

**THE CUSTOMS AND EXCISE (AMENDMENT)
BILL 2020**

MEMORANDUM

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

- (a) reduce the customs duty on selected agriculture equipment and inputs;
- (b) increase the customs duty on selected agriculture products;
- (c) provide for a deduction mechanism for excise duty paid on airtime by service providers;
- (d) provide for a time frame for pre-clearance for imported goods through a customs aerodrome;
- (e) remove the customs duty on copper ores and concentrates;
- (f) introduce selected goods surtax on imported ethyl alcohol;
- (g) introduce excise duty on reconstituted milk; and
- (h) provide for matters connected with, or incidental to, the foregoing.

A. MWANSA,
Solicitor-General

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, 2020, 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

5 (2) This Act shall come into operation on 1st January, 2021.

Cap. 322

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

Amendment of section 2

(a) deletion of the definition of “used Motor Vehicle” and the substitution therefor of the following:

10 “used motor vehicle” means a motor vehicle that is at least two years old and which has been previously registered before importation but does not include a used high performance motor vehicle; and

(b) insertion of the following new definition in the appropriate place in alphabetical order:

15 “used high performance motor vehicle” means a motor vehicle which has been previously registered before importation principally designed for the transportation of persons with—

20 (a) a sitting capacity of less than ten persons; and

(b) engine capacity of at least 3800cc and horsepower of at least four hundred and fifty.

Amendment
of section
32B

3. Section 32B (1) of the principal Act is amended by the—
(a) insertion of the following new paragraph immediately after paragraph (a):

(b) require a person intending to import goods through a customs aerodrome, to make a declaration, in the prescribed manner and form, within twenty-four hours before the goods arrive at the customs aerodrome; and

- (b) renumbering of paragraph (b) and (c) as (c) and (d) respectively.

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Amendment
of section
77

4. Section 77 of the principal Act is amended—
(a) in subsection (5), by the deletion of paragraph (d) and the substitution therefor of the following:

(d) registered in the Republic.;

- (b) by the deletion of subsection (6) and the substitution therefor of the following:

(6) The Commissioner-General shall issue a carbon emission tax certificate on payment of surtax which shall be in force from the date of issue until, in the case of—

(a) an annual certificate, the last day of a twelve month period beginning on the first day of the quarter in which the certificate was issued;

(b) a halfyearly certificate, the last day of a six month period beginning on the day of the quarter in which the certificate was issued; or

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(c) a quarterly certificate, the last day of the quarter in which the certificate was issued.; and

(c) by the deletion of subsections (8) and (9).

Amendment
of section
84C

5. Section 84C of the principal Act is amended in—
(a) subsection (1), by the deletion of the words “imported goods, or” immediately after the words “respect of”;
- (b) subsection (4), by the deletion of paragraph (c); and
- (c) subsection (5), by the deletion of the words “paragraphs (a), (b) and (c)” and the substitution therefor of the words “paragraphs (a) and (b)”.

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6. Section 108 of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following: Amendment of section 108
- (2) Where in a return made pursuant to this section, it is claimed that goods, on which excise duty has been paid, have been used as inputs in the manufacture of goods that are subject to excise duty and the Commissioner-General is satisfied that the claim is correctly made and supported by auditable management processes and records, the Commissioner-General may allow the duty so paid to be deducted from the duty due in that return.
7. Section 113 of the principal Act is amended in subsection (1) by the insertion of the word “distributing” immediately after the word “manufacturing”. Amendment of section 113
8. Section 115 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following: Amendment of section 115
- (1) An officer may supervise any activity connected with the manufacture, distribution or disposal of goods liable to excise duty or surtax.
9. Section 118 (1) of the principal Act is amended by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”. Amendment of section 118
10. Section 119 of the principal Act is amended in— Amendment of section 119
- (a) subsection (1), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”; and
- (b) subsection (4), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”.
11. Section 132 (b) of the principal Act is amended by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”. Amendment of section 132
12. Section 138 (1) of the principal Act is amended in— Amendment of section 138
- (a) paragraph (a), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”; and
- (b) paragraph (b), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”.

Amendment
of section
139D**13.** Section 139D of the principal Act is amended—

(a) by the insertion of the following new subsection immediately after subsection (2):

(3) A service provider may make a claim for a deduction in a return submitted under this section that excise duty has been paid on airtime that is sold and the Commissioner-General may allow the duty paid to be deducted from the duty due in that return if the Commissioner-General is satisfied that the claim is correctly made and supported by auditable management processes and records.;

(b) in subsection (5), by the deletion of the words “subsection (4)“ and the substitution therefor of the words “subsection (5)“;

(c) in subsection (6), by the deletion of the words “subsection (5) the duty specified in the assessment made under subsection (4)” and the substitution of the words “subsection (6) the duty specified in the assessment made under subsection (5)”;

(d) by the re-numbering of subsections (3), (4), (5) and (6) as subsection (4), (5), (6) and (7) respectively.

Amendment
of section
139 I**14.** Section 139I (1) of the principal Act is amended in—

(a) paragraph (a), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”; and

(b) paragraph (b), by the deletion of the words “Customs Services Division” and the substitution therefor of the words “Commissioner-General”.

Amendment
of section
141**15.** Section 141 is amended in—

(a) subsection (1)—

(i) by the deletion of paragraph (a) and the substitution therefor of the following:

(a) produces any false invoice or an invoice framed so as to deceive, or makes any false representation in regard to the nature, the quantity or the value of any goods or services or the country in which such goods were grown, produced, or manufactured or services provided;

(ii) paragraph (e), by the insertion of the words “or services” immediately after the word “goods”;
and

5 (iii) paragraph (f), by the insertion of the words “or services” immediately after the word “goods”;
and

(b) subsection (2)—

10 (i) paragraph (b), by the insertion of the words “or services” immediately after the word “goods”;
and

(ii) by the deletion of paragraph (c) (ii) and the substitution therefor of the following:

15 (ii) that duty on the goods or services had not been paid or secured or that the goods or services had not been accounted for in terms of this Act or any law relating to customs or excise;.

16. Section 188 of the principal Act is amended—

Amendment
of section
188

20 (a) in subsection (1), by the deletion of the words “dealing in goods which are imported or exported or” and the substitution therefor of the words “dealing in, goods which are imported or exported or, goods or services”;
and

(b) by the deletion of subsection (2) and the substitution therefor of the following:

25 (2) A person required to keep a record under subsection (1) shall—

30 (a) if required at any time within the period of six years from the date of the importation, exportation, manufacture or purchase of any goods or the provision of any services, produce the records, including electronic documents, containing the particulars regarding the goods or services; and

35 (b) allow an officer to inspect the records, including electronic documents referred under paragraph (a).

17. The First Schedule to the principal Act is amended as set out in Appendix I.

Amendment
of First
Schedule

Amendment
of Second
Schedule

18. The Second Schedule to the principal Act is amended as set out in Appendix II.

Amendment
of Fourth
Schedule

19. The Fourth Schedule to the principal Act is amended—
(a) by the deletion of Part I and the substitution therefor of 5
Part I as set out in Appendix III;
(b) in Part II(A), by the deletion of the heading in column
four and the substitution therefor of the heading “Surtax
Rate Per Quarter”; and
(c) in Part III, by the deletion of tariff subheading 2207.10.00. 10

Amendment
of Ninth
Schedule

20. The Ninth Schedule to the principal Act is amended by the deletion of subheading 4103.20.00.

APPENDIX I

(Section 17)

FIRST SCHEDULE

(Section 72)

CUSTOMS TARIFF

1. Chapter 2 is amended by the deletion of the figure “25%” in the Customs Duty Rate column opposite subheadings 0201.10.00, 0201.20.00, 0201.30.00, 0202.10.00, 0202.20.00, 0202.30.00, 0203.11.00, 0203.12.00, 0203.19.00, 0203.21.00, 0203.22.00, 0203.29.00, 0206.10.00, 0206.21.00, 0206.22.00, 0206.29.00, 0206.30.00, 0206.41.00, 0206.49.00, 0207.11.00, 0207.12.00, 0207.13.00, 0207.14.00, 0210.11.00, 0210.12.00, 0210.19.00 and 0210.20.00 and the substitution therefor of the figure “40%”.

2. Chapter 3 is amended by the deletion of the figure—

(a) “25%” in the Customs Duty Rate column opposite headings 0301, 0302, 0303, 0304, 0306, 0307, 0308 and the substitution therefor of the figure “40%”; and

(b) “15%” in the Customs Duty Rate column opposite heading 0305 and the substitution therefor of the figure “40%”.

3. Chapter 4 is amended—

(a) by the deletion of heading 0401 and the substitution therefor of the following:

<i>HS Code</i>	<i>Description of Goods</i>	<i>Stat. Unit of Qty.</i>	<i>Customs DutyRate</i>
0401.	Milk and cream, not concentrated or containing added sugar or other sweetening matter		
	-Of a fat content, by weight, not exceeding 1%:		
	---Milk		
0401.10.11	----Unreconstituted or unrecombined	Litre	25%
0401.10.12	----Reconstituted or recombined	Litre	25%
0401.10.20	---Cream	Kg	25%
	Of a fat content, by weight, exceeding 1% but not exceeding 6%:		
	--Milk		
0401.20.11	----Unreconstituted or unrecombined	Litre	25%
0401.20.12	----Reconstituted or recombined	Litre	25%
0401.20.20	---Cream	Kg	25%
	-Of a fat content, by weight, exceeding 6%: but not exceeding 10%:		
	---Milk		
0401.20.11	----Unreconstituted or unrecombined	Litre	25%
0401.20.12	----Reconstituted or recombined	Litre	25%
0401.20.20	---Cream	Kg	25%
	-Of a fat content, by weight, exceeding 10%:		
	---Milk		
0401.20.11	----Unreconstituted or unrecombined	Litre	25%
0401.20.12	----Reconstituted or recombined	Litre	25%
0401.20.20	---Cream	Kg	25% ; and

- (b) in heading 0402 by the deletion of the figure “25%” in the Customs Duty Rate column opposite subheadings 0402.10.90, 0402.21.20, 0402.21.90, 0402.29.30, 0402.29.40, 0402.91.20 and 0402.91.90 and the substitution therefor of the figure “15%”.
4. Chapter 6 is amended in heading 0601 by the deletion of the figure “25%” in the Customs Duty Rate column opposite tariff subheadings 0601.10.00 and 0601.20.00, and the substitution therefor of the word “free”.
5. Chapter 16 is amended by the deletion of the figure “25%” in the Customs Duty Rate column opposite subheadings 1601.00.00, 1602.10.00, 1602.20.00, 1602.32.00, 1602.41.00, 1602.42.00 and 1602.49.00 and the substitution therefor of the figure “40%”.
6. Chapter 26 is amended by the deletion of the figure “5%” in the Customs Duty Rate column opposite tariff subheadings 2603.00.11, 2603.00.12, 2603.00.13, 2603.00.19, 2603.00.21, 2603.00.22, 2603.00.23 and 2603.00.29 and the substitution therefor of the word “free”.
7. Chapter 39 is amended by the—
- (a) deletion of the figure “15%” in the Customs Duty Rate column opposite tariff subheading 3921.11.30 and the substitution therefor of the word “free”; and
 - (b) insertion of the words “with or without handles” immediately after the word “shopping” in the description column opposite tariff subheading 3923.21.91 and 3923.29.91
8. Chapter 52 is amended by the deletion of the—
- (a) figures and words “*15% or KR3. 50 per kg whichever is greater” in the Customs Duty Rate column opposite tariff subheadings: 5208.11.90, 5208.12.90, 5208.19.90, 5208.29.00, 5208.31.00, 5208.32.00, 5208.33.00, 5208.39.00, 5208.41.00, 5208.42.00, 5208.49.00, 5208.51.00, 5208.52.00 and 5208.59.00 and the substitution therefor of the figure “K1.82 per Kg”; and
 - (b) figure “15%” in the Customs Duty Rate column opposite tariff subheadings: 5208.13.00, 5208.21.00, 5208.22.00, 5208.23.00 and 5208.43.00 and the substitution therefor of the figure “K1.82 per Kg”.
9. Chapter 55 is amended by the deletion of the—
- (a) figure “15%” in the Customs Duty Rate column opposite tariff subheadings: 5513.11.00, 5513.12.00, 5513.13.00, 5513.21.00, 5513.23.00, 5513.31.00, 5513.41.00 and 5513.49.00 and the substitution therefor of the figure “K1.82 per Kg”;
 - (b) figures and words “*15% or K3.5 whichever is the greater” in the Customs Duty Rate column opposite tariff subheadings 5513.19.90, 5513.29.90 and 5513.39.90 and the substitution therefor of the figure “K1.82 per Kg”; and
 - (c) figure “15%” in the Customs Duty Rate column opposite tariff subheadings 5514.11.00, 5514.12.00, 5514.19.00, 5514.21.00, 5514.22.00, 5514.23.00, 5514.29.00, 5514.30.00, 5514.41.00, 5514.42.00, 5514.43.00, 5514.49.00 and the substitution therefor of the figure “K1.82 per Kg”.
10. Chapter 58 is amended by the deletion of the figure “25%” in the Customs Duty Rate column opposite tariff subheadings 5808.10.00 and 5808.90.00 and the substitution therefor of the figure “5%”.
11. Chapter 60 is amended by the deletion of the figure “25%” in the Customs Duty Rate column opposite tariff subheadings 6002.40.00 and 6002.90.00 and the substitution therefor of the figure “5%”.

12. Chapter 68 is amended by the deletion of the figure “5%” in the Customs Duty Rate column opposite tariff subheading 6806.20.00 and the substitution therefor of the word “free”.
13. Chapter 82 is amended by the deletion of the—
 (a) figure “15%” in the Customs Duty Rate column opposite tariff subheading 8201.50.00 and the substitution therefor of the figure “5%”; and
 (b) figure “25%” in the Customs Duty Rate column opposite tariff subheading 8214.90.10 and the substitution therefor of the figure “5%”.
14. Chapter 85 is amended by the deletion of the figure “5%” in the Customs Duty Rate column opposite tariff subheading 8510.20.10 and the substitution therefor of the word “free”.
15. Chapter 87 is amended by the deletion of the figures and words “30% of K6, 000 whichever is greater” in the Customs Duty Rate column opposite subheading numbers 8703.80.90 and the substitution thereof of the figure “15%”.

APPENDIX II
(Section 18)

SECOND SCHEDULE
(Section 76)

EXCISE TARIFF

1. The Second Schedule is amended—
 (a) in heading 7 by the deletion of the figure “K265 “ in the Excise Duty Rate column opposite each subheading under heading 2402 and the substitution therefor of the figure “K302 “;
 (b) by the deletion of heading 12 and the substitution therefor of the following:

Heading	Description of Goods	Harmonised Commodity Description and Coding System Heading	Statistical Unit of Quantity	Duty Rate
12	1) Carrier bags for shopping with or without handles	3923.21.91	Kg	30%
	2) Carrier bags for shopping with or without handles	3923.29.91	Kg	30%
(c) by the insertion of the following new heading immediately after heading 13:				
Heading	Description of Goods	Harmonised Commodity Description and Coding System Heading	Statistical Unit of Quantity	Duty Rate
14	(1) Reconstituted or recombined milk of a fat content, by weight, not exceeding 1%	0401.10.12	Litre	K1.50/ltr
	(2) Reconstituted or recombined milk of a fat content, by weight, exceeding 1% but not exceeding 6%.	0401.20.12	Litre	K1.50/ltr

(3) Reconstituted or recombined milk of a fat content, by weight, exceeding 6% but not exceeding 10%. 0401.40.12	Litre	K1.50/ltr
(4) Reconstituted or recombined milk of a fat content, by weight, exceeding 10%. 0401.50.12	Litre	K1.50/ltr

APPENDIX III
(Section 19)FOURTH SCHEDULE
(Section 77)

PART I

(A) SURTAX TARIFF ON IMPORTED GOODS GENERALLY

<i>Description of Goods</i>	<i>SurtaxRate</i>
Goods other than goods specified in Parts I (B), II and III of this Schedule	5%

(B) SURTAX TARIFF ON IMPORTED GOODS GENERALLY

<i>HS Code</i>	<i>Description of Goods</i>	<i>Surtax rate</i>
2207.10.00	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% volume or higher	20%