



Why do I get a Consolidated Income Tax Statement?

Sections 34A to 34E in the Namibian Income Tax Act deal with Withholding tax (WHT) on Interest.

These sections stipulate that 10% WHT must be withheld from the Interest paid by a Namibian Unit Trust to a Namibian Natural person (including a Trust). Therefore the Unit Trust is required to issue proof of any tax withheld to every investor.

You will note on the Consolidated Income Tax Statement there is a line **“Local interest: Exempt for Individuals”**. This line refers to Section 34A which allows for non-taxable interest earned, e.g. Interest earned from a Treasury Bill issued by the Government of Namibia.

Note that no WHT is deducted on interest received by a Namibian Company (as defined in the Act). The Company must include this interest received in the taxable income of the Company.

What do I do with the Consolidated Income Tax Statement?

A copy of the Consolidated Income Tax Statement should be attached to your Income Tax Return.

It is important to know that for Individual Taxpayers (including a Trust), (all investors except Namibian Companies) the WHT which is already deducted is a **Final Tax** and that no further tax needs to be paid on the interest earned. Therefore it is important to ensure that your Income Tax Return is completed correctly.

How should this income reflect on my Income Tax Return?

The current Income Tax Return **for individuals** does not have schedules and lines to complete for all possible events.

With regards to the interest and dividends received on Namibian Unit Trusts, the Income Tax Return could be completed as follows:

- **Local Dividends:**
Add this to **Schedule 21: Dividends (Not Subject to Taxation)** in the line “Dividends received from Namibian sources”.
- **Local interest & Local interest: Exempt for Individuals:**
Add the combined value in **Schedule 20: Namibian Income Not subject to Taxation** in the line “Other Income (excluding dividends)”.

Foreign Interest & Foreign Dividends

Capricorn Asset Management (CAM) advises that you consult with your Tax Advisor on the correct treatment of foreign income received from 3rd party manager funds available on our investment platform.

CAM does not deduct any WHT on the foreign interest or foreign dividends. As the foreign income is from a South African source, the Double Taxation Agreement (DTA) between South Africa and Namibia should be taken into consideration.

NRST on Dividends

The Namibia Non-Resident Shareholder Tax (NRST) is a withholding tax that is deducted from the dividends earned by Unit Holders who are not Namibian Tax Residents.

The % WHT that is deducted depends on the Tax Residency of the Unit Holder and the specific DTA Namibia has with that country.

How to submit your tax returns

The preferred method is to submit your tax return via the ITAS Portal on the Namibia Revenue Agency’s website <https://itas.namra.org.na/>

Disclaimer

Please note that the information provided above should not be regarded as tax advice. Should you be uncertain as to the interpretation of any information provided, please consult directly with a tax advisor.