



**REPUBLIC OF NAMIBIA**

**Ministry of Finance**

**PRESS STATEMENT**

**NamRA Board Introductory Session**

***Calle Schlettwein, MP***

***Minister of Finance***

**03 December, 2018**

*Madam Anna Nakale-Kawana, NamRA Board Chair*  
*Mr Stefan Hugo, Deputy Chairperson,*  
*Distinguished Board Members,*  
*Mr Penda Ithindi, NamRA Task Team Chair*  
*Members of the NamRA Task Team*  
*Members of the Media,*  
*Ladies and gentlemen,*

**Good morning,**

1. Let me thank you most sincerely for honouring my invitation. This is an auspicious, but an unprecedented event to welcome and introduce to you and to the public the founding Board of Directors of the envisaged Namibia Revenue Agency (NamRA). We have had a thorough consultative process and we have received legal clarity to proceed with the appointments and actions for the transitional period.
2. The inauguration of the NamRA Board this morning is an integral part of the organizational and policy reform which the Ministry of Finance has embarked upon for quite some time now.
3. This is part of the domestic resources mobilization agenda and enhancing national resilience through building strong domestic institutional capacity. Among the key reforms agenda is the implementation of the public procurement law, the coming into operation of the PPP law for which I just commissioned the PPP Committee this morning and the modernization of the tax system through the introduction of a new Integrated Tax System (ITAS). Seen together with other policy initiatives in the financial sector, these reforms aim to enhance the state capacity to fund national development programmes engendered in the National Development Plans.
4. At this point in time, NamRA is a new institution for which we are working relentlessly to establish next year. It is a macro-critical institution, to be responsible for the collection of the revenue for the state, administration of tax and customs and excise laws and efficient provision of taxpayer services. The founding Board before you will be

instrumental in nurturing the new institution and, together, placing it on a firm foundation and strategic direction for it to play this crucial national role.

5. NamRA is being established against the backdrop of a rather enviable revenue collection record of 32 percent of GDP, inclusive of SACU receipts or some 22.1 percent less SACU remittances. This is seen against the Sub-Saharan average collection capacity of about 16.5 percent.

6. However, we also note that:-

- tax effort is significantly skewed towards individuals than corporates, with the share of individual and corporate taxes making up 58 percent and 36 percent of taxes on income and profits respectively,
- within individual taxes, about 10 percent of the registered taxpayers account for approximately 73 percent of total collections. This a narrow tax base.
- a potential tax gap exists, for which a targeted tax base broadening and deepening is warranted, while potential revenue base erosion must be deterred and eliminated timeously and seamlessly,
- last year, the Receiver was able to recover N\$1.3 billion tax arrears. About N\$2.59 billion principal tax liability to the state remains outstanding,
- The taxpayer and traders communities increasingly need more efficient and effective taxpayer services, most notably the ease of paying taxes and simplicity of self-assessment through e-filing services, and
- ethical conduct and the performance driven culture among staff of the revenue and customs and excise offices are key to operational efficiency and the public confidence in the revenue office.

7. As you are aware, domestic resources mobilization is the most sustainable manner for financing the national development agenda. As a country, we aspire to eradicate poverty, erode inequalities and achieve shared prosperity. This is the agenda we aspire for in Vision 2030 and it needs to be funded through a mix of sources.
8. For this reason, we have to strengthen our institutional capacity to be able to withstand externally and internally induced shocks.
9. The formation of NamRa is part and parcel of this national aspiration. With this reform, we seek to:-
  - improve operational efficiency through injection of more specialized skills, leveraging digital technology and a more robust performance driven culture, and
  - build a more resilient and strong revenue administration institution which will serve as a conduit for modernization and timely implementation of revenue mobilization reforms in an ever changing business environment and increasingly integrated regional and global economy.
10. For this strategic policy intention, we believe that the founding Board of NamRA must command a mix of skills and institutional leadership to steer the new institution.
11. It is for this reason that:-
  - the board is chaired by **Ms Anna Nakale-Kawana**, a former Commissioner of Revenue, former founding Board Chair of Namfisa, former MD of NamibRe with a wealth of experience in directorship in several boards over a long duration,
  - the board is deputized by **Mr Stefan Hugo**, a tax expert and a chartered accountant, former tax practice leader with impeccable record of tax audit expertise during his tenure at PwC,
  - the human capital and its optimal utilization to drive organizational performance are to be overseen by the one **Ms Shirene Bampton**, an

HR expert now plying her trade at the Bank of Namibia. Her experience in the private sector HR practice and HR management function at the Bank of Namibia, will add valuable experience to Namra organizational development,

- **Ms Melanie Tjienda** needs no introduction to the ICT world. She is the Head of ICT Quality Assurance, Standards and Skills Development at the Office of the Prime Minister, with substantial hands-on insight on ICT software and systems. Prior, Ms Tjienda spent a good six years as a Chief Systems Analyst with the ICT Division here at the Ministry of Finance. Her experience in the tax and customs systems development and integration with IFMS will be an added advantage as NamRA seeks to reengineer its business strategy.
- **Advocate Dennis Khama** is an admitted legal practitioner, a former Deputy Director at the Financial Intelligence Centre, a former public prosecutor and senior official at the Ministry of Justice and he has served in several boards of directors. His immense experience in the legal fraternity as well as his hands-on experience on financial sector interconnectedness will be of significant value to NamRA.
- The **Permanent Secretary of the Ministry of Finance** and the **NamRA Commissioner** will be the *ex-officio* members of the Board.
  - As we strive for operational efficiency through this institutional form, the main function of the Board is that of institutional governance and overseeing effectiveness of implementation of tax and customs administration measures and ensuring that this reform agenda leads to a high degree of professional ethics and a corrupt-free organizational performance. The policy function remains under the mandate of the Minister and the Ministry of Finance.
  - The Board has immediate responsibilities to discharge. The first set of responsibilities is to provide strategic guidance and overseeing a seamless transition process towards Day One of the new institution.

12. These entails:-

- Developing and adopting core internal policies, the governance architecture and determining the remuneration and other conditions of service and a system of internal control,
  - Overseeing the process of recruitment of the NamRA Commissioner by January 2019,
  - Overseeing the recruitment of the senior management of the institution and developing and staffing of organizational structure
  - developing and adopting the Strategic and Business Plan for the Revenue Agency, and
  - Overseeing the implementation of a robust stakeholder engagement and change management process for a smooth transition to the new institution
13. In executing these tasks, the Board will be supported by the NamRA Task Team and subsequently by the senior management of the institution once recruitment process gains traction.
14. In the next few days, I will enter into the performance agreement with the Board encompassing the time-bound deliverables on the transitional activities.
15. We have an action-laden activity calendar going forward. Let me once again take this opportunity to thank individual Board Members for availing yourself for this important national reform agenda. I count on your expertise, commitment and collective responsibility in carrying out this assignment.
16. I look forward to effective engagement going forward. In this process of change management and institutional building, the role of the media is primordial to transmitting factual information to the public, educating the public on the NamRA brand and the new paradigm of taxpayer education.
17. I look forward to effective partnership.

*Thank you for your attention.*