

**THE CUSTOMS AND EXCISE (AMENDMENT)
BILL, 2022**

MEMORANDUM

The object of this 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) provide for the use of electronic fiscal device in the administration of excise duty;
- (d) reduce customs duty on electric motor vehicles and cycles and;
- (e) provide for matters connected with, or incidental to, the foregoing.

M. D. KABESHA,
Attorney-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, 2022, 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, 2023.

(3) Despite subsection (2), section 188A shall come into operation on a date appointed by the Minister by statutory instrument.

2. Section 2 of the principal Act is amended—

Amendment of section 2

10 (a) by the deletion of the definitions of “manufacture” and “manufacturer” and the substitution therefor of the following:

15 “manufacture” in relation to goods liable to excise duty or surtax, other than imported goods, includes the mixing, brewing, distilling, packaging, extraction, production or refining of goods liable to excise duty or surtax; and

20 “manufacturer in relation to goods liable to excise duty or surtax, other than imported goods” includes any person who is required to be licensed in terms of section 93 and any person who mixes, brews, distils, packages, extracts, produces or

refines goods liable to excise duty or surtax or who employs others to do so on account of such person and “licensed manufacturer” and cognate expressions shall be construed accordingly;; and 5

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

“competent authority” means a person, office or institution responsible for customs in another State; 10

“electronic fiscal device” has the meaning assigned to the words in the Value Added Tax Act; and

“Licensing Committee” means the Licensing Committee established under section 182B.

Amendment
of section
32B

3. Section 32B (2) of the principal Act is amended by the deletion of the word “five” and the substitution therefor of the word “three”. 15

Amendment
of section
84C

4. Section 84C (2)(a) of the principal Act is amended by the insertion of the words “at least” immediately before the word “five”.

Amendment
of section 93

5. Section 93 of the principal Act is amended by the— 20

(a) insertion of the following new subsection immediately after subsection (1):

(2) Despite subsection (1), the Minister may, by statutory instrument, prescribe the goods that may be exempt from the requirement of obtaining a licence. ; 25
and

(b) renumbering of subsections (2) and (3) as subsections (3) and (4), respectively.

Amendment
of section
151

6. Section 151 of the principal Act is amended by the insertion of the following new paragraph immediately after paragraph (l): 30

(m) fraudulently charges excise duty or surtax on goods or services contrary to the provisions of this Act;.

7. The principal Act is amended by the insertion of the following new section immediately after section 182A: Insertion of section 182B
- 182B. (1) There is established a Licensing Committee which shall review and approve an application for a licence to carry on the business of customs clearing and forwarding agent. Establishment of Licensing Committee
- 5
- (2) The composition, tenure of office, proceedings, allowances and other matters connected with the Licensing Committee shall be prescribed.
- 10 8. The principal Act is amended by the insertion of the following new section immediately after section 188: Insertion of section 188A
- 188A. (1) A licensee and service provider shall use an electronic fiscal device to record each sale or transaction relating to goods and services liable to excise duty. Use of electronic fiscal device by licensee and service provider
- 15 (2) Despite subsection (1), the CommissionerGeneral may approve the use of a document, device or equipment, other than an electronic fiscal device, for a certain category of licensees or service providers.
- (3) A licensee or service provider shall issue a tax invoice using an electronic fiscal device for the sale of goods or services rendered. Use of electronic fiscal device by licensee and service provider
- 20
- (4) Despite subsection (3), the CommissionerGeneral may approve the issuance of a tax invoice using an approved computer application or preprinted tax invoice by a licensee or service provider.
- 25
- (5) A licensee or service provider that contravenes this section commits an offence and is liable, on conviction, in the case of a—
- (a) first offence, to a penalty not exceeding one hundred thousand penalty units;
- 30 (b) second offence, to a penalty not exceeding two hundred thousand penalty units; and
- (c) third or subsequent offence, to a penalty not exceeding three hundred thousand penalty units, or to imprisonment for a term not exceeding three years, or to both.
- 35

Insertion of section 197A	<p>9. The principal Act is amended by the insertion of the following new section immediately after section 197:</p>	
Reciprocity with competent authority	<p>197A. The Authority may, for the purposes of exchanging information on customs matters or for mutual assistance in customs matters, enter into arrangements with a competent authority for sharing information on a reciprocal basis with that competent authority.</p>	5
Amendment of section 198	<p>10. Section 198(2) of the principal Act is amended by the insertion of the following paragraph immediately after paragraph (i):</p> <p style="padding-left: 40px;">(j) the supply and use of electronic fiscal device or other equipment in recording of sales and services.</p>	10
Amendment of First Schedule	<p>11. The First Schedule to the principal Act is amended as set out in Appendix I.</p>	
Amendment of Second Schedule	<p>12. The Second Schedule to the principal Act is amended as set out in Appendix II.</p>	15
Amendment of Fourth Schedule	<p>13. The Fourth Schedule to the principal Act is amended as set out in Appendix III.</p>	
Amendment of Seventh Schedule	<p>14. The Seventh Schedule to the principal Act is amended by the deletion of paragraph 2 and the substitution therefor of the following:</p> <p style="padding-left: 40px;">2. For the purposes of paragraph 1—</p> <p style="padding-left: 80px;">(a) the value of air time which is disposed of free of charge shall be deemed to be the value that would have been applicable if the air time had been sold to the final consumer in ordinary course of business; and</p> <p style="padding-left: 80px;">(b) “price” means the aggregate of all amounts paid or payable by the buyer to, or for, the benefit of the seller in respect of the services.</p>	20

APPENDIX I
(Section 11)FIRST SCHEDULE
(Section 72)

1. Chapter 1 is amended by the deletion of subheading 0106.49.00 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 Rate</i>
	—Other:		
0106.49.10	—Biological control agents used in agriculture	No.	free
0106.49.90	—Other	No.	5%

2. Chapter 27 is amended in the customs duty rate column opposite
- (a) subheading 2703.00.00, by the deletion of the figure “15%” and the substitution therefor of the word “free”; and
- (b) subheadings 2710.12.10 and 2710.19.10, by the deletion of the figure “25%” and the substitution therefor of the word “free”.
3. Chapter 39 is amended by the insertion of the following new subheading immediately after subheading 3926.90.91:

<i>HS Code</i>	<i>Description of Goods</i>	<i>Statistical Unit of Quantity</i>	<i>Customs Duty Rate</i>
3926.90.92	poultry drinkers	No.	free
3926.90.93	poultry feeders	No.	free

4. Chapter 73 is amended in the customs duty rate column opposite subheading 7311.00.00, by the deletion of the figure “15%” and the substitution therefor of the word “free”.
5. Chapter 76 is amended in the customs duty rate column opposite subheading 7613.00.00, by the deletion of the figure “15%” and the substitution therefor of the word “free”.
6. Chapter 87 is amended in the customs duty rate column opposite subheading
- (a) 8704.60.10, by the deletion of the figure “30%” and the substitution therefor of the figure “15%”;
- (b) 8711.60.00, by the deletion of the figure “25%” and the substitution therefor of the figure “15%”; and
- (c) 8712.00.00, by the deletion of the figure “25%” and the substitution therefor of the figure “15%”.

APPENDIX II
(Section 12)SECOND SCHEDULE
(Section 76)

1. The Second Schedule is amended—
- (a) in heading 6(2), in the duty rate column opposite subheading 2207.20.10, by the deletion of the figure “125%” and the substitution therefor of the figure “60%”;
- (b) in heading 7, in the duty rate column opposite—
- (i) heading 24.01, by the deletion of the figure “K355” and the substitution therefor of the figure “K361”;
- (ii) heading 24.02, by the deletion of the figure “K355” and the substitution therefor of the figure “K361”; 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 “K355” and the substitution therefor of the figure “K361”;
- (c) by the deletion of heading 12 and the substitution therefor of the following:

<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>
12	Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter	3918	kg	15%
	Office or school supplies	3926.10.00	kg	15%
	Articles and clothing accessories, not elsewhere specified, for use in the textile industry	3926.20.10	kg	15%
	Other	3926.20.90	kg	15%
	Fittings for furniture, coachwork of the like	3926.30.00	kg	15%
	Statuettes and other ornamental articles	3926.40.00	kg	15%
	Other	3926.90.99	kg	15% ;

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<i>Heading</i>	<i>Description</i>	<i>Harmonised Commodity Description and Coding System</i>	<i>Statistical Unit of Quantity</i>	<i>Duty Rate</i>
13	Electronic cigarettes and similar personal electric vaporising devices	8543.40.00	kg	145%; and

(e) renumbering of headings 13 and 14 as headings 14 and 15, respectively.

APPENDIX III
(Section 13)FOURTH SCHEDULE
(Section 77)

1. The Fourth Schedule is amended-
(a) in Part I by the insertion of the following goods in the appropriate places:

PART I

SURTAX TARIFF ON IMPORTED GOODS GENERALLY

<i>HS Code</i>	<i>Description of Goods</i>	<i>Surtax Rate</i>
2701.11.00	Anthracite	5%
2701.12.00	Bituminous coal	5%
2701.19.00	Other coal	5%
2701.20.00	Briquettes, ovoids and similar solid fuels manufactured from coal	5%
3917.21.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
3917.22.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
3917.23.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
3917.23.20	Rigid, of an internal diameter not exceeding 30.00mm	5%
3917.29.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
3917.31.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
3917.32.10	Garden hose of an internal diameter not exceeding 30.00mm	5%
6907.21.00	Flags and paving, hearth or wall tiles, other than those of subheadings 6907.30 and 6907.40 of a water absorption coefficient by weight not exceeding 0.5%	20%
6907.22.00	Flags and paving, hearth or wall tiles, other than those of subheadings 6907.30 and 6907.40 of a water absorption coefficient by weight exceeding 0.5% but not exceeding 10%	20%
6907.23.00	Flags and paving, hearth or wall tiles, other than those of subheadings 6907.30 and 6907.40 of a water absorption coefficient by weight exceeding 10%	20%
6907.30.00	Mosaic cubes and the like, other than those of subheading 6907.40	20%
6907.40.00	Finishing ceramics	20%
6907.90.00	Other	20%
8716.39.00	Other	10%; and

(b) by the deletion of Part II (A) and the substitution thereof of the following:

PART II

(A) SURTAX TARIFF ON MOTOR VEHICLE EMISSIONS

<i>Description of Goods</i>	<i>HS Tariff item under which classified</i>	<i>Statistical unit of quantity</i>	<i>Surtax Rate Per Quarter</i>	
Carbon emissions from vehicles of headings:			Engine Capacity	Unit Tax (Fee units)
(1) EX.87.01 Tractors (Mechanical horses & similar tractive units)	EX.87.01	No.	Motor Cycles	616
			0-1500cc	616
(2) 8702, 8703 and 8704 excluding emissions from vehicles propelled by non-pollutant energy sources, ambulances and prison vans	702, 8703 and 8704	No.	1501-2000cc	1232
			2001-3000cc	1760
			3001cc and above	2420

