

Tax Alert | September 2024

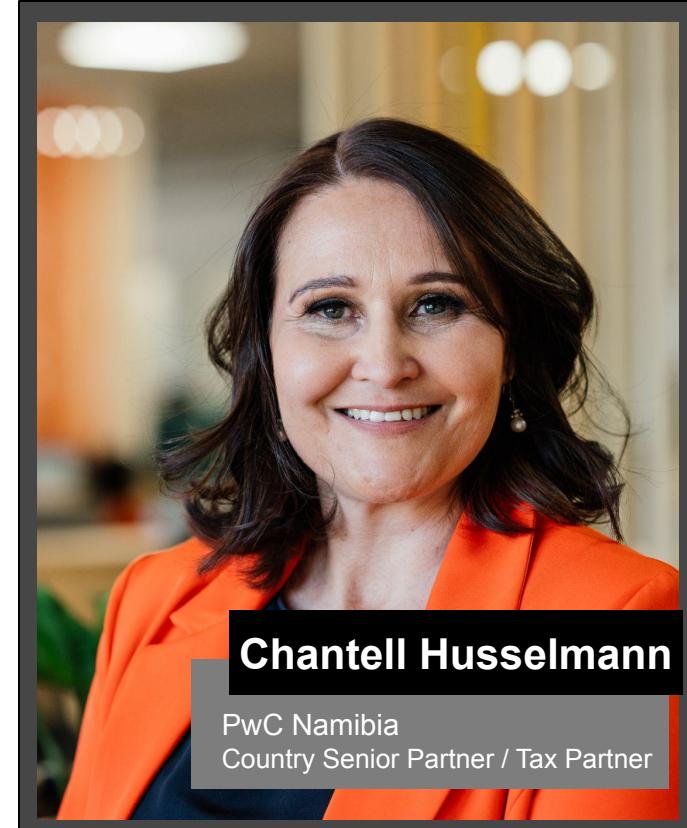
Value Added Tax Act, Stamp Duty and Transfer Duty Amendments Edition



The Value Added Tax ("VAT"), Stamp Duty and Transfer Duties Acts were amended and promulgated on 13 September 2024.

Following the Tax Alert on the Income Tax amendments, published on 17 September 2024, herewith a brief summary of the VAT, Stamp duty and Transfer duties amendments with high level comments.

Please follow the link below to register for the Tax Amendment Update session where these will be discussed on 30 September 2024.



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Click the below link

<https://www.pwc.com/na/en/events.html>

VAT Act Amendments

1. The time of supply rule in relation to Import VAT on Services, as per Section 14, changed to: "the person liable for the payment of tax shall, within 20 days following the month during which the import of such services was made, submit an import declaration and pay the tax due."

2. Amendments to Section 15 of the VAT Act 10 of 2000, increasing the compulsory VAT registration threshold from N\$500,000.00 to N\$1,000,000.00.

3. The total minimum consideration amount, as per Section 21, when a VAT registered supplier shall not be required to provide a tax invoice for the provision of a taxable supply, increased to N\$1,000.00.

4. As per Section 39, the interest payable on VAT refunds due to a VAT registered person, will be paid at the rate referred to in subsection 1A or 1B.

- (1A) The rate of interest shall be the repo rate, announced by the Bank of Namibia and published in the Government Gazette, upon the commencement of this Act.
- (1B) If the Bank of Namibia adjusts the repo rate, the Minister must publish, in the Gazette, the adjusted repo rate as the interest rate applicable, within 30 days of the date of announcement of the repo rate by the Bank of Namibia.
- (1C) Subsection comes into effect as follows:
 - 1A on the date of publication of that notice in the Gazette,
 - 1B on the first day of the second month, following which it is published in the Gazette.

5. Amendment to Section 53 subsections (1) and (1A), registered taxpayers who fails to pay tax by the due date, the interest payable on the outstanding tax amount will be levied at the rate referred to in subsection 1B or 1C;

- (1B) The interest rate in subsection (1) shall be the prime lending rate, as announced by the Bank of Namibia and published in the Gazette, by the Minister upon commencement of this Act.
- (1C) If the Bank of Namibia adjusts the prime lending rate, the Minister must, by notice in the Gazette, publish the adjusted prime lending rate as the rate of interest applicable to an amount referred to in subsection (1) or (1A), within a period of 30 days from the date of announcement of the repo rate by the Bank of Namibia.
- (1D) Subsection (1B) comes into operation on the date of publication of that notice in the Gazette and subsection (1C) becomes effective on the first day of the second month following the date on which it is published in the Gazette.

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Stamp & Transfer Duty Act Amendments



1. The following amendments, amongst others, were made to the Stamp Duty Act 15 of 1993 and Transfer Duty Act 14 of 1993, to adjust for the effect of inflation:

- i.) Inclusion and deletion of several definitions,
- ii.) The brackets for exempt levels were increased from N\$600,000 to N\$1.1 million;
- iii.) The threshold to trigger the transfer duty rate of 8% is increased to N\$3.15 million, from the current level of N\$2 million; and
- iv.) A supertax transfer duty and stamp duty bracket for luxury residential property are introduced for properties costing above N\$12.0 million.

No effective date has been gazetted yet.



For further details, please reach out:



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