

Withholding taxes: New compliance process



The 2015 income tax amendments in respect of withholding taxes (gazetted on 30 December 2015) require withholding tax type accounts to be registered with Inland Revenue. Registration and remittance forms for these withholding taxes are not yet available and an interim process has been put in place by the Ministry of Finance in this regard.

Interim registration process

The **interim registration process** is as follows:

Application for registration for the relevant withholding tax should be in a letter addressed to:

Ms Shonghela
Ministry of Finance
Inland Revenue
5th Floor
Moltke Street
Windhoek

The following **references** will be applicable for each of the withholding tax types:

- Withholding tax on foreign interest – the tax reference number of the taxpayer (i.e. the first seven digits of the tax reference number) and ending with a “-0-1-7”.
- Withholding tax on royalties – the tax reference number of the taxpayer (i.e. the first seven digits of the tax reference number) and ending with a “-0-1-3”.
- Withholding tax on dividends – the tax reference number of the taxpayer (i.e. the first seven digits of the tax reference number) and ending with a “-0-1-2”.

Payment process

Payments could be made via electronic funds transferred to:

General Revenue Account
Bank of Namibia
Account Number: 165001
Branch: 980172

To assist Inland Revenue with **allocating withholding tax payments** the following reference numbers must be used. Each deposit reference number begins with a compulsory three (3) letter sequence as indicated below, followed by the first seven numbers of the taxpayer's reference number, followed by the tax type reference indicated above and followed by the relevant period.

Withholding tax on foreign interest

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
W	S	P	Tax reference number of the taxpayer, tax type number and period.															

For example if the withholding tax on foreign interest is payable for the period January 2016 and the taxpayer's tax reference number is 1234567, the payment reference will be:
(note if the reference WSP is not accepted, WTP may also be used)

W	S	P	1	2	3	4	5	6	7	0	1	7	2	0	1	6	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Tax on Royalties (TOR)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
T	O	R	Tax reference number of the taxpayer, tax type number and period.															

For example if the tax on royalties is payable for the period January 2016 and the taxpayer's tax reference number is 1234567, the referencing will be:

T	O	R	1	2	3	4	5	6	7	0	1	3	2	0	1	6	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Non-resident shareholder's Tax (NRST)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
N	R	S	Tax reference number of the taxpayer, tax type number and period.															

For example if the withholding tax on dividends is payable for the period January 2016 and the taxpayer's tax reference number is 1234567, the referencing will be:

N	R	S	1	2	3	4	5	6	7	0	1	2	2	0	1	6	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Remittance forms

Remittance forms are not yet available and until such time that they are made available, we recommend that a letter be submitted to the Ministry of Finance containing details of the withholding tax type, the taxpayer's reference number (see above), the applicable period and any other payment details relevant to the withholding tax being paid. The letter should be accompanied by proof of the electronic transfer that was made to Inland Revenue.

Contact us

For more information on the topic covered in this newsletter please do not hesitate to contact our Deloitte Namibia Tax team:

Gerda Brand: gbrand@deloitte.co.za
Nikia Bauernschmitt: nbauernschmitt@deloitte.co.za
Katja Büttner: kbuttner@deloitte.co.za
Aron Haifene: ahaifene@deloitte.co.za
Mercy Kuzeeko: mkuzeeko@deloitte.co.za
Rebekka Ninda: rninda@deloitte.co.za
Rikotoka Swartz: riswartz@deloitte.co.za
Helena Ndoroma: ndoroma@deloitte.co.za

Deloitte Touche Tohmatsu Limited

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

This communication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu Limited, its member firms and their related entities (collectively, the "Deloitte Network"). None of the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2016 Deloitte & Touche. All rights reserved. Member of Deloitte Touche Tohmatsu Limited
