

**THE CUSTOMS AND EXCISE (AMENDMENT) BILL,
2023**

MEMORANDUM

The object of this Bill is to amend the Customs and Excise Act so as to—

- (a) revise the rates of customs and excise duty payable on certain goods;
- (b) revise the list of goods to be subject to surtax at importation;
- (c) increase excise duty on non alcoholic beverages and cigarettes;
- (d) introduce excise duty on coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated, retort carbon;
- (e) revise the basis of excise duty valuation for spirits, liqueurs, and other spirituous beverages;
- (f) reduce customs duty on hybrid and electric motor vehicles and cycles;
- (g) remove customs duty on rolling stock and locomotives; and
- (h) provide for matters connected with, or incidental to the foregoing.

M. D. KABESHA,
Attorney-General

N.A.B. 25, 2023
15th November, 2023

A BILL

ENTITLED

An Act to amend the Customs and Excise Act.

ENACTED by the Parliament of Zambia

Enactment

1. (1) This Act may be cited as the Customs and Excise (Amendment) Act, 2023, and shall be read as one with the Customs and Excise Act, in this Act referred to as the principal Act.

Short title and commencement
Cap. 322

5 (2) This Act shall come into operation on 1st January, 2024.

2. Section 2 of the principal Act is amended by the—

Amendment of section 2

(a) deletion of the definition of “Deputy Commissioner and the substitution therefor of the following:

10 “Deputy Commissioner” means a Deputy Commissioner of the Customs Services Division of the Zambia Revenue Authority; and

(b) deletion of the definition “electronic device”; and

(c) insertion of the following new definitions in the appropriate places in alphabetical order:

15 “electronic invoicing system” has the meaning assigned to the words in the Value Added Tax Act;

Cap. 331

“customs seal” includes an electronic seal;

Act No. 9 of 2017

20 “insolvent” has the meaning assigned to the word in the Corporate Insolvency Act, 2017; and

Act No. 17 of 2022

N.A.B. 25, 2023

- “privatisation” has the meaning assigned to the word
in the Zambia Development Agency Act, 2022.
- Amendment of section 22 **3.** Section 22 of the principal Act is amended by the—
(a) insertion of the following new subsection immediately after subsection (2): 5
(3) Despite subsection (2), a pilot in charge of an aircraft shall before, or immediately after, departure of the aircraft deliver, electronically to the customs service division, a cargo manifest.; and
(b) renumbering of subsections (3) and (4) as subsections (4) and (5), respectively. 10
- Amendment of section 32 **4.** Section 32(4) of the principal Act is amended by the deletion of the word “fifteen” and the substitution therefor of the word “five”.
- Amendment of section 33 **5.** Section 33(1) of the principal Act is amended by the deletion of word “fifteen” and the substitution therefor of the word “five”. 15
- Amendment of section 41 **6.** Section 41(1) of the principal Act is amended by the insertion of the words “alcohol with an alcoholic content of above eighty percent,” immediately after the words “Zambia of”.
- Amendment of section 55 **7.** Section 55(3) of the principal Act is amended by the insertion of the words “made not less than ninety days before the expiry of the licence” immediately after the word “renewal”. 20
- Amendment of section 58 **8.** Section 58(4) of the principal Act is amended in paragraph (a) by the—
(a) insertion of the following new subparagraph immediately after subparagraph (iii); (iv) tobacco cutrag; and 25
(b) renumbering of subparagraph (iv) as subparagraph (v).
- Amendment of section 69 **9.** Section 69 of the principal Act is amended by the—
(a) insertion of the figure “(1)” immediately after the figure “69”; and
(b) insertion of the following new subsection: 30
(2) Despite subsection (1), a monetary deposit or security guarantee shall be required where the goods removed from a warehouse are for purposes of export in bond.

<p>10. The principal Act is amended by the repeal of section 144 and the substitution therefor of the following:</p>	<p>Repeal and replacement of section 144</p>
<p>5 144. (1) A person who is in possession of a customs seal without the authority of the Commissioner-General commits an offence.</p>	<p>Possessing, removing, altering or defacing marks or seals</p>
<p>10 (2) A person who wilfully removes a customs seal from a ship, aircraft, pipeline, vehicle, or package without the authority of an officer or contrary to the provisions of this Act, or who wilfully alters, defaces, obliterates, or imitates a mark placed by an officer on a package, commits an offence.</p>	<p></p>
<p>11. Section 145 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (2):</p>	<p>Amendment of section 145</p>
<p>15 (3) A person in charge of a ship, aircraft, or vehicle shall disclose to an officer the points on the ship, aircraft or vehicle where a customs seal may be placed.</p>	<p></p>
<p>20 (4) A person who contravenes subsection (3) commits an offence and is liable, on conviction to a fine not exceeding one hundred thousand penalty units or to imprisonment for a term not exceeding one year, or both.</p>	<p></p>
<p>12. The principal Act is amended by the repeal of section 171B and the substitution therefor of the following:</p>	<p>Repeal and replacement of section 171B</p>
<p>25 171B. (1) The Minister may, on the recommendation of the Commissioner-General, by statutory instrument, remit the whole or part of any duty, fine or interest due and which is not recoverable under this Act, where the liabilities meet the following conditions:</p>	<p>Remission of unrecovered duty, fine, etc</p>
<p>30 (a) the taxpayer is deceased and the estate is insufficient to meet the tax debt;</p>	<p></p>
<p> (b) the taxpayer's tax account is inactive for a period of ten years;</p>	<p></p>
<p> (c) the taxpayer is insolvent;</p>	<p></p>
<p>35 (d) in the case of a privatised company, the debt was incurred before privatisation, unless the contract of sale stipulates that the company's liabilities are to be carried over by the new owners; or</p>	<p></p>
<p> (e) where—</p>	<p></p>
<p> (i) a tax debt is outstanding for over ten years old;</p>	<p></p>

- (ii) the cost of collection of that tax debt is higher than the amount to be collected; and
- (iii) the tax debt is less than two hundred kwacha. 5
- (2) The Commissioner-General may, for purposes of subsection (1), request for documentary evidence as the Commissioner-General may determine.
- Amendment of section 188A **13.** Section 188A of the principal Act is amended by the deletion of the words “electronic fiscal device” wherever the words appear and the substitution therefor of the words “electronic invoicing system”. 10
- Amendment of First Schedule **14.** The First Schedule to the principal Act is amended as set out in Appendix I.
- Amendment of Second Schedule **15.** The Second Schedule to the principal Act is amended as set out in Appendix II. 15
- Amendment of Fourth Schedule **16.** The Fourth Schedule to the principal Act is amended as set out in Appendix III.
- Amendment of Fifth Schedule **17.** The Fifth schedule to the principal Act is amended in paragraph 3(1) by the deletion of the word “transaction” and the substitution therefor of the word “customs”. 20
- Amendment of Sixth Schedule **18.** The Sixth Schedule to the principal Act is amended in paragraph 1 by the—
- (a) deletion of subparagraph (2); and
- (b) renumbering of subparagraphs (3), (4), (5) and (6) as (2), (3), (4) and (5), respectively. 25

APPENDIX I
(Section 14)

FIRST SCHEDULE
(Section 72)

The First Schedule to the principal Act is amended in—

- (a) Chapter 22, in the description column of subheading 2202.10.10 by the deletion of the words “Mineral waters, not aerated” and the substitution therefor of the words “waters, including mineral waters, not aerated”;
- (b) Chapter 73, by the deletion of subheading 7308.90.90 and the substitution therefor of the following:

<i>HS Code</i>	<i>Description of Goods</i>	<i>Statistical Unit of Quantity</i>	<i>Customs Duty</i>
	--- Other		
7308.90.91	---- panels for buildings and cold room insulation	Kg	15%
7308.90.99	---- Other	Kg	15%;

- (c) Chapter 85, in the Customs Duty Rate column opposite subheading 8537.10.00 by the deletion of the figure “15%” and the substitution therefor of the figure “25%”;
- (d) Chapter 86, in the Customs Duty Rate column opposite subheadings 8601.10.10, 8601.10.90, 8601.20.10, 8601.20.90, 8602.10.00, 8602.90.00, 8606.10.00, 8606.30.00, 8606.91.00, 8606.92.00, 8606.99.00, 8607.11.00, 8607.12.00, 8608.00.10 and 8608.00.90 by the deletion of the figure “10%” and the substitution therefor of the word “free”;
- (e) Chapter 87, in the Customs Duty Rate column opposite subheadings-
 - (i) 8702.40.90 by the deletion of the figure “15%” and the substitution therefor of the word “free”;
 - (ii) 8703.80.20, 8703.80.30, 8703.80.90 by the deletion of the figure “15%” and the substitution therefor of the word “free”; and
 - (iii) 8704.60.90 by the deletion of the figure “15%” and the substitution therefor of the word “free”; and
- (f) Chapter 96, by the deletion of subheading 9619.00.90 and the substitution therefor of the following:

<i>HS Code</i>	<i>Description of Goods</i>	<i>Statistical Unit of Quantity</i>	<i>Customs Duty</i>
	--- Other		
9619.00.91	---- Baby diapers	Kg	15%
9619.00.99	---- Other	Kg	15%

APPENDIX II

(Section 15)

SECOND SCHEDULE

(Section 76)

The Second Schedule to the principal Act is amended in—

- (a) heading 1, in the Duty Rate Column opposite subheadings 2009.11.00, 2009.12.00, 2009.19.00, 2009.21.00, 2009.29.00, 2009.31.00, 2009.39.00, 2009.41.00, 2009.49.00, 2009.50.00, 2009.61.00, 2009.69.00, 2009.61.00, 2009.69.00, 2009.71.00, 2009.79.00, 2009.81.00, 2009.89.00 and 2009.90.00 by the deletion of the figure “K0.30” and the substitution therefor of the figure “K0.60”;
- (b) heading 6(3) in the Duty Rate Column opposite subheading 2207.20.90, by the deletion of the figure “125%” and the substitution therefor of the figure “60%”;
- (c) heading 7, in the Duty Rate Column opposite-
- (i) heading 24.01, by the deletion of the figure “K361” and the substitution therefor of the figure “K400”;
 - (ii) heading 24.02, by the deletion of the figure “K361” and the substitution therefor of the figure “K400”; and
 - (iii) subheadings 2403.11.00, 2403.19.10, 2403.19.90, 2403.91.00 and 2403.99.00, by the deletion of the figure “K361” and the substitution therefor of the figure “K400”;
- (d) heading 9 by the—
- (i) insertion of the following new subheading immediately after subheading (1):

<i>Heading</i>	<i>Description of Goods</i>	<i>Harmonised Commodity Description and Coding System</i>	<i>Statistical Unit of Quantity</i>	<i>Duty Rate</i>	<i>Remarks</i>
9	(2) coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon.	2704.00.00	tonne	5%	
					(ii) re-numbering of subheadings (2) and (3) as subheadings(3) and (4), respectively; and

(e) heading 14, in the Duty Rate Column opposite subheadings 8703.40.90; 8703.50.90; 8703.60.90 and 8703.70.90, by the deletion of the figure “30%” and the substitution therefor of the figure “25%”;

APPENDIX III
(Section 16)FOURTH SCHEDULE
(Section 77)

Part I of the Fourth Schedule to the principal Act is amended by—

- (a) in the surtax column opposite subheading 1107.10.30 by the insertion of the figure “5%”;
- (b) the deletion of subheadings 0404.10.00, 3923.21.99, 3923.29.99, 7005.21.00, 7005.30.00, 7202.41.00, 7217.20.00, 7226.11.00, 7306.90.00 and 7307.21.00;
- (c) in the surtax column opposite subheadings 6904.90.10, by the deletion of the figure “5%” and the substitution therefor of the figure “30%”;
- (d) in the surtax column opposite subheadings 6907.21.00, 6907.22.00, 6907.23.00, 6907.30.00 and 6907.40.00, by the deletion of the figure “20%” and the substitution therefor of the figure “30%”;
- (e) in the surtax column opposite subheading 9404.21.00, by the deletion of the figure “5%” and the substitution therefor of the figure “30%”; and
- (f) the insertion of the following subheadings in the appropriate places:

<i>HS Code</i>	<i>Description of Goods</i>	<i>Surtax rate</i>
7003.19.00	Other Non-wired sheets cast glass and rolled glass	5%
7003.30.00	profiles	5%
7004.90.00	Other glass	5%
7005.10.00	Non-wired glass, having an absorbent, reflecting or non-reflecting layer	5%
7005.29.00	Other	5%
7308.90.91	Panels for buildings and cold room insulation	5%
9619.00.91	Baby diapers	5%

