

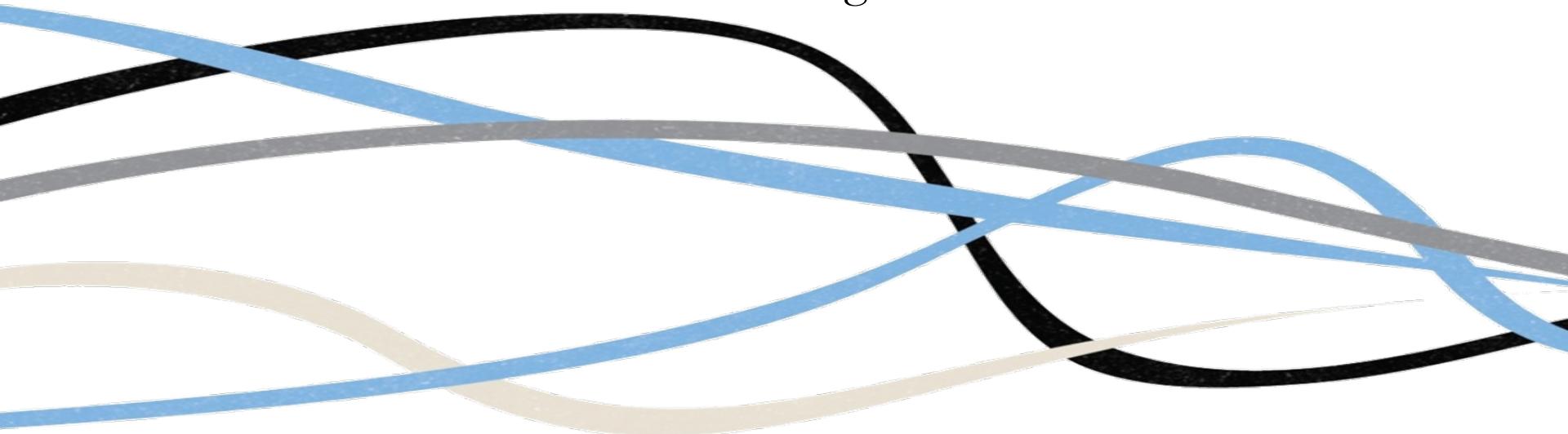


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2 FEB 2015

e-budget news

Botswana Budget 2015



Fuelling economic growth and diversification...unlock more:

- Highlights in English & Setswana
- Budget allocations
- Tax highlights

Highlights

Growth

- Real GDP growth of Botswana at 5.3% in 2013 compared to the SADC average of 4.9%
- Revenues and grants for 2015/16 estimated at P55.38bn
- A 2 rating representing stable outlook by Moody's Investors Service
- Forex reserves cover of 18 months (2013: 16.5 months) import of goods and services
- 100% citizen owned companies to benefit from amended Citizen Economic Empowerment Policy.

Diversification

- Formation of diamond, tourism, cattle and mining clusters to foster diversification
- Largest (25.7%) share of development budget on MMEWR at P 3.32 billion to address current issues of water and electricity, amongst others
- Proposed infrastructure projects under development budget to create employment opportunities
- Mega projects to be monitored through implementation unit of National Strategy Office
- Privatization process of public sector to benefit citizens.

Reforms

- NBFIRA, CIU, labour and complementary laws to be reviewed to facilitate conducive investment environment
- Efficient procurement management through PPADB's Integrated Procurement Management System
- Local entrepreneurs and innovators to benefit from BIH's National Technology Transfer office and Innovation Fund



Kabo ya madi a sechaba mo ngwageng wa 2015/2016

Tona ya tsa madi, ditlhabololo le ditogamaano, Rre Kenneth Mathambo, o simolotse pego ya gagwe ka go begela palamente e le yone ya ntlha morago ga ditlhopho, mme a tswelela ka go bega jaana ka kabo ya madi mo sechabeng mo ngwageng wa 2015/2016.

Ketapele

Pego ya kabo ya madi a setshaba ya 2015/2016 e remeletse thata mo maikaeleong a puso go godisa itsholelo, go tswakanya ga itsholelo, go fokotsa lethoko la ditiro le phokotso ya lehuma. Puso e ikaelela go sekwa sekwa metlhala ele mmalwa ya go tlhabolola boitseanape, mme e tshwaraganetse tiro e le bagwebi, maikaelelo e le go godisa itsholelo ya lefatshe. Kgolo ya itsholelo ya lefatshe ea tlhogegang. Seemo sa itsholelo ya mafatshefatshe se lebega se tlaa tswelela se tlhobaetsa thata mme seo se tla amaka fa itsholelo ya Botswana le yone e tla tokafalang ka teng.

Go godisa itsholelo

Go fokotsa dikgwetlho tsa lehuma le letlhoko la ditiro go ka nna teng fela fa go na le kgolo ya itsholelo mo setshabeng.

Se se ka bonwa fela ka go oketsa go dira ka natla, ka se ke sengwe sa dilo tse di itsang kgolo ya setshaba. Ka jalo Puso e tlaa tsweledisa ka go kgothatsa le go oketsa mananeo a remeletseng mo kgolong. Maikaelelo a puso ke go baakanya tsa thuto, le go ruta babereki maitsholo a a tlhogegang mo tirong. Se se akaretsa le bagwebi ba ba iterelang ka nosi.

Go lwantsha lehuma

Puso e tlaa tswelela ka mananeo a go lwantsha lehuma mo bananeng, bomme, bagodi le ba na le bogole.



Koketso ya ditiro

E ke nngwe ya dikgwetlho tse ditona tsa lefatshe. Maikaelelo ke go fokotsa letlhoko la ditiro bogolo jang ka selo se se ama banana le bomme. Mananeo a a tshwanang le a dikago tsa madirelo, a motlakase le metsi a tlaa oketsa ditiro. Mo godimo ga moo puso e tlaa sekwa sekwa melao ya khiro ka maikaelelo a go rotloetsa tirisanyo sentle magaring ga bahiri le bahiriwa.

Thotloetsa ya dikwebo tsa Batswana.

Go rotloetsa dikgwetlho tsa Batswana, puso e tsere tshwetso ya go rurifatsa gore dikgwetlho tse e leng tsa Batswana fela, di neelwe ditiro tse di siegetsweng fa thoko. Gape puso e tsere tshwetso ya gore maphata a puso a seegele fa thoko masome a mararo mo legokolong a madi go neelwa dikgwetlho tsa batswana fela. Maikaelelo e le go tsosolosa dikgwetlho tsa Batswana.

Puso e tlaa sekaseka mananeo a go tokafatsa seemo sa

dikgwetlho tse di potlana. Puso e rotloetsa bagwebi go re ba dire ka bonatla go re dikgwetlho tsa bone di gole.

Motlakase le Metsi

Go tokafatsa seemo sa motlakase puso e tsere tshwetso ya go abela BPC madi a a seng kana ka sepe gore e tle e kgone tlhabololo ya Morupule A Power Station. Go tokafatsa seemo sa metsi, Puso e tlaa tswelela ka go tlhabolola phaephe ya bokone borwa ya metsi go kgona go gorosa metsi ko Molepolole le Kanye le metse e e gaufi.

Twantsho Borukuthi

Puso e ikaelela go thatafatsa mananeo a lephata la kgotla ditshekelo go fokotsa seemo sa borukuthi le tshenyetso sechaba.

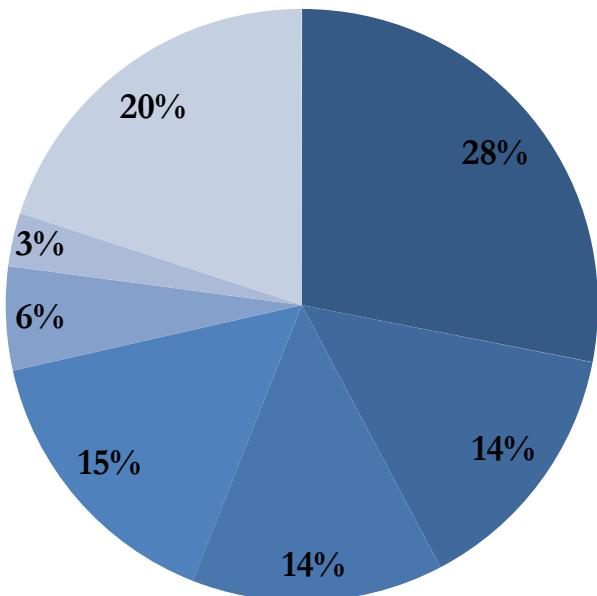
Dituelo tsa badirela puso

Koketso ya dituelo tsa badirela puso yone e tlaa bonwa fa go sena go fedisiwa dipuisanyo.



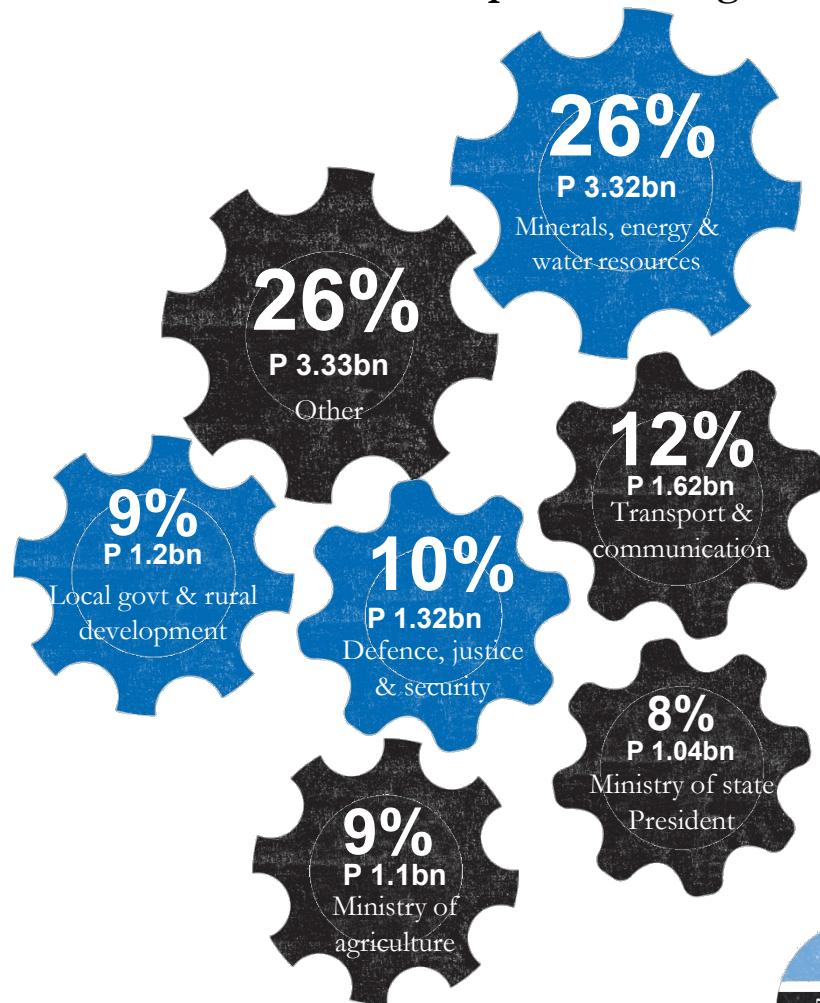
Budget allocation

Recurrent budget



- Education & skills development
- Local government
- Defence, justice & security
- Ministry of health
- Transport and communication
- Ministry of agriculture
- Other ministries and departments

Developmental budget



VAT amendments

The following amendments have been made to the **Value Added Tax Act**. These amendments are effective from **23 January 2015**.

- 1) Annual threshold for VAT registration increased from P 500 000 to P 1 000 000.
 - Voluntary registration will only be allowed if the expected turnover is more than P 500 000.
 - BURS will engage with persons registered for VAT for deregistration if the annual turnover is less than P 1 000 000.
 - BURS might also have provisional registration in order to ascertain if the turnover exceeds its thresh hold.
 - BURS will soon expect additional information regarding project costs and plans when applying for registration with VAT.
 - There will be amendments made to the Vocational Training Levy with regard to their thresh hold.
- 2) The First Schedule of the VAT Act (Zero rated supplies) has been amended to include items such as fresh vegetables (in natural state), fruits, rice, milk (not concentrated, condensed, evaporated, sweetened, flavoured or cultured), samp, bread flour and brown bread.
- 3) Supply of tractors has been reclassified from a zero rated supply to an exempt supply.



Rajesh Narasimhan
Partner

“ “

The amendment to move from exempt category to zero-rated supplies will benefit the common man.

” ”

Tax tables

Resident individuals tax summary

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
144 001 and above	13 050+ 25% of excess over 144 000

Capital gains tax rates

Taxable income (BWP)	Rate of tax %
0 – 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



Jay Ramesh
Managing Partner

“ “ A roadmap for implementing Government's intentions is critical. ” ”

Double taxation: comparison table

Payments of / payments to	Dividends	Interest	Royalties	Management & technical fees	Entertainment fees	Construction contract payment
Resident	15%	10%	-	-	-	3%
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%	10%	3%

\$ 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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