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**FEARS OVER 150 JOBS AT EDCON**

The contraction of the economy will shed off sales, directly impacting collections of Value Added Tax (VAT) which are dependent on the volumes of sales made by VAT registrants...

**INSIDE SERAME CALLS ON TIPPLERS TO ADJUST TO A NEW NORMAL**

The government has announced that tipplers will have to adjust to reforms occasioned by the Covid-19 pandemic. Speaking at a media briefing this week the Minister Peggy Serame said...
The government has announced that tipplers will have to adjust to reforms occasioned by the Covid-19 pandemic. Speaking at a media briefing this week, the Minister of Investment, Trade and Industry, Peggy Serame, said there will be a review of liquor laws and regulations that will mainly affect the sale of alcohol and alcoholic beverages.

After Covid-19 was first reported in China in December 2019, it spread like bushfire to the rest of the world and compelled lockdowns and prohibition of the sale and consumption of alcohol in most countries among a raft of containment measures.

Speaking at the media briefing, Minister Serame said things will never be they were before the advent of Covid-19. “We are defining our new normal,” she noted. “As we define our new normal, we will look into the Liquor Act which legislates for the sale of alcohol. Which means when we define our new normal, we will look at it and amend it.”

She assured Batswana that there will be thorough consultation.

TO PAGE 05
INSIDE THE COVID-19 MESS OF PROBABLES

Batswana were left slack-jawed after the Covid-19 Task Force put through a weekend fear that what has looked like their nation’s relative immunity from infection with Covid-19 could be over when the same crew appeared on TV to tell them it had all been a false alarm. Staff Writer KABO RAMASJA reports

In a televised address, the Director of Health Services, Dr Malaki Tshipayagae, told the nation that four more cases had come through the country’s borders, bringing Botswana’s tally of positive Covid-19 cases to 60.

However, the government was soon beating a hasty retreat two days later by announcing a lifting of the lockdown because the invisible virus that can be dicey even for better-equipped teams in more advanced countries. The uneasy confidence of Batswana in the authorities is not helped by revelations that the testing facility used by GPH, South Africa’s Lancet Laboratories, had been found wanting by the South African government before GPH engaged it. It has now emerged that GPH, inspite of its much-vaunted standard, was yet to be fumigated as at Wednesday this week.

Meanwhile, although Botswana is yet to rectify its figures, WHO’s Director of the World Health Organisation (WHO), Dr Tedros Ghebreyesus, said Botswana had a total of 60 confirmed cases of Covid-19.

Dr Moeti, who is a native of Botswana, has also encouraged African leaders to ramp up testing and raise their level of political will to curb the disease. "The number of testing in African countries is low because there is a scramble for test kits in the global market," she noted. "We need to invest in our systems and decentralise them. But it requires political determination."

She praised Botswana for the way it tackled HIV/AIDS at the height of the pandemic that killed millions of people the world over, by far the most in Africa, saying Botswana could tap into that experience for political will by digging into its pockets and mobilising donor funding to curb the spread of Covid-19.

Investigations by The Business Weekly & Review the eight Covid-19 results that are at the centre an imbroglio between Ministry of Health and Gaborone Private Hospital flowed from standard procedure of admitting patients at the hospital. Emerging details of the mess that have prompted fears that Botswana’s testing criteria and data collection and reporting could be full of gaps and therefore unreliable.

On Friday evening, the Covid-19 Task Force sparked a new shudder of anxiety when it announced a return to lockdown for Gaborone of the lockdown because the announcement came through the country’s borders, bringing Botswana’s tally of positive Covid-19 cases to 60.

However, the government was soon beating a hasty retreat two days later by announcing a lifting of the lockdown because the astonishing GPH results, now called “probables,” had all been a false alarm. This publication has since established that all patients admitted but did not show any symptoms when they arrived at GPH. A source at the hospital has told this publication that before being admitted or undergoing surgery, all patients are tested for Covid-19. It was after the tests were verified that so of 16 specimens returned negative.

The development has caused confusion among citizens who are now puzzling over the reliability of the entire approach of the government to fighting the invisible virus that can be dicey even for better-equipped teams in more advanced countries. The uneasy confidence of Batswana in the authorities is not helped by revelations that the testing facility used by GPH, South Africa’s Lancet Laboratories, had been found wanting by the South African government before GPH engaged it. It has now emerged that GPH, inspite of its much-vaunted standard, was yet to be fumigated as at Wednesday this week.

In the aftermath of these developments, Botswana’s questionable approach could have far reaching effects on world figures because in a situational report on Tuesday, the Director of the World Health Organisation (WHO), Dr Tedros Ghebreyesus, said Botswana had a total of 60 confirmed cases of Covid-19.

Meanwhile, although Botswana is yet to rectify its figures, WHO’s Regional Director for Africa, Dr Matshidiso Moeti, has advised countries to collect and share relevant Covid-19 data in order to ensure appropriate decision-making and policy direction.

Dr Moeti, who is a native of Botswana, has also encouraged African leaders to ramp up testing and raise their level of political will to curb the disease. “The number of testing in African countries is low because there is a scramble for test kits in the global market,” she noted. “We need to invest in our systems and decentralise them. But it requires political determination.”

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**FEARS FOR 150 JOBS AS EDCON EMBARKS ON MASS RETRENCHMENTS**

- Groups says lockdowns have negated sales

**STAFF WRITER**

Jobs of 150 employees working of Edcon in Botswana are hanging in a balance as South Africa’s biggest non-food retailer embarks on mass retrenchments amid fears of liquidation.

Media reports say the troubled retailer, which operates Edgars and Jet family outfitters, is reportedly seeking bankers to help it afloat due to debt and poor sales. It emerged from South Africa this week that 22,000 of its employees were served with notices of retrenchments after lockdown imposed by the government in Botswana neighbour negated sales.

Edcon has been trying at all costs to avoid liquidation. According to Sowetan Live, the retrenchment notice is dated June 10 and was addressed to all employees and the SA Commercial, Catering and Allied Workers Union (Saccawu). It stated the company’s 2019 restructuring plan - which included sourcing R2.7bn from the Public Investment Corporation, among others - was on track until the end of December 2019.

“The company’s financial position has recently become distinctly more positive,” the company said. “Continued cost efficiencies will be made in line with trading conditions, to ensure ongoing operational viability.”

According to the report, the company said it was officially under business rescue in March.

Edgars stores and three Edgars Active stores. Discount Stores, also clothing retailers, make a combined 23 stores; Jet, with 18 stores and Jet Mart two.

According to media reports, Edcon said in February that it was selling its stationery business, CNA to a consortium majority owned by Astoria Investments. CNA was the group’s stationery, books, games, movies, music, hi-tech electronics and mobile retailer operating three stores in Botswana.

According to the report, the company said it was officially under business rescue in March.

**LOOMING SALARY SLASHES WILL AFFECT TAX RETURNS**

A report by a firm of tax experts is warning that the ubiquitous impact of Covid-19 will lead to revenue contraction everywhere.

**Staff Writer TSHEPISO GABOTLHOMOLO**

The contraction of the economy will shed off sales, directly impacting collections of Value Added Tax (VAT) which are dependent on the volumes of sales made by VAT registrants. Staff Writer Business Weekly & Review has established.

According to a report by Jonathan Host of Aspracon Retailability Group, Botswana will be directly impacted by the closure of borders and disruption of supply chains, among others. The report, which is titled “Covid-19 Effects on Tax Revenues,” states that the corporate tax and Pay As You Earn (PAYE) depend on the performance of the economy and that anything that has the capability of reducing economic growth cuts corporates’ profits.

According to Hore, when economy contracts, some of its stores and sales of some businesses. As part of its operational strategy, Edcon embarked on a long-term drive to restructure and performance across all its markets, prompting closure of some of its stores and sale of some businesses. As part of its operational strategy, Edcon continuously reviewed its asset efficiency and performance of products, brands and stores across the group whether in South Africa or any other country. Group Corporate Affairs Executive, Vannie Pillay, previously responded to the Business Weekly & Review. Pillay said this was mainly achieved by making store portfolio more efficient, which meant requiring less floor space going forward. “It’s a long-term strategy and decisions will be made in line with trading conditions, lease renewals and efficiencies,” she said.

However, it appears this strategy has not worked in favour of the group. The retrenchments come after the group said it was officially under business rescue in March.

This, Hore notes, will in turn reduce the amount of PAYE that tax authorities can collect.

The situation is compounded by reduced revenues from the Southern African Customs Union (SACU) which are directly impacted when borders are closed and when economies are locked down, the report notes. The uncertainty in future economic prospects brought about by the pandemic is also likely to put projects on hold, which reduces imports and consequently SACU revenues. The International Monetary Fund (IMF) has also forecast that SACU member countries will decline by an average of 5.6 percent in 2020 in its April 2020 report, which directly feeds into a reduction in tax collections.

Another factor which may result in a reduction of domestic taxes is suspension of investments which could have been embarked on had COVID-19 not ravaged the economies, he adds. Further, when economy contracts, some tax payers’ ability to comply with taxes will be hampered by financial constraints, further worsening the tax collection capacity. “It is also important to note that a contraction in an economy will have further negative ripple effects, such as company closures and bankruptcies, which further slows down economic activity,” Hore explains. “It is evident that Covid-19 will continue to shed a significant portion of business revenues negatively impacting their cash flows,” Hore states.

According to the tax specialist, the moment a business’ cash flows are impacted, its ability to pay creditors decreases, tax authorities included. He warns that the economic drought brought about by the pandemic will certainly result in an astronomical jump in tax debts way above the average annual of 22 percent recorded in past years.

According to the 2016/17 BURS annual report, taxpayers owed P2.7bn at the beginning of 2017 and by 31 March 2017, the bill had shot up by 22 percent to P3.7bn. By the end of the 2017/18 year, the debt put on another 22 percent, going up to P3.9bn.

Hore anticipates that the tax debt figure will hike by another 22 percent for the 2019/20 financial year. “However, considering the anticipated harsh economic conditions that are synonymous with COVID-19, the spike in tax debts for the 2020-2021 year could stand at a staggering P4.3bn, putting on a much higher...
President Masisi’s spokesman refers BW&R to other newspapers for answers

Push tax debts up.

13.1 percent, which he says will be accompanied by the economic contraction of their tax bills may be drawn back had all along managed to pay he explains, many taxpayers who more interest charges. Further, these changes will not be extended to the sale of traditional beer. “The sale of traditional beer remains suspended pending consultation (with magosi),” the minister said. “The hope is that the consultations will be over before mid-July (and) we will come back to announce the re-opening of traditional beer sale and its regulations.”

Under a new regime, bars will open at 10am and close at 7pm from Wednesdays to Fridays and during public holidays. On Saturdays, bars will open at 10am and close at 11pm. Bottle stores will open at 8am and close at 4pm.

35 percent annual increase,” the report says. Here notes that the increase is likely as taxpayers who may have intended to reduce their present tax debts in the current year may be constrained by financial challenges, resulting in more interest charges. Further, he explains, many taxpayers who had all along managed to pay their tax bills may be drawn back by the economic contraction of 13.1 percent, which he says will push tax debts up.
MORUPISI TO STAND CMB CORRUPTION TRIAL • TRIAL SET FOR 13 JULY 2020

KABO RAMASIA Staff Writer

The case in which the disgraced former Permanent Secretary to the President, Carter Morupisi is charged with corruption is making headlines in South Africa. The state has argued that it has over 30 witnesses in this case who they want to testify but have been unable to travel to Botswana due to Covid-19 restrictions. To proceed with the trial under these circumstances, the state has requested use of virtual devices by witnesses based outside the country.

In September last year, Morupisi, who stands accused with his wife, was slapped with three counts which relate to alleged embezzlement of P600 million from the Botswana Public Officers Pension Fund (BPOPF), which was managed by CMB.

The charges are money laundering, bribery and abuse of office. Investigators are said to have found a link between the disgraced PSE his wife and their company R7 Group (Pty) Ltd, to the alleged crimes.

According to the charge sheet, Count 1 is explained as abuse of office, Count 2 as acceptance of bribe(s) by a public officer and Count 3 is money laundering where the DPP alleges that acting together and in concert with his wife, on 15 May 2017 in Gaborone, Morupisi laundered the sum of R630,988.99 (approximately P464,450.30) which was proceeds of crime.

He was granted bail by the High Court but his career has been on a slide since he was arraigned. A career civil servant, Morupisi’s contract was not renewed when it ended in February this year.

BIUST TO START ONLINE TEACHING

The Botswana International University of Science and Technology (BIUST) has reported that they are prepared to resume teaching and learning using the online blackboard linked system post lockdown, effective Monday 15th June 2020. The staff, Students and Academics on campus BIUST students are all on campus, having gradually arrived during the week of Monday 1st June up to Friday 5th June 2020, whilst Academic staff resumed duty from the week of 25th May.

The university explained in a media statement that the Blackboard Linked online System which is the new teaching mode when classes resume will blend of traditional face-to-face and online teaching in large classes. Classes with large enrolment will be split into smaller sections to comply with Covid-19 protocols. The spill-over classes physically but attend from elsewhere on campus. The lectures will be beamed to their laptops or tablets. The possibility of using platforms among them; zoom, google meet, we bex will be explored. The lectures will be video-recorded and shared with students. Other long-term teaching and learning plans will be rolled in the near future due to ongoing negotiations with service providers.

SEEDCO EMERGES PROFITABLE INSPITE OF COVID-19 • Increased sales volumes and favourable currency movements account for the increase

Prospectively, the group says it takes some comfort from the fact that its seed business is at the beginning of the food value chain with its seed business is at the beginning of the food value chain that is the new teaching mode when classes resume. The spill-over classes physically but attend from elsewhere on campus. The lectures will be beamed to their laptops or tablets. The possibility of using platforms among them; zoom, google meet, we bex will be explored. The lectures will be video-recorded and shared with students. Other long-term teaching and learning plans will be rolled in the near future due to ongoing negotiations with service providers.

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BPC WADES INTO COURT EVIDENCE CONTROVERSY

STAFF WRITER

Documentary evidence is likely to swing the case one way or the other in a matter in which Re-sealing is demanding outstanding payment for work done for Botswana Power Corporation (BPC).

The matter began on 22 December 2016 when Re-sealing instituted legal proceedings to compel BPC to pay. In papers before court, Re-sealing says it concluded an agreement with BPC in terms of which the company would provide maintenance and other services to BPC.

According to court documents, Re-sealing carried out its obligations in terms of the agreement. However, according to Re-sealing, BPC subsequently breached the agreement by failing to pay what was due to the company. In the result, according to the company, BPC is indebted to Re-sealing to the tune of P646, 611.10, the maintenance company claims. BPC denies this and has submitted what it calls ‘authorisation for contractor payment’ as proof of payment. Through its lawyers, Minchin & Kelly, BPC has filed three documents as proof of payment for works done by Re-sealing in terms of the agreement between the two parties. The documents reflect payment of P57, 640.60, P73, 736.80 and P135, 082 apparently at different times.

However, an examination of these documents shows that only the one bearing the amount of P57, 640.60 was signed by BPC’s Manager - Property Services and counter-signed by the utility’s Financial Controller. It carries the date of 25 January 2017 and was for a maintenance contract for BPC buildings in Gabarone. Documents seen by this publication also reflect payment for this work in Re-sealing’s bank statement of 30 January 2017.

The other two documents that also purport to prove payment are not similarly signed and bear no dates. And did not reflect on Re-sealing bank accounts at any point even though BPC alleges it had paid.

The case continues, but it has already had its fair share of controversy. After first creating a lie, a Minchin & Kelly lawyer assigned to the case seemingly found that one about-face was not enough to wriggle out of his failure to appear in court for his firm’s corporate client.

The lawyer then tried to cover up for this blunder by claiming that he had not been notified of court dates and had therefore proceeded to attend to other court matters elsewhere. After being caught out in his series of lies, the lawyer was fired to save the law firm’s reputation.

POWER PROBLEMS STILL A THREAT

TSHEPI GABOTLHOMOLWE
Staff Writer

Tlou’s initial gas-to-power generation project is ready to go subject to final approvals and project finance. The company’s Lesedi gas-to-power project is proposed to generate electricity from gas for sale to the local electricity grid with the initial phase of development is planned to produce up to 60MW before further expansion thereafter.

Tlou Energy says its funding negotiations with Botswana Development Corporation (BDC) are at an advanced stage where BDC is working on a term sheet that will be followed by the project’s due diligence.

According to Tlou Energy’s second quarter (Q2) presentation, the existing generation in Botswana requires government support through subsidies as Eskom, may be unable to meet Botswana’s demands. Botswana is currently not able to meet its demand and Operating Capacity of 459MW and Average Maximum demand of 610MW. Peak demand 702MW of power required in 2019 was imported at the cost of P861 million. In the face of this dire situation, it has been established that the environmental cost of coal and diesel-fired generation potentially would be far more expensive.

Tlou Energy’s Managing Director Tony Gilby says drilling of additional gas wells, expansion of gas reserves and installation of solar power could, subject to results, lead to significant potential upside.

He says the Lesedi Project consists of four prospecting licences (PLs) plus a mining licence with a total area of approximately 3,800km2. The presentation states that a great deal of work has been completed in Lesedi over many years and that PLs are required to be renewed every two years. The Mamba Project consists of five PLs covering an area of approximately 450,000km2, is considered to be highly prospective, lies adjacent to Tlou’s Lesedi and Caiman Cove (CBM) Project and has independently certified 3P Gas Reserves of 175 gas volumes (BCF).

According to Tlou, Mamba has the potential to become a separate revenue generating development project in addition to the proposed development at Lesedi.

Tlou has another project called the Boomsang Project that consists of one PL in an area of approximately 1,000Km2. Boomsang provides the company with further flexibility and optionality for development. Although they speak highly of it, the company is awaiting confirmation of environmental approval to commence exploration operations in Boomsang.

• SA may become too constrained to meet Botswana demand
Tax Column
Commentaries, letters and columns present here are the views of the authors and not necessarily those of The Business Weekly & Review

TAXMAN’s LETTERS
FREEZE BANK ACCOUNTS

JONATHAN HORE  Managing Consultant  Aupracon Tax Specialists

T hese who play hard-to-get with the taxman will probably tell you how their money was frozen or almost frozen by the simple letter demanding taxes. Well, I must be honest and state that this is not the taxman’s normal practice but when a taxpayer shows signs of willful default in paying taxes. For example, there are tough guys in town who will switch mobile numbers when creditors call whilst there are those who will block you, if they can but then some will answer and give you a hundred and one promises. If the taxman sees that you are playing such nice games, he simply writes a letter to your bank and your money will be frozen, just like that. This is what is called a garnishee order.

Below are the key features of a garnishee order:

- **Enforceable at law:** Garnishee orders are issued through arrangements referred to as appointment of tax collection agents in the Tax Acts. In other words, if the taxman instructs your bank to pay him everything that comes through your account, he will be acting within the confines of the law.
- **You can’t hide:** Your bank cannot refuse to effect the instruction issued on it by BURS. In as much as your stop-orders and supplier cheques may bounce because of the garnishee order, the bank cannot refuse to effect such order as it places a garnishee order on your bank account, consider your money gone. You may have to make other arrangements with your other creditors. So, you may run but you can’t hide.
- **Debt of first preference:** When you owe taxes, you should know that the tax debt is supreme over all other debts that you may owe. This is still the case even if a taxpayer is liquidating or is insolvent; any payments to creditors must be done after paying the taxman. Therefore, tax debts are supreme than all other debts.
- **Record tainted:** BURS, just like any other creditor, considers persons who only pay after paying the taxman. Therefore, tax payment obligations due to various reasons and on top of that, fail to negotiate payment terms with the taxman. This therefore simply means that such taxpayers will have uncleared tax bills and the taxman will be waiting anxiously to bag his part of the taxes. When tax debts become almost impossible to collect from the taxpayer himself, the taxman then thinks of other ways of effecting collection and that is when a garnishee order comes in.

We will discuss this 1 or 2 page letter that is so powerful and can literally leave you broke. In this article, words importing the feminine will be deemed to include the masculine.

**THIRD POWERFUL LETTER**

Well, the tax laws are there to be obeyed without compulsion from the taxman but the reality is that this is not always what happens on the ground. Some taxpayers may find themselves not fulfilling their tax payment obligations due to various reasons and on top of that, fail to negotiate payment terms with the taxman. This is the thing you would want as it puts you under the high risk taxpayers in BURS’ risk profiling. Further, if such information becomes public, it may cause irreparable reputational damage to your organisation or personal image. The negative consequences are way too much. My suggestion would be that you arrange a payment plan with the taxman and avoid all the hassles that come with a garnishee order.

Well, if I was to give you a word of advice, I would say never ignore the taxman to the extent that you find yourself with garnishee orders. This is the last thing you would want it puts you under the high risk taxpayers in BURS’ risk profiling. Further, if such information becomes public, it may cause irreparable reputational damage to you. Well folks, I hope that was insightful. As Yours Truly says goodbye, remember to pay to Caesar what belongs to him. If you want to join our Tax Whatsapp group, send me a text on the cell number below.

Jonathan Hore is a Managing Tax Consultant at Aupracon Tax Specialists and feedback on this article can be relayed to jhore@aupracontax.co.bw or 7181 5836.
Companies & Markets

**MARKET HIGHLIGHTS**

**MAJOR MARKET MOVERS (Thebe)**

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Source: BSE

**DOMESTIC EXCHANGE RATES**

18/06/2020

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Source: BOB

**WORLD MARKETS**

As at 18/06/2020

**INDEX** | **VALUE** | **% CHANGE**
--- | --- | ---
**AMERICAS INDEXES**
Dow Jones Industrial Average | 26,119.61 | -0.65
S&P 500 | 3,113.49 | -0.30
NASDAQ | 9,901.53 | +0.13

**EUROPE, MIDDLE EAST & AFRICA INDEXES**
EURO STOXX 50 | 3,256.99 | -0.31
FTSE 100 Index | 6,401.27 | -0.19
DAX | 13,929.14 | -0.47

**ASIA-PACIFIC INDEXES**
Nikkei | 23,555.46 | +0.49
Hong Kong Hang Seng Index | 26,464.94 | +0.07
TOPIX | 1,900.89 | -0.27

Source: Bloomberg

**LESETEDI REDUCES HER STAKE IN BIHL**

- CEO slashed her shareholding by 30%
- Group registers 7% growth in core earnings

The Chief Executive Officer (CEO) of Botswana Insurance Holdings Limited, Catherine Lesetedi, (BIHL) has reduced her shareholding in the group by over 30 percent.

According to the group’s 2019 annual report, Lesetedi’s shareholding was reduced to 144,938 shares in 2019, down from 211,637 in 2018. This represents a decline of 31 percent in her shareholding in BIHL.

The annual report also shows that the CEO’s total emoluments in 2019 were P6,145 million. The remuneration of executive directors comprises salaries and short-term incentives, as well as participation in long-term incentive plan.

Lesetedi’s salary for the year amounted to P3,095 million, which is roughly P257,000 a month. Her bonus was P1,350 million while her “other benefits” listed amounted to P1,700 million. Lesetedi has been at the helm of Botswana’s largest insurer since 2016.

In 2019, BIHL saw an impressive 11 percent increase in Net Insurance Premium Income to P2.6 billion. In addition, despite ever increasing levels of competition in the insurance sector, the group’s Operating Profit remained flat at P376 million. Core Earnings far outstripped the inflation rate of 2.2 percent for the year by rising to P422 million – an increase of 7 percent over the prior year. At the same time, Profit Attributable to Equity Holders rose 18 percent to P437 million.
T

HEAVYWEIGHT LAWYERS EMBROILED IN BILATERAL WORDS IN LETLOLE STANDOFF

... At the heart of the heat is interpretation of a clause in a document on incentives

28 April 2020 entitled "Notice of Declaration of Long-term Incentive Plan Vesting," Shenjere-Mutiswa strongly suggested vaguely that his claim is based on a statement by the chairperson that a change of control occurred on the 26th April 2020 as a result of the board’s appointment of two additional directors.

They argue that the suggestion in the notice was that this is in terms of clause 1.1.5 of the LTIP which, according to records, reads: “The removal, resignation or departure in whatever manner and for whatever reason, within 12 months, of the three or more directors of the board, in office as at the approval date of this plan or an increase, of three or more, in the number of directors from the number of appointed directors as at the date of approval of this plan.”

According to Armstrongs, a cursory reading of that clause speaks of an increase of three and not two additional directors. This claim by the CEO, they said, is not your client (the CEO) disputes this, and if so, the basis upon which your client disputes this, “the attitude of the LTIP lawyers. Your response is necessary to establish whether there is an actual dispute between the parties, which could give rise to an arbitration. Unless we establish what the dispute is, our client (Letlole) is unable to accept the invitation to discuss your client’s claim, as requested.”

As we understand it, the purpose of such meeting, in terms of the LTIP, would be to resolve a dispute and not discuss your client’s claim.”

In response to Armstrongs, Collins Chilisa noted that the point that was sought to be conveyed in the letter had been a previous discussion between the parties. However, Collins says it is rather bizarre for Letlole to feign ignorance, several weeks later, in respect of what the basis of the CEO’s claim is. “One would expect that if anything was not clear, clarity would have been sought during the discussions or within the timeframes provided for in the LTIP,” the CEO’s lawyers wrote, adding that they also sought to avoid needless back and forth between them in respect of a matter that the parties should, at least for now, be dealing with internally. “In the interest of preserving good faith and amicably resolving such potential disputes, Letlole may wish to take into consideration the following:

1. The LTIP, being a drafted document executed by the parties, is not a one-way street. There is an expectation that both parties will exhibit the same level of care and attention to the terms of the LTIP as they did when agreeing to binding arbitration. This is consistent with a discussion of the LTIP at the virtual meeting previously attended by LLR of the notice of exercise of the option.

2. Under Asset Management, BIHL experienced an 8 percent decrease in fee revenues to P98 million due to pressure on fees but Assets Under Management (AUM) grew by 6 percent to a record P292 billion. From this total of P29.2 billion, the Zambia operation contributed P4.2 billion AUM, with the remaining P25 billion AUM coming from Bimot Botswana.

The growth was driven by both positive market performance and inflows from existing clients - a clear vote of confidence in Bimot’s prowess as an investment manager. Both Botsotswana Life and BIHM are owned 100 percent by BIHL.

On BIHL’s associates, Letshego Holdings Limited performance in the year under review was greatly improved with a significant year-on-year contribution to the overall performance of BIHL. Funeral Services Group (FSG) also produced satisfactory results for the period under review.

Nico Malawi Holdings’ performance for the year was pleasing with a significant turnaround for the bank which had experienced challenges in the past. Overall, BIHL says it pleased with the performance of the associates as reflected in their contribution to BIHL’s earnings in 2019.

At the heart of the heat is interpretation of a clause in a document on incentives

7 March 2017 BIHL group announces the financial result in Gaborone. BIHL chief executive officer Catherine Lesetedi-Letegele during the result announcement. (Pic: Monirul Bhuiyan/presse photo)
Let's get to know each other

We’ll get to know your faves, so you can get your food quicker. Download the App and let’s make it official.
YOUR ROLE IN RISK MANAGEMENT;

The 'real' risk manager in the 3 lines of defence

NATURE MOGOTSI | Operational Risk Manager, Banking

The previous article was around operational risk management, and highlighting the need to monitor risks on a continuous basis to avoid risks from materializing and spiralling out of the control of business and the set risk appetite threshold. Stammering from this thinking, this article acknowledges that in order for risks to be effectively monitored on an on-going basis, all stakeholders need to understand their role in risk management. From a theoretical perspective, there is the three lines of defence, which is a model adopted by many organizations and has gradually gained prominence as part of best practice for corporate risk governance.

According to the 3 lines of defence model, risks are managed by three layers within the organization. First line being the business unit, second line being risk management and third line of defence being audit and regulators. That being said, everyone in the organization is a risk manager.

In practice however, there are organizations that do not have defined lines of defence, especially in owner managed businesses. For instance, most business establishments generally fall below the turnover bracket that legally compels them to conduct audits for their financial statements and are often not under regulatory scrutiny. This eliminates audit/ regulators from the model, which means they are operating with two lines of defence. Given the fact that risk management is generally a new concept, it is likely that entities without a third line of defence do not have a second line of defence as well.

As an academic researcher, I will definitely note that operating on one line of defence is a gap. A model needs to be devised to support smaller players in the market execute their risk management objectives.

In line with the three lines of defence model, the first line being the business unit is responsible for the day-to-day management of risks. Rightfully so because they own processes and risks materialize due to breakdown in processes. As process owners, the business units understand the process gaps and vulnerabilities that can materialize and lead to losses. They are the first point of contact for risk hence there is greater awareness that needs to be raised at this level to ensure they do a thorough job in managing risks.

While this is the approach in theory, the reverse has proven to be true in practice. The first line tends to blur the responsibility lines and inadvertently the bulk of their role is done by the 2nd line of defence. While risk managers often create a tolerance level for this as part of handholding business units on the risk maturity journey, it erodes the independence of the 2nd line of defence. Risk managers as the 2nd line of defence are not part of business hence should not be seen to be doing the role of the business. It is important that 1st line of defence does not perceive risk management additional role, it must be deeply entrenched into their daily work of every employee.

Most operational breakdowns occur at lower business unit level which means managers must understand the concept of risk management and enhance their control environment and mitigate risks proactively. Similarly, most financial crime and high impact fraud happens at senior management level, but it takes one whistle-blower at any level in the organizational hierarchy to expose such unethical characters. This is only possible when we understand that we all have a responsibility to manage risk and safeguard the organization’s assets.

The 2nd line of defence or Risk managers are often termed as the 'real' risk managers in the 3 lines of defence.
SUSTAINABLE INVESTING: SHAPING THE FUTURE WITH FINANCE

There is no ‘correct way’ to design a responsible investment policy. What is important is making sure that an investor’s beliefs and wishes are translated into the investment process. The reason is that capital owners are usually not resourceful enough to interrogate and dissect the extent and velocity of this incorporation, in the event that it is in place. Credit must be given however, as there are some asset managers who view this area as critical and have gone some ways, of their own volition, in ensuring it forms part of their investment process. But as we have indicated, a lot more room for further development and growth remains because unless and until what is in place can be assessed, most of it is not much reliance can nor should be placed on it. The reality is capital has to be developed or outsourced by Trustees because there is no shying away from it. Markets are being reshaped by resource constraints, climate change, population growth, technological innovation, and globalization. Sustainability is poised to be the next competitive frontier.

The question that Trustees ought to be asking themselves is: How should we as investors think about making our world a better place and align ourselves with the United Nations sustainable goals? For example, how could we ensure prosperity for all? Specifically, how can we use our capital towards what we believe in?

The answer is simply no just regarding sustainability issues as an area of interest but actually encapsulating our beliefs in a comprehensive sustainability policy statement and ensuring adherence to it by service providers.

In more developed markets, we have seen enough cases where the event that it is in place. Credit does exist about the extent and velocity at which this incorporation is taking place. There is no ‘correct way’ to design a responsible investment policy. What is important is making sure that an investor’s beliefs and wishes are translated into the investment process. The reason is that capital owners are usually not resourceful enough to interrogate and dissect the extent and velocity of this incorporation, in the event that it is in place. Credit must be given however, as there are some asset managers who view this area as critical and have gone some ways, of their own volition, in ensuring it forms part of their investment process. But as we have indicated, a lot more room for further development and growth remains because unless and until what is in place can be assessed, most of it is not much reliance can nor should be placed on it. The reality is capital has to be developed or outsourced by Trustees because there is no shying away from it. Markets are being reshaped by resource constraints, climate change, population growth, technological innovation, and globalization. Sustainability is poised to be the next competitive frontier.

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Companies & Markets

LEGAL NOTICE

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA
HELD AT GABORONE

In the matter between:

BOTSWANA BUILDING SOCIETY
and

MPHO BERNARD ROWLAND

CASE NO: CVHGB-00083-16

Plaintiff

Defendant

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the Judgment granted by the Honourable Court the following immovable property of the Defendant will be sold by public auction by Deputy Sheriff Ikageng Seloi of 71472478 to the highest bidder as follows:

DATE OF SALE: 20TH JULY 2020
TIME OF SALE: 1100 Hours
PLACE OF SALE: Lot 6561, Selebi Phikwe

PROPERTY TO BE SOLD: Defendant's rights, title and interest on a certain piece of Land being Lot 8561, Selebi Phikwe measuring 3416m²

CONDITIONS OF SALE:

Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff's Attorneys offices or Deputy Sheriff's Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI c/o
SEBEGO Attorneys
Plot 387, Independence Avenue
Private Bag Bo 177
GABORONE

(1/2mm/10982)

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA
HELD AT GABORONE

In the matter between:

BOTSWANA BUILDING SOCIETY
and

Winnie Nono Chifedi

CASE NO: CVHGB-000049-19

Plaintiff

Defendant

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the Judgment granted by the Honourable Court the following immovable property of the Defendant will be sold by public auction by Deputy Sheriff Ikageng Seloi of Cell No: 71472478 to the highest bidder as follows:

DATE OF SALE: 17TH JULY 2020
TIME OF SALE: 1100 Hours
PLACE OF SALE: Lot 41176, Gaborone

PROPERTY TO BE SOLD: Defendant's rights, title and interest on a certain piece of Land being Lot 41176, Gaborone measuring 537m²

CONDITIONS OF SALE:

Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff's Attorneys offices or Deputy Sheriff's Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI c/o
SEBEGO Attorneys
Plot 387, Independence Avenue
Private Bag Bo 177
GABORONE

(1/2mm/10982)

IN THE HIGH COURT OF THE REPUBLIC OF BOTSWANA
HELD AT GABORONE

In the matter between:

BOTSWANA BUILDING SOCIETY
and

Kobus (Proprietary) Limited
and

Andrew Chwedi

CASE NO: CVHGB 002020-16

Plaintiff

1st Defendant

2nd Defendant

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE that pursuant to the Judgment granted by the Honourable Court the following immovable property of the 1st Defendant will be sold by public auction by Deputy Sheriff Ikageng Seloi of 71472478 to the highest bidder as follows:

DATE OF SALE: 16TH JULY 2020
TIME OF SALE: 1200 Hours
PLACE OF SALE: LOT 27738, GABORONE

PROPERTY TO BE SOLD: 1st Defendant's rights, title and interest on a certain piece of Land being Lot 27738, Gaborone measuring 510m²

CONDITIONS OF SALE:

Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff's Attorneys offices or Deputy Sheriff's Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE ON THE 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI c/o
SEBEGO Attorneys
Plot 387, Independence Avenue
Private Bag Bo 177
GABORONE

(1/2mm/10982)
PROPERTY TO BE SOLD

PLACE OF SALE: Lot No: 64517, Gaborone in the Gaborone Administrative District;

TIME OF SALE: 1400 Hours

TERMS AND CONDITIONS: Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff’s attorneys offices or Deputy Sheriff’s Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI

NOTICE OF SALE IN EXECUTION

BE PLEASED TO TAKE NOTICE pursuant to the Judgment granted by the Honourable Court the following immovable property of the Defendant will be sold by public auction by Deputy Sheriff Ikageng Seloi of 71472478 to the highest bidder as follows:-

DATE OF SALE: 16TH JULY 2020

TIME OF SALE: 1000 Hours

PLACE OF SALE: TRIBAL LOT 660, GABANE

PROPERTY TO BE SOLD: Defendant’s rights, title and interest on a certain piece of Land being Lot No: 660, Gaborone situated in Gaborone Administrative District; measuring 1020m

TERMS AND CONDITIONS: Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff’s attorneys offices or Deputy Sheriff’s Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI

PROPERTY TO BE SOLD

PLACE OF SALE: Lot No: 67961, Gaborone

TIME OF SALE: 1400 Hours

PROPERTY TO BE SOLD: Defendant’s rights, title and interest on a certain piece of Land being Lot No: 67961, Gaborone situated in Gaborone Administrative District; measuring 450m; together with developments thereon being a veranda, lounge, dining area, fitted kitchen, two bedrooms each with cupboards, en-suite bathroom, master bedroom with cupboards, en-suite bathroom, staff quarters, carport and a garage

TERMS AND CONDITIONS: Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff’s attorneys offices or Deputy Sheriff’s Office situated at Plot 387, Independence Avenue, Gaborone.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI

PROPERTY TO BE SOLD

PLACE OF SALE: Lot No: 64617, Gaborone in the Gaborone Administrative District;

TIME OF SALE: 1400 Hours

PROPERTY TO BE SOLD: Defendant’s rights, title and interest on a certain piece of Land being Lot No: 64617, Gaborone in the Gaborone Administrative District; measuring 316m; consisting of Section No: 46 with developments thereon being an open office and shared facilities such as reception and waiting area, boardrooms and meeting rooms, kitchen area and ablution facilities with gents and ladies water closeted with washbasins.

TERMS AND CONDITIONS: Cash or Bank guaranteed cheque otherwise details and conditions of sale may be inspected at the Plaintiff’s attorneys offices.

DATED AT GABORONE THIS 4TH DAY OF JUNE 2020

DEPUTY SHERIFF IKAGENG SELOI
You can protect yourself and help prevent spreading the virus, stay home

- Wash your hands regularly for 20 seconds, with soap and water
- Cover your nose and mouth with a disposable tissue when you cough or sneeze
- Avoid close contact (1 meter) with people who are unwell
- Stay home and self-isolate from others in the household if you feel unwell