

International Payments Simplified:
Understanding International
Payments and Requirements



Bank Windhoek
a member of **Capricorn Group**

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1. Types of International Payments

1.1 Single Discretionary Allowance

These are the types, of payments residents who are over the age of 18 years, are permitted to avail a single discretionary allowance with an overall limit of N\$1,000,000 per individual per calendar year, without the requirement to obtain a Tax Clearance Certificate, to cover the following discretionary allowances:

- Gift Payments
- Study Allowances
- Travel Allowances
- Holiday Travel
- Alimony or Maintenance
- Residents Temporarily Abroad
- Investment Abroad

Click here to access the Overseas Transfer form to apply for any of the above mentioned payment types.

1.1.1 Gift Payments

A gift payment is a payment to a friend who lives overseas. Example, it's your friend's birthday or they have asked you for urgent financial assistance. Then the payment can be regarded as a "gift payment".

*Gift payments can only be made from a resident to a non-resident individual with no family relation.

Requirements:

- Copy of valid beneficiary Passport or ID (These are the only forms of identification accepted)

1.1.2 Study Allowances

International payments made to a student account are called "Study Allowance" or "Student Allowance". It can be a weekly, monthly, or annual payment to cover living expenses while studying abroad.

Requirements:

- Application form for Overseas Transfers (used if applying via branch)
- Documentary evidence from the institutions concerned confirming that the student has been enrolled for a course for the period claimed
- Evidence of the tuition and academic fees in the form of a letter or prospectus from the institution to be attended
- Copy of the student's Passport or ID

Tuition Fees

"Tuition Fees" are payments made directly to an educational institution to cover the costs of studies for students attending in person or distant learning.

Requirements:

- Application form for Overseas Transfers (used if applying via branch)
- An invoice from the institute concerned the relative tuition and academic fees for the academic year, confirming the amount involved.

Note: Tuition does not form part of the Single Discretionary Allowance; therefore, it will not reduce the overall limit.

Online Courses or Educational services

Refers to fees charged for training courses or programmes offered to employees and does not include students who are doing online studies (only applicable to employees).

Requirements:

- Application form for Overseas Transfers (used if applying via branch)
- An invoice from the institute concerned confirming the amount involved for the course or programmes.

1.1.3 Travel services

Refers to all the arrangements made on your behalf when you travel to another country, whether for business or pleasure. As well as all your foreign exchange needs like foreign currency.



1.1.4 Travel Allowances

A travel allowance refers to a request to purchase foreign currency to cover expenses related to travel and can take the form of "Business Travel" or "Holiday Travel".

Business Travel is when a company sends an employee overseas to perform work duties. In contrast, holiday travel is for individual travel outside work requests, including students travelling abroad for studies.

Travel allowance for an individual can either be issued in foreign banknotes or transferred abroad to the traveller's bank and/or spouse's bank account, provided that the transfer takes place not more than 60 days before departure.

In cases where minors (under 18) are travelling, an amount not exceeding N\$200,000 per calendar year may be transferred abroad to the parents' account.

Requirements:

- Traveller's Passport
- Air Ticket if travelling by air
- If a client is travelling by road and does not have a passenger ticket, a form must be completed by the customer to confirm travel details.
- Letter from the company paying for business travel (not applicable to individuals)

Please visit your nearest branch for the relevant form for travel details by road in the absence of a passenger ticket.



1.1.5 Holiday Travel

Holiday Travel refers to services provided to individual customers directly for holiday accommodation and or bookings related to travel-related activities and events. Payments relating to "Accommodation and Bookings" excludes payments for passenger or air tickets purchased from Travel Agents or Tour Operators.

Requirement:

- Passport
- Invoice from the accommodation establishment or travel agent overseas



1.1.6 Alimony or Maintenance

Alimony or Maintenance are payments made from one individual to another, where there is a family relation between the sender and receiver. These are strictly payments made from a Namibian national to another living abroad, excluding migrant workers.

Requirements:

- Copy of the valid beneficiary passport or ID



1.1.7 Residents Temporarily Abroad

Migrant workers are Namibian nationals that are temporarily overseas, intending to return to Namibia. Migrant workers are not seen as Emigrants due to their stay overseas only being temporarily or contractually mandated by either a Namibian Entity overseas or a Foreign Entity. (E.g., Staff of Embassies) usually for one year or longer.

Requirements:

- Valid Passport
- Valid Work Permit
- Valid Work Contract (optional)

2. International Payments



2.1 Investment Abroad

These are the cross-border transfers of funds by private resident individuals for investment purposes that are not part of investment allowance as per Exchange Control policy. Transfers may be allowed, such as a foreign capital allowance of up to a total amount of N\$6,000,000 per year per individual who is a taxpayer in good standing and is 18 years and older for investment purposes abroad. The "Certificate of Good Standing" provided by the bank for investment purposes is valid for a period of 12 months from the date of issue.

2.1.1 What would be required to Invest under the Investment Allowance?

The ordering client should be a private individual who is a Namibian taxpayer and should provide:

- A Valid Namibian Identity Card or authentic identification document issued by the Ministry of Home Affairs and Immigration (the only valid forms of identification accepted).
- Application for good standing and the MP1423 – Foreign Investment by Private Individuals are to be completed.
- Bank Statement, or statement at any other Namibian Financial Institution indicating the amount to be invested.

2.1.2 What is the process?

Once the bank received all the documents mentioned above, the application is submitted to Inland Revenue, who will then approve or put the application on hold to invest overseas, depending on whether or not the client is in good standing. If it is put on hold, Inland Revenue will provide further instruction to obtain approval.



2.2 Imports: Advance Payments

An import is a payment for goods that have been bought outside of Namibia and are destined to be shipped to Namibia.

To submit an application that relates to an advance payment for goods to be imported (whether for resale or a capital good) the following documentation is required:

- Commercial Invoice or Pro-Forma Invoice
- Declaration for "Advance Payments for Goods Imported"



2.3 Imports: Payment after receipt of goods

In the case of importation of goods where payment is made after the actual imported goods are received in Namibia, in other words, "Cash on Delivery".

The following documents should be presented to the bank, bearing the original "customs and excise" stamp:

- Original Commercial Invoice or Pro-Forma Invoice
- Original Transport Documents:
 - Bill of landing or, Air Waybill or, Post receipt
 - Original SAD500 Original Release Order and/or Exit Note



2.4 Exports

Exports are goods and services produced in one country and purchased by the residents of another country. A variety of Balance of Payment categories are used to identify what is being exported or how it is being exported.

Products can either be sold and placed in the consumer market or for personal use. In some cases, it is treated as a Capital Good, which refers to a "moveable asset" procured to generate income as its primary purpose.

2.4.1 General information

Exportation is the procedure applicable to goods that leave the country and are intended to remain permanently or temporarily outside for specific reasons.

The purposes of control are to:

1. Ensure the collection of any export duties and taxes applicable.
2. Enforce national legislation concerning export prohibitions.
3. Restrictions and to check the particulars used to determine the amount of any internal duties and taxes from which refund can be allowed or which exemption can be granted.

In addition, Customs are responsible for collecting the information needed to prepare external trade statistics. Goods to be exported may also be subject to certain controls by competent authorities other than Customs, for example, Agriculture, Mining, Fisheries, Trade etc.

2.4.2 Presentation of a Form F178

The ordinary Declaration form for Exports from Namibia is called Form F.178. In terms of the Namibian Exchange Control Regulations, all exports, except those exempted in the Exchange Control Rulings, must strictly be supported by the prescribed Export Declaration on Form F178. It implies that all companies exporting goods from Namibia are required to complete Form F.178 to be attested by an Authorised Dealer (commercial bank authorised to deal in foreign currency).

2.4.3 Services

Services Rendered refers to a variety of services in the conclusion of a service agreement presented to the client and request payment. After the agreed-upon activity is completed, it could be said that services were rendered successfully. Certain agreements cover a specified period, and others are once of services usually presented with only an invoice.

Documentary Evidence for services is the same in most scenarios, and distinguishing between only an invoice or an invoice accompanied with a contract or agreement would depend on the type of service rendered.

The following requirements are applicable when paying for services:

- Application form for Overseas Transfers (used if applying via branch)
- Invoice
- Contract or Agreement if it is a continued service



2.5 Foreign Loans

All Foreign Loans are subject to a request that needs to be submitted to the Bank of Namibia for approval, before any introduction or repayment thereof.

All applications for introduction or repayment of a foreign loans can be submitted via a formal request accompanied by the copy of the loan agreement.

Click here to access the Overseas Transfer form to apply for any of the above mentioned payment types.

Contact Us

For more information on any of the topics covered or specific information about the products and services offered by our International Business Services, visit our website, your nearest branch or contact our Service Desk at:

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