**Standard Operating Procedure (SOP) under Rebate Item 412.11 for Business importing Critical Supplies during the National State of Emergency**

1. **Preamble**

This *Standard Operating Procedure (SOP)* acts as a guideline for business importing critical supplies and essential goods into Botswana under Rebate Item 412.11 and Third Schedule 2(d)-(i) of the Value Added Tax Act.

1. **Definition**

In connection with this document, please note the following definitions:

1. ‘**critical supplies**’ means any product identified in the list of essential products/supplies to be rebated for the fight against Covid-19 as contained in part 7 of Schedule 4 to the Excise Duty Act (No. 34 of 2018), which document can be found on BOTC website (see the following link) [www.botc.org.bw](http://www.botc.org.bw)
2. ‘**rebate item 412.11**’ means the full rebate of custom duties for the critical supplies during the COVID-19 pandemic;
3. ‘**application**’ means the application for the importation of critical supplies under rebate item 412.11; and
4. ‘**certificate**’ means the official approval by the Botswana Unified Revenue Service (BURS) through BOTC to import goods under rebate item 412.11.
5. **Prerequisite: Licensing and Registration**
6. **Registered with BURS as an Importer**

As per BURS e-services document before importers can make use of rebate item 412.11, they need to be registered with BURS as an importer. Refer to the BURS e-services for requirements to be registered as an importer.

1. **Registered company with CIPA (Companies and Intellectual Property Authority)**

In addition to being registered with BURS, before being able to import goods under rebate item 412.11, a company must be registered with Companies and Intellectual Property Authority.

1. **VAT number (or indicated that the company is not a VAT registered company)**

In addition to being registered with BURS and the CIPA, it is mandatory for a business to register for VAT if the total value of taxable supplies made in any consecutive twelve-month period exceeded or is likely to exceed P1 million. The business must complete a BURS 1 - Application for Registration form and submit it to the local BURS within 21 days from date of exceeding P 1 million.

1. **Rebate certificate and VAT Exemption**

Only critical supplies are eligible for a rebate certificate.

Essential goods that are excluded from (ineligible for) a VAT exemption are (1) Goods that are subject to an ordinary customs duty (i.e. duties in Schedule 1 of the Customs Act) or a trade remedies duty (i.e. duties in Schedule 2 of the Customs Act) and goods that would ordinarily be subject to the aforementioned duties but are imported duty free under a preferential trade arrangement.

1. **Application for a Rebate Certificate**

Collect rebate certificate at BURS

Download application form from BOTC website

 Intent to import goods in terms of Item 412.11

Yes

Meet

prerequisites

?

No

Take appropriate

action

Yes

Consult BOTC guidelines & fill application form

Lodge application with BOTC

BOTC processes

application

Approved

BOTC Submits application to BURS for approval

 Email/Sms notification to customer

Applicant advised by BURS on the outcome

1. **Obtain application form from BOTC website**

The application form for rebate item 412.11 can be found on BOTC’s website ([www.botc.org.bw](http://www.botc.org.bw)[)](http://www.itac.org.za/pages/about-itac/covid-19-news-and-regulat).

1. **Guidelines for rebate item 412.11**

BOTC has published Guidelines that should be read prior to completing the application form. This document is also available on BOTC’s website (see the link in D.1. above). Please note that the Guidelines and the application form are contained in the same document (the application form is Annexure A of the Guidelines).

1. **Application form to be completed**

In summary, the following sections need to be completed:

* Details of Applicant;
* Company Registration Number;
* Manufacturing Licence;
* Details of Manufacturer (if different from Applicant);
* Furnishing of information in respect of each product to be imported;
* Sworn affidavit; and
* CE 110.
1. **Submission of the application via email to BOTC**

Applications for a rebate certificate must be submitted electronically to the following email:

applications@botc.org.bw

1. **BOTC will process applications expeditiously**

BOTC will endeavour to process the application within three days of being submitted. However, BOTC may be affected by developments of Covid-19. Nonetheless, BOTC is committed to expediting applications. Therefore, all applicants are urged to assist with expediting the process by submitting clearing and supporting documents at the earliest opportunity possible.

1. **Notification of Approval to Applicants**

The applicant will be advised by BURS of the outcome.

1. **Notification**
2. **BURS notification to BOTC**

BURS will communicate its approval to BOTC via e-mail.

1. **Conditions of the Rebate Certificate**

The rebate certificate issue by BURS is strictly subject to the following conditions, which will also appear on the email approval notification:

* This rebate provision is only applicable for COVID-19 relief purposes and for COVID-19 approved critical supplies, which do not include used or second-hand goods.
* The rebate certificate is issued per consignment.
* The rebate certificate is non-transferable.
* For direct importation only and not to be cleared into Bond.
* Goods imported under this rebate item 412.11 shall not be sold or disposed of to any party who is not entitled to any privileges under the rebate item, or removed to the area of South Africa, Lesotho, Eswatini or Namibia without the permission of the BURS.
* Goods imported under this rebate will be subject to monitoring and if a prima facie case is established that any condition of this permit is not complied with, the consignment in terms of which the rebate permit was used can be seized and the rebate permit will be temporarily suspended while BURS and BOTC conduct an investigation. If it is established that noncompliance took place, appropriate steps will be taken. These steps will be taken in terms of the Botswana Trade Commission Act, 2013 and the Customs Act No. 33 of 2018 and Excise Act No. 34 of 2018, and can include, criminal charges, withdrawal of the permit or permits concerned and/or the rejection of future applications for permits.
1. **Declarations**
2. **The Import Customs Declaration will reflect the Rebate Item 412.11**

The importer will be required to acquire a rebate certificate from the BURS of which should then be attached to the SAD declaration form which will be processed by Customs. Failure to produce a certificate upon importation, the goods will be temporarily detained by Customs while awaiting the importer to be issued with the certificate.

1. **Request of Supporting Documentation**

BURS – Customs will request the supporting documentation (including the certificate), for uploading into CMS (Customs Management System). All declarants must ensure that they are in possession of all supporting documents prior to lodgement of the declaration. The supporting documents must be uploaded together with the declaration at the time of clearance in order to ensure timely treatment of all declarations.

**Comment:** Importers must retain their certificate in the event of a risk-based query from Customs.

1. **Escalation**

BURS Customs will monitor the Import Customs declarations for COVID-19 essential supplies, while BURS Office Call Centre will handle the escalation. However, for the moment, Covid-19 escalations will most likely go through the listed call centre numbers, which are:

* BURS Rebate Office 363 8462/8059
* BOTC 3924580

Since the vast majority of critical supplies will most likely be air cargo, the contact details of SSKIA Customs is essential:

Sir Seretse Khama International Airport

Telephone number: +267 395 3022/369 2526

Fax number: +267 391 2506

Cargo Division

1. **Physical inspection**

In the event that the import consignment is stopped for a physical inspection the BURS office needs to be contacted to arrange for a booking for an inspection. Should it not be possible to make an inspection booking or if the inspection results are not finalised the escalation process as in Paragraph E must be followed.

1. **BURS Head Office Monitoring**

BURS - Head office and BOTC will monitor the situation and will assist with cases that are taking longer than the time outlined in this.