

EXPRESSION OF INTEREST: NATIONAL INTERNSHIP PROGRAMME & YOUTH TAX INCENTIVE



Request for Nominations/ Public Expression of Interest to serve as Designated Bodies

The Ministry of Finance & Public Enterprises (MoFPE), supported by the Namibia Investment Promotion and Development Board (NIPDB) is inviting interested bodies and organisations to serve as designated bodies, aligned to the recently launched National Internship Programme & Youth Tax Incentive.

The National Internship Programme & Youth Tax Incentive is a government led initiative which seeks to increase the number of internship opportunities made available to young Namibians in the education system. Government has availed 126 million Namibian Dollars, to incentivise employers to enrol interns in their respective companies, for durations lasting from 3 months to 3 years.

MoFPE is in the process of making amendments to the Income Tax Act, 1981, to appoint designated bodies. These institutions will support the MoFPE to provide oversight over the administration of the Youth Tax Incentive. **More specifically, designated bodies will have the following responsibilities:**

- Create awareness/disseminate information about internships for their sector or industry
- Certify (screen) eligible employers
- Certify internship agreements for employers in their sector
- Ensure that employers under their purview are implementing the programme as per the internship agreement
- Maintain records of the programme and share the same when requested
- Provide annual reports about internships in their respective sectors
- Overall monitoring of the programme

Eligible institution/s must meet the following criteria:

- Must be an industry/ sector specific oversight body (regulator, Professional body, Association or other oversight body)
- Must be of good standing in its respective industry/ sector
- Must have the capacity to assimilate the additional responsibilities above
- Must be passionate about developing young Namibians to achieve their potential

Interested organisations are requested to submit their interest to be appointed as designated bodies. All expressions of interest must note:

- The name of the eligible organisation
- Name and contact details of a point person in the organisation
- A statement of commitment to serve as a designated body, if appointed by the Minister of Finance & Public Enterprises

Industries/ sectors are also encouraged to send in nominations of potential eligible organisations meeting the qualifying criteria, serving their respective industry/ sector.

All nominations/ expressions of interest should be sent electronically to leevi.indombo@nipdb.com by **21 June 2024**. MoFPE reserves the right not to make appointments of interested organisations.

Organisations to be appointed as designated bodies will be duly informed before being gazetted in the national gazette.



Investment House, C/O Garten
& Dr. A. B. May Streets



info@nipdb.com
www.nipdb.com



Private Bag 12039,
Windhoek, Namibia



+264 (0) 83 333 8600

ABOUT NIPDB

The Namibia Investment Promotion and Development Board (NIPDB) is mandated to promote and facilitate investment by foreign and Namibian investors, and coordinate MSME activities across all levers of the economy, with the aim of contributing to economic development and job creation.



**National Internship Programme & Youth
Employment Tax Incentive**

Stakeholder Engagements



NIPDB

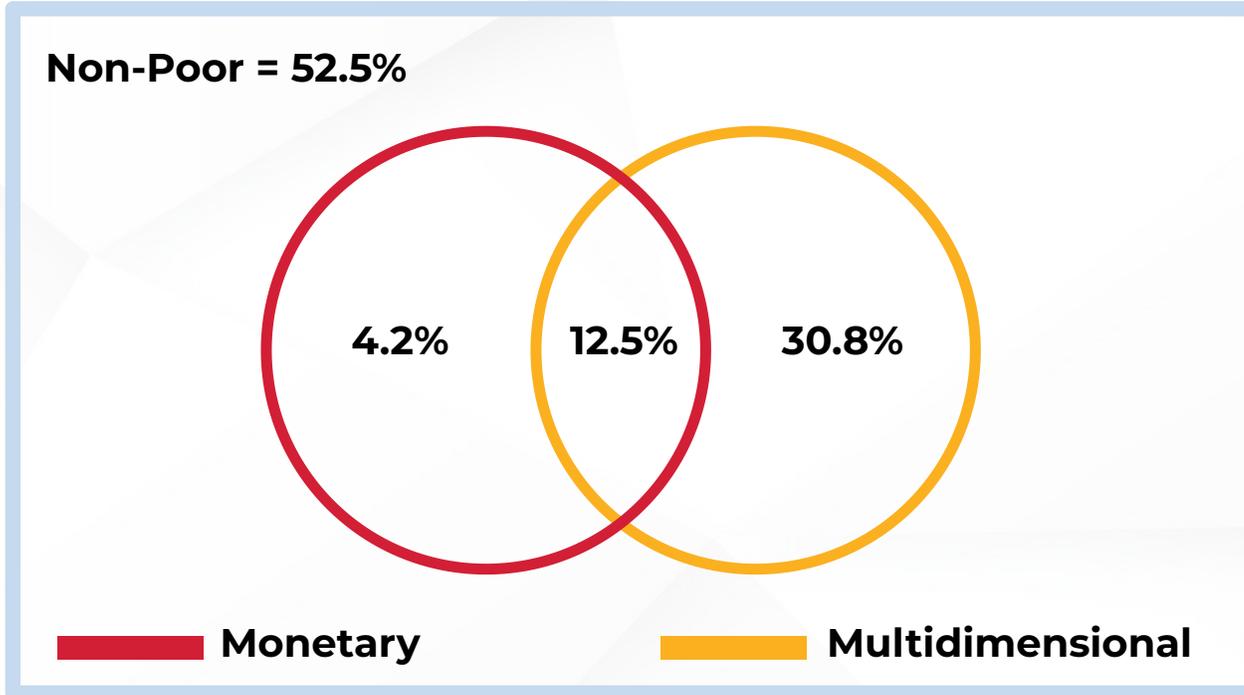
Namibia Investment Promotion & Development Board
Office of the President

THE REMARKABLE NAMIBIA

- Captured the attention of the global energy community through GH2 and oil & gas discoveries.
- Third largest producer of uranium.
- Biomass potential and abundant wind and solar resources.
- The only African country that exports beef to China, the EU and USA.
- Making moves to compete at a global level in the small livestock meat, dates, blueberries and grapes sub-sectors.
- Beyond energy and agriculture, Namibia's breathtaking landscapes, diverse culture and rich wildlife make it an irresistible tourism destination.
- A thriving, growing and exciting mining industry.



THE CHALLENGES WE FACE



About 1 in 8 Namibians were both monetarily and multidimensionally poor. (Namibia Multidimensional Poverty Index (Mpi) Report 2021 by NSA)



33.4% Unemployment
with young Namibians being particularly affected (46%)



0.576 Gini Coefficient
Incredibly high socio-economic inequality.

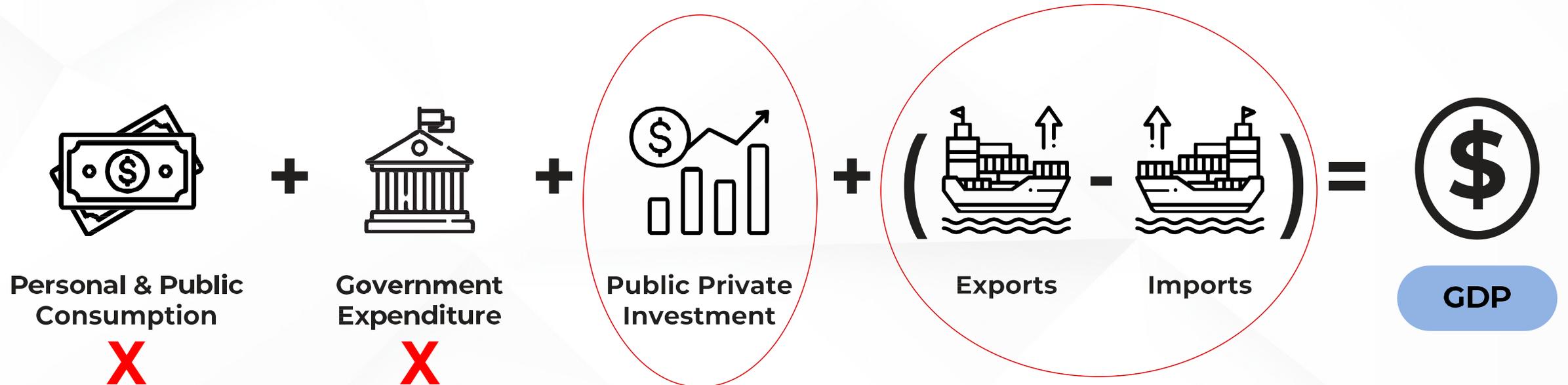


47.5%
Namibians are either monetarily or multidimensionally poor, or both.

THE ECONOMIC GROWTH FORMULA

WHAT LEVERS CAN WE PULL TO GROW THE ECONOMY?

GDP Formula



- International practice - several countries the world over use investment visa regimes to make their countries more attractive for foreign direct investment, and to bring in the skilled professionals required to propel the economy forward.
- The Scrabble Theory of Economic Development is based on the premise that countries should leverage off their current strengths, resources and capabilities in order to scale.

OUR PRIORITY SECTORS



Renewable
Energy



Food
Industry



Chemicals & Basic
Materials



Transport &
Logistics



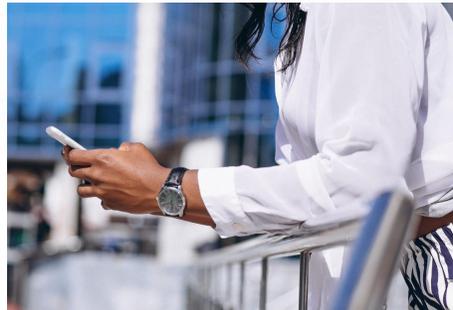
Services
(Digital & Global Business)



Metals, Mining
& Adjacent



Machinery &
Electronics



E-Commerce



Tourism

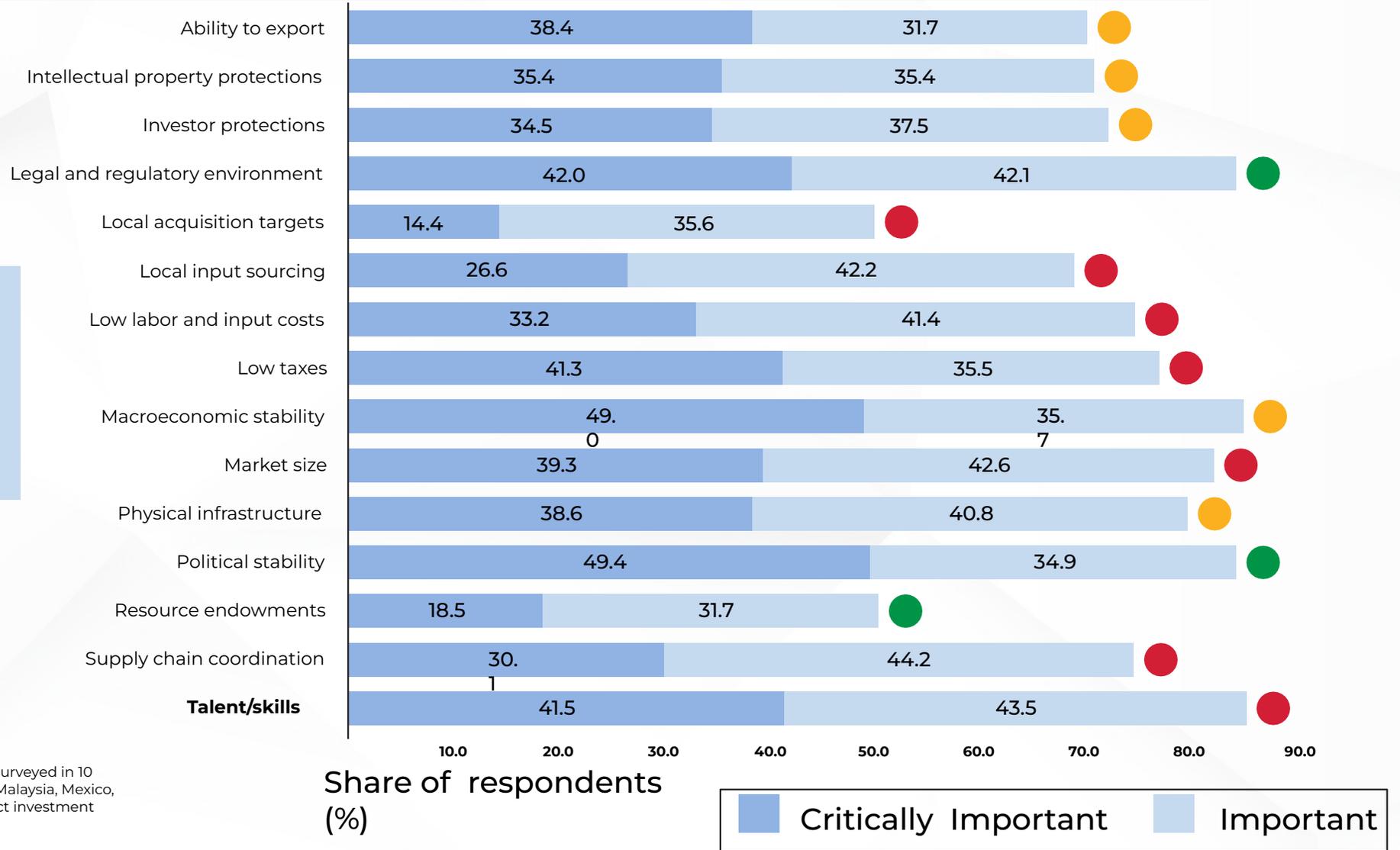


Exploration
(Mining and Oil & Gas)

THE MISSING LINK

WHAT INVESTORS ARE LOOKING FOR

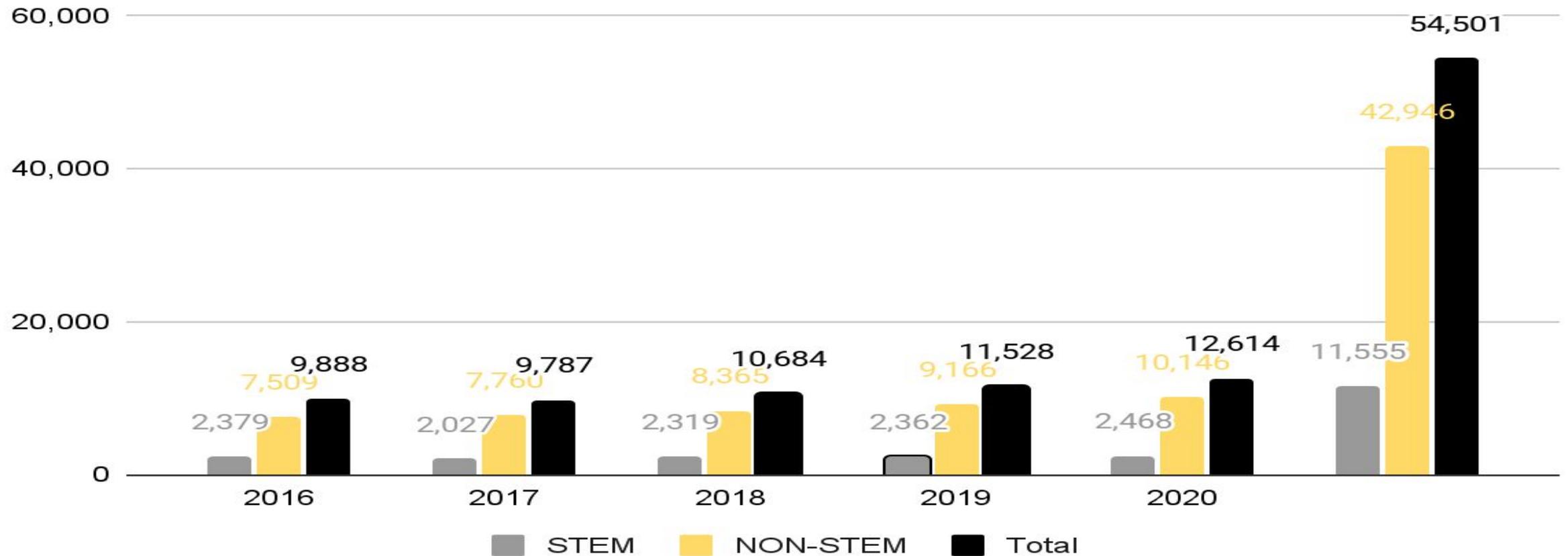
How important were the following factors in your parent company's decision to invest in this country?



Source: Computation based on 2019 GIC Survey
 Note: Affiliates of multinational enterprises (MNEs) were surveyed in 10 middle-income countries: Brazil, China, India, Indonesia, Malaysia, Mexico, Nigeria, Thailand, Turkey, and Vietnam. FDI = foreign direct investment

AGGREGATE GRADUATES BY HIGHER LEARNING INSTITUTIONS: STEM & NON-STEM (2020)

AGGREGATE GRADUATES BY HIGHER LEARNING INSTITUTIONS: STEM & NON-STEM



GRADUATES PER ANNUM

1. Graduates Over a period of 5 Years are **54,501**

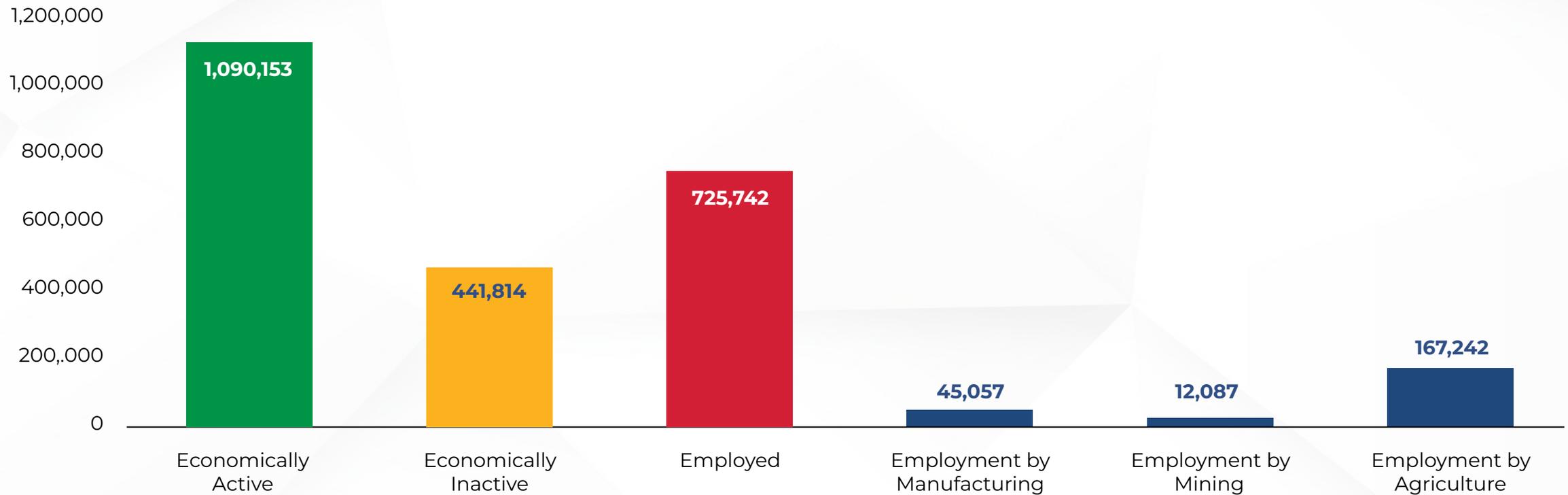
2. On average **10,900.2 graduates p/a** are supplied into the labour market

3. The cumulative number of graduates from 2020, estimated has increased to **87,2011.**



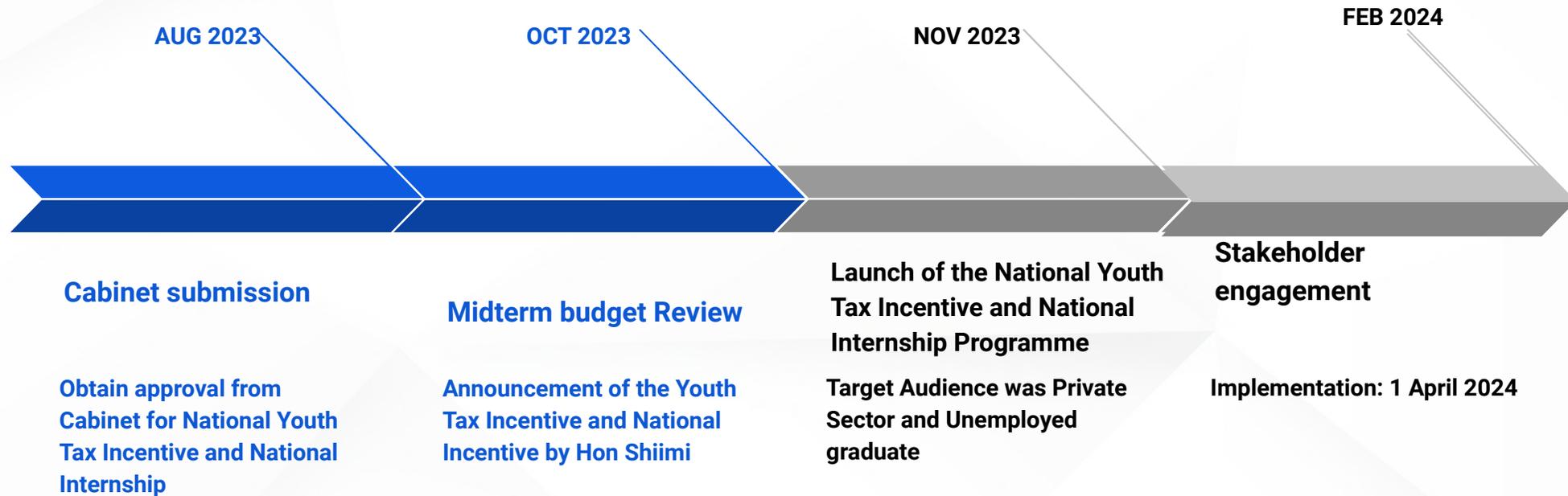
AVAILABILITY OF LABOUR

Labour Statistics 2018



Source: Namibia Statistics Agency, 2018 (The Namibia Labour Force Survey)

THE NATIONAL YOUTH TAX INCENTIVE AND NATIONAL INTERNSHIP



MY FIRST JOB PROGRAMME OBJECTIVES

1. The main objective of the programme is to promote the employability of skills and professional experience for school leavers/graduates in their respective fields of study to ensure a smooth transition to the labour market.
2. Exclusively to provide industry practical experience without any certification by a third party or for qualification purposes.
3. It is not for employment opportunities for the youth.

The target group comprises of:

- a. Grade 11 (10) and 12 leavers who are not in education and training or employment;
- b. TVET or University graduates who completed their education and training;
- c. Post graduate professionals who must undertake work to gain experience for professional registration purposes;
- d. Any other individual who may not have had working experience and wants/needs to obtain it;
- e. The programme is for individuals 18 years and above.

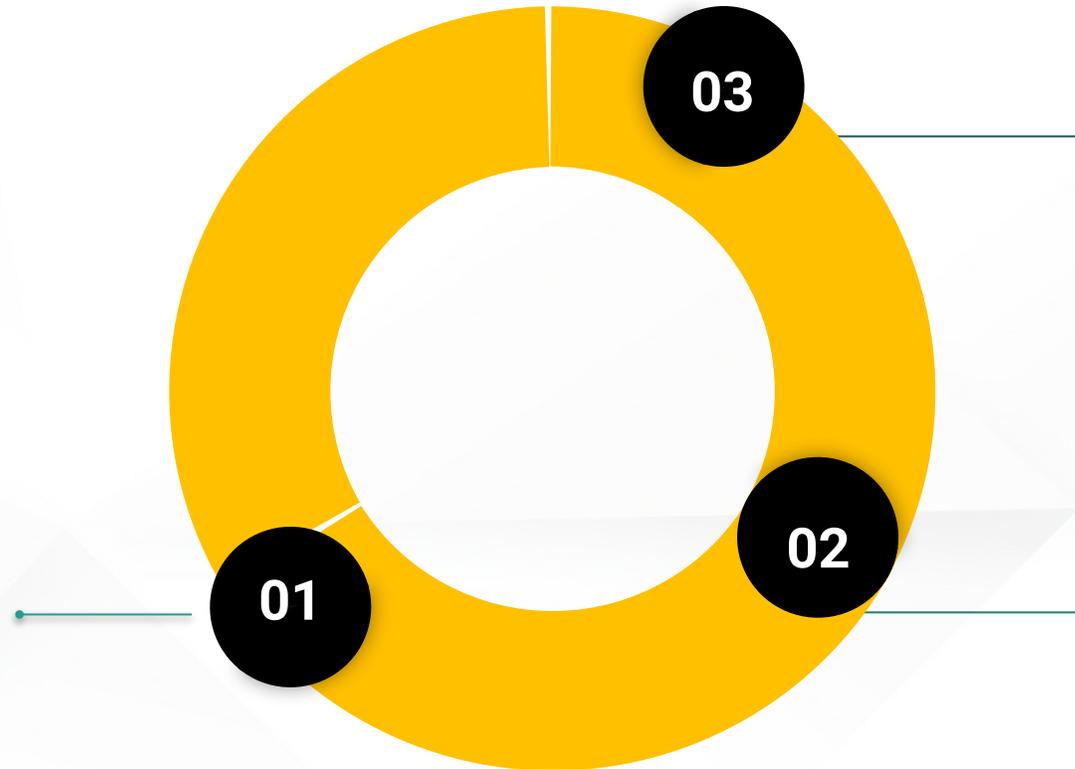
PROGRAMME STRUCTURE AND REQUIREMENTS

1. The programme duration will vary between 6 months for normal work experience, and up to 3 years for professional registration
2. Conditions of “employment” are similar to those of temporary/ short-term employees
- 3. Implementation is on the basis of a willing employer and affordability**
4. Employers to provide value (work experience) to the candidates and not “abuse or misuse” them
5. The amount available for tax deductibility purposes will be capped at NAD 50,000 per intern/ individual (more details in the MoFPE presentation)

IMPLEMENTATION PROCESS

Phase 1

1. Mobilising Private sector and commercial PE to participate
2. Activate recruitment
3. Employers to “fund” the programme, in lieu of a tax deduction at the end of the financial year



Project Coordination

1. Conduct engagements
2. Develop a database/register
3. Provide required reports to MoFPE
4. Co-promotion of the programme together with MoFPE

Phase 2

1. OMAs and Non-Commercial Public Enterprises)
2. All OMAs, subject to the provisions of the OPM

WAY FORWARD

Description of activity	Responsible Person/Organisation	Due Date
Employer engagements on the “My First Job Concept”	MoFPE/ NIPDB	13 November - 15 December 2023
Launch of “My First Job” Program	MHETI/ MoFPE/ NIPDB	23 November 2023
Development of operational processes to support the programme (pending the Tax Income Act of 1981)	MoFPE/ NIPDB	28 February 2024
Implementation of the National Tax Incentive	Private and Public Sector	1 April 2024

ADDITIONAL INFORMATION

1. [Pledge form](#)
2. [Project 5075](#)
3. [Most Frequently asked questions](#)

**OUR ASK
GRADUATE INTAKE
FOR 2024**

Q&A

Work Integrated Learning Youth Employment Tax Incentive

Ministry of Finance And
Public Enterprises



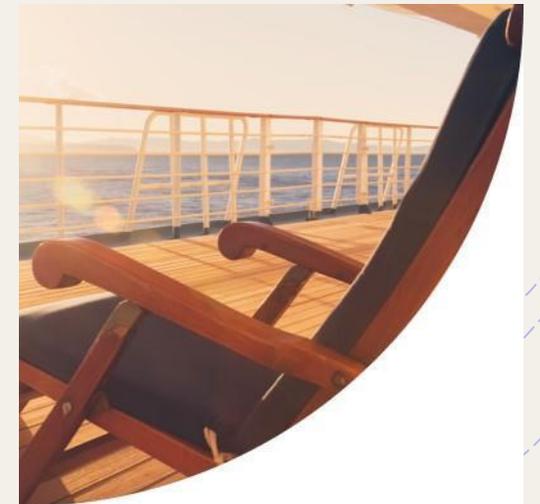
Outline

- + The Challenge
- + Other Jurisdictions
- + The Proposed Tax Solution
- + Summary



Youth Employment

Tax incentive



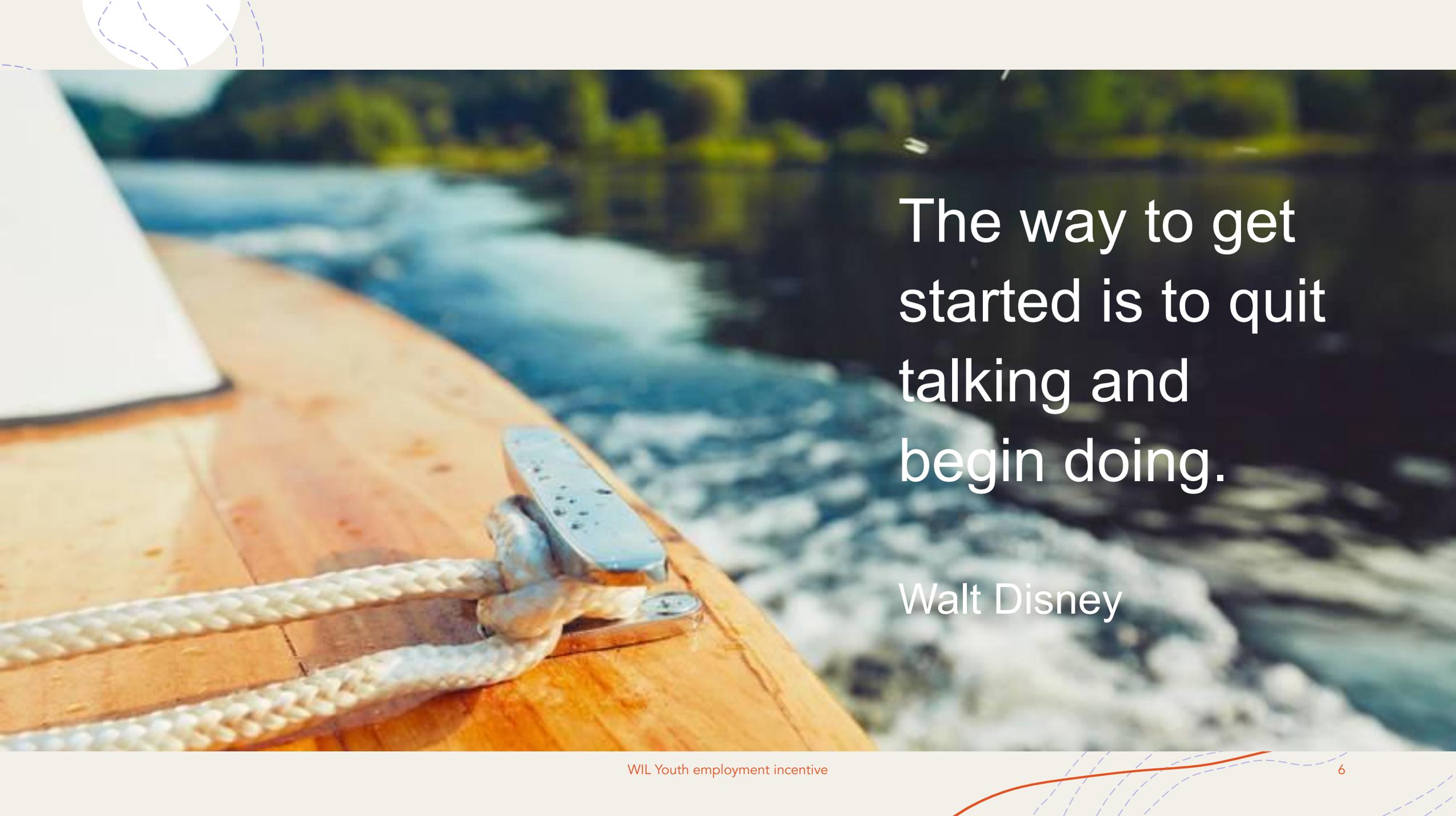
The challenge

The youth have been hard hit by the wide reaching labour market and social impacts of the COVID 19 crisis. Youth unemployment has increased considerably; education and work based learning have been heavily disrupted; and many young people are suffering from financial insecurity, housing instability and mental distress. OECD governments have responded to this situation by taking comprehensive policy measures for young people, ranging from labour market and income support measures, to housing responses and mental health support.

The ILO reported Globally, unemployment among young people is more than three times more common than among adults.

The What have countries done to support young people in and post COVID-19 crisis?

- **Almost two-thirds of OECD countries have introduced emergency income support for young people, but scope and scale vary across countries.** Young people, especially those experiencing financial hardship or job loss, have been given greater access to existing income support measures from which they were previously excluded. One-off payments were made to students to compensate for loss of part-time work and to support continuation of studies.
- **Almost two-thirds of OECD countries have had hiring subsidies in place specifically to employers recruiting young people.** Around a third of OECD countries have introduced new hiring subsidies to employers recruiting young people, or extended existing schemes at some point during the pandemic. These subsidies can be a cost-effective way of helping young people into jobs in the (uncertain) recovery. In addition, private and public employment services have launched new youth-specific programmes, and a few countries are stepping up efforts to increase outreach and register young people with employment services.
- **Early action is the best way to prevent long-term scarring effects on young people's labour market outcomes.** After the 2008 global financial crisis, many governments failed to take early and sufficient action for young people, resulting in long-lasting scars on their career development and impacts on well-being. With the right policies in place, young people can find their way to the labour market and independent living.



The way to get started is to quit talking and begin doing.

Walt Disney

The proposed tax solution

- Section 17 amendment to provide an additional deductions to employers for qualifying learnership agreements. These additional deductions are intended as an incentive for employers to train interns in a regulated environment in order to encourage skills development and job creation. Training contracts qualifying for these deductions are internship agreement, learnership agreements and apprenticeships registered with a designated authority.
- “designated authority” means any institution or organization designated by the Minister to be an organization or institution that may certify learnership agreements.
- An employer that claims the learnership allowance as a deduction, must submit certain information to NAMRA with its Annual tax return.
- NAMRA in turn will be required to aggregate this information and submit it to the Minister of Finance in the form and manner and at the place and within the time that the Minister prescribes. Need for Tax expenditure model (UN/SADC)

Resources management

Table 3: Trend of fiscal aggregates 2020/21 to 2026/27

N\$ millions	2020-21	2021-22	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Mid-Year Estimates</i>	<i>Projection</i>	<i>Projection</i>	<i>Projection</i>
GDP	176,140	189,505	210,352	215,280	232,797	250,334	270,044	289,983
Revenue	57,838	55,369	64,350	74,743	78,550	78,911	81,728	90,037
<i>% of GDP</i>	32.8%	29.2%	30.6%	34.7%	33.7%	31.5%	30.3%	31.0%
Grants	191	158	165	698	698	652	405	172
Expenditure	72,035	70,302	74,424	84,580	88,965	92,444	92,927	96,169
<i>% of GDP</i>	40.9%	37.1%	35.4%	39.3%	38.2%	36.9%	34.4%	33.2%
Budget Balance	-14,196	-14,933	-10,073	-9,138	-9,717	-12,881	-10,794	-5,960
<i>% of GDP</i>	-8.1%	-7.9%	-4.8%	-4.2%	-4.2%	-5.1%	-4.0%	-2.1%
Debt	110,514	125,784	142,744	150,869	153,670	165,719	173,396	178,839
<i>% of GDP</i>	62.7%	66.4%	67.9%	70.1%	66.0%	66.2%	64.2%	61.7%
Interest payments	7,420	7,672	9,429	10,021	11,765	12,642	13,183	14,318
<i>% of Revenue</i>	12.8%	13.9%	14.7%	13.4%	15.0%	16.0%	16.1%	15.9%
Guarantees	10,138	10,338	9,999	12,658	8,568	8,968	11,138	12,251
<i>% of GDP</i>	5.8%	5.5%	4.8%	5.9%	3.7%	3.6%	4.1%	4.2%

The proposed tax solution

Year 1

- + Utilize existing private and public sector infrastructure, reduces new administration costs.
- + CIT Revenue foregone
- + All sectors , registration of employers to qualify for tax incentive.
- + Market sets stipend value, tax incentive capped at N\$50,000 per intern. Cost to state N\$25,000 (50% of the N\$50,000)
- + This tax incentive is available for registered training contracts and allows for an additional income tax deduction (i.e. in addition to the usual deductions for remuneration expenses) for employers.
- + Approximately 5,075 new opportunities
- + Maximum 3 year per intern / learner on the scheme

Year 1

- + Market ability to absorb based on qualifications
- + Opportunity size also based on intern ratio to supervisor for appropriate knowledge impartation.
- + Estimated impact N\$126million on CIT Revenue
- + Benchmark 2% to 5% of CIT (non mining)
- + CIT estimate in MTEF N\$6.3 billion (23/24)
- + Additional Tax deduction = Costs X 56.25% X 32%

Comparison on current to new incentive

Current

- + Staff costs N\$50,000
- + Normal Tax deduction @32% (N\$16,000)
- + After tax cost to employer N\$34,000 per intern.
- + Cost split employer 68% / 32% GRN

Proposed incentive

- + Staff cost N\$50,000.
- + Normal tax deduction @32% (N\$16,000).
- + Additional Incentive (N\$28,125x32%) (9,000)
- + Total tax deduction N\$25,000 (50%)
- + After tax cost to employer N\$25,000 (50%)

Benefit

- + Use of existing employer structures without new costs. Funds controlled by employers
- + Cost sharing mechanism with government
- + Equal treatment of employers and sectors
- + Effective for tax compliant employers – taxable position

Tax design of the incentive when rates change

Incentive @ CIT 32%

- + Staff cost N\$50,000.
- + Normal tax deduction @32% (N\$16,000).
- + Tax incentive N\$28,125 @32% (N\$9,000)
- + Total tax deduction N\$25,000 (50%)
- + After tax cost to employer N\$25,000 (50%)

CIT at 31%

- + Staff cost N\$50,000.
- + Normal tax deduction @31% (N\$15,500).
- + Tax incentive N\$30,645@31% (N\$9,500)
- + Total tax deduction N\$25,000 (50%)
- + After tax cost to employer N\$25,000 (50%)

CIT at 30%

- + Staff cost N\$50,000.
- + Normal tax deduction @30% (N\$15,000).
- + Tax incentive N\$33,334@30% (N\$10,000)
- + Total tax deduction N\$25,000 (50%)
- + After tax cost to employer N\$25,000 (50%)

We need more than tax

- The Tax incentive by the Ministry of Finance and Public enterprise will not be able to cater for all interns. We will have to mobilize additional resources from institutions such as Social Security , NTA.
- SOE exempted from Tax are required to participate in WIL
- We look for inputs on more ideas on how to incentives employers for WIL.

Summary

Tax calculation starts from the Income statement profit before tax

The Youth employment tax incentive provides an additional tax deduction for registered learnerships.

The objectives of this tax incentive are to encourage the creation of jobs by reducing the cost of hiring new employees, offering learnerships and to encourage skills development in the workplace.

Will be part of our income tax amendments for 2023, effective April 2024 (Government fiscal year)





Thank You

- + Oscar Capelao
- + oscar.capelao@mfpe.gov.na
- + MFPE Economic Policy

PROJECT 5075

A “FIRST-JOB” INITIATIVE

FREQUENTLY ASKED QUESTIONS
(FAQS)

<u>Questions</u>	<u>Responses</u>
Governance (Designated Bodies)	
What are designated bodies?	Designated bodies are institutions, mainly regulators and professional bodies, whose purpose is to register employers who will be participating in internship programmes for quality assurance.
Will employers be recognized in the proposed governance structure of “designated bodies” for the recognition of internship agreements?	The proposed governance structure for “designated bodies” aims to ensure fair and transparent recognition of internship agreements. While the focus is primarily on the rights and protections of interns, employers will also have a role in this structure. Their input and involvement will be considered to maintain a balanced approach that takes into account the needs and perspectives of both interns and employers. Examples of bodies which may be recognised as “designated bodies” include professional bodies.
The private sector would like to get more details on the designated bodies that will be responsible for approving internship agreements. The private sector would like to be involved in these designated bodies.	Information pertaining to the designated bodies will be provided through MoFPE, following the promulgation of the relevant legislation.
Intern Remuneration	
Is the NAD 50,000 capped for a 1-year programme? What if the programme is shorter than one year?	The NAD 50,000 is capped per year per intern. However, if the programme is shorter than one year, the incentive to be claimed will be based on actual costs incurred, based on the duration of the programme.
What is the minimum recommended amount for stipends for interns?	The minimum recommended amount for stipends for interns can vary depending on factors such as location, industry, and level of responsibility. Additionally, it is beneficial to provide a stipend that reflects the value of the intern's work and offers fair compensation for their time and efforts. Ultimately, the employer will provide a stipend based on their capacity, noting

	that the tax rebate will be based on the actual employer contribution. Additionally, employers need to note that whereas the cap is placed at NAD 50,000, they are welcome to pay over and above this amount.
Some employers provide additional support such as accommodation, travel allowances and other benefits to interns. Is the government willing to review the NAD 50,000 cap placed on internships for the current financial year?	The MoFPE is happy to engage in discussions about raising the ceiling on the allocations, especially if there are good justifications for this. Employers are encouraged to register their ideas during the course of this financial year, for consideration in the next financial year.
Is the tax deduction going to be for the employer or the intern?	For participating employers, the tax deduction will be for the benefit of the employer.
What is the definition of youth?	For the purpose of this programme, youth are defined as described in the National Youth Policy.
Are volunteers eligible for the programme?	The programme was designed with interns and graduates in mind. Therefore it is not suitable for volunteers.
Industry Concerns	
Will a company that administers the national internship programme on behalf of other companies qualify for the tax incentive?	A company will qualify for the tax incentive, if they enrol interns and meet all other conditions. However, as an administrator of the National Internship Programme, one needs to meet with the Ministry of Finance to review if they are eligible for the incentive. The company also needs to liaise with the companies providing the funding for the internship programme, to assess their position on the subject matter.
Should companies continue with their current internship programmes or not?	Companies should certainly continue with their internship programmes. Companies will qualify for the tax rebate on terms and conditions of the amended tax law.
The NTA must be supported to increase their capacity to deliver on the WIL programmes	Whilst this comment is noted, the matter of capacity building of the NTA is under the ambit of the NTA Board. As such,

<p>under their ambit, particularly now with the introduction of the incentives.</p>	<p>this matter will be adjudicated under the jurisdiction of the NTA.</p>
<p>Will all the OMA's be required to provide internship opportunities?</p>	<p>The Office of the Prime Minister and the Ministry of Finance and Public Enterprises will guide on the how Government can participate in the Youth Tax Incentive</p>
<p>Has there been a benchmarking exercise conducted in other countries to see how this approach is being implemented?</p>	<p>Benchmark studies have been conducted in South Korea, South Africa, Botswana and Australia, who have similar programmes running in their countries.</p>
<p>Is there an opportunity to mandate, by law, the accommodation of a minimum number interns especially on large capital contracts?</p>	<p>The incentive is aimed at a regulated environment in order to <u>encourage skills development and job creation</u>. At this stage the Youth Tax Incentive will operate on willing employer and there will be no coercion from Government side</p>
<p>How will the “experience” requirement when recruiting be bridged? Will the NIPDB work with employers to match the experience requirement to the duration of internships?</p>	<p>This is a consideration for the future, to engage employers particularly for entry level recruitment positions experience to be reduced to accommodate the Interns that have completed their programmes.</p>
<p>Will the database of those seeking internships be made available or will employers need to contact MLIREC or NIPDB?</p>	<p>Employers are encouraged to recruit interns in accordance with their established procedures and internal policies.</p>
<p>When can employers start recruiting interns?/ How will interns be sourced?</p>	<p>Employers are encouraged to recruit interns as soon as they are able to, subject to willingness and affordability.</p>
<p>How will the monitoring of the programme be done? Who will be responsible for it?</p>	<p>It will be the responsibility of the designated bodies to provide oversight and also monitor the implementation of the programme. Designated bodies will devise monitoring programmes, aligned to the internship agreement and expected deliverables of the employers.</p>

<p>Can companies start registering now with the designated bodies?</p>	<p>Employers will be informed about the designated bodies once these have been incorporated into law. In the meantime, employers are encouraged to enrol interns and commence with their internships for 2024/2025 financial year.</p>
<p>Stakeholder Engagements</p>	
<p>Why does it seem like the programme is limited to big corporations? Some of the biggest gains with the NTA internship programme seem to have been gained from the smaller SMEs. Will these also be engaged?</p>	<p>Phase 1 is aimed at corporate tax paying companies in the Private Sector and Commercial Public Enterprises. However, it is important to note that the programme aims to engage SMEs as well. Efforts are being made to ensure inclusivity and provide opportunities for SMEs to participate and benefit from the programme's initiatives.</p>
<p>Will there be sectoral presentations?</p>	<p>The stakeholder engagements that were conducted from 13 - 27 February 2024, by NIPDB and the Ministry of Finance and Public Enterprises were aimed at the respective sectors. Further stakeholder engagements are planned and the stakeholders will be notified accordingly.</p>
<p>Internship Duration</p>	
<p>Will the tax incentives be applicable for retrospective internship programmes?</p>	<p>No, the tax incentive will not be applicable retrospectively for interns employed in the past financial year.</p> <p>Tax amendments in the case of any taxpayer which is a company, it is effective at the commencement of the year of assessment of such company on or after 1 January 2024.</p>
<p>The duration of 6 months is too short for an intern to have gained skills. Will this be extended?</p>	<p>The duration of internship programmes is going to be up to an individual employer and will not be prescribed. However, it is prescribed that an internship be no less than 3 months and must not exceed 3 years. Up to 3 years is due to professional registrations such as CA's, Engineering, Medical etc., professions</p>

<p>Does a company have to enrol interns on 1 April 2024?</p>	<p>Employers may enrol interns anytime according to their companies financial year for 2024/2025, subject to the duration of the internship.</p> <p>Tax amendments in the case of any taxpayer which is a company, it is effective at the commencement of the year of assessment of such company on or after 1 January 2024.</p>
<p>How will the programme prevent exploitation of interns by employers who may want to keep them as cheap labour?</p>	<p>The programme was designed to give a select group of learners and students exposure to the world of work (on the job experience). That is where the designated bodies are vetting and monitoring the internship agreements and programmes to avoid cheap labour.</p>
<p>Will the programme allow for professional registration which entails a 4-year programme? This is specific to the accounting field.</p>	<p>Whereas the programme was originally designed for a maximum of 3 years, industries where the requirement is longer may request as such. The exceptions will be discussed between with the respective company and NIPDB and MoFPE</p>
<p>Internship Contracts/ Employment conditions</p>	
<p>The contracts should have broad terms and not be too specific; contracts that are too specific tend to introduce bureaucracy, thereby slowing down the implementation.</p>	<p>The NIPDB will provide sample templates, but this is really up to each employer, as long as such agreements hold up to the labour laws of the country. It is expected that employee training agreements will be subjected to the approved policy of the company.</p>
<p>How will the established system protect interns from being exploited?</p>	<p>Designated bodies will be charged with the responsibility of ensuring that the employers who register internships are adhering to the provision of on the job experience and not exploiting interns. Employers found exploiting interns may be prohibited from enrolling interns and benefiting from the tax rebate.</p>
<p>There are graduates who are employed in other areas different from the areas they studied in and never got an opportunity to intern in their specific</p>	<p>The design of the programme is to give individuals an opportunity to intern in their discipline of study. Therefore such individuals will be allowed on the programme.</p>

<p>discipline. Would they qualify for this opportunity if they got an internship in their areas of study?</p>	
<p>It is not clear whether this programme will deal with the challenges of unemployment. How do we deal with this prevalent challenge?</p>	<p>The purpose of the programme is to provide practical, industrial and professional experience for young people, including graduates, to prepare them for when they transition into the world of work. It also addresses the challenge of experience, which is a requirement for most employment opportunities.</p> <p>There are other discussions taking place, to address the unemployment challenge. This programme will be complementary to these discussions.</p>
<p>Will the government consider supporting internships outside the country?</p>	<p>Currently, the only provision made is for internships within the country. Future deliberations could include conversations supporting internships outside the country.</p> <p>If the intern is a Namibian employer & taxpayer such internship qualifies.</p>
<p>Will interns be registered for statutory obligations?</p>	<p>Interns will be registered for statutory obligations where the law requires them to be registered.</p>
<p>Qualifications</p>	
<p>Is the tax incentive applicable to interns aligned with all the qualifications on NQF Levels 1–10? Is this also applicable to any WIL programme?</p>	<p>The tax incentive for interns is aligned with the qualifications offered on NQF Levels 1–10. It is also applicable for the WIL (Work Integrated Learning) programmes, under the TVET sub-sector. Employers must be at liberty to also recruit grade 11 & 12. It's about providing practical work experience</p>

Tax Related Queries	
Are all internships recognised for the tax incentive?	Only registered internship agreement with a designed authority will be entertained for the additional tax deduction
Can a company/ firm which does not have a regular income participate in the programme?	Any firm can participate in the programme, as long as they are tax registered. Such firms, if enrolling interns, will reconcile their provisional tax during the year and at the end of the financial year. This incentive is a tax deduction.
Can a company which makes a loss also benefit from this programme?	Yes , the incentive will reduce the cost of recruiting an intern. Naturally the impact is lower for an employer in a loss making position.
Will the tax amendment be concluded by 1 April 2024?	<p>The law amendments will follow normal due process like all other tax amendments. Reference to April 2024 is the start of the National fiscal year.</p> <p>Tax amendments in the case of any taxpayer which is a company, its effective at the commencement of the year of assessment of such company on or after 1 January 2024.</p>
Will the NAD 126 million be available for one financial year or over a longer period?	The Government will make budgetary provision for as long as the incentive is provided for in the Income Tax Act
How does the incentive cash flow work?	The incentive is a reduction of the corporate tax payable by the employer. With the incentive the employer remits less tax to the Government at each tax payment interval. Not a delayed refund, funds controlled by the employer.
Do employers have to submit a return for the incentive?	As part of the Corporate tax return submission , employers will have to provide details of interns and cost for whom they have

	used the tax incentive on annual basis, duration of each internship.
Primary legislation of reference for the tax incentive.	The Income Tax Act of 1981 as amended, particularly section 17 (deductions).
Can a group register?	The tax deduction incentive is aligned to corporate tax. Corporate tax is at an entity level / each taxpayer where the intern is employed / paid from. Namibia does not have a group tax regime.
Can the intern claim directly from the Government ?	The tax incentive is an employer subsidy to reduce the cost of hiring the youth and less experienced. The employer incurring the cost can have the additional deduction for tax purposes.
Can an employer double dip	Normal tax principles apply. Notional costs are not tax deductible. Only actual costs incurred by an employer. Tax fraud will be prosecuted accordingly.
Will foreign owned companies be allowed/eligible for the programme?	The tax incentive is available to all taxpayers subject to the Income Tax Act of 1981 as amended. Any company registered in Namibia for business purposes and tax purposes is welcome to participate in the programme, including foreign owned companies. However, once again, it will be on the basis of willing employers and affordability.
Does the tax incentive have to do with PAYE?	The tax incentive has nothing to do with PAYE. The benefit will be a deduction to corporate tax at an employer level
Is the tax incentive applicable to mining companies?	The tax incentive is available to all taxpayers subject to the Income Tax Act of 1981 as amended.