

Large Taxpayers Unit & Freight Tax



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Outline

Large Taxpayers' Unit (LTU)

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Freight Tax

7. Freight Tax
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NamRA Mandate

- To assess and collect taxes and duties on behalf of the State
- To enforce the revenue, customs and excise laws, with respect to the collection of revenue as provided by those laws
- To provide customs and excise services that facilitate trade, maximise revenue collection and protect Namibian borders from illegal importation and exportation of goods
- To improve services delivery to taxpayers and promote compliance with the revenue laws



LTU Divisions

- Taxpayer Services
- Debt Management
- Audits
- Transfer Pricing
- Treaties and Exchange of Information



Sectors served at LTU

Fishing



Mining



Insurance



**Annual Revenue
Above N\$ 75
Million**

Banking



SOEs



Oil & Gas





LTU Taxbase

792

Active Taxpayers Registered at LTU as of 30 September 2023

0.85% of
total
taxpayers
registered
with NamRA

927 958

Active Taxpayers Registered with NamRA as of 30 September 2023



LTU Performance

N\$41.8 Billion

FY24 Revenue Collection Target for
Domestic Taxes FY24

N\$21.7 Billion

FY24 Revenue Collection Target for LTU



52% Expected
revenue
collection
from LTU



LTU Performance...continued

N\$10.2 Billion

Year-to-Date LTU Revenue Target

N\$11.6 Billion

Year-to-Date LTU Revenue Collection



Exceeded target with 13.7% (N\$1.4 billion)



LTU Performance...continued

N\$3.2 Billion

Year-to-Date Refunds Paid Out in 2022

N\$3.9 Billion

Year-to-Date Refunds Paid Out in 2023



Increase of
21.9% (N\$700
million)



EXPECTATIONS

- Timely Registration
- On time Filing
- On time Payment
- Accurate Declaration

Participate in Tax Amnesty

DEADLINE – 31 October 2024

Freight Tax



Freight Tax in a Nutshell



Section
34 of ITA



Non-resident
owner or
charterer **not**
registered for
tax in
Namibia

Namibia → World

Income from
outbound air or sea
freight service in
respect of embarking
passengers, or
loading of mails,
livestock or goods in
Namibia





Freight Tax in Numbers

EXAMPLE

N\$ 1 million freight income received by a shipping liner from loading goods in Namibia

Deemed taxable income = N\$100 000 (1 000 000 X 10%)

Freight Tax = N\$32 000 (100 000 X 32%)

NB: Freight income is the gross income received before deduction of any expenses.



Persons Excluded from Freight Tax

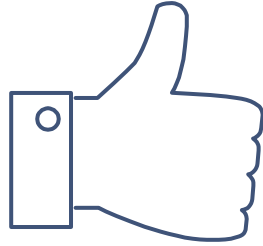
- Namibian incorporated/registered companies
- Namibian owners and charterers of aircraft and vessels
- Non-resident owners and charterers of aircraft that are registered for income tax in Namibia
- Land based transporters
- Air and sea transshipment and in-transit passengers



Effective Dates

- Freight Tax has been effective since the enactment of the Income Tax Act No.24 of 1981, as amended. Thus, not a new tax.
- All affected taxpayers must comply with Freight Tax by **1 December 2023**.

NB: Register, File Return and make Payment



THANKS!

**For any questions
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