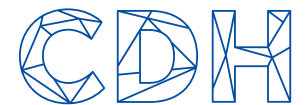


NAMIBIA

Doing business in Namibia





Namibia offers a stable and opportunity-rich market for growth in Southern Africa

Namibia offers a compelling investment case, underpinned by political stability, abundant natural resources and a strategic location in Southern Africa. The economy is primarily driven by mining, agriculture and tourism, with government policies actively encouraging foreign investment.

With English as the official language and a relationship-driven business culture, Namibia provides an accessible environment for international investors. Ongoing infrastructure improvements and bureaucratic streamlining further demonstrate the country's commitment to fostering a pro-business climate.

Legal and regulatory reforms strengthening the business landscape

Recognising the need for a modernised regulatory framework, Namibia is implementing legal reforms to enhance transparency and business efficiency, including:

- The **Companies Amendment Act of 2023** (Companies Amendment Act) and **Close Corporations Amendment Act of 2023** (Close Corporations Amendment Act) introduce updated registers of beneficial owners to increase financial oversight.
- The **Virtual Assets Act of 2023** (Virtual Assets Act) and **Banking Institutions Act of 2023** establish stricter regulations for financial and digital sectors.
- **Labour and tax reforms** seek to balance business costs with economic equity, ensuring a fair and competitive market.

- The **Petroleum (Exploration and Production) Act of 1991** and **Petroleum (Taxation) Act**: Following a surge in petroleum sector exploration and oil and gas discoveries in Namibia, the Ministry of Industries, Mines and Energy commenced with the upstream oil and gas regulatory review. The review balances investor and government interests, regulates hydrocarbon operations and petroleum fiscal regimes, and ensures that it is fit for purpose.

Despite these advancements, challenges persist. Bureaucratic delays, high transport and energy costs, fragmented laws and skills shortages – exacerbated by a youth unemployment rate of 47.4% in 2023 – present hurdles. However, these factors also create opportunities for talent development, an area the Government is actively supporting. One of the Government's initiatives in creating opportunities for Namibians is the passing of the Upstream Local Content Policy which spells out its intent, direction and undertaking to create a pathway for full participation of all Namibians in the petroleum sector.

Key support mechanisms for facilitating investment

To help investors navigate these challenges, Namibia offers a range of support structures:

- **The Namibia Investment Promotion and Development Board** provides investor guidance and assists with permits and regulations.
- **Government incentives and a clear legal framework** ensure a stable environment for foreign investors.
- **Digitalisation efforts** aim to streamline processes, reduce red tape, and enhance ease of doing business.



Evolving taxation and financial regulations

Namibia's evolving financial regulations also reflect its commitment to strengthening corporate governance and investor confidence:

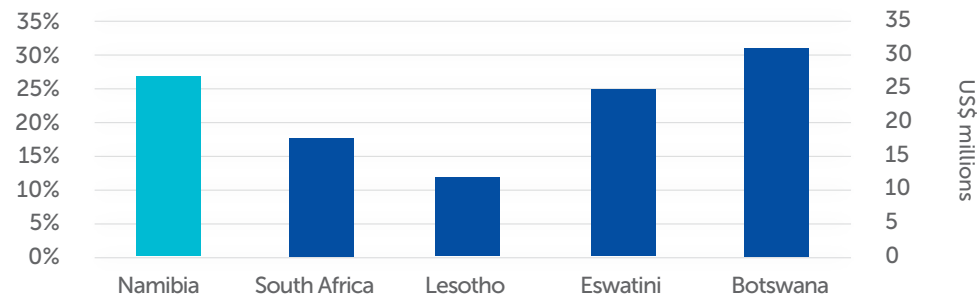
- The **Companies Amendment Act**, and **Close Corporations Amendment Act** mandate updated registers of beneficial owners.
- The **Virtual Assets Act** lays a foundation for cryptocurrency and blockchain enterprises.
- The transition from **export processing zones (EPZs) to special economic zones (SEZs)** will introduce tax implications for former EPZ operators.
- Efforts to exit the **Financial Action Task Force grey list**, following Namibia's February 2024 greylisting, underscore commitments to global financial transparency.

Corporate Tax Rate

31%*

*Reducing to 30% in 2026

Corporate Tax Rates within the Southern African Customs Union



Tax and transfer duty rates

Income tax	General corporate tax rate: 31% (reducing to 30% by 2026)
Income tax – special rates	- Diamond mining: 55% - Mining (excluding diamonds and petroleum): 37.5% - Petroleum companies: 35% - Registered manufacturers: 18% (for 10 years)
Value-added tax (VAT)*	- Standard rate: 15% - Zero-rated items: Basic food, exports, and international transport services - VAT registration required for turnover exceeding USD 28,453 annually
Withholding taxes	- Dividends: 10–20% (based on shareholding) - Interest, royalties, and management fees: 10% - Director's fees and entertainer fees: 25%
Transfer duties	Progressive rates from 1% to 12%, depending on property value
Stamp duties	Applicable to legal documents and transactions

Navigating tax regulations and optimising financial strategies are essential for businesses to thrive, ensuring growth, compliance and long-term success in a competitive market.

**As of 1 November 2024 the VAT registration threshold increased from USD 28,453 to USD 56,906, though this has not been officially announced via the Namibia Revenue Authority portal.*

Sources: Namibia Investment and Promotions Development Board, Namibia Revenue Authority, OECD, TaxFoundation.org; 2023–2024

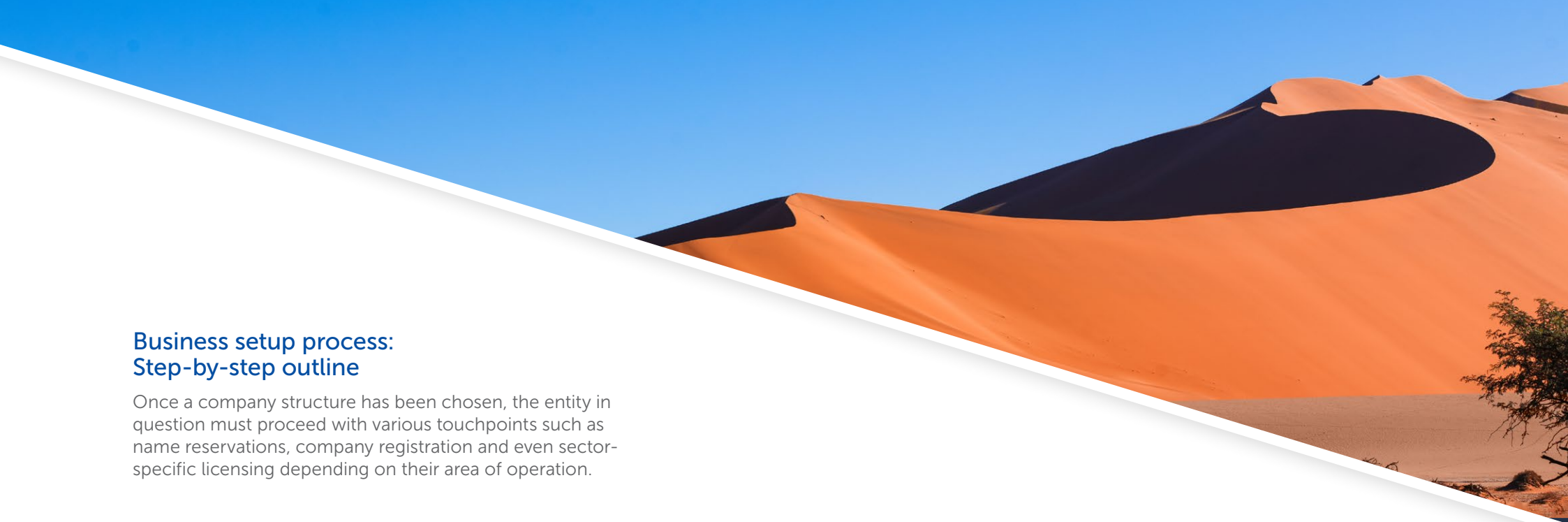




Business structures and compliance

Selecting the appropriate business structure is crucial for investors, influencing shareholder requirements, liability and compliance obligations. Namibia offers several company options, including public companies, private companies and foreign-owned entities, all governed by the Companies Act of 2004. Registration with the Business and Intellectual Property Authority (BIPA) is required to ensure compliance. Among the key obligations are:

- Company registration, tax compliance and licensing to establish a sustainable business foundation.
- Environmental impact assessments to mitigate ecological risks, especially in high-impact industries.
- Local permits, including business and signage approvals, to ensure municipal compliance.



Business setup process: Step-by-step outline

Once a company structure has been chosen, the entity in question must proceed with various touchpoints such as name reservations, company registration and even sector-specific licensing depending on their area of operation.

1

Name reservation:

Submit a CM5 form to BIPA (online or in person) to reserve a company name.

2

Company registration:

Once approved, the businesses must obtain a certificate of incorporation and a certificate to commence business.

3

Document submission:

Required forms include the memorandum and articles of association, submitted in triplicate.

4

Sector-specific licensing:

Industries such as mining, agriculture, tourism, petroleum operations and renewables require additional permits to mitigate operational risks.

5

Tax registration:

Businesses must register with the Namibia Revenue Agency (NamRA) for corporate income tax, VAT and other applicable duties.

Labour and dispute resolution framework

Namibia's labour laws regulate working conditions, leave entitlements and expatriate work permits, ensuring a balanced workforce environment. Some of the key considerations when it comes to labour law include:

Minimum wage and tax incentives:

The 2024 national minimum wage aims to reduce wage gaps, while youth employment tax incentives encourage workforce integration.

Labour disputes:

Managed by the Labour Court (handling unfair dismissal and discrimination cases) and arbitration panels (resolving collective bargaining disputes and contract disagreements).

Litigation versus arbitration:

While litigation is legally binding, it can be slow and costly. Arbitration offers a faster, more confidential and cost-effective resolution method.

Cybersecurity and digital economy considerations

As Namibia's digital economy expands, cybersecurity risks are becoming a growing concern. The February 2025 cyberattack on Paratus Namibia highlighted vulnerabilities, reinforcing the need for stronger regulations and data protection measures.





The future of business in Namibia

Namibia's ongoing legal and regulatory reforms are shaping a more competitive and resilient economy. The country's commitment to corporate transparency, good governance, financial stability, politically robust democracy and digital transformation not only supports economic growth and social advancement but also presents attractive opportunities and profitable ventures for investors. However, navigating regulatory requirements, tax obligations and labour laws remains essential for long-term success.

Namibia's future depends on nurturing local talent and businesses play a crucial role in this endeavour. By investing in education, training and career development, companies can cultivate a pool of skilled professionals.

The Namibian downstream oil sector is worth NAD 20 billion a year in revenue, however all refined fuel requirements are met by imports, predominately from the Middle East. Namibia also has no crude oil reserves or oil refinery. Following the various recent oil and gas discoveries, and given the increased oil and gas exploration and production activities in Namibia, the downstream and midstream sectors are set to grow exponentially. This could significantly boost GDP and create job opportunities.

The emerging petroleum industry and renewable energy sector will require significant investment in infrastructure. There is also growing emphasis on developing local manufacturing capabilities and this will require investment.

For businesses ready to engage, Namibia's evolving landscape offers significant potential for growth, investment security, and sustainable economic development.

MARKET RECOGNITION

Tim Fletcher is the Chairperson and a director in our Dispute Resolution practice. He was ranked by *Chambers Global 2025* as an 'Eminent Practitioner'; a category in which lawyers are ranked as highly influential lawyers and exceptional individuals. *Chambers Global 2022–2024* ranked Tim in Band 2 for dispute resolution. *Chambers Global 2019–2021* ranked him in Band 3 for dispute resolution. *The Legal 500 EMEA 2024* recommended Tim in the 'Hall of Fame' for dispute resolution. *The Legal 500 EMEA 2016–2023* recommended him as a 'Leading Individual' for dispute resolution.

Sammy Ndolo is the Kenya Managing Partner. *Chambers Global 2025* ranked Sammy Ndolo in Band 3 for Fintech. *Chambers Global 2021–2025* ranked Sammy in Band 4 for corporate/M&A. *Chambers Global 2023–2025* ranked him in Band 4 for banking & finance. *The Legal 500 EMEA 2024* recommended Sammy as a 'Leading Individual' for banking, finance & capital markets. *The Legal 500 EMEA 2022–2023* recommended him for banking, finance & capital markets. *The Legal 500 EMEA 2023–2024* also recommended Sammy for corporate, commercial/M&A. *IFLR1000 2021–2024* ranked him as a 'Notable Practitioner'.



OUR TEAM

For more information about our services in South Africa, Kenya and Namibia, please contact:



Patrick Kauta

Managing Partner | Namibia
T +264 833 730 100
M +264 811 447 777
E patrick.kauta@cdhlegal.com



Tim Fletcher

Chairperson
Director: Dispute Resolution
T +27 (0)11 562 1061
E tim.fletcher@cdhlegal.com



Brent Williams

Chief Executive Officer
Director: Corporate & Commercial
T +27 (0)11 562 1167
E brent.williams@cdhlegal.com



Sammy Ndolo

Managing Partner | Kenya
T +254 731 086 649
+254 204 409 918
+254 710 560 114
E sammy.ndolo@cdhlegal.com



Ilda-Manuela dos Santos

Director | Namibia
T +264 081 125 0996
E ilda.dossantos@cdhlegal.com



Roy Barendse

Executive Consultant:
Dispute Resolution
T +27 (0)21 405 6177
E roy.barendse@cdhlegal.com

BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa.

Dx 154 Randburg and Dx 42 Johannesburg.

T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.

T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

NAIROBI

Merchant Square, 3rd floor, Block D, Riverside Drive, Nairobi, Kenya. P.O. Box 22602-00505, Nairobi, Kenya.

T +254 731 086 649 | +254 204 409 918 | +254 710 560 114

E cdhkenya@cdhlegal.com

ONGWEDIVA

Shop No A7, Oshana Regional Mall, Ongwediva, Namibia.

T +264 (0) 81 287 8330 E cdhnamibia@cdhlegal.com

STELLENBOSCH

14 Louw Street, Stellenbosch Central, Stellenbosch, 7600.

T +27 (0)21 481 6400 E cdh Stellenbosch@cdhlegal.com

WINDHOEK

1st Floor Maerua Office Tower, Cnr Robert Mugabe Avenue and Jan Jonker Street, Windhoek 10005, Namibia.

PO Box 97115, Maerua Mall, Windhoek, Namibia, 10020

T +264 833 730 100 E cdhnamibia@cdhlegal.com

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