

Budget Law 2024-2025 Burundi

Legal Alert



Consumption Tax – Tourism Sector

- Short-term home rentals (referred to locally as “*maison de passage*”) are now liable for Consumption Tax.
- The Consumption Tax rate is **5%** of the applicable hospitality tariffs, all taxes excluded, for all hotels, motels and short-term home rentals.
- Obligation to display usage of buildings at the entrance and visible to the public for hotels, motels and short-term home rentals. Failure to comply will lead to a fine of five hundred thousand Burundian Francs (**BIF 500,000**).

Consumption Tax – Others

Electric or hybrid vehicles are exempt from Consumption Tax.

Inclusion of all Consumption Tax in the taxable base of Value Added Tax (VAT).

Withholding Tax



Liquor

From 10% to **20%** of former factory price.



Locally produced oils

From 1% to **2%** of sale price.



Palm oil

From 4% to **2%** of sale price.

Ad Valorem Tax and Specific Tax

Ad Valorem Tax

- Introduction of a **25%** surcharge of the custom value for imported lemonade, soda, non-alcoholic beverages and juices of all kinds.

Specific Tax

- Imported sugar: Custom rights are now fixed at **25%**.
- Lubricants: The specific tax is changed from BIF 260 to **BIF 300**.

Non-Burundian Citizen – Employment

4% of the annual gross salary to be paid every year from the date of the visa of the employment contract for any non-Burundian citizen.

The employer is liable for the tax.

Fiscal and Non-Fiscal Procedures – Fraud

Introduction of an exceptional procedure of fiscal control notwithstanding the law currently applicable to fiscal and non-fiscal procedures following the finding of elements constituting fiscal fraud:

- Before the audit is closed, a report of tax fraud must be drawn up and duly signed by the authorized agent of the Burundi Revenue Authority, within a period not exceeding 24 hours from the discovery of one or more constitutive elements of tax fraud.
- The taxes must be materialized by a tax note immediately due and recoverable, despite any recourse.

Fiscal and Non-Fiscal Procedures – Tax Appeal



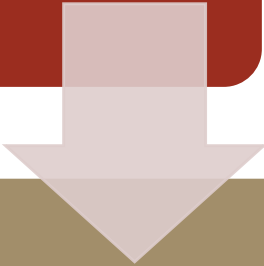
THE APPEAL MUST BE SUBMITTED IN WRITING ON A FORM ESTABLISHED FOR THIS PURPOSE BY THE TAX ADMINISTRATION **UNDER PENALTY OF INADMISSIBILITY.**



THE TAXPAYER MUST MENTION ON THEIR APPEAL A FUNCTIONAL EMAIL ADDRESS FOR ANY RELATED COMMUNICATION.

Mining Sector

Quarterly obligation to transmit to the Burundi Revenue Authority of the Burundian Office of Mines an updated list of all approved and active operators of mineral substances as well as their business plans indicating the forecast quantities of their annual production and revenues, as well as their physical address and the date of authorization.



Any exporter of minerals is required to establish a customs declaration regardless of their legal status.



Land Sector

- Right of pre-emption established for the benefit of the State in the event of a reduction in the transfer prices of buildings whether built or not.
- Building tax increase from 0.8% to **1%** of the amount of the validated estimate for the construction of a house in urban areas, on developed and undeveloped land.
- Failure to display the building authorization reference number on the site is punishable by a fine of five hundred thousand Burundian Francs (**BIF 500,000**). Any person who begins construction without authorization is sanctioned by a fine of one million Burundian Francs (**BIF 1,000,000**), in addition to the payment of one thousandth (1%) of the estimate drawn up by an authorized expert at the taxpayer's expense.



Secure Electronic Land Title

Any owner of land is required to acquire a secure electronic land title.

The acquisition costs are set according to the geographical location and the surface area of the property, without exceeding a total amount of three million Burundian Francs (**BIF 3,000,000**).



Customs

- The Information Technology (IT) fee is set at a hundred thousand Burundian Francs (**BIF 100,000**) per customs declaration.
- Cancellation or modification of a customs declaration and any previous, attached or subsequent document linked to the customs declaration is made upon payment of a sum of two hundred thousand Burundian Francs (**BIF 200,000**) per declaration and for each document at the expense of the customs agency, author of the statement.
- For each customs declaration (except for the simplified customs declarations), the custom declarants are now liable for fifty thousand Burundian Francs (**BIF 50,000**).
- The importation of a vehicle whose customs value reaches an amount greater than or equal to one hundred thousand dollars (**USD 100,000**) is not eligible for exemption regardless of the status of the beneficiary. However, this measure does not apply to Diplomatic and Consular Corps and International Organizations having international conventions, ratified treaties and international contracts signed by Burundi.



Income Tax

Revenue made by Customs
Declarants not related to customs
declarations must be declared
through the usual channel of income
declaration.



Registration Cards

- The fees for a registration card for an agency operating in the business of imported vehicles convoy increases to ten million Burundian Francs (**BIF 10,000,000**).
- Individual drivers – not employed by a transport agency – are not required to obtain a registration card. However, they are requested to carry a tax receipt of one hundred thousand Burundian Francs (**BIF 100,000**), each time they bring a vehicle into Burundi.

Road and Environmental Tax

- Introduction of a Road and Environmental Charge at seventy-five Burundian Francs (**BIF 75**) per litre of fuel consumed.
- Removal of the annual flat-rate Road Tax.



Operating License for Drinking Establishments, Restaurants and Hotels/Motels

Annual fees for the access or renewal of an operating license for drinking establishments are now extended to night clubs, restaurants and hotels of different categories.

Fees are dependent on the size, the category, the applicable price.

Introduction of an obligation to display the license for drinking establishments, restaurants and hotels/motels in a visible place.

Failure to display will be sanctioned by a million Burundian Francs (**BIF 1,000,000**) fine.

Any operator of bars, restaurants, hotels/motels and nightclubs without a relevant license is liable to a fine of **100%** of the license fees.

Tax Administration

Introduction of a fee of twenty thousand Burundian Francs (**BIF 20,000**) for the issuance of a tax certificate or special authorization in lieu of a tax certificate.

A VAT registration certificate duplicate is now only issued following payment of a ten thousand Burundian Francs (**BIF 10,000**) fee.

Fees

- Administrative fees set on services offered by the Medicines Burundian Regulatory Authority for Human and Food Use.
- Fees and taxes applicable to the Ministry of Justice are updated.



Establishment Authorization and Operating License – Palm Oil Sector

- **BIF 300,000** for the authorization to establish an improved artisanal extraction unit.
- **BIF 200,000** per year for an operating license for improved artisanal extraction units.
- **BIF 500,000** per year for an operating license for semi-industrial extraction oil mills.
- **BIF 1,000,000** per year for an operating license for industrial oil mills.



Temporary Admission Plate Regime

- Annual fee for obtaining or renewing temporary IT admissions (temporary admission plate regime) of three hundred thousand Burundian Francs (**BIF 300,000**) per vehicle, motorcycle or any other property subject to the temporary admission regime.
- Project vehicles and machinery whose final destination is the Burundian territory are not eligible for the temporary admission regime.



Wealth Tax

Change in the wealth tax applicable to imported business and personal vehicles with large displacement of 3,500 cc or more, with the exception of those imported by natural or legal persons benefiting from an exemption:

- **5%** of the customs value on imported vehicles.
- From the second vehicle, the tax increases from simple to double, then triple, and so forth.



Royalty Fee and Contribution to Socio-Economic Activity – Gambling Sector

Royalty fees and contribution to socio-economic activity fees are set for the gambling sector.

- Royalty on bets for each type of game: **10%** of the bet.
- Royalty on player winnings: **10%** on winnings.
- Contribution to socio-economic activities: **5%** of the gross profit of gambling companies.
- Royalty on casual/promotional games (Tombola): **10%** of the prizes' value to be won.

Exception for services whose bets are made via communication credits.

Vehicles, machines and concrete mixers intended for institutions whose operating budget falls under the State budget are exempt from all duties, taxes and fees on import, except those intended for institutions or companies of a commercial or industrial nature. Upon written request from the beneficiary state institution, the exemption for capital goods, other than those referred to previously, is granted exceptionally by the minister responsible for finance. Any beneficiary of public contracts must themselves carry out customs clearance operations for the goods covered by the contract before transferring them to the state institution that is the beneficiary.

The exemption on ethanol intended for the manufacture of alcoholic beverages is removed.

Any change in destination of exempt goods and services is sanctioned by the payment of exempt duties and taxes, and increased by a penalty of 100%. The person affected by this measure is permanently removed from the list of beneficiaries of any tax advantage and must repay the amount of exemptions from which they have already benefited.

Exemptions

This publication is made for informational purposes only and does not constitute legal advice or any opinion of any kind.



Lisa Ndikumana
Managing Director



Caritas Niyonzima
Founder and Partner

For more information, please reach us on contact@cn-law.com or visit our website www.cn-law.com.