GOVERNMENT NOTICE NO. 19

CUSTOMS AND EXCISE ACT

(CAP. 42.01)

CUSTOMS AND EXCISE (TARIFFS) (AMENDMENT) ORDER, 2017

IN EXERCISE of the powers conferred by section 83 (1) of the Customs and Excise Act, I, GOODALL EDWARD GONDWE, Minister of Finance, Economic Planning and Development, make the following Order—

1. This Order may be cited as the Customs and Excise (Tariffs) (Amendment) Order, 2017. Citation

2. The Customs and Excise (Tariffs) Order is amended in Customs Procedure Code (CPC) 4000.445 by deleting Notes (*a*) and (*b*) and substituting therefor the following Notes— Amendment of Customs Procedure Code 4000.445

(1.) A "multilateral organisation" is an international organisation whose membership is made up of member governments, who collectively govern the organisation and are its primary source of funds.

(2.) Exemption of duty on capital goods and building materials for the priority industries is subjected to approval by the Commissioner General.

(3.) "Capital Goods" means goods used to produce other goods.

(4.) "Building materials" means any material used for construction purposes.

(5.) Priority Industry: An industry which may be prescribed as priority industry under the Taxation (Priority Industries) Regulations, 2013. The following are industries designated as priority industries —

(*a*) Agro-processing.

(*b*) Electricity generation, transmission and distribution.

(6.) "Agro-processing" means the process of converting primary or raw agricultural products into consumable commodities.

(7.) "Generation" means the production of electricity for sale and the term "generate" and "generating" shall have the corresponding meanings.

(8.) "Transmission" means the conveyance of electricity from generators or an import point to distributors or large customers or an export point through a transmission power system, and the terms "transmit" and "transmitting" shall have corresponding meanings.

(A) FOR AGRO-PROCESSING

(1) Approved list of Capital Goods

(*a*) Utility motor vehicles

(i) Motor vehicles (single or double cabin), maximum of 15 vehicles for the whole period of the granted tax holiday.

(ii) Motorcycles, maximum of 50 for the whole period of the granted tax holiday.

(*b*) Machinery

(i) Heavy duty vehicles
(ii) Dozers
(iii) Excavators
(iv) Fork lifts
(v) Graders
(vi) Harvesters
(vii) Sprayers
(viii) Road rollers
(ix) Cranes
(x) Hydra
(xi) Drilling rigs
(xii) Air compressors
(xiii) Tractors implements
(xiv) Wood chippers
(xv) Hay cutters
(xvi) Grinders
(xvii) Drill
(xviii) Electric or motorised saws
(xix) Circular saws
(xx) Cutters
(xxi) Welding machines

(*c*) Safety garments

(*d*) Other equipment

(i) Diggers
(ii) Shovels
(iii) Wheel barrows
(iv) Hand tools
(v) Torches

(*e*) Soil testing laboratory equipment

(*f*) Water testing laboratory equipment

(*g*) Irrigation pumps (various)

(i) Surface pumps
(ii) Submersible pumps
(iii) Borehole pumps
(iv) Stage pumps
(v) Pressure pumps
(vi) Other pumps of similar use

(*h*) Irrigation pipes and bends (various)
- (i) High-density polyethylene (HDPE) pipes
- (ii) Polyvinyl chloride (PVC) Pipes
- (iii) Pressure pipes
- (iv) Steel pipes
- (v) Dripper pipes
- (vi) Feeder pipes
- (vii) Lateral pipes
- (viii) Bends various
- (ix) Couplers and couplings

(*i*) Irrigation valves
- (i) Straight valves
- (ii) Non return valves
- (iii) Pressure valves
- (iv) Safety valves

(*j*) Geo Membrane
- (i) Woven High- density Polyethylene (HDPE)
- (ii) Other types
- (iii) Tarpolin
- (iv) Filters
- (v) Other drip related equipment
- (vi) Dosing system

(*k*) Irrigation motors (various types)
- (i) Alternative Current (AC) or Direct Current (DC) motors

(*l*) Electrical Equipment
- (i) Switch gear
- (ii) Copper wire and cables
- (iii) Aluminium wire and cables
- (iv) Electric muffle furnace
- (v) Electric switches
- (vi) Electric light fittings
- (vii) Tubes, bulbs, Light Emitting Diode(LED), Compact Fluorescent Light (CFL) and lamps
- (viii) Solar lamp
- (ix) Solar panels and accessories
- (x) Electric drives-AC, DC
- (xi) Electric meter and measuring devices
- (xii) Alternator
- (xiii) Capacitors
- (xiv) Close circuit televisions and cameras
- (xv) Transformers and its accessories

(xvi) Aluminium conductors
(xvii) Electric fuses
(xviii) Circuit boards
(xix) Electric switch yard
(xx) Voltage regulators
(xxi) Uninterrupted power system
(xxii) Lead acid batteries
(xxiii) Batteries

(*m*) Machinery
(i) Main machinery for the intended product
(ii) Bearings
(iii) Valves
(iv) Steam boiler
(v) Turbine
(vi) Turbo alternator
(vii) Diesel generator
(viii) Pumps
(ix) Conveyor system
(x) Cranes and gantries
(xi) M.S. pipes
(xii) Stainless steel pipes
(xiii) Silo
(xiv) Packing machines
(xv) Gear box
(xvi) Tools and tackles
(xvii) Ropes and couplings
(xviii) Gauges
(xix) Digital meters
(xx) Cooling towers
(xxi) Nozzles
(xxii) Mild steel sheets, plates and rolls
(xxiii) Stainless steel plates and rolls
(xxiv) Ethanol processing machinery, distillery and accessories
(xxv) Effluent treatment plant
(xxvi) Water treatment plants
(xxvii) Reverse osmosis filtration machinery
(xxviii) Baling machine
(xxix) Wood cutting and chipping machine
(xxx) Nuts and bolts-fasteners
(xxxi) Lathe machine
(xxxii) Drilling machine and shaper machine

(xxxiii) Welding electrodes
(xxxiv) Welding gas
(xxxv) Welding accessories
(xxxvi) Cutting machines
(xxxvii) Rubber pipes
(xxxviii)Cast iron pipes
(xxxix) Nylon ropes
(xl) Lifts and hoists
(xli) Brass
(xlii) Nickel screens
(xliii) Sleeves
(xliv) Air compressor and accessories

(2) Approved list of building materials as per certified Bill of Quantities (the following items shall be under bonded store with the Authority)

(*a*) Cement
(i) Portland cement of various grades
(ii) Tile adhesive tile grout

(*b*) Construction Steel
(i) Mild Steel (MS) angle irons
(ii) Mild Steel (MS) C sections
(iii) Mild Steel hollow pipes Square
(iv) Mild Steel hollow pipes Round
(v) Nails
(vi) Screws
(vii) Steel wires (various)
(viii) Mild Steel round bars
(ix) Twisted torqued bars ton
(x) Mild Steel iron sheets (Various)
(xi) Mild Steel I section
(xii) Mild Steel T section
(xiii) Hinges
(xiv) Mild Steel purlin
(xv) Mild Steel roofing sheets

(*c*) Aggregate stone

(*d*) Beam stone

(*e*) Blocks

(*f*) Timber
(i) Shuttering plywood

(*g*) Finishing materials
(i) Paints and varnish

(ii) Doors
(iii) Windows
(iv) Plumbing materials, pipes, fittings
(v) Electrical fittings
(vi) Wires various size and types

(*h*) Air conditioners
(i) Bathroom and toilet fittings
(i) Toilet pans
(ii) Wash basins
(iii) Tiles

(*j*) Machinery
(i) Concrete mixers
(ii) Vibrators
(iii) Hand tools, wheel barrows, shovels, diggers
(iv) Block making machines
(v) Hydraform machines
(vi) Hoists
(vii) Power floaters and trimix machines
(viii) Machine tools such as grinding machines, cutting machine and drilling machine

(*k*) Furniture and fixtures
(i) Water tanks (various sizes)
(ii) Tar, bitumen and binders
(iii) Hume pipes or concrete pipe
(iv) Mild Steel pipes
(v) PVC pipes

(*l*) Fuel (under bonded tanks)
(i) Diesel
(ii) Petrol
(iii) Grease
(iv) Hydraulic fluid
(v) Transformer oil

(*m*) Office furniture

(*n*) Office equipment
(i) Desk top computer
(ii) Laptop computer
(iii) Servers
(iv) Fax machine
(v) WiFi routers
(vi) Printers
(vii) Lan equipment

(viii) Cables

(B.) FOR ELECTRICITY GENERATION, TRANSMISSION AND DISTRIBUTION

(1.) Approved list of capital goods

(*a*) Utility motor vehicles

(i) Motor vehicles (single or double cabin), maximum of 15 vehicles for the whole period of the granted tax holiday.

(*b*) Machinery

(i) Heavy duty vehicles
(ii) Dozers
(iii) Excavators
(iv) Fork lifts
(v) Graders
(vi) Road rollers
(vii) Cranes
(viii) Tractors implements
(ix) Electric or motorised saws

(*c*) Turbine assembly

(i) Generator, switch gear, transmission line conductors
(ii) Switch yard equipment, breakers
(iii) LA's, ct or pts, XLPE, cable power control
(iv) Galvanizing materials

(*d*) Bus duct enclosures

(i) Bus duct insulators
(ii) Bus duct conductors
(iii) surge protection or voltage transformer cubicle
(iv) earth transformer
(v) grounding cubicle
(vi) bolts and nuts
(vii) spares

(*e*) Cooling water system

(i) cooling water pumps
(ii) motor for above
(iii) piping 50mm
(iv) piping 100mm
(v) piping 125mm
(vi) piping 200
(vii) piping 300
(viii) valves 50mm
(ix) valves 100mm
(x) valves 200 mm

(*f*) Penstock tapping
  (i) solenoid valve 300mm
  (ii) penstock materials

(*g*) Dual strainers 400mm
  (i) non return valve 100mm
  (ii) safety relief valve

(*h*) Dypass valve
  (i) DC pump motor assembly

(*j*) Remote control panels

(*k*) Start-up panel

(*l*) Annunciation panel

(*m*) Compressor system
  (i) Compressor 10 kg/cm2
  (ii) Piping
  (iii) Non return valves
  (iv) Pressure gauges
  (v) Safety valve

(*n*) Electrical overhead crane
  (i) Auxiliary hook 10 tons
  (ii) Main hook 70 tons
  (iii) Girder 12 meters
  (iv) Tandem operating device
  (v) Control panel
  (vi) Operators cubicles

(*o*) Power transformers
  (i) Oil coolers
  (ii) Air coolers
  (iii) HV bushings
  (iv) Low Voltage ( LV) bushings
  (v) Earthing system

(*p*) Auxiliary transformers
  (i) Station transformers

(*q*) Fire fighting system
  (i) Portable fire extinguisher
  (ii) Sensors and sprinklers
  (iii) Piping and valves
  (iv) Deluge pumps- centrifugal
  (v) Deluge valves
  (vi) Flanges, hoses and boxes

(*r*) Lighting system
  (i) High bay lighting

(ii) DC emergency lighting
(iii) Flood lighting for out doors
(iv) Fluorescent lighting
(v) Control room lighting
(vi) Water proof lighting
(vii) Cables and lighting boards

(*s*) Power cables
(i) Control cables
(ii) Instrumentation cables
(iii) DC cables for lighting
(iv) Computer cables

(*t*) Low Tension AC Panels

(*u*) Low Tension DC panels

(*v*) Relay and protection panels
(i) Generator protection
(ii) Feeder protection
(iii) Transformer protection
(iv) Line protection

(*w*) Annunciation panels
(i) Change over panels
(ii) Unit control panels
(iii) Transformer control panels
(iv) Feeder control panels
(v) Synchronising equipment panel

(*x*) DC Battery and Charger (dual type)
(i) Battery 110V DC-2.0V cells
(ii) Float or trickle charger
(iii) DC board

(*y*) Spare meter, gauges etc

(*z*) Cranes
(i) Mobile cranes
(ii) Tower cranes
(iii) Welding machines and rods
(iv) Portable ovens
(v) Central ovens
(vi) Plate bending machines
(vii) Pipe bending machine
(viii)Shaping machines
(ix) Welding machines and rods

(2) The following capital items shall be under bonded stores—

(*a*) Take off gantry
  (i) Towers (lattice type)
  (ii) Insulators
  (iii) Clamps and connectors
  (iv) Aluminium conductor 100mm2

(*b*) Receiving station
  (i) Structures (lattice type)
  (ii) Insulators
  (iii) Clamps and connectors
  (iv) Aluminium conductor pipes 100mm2

(*c*) Current transformers
  (i) Potential transformers
  (ii) Lighting arrestors
  (iii) Clamps and connectors

(*d*) Generator breakers SF6 type
  (i) Feeder breakers SF6 type
  (ii) Isolators gang type
  (iii) Jumpers (aluminium)
  (iv) Clamps and connectors

(*e*) Computerised control desk
  (i) Transformer protection
  (ii) Feeder protection panels
  (iii) Grid synchronised panels

(*f*) Air conditioning system
  (i) Package type conditioners 20t
  (ii) Sensors and annunciation panels

(*g*) Air compressors

(*h*) Scada system

(*i*) Portable fire-fighting system

(*j*) Metering and monitoring export panel

(*k*) Alarm and annunciation panel

(*l*) Construction power

(*m*) Incoming distribution transformer

(3) Approved list of building materials as per certified Bill of Quantities.

(*a*) Wire rope and nylon slings

(*b*) Grinding machines

(*c*) Sandering machines

(*d*) Portable drilling machines

(*e*) Lathe machines (small)

(*f*) Vertical drilling m/c

(*g*) Compressor, drilling rig, drilling machines, Jack hammer

(*h*) Wrenches 32~100mm (under bonded stores)

(*i*) Spanners 6~32mm (under bonded stores)

(*j*) Allen keys 1~6mm (under bonded stores)

(*k*) Screw drivers, lots (under bonded stores)

(*l*) Fuel (to be under bonded tanks with Malawi Revenue Authority)
- (i) Diesel oil
- (ii) Petrol
- (iii) Turbine oil

(*m*) Liquefied Petroleum Gas (LPG), oxygen

(*n*) Cotton waste (under bonded stores)

(*o*) Binding wires (under bonded stores)

(*p*) Safety garments (under bonded stores)

(*q*) Construction steel (under bonded stores)
- (i) Plates 25mm
- (ii) Plates 20mm
- (iii) Plates 10mm
- (iv) Plates 6mm
- (v) Angles 50*50
- (vi) Angles 100*50
- (vii) Angles 100*100
- (viii) Angles 150*100
- (ix) Girders, (I BEAMS) 150mm
- (x) Girders, (I BEAMS) 300mm
- (xi) Girders, (I BEAMS) 450mm
- (xii) Reinforcement steel– 8mm,10,12,16,20,25,32.

(*r*) Cement (subject to Bill of Quantities and bonded stores)
- (i) Cement (Portland)
- (ii) Cement (quick setting)
- (iii) Concrete batching plant
- (iv) Concrete pump and pipes

(*s*) Binding wires (subject to Bill of Quantities and bonded stores)

(*t*) Shuttering materials (subject to Bill of Quantities and bonded stores)
- (i) Tin lined frames
- (ii) Scaffolding materials
- (iii) Clamps and connectors

(*u*) Winches

(*v*) Crunching plant for aggregate

(*w*) Trolleys

(*x*) Pipes (plastics, asbestos, steel, e.t.c.)

(*y*) Fencing wire and towers around camp area

(*z*) Generator for construction camp (under temporally importation)

(*aa*) Prefabricated structures homes and office rooms for construction staff (subject to Bill of Quantities and bonded stores)

(*bb*) Explosives for blasting and tunnelling

NB (1) All items not for direct use for the industry shall be under temporally importation basis.

(2) The importation or procurement of capital goods and building materials shall be allowed only during the relevant phase of the project.

(3) Building Materials: procurement of building materials shall be restricted to the construction phase of the project as prescribed in the project's business plan or Bill of Quantities .

(4) Any procurement of building materials after the expiry of the construction phase shall attract appropriate duties.

(5) Goods admitted to this procedure shall not be subsequently disposed, whether by exportation or transfer to another person, except with the approval of the Commissioner General.

Prior to any disposal by way of exportation, person exporting the goods shall furnish the Commissioner General information regarding the goods, destination of the exportation and reasons therefor.

(6) Any disposal to a person not entitled to the privilege shall attract appropriate duties due on such goods in accordance with Part III of the Customs and Excise Tariffs Order. Such duty shall be payable prior to disposal.

(7) The commissioner General may determine the value or remit a part of any specific goods which are disposed of after use in Malawi.

Made this 31st day of January,2017

GOODALL E. GONDWE
Minister of Finance, Economic Planning and Development

(FILE NO C/RPD/6/3/3/22)