Tax Returns Quick and Easy!

TaxTim is an online tax assistant.

Answer simple questions and TaxTim will complete your individual Namibian income tax return for you, ready to be printed and submitted to Inland Revenue!

Key benefits of PwC’s TaxTim:

• The fastest, easiest way to do tax returns
• Be tax compliant
• Avoid penalties from Inland Revenue
• Be done with your return in 30 minutes or less
• Save money
• Save time - TaxTim does all the calculations for you
• Simple questions one-by-one (like having a conversation)
• The fastest, easiest way to do tax returns
• Can be used to assist you in completing your information correctly onto ITAS

TaxTim also offers Employee Assist, where employers can sign up employee groups at a discount with a bulk submission service option.

Questions? - email us at namibia@taxtim.com or register and submit your question via www.taxtim.pwc.com.na

Try TaxTim now!
taxtim.pwc.com.na

Autumn Tax Refresher & proposed Tax Amendments
3 & 4 April 2019

PwC Business School

Programme Day 1:
Tax Refresher
08h00 - 08h30: Registration & Coffee
08h30 - 10h00: Employee Pay & Taxes
10h00 - 10h30: Morning break
10h30 - 12h30: Corporate & International Taxes
12h30 - 14h00: Lunch break
14h00 - 16h00: Value Added Tax
16h00 - 16h15: Afternoon break
16h15 - 17h00: Customs

Programme Day 2:
Proposed Tax Amendments
07h30 - 08h00: Registration and coffee
08h00 - 08h30: Individual Taxes
08h30 - 10h00: Corporate Taxes
10h00 - 10h30: VAT & Customs
10h30 - 11h00: Open floor discussion and questions

Training Investment:
Option A: N$ 5000 if you attend both days
Option B: N$ 3500 if you attend day 1 only
Option C: N$ 2000 if you attend day 2 only

Group discount and per session packages are available on request.

Registrations close 29 March 2019
Register via email busschool@na.pwc.com
The Namibian economy entered a recessionary phase in 2017 and remained depressed during much of 2018 as reduced consumer confidence and poor performance in the tertiary sector muted overall growth. As we are aware, fiscal consolidation was undertaken by the government as a necessary austerity policy to ensure that Namibia’s economic recovery is sustainable. Over the last number of years by making fundamental expenditure and re-prioritize spending, we look forward to a fully operational Namibia in the future. As a member of the new appointed PPP Committee, I believe I am in the company of strong business and government leaders with solid experience. Given the opportunity, we would ensure that Namibia’s dream of true partnership with equal rights and risk sharing between the public and private sectors is realized. The road ahead will not be easy and/or smooth but then we are the land of the brave. Together we can and will achieve more.

Vetumbuavi J. Mungunda
Chief Executive
Standard Bank Namibia
1. The Minister of Finance that the 2019/20 budget provides a three-split set of fiscal policy actions. This includes continued growth stimulus package, centered on increased magnitude of the development budget, enhanced resource allocation to the agricultural sector, youth and SME support, reduction of budget deficit and optimize outcomes through improved ease of doing business, business confidence and increased policy certainty.

2. Total revenue for 2019/2020 is estimated at N$8.2 billion or 41.1% of GDP and averaging 3.4% over the MTEF.

4. The Minister of Finance stated that inflation remains benign at 4.4% in February this year, after averaging 4.3% over 2018.

5. The public wage bill doubled between 2012/13 -2017/18, on the back of job re-grading and notch improvements above inflationary adjustments.

6. Total spending on Subsistence and Travel Allowance has reduced by a cumulative about 62.3% over the past three years, from N$34.3 million in FY2015/16 to N$21.8 million allocation in FY2018/19.

7. The Minister confirmed that the forensic investigation was conducted which flagged for suspicious transactions, a total of recovery of N$13 million, however a total of N$23 million is envisaged.

8. Expenditure as a proportion of GDP reduced from 42% to 34.9% in FY2018/19.

9. As a proportion of GDP, total revenue is estimated to moderate from 29.7% of GDP in FY2019/20 to about 29.2% over the remainder of the MTEF.

10. Economic and infrastructure sectors take up the third largest share of the budgetary allocations which is N$12.8 billion. This includes road and railway capital projects, water infrastructure refurbishment and development program, PSEMAS, investment in horticulture and SME support facilities.

11. Old age pensions are increased by N$50 to a monthly grant of N$1300.

12. The recruitment process for the Namibia Revenue Agency will commence over the coming months in advance of its launch on 1 October 2019. The Board of Directors was inaugurated in December last year and is currently developing internal policies and operational readiness activities.

13. Absolute poverty has declined from 41% in the 1990s to 17.4% by 2015/16. Extreme poverty has reduced to 10.7%.

14. The share of social sector allocation is maintained at 49.3% of the budget and over the MTEF. This is N$29.6 billion in FY2019/20 or N$88.9 billion over the MTEF.
1. Phasing out the current tax incentive for manufacturers and exporters of manufactured goods.
2. Repealing the Export Processing Zone and introducing the Special Economic Zones, with a sunset clause for current operators with the EPZ status.
3. Introduce a 10% dividend tax for dividends paid to residents.
4. Abolish the current practice of a conduit (flow through) principle in the taxation of trusts.
5. Subject income derived from commercial activities of charitable, religious, educational and other types of institutions under Section 16 of the Income Tax Act to normal corporate tax requirements.
6. Deepen the current hybrid tax system by taxing all income earned from foreign sources. Namibian residents will have to declare such income in their annual tax returns.
7. Increase the tax deductibility of retirement fund contributions from the current N$40,000 per annum to 27.5% of income with a maximum of N$150,000.
8. Disallow deductibility of fees and interest paid to non-residents for calculating taxable income until payment of withholding tax paid is proven.
9. Introduce VAT on income earned by listed asset managers.
10. Introduce VAT on proceeds of the sale of shares or membership in a company owning commercial immovable property.
11. Remove VAT zero-rating on sugar.
12. Disallow deductibility of royalties for non-diamond mining entities.

**Fiscal targets**
- Spending as % of GDP: 33.8%
- Deficit as % of GDP: -4.14%
- Revenue as % of GDP: 29.7%

**12 Tax Proposals**

**Government Expenditure by Department for 2019/20**

<table>
<thead>
<tr>
<th>Department</th>
<th>2018/19 N$ Millions</th>
<th>2019/20 N$ Millions</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, Arts and Culture</td>
<td>13,201</td>
<td>13,768</td>
<td>4.3%</td>
</tr>
<tr>
<td>Finance</td>
<td>9,827</td>
<td>9,885</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Health &amp; Social Services</td>
<td>6,387</td>
<td>5,659</td>
<td>-11.1%</td>
</tr>
<tr>
<td>Defence</td>
<td>5,685</td>
<td>5,651</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Ministry of Safety &amp; Security</td>
<td>5,172</td>
<td>5,551</td>
<td>7.3%</td>
</tr>
<tr>
<td>Transport</td>
<td>3,472</td>
<td>3,443</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Poverty Eradication and Social Welfare</td>
<td>3,438</td>
<td>3,593</td>
<td>4.5%</td>
</tr>
<tr>
<td>Higher Education, Training &amp; Innovation</td>
<td>3,233</td>
<td>3,137</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Urban and Rural Development</td>
<td>2,150</td>
<td>2,082</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Other</td>
<td>10,974</td>
<td>11,509</td>
<td>4.9%</td>
</tr>
<tr>
<td>Total</td>
<td>63,963</td>
<td>66,549</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
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- Security against currency and exchange rate volatility
- The ability to accumulate funds for future use
- Efficient and flexible financial management across borders

For more information, contact our dedicated Offshore Manager: Lorraine Steenkamp
Lorraine.Steenkamp@standardbank.com.na
061 294 2088
Paying Taxes 2019 is a unique study from PwC and the World Bank Group.

The study investigates and compares tax regimes across 190 economies worldwide using a case study company, and ranks them according to the ease of paying taxes.

The launch of the 2019 Paying Taxes survey ranked Namibia 81st out of 190 economies on the ease of paying taxes.

The survey published that it takes an annual average of 302 hours and 27 tax payments to be tax compliant in Namibia.

Namibia ranked 4th, for the ease of paying taxes in comparison to our neighbouring countries:

- **Zimbabwe**
  - Time: 242 hours
  - Number of payments: 51

- **Namibia**
  - Time: 302 hours
  - Number of payments: 27

- **Angola**
  - Time: 207 hours
  - Number of payments: 31

- **South Africa**
  - Time: 210 hours
  - Number of payments: 7

- **Botswana**
  - Time: 164 hours
  - Number of payments: 34

- **Zambia**
  - Time: 120 hours
  - Number of payments: 11

This is how we compare with the number of tax payments to our neighbouring countries.

In Southern Africa, Namibia ranks last for the amount of hours in a year it takes to comply with taxes.

Total Tax & Contribution Rate(%) compared to our neighbouring countries.

- **Zambia**: 29.1%
- **Namibia**: 31.6%
- **Botswana**: 29.1%
- **South Africa**: 25.4%
- **Zimbabwe**: 15.6%
- **Angola**: 49.1%

This information is an extract from Paying Taxes 2019, available at [http://www.pwc.com/payingtaxes](http://www.pwc.com/payingtaxes)
Currently Legislated

- Source basis of Income Tax: Normal tax is levied on taxable income of companies, trusts, and individuals from sources within or deemed to be within Namibia.
- Individual Income Tax: All individuals (incl. deceased estates and trusts) other than companies.

### Individual Income Tax Rates and Reference Card 2019

#### Transfer Duty: Property

**Natural Persons: Property**

- **Value of property N$:**
  - 0-600 000: Nil
  - 600 001-1 000 000: 1% of value exceeding N$600 000
  - 1 000 001-2 000 000: N$4 000 + 3% of value exceeding N$1 000 000
  - 2 000 001 and above: N$4 000 + 8% of value exceeding N$2 000 000

**Other Persons:**

- **Any value:** 12%

**Value-Added Tax**

- Value-added tax is payable on the taxable value of all goods sold or imported.

#### Stamp Duty on Property transactions

**Natural Persons:**

- **Value of property N$:**
  - 0-600 000: Exempt
  - 600 001-1 000 000: N$10 for every N$1 000 or part thereof

**Other Persons:**

- **Any value:** 1.2%

---

### Social Security

Social security is payable on a monthly basis on contributions from employers and employees. The contributions are calculated at 0.9% of earnings, with a minimum quarterly contribution of N$2.70 and a maximum quarterly contribution of N$181.00 by each.

### Estate Duty & Donations Tax

There is no estate duty or donations tax in Namibia.

### Tax Compliance

#### Income tax returns and tax payments due dates

**Individuals:**

- **Income tax:**
  - 1st Provisional: On or before 30 August (or to farmers), 40% of the total actual taxable income to be declared and paid.
  - 2nd Provisional: On or before 30 August. At least 80% of the total actual taxable income should be declared and paid.

- **Employers:**
  - PAYE Returns: The employer should submit within 20 days following the month during which PAYE is required to be withheld.
  - PAYE: reconciliation return: Annual PAYE reconciliation should be submitted within 30 days from the tax year end (30 March each year).

#### Withholding Tax

- **Dividends:**
  - 20 days from the date of accrual or payment of the dividend to the non-resident.

- **Royalties:**
  - Within 20 days following the month during which the royalty accrued or was paid.

- **Interest:**
  - Within 20 days following the month during which the interest becomes due and payable.

- **Services:**
  - Within 20 days following the month during which the liability was incurred to pay management, technical, administrative or entertainment fees.

#### Value Added Tax

- **VAT return:**
  - 25th of the month following the end of the two month tax period

- **Import VAT return:**
  - 20th of the month following the end of the previous month

- **Import VAT on services:**
  - 50 days from date of import of services

### Social Security

Monthly contributions 50 days after the end of the month

#### Tax Area

<table>
<thead>
<tr>
<th>Reason</th>
<th>Penalty</th>
<th>Interest (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Provisional tax</td>
<td>Late submission</td>
<td>N$100 per day</td>
</tr>
<tr>
<td>Late payment</td>
<td>Up to 100%</td>
<td>None</td>
</tr>
<tr>
<td>2nd Provisional tax</td>
<td>Late submission</td>
<td>N$100 per day</td>
</tr>
<tr>
<td>Late payment</td>
<td>Under-estimation penalty</td>
<td>Up to 100%</td>
</tr>
<tr>
<td>Late payment</td>
<td>10% per month</td>
<td>20%</td>
</tr>
<tr>
<td>Income tax Return</td>
<td>Late submission</td>
<td>None</td>
</tr>
<tr>
<td>Late payment</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Late payment</td>
<td>Omission/Incorrect statement</td>
<td>Up to 200%</td>
</tr>
</tbody>
</table>

####Companies

- **Employees Tax:**
  - Late submission: None
  - Late payment/failure to withhold PAYE: 10% per month

- **Withholding Taxes:**
  - Late payment: 10% per month

- **VAT & Import VAT:**
  - Late submission: N$100 per day
  - Late payment: 10% per month

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**To view monthly updates visit our webpage:**

www.pwc.com/na/namibia-tax-rate-card
Doing Business 2019 is a unique study by the World Bank Group to establish the ease of doing business in 190 countries around the world.

This page summarizes some Doing Business 2019 data for Namibia and the Ease of Doing Business rank (out of 190 economies).

For the full report and further details on the data please visit the website: http://www.doingbusiness.org/reports

Namibia was ranked 172nd in setting up a business. To set up a business 10 procedures need to be followed and it can take up to 66 days.

For protecting minority investors Namibia ranked 99th. These indicators measure minority shareholders’ protection against directors’ misuse of corporate assets for personal gain. Namibia having a lower average, it is indicative of having less securities regulations and capital markets.

Comparing Namibia with the other economies, we ranked 136th for the ease of trading across borders.

For exporting goods On average, it takes 210 hours and costs US$1,093 per container.

For importing goods On average, it takes 9 hours and costs US$208 per container.

On the ease of the process to obtain credit, Namibia ranked 73rd.

For the ease of obtaining credit ranked 73rd.

Enforcing contracts ranked at 58

Data in the 2019 report is as of 1 May 2018. This is an extract from the Doing Business 2019 report, a World Bank Group Flagship Report which can be downloaded from http://www.doingbusiness.org/reports
With the aim to grow the economy in a sustainable manner, the Honourable Minister proposed the development budget to be increased from N$5.5 billion to N$7.9 billion within the budget year. The main focus relates to project financing amounting to N$1.1 billion under the African Development Bank arrangement, with own budget funding of N$831.9 million for logistics infrastructure mainly for rail and road, agriculture mechanisation and school infrastructure renovation.

Honourable Minister, Calle Schlettwein proposed the introduction of VAT on the income of listed asset managers and on the proceeds of the sale of shares or membership in a company owning commercial immovable property. In addition, the Minister also proposed the removal of the zero rating of VAT on sugar. This may result in products (which includes sugar) becoming more expensive as this will now be charged at a standard rate of 15%.

New environmental levy items will also be introduced on the importation of Lubricant oil, plastic carrier bags and disposable batteries including car/truck batteries. The levies will be as follows:
- Lubricant oil of N$1.80 per litre; and
- an environmental levy of 5% of the cost of Primary cells and primary batteries. This simply means that the cost of battery products, plastic carrier bags and lubricant oil will also now become more costly for the end consumer.

As part of an initiative to address equity and fairness in the tax regime as well as removing the risks of base of erosion and profit shifting, the Minister proposed the phasing out of current tax incentive for manufacturers and exporters of manufactured goods, repealing the Export Processing Zone and introducing the Special Economic Zone, with a sunset clause for current operators with the EPZ status. In addition, the Minister proposed disallowing the deductibility of fees and interest paid to non-residents for calculating taxable income until payment of withholding tax paid is proven.

There is some good news that would be welcomed by the taxpayers in order to encourage savings and provisions for retirement. The Honourable Minister proposed a tax incentive to increase the tax deductibility of retirement fund contributions from the current N$40,000 per annum to 27.5 percent of income with a maximum of N$150,000 per annum.

Corporate Culture Survey
- What are our employees saying about us?
- What is the temperature like inside our organisation?

Brand Evaluation
- Health check – is our brand healthy or not?

Ethics Risk Surveys

Corporate Culture Survey
- Health check i.t.o ethics? (Collaborate with PwC Forensics)

Board Assessments
- (Collaborate with PwC Forensics)

Usage & Attitude Surveys
- How are our products / services being used?

Satisfaction Surveys
- How satisfied are people with our products / service offerings?

Assessing before or after implementing.....
- Brand / Logo Change
- Packaging Change
- Advertisement Launch
- Recipe change (Taste Test) our organisation?

Comprehensive stakeholder research

Perception Surveys
- What do people think or say about us?
- What is our brand’s promoter score?
- How should we communicate?

Needs Analysis
- What are the needs of our customers?

Assist you to understand internal & external environments

Supports data for decision-making short or long term

Provides you with data to drive strategy

What do we get out of it....
We want to be there for our customers throughout their life journey. In being part of this journey, we also want to offer the best solutions combined with tailored services that meet our customers’ expectations.

Liberty prides itself in its capabilities as a financial services provider to safeguard its customers’ monies and assist in growing this over a period of time. As part of this core promise, Liberty is launching the Flexible Annuity, a Living Annuity that allows customers to choose the funds they want their retirement monies to be invested in – with an option to change as circumstances change. “We have named this living annuity ‘flexible’ because we truly believe that it offers one of the most flexible options in the market”, says Christell Loots, Liberty Life Namibia MD. She says “the Flexible Annuity is a simple but sophisticated product; it offers retirees the chance to invest their retirement funds in top performing funds in Namibia; earn investment income during the time of the annuity and also select the regular income they want to receive”. All of this comes with the flexibility to adapt to changing circumstances.

“We are excited about the versatility of this offering into the Namibian market – and we believe that such a product will go a long way in assisting retirees structure their retirement period properly” says Ms Loots. With over 60 years of looking after people’s financial futures, Liberty is well placed in providing complete retirement solutions in Namibia. Liberty’s track record over the years as one of the best insurers in the market is proof that the brand has been entrusted with customer’s financial well-being. The company prides itself in delivering on its promises. With the new Flexible Living Annuity - the company is well on its way to providing a comprehensive offering which meets a large part of any customer’s needs through their life stages, spanning from infancy, right up to post-retirement. “We want to be there for our customers throughout their life journey. In being part of this journey, we also want to offer the best solutions combined with tailored services that meet our customers’ expectations” reiterates Loots.

Solutions that meet Customer Needs
Liberty’s main philosophy is based on creating products which are relevant in the market and forming strong partnerships with customers. This is enabled through Liberty’s understanding of customer needs. As a responsible corporate citizen, the company sees its responsibility centred around empowering clients by offering the best suitable solutions. In times of unfortunate events, the last thing customers should worry about is finances. The Flexible Living Annuity comes standard with N$10 000 immediate expense cover, which is payable upon a valid claim of the policyholder.

The Advantage of Knowing: Receiving Sound Financial Advice
The investment value held in a Living Annuity can be made up of different types of portfolios. These portfolios have different levels of risk and return associated with them. Customers should consider the overall composition of their product in terms of these portfolios. Liberty believes in sound financial advice, customers are therefore, urged to engage with registered and accredited financial advisers in order to structure their investment portfolios appropriately, to ensure that their needs are met as far as possible.

The Flexible Annuity allows one to choose from conservative investment portfolios to more aggressive portfolios in the market. While saving for retirement, your investment’s exposure to different asset classes is normally regulated. After retirement, when you are usually dependent on receiving a regular and stable income, a more conservative approach to portfolio selection may be desirable. Customers are therefore encouraged to review their living annuity investment strategy on a regular basis in consultation with their appointed intermediary, to ensure that it meets their needs. An investor needs to ensure that the income selected is at a sustainable level and that the investment does not outrun the retiree. Finally, a living annuity will pay out the outstanding investment value to the nominated beneficiary, ensuring that you leave a legacy to your loved ones.

For more information, speak to your intermediary or call us on +264 61 294 2343 to find out more about the Flexible Living Annuity OR email us on FlexibleLiving@Liberty.com.na
Our Corporate & Investment Banking team combines an in-depth understanding of local market conditions and drivers. We develop client-focused solutions, customised to each client’s unique requirements.

Our Corporate and Investment Banking team provides full banking services as well as excellent capabilities in debt capital markets, advisory and debt arranging. Moreover, we are able to leverage Standard Bank’s extensive presence to create cross-border solutions, supported by our global network of experts, along with world-class risk and capital management systems.

Our portfolio includes most of the leading local entities as well multinationals across the country’s key sectors such as power and infrastructure, oil and gas, mining and metals, property finance, financial services, retail as well as Government and Public Service clients; sectors in which we possess strong capabilities.

Standard Bank Namibia was bestowed the ‘Best Investment Bank in Namibia Award’, recently presented by EMEA Finance at its 10th African Banking Awards 2017. Winners exemplify the sound, sustainable management required to switch gears and temper strategies when their business environments change direction.

Our expertise, skills and footprint leverage speaks to our combined local knowledge with our global pool of specialist understanding across products, industry sectors and geographies. And lastly, our tailor made solutions play a pivotal role as we are well positioned to deliver bespoke and value enhancing solutions that are tailored to the Namibian operating environment.

The Standard Bank brand is internationally well known and trusted for its capability to handle large and complex transactions in an efficient and innovative manner.

Anne Juuko
Head of Corporate and Investment Banking

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Post 2019/20 Sin Tax increase - Total Tax Contribution on a standard bottle of red wine

Standard Bottle of Red Wine - 750ml

Total Tax contribution (VAT & Sin Taxes) 132ml

Remaining quantity after Tax Contribution 618ml

Regular Wine Glass - 175ml

Total Tax contribution (VAT & Sin Taxes) 132ml
NMH invites you, as our partner in supporting the achievement of Namibia’s economic independence, to participate in this Focus edition “A Working Nation” by booking advertising space and engaging in a dialogue on:

- Your company’s strategy regarding the sustainable development of Namibia’s economy?
- Your strategy regarding the empowerment of your workforce - previously disadvantaged, women and an inclusive management?
- How you would describe the current investment climate in Namibia?
- What policy changes / incentives are needed to boost private sector investment in the country?

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Because when you’re asked to change a reality, you cannot answer with theory or opinion. You take your knowledge and you put it to work. And that is the advantage we offer, every day.

For more information, contact us on +264 61294 2660 or visit www.liberty.co.na

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