



What will happen to those who submit their tax returns late or none at all?

Taxpayers who fail to meet their tax obligation to compile and submit their tax returns when due would be penalised accordingly;

- For income tax such as PAYE, WHT and FBT the penalty would be K300, 000.00 for companies and K75, 000 for individuals for the first month or part thereof. Any further delay for the above would attract MK50, 000.00 for companies and K10, 000.00 for individuals on top of the MK300, 000.00 for companies and the MK75, 000.00 for individuals or part thereof for the return that remains un-submitted.
- For VAT returns, a penalty of MK300, 000.00 would be charged for companies and MK75, 000.00 for individuals for the first month or part

thereof and a further charge of MK50, 000.00 for companies or MK20, 000.00 for individuals for each month or part thereof for the return that remains un-submitted.

- For Domestic Excise, late submission will attract a penalty of MK20, 000.00 and MK1, 000.00 for each additional day. And failure to submit a return attracts a fixed penalty of MK1000, 000.00.
- For Presumptive Tax, the penalty would be MK5, 000.00 first day, MK250.00 each day the return remains un-submitted and 20% interest of the amount due plus 5% for any additional month.

Please, note that with effect from July 2017, the revised penalties on accruing or outstanding tax arrears are the taxes due plus 5% interest for each month the debt remains unpaid.



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Develop Malawi, Pay Taxes

Understanding...

TAX RETURN



July 2021- March 2022



What is a tax return?

A tax return is an authorised document used by a taxpayer to declare tax payable or claimable or any information as provided by Taxation, VAT and Customs & Excise Acts to enable MRA assess one's tax liability.

How many tax returns are there?

There are three types of tax return. These are monthly, quarterly and annual returns.

Monthly Returns

Monthly returns are required to be submitted to MRA at the end of each month.

Return type	Due date	Forms
PAYE	By the 14 th of the following month	P12 and P12A
WHT	By the 14 th of the following month	WHF1 & 2
Domestic Excise	By the 20 th of the following month	<ul style="list-style-type: none"> Form 32 for goods Forms 32A for services
Presumptive Tax	By the 20 th of the following month	Presumptive Tax return
VAT	By the 25 th of the following month	VAT 3

Quarterly Returns

Quarterly returns are required to be submitted to MRA at the end of each quarter.

Return type	Due date	Forms
FBT	By the 14 th after the end of each quarter	FBT 2
Provisional Tax	By the 25 th after the end of each quarter	PTF1

Annual Returns

Annual returns are supposed to be submitted to MRA annually after 180 days from the accounting date of each taxpayer.

Return type	Due date	Forms
Income tax (Individuals)	Within 180 days from the accounting date	ITF1
Income Tax (Companies)	Within 180 days from the accounting date	ITF12

Where should taxpayers submit their returns?

Taxpayers can submit their returns at their nearest Domestic Taxes offices such as Blantyre, Lilongwe, Mzuzu, Zomba, Karonga, Mangochi, Dedza, Mzimba, Mulanje, Salima, Balaka, Kasungu and Dwangwa.

Taxpayers can also submit their tax returns at Customs & Excise stations at Chitipa, Nsanje, Mwanza, Liwonde, Chiponde and Muloza.

