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PAYING TAXES ALLOWS FOR TENDERS AND EMPLOYMENT OPPORTUNITIES

MCLEOD-KATJIRUA



Economic opportunities that include employment creation and procurement opportunities can only occur when people and businesses are committed to paying tax, and therefore tax payment should be a responsibility that the Khomas region and the rest of Namibia should take on, said the region's governor Laura McLeod-Katjirua. **Cont. Page 7**

NamRA Implements Advance Rulings

As part of the Customs Modernisation drive and recognising the importance of transparency and faster clearance of goods at the borders, NamRA has implemented the Advance Ruling System at an event graced by World Customs Organisation (WCO) Secretary General Dr Kunio Mikuriya. **Cont. Page 5**



INTRODUCING

MODIFIED ELECTRONIC FILING TAX RELIEF PROGRAMME

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FROM 01 JUNE 2022 TO 31 MAY 2023





EDITORIAL NOTE

**Steven Yaruokekuro
Ndorokaze**

Chief Editor

Well, half of 2022 is already gone, at some pace one might add. Apparently, that is what happens when we are busy or having fun. At NamRA, it has been a fair combination of both as the 2022/23 financial year (FY2022/23) got underway on a rather high note, following exciting conclusion to the 2012/22 financial year on 31 March 2022, with the revenue target surpassed by N\$3.5 billion. The maiden Taxpayers/Trader Appreciation Event lived to its earlier promise of being a celebration of complying taxpayers and traders. In the background, great work went into ensuring that deserving recipients were honoured, from determining the criteria to securing the attendance of the identified stakeholders and delivering a truly celebratory atmosphere.

As we reflect on April to June 2022, we highlight the importance of continued stakeholders engagements, with a deliberate taxpayer/trader education flavour added to the menu. Despite fulfilling a strategic plan imperative, it is our strong held belief that increased taxpayer/trader education will translate in improved voluntary compliance, with the net effect being enhanced revenue collection. With greater appreciation, taxpayers and traders are most likely to do the right thing, honouring their respective obligations

Part of this NamRA Communique Wagon edition is dedicated to highlighting the importance of living our core values as NamRA staff and the need to remain vigilant and ensuring employee mental wellness, while effectively addressing any noticed instances of staff going through phases of mental health challenges.

It is certainly gratifying to note that NamRA is not on its own in spreading the gospel of tax compliance, as a private business operator talks about his business' contribution to enhancing tax compliance.

We will also focus on the Excise function of NamRA, stressing that it is indeed a very significant function in the revenue collection formula. Before I end, let me thank all of you who provided us with very constructive feedback, following the release of our last edition. We therefore look forward to even greater feedback and more suggestions for inclusion in the next editions.

I wish you pleasant reading!



Sam SHIVUTE

*Commissioner of the
Namibia Revenue Agency*

COMMISSIONER'S NOTE

I welcome you to the first quarter edition of the NamRA Communique Wagon, for the financial year 2022/23.

With the first half of the year of reimagining (2022) gone, the Namibia Revenue Agency (NamRA) has indeed conquered obstacles and blessings.

We kicked off the new financial year on a high note by appreciating our taxpayers and traders, because we are grateful for the contribution they have made and continue make to this great nation. The Taxpayer/ Trader Appreciation Day which was held on 7 April 2022 coinciding with the first anniversary of NamRA and the event will become an annual celebration. We are grateful to our stakeholders who attended this event, which we believe will go a long way in inspiring individual taxpayers and businesses to adopt a culture of tax compliance.

NamRA's Management is deliberate about focused and effective stakeholder engagements and due to that commitment, the Management visited Omaheke Region on 15-18 May 2022 and held a very successful stakeholder engagement session in Gobabis focusing on farmers and businesses on matters

related to tax and customs compliance, while calling for increased voluntary compliance at all times. Similar session was held in Windhoek on 14 June 2022 and more are lined up for Kavango East and West Regions, together with the Erongo Region in the following months.

On the other hand, NamRA faced a major backlash with the destruction of counterfeit goods on 10 MAY 2022. Counterfeit items brought illegally in the country poses serious harm to the livelihood of Namibians. NamRA will continue to enforce the provisions of the law and traders are encouraged to comply with customs laws accordingly.

In conclusion, the recruitment process is in full swing and all seconded staff members are encouraged to apply and continue contributing to the vision of NamRA.

Remember what the great Nelson Mandela said: **"A Winner is dreamer who never gives up"** and **"It always seems impossible until it is done"**
Stay safe and Happy Reading.



NAMRA TEAMS UP WITH MINISTRY OF INDUSTRIALIZATION AND TRADE TO FIGHT OZONE DEPLETING SUBSTANCES

Ozone depleting substances have been listed as prohibited items to enter Namibia according to the Montreal Protocol of 1987. Ozone depleting substances are harmful to human beings and the environment, thus NamRA Customs officials recently received training on how to detect these items at the entry points. The training was provided by the Ministry of Industrialisation, Trade and SME Development to ensure that Namibia remains compliant with the Montreal Protocol.

Speaking at the workshop in Windhoek, Deputy Executive Director in the Ministry of Industrialisation and Trade Dr Michael Humavindu said customs and excise officials are at the forefront of detecting illicit trade of these toxic chemicals across the Namibian borders and should be continuously engaged and capacitated not just on the listed substances under the Montreal Protocol but also on the other chemicals of priority that are prohibited in the country.

Speaking at the same event, Head of Customs and Excise Willbroad Poniso said illegal trade of ozone

depleting substances was still prevalent and reported in Namibia and NamRA will continue to strengthen its enforcement strategies to ensure that society is protected from these substances.

Ozone depleting Substances are those substances that deplete the ozone layer and are widely used in refrigerators, air conditioners, fire extinguishers, in dry cleaning as solvents for cleaning, electronic equipment and as agricultural fumigants. These are chlorofluorocarbons (CFCs), Halons and Hydro Chlorofluorocarbons HCFCs.

Importers / traders should ensure that they trade with authorised importers who have import permit to import the restricted gases, thus the importation of refrigerants (gasses) without import permit will be regarded as prohibited according to section 123 of the Customs and Excise Act, 1998 (Act No. 20 of 1998) as amended. Traders are further advised to contact the National Ozone Unit in the Ministry of Industrialisation and Trade for advises regarding the companies that were granted quotas to import the restricted gasses.



NAMRA PARTICIPATES IN THE TRADE FACILITATION POLICY SEMINAR, SOUTH KOREA

The NamRA Commissioner joined other Commissioners/ Director-Generals and Heads of Customs from 15 Customs Administrations across the East and Southern African (ESA) Region, who participated in the Trade Facilitation Policy Seminar hosted by the Korea Customs Service (KCS) from 7 to 10 June 2022 in Seoul, South Korea.

KCS was established as a Customs Department in the Ministry of Finance of the Republic of South Korea in 1946 and after a series of transformations, presently consists of seven (7) bureaus or departments with over 30 divisions, five Regional Offices, two Centres (i.e. Big Data Centre and the Customs Border Targeting Centre) and three (3) institutes, namely: the Customs Training Institute, which one of the 29 accredited Regional Training Centres by the World Customs Organisation (WCO), the Central Customs Laboratory and the Customs Valuation and Classification Institute.

The Trade Facilitation Policy Seminar emphasised the importance of identifying and establishing cooperation in common areas of work between KCS and Customs Administrations in the ESA Region following the commencement of trade under the African Continental Free Trade Agreement (AfCFTA) on 1 January 2022.

Participating Customs Administrations also presented trade facilitation initiatives undertaken in their respective countries during the Trade Facilitation Policy Seminar.

During the bilateral discussion between Commissioner TaeSik Yoon and NamRA's Sam SHIVUTE, KCS and NamRA committed to concluding a Memorandum of Understanding (MoU) that would facilitate the training and capacitating of NamRA officials to realise the long-term vision of a NamRA Training Academy as well as a NamRA Customs Laboratory. KCS and NamRA also committed to strengthening technical and financial assistance for conducting a Time Release Study (TRS) for Namibia in accordance with Article 6 of the Trade Facilitation Agreement of the World Trade Agreement which Namibia ratified on 09 February 2018.

At the closing ceremony, Commissioner SHIVUTE applauded the KCS for the opportunity for Customs Administrations from the ESA Region to network and learn from one another. The Trade Facilitation Policy Seminar was attended by Commissioner / Director-Generals and Commissioners of Customs from the following member States of the Southern African Customs Union (SACU): Botswana, Eswatini and Lesotho.



OMAHEKE REGION

WELCOMES NAMRA

NamRA continues to engage stakeholders in various regions of the country. One such an engagement took place in Gobabis, Omaheke Region on 17 May 2022. The stakeholders engagement was part of the Management's working visit to the region, where Commissioner Sam SHIVUTE led management to familiarise itself with NamRA operations in the region.

In Omaheke Region, NamRA has a satellite office in Gobabis, with two officials assigned to the Domestic Taxes Department and two others for the Customs and Excise Department. Plans are underway to upgrade this office to a fully-fledged regional office. The biggest operation is based at the Trans-Kalahari Border Post linking Namibia to Botswana. The visit was part of a familiarization process to better understand the working environment.

It was in this line that the Management used the opportunity to engage stakeholders in the region to create a mutual understanding between the entity and its stakeholders. The session in Gobabis was well attended and was addressed by Regional Governor Pio Nganete.

At the event, the NamRA Commissioner unpacked three key things about NamRA: "Where we came from; where we are; and where we are going." He stated that it is important that NamRA's stakeholders understand NamRA and what it stands for. He also addressed the issue of counterfeit goods, following the destruction of counterfeit goods on 10 May 2022.

NamRA is committed to making sure that its business processes have been re-engineered and are being followed correctly. All staff members will be trained so that they can provide excellent service.

The Commissioner also informed the audience that NamRA's services are free and that no individual or business should be forced to do a favour for any staff members when they are providing services to them. He said favours such as "lunch" in exchange of service cannot be tolerated as it borders on unethical conduct.

On his part, Governor of the Omaheke Region Pio Nganete, commended NamRA for engaging stakeholders in the region. He was particularly happy that NamRA opted to come to Omaheke in its early days of operation, which he said would create a mutual understanding between the revenue agency and his people. He told the gathering that Omaheke is at the heart of the country's development because of the nature of the business that people engage in. He stated that many of the region's residents are business taxpayers who need information on how to be tax and customs compliant.

The Governor urged NamRA to ensure inclusivity and reach out to potential taxpayers at all levels.



PAYING OF TAXES ALLOWS FOR TENDERS AND EMPLOYMENT OPPORTUNITIES – MCLEOD-KATJIURUA

Economic opportunities that include employment creation and procurement opportunities can only occur when people and businesses are committed to paying tax and therefore tax payments should be a responsibility that the Khomas region and the rest of Namibia should take on, said the region's governor Laura McLeod-Katjirua.

Taxes are important too, because roads, schools, hospitals and other key public services are only available because citizens pay their taxes. Namibia has a tax population of over 800 000 registered taxpayers, but only about 52 percent of them are tax compliant. The governor said taxes are used to fund various government programs that help bolster the economic programs and it was important that all Namibians support NamRA in its tax collection mandate of the agency.

The Governor was speaking at the stakeholder engagement session for the Khomas region, held in Windhoek on 14 June 2022. The event was part of NamRA's Stakeholder Engagement drive to all the regions and was well attended by various taxpayer clusters and traders.

"Let us endeavor to pay taxes and understand that it is meant to be more than just giving money to the government. Furthermore, economic opportunities that include employment creation and procurement opportunities can only occur when people and businesses are committed to paying tax. There is no doubt that taxes increase government revenue to be able to come up with public procurement or tenders in which our local business people can participate," she said.

The Khomas Region is the economic hub of the country, and it was important that NamRA organized the engagement, said the Governor, while congratulating the agency for having exceeded the revenue target with over N\$3 billion for the 2021/2022 financial year.

"This is indeed a clear indication that the functions of tax collection and customs administration are now better placed. It is my hope that as NamRA is now making strides in establishing itself on the ground they will be able to collect more revenue in the current financial year than the previous year," she said.

NamRA's Head of domestic taxes Idi Itope said the Khomas region is one of the biggest contributors to tax coffers, and together with the Omaheke Region contributed at least N\$11,7 billion to the state revenue fund. However, taxpayers in Khomas Region owe NamRA over N\$5,6 billion in unpaid capital tax balance, excluding interest and penalties.

Because of this, McLeod-Katjirua said compliance status needs to be improved in the region and beyond.

She said the compliance aspect can be well achieved through public education campaigns on the provisions of the laws they administer, especially on the provisions that touch on bread and butter issues.

Commenting on the recent counterfeit goods mayhem, the Governor said there was a need for the citizens to "embrace the culture of dialogue and avoid getting in unnecessary commotions".

"I believe that a society that is engaged and educated will prosper in peace and stability, have less dependency on public assistance programs, and greater tax revenue. Let us always be open to each other, establish decent dialogues and gain full appreciation of why certain actions are taken in the efforts of facilitating legitimate trade in our country," she said.

NamRA only has offices in the city center, which the governor said is to an extent disadvantageous to the people who hardly come to do business in the city center.

To this effect, she said NamRA should endeavor to open up a branch in Katutura or Khomasdal.

"Your presence outside the central business district will not only help to bring services closer to the people but also promote your brand and create an everlasting awareness. Let us start thinking of a taxpayer who runs a welding workshop in Khomasdal, a taxpayer who runs mini-supermarket in Eveline street and many more, to ensure that they are catered for and whenever they want to file their tax returns or pay their taxes, they will do this without inconvenience," she noted.



MUPUPA - THE HOPE OF DELINQUENT TAXPAYERS

Established in 2013, Premium Financial Consultancy has been in operation since 2015 focusing on multifaced and fundamental challenges faced by Small and Medium Enterprises (SMEs) to maximise tax compliance and excellent financial reporting. As we sat down with its Founder and Executive Director Mathias Tukondjeni Mupupa, we found out that there is more to business but a passion of economic growth through tax compliance.

1. Who are your clients and what kind of services do you offer to them?

My clients range from fishing companies and media companies as well as retail. We provide solutions to businesses that are faced with multiple financial challenges of which tax compliance is one of them. Often, we deal with interesting and complicated cases. I am just on my way to the North where I will be meeting a prominent businessman whose bank accounts are frozen due to tax issues. Our job is to advise and assist businesses to become tax compliant.

2. One of the services you offer to your clients is advice to businesses on their tax issues, how would you describe the level of understanding by Namibian businesses when it comes to tax compliance?

The level of understanding is moderately low especially when it comes to tax matters. A lot of taxpayers education can be undertaken in order to encourage more compliance among the tax base of our country. Now that NamRA is in place, we are looking forward to a robust education campaign throughout the country.

3. What is the most complicated case you have worked on so far to assist a taxpayer to become compliant?

A high-net-worth individual taxpayer with various SnT and board remuneration whose tax affairs had to be best explained to tax authorities by means of a timeline of travels vs SnT paid out. The challenge here was the process of retrieving that information and meeting the taxpayer in order to recreate that timeline. The tax bill went from 10 million to 1 million.

4. In April 2021, NamRA became operational taking over the functions of tax administration that was previously under the Ministry of Finance. What do you think of this decision by government to come up with an independent body?

The main positive spin off from the creation of NamRA is the autonomous nature of such a body which will allow for

the traditional red-tape of government agencies to fall away. This will enable better tax collection, recruitment of tax experts, and many more benefits. A shining example of such an implementation is that of SARS across our borders.

5. How can NamRA cooperate with bookkeepers such as yourself to enhance tax compliance in the country?

NamRA should avail platforms for consulting firms to raise awareness among taxpayers. For example bridging the gap between higher learning institutions and small firms to enable more final year students to get access to systems like ITAS will go a long way in ensuring that our graduates are not only theory-equipped but have the practical working exposure.

6. One of the flagship service provided by NamRA is the Integrated Tax Administration System (ITAS) which some taxpayers have been complaining that it is not user friendly. Tell us your experience with TAS and how important it is in terms of tax administration?

I would say that NamRA has really been aggressive on the roll out of ITAS and the citizens should consult the internet to gain better understanding of NamRA offerings. I always find ITAS user friendly and this is what we are doing at our office on a daily basis, assisting our clients to register on the online portal.

7. In your view, is it important for businesses to be tax compliant and why?

Tax compliance is so crucial for government to address many social economic challenges and for creation of a conducive business environment. Without better tax compliance, government revenue base will erode and cause serious economic challenges.





EXCISE SEEMINGLY ENIGMA IN REVENUE COLLECTION

Customs is mostly mentioned with excise because of the functions the two serve in trade facilitation but the latter is not so known and sometimes confused with the word “exercise” by some. An excise or excise tax, is any duty on manufactured goods that is levied at the moment of manufacture rather than at sale. Excises are often associated with customs duties, while customs are levied on goods that become taxable items at the border, excise is levied on goods that came into existence inland.

In the context of NamRA, excise duties/levies are levied on Namibian-made or imported goods as governed by the Customs and Excise Act, 1998 (Act No. 20 of 1998). Excise duties are levied on tobacco products, malt beer and traditional beer, spirits and alcoholic beverages, wine and other fermented drinks, perfumeries and petroleum, fuel levy and environmental levied products, such as plastic bags and lubricants, amongst many other products by manufacturers and importers throughout the Southern African Customs Union (SACU), which includes Botswana, Eswatini, Lesotho, Namibia and South Africa.

These duties are regulated under Chapter 4, sections 38 and 39 of the Customs and Excise Act, which relates to Customs and Excise Warehouses: Storage and Manufacture of Goods in Customs and Excise Warehouses; while section 78 under Chapter 9 determines the value of excisable goods.

The primary function of these duties and levies is to provide the State with a steady stream of revenue, while discouraging the consumption of certain harmful products, i.e., those harmful to human health or the environment.

NamRA has a centralized excise section within the Customs and Excise Department which monitors the production, warehousing and movement of excisable goods manufactured or imported into Namibia by ensuring that manufacturers and importers of excisable goods meet all legal requirements and that accurate duty payment is made, where applicable.

Excise taxes are traditional form of taxation imposed on luxury goods that are considered expensive, unnecessary and non-essential. These goods include expensive cars, private jets, yachts, jewellery, etc.

POSITIVE MENTAL HEALTH IS KEY TO GROWTH

NamRA is committed to ensure positive mental health at work, especially given the transition that the staff members are going through. Several staff members have expressed anxiety and are worried about securing positions in NamRA. The situation has the potential of not only affecting the psychological wellbeing of staff members but also their productivity. It is against this background that a renowned Psychologist in Namibia was invited to address the staff at a staff meeting held on 12 May 2022 in Windhoek. The meeting was also streamed live to accommodate the various NamRA regional offices.

Dr. Eunice Gonzo explained that just like any other fear of chronic diseases, mental health should be prioritised in any workplace and staff members should not shy away from check-ups and discussions either with a psychologist or anyone they trust. "It is true that life is unpredictable and mental health issues can affect anyone, regardless of their life position in life. And it all starts with the psychological distress of not knowing what is going to happen. Change, whether positive or negative, that is registered in the mind causes psychological distress and should not be ignored". She explained.

She encouraged staff members to remain strong and always dwell in positive thoughts and learn to accept things they cannot change to avoid psychological distress. She further emphasised the importance of protecting one's mind, stating that everyone's mind is the most powerful controller of the physical. This is because self-talk can be one worst enemy if it is in the negative.

Psychological counselling is not so common in most African communities and mental check-up may sometimes be seen as awkward, but Dr Gonzo says there should be no shame in seeing a therapist adding that staff members can make use of their medical aid benefits for psychological counselling as well. She also called on the NamRA Management to observe the wellbeing of its staff members and identify possible signs of mental problem among its employees and put up mechanisms of how to assist. She says caring for others at workplace is important for any organisation.

Dr. Gonzo also expressed satisfaction about the NamRA corporate colours that she says represent a plethora of characteristics change, creativity, passion, freedom, importance and confidence.

NamRA recently advertised a position for a Wellness Coordinator who will be responsible for leading and coordinating health and wellness programs including lifestyle and psychological interventions across the organisation of about 1300 staff members.



LIVING THE NAMRA VALUES

Ms. Ndapewa Haipinge: NamRA's Manager:
Training and Organizational Development



Every organization is guided by a set of Values that drive institutional culture and business success. This set of values plays a critical role in achieving the organization's vision, mission and objectives. Values give an organisation a shared language and significantly contribute to decision making. When employees understand the values, they can easily know the acceptable behaviour linked to it. Culture is therefore formed because of uniformity in behaviour, thought process and expectations.

NamRA must **"assess and collect taxes and duties on behalf of the State and administer tax, customs and excise laws"**. Fulfilling this task requires a workforce that understands how individual day-to-day tasks align to this objective and the behaviour expected to achieve it. Our values of **integrity, efficiency, diversity, fairness and agility** are our guiding principles in the attainment of our business objectives. When we individually express our NamRA values, that will translate into culture that drives employee satisfaction and increase business success.

Peter Drucker once said, **"culture eats strategy for breakfast"**, meaning that a dysfunctional culture will quench every effort made either through the implementation of policies, procedures, processes, systems etc, with the aim to drive and improve the business. With NamRA in its infancy, staff are presented with an opportunity to build a culture of shared values, beliefs and aligned behaviour.

How then do we ensure that as an organization, we live our values on a day-to-day basis? Our values should become the foundation for ethical conduct and guide all aspects of our business dealings from **decision making, client experience and stakeholder engagements**. We should be guided by the value of **integrity** to remain ethical in the execution of our duties, demonstrate **fairness** towards our colleagues, clients, and stakeholders, respect and appreciate the **diversity** of ethnicity, age, education, skills and background in our workforce, strive to improve our processes and systems to be **efficient** and improve service delivery and be agile in responding to the changing demands in the world of technology to position NamRA to be at the leading edge of digital transformation. As we express our values daily, we are assured of becoming an engaged workforce working towards a common goal.

Living our values is reflected by the level of our customer satisfaction and stakeholder value. This translates into effective governance, operational efficiency of our tax and customs administration and make a positive contribution to the economy by supporting socio-economic development through the implementation of our national development plans. Therefore, the revenue we collect through Taxes and the administration of Customs and Excise laws contribute to building a sustainable Namibia.

The Human Capital Unit therefore plays an integral part in value enhancement through but not limited to; policy development and implementation, inculcating a performance culture, promoting diversity and professionalism, encouraging servanthood and service to one another. If we become the living expression of our NamRA values, we will realise our vision of becoming a World-Class Revenue Agency, serving with passion to positively impact the livelihood of every Namibian.

We should therefore take pride in building a sustainable NamRA as we play our part in economic recovery and national building.

INFORMATION SHEET

NAMRA - CUSTOMS AND EXCISE DEPARTMENT

1. What are counterfeit items?

- Counterfeit items are products that contain the trademark or brand without the owner's permission.
- It is regarded as a fraudulent imitation of an original brand or product, an act that is prohibited.
- Some products can also be regarded as counterfeit as they do not contain what the packaging indicates.
- Counterfeit is a serious crime because of infringement on intellectual property rights.

2. How does NamRA identify items as counterfeit?

The identification is done in accordance with international legal instruments such as the Trade- Related Aspects of Intellectual Property Rights (TRIPS) Agreement, to which Namibia is party to. The Agreement provides for NamRA to inspect the items and verify against the instruction's manual.

When in doubt, NamRA can contact the Brand Right Holders for final verification.

3. What is the difference between counterfeit and low-quality products?

Counterfeit Products	Low-Quality Products
<ul style="list-style-type: none">• Counterfeit products bear the trademark of a legitimate and trusted brand, without permission from the brand right holder.• In most cases there is no consistency in comparison to the specifications of the original manufacturer.• They are produced illegally and sold at a profit, often to fund other criminal activities.	<ul style="list-style-type: none">• Low quality products mostly do not meet the specifications or fail to perform as they should.• It can also be used to describe a product with defects, such as cracks in the paint on a vehicle or the like.• Poor quality products can also be rejects owing to mistakes at production stage.

Please take note that non-branded items irrespective of their level of quality are not necessarily considered as counterfeit if they do not infringe on intellectual property rights.

4. What are the legal instruments regulating intellectual property rights (including the prohibition of counterfeit items)?

Protection of intellectual property in Namibia is governed in terms of the national legislations, regional agreements administered by the African Regional Intellectual Property Organization (ARIPO) and international agreements administered by the World Intellectual Property Organization (WIPO).

These legal instruments are:

- The Industrial Property Act, 2012 (Act No 1 of 2012),
- The Copyright and Neighboring Rights Protection Act, 1994 (Act No. 6 of 1994)
- Banjul Protocol on Marks Within the Framework of the African Regional Industrial Property Organization (ARIPO) 1993
- Patent Cooperation Treaty Concerning the International Registration of Industrial Designs
- Berne Convention and
- Trade Related Aspects of Intellectual Property Rights by the World Trade Organization.

5. What are the implications of counterfeit goods in the community or society?

Counterfeiting goes beyond clothes and includes pharmaceuticals, car parts and food items, which naturally results in health and safety hazards. Additionally, industries lose large amount of revenue to counterfeiters. These losses not only affect producers of genuine products but also extends to social costs. Consumers become victims of unfair competition whereby they receive low/poor quality goods at incommensurate prices. The State also loses out on unpaid taxes, duties and levies due to counterfeiting.



IMPORTANT DUE DATES TO NOTE

VALUE ADDED TAX (VIA) ON IMPORTS RETURNS

Levied on all goods imported into Namibia.

DUE DATE:
20TH Day of the month
following month of import.

VALUE ADDED TAX (VAT) RETURNS

To be submitted by all VAT registered vendors.

DUE DATE:
25TH Day of the Month
following the end of Tax
Period.

INCOME TAX (ITX) RETURNS

Tax payable annually on incomes generated by Individuals and Companies for the benefit of State Revenue Fund.

INCOME TAX RETURNS FOR INDIVIDUAL FARMERS AND/OR BUSINESSES

DUE DATE:
30TH September
(Submitted annually)

PROVISIONAL TAX RETURNS DUE DATE: FULL TIME FARMERS

1st Period - 6 Months after the start of the Tax year (31 August)
2nd period - On Year-end of the Tax year (28/29 February)
Full time Farmers: submit Only once, On Year-end of the Tax year (28/29 February)

INCOME TAX RETURNS FOR SALARIED PERSON/PENSIONER/OTHER INDIVIDUALS

DUE DATE:
30TH June
(Submitted annually)

INCOME TAX RETURNS FOR COMPANIES/CLOSE CORPORATIONS

Companies and Close Corporations are required to pay tax on the profit earned and submit annual financial statements.

DUE DATE:
Seven months after
financial year end.

PROVISIONAL TAX RETURNS DUE DATE:

1st Period - 6 Months after the start of the financial year
2nd period - On Year-end of the Financial year

EMPLOYEES' TAX (ETX) RETURNS

Employers are required to electronically file monthly reconciliations (excel sheets) through ITAS, showing in detail, remuneration paid; PAYE tax deducted, etc for all employees.

DUE DATE:
20TH Day of the month
following end of period.

E-mail: info@namra.org.na

www.namra.org.na



Serving with passion



Namibia on the verge of implementing the Advance Ruling System for tariff classification, valuation and origin

Stanley Gurirab

NamRA Manager: Customs Valuation and Classification

NamRA steps into the right direction by advancing the implementation of advance rulings, a significant move in the fulfillment of an international commitment as contained in the World Trade Organisation (WTO) Trade Facilitation Agreement (TFA).

Article 3 of the TFA encourages Member States to reduce time and cost of doing business across the borders of any country in the international trade, whilst Standard 9.9 of the Revised Kyoto Convention sets the standards for and simplification and harmonization of customs procedures, processes and fees. NamRA's drive and mandate is therefore, to cultivate the reforms, improve on quality service, enhance efficiency and improve revenue collection while adapting processes and systems to meet best international standards.

To foster such an enabling business environment, NamRA has developed a system of advance rulings that can be given at the request of an importer, exporter or any other interested person, as part of its ongoing efforts to facilitate trade and support economic operators. The system was developed by NamRA in partnership with the World Customs Organization (WCO) as part of the WCO Mercator Programme aimed at providing support on implementation of the WTO-TFA and the European Union (EU) – WCO Programme for the Harmonized System in Africa (HS-Africa Programme), funded by the European Union.

Advance rulings cover three areas, namely, Customs Classification, Valuation and Origin. Advance rulings for classification provide information on the applicable commodity code and the rate of tariff duty on imported goods. With regard to valuation, advance rulings on provide information on specific matters relating to the assessment of the customs value of imported goods; while in relation origin, the rulings provide information on whether imported goods are originating from a particular country.

The advance ruling system is an international trade facilitation tool for traders and customs administrations that enhances certainty and predictability of customs operations. Traders can obtain precise information in advance of the actual transaction and for comparable future transactions for a specified period. Such information is issued in the form of a ruling, which is binding on the authority issuing it as against the applicant. This represents the safest approach for a trader to ensure that customs clearance of the products covered by advance rulings is completed without delay, in a smooth and predictable manner.

One of the main sources of disputes between Customs officials and traders is related to the treatment attributed to the goods linked to determining of the value, classification of goods and determination of rules of origin. Inaccurate valuation and classification decisions may constitute a non-tariff barrier to trade and could circumvent the official tariff schedule. They also increase the risk of corruption if traders aim to obtain a better treatment of their goods by way of bribery.

It must be noted that citing of an advance ruling previously granted by Customs officials will not prevent NamRA from examining the goods or other relevant materials at the time of entry to ensure that the ruling covers the goods that are actually imported. In this way, NamRA retains full control over the transactions to ensure that they are handled in full compliance with all applicable laws and requirements.

NamRA shall endeavour to provide rulings within 30 days from the receipt of a request from the applicant. To facilitate the application process, importers, exporters or any other interested persons are requested to use application forms available on the NamRA website or at any NamRA Customs and Excise Regional Offices across the country. Once issued, advance rulings remain valid for a year, in line with the NamRA Advance Ruling policy.

All importers, exporters or any other interested persons are encouraged to take full advantage of this programme once it is officially launched.

NEWS FLASH



MR. WILLBROAD PONISO

HEAD: CUSTOMS AND EXCISE

Mr. Willbroad Poniso was appointed as Head of Customs and Excise, with effect from 1 July 2022. Mr. Poniso is a seasoned customs and excise professional, having joined the then Directorate of Customs and Excise under the Ministry of Finance in 1991. He started as a Customs and Excise Officer and served at various places including border posts and railway stations, while climbing the ladder to a Regional Head for North-Eastern Region. Last year, he was one of the first recruits of NamRA as Senior Manager: Border Control and Operational Compliance and also doubling as Interim Head of Customs and Excise. He has since contributed significantly to the development and implementation of various policies and strategies, aimed at enhancing the enforcement of the customs and excise law. His academic achievements include a Masters Degree in Customs Administration from Charles Sturt University in Australia; an MBA from the Management College of Southern Africa (MANCOSA) and a Bachelor of Technology in Public Management from the Polytechnic of Namibia.

LIFTING THE MORATORIUM ON THE PAYMENT OF TAX REFUNDS - PROVISIONAL TAXPAYERS

On Friday, 1 July 2022, Commissioner Sam SHIVUTE announced the lifting of the moratorium in relation to refund claims from provisional taxpayers. The moratorium was imposed in May 2022 on the payment of tax refunds for provisional taxpayers, following the detection of a scam related to the payment of refunds in this regard.

The halting of processing tax refund claims for provisional taxpayers until 30 June 2022, was intended to enable NamRA to determine the full extent of the scam and its real impact on the public purse. While the investigation is yet to be concluded, NamRA has been able to narrow the probe to an identified target group.

Commissioner SHIVUTE however announced that no tax directives will be issued for taxpayers in the target group while the investigation continues. NamRA called on all taxpayers who might have unwittingly benefited from this scam to engage our offices across the country and aid the investigation to expose the true masterminds of this scam.



NEWS FLASH



NAMRA IMPLEMENTS ADVANCE RULINGS

The Namibia Revenue Agency celebrated another milestone towards customs modernisation initiatives, with launch of Advance Ruling Programme in Namibia. The programme was launched during the recent national stakeholder engagement session, held on 12 July 2022 in Windhoek.

The program, funded by the European Union in partnership with the World Customs Organisation (WCO) culminated in the visit of the WCO Secretary General Dr Kunio Mikuriya to Namibia to strengthen relationship between Namibia and WCO. Dr Mikuriya expressed satisfaction with the pace at which NamRA was working on to implement customs modernisation programs aimed at improving efficiency and further facilitate seamless and timely movement of goods at the borders.

For more information and applications forms, please visit our website www.namra.org.na under Customs and Excise.

NAMRA DEDICATED SERVICE CENTER TO OPEN SOON

NamRA is working on opening a Dedicated Service Center in Windhoek. The Center will among others provide services such as general enquiries, Good Standing Certificates, ITAS e-portal, payments, clearing agent licensing and customs information and others. Plans are underway to replicate this center to other regions.



NAMRA BRANDING TAKES OFF

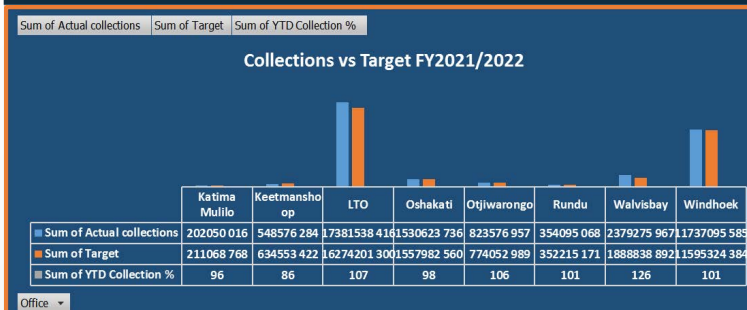
NamRA is currently operating from the premises of the Ministry of Finance across the country, which will be transferred to NamRA. The branding process of immovable properties has started in Windhoek and will soon be rolled out to regional offices.

REVENUE PERFORMANCE FOR DOMESTIC TAX DEPARTMENT AS PER REGIONAL OFFICES FOR FY2022

34 956 832 028

Revenue collections for FY2021/2022

REVENUE COLLECTION PER OFFICE FY2021/2022



From the table above, it can be deduced that Large taxpayer unit recorded the highest actual amount for the financial year FY2021/2022, being NAD17,3 billion.

Katima Mulilo regional office recorded the lowest actual amount for the financial year, being NAD211 million.

Keetmanshoop regional office recorded the lowest percentage of net collection, being 86%, whereas Walvisbay regional office recorded the highest percentage of net collection, being 126% for the period under review.

Overall, the regional offices collected NAD34,9 billion, which represents 105% net collection versus target for financial year FY2021/2022.

ARREAR COLLECTIONS AND TARGET

REGIONAL OFFICE	Arrear Target	Arrear Collections	% of Arrear collection
Windhoek	2 139 097 174	204 331 055	10%
Oshakati	319 398 086	186 016 791	58%
Walvisbay	334 501 919	194 948 940	58%
Rundu	65 446 487	17 446 079	27%
Otiwarongo	174 560 666	28 709 515	16%
Keetmanshoop	147 801 881	55 202 185	37%
LTO	1 433 361 468	897 211 385	63%
Katima Mulilo	38 831 207	7 175 083	18%

TOP 3 REGIONAL OFFICE - ARREAR COLLECTIONS

LTU
897 Million

Windhoek
204 Million

Walvisbay
194 Million

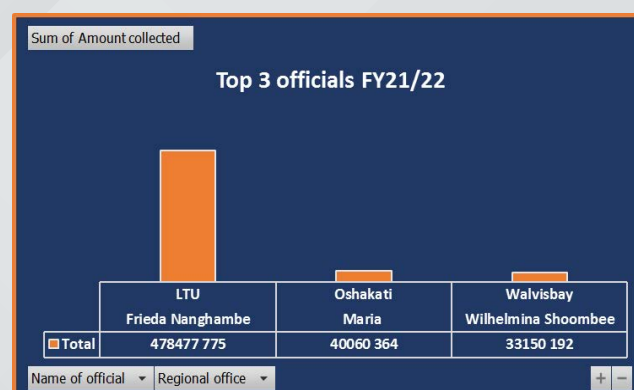
TOP 3 REGIONAL OFFICES - Revenue collection

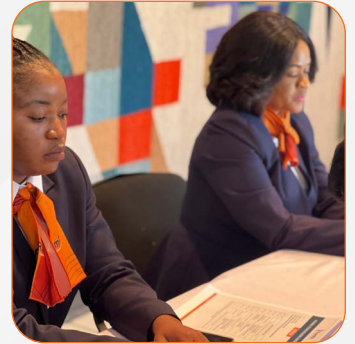
LTU
17,3 billion

Windhoek
11,7 billion

Walvisbay
2,3 billion

Arrear collections - Top 3 officials FY2021/2022





Seen around...

