

Tax alert



Spedu Regional Development Approval Order Issue 1, 2018

Income Tax (Spedu Regional Development Approval) Order has been gazetted and the effective date has not yet been announced.

The new Order provides income tax concession for income earned by a company which has an approved business in the Spedu region:

- 1) For new businesses: 5% tax for the first 5 years
- 2) For existing businesses: 5% tax for the first 5 years after this Order comes into effect.

The Spedu region comprises of:

- Selebi-Phikwe,
- Bobonong,
- Mmadinare – Sefohophe,
- Lerale – Munatlala, and
- neighboring villages, farms and cattle posts.

The approved businesses must be in the industry of **agriculture, manufacturing, or tourism**.

How to obtain the concession:

- 1) Application to the Minister in the prescribed form, along with
 - i) in the case of new business, tax registration
 - ii) in the case of an existing business, a tax clearance
- 2) Assessment report and recommendation from the Minister of Investment, Trade and Industry
- 3) License or certificate as applicable
- 4) Details of the project

The approval will be revoked when the business ceases to operate the development project.

Manufacturing includes:

- Cutting, polishing and refining of miners
- Tanning of leather

Manufacturing does not include:

- Packaging and bottling
- Diluting, mixing and blending of ingredients
- Printing, marking and labelling
- Washing, painting, dyeing, bleaching, texturizing or mercerizing operations
- Etching, decorating, calibrating, polishing, cutting up, reinforcing of a finished product
- Simple assembly operations
- Baking
- Simple operation consisting of removal of dust, sifting or screening, sorting, grading, classifying and matching including the making up of sets of goods

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