

Botswana

## Income Tax (COVID-19) (Deferment of Self-Assessment Tax) Order, 2020

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**Botswana****Income Tax (COVID-19) (Deferment of Self-Assessment Tax)  
Order, 2020****Statutory Instrument 73 of 2020**Published in [Government Gazette no. 44](#) on 4 May 2020**Commenced on 1 March 2020***[Up to date as at 4 May 2020]*

IN RECOGNITION of the risks posed by the COVID-19 pandemic and in exercise of the powers conferred on the Minister of Finance and Economic Development by regulation 30F of the Emergency Powers (COVID-19) Regulations, 2020, the following Order is hereby made –

**1. Citation and commencement**

This Order may be cited as the Income Tax (COVID-19) (Deferment of Self-Assessment Tax) Order, 2020, and shall be deemed to have come into operation on 1st March, 2020.

**2. Deferment of tax payments**

- (1) Where a taxpayer is required to pay tax under section 95 of the Income Tax Act, the taxpayer may –
  - (a) for any two quarters in the period between 1st March, 2020 and 30th September, 2020 –
    - (i) make a payment of quarterly installments equal to 25 per cent of such installment, and
    - (ii) the remaining 75 percent of the installment shall be deferred to be paid during a period provided under paragraph 4;
  - (b) for the balance of the tax payable –
    - (i) make a payment equal to 25 per cent of the balance due, and
    - (ii) the remaining 75 per cent of the balance due shall be deferred to be paid during a period provided under paragraph 4;
  - (c) for the tax payable as estimated tax under section 78 (2) of the Income Tax Act, that is less than P50 000 –
    - (i) make a payment equal to 25 per cent for any two quarters or 25 per cent of the lump sum payable, and
    - (ii) the remaining 75 per cent payable shall be deferred to be paid during the period provided under paragraph 4; and
  - (d) where a taxpayer is not a company, for tax payable as estimated tax under section 78 (2A) of the Income Tax Act –
    - (i) make a payment equal to 25 per cent of the lump sum payable, and
    - (ii) the remaining 75 per cent of the lump sum payable shall be deferred to be paid during a period provided under paragraph 4.
- (2) Where a taxpayer is required to pay the balance of tax payable under section 95 of the Income Tax Act, the balance shall only be deferred, if it was due and payable during the period of the COVID-19 pandemic between 1st March, 2020 and 30th September, 2020.

- (3) A taxpayer shall only have the option to defer –
  - (a) the payment for any two quarters under section 95 of the Income Tax Act; or
  - (b) the payment for any one quarter and payment for the balance of tax payable under section 95 of the Income Tax Act.
- (4) The deferment accorded to a taxpayer under this paragraph is to provide temporary relief from payment of tax to taxpayers adversely affected by the COVID-19 pandemic.

### 3. Requirements for eligibility

- (1) A taxpayer eligible for the deferment of the amount of tax payable in paragraph 2 shall be a person –
  - (a) with an annual turnover of P250 000 000 or less; and
  - (b) with a valid tax clearance certificate.
- (2) A taxpayer who is eligible for deferment under paragraph 2 shall, within 60 days after publication of this Order, make an application in an electronic format to the Commissioner General requesting for deferment of amounts as specified in paragraph 2.
- (3) A taxpayer with an annual turnover of more than P250 000 000 and a valid tax clearance certificate may, within 30 days of the publication of this Order, make an application to the Minister in an electronic format provided by the Commissioner General for deferment of amounts as specified in paragraph 2.
- (4) Where the Minister receives an application under subparagraph (3), the Minister shall –
  - (a) consider the taxpayer's valid tax clearance certificate;
  - (b) consider the adverse impact the COVID-19 pandemic has on the taxpayer's business; and
  - (c) within 14 days of the application, make a decision on whether to approve or disapprove the application.
- (5) The applications made under subparagraphs (2) and (3) shall indicate –
  - (a) whether the taxpayer shall defer the payments due for any two quarters or shall defer the balance or lump sum of the tax payable together with any one quarter;
  - (b) where the taxpayer opts to defer payments of any two quarters, the application shall indicate the quarters that the taxpayer will be utilizing to defer the installments; and
  - (c) where the taxpayer opts to defer the payment of any one quarter together with the balance, or lump sum of tax payable, the application shall indicate the quarter that the taxpayer shall utilise to defer the installment.

### 4. Time for payment of deferred payments

Where a taxpayer has an amount deferred under paragraph 2, the deferred amount shall be due and payable from 1st March, 2021 to 31st December, 2021.

### 5. Interest on payment of deferred payments

- (1) An amount that is due and payable in accordance with paragraph 4, shall not be charged interest.
- (2) Notwithstanding the provisions of subparagraph (1) any deferred amount that remains unpaid after the time of payment specified in paragraph 4, shall be charged interest at the rate of one and a half per cent for each month or part of a month during which the amount remains unpaid, compounded monthly.

Dr. Thapelo Matsheka,

Minister of Finance and Economic Development.