

# Inland Revenue Department

## Mission Statement

To administer the tax laws in an efficient and effective manner to maximize State Revenue from internal taxation sources

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REPUBLIC OF NAMIBIA



MINISTRY OF FINANCE

## INLAND REVENUE DEPARTMENT



## Consequences of non-compliance

*Strengthening Knowledge of  
Tax Laws and Procedures*

## What is non-Compliance?

Non-Compliance is the failure or refusal to act in accordance with a law, regulation, or terms of a contract. In this regard, it is the failure or refusal to comply with the tax laws of Namibia.

Non-compliance with tax laws includes a range of activities aimed at disregarding the Namibian Tax laws. This includes **Tax avoidance**, which is tax reduction by legal means and **Tax evasion** which is the illegal non-payment of tax.

### Penalties on non-Compliance with the tax laws include:

1. Late payment of any final tax amount outstanding will attract penalties of 10% per month or part of a month;
2. Interest is payable at 20% per annum from the due date until the date of payment;
3. If convicted on failure to register for VAT, a fine of up to N\$8 000 is payable or imprisonment of up to two years or both; and
4. Failure to furnish a return or import declaration within the required period results in a penalty of N\$100 per day for each day it remains outstanding.

*Avoid spending all those sleepless nights brought about by failure to pay your taxes. You can be better than that.*

*Submit your tax returns, pay the right tax amount on time and set your mind at ease knowing that your tax affairs are in order.*

### Consequences of non-Compliance with tax laws:

#### To the country:

- Non-payment of tax reduces state revenues which in turn affects capital developmental projects; and
- Non-payment of tax affects the government's ability to provide social welfare services aimed at eliminating poverty.

#### To the taxpayer:

- Non-compliance leads to a delay in the issuance of tax directives as well as Good Standing Certificates on time; and
- Non-compliance could lead to the attachment of private assets such as vehicles, machinery, and property by the government.

## Benefits of compliance with tax laws:

### To the country:

- Will enable our government to maintain expenditure on social safety net and to continue investing in the country's much needed infrastructure without incurring unsustainable levels of debt which the future generation will bear; and
- Will enable the country to achieve strong and sustainable economic growth

### To the taxpayer:

- A taxpayer will not struggle to get any certificate of good standing or directives relating to pension and provident funds; and
- Satisfaction of having contributed to the nation building and attainment of prosperity.