

03 April 2019

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## BUDGET SPEECH 2019

Hon Speaker , Hon Members

I would like to thank the Hon Minister of Finance and his team for a budget statement I want to congratulate you as a team it was hard work.

Hon Speaker, hon Members

A lot was said about Tax we saw <sup>in the budget</sup> some increments to cover up but today I want to talk about ILLICIT FINANCIAL FLOW-OUT OF AFRICA we must track it, get it, and stop it , this is a series concern this is money that we can use for development.

There is factors contribute to this illicit financial flow:

1. TAX EVASION: Whereby companies deliberately hide their profits or income. Tax evasion cost Namibia BILLIONS. Avoiding tax robs the State coffers of about 9% Namibia's gross domestic product. Government relies on taxes for nearly 90% of its total spending every year.

## TAX AVOIDANCE:

Included value added tax (VAT), evasions of customs duties through smuggling and mispricing, and corporate tax evasion such as misuse of special zero-present VAT rate. Tax evasion and tax avoidance are generally considered critical problems for domestic resources mobilization in developing countries. There is a general lack of awareness of tax obligations by business owners, and it is clearly a challenge for authorities. This money that we need in our countries the GDP can increase if we can strengthen our exciting policies.

Tax avoidance (whereby the companies minimizes their liabilities tax avoidance scheme is a practice of depositing money into separate account for the purpose of avoiding tax which is due on your income often, this structure is made in FOREIGN BANK account as an offshore scheme we need that money that is going out.

ILLICIT FINANCIAL FLOWS poses huge challenges for social and economic development as well as political security on the continent.

Hon Speaker Hon Members

Keep in mind as members of parliament and business owners AFRICA IS HOME IF WE MASS UP WITH OUR HOME THERE IS NOW WHERE TO GO, PLEASE LETS TAKE THIS ISSUE OF illicit FINANCIAL FLOW ~~IS~~ VERY SERIOUS TO SAVE GUARD OUR RESOURCES.

If I talk about our resources that we do have but specific minerals do we have a soft data? If somebody want to invest here we must tell the investor the value of what we have in that certain area where the investor want mine very important. We have to know the value of our resources we have to invest in geological field to make sure we capacitate our students. If we add value to our RAW material we will achieve more lets we start growth at home.

## TAX INCENTIVES:

We must not give away our tax incentives to Europe and Asia it belongs to us. A tax incentives is a government measure that is intended to encourage individuals and business people to engage in behavior that is a social responsibility. This is help government to build houses, toilets even more schools, any more for development.

Hon Speaker, Hon Members

There is many contributing factors for exc. Corruption Bribery ,abusive transfer pricing, miss invoicing of services and intangibles, Trade miss pricing, money laundering. There is still one that I want to talk about this is DIGITAL ECONOMY:

Digital economy:

Digital Economy refers to an economy that is based on digital computing technologies for ex, Internet although we increasingly perceive this as conducting through markets based on the internet and World Wide Web.

Digital Economy is also sometimes called new economy how will we go, the Law must guiding us on taxing companies. Digital Economy money is going out through different systems that they use to transfer money.

You can earn money through a corrupt transaction but transfer it illegal and using it legal for ex... We as a country can raise domestic resources through digital economy this is to tax it.

Digital economy do have his advantage and disadvantages Why should we tax digital economy this is to tax me and you. In Asia /Middleast they taxing the companies we must also amend our laws, Hon Minister we can tax business and services provider. If you see a advertisement who must be tax, laws must be clear on this issues. Policy framework must be in place to guide how to go and not loss out on digital economy.

Hon Speaker, Hon Members we have to identify the loopholes money must be transfer legal. Does digital economy provide an opportunity for Illicit financial flows( if the system is abuse by those who do have access of it is possible

HON MEMBERS OF THIS AUGUST HOUSE WE HAVE TO  
WORK TOGETHER AND ADVISE GOVERNMENT, THIS IS  
FOR OUR FUTURE GENERATION THANKS SO MUCH FOR  
LISTENING TO ME I SUPPORT THE BILL.