



MEDIA ALERT
For immediate release

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15% VAT Imposed On All Prepaid Airtime Sold In Namibia

Windhoek, Namibia; 12 December 2007 - The Namibian Receiver of Revenue has imposed a fifteen (15) percent Value Added Tax (VAT) with effect from 1 January 2008. The Receiver of Revenue had advised the industry in April 2007 of this impending change in regulation, originally scheduled for implementation in September 2007 but postponed to January 2008.

The Namibian industry is represented by MTC, Cell One and Telecom Namibia. The implications are that:

1. The airtime tariffs will not change
2. VAT will be levied on the **face value of the voucher** and will be deemed to be **inclusive of VAT** (see table below).

The revised schedule will be as follows:

VAT Implications on airtime value effective 1 Jan 2008

Voucher denomination	Previous airtime value	New airtime	15% VAT
N\$5	5.00	4.35	0.65
N\$10	10.00	8.70	1.30
N\$30	30.00	26.09	3.91
N\$50	50.00	43.48	6.52
N\$150	150.00	130.43	19.57
N\$180	180.00	156.52	23.48

Miguel Geraldés, MTC Managing Director, says “We have a ruling to implement from the Receiver of Revenue and we are unfortunately dutibound to comply.”

In concurrence, Lars Christian Iuel, CEO of Cell One, adds that “We might not necessarily agree with more taxes, but it is not a matter we have much control over. We need to implement the new ruling as best we can.”

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