



REPUBLIC OF NAMIBIA

PRESS RELEASE

On

TAX GOOD-STANDING CERTIFICATES

MINISTRY OF FINANCE

04TH OCTOBER 2016

The Ministry of Finance, through the Departments of Inland Revenue and Customs are responsible to collect taxes and duties due to the State. In recent times the occurrence of defaults in paying taxes have been on the increase and the resultant tax arrears have escalated. Measures to improve compliance with tax payments had to be introduced and consequently the Ministry of Finance, through the Inland Revenue Department ('Inland Revenue') issued a directive dated 15 August 2016 requiring businesses to be in good standing as taxpayer (in possession of a Tax Good Standing Certificate) to qualify for receiving any payment for services or goods delivered to the State.

The Ministry has assessed the impact of the directive and found that it indeed improved collection. However, an unintended consequence was that it made it harder for especially smaller businesses to manage cash flows. In order to find an appropriate balance the directive dated 15 August 2016 is amended as follows:

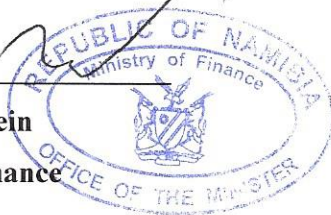
- 1) Businesses no longer require a Tax Good Standing Certificate to qualify for payments; and
- 2) For businesses to qualify in any bidding or tendering process a Tax Good Standing Certificate is required (whether through tender, quotation or any other method).

All Accounting Officers of Offices, Ministries and Agencies; All Chief Regional Officers of Regional Councils; All Chief Executive Officers at Town Councils; All Chief Executive Officers/ Managing Directors at State Owned Enterprise; All Regional Tax Offices of the Ministry of Finance have been instructed accordingly and businesses can rely on this press release when being asked to avail a Tax Good Standing Certificate in order to receive legitimate payment for services and or goods delivered.

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Calle Schlettwein
Minister of Finance



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Date