



Botswana Tax & Budget Summary 2021/2022

Revised to align to the Income Tax (Amendment) Act, 2021

21 May 2021

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2021/2022 Budget Speech Highlights

The Honorable Minister of Finance and Economic Development, Dr Thapelo Matsheka presented the 2021/2022 Budget Proposals to the National Assembly on the 1st of February 2021.

Budget focus

In his budget speech, the Minister highlighted that the COVID-19 pandemic has brought a once-in-a-century shock to Botswana, Africa and the entire world. The country has experienced a large negative economic shock as a result of the pandemic as evidenced by the economy which contracted by nearly one quarter in the period from March to June 2020.

On the one hand, the national income has been reduced. The balance of payments and fiscal deficits have necessitated the drawdown of the foreign exchange reserves and Government savings. On the other hand, expenditures are up as Government spends on controlling the disease and supporting firms and households.

To address the situation, Government intends to take measures to reduce recurrent expenditure and increase revenue. Such measures include:

- i) improving domestic revenue mobilisation through modernization of the tax collection systems to make them more efficient, raising some tax rates and exploring new sources of tax revenue;
- ii) trimming Government spending to align it with the new, lower level of revenues and making sure that spending is productive and efficient; and
- iii) ensuring that the borrowing necessary to finance budget deficits is kept to modest levels.

Economic indicators

- The domestic economic growth rate for 2021 is projected at 8,8%.
- Headline inflation in December 2020 was 2.2%. It has been below the lower end of the Bank of Botswana objective of 3% to 6% for more than a year.
- The Bank Rate was reduced from 4,75% to 4,25% in April 2020 and was further reduced to 3,75% with effect from October 2020.
- Preliminary data indicates that that in the first nine months of 2020 an overall balance of payments deficit of 14.8 billion was recorded compared to P5.8 billion in the same period in 2019.
- Foreign exchange reserves amounted to P58,7 billion in November 2020 (P65,2 billion in December 2019), representing 10.9 months import cover for goods and services.
- As at November 2020 the Government Investment Account portion of the foreign exchange reserves was valued at P5,6 billion (P17,8 billion at the end of 2019)
- Restoring balance of payments sustainability and rebuilding the foreign exchange reserves is of critical importance.
- The actual budget out-turn for 2019/2020 was a deficit of P11.10 billion, equivalent to 5.6% of GDP.
- The revised budget forecast for 2020/2021 is a deficit of P21.03 billion, equivalent to 11,61% of GDP.
- A budget deficit of P6.03 billion is projected for the 2021/2022 fiscal year. This represents 2,87% of GDP.

2021/2022 Budget Speech Highlights

Fiscal highlights and proposals

The Minister announced the following proposed tax changes:

- Increase in the Value Added Tax standard rate from 12% to 14% with effect from 1 April 2021;
- Increase in dividend withholding tax from 7.5% to 10% - effective date to be confirmed (expected to be 1 July 2021);
- Offer a tax amnesty during the 2021/2022 tax year aimed at motivating taxpayers to clear the outstanding principal tax owed in exchange for waiver of interest and penalties charged in previous tax periods without fear of prosecution;
- Raise the zero rate threshold for individual taxpayers from P36,000 to P48,000 with effect from the 2021/2022 tax year;
- Increase the Fuel Levy one Pula per litre with effect from 1 April 2021;
- Introduce a levy of 2 thebe for every gram of sugar in excess of 4 grams per 100 millilitres;
- Publish a statutory instrument to operationalize the implementation of the plastic bag levy;
- Introduce a levy on second hand motor vehicles imported into Botswana; and
- Review and adjust service fees and levies charged by various government ministries with a view to implementing the revised fees from 1 April 2021.

Income Tax - Salient Features

Business Taxable Income

- Income from, or deemed to be from a source within Botswana is taxable in Botswana.
- Income accruing from different businesses is deemed to accrue from one business except capital gains and income from farming and mining.
- Farming, mining and prospecting income/losses and capital gains/losses are ascertained separately.
- Normal business expenses wholly, exclusively and necessarily incurred in the production of assessable income are allowed as deductions.
- Transactions with connected parties should be consistent with the arm's length principle and contemporaneous transfer pricing documentation should be filed with the corporate tax return.
- Deduction of interest expenditure incurred by companies (other than variable rate loan stock companies, micro, small or medium enterprises, banking companies and insurance companies) is restricted to 30% of tax EBIDTA. Any excess interest disallowed is carried forward for 10 years in the case of a mining company or for 3 years in all other cases.
- Deduction of expenditure relating to interest, royalties management or consultancy fees paid or payable to non-residents is allowed in the year in which the related withholding tax is paid over to BURS.
- Specific deductions include capital allowances, expenditure on lease improvements, bad debt provisions, contributions to an approved mine rehabilitation fund. Capital allowance claims for assets procured from third parties through a non-resident related party should be supported by the third party invoice.
- Assessed losses from business can be carried forward for no more than five years, except for mining and prospecting losses, which can be carried forward indefinitely.
- Capital losses can be carried forward for one year only.

Employment Income

- Includes salaries, wages, terminal payments, directors and other fees, bonuses, commissions, allowances and the value of taxable benefits.
- Employment income from, or deemed to be from, a source within Botswana is taxable in Botswana.
- Employment income, including the value of benefits in kind, is subject to monthly withholding tax (PAYE).

Exemptions and Tax Free Benefits for Individuals

Exempt income/earnings include:

- The value of contractual travel benefits for employees and their families.
- Medical fund contributions and medical attention paid for by the employer.
- One third of contractual terminal gratuities payable to expatriate employees.
- Bank and building society interest of P7,800 per annum, for resident individuals.
- One third of severance pay and certain gratuities payable to citizen employees.
- Amount of severance pay or gratuity accrued to an employee transferred an approved pension or retirement annuity fund.
- One third or P48,000 whichever is greater of a retrenchment package.

Income Tax - Salient Features

Benefits Valuation

Housing	<ul style="list-style-type: none"> • 10% of municipal valuation or • 8% of current capital valuation, (P 250 × floor area)
Use of employer's furniture	10% of the excess over P 15 000 of the cost to the employer
Loans	The difference between the concessionary rate and the rate prescribed by the Commissioner General as at 1 July of each tax year
Other benefits	Such as school fees and utilities: cost to the employer or market value, whichever is the greater

Motor Vehicle Scale of Values

Cost of Vehicle			Value of Benefit		Fuel Cost Adjustment	
1	-	50 000	2 500		1 000	
50 001	-	100 000	5 000		2 000	
100 001	-	150 000	7 500		3 000	
150 001	-	200 000	10 000		4 000	
200 001	-	and over	10 000 +15% on the excess of P 200 000		5 000	maximum

Income Tax - Salient Features

Capital Allowances

Straight Line <i>(The rates of straight line annual allowances on plant or machinery range between 10% and 25% as fixed by the Commissioner General)</i>	Rate
Heavy plant or machinery used in construction	25%
Motor vehicles and aircraft (for passenger motor vehicles, limited to expenditure of P 175 000)	25%
Plant or machinery used directly in manufacturing or production	25%
Other plant or machinery including farming equipment	15%
Computer hardware	25%
Computer software - off the shelf	100%
Furniture and fittings including soft furnishings	10%

Statutory Straight Line Allowances:	Rate
Industrial buildings - initial allowance	25%
- annual allowances	2.5%
Commercial buildings - annual allowances	2.5%
Farm buildings, improvements, water supplies and other farm capital works	100%

Income Tax – Corporate Taxation

Corporate tax rates – resident company

Description	Rate
Corporate tax rate - taxable income including capital gains	22%
Mining taxable income (excluding diamond mining income)	22%-55%
Approved manufacturing business taxable income	15%
Foreign dividends – Expected effective date -1 July 2021 (currently 15%)	10%
Accredited Innovation Hub business taxable income	15%
IFSC company – approved services taxable income	15%
IFSC company – other taxable income	22%
SPEDU business taxable income – first 5 years	5%
SPEDU business taxable income – after the first 5 years	10%
Special Economic Zone entity	See *

Corporate tax rate - non-resident company

Standard rate on taxable income, including capital gains	30%
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*Special Economic Zone entities

In his 2020/2021 budget speech the Minister announced that Cabinet had approved an incentive package for entities operating in Special Economic Zones. The package includes:

- 5% corporate tax for the first 10 years and 10 percent thereafter;
- Waiver of transfer duty on land and property; and
- Property tax exemption for the first five (5) years of operation.

These incentives will be available to export-oriented businesses.

Self Assessment Tax (SAT)

Corporate tax is payable via the self-assessment system in quarterly SAT instalments on a financial year basis. Companies with annual income tax liabilities of less than P 50 000 may elect to make one payment within 4 months of end of the financial year.

COVID-19 corporate tax concessions

- Businesses negatively affected by COVID-19 had the option to defer payment of 75% of the amount of SAT due on any two quarters falling between March and September 2020;
- The deferred SAT is payable from March 2021.

Filing deadline

The Income Tax Return must be filed within four months of the company's financial year end.

Income Tax - Individuals Taxation

Residents – Business and Employment current income tax rates (Applicable up to 30 June 2021)

Taxable Income (P)			Tax Payable				
P		P	P				P
0	-	36 000	0				
36 001	-	72 000	0	+	5%	over	36 000
72 001	-	108 000	1 800	+	12.5%	over	72 000
108 001	-	144 000	6 300	+	18.75%	over	108 000
144 001		and over	13 050	+	25%	over	144 000

Residents – Business and Employment proposed income tax rates (Expected effective date - 1 July 2021)

Taxable Income (P)			Tax Payable				
P		P	P				P
0	-	48 000	0				
48 001	-	84 000	0	+	5%	over	48 000
84 001	-	120 000	1 800	+	12.5%	over	84 000
120 001	-	156 000	6 300	+	18.75%	over	120 000
156 001		and over	13 050	+	25%	over	156 000

Income Tax - Individuals Taxation

Non-Residents – Business and Employment income tax rates (Applicable up to 30 June 2021)

Taxable Income			Tax Payable				
P		P	P			P	
0	-	72 000			5%	of each Pula	
72 001	-	108 000	3 600	+	12.5%	over	72 000
108 001	-	144 000	8 100	+	18.75%	over	108 000
144 001		and over	14 850	+	25%	over	144 000

Non-Residents – Business and Employment income proposed tax rates (Expected effective date - 1 July 2021)

Taxable Income			Tax Payable				
P		P	P			P	
0	-	84 000			5%	of each Pula	
84 001	-	120 000	4 200	+	12.5%	over	84 000
120 001	-	156 000	8 700	+	18.75%	over	120 000
156 001		and over	15 450	+	25%	over	156 000

Income Tax - Individuals Taxation

Director's Fees (Expected effective date - 1 July 2021)

Withholding tax on director's fees accruing to:	Rate
Resident director	10%
Non-resident director (final tax)	15%

Currently director's fees are subject to tax at the individual tax rates (see pages 9 and 10).

Foreign Dividends

On gross foreign dividends (expected effective date - 1 July 2021)	10%
On gross foreign dividends (current)	15%

Capital Gains Tax Rates

Taxable Income			Tax Payable				
0	-	36 000	0				
36 001	-	84 000	0	+	5%	over	36 000
84 001	-	120 000	2 400	+	12.5%	over	84 000
120 001	-	156 000	6 900	+	18.75%	over	120 000
156 001		and over	13 650	+	25%	over	156 000

SAT and filing deadline

The individual income tax return must be filed within three months of the end of the tax year. SAT is optional for individual taxpayers.

Taxation of other entities

Unapproved Pension and Provident Funds on Investment Income

Investment income - (expected effective date - 1 July 2021)	7.5%
Investment income (current)	10%

Deceased Estates and Testamentary Trusts

Taxable Income			Tax Payable				
0	-	84 000			5%	of each Pula	
84 001	-	120 000	4 200	+	12.5%	over	84 000
120 001	-	156 000	8 700	+	18.75%	over	120 000
156 001		and over	15 450	+	25%	over	156 000

Withholding Taxes

Withholding tax obligations

- Employers are required to withhold tax (PAYE) at the prescribed rates from all payments of remuneration and issue an annual certificate of tax withheld to the employee.
- Payers of dividends, interest, management or consultancy fees (technical fees), entertainment fees, commercial royalties or construction contract related payments, to a non-resident, are required to withhold tax at the statutory rate and issue a certificate of tax withheld to the recipient. The obligation to withhold may be varied or removed by an applicable double taxation avoidance agreement.
- Payers of dividends, interest, rent, construction contract related payments, commission or brokerage fees, to a resident, are required to withhold tax at the statutory rate and issue a certificate of tax withheld to the recipient.
- Any person who makes payment for the purchase of livestock for slaughter or feeding for slaughter is required to withhold tax from such payments at the rate of 4%.
- Tax withheld should be paid over the Commissioner General within 15 days of the month following that of making payment to the payee.
- PAYE and Other Withholding Tax Annual returns must be filed within one month of the end of the tax year.

Exemptions from withholding tax

The following payments are exempt from withholding tax:

- Payments of dividends, commercial royalties, management or consultancy fees or interest, by an IFSC company or an exempt Collective Investment Undertaking (CIU) to a non-resident person, IFSC company or another CIU.
- Payments of interest to a financial institution, banking company or IFSC company receiving such interest in the ordinary course of business.
- Payments in respect of accommodation in a hotel, motel, lodge or guesthouse.
- Rental payments and commission payments amounting to less than P36,000 in any tax year.
- Payments to an exempt entity.
- Payments in respect of which Botswana has no taxing rights under an applicable tax treaty.

Withholding Tax Rates

Statutory Withholding Tax Rates on certain payments

Nature of payment	Payment to a:	
	Resident	Non-resident (no treaty protection)
Construction contracts payments ⁽¹⁾	3%	3%
Dividends (current rate 7,5%) ⁽⁹⁾	10%	10%
Interest ⁽²⁾	10% ⁽⁵⁾	15%
Commercial Royalties ⁽²⁾	-	15%
Management or Consultancy fees (Technical fees) ⁽²⁾	-	15%
Director's fees	10% ⁽¹³⁾	15% ⁽¹³⁾
Payments to Entertainers and Sports persons	-	10%
Rent (land or buildings)	5% ⁽⁶⁾	5% ⁽⁸⁾
Commission / brokerage fees	10% ⁽⁷⁾	10% ⁽⁸⁾
Livestock purchases	4% ⁽¹⁰⁾	4% ⁽¹⁰⁾
Surplus mine rehabilitation funds	10%	10%

Withholding Tax Rates

Treaty withholding tax rates on certain payments to non-residents

Payments to a resident of:	Nature of payment					
	Dividends ⁽⁹⁾ (Current)	Dividends ⁽⁹⁾ (Proposed)	Interest ⁽²⁾	Commercial Royalties ⁽²⁾	Management or Consultancy fees ⁽²⁾	Entertainment fee
Barbados	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	10%	10%	10%	10%
China	5%	5%	7.5%	7.5%	7.5% ⁽¹¹⁾	10%
France	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	10%	10%	7.5%	10%
India	7.5%	7.5% / 10% ⁽⁴⁾	10%	10%	10%	10%
Ireland	5%	5%	7.5%	5% / 7.5% ⁽¹²⁾	7.5%	10%
Malta	5% / 6% ⁽⁴⁾	5% / 6% ⁽⁴⁾	8.5%	5% / 7.5% ⁽¹²⁾	7.5%	10%
Mauritius	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	12%	12.5%	15%	10%
Mozambique	7.5%	10%	10%	10%	10%	10%
Namibia	7.5%	10%	10%	10%	15%	10%
Russia	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	10%	10%	10%	10%
Seychelles	5% / 7.5%	5% / 10% ⁽⁴⁾	7.5%	10%	10%	10%
South Africa	7.5%	10%	10%	10%	10%	10%
Kingdom of Eswatini	7.5%	10%	10%	10%	10%	10%
Sweden	5% ⁽³⁾	5% ⁽³⁾	7.5% ⁽³⁾	10% ⁽³⁾	15%	10%
United Kingdom	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	10%	10%	7.5%	10%
Zambia	5% / 7% ⁽⁴⁾	5% / 7% ⁽⁴⁾	10%	10%	10%	10%
Zimbabwe	5% / 7.5% ⁽⁴⁾	5% / 10% ⁽⁴⁾	10%	10%	10%	10%

Withholding Tax - Notes

Notes - Statutory and Double Taxation Agreement Withholding Tax Rates

- (1) Provisional tax - subject to DTA provisions.
- (2) Payments by an IFSC company or exempt CIU to a non-resident, IFSC company or CIU are not subject to withholding tax. Payments to a financial institution, banking company or IFSC company receiving interest in the ordinary course of business are exempt.
- (3) Lower rates agreed between Botswana and any other state apply.
- (4) 5% applies where beneficial owner is a company with at least 25% shareholding.
- (5) This is a final tax where the interest is paid by a bank and building society to a resident individual. In all other cases the tax is credited against the final tax payable on assessment.
- (6) Provisional tax credited on assessment. Applicable where payments amount to at least P48,000 per tax year. Excludes non-business payments by individuals and payments to exempt persons.
- (7) For residents this is a provisional tax credited on assessment and is applicable only if payments amount to at least P48,000 per tax year.
- (8) Provisional tax applicable only on Botswana-sourced income.
- (9) Payments by an IFSC company or exempt CIU to a non-resident, another IFSC company or to a CIU are exempt from withholding tax.
- (10) Final tax where livestock sales are not in the ordinary course of business.
- (11) Rate applies to technical and consultancy fees only
- (12) Lower rate applies to payments for the right of use of industrial, commercial or scientific equipment.
- (13) This is a final tax.

DTA's still to come into force

Progress towards concluding Double Taxation Avoidance Agreements with the following States is at an advanced stage:

- Belgium
- Czech Republic
- Lesotho
- Luxembourg
- Malawi
- Portugal
- Serbia and Montenegro
- Singapore
- Tanzania

Exchange of Information Agreements

Tax Information Exchange Agreements

<i>Tax information exchange agreements</i>	
Country	Date of entry into force
Norway	26 March 2016
The Faroes	26 March 2016
Iceland	18 August 2015
Finland	16 May 2015
Denmark	14 May 2015
Greenland	11 October 2015
Isle of Man	05 March 2016
Guernsey	26 July 2019

Capital Transfer Tax

Donee - Company

Rate of tax payable on aggregate taxable value - 12.5%

Donee - Other than company

Taxable Income			Tax Payable				
0	-	100 000	0.00	+	2%		
100 001	-	300 000	2 000.00	+	3%	over	100 000
300 001	-	500 000	8 000.00	+	4%	over	300 000
500 001		and over	16 000.00	+	5%	over	500 000

Transfer Duty - immovable property transfers

Transfer duty rates

Category of buyer	Rate
Citizen	5%
Non-citizen	30%
Entities that are neither a natural person or a company	5%
Certain specified transactions are exempt from transfer duty.	
Specified land grants, leases or concessions are subject to transfer duty.	
Transfer duty is payable on the transfer of control in or entitlement to benefit from immovable property through the transfer of shares in company.	

Value Added Tax

Standard rate - up to 31 March 2021	12%
Standard rate - with effect from 1 April 2021 (<i>see below</i>)	14%

- VAT is imposed comprehensively on an end-user basis. With effect from 1 April 2021 the standard rate will be increased to 14%. Certain specified supplies are either zero rated or exempt from VAT. Tax invoices raised after 1 April 2021 in respect of supplies of goods and services made prior that date may still be charged VAT at standard rate of 12%.
- Registration is mandatory where 12 months taxable supplies exceed or are expected to exceed:
 - P 500 000 or more
 - P 1 000 000 or more
- Threshold for voluntary registration set at P500 000 turnover from taxable supplies.
- VAT is payable by the importer of services not utilised in the making of taxable supplies
- Input tax includes:
 - Transfer duty payable under the Transfer Duty Act
 - Any tax deemed to have been paid in respect of supplies of second hand goods
- Input tax claims should be made within the following time limits:
 - For those who file monthly returns, within a period of four months
 - For those who file returns every two months, within two tax periods
 - For tax paid in respect of imports, within two tax periods

- Late VAT returns penalty - the greater of P50 per day or 10% per month or part thereof of the tax due or a penalty not exceeding P5,000 for a late NIL or refund return.
- Late payment of VAT - compound interest at 1.5% per month or part thereof on both outstanding tax, penalties and interest charged.
- VAT refunds – Compound interest at 1% per month or part of a month is payable if the refund is not made within two calendar months of the due date of the return (1 month for IFSC companies, approved manufacturers and exporters)

COVID-19 concessions announced on 31 March 2020

- VAT refunds will now be made within 21 days from the date of filing the VAT return (period reduced from the previous 60 days);
- The refund period for businesses with annual turnover in excess of P250 million will be negotiated on a case-by-case basis;
- Waiver of payment of training levy for 6 months

Value Added Tax - Continued

Zero-Rated Supplies

- Exports of goods and services
- International transport services
- Supplies of going concerns
- Sorghum, maize meal, millet, wheat, sugar and flour for human consumption
- Fertilizers for farming purposes, some pesticides
- Supplies to the Head of State
- First 5,000ltrs per month of water supplied to a residential dwelling by the Water Utilities Corporation (with exceptions)
- Brown bread, bread flour
- Vegetables and fruits in their natural state
- Uncooked samp and rice
- Milk – as specified

Exempt Supplies

- Certain prescription drugs and condoms
- Residential accommodation
- Education at approved institutions
- Public medical services
- Non-fee based financial services
- Passenger transport (excluding the transportation of tourists)
- Donations and grants
- Farm implements
- Tractors used for agricultural purposes

Filing Deadline

The VAT Tax returns must be filed on or before the 25th of the month following the end of the tax period.

Transfer pricing

Botswana Transfer Pricing Legislation (TP) and Regulations came into effect on 1 July 2019. The Regulations, which are based on the OECD Guidelines, are cited in the Legislation as a relevant source of interpretation.

The law requires transactions between directly or indirectly connected persons to be consistent with the arm's length principle. TP applies to transactions with non-residents and transactions with Botswana resident IFSC accredited related companies.

The terms "connected person" and 'control' are defined in the Income Tax Act.

A transaction with a connected party is considered to be consistent with the arm's length principle if the conditions of the transaction do not differ from the conditions that would have applied between independent persons in a comparable transaction carried out in comparable circumstances.

Below is a list of some of TP documentation/information that taxpayers are required to submit within four months of the end of the financial year:

- An overview of the person's business operations, which includes, the history, recent evolution, general overview of the relevant markets of reference and an organizational chart;
- Description of the group's operational structure including general description of the role that each of the group members carries out with respect to the group's activities, which are relevant to the controlled transaction;
- A general business strategy pursued which includes business restructuring or intangible transfer in the present or immediate past year and an explanation of the effects of such transaction;
- Details of the taxpayer's key competitors;
- Description of controlled transactions, including analysis of the comparability factors etc;
- The amount of intra-group payments and receipts for each category of controlled transactions broken down by the tax jurisdiction of the foreign payer or recipient;
- Copies of all material inter-company agreements;

- A detailed comparability and functional analysis and the relevant connected persons with respect to each documented category of controlled transactions;
- A summary of the important assumptions made in applying the transfer pricing methodology;
- Comparability analysis which includes details of industry and economic analysis, budgets or projections relied on; and
- Any other information that may have material impact on the determination of the taxpayer's compliance with the arm's length principle.

The Commissioner General is empowered to:

- request the taxpayer to submit the equivalent of an OECD Master File within 7 days from the date of the request in cases where transactions with a connected person exceed BWP5 million; and
- restate taxable income in line with the arm's length principle.

Failure to comply with transfer pricing legislation attracts the following penalties:

- the greater of BWP10,000 or 200% of the additional tax arising from a TP adjustment or;
- an amount not exceeding BWP500,000 for failure to comply with TP documentation filing obligations which may be reduced to no less than BWP250,000 upon mitigation; and
- criminal penalties, upon conviction, of up to BWP10,000 or imprisonment for one year for failure to furnish documentation or returns as required under the Income Tax Act or failure to comply any written notice from the Commissioner General.

Please note that a restatement of related party transactions by the Commissioner General may give rise to additional VAT, Withholding Tax and other tax liabilities plus penalties and interest charges.

KPMG Botswana - Tax Services

Tax represents a significant risk to organisations both as a financial cost as well as increased financial exposures through non-compliance with laws and regulations. Tax authorities are increasingly conducting audits and investigations into high risk and this calls for a more efficient and effective management of the tax compliance process. Harsh penalties, arising from audit and investigation findings, negatively impact the entity's cash flow and consequently the shareholder funds.

Companies need to:

- Be aware of the tax risks/opportunities associated with business decisions in order to plan and manage the tax cost;
- Ensure that they are compliant with tax obligations in order to minimise or avoid the risk of penalties; and
- Keep abreast with changes in the tax laws in order to enhance effective tax cost management and compliance.

At KPMG, we believe that effective management of tax issues is integral to your core business.

Our team of professionals together with our network of KPMG professionals around the world can assist you cut through the complexities of tax through the provision of practical advice.

KPMG Botswana tax services

- Tax compliance services including:
 - Preparation of tax computations and tax returns;
 - Review of tax computations prepared in-house and in-house tax computation templates; and
 - Assistance with management of the tax compliance process across all tax heads.
- Tax advisory services on various transactions including:
 - International taxation (cross-border transactions);
 - Project specific tax advice and investment structuring;
 - Group restructuring including amalgamations;
 - Tax health checks; and
 - Tax due diligence.
- Transfer pricing (TP) services including:
 - Assistance with bench-marking studies and preparation of TP policy documentation¹
 - Preparation of TP documentation;
 - Assistance the preparation of proposals for advance pricing agreements; and¹
 - Assistance during BURS audits.
- Other tax services
 - Global Mobility Services;
 - Payroll services;
 - Tax training of in-house staff
 - Review of in-house tax compliance processes.

For further information about our services please contact our professionals.

KPMG Botswana - Tax Services Key Contacts

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