



Business Process Outsourcing and Contact Centres



Outsourcing to Botswana



Unique and highly competitive characteristics position Botswana and its International Financial Services Centre as an attractive destination for locating offshore Business Process Outsourcing entities and Contact Centres. The following are factors which contribute to Botswana's competitive investment climate;

- Political stability, a strong record of democracy, perceived by Transparency International to be the least corrupt country in Africa and respect for the rule of law.
- A high safety index and one of the best education systems in Africa in which all pupils in secondary schools receive personal computer training.
- The highest investment grade sovereign credit rating in Africa awarded by international rating agencies Standard and Poor's and Moody's.
- World Class Outsourcing and Consultancy companies, Accenture and Merchants South Africa have affirmed Botswana's suitability as an Outsourcing destination.

Why Outsource to Botswana

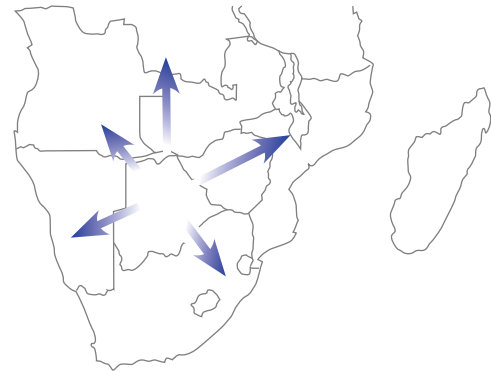
Location:

- Botswana's central location in Southern Africa is ideal for the establishment of regional Business Process Outsourcing entities or Contact Centre to serve the southern African region.

BPO and Contact Centre Skills

- Botswana has a well educated, English speaking labour pool ready to be employed by Business Process Outsourcing companies and Contact Centres that serve clients in English speaking countries.
- Companies in Botswana have access to this labour pool through www.Botsjobs.com; the Botswana IFSC's job portal which aims to expose investors to the range of skills available within the country.
- To ensure world class customer service and high quality standards, a Botswana government sponsored, UK accredited Edexcel Contact Centre Management Diploma is offered through the Botswana Accountancy College; one of Botswana's reputable business schools.

- Relative to worldwide industry trends, attrition rates are low in the Botswana BPO and Contact Centre industry. A Botswana BPO and Contact Centre report done by Merchants South Africa in 2008 states that, "attrition within the Contact Centre sector in Botswana is much lower than Outsource Contact Centre Industry norms".
- Labour costs in the Botswana and Contact Centre industry are relatively low compared to regional trends.



Time Zone:

- Botswana falls within the Central African Time (CAT) zone which is GMT + 2 and this along with other factors, makes Botswana a convenient offshoring location for African and European firms to name a few.
- The time difference with other countries such as the USA allows for the timely processing and completion of BPO tasks such as Data Mining, Data Cleaning and Salary Processing.

Telecommunications

- A vast array of telecommunications services such as; International Private Leased Circuits, IP VPN and other voice, data and Multimedia services essential to the BPO and Contact Centre Industry are available at competitive rates through licensed Public Telecommunications Operators and providers of Value Added Network Services.
- Licensed service providers are permitted to provide Voice over IP services. The further liberalization of the Botswana Telecommunications sector has led to service providers offering services at competitive rates and high standards of quality.
- The Government of Botswana is participating in the following international connectivity projects to ensure that the cost and quality of telecommunications services meets international standards;
- West African Feroon Cable System (WAFS): The planned project consists of an optic fibre cable that will run along the western seaboard from Luanda in Angola landing at Congo, DRC, Gabon, Togo, Equatorial-Guinea and through to Bonny in Nigeria. From Nigeria, onward connectivity to the rest of the world will be achieved through the existing submarine cables terminating there.
- East African Submarine System (EASSY): The system consists of a fibre cable that will run from Mtunzini in South Africa, and will continue Northwards, branching out to Mozambique, Madagascar, Tanzania, Kenya, Somalia, Djibouti, and terminating at Port Sudan in Sudan.
- West African Cable System (WACS) connecting Cape town in South Africa with landing stations in Namibia, Angola, the Democratic Republic Of Congo, Cameroon, Nigeria, Ghana, Cote d'Ivoire, Portugal and terminating in London in the United Kingdom.

BOTSWANA IFSC

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- The completion of the SEACOM project will see bandwidth costs being reduced considerably by the last quarter of 2009.

Infrastructure

- The Botswana Innovation Hub which is a technology park offers state of the art, world-class infrastructure.
- Botswana boasts a highly capable pool of certified telecommunications equipment and software suppliers with qualified Engineers across all facets of Information Communications Technology. The Botswana ICT Skills base is proficient in Microsoft, Cisco, Avaya etc.

Regulatory framework

The Bank of Botswana Act (1999) designates the Bank of Botswana as the regulatory authority to license, supervise and regulate all international banking activities.

Legal structures

In order to be certified under the Botswana IFSC, an entity should either be a Botswana registered company or undertake to register a company upon approval of their business plan by the Certification Committee. There are no requirements to have resident shareholders in an IFSC accredited company. However, according to the Companies Act (2004), at least one Director should be resident in Botswana.

Supervisory fees

In accordance with Sections 6(1)a and 6(7) of the Banking Act (CAP46:04) the Bank of Botswana levies the following fees for banking entities:

- Licence Application Processing Fee - BWP15,000
- Annual Licence Renewal Fee - BWP50,000

Your Competitive Advantage for International Banking

Sustainable low tax environment

The Botswana IFSC offers a sustainable low tax environment. Botswana IFSC Banks get a discounted corporate tax rate of 15% of profits, are exempted from Withholding Tax on interest, dividends, management fees and royalties paid to a non resident. They are further exempted from Value Added Tax and Capital Gains Tax. Botswana IFSC Banks also have access to Botswana's 200% tax training rebate. Disposal of shares of your company are also tax exempt.

Tax	IFSC Company	Domestic Company
Capital Gains Tax	Exempt	15%
Withholding Tax	Exempt	15%
Corporate Tax Rate	15%	25%
Value Added Tax	Zero rated	10%

Table 1: Exclusive Advantages of Botswana IFSC Banks

Access to an expanding Double Taxation Avoidance Treaty network

Through the Botswana IFSC Banks have access to Botswana's expanding Double Taxation Avoidance Treaty network and where there is no double taxation agreement yet in place, Botswana IFSC Banks are provided with credits for withholding taxes of up to 15% levied in those jurisdictions.

Active			
South Africa	Mauritius	UK	Namibia
Sweden	Seychelles	France	Barbados
Zimbabwe	India	Mozambique	
Awaiting ratification			
Russia			
To be signed			
Malawi	Zambia	Tanzania	Belgium
Under discussion			
Kenya	Swaziland	Lesotho	Angola
Nigeria	Uganda	Japan	
Pipeline			
China	Luxembourg		

Table 2: Status of Double Taxation Avoidance Treaties

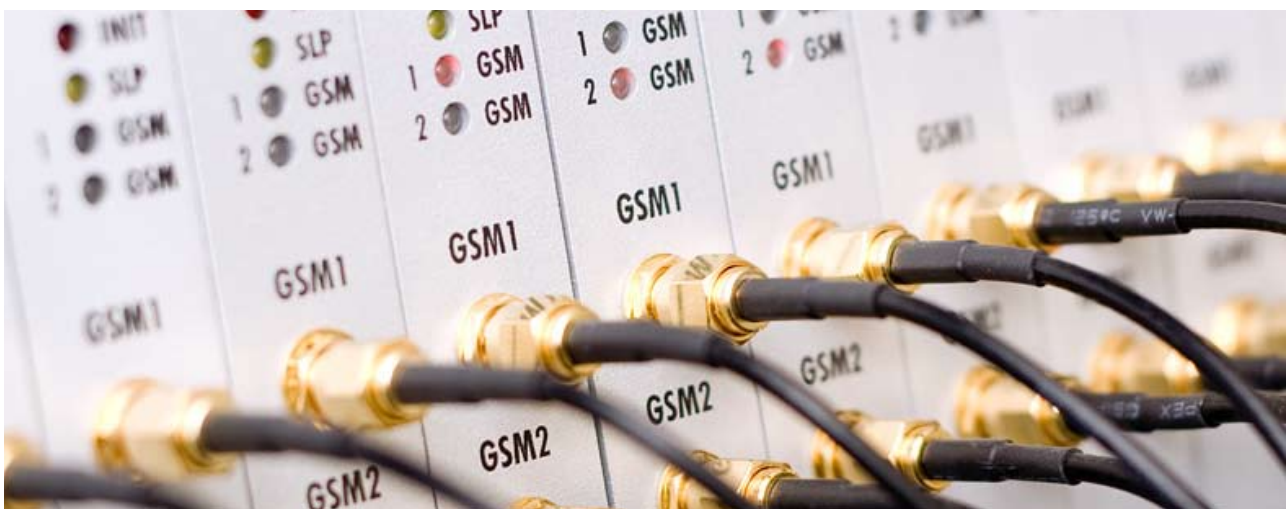
No foreign exchange controls

Botswana has no foreign exchange control and this allows Botswana IFSC Banks to be able to transfer and repatriate funds across borders easily.

Currency denomination

As a Botswana IFSC Bank, you are allowed to denominate your capital in any of the internationally recognized currencies and this measure allows your business to be cushioned from losses brought about by the exchange rate risk and exchange rate movements.

Botswana IFSC "Your Competitive Advantage" welcomes the opportunity to meet with you and further discuss how we can facilitate your strategy better.



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