



**MOTIVATION BY HON. NATANGUE PAULUS
ITHETE, CHAIRPERSON OF PARLIAMENTARY
STANDING COMMITTEE ON ECONOMICS AND
PUBLIC ADMINISTRATION**

ON THE REPORT

OF

**OVERSIGHT VISITS OF NAMIBIA REVENUE
AGENCY DOMESTIC TAX OFFICES AND CUSTOMS
ENTRY POINTS IN**

OSHANA, OHANGWENA AND ERONGO REGIONS

30 MAY TO 3 JUNE 2022

Hon Speaker,

At the onset I would like to define Tax and why we need to Honour it:

Oxford Dictionary defines tax as money that you have to pay to the government so that it can pay for public services. People pay tax according to their income and businesses pay tax according to their profits. Tax is also often paid on goods and services.

With this introduction, I rise to motivate the Committee's Report following the Oversight Visits of Namibia Revenue Agency Domestic Tax Offices (NAMRA) and Customs Entry Points in Oshana, Ohangwena and Erongo Regions 30 May to 3 June 2022.

Hon. Speaker, Hon Members,

First and foremost, tax and customs officers are the gatekeepers of the country's economy - there is no doubt about that. Our officials at tax offices, customs entry points, including our borders, ports and airports are the gatekeepers, who ensure that taxes and duties are collected and accounted for. Therefore, customs and domestic tax officials were strongly advised to guard against bribery and other forms of corruption, as they are the gatekeepers of the country's economy.

The report reflects strengths, achievements, weaknesses, shortcomings and challenges of Namibia Revenue Agency Domestic Tax Offices (NAMRA) and Customs Entry Points in these regions including Oshikango Border Post, Andimba Ya Toivo Airport, Port of Walvis Bay and Walvis Bay International Airport.

Hon. Speaker, I really do not want to go into the detail of the report but just highlight a few findings of the Standing Committee, as follows:

1. The Committee is convinced that the establishment of Namibia Revenue Agency, NAMRA will strengthen revenue collection for the country with the understanding that the agency executes its mandate and functions efficiently and effectively, in the best interest of Namibia and its people.
2. It is commendable to note the increase in revenue collection by NAMRA in the Northern region and Western region and efforts should be made to educate the public and create awareness on citizenry duty to pay taxes to the State.
3. **The challenges and weakness experienced at Oshikango Border Post:**

The current situation and conditions at Oshikango Border Post are worrisome. If not attended to urgently, it may lead to possible revenue losses and possible risk to security. These findings include poor fencing around the border, people and goods pass through without being noticed by border personnel i.e. immigration, customs and Police. There are a myriad of issues at this border post captioned in the report.

4. Lack of office space and staff shortages at ^{most} all NAMRA offices throughout the country is also of concern to the Committee.
5. Weaknesses at bonded warehouses at Oshakati, Oshikango and the Port of Walvis Bay; and the overall shortcomings in the current Customs and Excise Act, Act 20 of 1998 are also matters of concern to the Committee.

Hon Speaker,

6. The challenges faced at Namibia Ports Authority, Andimba Ya Toivo Airport and Walvis Bay International Airport and the optimal usage of the ports of entry need urgent intervention of the relevant authorities.
7. Transitional provisions in the Namibia Revenue Agency Act 12 of 2017, in particular sections 39 (8) (b); 9 and 10; regarding the

employment challenge of existing staff (employed by the Ministry of Finance before the establishment of the agency) highlighted in the report is of great concern to staff who have been working for the Ministry of Finance for many years.

8. The Asycuda Customs clearance software still remains a huge challenge since the days of the Directorate Customs and Excise in the Ministry of Finance. Previously the system was not synchronized to the ITAS system. This situation can no longer continue therefore we implore NAMRA to update their system to the latest technology available.
9. Misclassification, undervaluation, misuse of rules of origin and smuggling are still prevalent at the Port of Walvis Bay. Therefore, regular education and awareness campaigns on pre-clearance are important for citizens and clients who want to import and export goods in and out of the country.
10. The cost of a financial bond to NAMRA is costly to cargo holders, especially copper exporters. Although bond restrictions are within the law it needs to be addressed hence the need to honour the expectation created by the Standing Committee ^{debate} i.e. to discuss the financial bond challenge with the Bank of Namibia. Therefore, the Ministry of Finance and ^{reserve BANK} Bank of Namibia must investigate and resolve the financial bond challenges faced by NAMRA.

11. Finally, the allegation that some foreign nationals in the country who do not complying with the taxation and custom laws of the country, is also of grave concern to this Standing Committee.

We are therefore calling all Foreign Nationals to Respect our laws

Hon. Speaker,

The Committee is satisfied with the cooperation it received from all officials of NAMRA in the regions.

I now call upon this August House to consider and approve the Committee's report.

I so move Hon. Speaker.