employees with mental health issues. Some of the Mental Health and Wellbeing activities at NamRA:

- a) **Employees' Assistance Programme:** This Programme enables an employee experiencing a psychosocial issue to be referred for professional assessment and intervention.
- b) **Resilience and emotional intelligence training:** Emotional Intelligence plays a vital role in the workplace and significantly affects how employees interact with one another, how they handle stress, and how they perform their work.
- c) **Stress management workshops:** These are designed to help educate all levels of staff about stress and how to recognise key signs of it in the workplace.
- d) **Mental health tip bulletins:** Such bulletins offer information, resources and tips on how to manage and optimise mental health and provide advice from trained experts.
- e) **Physical activities:** These include NamRA's own Fun Walks/Runs and NamRA's participation in sports activities organised by others.

NamRA's Wellness Management team proactively catered for the impact of flu on the Agency's productivity during the winter season due to escalating sick leave by launching a Flu Vaccination Campaign during the period under review. A total of 115 NamRA employees were duly vaccinated.

In contributing to attaining one of NamRA's Strategic Objectives, namely *Invest in NamRA and its people*, NamRA prioritised the establishment of a NamRA Sports Team for various sports codes to enhance employee well-being, productivity and teamwork through sports activities.



In the same vein NamRA has prioritised the engagement of its staff. To reflect on the year under review, the Agency organised its first-ever Year End Function, which was held on 16 December 2022. Since it was impossible to bring all NamRA staff members together, the Year End Function was held at various NamRA Offices across the country.



INSTITUTIONAL PERFORMANCE

a) Highlights

NamRA did exceptionally well during the reporting period according to the following key performance indicators:

Key performance indicator	Target	Achievement
Maximise revenue collection	N\$49 billion (adjusted to N\$53.4 billion)	N\$57.7 billion (108%)
Ratio of revenue collected to gross domestic product	22%	31%
Systems performance (availability and functionality)	80%	95%
Trade facilitation	Trans-Kalahari-Mamuno Border Post operationalised by 31 March 2023	24-hour operations achieved
Container Control Programme implemented	75%	100%
Time Release Study funding secured and Action Plan approved	Funding secured by 31 March 2023	Funding secured, Action Plan approved, and study conducted by 7 February 2023

b) Lowlights

The Agency performed below target in the following areas, however:

Key performance indicator	Target	Achievement
Coordinated border management implemented	25%	15%
Number of Authorised Economic Operators accredited	5	1
Annual Report FY2021/2 published	30 September 2022	Delayed
ASYCUDAWorld upgrade	30%	25%

TRAINING AND DEVELOPMENT

The Training Plan for FY2023/4 was developed based on a Training Needs Analysis that had been conducted in FY 2022/3. The Plan will be presented to Management for approval during the coming financial year. The 2022/3 review period also saw NamRA devising a Leadership Development Plan to provide a structure for identifying and actualising its leaders. An appropriate leadership development framework was then constructed to align leadership development goals with the Agency's overall business strategy and build up the skills and qualities required for effective leadership at all levels of Management.



NamRA staff and WCO experts at the training on Rules of Origin in February 2023, Windhoek

CUSTOMS AND EXCISE UNIFORM PROJECT

The reporting period also saw the Customs and Excise field uniforms being unveiled on World Customs Day, which falls on 26 January each year. The uniform fosters a sense of brand identity and professional pride in Customs and Excise matters. NamRA's critical introduction of these uniforms to align with the Agency's brand enabled it to offer an instantly recognisable and unified business image and aims at instilling confidence in our services. Wearers of the uniform signal to the world that they all, without distinction, embody NamRA's high level of professionalism, discipline, employee health and ethical conduct.



Commissioner Sam SHIVUTE leads the parade during the launch of NamRA's new Customs and Excise uniforms on 26 January 2023 at Oshikango in the Ohangwena Region.



5. FINANCIAL SYNOPSIS

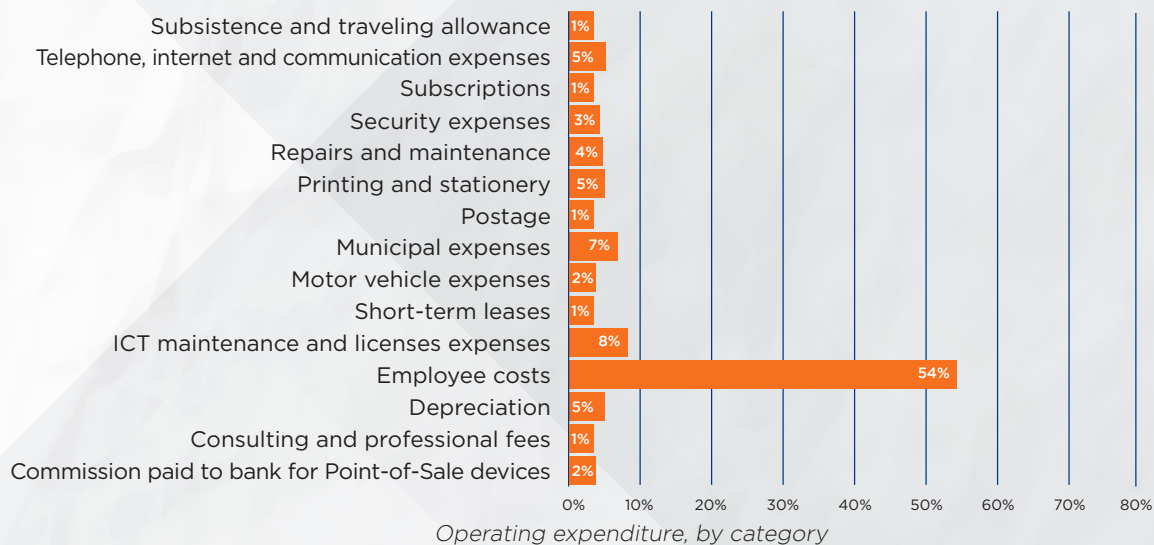
INCOME

In FY2022/3, which constituted the Agency's second year of operation, NamRA's income totalled N\$601.6 million. This represents an increase of N\$489 million in comparison with the N\$112.6 million received in FY2021/2. The total income for the year under review partially comprised the transfer of existing resources allocated to the two legacy revenue administration units in the Ministry of Finance and Public Enterprises, namely the Inland Revenue Department and Directorate of Customs and Excise. The source of the income, which was primarily Government funding, was provided to enable the Agency to execute its mandate to improve service delivery and collect revenue on behalf of the State.

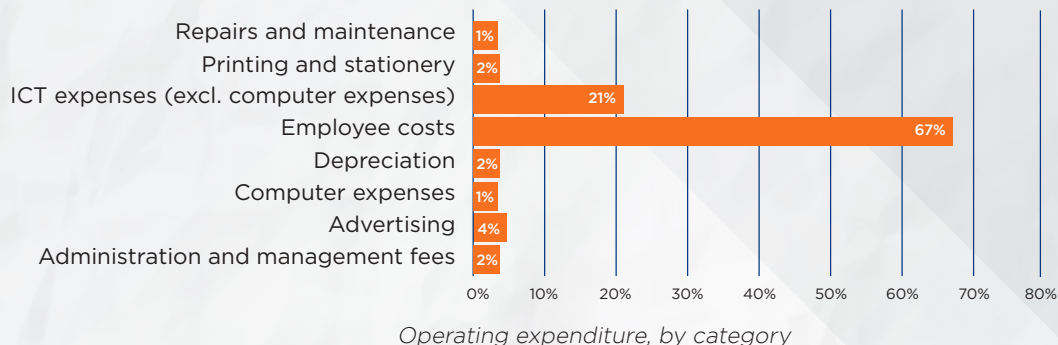
OPERATING EXPENDITURE

Employee costs comprised the most significant operating expenditure category during the year under review, followed by the Information and Communication Technology (ICT) related costs and advertising. Between FY2021/2 and FY2022/3, the number of permanent employees working for NamRA increased from 29 to 941. The associated payroll therefore increased from N\$36.5 million in FY2021/2 to N\$262 million in FY2022/3. Notably, most of the recruitment took place in the last six months of the current reporting period. Employees that were still being seconded to NamRA from the Ministry of Finance and Public Enterprises were paid their remuneration by the Ministry as part of the transition agreement. The graphs below illustrate the main operating expenditure categories for FY2022/3 and FY2021/2.

MAIN OPERATING EXPENSES SPLIT BY (%) 2022/3



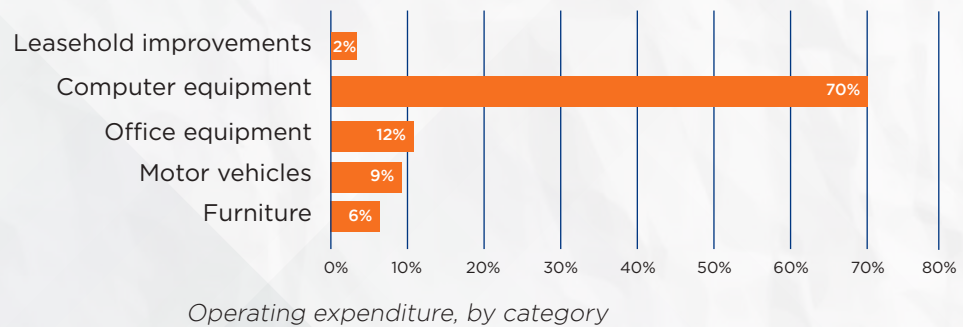
MAIN OPERATING EXPENSES IN (%) 2021/2



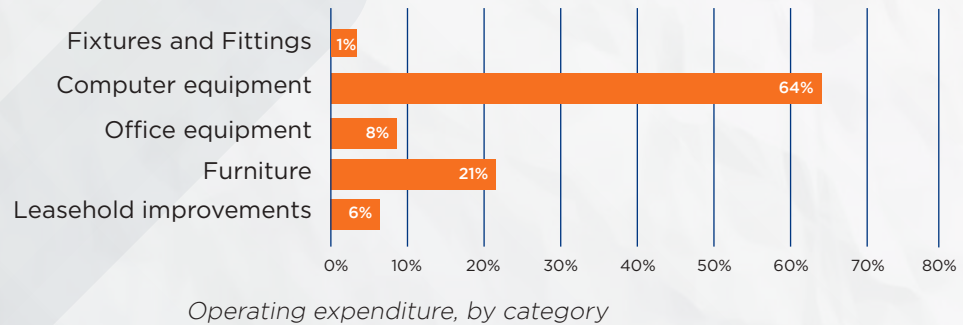
CAPITAL EXPENDITURE

The additions to property, plant and equipment amounted to N\$38.3 million in FY2022/3, representing an increase of N\$32.7 million compared with N\$5.6 million during FY2021/2. With the recruitment of staff and increase in service centres in FY2022/3, the Agency invested in office space expansion, computer equipment, office equipment, vehicles, and furniture. The capital expenditure additions per category for the current and prior reporting periods are illustrated below.

CAPITAL EXPENDITURE ADDITIONS SPLIT BY (%) 2022/3



CAPITAL EXPENDITURE ADDITIONS SPLIT BY (%) 2021/2



NamRA officials at the Windhoek Industrial and Agricultural Show in September 2022



RISK MANAGEMENT AND INTERNAL AUDIT

1. OVERVIEW OF THE FUNCTION

The reporting year saw NamRA preparing for the imminent establishment of its risk management and internal audit function, due to be commissioned in the forthcoming financial year. This new function is crucial for strengthening the Agency's governance framework, enhancing risk management practices and ensuring robust internal controls. The establishment of this function will not only demonstrate the Agency's commitment to good governance, transparency and accountability in its operations, but it will also provide independent and objective assurance, advisory services and insights to help NamRA identify and mitigate risks, strengthen its internal controls, and improve its overall operational effectiveness.

The risk management and internal audit function will operate under a well-defined, approved organisational structure within NamRA, and will be led by a Chief of Risk Management and Internal Audit who will report administratively to the Commissioner and functionally to the Board's Audit and Risk Committee.

2. ENTERPRISE RISK MANAGEMENT

The planned Enterprise Risk Management Division will be instrumental in promoting risk management practices, ensuring regulatory and internal policy compliance, and strengthening our organisation's capacity to respond to disruptive events.

The reporting year was also taken up with developing a comprehensive risk management framework. To this end, NamRA identified several significant risks that are inherent to its operations. These risks pose potential challenges and uncertainties that need to be effectively addressed. These range from potential revenue leakages, fraud, cybersecurity threats and operational inefficiencies to compliance risks. These risks will be thoroughly analysed to determine their potential impact and likelihood of occurrence, which will allow the Agency to develop appropriate mitigation strategies and action plans proactively.

3. INTERNAL AUDIT

The Agency also devoted due diligence to its plans for setting up its internal audit policies and procedures, including developing the terms of reference for its Audit Committee, an Internal Audit Charter, and a Flexible Internal Audit Plan. These documents are to be submitted for Board approval in the coming financial year. The related processes are being expedited without detracting from their integrity or alignment with international best practices.

NamRA also enlisted the assistance of an external audit firm during the reporting period to co-source the internal audit function. This strategy will assist the Agency in being able to assume its internal audit duties without delay. The co-sourcing arrangement is an interim solution that will provide immediate benefits, pending the gradual establishment of the full internal audit function.

4. STAFFING

The Agency continued to be actively engaged in recruitment during the reporting period to ensure the envisaged Risk Management and Internal Audit Department will be fully staffed by competent professionals by the end of the coming financial year. This rigorous recruitment process will ensure that the Department has the necessary expertise and capabilities to fulfil its mandate effectively.



THE LEGAL SPACE

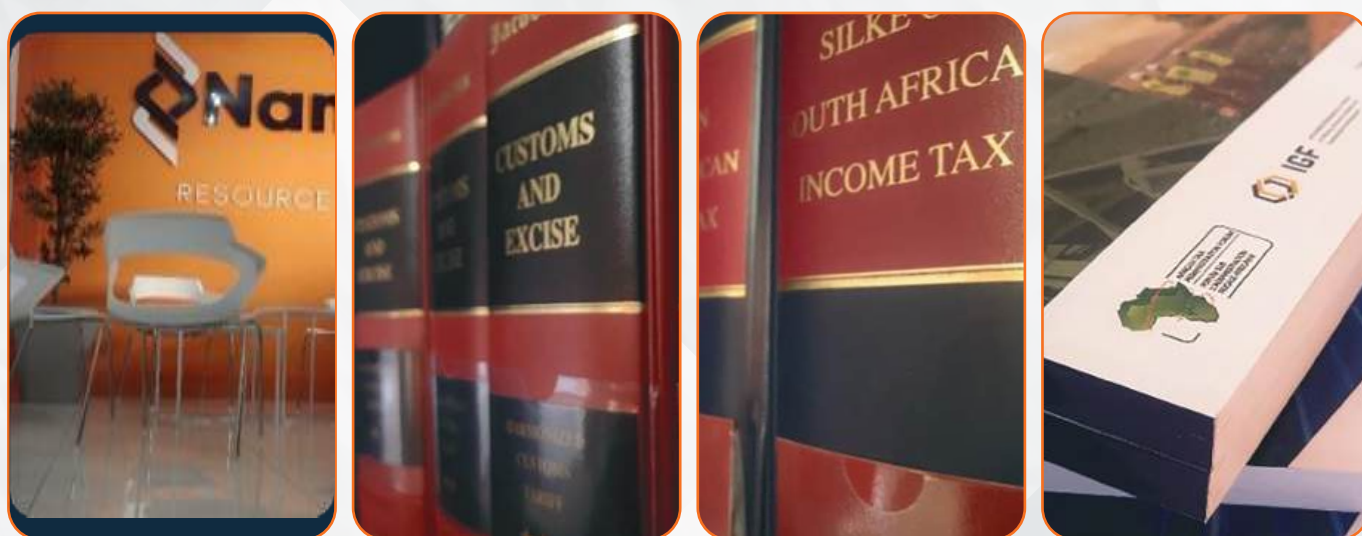
In making tax as well as customs and excise law accessible and understandable while bolstering NamRA's ability to collect revenue, the Agency issued 1,400 constructive tax rulings, practice notes and legal opinions during the period under review. These publications dealt with various aspects of customs and excise issues, income tax, withholding tax, VAT, export levies and international taxation. The average turnaround time for issuing a ruling to a client in FY2022/3 was 15 days, which is a vast improvement on the turnaround time of three to six months recorded during prior years.

During the reporting year and for the first time in Namibia's history, the country saw its anonymised Tax Tribunal rulings published. These rulings appear on the NamRA website and other platforms. This not only allows taxpayers access to tax rulings as a guide in their interpretation, but it also safeguards taxpayers' rights and helps them comply with tax legislation. In the same vein, NamRA published the 11 existing Namibian Tax Treaties on its website during the review period. Access to these treaties now offers information on how such documents apply to both Namibians and non-Namibian residents in the country.

To improve the processes for reviewing objections to and appeals against its assessments and decisions, NamRA approved the Terms of Reference during the reporting year for appointing an Objection Committee to deal with such matters. NamRA also approved the appointment of a Convener of the Tax Tribunal responsible for maintaining an Appeals Register and setting down matters for hearing within a reasonable time.

With increasing globalisation, domestic tax base erosion and profit shifting are on the rise, aggravated by the emerging digital economy. NamRA once again affirmed its commitment to collaborate in all legal domestic and international tax spheres and platforms to ensure tax laws are enforced beyond national boundaries through the exchange of information, fighting illicit financial flows, and combating tax evasion and aggressive tax avoidance.

To enhance innovation, NamRA established the NamRA Resource Centre during FY2022/3. The Centre is a special library that serves the needs of NamRA staff engaged in research on tax as well as customs and excise law. The Centre aims to promote and enhance learning through legal research by offering NamRA staff the necessary facilities as well as access to new technological advancements in learning.



After the *Bachmus* judgement delivered on 10 March 2023 in the High Court of Namibia, it became clear that taxpayers and traders had become more desirous than ever to enforce their constitutional rights pertaining to taxation as well as customs and excise. This had bearing on the relationship between NamRA and the taxpayer, where, for example, a taxpayer has the right to be given reasons for a NamRA decision.

TAXPAYER AND TRADER ENGAGEMENT



During the 2022/3 financial year, NamRA created various platforms for engaging with taxpayers and traders. One such was *NamRA Talks*, where the public was engaged and educated through open public presentations. Based on the famous *TED Talks* mode, these events invite individuals to submit proposals on various topics which they then present to a panel of judges and a live audience. On the 2 March 2023 event, three winners emerged, having scored the highest among the judges and the audience alike for their informative presentations.



NamRA Talks winners receive their prizes at the conclusion of the event.

The period under review also saw the launch of *NamRA Kachenu* as another avenue of taxpayer and trader education and information-sharing as well as stakeholder engagement. Launched on 27 October 2022, the audio-visual content platform focuses on conveying information on NamRA's processes and offers NamRA staff a tool for engaging stakeholders on tax and trade matters. *NamRA Kachenu* airs every second Thursday on NamRA's YouTube and Facebook media.



Behind the scenes of a NamRA Kachenu production



The Minister of Finance and Public Enterprises, Hon. Ipumbu Shiimi, being interviewed on NamRA Kachenu, by the Chief of Strategic Communications and Support Engagements, Yaruokekuro Ndorokaze

To acknowledge the input of NamRA's most compliant taxpayers and traders, the Agency held its first Taxpayer and Trader Appreciation Day on 7 April 2022, coinciding with the first anniversary of NamRA's incorporation. The event was held under the theme "Uplifting the Livelihood of every Namibian through Tax and Customs Compliance". The theme was based on the notion that greater and more relevant education would enhance voluntary compliance and lead to improved revenue collection.



NamRA Commissioner Sam SHIVUTE pictured with awardees at Taxpayer and Trader Appreciation Day awards on 7 April 2022



Mr Otto Shikongo of Debmarine Namibia pictured with the NamRA Board Chairperson, Ms Anna Nakale-Kawana, and Commissioner Sam SHIVUTE at the award ceremony



Mr Mark Dawe of B2Gold Namibia receives his award from Ms Erica Shafudah at the Taxpayer and Trade Appreciation Day 2022.



The completion of Phase I in the branding of NamRA's offices

Another milestone achieved during the reporting period was the approval of NamRA's Client Service Charter for the period 2022 to 2024. The Charter aims to enhance efficiency and customer service delivery and sets the standard of service delivery to be expected from the Agency. The document, which appears in the image below, was rolled out to all business units and operational sites during the year under review.



Purpose of the Charter:

This Client Service Charter sets standards of the services you can expect from NamRA and provides you with an opportunity to help us improve our services.

The Charter also outlines the mandate of the Namibia Revenue Agency (NamRA) and our service guarantees to our clients.

What We Do:

NamRA is a semi-autonomous Agency established in terms of section 2 of the Namibia Revenue Agency Act, 2017 (Act No. 12 of 2017) to assess tax and collect State revenue in terms of the following legislation:

- Customs and Excise Act, 1998 (Act No. 20 of 1998)
- Export Levy Act, 2016 (Act No. 2 of 2016)
- Income Tax Act, 1981 (Act No. 24 of 1981)
- Petroleum (Taxation) Act, 1991 (Act No. 3 of 1991)
- Stamp Duties Act, 1993 (Act No. 15 of 1993)
- Transfer Duty Act, 1993 (Act No. 14 of 1993)
- Value Added Tax Act, 2000 (Act No. 10 of 2000).

Our Vision:

To be a World Class Revenue Agency, serving with Passion to Positively Impact the Livelihood of every Namibian.

Our Mission:

To administer and enforce the Tax and Customs Laws of Namibia with consistency, fairness, efficiency and effectiveness in an effort to mobilise domestic revenue.

Our Values:

- **Integrity:** We have set ourselves high ethical standards in the execution of our duties and strive to do what is right in all circumstances.
- **Fairness:** We treat everyone in the same situation equally.
- **Diversity:** We recognise and appreciate differences in ethnicity, background, age, skills, perspectives and education. We believe that a diverse workforce is one of our biggest assets.
- **Efficiency:** We continuously identify and develop solutions to address inefficiencies in our processes, systems and operations.
- **Agility:** We believe in the concept of continuous improvement, embracing change, leveraging on Information Communication Technology (ICT) and always ready to respond to the demand of digital transformation.

NamRA is Committed To:

- **Integrity:** We have set ourselves high ethical standards in the execution of our duties and strive to do what is right in all circumstances.
- **Guaranteeing equal access** to our services.
- **Promoting greater transparency** in the way we account for our activities
- **Enhancing professionalism** in our services and treating all our customers.
- **Enforcing** the Revenue, Customs and Excise Laws of Namibia.
- **Providing** customs and excise services that facilitate trade and maximise revenue collection.
- **Protecting** Namibian borders from the illegal importation and exportation of goods.
- **Improving** service delivery to taxpayers and traders.
- **Promoting** compliance with Revenue, Customs and Excise Laws of Namibia.

Our Business Units:

- Customs and Excise
- Domestic Taxes
- Finance and Corporate Services
- Human Capital and Business Strategy
- Information Communication Technology
- Risk Management and Internal Audit
- Strategic Communications and Support
- Legal Services
- Commissioner's Office

Your Rights and Obligations:

1. Comply voluntarily
2. Register as an e-filer
3. Fully always disclose information
4. Declare the correct value of goods when importing and exporting
5. File returns on time
6. Be timely and accurate with all requested information
7. Pay taxes and duties on time
8. Be aware of the applicable laws, regulations and procedures
9. Comply with existing legislation, regulations and procedures
10. Be honest, polite and patient
11. Treat our staff members with the necessary respect
12. Report unethical behavior instantly
13. Report corruption and soliciting from our officials
14. Keep accurate records

NamRA will:

- Provide access for an e-filer to the Integrated Tax Administration System (ITAS).
- Provide access as a Direct Trader Input (DTI) or Clearing Agent on ASYCUDA World or any other similar system.
- Keep any information relating to any person or concerning business acquired in the performance of its functions confidential (unless required to disclose, exchange or allow access to such information under the relevant Tax and Customs laws of Namibia).
- Facilitate the declaration of goods and importation of goods into Namibia for home consumption, temporary admission under rebate of customs duties under certain circumstances, warehousing, transit through Namibia and for the exportation of goods.
- Rebate of customs duties under certain circumstances, warehousing, transit through Namibia and for the exportation of goods.
- Facilitate the licensing and registration of Clearing Agents, Customs and Excise Warehouses, including Special Customs and Excise Warehouses.
- Facilitate Tax Refunds within ninety (90) days provided no other taxes are due and all obligations are met.
- Commit to attend to all media queries within 48 hours.

Our Client Service Standards:

- We will attend to you within five (5) minutes, if you have made an appointment with us.
- We will attend to your query instantly and if we cannot, we will inform you when you can expect a response to your query.

When you call us:

- We will answer your call immediately, efficiently and professionally.
- We will provide feedback within two (2) working days if we cannot provide a solution immediately.

When you write to us:

- We will acknowledge receipt of your written correspondence in two (2) working days, explain how your query will be addressed and inform you when you can expect feedback to your query.
- We will treat all your information as private and confidential.

In return, NamRA expects you to:

- Comply with the Revenue, Customs and Excise Laws of Namibia.
- Be honest, polite and patient.
- Submit timely and accurate information, including Tax Returns and Goods Declarations.
- Treat our staff members with the necessary respect.
- Pay your tax and/or duties on time and in full, using the correct reference number(s).
- Ensure that NamRA has your correct personal information and payment details.

Contact Us:

Comments, Complaints or Suggestions:

We welcome your views and comments and consider these important to help us monitor the quality of our service to our clients.

Dissatisfaction:

When Dissatisfied with our Service:

- Identify yourself
- Be clear about the reason for your dissatisfaction or complaint
- Say how you would like the problem to be rectified
- Keep a record of your complaint.

- 📞 Namibia Revenue Agency-
- ✉️ NamRA @NamRA_org_na
- 📍 Namibia Revenue
- 🌐 Agency namra_org_na
- 📄 Namibia Revenue Agency

Department: Domestic Taxes

Large Taxpayers Unit	061 209 2167
Audit & Compliance Central Operations:	
Windhoek	061 2092460/2092741
Central Regional Operations:	
Otiwarango	067 300 400
Khorixas	067 332 271
Western Regional Operations:	
Swakopmund	064 405 185
Walvis Bay	064 208 6000
Northern Regional Operations:	
Eehnana	065 263 148
Oshakati	065 263 148
Southern Regional Operations:	
Keetmanshoop	063 203 522
Oranjemund	063 230 041
North-Eastern Regional Operations:	
Rundu	066 265 000
North-Central Regional Operations	
Nkurenkuru	066 264 930
Far North-Eastern Regional Operations:	
Katima Mulilo	066252116/066253596.

Department: Customs and Excise

Division: Trade Facilitation, Procedures and Compliance	061 209 2047
Division: Technical Services and Excise Management	061 209 2283
Division: Enforcement and Compliance	061 2092598
Border Control & Operational Compliance: Central Region	061 209 2060
Border Control & Operational Compliance: Western Region	064208 6400
Border Control & Operational Compliance: Southern Region	063 222 749
Border Control & Operational Compliance: Northern Region	065 229 600
Border Control & Operational Compliance: North-Eastern Region	066 265010
Border Control & Operational Compliance: Far-North Eastern Region	066 252026

Border Posts:

Ariamsvlei	Ngoma
Impallia	Oranahene
Kasika	Oranjemund
Katima Mulilo	Oshikango
Katwitwi	Ruacana
Klein Manase	Sarasungu
Muhembo	Trans Kalahari
Noordeoewer	Wa Kashamane

Services Related to Domestic Taxes

Services	Timeline
Registration as a Taxpayer	7 Working Days
De-Registration	2 Weeks (Depending on status of account)
Tax Certificate	Immediately
Good Standing Certificate	Immediately (Provided account is in good standing)
Tax Clearance for Off-shore Investments	Immediately
Submission and Assessments VIA Portal	4 Working Day
Objections	90 days

Services Related to Customs and Excise

Services	Timeline
Application for Transit Bond	5 working days
Application for Temporary Import Bond	5 working days
Application for Bonded Warehouse	20 working days
Change/Amendment of company name/bond top-up or reduction	5 working days
Cancellation of Bonds: Transit/Temporary/Clearing Agent/Warehouse	10 working days
Re-allocation of Bonded Warehouse	10 working days
EPZ License	5 working days
Application for Clearing Agent license	20 working days
Renewal of Clearing Agent License	5 working days
Registration of Exporters under Trade Agreements	14 working days
Issuance of Certificate of Origin	1 working days
Advance Ruling on Valuation, Classification & Rules of Origin	30 working days
Valuation & Classification determination	30 working days
Appeals and Disputes on Valuation, Classification & Rules of Origin	90 working days
Extension for Temporary Import Permit	5 working days
Upload of Rebates/Exemptions/Companies	2 working days
Excise Destruction Certificates	5 working days

TECHNOLOGICAL CAPACITY



1. REVENUE MANAGEMENT



NamRA has two revenue management systems, namely ITAS and the ASYCUDAWorld System (AWS). During the period under review, some of the noteworthy improvements and additions to ITAS included enhancement of the following modules:

- Registration
- Taxpayer Accounting
- Tax Amnesty Programme

The reporting year also saw significant headway being made in the installation of new hardware. This will improve AWS operations as envisaged by the AWS upgrade and optimisation.

Furthermore, as part of NamRA's customs modernisation initiatives, it was necessary to operationalise and automate the online harmonised system (HS) code search, the National Customs Enforcement Network system, and the e-CoO, coupled with UCR system automation and connection with the South African Revenue Services.

2. OPERATIONS AUTOMISATION

In light of the drive for digital transformation and automation of internal operations, the following systems were implemented during the year under review.

BOARD ADMINISTRATION SYSTEM

To improve administration of, and to digitise documents used by, the NamRA Board, the ICT Department implemented a Board Pack system.

SERVICE DESK

Core to NamRA's ethos is the enhancement of service delivery. As a Department responsible for service delivery, therefore, ICT launched its Service Desk during the year under review, providing a centralised portal for channelling of various ICT-related issues. The Service Desk is instrumental in enhancing the efficient resolution of ICT incidents and service requests.

INTRANET

NamRA's intranet was developed in-house during the review period. Its benefit lies in providing a central platform for internal communication and information-sharing for all employees.

ELECTRONIC VOTING

The e-voting application known as eVote, also developed in-house by NamRA during the reporting year, now provides a secure means of nominating and voting for incumbents for various roles within the Agency. The application proved its worth in the initial nomination and voting associated with appointing NamRA's Provident Fund trustees.

TRAINING NEEDS ASSESSMENT TOOL

FY2022/3 also saw the in-house development of NamRA's Training Needs Assessment tool. This tool offers the Agency the benefits of an automated assessment of the training required by the Domestic Taxes and Customs and Excise Departments.

3. INFRASTRUCTURE MAINTENANCE

INFRASTRUCTURE SEPARATION

NamRA undertook an infrastructure separation exercise during the reporting year to ensure the Agency could effectively become technologically autonomous from the Ministry of Finance and Public Enterprises. This exercise saw the full migration of the hardware as well as the logical migration of the network infrastructure from the Ministry.

All NamRA users are now able to connect to the NamRA domain where they can be authenticated and receive duly authorised access. Additionally, NamRA's Service Desk began cataloguing all ICT assets obtained throughout the separation process. The aim is to have a complete Asset Register and manage it appropriately.

BANDWIDTH UPGRADE AND NETWORK EXPANSION

The NamRA network serves as the foundation for the communication of all the Agency's ICT systems. During the 2022/3 financial year, it became apparent that the increased drive for digital transformation and the larger user base would require more bandwidth.

Upgrading the bandwidth entailed not only improving its capacity from 2 Mbps to 15 Mbps, but also replacing outdated copper lines with fibre optic lines at identified NamRA regional offices. This was particularly important for the Customs and Excise border offices.

As part of the drive to bring NamRA's services closer to the taxpayer, the Agency expanded its network during the reporting year to include two new offices, namely the Kashamane Border Post and the NamRA Dedicated Service Centre (Windhoek).

4. ICT GOVERNANCE AND TRAINING

ICT GOVERNANCE

NamRA as an institution has recognised the need to digitally transform. This objective was given effect by the approval during the year under review of a three-year Digital Transformation Strategy. The new Strategy focuses on enhancing operational efficiency and service delivery.

TRAINING AND RAISING AWARENESS

NamRA's pursuit of being regarded as a world-class revenue agency cannot be fulfilled without investing in the competencies of its workforce – particularly as regards ICT know-how. As ICT is a fast-paced and ever-evolving field, training is key to achieving NamRA's digital aspirations.

The financial period under review saw the ICT Department complete various training courses offered by global original equipment manufacturers such as Microsoft, Dell EMC, Aruba, VMware, Eramba, Fortinet and Veeam. The training provided to the ICT team will not only help the ICT Department in its daily operations, but it will also prepare the ground for innovative ideas to take root.

Besides ensuring its own staff were kept abreast of the latest relevant technological developments, the ICT Department also raises awareness throughout NamRA of ICT-related issues that affect Agency business. The following were targeted during the reporting period:

- Service Desk
- Change Management
- Cybersecurity
- Password Safety
- Ransomware
- Phishing
- Social Engineering



NamRA CORPORATE SOCIAL RESPONSIBILITY



NamRA CORPORATE SOCIAL RESPONSIBILITY

During the period under review, NamRA made efforts to live up its aspiration to “positively impact the livelihood of every Namibian”. This was done through donations to different organisations in the country. The donations included 260 agricultural tools to the Ohangwena Regional Office and another 253 to the Namibia Correctional Service, together with 352 medical equipment items to the Ministry of Health and Social Services. These were part of goods seized due to non-compliance with customs laws and which were later forfeited to the State after a period of 90 days.



Handing over donated agricultural tools to the Namibia Correctional Service, 31 March 2023



Handing over donated medical equipment and instruments to the Ministry of Health and Social Services, 07 December 2022



Commissioner Sam SHIVUTE officiated at the handing over of donated agricultural tools to the Ohangwena Regional Governor (second left in both images), 28 October 2022



NAMIBIA REVENUE AGENCY ANNUAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023
23 DECEMBER 2023**

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

GENERAL INFORMATION

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Revenue administration
Directors	Anna Nakale-Kawana Stefan Hugo Adv. Dennis Khama Shirene Bampton Titus Ndove Pieter Kruger Sam SHIVUTE
Registered office	Namibia Revenue Agency Moltke Street Windhoek
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Nadine Du Preez



TABLE OF CONTENTS

Members' Responsibilities and Approval.....	57
Independent Auditor's Report.....	58- 60
Members' Report.....	61- 63
Statement of Financial Position	64
Statement of Comprehensive Income	65
Statement of Changes in Equity	66
Statement of Cash Flows.....	67
Accounting Policies.....	68 - 82
Notes to the Annual Financial Statements	83 - 102
The following supplementary information does not form part of the annual financial statements and is unaudited	
Detailed Income Statement	103

MEMBERS' RESPONSIBILITIES AND APPROVAL

The members are required in terms of the Namibia Revenue Agency Act 2017 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the agency as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the agency and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the agency and all employees are required to maintain the highest ethical standards in ensuring the agency's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the agency is on identifying, assessing, managing and monitoring all known forms of risk across the agency. While operating risk cannot be fully eliminated, the agency endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The agency are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the agency's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the agency has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the agency's annual financial statements. The annual financial statements have been examined by the agency's external auditors and their report is presented on pages 58 to 60.

The annual financial statements set out on pages 61 to 101, which have been prepared on the going concern basis, were authorised by the board on 18 December 2023 and were signed on their behalf by:

Approval of the financial statements



Anna Nakale-Kawana



Sam SHIVUTE

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

INDEPENDENT AUDITOR'S REPORT

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namibia Revenue Agency (the Agency) as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Namibia Revenue Agency Act 12 Of 2017.

What we have audited

Namibia Revenue Agency's financial statements set out on pages 61 to 101 comprise:

- the members' report for the year ended 31 March 2023;
- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The members are responsible for the other information. The other information comprises the information included in the document titled "Namibia Revenue Agency Annual Financial Statements for the year ended 31 March 2023". The other information does not include the financial statements and our auditor's report thereon."

PricewaterhouseCoopers, Registered Auditors

344 Independence Avenue, Windhoek, Khomas Region, Republic of Namibia

P O Box 1571, Windhoek, Khomas Region, Republic of Namibia

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Republic of Namibia, Khomas Region, Republic of Namibia

Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes

P Nel, Willem A Burger, Nina A Coetzer

Practice Number 9406, VAT reg no. 00203281-015

INDEPENDENT AUDITOR'S REPORT

“Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the members for the financial statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Namibia Revenue Agency Act 12 Of 2017, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or" Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek Namibia
Date: 23 December 2023

The members have pleasure in submitting their report on the annual financial statements of Namibia Revenue Agency (NamRA) for the year ended 31 March 2023.

1. INCORPORATION

NamRA is 100% owned by the State.

2. NATURE OF BUSINESS

In terms of Section 3 of the Namibia Revenue Agency Act 12 of 2017, the primary business is to carry out efficiently, and in the best interest of the Republic of Namibia, the administration and enforcement of tax and custom laws, in efficient and effective manner on behalf of the State. NamRA administer and enforce the tax and customs laws of Namibia with consistency, fairness, efficiency and effectiveness with a focus on the needs of each taxpayer and trader.

In terms of section 28 of the Namibia Revenue Agency Act of 2017, the Revenue Agency is funded through -

- (a) money appropriated by Parliament; (through Ministry of Finance)
- (b) grants and donations subject to the approval of the Minister;
- (c) investment income and proceeds from the disposal of any Revenue Agency property; and
- (d) loans extended to the Revenue Agency with the prior approval of the Minister.

The tax collected on behalf of State is not included as part of income for the Namibia Revenue Agency. There have been no material changes to the nature of the agency's business from the prior year.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Namibia Revenue Agency Act 2017. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the agency are set out in these annual financial statements.

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

MEMBERS' REPORT

4. MEMBERS

The members in office at the date of this report are as follows:

Members	Office	Designation	Nationality	Appointment date
Anna Nakale-Kawana	Chairperson	Non-executive Independent	Namibian	06 April 2021
Stefan Hugo	Deputy Chairperson	Non-executive Independent	Namibian	06 April 2021
Adv. Dennis Khama	Member	Non-executive Independent	Namibian	06 April 2021
Shirene Bampton	Member	Non-executive Independent	Namibian	06 April 2021
Titus Ndove	Ex Officio	Non-executive	Namibian	06 April 2022
Pieter Kruger	Member	Non-executive Independent	Namibian	01 December 2021
Sam SHIVUTE	Commissioner	Executive	Namibian	06 April 2021

5. EVENTS AFTER THE REPORTING PERIOD

The members are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The members believe that the agency has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the agency is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the agency. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the agency.

7. SECRETARY

The agency secretary is Mrs Nadine Du Preez.

Postal address: P O Box 569
Windhoek

Business address: Moltke Street
Windhoek

8. TERMS OF APPOINTMENT OF THE AUDITORS

PricewaterhouseCoopers were appointed as the agency's auditors on Monday, 01 August 2022.
The appointment term of the office is 3 years.

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Figures in Namibia Dollar thousand	Note (s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	40,112	5,091
Right-of-use assets	4	43,883	4,985
Intangible assets	5	4,910	-
		88,905	10,076
Current Assets			
Inventories	7	3,666	-
Trade and other receivables	6	4,428	-
Cash and cash equivalents	8	235,708	157,554
		243,802	157,554
Total Assets		332,707	167,630
Equity and Liabilities			
Equity			
Retained income		182,746	59,307
Liabilities			
Lease liabilities	4	29,148	4,233
Deferred income	9	1,347	677
		30,495	4,910
Current Liabilities			
Trade and other payables	12	54,528	2,784
Lease liabilities	4	19,834	852
Deferred income	9	886	352
Provisions	10	14,218	1,080
Income received in advance	11	30,000	98,345
		119,466	103,413
Total Liabilities		149,961	108,323
Total Equity and Liabilities		332,707	167,630

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

STATEMENT OF COMPREHENSIVE INCOME

Figures in Namibia Dollar thousand	Note (s)	2023	2022
Government income for recurring expenditure	13	601,133	112,406
Other operating income	14	438	236
Other operating gains/(losses)	15	(1,831)	-
Employee costs	19	(255,743)	(36,503)
Lease expenses	4	(4,638)	(142)
Depreciation expenses	20	(22,795)	(857)
Other operating expenses		(193,783)	(17,034)
Operating profit	16	122,781	58,106
Investment income	17	4,987	1,372
Finance costs	18	(4,328)	(171)
Comprehensive income for the year		123,440	59,307

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

STATEMENT OF CHANGES IN EQUITY

Figures in Namibia Dollar thousand	Note (s)	2023	2022
Balance at 1 April 2021		-	-
Comprehensive income for the year		59,307	59,307
Balance at 1 April 2022		59,306	59,306
Comprehensive income for the year		123,440	123,440
Balance at 31 March 2023		182,746	182,746

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

STATEMENT OF CASH FLOWS

Figures in Namibia Dollar thousand	Note (s)	2023	2022
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Cash flows from operating activities

Cash generated from operations	21	133,586	160,936
Interest income	17	4,987	1,372
Finance costs	18	(4,328)	(171)
Net cash from operating activities		134,245	162,137

Cash flows from investing activities

Purchase of property, plant and equipment	3	(36,701)	(4,321)
Purchases of intangible assets	5	(4,910)	-
Net cash from investing activities		(41,611)	(4,321)

Cash flows from financing activities

Cash repayments on lease liabilities	4	(14,480)	(262)
Total cash movement for the year		78,154	157,554
Cash and cash equivalents at the beginning of the year		157,554	-
Cash and cash equivalents at the end of the year	8	235,708	157,554

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (“IFRS”) and International Financial Reporting Standards Interpretations Committee (“IFRS IC”) interpretations issued and effective at the time of preparing these annual financial statements and the Namibia Revenue Agency Act 2017.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the agency’s functional currency. They are rounded to the nearest thousand Namibian Dollars.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates includes:

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Critical Judgement in recognition of donated assets

In recognition of donated assets management consider all facts and circumstances to determine when the asset becomes receivable by the agency, the fair value of the asset and the useful life of the asset.



ACCOUNTING POLICIES

Fair value estimation

When measuring the fair value of an asset or a liability, the agency uses market observable data as far as possible. Fair value are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:** quoted prices (unadjusted) in the active markets for identical assets or liabilities
- Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices); and
- Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the input used to measure the fair value of asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The agency recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Critical judgements in determining the lease term, discount rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of the agency.

In the current year management applied judgement in determining the lease term, escalation rate, discount rate and other terms and conditions for the leases where no contractual agreements was signed during the year.

The term: The assumption was based on the signed contracts which have a three (3) lease term. All leased properties without signed contracts were assumed to have a term of 3 years in the determination of the Right of Use Asset and Lease Liability.

The Escalation rate: NamRA made an offer of an annual escalation inflation rate linked escalation rate for all signed agreements. An inflation linked escalation rate was assumed for all leases without signed agreements.

ACCOUNTING POLICIES

Discount Rate (Annual)

The rate was determined using the average yield of Namibia Government Bonds.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the agency holds for its own use which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the agency, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the agency and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the agency. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Fixtures and fittings	Straight line	10
Computer equipments	Straight line	3
Leasehold improvements	Straight line	5
Furnitures	Straight line	10
Office equipments	Straight line	10
Motor vehicles	Straight line	5

ACCOUNTING POLICIES

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

Intangible assets are defined as identifiable non-monetary asset without physical substance.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the agency; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

ACCOUNTING POLICIES

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
ASYCUDA Operating Software	Straight line	5

1.5 Financial instruments

Financial instruments held by the agency are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the agency, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

ACCOUNTING POLICIES

Note 25 Financial instruments and risk management presents the financial instruments held by the agency based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the agency are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

Recognition and measurement

Trade and other receivables are recognised when the agency becomes a party to the contractual provisions of the receivables.

They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 17).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

ACCOUNTING POLICIES

Credit risk

Details of credit risk are included in the trade and other receivables note (note 6), cash and cash equivalent (note 8) and the financial instruments and risk management note (note 25).

In assessing whether the credit risk on a trade receivable the agency compares the risk of default occurring at reporting date compared to the risk of default at date of initial recognition.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note 6).

Transferred liabilities from related parties

Classification

Transferred liabilities from the Ministry of Finance and Public Enterprise (note 6), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Transferred liabilities from related parties are recognised when the agency becomes a party to the contractual provisions of the liability. The liabilities are measured, at initial recognition, at fair value.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18.)

Borrowings expose the agency to liquidity risk and interest rate risk. Refer to note 25 for details of risk exposure and management thereof.



ACCOUNTING POLICIES

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 12), excluding amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the agency becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the agency to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 15).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 25).

ACCOUNTING POLICIES

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

NamRA recognises cash and cash equivalents in its statement of financial position when, and only when, the agency becomes party to the contractual provision of the instrument.

Subsequent to initial recognition, NamRA measures cash and cash equivalents at amortised cost.

Cash and cash equivalent derecognised when and only when the right to the cashflows from the cash and cash equivalents expires or the agency transfers the cash and cash equivalents and the transfer qualifies for derecognition.

1.6 Leases

The agency assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the agency has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.



ACCOUNTING POLICIES

Agency as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the agency is a lessee, except for short-term leases of 12 months or less, or leases of low value assets.

For these leases, the agency recognises the lease payments as an operating expense (note 4) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The agency has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the agency is a lessee are presented in note 4 Leases (agency as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the agency uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the agency under residual value guarantees;
- the exercise price of purchase options, if the agency is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the agency is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

ACCOUNTING POLICIES

The agency remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the agency will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the agency incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the agency expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Depreciation starts at the commencement date of a lease.

ACCOUNTING POLICIES

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	3

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale should the inventory be auctioned.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the agency.

When inventories are issued for use, the carrying amount of those inventories are recognised as an expense in the period in which they are issued. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of assets

The agency assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the agency estimates the recoverable amount of the asset.

ACCOUNTING POLICIES

Irrespective of whether there is any indication of impairment, the agency also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The agency assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.



ACCOUNTING POLICIES

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:

- the agency has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the agency settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the agency has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when the agency:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it would carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the agency will comply with the conditions attached to them; and
- the grants will be received.

ACCOUNTING POLICIES

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the agency with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant.

To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.



2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the agency has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	The agency will include cost and fees paid between borrower and the lender in the calculation of the “10% test” for derecognition of a financial liability, the impact of the amendments is not material for the current year.
Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The impact of the amendments is not material for the current year as no onerous contract were identified for the agency.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**2.2 Standards and interpretations not yet effective**

The agency has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the agency's accounting periods beginning on or after 1 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. No changes in estimates were noted in the current year, thus, amendment is not applicable in the current year.

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture	3,605	(122)	3,483	1,174	(20)	1,154
Motor vehicles	3,625	(107)	3,518	-	-	-
Office equipment	4,897	(267)	4,630	439	(22)	417
Computer equipment	30,390	(3,100)	27,290	3,569	(435)	3,134
Leasehold improvements	1,260	(197)	1,063	361	(12)	349
Fixtures and fittings	149	(21)	128	43	(6)	37
Total	43,926	(3,814)	40,112	5,586	(495)	5,091

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture	1,154	2,432	(103)	3,483
Motor vehicles	-	3,625	(107)	3,518
Office equipment	417	4,458	(245)	4,630
Computer equipment	3,134	26,821	(2,665)	27,290
Leasehold improvements	349	899	(185)	1,063
Fixtures and fittings	37	105	(14)	128
	5,091	38,340	(3,319)	40,112

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Furniture	-	1,174	(20)	1,154
Office equipment	-	439	(22)	417
Computer equipment	-	3,569	(435)	3,134
Leasehold improvements	-	361	(12)	349
Fixtures and fittings	-	43	(6)	37
	-	5,586	(495)	5,091

Net carrying amounts of leased assets

Leasehold improvements			1,063	349
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. LEASES (AGENCY AS LESSEE)

The agency leases several assets, including buildings, and IT equipment. The average lease term is 3 years (2022: 3 years).

The agency has the option to extend the lease on completion of the lease term. Any extension of the lease will be entirely at the Lessor's discretion and on the terms to be negotiated between the lessee and the lessor then.

Details pertaining to leasing arrangements, where the agency is lessee are presented below:

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	63,721	(19,838)	43,883	5,347	(362)	4,985

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	43,883	4,985
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Additions to right-of-use assets

Buildings	58,374	5,347
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 16), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	19,475	362
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Other disclosures

Interest expense on lease liabilities	4,328	171
Expenses on short-term leases included in operating expenses	4,638	142

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	24,779	1,311
Two to five years	28,630	5,025
	53,409	6,336
Less finance charges component	(4,427)	(1,251)
	48,982	5,085
Non-current liabilities	29,148	4,233
Current liabilities	19,834	852
	48,982	5,085

Exposure to liquidity risk

Refer to note 25 Financial instruments and risk management for the details of liquidity risk exposure and management.

Exposure to currency risk Namibia Dollar amount

Namibia Dollar	48,982	5,085
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5. INTANGIBLE ASSETS

	2023			2022		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
ASYCUDA Operating Software	4,910	-	4,910	-	-	-

	Opening balance	Additions	Total
ASYCUDA Operating Software	-	4,910	4,910

The above software relates to ASYCUDA software upgrades acquired on the 08 March 2023. The software was acquired to improve user experience on the system.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. TRADE AND OTHER RECEIVABLES

Financial instruments:

Trade receivables - related parties	1,461	-
Other receivables	562	-

Non-financial instruments:

Deposit	1,572	-
Prepayments - related parties	833	-
Total trade and other receivables	4,428	-

Split between non-current and current portions

Current assets	4,428	-
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Financial instrument and non-financial instrument components of trade and other receivables

Atamortised cost	2,023	-
Non-financial instruments	2,405	-
	4,428	-

Exposure to credit risk

Trade receivables inherently expose the agency to credit risk, being the risk that the agency will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the agency only deals with Ministry of Finance and Public Enterprise with consistent payment histories, through both government grant and related trade receivables.

The average credit period on trade receivables is 90 days. No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The agency measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The agency's historical credit loss experience does not show loss patterns for Ministry of Finance and Public Enterprise. Therefore no provision for credit losses is therefore noted based on past due status without disaggregating into further risk profiles.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

7. INVENTORIES

Inventories: Consumables	3,666	-
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8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	235,708	157,554
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Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counter party default rates:

Credit rating

First National Bank of Namibia(A1+)	235,708	157,554
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Namibia Dollar amount

Exposure to currency risk

Namibia Dollar	235,708	157,554
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The carrying amount of cash and cash equivalents approximates its fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. DEFERRED INCOME

The agency receives grants in form of assets from the government or foreign multinational. These donated assets are recognised as deferred income and are released to the income statement over the useful life of the related assets.

Non-current liabilities	1,347	677
Current liabilities	886	352
	2,233	1,029

During 2023, NamRA received donations from United Nations Office on Drugs and Crime, World Customs Organisation, and The Nature Foundation (2022: Deutsche Gesellschaft für Internationale Zusammenarbeit) disclosed below:

Assets donation received

United Nations	2,134	491
Deutsche Gesellschaft für Internationale Zusammenarbeit	-	538
The Namibia Nature Foundation	99	-
	2,233	1,029

10. PROVISIONS

Reconciliation of provisions - 2023

	Opening balance	Additions	Reclassified during the year	Total
Institutional Progress Incentive	-	14,218	-	14,218
Leave pay accrual	1,080	-	(1,080)	-
	1,080	14,218	(1,080)	14,218

The institutional progress incentive of N\$ 14,217,968 was approved by the Board. The institutional progress incentive awarded to the staff was as a results of the attainment of the institutional progress of the agency as determined during the institutional performance review for the year ended 31 March 2023.

11. INCOME RECEIVED IN ADVANCE

The agency received income in advance from the Ministry of Finance and Public Enterprises amounting to N\$ 30,000,000 (2022: N\$ 98,345,000) which relates to the next financial year. The amount received in advance will be utilised for the 2024 recurring expenditures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. TRADE AND OTHER PAYABLES

Financial instruments:

Trade payables	2,169	1,695
Trade payables - related parties	3,400	-
Accrued leave pay	14,814	-
Accrued bonus	2,052	251
Other accrued expense - suppliers	18,145	-
Other accrued expenses - third parties	13,948	838
	54,528	2,784

Financial instrument and non-financial instrument components of trade and other payables

Atamortised cost	54,528	2,784
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Exposure to currency risk

The agency is exposed to currency risk related to trade payables because certain transactions are denominated in foreign currencies. Exchange rate exposures are minimal as they mostly relate to once off payments for licenses and subscriptions. The currencies in which the agency deals primarily are US Dollars and Euros.

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount

Namibia Dollar	54,530	2,784
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Foreign currency amount

US Dollar	73	-
Euro	42	-

The following closing exchange rates were applied to translate trade payables at reporting date:

Namibia Dollar per unit of foreign currency:

US Dollar	18.254	-
Euro	19.868	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Exposure to liquidity risk

Refer to note 25 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

13. GOVERNMENT INCOME FOR RECURRING EXPENDITURE

Government funding for recurring expenditure

Government funding for recurring expenditure	601,133	112,406
Income received in advance brought forward (note 11)	98,345	-
Ministry of Finance and Public Enterprise transferred liabilities	(12,656)	-
Appropriation income received for the year	545,444	210,751
Income received in advance carried forward (note 11)	(30,000)	(98,345)
	601,133	112,406

14. OTHER OPERATING INCOME

Deferred Income Realised (Note 9)	435	236
Other income	3	-
	438	236

15. OTHER OPERATING GAINS (LOSSES)

Foreign exchange gains (losses)

Net foreign exchange loss	(1,831)	-
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16. OPERATING PROFIT (LOSS)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	1,835	-
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NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Remuneration, other than to employees

Administrative and managerial services	-	875
Consulting and professional services	2,740	-
	2,740	875

Employee costs

Salaries, wages, bonuses and other benefits	208,611	29,248
Subsistence and travelling allowance	6,274	1,033
PAYE	47,132	6,222
Total employee costs	262,017	36,503

Depreciation and amortisation

Depreciation of property, plant and equipment	3,319	495
Depreciation of right-of-use assets	19,476	362
Total depreciation and amortisation	22,795	857

Expenses by nature

The total operating expenses are analysed by nature as follows:

Employee costs	262,017	36,503
Lease expenses	4,638	142
Depreciation and amortisation	22,795	857
Other expenses	14,576	4,307
Utilities	32,664	-
Subscriptions	4,307	2
Motor vehicle expenses	7,416	-
Commission paid to Bank for Point-of-Sale devices	10,760	-
Repair and maintenance	19,949	548
Telephone, internet and communication expenses	21,598	-
Printing and stationary expenses	24,696	903
Security expenses	13,665	-
Software support expenses	37,878	11,274
	476,959	54,536

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. INVESTMENT INCOME

Interest income

Investments in financial assets:

Bank and other cash	4,987	1,372
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18. FINANCE COSTS

Lease liabilities	4,328	171
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19. EMPLOYEE COSTS

As at 31 March 2023 the agency had 941 permanent employees (2022: 29). The total employee costs consists of the following:

Employee costs

Basic	150,126	27,549
Bonus	16,029	251
Medical aid - agency contributions	27,950	330
Social Security Commission	773	38
Leave pay provision charge	13,733	1,080
Subsistence and travelling allowance	6,274	1,033
Pay As You Earn	47,132	6,222
	262,017	36,503

20. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation

Property, plant and equipment	3,319	495
Right-of-use assets	19,476	362
	22,795	857

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. CASH GENERATED FROM OPERATIONS

Comprehensive income for the year	123,440	59,307
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Adjustments for non-cash items:

Depreciation, amortisation, impairments and reversals of impairments	22,795	857
Losses on exchange differences	1,831	-
Deferred Income amortised	(435)	(236)
Movements in provisions	14,218	1,080

Adjust for items which are presented separately:

Interest income	(4,987)	(1,372)
Finance costs	4,328	171

Changes in working capital:

(Increase) in inventories	(3,666)	-
(Increase) in trade and other receivables	(4,428)	-
(Increase) decrease in income received in advance	(68,345)	98,345
Increase (decrease) in trade and other payables	48,835	2,784
	133,586	160,936

22. COMMITMENTS

Authorised capital expenditure

Already contracted for but not provided for

Property, plant and equipment	25,547	-
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This committed expenditure relates to property and will be financed by existing cash resources and retained income.

The agency has other commitments worth N\$7,020,844 in respect of various procurements. The various procurements were awarded on or before year end, and the goods and service were yet to be received/rendered as at 31 March 2023.

23. RELATED PARTIES

Relationships

Ultimate owner	The Government of the Republic of Namibia
Line Ministry	Ministry of Finance and Public Enterprise
Members of key management	Sam SHIVUTE: Commissioner
	Idi Itope: Head Domestic Taxes
	Haitange Nelumbu: Chief Financial Officer & Corporate Services
	Willbroad Poniso: Head Customs & Excise
	Fanuel Uugwanga: Chief Human Capital & Business Strategy & Development
	Melanie Tjienda: Chief Information Officer
	Nadine Du Preez: Chief Legal Officer & Board Secretary
	Steven Ndorokaze: Chief Strategic Communication, Stakeholder Engagements, Taxpayer Education & International Relations

Related party balances

Amounts included in Trade receivable regarding related parties

Ministry of Finance and Public Enterprise	2,134	-
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Amounts included in Trade Payable regarding related parties

Ministry of Finance and Public Enterprise	3,400	1,260
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Amounts included in Income Received in Advance

Ministry of Finance and Public Enterprise	30,000	98,345
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Related party transactions

Appropriation received

Ministry of Finance and Public Enterprise	545,444	210,751
Ministry of Finance and Public Enterprise transferred liabilities	(12,746)	-

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Compensation to Members

Ministry of Finance and Public Enterprise (Payment for member's fees for April 2021)	-	53
Namibia Revenue Agency	726	396

Compensation to directors and other keymanagement

Short-term employee benefits	12,308	10,301
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24. RECLASSIFICATION

During the financial year, the leave accrual amounting to N\$ 14,813,687 was reclassified in the Statement of Financial Position from provisions to trade and other payables to align with requirements of IFRS.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other receivables	6	2,023	833	2,856	2,023
Cash and cash equivalents	8	235,708	-	235,708	235,708
		237,731	833	238,564	237,731

2022

	Note(s)	Amortised cost	Total	Fair value
Cash and cash equivalents	8	157,554	157,554	157,554

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Categories of financial liabilities

2023

	Note (s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	54,530	-	54,530	-
Finance lease obligations	4	-	48,982	48,982	-
		54,530	48,982	103,512	-

2022

	Note (s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	2,784	-	2,784	-
Finance lease obligations	4	-	5,085	5,085	-
		2,784	5,085	7,869	-

Capital risk management

The agency's objective when managing capital (which includes working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the agency's ability to continue as a going concern while taking advantage of strategic opportunities to effectively execute its mandate sustainably.

The agency's working capital and cash and cash equivalent are fully funded by the State through appropriation on a yearly basis.

The agency monitors capital utilisation utilising the budgeting and cashflow management processes.

Lease liabilities		48,982	5,085
Trade and other payables	12	54,530	2,784
Total borrowings		103,512	7,869
Cash and cash equivalents	8	(235,708)	(157,554)
Net borrowings		(132,196)	(149,685)
Equity		0182,745	59,306
Gearing ratio		(72)%	(252)%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Financial risk management

Overview

The agency is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk).

The board of members has overall responsibility for the establishment and oversight of the agency's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the agency's risk management policies. The committee reports quarterly to the board of members on its activities.

The agency's risk management policies are established to identify and analyse the risks faced by the agency, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the agency's activities.

The agency audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the agency.

Credit risk

Credit risk is the risk of financial loss to the agency if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The agency is exposed to credit risk on transferred liabilities (at amortised cost), trade and other receivables, cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, is minimal given that the agency is funded through appropriation and thus only mainly transacts with the Ministry of Finance and Public Enterprise through the requirement of the Namibia Revenue Agency Act. The exposure to credit risk of the counterparty is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the agency through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus, the basis of the loss allowance for a specific financial asset could change year on year.

The agency exposure to credit risk related to trade and other receivable is not significant due to the nature of the receivable with Ministry of Finance and Public Enterprise with consistent payment histories, through both government grant and related trade receivables.

Liquidity risk

The agency is exposed to liquidity risk, which is the risk that the agency will encounter difficulties in meeting its obligations as they become due.

The agency manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through cash appropriated by the State.

2023

	Less than 1 year	2 to 5 years	Total	Carrying amount
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Non-current liabilities

Lease liabilities	19,834	29,148	48,982	48,982
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Current liabilities

Trade and other payables	41,956	-	41,956	54,530
Lease liabilities	-	-	-	19,834
	61,790	29,148	90,938	123,346

Foreign currency risk

The agency is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are not significant as they mostly relate to subscriptions with international organisations. The foreign currencies in which the agency deals primarily are US Dollars, Euros and Pounds.

The agency has certain transactions for licenses and subscriptions exposed to foreign currency translation risk, the transaction are minimal and the foreign exchange implications are not significant.

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Exposure in Namibia Dollars

The net carrying amounts, in Namibia Dollars, of the various exposures, are denominated in the following currencies. The amounts have been presented in Namibia Dollars by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

Current liabilities:

Trade and other payables	12	1,335	-
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Euro exposure:

Current liabilities:

Trade and other payables	12	836	-
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Net exposure to foreign currency in Namibia Dollar		2,171	-
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Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Current liabilities:

Trade and other payables	12	73	-
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Euro exposure:

Current liabilities:

Trade and other payables	12	42	-
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Exchange rates

Namibia Dollar per unit of foreign currency:

US Dollar		18.254	-
Euro		19.868	-

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

DETAILED INCOME STATEMENT

Income

Government income for recurrent expenditure		601,133	112,406
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Other operating income

Deferred Income Realised		435	236
Other income		3	-
	14	438	236

Other operating gains (losses)

Foreign exchange losses		(1,831)	-
Expenses (Refer to page 39)		(476,959)	(54,536)
Operating profit	16	122,781	58,106
Investment income	17	4,987	1,372
Finance costs	18	(4,328)	(171)
Total comprehensive income for the year		123,440	59,307

The supplementary information presented does not form part of the annual financial statements and is unaudited

NAMIBIA REVENUE AGENCY

Annual Financial Statements for the year ended 31 March 2023

DETAILED INCOME STATEMENT

Figures in Namibia Dollar thousand	Note (s)	2023	2022
Other operating expenses			
Administration and management fees		-	(875)
Advertising		(1,026)	(2,140)
Auditor's remuneration - external audit	16	(1,835)	-
Bank charges		(82)	(18)
Cleaning		(735)	-
Commission paid to bank for Point-of-Sale devices		(10,760)	-
Computer expenses		-	(732)
Consulting and professional fees		(2,623)	-
Consulting and professional fees-legal fees		(117)	-
Delivery expenses		-	(219)
Depreciation		(22,795)	(857)
Employee costs		(255,743)	(36,503)
Entertainment		(384)	(147)
Fines and penalties		(190)	-
Insurance		(407)	-
ICT maintenance and licenses expenses		(37,878)	(11,274)
Short-term leases		(4,638)	(142)
Motor vehicle expenses		(7,416)	-
Municipal expenses		(32,664)	(11)
Postage		(2,912)	-
Printing and stationery		(24,696)	(903)
Protective clothing		(906)	-
Repairs and maintenance		(20,738)	(548)
Royalties and license fees		(11)	-
Security expenses		(13,665)	-
Staff welfare		(1,272)	(43)
Subscriptions		(4,307)	(2)
Telephone, internet and communication expenses		(21,598)	-
Training		(1,263)	(122)
Transport and freight		(24)	-
Subsistence and traveling allowance		(6,274)	-
		(476,959)	(54,536)

The supplementary information presented does not form part of the annual financial statements and is unaudited

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