

REPUBLIC OF NAMIBIA

NATIONAL ASSEMBLY

VALUE-ADDED TAX BILL

(As read a First Time)

(Introduced by the Minister of Finance and Public Enterprises)

[B. 11 - 2024]

EXPLANATORY NOTE:

- _____ Words underlined with a solid line indicate insertions in existing provisions.
- [] Words in bold type in square brackets indicate omissions from existing provisions.

BILL

To amend the Value-Added Tax Act, 2000 so as to replace the phrase “Permanent Secretary” with the phrase “Executive Director”; to expand the time period with in which the import declaration must be furnished to the Commissioner and payment of tax on import of services; to increase the monetary threshold required for persons to register for VAT purposes; to increase the amount of cash sales to which a tax invoice is not required; to change the rate of interest applicable to refunds that are due to registered persons; to change the rate of interest on amounts overdue in respect of tax; and to provide for incidental matters.

(Introduced by the Minister of Finance and Public Enterprises)

BE IT ENACTED as passed by the Parliament, and assented to by the President, of the Republic of Namibia as follows:

Amendment of Act No. 10 of 2000 as amended by section 1 of Act No. 14 of 2022

1. The Value-Added Tax Act, 2000 (Act No. 10 of 2000) (hereinafter referred to as the “principal Act”) is amended by the substitution for the phrase “Permanent Secretary” of the phrase “Executive Director” wherever it appears in the Act.

Amendment of section 14 of Act No. 10 of 2000 as amended by section 6 of Act No. 34 of 2000, section 7 of Act No. 6 of 2002, section 1 of Act No. 12 of 2015 and section 1 of Act No. 14 of 2022

2. Section 14 of the “principal Act” is amended by the substitution for subsection (2) of the following subsection:

“(2) Where tax is payable on an import of services and the import is not an import of services referred to in section 3(14), the person liable in terms of section 6(2)(c) for the payment of tax shall, within **[30] 20** days **[after the time of the import]** following the month during which the import of such services was made, furnish the Commissioner with an import declaration and pay the tax due in respect of that import to the Commissioner.”.

Amendment of section 15 of Act No. 10 of 2000 as amended by section 7 of Act No. 34 of 2000, section 2 of Act No. 12 of 2015 and section 3 of Act No. 14 of 2022

3. Section 15 of the principal Act is amended -
- (a) in subsection (1) by the substitution for paragraphs (a) and (b) of the following paragraphs:

- “(a) on the date of commencement of this Act continues to carry on any activity being a taxable activity under this Act, becomes liable to be registered on such date where during the period of 12 months immediately preceding such date that person made supplies in the course or furtherance of that activity the total value of which exceeded [N\$500 000 or] N\$1 000 000;
- (b) on or after the date of commencement of this Act carries on any taxable activity and is not registered under this Act, becomes liable to be registered -
- (i) at the end of any period of 12 months, where during that period such person made taxable supplies the total value of which exceeded [N\$500 000] N\$1 000 000; or
- (ii) at the beginning of any period of 12 months, where there are reasonable grounds for believing that the total value of taxable supplies to be made by such person during that period will exceed [N\$500 000] N\$1 000 000.”;
- (b) by the substitution for the opening sentence of subsection (3) of the following sentence:

“(3) A person shall not become liable to be registered in terms of subsection (1) where the Commissioner is satisfied that the total value of the taxable supplies of that person within the period of 12 months referred to in paragraph (a) or paragraph (b) of that subsection exceeded or is likely to exceed the amount of [N\$500 000] N\$1 000 000 solely as a consequence of -”.

Amendment of section 21 of No. 10 of 2000 as amended by section 11 of Act No. 34 of 2000

4. Section 21 of the principal Act is amended by the substitution for subsection (2) of the following subsection:

“(2) A registered supplier shall not be required to provide a tax invoice if the total consideration for the taxable supply is in cash and does not exceed [N\$100] N\$1 000.”.

Amendment of section 39 of No. 10 of 2000 as amended by section 18 of Act No. 34 of 2000 and section 8 of Act No. 14 of 2022

5. Section 39 of the principal Act is amended by -

- (a) the substitution for subsection (1) of the following subsection:

“(1) Where the Commissioner does not refund any amount refundable on the due date for payment prescribed in section

38(2)(b) interest shall be paid on such amount at the rate **[of 11 per cent per annum]** referred to in subsection (1A) or (1B), calculated from the due date for payment so prescribed to the date of the payment of such refund: Provided that where the Commissioner withholds a refund as contemplated in section 38(6) no interest shall be so payable.”; and

- (b) the insertion after subsection (1) of the following subsections:

“(1A) The rate of interest applicable to an amount referred to in subsection (1) shall be the repo rate as announced by the Bank of Namibia: Provided that such repo rate is published, by notice in the *Gazette*, by the Minister upon commencement of this Act.

(1B) If the Bank of Namibia adjusts the repo rate the Minister must, by notice in the *Gazette*, publish the adjusted repo rate as the rate of interest applicable to an amount referred to in subsection (1), within a period of 30 days from the date of announcement of the repo rate by the Bank of Namibia.

(1C) Except for the notice referred to in subsection (1A) which comes into operation on the date of publication of that notice in the *Gazette*, a notice referred to in subsection (1B) becomes effective on the first day of the second month following which it is published in the *Gazette*.”

Amendment of section 53 of Act No. 10 of 2000 as amended by section 23 of Act No. 34 of 2000 and section 5 of Act No. 12 of 2004

6. Section 53 of the principal Act is amended -
- (a) by the substitution for subsections (1) and (1A) of the following subsections:

“(1) Any person who fails to pay any tax by the due date for payment shall be liable for the payment of interest at the rate **[of 20 per cent per annum]** referred to in subsection (1B) or (1C) on the amount of unpaid tax in respect of the period reckoned from the first day after the date on which the payment was due to the date of payment of such unpaid amount.

(1A) Notwithstanding anything in subsection (1), any amount which, on the date of commencement of the Value-Added Tax Amendment Act, 2004, is owing by any person in respect of any tax levied or accrued in terms of this Act before such date of commencement, shall with effect from that date bear interest at the rate **[of]** referred to in subsection (1B) or (1C) -

- (a) **[20 per cent per annum,]** calculated daily and compounded monthly, in respect of the period reckoned from the first day after the date on which the payment was due to the date immediately before such date of commencement; and

(b) [20 per cent per annum,] in respect of the period reckoned from such date of commencement to the date of payment of the amount so owing.”; and

(b) by the insertion after subsection (1A) of the following subsections:

“(1B) The rate of interest applicable to an amount referred to in subsection (1) shall be the prime lending rate as announced by the Bank of Namibia: Provided that such prime lending rate is published, by notice in the *Gazette*, by the Minister upon commencement of this Act.

(1C) If the Bank of Namibia adjusts the prime lending rate the Minister must, by notice in the *Gazette*, publish the adjusted prime lending rate as the rate of interest applicable to an amount referred to in subsection (1) or (1A), within a period of 30 days from the date of announcement of the repo rate by the Bank of Namibia.

(1D) Except for the notice referred to in subsection (1B) which comes into operation on the date of publication of that notice in the *Gazette*, a notice referred to in subsection (1C) becomes effective on the first day of the second month following the date on which it is published in the *Gazette*.”.

Short title and commencement

7. This Act is called the Value-Added Tax Amendment Act, 2024, and comes into operation on a date determined by the Minister by notice in the *Gazette*.
