



# Tax Alert 5 of 2020

## COVID-19 Botswana's economic response: We can support your business to activate interventions

Our Government's "COVID-19 Economic Response" has been issued to guide businesses how they can recover and operate back to "business as usual" during and after the extreme social distancing period. We can help you navigate through the process and requirements of BURS, which will enable you to:

- Apply for wage subsidy for your citizen employees
- Access loans guaranteed by the government or by any commercial bank
- Avail tax concessions such as deferral of quarterly tax payments, expedited VAT refund and waiver of training levies.

Given below, are salient features of the response, and how we can support your business to activate interventions.

### Support to workers – retention of employees and zero retrenchment

#### Salient features

- Wage subsidy for citizen employees up to 50% of the basic salary
- Wages to be subsidized are between P1,000 - P2,500 per month for 3 months - April, May, June 2020
- BURS to oversee and implement the subsidy
- Businesses eligible for subsidy still to be determined
- Government owned businesses and parastatals are excluded
- Eligible businesses are required to provide payroll showing employee name, OMANG, basic monthly pay and TIN (if available)

#### How we can support your business

- Assist with tax registration with BURS
- Prepare basic payroll based on the information provided to us
- Submit payroll and necessary requirements to BURS
- Follow up approval of subsidy from BURS

### Stabilize businesses

#### Salient features

##### Financial support to the private sector

- Government will guarantee loans up to 80%, balance to be guaranteed by commercial banks up to 20%
- Businesses must be tax compliant to be eligible
- Loan guarantee valid for 24 months
- Each borrower is allowed loan amount of up to P25 million
- Terms and conditions of the loan still to be determined

##### Tax concessions

- BURS to allow deferral of 75% of any 2 quarterly payments between March and September 2020
- Deferred payments to be repaid from March 2021
- VAT refunds to be processed and paid within 21 days
- Businesses with turnover over P250 million per annum will be negotiated on a case-by-case basis
- Business are required to comply with tax returns filing and payment of taxes when it is due
- Waiver of training levy for 6 months

#### How we can support your business

- Submit eligibility for tax concessions with BURS
- Assist businesses to be fully compliant with requirements of BURS
- Assist with tax registration with BURS
- File company / PAYE / withholding tax returns
- Calculate quarterly tax (SAT) due to BURS
- File VAT returns and follow up on VAT refunds
- Assist with payment of tax and interest owing
- Make objections and appeals with BURS
- Apply for a new / renewal of Tax Clearance Certificate

Speed and flexibility will determine how your business responds to the current condition we are in. We have a dedicated tax team working remotely, that can assist with your online transactions with BURS. We are available to assist in filing your tax returns to ensure your tax compliance is up to date. We are committed to helping you, your people and your business make it through this challenging time.

For any queries in this regard, please contact Rajesh Narasimhan, Partner in charge of Tax via e-mail [rajesh.narasimhan@bw.gt.com](mailto:rajesh.narasimhan@bw.gt.com).