

# BOTA Training Levy

September 2008

## i Synopsis

- BOTA has established a Vocational Training Fund (VTF).
- **Training levy to be paid by all VAT registered persons** as per the given guidelines.
  - 0.2% of annual turnover where the turnover is between P250 000 and P 2 billion; and
  - 0.05% of annual turnover where turnover in excess of P 2 billion
- Levy is effective from **October 1 2008**.
- Levy needs to be added and paid along with the person's **VAT return and payment**
- Provisions for claims from the VTF have been detailed in the Vocational Training (Structured Training) Regulations 2008.

**Summary of the points mentioned above is detailed in the following pages.**



# Summary

## Training Levy

BOTA has established a Vocational Training Fund (VTF) as mandated by the Vocational Training Act of 1998 to assist in the increase of the country's skills base at the work place..

The specific goals of the VTF will be to

- 1 Motivate enterprises to train their staff
- 2 Achieve a more equal share between enterprises in financing training activities
- 3 Help to bring together supply and demand for training
- 4 Create new opportunities in the training market
- 5 Support the goal of cost-sharing in skills development in Botswana

## Operation of the levy



Under section 31 of the Vocational Training Act of 1998, new regulations have been promulgated in 2008 replacing the old regulations of 2006. These regulations are known as Vocational Training (Structured Training) Regulations, 2008.

Section 24 of the Vocational Training Act empowers the Minister to impose, by an order, a levy to be paid to the Vocational Training Fund. This order was passed on 5th February 2008 and was published on 15th February, 2008. The levy is imposed on persons registered under the VAT Act. The VAT forms have been redesigned to assist in the collection of the levy. All VAT registered persons will make payment to BURS along with the VAT forms. The training levy is linked to the turnover of the person and is as given below.

- a 0.2% of annual turnover where the turnover is between P250 000 and P 2 billion
- b 0.05% of annual turnover where turnover in excess of P 2 billion

## Claims Procedure



As per BOTA, each company that pays the levy will be entitled to claim reimbursement of training costs from the VTF. Such training will have to be for a duration of not less than 10 hours and must be an approved training programme under the Botswana National Vocational Qualifications Framework.

Companies can claim all the costs of their training annually regardless of how much levy they have paid. Those companies that spend heavily on training their staff will thus be somewhat subsidized by the fund and those who spend very little or nothing on staff training will lose their levy.

The provisions in this regard are contained in section 3 of the Vocational Training (Reimbursement) Regulations, 2008.

“ S.3 An employer who has incurred training costs shall be entitled to reimbursement in accordance with section 21 of the Act.

S.4. (1) Every Pula up to a maximum of P1000 per annum paid into the Fund as levy shall generate reimbursement of P5

(2) Notwithstanding the provisions of sub regulation 1

(a) Every Pula above P 1000 but below Pula 5000 per annum paid into the Fund as levy shall generate reimbursement of P2.50

(b) Every Pula above P 5000 per annum paid into the Fund as levy shall generate reimbursement of P1.25.”

Training carried out outside the country will also be recognized provided it meets BOTA's standards. Training provided to non-citizens can be claimed should BOTA approve and is convinced the training was required for security reasons and will not delay localisation plans of the person making the claim.

***For your easy reference please go through our table below***

***We are happy to assist you with any aspects of the Training Levy.***

**Further Enquiries, please contact:**

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### Tabulation of training levy and the respective claim

Income (Pula)	Percentage	Training Levy (Pula)	Rate of claim
500 000	0.20%	1 000	5.00
1 000 000	0.20%	2 000	2.50
1 500 000	0.20%	3 000	2.50
2 000 000	0.20%	4 000	2.50
2 500 000	0.20%	5 000	2.50
3 000 000	0.20%	6 000	1.25
3 500 000	0.20%	7 000	1.25
4 000 000	0.20%	8 000	1.25
4 500 000	0.20%	9 000	1.25
5 000 000	0.20%	10 000	1.25
10 000 000	0.20%	20 000	1.25
20 000 000	0.20%	40 000	1.25
30 000 000	0.20%	60 000	1.25
40 000 000	0.20%	80 000	1.25
50 000 000	0.20%	100 000	1.25
100 000 000	0.20%	200 000	1.25
200 000 000	0.20%	400 000	1.25
300 000 000	0.20%	600 000	1.25
400 000 000	0.20%	800 000	1.25
500 000 000	0.20%	1 000 000	1.25
1 000 000 000	0.20%	2 000 000	1.25
1 500 000 000	0.20%	3 000 000	1.25
2 000 000 000	0.20%	4 000 000	1.25
2 500 000 000	0.05%	1 250 000	1.25
3 000 000 000	0.05%	1 500 000	1.25

*Notes:*

- 1.The Income represents annual turnover of the company
- 2.The percentage is the applicable percentage for the company to pay training levy
- 3.The rate of claim is the amount of claim that can be made for every Pula of approved training expenses incurred