



**Malawi Revenue Authority**

# PUBLIC NOTICE

## STEPS MRA FOLLOWS BEFORE CONDUCTING DISTRAIN ACTION

**The Malawi Revenue Authority (MRA) would like to share with the business community and the public the various steps that the Authority follows before conducting distraint action involving, among others, seizing of properties or closure of business premises:**

1. Taxpayers are required by law to submit tax returns and pay taxes on different dates. For example, Withholding Tax and Pay As You Earn are due on the 14th of every month while Value Added Tax is due on the 25th of every month. Taxpayers are required to comply with their tax obligations failing which MRA will commence enforcement action to recover the taxes not paid
2. If the tax returns or payment is not made on the due date, the Authority will then make an initial contact with the taxpayer through email, writing or making a telephone call. A physical visitation will be made as a last resort demanding payment of taxes within 7 days
3. Where the taxpayer fails to remit the taxes within the given 7 day period, MRA issues a strong warning advising the client to settle the tax arrears within 7 days from the date of issuing the strong warning
4. Should the taxpayer not respond within the stipulated period of the warning, the Authority issues a final notice of 7 days in which the taxpayer should comply
5. Where this does not yield positive results, the Authority seeks the intervention of third parties like banks or tenants to recover the taxes due on behalf of the Government
6. If the Authority does not recover the taxes, distraint action is employed as the last resort. In this case, MRA will seize property or any other valuable assets in order to recover the taxes as stipulated by the Taxation Act, Cap.41:01, Section 107(3) and VAT Act, Section 40.

The Authority, therefore, wishes to inform the business community and the public that the processes and procedures highlighted above apply to all businesses such as public organizations, private limited companies or individual businesses.

The Authority is therefore advising taxpayers to comply with their obligations by submitting tax returns and paying taxes due on time. Taxpayers are further reminded to comply with enforcement measures by responding to MRA communication within the stipulated time given and avoid MRA taking the last resort of distraint action.

**For more information, you may contact Messrs. Renie Vokhiwa on 0888954304 or Steven Kapoloma on 0888986200.**