

# REPUBLIC OF BOTSWANA



## GOVERNMENT GAZETTE

### EXTRAORDINARY

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## INCOME TAX (AMENDMENT) ACT, 1997

No. 10



of 1997

### ARRANGEMENT OF SECTIONS

#### SECTION

1. Short title and commencement
2. Amendment of section 2 of Act No. 12 of 1995
3. Amendment of section 50 of the Act
4. Amendment of section 52(2) of the Act
5. Amendment of section 53(2)(a) of the Act
6. Amendment of section 58 of the Act
7. Amendment of the Eighth Schedule to the Act
8. Amendment of the Tenth Schedule to the Act

#### An Act to amend the Income Tax Act

*Date of Assent:* 26.6.97.

*Date of Commencement:* 1st July, 1997.

ENACTED by the Parliament of Botswana.

1. This Act may be cited as the Income Tax (Amendment) Act, 1997, and shall come into effect on 1st July, 1997.

2. Section 2 of the Income Tax Act (in this Act referred to as "the Act") is hereby amended —

(a) by substituting for the definition of the word "company" which appears therein the following new definition —

"'company' includes —

- (a) any body corporate;
- (b) any specified corporation;
- (c) a unit trust; and
- (d) any association or society whether incorporated or registered or not, but does not include a partnership;"

(b) by inserting at the end of the definition of the word "trustee" which appears therein, the following new definition —

"'units' means a right or interest in a unit trust;"

3. Section 50 of the Act is hereby amended —

(a) by substituting for the words "subsection (2)" which appear in subsection (1) thereof, the words "subsections (1A) and (2)."; and

(b) by inserting immediately after subsection (1) thereof, the following new subsection —

"(1A) Where a person makes a donation to —

Short title  
and commence-  
ment  
Amendment  
of section 2  
of Act No.  
12 of 1995

Amendment  
of section 50  
of the Act



- (a) any educational institution recommended by the Ministry of Education; or
- (b) any sports clubs or sports associations recommended by the Ministry responsible for sports,
- and approved by the Commissioner, the taxable income ascertained in respect of that person under subsection (1) shall be subject to the deduction of not less than P1 000 of the aggregate value in money's worth of donations made by him:

Provided that such deduction does not exceed 20 per cent of the person's aggregate chargeable income for that tax year."

Amendment  
of section  
52(2) of the  
Act

4. Section 52 of the Act is hereby amended by substituting for the provisions of subsection (2) thereof, the following new subsection —

"(2) Any agreement entered into under this subsection (1) shall, by order, be laid before the National Assembly as soon as possible after the agreement is entered into but shall not take effect unless or until it is approved by resolution of the National Assembly, when it shall come into operation or be deemed to have come into operation on the date specified in the agreement".

Amendment  
of section  
53(2)(a)  
of the Act

5. Paragraph (a) of subsection (2) of section 53 of the Act is hereby amended by substituting for the provisions of the said paragraph (a), the following new provisions —

"(a) Any agreement entered into under this section shall, by order, be laid before the National Assembly as soon as possible after it is entered into, and shall not take effect unless or until it is approved by resolution of the National Assembly, when it shall come into operation, or be deemed to have come into operation on the date specified in the agreement."

Amendment  
of section 58  
of the Act

6. Section 58 of the Act is amended in the proviso to subsection (1) thereof, by substituting the words "Table IV" for the words "Table V" which appear therein.

Amendment  
of the Eighth  
Schedule to  
the Act

7. The Eighth Schedule to the Act is hereby amended by substituting for the Schedule, the following new Schedule —

#### "EIGHTH SCHEDULE (Section 58)

#### RATES OF TAX FOR 1997/1998 AND SUBSEQUENT TAX YEARS

TABLE I

*Taxable Income*

*Tax*

0 - 20 000	0
20 000 - 35 000	0 + 5% of excess over 20 000
35 000 - 50 000	750 + 10% of excess over 35 000
50 000 - 65 000	2 250 + 15% of excess over 50 000
65 000 - 80 000	4 500 + 20% of excess over 65 000
Over - 80 000	7 500 + 25% of excess over 80 000

Table I applies to resident individuals

TABLE II

<i>Taxable Income</i>	<i>Tax</i>
0 - 35 000	5% of every Pula
35 000 - 50 000	1 750 + 10% of excess over 35 000
50 000 - 65 000	3 250 + 15% of excess over 50 000
65 000 - 80 000	5 500 + 20% of excess over 65 000
Over - 80 000	8 500 + 25% of excess over 80 000

Table II applies to non-resident individuals, to trusts falling under section 14(2) and to estates of deceased persons.

TABLE III

1. Resident company	Basic company tax	15%
	Additional company tax	10%
2. Non-resident company	All taxable income	25%
3. Botswana Meat Commission	All taxable Income	15%
4. Pension and Provident Fund not approved by the Commissioner	Investment Income as defined in terms of Section 50(3)	7.5%
5. Dividends accruing outside Botswana	Gross income	15%
6. Persons not included in paragraphs 1 - 5 above	Taxable Income	25%

TABLE IV

<i>Taxable Income</i>	<i>Tax</i>
0 - 10 000	0
10 000 - 35 000	0 + 5% of excess over 10 000
35 000 - 50 000	1 250 + 10% of excess over 35 000
50 000 - 65 000	2 750 + 15% of excess over 50 000
65 000 - 80 000	5 000 + 20% of excess over 65 000
Over - 80 000	8 000 + 25% of excess over 80 000

Table IV applies to any individual in respect of the net aggregate gains of such individual."

8. The Tenth Schedule to the Act is amended in subparagraph (d) of paragraph 1 thereof by inserting the words "or units" immediately after the word "shares" which appear in the subparagraph.

Amendment of  
the Tenth  
Schedule  
to the Act

PASSED by the National Assembly this 20th day of June, 1997.

C.T. MOMPEI,  
Clerk of the National Assembly.



## CAPITAL TRANSFER TAX (AMENDMENT) ACT, 1997

No. 11



of 1997

**An Act to amend the Capital Transfer Tax Act.***Date of Assent: 25.6.97.**Date of Commencement: 1st July, 1997.*

ENACTED by the Parliament of Botswana.

1. This Act may be cited as the Capital Transfer Tax (Amendment) Bill, 1997, and shall come into operation on 1st July, 1997.

Short title and commencement

2. Section 4 of the Capital Transfer Act is hereby amended by adding at the end of paragraph (e) of subsection (1) thereof, the following new paragraph —

Amendment of section 4 of Cap. 53:02

“(f) the value of any property which is disposed of —

- (i) in consequence of the re-structure or merger of two or more resident companies (including a subsidiary company of such companies), and where the Commissioner is satisfied that the restructure or merger is carried out in such manner that the beneficial ownership of the shares of the companies concerned in the restructure or merger remains unchanged and that no shareholder benefits at the expense of another;
- (ii) as a consequence of the re-organisation of a resident company, including a restructure or merger as in subparagraph (i), and the Commissioner is satisfied that the sole object of the re-organisation, restructure or merger is the offer of its shares for listing on the Botswana Stock Exchange:

Provided that an application for listing of the shares is made to the Botswana Stock Exchange within a period of one month after the completion of the re-organisation, restructure or merger, and the application is successful before the expiration of 12 months from the date of application.”

PASSED by the National Assembly this 19th day of June, 1997.

C.T. MOMPEI,  
*Clerk of the National Assembly.*