

**GUIDELINES, RULES, AND CONDITIONS PERTAINING TO
DRAWBACK ITEM 521.00/00.00/01.00 ON GOODS USED IN
THE MANUFACTURE, PROCESSING, FINISHING, EQUIPMENT
OR PACKING OF ANY GOODS THAT HAVE BEEN EXPORTED:
SUBJECT TO A PERMIT BEING ISSUED BY THE BOTSWANA
TRADE COMMISSION.**

1.0 SCOPE

- 1.1 This document serves to provide guidelines, rules, and conditions applicable to permits issued under drawback item 521.00.

2.0 BACKGROUND

- 2.1 The Government's primary economic objective is to build a diversified and export-led economy. The country endeavors to transition to a high-income economy with export led growth underpinned by high levels of productivity, diversified economy, inclusive and sustainable growth. The aim is to create a more dynamic and robust private sector economy as well as develop a resilient, vibrant and progressive domestic market. This is to be achieved through well-developed and competitive industries.
- 2.2 Sustainable economic growth and development requires improvement of the international competitiveness of the industrial and agricultural sectors. Therefore, the promotion of Botswana's exports is of great importance and a key element in stimulating industrial development and economic growth.
- 2.3 Access to raw materials and other inputs at world market prices is essential for stimulating exports, and in view thereof provisions such as drawback item 521.00 has been introduced in terms of the Customs Act No. 33 of 2018 and Excise Act No. 34 of 2018 (hereinafter "the Customs and Excise Act"), to facilitate imports of materials and components at world market prices.

3.0 DRAWBACK PROVISION

- 3.1 Drawback item 521.00 (Schedule No. 5) provides for refund of the customs duty on goods **used** in the manufacture, processing, finishing, equipment or packing of any goods that have been **exported**. The provision provides for the exemption of ordinary customs duty specified in Part 1 of Schedule No.1 of the Customs Act No. 33 of 2018, but does not, for example, exempt anti-dumping or countervailing duties specified in Schedule 2 thereof. Exemption of value-added tax is also not covered by the 521.00 permit issued by the Botswana Trade Commission (BOTC) but is addressed by the Botswana Unified Revenue Service (BURS) under the Value-Added Tax (VAT) Act No. 10 of 2002.

Note: In terms of note 8 to Schedules 5, a refund or drawback of duty as contemplated in PART VII of Customs Procedures Section 218 of the Customs Act shall only be granted if the customs procedure code (CPC) applicable to the export and the relevant refund or drawback item are reflected on the export bill of entry or other export declaration.

3.0 THE PURPOSE OF THE DRAWBACK/REFUND

- 3.1 The purpose of the drawback in terms of item 521.00 is to assist entities that import products on which customs duty is paid and who subsequently use the products in line with the provision in respect of products for export to meet export orders. This provision allows entities to claim the refund on the import duties after the goods have been manufactured and exported.

4.0 WHO QUALIFIES?

- 4.1 The following entities are illegible for utilising the rebate item:
- a) Manufacturers
 - b) Packers
 - c) Processors
 - d) Importers

5.0 APPLICATION PROCEDURES

- 5.1 Applicants must acquaint themselves with the provisions of the Botswana Customs Act No. 33 of 2018 and Excise Act No. 34 of 2018, Value-Added Tax Act No. 10 of 2002, the Botswana Trade Commission Act, 2013 (BOTC Act) amended in 2023 and other legislations relating to the importation of goods into the Republic of Botswana.

- 5.2 Prospective applicants, as stated in paragraph 4.1, must register with BURS as users of drawback item 521.00. The registered company or entity can thereafter complete the online application form for the drawback through the BOTC Online Permit Management System (OPMS), accessible at <https://1gov.gov.bw>).
- 5.3 The applicant must have the following information in order to successfully complete the online application:
- a. CIPA Registration Number;
 - b. Letter from BURS confirming registration as a drawback user (to be uploaded in the system);
 - c. Copy of previous permit (for the second application and onwards – to be uploaded in the system);
 - d. TIN Number (Tax Clearance Certificate);
 - e. Industrial licence/ Trade License (to be uploaded in the system);
 - f. Bill of Lading (to be uploaded in the system);
 - g. Invoice (to be uploaded in the system);
 - h. Signed Affidavit (to be downloaded from BOTC website - <https://botc.org.bw>);
 - i. National Identity number (for nationals);
 - j. Certified copy of passport (for foreigners) by Commissioner of Oaths (to be uploaded in the system); and
 - k. Import and Export declaration forms (to be uploaded in the system).
- 5.4 These Guidelines must be read and understood before completing the application form.
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- 5.5 Should an application be found to be insufficient, it will not be processed further, and the applicant will be informed accordingly. An application will be regarded as insufficient if the following is found:
- a) The application does not comply with the guidelines, rules and conditions as set out in this document;
 - b) The required information as outlined in the OPMS is not provided; and

- c) The application contains conflicting information or incorrect information.
- 5.6 Applicants who submitted deficient information must re-submit duly completed application forms, should they wish to proceed with the application.
- 5.7 BOTC will process and issue a permit within fourteen (14) days after receipt of a fully completed application.
- 5.8 Should the application be rejected, the applicant will be notified through email and mobile short message service (SMS) of the decision and the reasons thereof to enable the applicant to seek appropriate recourse.

6 APPLICABLE CONDITIONS

- 6.4 Applicants must comply with the provisions of the Customs Act No. 33 of 2018 and Botswana Trade Commission Act, 2013 (amended in 2023) and all other Botswana legislations relating to the importation of goods into the Republic of Botswana, relevant to the transaction.
- 6.5 Regarding the periods allowed in permits for import and export, the following general guidelines are applicable:
 - (a) At the time a customs declaration is lodged to import goods that will be subject to a drawback procedure, a declarant shall indicate to Botswana Unified Revenue Service (BURS) that he or she has been approved in accordance with the Customs Act No. 33 of 2018 to import the goods under the procedure.
 - (b) Notwithstanding (a) above, BURS shall not deny the payment of drawback if, at the time of importation of the goods, the declarant did not declare the intention of claiming drawback upon exportation.
 - (c) The time limit for a person to lodge a claim for drawback shall be within one year from the date of exportation of the imported goods for which the drawback is claimed.
 - (d) Upon request by a declarant, for commercial or for other reasons deemed valid, the Commissioner General may extend the time limit under subsection (c).
- 6.6 No drawback permits will be considered for goods which have gone into use for home consumption.

- 6.7 BOTC may satisfy itself as to the accuracy of the information supplied to it by the applicant by conducting verifications at such time and place as it deems necessary, including verification visits, i.e., physical inspection of equipment and manufacturing process, at the premises of the applicant that provided the information.
- 6.8 A fee of P300.00 shall apply for the issuance of the rebate permit.
- 6.9 Duty drawback permits may not be transferred in any manner by the holder thereof, to any other person, or be used to the benefit of any person, not named in the permits.

Amendment of drawback permits

- 6.10 Any request for an amendment to a duty drawback permit will only be considered when an:
- a) error was made by BOTC on the permit;
 - b) error was made by the applicant regarding the product description or tariff subheading. This will only be processed if the request is accompanied by confirmation from BURS in this regard.

Note: No amendments of the quantity that was applied for, will be considered in instances where the applicant was responsible for the submission of incorrect information. A new application has to be submitted in such instances together with the original (and any other) previous permits.

- 6.11 Should the amendment be approved, a new drawback permit will be issued to replace the drawback permit originally issued.
- 6.12 Should the permit holder misplace or lose a permit, the permit holder will be required to submit a new application through the online system (accessible at <https://1gov.gov.bw>) and upload an affidavit for reissuance of the permit. The affidavit must clearly set out the circumstances giving rise to the loss of the original permit and show good cause or reasons why a substitute permit should be issued. BOTC may consider issuing a replacement of the lost original permit provided the above is duly submitted. Should the misplaced or lost permit be found the applicant should return such a permit to BOTC.

7 NON-COMPLIANCE

- 7.4 Where non-compliance is detected, appropriate action will be taken against the relevant party or parties in terms of the Botswana Customs Act No. 33 of 2018 and the Botswana Trade Commission Act of 2013 (amended in 2023). This action may include (without limitation) criminal charge, or withdrawal of the permit(s) concerned, and it may affect the company's future applications for permits.

Annexure A

**APPLICATION FORM FOR A PERMIT IN TERMS OF
DRAWBACK ITEM 521.00/00.00/01.00**

1. Details of the applicant

Applicant's name and postal address:	Physical address where manufacturing will take place:
Contact Person:	
Position:	
Address:	
Tel No.:	
Email address:	
Company Registration No:	
VAT Registration No:	
BURS TIN No:	

2. Furnish the following information in respect of each of the products imported and in respect of which drawback is applied for:

Product description	HS Tariff subheading	Customs value (f.o.b.)	Rate of customs duty	Quantity	Country/s importing from	Dates of import	Yield	Process	Time lapse between import and export

3. Submit a brief technical description suitable for publication in the Government Gazette of each of the products imported.

4. Furnish the following information in respect of the products exported or to be exported.

Product description	HS Tariff subheading	Customs value (f.o.b.)	Quantity	Country/s export	Dates of export	If already exported, please provide reasons why it was not possible to apply for a drawback permit prior to export	If already exported, please provide proof that the relevant drawback item and customs procedure code were reflected on the relevant export bill of entry

5. If the importer is not the exporter of the finished product, submit the following information in respect of the products which the importer has supplied or will be supplied to the exporter.

Product description as in Customs Tariff	HS Tariff subheading	Quantity	Customs value	Period during which the products will be supplied to exporter

6. Submit a brief description suitable for publication in the Government Gazette of the export product:

Affidavit

Submit the following declaration by the CEO or duly authorized representative of the company:

I, _____ (full names) with identity number _____
in my capacity as _____ of _____
(hereinafter referred to as the applicant)

hereby declare under oath that the information furnished in this 521.00 application is to the best of my knowledge true and correct.

Name: _____ **Designation:** _____

Signature: _____ **Date:** _____

I CERTIFY THAT THE DEPONENT HAS ACKNOWLEDGED THAT HE/SHE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS STATEMENT, AND THAT HE/SHE HAS NO OBJECTION TO TAKING THE PRESCRIBED OATH, AND THAT HE/SHE CONSIDERS THIS OATH TO BE BINDING ON HIS/HER CONSCIENCE. THE STATEMENT WAS SWORN TO/AFFIRMED TO BEFORE ME AND THAT THE DEPONENTS SIGNATURE WAS PLACED THEREON BEFORE ME.

SIGNED and SWORN to before me at _____ this ____ Day of _____ Year_____.

COMMISSIONER OF OATHS

FULL NAMES: _____

DESIGNATION: _____

ADDRESS: _____