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Budget Law 2026-2027

Burundi

Legal alert

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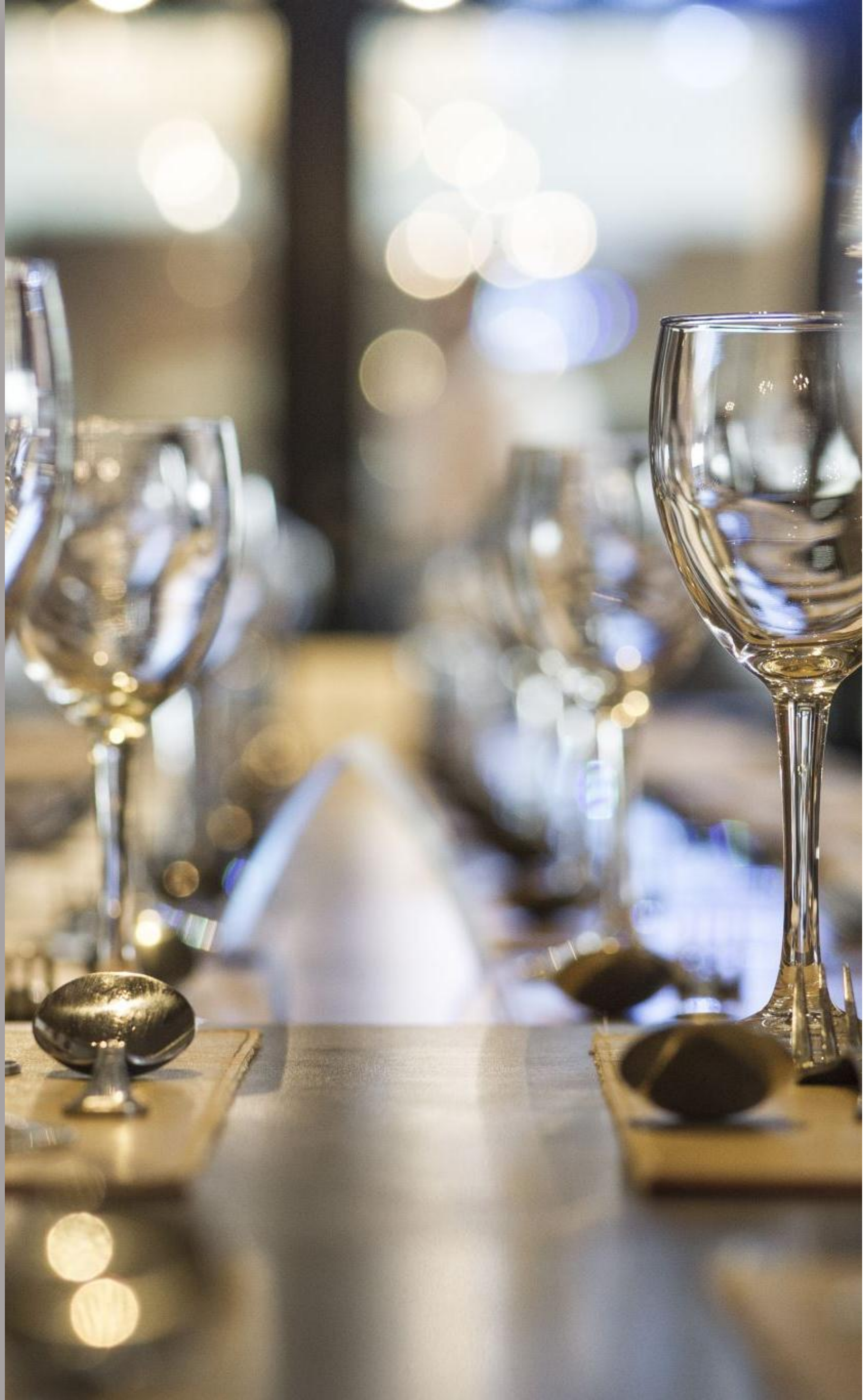

Ban on beverages not meeting health standards

Alcoholic and non-alcoholic beverages that do not meet health safety standards are prohibited within the territory of Burundi.

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Land sector

- The deadline for the submission of an application for the secure electronic land title has been extended to **March 31, 2027**.
- Failure to meet this deadline results in a fine equivalent to **50%** of the cost of the secure electronic land title.
- Property tax collection has been brought under the State tax system and **is now administered by the *Office Burundais des Recettes* (OBR).**
- Municipalities are required to submit a **semi-annual** report to the OBR listing built-properties and the land immediately adjacent and essential to the structures, along with their surface areas and characteristics.

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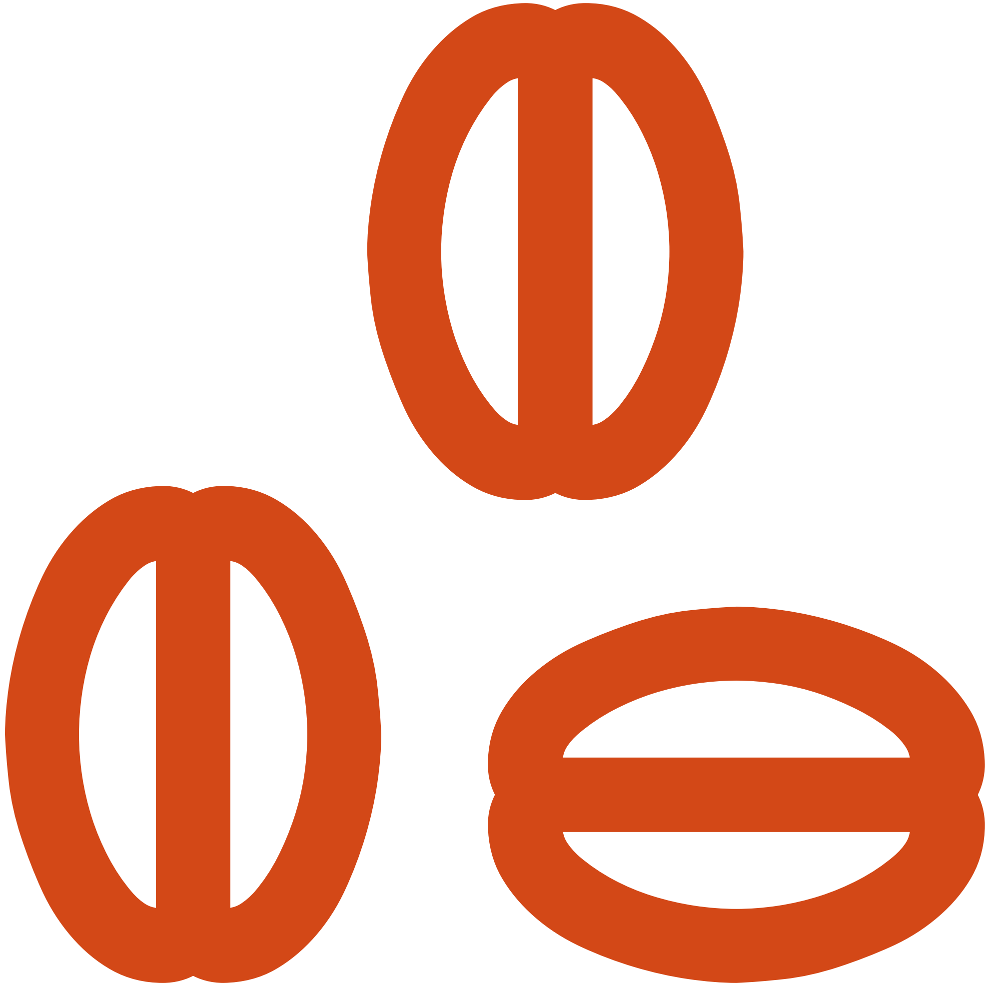
Royalties for any mortgage registration, renewal, or transfer

The payment ceiling initially set at Burundian francs fifty million (**BIF 50,000,000**) has been removed.



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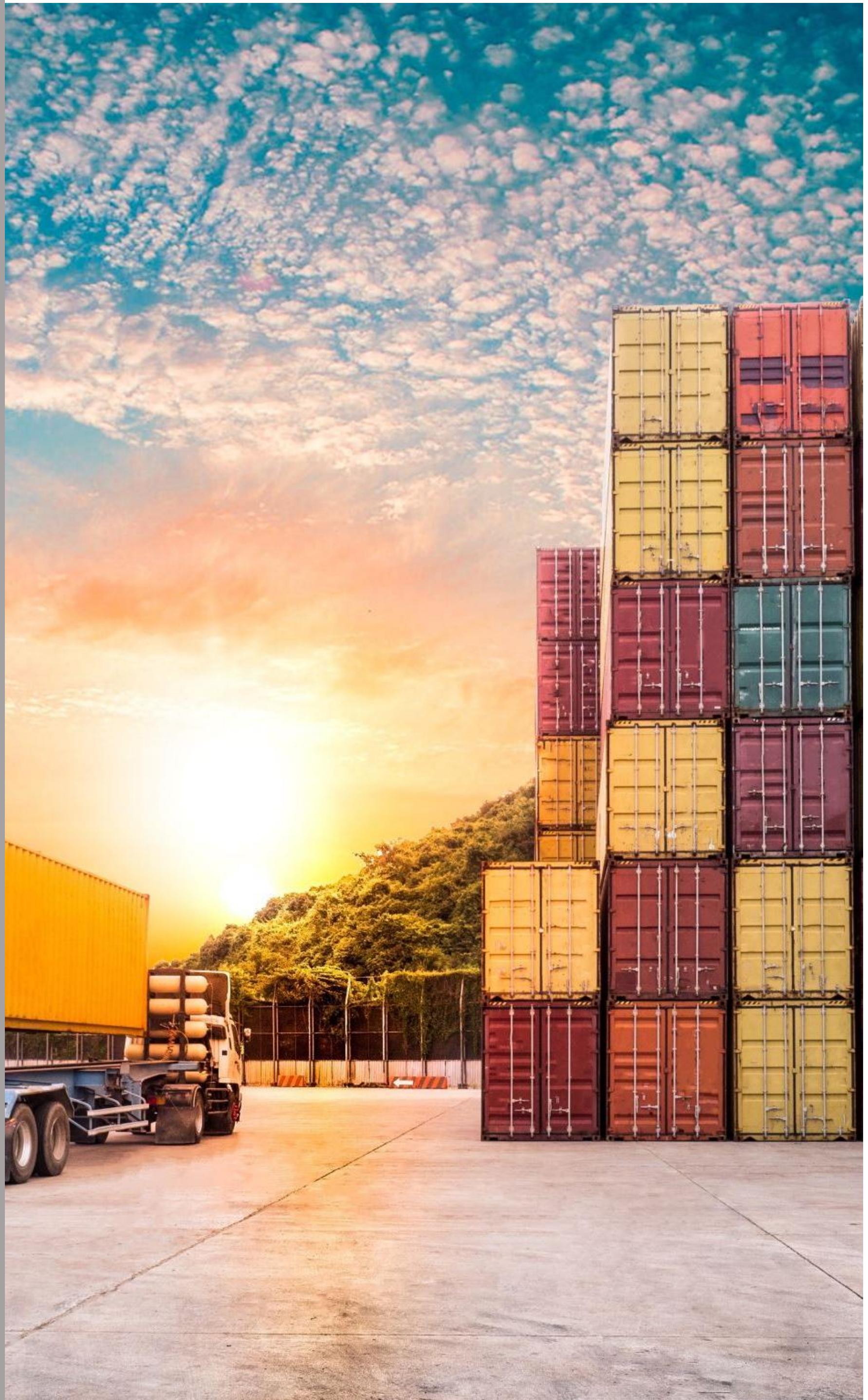
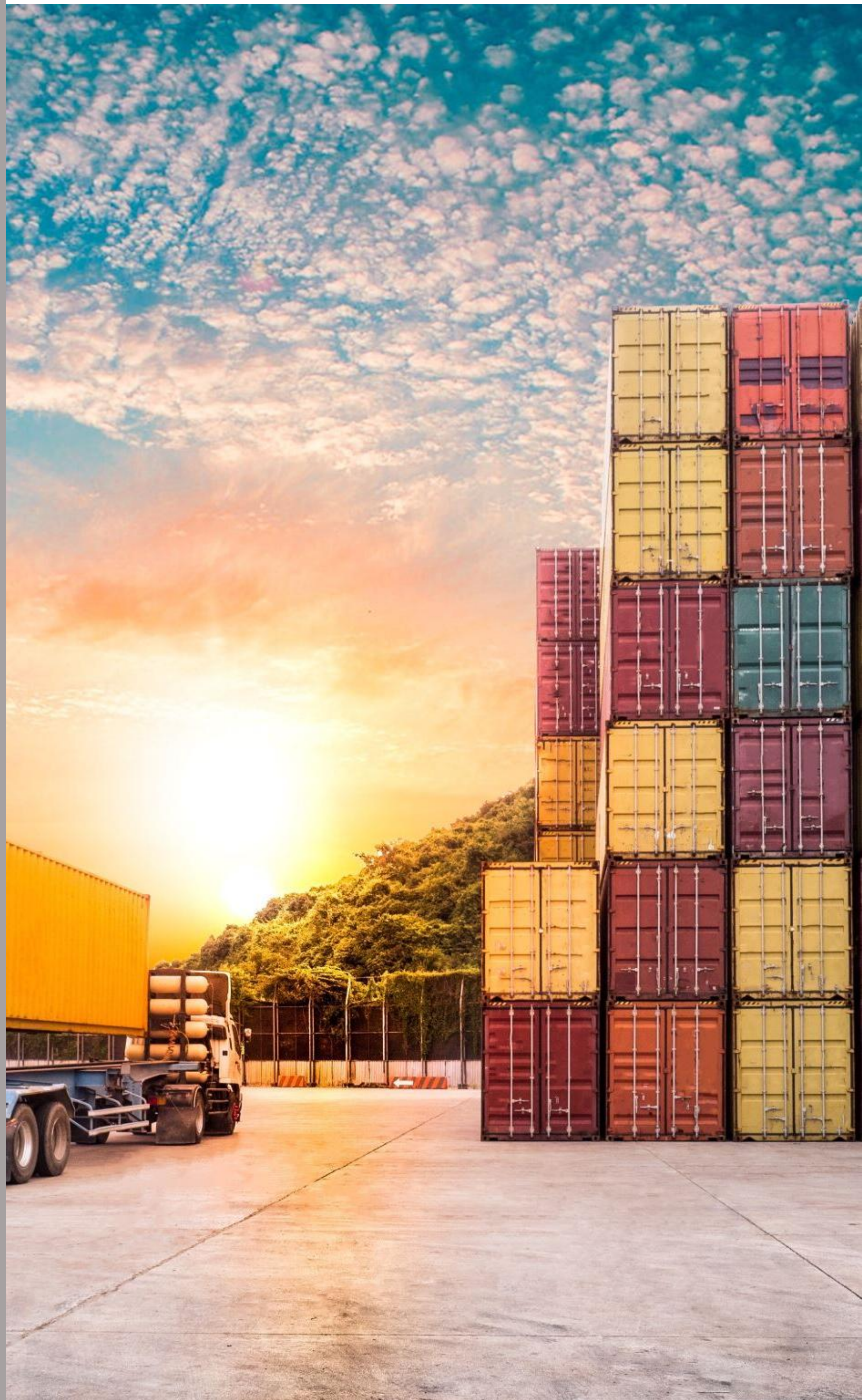
Rental tax

- Tax on rental income applies now not only to buildings but also to **leased land**.
- Tenants must keep a copy of the lease agreement on the rented premises; failure to do so incurs a penalty equal to **100%** of the agreed monthly rent.
- Rent payments for properties located in certain districts (classified as A and B) must **be made via bank transfer or any other electronic method** recognized by the tax authorities.
- Municipalities are required to submit a **semi-annual** report to the Burundi Revenue Authority (OBR) listing the rental properties located within their jurisdiction, along with the corresponding rent amounts.



Imports to Burundi

- The term "**importation**" has been defined as any import operation carried out outside the East African Community.
- Application of a **15%** surcharge on imports of tiles, cement, "Dubai" ceilings, gypsum ceilings, and maize and its derivatives.
- The surcharge of **30%** of the customs value, which previously applied only to liquid milk imports, also applies to imported dairy products. Imported powdered milk is exempt from this surcharge.
- The fee for obtaining an importer or exporter code has been increased from BIF 50,000 to **BIF 5,000,000** for an importer code and **BIF 1,000,000** for an exporter code.



Imports to Burundi (continued)

- A "regional integration levy" of **2%** of the customs value applies to imports from countries outside the African Union.
- Exemptions from this levy apply to:

1) Petroleum products;
2) Imports intended for the official use of diplomatic missions and United Nations specialized agencies;
3) Imports intended for the Office of the President of the Republic, as well as the Defense and Police sectors;
4) Donations made to the State by aid organizations or development partners.

- A specific tax is introduced for certain imported tobacco products, based on their tariff classification.

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Moving to electric

- Electric vehicles, motorcycles, and tricycles are now **exempt from all import duties, taxes, and fees**.
- The importation and local sale of spare parts intended exclusively for electric and/or hybrid vehicles, motorcycles, and tricycles, as well as assembly or repair service, are **exempt from VAT**.
- As of **January 1, 2027**, jeeps and cars ordered and imported into Burundi must be electric or hybrid. This requirement also applies to vehicles purchased by any government agency.

New fees applicable to import, transit, and customs clearance operations

Transit operations

- Approval to change the destination of goods in transit is subject to a fee of **BIF 5,000,000** per truck or container.
- Any approval to extend the transit period for goods that have exceeded the **30-day** limit without justification, within the required timeframe, is subject to a fee of **BIF 2,000,000** per transit document (TI).

Unloading and customs clearance operations

- Approval for the unloading of imported goods at the importer's premises is subject to the prior payment of a fee of **BIF 500,000** per truck or container, with the exception of state institutions benefiting from exemptions, international organizations, diplomatic or consular corps, defense and security services, authorized economic operators, and goods subject to duty and tax suspension regimes.
- Services performed at night or on public holidays, at the taxpayer's request, are subject to a fee of **BIF 10,000,000** per day.
- Approval for an expert assessment to determine the value of rolling stock, machinery, or equipment undergoing customs clearance is subject to an administrative fee of **BIF 2,000,000**.

Submissions of local staff payroll lists by Embassies and UN organizations

Embassies and UN organizations employing local staff must submit the **payroll lists for such staff, along with their banking details**, **monthly**, to the **ministry responsible for foreign affairs**, with a copy to the *Burundi Revenue Authority* (OBR).

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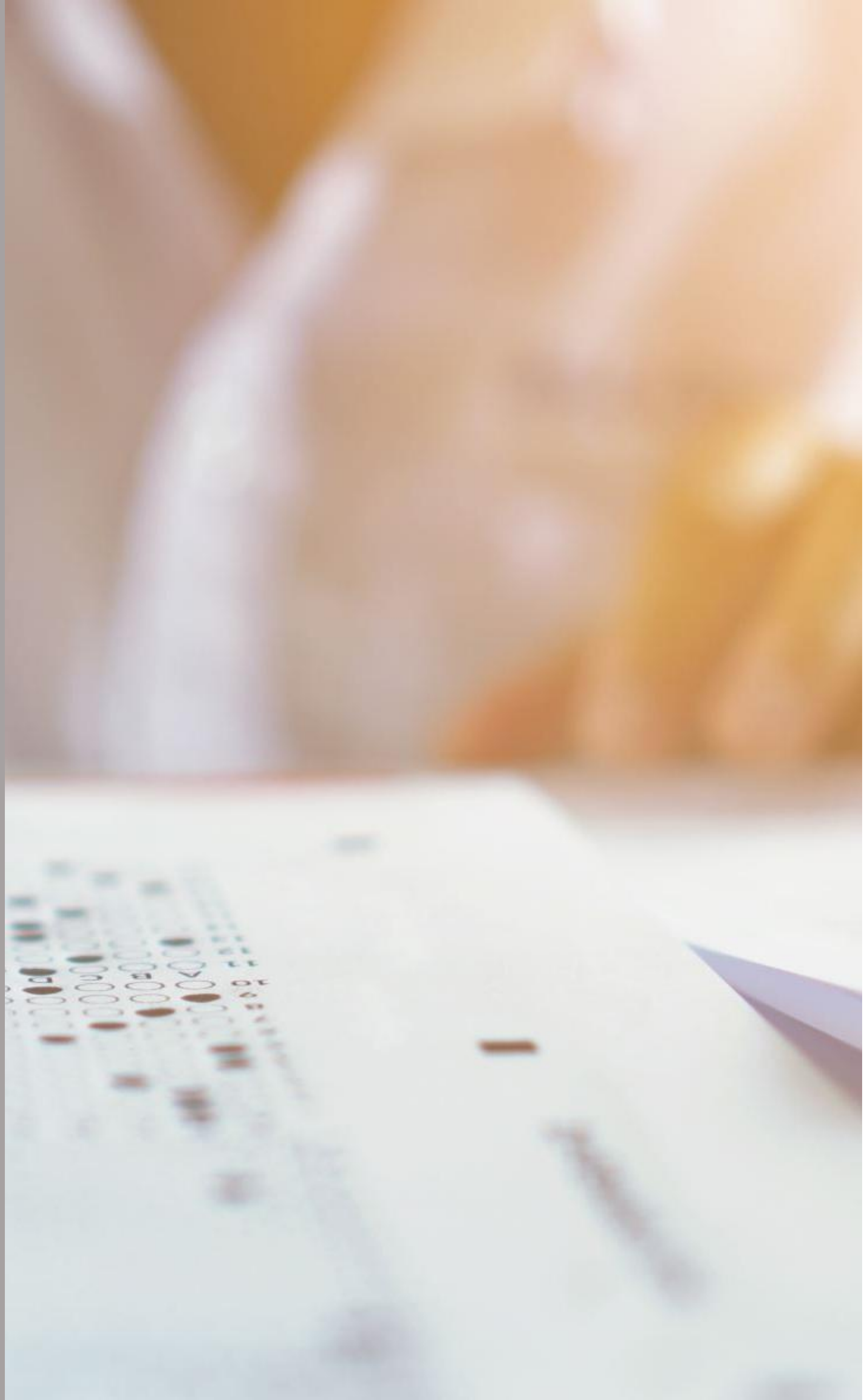

Invoicing

- Invoices exceeding **BIF 500,000** must provide **a bank or electronic audit trail** to qualify for VAT deduction or reimbursement.
- **Any importer of goods or raw materials intended for resale or industrial use** must demonstrate the use of an electronic invoicing system recognized by the tax authorities.

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End of the tax relief measure

The relief measure, which came into effect on July 1, 2025, and provided for the waiver of penalties, fines, and late-payment interest for any taxpayer voluntarily paying the principal amount (and fines) of their tax debt, ended on **June 30, 2026**.

Annual environmental fee

An annual environmental fee is set as follows:

- **BIF 3,000,000** for operators of sites developed for funeral activities;
- **BIF 2,000,000** for obtaining or renewing a license to operate sauna services;
- **BIF 1,000,000** for vehicle washing stations.

These fees must be paid no later than **December 31** of each year.

Any late payment incurs a **50%** penalty.

Introduction of an ad valorem fee in the fisheries sector

An ad valorem fee is established in the fisheries sector, calculated based on the value of the activities concerned. The arrangements for the collection and sharing of this fee are determined by a public-private partnership agreement concluded between the project promoter and the State of Burundi, represented by the Minister of Finance.

Interest paid on loans and advances received from related parties is not deductible to the extent that it exceeds 30% of taxable profits calculated before the deduction of such interest.

Accrued but unpaid interest between related parties is not deductible.

The applicable interest rate must not exceed the average local market rate.

Conditions for the deductibility of interest between related parties

Levy

Introduction of a levy on fortified wines at a rate of **50%** of the ex-factory price.

Introduction of a levy on cement and construction materials at **2%** of the value of the sales commission.

The rate applicable to liqueurs is increasing from **20%** to **100%** of the ex-factory price.

The levy applicable to slaughter (cattle, goats, sheep, and pigs) is removed.

Companies listed on a regulated financial market in Burundi benefit from a preferential corporate tax rate based on the proportion of their capital floated on the stock exchange.

28%, when the company offers at least 20% of its share capital for sale to the public.	25%, when the company offers at least 30% of its share capital for sale to the public.	20%, when the company offers at least 40% of its share capital for sale to the public.

Costs directly associated with the initial public offering (IPO) and the maintenance of the listing (including advisory, audit, regulatory compliance, financial communication, and listing fees) are considered deductible expenses for the purpose of determining taxable income.

Tax benefits for listed companies

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Exemptions

- **Capital gains realized from the sale of Treasury securities on the secondary market** are now exempt from income tax.
- **Renewable energy equipment and materials, as well as modern cooking appliances** that meet applicable national and international standards, are exempt **from customs duties and import VAT**. This exemption also applies to **local purchases** of these same products. To qualify, importers and sellers must hold a certificate of eligibility issued by the Minister of Finance and be up to date with their tax and administrative obligations.
- **Network and electronic communication equipment belonging to mobile telephony and broadcasting operators** is exempt from customs duties and VAT upon importation. Any request to import or clear such equipment is subject to review and prior approval by the *Agence de Régulation et de Contrôle des Télécommunications* (ARCT).

Tax procedures updates

Payment reminder letter

Any payment reminder letter regarding non-tax revenue, with the exception of customs-related reminders, constitutes a notice of assessment that may be contested in accordance with the law.

Limitation on tax return amendments

Amending an income tax return filed with the Burundi Revenue Authority (OBR) is now limited to **a single** instance, prior to the receipt of an audit notice.

Timeframe for decisions on tax appeals to the Ministry of Finance

The Minister rules on the appeal and communicates the decision in writing within **three months** of receiving the appeal. If no decision is issued within this timeframe, the appeal is deemed well-founded, and the contested tax assessment is revoked.

Tax procedures updates (continued)

No Waivers or Installment Plans

- No waivers or installment payment agreements may be granted for taxes collected or withheld at source.
- This provision does not apply to taxes adjusted or assessed following a tax audit.

Liability of Third Parties for Failure to Notify the Tax Authorities

- Any depositary, holder, or debtor of funds, or any other person holding assets belonging or due to a taxpayer, as well as any person holding no assets and owing no money to the taxpayer at the time of notification, must inform the tax authorities within **fifteen (15) calendar days**.
- Failure to do so renders the party liable for the amount of tax owed by the taxpayer, plus a penalty of **20%** of the amount specified in the third-party attachment notice.

Value Added Tax (VAT) mandatory registration

Mandatory Registration

- The threshold for mandatory registration is set at a taxable turnover of **BIF 25,000,000** or more during a financial year.
- Any taxpayer whose **local purchases and/or imports** exceed a value of **BIF 50,000,000** during a fiscal year is automatically subject to VAT and is mandatorily classified as a medium-sized or large taxpayer; this excludes the value of investments or personal effects. This provision also applies to taxpayers holding **a stock of raw materials, finished goods, semi-finished goods, or merchandise valued at more than BIF 50,000,000**. VAT invoicing begins on the first day of the month following the month in which the threshold is reached.
- The supply of buildings or parts of buildings with an undefined use, carried out by an individual and **located in industrial and/or commercial districts**, is now subject to VAT.

Value Added Tax (VAT)

Voluntary VAT registration

The threshold for voluntary VAT registration is set at **FBU 5,000,000**.

Transactions for consideration

The following are now treated as transactions carried out for consideration:

1) supplies of goods and services to oneself;
2) supplies of goods and services made free of charge to related parties.

However, the transfer of a totality or a part of assets, whether effected for consideration, free of charge, or as a contribution to a company, is not subject to VAT.

Restriction on professional practice for former OBR officials for a period of five (5) years

Former officials of the Burundi Revenue Authority (OBR) who have left their positions following resignation, removal from office, or dismissal may not **practice as accounting consultants, tax advisors, legal counsel, or customs declarants** on behalf of a taxpayer until a period of **five (5) years** has elapsed from the date they ceased their duties.

The yellow card and the *laisser-passer* may be issued by the authorized service at the Burundi border.

Payment is made via the Burundi Revenue Authority (OBR) transit accounts opened for this purpose at commercial banks

Issuance of travel documents at the borders

The public service in business

Tax registration and electronic invoicing for public services

Defense and security forces, the prison administration, and other public services generating revenue from **industrial, commercial, or agricultural activities** must now register with the tax authorities and use an electronic invoicing system recognized by them.

Dividend distribution and payment

Companies with public shareholding and public institutions of a commercial or industrial nature must now request **a dividend payment receipt** from the Burundi Revenue Authority (OBR) and submit a copy to the Ministry of Finance.

Transfer of gold export profits

The Bank of the Republic of Burundi (BRB) must transfer **50%** of the profit margin in Burundian francs derived from exported gold to the transit account of the Burundi Revenue Authority (OBR).

Obligation to insure State-owned assets

Any movable or immovable property or rolling stock belonging to the State, as well as any other insurance taken out by State agencies, must be insured with an insurance company in which the State is a shareholder.

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