



NamRA TAX CAFÉ

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Dear Readers,

The Namibia Revenue Agency (NamRA) remains committed to continuous tax education to overcome knowledge gaps. It is against this backdrop that we introduced this platform to share with you information from our inhouse experts, which we trust will ensure that you remain well informed, while advising on how to be compliant. We further hope to equip taxpayers with the necessary understanding about the tax legislation and thereby strengthening tax compliance.

Loide Hamutumwa, Manager Legal Services and Memory Mbai, Manager Audit and Compliance have extensive knowledge in taxation and contributed this article.

Happy reading.



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GAINING MOMENTUM IS THE TAX TRIBUNAL: A JOURNEY TO SUCCESS

The administration of tax law has an inherent tendency to result in disputes and litigation. The idiom “Justice delayed, justice denied,” which suggests that swifter justice is better justice, continues to shape NamRA’s views on how the tax system should be viewed as an effective and equitable component of the social contract between the Namibian State and its citizens.

NamRA believes that any modern tax system must successfully resolve tax disputes and to achieve its strategic objectives the following must be attained:

1. Remove barriers for taxpayers to respond in a prompt and coordinated manner to settle tax disputes within a reasonable amount of time at the Tax Tribunal.
2. Strengthen grievance handling system which carefully and appropriately takes into consideration taxpayers’ obligations and rights.
3. Reduce the likelihood of administrative situations which may give rise to a dispute.
4. Improve tax literacy and provides commercial awareness of tax administration to ensure better tax services to taxpayers, stakeholders and civil societies.

This article aims to shed light on the Tax Tribunal and to raise public awareness of its presence and purpose.

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Serving with passion

A Tax Tribunal is an independent less formal dispute settlement mechanism established under the Income Tax Act, 1981 (Act No. 24 of 1981) as amended, to hear Value-Added Tax and Income Tax disputes.

The purpose of the Tax Tribunal is to hear tax grievances by considering objectively and impartially the facts of each case brought before it, apply the law to the facts and decide whether the decisions made by NamRA were right or not.

Resolving tax issues through the Tax Tribunal offers a welcoming setting, the Chairperson who is an independent and impartial person of legal mind is appointed to oversee the proceedings. These hearing are free, which eliminates excessive legal costs in ordinary courts, while offering clear and easily understandable processes, as agreed between the parties.

NamRA recognises that the fairness of the tax system, its processes and judiciousness of outcome relies heavily on how the law is applied to the taxpayers. The engagement between NamRA and the taxpayers through a tax tribunal recognizes the value of both paying taxes and promptly resolving tax issues, thus creating a cooperative tax environment that leads to improved outcomes.

It is in the interest of the fiscus of a nation that tax dispute resolution mechanisms such as the Tax Tribunal are not only well established but are supplemented to protect the relationship between the taxpayer and NamRA.

It remains important to point out that before approaching the Tax Tribunal; both parties, the applicant and defendant ascertain the facts that culminate in a tax dispute (such as having a full understanding of the other party's position, e.g., the amount of tax to be paid or expenses to be allowed or disallowed) for the Chairperson to devise a solution based on the interpretation and application of the law.

Taxpayers are however cautioned not to inundate the Tax Tribunal with issues that may be resolved at departmental levels, this is to save resources and the time to convene the Tax Tribunal.

The Tax Tribunal recently achieved success when it published its anonymized rulings for the first time in Namibia's history. The aim is for taxpayers to have access to tax rulings for ease of guidance on interpretation (while safeguarding the rights of taxpayers), helping other taxpayers to comply with the tax laws. The anonymized rulings are now available as public documents on the NamRA website at www.namra.org.na

The Tax Tribunal is now confident of its ability to lead the way for tax hearings, whether to take place in person or virtually and to settle tax disputes within a reasonable time. Taxpayers may submit their appeal applications to the Convener of the Tax Tribunal at NamRA Legal Services within 30 days after receiving an objection decision.

In our tax journey toward a world-class revenue agency, we want to be responsible for ensuring swifter justice for all our taxpayers.

It is the right thing to do!