

Tax Clearance Certificate or Exemptions - All Tax Types

Tax Clearance Certificates (TCC) came as a result of a Cabinet Directive No. 32/2003 which stipulates that:

“Tax Clearance Certificates will be a necessary requirement for award of government tenders.....”

The 2011 Tax Amendment Act brought this requirement into the Income Tax Act.

TCCs are a requirement for any person who bids for tenders offered by PPADB, Govt departments/Ministries/parastatals and local government tender boards as from 1st July 2005.

Tax Clearance Certificates are issued to locally registered taxpayers while foreign entities will be issued with an Exemption Certificate.

PROCEDURE FOR SECURING A TCC

1. An application form has to be completed and submitted to the nearest BURS office. All sections (A to E) of the application form must be completed in full to minimize delays in processing the certificate. Foreign entities just need to complete section A and E.
2. In the event that a company, individual, partnership or any entity is interested in bidding for a tender but is not registered with BURS, such persons must contact BURS offices for registration and subsequent processing of the TCC.
3. Any foreign persons bidding for public tenders in Botswana must also complete the application form and be issued with an exemption certificate. On winning a tender, such a person will be required to comply with the revenue laws.
4. No bidder will be considered without a TCC or exemption certificate.*****
5. To expedite processing of TCC, taxpayers are implored to ensure that their tax affairs are in order and up to date i.e. all taxes should have been paid and all tax returns should have been submitted. Taxpayers should also be up to date in terms of payment of penalties & interest arising out of non-compliance. They should also have complied with all the provisions of the various Revenue Acts.
6. The taxes referred to here are all taxes administered by BURS and these are Income Tax, Withholding Tax, Capital Transfer Tax, VAT and Customs & Excise.
7. Applicants are advised to submit applications for certificates at least 4 working days in advance of the date on which they require such Certificate.

8. A TCC or Exemption Certificate is valid for a period of 12 months from the date of issue. Once the validity period is exhausted, the certificate will no longer be valid and cannot be used for any future tenders. On the expiry of the validity period, a new application form has to be submitted and taxpayers are advised to apply for renewal two weeks in advance of expiry of TCC. On a similar note, taxpayers should always feel free to come and ask for a report showing their compliance status so that any discrepancies or reconciliations can be dealt with in advance and avoid delays in issuing the TCC.
 9. A TCC will be issued if the tax affairs are up to date. It is important to ensure that even after the TCC is issued, the tax affairs should continue to be kept up to date to avoid possible revocation of the certificate.
 10. For Exemption Certificates, applicants are required to submit the following:
 - Application form
 - Copy of incorporation certificate
 - TCC from that particular country (where applicable)
 - Letter (on the letterhead) stating that you are applying for Exemption certificate.
- Please click [here](#) to download the [Tax Clearance Application form](#).