Our commitment to Vision 2030

“A national vision to improve the quality of life of the people of Namibia to the level to counterparts in the developed world by 2030”.

Dr. Sam Nujoma
President of the Republic of Namibia 2004

PwC Namibia has taken the initiative to create awareness amongst the private sector and our staff members to work towards the realization of Vision 2030. We endeavour to educate our staff about Vision 2030.

All Namibians need to realize that in our country, everyone counts. Fostering unity amongst fellow Namibians is one way of contributing to the realization of Vision 2030. We practice this thought leadership.
A Business and Investment Guide for Namibia

This guide is a business and investment guide for Namibia, and is based on the latest available information as at 31 July 2013.

The e-book is available on www.pwc.com/na.

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Introduction

We at PwC Namibia are excited to launch the second edition of the 2013 E-book Edition of the Business and Investment Guide for Namibia. The first edition was released in 2008. Five years down the line a lot has happened on the African Continent, once deemed economically doomed. With increasing growth projections, Africa looks set to make an about turn to become the future hub of global growth.

These positive readings are shared by Namibia. The country currently enjoys an influx in investments. With exploration in the resource sector, including offshore oil and gas, gathering pace and showing early promise, Namibia is gearing itself for increased economic activity.

PwC Namibia provides local expertise and industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. Our team consists of more than 200 people in two offices in Namibia. We are committed to share thinking, experience and solutions to develop fresh perspectives and practical advice for our clients, leveraging from the PwC global network which incorporates specialists across 158 countries.

The 2013 e-book edition provides an easy orientation point for business activities in Namibia. We are confident that you will find this tool helpful to navigate the investment and commercial opportunities in Namibia.

Nangula Uaandja
Country Senior Partner
PwC Namibia
This guide is divided into the following sections:

**Section 1:**
Investment Climate

**Section 2:**
Foreign Investment

**Section 3:**
Doing Business

**Section 4:**
Labour

**Section 5:**
Audit and Accounting

**Section 6:**
Taxation

**Section 7:**
Education

**Section 8:**
Industries

**Section 9:**
Contacts

**Section 10:**
Appendices
Commercial legislation is an integral part of doing business in Namibia. It is often complex and changes as the economy develops.

That’s why we at PwC are passionate about it. We love working with our clients to help them to understand and apply Namibian law and to find practical solutions to their business problems. In today’s challenging environment, businesses require the combination of local commercial knowledge, accounting expertise and tax advice that we offer.

Stéfan Hugo
PwC Namibia, Tax Leader
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Chapter 1: Namibia - A Profile

Investor considerations

- Stable, democratically elected government.
- Developed infrastructure.
- Good transport system.
- Efficient communication system, including cellular networks and broadband internet connectivity.
- Sophisticated financial sector.
- Moderate inflation rate.
- Relatively stable exchange rate, linked to the South African Rand (ZAR).
- Rich diversity of fauna and flora.

Geography and climate

Namibia is situated on the south-western coast of Africa. It is bordered by the Atlantic Ocean in the west, by Botswana and Zimbabwe in the east, by South Africa in the south and by Angola in the north. Namibia gained its independence in March 1990 and the democratic South West African People's Organisation (SWAPO) has held government office since Independence.

Namibia covers approximately 823,000 square kilometres consisting of arid and desert regions in the south and southwest, lush fertile areas in the north and northeast, while the eastern part of the country is semi-arid. The wetland on the western coast just south of Walvis Bay provides part of the international ecological breeding grounds for several types of migratory birds, including flamingos.

Namibia’s climate is arid, semi-arid and sub-tropical. The hottest months are January and February, with average maximum day temperatures of between 20°C and 35°C. The average day temperatures in winter range between 10°C and 20°C. The average annual rainfall varies from none in the Namib Desert to about 100 mm in the southern regions, and 400 to 500 mm in the eastern and northern regions.

Capital

The capital city of Namibia, Windhoek, has a population of approximately 340,900. It is situated in Namibia’s central highlands, at 1,650m above sea level. Windhoek gained municipal status in 1909 and was proclaimed a city in 1965. The climate is typical of a semi-desert country, with hot days and cool nights.

Windhoek serves as the administrative, legislative and judicial seat of government as well as the country’s economic and commercial nerve centre.

The city offers every modern amenity, including internationally rated hotels, restaurants, conference facilities, specialised shops, beer gardens and street cafés. Its infrastructure compares with the best in the world: well-maintained roads, world-class medical services, a variety of internationally recognised educational institutions and reliable municipal services. To top it all, it is a very clean and well-run metropolis.

History

Namibia was under German rule from 1884 to 1915, when South African expeditionary forces defeated the German forces. In 1920, South Africa
was granted a C-class mandate by the League of Nations to administer Namibia. Obligations to promote the welfare of the indigenous people were generally ignored and a legislative assembly for whites was established in 1925. In 1945, the newly formed United Nations (UN) declared South West Africa, as the territory was then known, a trust territory with the right to self-determination. South Africa’s refusal to negotiate a trusteeship with the UN resulted in a progressively intensified Namibian and international campaign to secure the country’s independence in line with the UN resolutions. Eventually, Namibia became independent on 21 March 1990.

Political system

The Namibian Constitution, the supreme law of the land, entrenches multiparty democracy as well as fundamental rights and freedom. The constitution lays down the division of powers between the executive branch, the legislature and the judiciary. The President, who is elected by direct popular vote for a term of five years and can be re-elected for a second term of office, heads the executive branch.

Since independence, Namibia has built a strong democratic foundation. All institutions necessary to ensure democratic governance have been established. Presidential and local authority elections have been held regularly. The Judiciary operates with total independence, while the Auditor-General’s office has gained stature as a watchdog over the conduct of financial governance. Also operational is the office of the Ombudsman and the Anti-Corruption Commission. Over the last ten years, Namibia has maintained an environment conducive to the existence of a vibrant and free press. The government has also remained steadfast in its commitment to the free market economic system, which acknowledges the centrality of the private sector in the development process.

Legal system

For historic reasons, the law in Namibia is rooted in South African legislation and legal principles. Namibia’s law was thus effectively founded on a system known as Roman-Dutch law. Roman law forms the cornerstone of most modern European legal systems.

Common law in South Africa consists of the writings of the 17th and 18th century Dutch jurists, known as the glossators, and is known as the common law of South Africa. Roman-Dutch law was brought to South Africa by the Dutch settlers and to the then South West Africa, which was administered as a mandate by South Africa.

With independence in 1990, the Namibian Constitution was written and adopted as the fundamental law of the Republic of Namibia.

Namibian courts

In terms of Article 78 of the Namibian Constitution, the judicial power vests in the courts of Namibia, which consist of the following tiers:

- A Supreme Court
- A High Court
- The Lower Courts
- Special Courts

The Supreme Court

The Supreme Court consists of a Chief Justice and a number of judges who preside and adjudicate on appeals from the High Court, including interpretation, implementation and upholding of fundamental rights and freedoms guaranteed under the constitution.

The High Court

The High Court consists of the Judge-President and a number of other judges. The High Court has jurisdiction to hear
and adjudicate on all civil disputes and criminal prosecutions. The High Court also has jurisdiction to hear appeals from the Lower Courts.

The Lower Courts
The Lower Courts were established by an Act of Parliament and have the jurisdiction and are required to adopt the procedures stated in the Act. The Lower Courts are presided over by magistrates.

The Special Courts
The most important special courts for the businessperson are the Income Tax Court and the Lands Tribunal.

The Income Tax Court consists of a judge assisted by assessors with specialist tax knowledge and appeals are made directly to the Appellate Division.

The Lands Tribunal is established by section 63 of the Agricultural (Commercial) Land Reform Act, Act 6 of 1992, as amended. It consists of five members with specialist knowledge on legal matters, economic and financial matters, and agricultural matters.

Any decision, order or determination of the Lands Tribunal may be executed as if it were a decision, order or determination made by the High Court of Namibia.

There is currently no Arbitration Court in Namibia. Informal arbitration is used as agreed between parties. The applicable legislation is the Arbitration Act, Act No. 42 of 1965. There is no formal arbitration structure in place, but there is a voluntary association that handles arbitration matters.

Population and social patterns

Population and languages
Namibia is one of Africa's three most sparsely populated countries. Dubbed the land of wide-open spaces, Namibia has an average population density of only 2.5 people per square kilometre. The total population is estimated at 2.2 million. English is the official language; Oshiwambo, Afrikaans, Herero, Nama/Damara, German, Silozi, Rukwangali and Setswana are also spoken.

Religion
Namibia is a predominantly Christian nation, with Lutheran, Roman Catholic, Methodist and various other church denominations present in all major cities and towns.

Education
Primary and secondary schools exist in all major cities and towns, most of which are managed by the Ministry of Education. There are also a number of private schools in Namibia.

The University of Namibia and the Polytechnic of Namibia provide various tertiary degrees and diplomas. Their main campuses are located in Windhoek with some satellite campuses in other parts of the country.

Health
The doctor-patient ratio in Namibia is one of the best in Africa, with one doctor for every 3,650 persons. Besides the government hospitals in most major cities and towns, there are several private hospitals and nursing homes that provide emergency services. The following are all private hospitals in Namibia.

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<td>Walvis Bay (West)</td>
</tr>
<tr>
<td>Catholic Mission Hospital</td>
<td>Windhoek</td>
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Recreation and tourist attractions

The Ministry of Environment and Tourism controls 12 wildlife and recreation parks in Namibia. These include the world famous Etosha National Park and Sossusvlei, where some of Namibia’s famous scenery, animals and plant life can be viewed. Accommodation at these venues ranges from camping and self-catering to luxury bungalows and tented camps. In most of the game parks it is possible to view indigenous flora, such as the welwitschia plant on the west coast and the quiver tree in the south.

There are many privately-owned guest farms and hunting lodges throughout Namibia. Hunting rifles may be brought to Namibia during the hunting season. Visitors should ensure they have all relevant documents, including visas and permits, before entering Namibia. Various hunting and ammunition shops are located in the main cities and towns.

Namibia’s western coastline is an angler’s haven for local species such as kabeljou (cob), steenbras and catfish. Permits are required to catch these fish. The rock lobster diving season is from November to April each year.

Approximately 120 kilometres north of the coastal town of Swakopmund, visitors to Namibia can view colonies of seals in their natural habitat at Cape Cross. Viewing times are restricted and further information can be obtained from the local authorities in coastal towns. Various water sports, such as yachting and windsurfing, are available in Walvis Bay. Equipment can be hired from several clubs.

Utilities

Broadcasting, television and the press

The Namibian constitution guarantees freedom of expression. Newspapers are available in English, Afrikaans and German, each with sections in some of the other languages.

There are two local television stations: the Namibian Broadcasting Corporation (NBC) and One Africa Television. Satellite television services are available to subscribers, offering international news programmes including CNN, BBC, Sky-TV, CNBC, SABC, Euronews and Al Jazeera.

The state-owned NBC also operates nine radio channels, which are available in English and most indigenous languages. Commercial radio stations include 99FM, Radiowave, Radio Kudu, Radio Energy, Radio Kosmos and Channel 7, all of which are privately owned stations broadcasting daily.

Internet services are available countrywide from various providers, including the telecoms operators Telecom Namibia, MTC and Leo.

Telephone and postal services

Telecom Namibia Limited provides a wide range of telephone and related services. The modern telecommunications infrastructure in Namibia is 97% digital and provides direct-dialling facilities to 242 countries, or 97% of the world. Mobile cellular telecommunication services have roaming capabilities in 108 major international countries with 28 networks, and are provided by MTC and Leo.
Namibia has one of the most modern postal infrastructures in Africa. The state-owned Namibia Post Limited (affiliated to the Universal Postal Union) operates post offices throughout Namibia.

Electricity
Nampower Limited is responsible for Namibia’s electricity network. Various projects are continuously being undertaken to enhance the existing network.

The economy
The growth of the Namibian economy has been positively influenced in recent years by global economic growth, high commodity prices and the country’s prudent and sound macro-economic policies.

Industry contributions to the growth of the Gross Domestic Product for the years 2010 to 2012 are illustrated in the table below:

<table>
<thead>
<tr>
<th>Industry</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>AVG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Industries</td>
<td>-24.5%</td>
<td>14.3%</td>
<td>-0.9%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Secondary Industries</td>
<td>0.2%</td>
<td>9.4%</td>
<td>4.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Tertiary Industries</td>
<td>4.8%</td>
<td>4.1%</td>
<td>4.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>GDP at market prices</td>
<td>-1.1%</td>
<td>6.6%</td>
<td>4.8%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Source: The 2013/14 Budget Speech

Inflation
The inflation rate in Namibia is largely determined by price and interest rate developments in South Africa due to the large component of its imports from that country and common monetary policies.

The average inflation rate for 2012 was 6.5% compared to the 5.0% recorded in 2011.

Per capita income
Namibia falls within the group of countries classified as upper-middle-income economies by the World Bank:

<table>
<thead>
<tr>
<th>Upper-middle-income economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
</tr>
<tr>
<td>Albania</td>
</tr>
<tr>
<td>Algeria</td>
</tr>
<tr>
<td>American Samoa</td>
</tr>
<tr>
<td>Argentina</td>
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<tr>
<td>Azerbaijan</td>
</tr>
<tr>
<td>Fiji</td>
</tr>
<tr>
<td>Gabon</td>
</tr>
<tr>
<td>Grenada</td>
</tr>
<tr>
<td>Hungary</td>
</tr>
<tr>
<td>Iran, Islamic Rep.</td>
</tr>
<tr>
<td>Iraq</td>
</tr>
<tr>
<td>Palau</td>
</tr>
<tr>
<td>Panama</td>
</tr>
<tr>
<td>Peru</td>
</tr>
<tr>
<td>Romania</td>
</tr>
<tr>
<td>Serbia</td>
</tr>
<tr>
<td>Seychelles</td>
</tr>
</tbody>
</table>
Employment

The creation of employment opportunities is one of the main objectives of the National Development Plan 4 of the Namibian Government. Several incentive schemes to promote manufacturing activities have been implemented with the aim of diversifying the economy.

The current unemployment rate is 27.4%, according to the 2012 Labour Force Survey conducted by the Namibia Statistics Agency.

International trade

The country’s exports are dominated by primary commodities, representing an average of about fifty percent of exports during the past decade. Exports mainly comprise unprocessed commodities, i.e. minerals, meat and fish. More than half of the income generated by the mining industry consists of diamond exports, followed by uranium. Imports mainly comprise manufactured goods and consumer goods. Namibia’s dominant trading partners are members of the European Union and South Africa. Potential growth areas and trade opportunities are set out in Chapter 3.

Namibia’s Planning Framework

Namibia’s policy framework for long-term national development is set out in the “Namibia Vision 2030” or “Vision 2030”.

The aim of Vision 2030 is to establish a long-term planning framework for Namibia that will foster a sense of direction, ambition and destiny for all Namibians. An extensive consultative process resulted in the following Vision Statement for the year 2030:

“A prosperous and industrialised Namibia, developed by her human resources, enjoying peace, harmony and political stability”.

Vision 2030 is founded on theme-based development objectives which integrate economic, social and environmental dimensions and are based on key concerns identified in the Namibian Nation.

The Vision is based on the following three themes:

- Quality of Life (Relating to People and Economics);
- Enabling Environment; and
• Sustaining the Resource base (Relating to Ecosystems).

The national issues addressed by the formulation of Vision 2030 are:

• Inequalities and social welfare

• Peace and political stability

• Human resources and institutional and capacity-building

• Macro-economic issues

• Population, health and development

• Natural resources and environment

• Knowledge, information and technology

• Factors of the external environment

The major objectives of Vision 2030 are to:

• Ensure that Namibia is a fair, gender responsive, caring and committed nation in which all citizens are able to realise their full potential, in a safe and decent living environment.

• Create and consolidate a legitimate, effective and democratic political system (under the Constitution), and an equitable, tolerant and free society, that is characterised by sustainable and equitable development and effective institutions, which guarantee peace and political stability.

• Develop a diversified, competent and highly productive human resources and institutions, fully utilising human potential, and achieving efficient and effective delivery of customer-focused services which are competitive not only nationally, but also regionally and internationally.

• Transform Namibia into an industrialised country of equal opportunities, which is globally competitive, realising its maximum growth potential on a sustainable basis, with improved quality of life for all Namibians.

• Ensure a healthy, food-secured and breastfeeding nation, in all preventable, infectious and parasitic diseases are under secure control, and in which people enjoy a high standard of living, with access to quality education, health and other vital services, in an atmosphere of sustainable population growth and development.

• Ensure the development of Namibia's 'natural capital' and its sustainable utilization, for the benefit of the country's social, economic and ecological well-being.

• Accomplish the transformation of Namibia into a knowledge-based, highly competitive, industrialised and eco-friendly nation, with sustainable economic growth and high quality of life.

• Achieve stability, full regional integration and democratised international relations; the transformation from an aid-recipient country to that of a provider of development assistance.

The broad strategies for Vision 2030 are listed below:

• Maintaining an economy that is sustainable, efficient, flexible and competitive.

• Operating a dynamic and accessible financial sector.

• Achieving full and gainful employment.

• Providing excellent, affordable health care for all.
• Mainstreaming HIV/AIDS into development policies, plans and programmes.

• Creating access to abundant, hygienic and healthy food, based on a policy of food security.

• Providing full and appropriate education at all levels.

• Leveraging knowledge and technology for the benefit of the people.

• Promoting interpersonal harmony among all people.

• Operating a morally upright and tolerant society that is proud for its diversity.

• Ensuring an atmosphere of peace, security and hope for a better life for all.

• Maintaining stable, productive and diverse ecosystems managed for long-term sustainability.

• Establishing and sustaining business standards of competence, productivity, ethical behaviour and high trust.

• Upholding human rights and ensuring justice, equity and equality in the full sense for all, regardless of gender, age, religion, ethnicity, ability or political affiliation.

• Maintaining a low-level, responsive bureaucracy.

• Implementing a land and natural resource policy that ensures fair access by all to the means of production.

• Establishing and operating a fiscal policy that distributes wealth fairly, and encourages production, employment and development of wealth in a stable and sustainable economic climate.

• Operating a responsive and democratic government that is truly representative of the people, and able to adhere to transparent, accountable systems of governance, proactively.

• Achieving collaboration between public, private and Civil Society organisations, in policy formulation, programming and implementation.

• Maintaining sound international policies that ensure effective cooperation, favourable trade relations, peace and security.

Hints for the business visitor

Visa requirements

A valid passport is required to enter Namibia. Entry visas are also required for visitors from certain countries. Visitors are advised to check their local High Commission or embassy before departing. Before entering Namibia to work, a temporary work permit has to be granted by the Ministry of Home Affairs. Foreigners are prohibited by law from working in Namibia unless they have an approved temporary work permit. Refer to Chapter 14 for more detail.

Currency

In September 1993 Namibia introduced its own currency, the Namibia Dollar (N$), divided into 100 cents. The Namibia Dollar is linked to the South African Rand (ZAR), which is also legal tender in Namibia.

Banking

Local banks provide comprehensive domestic and international banking services. The Namibian banking sector is linked to major international
communications networks, ensuring fast and efficient transfers of funds to and from any centre in the world. Automatic teller machines are available throughout Namibia and Master, Visa and Electron cards (if clearance is obtained from your local bank) can be used to withdraw funds.

**Business hours**

Most of the shopping malls in major towns and cities are open from 8:30 a.m. to 7:00 p.m. during weekdays, until 7:00 p.m. on Saturdays and until 1:00 p.m. on Sundays. Most shops accept Master, Visa and Electron cards.

**International time**

Namibia is one hour ahead of GMT from April to August, and two hours ahead of GMT from September to March. This provides for a common time zone and is of course to the advantage of its main trading partners in Africa and Europe. Time is set the first Sunday in April to GMT +1 and to GMT +2 the first Sunday of September.

<table>
<thead>
<tr>
<th>Public holidays</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>1 January</td>
</tr>
<tr>
<td>Independence Day</td>
<td>21 March</td>
</tr>
<tr>
<td>Good Friday</td>
<td>Varies each year</td>
</tr>
<tr>
<td>Easter Monday</td>
<td>3 days after Good Friday</td>
</tr>
<tr>
<td>Worker’s Day</td>
<td>1 May</td>
</tr>
<tr>
<td>Ascension Day</td>
<td>40 days after Good Friday</td>
</tr>
<tr>
<td>Cassinga Day</td>
<td>4 May</td>
</tr>
<tr>
<td>Africa Day</td>
<td>25 May</td>
</tr>
<tr>
<td>Heroes Day</td>
<td>26 August</td>
</tr>
<tr>
<td>International Human Rights Day</td>
<td>10 December</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>25 December</td>
</tr>
<tr>
<td>Family Day</td>
<td>26 December</td>
</tr>
</tbody>
</table>
Chapter 2: Business Environment

Investor considerations

- Government policy supports and encourages free enterprise.
- Various incentives are available, especially with regard to manufacturing and the export of manufactured goods.
- The country possesses a highly sophisticated banking system.
- There is an open government attitude toward foreign direct investment, with the exception of farmland.

As described more fully in Chapter 7, the financial sector is highly developed and is dominated by a few large banks.

Industrial climate

Agriculture (livestock farming) and natural resource products (minerals, fishing) have always been important to the Namibian economy, while tourism is expanding rapidly. The industrial base is still small and appropriate government structures have been established to facilitate investment in this sector.

Framework of industry

Namibia possesses a well-developed and formally regulated company law regime (see Chapter 13), as well as a diversified informal sector.

A number of public services such as telecommunications and postal services, water, electricity, transport, seaport and airport services have been commercialized and are government owned.

Privately owned businesses are mostly small to medium-sized and are an important component of the economy.
Chapter 3: Foreign Investment and Trade Opportunities

Investor considerations

- Government promotes and encourages foreign investment.
- All forms of business entities are available to foreigners.
- The same incentives are available to foreign and local investors.
- Favourable incentives exist for manufacturers and exporters.
- Established professional service skills of international standard.
- A well-established and resilient business community.

Investment climate

The government’s attitude toward foreign investment since Namibia gained its independence in 1990 is that it is welcome. The Ministry of Trade and Industry has established the Namibia Investment Centre as Namibia’s national investment promotion and facilitation office (see Chapter 2). The acquisition of farmland, however, is restricted in terms of the Agricultural (Commercial) Land Reform Act, 1995.

Foreign trade relations

The Southern African Development Community (SADC)

As a member of SADC, Namibia is part of Africa’s largest trade and cooperation pact, comprising twelve member states in southern Africa.

Namibia has, by virtue of its SADC membership, a comparative advantage in its preferential access, via transport and trade links, to the landlocked sub-Saharan countries in the region.

The Southern African Customs Union (SACU)

Namibia is a member of SACU, along with South Africa, Botswana, Swaziland and Lesotho. Members of this Customs Union enjoy duty-free trade among themselves.

The Common Monetary Area (CMA)

The CMA established the South African Rand (ZAR) as legal currency in Namibia. Through this agreement the value of the Namibia Dollar is pegged to the Rand. The CMA is administered by the South African Reserve Bank, and makes South African monetary policy the de facto policy of all the members of the Common Monetary Area (see Chapter 5).

Favourable infrastructure

Road network

Namibia has a well-established road infrastructure, regarded as one of the best on the continent. The majority of towns and communities can be reached via a road network comprising more than 44,500 km of either tarred or high quality gravel trunk, main and district roads despite its a surface area of 824,268 km. The road network consists of approximately 7,000 km of tarred roads, 37,000 km of gravel roads and 280 km of salt roads. In addition, there are more than 350 air strips throughout the country.
The country is linked by road to Angola, Zambia, Zimbabwe, Botswana and South Africa. The Trans-Kalahari and the Trans-Caprivi highways provide a fast and comfortable road link between the Namibian port of Walvis Bay on the Atlantic coast and her landlocked neighbouring countries. In particular, the Trans-Kalahari highway links the port to Botswana and the Gauteng province, the industrial heart of South Africa. The Trans-Caprivi highway links Botswana, Zambia, Zimbabwe and the Democratic Republic of Congo to the port of Walvis Bay.

The highways provide a regional transport corridor intended to reduce shipping times for imports and exports from the neighbouring countries to the markets of Western Europe and the Americas by at least five days compared to traditional routes in southern Africa.

The Trans-Kalahari highway has transformed Namibia into a gateway location, fostering the evolution of the western corridor concept and ushering in a new phase of development for the entire SADC region.

Port development

While only a few years ago some envisaged the port of Walvis Bay competing for cargo with the East Africa ports, the current strategy for the port of Walvis Bay is to complement the East Africa ports via the Walvis Bay-Maputo Corridor. The Trans-Kalahari highway is seen as an integral part of the Walvis Bay-Botswana-Gauteng-Maputo Development Corridor.

The Port of Walvis Bay, as a key element of this corridor, is now viewed as an emerging transit point for commercial traffic bound to or from landlocked countries in the region. Once the transport corridor is fully developed, the southern African region can benefit from channeling its exports and imports via the Port of Walvis Bay. The port and highway provide SADC countries with a very economical route for their exports and imports. In non-fiscal terms, the port enjoys a moderate climate all year round. Winds, though often fresh to strong, do not stop cargo transfers.

In terms of capacity, the port of Walvis Bay handles over five million tonnes of cargo annually. This consists mainly of dry bulk, break bulk, petroleum products and containerised cargo. The port prides itself on the fast transit times achieved for cargo, in particular containerized cargo, due to good weather and its modern facilities.

Namport authority announced a construction project to expand the port of Walvis Bay for it to handle up to one million containers. Construction is expected to start at the end of 2013. Namport is also planning a project north of Walvis Bay known as North Port.

The Port of Lüderitz is historically Namibia’s second largest port. Whilst originally a fishing port, it was expanded in recent years to ship cargo and support offshore petroleum exploration and mining activities.


Air travel

Namibia has direct air links to major cities in sub-Saharan Africa such as Cape Town, Johannesburg, Gaborone, Lusaka, Harare and Africa. International flights to and from Frankfurt land at and depart from Windhoek regularly. The country’s two international airports are Hosea Kutako International Airport and Walvis Bay Airport. There are numerous smaller aerodromes as well as private landing strips throughout the country. The Hosea Kutako International Airport services Air Namibia and other major airlines on a daily basis and it is situated 48 kilometres from the Windhoek city centre. Smaller aircraft can land at the Eros Airport, about three kilometres from the CBD.

Rail

Rail services in Namibia are provided by state-owned TransNamib Holdings Limited, which operates approximately 2,400 km of track.

Communication

Namibia has invested heavily in the modernisation and expansion of its telecommunications infrastructure and service networks. An international satellite service links Namibia to worldwide telecommunication services.

Three licensed telecommunications operators, Telecom Namibia, MTC and Leo (current name, recently purchased by Telecom Namibia), provide fixed line and mobile (including GSM) services in Namibia.

Telecommunications operators have installed fibre optic cable technology across the country.

Domestic satellite communication links connect extremely remote sites to the rest of the network, while an international satellite link connects Namibia directly to the seven international destinations with the highest traffic patterns to and from Namibia. These destinations are South Africa, the UK, the USA, Germany, Sweden, Switzerland and Angola.

Broadband access is available countrywide through technologies such as ADSL, mobile 3G and 4G data and WiMAX.

Additionally, the Namibian government, Telecom Namibia and MTC commissioned a landing station at Swakopmund to connect the country to the West Africa Cable System (WACS), a 14,500 km-long high capacity broadband undersea fibre optic cable system aimed at linking southern and West Africa to Europe. The cable will allow Namibia, Botswana and other southern African countries to enjoy super-fast data transmission of over five terabytes per second. This gives customers of telecommunications service providers in these countries access to increased data transmission speed, improved voice quality and video conferencing that will enable ‘real-time’ data communication.

The Communications Regulatory Authority (CRAN) regulates Namibian communications, broadcasting and postal services.

Value-added services

Cellphone coverage in Namibia is available in all major economic centres and on main roads. Roaming agreements are in place with most international destinations, including South Africa, Austria, Australia, Belgium, Denmark, France, Germany, Hong Kong, Indonesia, Luxembourg, Mauritius, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Taxation policy

The tax regime in Namibia offers various concessions. These concessions are not aimed specifically at attracting foreign investment to Namibia, but are available to all who carry out targeted activities (see Chapter 4 and Appendix II).

Local competitor attitude toward foreign investment

Namibian business and the local community welcome foreign investors.

Assistance and advice can be obtained from the Namibia Investment Centre and a well developed business services sector. Refer to Chapter 30 for contact details.
Labour attitude toward foreign investment

Labour tends to be receptive if the foreign investment creates jobs with wages and working conditions comparable to those in the existing industry. Since trade unions are fairly strong, particular attention should be paid to maintaining good labour relations.
Chapter 4: Investment Incentives

Investor considerations

- Incentives apply equally to domestic and foreign investors.
- The Namibia Investment Centre (NIC) within the Ministry of Trade and Industry assists investors by facilitating the promotion and administration of foreign investments.
- The major goals of incentives are employment creation, industrial development and export promotion.
- Tax-based incentives are substantially approved by the Ministry of Finance.
- Export allowances apply to the export of manufactured goods generally, not only to goods manufactured in Namibia.

Investment policy

In both fiscal and non-fiscal terms, Namibia represents an ideal location for local and international investors. Namibia is credited with one of the lowest credit risk ratings in Africa. Part of the reason for this positive rating lies in the highly competitive incentive regimes the government has put in place, not only to mobilise foreign direct investments but also to make doing business in Namibia an attractive proposition.

The Foreign Investment Act

Namibia’s policy on foreign investment is vested in the Foreign Investment Act, Act No. 27 of 1990 (the Act). The Act created the Namibia Investment Centre (NIC) within the Ministry of Trade and Industry to facilitate the promotion and administration of foreign investments. Potential investors should regard the Namibia Investment Centre as their first point of contact in order to obtain current information on and assistance with investment incentives, introductions and administration requirements.

The Act provides for the following:

- Liberal foreign investment conditions;
- Equal treatment of foreign and local investors;
- Openness of the majority of sectors of the economy to foreign investment;
- No local participation requirements (although some restrictions may apply to specific tenders);
- The awarding of a Certificate of Status Investment (CSI).

The main aim of the Act is to address and stimulate foreign investment in Namibia. The Act allows any foreign national to invest and engage in any business activity in Namibia (with the exception of the exemptions mentioned above) which may be undertaken by a Namibian. Furthermore, for the purpose of any law governing the establishment and operation of any business, or the taxation of such business, the Act ensures that a foreign national is in the same position as any Namibian.

Foreign nationals engaged in business activities or intending to commence activities in Namibia are not required to...
have local equity participation (but see comment above regarding government contracts), nor to transfer their business or any part thereof to the government or to any Namibian. There is, however, one proviso in the case of foreigners applying for a licence or authorisation of an agreement for rights over natural resources, however: the government is entitled to acquire an interest in any enterprise to be formed for the exploitation of such rights.

Status investment

Sections 4 to 7 of the Foreign Investment Act deal with the concept of “status investments”. The Minister of Trade and Industry may, under certain circumstances, issue a Certificate of Status Investment to a foreign investor in respect of particular investments in Namibia.

The criteria for the issuance of such a certificate are as follows:

- Significance of the size of the proposed investment;
- Involvement of the foreign national in the management of the local company or joint venture;
- The extent to which the proposed investment is likely to contribute towards Namibia’s development objectives, as well as towards the following:
  - The utilisation of Namibian resources, including labour and natural resources;
  - Increased employment opportunities;
  - Providing for the training of Namibians;
  - Earning or saving of foreign exchange;
  - Generating development in the less developed areas in Namibia;
  - The advancement of persons within Namibia who have been socially, economically or educationally disadvantaged by past discriminatory laws and practices.

Holders of a Certificate of Status Investment are allowed to buy convertible foreign currency freely to meet foreign financial obligations arising from the investment.

In addition, the Foreign Investment Act provides assurance that holders of these certificates will have preferential access to convertible foreign currency for the repatriation, without any restriction, of any the following:

- Profits of a Namibian branch of a foreign company;
- Dividends, after deduction of non-residents' shareholders tax;
- Profits on the sale of the business or any part thereof to a person ordinarily resident in Namibia;
- Any reduction in share capital.

The local banking institutions acting as agents for the Bank of Namibia would, however, still require documentation to assist with the repatriation of funds denominated in foreign currency.

Incentives for manufacturers/exporters

Incentive regimes are designed to give Namibian-based entrepreneurs who invest in manufacturing and export trade a competitive edge. These tax and non-tax incentives are accessible to both existing and new manufacturers. Manufacturing activities in all sectors, including local value-added processing of Namibia’s minerals, fish and agricultural products currently exported largely in raw form, stand to benefit from these incentives. Tax incentives are also available to exporters when exporting Namibian manufactured goods.
A number of other special incentives are also available for manufacturing enterprises. The incentives are controlled and administered by the Namibia Investment Centre (Ministry of Trade and Industry), to whom application should be made. The incentives include:

- Subsidised loans from the Namibian Development Corporation;

- Cash grants for exporters of locally manufactured goods of up to fifty percent of the real cost of specified export promotion and marketing expenses incurred;

- Industrial studies that can be bought from the government at below cost.

Special non-tax incentives for manufacturers include:

- Export promotion funding of certain export promotion activities, up to a maximum of 50% of direct costs;

- Industrial studies undertaken by the government available at 50% of their production costs to companies that wish to develop investment opportunities.

Other incentives currently under investigation include:

- Reduced airfreight for exporters;

- Subsidised transport;

- Subsidies on electricity, housing, training and relocation costs;

- Price preference on tenders.
Chapter 5: Exchange Control
Implications for Foreign Investment and Investors

Investor considerations

- Transfers of dividends or profits are controlled but not restricted.
- Local branches and subsidiaries are normally treated as residents.
- Individuals are allowed to transfer N$4,000,000 abroad.
- Limited restrictions on local financial assistance where there is foreign ownership (Affected Person / EPZ status).
- Foreign Capital introduced into Namibia may be repatriated to its country of origin.

Important to note

Please note that this chapter contains a short summary of Namibia’s foreign exchange regulations. Investors are advised to contact a Namibian banking institution to obtain more detailed, up-to-date information relevant to the specific proposed transaction.

Exchange control territory

Different exchange control rulings apply to the transactions of residents of the Common Monetary Area (“CMA”), and other non-residents. The CMA is comprised of the Republic of South Africa, Lesotho, Namibia and Swaziland. There are no trade and exchange restrictions between the members of the CMA, and the members form a single exchange control territory. Lesotho, Namibia and Swaziland have their own exchange control authorities as well as their own acts or regulations and rulings, but in terms of the CMA Agreement, the application of these authorities and rules must be at least as strict as that of South Africa. Accordingly, investments and transfers of funds from South Africa to other CMA countries do not require the approval of Exchange Control, but may require the approval of the host country.

Settlements by residents of Namibia with the non-resident area may be made to and from a non-resident account and in any foreign currency.

Regulatory climate

Namibia’s own currency, the Namibia Dollar (NAD), was introduced in September 1993. The NAD remains linked to the South African Rand, which is accepted as legal tender in Namibia.

Exchange control in Namibia is administered by the central bank, namely Bank of Namibia, through authorised dealers, the latter being the commercial banks in the country. Control applies at present to all Namibian residents as well as to foreign-owned business undertakings operating in Namibia.

Exchange control regulations prescribe procedures that must be followed for making payments for imports, freight and other services, interest on foreign loans, dividend transfers, etc. The payments are unrestricted on presentation of the prescribed supporting documentation to an authorised dealer in foreign exchange.
Foreign transfers

The CMA member countries have undertaken to gradually liberalize exchange control within the region.

To allow broader investment by private individuals offshore, and to facilitate greater flow of funds, the maximum allowable foreign investment by private Namibian residents is N$4 million, while Namibian resident companies may invest N$750 million offshore. An application to invest offshore should be accompanied by a certificate of good standing from the Receiver of Revenue. These amounts may be changed by regulation from the Bank of Namibia and prospective investors are advised to confirm the thresholds with a Namibian forex agent.

Direct investment

Direct investment in Namibia by a foreign investor, including the establishment of new subsidiaries and branches, the acquisition of controlling or non-controlling interests in existing Namibian companies, and the increase of capital funds of existing local subsidiaries and associates, may be provided by way of equity or loan capital, or a combination of the two. Exchange control permission is not required for the inward transfer of equity capital, but permission is required for loan funds. It is advised that all foreign investments are registered with the Bank of Namibia (BON). In respect of the repatriation of investment money, the BON requires a formal application to be submitted through an authorised dealer. An authorised dealer has advised that the BON may prescribe a minimum investment period before capital invested may be repatriated.

Remittance of dividends

In general, distributions of profit, including dividends from foreign investment, can be made freely and without prior approval, except by concerns owned 75% or more by non-residents who have availed themselves of local borrowing facilities. In these cases, prior approval must be obtained before remittance. Evidence that the distributions have accrued as a result of trading or from income on investments must be produced. This would normally take the form of an auditor’s certificate.

Other documentation that may be required to be submitted to the agent or Bank of Namibia are:

- Good standing certificate from Inland Revenue
- The company resolution approving the declaration of dividends.

It is further advised that share certificates are stamped as “Non-resident shareholders”. This may be required for dividends to be repatriated subsequently.

Witholding taxes on dividends (normally 10%, but reduced for some countries under the various double taxation agreements), and royalties (30% of the current corporate tax rate, i.e., 9.9%, but also reduced for some countries) must be deducted before remittances are made.

Loans

The acceptance by a local company of loans from non-resident shareholders is subject to approval from Exchange Control at the Bank of Namibia prior to the funds being introduced into Namibia.

In terms of such an approval, the Bank of Namibia will require notification on drawdown of amounts (amortisation schedule) in terms of the facility and an appropriate interest rate.

Such debt funding from abroad is subject to a ratio of 3:1 (i.e. 75% to 25%) being adhered to in respect of the proportion of loan funds to share capital. Concessions to allow debt funding beyond the 75%
threshold can be obtained from Bank of Namibia in very special circumstances only.

Guideline interest rates are not publicly available and can be obtained from forex desks of commercial banks on a case by case basis.

General practice by the BON has indicated that foreign denominated loans may bear interest at LIBOR + 2%. The BON further stipulates that interest rates should not exceed the prime lending rate + 3%. Where a loan agreement is amended, the amendment should be submitted to the BON for approval.

As a BON general rule, capital repayment on loans can only take place after a period of six months, whereas interest on the loans can be immediately repatriated.

Foreign investment on the Namibia Stock Exchange

Namibia provides a favourable regime for foreign investors. There is no capital gains tax (other than the sale of mining licences or right to mine minerals and the shares in a company holding such a licence/right) or marketable securities tax. The only special tax on foreign nationals is the non-resident shareholders’ tax at between 10% and 20% of dividends remitted (depending on shareholding), mitigated by double tax treaties with certain countries.

There are also no general restrictions on foreign ownership of shares in Namibian listed companies, and all shares are freely tradable. Foreign exchange regulations are almost identical to those of South Africa, as both countries are members of the Common Monetary Area and the Namibia Dollar is linked at par with the South African Rand. Investors must apply through an authorized dealer to ensure free remittance of dividends and proceeds of sales.

Other foreign remittances

Royalties, technical, management and similar fees are also transferable, although prior approval of the terms of the underlying agreements must be obtained. Applications for the foreign exchange required must normally be supported by an auditor’s certificate and possibly a good standing certificate from Inland Revenue.

Normal selling commissions to independent agents abroad who have assisted in the export of goods are remittable.

Directors’ fees are also permitted to be remitted to each non-resident director upon prior approval. Withholding tax on directors fees must be paid before remittance is effected.

Other documentation that may be required to be submitted to the agent or Bank of Namibia are:

- Good standing certificate from Inland Revenue
- Auditor’s certificate
- The company resolution approving the payment of directors’ fees.

Repatriation of capital

The local sale or redemption proceeds on non-resident owned assets in Namibia may be regarded as freely remittable, or be used freely by non-residents for investment purposes within the CMA.

Restrictions on local financial assistance where there is foreign ownership

There are various restrictions on local financial assistance relating to the degree of non-resident participation in an enterprise. These restrictions are calculated in accordance with a formula that takes into account the percentage of
foreign participation in the equity.

Where 75% or more of a Namibian company’s capital or earnings is controlled directly or indirectly by non-residents, such a company may borrow locally up to an agreed percentage of its total effective capital. Effective capital consists of share capital, reserves and loans from shareholders as specifically approved by Exchange Control. Unrealized profits on revaluations of assets are not recognised as reserves for this purpose. That portion of inter-company current accounts for imports, which may be regarded as permanent in character may, however, be accepted as forming part of the shareholders’ loans.

The normal local financial assistance allowed is determined in accordance with guidelines that are available from foreign exchange agents (Namibian commercial banks).

The definition of local financial assistance embraces bank and other credit facilities including mortgage finance, hire purchase, factoring and financial leasing arrangements. Financial assistance does not include the granting of credit by a seller to a purchaser of equipment of a productive nature.

Sometimes temporary excess financial assistance is condoned, such as in situations where there is local expansion or modernization or where trading losses must be made good. In such circumstances the remittance of dividends or other withdrawals by non-residents would be restricted.

**Temporary residents**

Temporary residents are foreign nationals who are employed on specific contracts within Namibia or who are seconded to a local firm for a limited period. Provided they give a written undertaking to an authorized dealer that they will not place their foreign assets at the disposal of any third party resident in the CMA, they may deal freely with such assets and are not required to remit to Namibia any income earned thereon.

They are also permitted to transfer a reasonable proportion of their local earnings to their home countries on a regular basis, and on completion of their stay in Namibia they are permitted to transfer all local savings.

When returning abroad on termination of contract, temporary residents may take with them any savings accumulated from earnings. The realized profit from the sale of a house is deemed to be “savings.” Exchange Control is prepared to consider requests by contract workers to bring in funds to purchase residential property for their own occupation. If agreed, the basis would be that on conclusion of the contract, the same amount would leave the CMA, and any profit would be seen as savings. If the house is retained after their departure it would be regarded as an investment by the non-resident, and on eventual disposal, the total proceeds could be remitted.

**Immigrants**

Virtually all foreign exchange control on non-residents has been abolished.

Immigrants to Namibia who are not former residents of a CMA country are permitted to retain their foreign assets, but they must remit any income thereon to Namibia. They are required to give an undertaking that they will not make such assets available to other residents of the CMA.

On taking up permanent residence in Namibia immigrants should complete the prescribed form MP 335(a), together with a declaration of their foreign assets and liabilities. On receipt of such documents, authorized dealers may permit the immigrants concerned to dispose of or otherwise invest their foreign assets as declared without interference.
from Exchange Control, provided the immigrants are not former residents of the CMA. This concession is also applicable to foreign capital subsequently accruing to such immigrants, provided they declare it to their bankers.

Immigrants to Namibia are permitted, within five years of the date of their immigration, to retransfer abroad all own assets introduced into Namibia during the five-year period, provided such transfers are not financed by local borrowing facilities.

**Import and export controls**

Namibia is open to trade with any country. However, in terms of import and export legislation, although some goods may be imported freely, permits are required for a wide range of imports and for certain exports (having regard to local needs for any product). Permits are generally available both for consumable and for capital items. Importation of products of plant or animal origin may be subject to additional, e.g. phyto-sanitary controls and permits.

For capital goods, advance payments up to 100% of the ex-factory cost up to a maximum value of N$20 million are permitted, provided such payments are customary and are a condition of the transaction. Advance payments for capital goods in excess of N$20 million are only allowed up to 50% of the ex-factory costs. Advance payments for imports other than capital goods are restricted to N$1 million. The proceeds of current export transactions must be received in Namibia within six months of the date of shipment and the foreign currency involved sold to an authorized dealer within 30 days of receipt. In exceptional cases, extended credit of up to 12 months may be granted by the exporter in order to maintain the foreign market.

Forward exchange cover may be obtained by both importers and exporters at prevailing market rates. The rates are determined by current interest differentials and ruling spot rates. Importers may obtain extended supplier credit, but import finance facilities may only be established abroad for periods of up to 12 months without prior permission of Exchange Control.

Similarly, local banks are permitted to provide exporters with overseas trade finance in respect of exports on a pre-shipment or post-shipment basis for periods not exceeding 12 months.

Import permits must be produced to support applications for the relevant foreign exchange.
**Chapter 6: Regulatory Environment**

**Investor considerations**

- Regulatory provisions generally apply to both local and foreign owned enterprises.
- The Namibian government is committed to promoting the principles of free enterprises.
- Certain restrictions exist with regard to employment practices.

**Regulation of business**

Responsibility for the basic legal framework for the regulation of industry and commerce rests primarily with the Ministry of Trade and Industry (refer to Chapter 2). The national and municipal levels of government exercise some control over commerce and industry, ranging from licensing requirements and conditions for employees at national level to restrictions imposed to serve the health of the population at municipal level.

In principle, there is freedom to conduct business in Namibia. Foreign individuals must obtain a residence and work or investor permit. Companies and branches of foreign companies must register with the Registrar of Companies and Inland Revenue as appropriate.

Anyone can set up a business, except for services, occupations or professions requiring special qualifications or licences and which are governed by regulatory bodies. Regulated lines of business include medical services, financial services (banking and insurance), education, mining, petroleum, some food production/processing, public accounting and auditing, and gambling amongst others. A complete list of Namibian laws is included as Appendix X.

**Securities market**

The not-for-profit Namibian Stock Exchange Association is the custodian of the license to operate the stock exchange. This body comprises 43 associate members (banks, listed companies, investment institutions, etc.) who sponsored the establishment of the Namibian Stock Exchange (NSX) by each donating N$10,000. Each year the members elect an Executive Committee of nine members of the business community, representing different business sectors, and the tenth member represents NAMFISA (the Namibia Financial Institutions Supervisory Authority), which is the financial services regulator. Sub-committees are appointed from time to time as the need arises, with the Listings Committee meeting regularly. The NSX is regulated by the Stock Exchanges Control Act and overseen by the Registrar of Financial Institutions1.

**The listing requirements of the NSX are:**

- Share capital amounting to a minimum of N$1 million.
- A minimum of 1 million shares must be in issue.
- A profitable trading record for three years, with a current audited profit before tax of at least N$500,000.

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1 http://www.nsx.com.na/about.php
(Companies which do not comply with the latter requirement may list on the Development Capital Board.)

- An acceptable record in its field of business and adequate management to maintain business. Satisfactory evidence must be supplied to prove that the management as a whole has the required expertise.

- Other criteria such as the vulnerability of a company to specific factors or events will be taken into consideration.

- The company may not have had a qualified auditor’s report during the preceding three years.

The Namibian Stock Exchange has established a Development Capital Board for listings of companies that do not comply with some or all of the above criteria. The purpose of this sector is specifically to facilitate listings of new ventures/businesses that do not have an adequate track record. (Such companies should have fully researched projects and at least 10% of the capital raised must be provided by management.)

**Patents and trademarks**

The Registration of Companies, Patents, Trademarks and Industrial Designs Division is entrusted with the government’s task of registering and controlling business entities. The Division provides the legal and administrative framework for the protection of patents, trademarks and design rights of owners against unscrupulous users and competitors. The Division further initiates and reviews legislation in the area of companies and registration and administration of close corporations, as well as legislation in the area of industrial property.

In its quest to create an enabling environment for business, the Division provides comprehensive protection for the rights of patents, trademarks and design holders by means of an effective industrial property regime which develops the necessary legislation. It also provides an international linking framework through international bodies such as the World Intellectual Property Organisation (WIPO), regional bodies such as the African Industrial Property Organisation (AFRO), and other bilateral agreements.

A special Division oversees the registration of Patents, Trademarks and Industrial Designs. The Division provides the legal and administrative framework for the protection of patents, trademarks and design rights against unauthorized use. The Division is also responsible for initiating and reviewing legislation pertaining to intellectual property.

In addition to its domestic legislation, Namibia has acceded to or signed the following international instruments in the intellectual property regime:


- Berne Convention for the Protection of Literary and Artistic Works, 1971

- WIPO Copyright Treaty, 1996

- WIPO Performance and Phonogram Treaty, 1996

- Madrid Agreement concerning the International Registration of Trademarks, 1891

- Protocol regarding the Madrid Agreement concerning the International Registration of Trademarks, 1989

- Hague Agreement concerning the International Deposits of Industrial Designs of 1925, as governed by the 1960 Act and the Geneva Act

- Paris Convention for the Protection
of Industrial Property (Stockholm Act 1967)


Licences

The requirements regarding the general licences and registrations required for conducting business in Namibia are summarised below. It is however, advisable to obtain confirmation based on the specific circumstances from the authority/ies concerned.

Municipal licences

The municipality carries out a municipal inspection and approves business premise occupancy by reviewing applications for, and issuing, a town planning certificate. Business may only be conducted from appropriately zoned premises, i.e. with approved office or business zoning from the local municipality. Municipal health divisions will issue a health certificate. The time it will take to obtain a health certificate will depend on whether an inspection needs to be done on the premises.

Liquor licences

The Liquor Act regulates licensing procedures for the sale and supply of liquor in Namibia.

The Liquor Act, amongst its other provisions, forbids:

- the sale of liquor that contains more than 3% alcohol to persons under 18
- the supply of liquor to employees as remuneration
- the consumption of liquor in public places.

Standards

The Namibia Standards Institution (NSI) was established in terms of the Standards Act, Act No. 18 of 2005 as the national standards body of Namibia.

The NSI is responsible for enhancing product quality, industrial efficiency and productivity in Namibia by:

- Promoting the use of standards and quality assurance and control in industry, commerce and public sector;
- Providing conformity assessment services;
- Certification of systems, product and personnel systems;
- Inspecting and testing of products and materials;
- Trade (Legal) Metrology – enforcement of product labelling, weights and measures.

A Standards Information and Quality Office set up under the Directorate of Internal Trade gained recognition in January 1996 as a subscriber member of the International Organisation for Standardisation (ISO). The office provides information concerning quality and standards for the local industry.
Namibia has a well-established banking system which is regulated by legislation and by state agencies working through the country's central bank, the Bank of Namibia.

The Banking Institutions Act of 1998

The Banking Institutions Act passed in 1998 provides the legal framework for banking operations in Namibia and is designed to ensure international acceptability. The Bank of Namibia enforces compliance with Basel II.

The central bank

The Bank of Namibia is the country's central bank and has the responsibility to ensure the overall soundness and efficiency of the payment system and controls foreign exchange regulations.

Contact details of the Bank of Namibia are available at www.bon.com.na

Commercial banks

Commercial banks in Namibia operate through a nation-wide network of branches and offer a comprehensive range of banking services, including current account and overdraft facilities, term deposits, discounting of bills, foreign exchange and a variety of loan products.

General banking facilities such as hire purchase and leasing packages are also available and most of the commercial banks are capable of providing specialised merchant banking facilities. Branches of banks can be found in most towns in Namibia, with agencies in the smaller centres.

International services are available through interbank arrangements, while electronic banking and teller services are available in all major centres. Namibia currently has four major commercial banks:

Bank Windhoek Limited
Website: www.bankwindhoek.com.na

First National Bank of Namibia Limited
Website: www.fnbnamibia.com.na

Nedbank Namibia Limited
Website: www.nedbank.com.na

Standard Bank of Namibia Limited
Website: www.standardbank.com.na

Development Bank of Namibia

The Development Bank provides finance for private sector start-ups and expansions, equity deals, bridging finance, enterprise development finance, trade finance, small and medium enterprises, public private partnerships, public sector infrastructure, local authorities, and bulk finance to responsible micro-finance providers. The DBN only finances Namibian participation in projects.

Website: www.dbn.com.na
SME Bank

The SME Bank obtained its banking license in December 2012, and will focus on providing finance to small and medium enterprises.

Cheque limits

In terms of a general notice published in respect of the determination on reduction of the limit for domestic cheque payments within the National Payment system which became effective on 10 June 2010:

- A cheque shall not be issued, accepted or processed for an amount greater than N$500,000 (Five hundred thousand Namibia Dollars) in settlement of a Namibian account.

- No person shall be allowed to split cheque payments into units of N$500,000 or less, where such multiple cheques are issued for the settlement of the same transaction.

- Businesses and individuals in Namibia should consult with their Namibian banking institutions in order to determine how payments above N$500,000 should be transacted.
Chapter 8: Financial Intelligence Act

The purpose of the Financial Intelligence Act\(^2\) is:

- The establishment of the Financial Intelligence Centre (the Centre);
- To combat money laundering and financing of terrorism activities;
- To establish an Anti-Money Laundering and Combating of the Financing of Terrorism Council;
- To provide for registration of accountable and reporting institutions;
- To provide for powers and functions of supervisory bodies;
- To authorise the Centre to collect, assess and analyse financial intelligence data, which may lead or relate to money laundering and combating of the financing of terrorism;
- To impose duties on institutions and other persons who may be used for money laundering;
- To provide for incidental matters.

The Financial Intelligence Act applies to:

- The Bank of Namibia (the Bank);
- Accountable Institutions;
- Supervisory Bodies; and
- Reporting Institutions.

The Financial Intelligence Centre

The Financial Intelligence Centre is responsible for administering the Financial Intelligence Act, Act No. 13 of 2012 (the Act). The Act thus does not apply to the Bank itself, except insofar as it grants powers to the Bank to perform functions contained in the Act or imposes responsibilities and duties on the Centre for monitoring and ensuring that accountable institutions comply with the Act.

Accountable Institutions

Institutions qualifying as accountable institutions are listed below:

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\(^2\) The Financial Intelligence Act, Act No. 13 of 2012
Accountable Institutions

1. The following persons in their capacities as such, who prepare or carry out for a client certain transactions specified in the Act:
   • Legal Practitioners
   • Estate agents
   • Accountants and Auditors.

2. Any other person or entity that, as part of their normal business activities, buys and / or sells real estate for cash.

3. Trust and Company Services Providers when they prepare for and carry out transactions for their clients as specified in the Act.

4. Persons who carry on a “banking business” or who “receive funds from the public”

5. Casino or gambling institutions

6. A person or entity that carries on the business of lending, including but not limiting the following:
   • The Agricultural Bank of Namibia
   • The Development Bank of Namibia
   • The National Housing Enterprise.

7. Traders in Minerals or Petroleum

8. Any person or entity trading in the following:
   • Money market instruments
   • Foreign exchange
   • Currency exchange
   • Exchange, interest rate and index instruments
   • Transferable securities
   • Commodity futures trading
   • Any other security services.

9. Investment consultants and/or investment brokers

10. Persons who issue, sell or redeem travellers’ cheques, money orders or similar payment instruments

11. Namibia Post Limited

12. Members of a stock exchange

13. Any person or entity that carries on the business of electronic transfer of money or value.

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3 As defined in the Legal Practitioners Act, Act No. 6 of 1995
4 As defined in the Estate Agents Act, Act No. 112 of 1976
5 As defined in section 1 of the Banking Institutions Act, Act No. 2 of 1998
6 As specified in Schedule 1 of the Minerals (Prospecting and Mining) Act, Act No. 33 of 1992
7 Licensed under the Stock Exchange Control Act, Act No. 1 of 1985
14. Any person or entity regulated by NAMFISA who conducts as business any of the following:
   • Individual and/or collective portfolio management;
   • Long term insurance;
   • Micro lending;
   • Friendly society; and
   • Unit trust manager.

15. A person or entity that carries on the business of lending money against the security of securities

16. Auctioneers

**Supervisory Bodies**

Currently the Namibia Financial Institutions Supervisory Authority is the only one listed as a supervisory body.

**Reporting Institutions**

Institutions qualifying as reporting institutions are listed below:

<table>
<thead>
<tr>
<th>Reporting Institutions</th>
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<tbody>
<tr>
<td>1</td>
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<td>5</td>
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</tbody>
</table>

**Regulatory Bodies**

Institutions qualifying as regulatory bodies are listed below:

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<th>Regulatory Bodies</th>
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<tbody>
<tr>
<td>1</td>
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<td>2</td>
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<td>3</td>
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</table>
Money Laundering

“Money laundering” or “money laundering activity” is defined in section 1 of the Financial Intelligence Act, Act No. 13 of 2012 as:

“(a) the act of a person who —
   (i) engages, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
   (ii) acquires, possesses or uses or removes from or brings into Namibia proceeds of any unlawful activity; or
   (iii) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity;

where —

(aa) as may be inferred from objective factual circumstances, the person knows or has reason to believe, that the property is proceeds from any unlawful activity; or

(bb) in respect of the conduct of a person, the person without reasonable excuse fails to take reasonable steps to ascertain whether or not the property is proceeds from any unlawful activity; and

(cc) any activity which constitutes an offence as defined in section 1 of the Payment System Management Act, Act No. 18 of 2003.”

The principal objects of the Centre in terms of this Act are to combat money laundering and the financing of terrorism activities in collaboration with the other law enforcement agencies has the following functions in this regard:

• Collect, process and assess all reports and information received in terms if the Act or any other law
• Compile statistics and records, disseminate information within Namibia or elsewhere and make recommendations arising out of any information received
• Coordinate the activities of the various persons, bodies or institutions involved in the combating of money laundering
• Inform, advise and cooperate with investigating authorities and Namibia Central Intelligence Services and make information collected by the Bank available to these investigating authorities for the purpose of administration, intelligence collection and law enforcement
• Supervise compliance with this Act by accountable institutions and give guidance to accountable institutions to combat money laundering activities.
The Money Laundering Control Measures set by the Act are listed below:

<table>
<thead>
<tr>
<th>Control Measures</th>
<th>Offence</th>
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<tbody>
<tr>
<td>Identification of when business relationships are established or single transactions are concluded</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Identification of when transactions are concluded in the course of business relationship</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Identification of Risk clients</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>On-going and enhanced due diligence</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Identification and account-opening for cross-border correspondent banking relationships</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Maintenance of records of business relationships and transactions</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Period for which record must be kept</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Record-keeping by by third parties</td>
<td>Maximum fine of N$100,000,000 or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Admissibility of records</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Centre has access to records</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Cash transactions above prescribed limits</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Suspicious transactions and activities</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
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<tr>
<td>Control Measures</td>
<td>Offence</td>
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<tr>
<td>Electronic transfers of money to or from Namibia</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Obligations of and reporting by Supervisory Bodies</td>
<td>Maximum fine of N$10,000,000; or Maximum imprisonment of 10 years (individual); or Both And/or Maximum fine of N$50,000; or Maximum imprisonment of 3 years; and in case of a continuing offence a further fine not exceeding N$50,000 for each day during which the offence continues after conviction 8</td>
</tr>
<tr>
<td>Declaration of cross border movement of cash and bearer negotiable instruments amounting to or exceeding amount determined by Centre</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Obligations of Accountable institutions</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Intervention by the Centre</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Reporting procedures</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both Or Maximum fine of N$50,000; or Maximum imprisonment of 5 years (individual); or Both 10 11</td>
</tr>
<tr>
<td>Control Measures</td>
<td>Offence</td>
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<td>---------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Powers of officers of Customs and Excise in respect of cash or bearer negotiable</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>instruments being conveyed in or out of Namibia</td>
<td></td>
</tr>
<tr>
<td>Making declarations on cash or bearer negotiable instruments available to Centre</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Continuation of suspicious transactions</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Monitoring orders</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Reporting duty not affected by confidentiality rules</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Protection of persons making reports</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Tipping-Off</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Admissibility as evidence of reports made to the Bank</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Access to information held by the Bank</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years(individual); or Both</td>
</tr>
<tr>
<td>Protection of confidential information</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
<tr>
<td>Protection of informers and information</td>
<td>Maximum fine of N$100,000,000; or Maximum imprisonment of 30 years (individual); or Both</td>
</tr>
</tbody>
</table>
Offences in general

Section 63 of the Financial Intelligence Act, Act No. 13 of 2012 states that:

“A person who:

- knowing or suspecting information is held by the Centre directly or indirectly brings, otherwise than in the course of discharging an obligation under this Act, that information or the fact that that information is held to the attention of another person;
- destroys or in any other way tampers with information kept by the Centre for the purposes of this Act;
- knowing or suspecting that information has been disclosed to the Centre, directly or indirectly brings information which is likely to prejudice an investigation resulting from that disclosure to the attention of another person;
- obstructs, hinders or threatens an official or representative of the Centre in the performance of their duties or the exercise of their powers in terms of this Act;
- with intend to defraud, in respect of a document to be produced or submitted under any provision of this Act, makes or causes to be made a false entry or omits to make, or causes to be omitted any entry,

commits an offence and is liable on conviction to a fine not exceeding N$100 million or to imprisonment for a period not exceeding 30 years or to both such fine and imprisonment.”
Chapter 9: Unlisted Investment requirements in the Long-term Insurance and Pension Fund Acts

Regulation 15 under the Long-term Insurance Act, Act No. 5 of 1998 and Regulation 28 under the Pension Funds Act, Act No. 24 of 1956 require Long-term Insurers and Pension Funds to invest in Namibian unlisted instruments.

Highlights of the regulations are set out below:

Regulation 15 under the Long-term Insurance Act

1) Registered Insurers or reinsurers (collectively ‘insurers’) are required to invest their assets in unlisted investments in Namibia so much as correspond to a minimum of five percent of the aggregate liabilities of the long-term insurance business of the insurer, provided that:

1. The unlisted investments do not cumulatively exceed 10% of the assets of the insurer as correspond to the mentioned aggregate liabilities and that the insurer invest at least five percent in Namibian unlisted instruments.

2. The entity in which the investment is intended:
   • Is in possession of a certificate by an auditor12
   • Adheres to internationally accepted norms on good corporate governance;
   • Has Namibian ownership of at least 25% prior to any investment by an insurer; and
   • Complies with such other requirements that the Registrar (with concurrence of the Minister) may determine from time to time.

“Unlisted investment” means a “share”14 and excludes:

• A share in a company listed on any stock exchange; and
• A debt instrument or any other investment as the Registrar (with the concurrence of the Minister) may determine by notice in the Gazette;

Insurers should on a quarterly basis, from 1 January each year following commencement of this regulation report to the Registrar the placement of investments in unlisted investments and

12 Registered under the Public Accountants’ and Auditors’ Act, Act No. 51 of 1951
13 As prescribed by the International Accounting Standards Board
14 As defined in the Companies Act, Act No. 28 of 2004
provide such information as the Registrar may require.

2) The insurer must, in terms of its long-term insurance business, invest inside Namibia not less than 35% of the market value of its total assets, provided that the assets consisting of listed shares acquired in companies incorporated outside Namibia on the Namibian Stock Exchange are regarded as assets invested inside Namibia, but may not exceed the value of investments inside Namibia by more than 10%.

3) Investments made outside the Common Monetary Area (CMA) should comply with the limitations as determined under the Currency and Exchanges Act, Act No. 9 of 1933 from time to time.

4) Limits of investments are indicated in the table below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Categories or kinds of assets</th>
<th>Maximum of the aggregate market value of the total assets of a fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bills, bonds or securities issued/guaranteed by or loans to/guaranteed by the Government of</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Namibia</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Deposits with a credit balance in a current/savings account held with a banking institution</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>(these include negotiable deposits and money market instruments in terms of which such</td>
<td></td>
</tr>
<tr>
<td></td>
<td>banking institutions are liable, including deposits in the Post Office Savings bank) -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Per banking institution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Per Post Office Savings Bank</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Bills, bonds or securities issued/guaranteed by or loans to/guaranteed by:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Local authority/ regional council authorised by law to levy rates upon immovable property</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Per local authority/ regional council</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) State owned enterprise</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>Total investment of an insurer in assets above</strong></td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>Bills, bonds or securities issued or loans to an institution, which bills, bonds or security</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>s have been approved by the Registrar in terms of Section 5 of Schedule 1 of the Act and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bills, bonds or securities issued or loans to an institution which was likewise approved by</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the Registrar</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Per institution</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Bills, bonds or securities issued by the government of or by a local authority in a country</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>other than Namibia, of which the country was approved by the Registrar in terms of section 6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of Schedule 1 to the Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bills, bonds or securities issued by an institution which was likewise approved by the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Registrar</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Per institution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Limit</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>6</td>
<td>Immovable property, units in unit trust schemes in property shares and shares in/loans to and debentures (convertible and non-convertible) of property companies Limit on investment in a single property or property development project</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>7</td>
<td>Preference and ordinary shares in companies and associated companies (excluding shares in property companies and Investment subsidiaries), convertible debentures (voluntary or compulsory, excluding debentures of property companies) and units in a unit trust scheme(^\text{15}) (excluding units in unit trust schemes in property shares or a unit trust of which the underlying does not consist of at least 95% securities listed on a stock exchange) held in respect of a long-term insurance business - Provided that: The insurer may apply to the Registrar for exemption from this provision; Shares and convertible debentures in a single company listed on any stock exchange within the common monetary area other than in the development sector –  a) with a market capitalization of N$5,000 million or less;  b) with a market capitalization greater than N$5,000 million;  c) shares and convertible debentures in a single company or associated company listed on the Namibian Stock Exchange–  • with a market capitalization of N$1,000 million or less  • with a market capitalization greater than N$1,000 million</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>8</td>
<td>Loans to and non-convertible debentures of associates and associated companies</td>
<td>0.5%</td>
</tr>
<tr>
<td>9</td>
<td>Claims secured by mortgage bonds on immovable property, debentures (listed and unlisted excluding convertible debentures) or any other secured claims against natural persons (excluding loans referred to in paragraph c) of No. 8 above) or companies (excluding loans to and debentures of property companies) Claim against one individual is limited to – Claim against any single company is limited to –</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>10</td>
<td>Computer equipment, furniture and other office equipment, and motor vehicles are limited to: Computer equipment Other equipment and motor vehicles</td>
<td>2.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.5%</td>
</tr>
</tbody>
</table>

\(^{15}\) As defined by in the Unit Trusts Control Act, 1981
Regulation 28 under the Pension Funds Act

Highlights of the amendments are as follows:

1) Pension Funds (‘funds’) are required to invest in unlisted investments in Namibia a minimum of 5% of the total assets of the fund, provided that:

   1. The unlisted investments do not cumulatively exceed 10% of the assets of the fund and that the fund invests at least 5% in such investments.

   2. The entity in which the investment is intended:
      • Is in possession of a certificate by an auditor and approved by the Registrar certifying its compliance with the International Financial Reporting Standards;
      • Adheres to internationally accepted norms on good corporate governance;
      • Has Namibian ownership of at least 25% prior to any investment by a fund; and
      • Complies with such other requirements that the Registrar (with concurrence of the Minister) may determine from time to time.

   “Unlisted investment” means a “share” and excludes:

      • A share in a company listed on any stock exchange; and
      • A debt instrument or any other investment

2) The fund must keep invested inside Namibia not less than 35% of the market value of its total assets, provided that the assets consisting of listed shares acquired in companies incorporated outside Namibia on the Namibian Stock Exchange are regarded as assets invested inside Namibia, but may not exceed the value of investments inside Namibia by more than 10%.

3) Investments made outside the Common Monetary Area (‘CMA’) should comply with the limitations as determined under the Currency and Exchanges Act, Act No. 9 of 1933 from time to time.

4) Limits of investments:

Funds should on a quarterly basis report to the Registrar on the placement of investments in unlisted investments and provide such information as the Registrar may require.

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16 Registered under the Public Accountants’ and Auditors’ Act, Act No. 51 of 1951
17 As prescribed by the International Accounting Standards Board
18 As defined in the Companies Act, Act No. 61 of 1973
<table>
<thead>
<tr>
<th>No.</th>
<th>Categories or kinds of assets</th>
<th>Maximum of the aggregate market value of the total assets of a fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bills, bonds or securities issued/guaranteed by or loans to/guaranteed by the Government of the Republic of Namibia</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>Deposits with a credit balance in a current/ savings account held with a banking institution (these include negotiable deposits, money market instruments in terms of which such banking institutions is liable, including deposits in the Post Office Savings bank) Per banking institution Per Post Office Savings Bank</td>
<td>20% 20%</td>
</tr>
<tr>
<td>3</td>
<td>Bills, bonds or securities issued/guaranteed by or loans to/guaranteed by: a) Local authority/regional council authorised by law to levy rates upon immovable property – Per local authority/regional council b) State owned enterprise – Total investment of a fund in the above</td>
<td>20% 20% 30%</td>
</tr>
<tr>
<td>4</td>
<td>Bills, bonds or securities issued or loans to an institution, which bills, bonds or securities have been approved by the Registrar in terms of section 19(1)(h) of the Act prior to the deletion of that section by section 8(a) of Act 53 of 1989 and Bills, bonds or securities issued or loans to an institution which was likewise approved by the Registrar before the deletion of section 19(1)(h) of the Act Per institution</td>
<td>20%</td>
</tr>
<tr>
<td>5</td>
<td>Bills, bonds or securities issued by the government of or by a local authority in a country other than Namibia, of which the country was approved by the Registrar in terms of section 19(1)(i) of the Act prior to its deletion by section 8(a) of Act No. 53 of 1989 and Bills, bonds or securities issued by an institution which was likewise approved by the Registrar before the deletion of the said section 19(1)(i) Per institution</td>
<td>10%</td>
</tr>
<tr>
<td>6</td>
<td>Immovable property, units in unit trust schemes in property shares and shares in/loans to and debentures (convertible and non-convertible) of property companies Limit on investment in a single property or property development project</td>
<td>20% 5%</td>
</tr>
</tbody>
</table>
| 7 | Preference and ordinary shares in companies (excluding shares in property companies), convertible debentures (voluntary or compulsory, excluding debentures of property companies) and units in a unit trust scheme\(^{19}\) (excluding units in unit trust schemes, in property shares or a unit trust of which the underlying does not consist of at least 95% securities listed on a stock exchange):

Provided that:

1. Fund may apply to the Registrar for exemption from this provisions;
2. Shares and convertible debentures in a single company listed on any stock exchange within the common monetary area other than in the development sector –
   - with a market capitalization of N$5,000 million or less;
   - with a market capitalization greater than N$5,000 million;
   - shares and convertible debentures in a single company listed on the Namibian Stock Exchange –
     - with a market capitalization of N$1,000 million or less
     - with a market capitalization greater than N$1,000 million |
| 8 | Claims secured by mortgage bonds on immovable property, debentures (listed and unlisted excluding convertible debentures) or any other secured claims against natural persons or companies (excluding loans to and debentures of property companies)

Claim against one individual is limited to –
Claim against any single company is limited to –

| | 65% | 5% | 10% | 5% | 10% |
| 9 | Any other asset not referred to above

Per category or kind of asset –

Excluding:
- Moneys in hand;
- Loans granted to members of the fund in accordance with – provisions of section 19(5) of the Act; and
- exemptions as may have been granted to the fund in terms of section 19(6) of the Act;
- Investments in the business of participating employer to the extent that it has been allowed by an exemption in terms of –
  - the provision to section 19(4) of the Act; or
  - section 19(6) of the Act. | 2.5% |

\(^{19}\) As defined by in the Unit Trusts Control Act, 1981
Chapter 10: Black Economic Empowerment

Black Economic Empowerment

Black Economic Empowerment (BEE) is about the attainment of economic growth by integrating individuals previously disadvantaged by inflexible structural socio-economic inequalities of the past into the economic mainstream. BEE thus promotes contributions by previous disadvantaged individuals to the economic growth of the country by way of skills investment, sustainability and growth.

BEE has not yet been legislated in Namibia. However, the government has issued a policy framework called “The New Equitable Economic Empowerment Framework” (NEEEF) that deals with principles similar to those of BEE. NEEEF has likewise not yet been legislated and is therefore not legally enforced, though the government strongly encourages the private sector to voluntarily embrace its principles.

NEEEF

The following is an extract from the “The New Equitable Economic Empowerment Framework” (NEEEF) issued by the government of Namibia:

The New Equitable Economic Empowerment Framework (NEEEF) represents a subset of the policies required to achieve greater equity in society. NEEEF consists of policies designed to encourage the private business sector to become more equitable and to make a greater contribution towards national economic empowerment and transformation.

The NEEEF will be based on voluntary business practice. However, Government expects all businesses to proactively embrace national transformation and to participate whole-heartedly in the transformation of ownership and empowerment.

The objectives of the NEEEF include but are not limited to the following:

1. Ensuring the sharing of Namibian resources in an equitable and sustainable basis by the people of Namibia;
2. Creating a socially just society;
3. Implementation of measurable policies of redress and redistribution;
4. Creating vehicles for empowerment;
5. Removing barriers of socio-economic advancement in order to enable previously disadvantaged persons to access productive assets and opportunities for empowerment;
6. Actively guarding against the repugnant tendencies of window-dressing, favouritism, nepotism and self-enrichment;
7. Providing measurement of empowerment targets;
8. Ensuring that an empowering act is meant to launch individuals to empower themselves in the future using the basis of their initial empowerment;
Economic empowerment may be organised in the following forms of ownership: public, private, joint public-private, cooperative, co-ownership, and small-scale family-owned business;

Equitable empowerment is addressing disparities occasioned by class, gender and generational relationships.

Rather than being a penalty-driven initiative, the NEEEF is designed to be an incentive-driven set of policies that encourages businesses to take transformation more seriously. Companies that fail to comply with NEEEF targets will not be explicitly penalised. However, they will not be eligible to tender for Government or SOE contracts or to receive fishing, mining, telecoms or other licences and may therefore find themselves in a disadvantageous and uncompetitive position.

**Summarised NEEEF Scorecard**

Companies tendering for Government and SOE contracts or applying for licences must receive a NEEEF rating from the NEEEF Commission. This rating consists of a score out of 100. A total of 20 points are available for each of the five empowerment pillars. Companies must score a minimum of 10 points in the three mandatory pillars of ownership, management and control, and skills development. Companies must score at least 50 points out of 100 to be considered empowered.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership - mandatory</strong></td>
<td>25% ownership</td>
<td>100% ownership</td>
</tr>
<tr>
<td>A business will score a minimum of 10 points if it is 25% owned by previously disadvantaged Namibians. For every additional 7.5% owned by previously disadvantaged Namibians, a business will score 1 additional point up to a maximum of 100%, giving a total of 20 points.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management Control and Employment Equity – mandatory</strong></td>
<td>50% board and management</td>
<td>100% board and management</td>
</tr>
<tr>
<td>A business will score a minimum of 10 points if its combined board and top management structures are 50% filled by previously disadvantaged Namibians. For every additional 10%, a business will score 2 additional points up to a maximum of 100%, giving a total of 20 points.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Human Resources and Skills Development – mandatory</strong></td>
<td>1.5% of gross wages</td>
<td>2% of gross wages</td>
</tr>
<tr>
<td>A business will score a minimum of 10 points for devoting the equivalent of 1.5% of its gross wages to training. For every additional 0.1% of gross wages spent on training, a business will score 2 additional points up to a maximum of 2% of gross wages, giving a total of 20 points.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Entrepreneurship Development
A business will score points in proportion to the value of its procurement spending allocated to businesses owned by previously disadvantaged Namibians, up to a maximum of 50%. Additional points may be made available for other support given to businesses owned by previously disadvantaged Namibians including mentorship programmes, joint ventures, market access and other initiatives. The points awarded for such initiatives will be based on more detailed criteria laid down by the NEEEF Commission.

<table>
<thead>
<tr>
<th>Percentage of Procurement</th>
<th>0% of procurement</th>
<th>50% of procurement</th>
</tr>
</thead>
</table>

### Community Investment
A business will score a minimum of 10 points for devoting 1% of after-tax profits to community investment. For every additional 0.2% spent on community investment, a business will score 2 additional points up to a maximum of 2% of after-tax profits, giving a total of 20 points. Businesses will be rewarded for establishing operations in marginalised communities. More detailed criteria will be laid down by the NEEEF Commission.

<table>
<thead>
<tr>
<th>Percentage of After-Tax Profits</th>
<th>1% of after-tax profits</th>
<th>2% of after-tax profits</th>
</tr>
</thead>
</table>
Chapter 11: Competition Act

Introduction

The Competition Act, Act No. 2 of 2003 (the Act) was implemented in order to safeguard and promote competition in the Namibian market, to establish the Namibian Competition Commission and to make provision for its powers, duties and functions.

Purpose of the Act

The purpose of the Act is to enhance the promotion and safeguarding of competition in Namibia in order to promote the efficiency, adaptability and development of the Namibian economy.

Furthermore, it aims to:

- Provide consumers with competitive prices and product choices;
- Promote employment and advance the social and economic welfare of Namibians;
- Expand opportunities for Namibian participation in world markets while recognizing the role of foreign competition in Namibia;
- Ensure that small undertakings have an equitable opportunity to participate in the Namibian economy;
- Promote a greater spread of ownership and in particular to increase ownership stakes of historically disadvantaged persons.

Application of the Act

The Competition Act applies to all economic activity within Namibia or having an effect in Namibia, except –

- Collective bargaining activities or collective agreements negotiated or concluded in terms of the Labour Act, Act No. 6 of 1992;
- Concerted conduct designed to achieve a non-commercial socio-economic objective;
- In relation to goods or services which the Minister, with the concurrence of the Commission, declares, by notice in the Gazette, to be exempt from the provisions of this Act (refer to section 3.2 of this Act).

Namibian Competition Commission

The Competition Act makes provision for the establishment of the Namibian Competition Commission, including the functions, powers and duties of the Commission, which include:

- Responsibility for the administration and enforcement of the Competition Act;
- Informing the public of the provisions of the Act and the functions of the Commission;
- Interacting with similar authorities of other countries to exchange information, knowledge and expertise;
• Conducting research on matters as requested by the Minister;
• Advising the Minister on matters referred to the Commission by the Minister;
• Implementing measures to increase market transparency;
• Investigating contraventions of the Act.

In terms of the Act, the Commission, with the approval of the Minister and by notice in the Gazette, will make rules:

• Relating to the administration, organization and operations of the Commission;
• Prescribing the procedures to be followed in respect of applications and notices to, and proceedings of, the Commission;
• Prescribing fees to be paid for the purpose of this Act;
• Prescribing the manner for making a submission in relation to the subject matter of any application to, or investigation by, the Commission;
• Prescribing the procedures for investigations under the Act;
• Prescribing the requirements for a small undertaking.

Restrictive Business Practice

Restrictive agreements, practices and decisions

According to section 23 of the Competition Act:

“Agreements between undertakings, decisions by associations of undertakings or concerted practices by undertakings which have as their object or effect the prevention or substantial lessening of competition in trade in any goods or services in Namibia, or a part of Namibia, are prohibited, unless they are exempt in accordance with the provisions of the Act.”

The Act provides the following definition of its terms:

‘Undertaking’ means any business carried on for gain or reward by an individual, a body corporate, an unincorporated body of persons or a trust in the production, supply or distribution of goods or the provision of any service.

‘Concerted practice’ means deliberate conjoint conduct between undertakings achieved through direct or indirect contact that replaces their independent actions.

Agreements and concerted practices include agreements concluded between:

• Parties in a horizontal relationship – undertakings trading in competition with each other
• Parties in a vertical relationship – an undertaking and its suppliers or customers or both.

The rules of the Act specifically apply to any agreement, decision or concerted practice which:

• Fixes purchase prices, selling prices or any other trading conditions
• Divides markets by allocating customers, suppliers, areas or specific types of goods or services
• Involves collusive tendering
• Involves a practice of minimum resale price maintenance (other than recommended)
• Limits or controls production, market outlets or access, technical development or investment
• Applies dissimilar conditions to
equivalent transactions with other trading parties

• Makes the conclusion of contracts subject to acceptance by other parties of supplementary conditions which have no connection with the subject of the contracts.

It is presumed that agreements and concerted practices which are prohibited in terms of the Competition Act exist between two or more undertakings if:

• Any one of the undertakings owns a significant interest in the other or they have at least one director or one substantial shareholder in common; and

• Any combination of the undertakings engages in any of the practices mentioned above.

This assumption may be rebutted if a reasonable basis exists to conclude that the actions of the undertakings were a normal commercial response to conditions prevailing in the market.

The prohibition on restrictive business practices does not apply to agreements and practices engaged in by:

• A company and its wholly owned subsidiary or

• A wholly owned subsidiary of a wholly owned subsidiary

• Undertakings other than companies, each of which is owned or controlled by the same person or persons.

Abuse of dominant position

The Commission must prescribe criteria to be applied to determine if an undertaking or a group of undertakings has a dominant position in the market. The Commission must also determine thresholds by notice in the Gazette, below which this part of the Act will not apply to an undertaking.

The Competition Act prohibits any conduct which amounts to the abuse of a dominant position in a market in Namibia or a part of Namibia.

Abuse of a dominant position includes:

• Directly or indirectly imposing unfair purchase or selling prices

• Directly or indirectly imposing unfair trading conditions

• Limiting or restricting production, market outlets or market access

• Limiting or restricting investment, technical development or technical progress

• Applying dissimilar conditions to equivalent transactions with other trading partners

• Making the conclusion of contracts subject to acceptance by other parties of supplementary conditions which have no connection with the subject matter of the contracts.

Exemption of certain restrictive practices

Grant of exemption for certain restrictive practices

Any undertaking may apply to the Commission to be exempted for any agreement, decision or concerted practice or any category thereof from the provisions of the Competition Act.

Following notice in the Government Gazette, a period of 30 days shall apply within which interested parties may make representations to the Commission, and after investigating the application for exemption the Commission must make a decision to either:
Exemptions may be granted if there are exceptional and compelling reasons of public policy why the agreement, decision or concerted practices should be exempted.

**Revocation or amendment of exemption**

The Commission may revoke or amend the exemption or revoke the certificate of clearance at any time if:

- The exemption granted/certificate issued was based on materially incorrect or misleading information;
- There has been a material change of circumstances;
- A condition upon which an exemption was granted has not been complied with.

Written notice must be given if an exemption or certificate is proposed to be revoked. The responsible parties may within 30 days of receipt of notice submit any representation with regard to the exemption to the Commission.

In instances of non-compliance with a condition of an exemption the Commission may apply to the Court for the imposition of a pecuniary penalty in respect of that non-compliance.

**Exemption in respect of intellectual property rights and professional rules**

Upon receiving an application for exemption the Commission may grant an exemption in relation to any agreement or practice relating to the exercise of any rights or interest acquired or protected in terms of any law relating to copyright, patents, designs, trademarks or any other intellectual property rights.

Some professional associations have rules that contain restrictions which prevent or substantially reduce competition in the market. Those professional associations may apply to the Commission for an exemption.

The Commission may grant exemption to all or part of the rules of a professional association for a specified period if the rules of these professional associations are reasonably required to maintain:

- professional standards; or
- the ordinary function of the profession.

The Commission must publish a notice in the Gazette regarding any exemptions given. Interested parties have 30 days from the date the notice has been published to make a representation. The Commission must consult the Minister responsible for the administration of any law governing the profession concerning the application.

If the Commission considers that any rules should no longer be exempted the exemption may be revoked. The Commission has to give notice in the Gazette if any exemption is revoked. Interested parties have 30 days after the date of the notice to make a representation.

The exemption of a rule or the revocation of an exemption has effect from the date specified by the Commission.

“Professional associations” means the controlling body established by or registered under any law in respect of the following professions:

- Accountants and auditors
- Architects
• Engineers
• Estate agents
• Legal practitioners
• Quantity surveyors
• Surveyors
• Town and regional planners
• Health services professions governed by:
  » The Medical and Dental Professions Act
  » The Nursing Professions Act
  » The Pharmacy Profession Act
  » The Veterinary and Para-veterinary Professions Proclamation
  » The Allied Health Services Professions Act
• Any other profession to which the provisions of this section of the Competition Act have been declared applicable by notice in the Gazette.

The Commission must ensure that notice is given in the Gazette of every exemption granted and of any or every exemption revoked.

Investigation into prohibited practices

Investigation by Commission

The Commission may start an investigation on its own initiative or upon receipt of information or a complaint from any person.

An action that will constitute an infringement or a possible infringement of prohibited practices will lead to an investigation by the Commission. If the Commission intends to conduct an investigation written notice must be provided to the undertaking to be investigated.

Entry and search of premises

In order to conduct an investigation an inspector may enter upon and search any premises for information and evidence supporting the infringement.

The inspector must obtain a warrant to search premises from a judge of the Court beforehand, except if the owner or any other person in control of the premises consents to the entry and search. A receipt will be issued by the inspector for anything removed from the premises to be used as evidence.

Proposed decision of Commission

If upon conclusion of an investigation the Commission proposes to make a decision it must give written notice to the undertaking that was the subject of the investigation.

The notice must:
• Provide the reason for the decision reached by the Commission;
• Inform the undertaking that they may submit written representation;
• Indicate to the undertaking whether they will have an opportunity to make an oral representation to the commission.

Conference to be convened for oral representation

If an undertaking requires an opportunity to make an oral representation to the Commission, the Commission must convene a conference to be held and give written notice detailing when the conference will be held.

An undertaking may be accompanied by any person whose assistance it may require at the conference.
Action following investigation

After consideration of any representation made by the undertaking the Commission may institute Court proceedings.

The Commission will request an order: declaring that the conduct of the undertaking constitutes an infringement of the prohibitions of the Act restraining the undertaking from engaging in such conduct directing any action to be taken by the undertakings to remedy the infringement or effects thereof imposing a pecuniary penalty or other appropriate relief.

The Commission may make application to the Court for an interim order restraining an undertaking if the Commission believes this will prevent serious irreparable damage to any person or protect the public interest.

Consent agreement

The Commission may at any time during or after an investigation enter into an agreement of settlement with the undertaking concerned. The terms submitted by the Commission will be confirmed as an order of the Court.

The agreement of settlement may include:
- an award of damages;
- any amount proposed to be imposed as pecuniary penalty.

Publication of decision of Commission

The Commission must ensure that notice be given in the Gazette of any action or consent agreement including:
- The name of the undertaking involved;
- The nature of the conduct that is subject to the action or the consent agreement.

Mergers

Merger defined

For purposes of the Competition Act “A merger occurs when one or more undertakings directly or indirectly acquire or establish direct or indirect control over the whole or part of the business of another undertaking”.

A merger may be achieved in any manner, including the purchase or lease of shares, an interest, or assets of the other undertaking or amalgamation or other combination with the other undertaking.

A person controls an undertaking if that person:
- beneficially owns more than one half of the issued share capital of the undertaking
- is entitled to a majority vote or has the ability to control the voting of a majority of votes, either directly or through a controlled entity of that undertaking
- is able to appoint or to veto the appointment or a majority of the directors of the undertaking
- is a holding company and the undertaking is a subsidiary of that company
- in the case of the undertaking being a trust, has the ability to control the majority if the votes of the trustees or to adopt the majority if the beneficiaries of the trust
- in the case of the undertaking being a close corporation, owns the majority of the members’ interest or controls directly or has the right to control the majority of the members’ votes in the close corporation,
g) has the ability to materially influence the policy of the undertaking in a manner comparable to a person who, in ordinary commercial practice, can exercise an element of control referred to in paragraphs (a) to (f).

Control of mergers

The requirements set out in the Competition Act apply to all proposed mergers. Certain classes of mergers may be exempted by the Commission by way of notice in the Gazette.

In December 2012 the Minister of Trade and Industry, in concurrence with the Competition Commission, determined the class of mergers to be excluded from Chapter 4 “Mergers” of the Act by way of Government Notice 307 of 2012.

From the above date, Chapter 4 does not apply to a merger if the value of the merger equals or does not exceed the values set out below-

(a) If the combined annual turnover in, into or from Namibia of the acquiring undertaking and target undertaking is equal to or valued below N$20 million;

(b) If the combined assets in Namibia of the acquiring undertaking and target undertaking are equal to or valued below N$20 million;

(c) If the annual turnover in, into or from Namibia of the acquiring undertaking plus the assets in Namibia of the target undertaking are equal to or valued below N$20 million;

(d) the annual turnover in, into or from Namibia of the target undertaking plus the assets in Namibia of the acquiring undertaking are equal to or valued below N$20 million;

(f) If the asset value of the target undertaking is equal to or valued below N$10 million.

Despite the above regulation, the Commission may demand notification of a merger which falls below the compulsory notification threshold if the Commission considers it necessary to deal with the merger in terms of the Act.

No other proposed mergers may be implemented unless:

- the proposed merger was approved by the Commission and implemented in accordance with the conditions set out in the approval; or

- the time limits as set out in point 4.4 of the Act, have lapsed without the Commission having made a determination in relation to a proposed merger.

Notice to be given to Commission of proposed merger

Where undertakings propose to merge, each undertaking involved must notify the Commission of the proposal in the prescribed manner. In response, the Commission may request additional information regarding the proposed merger, if considered necessary, within 30 days after receiving the notification.

Period for making determination in relation to a proposed merger

The Commission must make a determination regarding a proposed merger within the following time limits:

- Within 30 days after receiving notice of the proposed merger;
- If the Commission request additional information from the undertakings, within 30 days.
after the receipt of this additional information;
• If a conference is convened for the undertaking to make oral representation, within 30 days after the date of conclusion of the conference.

The time limits above may be extended if deemed necessary by the Commission by giving notice for a further period not exceeding 60 days.

Conference in relation to proposed merger

The Commission has the discretion to call a conference to be held regarding a proposed merger and must give reasonable notice to the undertakings involved.

Determination of proposed merger

In “making determination of a proposed merger” the Commission will make a decision whether it will, give or decline approval for the implementation of the merger.

Criteria which the Commission will consider in its determination will include:

a) The extent to which competition will be prevented or lessened, trade will be restricted, services will be provided and/or the services will be supplied on a continued basis

b) The extent to which the proposed merger would be likely to result in any undertaking acquiring or strengthening a dominant position in the market

c) The extent to which the proposed merger would be likely to result in a benefit to the public which would outweigh any detriment resulting from an undertaking acquiring or strengthening a dominant position in the market

d) The extent of the effect on a particular industrial sector or region

e) The extent of the effect on employment

f) The extent of the effect on small undertakings having the ability to gain access to or to be competitive in any market

g) The extent of the effect on the ability of national industries to compete in international markets

h) Any benefits likely to be derived relating to research and development, technical efficiency, increased production, efficient distribution of goods or provision of services and access to markets.

The Commission may refer the investigation to an inspector and if referred the Commission must give notice to the undertaking. Any person may voluntarily submit to the inspector of the Commission any relevant information regarding the proposed merger. The Commission may give approval for the implementation of a proposed merger on such conditions as the Commission may consider appropriate.

The Commission must give notice of the determination made in respect of a proposed merger to the relevant parties as well as in the Gazette.
Written reasons for the Commission’s determination must be given if:

(i) the proposed merger is prohibited or conditionally approved;

(i) requested to do so by any party to the merger.

Revocation of approval of proposed merger

The Commission may revoke, at any time, any decision approving the implementation of a proposed merger if the decision was based on materially incorrect or misleading information or if any condition attached to the approval of the merger that is material to its implementation is not complied with.

If a decision is revoked, the Commission must give written notice to every party involved and inform the relevant parties to submit within 30 days of the receipt of such notice, any representation which they may wish to make.

Review of decisions of Commission on mergers by the Minister

Not later than 30 days after the Commission has given notice of its determination, any party to the proposed merger may apply to the Minister to review the decision made by the Commission. Section 49 of the Competition Act specifies the procedures and time limits to be followed and applied in such an instance.

It should be noted that approval of a proposed merger in terms of the Competitions Act does not relieve an undertaking from complying with any other law which requires that the sanction of the Court be obtained for the merger. It should also be noted that the approval of the Commission is not binding on the Court.

Merger implemented in contravention of the Act

If a merger in implemented in contravention of the requirements set out under point 4 of the Act and its subsections the Commission may apply to the Court for:

(i) an interdict restraining the undertakings from implementing the merger;

(ii) an order directing any party to the merger to sell or dispose of any shares, interest or other assets it has acquired pursuant to the merger;

(iii) declaring an agreement or provision of an agreement to which the merger was subject as void;

(iv) The imposition of a pecuniary penalty.

Jurisdiction of Court

The Court has jurisdiction to hear and determine any matter arising from proceedings instituted in terms of the Competition Act.

Pecuniary penalties

The Court may impose pecuniary penalties in certain instances. The pecuniary penalty may be of any amount which the Court considers appropriate but shall be limited to a maximum of 10% of the global turnover of the undertaking during its preceding financial year.
**Offences and Penalties**

**Offences**

A person commits an offence if the person:

(i) hinders administration of the Act

(ii) fails to comply with summons

(iii) fails to comply with an order of the Court

(iv) commits other offences such as improperly influencing or misleading the Commission.

**Penalties**

A person convicted of an offence is liable for penalties.

<table>
<thead>
<tr>
<th>Offence</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contravention of section 62 of the Act: Failure to comply with order of the Court</td>
<td>Fine not exceeding N$500,000; or Imprisonment for a period not exceeding 10 years; or Both a fine and imprisonment</td>
</tr>
<tr>
<td>Contravention of section 55 of the Act: Prohibition on disclosure of information</td>
<td>Fine not exceeding N$50,000; or Imprisonment for a period not exceeding three years; or Both a fine and imprisonment</td>
</tr>
<tr>
<td>Any other case</td>
<td>Fine not exceeding N$20,000; or Imprisonment for a period not exceeding one year; or Both a fine and imprisonment</td>
</tr>
</tbody>
</table>
Chapter 12: Exporting to Namibia

Tips for exporters to Namibia

- Exports into Namibia from non-SACU (Southern African Customs Union) countries may be subject to customs duties.

- Excisable goods imported into Namibia are subject to customs duties equal to the excise duties payable on such locally produced goods, unless excise duties have already been levied in another SACU country in terms of the “duty at source” procedure.

- Value-added tax (VAT) is levied generally in addition to customs duties on imports, including imports from SACU member countries.

- Most goods originating from Southern African Development Community (SADC) countries may be imported at free or reduced rates of duty, in accordance with existing protocols.

- Imports by Export Processing Zone (EPZ) companies are exempt from duties and VAT.

- Most imports are cleared through Customs by local clearing and forwarding agents familiar with the requirements of the Customs and Excise Act.

- Advice on import restrictions and general Customs and Excise requirements can be obtained from trade commissions or professional advisers.

Import restrictions

The importation of certain goods (e.g., specified foodstuffs, second-hand vehicles, animals, plants, chemicals, and pharmaceuticals) is subject to licence/permit or import control regulations.

Import duties

Following independence in 1990, Namibia elected to remain a member of SACU.

The new SACU Agreement signed in December 2002 by the Heads of State of Botswana, Lesotho, Namibia, South Africa and Swaziland provides for a new institutional framework consisting of a Council of Ministers, SACU Commission, Secretariat and Technical Committees and sets out the basis for sharing customs and excise revenue among the member states.

Rates

All imported goods will attract VAT at 15% after the value of the goods imported has been uplifted by 10%, unless the importation is exempt.

In addition, goods imported from outside SACU may attract customs duties, specific customs duties and ad valorem customs duties. Rates at which duties are levied vary significantly and depend on the nature of the goods imported, e.g. passenger motor vehicles currently attract customs duties at a rate of 26%, while certain other goods, e.g. golf cars, may be imported duty-free.
Customs requirements

All imported goods cleared on a customs bill of entry are valued in terms of the WTO Valuation code. Particular attention must therefore be paid to transfer pricing, royalties and related party transactions.

Customs entries are electronically processed through the Asycuda system, with links to the border posts, airports, harbours and major railway stations.

All imported goods must be cleared through Customs and Excise by means of a Customs Import Bill of Entry (Form SAD 500) and foreign exchange worksheet (for ex-SACU imports). Further permits and police clearance or certificates issued by other authorities may also be required, e.g. a birthing certificate confirming the authenticity of motor vehicle details is mandatory should the vehicle be imported for registration in Namibia.

After checking and/or examination by customs officials that entries are correctly declared, an assessment setting out the Import VAT and/or Customs duties payable is issued.

While payment of import VAT may currently be deferred through an import VAT account facility arranged at the Receiver of Revenue, customs duties normally must be paid by the importer before the goods can be released for home consumption. Should significant quantities of goods subject to fuel levies, additional duties, Customs and excise duties be imported for immediate home consumption, a credit account facility could be approved by Customs Namibia to provide for deferred payment of such levies and duties.

Duty on goods intended for export, or to be moved in transit to neighbouring states, may be rebated.

Goods imported on a temporary basis (i.e. to be exported within 365 days) should be cleared through the applicable procedures at Customs and acceptable security for import VAT and/or customs duties must be provided. Application for extension of temporary import customs entries (up to a maximum of a further 365 days) must be lodged at Customs prior to expiry of original temporary customs entries.

Private vehicles not registered in Namibia which are being used in Namibia by holders of a work permit should be declared on entry into Namibia at Customs in terms of the above Customs procedures and are also subject to cross-border permits.

It is advisable to obtain professional advice and the services of a local clearing and forwarding agent to ensure correct customs clearance and compliance with the latest customs procedures.
Chapter 13: Business Entities

Investor considerations

- Foreign investors generally conduct business through a Namibian company or as a branch of its home corporation.
- Company formation is simple and inexpensive. Shelf companies are available from accounting and legal firms.
- Close corporations are simpler to administer and are not subject to statutory audit obligations.
- Legal, tax and accounting advisers should be retained in the early planning stages of establishing a business entity.

Business registrations

Business may be conducted in Namibia in a variety of forms, as follows:

- Public company or private company
- Branch of a foreign company
- Close corporation
- Partnership, including joint venture
- Sole proprietor
- Business trust.

Prior to commencing business, it is necessary to obtain the appropriate registration certificate from the local municipal health department. Certain businesses, such as financial service providers, mining, oil and gas, tourism, fishing and pharmaceutical companies may require industry-specific licences.

It is also necessary to register with the following bodies:

- The Social Security Commission as employer as well as for Employee’s Compensation where applicable;
- The appropriate industrial council governing the trade or industry in which the business is proposing to operate;
- The Department of Inland Revenue with regard to income, value-added, withholding and employee taxes.

Companies

Companies are regulated in Namibia under the Companies Act, Act No. 28 of 2004, which is based on UK company law. The Companies Act covers both domestic companies and those incorporated outside Namibia but trading through a local branch. The liability of shareholders is limited to the issued share capital.

Public companies may offer their shares for sale to the public, although they need not be listed on the stock exchange, nor is it required that the public hold an interest in their shares. Their characteristics are that the number of shareholders is unlimited, there are no restrictions on the transfer of their shares and they must file a copy of their annual financial statements with the Registrar of Companies.

Private companies are those that:

- Restrict the right of transfer of their shares.
- Limit the number of members to 50.
- May not offer shares for sale to the public.
- Are not required to file their annual financial statements with the Registrar.
- Must include the word “proprietary” or “Pty” at the end of the registered name immediately before the word “limited”.


For both types of companies, an annual audit by a registered Namibian accountant and auditor is obligatory.

Companies incorporated in Namibia must have a registered office, and must maintain certain statutory and accounting records. The statutory records, which include registers of share allotments and transfers, members and directors and officers, must be maintained in Namibia. If the accounting records are maintained outside Namibia, the company must receive such financial information and returns as will enable the statutory financial statements to be prepared and audited locally.

It is not necessary for directors or shareholders to be resident in Namibia, although many overseas holding companies appoint local directors to their local subsidiaries. Nominee shareholders are also permitted without disclosure of the identity of the beneficial ownership.

It is necessary to obtain approval from the Registrar of Companies for the name of the company before incorporation. Each company must pay an annual duty calculated with reference to its total issued share capital (including share premium).

Local equity participation and directors

There are no local equity requirements laid down in the Companies Act.

Local equity participation may, however, be a sound business strategy, especially in industry sectors that involve the exploitation of natural resources. An example is the fishing industry, where this is taken into account in the allocation of fishing quotas.

There are no requirements with regard to local directors in the Companies Act. Other Acts governing certain industry sectors (e.g., insurance) may, however, require local directors.

Companies are required to appoint a Public Officer who is resident in Namibia.

50% or more of the interest in agricultural land may not be owned by a foreigner (unless specific approval is obtained from the Minister of Lands and Resettlement).

Branch of a foreign company (external company)

A foreign company that establishes a place of business in Namibia is known as an “external company” and is required to register with the Registrar of Companies. It must appoint a local agent and a local auditor who must be a registered accountant and auditor. An external company must maintain certain statutory records at the company's registered address in Namibia, and such accounting records as are necessary to fairly present its state of affairs and business in Namibia. If the accounting records are kept outside Namibia, returns sufficient for the preparation and audit of the annual financial statements must be sent to Namibia.

Audited annual financial statements in respect of the business in Namibia, and a certified copy, with a certified translation if necessary, of its latest complete annual financial statements as prepared under the requirements of its country of incorporation must also be lodged with the Registrar.

Upon registration, notarially certified copies of the company's memorandum and articles of association should be lodged with the local Registrar of Companies.

Any subsequent changes to an external company's memorandum should be lodged under cover of the prescribed form with the Registrar within three months of such alteration.

External companies are also required to open and maintain a register of directors.
and secretaries. Furthermore, a minute book must be kept with minutes of all meetings of directors pertaining to the local business of the company.

PwC offers company secretarial work as part of its range of services, and could provide assistance in meeting the above requirements.

Considerations for determining whether businesses operated in Namibia should be conducted through a branch or through a subsidiary are as follows:

- A branch may remit its after tax profit without deduction of withholding tax but when the foreign branch declares dividends, withholding tax will be payable on those dividends declared in relation to profits in Namibia. Dividends from a subsidiary are subject to such tax (rates may be reduced under a relevant double taxation agreement).

- A private company subsidiary does not have to file its annual financial statements, or those of its parent company, with the Registrar of Companies.

- If there are to be dealings on a large scale with the Namibian government, a local subsidiary may be viewed more favourably.

- Annual duty of a subsidiary is calculated with reference to the share capital of the subsidiary. In the case of a local branch of a foreign company, annual duty is determined by the amount of the share capital of the foreign company, which is often very high.

- Administrative and similar charges from the foreign head office to a Namibian branch are generally not deductible under Namibian tax law.

- The liability of a subsidiary is theoretically limited to its share capital and reserves, and these should be less than those of the foreign company. In practice, this advantage may be negated by the need for the overseas parent to support its subsidiary through sub-ordinations of loans and through guarantees.

**Close corporations**

A close corporation is a simplified and less expensive form of a limited liability business entity created by the Close Corporations Act, Act No. 26 of 1988. Like a company, the members are sheltered from any liabilities of the corporation, provided that the conditions of the Act are complied with. It is a suitable medium for any enterprise owned and run by up to ten individuals actively involved in the business. There is no statutory audit requirement, but an accounting officer must be appointed, who has certain duties to fulfill under the Act. A close corporation cannot become the subsidiary of a company or another close corporation as only natural persons may hold members' interests in closed corporations.

**Partnerships and sole traders**

There are no specific registration requirements. However, joint venture arrangements are frequently made between companies in partnership. In this case each company would be governed by the legal requirements affecting companies operating in Namibia.

**Business trusts**

A trust is a sui generis legal institution in which a trustee or trustees hold or administer property, separately from his own property, for the benefit of another, namely the beneficiary or beneficiaries.

Trusts can be divided into two categories, namely discretionary trusts and vested
interest trusts. In terms of a discretionary trust, the trustee or trustees are afforded a discretion as to the allocation and distribution of the trust property to the beneficiaries, whereas in terms of a vested interest trust the beneficiaries are afforded vested interests in the trust property and the discretion of the trustee/s as to allocation and distribution of the trust to the beneficiaries is limited in accordance with the vested interest held by the beneficiaries.

A business trust is a legal arrangement for the conduct of business or the holding of assets for the benefits of its beneficiaries. Business trusts are subject to even fewer formalities and administration restraints than close corporations. Liability is limited to the extent of their assets, although trustees may become personally liable for losses in some circumstances.

**Reporting requirements**

**Companies**

Each company or external company in Namibia must produce audited annual financial statements in conformity with the disclosure requirements of the Companies Act. The financial statements must present fairly the financial position of a company and the results of its operations in accordance with the requirements of the Act and with generally accepted accounting practice in Namibia.

More detail regarding accounting and audit principles and practices are included in Chapter 15 and Chapter 16. Tax filing requirements are covered in Chapter 17 and Chapter 18.

**Close corporations**

The Close Corporations Act requires that the financial statements of a corporation must fairly present its state of affairs and results of operations in accordance with generally accepted accounting practice. Unlike the Companies Act, the Close Corporations Act does not lay down detailed reporting requirements.

**Partnerships and sole proprietors**

There are no statutory reporting requirements for trusts (unless specifically required in the trust deed), unincorporated partnerships or sole traders, except that for tax purposes each must produce financial statements in sufficient detail to accompany the annual return of income to the Receiver of Revenue to enable tax assessments to be made.
Chapter 14: Employees - Labour Relations, Social Security, Levies and Immigration

Investor considerations

- There is an abundant supply of unskilled labour.
- Namibia currently has a shortage of skilled labour.
- There is an active trade union movement.
- Compulsory social security costs include workers' compensation, maternity leave, sick leave and death benefits.
- Currently most retirement benefits are provided through self-administered retirement funds or through private insurance companies.
- Employment equity legislation is in force.
- A Vocational and Education Training (Skills) levy is proposed from September 2013.

The Labour Act

The Labour Act, Act No. 11 of 2007 (the Act) makes provision for, amongst other items, the regulation of conditions of employment, the termination of contracts of employment and industrial relation procedures. It also provides for the registration of trade unions and employers' organizations and defines the rights and obligations of these organizations. A Labour Advisory Council, a Labour Court, Wages Commission and a Labour Commissioner and Deputy Labour Commissioner were also established by the Act.

Chapter 3 of the Labour Act deals with basic conditions of employment and some of the pertinent aspects addressed in that chapter are set out below:

Basic wages

Basic wages are determined by the Wage Commission and currently prescribed for only two industries in Namibia, namely:

- the Construction Industry; and
- the Agricultural Industry.

Working hours

The Act specifies a 45-hour workweek for all employees, excluding security guards and emergency healthcare personnel. The latter are allowed to work a maximum of 60 hours per week. By agreement, overtime is limited to 10 hours per week with a maximum of three hours per day. The rate of ordinary overtime payment is one and a half times the ordinary remuneration rate. Working on a Sunday in certain sectors without permission from the Ministry of Labour is prohibited. Sunday work is to be compensated at twice the ordinary hourly rate.

Work performed on public holidays is compensated at twice the normal hourly rate and work performed between 8:00 p.m. and 7:00 a.m. must be compensated at normal rate per hour plus 6% (night work allowance).
Minimum prescribed annual leave

<table>
<thead>
<tr>
<th>Number of days in ordinary work week</th>
<th>Annual leave entitlement in working days</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
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<tr>
<td>4</td>
<td>16</td>
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<td>3</td>
<td>12</td>
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<tr>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Sick leave

During the first 12 months of employment, employees who work five days per week accrue one day sick leave for every 26 days worked. Five-day week employees are entitled to 30 working days of sick leave over a period of 36 consecutive months, and six-day per week employees are entitled to 36 working days of sick leave over a period of 36 consecutive months. It may be required that a medical certificate be provided to the employer upon an employee being absent from work for a period of 2 days or longer.

Compassionate leave

Compassionate leave of five working days is available in a 12-month period at full remuneration in cases of death or serious illness in the family. Family includes the employee’s child or adopted child, spouse, parents, grandparents, brothers, sisters, mother-in-law and father-in-law.

Compassionate leave may not be carried forward to the next year. Employees are required to produce a death certificate to their employer.

Maternity leave

After 6 months of continuous service, a female employee is entitled to at least four weeks of maternity leave before the expected date of confinement and at least eight weeks of leave after the date of confinement.

The rights of any female employee, including remuneration (except Basic salary claimable from SSC), seniority, promotion and other benefits shall continue uninterrupted during the period of maternity leave.

Termination of employment

The notice period ranges from one day to one month, depending on the length of employment.

In the event of unfair dismissal, death, retirement or retrenchment a severance allowance, based on one week’s remuneration for every year of completed service, must be paid to the employee.

Industrial relations

The Labour Act regulates industrial relations between employers, employees and trade unions. It also regulates the prevention and settlement of labour disputes.

Some of the major provisions of the Act are as follows:

- The prevention and remedy of any unfair dismissals and unfair disciplinary actions against employees;
- The regulation of termination of contracts of employment;
- The provision for registration of trade unions and employers’ organizations;
- Definition of the rights and obligations of trade unions and employers’ organizations;
• Provision for the settlement of disputes between employees or registered trade unions and employers or registered employers' organizations;

• Definition of the powers, duties and functions of the Labour Commission and Labour inspectors;

• The establishment of a Labour Court and Wages Commission for the purpose of the Labour Advisory Council;

• Provision for the health, safety, welfare and incidental matters of employees.

**Trade unions/employers’ organisations**

These are also regulated by the Labour Act. Some of the most important provisions are as follows:

• All trade unions and employers’ organizations should be registered with the Labour Commissioner’s office.

• Constitutions of trade unions and employers’ organizations are scrutinized by the Labour Commissioner’s office during the process of application for registration to ensure compliance with the provisions of the Labour Act and any other law in force in Namibia.

• Trade unions and employers’ organizations should define the industry in which they wish to operate as an industry, occupation or trade.

• Notice in case of a strike or lock-out action should be issued to the other party in the dispute within 48 hours before such action is taken.

**Employment equity**

The Affirmative Action (Employment) Act, Act No. 29 of 1998 (the Act), was promulgated at the end of 1998. The Act provides for the establishment of the framework of an obligatory Employment Equity Programme (EEP) by employers, to be administered by an independent government agency, the Employment Equity Commission, which will have two main tasks, namely:

• To investigate complaints of discriminatory practices in employment; and

• To assist employers to develop and implement EEPs and to ensure compliance therewith.

An EEP is a set of measures designed to ensure that persons in designated groups enjoy equal employment opportunities and are equitably represented in the various positions of employment. In the private sector, employers who employ 25 or more employees will be required to develop and implement EEPs and it is proposed that EEPs will benefit previously disadvantaged groups, including people of colour, women and handicapped persons.

Progress reports on the EEPs are to be submitted to the Commissioner annually.

The primary focus of an EEP should be to achieve equitable demographics in the workplace. A further focus should be the up-skilling and empowerment of the employer’s workforce.

**Social security contributions**

The Social Security Act, Act No. 34 of 1994 (the Act), provides for an income support system designed for the broadest possible number of Namibians. The system provides for maternity leave, sick leave and death benefits for its members. Social security is based on a principle of 50-50 contributions from employers and employees. This entitles the employee to certain benefits after a set period of time.
Every employer must register with the Social Security Commission, and the employer must register all employees younger than 65 years of age.

Registered employers will be issued with a social security registration number and registered employees will receive a social security number.

Contributions should be paid over within 30 days after the end of the month. The contributions are calculated as follows.

- Employer's contribution – 0.9% of earnings. (Minimum of N$2.70 and maximum of N$81)
- Employee's contribution – 0.9% of earnings. (Minimum of N$2.70 and maximum of N$81)

Maternity leave, sick leave and death benefit fund benefits only start six months after commencement of membership and are calculated as a percentage of an employee’s monthly remuneration, as follows:

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Maximum N$</th>
<th>Minimum N$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity leave benefits for female employees at 100% of remuneration:</td>
<td>10,500</td>
<td>None</td>
</tr>
<tr>
<td>Sick leave benefit at 75% of basic salary (after twelve months the benefit is reduced by 65% for a maximum period of 18 months):</td>
<td>10,500</td>
<td>None</td>
</tr>
<tr>
<td>Death, disability and retirement benefits (single payment):</td>
<td>5,515</td>
<td></td>
</tr>
</tbody>
</table>

Maternity leave benefits cover a 12-week period, i.e. four weeks before expected date of delivery and eight weeks thereafter.

The sick leave benefit is payable after an employee has exhausted the leave period provided for under the Labour Act or contract of employment.

**Employee’s compensation**

Employers are required, under the Employee's Compensation Act, Act No. 30 of 1941 (the Act), as read with the Employee’s Compensation Amendment Act, Act No. 5 of 1995, to contribute to a fund that provides cash benefits for injury and accident while on duty. Contribution rates vary according to inherent occupational risk, from less than one percent in most low-risk commercial/administrative occupations, to eight percent (drilling, tunnelling and rock blasting) of the employer’s salary and wage bill.

For the purposes of the Employee’s Compensation Act the term “employee” means any person whether employed permanently, temporarily or casually, with the exception of the following:
• Persons earning more than N$81,300 per annum or N$6,775 per month.
• Persons employed casually and not for the purpose of the employer’s business.
• Seamen or airmen under a contract of service whose remuneration is fixed solely by a share in the takings.
• Outworkers performing work on a premises not under control of the employer.
• Persons temporarily employed outside Namibia for more than 12 months.

Assessments are payable by employers to the Accident Fund in terms of section 69 of the Act. Assessments are not calculated on that part of an employee’s earnings that exceeds N$81,300 per annum.

Immigration documents applicable to employees

Business visa

Any person who intends to enter Namibia for the purpose of business prospects or attendance of any business activity (excluding productive work for which income is received) for a period less than 3 months is required to apply for a business visa beforehand. It takes approximately 7 – 14 days for approval by Home Affairs, subject to the availability of the approval committee. All outcomes of applications submitted to the Ministry of Home Affairs are based on the discretion of the relevant officials.

Work visa

Any person who intends to enter Namibia or any particular part of Namibia for the purpose of employment or conducting a business or carrying on a profession or occupation in Namibia for a period of less than 3 months is required to apply for a work visa beforehand. It takes approximately 7–14 days for approval by Home Affairs, subject to the availability of the approval committee. All outcomes of applications submitted to the Ministry of Home Affairs are based on the discretion of the relevant officials.

Work permit

Anyone intending to take up permanent employment or for a period exceeding 3 months in Namibia is required to apply for a work permit beforehand. Approval for a period of one year to a maximum of two years is granted at the discretion of Home Affairs. It takes approximately 3–6 months for approval by Home Affairs, subject to the availability of the approval committee. All outcomes of applications submitted to the Ministry of Home Affairs are based on the discretion of the relevant officials.

Vocational Educational and Training (VET) levy

Following the announcement from the Minister of Education of the VET Levy requirements in the Government Gazette on the 27th January 2014, eligible employers are now required to register with the Namibia Training Authority. The commencement date for the imposition of the VET Levy is 1st April 2014. Employers will be required to register from the 27th of January 2014 before the anticipated commencement of the VET Levy on 1st April 2014.

Under the proposal, all companies with an annual payroll over N$1,000,000 a year will be liable to pay a Vocational Education and Training (VET) levy of 1% to the Namibia Training Authority (NTA) before or on the 20th of each month. The NTA will act as a collecting agent and will be responsible for the administration of the VET Fund in Namibia. Website: www.nta.com.na
Renewal of work permit or change of conditions

Approval by Home Affairs of applications for renewal or change of conditions of a work permit takes approximately 3–6 months, subject to the availability of the approval committee. All outcomes of applications submitted to the Ministry of Home Affairs are based on the discretion of the relevant officials.

Permanent residence

The criteria to qualify for permanent residency are:

- The person must be on a valid renewable work permit in Namibia for a continuous period of 5 years and the person should own property in Namibia.

- If the person is retired, he/she may qualify after 5 years of residency on a valid temporary residence permit. All of the above requirements must be met.

The approval process for permanent residence takes approximately six months or more, subject to the availability of the approval committee. All outcomes of applications submitted to the Ministry of Home Affairs are based on the discretion of the relevant officials.

Citizenship

Namibian citizenship may be granted under the following conditions:

- when the individual concerned is married to a Namibian citizen and has been present in Namibia for 10 years under a work permit, temporary permanent residence or domicile;

- when the individual concerned has been present in Namibia for
Chapter 15: Audit Requirements and Practices

Statutory requirements - Companies

The Companies Act, Act No. 28 of 2004 (the Act), requires that every company keep, in English, accounting records that fairly present the state of affairs and business of the company and reflect its transactions and financial position.

It is the duty of the directors of the company to prepare annual financial statements and to present the statements at an annual general meeting for approval by the shareholders. A full statutory audit is required for each financial period (the financial year end is elected by the shareholders).

The Companies Act requires the appointment of an external auditor registered with the Public Accountants and Auditors Board of Namibia to audit the financial statements of a company.

Namibian branches of foreign companies (i.e. external companies) as well as branches and subsidiaries of Namibian registered entities also have to be audited in accordance with the laws and regulations prevailing in Namibia.

Statutory requirements – Other legal entities

Statutory audits are not required for partnerships, sole proprietorships, trusts and close corporations, and these types of entities are not required to publicly disclose their affairs. While these three forms of business are not required by law to have their financial statements audited, professional assistance is often advantageous. A trust deed or partnership agreement may, however, stipulate that the books of the partnership should be audited and in this case a professional accountant/auditor would need to be appointed.

Accounting and auditing profession

The Institute of Chartered Accountants of Namibia (ICAN) is a member of the International Federation of Accountants (IFAC) and has a reciprocity agreement with the South African Institute of Chartered Accountants (SAICA).

Audits in Namibia are performed in terms of International Standards on Auditing and financial statements for companies are prepared in terms of International Financial Reporting Standards (IFRS).

International Standards on Auditing are also applied to the auditing of other information and to related services.

Professional accountants

Professional accountants are defined as those persons who are members of ICAN or registered with the Public Accountants' and Auditors' Board (PAAB), whether they are in public practice (as a sole practitioner or partnership), industry, commerce, the public sector or education. The term “professional accountant” includes the term “auditor” but also recognizes that assurance engagements deal with a broader range of subject matter and
reporting arrangements than the issuing of an audit opinion on financial statements by external auditors.

In addition to audit services most professional accountants in Namibia also provide the following services:

- Agreed-upon procedures
- Compilation of financial or other information
- Tax compliance and consulting
- Management consulting
- Other advisory services.

The fundamental principles that professional accountants have to observe include:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour
- Application of technical standards.

Professional accountants in public practice also have to observe the independence requirements of the Code of Professional Conduct of the PAAB, which includes a requirement to be independent when conducting an assurance engagement.

**Audit**

The auditor’s opinion enhances the credibility of financial statements by providing a high, but not absolute, level of assurance. Absolute assurance in auditing is not attainable as a result of such factors as the need for judgement, the use of sample testing, the inherent limitations of any accounting and internal control system, and the fact that most of the evidence available to the auditor is persuasive, rather than conclusive, in nature.
Chapter 16: Accounting Principles and Practices

Approval of Namibian Statements of Generally Accepted Accounting Practice (GAAP) and IFRS

The Institute of Chartered Accountants of Namibia (ICAN) adopted all International Financial Reporting Standards (IFRS) as Namibian Statements of Generally Accepted Accounting Practice (GAAP).

Requirement for generally accepted accounting practice

Section 286(3) of the Companies Act, Act No. 28 of 2004 requires that “The annual financial statements of a company should, in conformity with generally accepted accounting practice, fairly present the state of affairs... and the profit or loss...”.

Compliance with legal requirements

The requirements of the Companies Act and schedule 4 of the Act are taken into account in the preparation of financial statements in accordance with IFRS. The overriding requirement of the Companies Act is fair presentation. The appropriate application of IFRS, with additional disclosure when necessary, results, in virtually all circumstances, in financial statements that achieve fair presentation. Some entities may be required to prepare financial statements that comply with other statutes.

Components of financial statements

A complete set of financial statements includes the following components:

- a statement of financial position as at the end of the period;
- a statement of comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

Financial statements should present fairly the financial position, financial performance and cash flows of an enterprise.

In the extremely rare circumstances when management concludes that compliance with a requirement in a statement would be misleading, and therefore that departure from a requirement is necessary to achieve fair presentation, an enterprise should disclose the following:

- that management has concluded that the financial statements present fairly the entity’s financial
position, financial performance and cash flows;

• that it has complied with applicable IFRSs, except that it has departed from a particular requirement to achieve a fair presentation;

• the title of the IFRS from which the entity has departed, the nature of the departure, including the treatment that the IFRS would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the Framework, and the treatment adopted; and

• for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement.

Accounting policies

An enterprise’s accounting policies ensure that statutory financial statements comply with all the requirements of each applicable IFRS statement. Financial statements should therefore be the following:

• Relevant to the decision-making needs of users;

• Reliable in that they reflect the following:
  - Fairly present the results and financial position of the enterprise.
  - Reflect the economic substance of events and transactions, and not merely the legal form
  - Are neutral, i.e. free from bias
  - Are prudent
  - Are complete in all material respects.

Going concern

When preparing financial statements, management should make an assessment of an enterprise’s ability to continue as a going concern. Financial statements should be prepared on a going concern basis unless management either intends to liquidate the enterprise or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that could cast significant doubt upon the enterprise’s ability to continue as a going concern, those uncertainties should be disclosed. When the financial statements are not prepared on a going concern basis, that fact should be disclosed, together with the basis on which the financial statements are prepared and the reason why the enterprise is not considered to be a going concern.

Consistency of presentation

The presentation and classification of items in the financial statements should be retained from one period to the next unless the following applies:

• A significant change in the nature of the operations of the enterprise or a review of its financial statements presentation demonstrates that the change will result in a more appropriate presentation of events or transactions.

• A change in presentation is required by IFRS or an approved interpretation.

Materiality and aggregation

Each material item should be presented separately in the financial statements. Immaterial amounts should be aggregated with amounts of a similar nature or function and need not be presented separately.

Offsetting

Assets and liabilities should not be offset except when offsetting is required or permitted by an IFRS.
An entity reports separately both assets and liabilities, and income and expenses.

Measuring assets net of valuation allowances (for e.g. obsolescence stock allowances on inventories and doubtful debts allowances on debtors) is not offsetting.

Gains, losses and related expenses arising from the same or similar transactions and events which are not material need not be presented separately unless they are material.

**Comparative information**

When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified (unless it is impracticable to do so) to ensure comparability with the current period, and the nature, amount of, and reason for, any reclassification should be disclosed. When it is impracticable to reclassify comparative amounts, an enterprise should disclose the reason for not reclassifying and the nature of the changes that would have been made if amounts were reclassified.

An entity disclosing comparative information shall present, as a minimum, two statements of financial position, two of each of the other statements, and related notes.

When an entity applies an accounting policy retrospectively or makes a retrospective restatement (prior period error) of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three statements of financial position, two of each of the other statements, and related notes. An entity presents statements of financial position as at:

- the end of the current period,
- the end of the previous period (which is the same as the beginning of the current period), and
- the beginning of the earliest comparative period.
Chapter 17: Income Tax

Tax system

Introduction

Income tax is levied under the Income Tax Act, Act No. 24 of 1981 (the Income Tax Act), as amended, except for income derived from petroleum, which is taxed in accordance with the Petroleum (Taxation) Act, Act No. 3 of 1991.

The Income Tax Act provides that all companies, close corporations, individuals and other taxable entities (e.g. trusts) are liable for normal tax on taxable income derived from a source within or deemed to be within Namibia. “Source” is not defined in the Act, and it is therefore necessary to refer to case law to determine whether income is or is not from a source within Namibia.

The Income Tax Act provides for withholding taxes on interest, dividends, royalties, management, admin, technical, consulting, entertainment and directors fees (refer to Appendix V for more detail).

The Income Tax Act and schedules thereto further provide that Pay-As-You-Earn (PAYE) should be withheld by an employer and be paid over to the Directorate of Inland Revenue (DIR) on behalf of the employees (refer to Chapter 23).

There is no estate duty, donations tax, capital gains (other than profits on the sale of mining licences/rights) or wealth taxes in Namibia.

Value-Added Tax (VAT) is levied under the Value-Added Tax Act, Act No. 10 of 2000, as amended (refer to Chapter 25).

Stamp duties are payable on numerous documents, including transfers of listed and unlisted marketable securities in terms of the Stamp Duty Act, Act No. 15 of 1993 (the Stamp Duty Act). Transfers of immovable property are also subject to transfer duty in terms of the Transfer Duty Act, Act No. 14 of 1993 (the Transfer Duty Act). Expected amendments to the Transfer Duty Act that will levy transfer duty on the sales of shares/members’ interest in property-owning entities are expected to be tabled in the near future (refer to Chapter 26).

The Directorate Customs and Excise levies customs and excise duties on goods imported from outside SACU and on certain locally manufactured goods, including alcoholic and non-alcoholic beverages (refer to Chapter 26).

Municipalities and similar bodies charge rates and taxes based on immovable property values such as the site value (A), improvement value (B) and open space value (A + B). There are no other property imposts.

General

Income tax (i.e. normal tax) is levied upon the taxable income of companies and individuals from sources within or deemed to be within Namibia. Non-residents earning taxable income in Namibia through ownership of property, employment, carrying on a business or from other activities giving rise to taxable income, are taxed on their Namibian source or deemed source taxable income, subject to the stipulations of the tax treaty between Namibia and the respective non-resident’s country.
Taxable income is calculated by first determining gross income. This is the total amount, whether in cash or otherwise, received by or accrued to or in favour of the taxpayer during the year of assessment, excluding receipts and accruals:

- Of a capital nature, subject to some specific inclusions; and
- From any source outside Namibia, other than amounts deemed to be from a source within Namibia.

From gross income, the following may be deducted:

- All amounts exempt from normal tax; and
- The deductions, allowances and set-offs allowed by the Income Tax Act.

The Income Tax Act deals in considerable detail with what may be deducted to arrive at taxable income. The following is a summary, which is by no means exhaustive. The first two are general deductions and the remaining deductions are specified in the Act:

- All expenditure and losses, not of a capital nature, actually incurred in Namibia in the production of income
- Expenditure and losses, not of a capital nature, incurred outside Namibia in the production of income within Namibia, as allowed by the Minister of Finance;
- A capital allowance in respect of the cost of vehicles, aircraft, sea-going craft, machinery, implements, utensils and articles acquired by a taxpayer for the purpose of his/her trade, deductible in equal instalments over three years. This allowance is not applicable to buildings; and
- An initial allowance of 20% on the cost of erection of buildings in the year in which the buildings are brought into use by the taxpayer for the purposes of his/her trade, and an annual allowance of 4% for each of the 20 years following the year in which the building was brought into use.

**Tax year**

The tax year for individuals and trusts run from 1 March to 28 February, while the year of assessment of companies and close corporations is the same as their chosen financial years.

**Tax compliance**

**Filing of returns**

The due dates of returns prescribed by the Income Tax Act are summarized below:
<table>
<thead>
<tr>
<th>Returns</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Tax Return:</strong></td>
<td></td>
</tr>
<tr>
<td>Individuals(^{20})</td>
<td>Within 4 months after the tax year end (i.e. 30 June each year)</td>
</tr>
<tr>
<td>Companies(^{21})</td>
<td>Within 7 months after the financial year end</td>
</tr>
<tr>
<td>Taxpayers (other than companies or “salaried</td>
<td>Within 7 months after the tax year end (i.e. 30 September each year)</td>
</tr>
<tr>
<td>individuals”) carrying on wholly/partially a</td>
<td></td>
</tr>
<tr>
<td>business, profession or farming</td>
<td></td>
</tr>
<tr>
<td><strong>Provisional Tax Returns(^{*}):</strong></td>
<td></td>
</tr>
<tr>
<td>Individuals:</td>
<td></td>
</tr>
<tr>
<td>1st provisional</td>
<td>Within 6 months from commencement of the respective tax year end (i.e.</td>
</tr>
<tr>
<td></td>
<td>on/before 31 August)</td>
</tr>
<tr>
<td>2nd provisional</td>
<td>On or before the last day of the respective tax year (i.e. 28 February)</td>
</tr>
<tr>
<td>Companies:</td>
<td></td>
</tr>
<tr>
<td>1st provisional</td>
<td>Within 6 months from the commencement of the company’s financial year</td>
</tr>
<tr>
<td>2nd provisional</td>
<td>On or before the last day of the company’s financial year end</td>
</tr>
<tr>
<td>Taxpayers deriving wholly or mainly income</td>
<td>On or before the last day of the tax year (i.e. 28 February each year –</td>
</tr>
<tr>
<td>from farming other than companies</td>
<td>only one provisional tax return)</td>
</tr>
<tr>
<td><strong>PAYE Returns</strong></td>
<td>The employer should submit a PAYE Return within 20 days following the</td>
</tr>
<tr>
<td></td>
<td>month during which the PAYE is required to be withheld</td>
</tr>
<tr>
<td><strong>PAYE Reconciliation Return</strong></td>
<td>An annual PAYE reconciliation should be submitted by the employer on</td>
</tr>
<tr>
<td></td>
<td>the prescribed form within 30 days from the tax year end (i.e. 30 March</td>
</tr>
<tr>
<td></td>
<td>each year)</td>
</tr>
</tbody>
</table>

---

\(^{20}\) Individuals include trusts and estates for income tax purposes. These individuals are referred to as “salaried individuals” when they do not carry on a business wholly / partially.

\(^{21}\) Companies include close corporations for income tax purposes.
**Withholding Tax Returns:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>Within 30 days from the date of accrual or receipt of dividends by non-residents</td>
</tr>
<tr>
<td>Royalties</td>
<td>Within 14 days following the month during which the royalty payments accrued or were received</td>
</tr>
<tr>
<td>Interest</td>
<td>Within 20 days following the month during which the interest accrued or was received</td>
</tr>
<tr>
<td>Services</td>
<td>Within 20 days following the month during which the amount was withheld or deducted.</td>
</tr>
</tbody>
</table>

* Persons required to submit provisional tax returns in terms of the definition of a “provisional taxpayer” in Schedule 2 to the Income Tax Act, are:

- Persons deriving income other than remuneration from an employer;
- A director of a private company managed or controlled or having a registered office in Namibia, or when the director is ordinarily resident in Namibia;
- A person notified by the Minister that he/she is a provisional taxpayer; and
- Any company.

Taxpayers may apply in writing for the extension of the submission of their income tax returns for a period no later than 12 months after the tax year end (individual taxpayers) or the financial year end (companies), whichever is applicable. However, it should be noted that the DIR does not grant extension when there are any outstanding returns for the respective taxpayer.

**Payment of taxes**

From the table above it is clear that a system of provisional tax payments as well as self-assessment applies in Namibia.

The due dates contained in the table above apply not only to the submission of the required returns, but also to the payment of the respective taxes. The payment of taxes is explained in further detail below, distinction being made between salaried persons and provisional taxpayers.

**Salaried persons**

The monthly tax called Pay-As-You-Earn (PAYE) should be subtracted from the salaries of employees and should be paid over to the Directorate of Inland Revenue by employers within 20 days following the month during which the PAYE was subtracted or withheld by the employers.

Any outstanding taxes on the final taxable income of salaried persons are required to be paid by the employees within four months after the tax year end i.e. on or before 30 June each year. This also applies to directors of companies other than private companies that are not registered as provisional taxpayers.

**Provisional taxpayers**

PAYE is also required to be withheld from the salary or remuneration of provisional taxpayers deriving income in addition to their salaries/ remuneration. Provisional taxpayers may apply for a tax directive regarding the exemption to withhold PAYE on their salaries, but the DIR rarely grants such directives. Employers are thus required to withhold PAYE unless provided with a tax directive granting exemption to withhold PAYE in respect of
a specific employee.

In general, two provisional payments are made, the first being half of the estimated tax liability for the year, payable within six months of the commencement of the year of assessment, and the second at year end. A top-up payment is payable when the first and second provisional payments together with the PAYE withheld (if applicable) did not cover the final taxes payable upon submission of the income tax return within the prescribed period as stated in the table above.

It is imperative to note that the 1st and 2nd provisional payments should be equal to at least 40% and 80% respectively of the tax payable for the year. Penalties and interest may be levied on an underestimation of provisional taxes.

**Penalties and interest on non-compliance**

In terms of the Income Tax Act, penalties and interest may be levied in the following instances –

**PAYE Returns and PAYE Reconciliations:**

<table>
<thead>
<tr>
<th>Non-compliance</th>
<th>Penalty</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late filing of return (employer)</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Late payment of tax (employer)</td>
<td>10% of the PAYE outstanding calculated from the 1st day of the month during which the PAYE became due until the date of payment, limited to the amount of PAYE outstanding.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
<tr>
<td>Failure to withhold PAYE (employer)</td>
<td>10% of the PAYE outstanding calculated from the 1st day of the month during which the PAYE became due until the date of payment, limited to the amount of PAYE outstanding.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
</tbody>
</table>

**1st Provisional Tax Return:**

<table>
<thead>
<tr>
<th>Non-compliance</th>
<th>Penalty</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late filing of return</td>
<td>N$100 per day</td>
<td>None</td>
</tr>
<tr>
<td>Late payment of tax</td>
<td>10% of the outstanding amount once-off.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
<tr>
<td>Under-estimation of provisional tax</td>
<td>Up to 100% of the under-estimation amount of tax.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
</tbody>
</table>
### 2nd Provisional Tax Return:

<table>
<thead>
<tr>
<th>Non-compliance</th>
<th>Penalty</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late filing of return</td>
<td>N$100 per day</td>
<td>None</td>
</tr>
<tr>
<td>Late payment of tax</td>
<td>10% of the outstanding amount once-off.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
<tr>
<td>Under-estimation of provisional tax</td>
<td>Up to 100% of the under-estimation amount of tax.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
</tbody>
</table>

### Income Tax Returns:

<table>
<thead>
<tr>
<th>Non-compliance</th>
<th>Penalty</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late filing of return</td>
<td>A fine of N$300 or 3 months imprisonment, or both such fine or imprisonment upon conviction.</td>
<td>None</td>
</tr>
<tr>
<td>Late payment of tax (top-up payment)</td>
<td>10% once off penalty of the outstanding taxes(^{22}).</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
<tr>
<td>Omission of amounts or the incorrect statement in the return</td>
<td>An additional tax of 200% of the difference in the tax payable as furnished in the return to the DIR and the tax payable when the omitted amount is included or the incorrect statement is corrected in the return.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
</tbody>
</table>

### Withholding Tax Returns:

<table>
<thead>
<tr>
<th>Non-compliance</th>
<th>Penalty</th>
<th>Interest</th>
</tr>
</thead>
</table>

\(^{22}\) The penalty is calculated on outstanding taxes, thus any payment of outstanding taxes before submission of the Income Tax Return will not trigger a penalty.
<table>
<thead>
<tr>
<th>Late filing of return</th>
<th>None</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late payment of tax (top-up payment)</td>
<td>There are no specific penalties relating to withholding taxes on dividends or royalties, however these taxes are ‘income taxes’ and a penalty of 10% may become applicable to the late payment of withholding taxes. For late payment of withholding tax on services, a penalty of 10% per month is levied, limited to the tax payable.</td>
<td>20% per annum on the outstanding tax limited to amount payable.</td>
</tr>
</tbody>
</table>

**Foreign tax relief**

As income tax is levied only on taxable income derived or deemed to be derived from sources within in Namibia, and on certain foreign dividends, the question of foreign tax relief does not normally arise. Relief will generally only be granted if provided for in a tax treaty (i.e. a double taxation agreement) with the foreign state.

**Loss carryovers**

An “assessed loss” results where permissible deductions exceed the income in a year of assessment. An assessed loss is carried forward indefinitely, and set off against the taxable income of subsequent years until the loss is recouped, with the proviso that if the taxpayer is a company, it must continue to carry on business.

Special provisions are included in the Act to protect the fiscus against trafficking in assessed loss companies.

**Consolidation of income**

In Namibia each company and each individual is a separate legal entity for tax purposes. Subvention of losses or the consolidation or combining of income or expenditure between group companies is not permitted.

**Transactions between related parties**

The Directorate of Inland Revenue (DIR) is entitled to disregard transactions that are not
conducted at arm’s length and which result in avoidance, diminution or deferment of tax. In practice DIR seldom interferes with trading relationships between taxpayers in Namibia, unless special circumstances (such as an assessed loss) suggest that tax avoidance may be the motive for the transaction. DIR has discretion to allow a deduction to a Namibian taxpayer claiming expenditure incurred outside Namibia in the production of income from carrying on any trade within Namibia. Various tax treaties contain provisions under which revenue transactions are adjusted to terms that would have prevailed on an arm’s length basis.

Transfer pricing

Namibia introduced transfer pricing legislation on 14 May 2005. The legislation was aimed at enforcing the arm’s-length principle in cross-border transactions carried out between connected persons. On 5 September 2006, the Directorate of Inland Revenue issued Income Tax Practice Note 2 of 2006 that contains guidance on the application of the transfer pricing legislation. The Practice Note is based on guidance set out by the Organisation for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines for multinational enterprises and tax administrations.

The objective of this Practice Note is to provide taxpayers with guidelines regarding the procedures to be followed in the determination of arm’s-length prices, taking into account the Namibian business environment. It also sets out the Minister of Finance’s views on documentation and other practical issues that are relevant in setting and reviewing transfer pricing in international agreements.

Transfer pricing legislation is essentially aimed at ensuring that cross-border transactions between companies operating in a multinational group are fairly priced and that profits are not stripped out of Namibia and taxed in lower tax jurisdictions. The legislation achieves this by giving the Minister of Finance (who essentially delegates to the Directorate of Inland Revenue) the power to adjust any non-market related prices charged or paid by Namibian entities in cross-border transactions with related parties to arm’s-length prices and to tax the Namibian entity as if the transactions had been carried out at market-related prices.

In terms of the normal penalty provisions of the Income Tax Act, the Directorate of Inland Revenue may levy penalties of up to 200% on any amount of underpaid tax. Consequently, the Inland Revenue may invoke such provisions in the event that a taxpayer’s taxable income is understated as a result of prices that were charged in affected transactions which were not carried out at arm’s length. Further, interest will be charged on the unpaid amounts at 20% per annum.

Thin capitalisation

Thin capitalisation rules in Section 95A(2) of the Income Tax Act empowers the Minister to disallow the interest expense on the portion of a related party/shareholder loan that he considers to be excessive in relation to the equity of the company.

Where a non-resident (referred to as the “investor”) has granted financial assistance (directly or indirectly) to:

• any “connected person” (who is a resident) in relation to him; or
• any other person (in whom he has a (25% or more) direct or indirect interest) (other than a natural person) who is a resident (the “recipient”),

and the Minister (having regard to the circumstances) is of the opinion that the total value of financial assistance given by the “investor” is excessive in relation to the fixed capital of the Namibian borrower (the “connected person” or the “recipient”),
then the cost of the financial assistance (interest and finance charges) on the portion of the financial assistance which is considered excessive, will not be allowed as a tax deduction in the hands of the borrower.

There is no guidance that provides a definition for 'excessive'. Therefore, each case should be considered on the basis of the facts provided. The 3:1 ratio is generally applied by the Bank of Namibia for exchange control purposes, and this guideline is therefore deemed suitable until otherwise determined by Inland Revenue.

**Document retention**

There is currently no official prescription period in Namibia relating to income tax and PAYE. Debts to the state prescribe after 30 years.
Chapter 18: Tax Administration

The Ministry of Finance consists of the Department of Inland Revenue and the Directorate of Customs and Excise that administer the Namibian tax system and customs services, respectively.

The Commissioner is the head of the Department of Inland Revenue. The Department is responsible for collecting, enforcing and administering all taxes, duties and levies in Namibia.

The Department is composed of three Directorates, namely Directorate Large Taxpayers and Investigations, Directorate Small and Medium Taxpayers and Directorate Tax Administration and Support Services. The head of each Directorate is called a Director.

The Directorates are divided into divisions according to specific functions and coverage of various regions in Namibia. The head of each division is called a Deputy Director.

The Directorate Large Taxpayers and Investigations is comprised of the following divisions:

- Large Taxpayers
- Forensic Tax Investigations.

The Directorate Small and Medium Taxpayers is comprised of the following divisions, which are regarded as regional offices:

- Central Region, with its offices located in Windhoek
- Northern Region, with its offices located in Oshakati
- Western Region, with its offices located in Walvis Bay
- North Central Region, with its offices located in Otjiwarongo
- Southern Region, with its offices located in Keetmanshoop
- North Eastern Region, with its offices located in Rundu
- Far North Eastern Region, with its offices located in Katima Mulilo.

The Directorate Tax Administration and Support Services is comprised of the following divisions:

- Tax Administration and Support Services
- Legislation, Tax Policies and International Relations.

The Customs and Excise Directorate is divided into the following divisions:

- Legal and Technical Services
- Operations
- Administration
- Southern Region
- Central and Eastern Region
- Walvis Bay Region
- Northern Region
- North Eastern Region

The Commissioner for Customs and Excise oversees the above divisions which in turn are each headed by Deputy Directors.

The table below outlines the Customs and Excise official points of entry for the declaration and clearing of goods, their normal office hours, days, telephone numbers and fax numbers as per the various Customs and Excise regions:
## NAMIBIA CUSTOMS AND EXCISE OFFICIAL POINTS OF ENTRY

<table>
<thead>
<tr>
<th>Central Region</th>
<th>Normal O/Hours</th>
<th>Days</th>
<th>Telephone No.</th>
<th>Fax No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hosea Kutako International Airport</td>
<td>08h30 – 21h00 (depending on scheduled flights)</td>
<td>Mon-Sun</td>
<td>062-540369/269</td>
<td>062-540025</td>
</tr>
<tr>
<td>Windhoek Regional Office</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>061-2092422/3/4</td>
<td>061-220013</td>
</tr>
<tr>
<td>Eros Airport</td>
<td>08h00 – 17h00 (depending on scheduled flights)</td>
<td>Mon-Fri</td>
<td>061-254233</td>
<td>061-254223</td>
</tr>
<tr>
<td>Pro Parcel</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>061-2945214</td>
<td>061-263242</td>
</tr>
<tr>
<td>Otjiwarongo</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>067-303971</td>
<td>067-303974</td>
</tr>
<tr>
<td>Southern Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keetmanshoop</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>063-222749</td>
<td>063-223043</td>
</tr>
<tr>
<td>Lüderitz</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>063-202259</td>
<td>063-202924</td>
</tr>
<tr>
<td>Oranjemund</td>
<td>08h00 – 22h00</td>
<td>Mon-Sun</td>
<td>063-233552</td>
<td>063-233552</td>
</tr>
<tr>
<td>Noordoewer</td>
<td>24 HOURS</td>
<td>Mon-Sun</td>
<td>063-297148</td>
<td>063-297138</td>
</tr>
<tr>
<td>Ariamsvlei</td>
<td>24 HOURS</td>
<td>Mon-Sun</td>
<td>063-280023/4</td>
<td>063-280020</td>
</tr>
<tr>
<td>Klein Menass*</td>
<td>07h30 – 16h30</td>
<td>Mon-Sun</td>
<td>063-280680</td>
<td>063-280680</td>
</tr>
<tr>
<td>Hohlweg*</td>
<td>07h30 – 16h30</td>
<td>Mon-Sun</td>
<td>063-280682</td>
<td>063-280682</td>
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<table>
<thead>
<tr>
<th>Eastern Region</th>
<th>Normal O/Hours</th>
<th>Days</th>
<th>Telephone No.</th>
<th>Fax No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transkalahari Border post</td>
<td>06h00 – 24h00</td>
<td>Mon-Sun</td>
<td>062-560401</td>
<td>062-560418</td>
</tr>
<tr>
<td>Gobabis</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>062-563605</td>
<td>062-563607</td>
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<table>
<thead>
<tr>
<th>Northern Region</th>
<th>Normal O/Hours</th>
<th>Days</th>
<th>Telephone No.</th>
<th>Fax No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oshakati</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>065-229600 229601</td>
<td>065-222277</td>
</tr>
<tr>
<td>Ruacana</td>
<td>08h00 – 18h00</td>
<td>Mon-Sun</td>
<td>065-270039</td>
<td>065-259525</td>
</tr>
<tr>
<td>Omahenene</td>
<td>08h00 – 18h00</td>
<td>Mon-Sun</td>
<td>065-259512</td>
<td>065-259525</td>
</tr>
<tr>
<td>Oshikango</td>
<td>08h00 – 18h00</td>
<td>Mon-Sun</td>
<td>065-264613</td>
<td>065-264614</td>
</tr>
<tr>
<td>Grootfontein</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>067-242829</td>
<td>067-242906</td>
</tr>
<tr>
<td>Tsumeb</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>067-220041</td>
<td>067-220061</td>
</tr>
<tr>
<td>North Eastern Region</td>
<td>Normal O/Hours</td>
<td>Days</td>
<td>Telephone No.</td>
<td>Fax No.</td>
</tr>
<tr>
<td>----------------------------</td>
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</tr>
<tr>
<td>Wenela</td>
<td>06h00 – 18h00</td>
<td>Mon-Sun</td>
<td>066-253153</td>
<td>066-252401</td>
</tr>
<tr>
<td>Ngoma</td>
<td>07h00 – 18h00</td>
<td>Mon-Sun</td>
<td>066-250601</td>
<td>066-250609</td>
</tr>
<tr>
<td>M’Pacha Airport</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>066-253222</td>
<td>066-253268</td>
</tr>
<tr>
<td>Muhembo</td>
<td>06h00 – 18h00</td>
<td>Mon-Sun</td>
<td>066-259908</td>
<td>066-259917</td>
</tr>
<tr>
<td>Katima Mulilo</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>066-253222/252404/252026</td>
<td>066-253268</td>
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<table>
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<tr>
<th>Harbours</th>
<th>Normal O/Hours</th>
<th>Days</th>
<th>Telephone No.</th>
<th>Fax No.</th>
</tr>
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<tbody>
<tr>
<td>Lüderitz</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>063- 202259</td>
<td>063-202924</td>
</tr>
<tr>
<td>Walvis Bay</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>064-208606001</td>
<td>064-2086100</td>
</tr>
<tr>
<td>Swakopmund</td>
<td>08h00 – 17h00</td>
<td>Mon-Fri</td>
<td>064-463181</td>
<td>064-463125</td>
</tr>
</tbody>
</table>

*These facilities are not staffed or equipped for the processing of commercial cargo.*
Chapter 19: Taxation of Corporations

Rates
Corporations may be either companies or close corporations, both of which are taxed on the same basis. The principles discussed in this Chapter are therefore also applicable to close corporations.

Taxable income of companies is subject to income tax at the following rates:

- Companies other than from mining and long-term insurance business are taxed at 33% (proposed 32% for fiscal years starting on or after 1 January 2014);
- Mining companies other than diamond mines are taxed at 37.5%;
- Diamond mining companies are taxed at 55%;
- Long term insurance companies are taxed at 13.2% (proposed 12.8% for fiscal years starting on or after 1 January 2014);
- Companies generating income from petroleum production are taxed at 35%.

An example of a corporate tax calculation is included in Appendix III.

Classification of companies
For tax purposes, close corporations are classified as companies. Otherwise, companies are classified as follows:

- Namibian companies - companies incorporated in Namibia
- External companies - companies that are not incorporated in Namibia that carry on business in Namibia through a branch and are therefore required to register under the Companies Act of Namibia (refer to Chapter 6 for more detail).

Income determination
Income received by a company is only subject to tax in Namibia where the source of the income is within or deemed to be within Namibia. Double taxation is generally avoided by double taxation treaties and unilateral relief. Capital gains (other than the sale of a mining licence or right to mine minerals), dividend receipts and amounts specifically exempt under the Income Tax Act are not subject to corporate income tax.

Transfer pricing
Transfer pricing regulations may result in a tax adjustment to income or expenses where goods or services are supplied across borders between related parties at prices which are not arm’s length.

Transfer pricing in Namibia is based on OECD Guidelines and has been set out in a Practice Note to the Income Tax Act. Taxpayers are required to maintain adequate documentation in order to demonstrate that a sound transfer pricing policy has been developed in terms of which transfer prices are determined in accordance with the arm’s length standard. However, there is currently no requirement for a policy document to be filed with the Income Tax return.
Deductions

There is a general deduction for current, non-capital trading expenditure and losses incurred in the production of income.

In addition, specific deductions are allowed, mainly for capital expenditure. For example, a spread depreciation (wear and tear) allowance may be deducted for the cost of vehicles, aircraft, sea-going craft, machinery, implements, utensils and articles used for the purpose of trade. The deduction is spread over three years (i.e. 1/3 per tax year) and apportionment is not applicable to the capital allowances. Please note that certain assets, for example dams, pipelines and power lines do not fall within this allowance and a 1/3 capital allowance may thus not necessarily be deducted from taxable income in respect of such assets. A technical analysis of the facts should be considered in these cases.

A capital allowance in respect of the erection costs of new buildings used for purposes of trade is also allowed. This allowance has two parts; an initial allowance of 20% on the erection costs of new buildings in the year in which the buildings are brought into use by the taxpayer for purposes of his trade, and for the next 20 years following the year in which the building was brought into use, an annual allowance of 4% on the erection costs of the new buildings is granted. Please note that for income tax purposes case law has established that a building is defined as “a structure with a roof and walls”.

Interlocking paving, fences and building improvements (other than leasehold improvements effected under an obligation in terms of a lease contract) may fall outside the ambit of this definition.

Assessed losses may be carried forward as long as the entity is carrying on a trade. There is no group relief, and the assessed loss of one company in a group may not be set off against the income of another group company.

Export Processing Zone (EPZ)

The enactment of the EPZ Act in 1996 launched the Export Processing Zone (EPZ) concept that offers investors attractive fiscal incentives, tax and non-tax incentives, in exchange for technology transfers, capital inflow, skills development and job creation. (Refer to Appendix IV for more detail.)

Manufacturing enterprises

Namibian-based enterprises that invest in manufacturing and export trade are given a competitive edge by way of manufacturing incentives.

Tax incentives

- An additional 25% allowance on manufacturing wages (section 17A) of the Income Tax Act;
- An additional 25% allowance on marketing expenses incurred in export countries in relations to goods exported for sale (section 17B);
- An 80% allowance on the manufacturing gross profit of a manufacturer (other than one exporting manufactured fish or meat products) whose income is mainly derived from the export of goods manufactured in Namibia (section 17C);
- An additional 25% allowance, for a period of ten years from registration as manufacturer under section 5A of the Income Tax Act, on land-based transport costs (road or rail) incurred in relation to materials used in the manufacturing activity or to the importation of manufacturing equipment (section 17D);
- An initial building allowance of 20% on the erection costs of buildings used solely for manufacturing
purposes in the year in which the building is brought into use for purposes of trade;

- An annual building allowance of 8% on such erection costs as referred to above for the next 10 years following the year in which the building was brought into use; and

- Registered manufacturers are taxed at 18% for the first 10 years from registration, and at 34% for all following years;

In order for the above tax incentives to apply to a manufacturing enterprise, such an enterprise must be registered as a manufacturer under section 5A of the Income Tax Act.

Mining companies

All mining companies other than diamond mines are taxed at a rate of 37.5% on services rendered in connection with the actual mining as well as on services in connection with any mining activity.

A diamond mine is taxed at a rate of 55% on services rendered in connection with both the actual mining of diamonds as well as any mining activity.

Development and exploration costs incurred by mining companies are deductible for tax purposes. Exploration costs are deductible in the year that mining commences with production and not in the prior years when incurred. Development costs incurred prior to the commencement of mining operations are also deductible in the year in which mining commences with production over a period of three years. Any development costs incurred after the commencement of mining are deductible over three years.

Oil and Gas companies

The laws that regulate the petroleum industry in Namibia are Petroleum (Taxation) Act, Act No. 3 of 1991 (PTA), the Income Tax Act, Act No. 24 of 1981 dealing with administrative provisions and the Petroleum (Exploration and Production) Act, Act No. 2 of 1991 which levies royalties and tax on profits.

Petroleum Tax as levied under the PTA is paid annually for the benefit of the State Revenue Fund in respect of taxable income received by or accrued to or in favour of any person from a licence area in connection with exploration or production operations carried out in any tax year in such licence area. The tax rate is 35% with an additional profit tax payable on a sliding scale of between 15% and 25%.

Royalties are payable at 5% of gross revenues. The market value of crude oil is used as the basis for levying royalty and petroleum tax.

Activities relating to downstream activities are not considered to be petroleum activities and are taxed under the Income Tax Act.

Branches

The taxable income of Namibian branches of foreign companies is taxed at the corporate tax rate applicable to the Namibian companies with a similar trade.

The taxable income of a Namibian branch is determined in accordance with the Namibian Income Tax legislation which is source-based and not resident-based. The gross income definition includes income received or accrued to (in this case a branch), from sources or deemed sources within Namibia, provided the income is not of a capital nature.

The Income Tax Act makes provision for the deduction of expenses incurred in production of income as well as special
allowances in the determination of taxable income. However, charges between a Namibian branch and a foreign holding company are not deductible due to them being considered as one legal entity which cannot transact with itself.

Dividends declared by the Namibian branch to a foreign shareholder will be subject to Non-Resident Shareholders Tax (NRST)\(^23\), a withholding tax, at a rate of 10\% - 20\%\(^24\) unless a double tax agreement (DTA) specifies a lower rate.

'Dividends' is defined as “any amount distributed by a company... to its shareholders...”\(^25\).

If the branch is not registered as a local company (i.e. the branch is registered as an external company) in Namibia and does not have any shareholders, NRST would apply if profits are distributed to the head office and the head office declares dividends from Namibian profits to a non-Namibian-shareholder, even if the head office company is not a Namibian resident. Double taxation relief may, however, apply. If the branch is registered in Namibia as a local company (subsidiary) and has non-resident shareholders, NRST will apply.

Namibian subsidiaries of foreign parent companies are not subject to any special rules and are treated in the same manner as domestic Namibian companies for tax purposes.

### Long-term insurance companies

These companies are taxed only on 40\% of the gross investment income derived from investments within or outside Namibia in respect of any long-term insurance business carried on by such business inside or outside Namibia.

Income Tax Practice Note 1 of 2006 was issued on 5 September 2006 in order to clarify the misconceptions in the market regarding the determination of taxable income of long-term insurance companies, which, in short, can be illustrated as follows:

<table>
<thead>
<tr>
<th>Gross amounts (section 32(1))</th>
<th>XXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: dividend deduction (section 20(4))</td>
<td>YYY</td>
</tr>
<tr>
<td>Total gross amounts after section 20(4)</td>
<td>ZZZ(^26)</td>
</tr>
<tr>
<td>Taxable Income (TI)</td>
<td>ZZZ x 40%</td>
</tr>
<tr>
<td>Tax Payable</td>
<td>TI x corporate tax rate for non-mining companies</td>
</tr>
</tbody>
</table>

It is, however, important to note that income generated from non-insurance business is taxable in terms of the normal provisions of the Income Tax Act, i.e. 100\% of the income is taxable at the corporate tax rate for non-mining companies.

### Short-term insurance companies

The taxable income of short-term insurance companies is determined in the same manner as other companies but has additional incentives by claiming against all premiums received or accrued, including reinsurance premiums, the following:

- Premiums incurred on reinsurance;
- Claims incurred in respect of the

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\(^23\) Section 42 of the Income Tax Act
\(^24\) Section 45 of the Income Tax Act
\(^25\) The definition of a ‘dividend’ in section 1 of the Income Tax Act
\(^26\) According to a ruling issued by the Directorate of Inland Revenue, realised capital gains do not form part of the gross amounts.
business of insurance, less the value of any claims recovered or recoverable under any contract of insurance, guarantee, security or indemnity;

- Expenditure, other than those listed above, incurred in respect of the business of insurance;

- Allowance made by the Minister in respect of unexpired risks, provided such allowance is included in the taxable income of the short-term insurer in the following year of assessment;

- Allowance made by the Minister in respect of claims which have been intimated but not paid, provided such allowance is included in the taxable income of the short-term insurer in the following year of assessment; and

- Allowance made by the Minister in respect of claims which have not been intimated or paid, provided such allowance is included in the taxable income of the short-term insurer in the following year of assessment.

The taxable income of a short-term insurance business is taxed at the corporate tax rate for non-mining companies.

The standard rate for NRST will be 10% of the dividend declared (where more than 25% shareholding is held).

Where it comprises less than 25% of shareholding, the rate of NRST will be 20%. The DTA may reduce the tax rate, depending on which country the dividends are paid to.

The deducted NRST shall be paid to Inland Revenue, within 30 days of payment of the dividend.

NRST is not payable on dividends declared by insurance companies.

**Tax compliance**

A company's tax year is the same as its financial/fiscal year. It may be changed upon application showing reasonable cause.

Annual returns must be submitted within seven months of the end of the company's fiscal year unless an extension is granted.

Refer to Chapter 17 for more detail on tax payments and filing requirements.

**Dividends**

Dividend receipts are generally exempt from income tax. Expenses incurred in the generation of such dividend income, e.g. interest paid on money borrowed to purchase shares, are therefore not deductible for tax purposes.

Namibia imposes a tax on dividends paid by a company if the shareholder to whom the dividend is paid is a company neither managed nor controlled in Namibia, or a person not ordinarily resident in Namibia.
Chapter 20: Taxation of Foreign Corporations

Taxation of foreign direct investments

Namibia has a source-based tax system, which means that income from a source within Namibia or deemed to be within Namibia will be subject to tax in Namibia, unless a specific exemption is available.

Income earned by foreign companies from a source within or deemed to be within Namibia will be subject to tax in Namibia. In such cases, the foreign entity must determine whether it is obliged to register a local entity or branch. A company is required to register a branch if it has established a place of business in Namibia. A local subsidiary company may be registered as an alternative to a branch.

In the event that Namibia has entered into a double tax agreement (DTA) with the country where the foreign company resides, such entity will only be taxable in Namibia if it has established a Permanent Establishment (PE) in Namibia. If a PE exists, only the portion of income attributable to the PE will be subject to tax in Namibia.

Non-residents who do not have a place of business in Namibia may, however, be subject to withholding taxes.

Withholding taxes

Dividends paid by a Namibian company to a non-resident shareholder are subject to Non-Resident Shareholders Tax (NRST). NRST is levied on the foreign shareholder based on its percentage shareholding. The Namibian companies are liable to withhold and pay over NRST to Inland Revenue. Currently NRST is levied at 10% for shareholding of more than 25%. For shareholding less than 25%, 20% NRST applies. Where a Double Taxation Agreement is in place, it may reduce the NRST rates.

There are currently no withholding taxes on interest payments to foreign lenders.

Royalty and know-how payments to a non-resident for the use of intellectual property or know-how in Namibia are subject to a withholding tax (royalty tax), at the rate of 9.9% of the gross payment, which may be reduced by DTA treaty relief.

A Withholding Tax on Services (WTS) applies to management, administration, technical and consulting fees paid to a head office or other foreign supplier. The rate is currently 25%. However, DTA relief may apply. Foreign directors’ fees are also subject to WTS at 25% (it should be noted that the majority of DTAs do not provide relief on this rate).

Transfer pricing

Namibia introduced transfer pricing legislation on 14 May 2005. The legislation was aimed at enforcing the arm’s-length principle in cross-border transactions carried out between connected persons. On 5 September 2006, the Directorate of Inland Revenue issued Income Tax Practice Note 2 of 2006 that contains guidance on the application of the transfer pricing legislation. The Practice Note is based on guidance set out by the Organisation for Economic Co-operation
and Development (OECD) Transfer Pricing Guidelines for multinational enterprises and tax administrations.

The objective of this Practice Note is to provide taxpayers with guidelines regarding the procedures to be followed in the determination of arm’s-length prices, taking into account the Namibian business environment. It also sets out the Minister of Finance’s views on documentation and other practical issues that are relevant in setting and reviewing transfer pricing in international agreements.

Transfer pricing legislation is essentially aimed at ensuring that cross-border transactions between companies operating in a multinational group are fairly priced and that profits are not stripped out of Namibia and taxed in lower tax jurisdictions. The legislation achieves this by giving the Minister of Finance (who essentially delegates to the Directorate of Inland Revenue) the power to adjust any non-market related prices charged or paid by Namibian entities in cross-border transactions with related parties to arm’s-length prices and to tax the Namibian entity as if the transactions had been carried out at market-related prices.

In terms of the normal penalty provisions of the Income Tax Act, the Directorate of Inland Revenue may levy penalties of up to 200% on any amount of underpaid tax. Consequently, the Inland Revenue may invoke such provisions in the event that a taxpayer’s taxable income is understated as a result of prices that were charged in affected transactions, which were not carried out at arm’s length. Further, interest will be charged on the unpaid amounts at 20% per annum.

Taxpayers are required to maintain documentation to substantiate that they are transacting at arm’s length on cross-border connected party transactions. A transfer pricing policy, updated and reviewed on a regular basis should meet this requirement. There is no requirement to file transfer pricing policies with Inland Revenue, although Inland Revenue retains the right to ask for documentation in case of an audit.

**Thin capitalisation**

Thin capitalisation rules in Section 95A(2) of the Income Tax Act empower the Minister to disallow the interest expense on the portion of a related party/shareholder loan that she considers to be excessive in relation to the equity of the company.

Where a non-resident (referred to as the “investor”) has granted financial assistance (directly or indirectly) to:

- any “connected person” (who is a resident) in relation to him/her; or
- any other person (in whom she/he has a (25% or more) direct or indirect interest) (other than a natural person) who is a resident (the “recipient”),

and the Minister (having regard to the circumstances) is of the opinion that the total value of financial assistance given by the “investor” is excessive in relation to the fixed capital of the Namibian borrower (the “connected person” or the “recipient”), then the cost of the financial assistance (interest and finance charges) on the portion of the financial assistance which is considered excessive, will not be allowed as a tax deduction in the hands of the borrower.

There is no guidance that provides a definition for ‘excessive’. Therefore, each case should be considered on the basis of the facts provided. The 3:1 ratio is generally applied by the Bank of Namibia for exchange control purposes, and this guideline is therefore deemed suitable until otherwise determined by Inland Revenue.
**Chapter 21: Taxation of Shareholders**

**Dividends**

Dividends received by a local shareholder are exempt from income tax.

Dividends paid by a Namibian company to a non-resident shareholder are subject to Non-Resident Shareholders Tax (NRST). NRST is levied on the foreign shareholder based on its percentage shareholding. The Namibian company is liable to withhold and pay over NRST to Inland Revenue. Currently NRST is levied at 10% for shareholding of more than 25%. For shareholding less than 25%, 20% NRST applies. Where a Double Taxation Agreement is in place, it may reduce the NRST rates.

**Duties on change in shareholding**

The transfer of shares on the Namibian Stock Exchange (NSX) may be subject to marketable securities tax. The transfer of shares not listed on the NSX is subject to stamp duty of N$2 for every N$1,000 or part thereof of the consideration/fair market value of the shares sold.

**Gains on sale of shares**

These gains may be of a capital or a revenue nature. Profits from share transactions are of a revenue nature and subject to income tax where the taxpayer is a share dealer (based on his/her intention and the frequency and volume of the transactions indicating that a taxpayer carries on a profit-making business as a share trader).

Conversely, the profits from the disposal of shares (excluding those of entities which owns mining rights) held as long-term investments to earn dividends and capital growth, may be of a capital nature. Namibia currently does not levy capital gains tax and the gain would accordingly not be taxable.

Profits on the sale of shares in entities who own mining licences/rights are subject to income tax at the corporate tax rate.
Chapter 22: Taxation of Partnerships and Joint Ventures

Joint ventures are often set up as partnerships for a specific venture or period (i.e. an unincorporated joint venture). Partnerships (including unincorporated joint ventures, syndicates and consortiums) are not taxed as separate entities for income tax purposes. Once determined, the partners’ shares of the partnership’s taxable income or loss will be accounted for in the hands of the partners.

It may be required that a copy of the annual financial statements of the joint venture or partnership is submitted along with the company’s annual tax return.

Unincorporated joint ventures and partnerships may also be required to register for VAT, PAYE (employee taxes) and Withholding Taxes on Services.
Chapter 23: Taxation of Individuals

General

Both resident and non-resident individuals are subject to tax on income arising from sources within or deemed to be within Namibia. The same rates of tax are applicable to each. An example of a tax calculation for an individual is given in Appendix VII.

As part of the relaxation of exchange controls, from 1 July 1999, individuals are able to make investments offshore. Certain passive offshore investment income (interest, annuities and similar income) is deemed to be Namibian source income for individuals who are ordinarily resident in Namibia.

Married persons are taxed separately on their income. Dividends received by an individual are exempt from Namibian income tax.

Individuals earning interest from Banks and Unit Trusts will be liable for withholding tax of 10%. This will be deducted from the interest payable to them by the Bank and Unit Trust respectively. Refer to Chapter 20 on withholding taxes for further details.

Interest income accruing from a source outside Namibia may be exempt provided certain requirements are met. Refer to the Appendix on the taxability of interest for further details.

Rates

Income tax is calculated on the taxable income of individuals and trusts on a sliding scale with seven bands and a marginal rate of 37% above N$1,500,000. On taxable income up to N$50,000 no tax is payable. Refer to Appendix VI for the tax table for individuals.

Rebates

The Income Tax Act does not provide for any rebates against taxable income.

Tax returns and Payment of taxes

Employee taxes are collected through a Pay-As-You-Earn (PAYE) deduction system, with top-up payments required by 30 June for individuals who are not provisional taxpayers. Individuals who are subject to PAYE must also render their tax returns by June 30 each year.

Business individuals who are not subject to PAYE must render their tax returns and make top-up payments by 30 September. Extension of up to 12 months can be requested for tax return submission.
Chapter 24: Taxation of Trusts and Estates

Trusts

The income of a trust may be taxed in the trust, in the hands of its beneficiaries, or in the hands of a donor to the trust. Trusts are taxed on the same tax scales as individuals. Refer to the tax rate table in Appendix VI.

Trust income distributed to beneficiaries is taxed in their hands, where it retains its character and nature. Income that has been taxed in the trust and is subsequently distributed to beneficiaries is of a capital nature and not taxable in their hands.

However, to counter income splitting, there are sections in the Income Tax Act that may deem trust income attributable to a “donation, settlement or other disposition” to the trust, to be that of the donor, settlor or disposer.

Namibia currently does not levy donations tax or capital gains tax.

Deceased estates

The income of a deceased estate may be taxed in the estate (which is taxed as an individual), the deceased or the heirs.

Income received by the estate but that accrued or is deemed to have accrued to the deceased is taxable in the deceased's hands in the tax period ending on his death.

Other income accrued to the estate that can be attributed to the immediate benefit of ascertained heirs is taxed in their hands. In other cases the estate income is taxed in the estate or, strictly speaking, in the hands of the estate executors in their capacity as such.

Namibia currently does not levy estate duty or capital gains tax.

Insolvent estates

An insolvent estate, through its trustee, administrator or liquidator, is subject to income tax. The insolvent is assessed up to the date of insolvency and the insolvent estate is assessed for the period of insolvency.

As the insolvent and the insolvent estate are deemed to be the same person, an assessed loss of an insolvent is to be carried forward for set-off against income derived during insolvency, provided that, in the case of a company, the insolvent estate continues to trade. If the insolvency or sequestration order is subsequently set aside, the assessed loss of the insolvent estate may be carried forward for utilisation by the person whose estate was previously in insolvency.
Chapter 25: Value-Added Tax (VAT)

In terms of the Value-Added Tax Act, Act No. 10 of 2000 (the VAT Act), VAT is payable:

- When supplies of goods and services are made;
- By a registered person;
- In the course of a taxable activity, or when
- Goods and services are imported.

The events referred to above may result in a liability for VAT or may be exempt from VAT.

Supplies that are not exempted from VAT and are taxable supplies and are subject to VAT at one of two rates, namely:

- A standard rate of 15%; or
- A zero rate (0%).

Registered persons

There is an obligation on every person who carries on a taxable activity and who makes taxable supplies exceeding the threshold of N$200,000 in any 12-month period (an increase to N$500,000 was proposed but not legislated by print date) preceding his/her application or if the taxable supplies is expected to exceed the threshold in the following 12-month period, to register for VAT.

A person who becomes liable to register for VAT will have to apply to the Commissioner of Inland Revenue for registration within 21 days of becoming liable to register.

A person is, however, not obliged to register if the Commissioner is satisfied that the N$200,000 limit has been or will be exceeded solely as a consequence of any cessation, or substantial and permanent reduction in the extent of the taxable activity or the replacement of capital goods.

In deciding whether to register or not, an unregistered person must consider both his past and his future turnover.

A person who does not carry on any taxable activity cannot register for VAT. A taxable activity is any activity carried on continuously or regularly within or partly within Namibia in the course of which goods or services are supplied for a consideration, whether or not for a pecuniary profit. Included are certain activities of local authorities, welfare organizations and share block companies. Specifically excluded are the activities of a permanent, independent branch located outside Namibia, activities of the state, services rendered by an employee to their employer, and activities involving the making of exempt supplies.

Once registered, registered persons pay VAT on taxable supplies made to them for the purpose of their entity and charge VAT on the taxable supplies made by them in the course of furtherance of their taxable activities. If the VAT the registered person pays exceeds the VAT the registered person charges in a tax period, the
registered person obtains a refund of the excess from the Receiver of Revenue. If the VAT charged exceeds the VAT paid by a registered person in a tax period, the registered person pays the excess to the Receiver.

A registered person will have a two (calendar) month tax period. Farmers may (subject to their preferences) elect to have a two, four, six or twelve calendar month tax period. For each tax period a person must submit a VAT return together with the payment of any VAT owing. The return also activates a refund of VAT in appropriate cases.

Registration for VAT

To register for VAT, the taxpayer must provide the following information:

- A bank account in the name of the taxpayer;
- A bank stamp on the VAT application form verifying the bank account details of the taxpayer;
- A health and fitness certificate from the municipality in the region in which the taxpayer's offices are situated; and
- A signed VAT application form.

Goods and services

There must be a supply of goods or services or an importation of goods or services for VAT liability to exist. Goods are corporeal movable or immovable property, thermal or electrical energy, heat, gas, refrigeration, air conditioning and water, but does not include money.

The meaning of “services” is very wide, and means anything that is not goods or money; and covers anything done or to be done, including the granting, assignment, cession or surrender of any right or the making available of any facility or advantage.

Imported goods

To make Namibian suppliers competitive with foreign suppliers, the importation of goods and services is subject to VAT. In addition, the VAT Act has a schedule that lists goods that are exempt from VAT on importation, whether by a registered VAT person or an unregistered VAT person.

Imported services

VAT is only payable upon ‘imported services’ as defined in the Act. These are services:

- received by a person who is a resident of Namibia; and
- who is not intending to utilise the services in order to make taxable supplies,
- supplied by a non-resident person;
- by a supplier who is resident and carries on business outside Namibia.

Where the imported service is to be utilised in order to make taxable supplies it will not constitute an imported service, and no VAT will be payable. VAT will, however, be payable on services imported by registered or non-registered VAT persons and if utilised in order to make non-taxable supplies.

No VAT is payable on the importation of services, if the service would be exempt or zero-rated if it were rendered in Namibia (e.g. transport of passengers by road).

Where tax is payable on an import of services, the recipient of the imported service is required to furnish the Commissioner with an import declaration and the tax payable within 30 days after the time of the import. The value of the import of services shall be the amount of the consideration for that import and the tax payable will be 15% of the value of the import.
Zero-rated supplies

The VAT Act contains a list of the supplies of goods or services that are taxed at the zero rate. Most of the items refer to exports and international transport, but certain other goods, for example basic food stuff, the sale of an enterprise as a going concern, fuel subject to the fuel levy, and goods deemed supplies by welfare organisations are also zero-rated.

A zero-rated supply made by a registered person is subject to VAT, but at a rate of 0%. On a zero-rated supply, a registered person does not charge VAT on the consideration for the supply and he obtains a refund or credit for the VAT paid on taxable supplies utilised in the making of the zero-rated supplies.

Exempt supplies

Similarly, the VAT Act contains a list of the supplies of goods or services that are exempt from VAT. The main exempt supply is that of financial services. All fee-based financial services are subject to VAT. The charging of interest remains exempt. Other exempt supplies include residential rentals, domestic passenger transport by road or rail, educational services, etc.

For exempt supplies by registered persons, the registered persons do not charge VAT on the supplies and they are not entitled to a deduction or credit for the VAT paid by them on goods and services supplied to them for the making of the exempt supply. Accordingly, registered persons will treat the VAT paid by them and for which they do not obtain a deduction or credit as another cost, and will recover it in the consideration they charge for the making of the exempt supply.

Fixed property

The sale of immovable property for residential purposes is a zero-rate supply. The sale of immovable property for commercial purposes constitutes a standard rated supply, which includes farming property or farm land. Any VAT incurred in erecting or extending a building to be sold as either a residential or commercial building can be deducted by a registered person.

The provision of residential accommodation by way of letting in a ‘dwelling’ is exempt from VAT. Accordingly, rentals received from the letting of flats and houses, for instance, are generally not subject to VAT. However, the provision of accommodation in a ‘commercial rental establishment’ is wholly subject to VAT provided that the person supplying the accommodation is a registered person.

Agents and Principals

Section 46A of the VAT Act authorises registered agents providing taxable supplies on behalf of their Principals to issue tax invoices, credit and debit notes on behalf of Principals. Principals may not issue tax invoices on the same supply.

If goods and services are supplied to the agent on behalf of his or her Principal a tax invoice may be supplied to the agent on request.

The import and export of goods may be made in the name of the Agent acting for a non-registered foreign Principal. Agents acting on behalf of foreign Principals may deduct import VAT paid by the Agent, provided certain contractual and documentary conditions are met.

The Act contains specific provisions on contemporaneous documentation to be kept by Agents and Auctioneers, as well as requirements for notifications to be given to Principals.

Filing of returns

The due dates of returns prescribed by the Income Tax Act are summarized below:
<table>
<thead>
<tr>
<th>Returns</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT</td>
<td>25th of the month following the end of 2 month tax period</td>
</tr>
<tr>
<td>Import VAT</td>
<td>20th of the month following the end of the previous month</td>
</tr>
<tr>
<td>Import VAT on services</td>
<td>30 days from date of import of services</td>
</tr>
<tr>
<td>Customs and Excise</td>
<td>Payment at time of clearing per customs assessment notice (excluding fuel import levy payment)</td>
</tr>
</tbody>
</table>

**Document availability requirements**

In terms of section 48 of the VAT Act, every registered person and every person other than a registered person who is liable for the payment of tax under the VAT Act shall maintain accounting records at such registered or other person’s place or places of business in Namibia.

The accounting records required to be maintained in terms of the above may be maintained in a country other than Namibia, provided-

- those accounting records are maintained on a centralised computer system in the country where such registered or other person’s main activities are located; and

- that centralised computer system is linked to such registered or other person’s place or places of business in Namibia; and

- such registered or other person, if at any time requested thereto in writing by the Commissioner-
  - furnishes the Commissioner with such computer print-outs as may be specified in that request; or
  - grants a taxation officer (employed in the directorate of Inland Revenue) access to that centralised computer system, within 24 hours from receiving that request.

**Document retention**

VAT records are required to be retained for a period of at least five years after the end of the tax period to which they relate, and such records shall (in so far as they are required to be so retained) be produced on demand by a taxation officer.
Chapter 26: Other Taxes

An up to date summary of Namibian taxes is available on www.pwc.com/na/en/namibia-tax-rate-card.

The following Namibian taxes are covered in specific chapters:

- Income tax – individuals and corporates (Chapters 17, 19 and 23);
- Value-added tax (Chapter 25);
- Customs duties (Chapter 25);
- Social Security Contributions (Chapter 17);
- Proposed Vocational Education and Training (Skills) levy (Chapter 17);
- Withholding taxes on interest, foreign dividends, royalties and services (management, technical, administrative, consultative, entertainment and directors fees) (Chapter 20);
- Petroleum Taxation (Chapter 19).

The Namibian Government collects further revenues through the following taxes:

Fuel levy

Current fuel levy rates are as follows:
- Petrol 12c/l
- Diesel 10c/l
- On paraffin (mixtures of heating and illuminating kerosene) 47c/l.

In addition the following levies are currently included in the pump prices of fuel in Namibia:
- Road Fund
- MVA Fund
- Road Safety Secretariat
- Equalization Fund

Vehicles with a GVM exceeding 3,500 kg should be registered with the Road Fund Administration in Namibia and are subject to Mass Distance Charges.

Stamp duties

Stamp duties are payable on a variety of instruments. The most important is the duty on the registration of the transfer of Namibian securities, including shares or stock, at 0.2% of the consideration given for, or the value of the security, whichever is greater.

Other instruments that attract stamp duty are deed of transfers of immovable property, bills of exchange, promissory notes, debit entries made by banks and others, mortgage bonds, certain customs and excise documents, fixed deposit receipts, instalment credit agreements, leases of fixed property, life insurance policies and security documents.

Customs and excise duties

Custom duties are levied on certain goods imported into Namibia. The rates are usually calculated on an ad valorem basis. Namibia applies the Harmonised System and is party to the World Trade Organisation (WTO). Namibia is also a member of the Southern Africa Custom Union (SACU), hence the application of common external tariffs on imports outside the SACU. Specific and ad valorem excise duties and the corresponding specific and ad valorem customs duties are levied on production or importation of excisable products such as fuel, jewellery, tobacco, beer, cigarettes and liquor.
Transfer duty

Transfer duty is imposed on the value of property acquired by any person by way of a transaction, or in any other manner, or on the amount by which the value of the property is enhanced by renunciation of an interest upon the use or disposal of the property.

The rates of transfer duty for the acquisition of fixed property by natural persons are as follows:

<table>
<thead>
<tr>
<th>Natural Persons: Non-Agricultural property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of property N$</td>
</tr>
<tr>
<td>0 – 600,000</td>
</tr>
<tr>
<td>600,001 – 1,000,000</td>
</tr>
<tr>
<td>1,000,001 – 2,000,000</td>
</tr>
<tr>
<td>2,000,000 and above</td>
</tr>
</tbody>
</table>

Other persons

<table>
<thead>
<tr>
<th>Any value</th>
<th>12%</th>
</tr>
</thead>
</table>

Special rates are applicable on natural persons who acquired commercial farmland through the Affirmative Action Loan Scheme.

Environmental taxes

The Ministry of Finance proposed the introduction of a number of environmental levies. These were, however, not legislated at the time of print.

The first levies proposed to be introduced will be a tax on incandescent bulbs, tyres and carbon emission tax on motor vehicles.

Details of the rates and how the levies will be payable are not yet available. Levies on plastic bags and bottles are being investigated.

Mining royalties

Royalties are levied in terms of the Prospecting and Mining Act as a percentage of the market value of the minerals extracted by licence holders in the course of finding or mining any mineral or group of minerals. The rates are determined as follows:

<table>
<thead>
<tr>
<th>Group of Minerals</th>
<th>Royalties %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precious metals / Base and rare metals</td>
<td>3%</td>
</tr>
<tr>
<td>Semi-Precious stones/Industrial metals/Non-Nuclear fuel minerals</td>
<td>2%</td>
</tr>
<tr>
<td>Nuclear fuel minerals</td>
<td>3%</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>5%</td>
</tr>
</tbody>
</table>
Chapter 27: Tax Treaties

Namibia has Double Taxation Agreements (DTAs) with the following countries:

- South Africa
- Russian Federation
- Sweden
- Mauritius
- Malaysia
- Romania
- India
- United Kingdom (Extension of 1962, SA treaty)
- Germany
- France
- Botswana

Generally the domestic tax laws of countries impose tax in one of three ways:

- The taxation of persons (natural or non-natural) who are either nationals or residents of the country (residence);
- The taxation of income arising from economic activity occurring within the country (source);
- The taxation of income arising from property located in the country (source).

The Department of Inland Revenue is currently in the process to compile a national framework for DTAs. It indicated that DTAs will subsequently be re-negotiated based on the framework.

The DTA between Namibia and Canada was not ratified by the Namibian Government at the time of print.

The majority of Namibian DTAs are based on the OECD model.

When dealing with the taxation of non-residents, the DTA should be considered, as it could influence the amount of tax payable.

It is imperative to note that a DTA will only apply when both countries have a taxing right on a particular income.
Chapter 28: Education

The office of the Permanent Secretary of the Ministry of Education is responsible for co-ordinating the activities of the ministry and for ensuring that the ministry provides education to Namibians in line with Article 20 of the country’s Constitution. The ministry is further divided into the four Departments listed below:

Department of Schools/Formal Education

The Department consists of the Directorates of Programmes and Quality Assurance, the National Institute for Educational Development and National Examinations and Assessment.

Department of Policy and Administration

The Department consists of the Directorates of General Services, Planning and Development, and Finance.

Department of Lifelong Learning

The Department consists of the Directorates of Adult Education, Namibia Library and Information Services, Vocational Education, and the Namibia Qualifications Authority (NQA).

Department of Tertiary Education, Science and Technology

The Department consists of the Directorates of Higher Education, Research, Science and Technology, and the Namibia National Commission for UNESCO.

National Institute for Educational Development

The National Institute for Educational Development (NIED) was established in 1990 as a Directorate within the Ministry of Education with the continuous task of ensuring that education in Namibia is developed and improved in accordance with the latest developments in education and the needs of the people of Namibia.

NIED is responsible for evaluating, designing and developing curricula for the education system; introducing effective approaches to teaching and learning; coordinating the development of instructional material and educational research; preparing and coordinating an effective system of pre-service and in-service teacher education; and providing training in educational management.

Pre-primary education

A number of Namibian schools previously offered pre-primary grades, but early childhood development was considered to be a function that would best be handled at the local and community level. It was, therefore, decided to shift the responsibility for early childhood education to the Ministry of Regional and
Local Government, Housing and Rural Development.

In 1995, pre-primary grades in public schools were closed, with the exception of pre-primary grades within special schools. Private schools could continue with pre-primary education, but were no longer subsidized by government.

Primary and Secondary education

There are approximately 1,698 primary and secondary schools in towns across Namibia. The majority are managed by the Ministry of Education and others are privately owned.

A free primary education directive for public school learners was implemented with the commencement of the 2013 school calendar year. According to this directive, learners up to grade seven at public primary schools do not have to pay school fees anymore.

Government schools follow a curriculum programme offered by the Ministry of Education in collaboration with the University of Cambridge called the Namibia Senior Secondary Certificate.

Private schools offer various curriculums (including those followed in government schools), including the International Baccalaureate Diploma Programme (IBDip). Each private school offers something different.

Tertiary/Higher education

There are a number of tertiary educational institutions in Namibia, some of which are listed below:

- The Polytechnic of Namibia;
- The University of Namibia;
- Caprivi College of Education;
- Rundu College of Education;
- Ongwediva College of Education;
- Windhoek College of Education;
- Monitronic Success College; and
- National Graduate School of Accounting (NGSA).

Various South African and other tertiary institutions offer correspondence courses and seminars in Namibia.

Namibia also has a number of vocational training institutions, including:

- Caprivi Vocational Training Centre;
- Rundu Vocational Training Centre;
- Windhoek Vocational Training Centre.
Chapter 29: Industries

Investment Landscape - Policy, plans and priorities

The Namibian Government is currently in the process of implementing the Fourth National Development Plan (NDP4), which will contribute to the goals of the long-term national Vision 2030 goals.

The main aim of NDP4 is accelerated economic growth and deepening rural development, while under Vision 2030 Namibia aims to become an industrialised and knowledge-based economy. The aim is to achieve economic diversification and rapid growth to reduce widespread poverty, unemployment, urban-rural disparities and the incidence of HIV/AIDS, while accelerating productivity increases in agriculture. Namibia is accelerating structural reforms with a focus on encouraging domestic and foreign investment through a more flexible labour market and further improving the business climate.

Namibia is considered a favourable investment destination for its progressive macroeconomic environment, political stability, independent judicial system, protection of property and contractual rights, good quality of infrastructure and easy access to SADC and other African markets.

The Namibian economy has become less dependent on agriculture and mining and has diversified its exports. The variety of Namibian goods and services sold abroad as well as markets in which they are sold have also increased.

The main sectors in the Namibian economy are:

- Agriculture
- Mining
- Fishing
- Diamond cutting and polishing
- Manufacturing
- Construction
- Electricity
- Water
- Tourism
- Transport
- Telecommunication
- Banking.

Agriculture Industry

Agriculture in Namibia contributes around 5% of the national GDP, though 25% to 40% of Namibians depend on subsistence agriculture and cattle husbandry. Primary products include livestock and meat products, crop farming and forestry. Exports of animal products, live animals and crops constitute roughly 11% of total Namibian exports. Only 2% of Namibia’s land receives sufficient rainfall to grow crops. The government encourages local sourcing of agriculture products and retailers of fruit, vegetables, and other crop products must purchase 27.5% of their stock from local farmers.

In the commercial farmland sector, agriculture consists primarily of livestock ranching. There are about 4,000 commercial farms in Namibia. Cattle-raising is predominant in the central and northern regions, while karakul sheep farming and goat farming are concentrated in the more arid southern regions. Subsistence farming is confined mainly to the “communal lands” of the country's populous north, where roaming cattle herds are prevalent and the main crops are millet, sorghum, corn and
peanuts. Table grapes, grown mostly along the Orange River in the country’s arid south, are becoming an increasingly important commercial crop and a significant employer of seasonal labour.

There are, however, some obstacles that will need to be addressed for Namibia’s agriculture to progress, one of which is the effective and sustainable reform of land ownership. Political stability in respect of land reform and continued investment will boost Namibia’s agricultural production. The government is keen to include private-sector investments in the growth of the sector.

**The Mining Industry**

The mining sector has historically been the main driver of growth in the Namibia economy. Namibia is a world-class producer of rough diamonds, uranium oxide, special high-grade zinc, gold bullion and salt. The industry is the largest foreign exchange earner in the economy and contributes the greatest amount to GDP. Put simply, mining is an incredibly lucrative and highly important sector in Namibia.

The variety of minerals in Namibia has drawn a great number of private sector firms. Opportunities in the sector are considerable. One of the largest resources is uranium: Namibia possesses the 4th largest uranium deposits in the world.

One of the most important minerals to Namibia is diamonds. Diamonds are synonymous with Namibian mining and since their discovery over a century ago have played a critical role in the wider economy. The Namibia diamond industry is licensed by Namdeb, which is jointly owned by the Namibian Government and the De Beers Corporation. Namdeb is also the largest diamond miner in the country, producing on average of about 1.6 million carats per annum.

Another important precious metal is gold. Recent gold discoveries in Namibia have fuelled speculation that further discoveries of gold deposits across the country are likely.

**The Fishing Industry**

Namibia’s fishing industry is based mainly on its 1,500km coastline which has exceptionally high biological productivity, thanks to the upwelling of the nutrient-rich Benguela Current.

To a large extent, Namibia’s fishing industry has been and remains a raw materials producer. Most of the production is exported as fresh, chilled or frozen products, with only limited value addition being done in Namibia.

Commercial exploitation of Namibia’s fisheries and marine resources is overseen by the Ministry of Fisheries and Marine Resources (MFMR) and is carried out in accordance with several pieces of legislation and three White Papers.

**Oil & Gas**

Brief history on oil and gas development Namibia’s petroleum license blocks are deep and ultra deep water depths. Prior to 2011, 20 wells were drilled (’95–’99: 13) and in 2012, 2 wells were drilled. While seismic survey data is considered to be very promising, no oil has been discovered to date with the limited exploration activities carried out. The petroleum industry in Namibia is thus still in its infant stage.

**Forms of petroleum leases / licences**

The Ministry of Mines and Energy, through the Petroleum Commissioner is responsible to assess licence applications.
The Petroleum Act stipulates three types of licences for which prospectors can apply, namely:

**Reconnaissance Licence** – This licence is granted for the purpose of conducting a preliminary exploration to determine where prospecting should be focused once an exploration licence has been obtained. This licence can be extended twice and is valid for not more than two years.

**Exploration Licence** – This licence is for systematic prospecting for oil and gas deposits. It is issued for a period of four years, and can be extended twice for not more than two years each time.

**Production Licence** – This licence allows the holder to produce and sell oil or gas in a specific production area. This licence is valid for 25 years and can be renewed only once, for not more than 10 years.

Namibia adopted an Open Licensing System in 1999 for Reconnaissance, Exploration and Production licenses. The Petroleum Commissioner confirmed that this will change and revert to bid rounds in future.

The Tourism Industry

Untouched savannah, rolling deserts alongside hundreds of kilometres of coastline, exotic wildlife and some of the oldest civilizations on earth, is what we know to be Namibia. Namibia is an incredible tourist destination whose diversity means it offers a little bit of something for everyone. To those who know the country it comes as little surprise that between 1991 and 2010 the number of visitors increased in leaps and bounds by more than 450%.

For the government tourism provides a welcome economic bonus. Traditionally Namibia’s economy has been dominated by mineral extraction and agriculture; yet since independence tourism has grown in importance and is now seen as one of Namibia’s key industries. Visitor numbers currently stand at approximately one million per annum, up from just over 200,000 in 1991. This phenomenal growth has brought more foreign currency into the country and fuelled economic growth. The Namibia Tourism Board reports that the tourism sector contributes 14% to the economy and accounts for more than 80,000 jobs nationwide. It also reports that the industry is worth N$11.5 million per year, while the number of registered tour operators has grown from 600 in 2002 to 3,040 in 2011.

There is a strong belief in Government that tourism can also play its part in helping Namibia achieve the objectives of Vision 2030. Tourism is more labour intensive and more widely geographically spread than other key industries such as mining, making it a particularly effective agent of development in remote rural areas.

Significant government investment has supported the industry with an allocation of N$260 million to fund recent tourism resort upgrades.
Chapter 30: Contacts

**PwC in Namibia**

**A leading professional services firm**

PwC Namibia is a Namibian owned organisation with global links and committed to helping our clients meet the challenges posed by the local and global economy.

**A Market leader**

We combine leadership, excellence and teamwork to help our clients across a diverse range of industries overcome complex situations and create long-term value. We aim to deliver exceptional value with integrity, confidence and humility. We support one another and our communities. PwC Namibia is the country’s largest professional services practice, provides a range of professional services, including Assurance, Tax and Advisory Services, and operates from offices in Windhoek and Walvis Bay.

The firm’s diverse client base covers the full spectrum of economic activities in Namibia with a total complement of 12 partners, 5 associate directors and more than 200 people, PwC brings appropriate local knowledge and experience to bear and uses the depth of its resources to bring clients a professional service, specifically tailored to meet their requirements.

PwC Namibia is a member of PricewaterhouseCoopers International, the world’s largest professional services organization. The international firm draws on the knowledge and skills of more than 180,000 people across 776 locations in 158 countries worldwide.

Client relationship building based on quality and integrity form an integral part of our service delivery strategy.

The table below is indicative of PwC’s professional services and industry expertise.

**Namibia service expertise summary**

**Assurance** provides assurance to clients on their financial performance and operations, as well as helping them improve their external financial reporting and adapting new regulatory requirements. Other services include accounting and regulatory advice, and attest and attest-related services.

**Tax** assists clients in complying with tax-related legislation and regulations. The firm’s advice covers all aspects of Namibian tax and incorporates Human Resource Services.

**Advisory** provides advice and assistance based on financial, analytical and business process skills to corporations, government bodies and intermediaries in the implementation of strategies relating to creating/acquiring/financing business, integrating them into current operations, enhancing performance, improving management and control, dealing with crises and restructuring and realizing value.
Assurance

Auditing Services
- Accounting Services
- Company Secretarial Services
- Financial Statement audits and agreed-upon procedures
- Sarbanes-Oxley Compliance
- Assistance on capital market transactions
- Accounting, technical and regulatory advice

Tax

Corporate Tax
- Consulting
- Tax Accounting Services
- Tax Function Effectiveness Reviews
- Corporate International Tax and Transfer Pricing

Value Added Tax & Customs
- Consulting
- Compliance
- Value Added Tax reviews
- Training
- Customs and Excise

Human Resource Services
- Remuneration, benefits and reward consulting
- International Assignee Services and Immigration
- Payroll and employees’ tax
- Receiver of Revenue liaison on all PAYE related matters

Compliance Services
- Preparation of financial statements
- Preparation of accounting records
- Tax compliance services – Registration
- Tax compliance services – Returns
- Company Secretarial Services

Advisory

Risk Advisory Services
- Investigations
- Accounting litigation support
- Forensic technology solutions
- Anti-corruption and fraud services
- Internal Audit Services
- Systems Process Assurance
- Governance and Sustainability
- Risk and Regulatory Solutions
- Financial Risk Services
- Anti-Money Laundering Consulting

Process Improvement
- Business Process Management
- Turnaround and Transformation
- Business Continuity Management
- Asset Management
- Project Management

Workforce Transformation and Talent Management
- Strategic People Planning
- Workforce restructuring
- Organisational Development and Restructuring
- Human Resource Policy Frameworks and Procedures
- Job Description and Competency Development
- Performance Agreements and Personal Development Plans
- Competency Based Recruitment and Selection
- Business Process Improvement: Lean Six Sigma
- Performance Management
- Talent Strategy and Management

Strategic Change Management
- Change Management
- Change Impact and Readiness
- Culture alignment / transformation

People and Change

HR Transformation
- Benchmarking Surveys and other relevant research
- HR Audits
- HR Strategy and Planning
- HR service delivery effectiveness
- Support in Mergers and Acquisitions
- Thought Leadership

Developing People
- Skills assessment and learning paths
- Coaching & Mentoring Service Offerings
- Specialised Development Programmes
- Skills Development
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- Team Building
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The Namibia Investment Centre (NIC) was established in 1990 under the Foreign Investment Act, Act No. 27 of 1990 with the major responsibility of promotion FDI (Foreign Direct Investment). The NIC is the first port of call for local and foreign investors.

**Vision**
To market Namibia as the preferred investment destination in the region by attracting and retaining both local and foreign investment.

**Mission**
1. Market Namibia as a favourable investment destination
2. Facilitate and create an enabling investment environment and regulatory framework
3. Ensure that Namibia has a fair share of regional and global FDI flows
4. Identify and encourage the attraction and growth of inward and outward domestic investment.

The Namibia Investment Centre is a department within the Ministry of Trade and Industry. The organisational structure of the Ministry of Trade and Industry is as follows:

---

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2. Rental rates for Prime Office Space: Visit Telecom Namibia’s Directory for specific town of interest
3. Cost of Water: Visit Telecom Namibia’s Directory for specific town council of interest
4. Cost of Electricity: Electricity Control Board at +264 61 374 300. CENORED, NORED
5. Transportation: City of Windhoek Municipal Bus Services at +264 61 290 2911
6. Fuel costs per town: Ministry of Mines and Energy at +264 61 284 8111
7. Telecommunications: MTC at +264 61 280 2800, Leo at +264 61 382 000 and Telecom Namibia at +264 61 201 9211
8. Human Resources: Ministry of Labour at +264 61 206 6321
10. Taxation: Ministry of Finance at +264 61 209 9111 / +264 61 209 2226
### Appendix I: Corporate Tax Rates

The corporate tax rates (at the time of publication) of the following types of companies on their taxable income for the years of assessment commencing on or after 1 January 2013:

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-mining companies</td>
<td>33%</td>
</tr>
<tr>
<td>Mining companies other than diamond mines</td>
<td>37.5%</td>
</tr>
<tr>
<td>Diamond mines</td>
<td>55%</td>
</tr>
<tr>
<td>Life insurance companies</td>
<td>13.2%</td>
</tr>
<tr>
<td>Registered Manufacturers</td>
<td>18%</td>
</tr>
<tr>
<td>Petroleum production companies</td>
<td>35%</td>
</tr>
</tbody>
</table>

Up to date tax rates are available on [www.pwc.com/na/en/namibia-tax-rate-card](http://www.pwc.com/na/en/namibia-tax-rate-card).

---

28 Companies include close corporations.

29 Tax rate of 50% plus a surcharge of 10%, effective rate of 55%

30 Company tax rate of 33% is applied to 40% of the gross amounts earned from the investment of funds.

31 Companies registered at the Directorate of Inland Revenue (DIR) as registered manufacturers in terms of section 5A of the Income Tax Act, Act 24 of 1981 are taxed at a rate of 18% for the first 10 years from registration, and from then onwards at a tax rate of 34%.
Appendix II: Tax Allowances and Incentives

Capital allowances

The cost (including finance charges) of machinery, equipment, and other articles used by the taxpayer to generate income is deductible in three equal annual allowances. No apportionment is allowed where an asset is held for less than 12 months.

Buildings used by the taxpayer to generate income qualify for an initial allowance of 20% of erection costs in the year they are first brought into use. Thereafter, an annual allowance of 4% is deductible for the 20 following years. Additions to existing buildings (not alterations, improvements, or repairs) qualify for the same 20% and 4% deductions. Note that the allowance is calculated on the cost of erection and not the cost of acquisition.

Mining exploration and initial development expenditure incurred before commencement of mining production are deductible in full in the first year that income is generated from the mine. Subsequent development expenditures are deductible in three equal annual allowances.

Capital allowances may also be deducted with respect to patents, trademarks, leasehold improvements and lease premiums.

A recovery or recoupment of allowances previously claimed should be included in the gross income of a taxpayer in the event that the allowance is recovered or recouped by way of disposal, withdrawal from trade for non-trade purposes, or removal from Namibia. The recoupment is calculated at the market value of the asset.

Goodwill

The amortisation of goodwill is not deductible for tax purposes and should be excluded from calculating taxable income.

Manufacturing incentives

All manufacturing concerns claiming incentives must register with the Ministry of Trade and Industry, and, in respect of taxation incentives, must also be registered with the Ministry of Finance in accordance with section 5A of the Income Tax Act.

To promote control and prevent the misuse of taxation incentives, enterprises qualifying for such incentives will not be relieved of the duty to submit fully substantiated annual tax returns. Only corporates will qualify for these allowances.

Reduced tax rate for registered manufacturers

Manufacturing entities approved and registered as such with Inland Revenue may apply an 18% corporate tax rate for 10 years following the effective date of registration.

Accelerated building allowance claim

Registered manufacturers may claim the building allowance described above, at 8% p.a. from the second year of use (vs. 4% for non-manufacturers).
Remuneration and training allowance

Deductions in respect of expenditure for remuneration and training of employees who are registered manufacturers:

A registered manufacturer is entitled to deduct additional expenditure incurred in providing training to employees who are directly engaged in the manufacturing process of 25% of remuneration or contributions to a pension or provident fund.

This allowance may not create an assessed loss.

Marketing allowance

Enterprises manufacturing for export are entitled to an additional deduction against taxable income derived from export sales of 25% of export promotion and foreign marketing expenditure.

This allowance may not create an assessed loss.

Special export allowance

When a taxpayer's income is derived from the export of goods manufactured in Namibia, other than manufactured fish or meat products, a special export allowance of 80% is allowed on the taxable income from the income so derived. This allowance may not create an assessed loss.

Special transport allowance

From 1 January 2003 registered manufacturers may claim an allowance of 25% for a period of ten years of the land based transport costs incurred in relation to materials used in the manufacturing activity or to the importation of manufacturing equipment.

Export Processing Zone (EPZ) status

Significant tax incentives apply for registered EPZ entities. Refer to Appendix IV for detail.

Housing allowance for employees

Under a Housing Scheme approved and registered by Inland Revenue, the taxable value of housing benefits granted to employees may be reduced by one third.
### Example of Corporate tax calculations

<table>
<thead>
<tr>
<th>Financial year ending</th>
<th>28 February 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Calculation of corporate tax</strong></td>
<td>N$</td>
</tr>
<tr>
<td>Profit before tax as per annual financial statements</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Less: Non-taxable amounts</strong></td>
<td></td>
</tr>
<tr>
<td>Foreign sourced branch profits (Note 1)</td>
<td>(100,000)</td>
</tr>
<tr>
<td>Sale of former head office (Note 2)</td>
<td>(250,000)</td>
</tr>
<tr>
<td>Dividends received (Note 3)</td>
<td>(45,000)</td>
</tr>
<tr>
<td>Unrealised foreign exchange gain</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Fair value gains</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Profit on sale of assets (see recoupment below)</td>
<td>(10,000)</td>
</tr>
<tr>
<td><strong>Add: Non-deductible amounts</strong></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>42,000</td>
</tr>
<tr>
<td>Donations</td>
<td>1,100</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>12,500</td>
</tr>
<tr>
<td>Traffic fines</td>
<td>300</td>
</tr>
<tr>
<td>Penalties and interest on taxes</td>
<td>50,000</td>
</tr>
<tr>
<td>Stamp duties</td>
<td>10,000</td>
</tr>
<tr>
<td>Loss on loan written off</td>
<td>20,000</td>
</tr>
<tr>
<td>Expenses incurred in respect of exempt income</td>
<td>5,000</td>
</tr>
<tr>
<td>Bad Debt Provision</td>
<td>55,000</td>
</tr>
<tr>
<td>Other Provisions (Note 4)</td>
<td>40,000</td>
</tr>
<tr>
<td>Straight-line portion of operating leases</td>
<td>8,000</td>
</tr>
<tr>
<td>Capital expenses charged to maintenance (Note 5(c))</td>
<td>1,600</td>
</tr>
<tr>
<td>Expenditure on leasehold improvements</td>
<td>1,800</td>
</tr>
<tr>
<td>Moving expenses (Note 5(c))</td>
<td>3,000</td>
</tr>
</tbody>
</table>
Add: Taxable amounts not in the Income Statement –
- Income received in advance 50,000
- Deposits received (Note 6) 10,000

Less: Deductible amounts not in the Income Statement –
- Prepayments of operating expenses (30,000)
- Deposits paid (non-refundable - excluding rental deposits) (5,000)

Less: Deductible allowances –
- 25% Bad debt allowance (13,750)
- Capital and wear and tear allowances (Note 6) (33,544)
- Amortisation of leasehold improvements (Note 7) (360)
- Building allowance (10,000)
- Scrapping allowance (5,000)

Add: Recoupments
- Recoupment on sale of assets 20,000
- Recoupment on credit loan written off 20,000

Prior year reversals –
Add: 25% Bad debt allowance 6,250
- Unrealised foreign exchange gain 10,000
- Prepayments 12,000
- Deposits paid 10,000

Less: Bad debt provision (25,000)
- Other provisions added back (20,000)
- Income received in advance (13,000)
- Deposits received (15,000)

Less: Assessed loss brought forward from prior year 0

Taxable income 777,896

---

32 In terms of section 14(4) of the Income Tax Act Act No. 24 of 1981
Tax at 33% (2014: proposed 32%)  

256,706

Provisional taxes paid – 

1st provisional (paid 31 August 2013) (120,000)
2nd provisional (paid 28 February 2014) (120,000)

Taxes due 16,706

Non-resident shareholders’ tax (NRST) calculation

Gross dividend declared 600,000
NRST at 10% (Note 8) 60,000

Notes:

1. Namibia imposes income tax on receipts or accruals received from a source within Namibia or deemed to be within Namibia. Receipts or accruals received outside Namibia will accordingly not form part of the taxpayer’s gross income for the year.
2. Namibia does not currently impose any tax on capital gains, except where a sale of a mining licence or right to mine minerals takes place (including the sale of shares in a company that holds a mining licence or has the right to mine minerals).
3. Dividends received are exempt from tax in terms of section 16(1)(n) of the Income Tax Act, Act No. 24 of 1981, as amended.
4. Provisions are normally deductible if the company has an unconditional liability to pay the related expense at year end. Each provision should be considered on an individual basis.
5. Capital and wear and tear allowances:

Capital and wear and tear allowances

a) Machinery purchased in 2011

Original cost 30,000
Less – Allowance for 2011 (10,000) 20,000
Tax value 2011
Less – Allowance for 2012 (10,000) 10,000
Less - Allowance 2013 (10,000)
Tax value 2013 0

b) Original cost 2012 50,000
Less – Allowance (33.3%, 2012) (16,667) 33,333
Tax value – 2012
Less – Allowance (33.3%, 2013) (16,667)
Tax value at 2013: 16,667

a) Machinery purchased in 2011

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax written down value</td>
<td>14,130</td>
</tr>
<tr>
<td>Additions during year</td>
<td>1,900</td>
</tr>
<tr>
<td>Additions charged to maintenance</td>
<td>1,600</td>
</tr>
<tr>
<td>Moving to new head office</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td>20,630</td>
</tr>
<tr>
<td>Less – Annual wear and tear allowance (33.3%)</td>
<td>(6,877)</td>
</tr>
<tr>
<td><strong>Tax value 2013</strong></td>
<td>13,753</td>
</tr>
</tbody>
</table>

**Total capital and wear and tear allowance for 2013:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital allowances [5(a) and (b)]</td>
<td>26,667</td>
</tr>
<tr>
<td>Wear and tear allowance [5(c)]</td>
<td>6,877</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>33,544</td>
</tr>
</tbody>
</table>

6. Income is taxable in the year of receipt or accrual and therefore deposits received in advance are taxable in the year of receipt except when the income was deposited in a separate trust account (i.e. with a liability to repay to the depositor if certain conditions are not met).

7. Claimed over a five-year period (i.e. over the remaining period of the lease agreement in terms of which the obligation to effect improvements were stipulated)

8. NRST rate is 10% where more than 25% shareholding is applicable. For shareholding less than 25%, 20% NRST is applicable. A Double Taxation Agreement (DTA) may lower the rate to 5% or less.
Appendix IV: Export Processing Zone Incentives

Background


As a policy instrument, the EPZ regime intends to:

• Facilitate imports of foreign productive capital and technology as well as the transfer of technical and industrial skills to the local workforce;

• Contribute towards the increased share contribution of the manufactured (industrial) sector to job-creation, the country’s gross domestic product (GDP) and exports of manufactured goods; and

• Enhance the diversification of the local economy.

Please refer to the Ministry of Trade and Industry for further information on activities eligible for admission under the EPZ regime as well as tax and other incentives for EPZ enterprises.
Appendix V: Withholding Taxes

Withholding taxes

Withholding taxes (WHTs) apply to dividends, royalties and fees for administrative, managerial, technical, or consultative services or any similar services as well as entertainment and directors fees paid, declared or distributed to non-Namibian residents.

Dividends

Dividends declared by a Namibian company to a non-resident holding company are subject to non-resident shareholders’ tax (NRST), a WHT. NRST is payable at a rate of 10% and 20% of dividends remitted (depending on the percentage shareholding), unless treaty relief is available. NRST is payable within 30 days after declaration of a dividend.

Royalties or similar payments

WHT on royalties are payable when a Namibian company pays a royalty to a non-resident. WHT is levied at a rate of 9.9% (30% of the corporate tax rate of 33%) and is payable within 14 days after the end of the month during which the liability for payment is incurred.

A royalty includes payment for the use or right to use any patent or design, trademark, copyright, model, pattern, plan, formula, or process, or any other property or right of a similar nature. A royalty also includes the imparting of any scientific, technical, industrial, or commercial knowledge or information for use in Namibia. The nature of fees payable should therefore be carefully considered in order to determine whether the relevant amount represents a royalty.

Withholding tax on royalties should be withheld by the Namibian entity and paid to Inland Revenue within 14 days after the end of the month during which the payment of the royalties was made.

Interest

A WHT of 10%, calculated on the gross amount of interest, is payable on interest accruing to any person, other than a Namibian company, from a registered Namibian banking institution or unit trust scheme. The tax withheld is a final tax, and the financial institution is responsible to withhold the tax.

Namibian companies however, are taxed on interest at the corporate tax rate.

It is the obligation of the financial institution to withhold the tax and pay such tax to the revenue authorities.

No WHT on interest applies to interest paid on loan accounts to foreign entities.

Services

Section 35A applies to any Namibian resident (i.e. a company incorporated or managed and controlled in Namibia, and natural persons ordinarily resident in Namibia) paying a management, consultancy, or entertainment fee to a non-resident.

Management and consulting fees are specifically defined as: “any amount payable for administrative, managerial, technical, or consultative services or any
similar services, whether such services are of a professional nature or not”.

The legislation imposes the obligation on the Namibian resident to withhold a 25% WHT on such fees paid to the non-resident. It is important to note that the legislation also specifically includes any directors fees paid to a foreign director.

The amount of withholding tax deducted or withheld is payable to Inland Revenue within 20 days after the end of the month during which the amount was deducted or withheld.

**Summary of WHT payable**

The WHT rates and treaty relief for Namibian DTAs can be summarised as follows. Note that the tax treaties contain certain requirements that should be met before the reduced tax rate may be applied.

The definitions of dividends, royalties, and interest in the various treaties should also be considered.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Dividends</th>
<th>Interest</th>
<th>Royalties</th>
<th>Technical fees</th>
<th>Directors fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-treaty</td>
<td>10</td>
<td>10*</td>
<td>9.9**</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Botswana</td>
<td>10</td>
<td>10</td>
<td>9.9</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
<td>10</td>
<td>9.9</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Germany</td>
<td>10</td>
<td>0</td>
<td>9.9</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>India</td>
<td>10</td>
<td>10</td>
<td>9.9</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Malaysia</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Mauritius</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Romania</td>
<td>N/A***</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>South Africa</td>
<td>5</td>
<td>10</td>
<td>9.9</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Sweden</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>N/A***</td>
<td>5</td>
<td>0</td>
<td>25</td>
</tr>
</tbody>
</table>

* Namibian companies are taxed at the corporate tax rate on interest received.

** Namibian companies are taxed at 30% of the corporate tax rate on royalties received.

***N/A means that the provisions of the tax treaty limited the rate to a rate that is higher than the local Namibian rate. It should be noted that a treaty may only provide tax relief and cannot impose a higher tax rate.
Mining royalties

The Minerals (Prospecting and Mining) Act levies a royalty on minerals won or mined by a licence holder in Namibia, based on the table below:

<table>
<thead>
<tr>
<th>Group of minerals</th>
<th>Percentage of market value of minerals leviable as a royalty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precious metals</td>
<td>3</td>
</tr>
<tr>
<td>Base and rare metals</td>
<td>3</td>
</tr>
<tr>
<td>Semi-precious stones</td>
<td>2</td>
</tr>
<tr>
<td>Nuclear fuel minerals</td>
<td>3</td>
</tr>
<tr>
<td>Industrial minerals</td>
<td>2</td>
</tr>
<tr>
<td>Non-nuclear fuel minerals</td>
<td>2</td>
</tr>
</tbody>
</table>
## Appendix VI: Individual Tax Rates

### Rates of Taxes

The rates set out below are applicable to all individuals, including estates and trusts, excluding companies:

<table>
<thead>
<tr>
<th>Taxable Income (N$)</th>
<th>Rates of tax for year of assessment ending 28 February 2014 (N$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 50 000</td>
<td>Not taxable</td>
</tr>
<tr>
<td>50 001 - 100 000</td>
<td>18% for each N$ above 50 001</td>
</tr>
<tr>
<td>100 001 - 300 000</td>
<td>9 000 + 25% for each N$ above 100 001</td>
</tr>
<tr>
<td>300 001 - 500 000</td>
<td>59 000 + 28% for each N$ above 300 001</td>
</tr>
<tr>
<td>500 001 – 800 000</td>
<td>115 000 + 30% for each N$ above 500 001</td>
</tr>
<tr>
<td>800 001 - 1 500 000</td>
<td>205 000 + 32% for each N$ above 800 001</td>
</tr>
<tr>
<td>Above 1500 001</td>
<td>429 000 + 37% for each N$ above 1 500 001</td>
</tr>
</tbody>
</table>

### Deductions and allowances

The aggregate deduction allowed for current pension, provident, retirement annuity and educational policy contributions by an individual is N$40,000 per annum per taxpayer for the tax year ending 28 February 2014.

A withholding tax on interest received by individuals from financial institutions and unit trusts was introduced effective 1 March 2009. A withholding tax of 10% will be withheld by the financial institutions and/or unit trusts and be paid to the Directorate of Inland Revenue within 20 days after the end of the month during which the interest accrued or was received by the individual.

Interest received by an individual from a deposit in at the Nampost Savings Bank is exempt from tax.
Appendix VII: Individual Tax Calculations

Example of individual tax calculation:

Individual tax is calculated according to the following formula:

<table>
<thead>
<tr>
<th>Income Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade income</td>
<td>600,000</td>
</tr>
<tr>
<td>Employment income</td>
<td>400,000</td>
</tr>
<tr>
<td>Directors fees (Namibian sources)</td>
<td>75,000</td>
</tr>
<tr>
<td>Interest (Foreign investments)</td>
<td>5,000</td>
</tr>
<tr>
<td>Interest (Namibian financial institutions and unit trusts)</td>
<td>7,000</td>
</tr>
<tr>
<td>Dividends (Namibian and foreign investments)</td>
<td>10,000</td>
</tr>
<tr>
<td>Gross Income</td>
<td>1,097,000</td>
</tr>
</tbody>
</table>

Less: Exempt Income

<table>
<thead>
<tr>
<th>Exempt Income Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends (Namibian and foreign investments)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Interest from foreign investments</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Income</td>
<td>1,082,000</td>
</tr>
</tbody>
</table>

Less: Deductions

<table>
<thead>
<tr>
<th>Deductions Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible trade expenses</td>
<td>(450,000)</td>
</tr>
<tr>
<td>Capital allowances on assets used for purpose of trade</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Contributions to pension, provident and retirement annuity funds</td>
<td>40,000</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>542,000</td>
</tr>
<tr>
<td>Less: Assessed loss carried forward from prior years</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Total Taxable Income/Loss:</td>
<td>532,000</td>
</tr>
</tbody>
</table>

33 A withholding tax of 10% is applicable on interest received from financial institutions and unit trusts.
34 A withholding tax of 10% is applicable on interest received from financial institutions and unit trusts.
35 Expenses actually incurred in production of income for purposes of trade and not of a capital nature are deductible from taxable income.
36 Allowances deductible in terms of section 17(1)(e), section 17(1)(f) and any other applicable section of the Income Tax Act, Act No. 24 of 1981.
37 Contributions are limited to N$ 40,000 per annum in terms of section 17(2) of the Tax Act, Act No. 24 of 1981.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax due / (receivable)</td>
<td>124,600</td>
</tr>
<tr>
<td><strong>Less:</strong> PAYE deducted</td>
<td>(111,650)</td>
</tr>
<tr>
<td>1st Provisional Tax Payment</td>
<td>(5,000)</td>
</tr>
<tr>
<td>2nd Provisional Tax Payment</td>
<td>(5,000)</td>
</tr>
<tr>
<td><strong>Tax due / (receivable)</strong></td>
<td>2,950</td>
</tr>
</tbody>
</table>
## Appendix VIII: Setting up in Namibia

### Strategic
- Equity investors’ perception and requirements towards investment in Namibia
- Perception surrounding political stability, safety and security
- Namibian Government’s commitment to reform and transformation
- National Development agenda
- Industry and sector specific development policies and incentives
- International and regional Trade Environment

### Form of entity
- Company
- Public
- Private
- Branch
- Close Corporation
- Partnership
- Joint Venture
- Sole Proprietor

### Market
- Market size and location and accessibility
- Marketing and distribution networks and infrastructure
- General Terms of trade
- Competitive environment
- Premises and Location
- Customs duties and other protective trade related barriers

### Regulatory considerations
- Limitations on foreign ownership
- Transfer Pricing and other tax implications
- Formation and administration procedures and costs
- Competition Commission Approvals
- Registration with Industry Regulatory bodies/License registrations
- Affirmative Action legislation
- Personal Liability
- Governance
Legal and Business adviser’s considerations

- General considerations
- Formation procedures
- Registration procedures
- Corporate secretarial services
- Tax implications of group structures
- Repatriation of investments and profits

Other considerations

- Access and availability of financial resources
- Availability of labour/management including recruitment and local remuneration
- Labour relations
- Expatriates – immigration, tax, benefits
- Environmental requirements
- Exchange control regulations
- Income, Value-Added, employee and other Withholding tax obligations, registrations and filings
Appendix IX: Acquiring a Business Enterprise

A checklist

The checklist below suggests points that an investor should consider when contemplating the acquisition of a business enterprise in Namibia.

History and current status

- History of company and future prospects
- Why the business is for sale
- Trade reputation of business and its owners/shareholders
- Capital and group structure
- Business strengths and weaknesses
- Compliance with regulations including Companies Act and tax laws.

Capital

- Acquisition costs
- Ownership, state and value of underlying assets
- Additional funding requirements
- Foreign exchange regulations
- Structuring to support repatriation of funds

Market and competitors

- Principle competitors
- Level of market saturation
- Proposed new products, research and development plans
- Existing and potential markets
- Existing and potential sales and marketing aids
- Market entry barriers
- Price sensitivity levels of consumers
- Competitions Act
- Financial Intelligence Act

Production evaluation

- Sourcing of raw material and continuity of supply
- Production capacity
- Patents and trademarks
- Quality of plant and equipment and the production method used
- State of the current and access to new technology
- Labour productivity levels
Legal and Business advisers’ considerations

- Corporate statutory and regulatory documents
- Contractual obligations and future commitments
- Property, titles and liens
- Competition commission
- Pending litigation

Future prospects

- Profit and cash flow forecast and assumptions
- Long-term growth prospects and corresponding funding requirements
- Asset replacement and maintenance strategy
- Sensitivity to external factors (e.g. interest rates, exchange rates)

Financial and accounting considerations

In considering any acquisition, the following merits attention:

Post trading results

- Accounting policies, compliance with accounting standards and the law, and consistency of application
- Seasonal and operational trends
- Critical analysis of results
- Analysis of management accounts
- Comparison of budgets and productive estimates with actual results and the identification and explanation of variances

Financing

- Availability of grant aid and equity investments
- Capital commitments
- Adequacy of working capital and relationship with bankers
- Availability of low cost external financing
- Existence of debt and gearing position

Accounting records

- Adequacy of management information system and control procedures
- Nature of degree of computerisation

Taxation

- Tax status
- Tax provisions and potential additional liabilities, including interest and penalties
- Matters in dispute
- Availability of allowances, losses and relief
- Public or private company

Tax planning

- Purchase of shares or assets
- Group restructuring and reorganisation relief
Foreign tax considerations
Potential allowances and relieves
Long-term planning
Executive remuneration
Impact on future legislation
Tax purpose of parties involved

Other considerations
Availability and quality of management including recruitment and local remuneration
Number and availability of workforce
Labour relations with management and unions
Value and realisability of investments
Treasury management
Valuation of fixed and current assets
Contingent liabilities and guarantees
Impact of proposed legislation and transformation charters
Stamp duties on purchase price
Appendix X: Namibian Acts

Accountants and Auditors
• Public Accountants’ and Auditors’ Act, Act No. 51 of 1951
• Stock Brands Act, Act No. 24 of 1995
• Sugar Act, Act No. 28 of 1936

Agriculture
• Abattoir Industry Act, Act No. 54 of 1976
• Agricultural Bank of Namibia Act, Act No. 5 of 2003
• Agricultural Pests Act, Act No. 3 of 1973
• Agronomic Industry Act, Act No. 20 of 1992
• Canned Fruit Export Marketing Act, Act No. 100 of 1967
• Control of the Importation and Exportation of Dairy Products and Dairy Product Substitutes Act, Act No. 5 of 1986
• Dairy Industry Act, Act No. 30 of 1961
• Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, Act 36 of 1947
• Karakul Pelts and Wool Act, Act No. 14 of 1982
• Land Tenure Act, Act No. 32 of 1966
• Livestock Improvement Act, Act No. 25 of 1977
• Marketing Act, Act No. 59 of 1968
• Meat Corporation of Namibia Act, Act No. 1 of 2001
• Meat Industry Act, Act No. 12 of 1981

Alcohol, Drugs and Tobacco
• Liquor Act, Act No. 6 of 1998

Animals
• Animal Diseases and Parasites Act, Act No. 13 of 1956
• Animals Protection Act, Act No. 71 of 1962
• Performing Animals Protection Act, Act No. 24 of 1935
• Prevention of Undesirable Residue in Meat Act, Act No. 21 of 1991
• Stock Brands Act, Act No. 24 of 1995

Arbitration
• Arbitration Act, Act No. 42 of 1965

Architects and Quantity Surveyors
• Architects’ and Quantity Surveyors’ Act, Act No. 13 of 1979

Archives
• Archives Act, Act No. 12 of 1992
Arms and Ammunition
- Arms and Ammunition Act, Act No. 7 of 1996
- Tear-gas Act, Act No. 16 of 1964

Aviation
- Airports Company Act, Act No. 25 of 1998
- Air Services Act, Act No. 51 of 1949
- Carriage by Air Act, Act No. 17 of 1946

Births, Marriages and Deaths
- Births, Marriages and Deaths Registration Act, Act No. 81 of 1963, as amended in South Africa to March 1978
- Burial Place Ordinance 27 of 1966
- Crematorium Ordinance 6 of 1971

Censorship
- Indecent or Obscene Photographic Matter Act, Act No. 37 of 1967
- Publications Act, Act No. 42 of 1974

Census and Statistics
- Identification Act, Act No. 21 of 1996
- Statistics Act, Act No. 66 of 1976

Children
- Age of Majority Act, Act No. 57 of 1972
- Children’s Status Act, Act No. 6 of 2006
- Children’s Act, Act No. 33 of 1960

Churches
- The Apostolic Faith Mission of South Africa (Private) Act, Act No. 24 of 1961, as amended in South Africa prior to Namibian independence

Citizenship and immigration
- Aliens Act, Act No. 1 of 1937
- Immigration Control Act, Act No. 7 of 1993
- Namibian Citizenship Act, Act No. 14 of 1990
- Namibian Citizenship Special Conferment Act, Act No. 14 of 1991
- Namibia Refugees (Recognition and Control) Act, Act No. 2 of 1999

Commissions
- Commissions Act, Act No. 8 of 1947

Communications
- Communications Act, Act No. 8 of 2009
- Newspaper and Imprint Registration Act, Act No. 63 of 1971
- Namibia Press Agency Act, Act No. 3 of 1992
- Namibian Broadcasting Act, Act No. 9 of 1991
- Namibian Communications Commission Act, Act No. 4 of 1992
- New Era Publication Corporation Act, Act No. 1 of 1992
- Post Office Service Act, Act No. 66 of 1974
- Posts and Telecommunications Companies Establishment Act, Act No. 17 of 1992
- Posts and Telecommunications Act, Act No. 19 of 1992
• Radio Act, Act No. 3 of 1952

Companies
• Close Corporations Act, Act No. 26 of 1988
• Companies Act, Act No. 28 of 2004
• Namibia Wildlife Resorts Company Act, Act No. 3 of 1998
• State-owned Enterprises Governance Act, Act No. 2 of 2006

Constitution
• Namibian Constitution
• Assignment of Powers Act, Act No. 4 of 1990
• Commonwealth Relations (Temporary Provision) Act, Act No. 41 of 1961
• National Anthem of the Republic of Namibia Act, Act No. 20 of 1991
• National Coat of Arms of the Republic of Namibia Act, Act No. 1 of 1990
• National Planning Commission Act, Act No. 15 of 1994
• Ombudsman Act, Act No. 7 of 1990
• Powers, Privileges and Immunities of Parliament Act, Act No. 17 of 1996
• Special Advisors and Regional Representatives Appointment Act, Act No. 6 of 1990
• Public Office-Bearers (Remuneration and Benefits) Commission Act, Act No. 3 of 2005
• Security Commission Act, Act No. 18 of 2001
• South West Africa Affairs Act, Act No. 25 of 1969, as amended in South Africa prior to Namibian independence
• Walvis Bay and Off-Shore Islands Act, Act No. 1 of 1994

Contracts
• Conventional Penalties Act, Act No. 15 of 1962

Co-operatives
• Co-operatives Act, Act No. 23 of 1996

Courts
• Admiralty Jurisdiction Regulation Act, Act No. 5 of 1972
• Community Courts Act, Act No. 10 of 2003
• Enforcement of Foreign Civil Judgements Act, Act No. 28 of 1994
• High Court Act, Act No. 16 of 1990
• Magistrates Act, Act No. 3 of 2003
• Magistrates Court Act, Act No. 32 of 1994
• Reciprocal Service of Civil Process Act, Act No. 27 of 1994
• Supreme Court Act, Act No. 15 of 1990
• Vexatious Proceedings Act, Act No. 3 of 1956

Criminal Law and Procedure
• Anti-Corruption Act, Act No. 8 of 2003
• Boxing and Wrestling Control Act, Act No. 11 of 1980
• Combating of Immoral Practices Act, Act No. 21 of 1980
• Combating of Rape Act, Act No. 8 of 2000
• Criminal Procedure Act, Act No. 51 of 1977
• Gambling Act, Act No. 51 of 1965
• Prevention of Organised Crime Act, Act No. 29 of 2004
• Prohibition of Disguises Act, Act No. 16 of 1969
• Protection of Fundamental Rights Act, Act No. 16 of 1988
• Racial Discrimination Prohibition Act, Act No. 26 of 1991
• Riotous Assemblies Act, Act No. 17 of 1956
• Stock Theft Act, Act No. 12 of 1990

Culture and Cultural Institutions
• Cultural Institutions Act, Act No. 29 of 1969
• National Arts Fund of Namibia Act, Act No. 1 of 2005
• National Art Gallery of Namibia Act, Act No. 14 of 2000

Currency
• Currency and Exchanges Act, Act No. 9 of 1933
• Prevention of Counterfeiting of Currency Act, Act No. 16 of 1965

Customary Law
• Council of Traditional Leaders Act, Act No. 13 of 1997
• Traditional Authorities Act, Act No. 25 of 2000

Customs and Excise
• Customs and Excise Act, Act No. 20 of 1998

Damages
• Apportionment of Damages Act, Act No. 34 of 1956

Debtors and Creditors
• Participation Bonds Act, Act No. 55 of 1981
• Payment of Loans Proclamation Act, Act No. 28 of 1933
• Prescribed Rate of Interest Act, Act No. 55 of 1975
• Suretyship Amendment Act, Act No. 57 of 1971
• Usury Act, Act No. 73 of 1968

Defence
• Civil Defence Act, Act No. 39 of 1966
• Defence Act, Act No. 1 of 2002
• Namibia Central Intelligence Service Act, Act No. 10 of 1997
• Moratorium Act, Act No. 25 of 1996
• Protection of Information Act, Act No. 84 of 1982

Disabilities
• Aged Persons Act, Act No. 81 of 1967
• Blind Persons Act, Act No. 26 of 1968
• National Disability Council Act, Act No. 26 of 2004
Domestic Violence
• Combating of Domestic Violence Act, Act No. 4 of 2003

Education
• Education Act, Act No. 16 of 2001
• Higher Education Act, Act No. 26 of 2003
• Namibia College of Open Learning Act, Act No. 1 of 1997
• Namibia Students Financial Assistance Fund Act, Act No. 26 of 2000
• National Education Act, Act No. 30 of 1980
• National Vocational Training Act, Act No. 18 of 1994
• Polytechnic of Namibia Act, Act No. 33 of 1994
• Teachers’ Education Colleges Act, Act No. 25 of 2003
• University of Namibia Act, Act No. 18 of 1992
• Vocational Education and Training Act, Act No. 1 of 2008

Elections
• Electoral Act, Act No. 24 of 1992

Electricity
• Electricity Act, Act No. 4 of 2007
• Powers of the SWA Water and Electricity Corporation Act, Act No. 14 of 1980

Engineering
• Engineering Profession Act, Act No. 18 of 1986

Environment
• Atomic Energy and Radiation Protection Act, Act No. 5 of 2005
• Biosafety Act, Act No. 7 of 2006
• Environmental Investment Fund of Namibia Act, Act No. 13 of 2001
• Environmental Management Act, Act No. 7 of 2007
• Forest Act, Act No. 12 of 2001
• Game Products Trust Fund Act, Act No. 7 of 1997
• Mountain Catchment Areas Act, Act No. 63 of 1970
• Prevention and Combating of Pollution of the Sea by Oil Act, Act No. 6 of 1981
• Plant Quarantine Act, Act No. 7 of 2008
• Soil Conservation Act, Act No. 76 of 1969

Estate Agents
• Estate Agents Act, Act No. 112 of 1976

Estates
• Administration of Estates (Rehoboth Gebiet) Proclamation 36 of 1941
• Administration of Estates Act, Act No. 66 of 1965

Evidence
• Civil Proceedings Evidence Act, Act No. 25 of 1965
• Computer Evidence Act, Act No. 32 of 1985
• Foreign Courts Evidence Act, Act No. 2 of 1995
Explosives
- Explosives Act, Act No. 26 of 1956

Films
- Namibia Film Commission Act, Act No. 6 of 2000

Finance and Development
- Assistance Fund of South West Africa Repeal Act, Act No. 13 of 1992
- Development Bank of Namibia Act, Act No. 8 of 2002
- Development Fund of South West Africa/Namibia Act, Act No. 29 of 1987
- State Finance Act, Act No. 31 of 1991
- Lotteries Act, Act No. 15 of 2002
- Namibia Development Corporation Act No. 18 of 1993

Financial Institutions
- Banking Institutions Act, Act No. 2 of 1998
- Bank of Namibia Act, Act No. 15 of 1997
- Building Societies Act, Act No. 2 of 1986
- Financial Institutions (Investment of Funds) Act, Act No. 39 of 1984
- Financial Intelligence Act, Act No. 3 of 2007
- Inspection of Financial Institutions Act, Act No. 38 of 1984

Fuel and Energy
- Petroleum Products and Energy Act, Act No. 13 of 1990

Health
- International Health Regulations Act, Act No. 28 of 1974

Hospitals
- Hospitals and Health Facilities Act, Act No. 36 of 1994

Housing
- Sectional Titles Act, Act No. 66 of 1971
- National Housing Enterprise Act, Act No. 5 of 1993
- National Housing Development Act, Act No. 28 of 2000
- Sectional Titles Act, Act No. 2 of 2009

Import and Export
- Export Credit and Foreign Investments Re-insurance Act, Act No. 78 of 1957
- Import and Export Control Act, Act No. 30 of 1994

Income Tax
- Petroleum (Taxation) Act, Act No. 3 of 1991
Inquests
• Inquests Act, Act No. 6 of 1993

Insolvency
• Insolvency Act, Act No. 24 of 1936

Insurance
• Demutualisation Levy Act, Act No. 9 of 2002
• Long-term Insurance Act, Act No. 5 of 1998
• Second Finance Act, Act No. 27 of 1987
• Short-term Insurance Act, Act No. 4 of 1998

Intellectual Property
• Geneva Conventions Act, Act No. 15 of 2003
• Heraldry Act, Act No. 18 of 1962
• Patents, Designs, Trade Marks and Copyright Act, Act No. 9 of 1916
• Patents and Designs Proclamation 17 of 1923
• Trade Marks Act, Act No. 48 of 1973

Judges
• Judges’ Remuneration Act, Act No. 18 of 1990
• Judicial Service Commission Act, Act No. 18 of 1995

Labour
• Affirmative Action (Employment) Act, Act No. 29 of 1998
• Development Brigade Corporation Act, Act No. 32 of 1992

Land
• Employees’ Compensation Act, Act No. 30 of 1941
• Labour Act, Act No. 11 of 2007
• Namibia Qualifications Authority Act, Act No. 29 of 1996
• Shop Hours and Shop Assistants Ordinance 15 of 1939

Inquests

Law
• Justices of the Peace and Commissioners of Oaths Act, Act No. 16 of 1963
• Law Reform and Development Commission Act, Act No. 29 of 1991

Legal Practitioners
• Legal Aid Act, Act No. 29 of 1990
• Legal Practitioners Act, Act No. 15 of 1995
Libraries
• Namibia Library and Information Service Act, Act No. 4 of 2000

Maintenance
• Maintenance Act, Act No. 9 of 2003
• Reciprocal Enforcement of Maintenance Orders Act, Act No. 3 of 1995

Marine and Freshwater Resources
• Aquaculture Act, Act No. 18 of 2002
• Inland Fisheries Resources Act, Act No. 1 of 2003
• Marine Resources Act, Act No. 27 of 2000
• National Fishing Corporation of Namibia Act, Act No. 28 of 1991

Marriage and Divorce
• Dissolution of Marriages on Presumption of Death Act, Act No. 31 of 1993
• Marriage Act, Act No. 25 of 1961
• Married Persons Equality Act, Act No. 1 of 1996
• Matrimonial Affairs Ordinance 25 of 1995
• Matrimonial Causes Jurisdiction Act, Act No. 22 of 1939
• Matrimonial Causes Jurisdiction Act, Act No. 35 of 1945
• Recognition of Certain Marriages Act, Act No. 18 of 1991

Medical Aid
• Abuse of Dependence-Producing Substances and Rehabilitation Centres Act, Act No. 41 of 1971

• Medical Aid Funds Act, Act No. 23 of 1995
• Medical, Dental and Pharmacy Act, Act No. 13 of 1928
• Medical Aid Scheme for Members of the National Assembly, Judges and Other Office Bearers Act, Act No. 23 of 1990
• Medicines and Related Substances Control Act, Act No. 13 of 2003
• Namibia Institute of Pathology Act, Act No. 15 of 1999
• South Africa Medical Research Council Act, Act No. 19 of 1969

Medicine and Medical Professions
• Allied Health Professions Act, Act No. 7 of 2004
• Medical and Dental Act, Act No. 10 of 2004
• Nursing Act, Act No. 8 of 2004
• Pharmacy Act, Act No. 9 of 2004

Mental Health and Mental Disorders
• Mental Health Act, Act No. 18 of 1973

Mining and Minerals
• Diamond Act, Act No. 13 of 1999
• Minerals (Prospecting and Mining) Act, Act No. 33 of 1992
• Minerals Development Fund of Namibia Act, Act No. 19 of 1996
• Petroleum (Exploration and Production) Act, Act No. 2 of 1991

National Heritage
• Bills of Exchange Act, Act No. 22 of 2003
• National Heritage Act, Act No. 27 of 2004

Pensions
• Government Service Pension Act, Act No. 57 of 1973
• Judges Pensions Act, Act No. 28 of 1990
• Members of Statutory Bodies Pension Act, Act No. 94 of 1969
• Members of Parliament and Other Office-Bearers Pension Fund Act, Act No. 20 of 1999
• Military Pensions Act, Act No. 84 of 1976
• National Pensions Act, Act No. 10 of 1992
• Parliamentary Service and Administrators’ Pensions Act, Act No. 81 of 1971
• Pension Funds Act, Act No. 24 of 1956
• Pensions Laws Amendment Act, Act No. 83 of 1976
• Railways and Harbours Pensions Amendment Act, Act No. 26 of 1941
• Railways and Harbours Special Pensions Act, Act No. 36 of 1955
• Railways and Harbours Pensions Act, Act No. 35 of 1971
• Second Pension Laws Amendment Act, Act No. 77 of 1974

Police
• Police Act, Act No. 19 of 1990

Prescription
• Prescription Act, Act No. 68 of 1969

President
• Conferment of Status of Founding Father of the Namibian Nation Act, Act No. 16 of 2005
• Former Presidents’ Pension and Other Benefits Act, Act No. 18 of 2004
• Presidential Emoluments and Pensions Act, Act No. 17 of 1990

Prisons
• Prisons Act, Act No. 17 of 1998
• Transfer of Convicted Offenders Act, Act No. 9 of 2005

Public Gatherings
• Demonstrations in or near Court Buildings Prohibition Act, Act No. 71 of 1982

Public Service
• Public Service Commission Act, Act No. 2 of 1990
• Public Service Act, Act No. 13 of 1995

Purchase and Sale
• Credit Agreements Act, Act No. 75 of 1980
• Formalities in Respect of Contracts of Sale of Land Act, Act No. 71 of 1969
• Sale of Land on Instalments Act, Act No. 72 of 1971

Railways
• Rating of Railway Property Act, Act No. 25 of 1959
• Railways and Harbours Finances and Accounts Act, Act No. 48 of 1977
Regional and Local Government

- Boundaries of Regions and Local Authorities Proclamation 6 of 1992
- Decentralisation Enabling Act, Act No. 33 of 2000
- Fire Brigade Services Ordinance 10 of 1978
- Local Authorities Act, Act No. 23 of 1992
- Local Authorities Fire Brigade Services Act, Act No. 5 of 2006
- Publication of Local Regulations Proclamation 4 of 1917
- Regional Councils Act, Act No. 22 of 199
- Trust Fund for Regional Development and Equity Provisions Act, Act No. 22 of 2000

Revenue

- Stamp Duties Act, Act No. 15 of 1993
- Transfer Duty Act, Act No. 14 of 1993

Roads and Road Transportation

- Motor Vehicle Theft Act, Act No. 12 of 1999
- Roads Contractor Company Act, Act No. 14 of 1999
- Roads Authority Act, Act No. 17 of 1999
- Road Fund Administration Act, Act No. 18 of 1999
- Road Traffic and Transport Act, Act No. 22 of 1999

Scientific Research

- Research, Science and Technology Act, Act No. 23 of 2004
- Scientific Research Council Act, Act No. 46 of 1988

Sea and Seashore

- Territorial Sea and Exclusive Economic Zone of Namibia Act, Act No. 3 of 1990

Security Officers


Shipping

- Merchant Shipping Act, Act No. 57 of 1951
- Marine Traffic Act, Act No. 2 of 1981
- Namibian Ports Authority Act, Act No. 2 of 1994
- Wreck and Salvage Act, Act No. 5 of 2004

Social Security

- Social Security Act, Act No. 34 of 1994

Social Welfare

- Friendly Societies Act, Act No. 25 of 1956
- National Welfare Act, Act No. 79 of 1965
- Namibia Red Cross Act, Act No. 16 of 1991

Sports

- Namibia Sports Act, Act No. 12 of 2003
Stocks and Securities
- Stock Exchanges Control Act, Act No. 1 of 1985
- Unit Trusts Control Act, Act No. 54 of 1981

Succession
- Wills Act, Act No. 7 of 1953

Sundays and Public Holidays
- Public Holidays Act, Act No. 26 of 1990

Tenders
- Tender Board of Namibia Act, Act 16 of 1996.

Tourism
- Namibia Tourism Board Act, Act No. 21 of 2000

Trade and Industry
- Casinos and Gambling Houses Act, Act No. 32 of 1994
- Competition Act, Act No. 2 of 2003
- Controlled Wildlife Products and Trade Act, Act No. 2 of 2003
- Export Processing Zones Act, Act No. 9 of 1995
- Foreign Investments Act, Act No. 27 of 1990
- Industrial Development Act, Act No. 22 of 1940
- National Supplies Procurement Act, Act No. 89 of 1970
- Price Control Act, Act No. 25 of 1964

Transportation
- Namibian Transport Advisory Board Act, Act No. 23 of 1991
- National Transport Services Holding Company Act, Act No. 28 of 1998

Trusts
- Trust Moneys Protection Act, Act No. 34 of 1934

Water
- Namibia Water Corporation Act, Act No. 12 of 1997
- Water Act, Act No. 54 of 1956
- Water Research Act, Act No. 34 of 1971
- Water Resources Management Act, Act No. 24 of 2004

Weights, Measures and Standards
- Accreditation Board of Namibia Act, Act No. 8 of 2005
- Measuring Units and National Measuring Standards Act, Act No. 76 of 1973
- Namibian Time Act, Act No. 3 of 1994
- Standards Act, Act No. 33 of 1962
- Trade Metrology Act, Act No. 77 of 1973

Youth
- National Youth Council Act, Act No. 3 of 2009
- National Youth Service Act, Act No. 6 of 2005