

## TRADERS AND BUSINESS

### IMPORTATION OF GOODS INTO BOTSWANA

#### OVERVIEW

When goods (including currency) are imported into or exported out of Botswana, they must immediately be declared to BURS (Customs & Excise Division) against an appropriate customs form with supporting documents (import license, invoice, certificates of origin etc.), stating the customs procedure involved. Where there are no prohibitions or restriction on importation of goods, goods may be released to an importer as long as payment has been made to BURS. Such payment may be deferred by a month for traders registered with BURS for that purpose otherwise payment becomes due and payable immediately after lodgement of a customs declaration.

Goods imported into Botswana for commercial purposes should be electronically declared to customs and placed under an appropriate customs procedure for which the goods were imported. Goods placed under a customs procedure should be covered by a customs declaration appropriate for that particular procedure.

As a general rule, goods exported from one country to another are liable to customs duties and local taxes in the importing countries. There may however be situations where such imports may be exempted in accordance with any Trade Agreement, which may exist between the exporting country and the importing country. To that end, Botswana has entered into some Trade Agreements with other countries and economic communities through which certain goods of Botswana origin are granted duty free and or quota free access in the markets of those countries or economic communities. Conversely, imports into Botswana under such Trade Agreements enjoy customs duty concessions and/or quota free access status.

Customs procedures under which goods can be placed are;

1. Importation for home use
2. Re-importation in the same state
3. Outright Export
4. Customs Warehouse
5. Transit
6. Transshipment
7. Temporary Admission
8. Inward processing
9. Processing for home use
10. Drawback

## 11. Outward Processing

There are special customs procedures for travellers, duty free shops, postal traffic, stores, relief consignments, means of payment for commercial use, special economic zones and relief from duties and taxes.

Imports by Government Ministries/Departments, privileged persons and organizations specified under the Customs and Excise Tariff Schedule are exempted from payment of Customs duties and where applicable, VAT. This is however subject to prior approval of a relevant Exemption Certificate by BURS.

### **Assessment and Payment of Duties and Taxes**

**Customs Duty** is levied on imported goods in terms of the Customs and Excise Duty Act [Chapter 50:01] whilst Excise Duty is levied on certain locally manufactured and imported goods as specified under part 2 of schedule No. 1 of the Customs and Excise Tariff, which is published in the form of a statutory instrument. The applicable rates of duty depend on the category of goods

The customs values of imported goods shall be the transaction value, which is the price actually paid or payable for the goods when sold for export to Botswana adjusted in accordance with the provisions of section 77 of the Customs and Excise Duty Act.

**Value Added Tax (VAT)** is another tax levied on imported goods in terms of the Value Added Tax Act. Goods imported into Botswana from outside the SACU market are liable to 12% VAT and tariff rates set out in the Customs and Excise Tariff Schedule.

Goods imported from any SACU Member States (Lesotho, Namibia, South Africa or Swaziland) attracts only 12% VAT.

The amount payable on goods imported into Botswana is assessed as follows:

Customs Duty (goods from SACU) = 0

VAT (goods from SACU) = (transaction value + insurance + freight) x 12%

Customs Duty (goods from outside SACU) = transaction value x tariff rate

VAT (goods from outside SACU) = (transaction value + customs duty + insurance + freight) x 12%

The assessed customs duty and VAT becomes payable within 7 days after lodgement of customs declaration to kick start other customs processes, failure of which will result in the cancellation of the declaration and the declarant will have to lodge a new customs declaration if they still intends to import the goods.

Traders registered for the BURS credit facility will be allowed to defer payments of their customs liability within a month of importation

Assessed customs duty and VAT is payable in Botswana Pula and must be made in full.

Payments can be made through 4 different modes of payments;

1. Customs counter Payments
  - A) Cash
  - B) POS
2. Credit Payments
3. Online Payment
  - A) Card Payments
  - B) Direct debit
  - C) EFT
4. Bank Counter teller payments

### **Refund of Customs Duty and Import VAT:**

Where it has been established that the goods declaration or in the assessment of the customs duties and/or VAT there has been a collection or recovery of an amount of customs duties and/or VAT less or more than that legally payable, BURS usually accepts correction of the errors and collect or refunds the amount underpaid or overpaid.

A refund application form, **CE 66**, must be submitted within 6 months and 3 months for customs duties and VAT respectively from the date of payment. The application form should be submitted at the Customs Office where the transaction that resulted in the need for a refund was processed. The following are the necessary supporting documents for processing a refund:

- i. A copy of the Customs bill of entry relating to the importation/exportation of such goods.
- ii. All supporting documents used at time of import/export, including invoices, transport documents and exemption certificates.
- iii. A copy of BURS receipt issued at time of payment

- iv. Comprehensive worksheet indicating how the duty amount claimed was calculated
- v. Examination report/certificate by customs Officer
- vi. A Voucher of Correction (amendment request submitted for the amendment)
- vii. Original destruction certificate, where goods have been destroyed under Customs supervision, where necessary
- viii. Any other document as BURS may request.

### **Trader Identification Number**

All importers and exporters including clearing agents and transporters are required to formally register with BURS and will be allocated a unique Trader Identification Number (**TIN**). One must be registered for income tax in order to get a trader identification number.

### **Declaration of Currency**

Although there is no restriction on cross-border movement of bank notes in Botswana, there is however a need to monitor the movement of money into and out of Botswana for purposes of, among other things, collecting national statistics, monitoring capital flows and balance of payments, and enforcement of anti-money laundering measures.

When you are entering or leaving Botswana you are required to declare Pula and/or foreign currency bank notes in your possession the amount of which equals to or exceeds an equivalent of Ten Thousand Pula (P10, 000). You need not declare Travellers cheques and other monetary instruments.

You are advised that under the Customs and Excise Duty Act the definition of goods includes currency, and a person who fails to declare currency as required commits a Customs offence for which he/she may be prosecuted.