Malawi Revenue Authority

PUBLIC NOTICE

NEW TAX MEASURES

The Malawi Revenue Authority (MRA) wishes to notify taxpayers, businesspersons and the general public that the Taxation (Amendment) and Value Added Tax (Amendment) (No.2) Acts 2025, introduced the following income tax and valued added tax measures, with effect from 31st December 2025:

INCOME TAX MEASURES

I.Levy on mobile money and bank transfers

A levy of 0.05 percent charged on the transaction amount and payable by a sender on-

a. money transfers in excess of K100,000.00 through mobile money operators.

b. all money transfers through a bank's electronic system.

II.Minimum Alternative Tax

A Minimum Alternative Tax (MAT) of 0.5% levied on the total turnover of companies whose annual turnover is above K5 billion and have been operating for a minimum of 3 years.

A taxpayer will pay the higher amount of either their regular corporate income tax (CIT) liability or the calculated MAT liability. Any amount of tax paid as MAT that exceeds the normal CIT liability can be carried forward as a credit against any CIT liability in excess of the MAT liability, for up to six subsequent years of assessment.

III.Capital Gains Tax on Sale of Shares

The First Schedule to the Taxation Act has been amended by removing the exemption from income tax on gains from sale of shares traded on the stock exchange if those shares were held by a taxpayer for not less than twelve months. Therefore, all gains from sales of shares are now subject to income tax regardless of the holding period.

IV.Corporate Income Tax Rates

Corporate income tax rates are adjusted as follows:

Annual Taxable Income	Rate
Up to K5 billion	30%
In excess of K5 billion	40%

V.Personal Income Tax Rates

Personal income tax rates are adjusted as follows:

Annual Taxable Income	Rate
First K2,040,000	0%
Excess of K2,040,000	30%

VI.Pay As You Earn (PAYE) Rates

Rates of income tax on employment income are adjusted as follows:

Annual Taxable Income	Monthly Income	Rate
First K2,040,000	First K170,000	0%
Next K16,800,000	Over K170,000 to K1,570,000	30%
Next K101,160,000	Over K1,570,000 to K10,000,000	35%
Excess of K120,000,000	Over K10 million	40%

VII.Betting, Gambling and Lottery Winnings

Tax free thresholds [previously of K100,000 and K500,000] on betting, gambling and lottery winnings have been removed. All winnings are now subject to 15 percent Withholding tax.

VALUE ADDED TAX MEASURE

Rate of valued added tax has been adjusted to 17.5%.

For further enquiries, you may contact us: **Telephone: +265 (0) 1 832 685 | WhatsApp: 0996278690 | Toll-Free: 672 | E-mail: callcentre@mra.mw | www.mra.mw**

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