



Namibia Tax Reference and Rate card 2024

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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.

Taxable Income N\$	Rates of tax from years of assessment ending 2025/26 (N\$)
0 - 100 000	Not taxable
100 001 - 150 000	18% for each N\$ above 100 000
150 001 - 350 000	9 000 + 25% for each N\$ above 150 000
350 001 - 550 000	59 000 + 28% for each N\$ above 350 000
550 001 - 850 000	115 000 + 30% for each N\$ above 550 000
850 001 - 1 550 000	205 000 + 32% for each N\$ above 850 000
Above 1 550 001	429 000 + 37% for each N\$ above 1 550 000

Employees' fringe benefits

Fringe benefits are taxable. The taxable value of fringe benefits is determined in terms of a schedule to the Income Tax Act.

Housing loans and mortgage subsidies

Housing loans provided to employees at a subsidised rate are taxable to the extent that the interest rate payable by the employee is less than 12% per annum (p.a.). The taxable value of housing benefits comprising free or subsidised housing is determined with reference to the location and size of the housing, as indicated in the following table:

	1 room	2 room	3 room	4 room	5 room	6 room	7 room	8 room	8+ room
Windhoek	500	750	1 000	1 400	1 800	2 200	2 800	3 400	4 000
Walvis Bay	350	550	750	1 000	1 300	1 700	2 100	2 550	3 000
Large Towns	250	375	500	700	900	1 100	1 400	1 700	2 000
Small Towns	125	175	250	300	450	550	700	850	1 000

The taxable value of housing benefits granted, in terms of housing schemes approved by Inland Revenue, is reduced by one-third thereof (the reduction increases based on a formula for remuneration below N\$30 000 p.a.).

Meals

Meals	Taxable portion
Meals supplied at employee residence	N\$100 per family member older than 6 years
Meals supplied at business premises	Not taxable

Loans (other than housing loans)

The taxable value of interest-free or subsidised loans that are not utilised for further study by the employee or exceed N\$3 000 p.a., is 12% p.a. of the loan amount less interest actually paid on the loan.

Motor vehicles

Taxable amount for the right of private use of employer provided vehicles	
All costs borne by the employer	1.5% p.m. of the cost price of the vehicle
Employee bears all the fuel costs and the employer all other costs	1.4% p.m. of the cost price of the vehicle

Interest income

Exempt interest income earned by individuals and trusts from	
Deposits with Nampost Savings Bank	
Stock or securities (including Treasury Bills) issued by the Government of Namibia, or any regional council or local authority in Namibia (also available to companies not carrying on business in Namibia)	

Withholding tax	
10% on interest received from Namibian banks and unit trusts paid to any person other than a Namibian company.	

Retirement, death and withdrawal

Contribution to approved pension, provident, retirement annuity (RA) and educational policies	2024/25 N\$	2025/26 N\$
Deduction allowed (in total)	150 000	150 000

Medical aid

Contributions to medical aid funds and actual medical costs are not deductible by employees for income tax purposes.

Withdrawal benefits

Pension and Provident - Lump sums not transferred to another approved pension, provident, RA or preservation fund, will be taxable at the greater of 18% or the average tax rate.

Retirement annuity - No withdrawal benefits may be taken from RA funds before retirement age of 55 years.

Educational policy - The total amount must be utilised for post-school educational training purposes. The amount not so used is taxed at the marginal rate of the policyholder.

Retirement benefits

Pension and RA funds - The total lump sum is tax-free, but annuities or pensions paid are taxable at the marginal rate of the member.

Provident funds - One-third of the total benefit is exempt and the remainder is taxed at the marginal rate of the member.

Death benefits

Pension and RA funds - The total lump sum is tax-free, but the annuities / pensions paid to dependants are taxable at the marginal rate. The lump sum must however be less than 50% of the entire death benefit. The difference being paid as annuities, will be taxable. Should the lump sum be 50% or more, the entire lump sum will be taxable at the marginal rate.

Provident funds - One-third of the total benefit is exempt and the remainder is taxed at the marginal rate of the beneficiary.

Retrenchment benefits

Pension and RA funds - So much of the lump sum that is not funds transferred to another approved pension, provident, RA or preservation fund, will be taxable at the average tax rate of the member.

Gratuities and special payments

The first N\$300 000 received due to superannuation, ill health or other infirmity or if the recipient is over the age of 55 years is exempt from tax. Any balance received over N\$300 000 may be taxed in three equal instalments, commencing in the year of receipt.

Social security

Social security is payable on a 50:50 contributions from employers and employees. The contributions are calculated at 0.9% of earnings, with a minimum monthly contribution of N\$2.70 and a maximum monthly contribution of N\$81.00 by each.

Estate duty & donations tax

There is no estate duty or donations tax in Namibia.

Transfer duty

Natural persons: Fixed property

Value of property N\$

0 - 1 100 000	Nil
1 100 001 - 1 580 000	1% of value exceeding N\$ 1 100 000
1 580 001 - 3 150 000	N\$4 800 plus 5% of value exceeding N\$1 580 000
3 150 001 and above	N\$83 300 plus 8% of value exceeding N\$3 150 000
Exceeds 12 100 000	N\$799 300 plus 11% of value exceeding N\$12 100 000

Other persons

Any value 12%

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

Stamp Duty

Natural persons:

Value of property N\$

0 - 1 100 000	Exempt
Exceeds 1 100 001	N\$10 for every N\$1 000 or part thereof

Other persons

Any value 1,2%

Value-Added Tax

Value-added tax is payable on the taxable value of all goods sold or imported. The standard rate is 15%. Direct exports of goods and services are zero-rated. A number of other zero-ratings and exemptions are also provided for. A person (company, individual, trust and partnership) carrying on a taxable activity with a turnover for the past or future 12 month period in excess of N\$1 000 000, must register for VAT.

Companies

Company tax rates	2025/26
Corporate tax rate	31%**
Branch income tax	31%**
Diamond mining companies	55%
Mining Companies (other than diamond mining companies)	37.5%
Long term insurance companies (40% of gross investment income taxed at 32%)	12.8%
Petroleum Companies (exploration -, development - or production operations)	35%

** The Corporate Income Tax ("CIT") rate for companies whose financial years commenced on or after 1 January 2024 is reduced to 31%. CIT rate for financial years commencing before 01 January 2024 is 32%.

Capital gains taxes

Sale of Mining & Petroleum Licenses

Any sale/donation/expropriation cession, grant or other alienation or transfer of ownership of a licence or right shall be included in gross income. The sale of shares in a company for a licence or right to mine minerals in Namibia is included in gross income and taxed accordingly.

Movable assets and buildings

Machinery and movable assets

Wear and tear claims are deductible in equal instalments over three consecutive tax years for the acquisition of vehicles, aircraft, seagoing craft, machinery, implements, utensils and articles used for purposes of trade.

Buildings

An initial allowance of 20% of the cost of erection may be claimed in the year that the building is brought into use, and a subsequent allowance of 4% for each of the ensuing 20 years, following on the year that the building was brought into use.

Payments to non-residents

Withholding Tax	
Dividends paid to non-residents companies > 25% shareholding	10%
Dividends paid to non-residents in all other cases	20%
Interest paid to non-residents	10%
Royalties paid to non-residents	10%
Management, technical, admin, consulting fees paid to non-residents	10%
Non-resident directors' fees and fees paid to foreign entertainers	25%

Dividends

Dividends received are exempt in the hands of corporates, individuals and trusts. Dividends declared to foreign shareholders are however subject to NRST.

Farmers

Farmers are taxed in the same manner as other individuals or companies. Farming is a ring-fenced trade, unless carried on, on a full time basis.

Farmers—Deduction of capital expenditure

Expenditure on motor vehicles and other movable assets used for farming purposes is deductible in equal instalments over three consecutive years. Expenditure incurred on capital development is deductible in full but limited to the amount of taxable farming income. Any remaining capital development expenditure is carried forward to the next year. Deductions for the erection of domestic houses for a farmer's employees may not exceed N\$50 000 per employee.

Registered manufacturers

Special tax incentives are available to existing registered manufacturers up to the end of their 2025 tax year. No new tax incentives are granted for registered manufacturers.

Exports

Any export of locally/domestically manufactured goods (excluding meat and fish products) qualifies for an abatement of 80% of taxable income directly related to such exports. Abatement does not apply to the export of imported manufactured goods.

Customs and Excise

Customs duties are levied on certain goods imported into Namibia. The rates are usually calculated on an ad volarem basis. Namibia applies the Harmonised System and is party to the WTO. Namibia is also a member of SACU. Common external tariffs are applied on imports from outside SACU. Specific excise duties and the corresponding specific customs duties are levied on the traditional excisable products such as fuel, jewellery, tobacco, and liquor.

Environmental duties

Subject to certain exemptions, environmental duties are payable on (electric filament) lamps, tyres, carbon emissions of all vehicles excluding motorcycles and on plastic bags. Certain exemptions apply.

Transfer pricing and thin capitalisation

Transfer pricing was introduced in May 2005. Cross-border transactions with connected persons must be entered into on an arm's-length basis. A taxpayer is required to be in possession of transfer pricing documentation.

The 3:1 debt to equity ratio requirements in determining thin capitalisation is replaced with a fixed limitation on interest deductions to the extent that the net interest exceeds 30% of the connected person's tax EBITDA and the net interest expense exceeds N\$3million. "Tax EBITDA" means taxable income before net interest expense, tax, tax depreciation and tax amortization.

Interest deductions not allowed for a said year is allowed to be carried forward for 5 years in respect of any taxpayer and 10 years for entities involved in mining, petroleum or green hydrogen industries.

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:

Group of minerals	Royalty %
Precious metals/Base and rare metals	3%
Semi-precious stones/Industrial metals/Non-Nuclear fuel minerals	2%
Nuclear fuel minerals	3%
Oil and Gas	5%

Tax treaties

Double tax agreements may reduce withholding taxes. Namibia has double tax agreements with Botswana, France, Germany, India, Malaysia, Mauritius, Romania, Russia, South Africa, Sweden and the United Kingdom.

Tax compliance

Income tax returns and tax payments due dates

Individuals

Individuals (Employees)	30 June each year
1st Provisional	On/before 30 August (n/a to farmers). At least 40% of the total actual taxable income to be declared and paid.
2nd Provisional	On/before 28 February. At least 80% of the total actual taxable income should be declared and paid.
Business individual and/or farmer (other than companies or salaried employees)	Within 7 months after the tax year end (30 September each year).

Companies

Companies	Within 7 months after financial year end.
Income tax: 1st provisional	Within 6 months from commencement of the company's financial year. 40% of the total actual taxable income to be declared and paid.
Income Tax: 2nd Provisional	On/before the last day of the company's financial year end. 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.
Employers: PAYE reconciliation return	Annual PAYE reconciliation should be submitted within 30 days from the tax year end (30 March each year).

Withholding Tax

Dividends	Within 20 days following the month during which accrual or payment took place.
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	30 days from date of import of services
Customs & Excise	Payment at time of clearing per customs assessment notice (excl fuel import levy payment)

Social Security

Monthly contributions	30 days after the end of the month
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Penalties

Tax Area	Reason	Penalty	Interest
1st Provisional tax	Late submission	N\$100 per day	None
	Under-estimation penalty	Up to 100%	None
	Late payment	10% per month	20%
2nd Provisional tax	Late submission	N\$100 per day	None
	Under-estimation penalty	Up to 100%	None
	Late payment	10% per month	20%
Income tax Return	Late submission	None	None
	Late payment	10%	20%
	Omission/incorrect statement	Up to 200%	20%

Companies

Employees Tax	Late submission	None	None
	Late payment/failure to withhold PAYE	10% per month	20%
Withholding Tax	Late payment	10% per month	20%
VAT & Import VAT	Late submission	N\$100 per day	None
	Late payment	10%	Prime Interest Rate by Bank of Namibia (BoN)**

**Amendment to Section 53 subsections (1) and (1A), registered taxpayers who fails to pay tax by the due date, the interest payable on the outstanding tax amount will be levied at the rate referred to in subsection 1B or 1C:

- (1B) The interest rate in subsection (1) shall be the prime lending rate, as announced by the Bank of Namibia and published in the Gazette, by the Minister upon commencement of this Act.
- (1C) If the Bank of Namibia adjusts the prime lending rate, the Minister must, by notice in the Gazette, publish the adjusted prime lending rate as the rate of interest applicable to an amount referred to in subsection (1) or (1A), within a period of 30 days from the date of announcement of the repo rate by the Bank of Namibia.
- (1D) Subsection (1B) comes into operation on the date of publication of that notice in the Gazette and subsection (1C) becomes effective on the first day of the second month following the date on which it is published in the Gazette.

Summary of Withholding tax payable and double Taxation Agreements

The Withholding tax rates and treaty relief for Namibian Double taxation agreements 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, interest, and royalties in the various treaties should also be considered.

Recipient	WHT (%)				
				Management, administrative, technical, and consulting fees	Directors fees & Foreign Entertainers ⁷
Non-treaty	10/20 ¹	10	10	10	25
Treaty:					
Botswana	10	10	10	10 ⁶	25
France	5/15 ²	10	10	0	25
Germany	10/15 ²	0	10	0	25
India	10	10	10	10	25
Malaysia	5/10 ¹	10	5	5	25
Mauritius	5/10 ¹	10	5	0	25
Romania	10 to 15 ³	10	5	0	25
Russian Federation	5/10 ⁴	10	5	0	25
South Africa	5/15 ¹	10	10	0	25
Sweden	5/15 ²	10	5	10 ⁶	25
United Kingdom	5/10/15 ⁵	10 ⁶	5	0	25

Notes

1. Lower rate applies if the beneficial owner is a company which holds at least 25% of the capital, of the Namibian company paying the dividends. Higher rate applies in all other cases.
2. Lower rate applies where at least 10% of shares are held in the Namibian company (where beneficial owner is a company). Higher rate applies in all other cases.
3. Rate depends on % capital held in the Namibian company paying the dividends.
4. Lower rate applies where at least 25% capital is held in the Namibian company and recipient directly invested at least 100 000 United States dollars (USD) in the equity capital of the company paying the dividend (Where beneficial owner is a company). Higher rate applies in all other cases.
5. 5% where at least 50% of shares are held in the Namibian company. 10% where at least 25% of shares are held in the Namibian company. 15% otherwise.
6. Local rates are lower than the rate per the treaty.
7. The WHT rate for non-resident directors and foreign entertainer's fees increased to 25%, effective 21 June 2016 (previously 10%).

For more information, visit

<http://taxsummaries.pwc.com/ID/Republic-of-Namibia-Overview>

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