



TD Circular No. 011/2019

**MALAWI REVENUE AUTHORITY
CUSTOMS AND EXCISE DIVISION**

TO: All Stations

9th September 2019

AMENDMENTS TO THE CUSTOMS AND EXCISE (TARIFFS) ORDER

With effect from the midnight of 9th September 2019, the Customs and Excise (Tariffs) Order is amended as shown in the attached Schedule. A summary of the amendments in the said Schedule is as follows; -

Import Duty

1. Removal of import duty on gas cylinders.
2. Removal of duty on flat iron sheets.
3. Removal of duty on motor cycles of less or equal to 100cc.

Excise Duty

4. Reduction of Excise on Malt beer and liquor from 90% to 65%.
5. Increase in Excise on Spirits to 110%.
6. Introduction of a 10% Excise Duty rate on some plastic pipes and sacks, excluding hose pipes and medical related pipes.

Value Added Tax (VAT)

7. Introduction of a positive rate 16.5% VAT on all products of Chapter 15, excluding cooking oil made from soya bean, groundnuts, palm and sunflower
8. Introduction of a zero rate VAT on the following products: solar panels, solar batteries, solar inverters, solar bulbs, solar regulators, solar chargers, solar accumulators, solar lamps, energy efficient bulbs, laundry soap (bars), wood cook stoves, liquefied petroleum gas and gas cylinders.

Customs Procedure Codes (CPCs)

1. Deletion of CPCs 4000.425 and 4071.425 for DAPP.
2. Deletion of CPC 4000.434 for wedding gifts.
3. Amendment to the list of products under CPCs 4000.409 and 4071.409 to include a paragraph for special items for use by persons with albinism.
4. Amendment to CPCs 4000.477 and 4071.477 to introduce a new list of products supporting aquaculture.
5. Amendment to CPCs 4000.442 and 4071.442 to introduce Paragraph (c) for specific conference centres as well as adjusted requirements to cater for Malawian and foreign investors.
6. Amendment to CPCs 4000.450 and 4071.450 to introduce adjusted requirements for vehicle and building specifications to cater for Malawian and foreign investors.

Export Tariff Amendment

7. Amendment to Tariff Heading 44.03 so as to remove export duty on treated poles.

Surcharge and Carbon Tax

8. Introduction of Fifth and Sixth Schedules to the Customs and Excise (Tariffs) Order, to provide for Surcharge and Carbon Tax, respectively.

All Station Managers and Officers should ensure that the contents of this Circular are read, understood and implemented.

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**Commissioner of Customs and Excise
FOR: COMMISSIONER GENERAL**

THE SCHEDULE

- Citation 1. This Order may be cited as Customs and Excise (Tariffs) (No.3), 2018 (Amendment) Order, 2019.
- Amendment of Customs and Excise Act (Tariffs) (No. 3) Order, 2018 2. The Customs and Excise (Tariffs) (No.3) Order, 2018 (hereinafter referred to as the “principal Order”) is amended by—
- (a) inserting in the ARRANGEMENT OF PARAGRAPHS, immediately after “FOURTH SCHEDULE Export Duties Tariff para.5”, the following words—
- “FIFTH SCHEDULE Surcharge Tariff para. 6
SIXTH SCHEDULE Carbon Tax Tariff para. 7”;
- (b) inserting, immediately after paragraph 5, new paragraphs 6 and 7 as follows—
- “Surcharge
Fifth Schedule 6. An importer of goods into Malaŵi shall pay surcharge on specified imported items in accordance with the provisions of the Surcharge Tariff set out in the *Fifth Schedule*.
- Carbon Tax
Sixth Schedule 7. An importer of motor vehicle under temporary importation into Malaŵi or a person required to renew Certificate of Fitness for a motor vehicle under the Road Traffic Act shall pay Carbon Tax based on motor vehicles engine capacity in accordance with the provisions of the Carbon Tax Tariff set out in the *Sixth Schedule*.”
- Amendment of *First Schedule* of principal Order 3. The principal Order is amended in Part III of the *First Schedule* by—
- (a) deleting tariff subheading 7311.00.90 and the corresponding entries in Columns 3, 4, 5, 6, 7, 8, 9, 10, 11, 12;
- (b) inserting, under tariff heading 73.11, in correct numerical sequence, new tariff subheading 7311.00.91 and 7311.00.92, as shown hereunder—

2	3	4	5	6	7	8	9	10	11	12
7311.00.91	---Gas Cylinder	kg	Free	Free	Free	Free	Free	—	Zero	3%
7311.00.92	---Other	kg	15%	10%	1%	Free	Free	—	16.5%	3%

(c) deleting entry “15%” and “10%” in columns 5 and 6 under tariff sub-heading 7210.49.10, 7210.49.20 and 7210.61.10 and substituting therefor entry “Free” and “Free”, respectively;

(d) deleting tariff subheading 8711.20.19 and the corresponding entries in Columns 3, 4, 5, 6, 7, 8, 9, 10, 11, 12;

(e) inserting, under tariff heading 87.11, in correct numerical sequence, new tariff subheading 8711.20.20 and 8711.20.21, as shown hereunder—

2	3	4	5	6	7	8	9	10	11	12
8711.20.20	--- Motorcycles with reciprocal internal combustion piston engine of cylinder capacity not exceeding 100cc	kg	Free	Free	Free	Free	Free	—	16.5%	3%
8711.20.21	--- Other	kg	20%	15%	13%	Free	Free	—	16.5%	3%

(f) deleting the entry “95%” in Column 10 under the following tariff subheadings and substituting therefor the entry “110%”,—

2208.20.19 2208.20.99 2208.30.90 2208.40.90
2208.50.29 2208.50.99 2208.60.90.

(g) deleting the entry “90%” in Column 10 under the following tariff subheadings and substituting therefor the entry “110%”,—

2208.70.90 2208.90.90

(h) deleting the entry “90%” in Column 10 under the following tariff subheading and substituting therefor the entry “65%”,—

2203.00.90

(i) inserting in Column 10 under the following tariff subheadings the entry “10%”,—

3917.10.00 3917.21.00 3917.22.00 3917.29.00
 3917.31.00 3923.10.10 3923.10.90 3923.29.20
 3923.29.10 3923.29.90 3923.30.90 6305.10.00

(j) deleting the entry “16.5%” in Column 11 under the following tariff subheadings and substituting therefor the entry “Zero”,—

2711.11.00 2711.12.00 2711.13.00 2711.14.10
 2711.14.90 2711.19.00 3401.19.90

(k) deleting tariff subheading 8539.49.10 and corresponding entries and substitute therefor, as follows—

2	3	4	5	6	7	8	9	10	11	12
8539.49.11	--- Solar bulbs	U	Free	Free	Free	Free	Free	—	zero	3%
8539.49.12	--- Energy Saver bulbs	U	Free	Free	Free	Free	Free	—	zero	3%

(l) deleting tariff subheading 7321.19.00 and the corresponding entries in Columns 3, 4, 5, 6, 7, 8, 9, 10, 11, 12;

(m) inserting, under tariff heading 73.21, in correct numerical sequence, new tariff subheading 7321.19.10 and 7321.19.20, as shown hereunder—

2	3	4	5	6	7	8	9	10	11	12
7321.19.10	--- Wood cook stoves	U/ kg	30%	25%	2%	Free	Free	—	Zero	3%
7321.19.20	--- Other	kg	30%	25%	2%	Free	Free	—	16.5%	3%

(n) deleting the entry “Exempt” in Column 11 under the following tariff subheadings and substituting therefor the entry “16.5%”, —

1501.10.00	1501.20.00	1501.90.00	1502.10.00
1500.90.00	1503.00.00	1504.10.00	1504.20.00
1504.20.00	1504.30.00	1505.00.00	1506.00.00
1509.10.10	1509.10.90	1509.10.90	1509.90.10
1509.90.90	1510.00.10	1510.00.90	1513.11.00
1513.19.10	1513.19.90	1513.21.00	1513.29.00
1514.11.00	1514.19.00	1514.91.00	1514.99.10
1514.99.90	1515.11.00	1515.19.00	1515.21.00
1515.29.00	1515.30.00	1515.50.10	1515.50.90
1515.90.10	1515.90.91	1515.90.99	1516.10.00
1516.10.00	1516.20.00	1516.20.90	1517.10.10
1517.10.90	1517.90.10	1517.90.90	1518.00.00
1520.00.00	1521.10.00	1521.90.00	1522.00.00
2207.20.50			

(o) deleting the entry “16.5%” in Column 11 under the following tariff subheadings and substituting therefor the entry “Zero”,—

8504.40.91	8504.40.30	8506.80.10	8507.20.10
8507.30.10	8507.40.10	8507.50.10	8507.60.10
8507.80.10	8539.50.00	8541.40.10	9032.89.91
9405.40.30			

(p) deleting Customs Procedure Code (CPC) 4000.409 and 4071.409 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; and replacing therefor, a new Customs Procedure Code (CPC) 4000.409 and 4071.409 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 as follows—

1	2	3	4	5	6	7	8	9	10	11
4000.409		(a) Braille typewriters, watches, tapes, similar recorders and recordings, deaf aids and specialized	—	Free	Free	Free	Free	Free	—	Zero
Direct Importation										

	<p>batteries therefor and such other specialized goods for the use of persons with visual or hearing impairment as the Commissioner General may approve; controls and equipment for motor vehicles, specially designed for the use of drivers with disability; goods for use in the occupational training or rehabilitation of persons with visual or hearing impairment or other disability, approved as such by the Commissioner General.</p> <p>(b) Sunscreen creams, protective gear (hats, sunglasses, umbrellas and reading glasses), community security alarms and any other accessories imported by or donated to a</p>								
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	<p>registered association of persons living with albinism or individuals with albinism, approved as such by the Commissioner General.</p>								
<p>4071.409 Ex-Bonded Warehouse</p>	<p>(a) Braille typewriters, watches, tapes, similar recorders and recordings, deaf aids and specialized batteries therefor and such other specialized goods for the use of persons with visual or hearing impairment as the Commissioner General may approve; controls and equipment for motor vehicles, specially designed for the use of drivers with disability; goods for use in the occupational training or rehabilitation of persons with visual or hearing</p>	—	Free	Free	Free	Free	Free	—	Zero

	<p>impairment or other disability, approved as such by the Commissioner General.</p> <p>(b) Sunscreen creams, protective gear (hats, sunglasses, umbrellas and reading glasses), community security alarms and any other accessories imported by or donated to a registered association of persons living with albinism, approved as such by the Commissioner General.</p>								
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(a) deleting Customs Procedure Codes (CPC) 4000.425 and 4071.425 and the corresponding entries in Columns 3, 4, 5, 6, 7, 8, 9, 10, and 11;

(b) deleting Customs Procedure Code (CPC) 4000.434 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11;

(c) deleting Customs Procedure Code (CPC) 4000.477 and 4071.477 and the corresponding entries in Columns 1,2, 3, 4, 5, 6, 7, 8, 9, 10, and 11;

and replacing therefor, a new Customs Procedure Code (CPC) 4000.477 and 4071.477 and the corresponding entries in Columns 1,2,3, 4, 5, 6, 7, 8, 9, 10, and 11, as follows—

1	2	3	4	5	6	7	8	9	10	11
4000.477 Direct Importation		Specialized goods for use in aquaculture : fish feed formulation additives; complete aerator system; laboratory equipment and materials; fish happas and all handling nets; fish breeding and sex reversal hormones; pond liners; and greenhouse materials	Kg/U	Free	Free	Free	Free	Free	—	Zero
4071.477 Ex-Bonded Warehouse		Specialized goods for use in aquaculture : fish feed formulation additives; complete aerator system; laboratory equipment and materials; fish	Kg/U	Free	Free	Free	Free	Free	—	Zero

		happas and all handling nets; fish breeding and sex reversal hormones; pond liners; and greenhouse materials								
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(d) deleting Customs Procedure Code (CPC) 4000.442 and 4071.442 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; and replacing therefor, a new Customs Procedure Code (CPC) 4000.442 and 4071.442 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11, as follows—

1	2	3	4	5	6	7	8	9	10	11
4000.442		Goods for hotels, lodges, inns and conference centres	Kg/	Free	Free	Free	Free	Free	—	Zero
Direct Importation		(a) Glass, china porcelain, earthenware and stone articles of tableware; enamelware and hollowware for table use Electro Plated Nickel – Silver (E.P.N.S) and plated ware; knives, forks, spoons and similar articles for cutlery and marked linen permanently or indelibly engraved, etched, stamped or in any other manner	U							

	<p>marked with the name (or other identification satisfactory to the Commissioner General) of the hotel licensed under the Tourism and Hotels Act (Cap.50:01), and solely for use therein; industrial catering equipment, motor boats, scuba diving, jet skis, kayaks, wind surfers, pedalos and marked linen, air conditioners, generators, gym equipment, massage equipment, industrial washing machines, bar fridges, sauna, hot steam baths. For furniture and curtains, carpets and rugs permanently or indelibly marked, and the hotel, lodge or inn should have at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign investors.</p> <p>(b) Equipment for the establishment of a conference room of a seating capacity of at least 50 for Malaŵian investors and at least 200 people for foreign</p>								
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	<p>investors being: public address system; video conferencing equipment; television set; amplifiers; LCD equipment and industrial catering and bar equipment permanently or indelibly engraved, itched, stamped or in any other manner marked with the name of the organization or other identification to the satisfaction of the Commissioner General.</p> <p>(c) Building materials for hotels, lodges and inns with a capacity of at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign investors.</p> <p>(d) Building materials for the construction of an extension of at least 20 new <i>en suite</i> rooms on the same site for Malaŵian investors and at least 30 new <i>en suite</i> rooms on the same site for foreign investors, excluding refurbishment and rehabilitation.</p> <p>(e) Building materials for the</p>								
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	<p>construction of a conference centre of a seating capacity of at least 500 people.</p> <p>Special Requirements: If goods admitted to this procedure are subsequently disposed of, except through direct exportation, to a person not entitled to duty free admission of such goods, the person so disposing of the goods shall forthwith provide the Commissioner General with full details of such disposal and shall pay to the Commissioner General any duty due and payable under Part III of this Tariff at the rates in force at the time of such disposal. The Commissioner General may determine a value or remit a part of any specific duty in respect of any goods which are disposed of after use in Malaŵi.</p>									
4071.442 Ex-Bonded Warehouse	Goods for hotels, lodges, inns and conference centres (a) Glass, china porcelain, earthenware and	Kg/ U	Free	Free	Free	Free	Free	Free	—	Zero

	<p>stone articles of tableware; enamelware and hollowware for table use Electro Plated Nickel – Silver (E.P.N.S) and plated ware; knives, forks, spoons and similar articles for cutlery and marked linen permanently or indelibly engraved, etched, stamped or in any other manner marked with the name (or other identification satisfactory to the Commissioner General) of the hotel licensed under the Tourism and Hotels Act (Cap.50:01), and solely for use therein; industrial catering equipment, motor boats, scuba diving, jet skis, kayaks, wind surfers, pedalos and marked linen, air conditioners, generators, gym equipment, massage equipment, industrial washing machines, bar fridges, sauna, hot steam baths. For furniture and curtains, carpets and rugs permanently or indelibly marked,</p>									
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	<p>and the hotel, lodge or inn should have at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign investors.</p> <p>(b) Equipment for the establishment of a conference room of a seating capacity of at least 50 for Malaŵian investors and at least 200 people for foreign investors being: public address system, video conferencing equipment, television sets, amplifiers, LCD equipment and industrial catering and bar equipment permanently or indelibly engraved, itched, stamped or in any other manner marked with the name of the organization or other identification to the satisfaction of the Commissioner General.</p> <p>(c) Building materials for hotels, lodges and inns with a capacity of at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign investors.</p>								
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	<p>(d) Building materials for the construction of an extension of at least 20 new <i>en suite</i> rooms on the same site for Malaŵian investors and at least 30 new <i>en suite</i> rooms on the same site for foreign investors, excluding refurbishment and rehabilitation.</p> <p>(e) Building materials for the construction of a conference centre of a seating capacity of at least 500 people.</p> <p>Special Requirements: If goods admitted to this procedure are subsequently disposed of, except through direct exportation, to a person not entitled to duty free admission of such goods, the person so disposing of the goods shall forthwith provide the Commissioner General with full details of such disposal and shall pay to the Commissioner General any duty due and payable under Part III of this Tariff at the rates in force at</p>								
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		the time of such disposal. The Commissioner General may determine a value or remit a part of any specific duty in respect of any goods which are disposed of after use in Malaŵi.								
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(e) deleting Customs Procedure Code (CPC) 4000.450 and 4071.450 and the corresponding entries in Columns 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; and replacing therefor, a new Customs Procedure Code (CPC) 4000.450 and 4071.450 and the corresponding entries in Columns 1,2, 3, 4, 5, 6, 7, 8, 9, 10, and 11, as follows—

1	2	3	4	5	6	7	8	9	10	11
4000.450		(a) Two passenger carrying motor vehicles of Tariff Heading 87.02, not exceeding five years from the date of manufacture, in every five years for hotels, lodges, inns, with at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign	Kg/U	Free	Free	Free	Free	Free	—	Zero
Direct Importation										

	<p>investors, licensed under the Tourism and Hotels Act (Cap. 50:01).</p> <p>(b) Two passenger carrying motor vehicles of Tariff Heading 87.02, not exceeding five years from the date of manufacture, every five years for conference centres with a seating capacity of at least 500 people, licensed under the Tourism and Hotels Act (Cap. 50:01).</p> <p>Special Requirements If goods admitted to this procedure are subsequently disposed of, except through direct exportation, to a person not entitled to duty free admission of such goods, the person so</p>								
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	disposing of the goods shall forthwith provide the Commissioner General with full details of such disposal and shall pay to the Commissioner General any duty due and payable under Part III of this Tariff at the rates in force at the time of such disposal. The Commissioner General may determine a value or remit a part of any specific duty in respect of any goods which are disposed of after use in Malaŵi.								
4071.450 Ex-Bonded Warehouse	(a) Two passenger carrying motor vehicles of Tariff Heading 87.02, not exceeding five years from the date of manufacture, in every five years for hotels, lodges, inns	Kg/U	Free	Free	Free	Free	Free	—	Zero

	<p>with at least 20 <i>en suite</i> rooms for Malaŵian investors and at least 50 <i>en suite</i> rooms for foreign investors, licensed under the Tourism and Hotels Act (Cap. 50:01).</p> <p>(b) Two passenger carrying motor vehicles of Tariff Heading 87.02, not exceeding five years from the date of manufacture, every five years for conference centres with a seating capacity of at least 500 people, licensed under the Tourism and Hotels Act (Cap. 50:01).</p> <p>Special Requirements If goods admitted to this procedure are subsequently disposed of, except through</p>								
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	<p>direct exportation, to a person not entitled to duty free admission of such goods, the person so disposing of the goods shall forthwith provide the Commissioner General with full details of such disposal and shall pay to the Commissioner General any duty due and payable under Part III of this Tariff at the rates in force at the time of such disposal. The Commissioner General may determine a value or remit a part of any specific duty in respect of any goods which are disposed of after use in Malaŵi.</p>								
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(f) Amend Export Duties Tariff under 44.03 by deleting and replacing with the following Export Duties Tariff—

“44.03 –wood in the rough, whether or not stripped of bark or sap wood, or roughly squared, excluding treated poles 50%”.

Insertion of
Fifth and Sixth
Schedules of
principal Order

4. The principal Order is amended by—
(a) introducing, immediately after the provisions of the *Fourth Schedule*, a new *Fifth Schedule* as follows—

“FIFTH SCHEDULE
SURCHARGE TARIFF
INTRODUCTORY NOTE

Any entry appearing in this Schedule under the heading “REMARKS”, is included solely for the purposes of information and does not, as such, in any way extend, curtail or govern the tariff imposed or the goods subjected thereto.

PART I – INTERPRETATION

- 1.** In this Schedule, unless inconsistent with the context—

“surcharge” means additional charge to the existing duties chargeable on imported goods;

“value for surcharge” means the value for duty purposes being cost, insurance and freight.

PART II – APPLICATION

- 2.** Pursuant to section 83(1) of the Act, there shall be charged, levied, collected and paid in respect of the goods imported into Malaŵi and specified in Column 2 hereunder surcharge at the rate set out in Column 3.
- 3.** The base for calculating the applicable surcharge shall be value for surcharge.

PART III – SURCHARGE

<i>Tariff reference</i>	<i>Description</i>	<i>Rate</i>
22 excluding 2202.99.10	(i) Alcoholic beverages (ii) Non-alcoholic beverages	5%
44.03	Treated poles	5%
11.01	Wheat flour	5%
07	Vegetables	5%
20.01 - 20.08	Vegetables	5%
08	Fruits	5%
03.02, 03.03, 03.04, 03.05	Fish	5%
04.01	Milk	5%
04.03	Yoghurt	5%
25 excluding 2523.10.00	Cement	10%
17	Sugar	10%
15.07, 15.08, 15.11, 15.12	Oil	10%
44.19	Toothpicks	10%
24.02	Cigarettes	US\$5/1000 sticks

”

- (b) introducing, immediately after the provisions of the new *Fifth Schedule*, a new *Sixth Schedule* as follows—

**“SIXTH SCHEDULE
CARBON TAX TARIFF
INTRODUCTORY NOTE**

Any entry appearing in this Schedule under the heading “REMARKS”, is included solely for the purposes of information and does not, as such, in any way extend, curtail or govern the tariff imposed or the goods subjected thereto.

PART I – INTERPRETATION

1. In this Schedule, unless inconsistent with the context—

“Carbon Tax” means the tax imposed and collected under this Schedule.

PART II – APPLICATION

2. Pursuant to section 83(1) of the Act there shall be charged, levied, collected and paid in respect of foreign motor vehicles and locally registered motor vehicles based on engine capacity specified in Column 2 hereunder Carbon Tax at the rate set out in Column 3.

3. The Carbon Tax so chargeable shall be collected—

(a) upon issuance of every temporary importation permit for foreign motor vehicles, or

(b) annually, after first registration, payable at the time of renewal of Certificate of Fitness for locally registered motor vehicles under the Road Traffic Act.

Cap. 69:01

PART III – CARBON TAX

<i>Tariff reference</i>	<i>Engine size</i>	<i>Rate in Malawi Kwacha</i>
All motor vehicles under Chapter 87 excluding Government owned vehicles (as classified by the Road Traffic and	0 -1500 cc	4,000
	1501-2000 cc	8,000
	2001-3000 cc	11,500
	Above 3000 cc	15,500

Safety Services Directorate) and ambulances		
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