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Quick Tax Guide 2015



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Consumption Tax

Commodity Description	Excise Rate	Additional import duty	Export duty
Sugar	600fbu / kg		
Lemonade, Soda, Fruit Juices	30000fbu / HL		
Mineral Water (Carbonated & flavoured)	13%		
Beer produced using 100% local materials	7200fbu / HL		
Beer	36000fbu / HL		
Wine & spirits	80%		
Wines in all categories	125fbu / Liter		
Alcohol, liqueurs and other beverages: tariff headings between 22 and 20	125fbu / liter		
Cigarettes	22fbu per cigarette rod		
Fuel & Lubricants	10fbu / liter		
Vehicles with compression ignition (Heading 87.03 of the CET)			

Commodity Description	Excise Rate	Additional import duty	Export duty
Vehicles with an engine capacity of less than 1500cc	5%		
Vehicles with an engine capacity of between 1500cc and 2500cc	10%		
Vehicles with an engine capacity of above 2500cc	15%		
Vehicles with spark ignition (Heading 87.03 of the CET)			
Vehicles with an engine capacity of less than 1500cc	5%		
Vehicles with an engine capacity of between 1500cc and 300cc	10%		
Vehicles with an engine capacity of above 3000cc	15%		

Commodity Description	Excise Rate	Additional import duty	Export duty
GSM Telephone consumption	12%		
Subscription and the purchase of audiovisual recharge card	12%		
Telephone communication (Local calls)	42fbu per minute.		
Stamp tax on imported wine, liquors, spirits, beauty products, tobacco and mobile phone		0.25USD	
Incoming international calls		0.16USD per minute	
Airline tax on departures		30,000fbu per passenger	
Imported fabric		20%	
Fixed levy on imports to be sold in Burundi		3%	
Imported goods (Safety tax)		1.15%	
Raw hides			80%

Notes to table:

The tax of 42fbu on national calls replaces both VAT and consumption tax on such calls.

The tax on vehicles excludes:

- Commercial vehicles for the transport of goods and people
- Lorries and light duty vehicles manufactured to carry goods,
- Ambulances
- Cellular and hearse cars
- Used vehicles of more than 6 months for returning Burundian nationals.

Direct & Indirect Tax

Income tax rates for individuals

Income tax rates for individuals

Monthly income (Bif)	Rate (%)	Cumulative tax (Bif)
0 – 150,000	0	-
150,001 – 300,000	20	30,000
Above 300,000	30	-

Casual laborers are taxed at a flat rate of 15% subject to the Bif 150,000 threshold.

An employer who is not the principal employer deducts PAYE at the rate of 30%.

The due date for remitting IPR is within 15 days after the end of the month to which the payment relates.

Deductions from employment income

The following are deductible in arriving at taxable employment income:

- Employees contribution to the Social Security and state pension fund upto 20% of gross employment income
- Employees' share of health insurance contributions under the state social security system

Taxable value of employment benefits

The general rule is that benefits are taxable at the market value of the benefit.

Benefits to a shareholder of a company are treated the same way that benefits provided by an employer to an employee are treated.

Tax free employment benefits

- Reimbursement of expenses incurred directly for business activities of the employer;
- Employer's part of pension contributions paid by the employer on behalf of employees to a State fund and qualified pension fund;
- Employer's contribution to health insurance contribution to social security or a private social security fund.
- Travel allowance not exceeding 15% of an employee's basic salary;
- Reimbursement of medical expenses of an employee, his spouse and dependent children;
- Housing allowances not exceeding 60% of basic salary.

Retirement funds

- Contributions to the State Social Security (INSS) is based on a maximum monthly earnings used to calculate contributions is BIF 450,000:
 - Employee's contribution 4%
 - Employer's contribution 6%

In addition to INSS, there is a 3% contribution by only the employer for occupational hazard. The maximum monthly earnings used to calculate contributions for each employee is BIF 80,000.

Corporate income tax rates

Resident company	30%
Non-resident Company (branches/ permanent establishment)	30%
Agricultural & livestock companies*	Exempt
Economic Processing Zones (EPZ) companies	0%

*Proceeds from activities do not exceed Bif 20,000,000.

A turnover tax of 1% of turnover applies to loss making entities with the exception of companies benefitting under the Investment Code and those operating in the free zone.

Capital gains tax (CGT)

The gain/loss upon sale of an asset is included in business / investment income and taxed at the rates applicable to corporations or individuals respectively.

The only capital gains taken into account for a non-resident are those resulting from the sale of shares in a resident company or an interest in a building located in Burundi.

The following capital gains are exempted:

- Capital gain on transfer of real property which is the main residence of the transferor for at least 3 years;
- Capital gain on corporate restructuring;

Capital Allowances

The wear and tear rates are applicable to assets as below.

Qualifying expenditure	Rate
Computers hardware and accessories including information and communication systems that cannot be dissociated from the computer	50%
All other business assets	25%
Cost of acquisition, construction, refining, rehabilitation and reconstruction of buildings (straight line)	5%
Cost of acquisition, development, improvement, or extension of intangible assets including goodwill purchased from a third party (straight line)	10%
Cost of acquisition, construction and cost of improvement, renovation and reconstruction of heavy machinery, boats, ships and aircraft (straight line)	10%

Withholding tax rates

Nature of payments	Resident	Non-resident
Dividends	Exempt*	15%
Interest	15%**	15%
Royalties	15%	15%
Service fees (including technical & management fees)	15%	15%
Performance payments made to an artist, a musician or a sports person	15%	15%
Lottery and other gambling proceeds	15%	15%
Payments from public tender by public institutions	4%	15%
Proceeds from real property, a financial asset or collection of personal property	NA	5%

1. *This applies to payments by a resident company to another resident company
2. Interest on Treasury Bills and Bonds are exempt

The due date for remitting withholding tax is 15 days after the month of deduction.

Returns and payment of income tax

Instalment tax where applicable is payable in 3 instalments in the sixth, ninth and twelfth months of the year of income.

Basis for instalments: The instalments are calculated as 25% of the tax liability as declared in the prior year tax declaration.

Final tax is due on or before the last day of the third month after year-end.

Returns are due by the last day of the third month after the financial year-end.

Subject to approval for change from the Commissioner General, all persons are deemed to have a calendar financial year end.

Value Added Tax

Rates of tax

Description	Rate
Exports	0%
Standard rated	18%
Reduced rate*	10%

*Applies to foodstuffs imported as well as locally processed agricultural products and agricultural inputs

Annual turnover threshold for registration Bif 100m p.a.

Returns and payments are due on the 15 day of the succeeding month or quarter.

Customs duty

Import duty rates for goods imported from countries outside the EAC are 0% for raw materials, 10% for intermediate goods and 25% for finished goods.

Goods will only enjoy the preferential community tariffs if they meet the EAC Customs Union Rules of Origin.

Certain products have reduced rates under agreement with the other EAC partner states.

A safety tax of 1.15% is imposed on the value of imported goods.

A fixed levy of 3% on customs imports is charged as a down-payment on tax on all imports.

Export Tax

An export tax of 80% is payable on exportation of rawhide.

Consumption Tax (Excise duty)

Excise duty is calculated on either an ad valorem or specific basis and is imposed on some imports, locally manufactured products and on services.

The taxable value on imported products is calculated according to Cost, Insurance and Freight on entry into Burundi while on locally manufactured products, it is calculated according to selling price exclusive of taxes.

The due date for paying the duty depends on whether the qualifying product is locally manufactured or imported. For imported products excise is payable before clearance through customs. Please refer to the Customs & Excise booklet for the complete list of excise rates.

Excise duty on locally manufactured products is payable once cleared out of the factory for consumer use.

Excise duty is payable by the 5th day after the 15th and last day of the month.

Tax on local calls

A tax of Bif 42 per minute is applicable to national traffic on mobile phone.

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