

## **TRUSTCO GROUP HOLDINGS LIMITED**

Incorporated in the Republic of Namibia

(Registration number 2003/058)

NSX Share Code: TUC

JSE Share Code: TTO

OTCQX share code: TSCHY

ISIN Number: NA000A0RF067 ("the Company" or "Trustco")

## **MEDIA RELEASE**

9 November 2022

### **NAMRA SUBMITS TO TRUSTCO COURT ORDER**

The High Court of Namibia ordered the Namibia Revenue Authority (NamRA) to withdraw the unwarranted notices issued in terms of the Income Tax Act and the Value Added Tax Act with regards to Trustco Group Holdings Ltd's (Trustco) accounts, and that no new notices may be issued until the finalization of the review application.

This was after an urgent application was sought by Trustco on 8 November 2022 challenging the constitutionality of these notices. The matter was heard before the Honourable Justice Ueitele, with Adv Reinhard Totemeyer (SC) and Adv Yoletta Campbell representing Trustco as instructed by PD Theron & Associates. Adv Eliaser Nekwya represented the government and NamRA.

NamRA recently owed Trustco tax credits amounting to NAD 136 million. In fact, NamRA issued Certificates of Good Standing to the Trustco Group of Companies on 1 September 2022. However, on 3 October 2022, NamRA surprisingly and unilaterally reversed its prior decisions with Trustco and claimed that Trustco now owed NamRA NAD 306 million (including interest). Per Trustco's calculation, if its tax credits had been correctly set off, its amount due to NamRA would be NAD 7.8 million as of 31 August 2022.

"It is unfortunate that NamRA abandoned the consultative relationship in this abrupt manner by seemingly acting in cahoots with Bank of Namibia to undermine Trustco. By proceeding in this

manner, NamRA has now laid bare the root cause of the continuous public complaints and outcries about the unjust, poor and substandard tax collection, allocation and refunds in Namibia. This limits the abilities of entrepreneurs who have to operate with a tax authority that only demands payments, but conveniently refuses or delays the repayment of tax credits. NamRA hides behind an illegal practice of first wanting to “audit” tax credits before refunds are made to taxpayers. They also refuse to pay interest on amounts due to taxpayers. Minister Shiimi said as much during his announcement of his COVID-19 relief package during April 2020, whereby NAD 3 billion of accelerated repayment of VAT refunds were prioritized under the guise of COVID-19 relief,” said the Group MD of Trustco, Dr Quinton van Rooyen.

“There was a barrage of laws and amendments inflicted upon unsuspecting legislators in parliament under the stewardship of the troika detained Sacky Shangala, James Hatuikulipi and disgraced fugitive lawyer Maren de Klerk, which *inter alia* includes the Banking Institutions Act, the Bank of Namibia Act, the Income Tax Act, the Value-Added Tax Act, Namibia Revenue Agency Act, the Namibia National Reinsurance Corporation Act, the Diamond Act, the Marine Resources Act, and the National Fishing Corporation of Namibia Act. These pieces of legislation have certain common features, namely that it firstly provides administrators of the Acts and ministers with unfettered powers, without parliamentary oversight, and secondly, in many cases, created parallel structures to skim revenue and cash to a handful of beneficiaries. These beneficiaries roam the corridors of high offices in Namibia. The time is right for these operators and enablers to be brought to justice. The successor to Minister Sacky Shangala, Minister Yvonne Dausab, should be well advised to review these pieces of legislation for constitutionality instead of focusing on bedroom politics. Economic growth should be of paramount importance to all decisionmakers in Namibia,” he continued.

“Finally, it should be noted that it is in the DNA of Trustco to question unfair, unprocedural and unconstitutional acts of any kind as part of its normal course of business,” van Rooyen concluded.

The review procedure will commence on 15 November 2022.

**For further information please contact:**

Neville Basson

Tel +264 275 4501

Email: [NevilleB@tgh.na](mailto:NevilleB@tgh.na)