

20 July 2011

Amendment to the Income Tax Act Keeping you in the know



The definition of “retirement annuity fund” for the purposes of income tax has changed with effect from 14 July 2011. A retirement annuity fund will be recognised as such for income tax purposes if it is registered in Namibia under the Namibian Pension Fund Act i.e. with NAMFISA. Previously a retirement annuity fund did not need to be registered as such and only needed to be approved by the Ministry of Finance to qualify as a retirement annuity fund for tax purposes. The amendment brings a retirement annuity fund in line with a pension fund. The biggest implication of the amendment is that any contributions to a retirement annuity fund, limited to N\$ 40 000 per annum, will only be tax deductible if the fund is registered as explained above. Prior to the amendment, a deduction of contributions to a non-Namibian registered fund was possible. Please also remember that the N\$ 40 000 limitation is an aggregate limitation of contributions to pension funds, provident funds, retirement annuity funds and educational policies.

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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