

MALAWI GOVERNMENT

(Published 13th August, 2021)

Act

No. 5 of 2021

I assent

DR. LAZARUS MCCARTHY CHAKWERA
PRESIDENT
5th AUGUST, 2021

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title
2. Amendment of section 11 to Cap. 42:02)
3. Amendment of section 30 of the principal Act
4. Amendment of the First Schedule of the principal Act
5. Amendment of the Second Schedule of the principal Act

An Act to amend the Value Added Tax Act

ENACTED by the Parliament of Malaŵi as follows—

1. This Act may be cited as the Value Added Tax (Amendment) Act, 2021. Short title
2. The Value Added Tax Act (hereinafter “the principal Act”) is amended, in section 11(1)(a) and (b), by deleting the words “K10,000,000” and substituting therefor, the words “K25,000,000”. Amendment of s.11 to Cap. 42:02
3. The principal Act is amended, in section 30 (4), by deleting the word “twelve” and substituting therefor, the word “six”. Amendment of s.30 of the principal Act
4. The First Schedule to the principal Act is amended— Amendment of First Schedule of the principal Act
 - (a) by deleting paragraph 5 and substituting therefor a new paragraph 5, as follows—
 - “5. Udenatured ethyl alcohol exemption covers udenatured ethyl alcohol under Customs Tariff subheading 2207.20.50”;

(b) in paragraph 8—

(i) by inserting, in the correct alphabetical order, a new subparagraph (na) as follows—

“(na) portable and other agricultural or horticultural sprayers under the Customs Tariff Subheadings 8424.41.00 and 8424.49.00;” and

(ii) under subparagraph (u), by deleting the word “8436.10.00” and substituting therefor, the words “8436.10.10 and 8436.10.90;” and

(b) deleting paragraph 15 and substituting therefor a new paragraph 15 as follows—

“15. Banking services provided by a bank licensed under Financial Services law and Life Insurance services

The exemption does not cover fees, charges, or commissions charged for any services provided in the course of or as part of the support of banking services, including—

(a) administration fees such as fees for providing statements, payment orders or transfers, and charges for the provision of online banking;

(b) credit card late payment fee or limit excess fee;

(c) charges for withdrawals from any auto teller machine;

(d) fixed or variable fees for providing Bank drafts/ wire transfers / foreign currency exchange;

(e) charges for safekeeping services and safety deposit boxes;

(f) charges for cash handling such as counting, sorting, and safe storage;

(g) fees for processing credit or debit card payment transactions, including gateway fees;

(h) interchange fees between banks;

(i) interchange fees between a bank and other financial institution or mobile financial payment service provider;

(j) merchant service fee or discount rate fee; and

(k) point of sale, imprinter, or terminal rental charges.”.

Amendment of
Second
Schedule of the
principal Act

5. The Second Schedule to the principal Act is amended, by inserting, in numerical sequence, the following new paragraphs 36 and 37—

“36. *Fish Feed*

Zero rating covers fish feed under the Customs Tariff Subheading 2309.90.93.

37. Printed Matter—Books

Zero rating covers printed books under Customs Tariff Headings 4901.10.10 to 4901.99.90, 4903.00.00, 4905.10.00 to 4905.99.00, 4907.00.10 and 4907.00.20”.

Passed in Parliament this thirtieth day of June, two thousand and twenty-one.

FIONA KALEMBA
Clerk of Parliament