Botswana tax reforms: corporate income tax

Effective 1 July 2026, a number of tax reforms have been implemented. Through our series of publications, we share insights about what businesses should consider to assess impact of these reforms and ensure that they remain compliant with relevant tax laws.

What has changed?

With effect from 1 July 2026 corporate tax rates have changed as shown in the table below.

Taxpayer	Rate	
	With effect from 1 July 2026	Prior to 1 July 2026
Resident company	24.5%	22%
IFSC company (approved financial services)	15%	15%
IFSC company (other)	24.5%	22%
Non-resident company	24.5%	30%

While the headline tax rate for non-resident companies has decreased from 30% to 24.5%, branch profit repatriation is now subject to a 10% withholding tax, broadly aligning their treatment with the 10% withholding tax on dividends distributed by a resident company to non-resident or to a resident other than a company.

Transitional provisions

Financial years commencing before 1 July 2026

The new corporate tax rate will apply to financial year commencing on or after 1 July 2026 - see examples in the following table.

Taxpayer	Financial year	Tax year	CIT rate applicable	Branch profits remittance tax rate
Resident company	1 Jan 2026 to 31 Dec 2026	2027	22%	-
	1 Jan 2027 to 31 Dec 2027	2028	24.5%	-
Non-resident company	1 Apr 2026 to 31 Mar 2027	2027	30%	-
	1 Apr 2027 to 31 Mar 2028	2028	24.5%	10%

Exemptions and reduced tax rates

Income tax exemptions or reduced rates that have not expired by 1 July 2026 will continue to apply until the expiration date, if any, specified in the certificate, development approval order, etc.

Business impact

Higher tax costs and lower post-tax earnings may arise for resident companies therefore management should assess the impact on profitability, cash flows and shareholder distributions.

- Forecast tax liabilities and cash flow requirements may increase consequently finance teams should update budgets, forecasts and provisional and final self-assessment tax calculations.
- Effective tax costs are likely to increase for some resident companies and for cross-border structures therefore management should review group structures, profit repatriation arrangements and dividend policies to manage the overall tax impact.

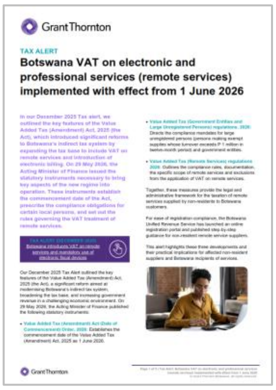
How we can help

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.

In our tax reforms insight series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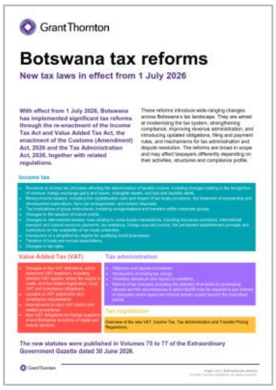
TAX ALERT

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

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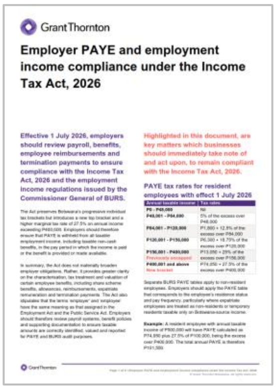
Botswana tax reforms

New tax laws in effect from 1 July 2026

[Botswana tax reforms: New tax laws in effect from 1 July 2026](#)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Employer PAYE and employment income compliance under the Income Tax Act, 2026

[Employer PAYE and employment income compliance under the Income Tax Act, 2026](#)

Upcoming insights will be published on our website

[www.grantthornton.co.bw/insights](#)

Don't get left behind - tell us what matters most to your organisation

We will be hosting workshops / seminars to unpack the tax reforms, and would like to tailor the sessions to the issues most relevant to your business.

[Click here to register your interest and suggest topics that you feel are most relevant to your business](#)

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