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## Tax Amendments Gazetted Keeping you in the know



The 2011 Income Tax, Value Added Tax and Stamp Duty Amendment Acts that we discussed in our Tax Alerts 11/2011 (dated 18 November 2011) have been gazetted on 30 December 2011. This newsletter serves to confirm the effective date of the various amendments.

For more detail on the amendments please refer to our Tax Alert 11/2011 by following the [link](#):

### Income Tax

The following amendments will be applicable for individuals from 1 March 2012 and for companies from tax years commencing on or after 1 January 2012:

- The taxation of any sale, donation, etc. of a **mineral licence** (as defined in the Minerals Act, Act No. 33 of 1992) or a right to mine minerals in Namibia. Similarly, the sale of shares in a company that holds a licence or has a right to mine minerals in Namibia will become taxable;
- A **final withholding tax of 25%** on entertainment fees (as defined), director's fees, management and consulting fees (as defined) where such services are provided by a non-resident person to a resident person;
- The removal of the option to approach the Minister to use an amount lesser than the market value for **recoupment** purposes;
- The clarification of **building allowances** deduction;
- The limitation of the 80% **export allowance**;
- The formalisation of Practice Note No.2 of 2003 in respect of **company (employer) owned policies**;
- The new method for calculation and preparing **provisional tax payments**;
- The new **definition of "educational policy"** and the clarification of the allowable

deduction of premiums paid towards such a policy.

The following amendments will be effective for companies from tax years commencing on or after 1 January 2012:

- The new **withholding tax rate on dividends** (20%) payable to non-resident shareholder with shareholding less than 25%.

The following amendment will be applicable for individuals as from 1 March 2012:

- The **ring-fencing of assessed losses** by a natural person in certain circumstances.

The various changes to the **withholding tax on interest** sections will be deemed to have come into operation on or after 1 March 2009.

## Value-Added Tax

The following amendments will come into operation on 1 January 2012:

- The changing of **medical services, dental services, paramedical services and hospital services** from zero-rating to exempt;
- The changes to the **cut-off for VAT periods**;
- The introduction of a **Tax Tribunal** for VAT cases.

## Stamp Duties

The stamp duty changes discussed in our Tax Alert 11/2011 will be effective for all transactions concluded on or after 1 January 2012.

## Contact us

For more information on the topic covered in this newsletter please do not hesitate to contact our Deloitte Namibia Tax team:

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