

## Tax Comparisons Namibia vs Kenya, 2023/2024

### 1. Individual tax rates

Namibia has lower tax rates for income brackets compared to Kenya, with Namibia starting at a 0% rate for incomes up to N\$50,000 and progressively increasing to 32% for incomes over N\$800,000. Kenya, on the other hand, starts at a 10% rate for incomes up to KES 288,000 equivalent to N\$ 40,636.94, and increases to 35% for incomes over KES 9,600,000 equivalent to N\$ 1,355,520.14.

**Table 1: Individual tax rates and brackets between Namibia and Kenya 2023/2024:**

Income Range	Namibia Tax Rate	Kenya Tax Rate
Up to N\$50,000 (KES 288,000 equivalent to N\$ 40,665.60)	0%	10%
N\$50,001 to N\$100,000 (KES 288,001 equivalent to N\$ 40,636.94 to KES 388,000 equivalent to N\$ 54,746.80)	18%	25%
N\$ 100,001 to N\$ 300,000 (KES 388,001 equivalent to N\$ 54,746.94 to KES 6,000,000.00 equivalent to N\$ 846,000.00)	25%	30%
N\$ 300,001 to N\$ 500,000 (KES 6,000,000.01 equivalent to N\$ 847,200 to KES 9,600,000 equivalent to N\$ 1,356,480)	28%	32.5%
N\$500,001 to N\$800,000 (KES 9,600,001 equivalent to N\$ 1,355,520.14 and above)	30%	35%
N\$ 800,000.01 to N\$ 1,500,000.00	32%	35%
N\$ 1,500,000.01 and above	37%	35%

Source: Ministry of Finance and Public Enterprises Namibia and the National Treasury and Planning Kenya

### 2. Value Added Tax (VAT)

Namibia levies a VAT rate at a standard rate of 15%, with specific exemptions aimed at reducing the tax burden on essential goods. Notable exemptions include: fresh and dried beans, cooking oil, bread, cake flour and sanitary pads. Kenya, on the other hand, imposes a slightly higher standard VAT rate of 16%. The Kenyan VAT system is broader in its application and has been recently proposed to expand further. The government has suggested applying VAT to previously exempt essential goods such as bread. This change aims to increase government revenue but raises concerns about the potential increase in the cost of living, especially for low-income households.



### 3. Corporate Tax:

Entity	Namibia 2022/23 tax rate (%)	Kenya 2022/23 tax rate (%)
Domestic companies and close corporations (excluding entities mentioned below)	32 (amended to 31 as from 2024)	30
Branches of foreign companies	32	37.5 (amended to 30%)

Source: Ministry of Finance and Public Enterprises Namibia and the National Treasury and Planning Kenya

#### 3.1 Company tax rates unique to Namibia

Registered manufacturers (only applicable for the first ten years of registration)	18%
Diamond mining companies and companies that render services to such companies in connection with diamond mining	55%
Mining companies (other than diamond mining companies) and companies that render services to such companies in connection with mining	37.5%
Long-term insurers (the rate is applied to gross investment income)	12.8%
Petroleum income tax rate	35%

Source: Ministry of Finance and Public Enterprises Namibia



### 3.2 Company tax rates unique to kenya:

Residential rental income tax	10% amended to 7.5% as from January 2024
Real estate companies	15%
Turnover tax	3%
Export processing zones: <ul style="list-style-type: none"> <li>• First ten years</li> <li>• Next ten years</li> <li>• thereafter</li> </ul>	Nil 25% 30%
Special Economic Zone (SEZ) enterprises, developers and operators <ul style="list-style-type: none"> <li>• First ten years</li> <li>• Next ten years</li> <li>• Thereafter</li> </ul>	10% 15% 30%
companies in local assembling of motor vehicle <ul style="list-style-type: none"> <li>•First five years</li> <li>•Thereafter</li> </ul>	15% 30%
Dividend distribution tax on untaxed gains or profits	30%
Resident company operating a carbon markets exchange or emissions trading system certified by the Nairobi International Financial Centre Authority ("NIFCA") (w.e.f. 01 July 2022) <ul style="list-style-type: none"> <li>First ten years</li> <li>Thereafter</li> </ul>	15% 39%
Interest and deemed interest on bearer bonds issued outside Kenya for a period of at least two (2) years and interest, discount or original issue discount Interest and deemed interest on bearer bonds issued outside Kenya for a period of at least two (2) years and interest, discount or original	7.5%

issue discount

Source: Ministry of Finance and Public Enterprises Namibia and the National Treasury and Planning Kenya

**4. Below are additional tax differentials:**

**Table 3: tax rates and amendments for various aspects between Namibia and Kenya 2023/2024**

Aspect	Kenya's Finance Bill 2024	Namibia's Tax Bill 2024
<b>Significant Economic Presence (SEP) Tax</b>	<ul style="list-style-type: none"> <li>Introduction of a 30% tax on non-resident digital service providers, replacing the 1.5% Digital Service Tax.</li> </ul>	Not applicable
<b>Corporate Tax Changes</b>	<ul style="list-style-type: none"> <li>Minimum Top-Up Tax (MTT) of 15% for MNEs with turnovers &gt; EUR 750 million.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate tax rate reduction from 31% to 28% by 2026.</li> </ul>
<b>Withholding Tax Amendments</b>	<ul style="list-style-type: none"> <li>Public Entities Supply: 5% for non-residents, 3% for residents.</li> <li>Digital Services: 20% for non-residents, 5% for residents.</li> <li>Bond and Note Interest: 5% on infrastructure-related bonds</li> <li>Shipping/Air Transport: 3% for non-resident income.</li> </ul>	<ul style="list-style-type: none"> <li>Dividend Tax: 10% for non-resident shareholders.</li> </ul>
<b>Deductible Expenses and Reliefs</b>	<ul style="list-style-type: none"> <li>Contributions to the Social Health Insurance Fund, affordable housing schemes, and post-retirement medical funds (up to KES 10,000).</li> </ul>	Not applicable
<b>Indirect Taxation</b>	<ul style="list-style-type: none"> <li>Motor Vehicle Tax: 2.5% on vehicle value, excluding ambulances and government vehicles</li> <li>Capital Gains Tax: 5% for NIFCA-certified firms with lower investment threshold.</li> </ul>	Not applicable
<b>Digital Marketplace Expansion</b>	<ul style="list-style-type: none"> <li>Expanded to include ride-hailing, food delivery, freelance services, and more.</li> </ul>	Not applicable

<b>Administrative Enhancements</b>	<ul style="list-style-type: none"> <li>VAT Registration Threshold Increase</li> <li>Objection Decision Period Extension: from 60 to 90 days.</li> </ul>	<ul style="list-style-type: none"> <li>VAT Registration Threshold Increase: from N\$500,000 to N\$1,000,000</li> <li>Exploration of VAT e-invoicing system.</li> <li>Continuation of Tax Amnesty Program.</li> </ul>
<b>Exemptions and New Taxable Income</b>	<ul style="list-style-type: none"> <li>Exemptions: Early retirement income from pension funds due to ill health, and long-term contributors (20+ years)</li> <li>New Taxable Income: amateur sports associations and digital programs.</li> </ul>	Not applicable
<b>Social and Economic Spending</b>	<ul style="list-style-type: none"> <li>No amendments</li> </ul>	Increased budget for social welfare, with allocations for old age grants to and disability grants N\$ 1600
<b>Fiscal Measures</b>	<ul style="list-style-type: none"> <li>No amendments</li> </ul>	Budget deficit improvement to 3.2% of GDP and measures to manage public debt and debt servicing costs.

Source: Ministry of Finance and Public Enterprises Namibia and the National Treasury and Planning Kenya