

# Doing Business in Namibia

 SNAPSHOT





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# Introduction to PKF and this Guide

Welcome to our PKF Doing Business in Namibia publication. This snapshot guide has been compiled by PKF FCS, a full member firm of the PKF Global network.



## Mariental

Erf 326 Lang Street  
PO Box 1013  
Tel: +264 63 243 662  
Email: [mariental@pkf-fcsnam.com](mailto:mariental@pkf-fcsnam.com)

## Swakopmund

3 Heuschneider Street  
PO Box 130  
Tel: +264 64 415 100  
Email: [fcsswk@pkf-fcsnam.com](mailto:fcsswk@pkf-fcsnam.com)

## Walvis Bay

128 6th Street  
PO Box 4440  
Tel: +264 64 215 100  
Email: [fcswwb@pkf-fcsnam.com](mailto:fcswwb@pkf-fcsnam.com)

## Windhoek

3 Kerby Street  
PO Box 9779  
Tel: +264 61 387 800  
Email: [fcswhk@pkf-fcsnam.com](mailto:fcswhk@pkf-fcsnam.com)

Website: [www.pkf-fcsnam.com](http://www.pkf-fcsnam.com)

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Our special performance areas include all aspects of income tax and international taxation, accounting and financial reporting, estate planning and administration, controlling and management accounting.

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All our partners are registered with the Namibia Institute of Professional Accountants (NIPA) and must adhere to prescribed quality standards of work and ethical behaviour. The partners of PKF-FCS Auditors are registered auditors (Public Accountants and Auditors Board) and members of the Institute of Chartered Accountants in Namibia (ICAN).

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Our network is at the forefront of compliance regulations and specialises in providing high quality audit, accounting, tax and business advisory solutions to both national and international organisations. Rest assured, wherever you are in the world and whatever your accounting and business advisory requirements, we will collaborate to deliver solutions in a timely and professional manner.





## Country Overview

The Republic of Namibia is a country in south-west Africa and is distinguished by the Namib Desert along the Atlantic Ocean coast. It shares land borders with Zambia and Angola to the north, Botswana to the east and South Africa to the south and east. Although it does not border Zimbabwe, less than 200 metres of the Zambezi River separates the two countries. It is the driest country in Sub Saharan Africa, and is rich in mineral resources, including diamonds and uranium.

- Namibia gained independence from South Africa on 21 March 1990, following the Namibian War of Independence. Political stability and sound economic management have helped Namibia to become an upper-middle income country. Its capital and largest city is Windhoek.
- Namibia is a member state of the United Nations, the Southern African Development Community (SADC), the African Union and the Commonwealth of Nations.
- Namibia is largely dependent on investments in mineral extraction and government spending. Namibia's main export partners are South Africa, Botswana, Switzerland, Zambia, China and Italy. The main export commodities include diamonds, copper, gold, zinc, lead, uranium, cattle, white fish and molluscs.
- Namibia's main import partner is South Africa.



## Geography and Population

Namibia is divided into 14 regions, which in turn are subdivided into 121 constituencies. Although Namibia is a large country, the expansive, arid Namib Desert from which the country derives its name, makes Namibia overall one of the least densely populated countries in the world.

Area	824,292 km <sup>2</sup>
Population	3,022,401
Capital	Windhoek



## Political System

The executive power is held by the president and the cabinet nominated by the president. This consists of the president, the prime minister and such other ministers appointed by the president from the members of the National Assembly. The president is elected by a simple majority in general and direct elections for a period of five years.

Form of government	Parliamentary
Republic head of state	President Netumbo Nandi-Ndaitwah





## Languages

Official language	English
Major national languages	<p>Namibia has 13 recognised national languages</p> <ul style="list-style-type: none"><li>10 indigenous African languages: Oshikwanyama, Oshindonga, Khoekhoegowab, Ju/'hoan, Rukwangali, Otjiherero, Ruciriku, Thimbukushu, Silozi and Setswana</li><li>Three Indo-European languages: English, German, Afrikaans</li></ul>



## Economy

The Namibian economy grew by 3.7% in 2024, bringing the total GDP to N\$157.4 billion. The increase in economic activities was largely driven by the mining and quarrying sectors. According to the Chamber of Mines in Namibia, mining accounted for 14.4% of the country's GDP in 2023. Investment in oil and gas exploration continues to fuel growth in the gross fixed capital formation.

Namibia is the fourth largest exporter of non-fuel minerals in Africa and is ranked among the largest producers of uranium. Namibia is the producer of large quantities of lead, zinc, tin, silver and tungsten.

Gross domestic product (GDP) (2024)	N\$245.1 billion
GDP per capita (2024)	N\$9,730
GDP real growth rate (2024)	3.7%
Inflation average rate (January 2025)	3.2%
Currency	Namibian dollars (N\$; NAD)
Current exchange rate	ZAR 1 (South African rand) = NAD 1



## Why Namibia?

- Namibia has a highly developed banking sector with modern infrastructure.
- Primary infrastructure (roads, rail, air, energy and telecommunications) is relatively well developed and modern.
- Labour regulations are relatively flexible.
- Namibia has a stable political environment and a strong adherence to the rule of law.
- Enforcement of commercial regulations is effective and consistent.
- Namibia has a liberal and generous investment regime, providing numerous opportunities for international investors.
- Namibia is strategically located and has a low-cost and efficient port.



## Investment Opportunities

Namibia offers a wealth of investment opportunities, which include the following key sectors:

- agriculture;
- chemical industry;
- green hydrogen;
- hospitality and tourism;
- metals and mining;
- renewable energy;
- oil and gas;
- tourism; and
- transport and logistics.



## Investment Incentives

- Currently, the Foreign Investment Act (27 of 1990) governs foreign investment in Namibia. The Foreign Investment Act will soon be replaced by the Namibian Investment Promotion and Facilitation Act.
- The Namibian Investment Centre and Namibia Investment Promotion and Development Board (NIPDB) facilitate the process of investments.
- Namibia has a robust economic foundation in its trade agreement regime and is a member of numerous regional and international trade agreements.
- Namibia adopted a Special Economic Zone (SEZ) Policy on 23 August 2022. This policy makes provision for fiscal and non-fiscal investment incentives for various investment categories, e.g. exporters and manufacturers.



## Business Structures

In Namibia, businesses are usually structured as one of the following forms:

- individual trader;
- partnership;
- close corporation;
- proprietary company; or
- public company.

To a significantly lesser extent, foreign companies register external branches in Namibia. Trusts are also used for the purposes of conducting business. The salient features of the five types of business structure listed above are as follows:

Business	Individual	Partnership	Close corporation	Proprietary company	Public company
<b>Ownership</b>	Self	Partners	Members	Shareholders	Shareholders
<b>Liability</b>	Self	Partners jointly and severally	Close corporation	Company	Company
<b>Management</b>	Self	Partners	Members	Directors	Directors
<b>Maximum number of owners</b>	1	20	10	50	Unlimited
<b>Tax rates from 2025</b>	Maximum 37% on income above N\$1,550,000 per annum	Maximum 37% on income above N\$1,550,000 per annum	30%	30%	30%
<b>Average days to set up</b>	7	7	28	28	28
<b>Foreign shareholding allowed</b>	Not applicable	Not applicable	Yes, natural persons only	Yes	Yes
<b>Listing on stock exchange</b>	Not applicable	Not applicable	No	No	Yes



## Registrations Required for General Business

Please refer to the [PKF FCS Services brochure](#) for more information on the registration services offered by PKF FCS.

Registration type	Frequency of submissions
Income tax	Annually
Provisional tax	Biannually
VAT	Every two months
VAT on imports	Monthly
Pay as you earn (PAYE)	Monthly
Social security	Monthly
Employees' compensation	Annually
Employment equity	Annually
Vocational education levy	Monthly
Municipal registration	Renewable annually
Specific licences	Determined by specific registration authorities





## Registration Authorities and Licences Required

Registration authority name	Abbreviation	Type of registration or licence
Business and Intellectual Property Authority	BIPA	<b>Registration of new business and intellectual property:</b>  Close corporations, private or public companies, defensive names, intellectual property, industrial protection, copyright.
Namibian Revenue Agency	NamRA	<b>Registration of income tax and other taxes:</b>  Provisional tax, VAT, import VAT, PAYE, withholding tax, etc.
Namibia Tourism Board	NTB	Tour operators and hospitality business registration.
Ministry of Mines and Energy	MME	Issues various licences and permits in the mining sector, e.g. mineral rights, exploration licences, etc.
Namibian Competition Commission	NaCC	To register mergers or business acquisitions exceeding N\$30 million.
Social Security Commission & Employees' Compensation	SSC	Registration of employees and employer.
Employment Equity Commission	EEC	Employers who employ 10 or more employees must register as a relevant employer.
Namibia Integrated Employment Information System	NIEIS	Employers who employ 10 or more employees must register with the NIEIS online.
Municipalities		<b>Certificate of fitness (registration of business)</b>  To operate a business in the municipal area, a certificate of fitness must be obtained from the relevant municipality.
Namibia Training Authority	NTA	Employers with a payroll of more than N\$1 million per annum must register at the NTA for the vocational education levy (VET).

## Income Tax Registrations

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### Individuals

Individuals earning taxable income in excess of N\$100,000 per annum or conducting any business must register as a taxpayer. Individuals must submit proof of identity with the application.

Registration as a taxpayer can be done online on ITAS, a web-based platform that allows taxpayers to register, file, view and object to their tax returns online. Employers are obliged to deduct PAYE at the maximum marginal rate from any earnings they pay to the taxpayer.

### Corporate Entities

Corporate entities must attach proof of registration and nominate a natural person as the public officer for the entity.

The appointment of a public officer must be updated online on ITAS. A tax registration certificate can be obtained online within seven working days.

### Provisional Tax

Corporate entities are automatically registered as provisional taxpayers at the time of registration for income tax.

Any natural person earning any income from sources other than income subject to PAYE must also register for filing provisional tax returns.

There is no particular form to complete and a simple notification in the form of a letter addressed to the Namibia Revenue Agency will suffice. Failure to notify may result in penalties being levied by the authorities.

For more information on Namibian tax rates, please see the [PKF Worldwide Tax Guide](#).

## VAT

Registration for VAT can only commence once the income tax number is known. Any person conducting a taxable activity in Namibia with a turnover or anticipated turnover of N\$1,000,000 or more per annum must register for VAT purposes. The term 'taxable activity' is widely defined in the VAT Act and includes non-profitable and even charitable organisations. The VAT Act also provides for a number of entities which are exempt and do not need to register.

### VAT on Imports

This registration is not compulsory but is recommended for taxpayers who import goods from outside Namibia on a regular basis. Registration is either applied for at the time the VAT registration takes place or following VAT registration.

### Pay As You Earn

Taxpayers with employees earning more than N\$100,000 per annum must register as an 'employer' at the Namibia Revenue Agency. This is for PAYE purposes and must be done in the month when the first employee is hired. Registrations must be completed online on ITAS.

The Namibia Revenue Agency uses prescribed tables to deduct PAYE from employees' earnings. Monthly and annual PAYE returns must be completed and submitted online on the prescribed ITAS form.

## Social Security

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This registration is compulsory for all persons employing at least one other person. It is not limited to businesses and also applies to others, such as domestic workers. Social security provides for a number of benefits for employees, such as sick, maternity and death benefits. The relevant registration form needs to be submitted to the Social Security Commission. The employer and employee contribute equally to the fund, and contributions must be paid by the last day of every month.

## Employees' Compensation Fund (ECF)

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This registration is compulsory for all businesses employing at least one person, and registration needs to be done in the month when the business first employs a person.

This fund provides cover for medical and related expenses of an employee earning less than N\$101,625 per annum who is injured on duty, subject to a number of rules. The employer is required to submit a return annually – by 31 March – detailing the breakdown of the workforce as well as total earnings paid for the year. The employer will then receive an assessment from the ECF Commissioner for the amount payable.

Failure to register will not jeopardise a claim by an employee in the case of an injury but the Commissioner will be entitled to recover all costs from the employer.

## Employment Equity

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Every person employing 10 or more employees in Namibia must register with the Employment Equity Commission. The aim of the Employment Equity Commission is to ensure that the government's affirmative action principles are applied and controlled, and that no unfair labour practices exist at the workplace.

The employment equity process can be rather cumbersome and time consuming, as the Commission requires a detailed report, containing a number of business statistics, plans and reports on past achievements, to be submitted annually.

## Namibia Integrated Employment Information System (NIEIS)

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Employers who employ 10 or more employees must register with the NIEIS online.

## Municipal Registration

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Most municipalities require all businesses to register with them. The registration process varies from one municipality to the next but overall it is an uncomplicated process that can be completed within a few days.

When planning a new business, care should be taken that the premises from which operations are to be conducted are zoned correctly for the type of business envisaged.

## Vocational Education Levy (VET)

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All employers with a payroll exceeding N\$1 million per year must register at the Namibia Training Authority (NTA) for the VET levy. A levy of 1% of the actual payroll must be paid to the NTA monthly at the end of the month.

## Specific Licences

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Although general business in Namibia is not overly regulated, certain sectors do require special licences, permits or similar authorisation from the government or their agents. Before commencing any specific activities, advice should be sought on whether any special licences or registrations are required. Licences are typically required for the following sectors:

- **Tourism:** Tourism levy registration; public driving permit;
- **Fishing:** Fishing licence/quota;
- **Mining:** Mining licences;
- **Professions:** Registration with professional institutes or bodies; and
- **Transport:** Vehicle special licences.

For some licences and other matters, a certificate of good standing must be obtained from the Namibia Revenue Agency.

## Foreign Investors

Foreign investors should note that:

- Direct or indirect ownership equal to or over 50% and beneficial control of agricultural land (farms) is prohibited under Namibian legislation.
- Dividends payable from companies or distributions from close corporations attract non-resident shareholders tax (NRST) at a rate of 10%, if the shareholder is a company and holds at least 25% of the shares of the Namibian company, unless a double taxation agreement exists between the domicile country of the foreign investor and Namibia which provides for a different rate. In all other cases, the NRST is payable at a rate of 20%.
- Foreign exchange control mechanisms are in place and the repatriation of any funds to a country outside the Common Monetary Area (CMA – consisting of Namibia, South Africa, Lesotho and Swaziland) may be difficult if certain rules have not been followed before funds are invested in the CMA.
- Local companies owned by foreign shareholders are restricted in terms of borrowing funds (e.g. from a foreign holding company) to one third of the issued share capital of the local entity.
- The Namibian Income Tax Act provides rules for transfer pricing issues.
- Under the Foreign Investment Act, 1990, foreign nationals may only engage in a retail business, public transport services or a hairdressing/beauty care business with the prior special permission of the Minister of Trade and Industry.



## Visas

Not all visitors to Namibia require a tourist visa. Nationals of certain countries do not require a visa (for visits of less than 90 days), including citizens of:

- Angola;
- Botswana;
- Brazil;
- South Africa;
- Zambia; and
- Zimbabwe.

Please see here for further details on visa requirements for Namibia.



## Reference Websites

[Business and Intellectual Property Authority](#)

[Namibia Investment Promotion & Development Board \(NIPDB\)](#)

[Namibia Revenue Agency](#)

[Namibia Training Authority \(NTA\)](#)

[Social Security Commission](#)

[The Brief – Business and financial news](#)



**PKF Global**  
15 Westferry Circus,  
London, E14 4HD,  
United Kingdom

Tel: +44 20 3691 2500

[pkf.com](http://pkf.com)

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