

Media Statement

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Subject: NCCI advocates for widening the tax base

The Namibia Chamber of Commerce and Industry is calling on the Government to widen the tax base to include those businesses which are avoiding paying tax by hiding their correct income. We have observed that a number of businesses most of them foreign owned do not provide tax receipts and some even refuse electronic bank transfer which created suspicions that such businesses may be trying to avoid declaring their true income in order to avoid paying taxes to the Namibian Government.

We have also noted that there are a number of foreign owned businesses which still do not bank their income in local banks and appear to prefer keeping cash. We suspect that such businesses behave in that manner because they have something to hide to the Namibian Government.

These suspicions have been reported to the Government on numerous occasions but it appears that not much is being done to investigate such businesses and confirm or disprove our suspicions. We are concerned that the Government is struggling to increase tax revenue because the tax base is not wide enough. The Government appears to be quick to punish tax payers who fail to pay on time while turning a blind eye to foreign businesses which we believe do not pay taxes at all.

Many businesses face bankruptcy due to prolonged delay in payment for services delivered to the Government as well as tax arrears which if demanded to be paid in full, will threaten their continued existence. Yet, we have foreign businesses getting away with non-compliance to tax.

We have serious doubts about the effectiveness of the tax amnesty announced by the Ministry of Finance as an appropriate tool to increase tax collections. This amnesty was introduced at a

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wrong time, when most businesses are struggling and their capacity to pay tax arrears has weakened significantly. We doubt that the second amnesty will do the trick in collecting more revenue, considering the economic hardships which define the business environment in Namibia at the moment.

The Government must rather consider widening the tax base, hunt down those businesses which hide income to avoid tax and give adequate support to local businesses to grow.

Issued and signed on behalf of NCCI by:



Tarah N. Shaanika
Chief Executive Officer