



**REPUBLIC OF NAMIBIA**

**Ministry of Finance**

**MOTIVATION STATEMENT FOR THE TABLING OF THE  
AMENDMENT OF THE ROAD FUND ADMINISTRATION ACT, 18 OF  
1999 IN THE NATIONAL ASSEMBLY**

**BY**

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Deputy Minister of Finance**

**26 October 2022**

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***Honourable Speaker,***

***Honourable Members,***

I rise before this august house, to table the amendments to the Road Fund Administration Act, No.18 of 1999. The amendment aims to provide for exemptions from payment of entry fees and will provide for measures of how RFA will deal with prescribed annual license fees interest and penalties as well as current outstanding collectible annual license fees interest and penalties.

***Comrade Speaker,***

***Honourable Members,***

With regards to the exemption from entry fees a need was identified to exempt foreign registered vehicles from the entry fee in certain defined circumstances. Subsection (5A) will empower the Chief Executive Officer (“CEO”) subject to the policies of the Board to grant such exemption in the case of cross border military exercises, cross border transport of medical staff or patients, temporary access to Namibia by any member of the police of any neighbouring country and in any other appropriate circumstances approved by the Board of the RFA. Provision is made in terms of Subsection (5B) for application to be made for such entry fee exemption.

***Comrade Speaker,***

***Honourable Members,***

The following amendment is necessitated because these debts have prescribed and are no longer collectible in terms of the laws of our country specifically the Prescription Act of 1969. In terms of Subsection (5C) the RFA Board may write off any debt which has prescribed in terms of annual license fees imposed or interest and penalties imposed under this Act.

Honourable Members this amendment has been partly triggered by citizens not deregistering vehicles that have been written off but mostly the matter has been exacerbated by impact of COVID 19 which has impacted the book size and has affected the ability of the payment of annual license fees by SME's, estates, and individuals. The size of the book that must be written off is upwards of N\$ 500 million. It therefore is our aim that the records held should reflect that of debts that are due and payable and collectible.

***Comrade Speaker,***

***Honourable Members,***

The major part of this bill relates to the debts that are due and payable and collectible by the RFA. Subsection (5D) and the rest of the bill deals with the approach that RFA wishes to follow in the collection of annual license fees where debtors are struggling to make payments and the debt continues to accumulate with interest and penalties.

Hence, RFA has incorporated one of the oldest common law principles into its law for fairness called the *in duplum* rule which states that one shall not pay more interest than the principal debt that is due. The proposed subsection (5D) further provides for a general power to waive interest and penalties. Such waiver would be particularly appropriate in cases of debt repayment schemes where the person liable for arrear licence fees and penalties could where it is confirmed that they are unable to pay penalties and interest they be required to pay the full capital amount by exempting him or her of the interest and penalties that accumulated on the arrears. It could also be targeted to alleviate the position of debtors who are affected by socio economic conditions and waiving their interest and penalties.

Subsection (5D) limits the Chief Executive Officer's powers to waive interest or penalties imposed on annual license fees contemplated in subsection (5D) to a maximum of N\$ 5 000 000, whilst the waiving of such interest on penalties and annual license fees which exceed N\$ 5 000 000 must be referred to the Minister of Finance (5G).

The CEO however again must exercise all his powers in terms of policies of the Board and grant reasons for consideration of applications to the Board (5F).

Subsection (5J) includes the considerations for the Minister of Finance when considering an application. Subsection (5K) grants the Minister of Finance the power to amend the thresholds of N\$ 5 000 000. Subsection (5L) states that the Minister of Finance may make regulations under this bill.

***Comrade Speaker,***

***Honourable Members,***

These amendments are necessary, to ensure exemption on payment of certain entry fees, ensure prescribed debt that is no longer collectible is written off and that there is efficiency in the collection of the annual license fees of RFA and relief is provided to those members of society so affected by socio economic conditions.

With these remarks, Honourable Speaker, I so submit the Road Fund Administration Act Amendment Bill.

I thank you.