

**BOTSWANA UNIFIED REVENUE SERVICE
INTERNAL REVENUE
VAT PROCEDURES GOVERNING DIPLOMATIC MISSIONS,
CONSULAR MISSIONS AND PRIVILEGED PERSONS**

**1. LEGAL AUTHORITY FOR REFUND OF TAX TO PERSONS ENJOYING
DIPLOMATIC IMMUNITY**

- 1.1 Section 43 of the Value Added Tax Act as amended with the Diplomatic Immunities and Privileges Act (Cap: 39.01).**
- 1.2 Section 14 and Item 406.00 as specified in the Third Schedule of the Value Added Tax Act.**
- 1.3 Section 43 (4)**
Any such claims for a refund shall:
- Be made in such form and at such time as the Minister shall prescribe; and
 - Shall be accompanied by such proof of payment of tax.
- 1.4 Section 43 (1)**
The Minister may authorize the granting of relief, by way of refund of VAT paid or borne to:
- Any person enjoying full or limited immunity, rights or privileges under section 3 of the Diplomatic Immunities and Privileges Act, or under section 4 of that Act or under principles of recognized law, or
 - Any diplomatic or consular mission of a foreign country established in the Republic of Botswana, relating to transactions concluded for purposes of such mission.

It has to be noted that the application of the abovementioned provisions are not dependent on whether similar or equivalent relief is granted a Botswana diplomat who is stationed in the government of that person.

2. INTRODUCTION

- 2.1. Diplomatic Missions, International Organisations, Consular Offices, certain Technical Assistance Organisations or Privileged persons are relieved from payment of Value Added Tax. The rebate in respect of imported goods and services will apply to the extent provided under the Customs and Excise rebate item 406.00. For local purchases, VAT must be paid and a refund may be granted for any VAT incurred in accordance with the requirements of the Value Added Tax Act.
- 2.2. The purpose of privileges and immunities is not to benefit Diplomatic Missions or individuals, but to ensure the efficient performance of the functions of the Diplomatic Missions.

3. PROCEDURE

3.1 *Application for Registration*

- 3.1.1 An application Form VAT 005.1 must be completed in duplicate to register for the refund system for Diplomatic Missions, International Organisations certain Technical Assistance Organisations or Privileged persons. This form should be submitted through the Ministry of Foreign Affairs and International Cooperation (Protocol Department), which will submit it to the VAT office. This form is available from the VAT office in Gaborone.
- 3.1.2 A list of all accredited agencies/personnel eligible for VAT privileges should be prepared by each Mission yearly and submitted to the Ministry of Foreign Affairs. The list will be forwarded to the VAT office.
- 3.1.3 Names of all newly eligible persons should be communicated to the Director of VAT through the Ministry of Foreign Affairs. This is necessary for the purpose of up dating records.
- 3.1.5 Names of all outgoing eligible persons should be made known to the Director of VAT through the Ministry of Foreign Affairs so that records may accordingly be updated. The Department to that effect should receive information at least one month prior to the person leaving Botswana.

3.2 Treatment of Imports

Goods imported for official use by Diplomatic Missions accredited to Botswana will not be subjected to Value Added Tax (VAT). A certificate known as **CERTIFICATE A** must be authorized by the Botswana Unified Revenue Service prior to importation and produced to the Customs Officer at the time of clearance.

3.3 Application for a refund of VAT

3.3.1 VAT Refunds will apply to all locally acquired goods and services for the official use of the Missions or the personal use of the diplomat and those of his family members living with him/her under the same roof and in his/her charge. However, purchases and services of an investment/capital nature or where there is indication that the purchase is totally unconnected with the official diplomatic duties will not be eligible for a VAT refund.

3.3.2 VAT Refunds will be made to tax invoices of at least P200.00.

3.3.3 VAT Refund applications should be submitted to the Ministry of Foreign Affairs and International Cooperation, the Protocol Department, quarterly in arrears during the beginning of the months of July, October, January and April. Submissions should reach the Ministry by the 15th of the month. The effective time period allowed to claim a tax invoice is four months failing which claiming of the VAT will be forfeited.

3.3.4 Applications should be accompanied by:

- A detailed form VAT 007.1 for each month, for the Mission and for each employee with all the supporting Tax invoices (originals) and proof of payment. The details of a Tax Invoice are as outlined in item 3.4 below. Thereafter, the VAT office will return the Tax Invoices and proof of payment to the Missions.

3.3.5 The Ministry of Foreign Affairs and International Cooperation will accordingly process the forms and recommend appropriate action to the Internal Revenue office of BURS. Refunds will be paid directly to the Missions within a month of submission.

3.3.6 A summary record of refunded claims for each Mission will be communicated to the Department of Protocol by the VAT office.

3.3.7 Tax exemption forms, like customs duty forms and application for refund claim form (VAT 008.1), should be authorized / signed by the Head of Mission. The Head of mission can delegate powers to sign to, at the most, three members of staff of the mission (not locally recruited staff). A form with details of officers delegated the powers and their signatures should be submitted to the Department of Protocol at the beginning of the year. This, together with other pertinent information will be shared with the VAT office periodically.

3.3.8 The Ministry of Foreign Affairs will communicate any rejection of refund application to the relevant Mission accordingly.

3.4 Tax Invoice

3.4.1 A tax invoice MUST contain ALL of the following particulars as specified in the Fourth Schedule of the VAT Act No. 1 of 2001:

- The words 'Tax Invoice' in a prominent place;
- The name, address, and VAT registration number of the registered person making the supply;
- The name and address of the recipient of the supply;
- The individualized serial number and the date on which the Tax Invoice was issued;
- A description of goods or services provided;
- The quantity or volume of goods or services supplied;
- The Identity number of the recipient of the supply; and
- The total amount of the tax paid the consideration for the supply, and the consideration including tax

3.5 Exemption from VAT on Motor Vehicles

3.5.1 A passenger vehicle cleared under a rebate or for which VAT is reimbursable may not be offered, advertised, lent, hired, leased,

pledged, given away, exchanged, sold or otherwise disposed of within a period of two (2) years from the date of entry under this rebate item, otherwise VAT will become payable as determined by the Commissioner General in consultation with the Permanent Secretary, Ministry of Foreign Affairs and International Cooperation.

- 3.5.2 Subject to paragraph 3.5.1 above a married diplomat is allowed to claim VAT on the acquisition and maintenance of two passenger vehicles. However a married diplomat who is not accompanied by his/her spouse is allowed to claim VAT on the acquisition and maintenance of one passenger vehicles.
- 3.5.3 Subject to paragraph 3.5.1 above a single diplomat is allowed to claim VAT on the acquisition and maintenance of one passenger vehicle.