

INCOME TAX ACT
(Cap. 52:01)

MANUFACTURING DEVELOPMENT APPROVAL ORDER, 1996
(Published on 19th August, 1996)

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

1. Citation and commencement
2. Interpretation
3. Tax Rate
4. Additional Tax Relief
5. Revocation of S.I. No. 37 of 1995

SCHEDULE

IN EXERCISE of the powers conferred by section 51(1) of the Income Tax Act, the Minister of Finance and Development Planning hereby makes the following Order —

1. This Order may be cited as the Manufacturing Development Approval Order, 1996, and shall, subject to the provisions of section 51 of the Act, be deemed to have come into operation on the 1st July, 1995.

Citation and
commence-
ment

2. (1) In this Order “manufacture” means the subjection of raw materials to a process, or processes that will result in the product having new and distinctive characteristics from the raw material from which it is made.

Interpretation

(2) The following processes shall not on their own qualify as manufacturing —

- (a) packaging and bottling;
- (b) diluting, mixing or blending of ingredients which does not result in the formation of a different product;
- (c) printing, marking and labelling;
- (d) washing, painting, dyeing, bleaching, texturising of textile goods and impregnating or mercerising operations;
- (e) etching, decorating, calibration, polishing, cutting up, re-enforcing of an otherwise finished article;
- (f) simple assembly operations;
- (g) milling, baking and brick making; and
- (h) simple operations consisting of removal of dust, sifting or screening, sorting, grading, classifying and matching including the making up of sets of goods.

3. (1) Any company which has been approved by the Minister or anyone delegated by the Minister as carrying on the business of manufacturing in Botswana, shall be taxable at a special rate of 15% (the basic rate of 5% and an additional company tax rate of 10%) as set out in the Eighth Schedule of the Act.

Tax Rate

(2) Any company which supplements its domestic production by importing finished products shall not qualify for the benefits of this Order in respect of such imports.

Additional
Tax Relief

4. A company that carries on the business of manufacturing and wishes to be granted additional tax relief in respect of a development project shall apply on the form prescribed in the Schedule.

Revocation
of S.I.No.
37 of 1995

5. The Manufacturing Development Approval Order 1995, is hereby revoked.

SCHEDULE
(Regulation 4)

APPLICATION FOR A DEVELOPMENT APPROVAL ORDER
IN RESPECT OF AN APPROVED BUSINESS ACTIVITY

MANUFACTURING FIRM

(Section 51 of the Income Tax Act (No. 12 of 1995))

To: The Permanent Secretary
Ministry of Finance and Development Planning
Private Bag 008
GABORONE

Application for approval is hereby made in terms of section 51 of the Income Tax Act (No 12 of 1995), for the issue of a development approval order in respect of a business carrying on a manufacturing activity:

1. Name of applicant:.....

2. Postal address:.....

.....

3. Physical address:.....

.....

4. Tax reference number (if available):.....

5. Date of commencement of business:

existing business.....19.....

new business: proposed date of commencement.....19.....

6. Description of process of manufacture:

(a) articles manufactured:.....

.....

(b) description of process of manufacturing:.....

.....

(c) raw materials used and their source.....

.....

7. Capital investment in plant and machinery excluding vehicles:

.....

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.....

8. Do your manufacturing operations come under any of the exceptions in paragraph 2 (2) of the Manufacturing Development Approval Order, 1996 ? If yes, please specify which.

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9. Numbers of employees engaged or to be engaged in the manufacturing activity:

Citizens

Non-Citizens

Total

.....

.....

10. Particulars of facilities, if any, for training and imparting skills to Botswana citizens:

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11. Any other relevant information relating to your business of manufacturing:.....

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12. The effect the manufacturing activity is likely to have on the development of the economy of Botswana or the economic advancement of its citizens:

(a) in what way will your business stimulate other economic, industrial or commercial activity whether business or otherwise ?

(b) to what extent will the local raw materials be used in the manufacturing process ?

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(c) is there an export potential of the business ?

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.....

(d) is there an import substitution of the local raw materials ?

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.....

(e) will your business activity result in the reduction of the price of consumer goods ?

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DECLARATION:
As Public Officer of

.....
(name of company)

I,of
(full name of Declarant)

.....declare that to the best
(Postal Address)

of my knowledge and belief, the information given in this application is true and correct.

Date..... Signature.....
Declarant/Authorised Agent*

*Agent's Full Name.....

MADE this 14th day of August, 1996.

F.G. MOGAE,
*Minister of Finance and Development
Planning.*