

TRANSFER DUTY (AMENDMENT) ACT, 2023 NO. 5 OF 2023 IS NOW OPERATIVE

The Transfer Duty (Amendment) Act, 2023 No. 5 of 2023 (the “**Transfer Duty (Amendment) Act**”) was signed into law on 28 April 2023 and, following a pronouncement by the Minister of Finance, came into operation effective **3 May 2023**.

The Transfer Duty (Amendment) Act introduces significant and welcome changes to the transfer duty regime in Botswana. The most important amendments include:

- an increase of the transfer duty exemption benefit for citizens to **BWP1,500,000.00** from BWP1,000,000.00;
- the reduction of the transfer duty payable by non-citizens from 30% to **10%** of the purchase price or value of immovable property below BWP 2,000,000.00, and 15% for all amounts exceeding BWP2,000,000.00;
- the exemption of transfer duty on new allocations of tribal land and state land;
- the introduction of a requirement on the Botswana Unified Revenue Services (“**BURS**”) to use local council valuations to ascertain the fair value of immovable property situated on tribal land or to appoint a competent and disinterested person to determine such fair value;
- the exemption of certain persons, including the beneficiaries and surviving spouses inheriting immovable property from their deceased spouse or parent, from the requirement to provide a valuation report or a solemn declaration to BURS for purposes of transfer duty assessment; and
- a waiver from the payment of transfer duty where value added tax is payable on transactions involving immovable property.

The changes brought by the Transfer Duty (Amendment) Act are expected to have positive implications on the Botswana property market.

For more information on the transfer duty regime in Botswana and the impact of The Transfer Duty (Amendment) Act, please contact:

Obakeng Lebotse at obakeng@bookbinderlaw.co.bw and **Cynthia Mothusi** at cynthia@bookbinderlaw.co.bw or reach us on **(+267) 391 2397** and info@bookbinderlaw.co.bw