

Botswana announces tax measures to mitigate impact of COVID-19

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On 2 April 2020, in response to the COVID-19 pandemic, Botswana's Ministry of Finance and Economic Development issued a press release informing the public of some of the measures taken by Government to mitigate against the effects of COVID-19:

1. COVID-19 (Corona Virus) Pandemic Relief Fund (the Fund)

The Government has established a Fund to which individuals, the corporate world and organizations are encouraged to contribute. Contributions to the Fund will not qualify as deductible expenditure for tax purposes.

2. Wage subsidy

The objective of the wage subsidy is to assist businesses to retain employees during the COVID-19 lock-down period. The Botswana Unified Revenue Service (BURS) will administer the wage subsidy scheme and the key measures of the wage subsidy scheme include:

- ▶ Payment of 50% of the basic salary of employees of affected businesses.
- ▶ Subsidies for employees will range between P1000 - P2500 per month for three months i.e., April, May and June 2020.
- ▶ Participating businesses must be registered for tax with BURS. The targeted affected sectors are still to be published. Parastatals and businesses with direct government shareholdings are excluded.

- ▶ Eligible businesses must supply payroll information to BURS which is to include name, Omang (ID), Taxpayer Identification number (TIN-if available) and basic monthly salary.
- ▶ Claims will be subject to audits.

Further clarification from BURS on how the scheme will be implemented will be forthcoming. However, assistance will be offered to businesses regardless of whether they owe tax to BURS provided there are no retrenchments due to COVID-19.

3. Tax concessions

The following tax concessions will be available for tax-compliant businesses adversely affected by COVID-19:

- ▶ 75% of any two self-assessment tax (SAT) payments payable between March and September 2020 can be deferred and be paid starting in March 2021.

- ▶ Value-Added Tax refund processing periods will be reduced from 60 days to 21 days.
- ▶ Businesses with turnover of over P250 million annually will be negotiated with BURS on a case-by-case basis.
- ▶ Waiver of payment of the Vocational Training Levy for six months
- ▶ Businesses are expected to continue filing Tax returns electronically. However, where for some reason companies are not able to access the e-services, no penalties will be charged for failing to comply.

For guidance, visit BURS website at www.burs.org.bw/.

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EYG no. 002109-20Gbl

1508-1600216 NY
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