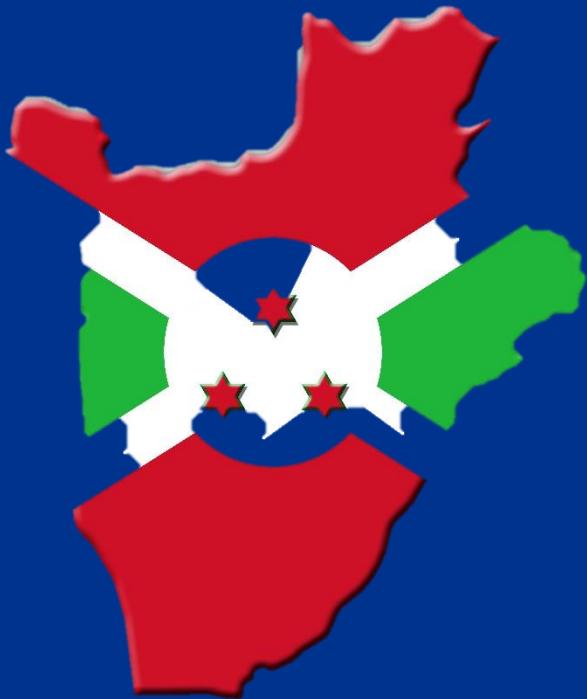




Burundi

Fiscal Guide 2015/2016

Tax



INTRODUCTION

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Income tax

Basis of taxation

Income tax is applicable to revenues generated through professional activities and business activities executed in Burundi even though the beneficiary is not resident in Burundi.

Rates

Resident and non-resident companies	
Corporation tax	30% of profit; 1% of Turnover in case a company makes losses.
Capital gains is taxed together with business income	15% (Capital gain resulting from sale or cession of commercial immovable property).
Dividends	15%
All kinds of interests	15%
For non-residents cession of immovable and movable properties, financial assets and other related assets	5% The withholding tax (WHT) on acquisition of immovable and movable assets and financial assets from a non-resident attracts 5% to be withheld by the resident person and filed with OBR.
Public tenders	4% and 3% of the transactions (VAT exclusive)
Royalties	15%
Repatriation of Branch profits	15%
Corporation tax	30% of profit; 1% of Turnover in case a company makes losses.

Resident and non-resident individuals	
Income tax	0% - 20% - 30%
Income earned by a non-resident (not attributable to a permanent establishment)	15%
Dividends	15%
Interests	15%
Royalties	15%
Management and professional fees	15%
Capital gain	15% (Capital gain resulting from sale or cession of commercial immovable property).



Resident income	Rate of tax
Up to 1,800,000	0%
Exceeding from 1,800,001 to 3,600,000	20%
Exceeding 3,600,001	30%
Non-resident individual annual chargeable income	15%

Transfer pricing and thin capitalisation rules

There are no specific transfer pricing rules yet the Burundian Income Tax Law provides guidance on transfer pricing. Transactions should take place at arm's length.

Interest expenses paid to related entities are non-deductible for tax purposes if the debt-to-equity ratio exceeds 30%. This excludes reserves and retained earnings.

Inheritances and donations

No taxation

Transaction taxes

The standard rate of value added tax is 18%. However, there are some services and goods which are either 10% or zero-rated or exempt.

Stamp and transfer duty

There is no stamp duty.

Customs taxes

General external tariff (for goods not originating from East Africa) under the East African Customs Union stipulates import duty rates of 0% for raw materials, 10% for semi-finished goods and 25% for finished goods.

Double tax treaties and applicable withholding tax rates

Burundi has not yet signed a treaty against double taxation.

Investment information

Burundi has put in place API (*Agence de Promotion pour l'Investissement*) the national body responsible for development and investment promotion in Burundi in order to assist and support investors in general and exporters in particular in obtaining required documents and/or formalities required by law.

Investment rules

According to the Investment code, the eligible investments are those which contribute among others to:

The creation of national employment and training of qualified local manpower;

Investment rules (continued)

- The creation, extension, diversification, modernisation of industrial infrastructure, agro-silvo pastorals and services;
- The encouragement of investment in exporting industries and in economic sectors using local raw materials and other local products;
- The transfer of adapted technologies; and
- The diversification of the exploitation sectors.

Investment incentives

- Acquisition of buildings and plots, essential for the achievement of the exploitation is exempted from transfer taxes.
- If the business profit results in a loss in a tax period, the loss may be deducted from the business profit in the next four (4) tax periods, earlier losses being deducted before later losses.
- A registered investment entity that operates in a Free Trade Zone and foreign companies that have their headquarters in Burundi, pay corporate income tax at the rate of zero per cent (0%).

A registered investor shall be entitled to a profit tax discount of:

- (2%) if the investor employs between 50 and 200 Burundians; and
- (5%) if the investor employs more than 200 Burundians.

The workers taken into account are those having a taxable remuneration.

Exchange controls

Some restrictions are imposed on the import and export of capital. Both residents and non-residents can hold bank accounts in any currency but restrictions are imposed on export of foreign currencies by the Burundi Reserve Bank (BRB).

Residence and work permits

All foreigners have to get a work permit. East Africans do not pay for work permits.

Annual budget announcement

The Minister of Finance announces the annual Budget and Taxation Proposals in January of each year for the tax year commencing on 1 January thereafter.

Bilateral trade and agreements

Membership – WTO, ACP-EU Partnership Agreement, COMESA and East African Customs Union. Trade agreements concluded with USA, Germany, Netherlands and Switzerland.

Travel information

Visa requirements	For official business: A letter from the government/company
Flights	Few international airlines fly into Burundi, however there are regular flights between regional hubs. Current flights available to neighbouring countries Rwanda, Kenya, and Ethiopia who connect Burundi to European and Americans hubs
Inoculations	Yellow Fever Certificate

Currency

The Burundian Francs (Bif) is the official currency of Burundi.

Languages

The official language is Kirundi and French, other languages are also spoken (Swahili and English).

Official holidays

- 1 January (New Year's Day)
- 5 February (National Unity Day)
- 6th April (President Ntaryamira Day)
- 1 May (Labour Day)
- Variable (Ascension Day)
- 1 July (Independence Day)
- Variable (Eid al-Fitr)
- 15 August (Assumption Day)
- Variable (Eid al-Adha)
- 13 October (Prince Rwagasore's Day)
- 21 October (President Ndadaye's Day)
- 1 November (All Saints' Day)
- 25 December (Christmas Day)





Contact us

Angello Musinguzi
Senior Manager, Tax
T: +27 250252579790
E: amusinguzi@kpmg.com

www.kpmg.com

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