

ADDENDUM

BOTSWANA NATIONAL ASSEMBLY

ORDER PAPER

(WEDNESDAY 8TH APRIL, 2026)

The following items are added on today's Order Paper:

COMMITTEE STAGE

- Income Tax Bill, 2025 (Bill No. 36 of 2025) An Act to make provision for the charge, assessment, collection and administration of income tax; and for matters incidental thereto.

(Published on 15th December, 2025)

(Minister of Finance)

AMENDMENTS

1. The Bill is amended at clause 2 appearing on page B.858 by inserting immediately after the definition of the word "public international organisation", the following new definition –

"qualifying foreign participation" means a participation held by an international financial services centre company in a company which is not resident in Botswana, where the international financial services centre company controls either directly or indirectly, alone or with connected persons, 25 per cent or more of the share capital including 25 per cent or more of the voting rights of the non-resident company;"

(Minister of Finance)

2. The Bill is amended at clause 9 appearing on page B.864 by –

(a) inserting immediately after subclause (1), the following new subclause –

"(2) Subject to subsection (1), income tax shall be imposed on an amount that is attributable to a business conducted by a nonresident through a permanent establishment in Botswana."; and

(b) re-numbering subclauses 2 to 5 chronologically.

(Minister of Finance)

3. The Bill is amended at clause 11 (1) appearing on page B.866 by deleting the words ",boat, train or vehicle," where they appear in that subclause.

(Minister of Finance)

4. The Bill is amended at clause 24 appearing on page B.873 by substituting for subclause (3) the following new subclause –

“(3) The Minister shall by way of Notice in the *Gazette*, publish the –

- (a) names of any recipient under an agreement with Government for the provision of technical assistance, within 30 days after the agreement has come into effect; and
- (b) names of body corporate wholly owned by the Government to which Schedule 2 shall apply.”.

(Minister of Finance)

5. The Bill is amended at clause 86(1) appearing on page B.907 by substituting the word “lesser” appearing in that subclause the word “greater”.

(Minister of Finance)

6. The Bill is amended at clause 91 appearing on page B.911 by –

- (a) inserting immediately after subclause (1), the following new subclause –

“(2) The Minister may by Order published in the *Gazette*, provide for –

- (a) the establishment, marketing and operation of an international financial services centre;
- (b) the constitution of an international financial services centre certification committee; and
- (c) powers, duties and functions of a committee established under paragraph (b).”; and

- (b) re-numbering subclauses 2 to 3 chronologically.

(Minister of Finance)

7. The Bill is amended at clause 132 appearing on page B.935 by inserting immediately after subclause (4), the following new subclause –

“(5) This section shall not apply to any payment of interest, royalty technical fee or dividend to a non-resident where payment is made by an international financial services centre company or a collective investment undertaking which is exempt from tax under paragraph 4 of Part IV of the Schedule 2.”.

(Minister of Finance)

8. **Clause 133** appearing on page **B.936** is amended –
- (a) by inserting immediately after **subclause (6)**, the following new subclause –

“(7) A payment of dividend under subsection (1), shall not be subject to withholding tax where the dividend is paid to an international financial services centre company or a specified collective investment undertaking.”;
 - (b) by substituting for subclause (7), the following new subclause –

“(8) A payment of interest under subsection (2), shall not be subject to withholding tax where the interest is paid to an international financial services centre company, a banking or financial institution receiving the interest in its ordinary course of business.” ; and
 - (c) by renumbering subclause 8 as 9.

(Minister of Finance)

9. The Bill is amended at **Schedule 1 on page B. 943** at –
- (a) at paragraph 3 (b)(i) by substituting for the words “17.5 per cent” the words “15 per cent”;
 - (b) at paragraph 6 by substituting for the words “5 per cent” appearing in the entry (e) of the table thereunder, the words “3 per cent”; and
 - (c) at paragraph 8 by substituting for the words “3 per cent” the words “0 per cent”

(Minister of Finance)

10. The Bill is amended at **Schedule 2 Part I paragraph 8.** appearing on page **B945** by inserting the words “and prescribed by the Minister” immediately after the word “Government”.

(Minister of Finance)

11. The Bill is amended at **Schedule 2** by substituting for **Part III** appearing on page **B947** the following new Part –

“PART III — Retirement Savings and Insurance

The following amounts shall be exempt income —

1. The income of an approved benefit fund.
2. The income of an approved retirement fund.

3. The following commutation amounts —

- (a) in the case of an employee permitted to commute a portion of his or her pension under any law in force in Botswana, an amount not exceeding 50 per cent of the pension entitlement of the employee at the time of retirement;
- (b) in the case of any person other than a person subject to subparagraph (a), who, being entitled to a pension or annuity on retirement, elects to receive a part of such pension or annuity as a commuted lump sum, an actuarially calculated sum representing a commutation of not more than 50 per cent of his or her full entitlement at the date of his or her retirement; or
- (c) in the case of any person other than a person referred to in subparagraphs (a) and (b) who is entitled bona fide to an annual pension or annuity of not more than P48 000 as an actuarially calculated sum representing the commutation of that pension or annuity.

4. In the case of a person who does not elect to commute a portion of his or her pension, an amount not exceeding 50 per cent of his or her pension income.

5. Sickness or accident benefits paid to a person, or to his or her dependents or heirs, by an approved fund, a trade union, or under a policy of insurance covering sickness or accident.

6. The investment income as defined in a statutory life insurance fund.”.

(Minister of Finance)

12. The Bill is amended at **Schedule 2 Part IV** appearing on page **B.948** by –

(a) inserting a new paragraph immediately after paragraph 3, the following new paragraph –

“4. Any dividend received by an international financial services company in respect of a qualifying foreign participation as defined under section 2.”; and

(b) renumbering paragraph 4 as 5.

(Minister of Finance)

13. The Bill is amended at **Schedule 2 Part V** appearing on page **B.949** by inserting the following new paragraphs immediately after paragraph 7 –

“8. The income of a specified collective investment undertaking.

9. The income contributed to the “Diamonds for Development Fund Limited” for the purposes of investments projects in Botswana as approved by the Minister.”.

(Minister of Finance)

14. The Bill is amended at **Schedule 2 Part VII** appearing on page **B.950** by inserting the following new paragraphs immediately after paragraph 5 –

“6. A gain on disposal of any shares in an International Financial Services Centre company.

7. A gain on disposal of any property which represents a qualifying foreign participation as defined under section 2.”.

(Minister of Finance)