

Tax Alert

Value Added Tax (Amendment) Act, 2025 Commencement

The Government of Botswana passed into law Value Added Tax amendment Act, 2025 in October 2025. One of the major highlights of this act was the introduction of VAT on remote services supplied by non – resident suppliers.

The Value Added Tax (Amendment) Act, 2025 came into operation on **1 June 2026** through Statutory Instrument No.72 of 2026 .

Key issues to note:

1 VAT on remote services

A service supplied by a person who does not have a place of business in Botswana (and which is not reverse-charged) is treated as supplied in Botswana if it meets any of these conditions:

- It is physically performed in Botswana by someone present in Botswana at the time of supply;
- It relates to immovable property located in Botswana;
- It is a remote (digital/online) service supplied to a Botswana resident;
- It is an inbound tourism product or related agency/booking service for such tourism products;
- It is a telecommunications service that can only be used in Botswana.

2 Reverse charge VAT

- Registered persons, Government entities and Large Unregistered Persons receiving services from a non resident supplier will be subject to reverse charge VAT.

3 Registration Requirements

Non-resident suppliers of remote services must register for VAT if annual supplies exceed **P500,000** or expected to exceed P500,000 in a 12 – month period.

Registration for non residents suppliers of remote services commences on **1st June 2026**.

Government entities and Large Unregistered Persons (annual turnover of P1,000,000) will commence registration on **1 August 2026** for purposes of accounting for reverse charge VAT.

4 Tax Periods

- **Government entities and large unregistered persons:** Every 2 months.
- **Non-resident remote service suppliers:** Quarterly.

5 Other Key Dates

- Charging of VAT by non-resident suppliers commences on **1 October 2026**.
- Registered persons will start accounting for reverse charged supplies from **1 August 2026**.

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