

## READERS' LETTERS

I NOTE with amazement the announcement by the Ministry of Finance that VAT will be implemented on November 27 after all.

The process was going well – the first draft of the VAT Bill was published for comments end-1998 (and the comments were well taken), the first version of the VAT Act was issued end-1999 and again it was well debated (with more comments asked for and received) and most pro-active businesses thought they could (and did) commence their VAT implementation preparations.

But then the amendments were delayed, and delayed again. And the

# Up In Arms Over VAT 'Crisis'

basic administrative forms required by business to comply with the VAT Act did not turn up. And we are now three months away from November 27. It looks increasingly as if Namibian business and the Ministry of Finance will not be ready for VAT and we are heading for an almighty mess.

Consider the following:

- The design of VAT returns drives the changes that businesses need to make to their systems and computer programmes. The VAT returns are not

available yet and Revenue has not yet indicated when they will be.

- The outstanding VAT Act amendments determine how entire sectors of the Namibian business community will be taxed. Only then can these businesses commence their VAT programmes. Revenue has not yet indicated when they will be available.

- Training of employees can only commence once the VAT Act amendments and design of VAT returns are available;

- The registration of VAT vendors will only commence in earnest once the Public Education and Awareness Campaign for VAT has reached small business in all the towns of this widespread country of ours. This campaign commences mid-September. The announcement mentions that pamphlets will be handed out at these seminars, therefore these businesses will only commence the registration process at that time. How does Revenue intend to process the large number

of registrations that they will receive barely one month before November 27? And when do they envisage supplying these vendors with their VAT registration numbers to put on their stationery, cash registers and computer systems?

- The announcement mentioned above does not mention whether or not the VAT returns will be available to hand out at the seminars. When will these businesses receive them and how does Revenue expect them to timeously change

their systems and train employees at that late stage?

- How comfortable is Inland Revenue that their own systems and staff will be ready in three months' time? Indeed, one would expect them to be completed right now so as to deal with all the unexpected issues shortly before and after implementation date. The grapevine has it that they are not ready.

- How comfortable is Inland Revenue that systems and staff at borders will be ready in three months' time? The grape-

vine has it that they are nowhere near ready – not now and not in November.

Revenue insisted of giving itself and the business sector six months in which to prepare for the implementation of VAT and this was written into the VAT Act. That is commendable. However the amendments yet to be made public requires this preparation period to recommence. According to the press announcement it won't. But let's face reality. Let's learn from countries like Zambia, Australia and South Africa and make a good job of implementing VAT. Let's give ourselves more time.

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VIA E-MAIL

## In The Face Of Opposition

## Why Would We