

Botswana tax reforms

New tax laws in effect from 1 July 2026

With effect from 1 July 2026, Botswana has implemented significant tax reforms through the re-enactment of the Income Tax Act and Value Added Tax Act, the enactment of the Customs (Amendment) Act, 2026 and the Tax Administration Act, 2026, together with related regulations.

These reforms introduce wide-ranging changes across Botswana's tax landscape. They are aimed at modernising the tax system, strengthening compliance, improving revenue administration, and introducing updated obligations, filing and payment rules, and mechanisms for tax administration and dispute resolution. The reforms are broad in scope and may affect taxpayers differently depending on their activities, structures and compliance profile.

Income tax

- Revisions to income tax principles affecting the determination of taxable income, including changes relating to the recognition of revenue, foreign exchange gains and losses, intangible assets, and bad and doubtful debts.
- Mining income taxation, including thin capitalisation rules and impact of tax treaty provisions, the treatment of prospecting and development expenditure, farm-out arrangements, and indirect disposals.
- Tax implications of group restructures, including reorganisations and transfers within corporate groups.
- Changes to the taxation of branch profits.
- Changes to international taxation rules relating to cross-border transactions, including insurance premiums, international transport and natural resource payments, tax residency, foreign-sourced income, the permanent establishment principle and restrictions on the availability of tax treaty protection.
- Introduction of a simplified tax regime for qualifying small businesses.
- Taxation of trusts and mutual associations.
- Changes in tax rates.

Value Added Tax (VAT)

- Changes to key VAT definitions, which determine VAT treatment, including whether VAT applies, where the supply is made, and the related registration, input VAT and compliance obligations.
- Updates to VAT registration and compliance requirements.
- Amendments to input VAT claims and related procedures.
- New VAT obligations for foreign suppliers of and Botswana recipients of digital and remote services.

Tax administration

- Objection and appeal procedures.
- Introduction of binding tax rulings.
- Voluntary disclosure and impact on penalties.
- Refund of tax overpaid, including the statutory time limits for processing refunds and the circumstances in which BURS may be required to pay interest to taxpayers where approved refunds remain unpaid beyond the prescribed period.

Tax regulations

Overview of the new VAT, Income Tax, Tax Administration and Transfer Pricing Regulations.

The new statutes were published in Volumes 75 to 77 of the Extraordinary Government Gazette dated 30 June 2026.

Businesses should assess how these reforms may affect their tax positions, compliance processes, reporting timelines, and cross-border arrangements.

To manage tax risk, early review will help identify any required updates to systems, contracts, registrations, and internal controls.



How we can help

To support you in this process, our tax team can provide practical guidance and implementation support, including:

- Assessing how the reforms may affect your tax position, costs, reporting obligations and compliance requirements.
- Advising on the tax implications of transactions, structures, projects and cross-border arrangements.
- Identifying tax risks and practical opportunities to improve readiness, efficiency and control.
- Reviewing systems, documentation, processes and controls for alignment with the new requirements.
- Supporting implementation through action plans, prioritised next steps and stakeholder briefing sessions.

Key contacts



Olivia Muzvidziwa

Director – Tax

T (+267) 3707 109

E olivia.muzvidziwa@bw.gt.com



Mompoti Olebetse

Manager - Tax

T (+267) 3707 7190

E mompoti.olebetse@bw.gt.com



Edwin Moilwa

Manager - Tax

T (+267) 3707 7163

E edwin.moilwa@bw.gt.com

Over the coming weeks, we will publish a series of “GT Tax Bites” unpacking each Act and its key amendments, with practical insights into what has changed, who may be affected, and the steps taxpayers should consider to remain compliant. Please contact our tax team to discuss how these reforms may affect your business and the practical steps you should consider.

Follow our social media channels to keep up to date



info@bw.gt.com



www.grantthornton.co.bw



Grant Thornton Botswana



Grant Thornton Botswana



+267 77 135 223

(Latest insight publications)

About Us: Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward-looking advice. More than 80,000 people across over 150 countries are focused on making a difference to clients, colleagues and the communities in which we live and work. Grant Thornton Botswana has been operating since 1976. With offices in Gaborone and Francistown, and more than five service lines, we offer a full range of services to help clients of all sizes address the challenges and opportunities of growth.

Disclaimer: Our thought leadership insights, articles, alerts, survey reports, summaries, and other published releases are information resources that develop / compile / summarize / highlight business insight for our clients and other interested parties. These publications are intended as a general guide only and the application of their content to specific situations will depend on the particular circumstances. While every care is taken in their presentation, personnel who use these publications for any purpose should have sufficient training and experience to do so, and no person should act specifically on the basis of the material without considering and taking a Grant Thornton senior professional's advice. Neither Grant Thornton nor any of its personnel nor any of its member firms or their partners or employees, accept any responsibility for any errors that these publications might contain, whether caused by negligence or otherwise, or any loss, howsoever caused, incurred by any person as a result of utilizing or otherwise placing any reliance upon them. It is emphasized once again, that any reader intending to base a decision on information contained in our publication is strongly advised to consult a Grant Thornton partner before proceeding.

“Grant Thornton” refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and / or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of and do not obligate one another and are not liable for one another's acts or omissions.