

-  **3%** INFLATION AT DEC 2016
-  **17 months** IMPORT COVER
-  **5bn** 2016 BoP SURPLUS
-  **16.52bn** 2017-18 DEVELOPMENT BUDGET
-  **2.35bn** 2017/18 BUDGET DEFICIT 1.43% of GDP

Economy

- Positive outlook at 2.9% growth rate for 2016, and forecast of 4.2% in 2017
- NDP 11 commencing in 2017 will focus on priority areas:
 - Development of diversified sources of economic growth and revenue
 - Human capital development
 - Social development
 - Sustainable use of natural resources
 - Consolidation of good governance and strengthening of national security
 - Monitoring and evaluation
- Export diversification beyond diamonds
- Solar energy identified as a potential alternative energy source

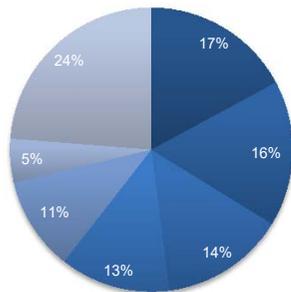
Diversification

- Provision of residence and work permits recognized as a key driver to improve investments and job opportunities
- Establishment of Special Economic Zone (SEZ) to revitalise the Selebi-Phikwe region and attract new investors
- Local companies expected to benefit through servicing of 37,000 plots under Economic Stimulus Package (ESP)
- Key focus on human capital development in the sectors of tourism, mining, agriculture and health
- Emphasis on improving national safety and security
- Infrastructural investment in ICT, water and electricity is being pursued to improve ease of doing business

Fiscal

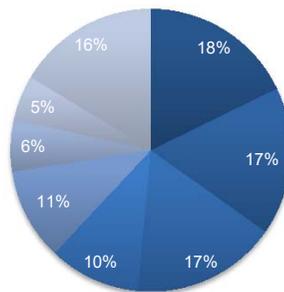
- Transfer pricing to be included in the Income Tax Act, and rules to be introduced
- Proposed simplification of VAT and Income Tax Acts
- Penalty to be imposed on non-filers irrespective of whether tax is payable or not
- VAT to be introduced on sale of property by Deputy Sheriff
- Regulations to be drafted to introduce property rates in rural areas
- Widen government revenue base by considering proposal to adjust licences, permits, levies and VAT exemptions

Recurrent budget



- Basic education
- Health and wellness
- Local government and rural development
- Defence, justice and security
- Tertiary education, research, science and technology
- Transport and communication
- Other ministries and departments

Development budget



- Mineral resources, green technology and energy
- Land management, water and sanitation services
- Defence, justice and security
- Transport and communication
- Local government and rural development
- Agricultural development and food security
- Basic education
- Other ministries and departments

BURS e-customs amendments

BURS has implemented Custom Management System (CMS) replacing the old ASYCUDA ++ (Automated System for Custom Data) with effect 01 January 2017. The new CMS serves to enhance Customs related transactions at Botswana borders. Following the implementation of CMS, all tax payers having import /export transactions are required to register for e-Customs using e-Services with BURS.

Presently, CMS is initiated at certain borders and will be applied to all entry points beginning 1st of Feb 2017. All borders will be CMS compliant by 31st March 2017.

Procedures to register for e-Services:

- 1) Visit BURS website (www.burs.org.bw) and select e-Services menu
- 2) Under e-Services menu, you will be requested to register and provide information as shown on the screen
- 3) Download and complete the e-Services registration form
- 4) Appoint a super user to access e-Services account by issuing authorization letter signed by any of the company director
- 5) Submit to BURS office the completed e-Services form (with the required documents) and the super user authorization letter
- 6) You will be registered for e-Customs once registered with e-Services

For e-tax-alerts, please visit our website: www.gt.co.bw

Kabo ya madi a setshaba mo ngwageng wa 2017 / 18

Tona ya tsa madi, ditlhabologo, le ditogamaano, Rre Kenneth Mthambo, o begile jaana ka kabo ya madi mo setshabeng mo ngwageng tsa 2017/2018.

Seemo sa itsholelo ya mafatshefatsha se lebege se santse se tlhobaetsa thata segole jang ka ntata ya go tswa ga lefatsho la ga Mma Mosadinyana mo bokopanong jwa mafatshe a Uropa, go wela tlase ga kgwebo le ditlhwathwa, le go sanneng sentle ga itsholelo ya lefatsho la China. Tsothe tse di amile itsholelo ya Botswana. Pego ya kabo madi e remeletse thata mo go diragatseng mailamo a lenaneo la NDP 11.

Ntswa dipatlisiso tsa khiri di supile go wela tlase ga mebereko ntateng ya go tswalwa ga moepo wa Selebi-Phikwe le kwelo tlase ya ditswa mmung, puso e tla simolola mananeo a tsepameng a go fokotsa lethoko la ditiro le phokotso ya lehuma ka mananeo a. Tlhabololo ya mananeo aa farologanyeng a go tokafatsa le go kabakanya itsholelo, Tlhabololo ya kitso le boitsanape mo sechabeng, Tlhabololo ya tsa selegae, Tiriso sentle ya tsa ditsatholego, Go thatafatsa tsamaiso, twan'ho-borukhuthi le ipabalelo ya lefatsho, Tshekatsheko le papamiso ya tsamiso ya mananeo.

Go soboka maikaelelo a puso mo go atlegeng ga mananeo a, Tona o tlhalositse fa puso e tlaa itebaganya bogolo jang le tse di latejang:

- Go tla nna le mananeo a go tokafatsa tsamaiso ya go neela batsiisanape ba batswakwa ditseletso tsa go bereka mo gae.
- Go fokotsa ikaego mo ditswammung, puso e tla itebaganya le mananeo a go tokafatsa Bojanala.
- Mo mananeong a go tlhabolola magae, puso e seegetsa madi a kana ka P570 million. Madi a, a tlaa kgaogangwa ka go lekalekana mo dikgaolong tsothe tse di 57.
- Puso e abetse lephata la Temo Thuo P983.71 million go tswaledisa mananeo (SPAAD, LIMID, Agriculture Service/Support Programme) le ditlhabololo tsa temo kwa Pandamantenga. Mananeo a, tla thusa balemi barui a bo a thusa le go tokafatsa seemo sa dijo mo gae.
- Go tokafatsa seemo sa tlhabolola magae, puso e tla tswaledisa go golaganya phaephe ya metsi e tswang bokone go isa metsi ko borwa. Godimo ga moo, go tla nna le lenaneo la go thatswa metsi mo Shakawe, go nosa metsana e e mo kgaolong eo.
- Puso e ikaeletse go dirisa maranyane a letsatsi e le tsela nngwe ya go fokotsa lethoko la motlakase.
- Mo maikaelelong a go hufatsa gore metsana e e mo dikgaolong e bone tshono ya go dirisa maranyane a Godimo a tlhaletsanyo. Puso e ikaeletse go isa maranyane a ICT ko dikolong tse dipotlana.
- Mo maikaelelong a go fokotsa lehuma la nta ya tlhogo, puso e ikaeletse go simolola mananeo a tsa kago, a go tshwara ditlhapu le lenaneo la Kgalagadi Sands Building Blocks. Godimo ga moo, puso e tla thomamisa gore go na le mananeo a go thusa ba ba nang le bogole go bona thuso ya mananeo a puso.
- Go fokotsa tlhalelo ya ditsha, Puso e ikaelela go dirisa lenaneo la ESP go tlhabolola ditsha di le 37,000 ka metsi le ditsela.
- Go tokafatsa ditlamorago tsa go tswalwa ga moepo wa Selebi-Phikwe, puso e ikaeletse go oka bagwebi ka tirisanyo mmogo le lephata la Kgwebo. Maikaelelo ke go dira Selebi-Phikwe teropo e e tlaa itebaganyang le tsa Temo-thuo, Bojanala le Maranyanane a kwa godimo a itsholelo. Godimo ga moo, go tlaa thamiwa banka e ka fa tlase ga SPEDU, e bagwebi ba ka bonang ditlhuso mo go yone go tswaledisa mananeo a.
- Puso e ikaeletse go dirisanya le komiti ya tsa lekgetho e le tsela nngwe ya go kabakanya koketso ya madi a sechaba. Lephata la tsa madi le lebeletse dikgakololo tsa komiti e mo go direna dijhetogo mo makgethong.

Resident individuals

Annual taxable income (BWP)	Rate of tax %
Up to 36 000	0%
36 001 – 72 000	0 + 5% of excess over 36 000
72 001 – 108 000	1 800 + 12.5% of excess over 72 000
108 001 – 144 000	6 300 + 18.75% of excess over 108 000
Over 144 001	13 050 + 25% of excess over 144 000

Capital gains individuals

Taxable income (BWP)	Rate of tax %
Up to 18 000	0%
18 001 – 72 000	0 + 5% of excess over 18 000
72 001 - 108 000	2 700 + 12.5% of excess over 72 000
108 001 – 144 000	7 200 + 18.75% of excess over 108 000
Over 144 001	13 950 + 25% of excess over 144 000

Double taxation: comparison table

Payments of / payments to	Dividends	Interest	Royalties	Management & technical fees
Resident	15%	10%	-	-
Barbados	10% or 5% *	10%	10%	10%
France	12% or 5% *	10%	10%	7.50%
India	10% or 7.5% *	10%	10%	10%
Mauritius	10% or 5% *	12%	12.50%	15%
Namibia	10%	10%	10%	15%
Russia	10% or 5% *	10%	10%	10%
Seychelles	10% or 5% *	7.50%	10%	10%
South Africa	15% or 10% *	10%	10%	10%
Sweden	15%	15%	15%	15%
United Kingdom	12% or 5% *	10%	10%	7.50%
Zimbabwe	10% or 5% *	10%	10%	10%
Non-treaty	15%	15%	15%	15%

* Dividends are withheld at lower rate if the beneficial owner is a company holding 25% or more of shares in the resident company declaring dividend.

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Tax circular

The following information is to be provided upon filing of company tax returns:

1. Office or mobile number of the appointed Public Officer.
2. Residence and work permits of the appointed Public Officer must be valid and unexpired.
3. The name of the Public Officer should match with BURS records. Any change should be advised to BURS in writing with a signed board resolution.

Failure to provide the above information will lead to non-compliance. Company tax returns for filing will be declined, and any penalties and interest due to non filling shall be suffered by the tax payer.

Did you know?
Payments to non-residents on which withholding tax was not deducted and paid will be disallowed as a deductible expenditure.

Get in touch with our dynamic tax team for further insight about how we can help you unlock your potential for growth



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