

## TAX ALERT

# Botswana VAT on electronic and professional services (remote services) implemented with effect from 1 June 2026

In our December 2025 Tax alert, we outlined the key features of the Value Added Tax (Amendment) Act, 2025 (the Act), which introduced significant reforms to Botswana's indirect tax system by expanding the tax base to include VAT on remote services and introduction of electronic billing. On 29 May 2026, the Acting Minister of Finance issued the statutory instruments necessary to bring key aspects of the new regime into operation. These instruments establish the commencement date of the Act, prescribe the compliance obligations for certain local persons, and set out the rules governing the VAT treatment of remote services.

### TAX ALERT (DECEMBER 2025)

[Botswana introduces VAT on remote services and mandatory use of electronic fiscal devices](#)



Our December 2025 Tax Alert outlined the key features of the Value Added Tax (Amendment) Act, 2025 (the Act), a significant reform aimed at modernising Botswana's indirect tax system, broadening the tax base, and increasing government revenue in a challenging economic environment. On 29 May 2026, the Acting Minister of Finance published the following statutory instruments:

- **Value Added Tax (Amendment) Act (Date of Commencement) Order, 2026:** Establishes the commencement date of the Value Added Tax (Amendment) Act, 2025 as 1 June 2026.

- **Value Added Tax (Government Entities and Large Unregistered Persons) regulations, 2026:** Directs the compliance mandates for large unregistered persons (persons making exempt supplies whose turnover exceeds P 1 million in twelve-month period) and government entities.
- **Value Added Tax (Remote Services) regulations 2026:** Outlines the compliance rules, documentation, the specific scope of remote services and exclusions from the application of VAT on remote services.

Together, these measures provide the legal and administrative framework for the taxation of remote services supplied by non-residents to Botswana customers.

For ease of registration compliance, the Botswana Unified Revenue Service has launched an online registration portal and published step-by-step guidance for non-resident remote service suppliers.

This alert highlights these three developments and their practical implications for affected non-resident suppliers and Botswana recipients of services.



# 1. Critical statutory timelines

The above-mentioned statutes stipulate the following timelines:

<b>1 June 2026 (Commencement date)</b>  1 June 2026 is the date on which the Value Added Tax (Amendment) Act, 2025 officially enters into operation.	<b>1 June 2026 (Registration)</b>  Immediately on commencement of the Act eligible remote service suppliers, large unregistered persons and government entities, who meet the threshold, are required to register.	<b>Effective date of registration and accounting for VAT on remote services: non-resident suppliers</b>  Registration shall be effective from the beginning of the second tax period following the time the supplier became eligible to register or any other date notified by the Commissioner General.	<b>1 August 2026 (Effective date for accounting for VAT on reverse-charged supplies)</b>  Two months from the commencement date, VAT registered persons (VAT registered businesses), large unregistered persons and Government entities are required to start accounting for and reporting VAT on reverse-charged supplies.	<b>Due date of VAT payment and filing of VAT return</b>  The due date for payment of VAT and filing of the relevant VAT return is the 25th of the month following the end of the relevant tax period.
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## 2. Non-resident suppliers of remote services

Non-resident suppliers of remote services that fall within the scope of Botswana's VAT rules will need to assess their registration position, determine when the obligation to charge VAT arises, and ensure that systems and processes are in place to meet the related filing and payment requirements. The illustration below summarises the key compliance milestones and timelines applicable to such suppliers.

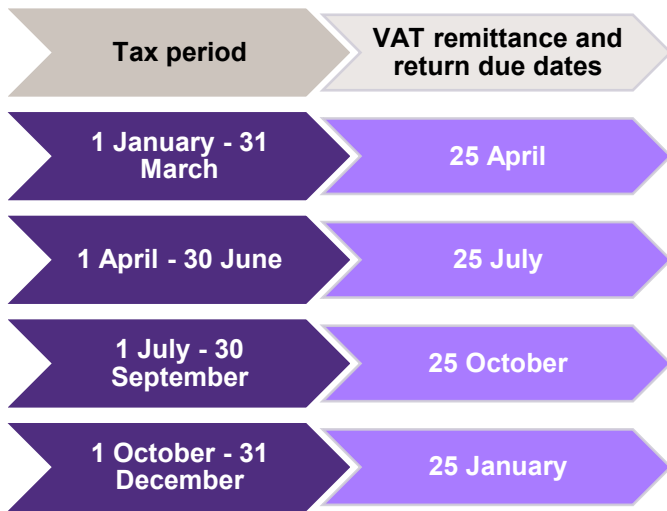
### Illustration: Non-resident supplier eligible to register on 1 June 2026

Assume a non-resident supplier of remote services ACZ (Pty) Ltd has been and is still making taxable supplies to Botswana residents exceeding P500,000 per annum. ACZ is eligible for registration immediately on commencement of the Act (1 June 2026) and is required to start charging and accounting for VAT on 1 October 2026 i.e. from the commencement 1 October 2026 – 31 December 2026 tax period. The due date for remittance of VAT charged in this quarter and the return for this quarter is 25 January 2027. See below the VAT compliance timeline relating to registration, the initial VAT return and remittance.

### VAT compliance timeline – Non-resident suppliers of remote services

<b>1 June 2026</b>	<b>Commencement date of the Act and Eligibility date for registration</b>
<b>Required action:</b> Register for remote services VAT immediately	
<b>1 July 2026 - 30 September 2026</b>	<b>First tax period following eligibility date</b>
<b>Required action:</b> Update systems and to ensure that on 1 October 2026 your system calculates VAT on remote service supplies to Botswana and that invoices are VAT compliant.	
<b>1 October 2026 - 31 December 2026</b>	<b>This is the second tax period following eligibility date, 1 October 2026 is the effective date of registration</b>
<b>Required action:</b> On 1 October 2026 go-live and start charging and collecting VAT on remote service supplies to Botswana residents; issue tax invoices and maintain tax records	
<b>1 January 2027 - 25 January 2027</b>	<b>Prepare remote services VAT return for the period to 31 December 2026 and submit the return to BURS on or before 25 January 2027</b>
<b>Required action:</b> Pay over the output VAT charged on supplies to Botswana residents in the tax period ending 31 December 2026	
<b>25 January 2027</b>	<b>This is the due date of the first VAT return and payment (tax period ending 31 December 2026)</b>
<b>Required action:</b> Ensure that, for the tax period ending 31 December 2026, VAT charged is remitted and the return is submitted to BURS no later than this date	

**Non-resident supplier tax periods, and due date of return and remittance of VAT for the tax period (25th of the month following the end of the tax period)**



**Registration of non-resident suppliers**

- The BURS has launched its official online registration portal and published the BURS Guide for VAT on Remote Services which can be accessed on the [BURS Remote Services Portal](#).
- Non-resident suppliers of remote services and electronic marketplaces meeting the registration criteria can now fulfil their legal obligation to register immediately with the BURS.
- On applying for registration, the non-resident supplier must provide specific corporate information including website address through which their taxable remote services are transacted and upload certified copies of the following:
  - **Certificate of incorporation:** Valid company incorporation or registration certificate issued by the home country registry.
  - **Home country tax certificate:** Official tax status or tax registration certificate issued by the applicant's home country authority.

(If either certificate is issued in a language other than English, an official English translation must be attached.)

**Maintenance of records and penalties: Non-resident suppliers of remote services**

- **Nature of records:** Non-resident suppliers are required to keep copies of invoices and receipts in English and in the reporting currency
- **Retention Period:** The records are to be kept for a minimum of 5 years from the end of the tax period to which they relate.
- **Penalties for failure to maintain records:** Failure to maintain records carries a penalty of
  - 75% of the tax payable for deliberate/reckless non-compliance with a minimum charge of

- P10,000 for companies and P5,000 for other suppliers; or
- 20% for other cases of non-compliance with a minimum charge of P10,000 for companies and P5,000 for other taxpayers
- Where no tax is payable penalties of P10,000 for companies and P5,000 for other taxpayers apply.

**Local tax representative**

Non-resident suppliers can appoint a local tax representative to assist with their local administrative and compliance burdens:

- **Optional appointment:** A supplier of remote services may formally appoint a local representative or tax agent to lodge returns and pay Value Added Tax on their behalf.
- **Formal letter requirement:** The appointed representative must lodge an official letter of appointment with the Commissioner General.
- **Compliance responsibility:** Once appointed, the local representative becomes legally responsible for performing all VAT obligations imposed on the foreign remote services supplier.

**Inbound tourism products - Exclusion from VAT on remote services**

Although supplies of inbound tourism products by non-residents - such as Botswana accommodation, meals, transportation, guided tours, safari packages and other tourist activities in Botswana - fall within the definition of remote services, they have been expressly excluded from the scope of VAT on remote services under the Regulations. Accordingly, non-resident suppliers of these services are not required to register or account for VAT on the supply of these products.

**Invoicing and B2B verification**

Non-resident service suppliers must request, verify, and display on tax invoices the Botswana VAT registration number of Botswana VAT registered recipients of services. Where such tax registration information is not provided the non-resident supplier must charge and account for VAT on the supply.

**Action roadmap for non-resident remote service suppliers**

- **Access the BURS registration portal:** Navigate directly to the newly launched [BURS Remote Services Portal](#).
- **Review the BURS guide:** Download and review the official 'BURS Guide for VAT on Remote Services' via the BURS e-Services portal to map necessary entity data.
- **Execute registration:** Submit the online application to secure your VAT registration.

### 3. Botswana resident recipients of remote services

Botswana resident recipients of remote services, including VAT-registered businesses, large unregistered persons and government entities, must assess whether they are required to account for VAT under the reverse charge mechanism and ensure that the necessary systems and processes are in place to meet the related registration, reporting and payment obligations.

#### Reverse charged VAT compliance timeline - VAT registered businesses, large unregistered entities and Government entities

Botswana VAT registered businesses, large unregistered persons (educational institutions, hospitals etc.) and government entities are required to account for VAT on importation of remote services (electronic services/digital content and professional services). Below is a compliance timeline for such entities where they are eligible to register on 1 June 2026.

Business category	Registration for reverse VAT required?	Registration eligibility date	Date on which obligation to charge and account for VAT on remote services arises	Due date of reverse VAT return and remittance
<b>Government Entity</b>	Yes	1 June 2026	1 August 2026	25 <sup>th</sup> of the month following the end of the relevant tax period
<b>Large Unregistered (annual turnover &gt;P1 million)</b>	Yes	1 June 2026	1 August 2026	25 <sup>th</sup> of the month following the end of the relevant tax period
<b>VAT-registered business</b>	No (Use existing profile)	Use existing profile	1 August 2026	25 <sup>th</sup> of the month following the end of the relevant tax period

#### Registration of large unregistered persons and Government entities

- Large unregistered persons such as hospitals and schools have an obligation to register (utilising the approved form) immediately on commencement of the Act for the purposes of accounting for VAT on reverse charged supplies (imported services).
- The application requires provision of the following particulars: registered name, contact details, nature of business of the registrant including the name and contact details of person responsible for compliance. The following documents should accompany the application:
  - Letter from the accounting officer; and
  - A board resolution approving the registration.

#### What businesses need to do

The introduction of VAT on remote services marks a significant step in modernising the country's indirect tax regime. Whilst the changes are to improve compliance, transparency, and fairness between domestic and foreign suppliers they will also impose new administrative and technological obligations on businesses across all sectors. Businesses should proactively assess their exposure, system readiness for fiscal invoicing and reverse charge obligations to

ensure timely compliance once the amendments take effect.

- Review all purchases of remote, including digital services from outside Botswana and identify the party that should account for VAT
- Configure accounting systems to record reverse charged VAT
- Update contracts with foreign suppliers to specify VAT treatment
- Prepare documentation for audit readiness



## How can Grant Thornton assist?

Navigating the new cross-border tax and setting up compliance protocols can be administratively challenging. Our dedicated tax team is ready to support your business through this transition:

- **End-to-end registration support:** We assist with reviewing and uploading your mandatory corporate documentation to the BURS e-services portal to ensure a seamless approval process.
- **Local tax representation:** We offer formal local tax representative services, acting as your appointed local agent to manage monthly returns, track B2B VAT.
- **Provide advice and assistance:** We can provide advice and assistance during the set-up stage and on implementation.
- **Bespoke training:** We provide bespoke training to ensure that your staff understand the compliance requirements and the risks posed by VAT on remote services.

## Key contacts



**Olivia Muzvidziwa**  
**Director - Tax**  
T (+267) 370 7109  
E [olivia.muzvidziwa@bw.gt.com](mailto:olivia.muzvidziwa@bw.gt.com)



**Edwin Moilwa**  
**Manager - Tax**  
T (+267) 370 7163  
E [edwin.moilwa@bw.gt.com](mailto:edwin.moilwa@bw.gt.com)



**Mompoti Olebetse**  
**Manager - Tax**  
T (+267) 370 7190  
E [mompoti.olebetse@bw.gt.com](mailto:mompoti.olebetse@bw.gt.com)

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[info@bw.gt.com](mailto:info@bw.gt.com)



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