

NAMIBIA BUDGET

ON A PLATE

REVIEW 2019/20



NAMIBIA BUDGET 2019/2020





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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



Contact us

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Foreword



Vetumbuavi J. Mungunda
Chief Executive
Standard Bank Namibia

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 policy intervention to preserve Namibia's hard won macroeconomic stability by containing the growth of the debt stock, reigning in wasteful expenditure and re-prioritize spending.

The re-prioritization of spending is necessary in order for the national budget to have long-term positive impact on, and contribute towards overcoming socio-economic challenges such as high unemployment, inequality and poverty. It is pleasing to note that as a country we have learnt to be more prudent in the way we spend our scarce resources, and as such, confident that the awareness created by the economic downturn will serve us better in the future.

Lessons from government on cost reduction are valuable for all of us, including the private sector as the negative outcome of sluggish economy has not spared anyone. Although the banking systems remains sound and well capitalized, margins of banks have fallen, whilst non-performing loans increased. Demand for credit shrank to the lowest levels in decades as businesses closed, individuals lost jobs and the levels of indebtedness of both corporate and individuals rose to record highs across the spectrum. As Standard Bank family, we feel the hardship with every Namibian.

We committed to join hands with the government and private sector to engage and collaborate in coming up with interventions which will provide the necessary impetus to the economy. With our partners, we will continue to provide housing to the most vulnerable in our society via the Build-a-Brick-initiative.

Additionally, we are working on various innovative initiatives to make building materials in Namibia affordable, while contributing towards the government's efforts to reduce the import bill, and in the process contribute to reducing the current account deficit and improving the level of international reserves.

It is our view that the economy will recover steadily and turn positive in 2019 as the secondary and tertiary industries begin to show signs of recovery, and as public investment increases. The downside risks to the recovery however remains. It therefore important to address the key fiscal challenges identified, namely the public wage bill, transfers to state owned enterprise, prioritisation of capital projects and improvement of efficiency in their execution.

The aspirations of vision 2030 remain as true today as they were a decade ago. Namibia needs to industrialize and change the rigidity of the structure of the economy, which is heavily dependent on primary exports. Going forward, more efforts will be needed in order to improve the beneficiation of our minerals and add value to our fresh produce and meat, and thereby, anchor the country's manufacturing initiatives.

Our expectations are therefore that this budget will act as a tool to enable Namibia to realize the dreams and visions outlined in Vision 2030.

As in the past, PwC Namibia is proud to produce this Namibian Budget Review supplement in collaboration with Standard Bank, Liberty and Namibia Media Holdings.

We are thankful to these sponsors who share our passion to spread the news and empower Namibians with a summary of the Namibian Budget speech in a way that is easily understood.

A BIG thank you to all the teams involved in producing this supplement in a short period of time.

Over the last number of years a number of difficult decisions have been made by the Namibian Government, to try and comfort the blow dealt to us by the economic situation facing the region.

The recent downgrade by rating agencies should not be downplayed and will certainly not be helpful to our economy as we seek to recover.

Whilst cost saving measures are commendable, as a country we need more than just savings. We need investment and for investment to come to Namibia we need policy certainty and incentives to invest. Year on year we see other African countries becoming more attractive investment destinations as they grasp this concept of creating certainty and incentives. We should not be left behind in this quest.

An excellent example of such a country is Rwanda who has grown exceptionally over the last number of years by making key strategic choices to stimulate economic growth.

While we are on the point of improving our ratings for doing business, we look

forward to a fully operational Namibia Revenue Authority later this calendar year and trust that the benefits would be immediately evident.

The recent implementation of the ITAS system at Inland Revenue is definitely a step in the right direction. As with any changes in systems there has been a number of frustrations but we believe this will not be long-lasting. We want to thank the Ministry of Finance officials who are dedicated to improve the functionality of the system and making it easier for taxpayers to be compliant. During my address last year I made reference to a number of initiatives including NEEEF, reliance of our economy on government spending and the need for PPP initiatives.

A year down the line we have not moved away from how the economy is reliant on government spending. We trust that the PPP initiatives will improve this situation 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.

Unfortunately not a lot has been communicated on NEEEF lately and the public and investment community at large are thus still uncertain on the future of this initiative.

As I mentioned before, we need



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PwC Country Senior Partner
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investment and we need policy certainty along with incentives to draw that investment.

We want to thank Government for their continued initiative to consult with stakeholders on various other proposals and legislation. We are highly appreciative of this and we want to assure Government that we as the private sector are fully committed to make Namibia a better place for all. To achieve this we do ask that Government trusts our input and our recommendations on policy matters affecting the economy and investment initiatives for this country.

We look forward to working together for many years, to keep making Namibia a better country for all.



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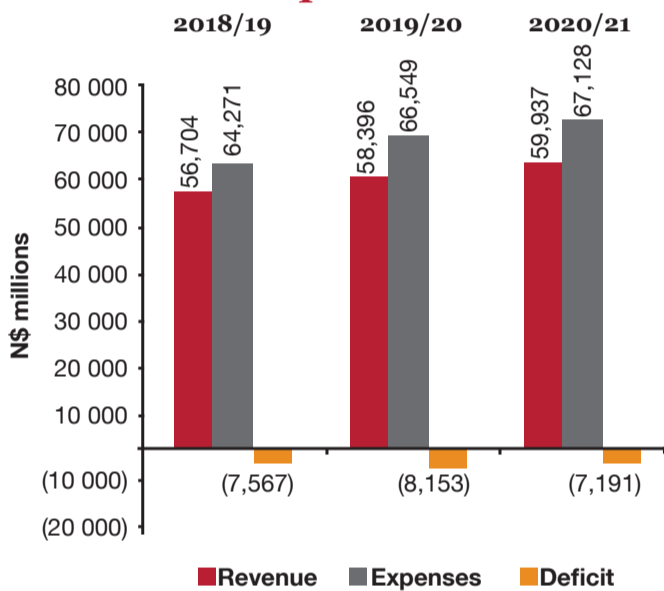


2019/2020 Budget Overview

Budget Snapshot

- 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.
- Total revenue for 2019/2020 is estimated at N\$58.4 billion, 3.0% better than the estimated outturn for 2018/19 and 29.7% of GDP. This is in anticipation of 16% better SACU receipts.
- The budget deficit is estimated at N\$8.2 billion or 4.1% of GDP and averaging 3.4% over the MTEF.
- The Minister of Finance stated that inflation remains benign at 4.4% in February this year, after averaging 4.3% over 2018.
- The public wage bill doubled between 2012/13 -2017/18, on the back of job re-grading and notch improvements above inflationary adjustments.
- Total spending on Subsistence and Travel Allowance has reduced by a cumulative about 62.3% over the past three years, from N\$634.3 million in FY2015/16 to N\$221.8 million allocation in FY2018/19.
- 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.
- Expenditure as a proportion of GDP reduced from 42% to 34.9% in FY2018/19.
- 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.
- 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.
- Old age pensions are increased by N\$50 to a monthly grant of N\$1300.
- 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
- Absolute poverty has declined from 41% in the 1990s to 17.4% by 2015/16. Extreme poverty has reduced to 10.7%.
- 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.

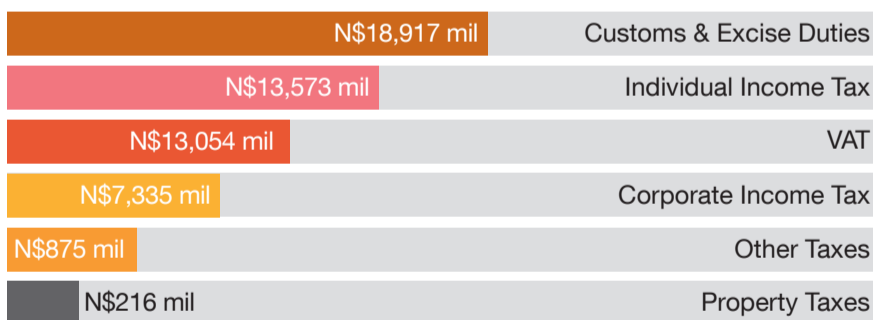
Revenue & Expenditure Comparison



Overall Budget Analytics

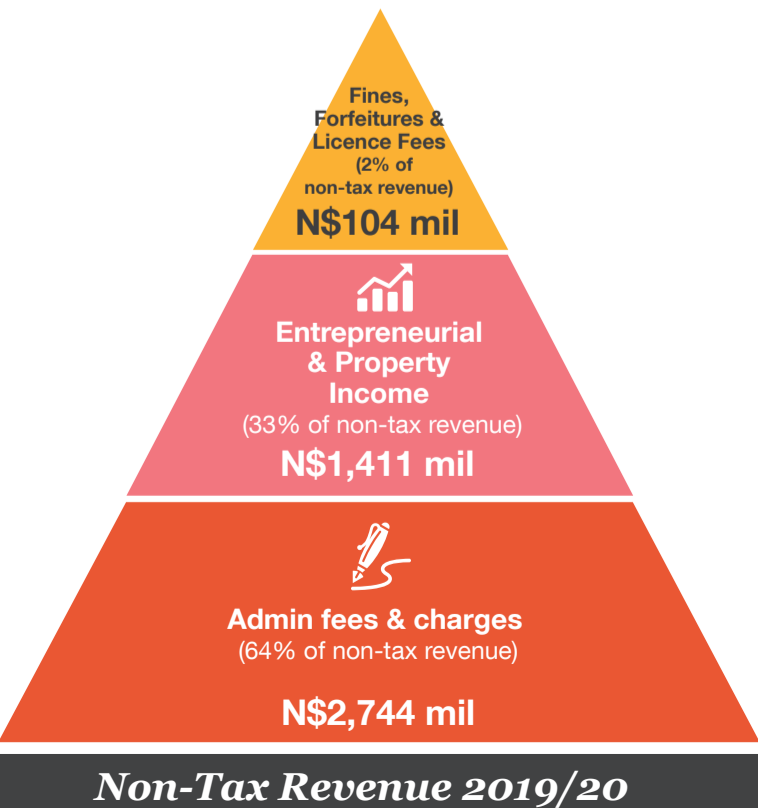
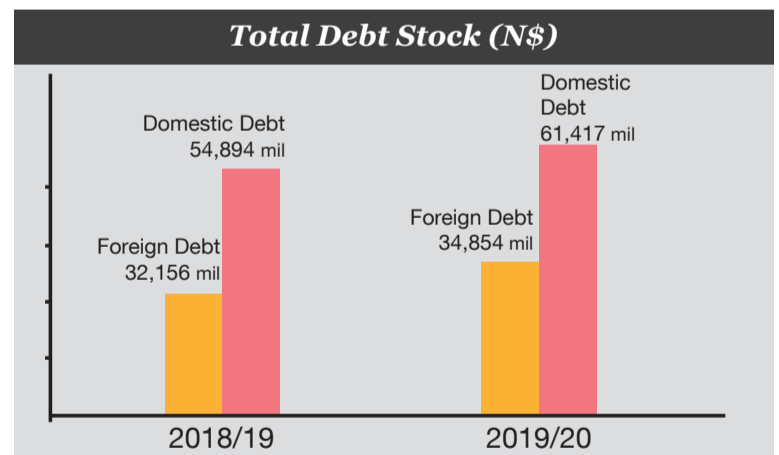
	2018/19 Revised	2019/20 Budget	2020/21 Forecast
GDP	187,896	196,775	205,436
Tax Revenue	53,263	53,970	55,441
Non-Tax Revenue	3,425	4,259	4,496
Return on Capital from Lending & Equity Participation	16	-	-
External Grants	-	167	-
Loan Proceeds	-	-	-
Total Revenue	56,704	58,396	59,937
As% of GDP	30.2%	29.7%	29.2%
Total Expenditure	(64,271)	(66,549)	(67,128)
As% of GDP	34.2%	33.8%	32.7%
Total Budgeted Deficit	(7,567)	(8,153)	(7,191)
As% of GDP	-4.0%	-4.1%	-3.5%
Public Debt	87,050	96,271	104,870
As% of GDP	46.3%	48.9%	51.0%

Tax Revenue 2019/20

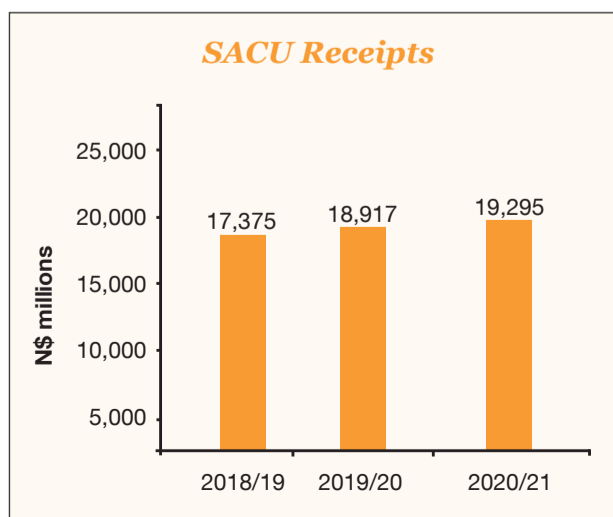


Debt Financing

Debt Financing plan for the Medium Term Expenditure Forecast (MTEF) for 2018/19 to 2019/20



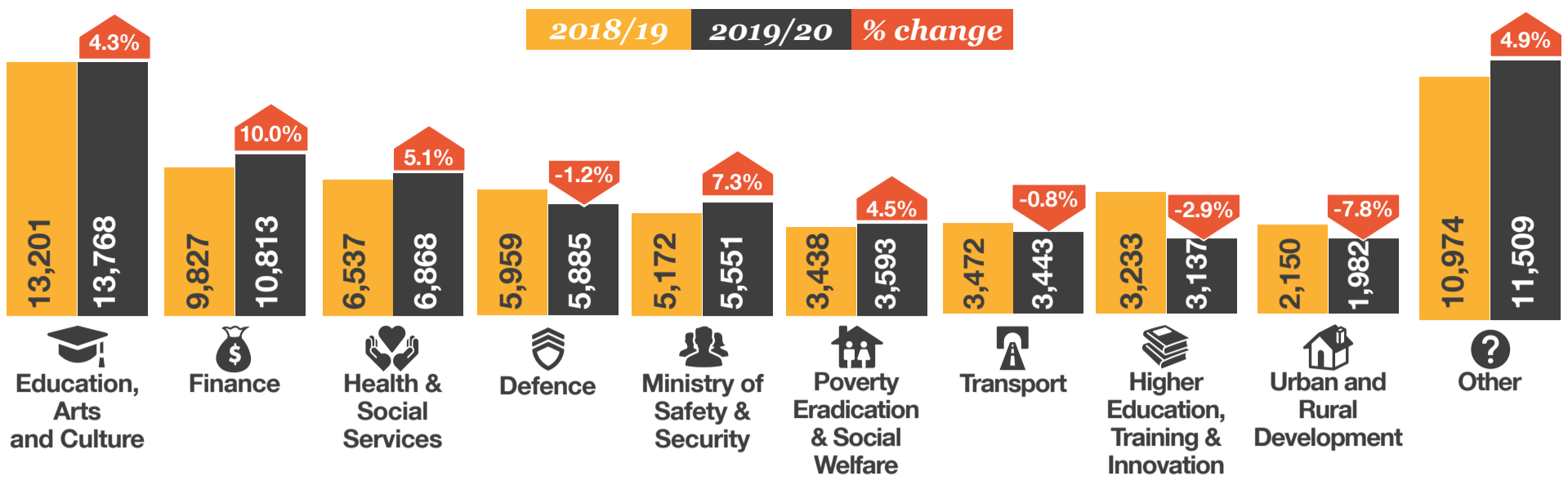
SACU Revenues and Excise Duty Increases



2019/20 Excise Duty effective 20 February 2019

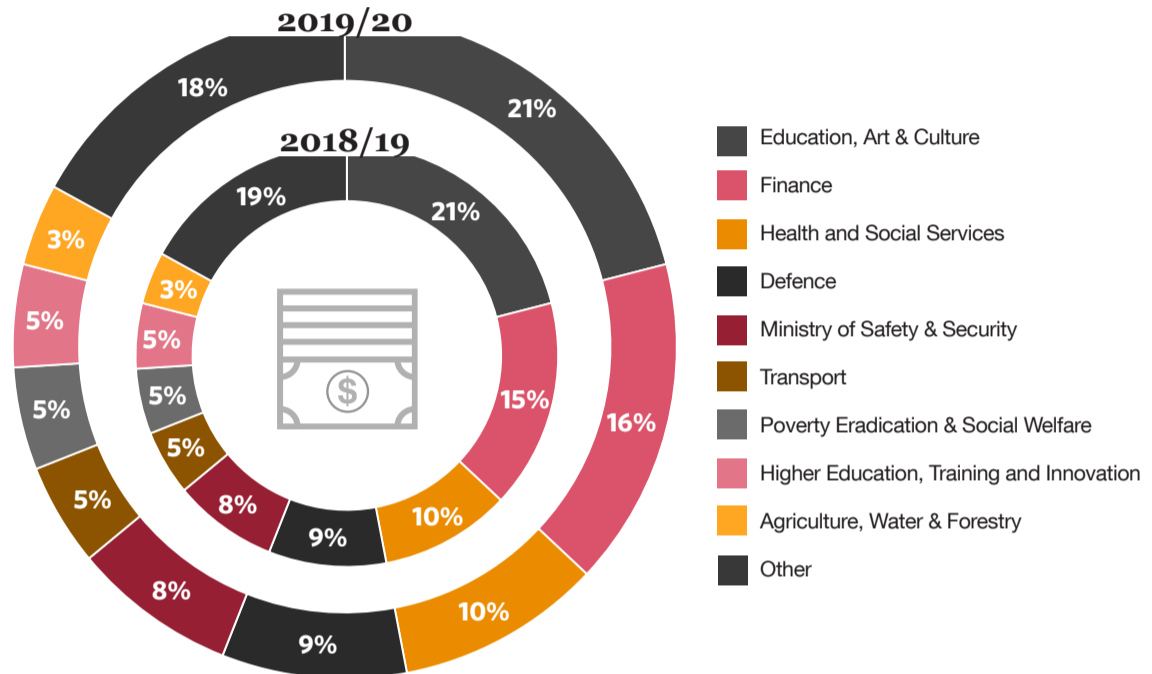
Product	Excise Duty Increases
Malt Beer (5% Alcohol)	12 cents per 340ml
Unfortified wine	22 cents per 750ml bottle
Fortified wine	37 cents per 750ml bottle
Sparkling wine	84 cents per 750ml bottle
Ciders & Alcoholic fruit beverages	12 cents per 340ml
Spirits	N\$4.54 per 750ml bottle
Cigarettes	N\$1.14 per packet of 20

Comparison 2018/2019 to 2019/2020 (N\$ millions)



Government Expenditure by Department for 2019/20

N\$ Millions			
	2018/19 Revised	2019/20 Budget	% change
Education, Arts and Culture	13,201	13,768	4.3%
Finance	9,827	10,813	10.0%
Health and Social Services	6,537	6,868	5.1%
Defence	5,959	5,885	-1.2%
Ministry of Safety & Security	5,172	5,551	7.3%
Transport	3,472	3,443	-0.8%
Poverty Eradication and Social Welfare	3,438	3,593	4.5%
Higher Education, Training & Innovation	3,233	3,137	-2.9%
Urban and Rural Development	2,150	1,982	-7.8%
Other	10,974	11,509	4.9%
Total	63,963	66,549	4.0%



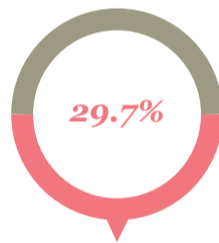
Fiscal targets



Spending as % of GDP



Deficit as % of GDP



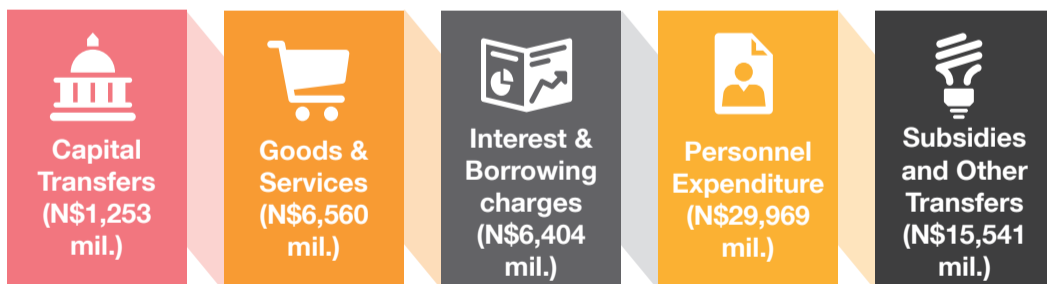
Revenue as % of GDP

Expenditure

Government Expenditure by Main Items for 2019/20

N\$ Millions			
	2018/19	2019/20	2020/21
Personnel Expenditure	28,927	29,969	30,867
Goods and Services	6,178	6,560	5,921
Subsidies and Other Transfers	15,778	15,541	15,235
Interest and Borrowing Charges	5,783	6,404	6,715
Capital Transfers	975	1,253	1,589
Total Operational Expenditure (A)	57,641	59,727	60,327
Total Capital Expenditure (B)	6,322	6,822	6,801
Total Expenditure (A) + (B)	63,963	66,549	67,128

Operational Expenditure



12 Tax Proposals

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.

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Paying Taxes 2019

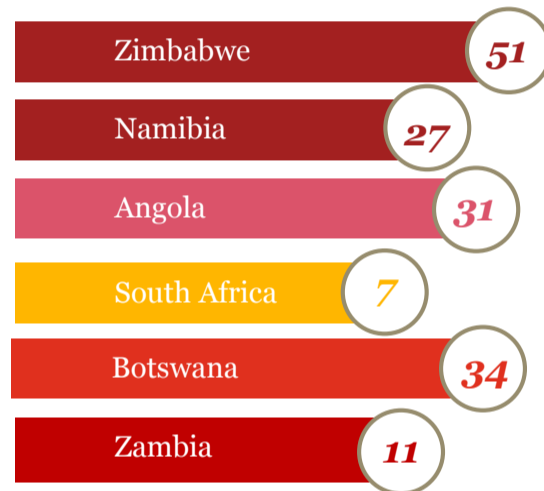
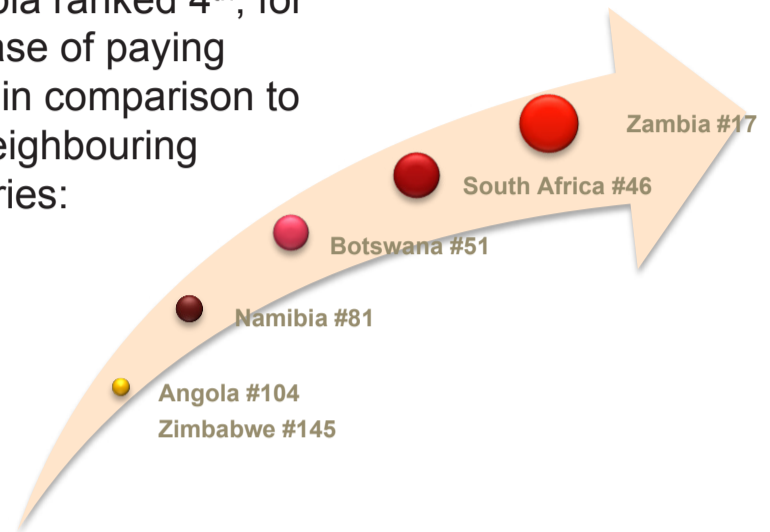
Paying Taxes 2019 is a unique study from PwC and the World Bank Group.

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.

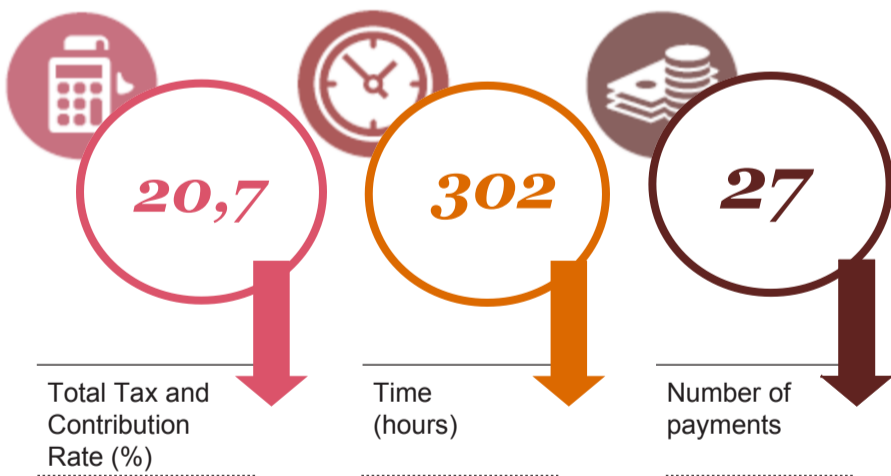
The launch of the 2019 Paying Taxes survey ranked Namibia **81st** out of **190 economies** on the ease of paying taxes.

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:



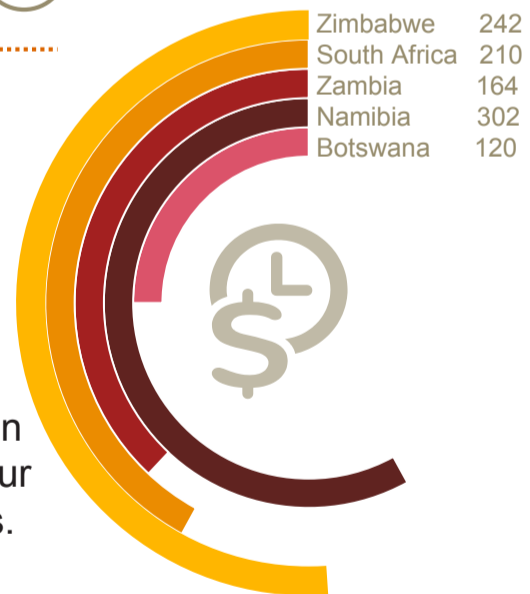
This is how we compare with the number of tax payments to our neighbouring countries.



Includes time and processes post filing

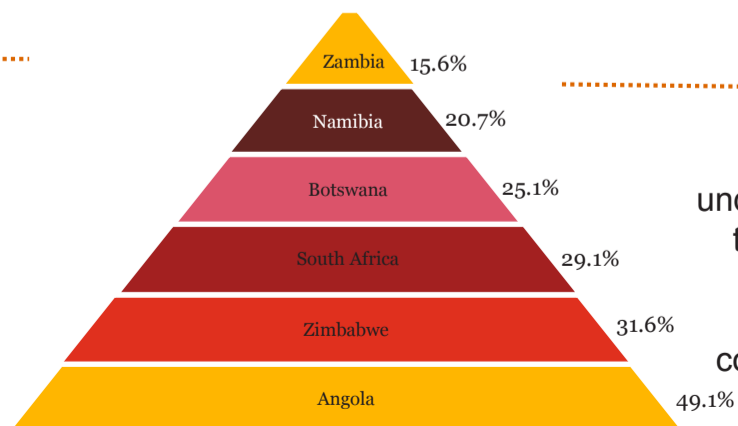
In Southern Africa, Namibia ranks last for the amount of hours in a year it takes to comply with taxes.

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



This information is an extract from Paying Taxes 2019, available at

<http://www.pwc.com/payingtaxes>



'Total Tax & Contribution Rate' underlines the fact, that this not only includes taxes, but also compulsory social contributions borne by the case study company.



Namibia Tax Rate and Reference Card 2019

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.

Taxable Income N\$	Rates of tax from years of assessment ending 28 February 2019/20 (N\$)
0-50 000	Not taxable
50 001-100 000	18% for each N\$ above 50 001
100 001-300 000	9 000 + 25% for each N\$ above 100 001
300 001-500 000	59 000 + 28% for each N\$ above 300 001
500 001-799 999	115 000 + 30% for each N\$ above 500 001
800 000-1 500 001	205 000 + 32% for each N\$ above 800 000
Above 1 500 000	429 000 + 37% for each N\$ above 1 500 001

• 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

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.). Please see the detailed tax card on the PwC website for more details.

• 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	2017/2018 N\$	2018/2019 N\$
Deduction allowed (in total)	40 000	40 000

• Medical Aid

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

• 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: 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 + 5% of value exceeding N\$1 000 000
2 000 000 and above	N\$54 000 + 8% of value exceeding N\$2 000 000
Other Persons	
Any value	12%
Special rates are applicable on natural persons who acquired commercial farmland through the Affirmative Action Loan Scheme	

• 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%

• 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 company, individual, trust or partnership carrying on a taxable activity with a turnover for the past or future 12 month period in excess of N\$500 000, must register for VAT.

• Companies

Company Tax Rates:	2019
Corporate tax rate	32%
Branch income tax	32%
Diamond mining companies	55%
Mining Companies (other than diamond mining companies)	37.5%
Long term Insurers (40% of gross investment income taxed at 32%)	12.8%
Petroleum Companies (exploration -, development - or production operations)	35%

• 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-resident 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%

• 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.

• 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). 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	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	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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Tax Area	Reason	Penalty	Interest (per annum)
• Persons/Companies			
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 Taxes	Late payment	10% per month	20%
VAT & Import VAT	Late submission	N\$100 per day	None
	Late payment	10%	20%

To view monthly updates visit our webpage:

www.pwc.com/na/namibia-tax-rate-card

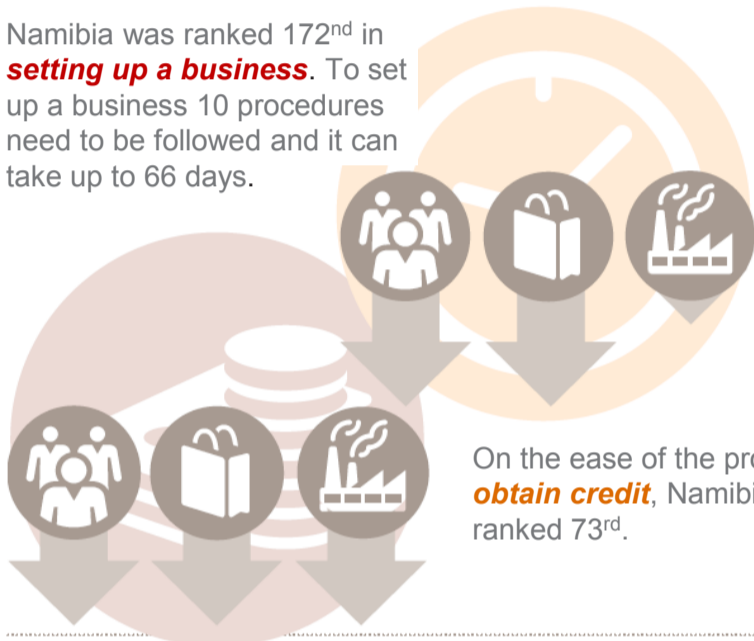
Doing Business in Namibia

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.



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 **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.



Affecting Namibia's **doing business** ranking in 2019 :



- "Namibia made enforcing contracts easier by making performance measurement reports publicly available to show the court's performance and the progress of cases through the court".

From the economies evaluated, Namibia ranked 174th with the ease of **registering property**.

8 Procedures, 44 days and a cost of 13,8 % of the property value is required to register property



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>



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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.



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There is some good news that would be welcomed by the taxpayers in order to encourage savings and provisions for retirement. The Honorable 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.



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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.

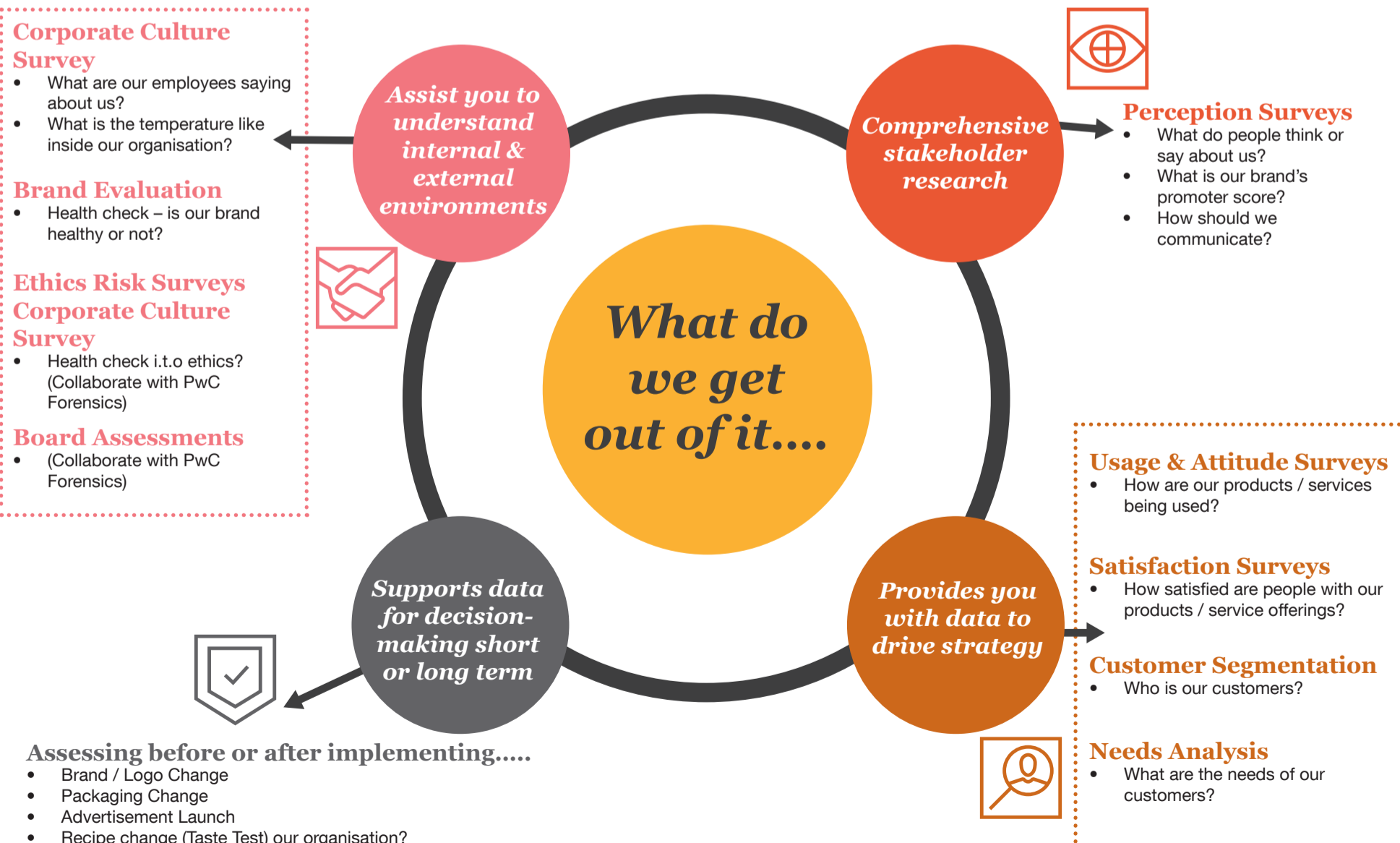


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As part of an initiative to address equity and fairness in the tax regime as well as removing the risks of base of erosion and profit shifting, the Minister proposed the phasing out of current tax incentive for manufacturers and exporters of manufactured 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.



Market Research in Action



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RETIRE



ACHIEVE peace of mind during your retirement with a simple and flexible living annuity from Liberty



"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

Standard Bank

Corporate and Investment Banking

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 as 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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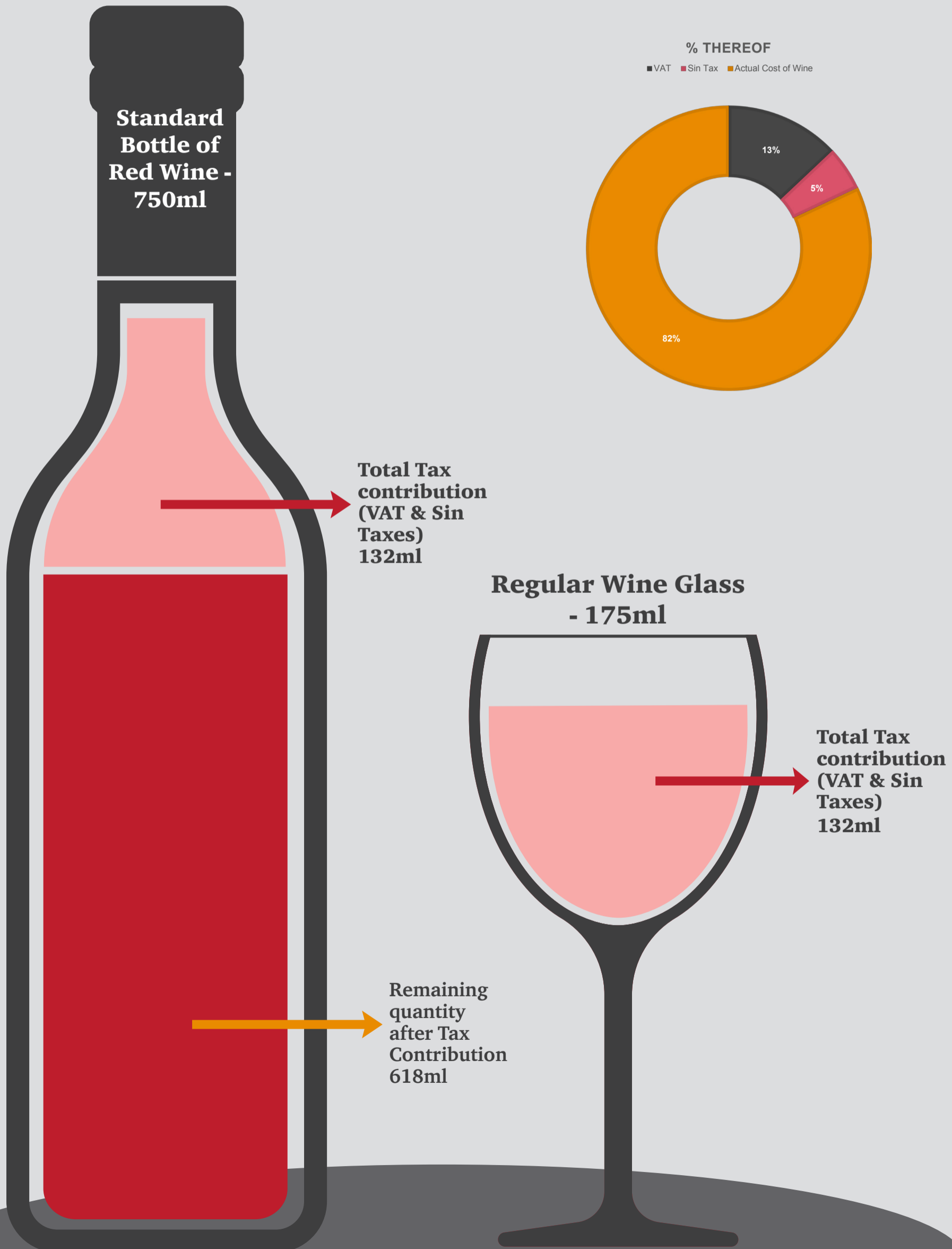
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Standard Bank Moving Forward™

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



A WORKING NATION

FOCUS MAGAZINE

**ON NAMIBIA BUDGET 2019 / 2020
24 APRIL 2019**

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- 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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