



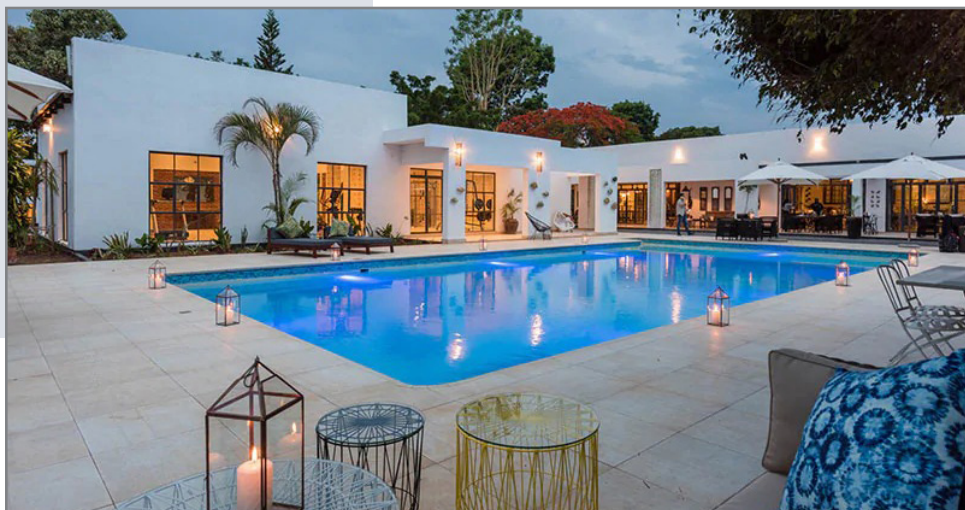
**Malawi
Revenue
Authority**



TAX

INCENTIVES IN THE

TOURISM SECTOR



What incentives are offered to investors in the tourism sector in Malawi?

Investors in the tourism sector in Malawi are entitled to a number of incentives. For example, they enjoy free import duty, import excise and Value Added Tax (VAT) on importations. They are also entitled to VAT exemption on locally purchased goods like:

- Glass, china porcelain, earthenware and stone articles of tableware; enamelware and hollowware for table use Electro Plated Nickel – Silver (E.P.N.S) and plated ware; knives, forks, spoons and similar articles for cutlery
- Industrial catering equipment, motor boats, scuba diving, jet skis, kayaks, wind surfers, pedalos and marked linen, air conditioners, generators, gym equipment, massage equipment, industrial washing machines, bar fridges, sauna, hot steam baths in addition to furniture curtains, carpets and rugs
- Equipment for a conference room such as Public Address (PA) system, Video Conferencing Equipment, television set, amplifiers, LCD equipment, industrial catering bar equipment (applicable for conference rooms of a seating capacity of at least 50 for Malawian investors and at least 200 people for foreign investors)
- Building materials for hotels, lodges and inns with a capacity of at least 20 en suite rooms for Malawian investor and at least 50 en suite rooms for foreign investors
- Building materials for the construction of an extension of at least 20 new en suite rooms on the same site for Malawian investors and at least 30 new en suite rooms on the same site for foreign investors excluding refurbishment and rehabilitation

- Building materials for the construction of a conference centre of a seating capacity of at least 500 people
- Two passenger carrying motor vehicles of (Motor vehicles for the transport of ten or more persons, including the driver) not exceeding five years from the date of manufacture in every five years
- Two passenger carrying motor vehicles of (Motor vehicles for the transport of ten or more persons, including the driver) not exceeding five years from the date of manufacture, in every five years for conference centres with a seating capacity of at least 500 people
- Off-road game/scenery viewing motor vehicles specially designed for safari purposes



- Restricting the duty-free importation of building materials under CPC 442 for the tourism sector to 3 years, subject to an extension of 2 years at a 50 percent rate of the normally applied import duty and Excise duty while VAT will be paid at the normal rate of 16.5%. Furthermore, duty-free importation of building materials for repairs under this CPC will not be allowed.



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Note, that in order to benefit from the exemption, the items should be marked, etched stamped or in any manner, marked with the name of the hotel. The hotel, lodge or inn should have at least 20 en suite rooms for Malawian investors and at least 50 en suite rooms for Foreign investors.

What should an investor do in order to apply for import duty, import excise and import VAT waiver?

- Entity must be licenced under the Tourism and Hotels Act
- Seek approval for the tax exemptions from the Commissioner General

(Note that for procurement of building materials, attachments should include Bill of Quantities, material schedule and structure drawings certified by a quantity surveyor)

- Attach duty free approval letter to the bill of entry (Form 12) for clearance of goods

How can one apply for VAT exemption on locally purchased goods?

- Entity must be licenced under the Tourism and Hotels Act
- Seek approval for VAT waiver from the Ministry of Finance and Economic Affairs on the list of items to be purchased
- Seek VAT waiver approval from the Commissioner General of the Malawi Revenue Authority (MRA) with an attachment from the Ministry of Finance and Economic Affairs. Please, note that the attachments for building materials should include Bills of Quantities (BOQ), material schedule and structure drawings certified by a quantity surveyor.
- Submit approval to MRA station for issuance of Form ST 14 to facilitate the VAT free procurement from suppliers and such materials should only be purchased directly from VAT registered suppliers.



For more information, you may contact MRA call centre as follows:-

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WhatsApp: 0996278690 | **E-mail:** callcentre@mra.mw | www.mra.mw