



**Malawi Revenue Authority**

# PUBLIC NOTICE

## NEW MEASURES FOR THE CUSTOMS & EXCISE (TARIFFS) ORDER

**The Minister of Finance in his Budget Statement to Parliament on Friday, 28th May 2021, announced new measures for Domestic Taxes and Customs & Excise. Whereas new measures for Domestic Taxes will become effective on 1st July 2021 after approval of relevant tax bills, the Customs & Excise measures became effective on the mid night of 28th May 2021. These are:**

1. Introduction of a new column 7A in Part I of the First Schedule of the Customs & Excise (Tariffs) Order to contain duty rates for African Continental Free Trade Area (AfCFTA)
2. Changing the words "Withholding Tax (WHT) on imports" to "Advance Income Tax on imports" under paragraph 4 (ja) in Part I of the First Schedule of the Customs & Excise (Tariffs) Order
3. Removal of 10% import duty on soap noodles under tariff subheading 3401.20.20
4. Removal of soap noodles under tariff subheading 3401.20.20 from "soaps and soap substitutes manufacturing industry" of the Industrial Rebate Scheme
5. Reduction of import excise duty from 30% to 10% on Opaque beer (Chibuku) under tariff subheading 2206.00.21
6. Reduction of import excise duty from 60% to 40% on Malt beer under tariff subheading 2203.00.90
7. Increase in the COMESA Simplified Trade Regime (STR) threshold from USD2, 000 to USD3, 000.
8. Insertion, in numerical sequence under Section XXII, new note 6 to the Customs & Excise (Tariffs) Order to allow privileged persons or organizations to import motor vehicle directly from supplier abroad, or from a motor dealer ex-bond; and from other privileged persons
9. Excluding from Customs Procedure Codes 4000.445 and 4071.445 the following goods imported for use by the constructor; spare parts, stationery, office furniture, protective wear, tools and any items of any contractor engaged to implement an agreement between the Government of Malawi and any other Government or Multilateral organizations
10. Exclusion of Soap from the Customs Procedure Codes 4000.405 and 4071.405. This means that soap will attract Customs duties applicable.
11. Introduction of Customs Procedure Codes 4000.422 (d) and 4071.422 (d) for duty free importation of building materials for construction of churches and mosques.

12. Introduction of "vessels for the transport of goods and / or persons" under Customs Procedure Codes 4000.442 (a) and 4071.442 (a) before the words "motor boats." This means that those operating in the tourism industry will be allowed to import vessels duty free.
13. Deletion of the Customs Procedure Codes 4000.482 and 4071.482. This means that top flight football teams and seeded netball teams will pay full Customs duties when importing buses carrying 26 persons or more.
14. Introduction of a new Customs Procedure Code 4000.495 to cater for duty free week where goods whose Customs value for duty purpose does not exceed US\$ 3,000 will be imported duty free during that week. The Minister of Finance will communicate through publishing of a gazette on the dates and other modalities on the implementation of the duty-free week.
15. Introduction of new Customs Procedure Codes 4000.496 and 4071.496 to cater for Senior civil servant of Grade A and B, General officers of the Malawi Defense Force; The Chief Justice, Justices of Appeal, Judge of the High Court, The Registrar, The Senior Deputy Registrar, Chairperson of Industrial Relations Court, the Deputy Registrar, Deputy Chairperson of Industrial Relations Court, Chief Resident Magistrate, Chief Research Officer; and Chairman and members of Electoral Commission to import one passenger carrying motor vehicle duty free in every 5 years for personal use.
16. The Principal Order is amended, in Part I of the Second schedule (Excise Tariff), by inserting the following new definition immediately after the definition of "fortified wines"- "Gross gaming revenue"
17. The Principal Order is amended, by deleting Part III of the fifth schedule (Surcharge Tariff) and replacing therefore, a new Part III

The Malawi Revenue Authority (MRA) is, therefore, appealing to the business community and the general public to take note of these changes and comply with these new Customs & Excise measures.

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