

# SUMMARY OF THE BUDGET CHANGES FOR 2023

The Zambia Revenue Authority (ZRA) wishes to notify the Customs clearing and forwarding industry, and the general public of the following budget highlights under the Customs Services Division which came into effect on **1<sup>st</sup> January 2023**.

## 1. AMENDMENT OF SECTION 32B OF THE CUSTOMS AND EXCISE ACT CAP 322.

This amendment reduces the time between assessment and payment of duty to three (3) days from five (5) days and subsequently reduce the dwell time at the border and enhance trade facilitation.

## 2. INTRODUCTION OF A NEW SECTION 182B IN THE CUSTOMS AND EXCISE ACT TO PROVIDE A LEGAL BASIS FOR A LICENSING COMMITTEE.

This is intended to provide for a legal framework for the establishment of an independent body to be known as the “Licensing Committee” to review and approve applications to licence persons to carry on the business of customs clearing and forwarding agent.

## 3. THE AMENDMENT OF THE FIRST SCHEDULE (CUSTOMS SCHEDULE) TO THE CUSTOMS AND EXCISE ACT CAP 322.

The amendments introduce new tariff headings and revise duty rates of some products in the Schedule. The changes are as follows:

- a) **Chapter 1**- the introduction of new tariff subheading 0106.49.10 for biological control agents used in agriculture with a corresponding customs duty rate of “free”.
- b) **Chapter 26** – the introduction of four (4) new tariff subheadings under tariff heading 2608 (Zinc ores and concentrates).
- c) **Chapter 27** - removal of customs duty applicable on peat moss of **2703.00.00**, petrol of **2710.12.10** and diesel of **2710.19.10**.
- d) **Chapter 39** – introduction of two new tariff subheadings immediately after tariff subheadings 3926.90.91. The new tariff lines introduced are as follows;

HS CODE	DESCRIPTION OF GOODS	STATISTICAL UNIT OF QUANTITY	CUSTOMS DUTY RATES
3926.90.92	Poultry drinkers	No	Free
3926.90.93	Poultry feeders	No	Free

- e) **Chapter 73** – removal of 15% customs duty on gas cylinders of tariff subheading 7311.00.00.
- f) **Chapter 76** – removal of 15% customs duty on gas cylinders of tariff subheading 7613.00.00.
- g) **Chapter 87** – reduction of customs duty to 15% on electric vehicles of 8704.60.10, 8711.60.00 and bicycles of 8712.00.00.

## 4. AMENDMENT OF THE SECOND SCHEDULE (EXCISE SCHEDULE) TO CUSTOMS AND EXCISE ACT CAP 322.

The amendment introduces and revises the excise duty rates of some products in the Schedule. The changes are as follows:

- (a) **Chapter 22** – reduction of Excise duty rates from 125% to 60% on methylated spirit of tariff subheading 2207.20.10.

### (b) Chapter 24:

- (i) Increase of specific excise duty rates on unmanufactured tobacco; tobacco refuse of tariff heading 24.01 from K355 per Kg to K361 per Kg.

- (ii) Increase of specific excise duty rates on Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes of tariff heading 24.02 from K355 per mille to K361 per mille.
- (iii) Increase of specific excise duty rates on Water pipe tobacco specified in subheading Note 1 to this chapter, Cutrag, Other manufactured tobacco and manufactured tobacco substitutes; “homogenised” or “reconstituted” tobacco extracts and essences of tariff heading 24.03 from K355 per Kg to K361 per Kg.

**(c) Chapter 39** – amendment of Heading 12 of the Excise Schedule by the insertion of the following new plastic products to be subjected to 15% excise duty:

- (i) All floor coverings of tariff heading 3918.
- (ii) Office or school supplies of tariff subheading 3926.10.00.
- (iii) Articles of and clothing accessories for use in the textile industry of tariff subheading 3926.20.10.
- (iv) Other plastic articles of 3926.20.90.
- (v) Fittings for furniture, coachwork or the like of tariff subheading 3926.30.00.
- (vi) Statutes and other ornamental articles of tariff subheading 3926.40.00.
- (vii) Other articles of plastic of tariff subheading 3926.90.99.

**(d) Chapter 85** – the introduction of an ad valorem duty of 145% on Electronic cigarettes and similar personal vaporising devices of tariff subheading 8543.40.00.

## **5. AMENDMENT OF THE FOURTH SCHEDULE TO THE CUSTOMS AND EXCISE ACT CAP 322.**

The amendment introduces new products and revises duty rates of some products in the Schedule. The changes are as follows:

### **A. Part I of the Surtax Schedule:**

- (i) **Chapter 2** - Increase of surtax rates from 5% to 10% for boneless meat of tariff subheadings 0201.30.00, 0202.30.00, 0204.23.00 and 0204.43.00.
- (ii) **Chapter 27** – introduction of 5% surtax on coal of tariff heading 2701.
- (iii) **Chapter 39** - introduction of 5% surtax on garden hose pipes of an internal diameter not exceeding 30.00 mm of tariff heading 3917.
- (iv) **Chapter 69** - increase of 20% the surtax on imported floor and wall tiles of tariff heading 6907.
- (v) **Chapter 87** - introduction of 10% surtax on trailers of 8716.39.00.

### **B. Part II of the Surtax Schedule:**

- (a) **Chapter 87** - increase of 10% in carbon emission surtax on motor vehicle emissions.

## **6. AMENDMENT OF THE NINTH SCHEDULE OF THE CUSTOMS AND EXCISE ACT CAP 322**

The amendment introduces four new tariff subheadings in the Schedule and subject the Zinc Ores to 10% export duty while the export duty rate for Zinc concentrates will be free.