



# GOVERNMENT GAZETTE

## OF THE

# REPUBLIC OF NAMIBIA

---

N\$6.00

WINDHOEK - 5 November 2018

No. 6760

---

### CONTENTS

*Page*

#### GOVERNMENT NOTICE

No. 290	Amendment of notice relating to imposition of vocational education and training levy on employers: Vocational Education and Training Act, 2008 .....	1
---------	---	---

---

## Government Notice

---

### MINISTRY OF HIGHER EDUCATION, TRAINING AND INNOVATION

No. 290 2018

#### AMENDMENT OF NOTICE RELATING TO IMPOSITION OF VOCATIONAL EDUCATION AND TRAINING LEVY ON EMPLOYERS: VOCATIONAL EDUCATION AND TRAINING ACT, 2008

Under section 35(4) of the Vocational Education and Training Act, 2008 (Act No. 1 of 2008), I, with the concurrence of the Minister of Finance and after consulting the Board, amend the Notice as set out in the Schedule.

**I. KANDJII-MURANGI**  
**MINISTER OF HIGHER EDUCATION,**  
**TRAINING AND INNOVATION**

Windhoek, 2 November 2018

### SCHEDULE

#### Definitions

**1.** In this notice, “the Notice” means the Imposition of Vocational Education and Training Levy on Employers published under Government Notice No. 6 of 27 January 2014 as amended by Government Notice No. 248 of 14 October 2016.

**Amendment of Paragraph 4 of Notice**

2. The Notice is amended by the substitution for paragraph 4 of the following paragraph:

- “4. (1) The following employers are exempted from payment of the levy:
- (a) the State;
  - (b) regional councils as defined in section 1 of the Regional Councils Act, 1992 (Act No. 22 of 1992);
  - (c) local authorities established by the Local Authorities Act, 1992 (Act No. 23 of 1992) except those referred to in Part I of Schedule 1 of that Act;
  - (d) employers, whether or not supported wholly or partly by grants from public funds, that meet the criteria for -
    - (i) public educational institutions;
    - (ii) faith based organisations;
    - (iii) charitable organisations;
    - (iv) private education and training institutions;
    - (v) diplomatic and consular missions and offices of representatives of other states;
    - (vi) donor organisation and their agencies;
    - (vii) non-profit making voluntary organisations or non-government organisations; or
    - (viii) non-profit making non-voluntary organisations.

(2) In order to qualify for exemption, the employers referred to in subparagraph (1) must meet the criteria described in the Framework for the Exemption of Employers from Payment of the Vocational Education and Training Levy set out in Annexure C.

(3) An institution or employer not mentioned in subparagraph (1) may apply to the Minister for exemption from paying the levy.”.

**Amendment of Notice**

3. Substitute the words “subregulation”, “subarticle” and “sub article” with the word “subparagraph” wherever it appears in the Notice.

**Addition of Annexure C to Notice**

4. The Notice is amended by the addition of the following Annexure after Annexure B:

**“Annexure C**

**FRAMEWORK FOR THE EXEMPTION OF EMPLOYERS FROM PAYMENT  
OF THE VOCATIONAL EDUCATION AND TRAINING LEVY**

**1. The State**

The Republic of Namibia is a sovereign, secular, democratic and unitary State founded upon the principles of democracy, the rule of law and justice for all. The State is exempt from payment of the Vocational Education and Training Levy (“VET levy”). In accordance with the doctrine of separation of powers, this category of employers will include, and “State” means, the three organs of the State being the Executive, Legislature and Judiciary, specifically -

- (i) Offices, Ministries and Agencies as contemplated in the Public Service Act, 1995 (Act No. 13 of 1995);
- (ii) the Cabinet;
- (iii) the National Assembly;
- (iv) the National Council; and
- (v) the Judiciary.

For purposes of the VET levy, public enterprises as defined in the Public Enterprises Governance Act, 2006 (Act No. 2 of 2006), are excluded from the definition of State. Regional and Local Authorities, are also excluded from the definition of State and are dealt with under item 2 and item 3, respectively.

**2. Regional Councils**

“Regional Council”, means a regional council as is established in accordance with Article 103 of the Namibian Constitution and as defined in section 1 of the Regional Councils Act, 1992 (Act No. 22 of 1992), and are exempted from payment of the VET levy.

**3. Local Authorities (except those listed in Part I of Schedule 1 of the Local Authorities Act, 1992)**

In terms of section 3(1) of the Local Authorities Act, 1992 (Act No. 23 of 1992), the Minister responsible for Urban and Rural Development may establish by notice in the *Gazette* any area specified in the notice as the area of a local authority, and declare the area to be a municipality, town or village under the name specified in the notice. All categories of local authorities, except those referred to in Part I of Schedule 1 to that Act, are exempt from payment of the VET levy.

**4. Public Educational Institutions**

“Public Educational Institutions” mean entities that provide instructional services or education-related services to individuals and other educational institutions that are owned and funded by government and devoted to the promotion of a particular cause or program that is of an educational character.

## 5. Faith Based Organisations

“Faith-based organisations” are organisations affiliated with or based on religion or a religious group, including associations not for gain incorporated in terms of section 21 of the Companies Act, 2004 (Act No. 28 of 2004). Faith-based organisations must meet the following criteria in order to be exempt from payment of the VET levy:

- 1.1 The main objective of the organisation is the promotion of faith-based activities or religion and includes churches and mosques.
- 1.2 The organisation should have a written constitution stating that it is a faith-based organisation and adhere to religious tenets.
- 1.3 The written constitution must provide that any profits or income derived by the organisation must be applied only to promote the main objective of the organisation as set out therein and not for distribution to its members.

## 6. Charitable Organisations

6.1. Subject to subitem 6.2, a “charitable organisation” means a group of people or organisation having its main objective as the voluntary provision of support, fund raising and donation of things, including money, to vulnerable or disadvantaged groups or individuals and carries on or intends to carry on charitable activities, and includes, but is not limited to, a welfare organisation that has been registered in terms of section 19 of the National Welfare Act, 1965 (Act No. 79 of 1965), which charitable organisation, is formed around a common purpose, e.g. promotion of non-violence or helping children, community-based development, welfare or similar.

6.2. A charitable organisation, including the aforementioned welfare organisation, must meet the following criteria in order to be exempt from the payment of the VET levy:

- 6.2.1 The organisation should have a written constitution.
- 6.2.2 The organisation is in terms of its constitution required to utilise any property or income solely in the furtherance of its aims and objects and is prohibited from transferring any portion thereof, directly or indirectly, in any manner whatsoever so as to profit any person other than by way of the payment in good faith of reasonable remuneration to any officer or employee of the organisation or institution for any services actually rendered to such organisation or institution.
- 6.2.3 The members of the organisation are not entitled to any distribution nor profits of the organisation.
- 6.2.4 The organisation should have members that are helping defined individuals or groups of societies as set out in the written constitution.
- 6.2.5 If required, the organisation must be registered with the relevant authority concerned.

## 7. Private Educational and Training Institutions

Educational institutions are entities that provide and promote instructional services or education-related services to individuals or other educational institutions. An education institution is classified as private if it is controlled and managed by a non-governmental

organisation, or if the governing board of such institution consists mostly of members not selected by a public agency. Private educational and training institutions generate their funding from fees from students and some government subventions. Private educational and training institutions must meet the following criteria in order to be exempt from payment of the VET levy:

- 7.1 The core business of the institution must be education and training as stated in the constitution or founding document of the institution.
- 7.2 The institution must be registered with all the relevant authorities (i.e. Ministry of Education, Arts and Culture, National Council for Higher Education, Namibia Training Authority etc.).

#### **8. Diplomatic Missions and Consular Missions and Office of a Representative of another State**

The persons listed in section 2(1) of the Diplomatic Privileges Act, 1951 (Act No. 71 of 1951) are exempt from payment of the VET levy.

#### **9. Donor Organisations and their agencies**

Organisations whose main objective is to provide developmental aid are generally regarded as donor organisations. Developmental aid is granted by governments and other agencies to support the economic, environmental, social, and political development of developing countries. All donor organisations are exempt from paying the VET levy.

#### **10. Non-Profit Making Voluntary or Non-Governmental Organisations**

A non-profit making voluntary organisation is an organisation whose main objective is to provide a service for the promotion of the arts, science, recreation or any other cultural or social activity or communal or group interest acting in a voluntary and non-profit making capacity. A non-profit making non-governmental organisation (NGO) is any non-profit, voluntary citizens' group which is organised on a local, national or international level, some organised around specific issues, such as human rights, environment or health. NGOs are task-oriented and driven by people with a common interest and perform a variety of services and humanitarian functions, bring citizen concerns to government, advocate and monitor policies and encourage political participation through provision of information. Non-profit making voluntary and non-governmental organisations are required to meet the following criteria in order to be exempt from payment of the VET levy:

- 10.1 The organisation must have a written constitution.
- 10.2 If required, the organisation must be registered with the relevant authority concerned.
- 10.3 The organisation must have members that are helping defined individuals or groups of societies as set out in the written constitution.
- 10.4 The written constitution must provide that any profits or income derived by the organisation must be applied only to promote the main objective of the organisation as set out therein and not for distribution to its members.

#### **11. Non-Profit Making Non-Voluntary Organisations**

A non-profit making non-voluntary organisation is an organisation whose main objective is to provide a service for the promotion of the arts, science, professions, recreation or any

other cultural or social activity or communal or group interest acting in a non-voluntary and non-profit making capacity. Non-profit making non-voluntary organisations are required to meet the following criteria in order to be exempt from payment of the VET levy:

- 11.1 The organisation must be established by an Act of Parliament.
  - 11.2 If required, the organisation must be registered with the relevant authority concerned.
  - 11.3 Membership to the organisation should be compulsory (non-voluntary).
  - 11.4 The organisation must be involved in skills development.
  - 11.5 The members of the organisation should be beneficiaries to such skills development initiatives.”
-