



Does MRA charge taxes on free gifts or on goods a person is importing into the country on behalf of another person or organisation?

Gifts given or imported by individuals or organisations are, by law, dutiable. When one imports or receives a gift, one must ensure that he/she provides for the payment of duty. In the same vein, when one carries imported goods on behalf of friends, relatives or organisations, he/she must pay the taxes due.

The law stipulates that the one accompanying the goods should bear the taxes due. It is therefore very important to declare all goods including gifts that are in the importer's possession. Failure to do so renders the goods liable to seizure.

What will happen to people who produce false or fake invoices when they arrive at the border station with imported goods?

When it is discovered that the invoices produced are false or fake:

1. The invoices will be forfeited and the goods seized.

2. Determination of the Customs values will then be based on secondary valuation methods as laid down in the Customs and Excise Act.
3. The importer may be prosecuted or a penalty may be imposed by the Commissioner General.

How is Customs value for invoices in foreign currencies arrived at?

As taxes due will be determined using genuine invoices of the imported goods, MRA will base its assessment on the value shown on the invoice using the official exchange rate. MRA will do so by using the rates provided by the Reserve Bank of Malawi.

NOTICE

The law relating to Customs and Excise is Customs and Excise Act. The information in this brochure is not intended to be a legal interpretation of the Act (regulation made there under) nor does it override any provision thereof.



Produced by Malawi Revenue Authority

Malawi Revenue Authority
Msonkho House
Independence Drive
Private Bag 247
Blantyre

Tel: +265 - 1 822 588
Fax: +265 - 1 822 302
E-mail: mrahq@mra.mw
Web: www.mra.mw



Develop Malawi. Pay Taxes



Guide for Importers



Guide for importers

What steps should one follow when he / she arrives at the border station with imported goods?

When you arrive at the border post with goods:

- You will be given Form 47 on which to declare all the goods imported and their values
- Customs officials may physically examine your goods in order to confirm your declaration and determine the taxes due
- Goods whose value is more than K100,000 are required to be cleared through a Customs Clearing Agent using Form 12

Under Customs laws, it is an offence to present false invoices or cash sales.

How does MRA determine taxes on goods that one has imported into the country?

MRA uses different Tariff subheadings from the Customs & Excise Tariffs Order depending on the type of the goods imported. Contact the nearest Customs office or Customs clearing and forwarding agents for

the tariff classification of your goods.

Goods of different nature are classified differently and attract different rates of duty. For example, cosmetics, cigarettes, or cars are classified differently and attract higher rates of excise duty. Importers are further reminded that it is a serious offence to make a false declaration.

When one has imported goods from a country or countries that are a party to a bilateral, regional or global trade agreement with Malawi, depending on the terms of the agreement, his/her goods may enjoy preferential rates of duty.

However, this will not apply where the conditions or terms of the agreement are not met in full e.g. production of a valid Certificate of Origin.

What is a personal rebate?

This is a personal allowance that is granted to a traveller who is importing goods into the country for personal use only. The personal rebate is currently at K300, 000.

Who is entitled to a personal rebate?

A traveller is allowed a personal rebate:

✓ When he/she has been out of the country for more than 24 hours and the goods imported are for personal use only.

When two persons are traveling together as a family (husband and wife including children) each one of them is allowed K300,000 rebate.

The total rebate for a family is therefore deducted from the total dutiable value of the goods. It should however, be emphasized that personal rebate is not allowed on commercial or unaccompanied goods.



How is personal rebate applied?

✓ Upon calculation it is found that after the personal rebate is allowed and the remaining value of the goods is less than K10, 000 the importer would be required to pay only 30% of the value of the goods.

✓ If after the rebate is allowed the value of the goods is greater than K10, 000, the importer would be required to pay as specified in the Customs & Excise Order.

For instance, if one's goods value is K307, 500, the taxable value will be calculated as follows:

Total value	= K307, 500
Rebate	= K300, 000

Difference	= K 7, 500
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In this case, the importer would only be required to pay 30% of K7, 500 (K2, 250).

If goods were worth K364, 450, taxes due would be calculated as follows:

Total value	= K364, 450
Rebate	= K300, 000

Difference	= K64, 450 (Dutiable value) - as provided for in Customs and Excise tariffs.
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The importer would only be expected to pay Customs duty based on normal rates of duty as specified in the Customs & Excise Tariff Order.