

Withholding Tax Certificates

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Withholding Tax on Services Certificates

Section 35A, introduced in 2011 by the Ministry of Finance, applies to any Namibian resident (i.e. the state, a company incorporated or managed and controlled in Namibia, and natural persons ordinarily resident in Namibia) paying a management, consultancy, entertainment and/or directors fee to a non-resident.

The legislation imposes the obligation on the Namibian resident to withhold 25% tax on such fees paid to non-residents.

A "non-resident" is defined in the new Section 35A as:

"(a) a person, other than a company, not ordinarily resident or carrying on business in Namibia; or
(b) a company neither managed nor controlled in Namibia"

Tax credits for non-resident service providers:

Namibian residents who are unable to apply DTA relief and who are liable to withhold 25%, may issue a withholding tax certificate to the non-resident service provider, indicating the amount withheld and the certificate may be used to claim a tax credit or rebate from the non-residents local tax authority.

All residents who become liable to register for Withholding Tax on Services and have been duly registered with Inland Revenue can now request certificates from Inland Revenue, room 512 fifth floor, Inland Revenue building, Windhoek or at any other Inland Revenue Regional Office.

Each certificate is issued in duplicate. The original is blue in colour is issued to the non-resident service provider whilst the white copy is retained for record keeping purposes.

The certificate should be completed with the contact details of the non-resident, the business particulars of the Namibian taxpayer as well as the amount of tax withheld.

Inland Revenue does currently not require any reconciliation of certificates issued and amounts paid at the end of the financial year and the books need not be returned to Inland Revenue.

Where a resident person withholds and pays WTS to Inland Revenue in line with the Income Tax Act, this tax is regarded as a final charge to tax and does not form part of the assessable income.

An example of the WTS certificate is attached.

*For more information please contact the
PwC Namibia Tax Compliance team:*

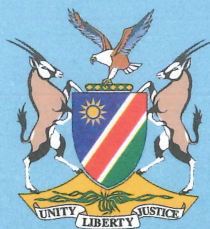
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Republic of Namibia
MINISTRY OF FINANCE
Inland Revenue

Withholding Tax on Services Certificate

ISSUED TO A NON-RESIDENT SERVICE PROVIDER

NAME AND ADDRESS OF NON-RESIDENT SERVICE PROVIDER

BUSINESS REGISTRATION/IDENTITY NUMBER

BUSINESS AND PERSONAL PARTICULARS OF NAMIBIAN TAXPAYER

INCOME TAX REFERENCE NUMBER

TAX PERIOD AND DATE OF PAYMENT

GROSS SERVICE FEES

AMOUNT WITHHELD IN NAMIBIAN DOLLARS

SIGNATURE OF AUTHORISED OFFICIAL

NAME AND CONTACT NO.

DATE

This certificate is not transferable.

Issued by:

Commissioner of Inland Revenue