



REPUBLIC OF NAMIBIA

- Limits to moved not
- We should continue to
distribute bills in
advance.

MINISTRY OF FINANCE

SECOND READING SPEECH

HONOURABLE SAARA KUUGONGELWA - AMADHILA, MP

MINISTER OF FINANCE

Honourable Speaker,

Honourable members of this House,

1. Allow me to introduce the amendment to the Transfer Duty rates under the Transfer Duty Act, Act No 14 of 1993.
2. In an effort to introduce Tax reforms that are able to contribute to wider economic and social objectives and, the Bill introduces favourable transfer duty rate regime when individuals acquire property.
3. Economic down turn calls for domestic interventions assisting the low income consumers. The Transfer Duty rates in the amendment Bill is adjusted to provide relief and incentivise individuals to acquire property, given the increasing property prices in the market. The transfer duty threshold will increase from the current N\$ 400 000 to N\$ 600 000. Individuals will now be exempted from the payment of transfer duty for the first N\$ 600 000 when they acquire residential property.
4. Given the concern and plight of our people concerning the high price of residential property in Namibia. I ask the Honourable Members of this House to pass this Transfer Duty Amendment Bill.

I thank you Honourable Speaker

REPUBLIC OF NAMIBIA

NATIONAL ASSEMBLY

**TRANSFER DUTY
AMENDMENT BILL**

(As read a First Time)

(Introduced by the Minister of Finance)

[B. 4 - 2013]

EXPLANATORY NOTE:

- _____ Words underlined with a solid line indicate insertions in existing provisions.
- [] Words in bold type in square brackets indicate omissions from existing provisions.

BILL

To amend the Transfer Duty Act, 1993, so as to change the rates at which transfer duty is levied; and to provide for incidental matters.

BE IT ENACTED as passed by the Parliament, and assented to by the President, of the Republic of Namibia as follows:-

Amendment of section 2 of Act No. 14 of 1993, as amended by section 1 of Act No. 20 of 2003 and section 1 of Act No. 3 of 2010

1. Section 2 of the Transfer Duty Act, 1993 (Act No. 14 of 1993) is amended by the substitution for subsection (1) of the following subsection:

“(1) Subject to the provisions of section 9, there shall be levied for the benefit of the State Revenue Fund a transfer duty on the value of any property acquired by any person on or after the date of commencement of the Transfer Duty Amendment Act, ~~[2010]~~ 2013, by way of a transaction or in any other manner, or on the amount by which the value of any property is enhanced by renunciation, on or after the said date, of an interest in or a restriction upon the use or disposal of that property, at the rate of -

- (a) where the said value or the said amount, as the case may be -
- (i) does not exceed ~~[N\$400 000]~~ N\$600 000, nil per cent;
 - (ii) exceeds ~~[N\$400 000]~~ N\$600 000 but does not exceed ~~[N\$800 000]~~ N\$1 000 000, one per cent of such amount of the said value or the said amount, as the case may be, as exceeds ~~[N\$400 000]~~ N\$ 600 000;
 - (iii) exceeds ~~[N\$800 000]~~ N\$1 000 000 but does not exceed ~~[N\$1 500 000]~~ N\$2 000 000, N\$ 4000 plus five per cent of so much of the said value or the said amount, as the case may be, as exceeds ~~[N\$800 000]~~ N\$1 000 000;
 - (iv) exceeds ~~[N\$1 500 000]~~ N\$2 000 000, ~~[N\$39 000]~~ N\$ 54 000 plus eight per cent of so much of the said value or the said amount, as the case may be, as exceeds ~~[N\$1 500 000]~~ N\$ 2 000 000;

if the property is not agricultural land as contemplated in paragraph (b) and the person by whom the property is acquired or in whose favour or for whose benefit the said interest or restriction is renounced is a natural person; [or]

- (b) where the value of the agricultural land acquired by a natural person to whom an advance, for the purposes of such acquisition, is made by the Agribank in accordance with the provisions of section 5 [(a) or] (c) of the Agricultural Bank Act, 2003 (Act No. 5 of 2003) –
- (i) does not exceed [N\$500 000] N\$1 500 000, nil per cent;
 - (ii) exceeds [N\$500 000] N\$1 500 000 but does not exceed [N\$1 000 000] N\$2 500 000, one per cent of so much of the value of the agricultural land as exceeds [N\$500 000] N\$1 500 000; and
 - (iii) exceeds [N\$1 000 000] N\$2 500 000, [N\$5 000] N\$ 10 000 plus three per cent of so much of the value of the agricultural land as exceeds [N\$1 000 000] N\$ 2 500 000 [.]; or
- (c) 12 per cent of the said value or the said amount, as the case may be, if the person by whom the property is acquired or in whose favour or for whose benefit the said interest or restriction is renounced is a person other than a natural person.”.

Short title and commencement

2. This Act is called the Transfer Duty Amendment Act, 2013, and comes into operation on the first day of the month following the month in which this Act is published in the *Gazette*.
