



**REPUBLIC OF NAMIBIA
MINISTRY OF FINANCE
OFFICE OF THE MINISTER**

**Media Statement on Tax and Procurement Matters
by
Hon. Calle Schlettwein, Minister of Finance**

Thursday, October 31, 2019

31 OCTOBER 2019

10H00

09TH FLOOR BOARDROOM

MINISTRY OF FINANCE

Cde. Natangwe Iithete, Deputy Minister of Finance

Ms. Ericah Shafudah, Executive Director

Management of the Ministry of Finance

Members of the Media,

Ladies and gentlemen,

Good Morning,

1. Thank you for coming to attend this Media Conference which is aimed at briefing the nation through you on two important matters that are part of various reforms of the Ministry of Finance.
2. In my Mid-Year Budget Review Statement that I tabled last week, I announced the Incentive Programme for using online tax system, the Integrated Tax Administration System (ITAS).
3. The Integrated Tax Administration System became operational in January this year. The overall objective of ITAS is to improve service delivery to taxpayers. The system provides many online benefits such as 24/7 real time access to a taxpayer tax account, taxpayer self-service facility, online filing of tax returns, single view of taxpayer's account and, accelerated processing of tax forms with real-time notification on outcome.
4. The Ministry's aim is to reach a target of 90% of the taxpayer population register as e-filers by June 2020. The Ministry would also like to see a shift from manual interaction between Inland Revenue Department and taxpayers to a continuous use of the online platform. Reaching this target is necessary because the Ministry may in future require taxpayers to file all tax returns electronically without an option of manual filing.
5. Against, this background, the Ministry is introducing an incentive programme in order to encourage taxpayers not only to register as e-filers but also to continually use the online service.
6. Taxpayers are therefore hereby informed that the Ministry is offering an incentive in the form of waiving penalties charged on tax accounts. The

incentive programme covers the period since the launch of ITAS and ending on 30 June 2020.

7. In order to qualify for this incentive, a taxpayer must meet the following conditions:

(a). Register on ITAS portal as an e-filer; and

(b) Update through online submission all tax accounts for all tax type in respect of tax returns that might be outstanding.

8. Once the taxpayer has fulfilled the above conditions, penalties charged on any of the tax account will automatically be waived. That means that the taxpayer does not need to make any form of application to have the penalties waived.

9. Taxpayers who have already registered as e-filers since the launch of ITAS also benefit from this incentive. Penalties for those without outstanding returns will be waived automatically, while those with outstanding returns must first electronically file them in order to qualify for the penalty waiver.

10. Updating tax accounts and filing of tax returns through ITAS portal expedites the processing of tax returns and taxpayer audit thereby preventing delays in tax assessments and refunds. It also complements the Ministry in its efforts to eliminate current and prevent future backlog in respect of unprocessed tax returns.

11. Taxpayers are therefore invited and urged to make use of this opportunity as soon as possible and are urged to contact the nearest tax office for assistance.

Ladies and Gentlemen

12. In the same Mid-Year Budget Review statement, I announced that the launch of the Namibia Revenue Agency (NamRA) is to be continued with a new date. A number of milestones have been achieved, the Act has been passed and gazette. We have appointed the board and a Commissioner has now been appointed.

13. I am therefore pleased to announce that we have been assisted by the Bank of Namibia by availing the Deputy Governor Mr. Ebson Uanguta to be appointed as the Commissioner of NamRa. This will be an arrangement for the first six months to provide us with a chance to have the Commissioner together with the board, develop the structure and staff recruitment. Thereafter Mr. Uanguta will go back to his position at the Bank and we will proceed with the recruitment of the the Commissioner. This is being done because the selection from the interview that was done did not meet all our requirements and therefore that process has to be redone. We are thankful for the Bank of Namibia to have assisted.
14. The process is complicated because the tax collection cannot be interrupted. We have to have the systems running until the last day and on the same day switch over to NamRa system which will take over as the Receiver of Revenue of Namibia. Government remains committed to bringing NamRa online within the current financial year.
15. The preparatory activities have been extended because of key dependency activities that have to be completed. I wish to reiterate that Government remains committed to the establishment of the Namibia Revenue Agency.

Ladies and Gentlemen

16. I would also like to touch on the issue of procurement which time and again has become a matter of public concern.
17. The Ministry of Finance has been following media reports that emanated from the launch of the Procurement Tracker Namibia (Issue No.8 of October 2019) by the Institute of Public Policy Research (IPPR), which took place on 29 October 2019 in Windhoek.
18. IPPR claims that the Central Procurement Board of Namibia (CPBN) is not forthcoming and is not transparent in making information available to the public pertaining to procurement activities. The CPBN is governed by the Public Procurement Act, 2015 (Act no 15 of 2015). In terms of Section 55 (8) the Board is required to promptly and in a prescribed manner publish a notice of every procurement or disposal award together with the executive summary of the bid evaluation report.

19. The claim by IPPR is deviating from the factual information as all procurement activities have been published on the CPBN website as required by the law.
20. Information published on the CPBN website includes but not limited to: Executive Summaries by Bid Evaluation Committees, Awards, Current Bids, Board Decisions. Members of the public and the media are encouraged to visit the CPBN website on a regular basis at www.cpb.org.na
21. Furthermore, I am pleased to announce that the CPBN Board has been working vigorously in addressing the issue pertaining to a lack of human capacity by adopting an organizational structure which resulted in the recruitment of highly skilled and qualified staff members. As of 30 October 2019, CPBN staff complement stands just over thirty staff members compared to only under ten (10) staff members in March 2019.
22. It is also worth noting that CPBN has advertised a number of vacancies and the recruitment process has started and management has been busy conducting interviews during the month of October. CPBN is desirous to have the majority of the vacancies filled by end of February 2020.
23. With that, I will end my statement. Let me thank you all for honouring our invitation.

Thank you