



Malawi Revenue Authority

PUBLIC NOTICE

NEW TAX MEASURES FOR CUSTOMS & EXCISE

The Malawi Government has announced new tax measures for the 2024/25 Fiscal Year covering Customs & Excise, Income Tax, Valued Added Tax (VAT) and Administrative Measures.

Customs & Excise New Tax Measures became effective midnight 23rd February 2024 while new tax measures for Income Tax, VAT and Administrative measures will become effective once the relevant bills have been passed in Parliament, assented to by the President and gazetted. The summary of the Customs & Excise amendments is as follows:

A. IMPORT DUTY AND IMPORT EXCISE AMENDMENTS

1. Removal of 30% Import Duty and 25% Import Excise on electric motorcycles under tariff subheading 8711.60.19. However, standard rate of 16.5% VAT will be charged.
2. Creation of new tariff subheadings 2206.00.42 and 2206.00.43 for clear beer made from Maize and Sorghum respectively and attract 25% Import Duty, 20% Import Excise and 16.5% Import VAT. This means that excise tax on clear beer made from sorghum and maize has been reduced from 40% to 20%.
3. Introduction of 10% import Excise duty under tariff subheadings 2710.19.11, 2710.19.19, 2710.19.99 and 2712.10.00 for petroleum products including automotive lubricants and petroleum jelly.
4. Increase import duty from 20% to 25% under tariff subheading 2710.19.11, 2710.19.19 and 2710.19.99 for petroleum products including automotive lubricants.
5. Increase import duty for Sacks of tariff subheading 6305.33.00 from 20% to 25%
6. Increase import duty on finished Iron sheets of tariff subheading 7210.41.90 from 15% to 25%.
7. Introduction of 5% Import Duty, 10% Import Excise and 16.5% Import VAT under tariff subheading 8802.30.00 which covers, "Aeroplanes and other aircraft, of an unladen weight exceeding 2,000 kg but not exceeding 15,000kg"
8. Introduction of legislation to allow for the use and transmission of electronic certificates of origin.

B. CUSTOMS PROCEDURE CODES (CPCs)

9. Duty-free importation of fabrics and accessories for making uniforms under the Customs Procedure Code (CPC) 421 by the Malawi Defence Forces, Malawi Police Services, Prisons and Immigration.
10. Creation of Notes 1 and 2 under CPC 419 that allows Cabinet Minister to import three motor vehicles duty free, to clarify that the entitlement under this CPC only applies to a serving Cabinet Minister. Where a serving Cabinet Minister, who is also a Member of Parliament, and has already benefited from the entitlement under CPC 420, that allows

Member of Parliament to import two vehicles duty free, the Cabinet Minister maybe allowed to import only the remaining Motor Vehicle (s).

11. Amendment of Note 2 to CPC 420 to clarify that where a Member of Parliament, who is also a Cabinet Minister, has imported two or three Motor vehicles duty free under CPC 419, the Member of Parliament shall not be entitled to duty-free provision under CPC 420 even after the Member ceases to be a Cabinet Minister but continues to be a Member of Parliament.
12. Amendment of CPC 422 (C) to include prayer mats so that they can be imported for use in the Mosques specifically for prayers.
13. Introduction of a new note stating that all institutional motor vehicles that are cleared under some Customs Procedures Codes (CPCs) of the Customs and Excise (Tariff) Order should conspicuously and indelibly bear the name of the institution on both sides of the vehicle before issuance of a Customs Clearance Certificate (CCC). The following CPCs have been affected;
 - I. 422 for Lorries, pickups and vans specifically acquired for church and other religious institutions use;
 - II. 437 for passenger carrying motor vehicle for educational, health, tourism institutions and NGOs;
 - III. 438 for Goods carrying motor vehicles for horticultural enterprises, educational, health and tourism institutions and NGOs;
 - IV. 439 for one Passenger carrying vehicle for NGOs;
 - V. 450 for passenger carrying motor vehicles for hotels, Inns, Lodges and Conference Centers;
 - VI. 451 for specialized vehicles for safaris, hotels, lodges and Inns;
 - VII. 452 covering passenger carrying motor vehicles and one bus of seating capacity of 26 or more for churches and similar religious institutions
14. Duty-free importation for passenger-carrying motor vehicle with a seating capacity of more than five people for returning residents. Subsequently, the Note to Customs Procedure Code 4000.430, the words "and of a seating capacity not exceeding five (5) persons including the driver" has been deleted.
15. Restricting the duty free importation of building materials under CPC 442 for the tourism sector to 3 years, subject to an extension of 2 years at a 50 percent rate of the normally applied import duty and Excise duty while VAT will be paid at the normal rate of 16.5%. Furthermore, duty-free importation of building materials for repairs under this CPC will not be allowed.

...CONTINUED ON THE NEXT PAGE



Malawi Revenue Authority

PUBLIC NOTICE

NEW TAX MEASURES FOR CUSTOMS & EXCISE

...CONTINUED

16. Creation of new Customs Procedure Code 4000.500 to cater for duty free clearance of motor vehicles purchased under Customs sale and locally manufactured vehicles.
17. Creation of new Customs Procedure Codes 4000.510 and 4071.510 to cater for duty free clearance of Election materials for use by the Malawi Electoral Commission (MEC) in the conduct of elections, as approved by the Minister subject to such conditions as the Commissioner General may impose.
18. Creation of new Customs Procedure Codes (CPCs) 4000.515 and 4071.515 for waiver of Import duty and Import excise for building materials, furniture and fittings for the construction of student hostels affiliated to an accredited public tertiary institution. However, standard rate of 16.5% VAT will be charged.
19. Amendment of "Special requirement" under CPC 4053.000 governing clearance of Motor vehicles imported under Temporary Import Permit (TIPs), to indicate that fines charged by the Commissioner General for failure to re-export motor vehicle under this facility will be reduced from 50 percent to 20 percent of the duty payable.
20. Amendment of Customs Procedure Codes 4000.496 and 4071.496 by deleting the words "Chief Resident Magistrate, Chief Research Officer".

C. SURCHARGE

21. Introduction of 10% Surcharge on bags for packing cement under tariff subheading 4819.40.10

D. AMENDMENT OF EIGHTH SCHEDULE OF THE PRINCIPAL REGULATIONS

22. Under Part I, by deleting paragraph 16 and substituting a new paragraph 16 which empowers the Commissioner General to cancel Industrial Rebate Manufacturer's registration for failure to pay annual fee.
23. Addition of new raw materials for specific industries by inserting in Appendix A, Part I, -

(i) under the heading "FOOD MANUFACTURING INDUSTRY- DAIRY PRODUCTS MANUFACTURING" tariff subheadings 3920.10.99 and 4811.59.00 for Multi-layer UHT milk packaging film and Aseptic (i.e. tetra pack/ elastra) packaging material.

(ii) Under the heading "NON- ALCOHOLIC BEVERAGES, AERATED WATER MANUFACTURING AND BOTTLING INDUSTRY" tariff subheading 4811.59.00 for Aseptic (i.e tetra pack/ elastra) packaging material.

E. CUSTOMS FEES AND MISCELLANEOUS CHARGES

24. Increase of Processing Fees from K20,000.00 to K30,000.00
25. Increase of Destination Inspection Fees (DIF) from K35,000.00 to K45,000.00
26. Increase of Escort and Cargo tracking fees from K40, 000.00 to K60, 000.00.
27. Motor vehicle parking fee at a rate of K10,000.00 per day or part thereof.
28. Increase of Licence fee for Private Sidings from K15,000.00 to K1,000,000.00.
29. Increase of Licence fee for Air Freight Temporary Stores from K15,000.00 to K1,000,000.00.
30. Increase of Licence fee for Customs Clearing Agent from K150,000.00 to K200,000.00.
31. Increase of Licence fee for Excise Manufacturer from K15,000.00 to K100,000.00.
32. Increase of Licence fee for Temporary Stores from K60,000.00 to K1,000,000.00.
33. Under Industrial Rebate Scheme, a licensee shall pay (i) an annual fee of K1,500,000.00 (ii) pay a fee of K750,000.00 where the licence is issued after the 30th June in any year.
34. Where the Industrial Rebate Licence is in respect of a small scale manufacturer of the Eighth Schedule, the licensee shall pay (A) an annual fee of K150,000.00 or (B) a fee of K75,000 where the licence is issued after the 30th June in any year.
35. Increase of licence fee for Container Depots and Container Terminals from K60,000.00 to K3,000,000.00.
36. Increase of Licence fee for Bonded warehouse from K30,000.00 to K1,000,000.00
37. If the Bonded warehouse licence is issued after the 30th June in any year, the sum of K500,000 shall be paid.
38. Where the Bonded warehouse is in respect of duty-free shop, the licensee shall pay a fee in the sum of K100,000.00

For more information, you may contact the Call Centre as follows;

Telephone: +265 (0) 1 832 685 | WhatsApp: 0996278690
Toll-Free: 672 | E-mail: Call Centre@mra.mw | www.mra.mw

John S. Biziwick
COMMISSIONER GENERAL