



MINISTRY OF FINANCE

STATEMENT BY HON. IPUMBU SHIMI

MINISTER OF FINANCE

OF THE

NAMIBIA REVENUE AGENCY (NamRA)

07 APRIL 2021

WINDHOEK

Check Against Delivery

Director of Ceremonies;

Your Excellency, Dr Hage Geingob, President of the Republic of Namibia and Madam Geingos,

Your Excellency, Nangolo Mbumba, Vice President of the Republic of Namibia

Right Honourable, Saara Kuugongelwa-Amadhila, Prime Minister of the Republic of Namibia,

Honourable Ministers and Deputy Ministers,

Honourable McHenry Venaani, Leader of the Official Opposition Party

Honourable Members of Parliament,

Dr Gabriela Geier, Head of Development Cooperation, Embassy of the Federal Republic of Germany to Namibia,

Your Excellences Members of the Diplomatic Corps,

Ms Anna Nakale-Kawana, Chairperson of the NamRA Board of Directors and other Board Members,

Governor of the Bank of Namibia and the Deputy Governor,

Mr Sam SHIVUTE, Founding Commissioner of NamRA,

Staff Members and Seconded Staff of NamRA,

Distinguished Invited Guests,

Members of the Media,

Ladies and gentlemen,

All Protocols Observed

1. I have the honour to oversee the final transition of the Department of Inland Revenue and the Directorate of Customs and Excise into a Revenue Agency and to provide stewardship for the Namibia Revenue Agency from its infancy.
2. I will not deliver a missive statement, but to record thanksgivings to the people who conceived and performed the necessary midwifery work for the baby, called NamRA, that we are welcoming in the World today.
3. More than 10 years ago, a discussion started between the Bank of Namibia and the Ministry of Finance on the need for an independent tax administration body for Namibia. Prior to this discourse, several tax

administration assessments for Namibia, by local and international experts, have made a similar recommendation.

4. The objective was to establish an institution, which will be able to attract skills that can match the skills that are employed by taxpayers and also the changing complexity of the business environment. Without the requisite skills, the competency and effectiveness of the tax administration will be limited. There was another point of view that pointed to the fact that Namibia is already collecting high tax revenues as a percent of GDP compared to her peers, and even compared to some developed countries, hence there was no need for institutional change.
5. The debate carried on for several years, but after sometime, a decision was taken to benchmark with countries that have implemented similar institutional reforms. A team consisting of senior officials from the Ministry of Finance and the Bank of Namibia was dispatched to South Africa and Mauritius to assess the performance of revenue authorities in those countries, post the reform. The team came back with a firm recommendation that in spite of Namibia's relatively better revenue ratios, the country could still benefit from an independent revenue agency through efficiency gains and, to some extent, a deepened and expanded tax base. Based on this recommendation a decision was taken to establish NamRA. We would therefore like to thank the then Minister of Finance, our current Prime Minister, for taking such a decision through Cabinet. That is a demonstration of the highest level of political support for the new institution.
6. Consequently, a Task Team consisting of staff of the Ministry of Finance, Bank of Namibia and the Office of the Prime Minister was put in place to spearhead the setting up of NamRA, including working on the draft law. After a period of hard work and consultations with several stakeholders, the NamRA Act, Act Number 12 of 2017, was enacted. We would, therefore, like to thank the then Minister of Finance, Honourable Calle Schlettwein, together with the Task Team members, first led by Mr I-Ben Nashandi, Dr Bernie Zaaruka and finally by Mr Penda Ithindi, for not only ensuring that the NamRA Act was passed by Parliament, but also that the whole set of transitional readiness was facilitated.

7. Once the NamRA Act was in place, work to design an appropriate structure, appoint the Board and to recruit the Commissioner and other staff ensued in earnest. In this process, Minister Schlettwein and his team encountered some roadblocks since no suitable candidate for the Commissioner could be found in the first round of the competitive recruitment process. Not to slowdown the momentum, the Bank of Namibia availed its Deputy Governor to assume the role of the Acting Commissioner. We would therefore like to thank the Board of the Bank of Namibia for availing this key resource, and for Mr Uanguta for agreeing to shoulder such a heavy responsibility. Mr Uanguta and the Board of NamRA made significant progress in the setting up of NamRA, which culminated in the recruitment of the of the substantive Commissioner, in the name of Mr Sam Shivute. We are again grateful to Governor Johannes !Gawagab for agreeing to release Mr Shivute early, and for the Bank of Namibia for agreeing to pay for his remuneration until NamRA takes off. We are also thankful to the NamRA Board for the hard work.

8. We couldn't have come this far without the push and support of our President. *Your Excellency, Comrade President*, you are an astute advocate of creating strong institutions, with sound governance systems and processes. We envisage for NamRA to be one such institution. NamRA will have an important role to play in contributing to the socio-economic development in Namibia through its successive strategic business plans.

We would therefore like to thank you Your Excellency for championing the NamRA course.

Your Excellency,

Ladies and gentlemen,

9. One of the critical success factors for NamRA is its human resources, the people. To support the smooth transition and business continuity of the Agency, all the current staff of IRD and Customs & Excise are, from this day seconded to NamRA with their consent. The secondment may subsist for a period of three years, while competitive recruitment will take its course.

10. Competitive recruitment is aligned to the objective of attracting right skills for the right functions in the institution. This will be achieved through a combination of open, competitive recruitment for all supervisory and specialized jobs as well as internal rounds of competitive recruitment for the remaining job categories before such jobs are opened up to the public. This approach will not only enhance the skills mix of the institution, but also support job security for the existing staff. I commend our staff and the organized labour under the leadership of NAPWU for the patriotic understanding and leadership in this regard.
11. At the same time; the assets, business systems and infrastructure which were supporting the in-house departments are placed at the disposal of NamRA to support its business strategy. Most of these assets will be transferred to the Agency through asset transfer processes, thus ensuring business continuity, smooth transition and future modernization by NamRA.
12. Let me also take this opportunity to thank our existing employees in the Inland Revenue and Customs and Excise departments for the service they have rendered to the country so far. NamRA offers a competitive and performance driven work culture. You should embrace it and enhance its performance and efficiency, based on your many years of experience. Be prepared to learn and innovate. Do not compromise the values of integrity, accountability, transparency, courtesy and helpfulness which your line Ministry espouses.
13. Finally, I wish to thank our development partners and technical assistance advisory institutions, most notably the International Monetary Fund (IMF), the African Tax Administration Forum and GIZ for the all-round support provided to this reform endeavor, which should continue well into the future.
14. Now that NamRA is born, those that helped to conceive it and provide sophisticated midwifery work and the whole Namibian Nation, expect NamRA, a macro-critical institution, to fulfill its mandate to the fullest. We expect NamRA to:-

- first and foremost, to be taxpayer-centric, the mantra should be that tax payers always come first and as such taxpayers should be served with care and a sense of duty,
 - secondly, taxpayers should be educated on the benefit principles in the sense that the medicines and health care that they receive in hospitals, education provided to learners, the roads on which we travel etc., are only possible if every individual earning an income of more than the taxable threshold, this being N\$50,000 per annum at this point in time, fully declares his/her income and pays tax, irrespective of whether he/she is a Minister, cleaner, taxi operator or hair salon owner. It is not about what you do, but is about how much you earn. It is a national duty to pay tax and non-compliance shouldn't be tolerated.
 - thirdly, as we are always reminded by our President, strong institutions are key to the fight against corruption. NamRA is uniquely positioned to strengthen Namibia's arsenal to combat corruption in collaboration with other law enforcement agencies.
15. History has taught us that prosperous nations are those that have competent tax administrators. We expect nothing less from NamRA, but a paragon of excellence.
16. This being said, I now wish to call the NamRA Board Chair and the Commissioner for the handing over of the tax and customs administration powers.

I thank you