

doing business in Namibia

POPULATION
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CURRENCY
NAMIBIAN
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country profile	
government structure	<ul style="list-style-type: none"> • Executive: The president is the chief of state and head of government, is directly elected and may serve a maximum of two five-year terms. The cabinet is appointed by the president from among members of the National Assembly. • Legislative: Namibia has a bicameral parliament. • Judicial: The Namibian court system is made up of three tiers. The Lower Courts, consisting of Magistrate, Labour and Customary Courts, the High Court and the Supreme Court, which is the highest court of appeal. • Next presidential and parliamentary elections: November 2019.
economic data	<ul style="list-style-type: none"> • Nominal GDP (USD billions): 10.60 • GDP per capita (USD): 4,629.50 • Inflation rate (% change): 4.50 • Government revenue (% of GDP): 39.09 • Government gross debt (% of GDP): 41.52 <p><i>*Source: IMF & Bank of Namibia</i></p> <ul style="list-style-type: none"> • Namibia's economy is heavily dependent on the extraction and processing of minerals for export. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds and Namibia is the world's fifth-largest producer of uranium. The Chinese-owned Husab uranium mine started producing uranium ore in 2017 and is one of the largest producers of uranium in the world. Namibia also produces large quantities of zinc and is a smaller producer of gold and copper. • Namibia's main export partners are South Africa, Botswana, Switzerland, Zambia, China and Italy. The main export commodities include diamonds, copper, gold, zinc, lead, uranium, cattle, white fish and mollusks. • Namibia's main import partner is South Africa. The main import commodities include foodstuffs; petroleum products and fuel, machinery and equipment, and chemicals.
risk ratings	<ul style="list-style-type: none"> • World Economic Forum Global competitive index (2017-2018): 90/137 • World Bank ease of doing business (2018): 106/190 • Corruption perception index (2017): 53/180

international treaties and memberships	
international and regional organisations and customs unions	<ul style="list-style-type: none"> • African Caribbean and Pacific Group of States • African Continental Free Trade Agreement • African Development Bank • African Union • British Commonwealth • Common Monetary Area ("CMA") • Common Market for Eastern and Southern Africa • International Monetary Fund • Southern African Customs Union • Southern African Development Community • United Nations • World Bank • World Trade Organization • Namibia receives preferential treatment under the following agreements: http://ptadb.wto.org/Country.aspx?code=516
bilateral investment treaties	<ul style="list-style-type: none"> • Namibia has bilateral investment treaties with Austria, Finland, France, Germany, Italy, Malaysia, the Netherlands, Spain, and Switzerland. • Treaties have been signed with Angola, China, Congo, Cuba, Russia and Vietnam but these have not yet entered into force.
investment-related agreements / institutions	<ul style="list-style-type: none"> • Multilateral Investment Guarantee Agency • African Growth and Opportunity Act • Overseas Private Investment Corporation
dispute resolution	<ul style="list-style-type: none"> • Namibia is a member of the following dispute resolution bodies (either directly or through South Africa): <ul style="list-style-type: none"> • International Centre for Settlement of Investment Disputes; and • United Nations Commission on International Trade Law.
intellectual property ("IP") treaties	<ul style="list-style-type: none"> • A comprehensive list of IP-related treaties signed by Namibia is available at: http://www.wipo.int/wipolex/en/profile.jsp?code=na • See the trade marks section below for further detail.



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legal regime	
applicable legal regime	<ul style="list-style-type: none"> Namibia's legal regime is strongly influenced by South African law and is based on Roman, Roman-Dutch, English and common law. A very remote German law influence is linked to the principles underlying the mineral laws.
dispute resolution	<ul style="list-style-type: none"> There is no arbitration court in Namibia. However, informal arbitration is in use with reference to the Arbitration Act, voluntarily handled by the Professional Arbitration and Mediation Association of Namibia, which presides over cases involving labour and commercial disputes. The Foreign Investment Act also allows for settlement of commercial disputes by international arbitration, in which case arbitration shall be in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law in force, unless an alternative method is selected by the government and foreign investor.
land acquisition, planning and use	<ul style="list-style-type: none"> The Agricultural (Commercial) Land Reform Act prohibits the acquisition of ownership of land and leases exceeding 10 years for commercial agricultural land by foreigners or foreign-controlled entities without the prior written consent of the Minister of Lands, Resettlement and Rehabilitation. Generally, all land not situated within declared local authority areas, not being communal land or not being state land, would ordinarily be commercial agricultural land. The Namibian constitution currently prohibits expropriation without just compensation.
competition	
<i>merger control</i>	<ul style="list-style-type: none"> The Namibian Competition Act ("the Act"), regulates merger control in Namibia. The Act defines a merger as the direct or indirect acquisition or establishment of direct or indirect control by one or more undertakings over the whole or part of the business of another undertaking. The Act provides examples of what constitutes control for the purposes of merger regulation. In calculating merger thresholds, Namibia uses financial thresholds based on turnover in, into or from Namibia and/or asset value in Namibia. Mandatory notification applies to undertakings that have a

	<p>minimum combined threshold of NAD30-million and the turnover or asset value of the target undertaking is above NAD15-million.</p> <ul style="list-style-type: none"> Filing fees are payable on a sliding scale between NAD10 000 and NAD500 000. The Namibian competition authority will take into account public interest considerations in making a determination on the merger. Namibia has a pre-implementation regime, therefore approval must be sought from the Namibian competition authorities prior to implementation of the proposed transaction. Undertakings that implement a merger in contravention of the Act may be liable for a penalty of an amount not exceeding 10% of the global turnover (during the preceding year) of the undertakings in question. Namibia is not a member of any regional competition bodies.
<i>prohibited practices</i>	<ul style="list-style-type: none"> The Competition Act prohibits horizontal and vertical agreements between undertakings, decisions by associations of undertakings or concerted practices by undertakings that 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, unless they are exempt. Conduct such as price fixing, market division, collusive tendering, minimum resale price maintenance, applying dissimilar conditions to equivalent transactions, the bundling of contracts, are prohibited by the Competition Act. The Competition Act prohibits abuse of dominance. The Namibian competition authority adopted a draft leniency policy in 2012. As at August 2018, Namibia's corporate leniency programme is not yet operational. A firm that engages in a restrictive horizontal or vertical agreement or abuses its dominant position in contravention of the Competition Act may be liable for a penalty not exceeding 10% of the global turnover of that firm during its preceding financial year. A person who contravenes, or fails to comply with, an interim or final order of the High Court of Namibia given in terms of the Competition Act commits an offence and shall be liable, on conviction, for imprisonment up to 10 years or to a maximum fine of NAD500 000, or both.



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employment requirements	
<i>immigration</i>	<ul style="list-style-type: none"> In terms of the Namibian Immigration Control Act, any person who intends to enter or reside in Namibia for the purpose of productive work for a period not exceeding 90 days, must hold a valid work visa. For any period exceeding 90 days, a work permit (valid for up to 12 months) from Ministry of Home Affairs and Immigration is required. A valid employment visa or permit is to be obtained prior to entering Namibia.
<i>local employment vs secondment</i>	<ul style="list-style-type: none"> In terms of Namibia's Labour Act, an employee may be seconded to Namibia and it is not a requirement for the employee to be employed by a local Namibian entity when performing services in Namibia. In terms of Namibia's immigration legislation, employment by a local entity may be required for immigration purposes.
<i>fixed-term contracts and temporary employment services</i>	<ul style="list-style-type: none"> Fixed-term contracts are permitted in terms of the Labour Act. However, an employee is presumed to be employed indefinitely, unless the employer can establish a justification for fixed-term employment, other than in the case of a managerial employee.
<i>payment in local currency</i>	<ul style="list-style-type: none"> Remuneration must be paid in local currency. For expatriates working in Namibia, up to two-thirds of their earnings may be remitted outside Namibia. Expatriates may also repatriate all their savings at the completion of the employment contract in Namibia.
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> Restraint of trade agreements are valid and enforceable in Namibia, subject to the requirement that they are reasonable and do not offend public policy.

foreign investment regime	
investment regime	<ul style="list-style-type: none"> The Foreign Investments Act ("FIA") governs foreign investments in Namibia. The promulgated, but not yet in force, Namibia Investment Promotion Act will repeal the Foreign Investments Act. The Namibian Investment Centre ("NIC") has been established to provide information on incentives and the Namibian regulatory regime as well as assist investors to obtain work permits and visas.
registration / licensing requirements	<ul style="list-style-type: none"> Upon investing at least NAD2-million or such other specified amount, an investor may apply for a Certificate of Status Investment from the Minister of Trade and Industry through the NIC. Registration with the NIC is not compulsory, but the Certificate of Status Investment is a pre-requisite for acquiring agricultural land.
non-industry specific registration / licencing	<ul style="list-style-type: none"> The following general non-specific registration / licences may also be required:
<i>Namibia Revenue Authority ("NRA")</i>	<ul style="list-style-type: none"> All taxpayers must register with the NRA. A single tax registration number is used for all tax types, with the last few digits of the registration number changing depending on the type of tax. If an enterprise's turnover exceeds the VAT registration threshold (see 'tax' below), it should also specifically apply for VAT registration.
<i>Namibia Training Authority ("NAT")</i>	<ul style="list-style-type: none"> Every employer with an annual payroll of at least NAD1-million must register with the NAT for purposes of paying a vocational education and training levy.
<i>Social Security Commission ("SCC")</i>	<ul style="list-style-type: none"> Every employer who employs one or more employees must register with the SCC, for purposes of making both social security and workmen's compensation contributions.
<i>Municipal Council</i>	<ul style="list-style-type: none"> Companies must apply for a "certificate for fitness" from the relevant municipal council in the area where it operates (in the case of Windhoek, the City of Windhoek Department of Economic Development and Environment) prior to the commencement of business operations. Such certificate is issued on the satisfactory completion of a fire and health inspection and is renewable annually.
industry-specific licences	<ul style="list-style-type: none"> Industry-specific licences may also be required.



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incentives	<ul style="list-style-type: none"> Incentives include: <ul style="list-style-type: none"> tax relief in the form of exemptions, a reduced corporate tax rate and more generous capital allowances available to registered manufacturers; a 80% deduction of taxable income derived from export available to companies exporting goods manufactured in Namibia; and exemption from value added tax, customs or excise duty and income tax by entities operating in an export processing zone.
exchange control regulation	<ul style="list-style-type: none"> Namibia is part of the South African Rand Common Monetary Area (the "CMA") together with South Africa, Lesotho and eSwatini. Namibia applies a comprehensive regime of exchange control. The function to administer exchange control has generally been assigned by the Bank of Namibia to local commercial banks. No exchange control restrictions exist between CMA countries, provided that the flows are strictly in local currency, eg ZAR and/or NAD. Transactions that involve the transfer of funds to countries outside the CMA are subject to Bank of Namibia approval.
types of entities available for foreign investment	<ul style="list-style-type: none"> sole proprietorship; partnership; joint venture; trust; limited liability company; close corporation; and branch.

private limited liability company	
minimum number of shareholders	<ul style="list-style-type: none"> A minimum of one shareholder is required and the maximum allowed is 50. There is generally no requirement for local shareholding.
minimum share capital	<ul style="list-style-type: none"> There are no prescribed requirements for minimum share capital, but a company must be solvent before it undertakes certain activities. Shelf companies generally have authorised share capital of NAD4 000 and issued share capital of NAD100.
directors	<ul style="list-style-type: none"> A private company must have a minimum of one director. There is no requirement to have any resident directors.
company secretary	<ul style="list-style-type: none"> A private company is not required to appoint a company secretary.
auditor	<ul style="list-style-type: none"> A private company must appoint an auditor who is qualified to act as such under the Namibia Public Accountants and Auditors Act.
registered address	<ul style="list-style-type: none"> Every company must have a registered office in Namibia to which all communications and notices may be addressed and which must constitute the address for service of legal proceedings on the company. A company may have its registered address at the offices of its accountants, lawyers or a third party.
shelf companies	<ul style="list-style-type: none"> Shelf companies are available for purchase in Namibia.
registration process	<ul style="list-style-type: none"> Companies are registered with the Registrar of Companies and It takes approximately one to two weeks to complete registration once all required documents have been submitted.



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tax			
tax system	<ul style="list-style-type: none"> Namibia has a source-based taxation system in terms of which both residents and non-residents are subject to tax on income earned from a source in Namibia. 		
corporate residence	<ul style="list-style-type: none"> The Namibian Income Tax Act does not use the term "residence" with reference to companies, but rather the term "domestic company", which is defined as referring to: <ul style="list-style-type: none"> a Namibian incorporated or established association, corporation, company or body; or a company managed and controlled in Namibia. 		
corporate tax rate	<ul style="list-style-type: none"> Resident companies and permanent establishments of foreign companies are subject to corporate tax at the rate of 32%. Petroleum entities are taxed at 35%, mining companies (other than diamond mining) at 37.5% and diamond mines at an effective rate of 55%. Registered manufacturers may qualify for a reduced rate of 18% for the first 10 years of operation. 		
capital gains tax ("CGT")	<ul style="list-style-type: none"> Namibia does not impose tax on capital gains. 		
withholding tax ("WHT") rates	WHT rate (%)		
	payment to	residents	non-residents
	branch profits	N/A	dividends declared by foreign head office subject to non-resident shareholder's tax of 10%
	dividends	N/A	10% (if at least 25% shareholding) 20%
	interest	N/A	10%
	royalties	N/A	10%
management, consulting and technical service fees	N/A	10%	
double tax agreements ("DTAs")	<ul style="list-style-type: none"> DTAs are in force with France, Germany, India, Malaysia, Mauritius, Romania, Russia, South Africa, Sweden and the United Kingdom. 		
losses	<ul style="list-style-type: none"> Ordinary losses may be carried forward indefinitely, provided the company continues to carry on trading in Namibia. 		
transfer pricing	<ul style="list-style-type: none"> In terms of Namibia's transfer pricing rules, transactions between connected persons must be entered into at an arm's length price. 		

thin capitalisation	<ul style="list-style-type: none"> In terms of Namibia's thin capitalisation rules, deductions by a resident company of any interest, finance charge or other consideration will be disallowed (and treated as a dividend) to the extent to which it relates to financial assistance granted by a connected non-resident person or a non-resident person with substantial (ie, at least 25%) shareholding or control in the resident company, where the Minister of Finance considers such assistance to be excessive in relation to the fixed capital of the resident company. Although the Income Tax Act does not specify the maximum accepted debt : equity ratio, a ratio of 3:1 is applied in practice. 																				
employee taxes	<p>The income tax rates applicable to resident individuals for the year ending 28 February 2019 are:</p> <table border="1"> <thead> <tr> <th>annual chargeable income (NAD)</th> <th>tax rate</th> </tr> <tr> <th colspan="2">2019</th> </tr> </thead> <tbody> <tr> <td>up to 50 000</td> <td>0%</td> </tr> <tr> <td>50 001-100 000</td> <td>17%</td> </tr> <tr> <td>100 001-300 000</td> <td>25%</td> </tr> <tr> <td>300 001-500 000</td> <td>28%</td> </tr> <tr> <td>500 001-800 000</td> <td>30%</td> </tr> <tr> <td>800 001-1 500 000</td> <td>32%</td> </tr> <tr> <td>1 500 001-2 500 000</td> <td>39%</td> </tr> <tr> <td>over 2 500 000</td> <td>40%</td> </tr> </tbody> </table>	annual chargeable income (NAD)	tax rate	2019		up to 50 000	0%	50 001-100 000	17%	100 001-300 000	25%	300 001-500 000	28%	500 001-800 000	30%	800 001-1 500 000	32%	1 500 001-2 500 000	39%	over 2 500 000	40%
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social security contributions	<ul style="list-style-type: none"> Both employers and employees must make monthly social security contributions to the SCC. Both the employer and employee contribution rates is 0.9% of the employee's basic salary (based on a minimum salary of NAD300 per month and a maximum salary of NAD9 000 per month). 																				
payroll taxes	<ul style="list-style-type: none"> A vocational education and training levy is payable by employers having an annual payroll of at least NAD1-million at the rate of 1% of the payroll. 																				
stamp duty	<ul style="list-style-type: none"> Stamp duty is levied under the Stamp Duties Act on the issue of a number of instruments at rates varying from 0.2% to 1.2% depending on the nature of the instrument. Stamp duty at the rate of 0.2% is payable on the issue and transfer of marketable securities (excluding listed securities). Stamp duty on the transfer of immovable property is levied at the rate of 1.2%. Transfer duty is also levied under the Transfer Duty Act on 																				



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	the value of any land and buildings or mining rights acquired by a company.
VAT	
<i>taxable supplies</i>	<ul style="list-style-type: none"> VAT is levied on the supply of goods and services in Namibia and on the importation of goods and services into Namibia.
<i>VAT rate</i>	<ul style="list-style-type: none"> 15% effective 16.5% on imported goods
<i>registration threshold</i>	<ul style="list-style-type: none"> A person who has reasonable grounds for believing that the total value of taxable supplies during any 12-month period will exceed NAD500 000, must register for VAT purposes.
<i>reverse VAT on imported services</i>	<ul style="list-style-type: none"> To the extent that imported services will be utilised or consumed in Namibia other than for making taxable supplies, the recipient of such services is required to declare and pay output VAT on the services in terms of a reverse-charge mechanism.
trade marks	
international conventions, treaties and arrangements	<ul style="list-style-type: none"> African Regional Intellectual Property Rights (Banjul Protocol) Madrid Protocol Paris Convention Trade-Related Aspects of Intellectual Property Rights World Intellectual Property Organization Convention World Trade Organization
classification	<ul style="list-style-type: none"> The International Classification of Goods and Services for the Purposes of the Registration Marks adopted by the NICE Agreement as revised, applies. A single application may be filed in respect of multiple classes.
categories of trade marks	<ul style="list-style-type: none"> Provision is made for: <ul style="list-style-type: none"> certification marks; collective marks; and trade names.
filing requirements	<ul style="list-style-type: none"> Completion of Form TM 1. The relevant Form must be signed by the applicant, or if there are multiple applicants, by each of those applicants or an authorised agent of the applicant or applicants. The application must indicate each applicant's name, address, nationality, residence and telephone number, and if the applicant has appointed an agent, the name of the agent and the agent's place of business. Classification of the goods and / or services according to the Nice Agreement, 1957. Payment of the prescribed official fee; and The application must further be accompanied by the executed prescribed power of attorney.

procedure	<ul style="list-style-type: none"> Applications are examined as to formalities, inherent registrability and conflict with prior existing registrations / applications. Accepted applications are advertised in the prescribed bulletin.
oppositions	<ul style="list-style-type: none"> Opposition may be lodged within 60 days following the date of advertisement of the trade mark application. A request for a general extension of a maximum of 180 days may be made.
duration and renewal	<ul style="list-style-type: none"> A trade mark registration is effective for an initial period of 10 years from filing date and, thereafter, renewable for further periods of 10 years.

For more information or assistance please contact:

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LAST UPDATED OCTOBER 2018

