



## REPUBLIC OF NAMIBIA

### MINISTRY OF FINANCE – INLAND REVENUE DEPARTMENT

#### PRESS RELEASE

#### REGISTRATION FOR VALUE ADDED TAX PURPOSES

As part of its Taxpayer Education Programme, the Ministry of Finance would like to inform all persons of the current requirements for Value Added Tax (VAT) registration.

The VAT registration is dependent on a taxable activity. A 'taxable activity' refers to any business activity that is carried on continuously or regularly in Namibia which involves the supply of goods or services at a fee.

##### **Mandatory VAT Registration**

The threshold for compulsory VAT registration is **NAD500, 000**. It is mandatory for any business (carried out by a natural person, company, partnership, board or trust) to apply for VAT registration if there are reasonable grounds that the taxable revenue that would be earned in any period of twelve months will exceed the threshold.

Additionally, any business that generated taxable revenue exceeding the threshold in any period of twelve months or less becomes liable to be registered for VAT and should file an application for registration with the Commissioner of Inland Revenue Department.

##### **Voluntary VAT Registration**

A business may also choose to **register voluntarily** for VAT if the value of taxable supplies made or to be made is less than the threshold of NAD500,000 but has exceeded or is likely to exceed **NAD200,000** in any period of twelve months.

##### **Registration Requirements**

In terms of the VAT Act, the Commissioner may require further particulars and documentation to be provided for the purpose of registration. Currently these documents are:

- **A Health and Fitness certificate obtainable from the local authority or village council;**
- The Founding Statement or Certificate of Incorporation or Trust Deed;
- A valid Namibian Tourism Board Certificate for all companies in the tourism industry;
- A gambling licence for all companies in the gambling industry;
- An Exclusive Prospective licence for all companies dealing in Mining and Exploration.

Once the applicable documents are submitted together with a duly completed prescribed form which should be stamped by the commercial bank as confirmation of banking details, the Commissioner shall, within 21 days, serve a notice in writing on the applicant for registration of the decision taken to register or to refuse to register the applicant.

## Failure to register for VAT

There are consequences for failing to register for VAT while being liable for registration in terms of the Act.

1. A person who failed to register shall not be entitled to claim a deduction of any input tax on purchases made before registration;
2. A person who failed to register shall be liable for the payment of a penalty equal to double the amount of output tax from the date such a person becomes liable to be registered;
3. A person who failed to register shall be required to pay interest on the amount of tax payable at a rate of 20% per annum.

## General Information

Registration for VAT can be done at all the regional offices of Inland Revenue Department. Registration forms can be obtained from all regional offices as well as satellite offices country wide. Registered taxpayers are encouraged to display their “**VAT Registration Certificates**” on their business premises.

Inquiries relating to this notification should be addressed to the Directorate: Tax Administration and Support Services, Tel: +264 (61) 209 2941.



**MS EB SHAFUDAH**  
**PERMANENT SECRETARY: FINANCE**



**DATE**