



## Namibian TAX Alert

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### **PUBLICATION OF 2010 INCOME TAX, VAT AND TRANSFER DUTY AMENDMENT ACTS**

The long awaited 2010 Income Tax, VAT and Transfer Duty Amendment Acts have been gazetted today (30 April 2010).

#### **INCOME TAX**

The 2010 Income Tax Amendment Act is gazetted in Government Gazette 4475, dated 30 April 2010.

The main amendments brought into effect by the amendment act are:

- 34% corporate tax rate – effective for companies with tax years commencing on or after 1 January 2009;
- Abolishment of the specific deduction provisions for mining rehabilitation expenses and provisions – effective for tax years commencing on or after 1 January 2010;
- Increase of retrenchment exemptions – effective 1 March 2009;
- Increase in pension fund, etc. tax free lump sum pay-outs – effective from 1 April 2010;
- Various changes to withholding tax on interest – effective 1 March 2009.

For more information please refer to our newsletter 2/2010 dated 17 March 2010.

#### **VALUE-ADDED TAX**

The 2010 VAT Amendment Act is gazetted in Government Gazette 4474, dated 30 April 2010.

The main amendments brought into effect by the amendment act are:

- Zero-rating of fresh milk, dry white sugar, wet brown sugar, dry brown sugar, medical and dental services, hospital services, funeral undertaking services – effective 1 May 2010;
- Deemed supply provisions where an agent imports on behalf of a foreign principle – effective 1 May 2010;
- Provisions in respect of the claiming input tax on debt written off – effective 1 May 2010.

For more information please refer to our newsletter 2/2010 dated 17 March 2010.

#### **TRANSFER DUTY**

The 2010 Transfer Duty Amendment Act is gazetted in Government Gazette 4472, dated 29 April 2010.

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Despite it being included in the Transfer Duty Bill, the proposed increase in the transfer duty rate for persons other than natural persons (from 8% to 12%) was not promulgated as law. Per discussions with Inland Revenue it would appear if this was a printing error. We will keep you informed of any further developments in this regard.

The main amendments brought into effect by the Transfer Duty Amendment Act is a reduction in the transfer duty rates for natural persons and in respect of agricultural land acquired under the affirmative action loan scheme. The new reduced rates will apply to fixed property acquired on or after 1 May 2010. For more information please refer to our newsletter 2/2010 dated 17 March 2010.

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