



**Malawi
Revenue
Authority**

FREQUENTLY ASKED QUESTIONS (FAQS)

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FREQUENTLY ASKED QUESTIONS

1. DOMESTIC TAXES

| | FREQUENTLY ASKED QUESTIONS | POSSIBLE ANSWERS |
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| A. | MSONKHO ONLINE SYSTEM | |
| 1. | How can we generate a PRN in Msonkho Online? | Click on Make a Payment on the home page, select the outstanding payment you want to settle, click on Pay Selected , select then click on Pay at the Bank . A PRN will be displayed |
| 2. | I have created 2 PRNs, what should I do? | Use only one PRN, and ignore the other it expires after 24 hours |
| 3. | When applying for TIN, an applicant is expected to indicate TRN. What does this acronym stand for? | TRN stands for Traffic Registration Number that is found on the Road Traffic Register Card/ driving license. A TIN applicant is supposed to enter the TRN or skip if he/she does not have the card. |
| 4. | What does the Preferred Tax Office refer to when applying for TIN? | A Preferred Tax Office refers to the MRA's nearest office that the taxpayer can easily visit for tax transactions |
| 5. | Is it possible for an applicant to edit the details of a TIN application after it has been submitted? | If a TIN application has been submitted and you have been issued a reference number, you cannot edit the details submitted. So, it is advisable to verify your details on the summary page before pressing the submit button. |
| | | You can edit basic details (Individual details, Address and Contact details) in Msonkho Online only when the application has been |

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| | | approved and a Taxpayer Account has been created. The other details can only be amended by MRA officers, which means you need to notify MRA of changes that need to be effected. |
| 6. | How do I submit a return in Msonkho Online? | On your Msonkho Online account home page, click on submit a return , select the tax type , scroll down and select the period which you want to submit for, then click on the continue button. The return will open up for filing. |
| 7. | How do we recover a forgotten Username? | On the Taxpayer Login page, click on Forgotten your username, input your TIN then submit, Provide the information requested as you provided when you were registering for a TIN, then click on Submit. The Username will be sent to your primary contact. |
| 8. | I am getting an invalid date format error when uploading a CSV file, what do I do? | The only acceptable date format in Msonkho Online is Day/Month/Year . Please check all your dates in the file and make sure they are in that format. |
| 9. | What causes the message “Confirmation Error” to pop up when creating portal credentials? | This happens when a TIN applicant has not confirmed the email address within 48 hours of receiving the confirmation link. |
| 10. | When activating the Msonkho Online portal account, the message “TIN does not exist” usually pops up. What does this mean? | This means that the TIN is either incorrect or does not exist in the Msonkho Online System because it was not migrated into the System. To get a TIN migrated into the Msonkho Online System, a Taxpayer should complete a Know |

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| | | Your Customer (KYC) form and submit it to the nearest MRA Domestic Taxes Office. |
| 11. | I am applying for a TIN, and I keep getting this error ‘<i>Identification details provided cannot be verified</i>’, please contact NRB? | If the ID has a middle name, do not add it when writing the information. |
| | | If the ID is expired, extend the expiry date to a future date and not the one on the ID. |
| | | Make sure you copy the details as they are on the ID. |
| 12. | How can a Taxpayer migrate a TIN into Msonkho Online? | Taxpayers cannot migrate a TIN. Taxpayers should fill a KYC form and submit it to MRA office. |
| 13. | I have created a PRN but I cannot find it and I forgot to copy it down. | Create another PRN and copy it down, do not worry about the other one as it will expire. |
| 14. | How long does it take for the TIN to be approved? | It takes 2 working days |
| 15. | How do I apply for a Business Partnership TIN? | You apply for the TIN through Msonkho Online. Firstly, you apply for TINs as individuals if you do not have one. After approval of the individual TINs, you apply for a Business Partnership TIN which will require your individual TINs as Directors. |
| B. | E- PAYMENT SYSTEM | |
| 1. | How do I register for E-Payment? | Please visit the MRA website: www.mra.mw , on the menu bar, point your cursor on E-Payment and select sign up, fill in the sign-up form with valid details then submit. You will receive a password that needs to be changed to one of your preferences. |

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| 2. | How do I recover my forgotten E-Payment Username and Password? | On the E-Payment Login page, click on the Click here link that is just below the Login button and right after the question Have you forgotten your username or password? Provide your TIN and Email address then click on submit. You will be provided with a Username and a space to input your new password. |
| 3. | Is it possible to use a PRN generated from e-payment at the bank which is different from the one chosen in the system? | Yes, it is possible |
| 4. | Can I generate a Payment Reference Number (PRN) on E-Payment for Msonkho Online tax transactions? | No, E-Payment PRN are only for tax transactions which are not done in Msonkho Online. |
| 5. | Can I use my E-Payment credentials on Msonkho Online? | No, E-Payment credentials are different from Msonkho Online credentials. |
| 6. | Is it possible to delete a contact from our E-Payment account to stop receiving notifications? | There is no option of deleting a contact from your E-Payment account but you can just disable the contact to stop receiving the notifications. |
| 7. | In E-Payment, there is an administrator and then there is an AEO, what does the AEO mean? | AEO is an Authorized Economic Operator. These are compliant trusted taxpayers whose imported goods are cleared right away at the border without waiting for physical examination and assessment |
| 8. | Is E-Payment the same as Msonkho Online? | No, E-Payment is used to generate PRNs for manual tax transactions while Msonkho Online is used for online tax transactions. |

| C. | TAX CLEARANCE CERTIFICATE (TCC) | |
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| 1. | How can a newly registered business apply for a TCC? | New businesses are required to write an application letter addressing the Commissioner General stating reasons for their application and drop it at their preferred Domestic tax office. |
| 2. | What is the validity period of a TCC? | A TCC is valid for one financial year |
| 3. | How long does it take to get a TCC after making an application? | It takes 3 working days to process a TCC when the taxpayer is compliant |
| 4. | Is there a processing fee associated with obtaining a TCC? | There is no processing fee but the taxpayer needs to be compliant. |
| 5. | Can I get a TCC when I have a penalty? | No, you are required to settle all your tax arrears before being issued a TCC and this includes all penalties. |
| 6. | What transactions require a Tax Clearance Certificate (TCC)? | <p>The following transactions require a Tax Clearance Certificate (TCC) before they are concluded:</p> <ul style="list-style-type: none"> Transfer of Land and Building (Property) Tender Transfer of company as a Going Concern Change of ownership of a company Renewal of professional business licenses and permits Supply of goods or services to the Malawi Government and its agencies. Renewal of a certificate of registration under the National Construction Industry Act Externalization of funds |

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| | | <p>Renewal of Business license in Tourism, Mining, Energy and Telecommunication</p> <p>Transfer of Shares</p> <p>Leavers</p> <p>Purchase of ethanol</p> <p>Renewal of COF for commercial vehicles/Public Transport conveyances</p> <p>Renewal of Business Resident Permit, Permanent Resident Permit, Citizenship and Temporary Employment Permit.</p> |
| 7. | <p>How can one validate a Tax Clearance Certificate (TCC)?</p> | <p>A Tax Clearance Certificate can be validated using the following ways;</p> <p>Using a QR code- This is a Quick Response code. It is used for scanning documents using a mobile app and it displays the documents' details.</p> <p>Using Airtel or TNM lines by dialling *915# and following the instructions.</p> |
| 8 | <p>What is the process of acquiring a TCC?</p> | <p>A person should write a letter to the Commissioner General stating the reasons of the application</p> |
| 9 | <p>What conditions should a TCC applicant fulfil in order to acquire the TCC?</p> | <p>The applicant should be a registered taxpayer who has filed tax returns and paid all taxes that are due</p> |

| D. | VALUE ADDED TAX (VAT) | |
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| 1. | Is it mandatory for any business to be operating VAT? | No, only businesses with an annual turnover of 25 million kwacha or above, and are trading in taxable supplies. |
| 2. | Can a business making less than 25 million Kwacha annually be allowed to operate VAT? | Yes. A business making less than 25 million Kwacha in a year can operate VAT. What you need to do is register voluntarily by writing an application letter to the Commissioner General. |
| 3. | Where can one get the VAT (EFD) machines? | VAT (EFD) machines can be purchased from any of the following approved dealers: Business Machines, Globe Electronics, Nitel, Gestetner, Xerographics or Canotech |
| 4. | Can one who is not operating VAT collect VAT and remit it? | Only registered VAT operators are required to collect and remit VAT |
| 5. | What is the VAT rate on services? | VAT is standard, and it is 16.5% |
| 6. | What is the difference between zero-rated supplies and exempt supplies? | Zero-rated supplies are supplies that are taxable at zero per cent. While exempt supplies there is no VAT chargeable |
| 7. | Can a Taxpayer claim for the cost of the Electronic Fiscal Device? | Yes, this is claimed through VAT return as part of input VAT |
| 8 | Where can one learn how to operate an EFD machine? | From the EFD machine supplier i.e. Business Machines. |
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| E. | PAY AS YOU EARN (PAYE) | |
| 1. | What are the monthly rates of PAYE? | The first K100, 000 is 0%, next K350, 000 is 25%, next K2, 050, 000 is 30% and excess of K2, 500, 000 is 35% |

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| 2. | How do I apply for a PAYE refund? | You need to get a P9 Certificate from your employer and bring it to MRA in order to apply for a refund. |
| 3. | Can one be exempted from being deducted PAYE? | Every employee is supposed to pay taxes from income generated as long as they have reached the PAYE threshold |
| 4. | Is housing allowance subject to PAYE? | Yes, it is subjected to PAYE as a gross income in the month |
| 5. | What is the requirement for an employer to register for PAYE? | Any employer whose employees earn over K 100,000 per month or K1, 200,000.00 per annum is required to register for PAYE. |
| 6. | When are arrears of salaries chargeable to PAYE tax? | These are chargeable in respect of the year the arrears were due |
| 7. | What happens if an employee on PAYE resigns? | The employer is required to notify MRA within 14 days. |
| 8. | How can I calculate PAYE on my own? | You can calculate PAYE by visiting our website www.mra.mw , then scroll down to Calculators and Services to choose PAYE calculator. Enter the required details and calculate. |
| 9. | Are PAYE rates available on the MRA website? | The PAYE rates are always available and updated on the MRA website under the Calculators and Services section. |
| 10 | If my monthly salary is less than MK350,000 should I be deducted PAYE | Yes, only if it is above the threshold of MK100,000 |
| F. | WITHHOLDING TAXES (WHT) | |
| 1. | What is the WHT rate for the supply of food? | The rate for all supplies is 3% |

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| 2. | If a supplier presented a valid WHT Exemption Certificate at the time of supply which happens to be out of date when making payment, does the operator deduct WHT or not? | The operator needs to deduct WHT since WHT applies at the time of payment. |
| 3. | What are the conditions for a taxpayer to obtain a Withholding Tax Exemption Certificate? | <p>The taxpayer:</p> <ul style="list-style-type: none"> Must have been duly registered for all tax purposes Must have operated or traded for at least 2 consecutive years Must have complied and submitted a tax return Must have settled all tax liabilities Must have complied with all taxes Must have made all the necessary arrangements to satisfactorily settle any tax liability that is still outstanding at the time of application |
| 4. | On which payments does a Withholding Tax Exemption Certificate not apply? | <p>It does not apply to:</p> <ul style="list-style-type: none"> Royalties Rent Contractors and sub-contractors Interest |
| 5. | What happens to a taxpayer who fails to deduct or delays to remit Withholding Tax? | Any person who fails to deduct Withholding Tax shall be personally liable to pay the amount of any Withholding Tax which was not deducted plus an additional penalty of 20% of the amount of Withholding Tax that was to be paid. |
| 6. | In what circumstances does the Withholding Tax not operate? | Withholding tax is not operated where the recipient of the payment is: |

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| | | Exempted from income tax in Malawi or not subject to Malawi tax. |
| | | A holder of a valid withholding tax exemption certificate issued by the Commissioner General. |
| 7. | Who is eligible for Withholding Tax? | Every person who receives a payment as specified under the 14 th schedule of the Taxation Act is eligible. |
| G | FRINGE BENEFIT TAX (FBT) | |
| 1. | Who is liable for Fringe Benefit Tax (FBT)? | Every employer, other than the government, who provides fringe benefits to any of his employees is liable to pay fringe benefits tax on the total taxable value of such fringe benefits. |
| 2. | What is the rate for Fringe Benefit Tax (FBT)? | The Fringe Benefits Tax rate is 30%. |
| 3. | What are some of the Items that are not fringe benefits? | These are: |
| | | Medical facilities |
| | | Housing advance |
| | | Funeral advance |
| | | Medical advance |
| | School fees advance | |
| 4. | Where does the Fringe Benefits Tax not apply? | Fringe benefit tax does not apply to benefits paid to an employee by the employer in cash. These are taxed on the employee under PAYE. |
| 5. | What records should an employer providing Fringe Benefit Tax keep? | An employer is required to keep and maintain records which show: |
| | | The nature of the fringe benefits provided |
| | | The names of employees to whom fringe benefits are provided |

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| | | The taxable values of fringe benefits |
| 6 | Why is it that the FBT tab is not available every month on Msonkho Online? | FBT is calculated every quarter, which is why the tab is only available at the end of each quarter |
| H. | RPP | |
| 1. | How long does it take to receive an assessment for the returns submitted? | |
| 2. | What is the procedure for a business registration? | |
| 3. | Which MRA Sections are responsible for taxpayer registration and handling of queries? | |
| 1. | AUDIT | |
| 1. | Why are the taxpayers audited despite having received an income tax assessment already? | |
| 2. | Where does MRA get rates for charging penalties? | |
| 3. | Why does MRA audit taxpayers who comply and pay taxes? | |
| 4. | What are the criteria for selecting audit cases? | |

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| 5. | Why is it that one cannot be audited each tax year to avoid accumulating audit penalties? | |
| 6. | Does MRA engage in Corporate Social Responsibility? If yes, why has the Songwe community not benefitted from any? | |
| 7. | What are the personal benefits of being a taxpayer? | |
| 8. | How is MRA making sure that traders in rural areas are also paying taxes? | |
| 9. | Why does MRA fail to conduct tax clinics for specific categories e.g. Small taxpayers, transporters etc.? | |
| 10. | Why is it that MRA does not give back to the society in form of corporate social responsibilities like the banks and other organizations do? | |
| 11. | How does the Msonkho online system work – especially for owners of the business and not agents? | |
| 12. | What is the difference between city rents and taxes? | |

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| 13. | What is the maximum time to process and pay a tax refund? | |
| J. CAPITAL GAIN TAX | | |
| | How does MRA arrive at calculating a Capital Gain Tax? | |

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| K. | GENERAL QUESTIONS | |
| 1. | How can I get the TIN Certificate? | You can get the TIN Certificate by calling the Call Centre toll-free line on 672 or by physically visiting any MRA Domestic Tax office to request it. |
| 2. | Can a taxpayer apply for a new TIN if the existing TIN cannot be traced? | No, the taxpayer is supposed to call the Call Centre toll-free line 672 or physically visit any MRA Domestic Tax office to request the existing TIN that has been forgotten. |
| 3. | Can a taxpayer generate a Payment Reference Number (PRN) to pay duty for a vehicle? | A taxpayer cannot do so and is supposed to use a Customs Agent for PRN generation. PRN generation is done using the MRA ASYCUDA system |
| | How will MRA assist with network issues when MO is fully rolled? | MRA has engaged several network providers as backup |
| | What is the timeline for processing and receiving refunds, especially for tobacco clubs? | This is done after tax assessment, at the end of the year |
| | Does the Taxpayer Identification Number (TIN) have an expiry date? | No, but you have a choice to be deregistered |

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| | Why is it that MRA/Government do not give out EFD machines for free since services are for the government? | EFD machines are free because they are claimable through the VAT return as an input |
| | What are the requirements for one to get a Tax Exemption Certificate? | |
| | Why should I be registered for Domestic taxes when I have already paid taxes at the border when importing my supplies? | |

2. CUSTOMS AND EXCISE

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| A. | CUSTOMS GENERAL | |
| 1. | How do I clear imported goods? | <p>Firstly, the importer is screened to know whether the goods are commercial or noncommercial.</p> <p>Noncommercial: fill out the goods declaration form 47, after assessment, the goods will proceed to PC 4 (form 49) if the goods are not more than MK500,000. If the goods are above MK500,000 the importer is advised to engage the clearing agent.</p> <p>Commercial: you are required to identify a clearing agent who will declare the goods on your behalf and provide you with an assessment notice which includes the amount payable and a Payment Reference</p> |

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| | | Number (PRN). You will get the PRN and make payment with any bank. |
| 2. | Can one import a vehicle that does not belong to him under TIP? | It is possible as long as the person brings with him an affidavit from the owner of the vehicle, a police report, a blue book and a passport |
| 3. | What is the validity period of TIP? | The validity of TIP is 30 days. And it can be extended for up to 5 more times. For the 4 th and 5 th time, the TIP is applied to the Commissioner General for his consideration |
| 4. | Is the cost of TIP the same for all vehicles? | The cost of TIP is the same, however, the toll fee cost varies depending on the distance covered |
| 5. | What is a personal rebate? | A personal rebate is a personal allowance granted to a returning resident who is |

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| | | importing goods into Malawi for personal use only. |
| 6. | Who is entitled to a personal rebate? | <p>A returning resident is entitled to a personal rebate, if he/she has been out of the country for more than 24 hours and that the goods imported are for personal or home use only. In addition, the person must be accompanied together with the goods.</p> <p>The rebate value is MK750,000 at the point of dispatch</p> <p>Unaccompanied goods intended for personal use will not be subject to duty if the total value does not exceed MK100,000</p> |
| 7. | Can I use a business TIN to clear a motor vehicle? | Yes, a TIN is used to do all your tax transactions |
| 8. | Can I pay duty for a Motor Vehicle in instalments? | <p>Yes, but firstly you have to write to the Commissioner General requesting payment of duty in instalments. This includes all the details regarding the Motor Vehicle then wait for a response with the conditions needed for you to proceed.</p> <p>Please note that it requires 50% upfront and then the remaining amount in 3 instalments</p> |
| 9. | Can I pay my car duty using a mobile transfer? | Yes, as long as you have a Payment Reference Number (PRN) generated by a Customs Agent. |
| 10 | Where can I buy/access the latest 2022 customs tariff book? | The customs tariff book can be accessed and downloaded on our website www.mra.mw for free. |

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| 11 | How much does MRA charge storage fees for an imported car? | The storage fee is charged after 10 days at the border at K5,000 per day. |
| 12 | How much does MRA charge warehouse storage fees for various consignments? | The storage fee is charged after 10 days at MK1,000 per tone or cubic meter per week |
| 13 | How can one calculate Rebate? | The rebate is not calculated rather it is a standard amount of MK750,000 |
| 14 | Why are goods scanned again in Malawi upon arrival after passing through other Airports? | It is the security requirement to confirm what the person is carrying |
| 15 | Why does MRA charge duty on the Airline's free gauge allowance? | Duty is charged according to the law |
| 16 | Why does MRA charge duty on items purchased from Duty-Free Shops? | If the goods are not exempted from the customs & excise order the duty is charged |
| 17 | Why does MRA take pictures of consignments? | Pictures can be taken if the officer would like to consult on a dispute settlement with other officers |
| 18 | Why are importer's invoices rejected instead, MRA uses its valuation | Invoices are rejected when there is a suspicion of fraud or undervaluation |
| 19 | Why does MRA calculate duty on used items such as clothes? | It is provided by the law |
| 20 | Why is it that MRA calculates duty on the whole amount for Courier goods after exceeding the nominal threshold of K100,000.000 instead of calculating from the balance only, just like the way it is done with accompanied goods? | It is provided by the law |
| 21 | Are all the importers of vehicles eligible to have a Tax Clearance Certificate? | Every importer should have a TIN and if you have a TIN, you are eligible to apply for TCC. |

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| | | Note: provision of TCC depends on tax compliance |
| 22 | What are the MRA requirements for farmers transporting fresh foods e.g. soya beans, and groundnuts from gardens to international markets? | If the goods exceed 2000USD you will need to have the following documentation: <ul style="list-style-type: none"> - Fill the CD1 form - export permit form - a business license - phytosanitary certificate obtained from the Ministry of Agriculture - the invoice |
| 23 | Why is Advanced Income Tax charged on personal vehicles? | This is because MRA proves if it is for personal use when the vehicle has been registered and the owner has used it for not less than a year |
| 24 | Why are Toll fees paid in US dollars yet Malawi currency is Kwacha? | This is because they are normally paid by international transporters |
| 25 | Why is there no provision for the extension of the Temporary Exportation Permit (TEP)? | TEP enforcement is by the destination country |
| 26 | Why is there no sheet that indicates distance and charge for each distance on toll fees? | Borders do have schedules that indicate cost per route, and this is gazetted |
| 27 | How do we come about with our guide values? | Track the product quantity imported by values that have been used |
| 28 | What are the procedures to follow when a foreign group wants to donate staff in Malawi? | Relief items should be notified by DODMA, thereafter an application is made to the Commissioner General through the CPCs for approval |

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| 29 | What is Advance Income Tax? | |
| 30. | Why don't you make a flat rate for the Advance Income Tax? | |
| B. | DUTY CALCULATIONS | |
| 1. | Is duty calculated based on the weight of the imported items? | <p>The calculation of duty is based on the classification, origin and total value of the imported items.</p> <p>Weight only comes in when clearing second-hand clothes</p> |
| 2. | How do I calculate duty for a passenger vehicle on the MRA website? | Go to the duty calculator on the MRA website, fill in the vehicle duty calculator form that pops up and then click on Calculate. |
| 3. | Is it possible for the duty of clothes to be almost the same as the total price paid for the clothes? | No, duty for clothes is calculated based on the percentage of the total value for duty purposes (VDP) and there is no excise tax. |
| 4. | Can I use the website duty calculator to calculate duty for goods-carrying vehicles? | No, at the moment you cannot use the website. However, you may get assistance by calling the MRA Call Centre toll-free line 672, by visiting your nearest Customs office or by a Customs Agent. |
| 5. | Can I get duty calculations and pay for duty before the Motor Vehicle arrives in Malawi? | Yes, it is possible to pay duty in advance as long as the calculations are correct and you have a Payment Reference Number (PRN) from a Customs Agent. |
| 6. | Can year of make and engine size of a Motor Vehicle also define duty to be paid when calculating duty? | Yes, they define the duty to be paid for a motor vehicle. The older the year of make, the more the duty to be paid and the bigger |

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| | | the engine size, the more the duty to be paid. |
| 7. | Why is my Motor Vehicle duty higher in this new year than the duty calculated when I ordered the Motor Vehicle in the previous year? | Excise duty triggers the change, the older the vehicle the higher the duty. |
| 8 | Is duty payable on vehicles imported as a gift? | Yes, using the duty rates applicable as to the type of the vehicle |
| 9 | If one purchases Software from outside the country, is it subject to duty when entering Malawi? | Software is not subject to duty, MRA charges its carriage only. |
| 10 | What is the duty rate for A4 plain papers? | A4 papers are charged at the rate of 15%, 10% and 16.5%. |
| 11 | What is the duty rate for Motorcycles with an engine capacity of 100cc? | Motorcycles of engine capacity up to 100cc are duty-free but subject to import VAT of 16.5% plus the 15 thousand processing fee |