



Malawi Revenue Authority

PUBLIC NOTICE

AMENDMENTS TO THE CUSTOMS AND EXCISE (TARIFFS) ORDER

The Minister of Finance, Economic Planning and Development in his budget presentation to Parliament on Monday, 9th September 2019, announced new tax measures for Customs & Excise. The new measures became effective on the midnight of 9th September 2019. These include:

IMPORT DUTY

- Removal of import duty on gas cylinders
- Removal of import duty on flat iron sheets
- Removal of import duty on motor cycles of cylinder capacity of less or equal to 100cc

EXCISE DUTY

- Reduction of excise duty rate on malt beer and liquor from 90% to 65%
- Increase in excise duty rate on spirits from 90% and 95% to 110%
- Introduction of a 10% excise duty rate on some plastic pipes and sacks, excluding hose pipes and medical related pipes

VALUE ADDED TAX (VAT)

- Introduction of a positive rate 16.5% VAT on all products of Chapter 15, excluding cooking oil made from soya bean, groundnuts, palm and sunflower
- Introduction of a zero rate VAT on the following products: solar panels, solar batteries, solar inverters, solar bulbs, solar regulators, solar chargers, solar accumulators, solar lamps, energy efficient bulbs, laundry soap (bars), wood cook stoves, liquefied petroleum gas and gas cylinders

TAX INCENTIVES UNDER CUSTOMS PROCEDURE CODES (CPCS)

- Amendment of the list of products under CPC 409 to include a paragraph for special items for use by persons with albinism, including protective gear, sunscreen creams and community security alert alarms
- Amendment of the list of products under CPC 477 to include a new list of products to support the development and growth of fish farming
- Amendment of CPC 442 and CPC 450 to introduce the following:
 - Reduced minimum threshold for qualification of duty free importation of building materials, furniture, curtains, carpet and rugs for new hotels, lodges and inns for Malawian investors

to at least twenty en-suite rooms and fifty rooms for foreign investors.

- Reduced minimum threshold for qualification of duty free importation of conference equipment for conference rooms at hotels, lodges and inns to a seating capacity of fifty for Malawian investors and a seating capacity of two hundred for foreign investors.
- Reduced minimum threshold for qualification of duty free importation of passenger carrying vehicles of at least seating capacity of ten persons for hotel, lodges, inns and conference centres to at least twenty en-suite rooms for Malawian investors and fifty en suite rooms for foreign investors.
- Introduction of a minimum threshold for qualification of duty free importation of building materials for standalone conference centres of at least five hundred seating capacity
- Introduction of a minimum threshold for qualification of duty free importation of building materials for extension of existing hotels, lodges and inns to at least twenty en-suite rooms for Malawian investors and thirty rooms for foreign investors
- Deletion of CPCs 4000.425 and 4071.425
- Deletion of CPC 4000.434

EXPORT DUTY TARIFF

- Removal of export duty on treated poles of tariff heading 44.03

SURCHARGE AND CARBON TAX

- Introduction of surcharge on selected imported products such as fresh vegetables, fruits and fish. The complete list of products is under the Fifth Schedule to the Customs and Excise Tariffs (No.3) Order, 2018
- Introduction of Carbon Tax on local and foreign motor vehicles, ranging from MK4, 000 to MK15, 500 per annum for local vehicles and upon each entry for foreign vehicles. The Carbon Tax is based on engine size. Details are specified under the Sixth Schedule to the Customs and Excise Tariffs (No.3) Order, 2018

For more information, you may contact **Abigail Kawamba** on **0884 843 211** or **Steven Kapoloma** on **0888 986 200**.

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COMMISSIONER GENERAL