



**Malawi
Revenue
Authority**

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REVENUE PERFORMANCE REPORT FOR 2023/24 FINANCIAL YEAR

In the just ended 2023/2024 financial year, Malawi Revenue Authority (MRA) has collected total tax revenues amounting to MK2.186 trillion against the revised target of MK2.180 trillion, thereby recording a revenue surplus of MK5.933 billion and a collection growth of 42% compared to the previous financial year.

At the beginning of the financial year the Authority's initial annual target was MK2.111 trillion and during the mid-year budget review, MK70.0 billion was added to the initial target. Pegged against the initial target, MRA has exceeded the target by MK75.630 billion.

At the outset, MRA Management extends sincere gratitude to the **State President, His Excellency Dr. Lazarus McCarthy Chakwera** and the Minister of Finance & Economic Affairs, **Honourable Simplex Chithyola Banda MP.**, for their unwavering political support, which has been instrumental in enabling the Authority to achieve this excellent performance. Furthermore, we express our profound appreciation to the Board of Directors for their strategic guidance throughout the fiscal year. The Board's insights and oversight have been invaluable in steering the Authority towards achieving its targets and exceeding expectations.

The outstanding achievement in revenue performance is also attributable to the collaborative efforts of various stakeholders. Notably, the Government through Ministry of Finance and Economic Affairs, Parliament through various Committees, tax practitioners including clearing agents and accountants, Media and Civil Society organizations all played pivotal to the outstanding performance. Most importantly, the taxpayers themselves—across all categories of large, medium, and small taxpayers—have been instrumental in achieving this milestone. Last but not least, MRA staff members who dedicated themselves to the noble task of collecting the much-needed revenue for Government operations.

We therefore extend our heartfelt appreciation to all stakeholders mentioned above for their invaluable contributions towards this achievement.

Below is the analysis of the performance by tax type followed by a table illustrating collections by tax category.

TAX TYPE 2023/24 FINANCIAL YEAR OUTTURN

Income and Profits: A cumulative amount of **MK1,071.53 billion** was collected as Income and profits taxes against a projection of **MK1,020.45 billion** which represents a surplus of 5 percent of the target. The overperformance can be attributed to an overall great performance of provisional tax (**MK68.98 billion** surplus), Corporate assessment and Fringe Benefit Tax.

Pay As You Earn (PAYE): PAYE recorded a total of **MK458.31 billion** against an annual target of **MK472.75 billion**. This is representing a performance of 96.94 percent performance thereby achieving a nominal growth of 28.56 percent compared to the previous year.

Fringe Benefits Taxes (FBT) and Non-Resident Taxes (NRT): Payment from FBT and NRT recorded a combined total of **MK62.91 billion**, representing a performance of 99.25 percent, missing the target by **MK473.27 million**. The performance can be attributed to a negative

performance in NRT which resulted in a deficit of 4 percent against the target despite an overperformance of 105.86 percent in FBT owing to limited remittances due to shortage of forex in the first half of the financial year.

Corporate Tax: Corporate Tax, which is a combination of Company Assessments and Provisional taxes performed extremely well in the 2023/24 financial year. The collection amounted to a total of **MK351.17 billion** against a target of **MK264.75 billion**, representing an over performance of 33 percent. This is due to outstanding performances in both Provisional Tax and Company Assessments at 132.56 percent and 180.28 percent respectively. The good performance can be attributed to an increase in compliance by companies and the introduction of the 40% tax bracket for commercial banks on profits in excess of **MK10.0 billion**. The performance represents a growth of 86.3 percent from the previous year.

Tax on Goods and Services: Taxes on Goods and Services accumulated a total of **MK870.92 billion**, recording a deficit of 3% against the target of **MK897.26 billion**. All tax components in this segment performed below their targets which can be attributed to reduced import volumes due to forex shortages on the international trade front. However, all tax components recorded an average growth rate of 40% compared to the previous fiscal year.

Value Added Tax (VAT): VAT recorded a total collection of **MK651.06 billion** against the **MK669.78 billion** target, representing a 97.21 percent performance. Both Domestic VAT and Import VAT registered positive growths of 34.93 and 42.77 percent respectively compared to 2022/23 Fiscal year.

Excise Duties: Both local and import excise recorded positive growth rates of 36.01 percent and 46.49 percent respectively compared to the previous year. Local excise collection amounted to **MK61.85 billion** and Import excise collection amounted to **MK92.66 billion**, thereby cumulatively resulting in a 96.65 percent performance to the target.

Import Duty: A total of **MK197.90 billion** was collected from import duties, registering a 91.98 percent performance against the annual target. This performance is representing a 38.10 percent growth compared to the previous year. The growth in collection can be attributed to devaluation, which led to an improvement in collection in international trade but shortage of forex during the first half of the financial year affected the overall performance to meet the annual target.

Other Taxes: Both dividend and Presumptive taxes fell short of their respective monthly targets leading to a performance of 96.81%. Presumptive tax achieved a growth of 1260.28% growth compared to the 2022/23 Fiscal year.

Looking ahead to the new 2024/25 financial year, MRA encourages every taxpayer to continue contributing their fair share of taxes. Together, we can foster economic independence for Malawi.

John S. Biziwick
COMMISSIONER GENERAL



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REVENUE PERFORMANCE REPORT FOR 2023/24 FINANCIAL YEAR

MALAWI REVENUE AUTHORITY TAX REVENUE OUTTURN FOR MARCH 2024 (UNAUDITED) (All figures in Millions of Malawi Kwacha)

Tax Type	Cumulative FY 2022/23	Cumulative FY 2023/24				
	Actual	Actual	Projection	Variance	Performance	Growth
Income and Profits	740,363.53	1,071,531.20	1,020,456.92	51,074.27	105.01%	44.73%
Individual	356,483.70	458,305.91	472,750.21	-14,444.29	96.94%	28.56%
Pay As You Earn (PAYE)	356,483.70	458,305.91	472,750.21	-14,444.29	96.94%	28.56%
Other	44,460.45	62,905.67	63,378.93	- 473.27	99.25%	41.49%
Fringe Benefits Tax (FBT)	15,479.97	22,532.05	21,284.72	1,247.33	105.86%	45.56%
Non Resident Tax (NRT)	28,980.47	40,373.62	42,094.21	- 1,720.59	95.91%	39.31%
Corporate	189,574.94	353,173.79	264,753.12	88,420.66	133.40%	86.30%
Company Assessments	29,954.99	59,587.84	33,053.81	26,534.04	180.28%	98.92%
Provisional Tax	152,526.12	280,850.41	211,870.40	68,980.01	132.56%	84.13%
Withholding Tax	149,844.44	197,145.83	219,574.66	-22,428.83	89.79%	31.57%
Advance Income Tax	7,093.83	12,735.53	19,828.92	- 7,093.39	64.23%	79.53%
Goods and Services	624,853.42	870,929.33	897,259.42	-26,330.09	97.07%	39.38%
Value Added Tax (VAT)	470,338.19	651,063.99	669,783.56	-18,719.58	97.21%	38.42%
Domestic	260,585.10	351,604.14	353,248.75	- 1,644.61	99.53%	34.93%
Import	209,753.10	299,459.85	316,534.81	-17,074.96	94.61%	42.77%
Excise Duties	154,515.23	219,865.34	227,475.86	- 7,610.52	96.65%	42.29%
Local	61,850.36	84,123.51	85,403.88	- 1,280.37	98.50%	36.01%
Import	92,664.86	135,741.83	142,071.98	- 6,330.15	95.54%	46.49%
International Trade	143,302.94	197,867.02	215,146.62	- 17,279.59	91.97%	38.08%
Import Duty	143,301.87	197,901.33	215,145.47	- 17,244.14	91.98%	38.10%
Prepayment	1.06	-34.31	1.14	-35.45	-3001.02%	-3323.24%
Other	31,206.23	46,422.71	47,953.90	-1,531.20	96.81%	48.76%
Miscellaneous Duties	1,251.46	1,637.23	1,912.37	-275.14	85.61%	30.83%
Penalties	4,493.87	8,202.54	6,646.76	1,555.78	123.41%	82.53%
Dividend Tax	15,974.72	21,799.40	23,292.77	-1,493.37	93.59%	36.46%
Presumptive Tax	110.58	1,504.19	3,079.68	- 1,575.48	48.84%	1260.28%
Carbon Tax	3,461.34	3,414.79	3,342.06	72.73	102.18%	-1.34%
Surcharge	5,914.27	9,864.56	9,680.27	184.29	101.90%	66.79%
Gross Tax Revenues	1,539,726.12	2,186,750.26	2,180,816.86	5,933.39	100.27%	42.02%
Tax Refunds	-45,705.65	-63,547.60	-65,424.51	1,876.91	97.13%	39.04%
Net Tax Revenues	1,494,020.47	2,123,202.66	2,115,392.36	7,810.30	100.37%	42.11%