

Namibia announces VAT relief for farmers on import of certain products during prevailing drought

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The President of Namibia has declared a State of Emergency in Namibia due to the prevailing drought that exists in all regions of the country. The Minister of Finance, Honorable Calle Schlettwein, in turn has announced in a media statement on 22 July 2019 that the import of certain goods will not be subject to import value-added tax (VAT) on the importation of such goods by farmers.

Rebate Item 412.11 of paragraph 2(g)(i) of Schedule V of the VAT Act provides for the exemption of VAT on importation of *goods imported for the relief of distress of persons in cases of famine or other national disasters*.

The following goods will be exempt from VAT upon importation into Namibia by farmers under the concession granted by the Minister of Finance:

Roughage: Lucerne, grass-teff or other wheat straw, oats straw/hay, maize hay, sorghum hay and silage.

Energy and protein concentrates: Cotton oil cake, sunflower oil cake, maize chop, wheat bran, soya oil cake, full fat soya, maize meal, whole maize kernels, molasses, wheat, barley, oats, sunflower hulls, soya hulls, whole cotton seed and maize bran.

The VAT exemption applies to all individual farmers/producers in all regions of Namibia who directly import qualifying goods for their own use and not for the purpose of re-selling. Retailers and other entities that import these goods do not qualify for this exemption.

To qualify for the exemption, the farmer/producer must provide the following to the Ministry of Finance:

- ▶ Proof of registration at the Meat Board of Namibia as a farmer/producer or any other legally recognized registration.
- ▶ The importer should notify the Ministry of Finance about the importation at least three days before the goods reach the border to enable timely customs clearance.

- ▶ The exemption does not apply to any capital goods imported.

The relief takes effect from 23 July 2019 and automatically lapses when the state of emergency in respect of the drought ceases.

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