

GOVERNMENT NOTICE No. 27

TAXATION ACT

(CAP. 41:01)

TAXATION (WITHHOLDING TAX) (INFORMATION, DEDUCTION AND PAYMENT) (AMENDMENT) REGULATIONS, 2017

IN EXERCISE of the powers conferred by section 146 of the Taxation Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, make the following Regulations—

1. These Regulations may be cited as the Taxation (Withholding Tax) (Information, Deduction and Payment) (Amendment) Regulations, 2017, and shall come into operation on 1st July, 2017. Short title and commencement

2. Regulation 6 of the Taxation (Withholding Tax) (Information, Deduction and Payment) Regulations is amended as follows— Amendment of regulation 6 of Cap.41:01 sub. leg p.115
(a) by deleting sub regulation (2) and replacing therefor the new sub regulation (2) as follows—

“2.—(a) Every remittance to be made to the Commissioner General under sub regulation (1) shall be accompanied with all withholding tax certificates completed during the month to which the remittance relates together with a summary, in the form set out in the Second Schedule to these regulations, summarizing the particulars of all deductions of withholding tax made in that month;

(b) any person who fails to comply with sub paragraph (a) shall be liable to a penalty of K300,000 for companies and K75,000 for individuals for the first month or part thereof, and a further penalty of K50,000 for companies and K10,000 for individuals for each month or part thereof during which the failure continues.”

(b) by deleting sub regulation (4) and replacing therefor a new sub regulation (4) as follows—

“(4) a person who fails to remit the amount of withholding tax within the time specified in subregulation (1) shall be personally liable to pay to the Commissioner General—

(a) an additional sum of 20 per centum of the amount of tax which he has failed to pay in the first month or part thereof; and

(b) a further interest charged on the outstanding amount of tax at the prevailing bank lending rate plus 5 per cent per annum for each month or part thereof during which the tax remains unpaid,

and such additional sums together with the amount of the tax shall be summarily recovered by Commissioner General in his own name:

Provided that the Commissioner General may reduce or waive the amount of such additional sums if a satisfactory explanation for the delay is given.”.

Amendment of regulation 8 of the principal Regulations 3. Regulation 8 of the principal Regulations is amended, by deleting immediately after sub regulation (f), the words “shall be guilty of an offence and, in addition to any other penalty prescribed under these Regulations, be liable to a penalty of K1000”, and replacing therefor the words—

“commits an offence and shall be liable, in addition to any other penalty prescribed under these Regulations, to a fine of K100,000.”.

Made this 30th day of June, 2017.

GOODALL E. GONDWE
Minister of Finance, Economic
Planning and Development

(FILE NO C/RPD/6/3/3/22)

GOVERNMENT NOTICE NO. 28

TAXATION ACT

(CAP. 41:01)

TAXATION (FRINGE BENEFIT TAX) (INFORMATION AND PAYMENT)
(AMENDMENT) REGULATIONS, 2017

IN EXERCISE of the powers conferred by section 146 of the Taxation Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, make the following Regulations—

Short title and commencement 1. These Regulations may be cited as the Taxation (Fringe Benefit Tax) (Information and Payment) (Amendment) Regulations, 2017, and shall come into operation on 1st July, 2017.

Amendment of reg. 7 of Cap.41:01 Sub. leg. p. 124 2. The Taxation (Fringe Benefit Tax) (Information and Payment) Regulations (hereinafter referred to as the “principal Regulations”) is amended in regulation 7 by inserting, immediately after subregulation (1), the following new sub regulation as subregulation (2)—

“(2) any person who fails to comply with subregulation (1) shall be liable to a penalty of K300,000 for companies and K75,000 for individuals for the first month, or part thereof and a further penalty of K50,000 for companies and K10,000 for individuals for each month or part thereof during which the failure continues:

Provided that the Commissioner General may reduce or waive the amount of penalty if a satisfactory explanation for the delay is given.”.

Replacement of regulation 8 of the principal Regulations 3. Regulation 8 of the principal Regulations is deleted and replaced as follows—

“8. An employer who fails to register in accordance with regulation 4 shall be liable to a penalty of K200,000 for companies and K50,000 for individuals for the first month, or part thereof and a further penalty of K50,000 for companies and K10,000 for individuals for each month or part thereof during which the failure continues.”.

4. The Principal Regulations are amended by inserting, immediately after regulation 8, the following as regulation 9—

Insertion of new regulation 9 of the principal Regulations

“Delay or failure to pay fringe benefits

9. An employer who fails or delays to pay fringe benefits tax due in accordance with these Regulations shall be liable to pay to the Commissioner General—

(a) an additional sum of 20 per centum of the amount of tax which he has failed to pay in the first month or part thereof; and

(b) a further interest charged on the outstanding amount of tax at the prevailing bank lending rate plus 5 per cent per annum for each month or part thereof during which the tax remains unpaid,

and such additional sums together with the amount of the tax shall be summarily recovered by Commissioner General in his own name:

Provided that the Commissioner General may reduce or waive the amount of such additional sums if a satisfactory explanation for the delay is given.”

Made this 30th day of June, 2017.

GOODALL E. GONDWE
Minister of Finance, Economic
Planning and Development

(FILE NO C/RPD/6/3/3/22)

GOVERNMENT NOTICE NO. 29

TAXATION ACT
(CAP. 41:01)

INCOME TAX (P.A.Y.E.) (INFORMATION) (AMENDMENT) RULES, 2017

IN EXERCISE of the powers conferred by section 146 of the Taxation Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, make the following Rules—

1. These Rules may be cited as the Income Tax (P.A.Y.E.) (Information) (Amendment) Rules, 2017.

Short title and commencement

2. The Income Tax (P.A.Y.E) (Information) Rules (hereinafter referred to as the “principal Rules”) are amended in rule 3, by inserting, immediately after sub rule (2), the following new subrule as subrule (3)—

Amendment of rule 3 of Cap.41:01 sub leg. p.109

“(3) any person who fails to comply with subrule (2) shall be liable to a penalty of K300,000 for companies and K75,000 for individuals for the first month or part thereof, and a further penalty of K50,000 for companies and K10,000 for individuals for each month or part thereof during which the failure continues:

Provided that the Commissioner General may reduce or waive the amount of penalty if a satisfactory explanation for the delay is given.”

Amendment of
rule 8 of the
principal Rules

3. Rule (8) of the principle Rules is deleted and replaced as follows—
- “8. Every employer who—
- (a) fails to comply with rules 3 and 4; or
- (b) employs any person as an employer’s representative who is disqualified as such under rule 5,
- commits an offence and on conviction, shall be liable to a fine of K10,000 or, in default of payment, to imprisonment for three months.”.

Made this 30th day of June, 2017.

(FILE NO C/RPD/6/3/3/22

GOODALL E. GONDWE
Minister of Finance, Economic
Planning and Development

GOVERNMENT NOTICE No. 30

TAXATION ACT

(CAP. 41:01)

INCOME TAX (P.A.Y.E) (DEDUCTION AND PAYMENT) (AMENDMENT)
RULES, 2017

IN EXERCISE of the powers conferred by section 146 of the Taxation Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, make the following Rules—

- Short title and commencement
1. These Rules may be cited as the Income Tax (P.A.Y.E) (Deduction and Payment) (Amendment) Rules, 2017, and shall come into operation on 1st July, 2017.
- Amendment of rule 3 of Cap.41:01 sub.leg.p.105
2. Rule 3 of the Taxation (P.A.Y.E) (Deduction and Payment) Rules (hereinafter referred to as the “principal Rules”) is amended by deleting subrule (2) and replacing therefor a new subrule (2) as follows—
- “(2) If an employer fails to deduct income tax under subrule (1) he shall be personally liable to pay the Commissioner General—
- (a) an additional sum of 20 per centum of the amount of tax which he has failed to pay in the first month or part thereof; and
- (b) a further interest charged on the outstanding amount of tax at the prevailing bank lending rate plus 5 per cent per annum for each month or part thereof during which the tax remains unpaid, and such additional sums together with the amount of the tax shall be summarily recovered by Commissioner General in his own name;
- Provided that the Commissioner General may reduce or waive the amount of such additional sums if a satisfactory explanation for the delay is given.”.
- Amendment of rule 11 of the principal Rules
3. Rule 11 of the principal Rules is amended by deleting immediately after paragraph (h), the words “shall be liable to a fine of K1000” and replacing therefor the following new words—

30th June, 2017

"commits an offence and, in addition to any other penalty prescribed under these Rules, be liable to a fine of K100,000."

Made this 30th day of June, 2017.

GOODALL E. GONDWE
Minister of Finance, Economic
Planning and Development

(FILE NO C/RPD/6/3/3/22)

GOVERNMENT NOTICE No. 31

CUSTOMS AND EXCISE ACT
(CAP.42:01)

CUSTOMS AND EXCISE (TARIFFS) (AMENDMENT) (NO. 4) ORDER, 2017

IN EXERCISE of the powers conferred by section 83(1) of the Customs and Excise Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development make the following Order—

1. This Order may be cited as Customs and Excise (Tariffs) Citation (Amendment) (No.2) Order, 2017.

2. The Customs and Excise (Tariffs) Order (hereinafter referred to as the "principal Order") is amended in Part III of the First Schedule by—

(a) deleting the entry "16.5%" in Column 11 and substituting therefor the entry "Exempt" under the following tariff subheadings—

"1501.10.00; 1501.20.00; 1501.90.00; 1502.10.00; 1502.90.00; 1503.00.00; 1504.10.00; 1504.20.00; 1504.30.00; 1505.00.00; 1506.00.00; 1507.10.00; 1507.90.00; 1508.10.00; 1508.90.00; 1509.10.00; 1509.90.00; 1510.00.00; 1511.10.00; 1511.90.00; 1512.11.00; 1512.19.00; 1512, 21.00; 1512.29.00; 1513.11.00; 1513.19.00; 1513.21.00; 1513.29.00; 1514.11.00; 1514.19.00; 1514.91.00; 1514.99.00; 1515.11.00; 1515.19.00; 1515.21.00; 1515.29.00; 1515.30.00; 1515.50.00; 1515.90.00; 1516.10.00; 1516.20.00; 1517.10.00; 1517.90.00; 1518.00.00; 1520.00.00; 1521.10.00; 1521.90.00; 1522.00.00;"

(b) deleting the entry "16.5%" in Column 11 in Eighth Schedule under Edible Fats and Oils Manufacturing Industry and substituting therefor the entry "Exempt" under the following tariff subheadings—

"1507.10.00; 1508.10.00; 1511.10.00; 1512.21.00; 1513.11.00; 1513.21.00; 1514.11.00; 1515.11.00 and 1515.21.00."

Made this 30th day of June, 2017.

GOODALL E. GONDWE
Minister of Finance, Economic
Planning and Development

(FILE NO C/RPD/6/3/3/22)