NAMIBIA INVESTMENT GUIDE

VOL 03

STARTING AND OPERATING A BUSINESS

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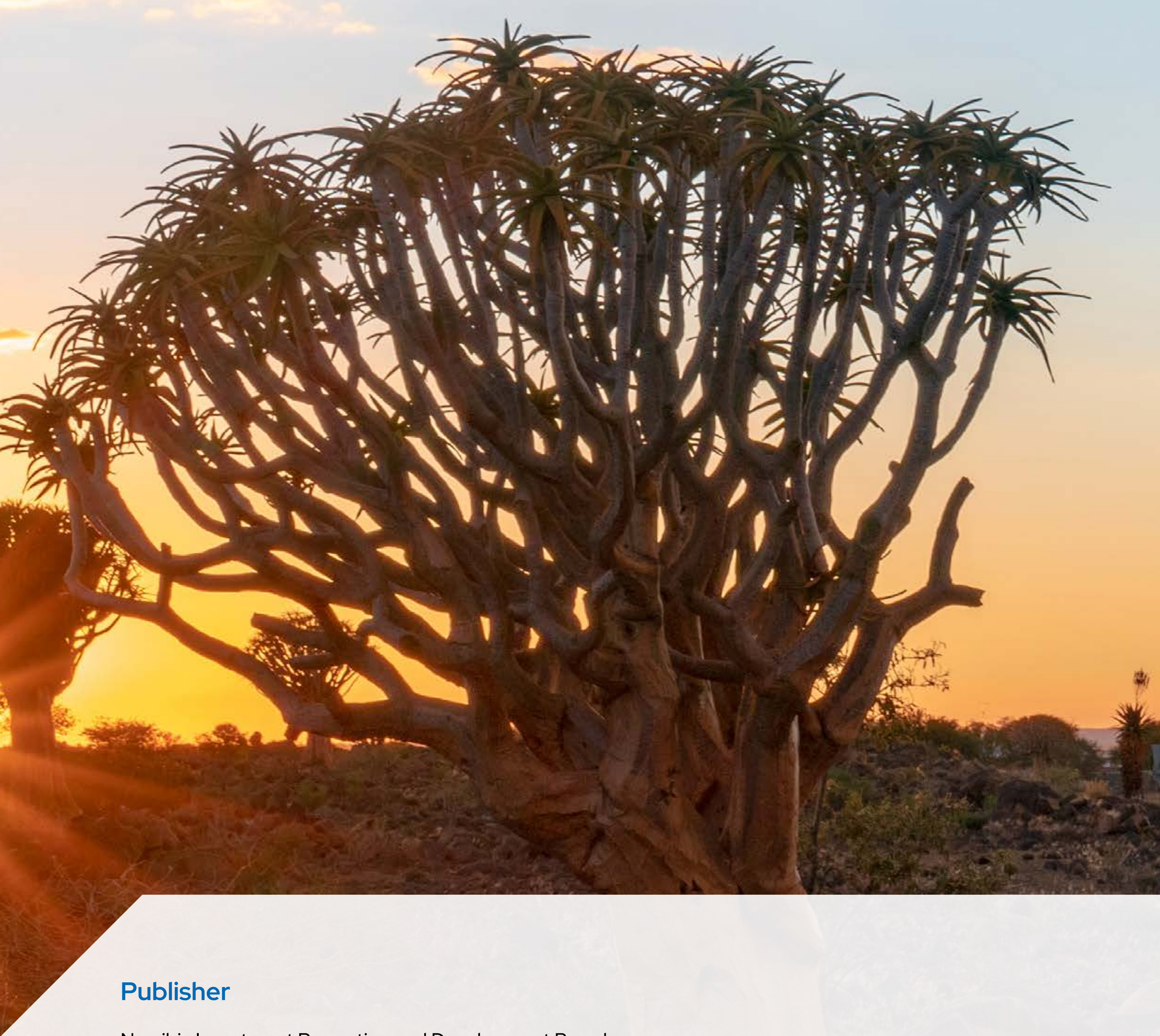
NIPDB
Namibia Investment Promotion & Development Board



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Namibia Investment Promotion and Development Board
Investment House, Cnr Garten street and Dr. A. B. May street
Private Bag 12039, Windhoek, Namibia
Phone: +264 (0)83 333 8680
Website: www.nipdb.com

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ACKNOWLEDGEMENTS

The Namibia Investment Guide is a comprehensive resource designed to streamline and simplify the investor journey. Structured into multiple volumes, the Guide explores all facets of doing business in Namibia - ensuring the process is informed, seamless and full of opportunities.

Volume 3 presents Namibia's Starting and Operating a Business in Namibia, highlighting key aspects on business registration, regulations, and employment considerations. This volume has been developed through a collaboration between the Namibia Investment Promotion and Development Board (NIPDB) and Cronjé Inc., ensuring that the information provided is both authoritative and grounded in the realities of business and investment in Namibia.

The NIPDB therefore acknowledges and expresses its gratitude to Cronjé Inc. and its team of experts for their significant contribution to the development of this Volume - particularly in providing the necessary content that comprehensively sheds light to Namibia's investment process. Gratitude also goes to the Sector Research and Development Team of the NIPDB for spearheading this project, as well as all internal and external parties that supported the fulfilment of this significant work.

About the NIPDB

NIPDB
Namibia Investment Promotion & Development Board

The Namibia Investment Promotion and Development Board (NIPDB) is mandated to promote and facilitate investment by foreign and Namibian investors, and coordinate MSME activities across all levers of the economy, with the aim of contributing to economic development and job creation.

About Cronjé Inc.

CRONJÉ INC
LAW PRACTICE

Cronjé Inc. is a premier Namibian law firm specializing in corporate, commercial, and intellectual property law. Based in Windhoek, The law firm delivers exceptional legal services to clients both locally and internationally. Cronjé Inc.'s commitment to building long-term relationships enables them to understand their clients' businesses deeply and add value through comprehensive legal expertise. The law firm's team of highly experienced attorneys adheres to strict ethical standards, ensuring professionalism in all engagements.

With a broad range of practice areas and extensive legal knowledge, Cronjé Inc. is equipped to handle even the most complex legal matters in Namibia. The law firm provides timely, effective solutions that consistently enhance its clients' businesses, upholding promises without compromising its principles.

CRONJÉ INC

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YOUR STRATEGIC PARTNER IN DOING BUSINESS IN NAMIBIA

Cronjé Inc. is a leading Namibian commercial law firm assisting investors, to establish and expand their business in Namibia. We provide practical, results-driven legal solutions that combine deep local knowledge with international standards of excellence.

Our firm is recognised by *Chambers & Partners* and *IFLR1000* for its commercial insight and responsiveness, and we are a proud member of **Lex Africa**, an alliance of leading commercial law firms across the African continent. Through this network, we offer clients seamless regional support and access to trusted legal expertise throughout Africa.

LEGAL SERVICES FOR INVESTORS AND BUSINESS ESTABLISHMENT:

Company Incorporation

We have a highly efficient team that assists investors in establishing Namibian Companies in Namibia.

Mining, Oil & Gas

We have extensive experience advising international clients on investing in the Namibian resource and infrastructure projects, including mining, oil, gas, renewable energy, green hydrogen and logistics. Our firm provides strategic guidance on licensing requirements, joint ventures, land access, tax, and operational structuring.

Dispute Resolution

Our team of commercial litigation attorneys specialises in commercial disputes, administrative reviews, and insolvency litigation. We provide strategic and effective representation designed to protect investor interests, resolve matters efficiently, and promote business continuity.

Investment Structuring & Tax Advisory

We regularly advise clients on the effective structuring of their Namibian investments. This includes advise on exchange control, tax and risk. We are well known for finding innovative and practical solutions.

Commercial Transactions & Finance

We are the leading local Namibian firm in relation to mergers and acquisitions and the implementation of large commercial transactions. Our team regularly advises on project and infrastructure finance, capital markets, debt and equity funding, and complex commercial agreements.

Property Law

Our property law department specialises in advising investors on the acquisition of Namibian properties. We provide comprehensive guidance throughout the transaction process, including the review of potential property investments, risk assessment, and the transfer and registration of ownership. Our team ensures that every transaction is conducted with precision, compliance and efficiency, supporting investors in securing and developing their real estate interests in Namibia.

- Website: www.cronjelaw.com
- Telephone: +264 81 146 9407
- Email: cronje@cronjelaw.com

Office Address: No 01 Jan Jonker Road, Klein Windhoek, Namibia

Business Registration

- The Business and Intellectual Property Authority (BIPA) is the registration and regulatory authority for business and industrial property in Namibia.
- Registration types include Close Corporations (CCs), Private Companies (Pty Ltd), Public Companies (Ltd) and Section 21 non-profit companies.
- Example fees/turnaround: Name reservation costs N$75 and takes about 3 working days; company registration takes up to 25 working days (once documents are complete).

Tax Registration

- After registration with BIPA, businesses must register with the Namibia Revenue Agency (NamRA) to obtain a Tax Identification Number (TIN) – a requirement for opening a business bank account, tendering or trading.
- The standard Value Added Tax (VAT) rate is 15%. A business must register for VAT if its annual taxable turnover exceeds N$500 000.
- Corporate income tax rate is around 30% for companies whose financial years commenced on or after 1 January 2025.
- In the mid year budget review for the 2025/26 Financial Year, a reduction in corporate tax rate to 28% was announced by the Ministry of Finance, and is pending implementation.

Exchange-Control & Foreign Investment Implications

- The Bank of Namibia (BoN) administers exchange control regulation in Namibia via Authorised Dealers (commercial banks, bureaux de change).
- Foreign investors can repatriate capital and profits and may hold foreign currency-denominated accounts (FCDAs) indefinitely, particularly in the oil & gas sector.
- For residents: natural persons may invest offshore up to N$ 4 million per annum subject to conditions (tax clearance etc).

Competition & Market Regulation

- The Namibian Competition Commission (NaCC) was established under the Competition Act No 2 of 2003.
- The Act applies to all economic activity in Namibia (apart from specified exemptions) and empowers the Commission to review mergers and impose penalties for conduct such as abuse of dominance or restrictive business practices.

Ownership & Shareholding; Employment

- While the foreign investment framework allows full foreign ownership in most sectors, policy reforms are under way and specific sectors may have special rules (e.g., mining, beneficiation).
- Employers with an estimated annual payroll of N$1 million or more must register with the Namibia Training Authority (NTA) and pay the vocational training levy.
- Import/export and foreign currency exchange have regulatory controls via BoN and Authorised Dealers.
- social security contributions are compulsory for all employees, with both the employer and employee contributing 0.9% of basic salary to the SSC for social security, under a shared-contribution scheme.
- The Pay-As-You-Earn (PAYE) tax threshold in Namibia for individual taxpayers begins with an annual income exceeding N$100,000.
- Namibia's national minimum wage is N$18.00 per hour, effective from January 1, 2025 for most workers. However, domestic, agricultural and security workers have a phased-in minimum wage that will reach N$18.00 per hour in 2027, starting at N$12.00 per hour for domestic workers, N$10.00 per hour for agricultura workers in 2025 and N$13.00 per hour for security workers effective as of January 2025.
- The proposed Land Bill prohibits ownership of commercial farmland by non-Namibians.

Industrial & Commercial Standards, Import/Export Control

- Business entities operating in capital markets or as investment managers fall under the oversight of the Namibia Financial Institutions Supervisory Authority (NAMFISA) for capital-markets regulation.

Quick Facts

Table Of Contents

Acronyms

Acronyms	Definitons
BIPA	Business and Intellectual Property Authority
NamRA	Namibia Revenue Agency
TIN	Tax Identification Number
VAT	Value Added Tax
BoN	Bank of Namibia
CMA	Common Monetary Area
NSX	Namibia Stock Exchange
SACU	Southern African Customs Union
SADC	Southern African Development Community
MIT	Ministry of Industrialisation and Trade (now Ministry of International Relations and Trade)
IP Act	Industrial Property Act of 2012
ARIPO	African Regional Intellectual Property Organisation
DTA	Double Taxation Agreement
NRST	Non-Resident Shareholders Tax
WTS	Withholding Tax on Services
WTR	Withholding Tax on Royalties
WTI	Withholding Tax on Interest

Acronyms	Definitons
EPZ	Export Processing Zone
NEPL	Non-Exclusive Prospecting Licence
MC	Mining Claim
EPL	Exclusive Prospecting Licence
MDRL	Mineral Deposit Retention Licence
NSI	Namibian Standards Institution
NaCC	Namibian Competition Commission
ILO	International Labour Organisation
PAYE	Pay As You Earn (employee income tax deduction system)
SSC	Social Security Commission
NTA	Namibia Training Authority
MHAISS	Ministry of Home Affairs, Immigration, Safety and Security
NIPDB	Namibia Investment Promotion and Development Board
PPP	Public–Private Partnership
PP Act / PPP Act	Public Private Partnership Act of 2017
PPA	Public Procurement Act of 2015

01 Investing In Namibia

1.1 Investor Consideration

When setting up a business in Namibia, prospective investors should carefully evaluate a range of commercial, legal, and regulatory considerations to ensure long-term success. Key factors include understanding the local market environment, industry-specific regulations, and compliance obligations such as taxation, employment laws, and environmental standards. Investors should also assess the availability of incentives offered by the Namibian Government, particularly for projects that promote value addition, industrialisation, and job creation. Equally important are considerations relating to land ownership and usage rights, exchange control requirements, immigration, and the potential need for Namibian participation in certain sectors. Furthermore, prudent investors are encouraged to conduct due diligence on potential local partners, secure the necessary licences and permits, and ensure alignment with Namibia's broader economic development policies. Taking these considerations into account will position investors to benefit from the country's stable political environment, growing regional trade opportunities, and commitment to creating an investor-friendly business climate.

1.2 Investment Policy

Namibia welcomes foreign investment, and virtually all business activities are open to foreign investors. Namibia's investment policy and business regulatory framework are designed to foster economic growth, encourage foreign and domestic investment, and ensure sustainable development. The Government of Namibia, through the then Ministry of International Relations and Trade (MIRT), has adopted a pro-investment stance that emphasises transparency, legal certainty, and the protection of investors' rights. Investors are required to comply with statutory business registration procedures, including incorporation under the Companies Act 28 of 2004 ("Companies Act"), registration with the Business and Intellectual Property Authority ("BIPA"), and adherence to sector-specific licensing regimes. Namibia's policies prioritise investments that contribute to value addition, skills transfer, employment creation, and regional development. The regulatory framework also ensures that businesses comply with competition law, tax obligations, labour legislation, and environmental standards. Accordingly, prospective investors must not only consider the incentives and protections available under Namibian law but also the compliance obligations that underpin the country's broader objectives of inclusive and sustainable economic growth.

1.3 Foreign Investment Act

The Foreign Investments Act of 1990 ("Foreign Investments Act") of Namibia provides the principal legal framework governing the establishment of businesses by foreign investors in Namibia. The Foreign Investments Act promotes and protects foreign investment while ensuring that such investment aligns with Namibia's economic development objectives. Under this legislation, foreign investors are entitled to fair treatment, security of property rights, and the right to repatriate profits, subject to compliance with exchange control regulations. However, certain sectors may require special approvals or licences, and restrictions may apply in areas reserved for Namibian participation. The Act further allows investors to apply for a Certificate of Status Investment, which grants additional safeguards, such as protection against expropriation without just compensation and assurance of equal treatment with domestic enterprises. Accordingly, any foreign entity intending to establish a business in Namibia must carefully assess the requirements of the Foreign Investments Act, seek the necessary authorisations, and ensure compliance with sector-specific regulations to enjoy the full benefits of the investment protection regime.

1.4 Namibia Investment Promotion and Facilitaton Bill

The draft Namibia Investment Promotion Bill, not yet in force, will replace the Foreign Investment Act with a modern framework to regulate, facilitate, and promote investment while aligning with national development priorities. It clarifies investor rights and obligations, introduces transparent screening and registration with investment certificates, and provides for a one-stop investment centre to streamline procedures and investor services.

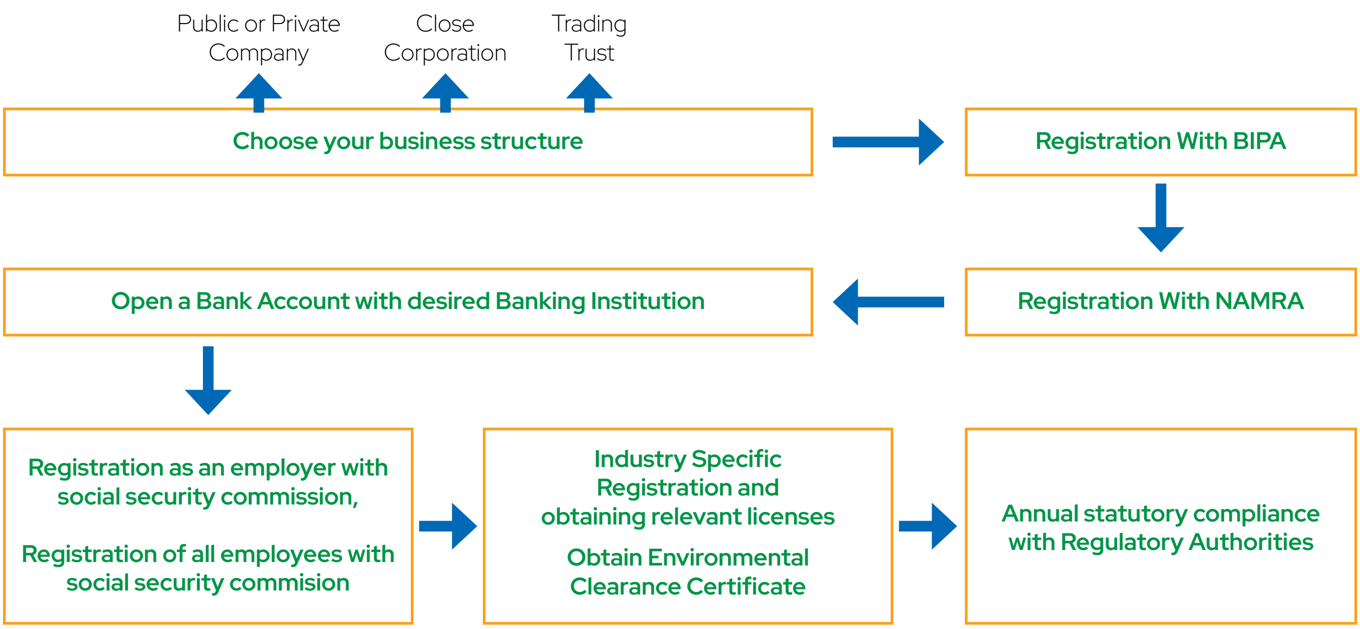
The Bill would empower the responsible Minister to reserve specified sectors for Namibian participation and to set conditions for foreign investment in strategic areas. It also requires ministerial approval - on a broad discretionary basis - for proposed investments, expansions, and divestments. While assuring protection against expropriation without fair compensation and access to dispute resolution, the Bill directs that disputes be resolved under Namibian law by Namibian courts (i.e. no recourse to international tribunals), and advances local empowerment, technology transfer, and sustainable development objectives.

02

Business Regulation

Business regulation in Namibia is anchored in a structured legal framework that ensures orderly commercial activity, protection of stakeholders, and compliance with national policy objectives. All businesses are required to be formally registered with BIPA in accordance with the Companies Act, or other applicable legislation, depending on the desired business vehicle. Enterprises must also adhere to sector-specific regulatory requirements, such as obtaining permits, trade or professional licences, and, where applicable, environmental clearance certificates. In addition, businesses are subject to ongoing compliance obligations, including taxation under the Income Tax Act of 1981, adherence to labour standards as set out in the Labour Act of 2007, and observance of competition rules under the Competition Act of 2003. These regulatory measures are designed not only to safeguard fair business practices but also to promote economic development, consumer protection, and corporate accountability. Investors must therefore approach establishing a business in Namibia with a clear understanding of the regulatory landscape and a commitment to maintaining full compliance with statutory requirements.

2.1 Setting up a Business in Namibia



Note for Investors on Business structure to choose from

The table below shows business structures in Namibia and their applicability for local and foreign investors:

Business Structure	Legal Status	Liability	Suitable for	Notes for Investors
Sole Proprietorship	Not a separate legal entity	Unlimited personal	Local investors / small businesses	Governed by tax law; not suitable for foreign investors; simple setup.
Partnership	Contractual agreement	Joint & unlimited	Local investors / Small - scale ventures	Governed by contract law; suitable for professional services; not a corporate entity.
Private Company (Pty) Ltd	Separate legal entity	Limited to investment	Local & foreign investors	Governed by the Companies Act; suitable for formal business and investment; limited liability.
Public Company (Ltd)	Separate legal entity	Limited to investment	Local & foreign investors	Can raise capital publicly; subject to stricter regulation; limited liability.
Trading Trust	Not a separate legal entity; created through a trust deed and administered by trustees	Limited to the trust estate; trustees may incur personal liability only if they act negligently or provide personal guarantees.	Local & foreign investors seeking flexible structures for asset-holding or business operations with fewer statutory requirements.	Governed by the Trust Administration Act; offers limited liability through the trust estate, but not a corporate entity. May face more complexity with financing and regulatory recognition compared to companies.

Corporate law structures in Namibia such as Private Company (Pty) Ltd, Public Company Ltd provide Limited liability protection, Legal recognition as a separate entity, and the ability to raise capital and engage in formal contracts. Therefore Sole Proprietorships and Partnerships, being outside corporate law, cannot offer these protections, and therefore are generally not presented as formal options in official investment guidance - particularly to foreign investors, making it more ideal for local investors.

Registration of a business with the Business and Intellectual Property Authority (BIPA) is required. BIPA is a state-owned enterprise established under the Business and Intellectual Property Authority Act 8 of 2016. Types of entities through which business is conducted in Namibia, include a company ((Pty) (Ltd), close corporations (CC), sole proprietorships; partnerships, and business trusts.

The most common form of business, and which investors are advised to conduct business with, is a company.

The Companies Act regulates the incorporation and operation of companies in Namibia. The Companies Act specifically provides for the formation of a public company, a private company, and an external company. Most foreign investors investing into Namibia make use of private companies, due to the simplicity of their day-to-day operations and the limitation of liability for owners and directors.

The benefits of using a company include the ability to raise finance, the option for public companies to be listed on a stock exchange, and the capacity to have juristic persons as shareholders. An unlimited number of shareholders is permitted, with a clear separation between ownership and management, allowing for more structured governance. However, the establishment and administration of a company in Namibia can be costly, and the entity is subject to a more complex and stringent regulatory regime than other business forms.

2.2 Foreign Company/External entity

An external company or a branch is a legal entity that has been established in another jurisdiction that is also registered in Namibia as defined in section 1 of the Companies Act. The foreign entity is thereon authorised to conduct business in Namibia. However, the practicality of an external company for foreign investors must be considered, as most license or consent applications required for business operations in Namibia require the applicant to be a Namibian entity.

2.3 Registration of Intellectual Property

Intellectual property rights that may be registered in Namibia, include trademarks, patents, utility models, industrial designs, and copyright. The Namibian Industrial Property Act of 2012 (IP Act) regulates the registration, protection, and administration of patents, utility model certificates, industrial designs, trademarks, collective marks, certification marks, and trade names. The IP Act provides for the protection of well-known trademarks in Namibia under article 6bis of the Paris Convention. This serves as an effective means of providing protection for international brands that are yet to enter the Namibian market. The IP Act also recognizes and protects international trademarks and patents filed through ARIPO under the Madrid Protocol. Infringement proceedings under the IP Act are brought before the Industrial Property Tribunal and may be referred to the High Court in instances where the Tribunal has not been constituted.

Trademarks protect distinctive signs such as names, logos, symbols or combinations thereof, which serve to distinguish the goods or services of one enterprise from those of another. Trademarks are renewable every ten years.

Copyright protection continues to be governed separately under the existing Copyright and Neighbouring Rights Protection Act of 1994. Any works listed in the Copyright and Neighbouring Rights Protection Act are eligible for copyright protection. Copyright arises without the need for registration. Copyright protection lasts for the lifetime of the author plus fifty years, granting creators and authors exclusive rights to their original works. The Copyright and Neighbouring Rights Protection Act prohibits the unauthorized reproduction, publication, broadcast, performance, transmission, or adaptation of literary, dramatic, or musical work. Special provisions exist for the protection of artistic works and sound recordings, cinematograph films, television and sound broadcasts, published editions of works, and computer programs. Collectively, these rights provide a robust legal framework for the recognition, protection, and commercialisation of intellectual creations in Namibia.

Patents grant exclusive rights over new inventions that involve an inventive step and are capable of industrial application, generally for a period of twenty years subject to annual renewal fees.

Utility models, often referred to as “petty patents”, apply to technical inventions that are novel and industrially applicable, with protection lasting seven years without renewal. Industrial designs safeguard the ornamental or aesthetic aspects of articles, such as shape, pattern, or configuration, that give a unique visual appearance, with a protection period of fifteen years subject to applicable renewal fees.

2.4 Certificate of Investment Status

Foreign investors operating in Namibia have the option to apply for a formal designation that recognises their investment as contributing meaningfully to the country’s economic development. This designation, issued by the Ministry of International Relations and Trade (previously Ministry of Industrialisation and Trade) under the Foreign Investment Act of 1990, offers added legal certainty and reinforces government’s commitment to a predictable and transparent investment environment. It is particularly important for investors seeking long-term operational stability, clarity on repatriation of profits, and assurance of nondiscriminatory treatment.

This designation takes the form of a Certificate of Status Investment (CSI) and is available to investors whose projects meet specific criteria. To qualify, the investment must have a minimum value of N$2 million, and in cases where shares are being acquired, the foreign investor must hold at least 10% ownership in a Namibian-incorporated entity. Investors are also expected to be actively involved in the management of the business. Both wholly foreign-owned companies and joint ventures may apply, provided that any Namibian partner holds no less than 10% ownership.

When reviewing applications, the Ministry evaluates the project's development impact. Priority is given to investments that create employment, provide training to Namibians, support foreign-exchange earnings or savings, enhance value addition, or stimulate growth in less-developed regions. These considerations reflect Namibia's broader national development goals and ensure that foreign investment meaningfully contributes to the economy.

Applicants must submit comprehensive details about the investor, the proposed business, and the expected economic footprint. Required information includes company registration particulars, financing structure, operational plans, projected revenue and costs, employment and training commitments, technological inputs, and environmental considerations. Supporting documents such as feasibility studies, shareholder details, and evidence of foreign-asset contributions must accompany the submission. The official CSI application form outlines this information in full.

Future considerations under the Namibia Investment Promotion and Facilitation Bill (NIPFB):
Although the CSI remains governed by the current Foreign Investment Act, the draft NIPFB proposes a more modernised investment framework. Once enacted, it is expected to introduce a structured investment registration and screening system, with investment certificates replacing the current CSI. The draft Bill places greater emphasis on transparency, alignment with national development priorities, and systematic monitoring of investor obligations. It also sets clearer conditions for foreign participation in strategic sectors and heightens expectations for local value addition, technology transfer, and skills development. While these provisions are not yet in force, investors should be aware that the certification landscape will evolve once the Bill becomes law.

2.5 Financial Intelligence Act

The Financial Intelligence Act 13 of 2012 and its Regulations apply to all accountable and reporting institutions in Namibia. To comply, your company must conduct Know Your Customer (KYC) checks, identify the beneficial owner for legal entities, keep accurate records and apply enhanced measures as part of its Anti Money Laundering (AML) and Combating the Financing of Terrorism (CFT) duties. These obligations ensure that your business is not used as a conduit for money laundering, terrorism financing and/or proliferation activities.

03 Tax Registration

3.1 Income Tax

Namibia has a source-based tax system, which means that income from a source within Namibia, or deemed to be within Namibia, will be subject to tax in Namibia, unless a specific exemption applies. The Namibian tax system is administered by the Namibian Revenue Agency ("NamRA").

The source of income is attributed to the place where the income originates or is earned, commonly referred to as the "originating cause of the income." For example, if goods are sold pursuant to a contract entered into within Namibia, the source is deemed to arise in Namibia, regardless of the place of delivery or transfer of title. Moreover, the source of income derived from services rendered, is where the services were rendered, irrespective of where the contract was concluded or where payment was made.

The corporate tax rate applicable as follows:

COMPANY TAX RATES	2018/2019
Corporate Tax rate	30%
Branch Income Tax	30%
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%

In the mid year budget review for the 2025/26 Financial Year, a reduction in corporate tax rate to 28% was announced by the Ministry of Finance, and is pending implementation.

The Namibian personal income tax regime is founded on the principle of progressive taxation, whereby individuals are taxed at rates that increase in proportion to the scales of their income levels. The maximum tax rate for individuals is 37%. Tax liability arises from income derived from employment, business activities, and other sources within Namibia. The framework provides for a range of exemptions and deductions.

Compliance obligations require business entities to register with NamRA, maintain accurate financial records, submit all returns and pay taxes fully within prescribed timelines.

3.2 Withholding Tax

Non-residents who do not have a place of business in Namibia may be subject to withholding taxes.
Namibia has four types of withholding taxes:

Non-resident shareholders tax ("NRST") — 01

Levied on dividends received by a non-resident shareholder. NRST is payable at a standard rate of 10% if at least 25% of shares are held in the Namibian company and the shareholder is a company. In all other cases, the NRST will be payable at 20%.

Withholding tax on services ("WTS") — 02

applies when a Namibian resident pays management, consultancy, directors' or entertainment fees to a non-resident. The applicable WTS rate is 25% on non-resident directors' fees and foreign entertainers, and 10% in all other cases;

Withholding tax on royalties ("WTR")

03

payable when a Namibian Company pays a royalty to a non-resident. WTR is levied at a fixed rate of 10%. The terms "royalty" encompasses payments made for:

- the use of any patent, design, trademark, copyright or any property of a similar nature;
- the use of any motion picture film;
- the imparting of any scientific, technical, industrial or commercial knowledge; or
- the use of commercial, industrial or scientific equipment.

Withholding tax on interest ("WTI")

04

applicable to two types of interest:

- interest accruing to any person, other than a Namibian company, from a registered Namibian banking institution or unit trust scheme, payable at a rate of 10%; and
- interest accrued or paid to a non-resident, levied at a rate of 10%.

A withholding tax is a final tax, meaning that when it is paid, no further tax arises on the amounts

3.3 Double taxation/treaty relief

Double Taxation Agreements, also known as "DTAs" may override Namibian withholding taxes, as well as taxation of deemed source income. Namibia has double tax treaties with Botswana, France, Germany, India, Malaysia, Mauritius, Romania, the Russian Federation, South Africa, Sweden, and the United Kingdom. It should be noted that the tax treaties contain certain requirements that should be met before a reduced tax rate may be applied.

In respect of dividends, the treaty relief usually contains detail on the shareholding percentage to determine the relief available. It is nevertheless important to consider the details of the specific treaty before any relief is applied.

3.4 Value Added Tax

Value-Added Tax ("VAT") is a transaction tax, and the implications will vary for different types of transactions. Some transactions are taxed at a rate of 15% or 0% while others are exempted from VAT. Input tax deductions may be claimed subject to certain provisions.

VAT is levied on every taxable supply by a registered person. In terms of section 1 of the Value Added Tax Act of 2000 ("VAT Act"), a taxable supply means any supply of goods or services in the course of furtherance of a taxable activity. A taxable activity means any activity that is carried on continuously or regularly in Namibia and in the course or furtherance of which goods or services are supplied for consideration.

VAT is payable upon the importation of goods into Namibia. The importer is responsible for paying the VAT when the goods are imported and it is irrelevant whether or not the importer is a registered person. If the importer is a registered person and is to utilise the goods for the purposes of making taxable supplies, he is able to deduct the tax as input tax. It should however be noted that goods imported solely in operations in connection with the prospecting for, or mining of, natural oil or natural gas are exempt from VAT upon importation.

A company is required to register for VAT if it supplies goods and services on a regular basis for consideration and if its taxable supplies exceed N$ 500'000.00 (five hundred thousand Namibian Dollars) in any 12-month period. A registered VAT vendor is entitled to deduct input tax credits paid in the course of taxable supplies, provided that a tax invoice is available to support the input tax deduction. Import VAT paid may be deducted only as input tax if the import was in furtherance of a taxable activity and the required documentation (e.g. stamped customs entries) is held by the importer.

VAT in Namibia is charged at 15% or 0%, and businesses must register once they earn over N$500,000 a year

3.5 Other considerations

- Custom duty is payable.
- Certain transactions may attract stamp duty. The amount of stamp duty payable differs based on the nature of every individual transaction.
- Thin capitalisation rules are designed to stop companies from using too much debt instead of equity (shareholder investment) to reduce their taxable income. Thin capitalisation rules empower the Minister of Finance to disallow the interest expense on the portion of a related party or shareholder loan that he considers excessive in relation to the equity of the company. The Minister can then refuse to allow part of that interest as a tax deduction. Previously, a deduction of any excess interest expenses paid to a non-resident related party and any realised foreign exchange losses were not permitted if the total debt was more than three times their equity i.e. the debt-to-fixed capital ratio from the foreign shareholders (and related parties) exceeded a ratio of 3:1. In other words, if a company borrowed more than three times what it was worth, some of the interest on those loans could not be deducted for tax purposes.
- Since 1 January 2024, the rule regarding the debt-to-fixed capital ratio of 3:1 was replaced. All entities with financial years commencing on or after 1 January 2024, are subject to a fixed limitation on interest deductions to the extent that:

a the net interest may not exceed 30% of the connected person's tax EBITDA (Earnings Before Interest, Tax, Depreciation, And Amortisation);and

b the rule only applies if the net interest expense exceeds N$ 3 million (i.e. if the net interest expense does not exceed N$ 3 million, this rule will not apply).

- Interest deductions not allowed for in the current year are allowed to be carried forward for five years in respect of any taxpayer and ten years for entities involved in mining, petroleum, or green hydrogen industries.
- Namibia has no estate duty or capital gains tax.

04 Exchange Control Implications For Foreign Investment

Exchange control in Namibia is regulated by the Currency and Exchanges Act of 1933 and the Regulations published pursuant thereto. Exchange Control in Namibia falls under the control of the Minister of Finance and the Treasury who have delegated the administration thereof to the Bank of Namibia, who, in turn have appointed the commercial banks as Authorised Dealers in foreign exchange.

Namibia is part of the Common Monitory Area, with the Namibian Dollar pegged to the South African Rand. Exchange control approval is required for all transactions by Namibian residents (whether natural or juristic persons) which involve the transfer of assets to countries outside the Common Monetary Area.

The Common Monetary Area comprises Namibia, Lesotho, South Africa and Eswatini.

There is no exchange control applicable on transactions within the Common Monetary Area, however money-laundering regulations require the disclosure of cross-border transactions. The countries in the Common Monetary Area mostly apply similar regulations and exchange control policies with specific variances in each jurisdiction.

In respect of Namibia, a company can be capitalised by way of equity, loan capital, or a combination of the two. A resident for purposes of exchange control is any person (i.e. a natural person or legal entity) who has taken up permanent residence in, is domiciled in, or registered in Namibia. A non-resident for purposes of exchange control is a person (or legal entity) whose normal place of residence, domicile or registration is outside the Common Monetary Area.

In terms of the relevant Currency and Exchange Guidelines issued by Bank of Namibia, if a share is issued to a non-resident, such share certificate is to be endorsed as "Non-Resident". Practically this is done by the submission of the original share certificate to the authorised dealer, being the local commercial bank of the company issuing the shares. Additionally, proof of the transfer of funds into Namibia for the subscription of shares must also be submitted.

In order to obtain exchange control approval, there must be a written loan agreement. Prior to the funds being introduced into Namibia, the loan must be approved by the Bank of Namibia and stamped. In terms of such approval, Bank of Namibia will require notification on the drawdown of amounts in terms of the facility and an appropriate interest rate. If a resident company is wholly owned by non-residents, the ratio of shareholders' loans to share capital may not exceed the ratio of 3:1 (i.e. 75%) debt-equity. Concessions to allow debt funding beyond the 75% threshold can be obtained from the Bank of Namibia in very special circumstances only. Generally, capital repayment on loans can only take place after a period of six months, whereas interest on loans can be immediately repatriated.

If the shares are not endorsed as "Non-Resident Shareholder" or the loan is not approved by Bank of Namibia prior to funds being introduced in Namibia, the dividends or interest earned from such investment/s may not be repatriated.

Residents are not allowed to transact business in foreign currencies without the approval of the Bank of Namibia. Transactions may be invoices in foreign currencies, but payments must be made in local currency. There are also certain limitations on the amount of foreign currency available for residents each year in respect of foreign travel and study.

Where exchange control approval from the Bank of Namibia is required for the issue and listing of securities, the Namibia Stock Exchange ("NSX") will not grant approval until it has received copies of the requisite authority from the Bank of Namibia. Such authority must confirm the ruling on the use of funds introduced through normal banking channels from abroad, from a non-resident account, or from an emigrant's blocked Dollar account in relation to the issue. The exchange control department of the Bank of Namibia has furnished the following instances where copies of the requisite exchange control authority must be given to the NSX prior to approving the following transactions:

The listing of a namibian registered company
Capitalisation issues
Reverse takeovers
Issues of shares for cash
Issues of bearer securities
Issues of hedge securities
Rights issues by listed companies
The acquisition by non-residents of a "cash company
The acquisition from or disposal to a non-resident of assets by a listed company
Restructures, mergers and changes in control where non-residents are involved
The delisting of a company
The declaration of a dividend in specie or special dividend for any purpose
The listing on another exchange by a nsx listed company
The listing by an external company
The elimination of "odd lot" minority shareholders

05

Import & Export Control

Businesses operating in Namibia, whether locally or foreign-owned, must comply with the Import and Export Control Act 30 of 1994 and the Customs and Excise Act 20 of 1998, administered by the now Ministry of International Relations and Trade (previously Ministry of Industrialisation and Trade) and NamRA. These laws regulate the movement of goods into and out of Namibia and ensure that all trade transactions comply with national policy and exchange control requirements.

Companies intending to import or export goods must ensure that all consignments are cleared through NamRA and that any restricted products are covered by valid import or export permits issued by the MIRT.

As a member of the Southern African Customs Union ("SACU"), Namibia applies a SACU common region-wide import and export management regime. According to the WTO import licensing agreement, imports are classified into three categories, namely automatic, non-automatic and prohibited.

Investors intending to engage in import or export businesses should familiarise themselves with:

01 The Import and Export Control Regulations (Government Notice No. 117 of 1996)

02 The Customs Tariff Schedule published by NamRA

03 Applicable Southern African Development Community (SADC) Rules of Origin

Compliance ensures smooth customs processing and avoidance of penalties or seizure of goods.

Export procedures are applicable to goods which leave Namibia and are intended to remain permanently/ temporarily outside the country, for specific reasons. Depending on the goods to be exported, different legislations may apply when exporting goods outside Namibia.

Businesses in Namibia must follow import and export laws and ensure all goods are cleared through NamRA with the required permits

06

Industrial & Commercial Standards

6.1 Regulation of Business

Namibia maintains a transparent and rules-based environment for industrial and commercial activity. Businesses are subject to regulation under key legislation such as the Companies Act, the BIPA framework, and sector-specific laws. Regulatory authorities ensure compliance with health, safety, and environmental standards while promoting fair competition. These frameworks aim to create certainty and confidence for both domestic and foreign investors, while also encouraging sustainable business practices in line with Namibia's long-term national development policy frameworks.

6.2 Securities Market

The Namibian securities market is primarily regulated through the NSX, one of the largest exchanges in Africa by market capitalization. The market is overseen by the Namibia Financial Institutions Supervisory Authority ("NAMFISA"), which enforces compliance with international best practices. Investors benefit from well-established trading, listing, and disclosure requirements, offering access to equities, bonds, and other investment instruments. Cross-listings with the Johannesburg Stock Exchange enhance liquidity and integration with regional markets, making Namibia an attractive destination for portfolio and institutional investors seeking exposure to Southern Africa. This well-regulated environment offers portfolio and institutional investors a secure and transparent platform to participate in Namibia's economic growth.

6.3 Licenses

Municipal Licenses

All businesses operating in local authority areas and municipal land within Namibia are required to comply with municipal licensing requirements set by local authorities. These licenses apply across a range of commercial activities, including retail, professional services, and industrial operations. Municipalities assess applications based on zoning, health, safety, and environmental considerations, ensuring that enterprises are compatible with local development plans. The licensing process is generally efficient, and compliance establishes a solid foundation for lawful and sustainable operations at the local level.

Liquor Licenses

The sale and distribution of alcoholic beverages in Namibia require a liquor license issued in terms of the Liquor Act of 1998. Licenses are granted by regional liquor licensing committees and are subject to conditions regarding the type of business, trading hours, and location. Public health, safety, and social impact considerations are central to the decision-making process. This licensing regime ensures that the liquor industry operates responsibly while enabling investment opportunities in Namibia's vibrant hospitality, tourism, and retail sectors.

Mining Licenses

The Ministry of Industries, Mines and Energy ("MIME") is the primary regulatory body responsible for overseeing the mining sector. MIME is responsible for the issuing of licenses, monitoring compliance and enforcing mining laws.

Types of mining licenses include:

Non-Exclusive Prospecting License (NEPL)

- The NEPL license allows the holder to prospect for any mineral in any part of Namibia except in restricted areas. The license is valid for up to three (3) years. To obtain the license, the holder must satisfy the MME of its technical and financial capability, detailed prospecting program, and an environmental clearance certificate. Potential renewal of the license upon submission of a detailed renewal application is permissible.

Mining Claims (MC)

- Mining claims are granted to Namibian citizens or companies owned by Namibian citizens. However, a mining claim holder may elect to contract with a foreigner or a company owned by foreigners to prospect and mine. An individual or a company can only be awarded a maximum of ten (10) mining claims at a time.

Exclusive Prospecting License (EPL)

- The EPL license allows the holder to conduct exploration activities in a specified area. The license is initially valid for up to three (3) years. To obtain the license the holder must satisfy the MME with its technical resources and financial capability, detailed exploration program and environmental clearance certificate. An EPL is renewable for an additional period of two (2) years each, with possible further renewal in exceptional circumstances.

Mining License

- The mining license provides exclusive rights to the holder to mine and dispose of minerals and is valid for up to twenty five (25) years. To obtain the license the holder must satisfy the MME with proof of its technical and financial capability, detailed mining plan and an environmental impact assessment. The license is renewable for additional periods based on continued compliance.

Mineral Deposit Retention License (MDRL)

- After conducting exploration under an EPL, the EPL holder may find a deposit but there could be certain circumstances that prevent such EPL holder from taking the project to mining. These circumstances include: the commodity price, lack of infrastructure or poor extraction technologies at the time. If the EPL holder has reason to believe these negative circumstances would improve, they may preserve their rights over the deposit by applying for an MDRL. An MDRL license is issued for five (5) years and is renewable. The holder is not obliged to carry out any work.

Reconnaissance License

- The license allows the holder to conduct aerial and ground reconnaissance, and the license is valid for up to six (6) months. To obtain the license the holder must satisfy the MIME with proof of its financial capability. The license is generally not renewable.

Petroleum licences (by MME)

- For petroleum (oil & gas), MME (through its Petroleum Affairs Directorate) issues specific upstream and downstream licences under the legal framework for hydrocarbon exploration, production, and petroleum distribution.

Here are the main petroleum-related licences:

- **Reconnaissance Licence** – allows preliminary reconnaissance operations (geophysical surveys, remote sensing, geological studies) in a specified block.
- **Exploration Licence** – grants exclusive rights to carry out exploration operations (e.g. seismic work, drilling, sampling) within defined blocks.
- **Production Licence** – allows the licence-holder to produce, extract, and dispose of petroleum from the block, once commercially viable reserves are confirmed.

In addition, for downstream petroleum activities (importing, distribution, retail/restocking, service stations, bunkering), MIME also issues:

- **Wholesale licence** – permitting importation and bulk distribution of petroleum products.
- **Retail licence** – for operating petrol stations/service stations in Namibia.
- **Consumer-Installation Certificates** – e.g. for users who require storage or supply of fuel for private operations (farming, construction, institutional use, etc.).

Banking Licence

- Regulated by the Bank of Namibia, this licence requires the holder to operate as a commercial bank, savings bank, or financial institution that accepts deposits and provides banking services.

Licenses for Insurance and Other Non-Banking Financial Services

- Regulated by Namibian Financial Institutions Supervisory Authority (NAMFISA), this licence requires the holder to operate as a short-term or long-term insurance company, managing insurance products and policies.

- This includes licensing for pension funds, medical aid funds, unit trusts, micro-lenders, investment managers, and other non-banking financial institutions.

6.4 Environmental Clearance

In Namibia, certain business activities - particularly those with potential environmental impacts, require an Environmental Clearance Certificate (ECC) before operations may begin. The certificate is issued under the Environmental Management Act (No. 7 of 2007) by the from the Ministry of Environment, Forestry and Tourism, and ensures that proposed projects comply with national environmental standards, safeguard natural resources, and mitigate potential risks. Investors undertaking activities such as construction, mining, waste management, land development, manufacturing, or infrastructure projects must undergo an Environmental Impact Assessment (EIA) and submit the findings to the Environmental Commissioner for approval. Securing an ECC is a critical regulatory step and forms part of the broader commitment to sustainable development and responsible investment in Namibia.

6.5 Standards

Standards in Namibia are developed and overseen by the Namibian Standards Institution ("NSI"), which is mandated to promote quality assurance and consumer protection. The NSI enforces standards across product safety, industrial processes, food safety, and environmental management, many of which are harmonized with international and regional benchmarks. For investors, compliance with NSI standards enhances market access, builds consumer confidence, and supports export readiness. The standards framework also underpins Namibia's strategy to enhance industrial competitiveness and sustainable development in the regional and global economy.

07

Competition And Market Regulation

7.1 The Competition Act of 2003: Purpose and Application

- The Competition Act promotes and safeguards competition in Namibia as a cornerstone of economic growth, efficiency, and development. Its objectives include ensuring competitive prices and wider product choices for consumers, stimulating employment, and advancing social and economic welfare. The Act also seeks to expand Namibia's participation in global markets, guarantee equitable opportunities for small and medium enterprises, and encourage broader ownership by increasing the participation of previously disadvantaged Namibians.
- The Competition Act applies broadly to all economic activity within Namibia, or activity outside the country that has an effect in Namibia. Exceptions are limited to collective bargaining under labour law, socio-economic initiatives not driven by commercial purposes, and goods or services specifically exempted by the Minister with the Namibia Competition Commission's concurrence. Importantly, the Competition Act binds both the State and statutory bodies when they engage in trade or provide goods and services, unless expressly authorised otherwise by legislation.

7.2 Namibian Competition Commission

- The Namibian Competition Commission ("NaCC") regulates mergers and acquisitions under the Competition Act, with the objective of ensuring that business combinations do not unduly restrict competition or harm the public interest.
- Notifiable mergers are transactions where both the combined value of the undertakings exceeds N$30 million and the value of the transferred undertaking exceeds N$15 million. Transactions below these thresholds are exempt.
- Mergers meeting the thresholds must be notified to the NaCC before completion, with details submitted in a prescribed form and subject to a filing fee. The NaCC has an initial 30-day period to make a determination, which may be extended if additional information is requested, if a stakeholders' conference is convened, or where the merger is complex. In practice, the review process may take between 30 and 150 days, excluding weekends and public holidays.
- When assessing mergers, the NaCC considers the likelihood of reduced competition, the potential to restrict trade or supply continuity, and the risk of creating or strengthening a dominant position in the market. The Commission also has discretion to evaluate broader public interest factors, ensuring that investment activity aligns with Namibia's long-term economic and social objectives.

7.3 Restrictive Business Practice

- Namibia's Competition Act prohibits agreements or practices between businesses that prevent or substantially lessen competition in the market, unless specifically exempted. This includes both horizontal agreements (agreements between competitors and vertical agreements (agreements between suppliers and customers). Prohibited conduct covers price-fixing, market allocation, collusive tendering, resale price maintenance, and restrictions on production, investment, or market access. It also includes discriminatory trading conditions and contracts tied to unrelated obligations.
- Suppliers may recommend resale prices provided these are expressly marked as non-binding. The law presumes that prohibited arrangements exist where businesses with cross-ownership, common directors, or shareholders engage in anti-competitive conduct, though this presumption can be rebutted if shown to be a reasonable market response. Exemptions apply to agreements between parent companies and wholly owned subsidiaries, or entities under common ownership or control.

7.4 Abuse of Dominance Position

- The Competition Act prohibits the abuse of a dominant market position. Examples of abuse of a dominant market position include imposing unfair prices or trading conditions, restricting market access or innovation, applying unequal terms to equivalent transactions, or making contracts conditional on unrelated obligations. These rules ensure that market leaders do not unfairly exclude competitors or exploit consumers.

7.5 Exemptions

- Businesses or associations may apply to the NaCC for exemptions from restrictive business practice rules. Applications must be submitted in the prescribed form and published in the Government Gazette, allowing public comment within 30 days. This process ensures transparency and balances commercial flexibility with public interest.

7.6 Investigation into Prohibited Practices

- The NaCC may investigate prohibited practices either on its own initiative or following a complaint. If an investigation is launched, the affected business will be notified and given an opportunity to respond. The NaCC may require individuals or companies to provide information, produce documents, or appear to give evidence. Where the NaCC declines to pursue a complaint, it must provide written reasons therefore.

7.7 Mergers

- A merger occurs when one or more businesses acquire direct or indirect control over another's business or operations, whether through shares, assets, amalgamations, or similar arrangements. Control is broadly defined to include majority shareholding, voting rights, the ability to appoint directors, or other forms of material influence.

- All mergers, unless exempted by Gazette notice, require approval by the NaCC before implementation. Exemptions may be based on turnover, asset value, or industry criteria. Mergers may not proceed without NaCC approval or until statutory timelines have lapsed without a determination.

7.8 Court Jurisdiction and Penalties

- Businesses found in contravention of prohibitions, exemptions, or merger rules may face pecuniary penalties of up to 10% of their global turnover in the previous financial year. When setting penalties, the Court considers factors such as the severity and duration of the conduct, harm caused, market conditions, cooperation with authorities, and prior infringements.

7.9 Offences

- Offences under the Act include obstructing officials, failing to comply with summonses, refusing to answer lawful questions, or knowingly providing false information. It is also an offence to improperly influence the NaCC, attempt to prejudge its decisions, defame its members, or contravene specific statutory provisions.

7.10 Sanctions

Convictions carry significant penalties, including

- Fines of up to N$500,000 or imprisonment of up to 10 years (or both) for serious offences.
- Fines of up to N$50,000 or imprisonment of up to three years (or both) for intermediate offences.
- Fines of up to N$20,000 or imprisonment of up to one year (or both) for other offences.

08
Employment In Namibia

Labour Act of 2007

The provisions of the Labour Act must be complied with in respect of all employees, including expatriate employees performing work in Namibia. Namibia has subscribed to various International Labour Organisations (ILO) conventions.

Namibia's national minimum wage is N$18.00 per hour, effective from January 1, 2025, for most workers. However, domestic, agricultural and security workers have a phased-in minimum wage that will reach N$18.00 per hour in 2027, starting at:

- N$12.00 per hour for domestic workers,
- N$10.00 per hour for agricultural workers and
- N$13.00 per hour for security workers effective as of January 2025.

Affirmative Action (Employment) Act of 1998

Employers in Namibia with 10 or more employees are legally required to submit a compliance report in terms of section 27 of the Affirmative Action (Employment) Act.

This report must include:

- A statistical breakdown of employees by job categories, grades, and representation of designated groups.
- An affirmative action plan, as required under section 23, and details of affirmative action measures implemented.
- The names of non-Namibian employees and records of Namibian citizens trained in line with section 19(3).

Non-compliance constitutes a criminal offence and penalties include fines, imprisonment, or both.

Pay as you earn

An employer is required to apply to the Inland Revenue Department for registration as an employer within 14 (fourteen) days of becoming an employer. An employer is then required to deduct income tax from the salary of an employee ("pay as you earn" or "PAYE") in accordance with the tax rates and pay over such an amount to the Inland Revenue Department. Expatriate employees of foreign companies will be taxable in Namibia in respect of services rendered in Namibia, except to the extent that the Namibian services are purely incidental to their services elsewhere in the world.

Social Security Act of 1994

Every employer must register as an employer with the Social Security Commission, as well as register every employee employed by him/her as an employee.

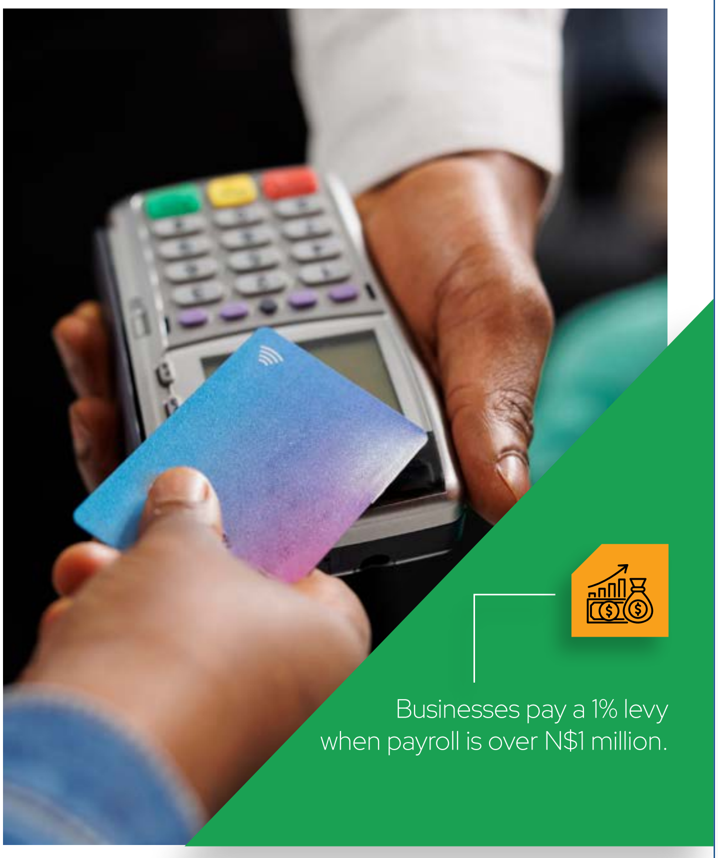
An employer must deduct the contributions payable by his/her employees, as required by the Social Security Act, from such employee's remuneration and pay it, together with the contributions payable by him/her as an employer, over to the Social Security Commission.

Vocational Education and Training Act of 2008

An employer is required to pay over the vocational education and training levy of 1% (one percent) insofar as the payroll of the employer exceeds N$1'000'000.00 (one million Namibian Dollars) per annum.

Employment Services Act of 2011

If an employer has 10 or more employees, such employer is required to comply with the Employment Services Act which regulates the advertisement and placing of employment opportunities with the National Employment Service.



09

Employment Visas And Permits

Immigration Control Act of 1993:

In terms of the Immigration Control Act, persons who are not citizens of the Republic of Namibia require a work visa, valid for 3 months, or an employment permit, valid for 12 to 24 months, in order to be able to work in Namibia.

Standard practice requires that such visa and/or permits are only awarded for a specialised field of employment, persons with critical skills which cannot be sourced in Namibia, business owners and directors

The Ministry of Home Affairs, Immigration, Safety and Security ("MHAISS") is the responsible Ministry who considers and approves work permit applications. However, the Namibia Investment and Promotion Development Board ("NIPDB") facilitates work permit applications via their internal agent of MHAISS. This additional service is offered to investors who are registered with their office and is intended to streamline administrative processes and ensure a seamless experience for such investors.

The different types of employment permits and visas

Short-Term Employment Permit / Work Visa (3 to 6 months validity):

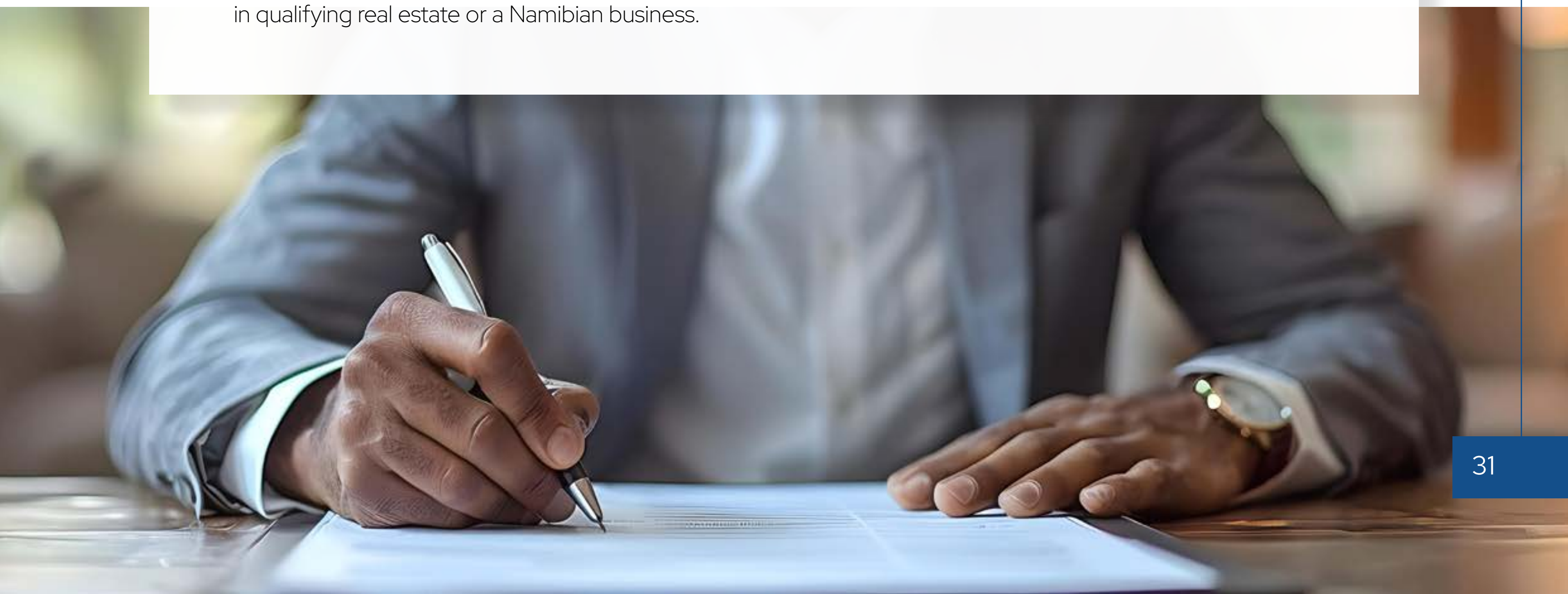
- Any foreign national intending to work in Namibia for a period ranging from one (1) day up to six (6) months is required to obtain a short-term multiple entry work visa (valid for 3 months, renewable) prior to entering Namibia. This visa is issued on a once-off basis and is not renewable or extendable beyond the six-month period. It is primarily intended for individuals such as guest speakers, facilitators, participants in meetings, arbitrations workshops, conferences, and project managers.

Employment Permit (24 months validity)

- A long-term employment permit is required for any foreign national intending to engage in activities regarded as "work" within Namibia for a period exceeding six (6) months and up to two (2) years. This includes persons who will not be directly employed by a Namibian entity as a traditional employee, such as consultants representing foreign investors and holding companies of which the subsidiaries are located in Namibia. This permit authorises the holder to work in Namibia for the approved duration and is typically issued for longer-term professional, technical, or managerial positions and may be renewable. Applicants must adhere to an extensive list of requirements which broadly include a radiological report, medical report, certified or notarised personal documents, proof of investment in some instances, motivation letters from foreign and Namibian entities, police clearances, tax registrations with the Namibian fiscus, etc. The relevant Namibian entity must, among other things, submit company documents, surety for the applicant, a business plan, proof of physical presence in Namibia, tax clearance, and it must meet Namibian employment equity requirements. For employment permit renewal applications, the MHAISS will consider the socio-economic impact of the Namibian business and the influence of the foreign applicant, by considering proof of skills transfer, the identification of Namibian prodigies, business growth, employment creation for Namibian citizens, etc.

Investment Permit

- Namibia is currently planning to introduce a 5-year visa for committed investors. While detailed eligibility criteria and application procedures are still being developed, the new permit is part of broader immigration and economic reforms aimed simplifying the business environment to at attract foreign investment. Eligible investors will be permitted to work for their own companies in Namibia. Applicants may also receive a five-year renewable work permit by investing in qualifying real estate or a Namibian business.



10
Local Office Requirements

- Regarding the requirement for a local office in Namibia, section 178(1) of the Companies Act makes it mandatory for all companies, including foreign companies operating in Namibia, to establish a designated postal address for receiving all office correspondences and notices, and to have a registered office within Namibia.
- According to common practice, this registered office is a specific physical location, identifiable by the company's name displayed at the entrance. However, it is important to note that this location does not necessarily have to be where the company conducts its actual business. In fact, it is common practice in Namibia for professional service firms, like auditors or company secretarial service providers, to host the registered office of a company, while the main business operations take place elsewhere.

11

Ownership & Shareholding Regulation & Restrictions

- In Namibia, the legal framework governing ownership and shareholding in businesses is designed to balance foreign investment with the protection of national interests. Generally, there are no blanket prohibitions against foreign ownership, and foreign investors may incorporate companies, acquire shares, or establish joint ventures, subject to compliance with the Companies Act and other applicable laws. However, sector-specific restrictions apply in sensitive industries such as natural resources, fishing, and land ownership. Agricultural and communal land, for example, may not be owned by foreign nationals, while fishing rights and quotas are reserved predominantly for Namibian-owned entities. Furthermore, investment policies encourage partnerships with Namibian citizens through equity participation requirements or local content obligations in certain regulated sectors. Prospective investors should therefore conduct a thorough legal and regulatory due diligence to identify any ownership or shareholding limitations applicable to their industry, and to structure their businesses in a manner that complies with Namibian law while promoting local participation.

12

Public Private Partnerships And Namibia's Procurement Framework

- Namibia offers a clear, investor-friendly framework for partnering with the state and bidding on public contracts. Public-private partnerships (“PPP”) are governed by the Public Private Partnership Act of 2017, which creates a PPP Committee and a dedicated PPP Unit in the Ministry of Finance to guide projects through initiation, preparation, procurement, contracting and implementation, ensuring transparency and value for money. Public procurement outside the PPP context is regulated by the Public Procurement Act of 2015, which establishes the Central Procurement Board of Namibia and the Procurement Policy Unit, which set competitive methods and review mechanisms, and provides for local preferences.

- Investors can monitor tenders and regulatory updates via the government’s e-procurement and legal notice platforms.

13

Planned Policy Reform

- Namibia's regulatory landscape continues to evolve in response to economic, social, and developmental priorities. Investors and entrepreneurs should be mindful that planned policy reforms may affect ownership structures, taxation, employment regulations, and sector-specific participation requirements.

- Current government initiatives are focused on enhancing local participation in strategic industries, streamlining business registration processes, and promoting inclusive economic growth through reforms to procurement, investment, and labour legislation. In addition, discussions around industrialisation, renewable energy, and digital transformation are expected to shape the business environment in the medium to long term. Prospective business owners are therefore advised to remain informed of forthcoming legislative and policy developments, to engage with regulatory authorities where necessary, and to adopt flexible business strategies that can adapt to evolving compliance obligations and opportunities arising from reform. Recent and prospective legislative reforms in Namibia indicate significant changes that prospective investors and business operators should monitor closely.

- First, the Namibia Investment Promotion and Facilitation Bill is nearing enactment. This Bill seeks to replace or supplement existing frameworks by providing clearer incentives for both foreign and domestic investors, more robust dispute resolution mechanisms, definitions of "strategic investment", and better facilitation services. It is intended to address existing policy gaps, improve transparency, and designate certain sectors for Namibian only or preferential investment. Second, a new Land Bill is being introduced to consolidate and modernise agricultural (commercial) and communal land laws into a single Land Act. Under this Bill, foreign nationals would be prohibited from owning land or being allocated customary land rights, aiming to ensure more equitable access to land for previously disadvantaged populations, including women, youth, and the landless. The reform also intends to streamline regulations, reduce fragmentation, and ensure that resettlement criteria are more fairly applied.

14

Business Compliance

Individuals Taxation

Individuals (Employees)	30 June each year
1st Provisional (Provisional Taxpayers)	On/before 30 August (n/a to farmers). At least 40% of the total actual taxable income to be declared and paid.
2nd Provisional (Provisional Taxpayers)	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).

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 7 months after the tax year end (30 September each year).
Services	Within 20 days following the month during which the liability was incurred to pay management, technical, administrative or entertainment fees.

Companies Taxation

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).

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 Commission

Monthly contributions	30 days after the end of the month

Business And Intellectual Property Authority (Bipa)

Annual Duty returns	End of the entity's financial year

Namibia Training Authority

VET Levy Return	Payment due by 20th of following month

Key Contacts

Namibia Investment and Promotion Development Board

Website: https://www.nipdb.com/

Ministry of Industries, Mines and Energy

Website: https://www.mme.gov.na/

Business and Intellectual Property Authority

Website: https://www.bipa.na/

Namibian Competition Commission

Website: https://www.nacc.com.na/

Namibian Revenue Agency

Website: https://www.namra.org.na/

Namibian Standards Institution

Website: https://www.nsi.com.na/

Social Security Commission

Website: https://www.ssc.org.na/

Bank of Namibia

Website: https://www.bon.com.na/

Ministry of Home Affairs, Immigration, Safety and Security

Website: https://mha.gov.na/

Namibia Financial Institutions Supervisory Authority

Website: https://www.namfisa.com.na/

Namibia Stock Exchange

Website: https://nsx.com.na/

List of Namibian Laws

Website: https://namiblii.org/legislation/

DID YOU KNOW?

- Namibia offers equal treatment to local and foreign investors and freedom to remit profit and capital (subject to regulatory compliance).
- Business setup is straightforward via BIPA + NamRA; online portals exist for tax filings (ITAS system).
- Exchange-control regime is supportive of foreign direct investment and allows repatriation of funds, with particular facilitation in strategic sectors such as oil & gas.
- Competition law is active: firms must notify mergers and comply with competition rules or risk significant penalties.
- Tax registration is mandatory; VAT registration triggers at approx. N$ 1 million turnover; standard corporate tax ~32% and VAT at 15%.
- Employment & training obligations apply: levy obligations for large employers, work-permit/ immigration rules for foreign nationals.

CRONJÉ INC
LAW PRACTICE

NIPDB
Namibia Investment Promotion
& Development Board

www.nipdb.com