Republic of Botswana

STATEMENT ON THE SECOND READING OF THE CUSTOMS BILL, 2025

BY

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MINISTER OF FINANCE

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1. **Mr. Speaker,** I have the honour to present to this Honourable House, for the second reading, the Customs (Amendment) Bill, 2025, which was published on 15 December 2025 as Bill Number 37 of 2025.

2. Before I proceed, allow me to explain **Mr. Speaker**, that at its core, this Bill is about making it easier, faster and fairer for our people to trade, do business and participate in the economy. It is about reducing delays at our borders, supporting small traders, closing loopholes that allow unfair practices and aligning our systems with modern, technology-driven standards. In practical terms, this Bill seeks to ensure that goods move more efficiently, that honest businesses are supported and that our country is better positioned to compete in regional and global markets all while strengthening fairness, transparency and accountability within our customs system.

3. **Mr. Speaker,** as a way of background the Customs and Excise Duty Act, originally enacted in 1961 and

implemented in 1970, was repealed in 2018 and replaced by two separate laws: the Customs Act and the Excise Duty Act. This legislative reform was undertaken to modernise Botswana's customs framework and align it with global best practices, including the adoption of electronic systems for trade facilitation, enhanced transparency and strengthened risk management as well as simplified customs procedures.

4. **Mr. Speaker,** although both legislations commenced operation in 2018, several deficiencies were identified during implementation of the Customs Act. This necessitated the drafting of the Customs (Amendment) Bill, 2025. The Act, amongst others, seeks to:

(i) Correct errors and omissions that occurred during the enactment of the Act;

(ii) Continuously modernise customs procedures and practices to enhance efficiency and effectiveness in operations;

(iii) Improve application of Customs procedures and practices in a predictable, consistent and transparent manner;

(iv) Incorporate additional provisions to impose penalties and requirements for advance information; and

(v) Elaborate on customs controls, including the treatment of goods in a Special Economic Zone Provisions rules for adjustments in customs valuation.

5. **Mr. Speaker,** The Bill amends the current Customs Act by introducing new definitions to address implementation gaps. Notably, the term **currency** is expanded to include both fiat and virtual assets. Incorporating virtual assets into the definition ensures alignment with the requirements of the Eastern and Southern African Anti-Money Laundering Group (ESAAMLAG) and the Financial Action Task Force (FATF). **Mr. Speaker**, the world has indeed changed, and people now use digital money and new forms of financial transactions. This amendment

makes sure Botswana’s laws recognise these developments, so that we are not left behind and can properly regulate modern financial activities.

6. **Mr. Speaker,** The Bill empowers the Commissioner General to impose penalties, enabling faster resolution of customs cases and supporting more efficient trade facilitation. Under the current Act, the Commissioner General has no authority to impose penalties or apply administrative charges. The proposed reforms also align the legislation with Standard 19 of the Revised Kyoto Convention, which requires customs administrations to provide for administrative and compromise settlements within their national legal frameworks. **Mr. Speaker,** currently, some issues take too long to resolve because officials do not have enough authority to deal with them quickly. This change allows problems to be handled faster, reducing delays for businesses and traders. It means fewer bottlenecks and a smoother trading process.

7. **Mr. Speaker,** The Bill also seeks to close a gap in the criteria and requirements applicable to small, medium, and micro traders within the SADC region. The SADC Protocol on Trade mandates the removal of trade barriers among member states, and this amendment supports that objective by introducing simplified declaration procedures and streamlined processing for Small, Medium, and Micro Enterprises (SMMEs). **Mr. Speaker,** we have noted that small businesses often struggle with complicated customs procedures. This change makes it easier for them to trade across borders by simplifying the process, reducing paperwork and lowering the cost and time it takes to move goods. This helps small businesses grow and create jobs.

8. **Mr. Speaker,** Through this Bill, imports of low value goods or goods brought in small quantities will be restricted to items that are not prohibited. Under the current Act, the wording can be interpreted to mean that even prohibited goods listed under section 35 may be permitted in small quantities if carried as non-commercial items in a traveller’s baggage. This creates the

unintended implication that prohibited goods are allowable merely because they are imported in smaller quantities. The proposed clause corrects this by clearly stipulating that prohibited goods may not be imported, regardless of quantity. Thus **Mr. Speaker,** this amendment closes that loophole completely. Illegal goods will remain illegal, no matter how small the quantity.

9. Further, **Mr. Speaker,** The Bill introduces a requirement for the prior submission of information for risk profiling of passengers and goods before departure. This will enable Customs to conduct risk assessments and process declarations in advance, thereby improving the efficiency and effectiveness of clearance procedures when goods arrive. **Mr. Speaker,** instead of waiting until goods arrive to process them, information will now be submitted in advance. This means customs can prepare ahead of time, reducing waiting times at borders and speeding up clearance for businesses.

Mr. Speaker, The Bill also introduces provisions governing customs controls within Special Economic

Zone (SEZ) institutions. These provisions establish special rules detailing the categories of goods that may be admitted into an SEZ, the procedures for their replacement, the permitted duration of stay of goods under these procedures, and the requirements for their removal and for facility closure. Businesses that qualify for SEZ status benefit from duty rebates on goods imported for processing within the zones. Goods entered for SEZ purposes are subject to customs controls only within the SEZ itself, thereby avoiding duplication of controls and significantly reducing clearance times.

Mr. Speaker, To strengthen compliance with international trade agreements such as the African Growth and Opportunity Act (AGOA), the Bill empowers the Minister to prescribe rules for implementing Rules of Origin applicable to bilateral and multilateral trade agreements. This ensures transparency and alignment with international standards, enabling regional bodies and trade partners to clearly see how Rules of Origin have been incorporated into domestic legislation.

10. The Customs Act currently, **Mr. Speaker,** excludes the principal from liability for customs debt. Through this amendment, the bill now makes provision for the inclusion of the principal to be liable for the customs debt.

11. **Mr. Speaker,** The current Customs Act does not empower the Revenue Service to recover customs debt from third parties or from individuals who hold property on behalf of a debtor. This amendment therefore seeks to close that gap by authorizing the Revenue Service to recover outstanding customs debt from such third parties or custodians of a debtor’s property.

12. **Mr. Speaker**, I now move, that the Customs (Amendment) Bill, 2025, Bill Number 37 of 2025 be read for the Second time.

13. I thank you, **Mr. Speaker**.