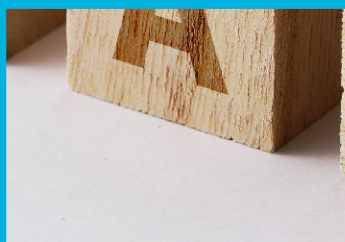




**ZAMBIA
REVENUE
AUTHORITY** | *My Tax
Your Tax
Our Destiny*



EXCISE GUIDE 2023

FOREWORD

Each country in the world needs revenue to provide health, education, good roads, and a wide range of social services for all its citizens and one of the ways Government is able to provide the above services is through taxation.

Local Excise is administered by the Indirect Taxes and Excise Division of the Zambia Revenue Authority (ZRA). The primary Law relating to Importations and Local Excise sits in the Customs and Excise Act, Chapter 322 of the Laws of Zambia. The subsidiary legislation comprises General Regulations made by the Minister through Statutory Instruments, the Customs and Excise Tariff Guide and the Administrative Rules drawn by the Commissioner-General through Gazette Notices.

The purpose of this guide is to provide general guidance and it does not replace or amend the law. Further, the guidance is not exhaustive and does not, therefore affect any person's right of appeal on any aspect concerning their liability to tax, nor does it preclude any discretionary treatment which may be allowed under the Act.



DINGANI BANDA

COMMISSIONER-GENERAL

CONTENTS

1.0	INTRODUCTION	4
1.1	Definition of Excise Duty	4
1.2	Taxpayers liable to register and pay Excise Duty	4
2.0	PRODUCTS LIABLE TO EXCISE DUTY	4
2.1	Excisable Goods	4
2.2	Excisable Services	6
3.0	THE APPLICABLE DUTY RATES, TAXING POINT AND VALUATION FOR EXCISE DUTY PURPOSES	6
3.1	Applicable Rates	6
3.2	Taxing Point	6
3.3	Valuation for Excise Duty Purposes	6
4.0	REGISTRATION AND LICENSING OF EXCISE MANUFACTURERS AND OPERATORS/DEALERS	8
4.1	Legal Provisions for Registration and Licensing	8
4.2	Exemption from Registration or Manufacturing Licence Requirement	9
4.3	The Registration and Licensing Process	9
5.0	CLAIMS OF EXCISE INPUT DUTY	11
5.1	Goods	11
5.2	Services	11
6.0	EXPORT PROCEDURE FOR EXCISABLE GOODS	11
7.0	OBLIGATIONS OF TAXPAYERS	11
7.1	Return submission and payments	12
7.2	Record keeping	12
7.3	Notice on suspension of operations/closure of plant	12
7.4	Notice for approval of alterations to the plant	13
7.5	Display a valid licence at the manufacturing premises	13
7.6	Use of Electronic Fiscal Device in administering Local Excise Duty	13
8.0	CIGARETTE TAX STAMPS	13
8.1	Procedure for obtaining Cigarette Tax Stamps	14
8.2	Accounting for Tax Stamps	14
9.0	REBATES, REFUNDS AND REMISSIONS OF DUTY	14
9.1	Refunds and Remissions	14
9.2	Diplomatic Personnel	15
9.3	Diplomatic Mission	15
9.4	Zambia Defence Forces	16
10.0	APPEALS AND REQUESTS FOR REVIEW	16
10.1	The Review and Appeal Processes	16
10.2	Appealable Matters	17
11.0	APPENDIX	18

1.0 INTRODUCTION

This guide provides information on the administration of Local Excise Duty, the registration and licensing requirements for products subject to Excise Duty, inclusive of the existing opportunities for rebates, refunds and remission of Excise Duty.

1.1 Definition of Excise Duty

This is a tax on particular goods or products or on a limited range of goods or products, whether imported or produced domestically, which may be imposed at any stage of production or distribution, by reference to the weight, strength, or quantity of the goods or products, or by reference to their value and includes a tax on particular services.

However, under the current legislative provisions, manufacturers of and dealers in excisable goods or services account for the Excise Duty or act as agents for ZRA and remit/pay the collected Excise Duty to ZRA at any stage within the production or distribution chain at either a specific or ad-valorem rate as provided for under the Customs and Excise Act.

The sectors that are covered by Excise Duty in Zambia include:

- Energy sector
- Communication sector
- Manufacturing sector

1.2 Taxpayers liable to register and pay Excise Duty

Any person (individual or body corporate) that is in the business of manufacturing - goods that are liable to Excise Duty (as prescribed under the Second Schedule to the Customs and Excise Act) or is licensed as a service provider by Zambia Information and Communications Technology Authority (ZICTA) is required to register for Excise Duty.

Oil Marketing Companies (OMCs) licenced by the Energy Regulations Board (ERB) are also required to register for Excise Duty for the purpose of accounting for the Excise Duty and/or fuel levy they withhold when paying for the hydrocarbons they purchase from the fuel terminal.

Manufacturing (in relation to goods liable to Excise Duty or surtax, other than imported goods) includes the **extraction, mixing, brewing, distilling, packaging, production or refining** of goods liable to Excise Duty or surtax.

Given the above, Excise Duty is therefore an indirect tax in that while it is charged to the final consumer the accounting and payment is done by the taxpayers registered for Excise Duty.

2.0 PRODUCTS LIABLE TO EXCISE DUTY

The Second and Eighth Schedules to the Customs and Excise Act, being the **Excise Tariff** and **Services Excise Tariff** respectively, provide details for the goods and services respectively that are subject to Excise Duty and the applicable duty rates.

In accordance with these schedules, the goods and services include:

2.1 Excisable Goods

The goods on which Excise Duty is charged are listed below.

- a) Alcoholic Beverages
 - Ciders and other fermented beverages
 - Clear Beer such as lager and ale
 - Opaque Beer such as Chibuku
 - Spirits such as whisky, rum, gin, vodka, brandy, etc.
 - Wines made from grapes such as red, white and sparkling wine.
 - b) Cement and Cement Clinkers – all types
 - c) Cigarette, Cigar, Cigarillo, Cheroots, electronic cigarettes and similar personal electric vaporising devices, tobacco and other homogenized/reconstituted forms of tobacco, products containing tobacco or nicotine or their substitutes, that are inhaled into the human body without combustion.
 - d) Cosmetics
 - Shampoo
 - Body lotion
 - Perfumes
 - Beauty products
 - e) Hydrocarbon Fuels
 - Petrol (spirit oil)
 - Diesel (Gas oil)
 - Fuel oils
 - Liquid Petroleum Gas (LPG)
 - Coal, briquettes, ovoids and similar solid fuels manufactured from coal
 - f) Non-Alcoholic Beverages include:
 - Carbonated/Non-carbonated soft drinks
 - Chibwantu/Munkoyo
 - Maheu
 - Mineral Water
 - Pure Fruit Juices
- Note:** *Non-alcoholic beverages” means beverages of an alcoholic strength not exceeding 0.5% by volume.*
- g) Reconstituted Milk
 - Reconstituted Milk
 - h) Non-edible Spirits
 - Ethyl alcohol of alcoholic strength by volume of 80% and above (denatured and undenatured)
 - Methylated Spirits
 - i) Plastic Carrier Bags for shopping; with or without handle
 - j) Electrical Energy – regardless of the mode of generation

2.2 Excisable Services

Currently, the only excisable service is:

- Airtime

Note:

“Airtime” means the minutes of voice calls, Short Message Service (SMS), multimedia service (mms), internet band width or such other service as a subscriber may consume through a mobile cellular telephone or any other electronic communications service. (Sec.139A of the Customs and Excise Act)

3.0 THE APPLICABLE DUTY RATES, TAXING POINT AND VALUATION FOR EXCISE DUTY PURPOSES

3.1 Applicable Rates

The applicable Excise Duty rates on the above-mentioned products are as prescribed in the Second and Eighth schedules to the Customs and Excise Act attached hereto as appendices I and II. Manufacturers and service providers are expected to account for Excise Duty regardless of the applicable rate.

3.2 Taxing Point

In Zambia, the Excise Duty taxing point, is essentially the time at which the law provides for the excise liability to be paid or accounted for on the excisable goods or services.

In accordance with the Customs and Excise Act, Cap 322 of the laws of Zambia, Excise Duty on goods and services liable to Excise Duty is imposed at the time of:

- Importation;
- Production by the manufacturer;
- Sale or disposal by the manufacturer;
- Use or consumption by the manufacturer or consumer.

Therefore, the tax point for the various excisable goods and services is as provided for in the attached appendix III.

Notwithstanding the time at which the Excise Duty becomes due, the Customs and Excise Act has provided a deferred period within which the payment of appropriate Excise Duty on goods and services is made as explained under 7.1.

Based on the provisions of the above law and as supported by the established administrative controls for payment or accounting for Excise Duty, an excise manufacturer or dealer is expected to maintain a record of all excise activities undertaken in the month the excise liability is created and account for Excise Duty on the set due date of payment.

3.3 Valuation for Excise Duty Purposes

Valuation is important in ensuring that the right taxes are paid on excisable products. Without correct values of products, one cannot calculate correct taxes. It is therefore important to ensure that correct values of products are used in arriving at correct excise taxes due.

(a) Valuation of Goods

Pursuant to Section 88A, the valuation of goods for the purpose of assessing Excise Duty is in line with the guidance as provided in the Sixth Schedule to the Customs and Excise Act. The schedule

provides that the value of goods sold on the **open market** by a licensed manufacturer is the price at which the goods are sold exclusive of Excise Duty, Surtax and Value Added Tax.

Further, the Sixth Schedule provides for the preferential valuation on certain goods manufactured in Zambia. This preferential valuation applies to some tobacco products, non-alcoholic beverages and spirits, liquors and other spirituous beverages.

(i) Tobacco products:

The value of cigarette tobacco, pipe tobacco, chewing tobacco, cigars and snuff tobacco, is a quarter of the price at which the goods are sold. However, where the tax payable is not based on a value, the amount due is a quarter of the specific rate set out in the Second Schedule.

(ii) Non-Alcoholic Beverages:

The tax payable on non-alcoholic beverages of headings 20.09 and 22.01 is nil. This is specific to fruit juices and mineral waters.

The tax payable on non-alcoholic beverages, other than those of heading 20.09 and 22.01, is one sixth of the specific duty rate set out in the Second Schedule.

(iii) Spirits, liqueurs and other spirituous beverages

The value of spirits, liqueurs and other spirituous beverages shall be determined based on the value of the input alcohol (ethyl alcohol above 80% alcoholic content) used in the production of the said spirits, liqueurs and other spirituous beverages.

Note:

For goods that are not sold on the open market or goods that are not supplied at arms-length, the value is the fair market value of those goods. In determining a fair market value, the Commissioner-General uses only those prices which represent an arm's length transaction and exclude from the price, any Excise Duty, Surtax and Value Added Tax.

Excise Duty is determined either by a specific or an ad – valorem rate. For the specific rate, determination of Excise Duty is based on the fixed amount per unit of goods where as for the ad-valorem rate determination of Excise Duty is based on the fixed percentage of the assessed value of the goods.

Example One: Specific Rate

A 50-ton quantity of Portland cement sold, on the Zambian Market would pay Excise Duty of K2,000 at a rate of K 40 per ton.

Workings:

Excise Payable = Quantity * Excise Duty rate

$$50\text{-ton} * K40/\text{ton} = K 2,000$$

Example Two: Ad-Valorem Rate

A case of clear beer (made from Malt with an Excise Duty rate of 40%) manufactured in Zambia sold at an arm's length price of K116 (all taxes inclusive) will attract Excise Duty amounting to K 28.57 as indicated in the calculation below:

Workings:

$$\text{Excise Value} = \text{Price} * [1 / (1 + \text{VAT Rate})] * [1 / (1 + \text{Excise Rate})]$$

$$\Rightarrow \text{Excise Duty Payable} = \text{Excise Value} * \text{Excise Duty Rate}$$

$$\therefore \text{Value} = \text{K } 116 * [1 / (1 + 16\%)] * [1 / (1 + 40\%)]$$

$$= \text{K } 71.43$$

$$\Rightarrow \text{Excise Duty payable} = \text{K } 71.43 * 40\%$$

$$= \text{K } 28.57$$

Note:

The price referred to includes all costs incurred in the process of manufacturing the goods and the profit.

(b) Valuation of Services

Section **88B** of the Customs and Excise Act provides that the valuation of services for the purpose of assessing Excise Duty is based on the Seventh Schedule. Presently, the only service that attracts Excise Duty is airtime. The value of airtime is:

- (i) exclusive of Excise Duty, Surtax and Value Added Tax, and
- (ii) the price at the full price paid or payable by the consumer of the service.
- (iii) 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,
- (iv) "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.

4.0 REGISTRATION AND LICENSING OF EXCISE MANUFACTURERS AND OPERATORS/DEALERS

4.1 Legal Provisions for Registration and Licensing

Any person (i.e. individual or body corporate) that locally produces or distributes excisable products and services for commercial purposes is required to be registered and/or licensed by the ZRA's Excise Directorate pursuant to the licensing provisions prescribed under Section 93, 97 and 139A of the Customs and Excise Act.

However, manufacturers or distributors of excisable products who are licenced by other regulatory authorities, such as the Energy Regulatory Board (ERB) and Zambia Information and Communications Technology Authority (ZICTA), do not need to be licenced by ZRA but only need to register for Excise Duty. Examples are: Oil Marketing Companies (OMCs), Mobile Network Operators (MNOs) and Internet Service Providers (ISPs). Further, importers and distributors of cigarettes do not need to be licenced as they conduct their business pursuant to the Commissioner General's rules on cigarettes (Cigarette Tax Stamp) Rules.

Under the current legislative provisions, manufacturers and dealers of goods and services subject to Excise Duty, shall either be registered as a dealer in goods and services subject to Excise Duty

or be issued with an Excise Manufacturing License to mix, brew, distil, package, produce or refine goods and services liable to Excise Duty.

As a general rule, every excisable product requires a separate licence to manufacture. However, note that a licence to:

- (i) Distil spirits - entitles the licensee to distil or produce all types of spirits and wines.
- (ii) Manufacture tobacco - entitles the licensee to manufacture cigarettes, cigarette tobacco, pipe tobacco, cigars, snuff and any other tobacco products.
- (iii) Manufacture hydrocarbon oils - entitles the licensee to manufacture, produce or treat all by-products of hydrocarbon oils.
- (iv) Manufacture non-alcoholic beverages - entitles the licensee to manufacture all types of Non-alcoholic Beverages.

4.2 Exemption from Registration or Manufacturing Licence Requirement

Notwithstanding, the licencing requirements set out in sections 93 and 97 of the Act, sections 94, 95 and 96 provide that certain goods may be manufactured or produced without registration or a licence if such goods are solely for personal or domestic use or for experimental purposes and they include:

- a) Fermented liquor, other than opaque beer, with an alcoholic strength not exceeding 2% by volume.
- b) Cigars, cigarettes, pipe tobacco or snuff when made from manufactured tobacco on which duty has been paid or from roll tobacco.
- c) Cigars, cigarettes, pipe tobacco when manufactured for experimental purposes with prior approval from the Commissioner-General.
- d) Opaque beer being not more than 230 litres in volume in any period of four consecutive days.
- e) Fruit or nut juices (including grape must and coconut water) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.
- f) Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter not flavoured; ice and snow.

Note: A manufacturer shall obtain a licence if the goods specified in (e) and (f) are not the only goods being manufactured by that manufacturer.

4.3 The Registration and Licensing Process

(a) Registration Process

Manufacturers of excisable goods are required to register for Excise Duty through the TaxOnline Web-portal, by providing the following information and documents:

(i) Products details (in PDF format)

- Manufacturing process
- Process flow chart
- Product formulation
- Cost structure

(ii) Plant details

- Plan of Premises
- List of machinery/Equipment/Vessels
- Full description of process of manufacture
- Bank statement
- Tax Clearance Certificate (for existing businesses)
- Articles of Association
- Certificate of Incorporation
- Physical address

The registration process, which can be done at any time, is considered complete once the application is successfully submitted and approved, and an Excise account is created.

(b) Licensing

For the licencing of manufacturers of excisable goods and services, the creation of the Excise Account triggers the licensing process and the applicant submits the following information:

- Plan of Premises
- List of machinery/Equipment/Vessels
- Full description of process of manufacture
- Flowchart
- Product formulation and range
- Cost structure
- Bank statement (at least 3 months prior to the application)
- Articles of Association
- Certificate of Incorporation/Certificate of Registration
- Certificate of Share Capital
- Tax Clearance Certificate

The issuance of an excise manufacturing license remains subject to the fulfilment of other administrative requirements that include inspections by the responsible office for Excise to ascertain suitability of the taxpayer's premises for Excise Duty activities.

The licence is electronically generated and sent to the applicant's email address once all the requirements have been met, including the payment of the license fee as prescribed under Part IV of the First Schedule to the Customs and Excise (General) Regulations.

The licence expires every **31st December** of each calendar year regardless of the time when the license was issued. Applications for renewals must be done as guided by ZRA for the calendar year. **Registration of Cigarette Importers and Distributors**

Importers and/or distributors of cigarettes are registered pursuant to the provisions of section 108A of the Customs and Excise Act and Regulation 106B of the Customs and Excise (General) Regulations; the Customs and Excise (Cigarette Tax Stamp) Rules in Appendix IV.

Applications for renewals must be lodged by **31st October** in the year in which the registration expires. The registration shall expire on **31st December** of the third year from the year in which it was issued.

5.0 CLAIMS OF EXCISE INPUT DUTY

The Customs and Excise Act allows for claims on Excise Duty paid on the input materials that have been used in the manufacture of other excisable products.

5.1 Goods

Input duty may be claimed where:

- In any return it is declared that goods, on which Excise Duty has been paid, have been used as inputs in the manufacture of goods that are themselves subject to Excise Duty and the Commissioner-General is satisfied that the claim is correctly made and supported by auditable management processes and records; or
- Excisable goods are manufactured in licensed premises and are before sale or disposal used as input in making other goods which are subject to Excise Duty.

5.2 Services

- Excise Duty paid on Airtime may be claimed by the service provider when the airtime is finally sold. This deduction is allowed 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.

Note: It is important to note that only Excise Duty on the goods or services used as input in the manufacture or supply of services can be claimed.

6.0 EXPORT PROCEDURE FOR EXCISABLE GOODS

There is no payment of Excise Duty for goods liable to Excise duty provided the said goods are exported out of Zambia.

. The procedure for export of goods on which Excise Duty is remitted is provided for under Regulation 46.

Procedure

1. Entry of goods for removal from a warehouse for exportation shall be made in the prescribed manner and form.
2. For the purposes of this Regulation, the premises of a manufacturer licensed in terms of section ninety-seven of the Act shall be deemed to be a warehouse.
3. Subject to Regulation 47, any goods that are subject to Excise Duty meant for exportation shall only be moved or transported by a licensed carrier.
4. Except with the permission of the Commissioner-General, any carrier carrying goods subject to Excise Duty meant for export from Zambia shall be required to exit within five working days from the date of Bill of entry.
5. Penalties shall be charged, levied, collected and paid in respect of any carrier that remains in Zambia beyond the period specified.

7.0 OBLIGATIONS OF TAXPAYERS

Once registered for Excise Duty purposes, a taxpayer is required to fulfil the obligations explained under 7.1 through to 7.6:

7.1 Return submission and payments

A return, detailing manufacturing activity/sales should be submitted by the **15th** of the month, following the month to which the return relates. The due dates for payment are the same as the return submission due dates.

For Oil Marketing Companies (OMC), the due dates for return submission and payments are as indicated in the table below:

Table 1: Due dates for returns and payments (OMC)

Uplift Period	Return Due Date	Payment Due Date
1 st – 10 th	15 th	15 th
11 th – 20 th	25 th	25 th
21 st – Last day of the month	5 th of the following month	5 th of the following month

7.2 Record keeping

An Excise manufacturer or Service provider is required to maintain, in accordance with Generally Accepted Accounting Principles (GAAP), books of accounts in the English Language. Sections 108, 109 and 139D of the Customs and Excise Act specifically require the manufacturer or service provider to keep, on the premises, a record of the following:

Excise Duty

(a) Manufacturers

- i. All goods received into the licensed premises;
- ii. All goods manufactured or produced on the licensed premises;
- iii. All goods removed from the licensed premises;
- iv. All goods consumed, lost, or otherwise disposed of during any process of manufacture or production;
- v. All stock on hand including input stock and products whether fully or partially manufactured or produced;
- vi. All Excise Duty or Surtax paid or payable.

(b) Service Providers

- i. All airtime sold;
- ii. All airtime consumed, lost or otherwise disposed of, during any process of rendering the service; and
- iii. All Excise Duty paid or payable.

7.3 Notice on suspension of operations/closure of plant

If an excise manufacturer intends to cease operations, **Section 138** of the Customs and Excise Act provides for a procedure on cessation as follows:

- (i) A written notice of the suspension or cessation shall be given not less than a month before the intended date of closure/shut down with reasons/intensions.
- (ii) Within 20 days from the cessation of manufacturing activity, the excise manufacturer shall render a true and complete return of all manufacturing and business activity and account for all outstanding sales since the last monthly return.
- (iii) The manufacturer will also submit to the Authority a statement to account for all stock at hand and all stock disposed and account for any Excise Duty that may be payable.
- (iii) An officer will have to witness/inspect/monitor the suspension or shut down of the machinery.
- (iv) The Excise manufacturer can only resume its activities or production after approval by the Authority to ensure that all production and sales are accounted for.

7.4 Notice for approval of alterations to the plant

Taxpayers are required to notify and seek approval from the Commissioner General before any alteration is made to the plant. Alterations may include;

- The introduction of a new production line;
- Building of supportive facilities such as a clinic, canteen etc.
- Adjustments on the documents that were initially submitted at licensing, such as the flow chart for production.

A notice with relevant documents like those provided on licensing should be provided to ZRA for approval before commencement of production.

7.5 Display a valid licence at the manufacturing premises

A taxpayer is expected to display a valid Excise Manufacturing Licence at the licenced manufacturing premises.

7.6 Use of Electronic Fiscal Device in administering Local Excise Duty

A licensee and service provider is required to;

- a) Use an electronic fiscal device to record each sale or transaction relating to goods and services liable to Excise Duty
- b) Issue a tax invoice using an electronic fiscal device for the sale of goods or services rendered

Note: Despite (a) and (b), the Commissioner-General 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 and may approve the issuance of a tax invoice using an approved computer application or pre-printed tax invoice by a licensee or service provider respectively.

8.0 CIGARETTE TAX STAMPS

A “Tax stamp” means such a mark, in electronic form or otherwise, as the Minister may prescribe, by Statutory Instrument.

The Law requires all local cigarette manufacturers, distributors or importers to affix tax stamps in such a manner as the Minister may prescribe.

8.1 Procedure for obtaining Cigarette Tax Stamps

Cigarette stamps shall be requisitioned as guided by the Commissioner-General for both locally manufactured and imported cigarettes.

The manufacturer, importer or distributor shall ensure that all cigarette packets are affixed with stamps prior to importation, distribution or sale in Zambia.

8.2 Accounting for Tax Stamps

Each tax stamp issued in terms of section 108A of the Act and the Customs and Excise (Cigarette Tax Stamp) Rules shall constitute potential revenue due to the government. In view of the foregoing, importers/distributors and manufacturers of cigarettes are supposed to consistently submit a reconciliation statement detailing the inventory of the cigarette tax stamps.

- The manufacturer shall submit a reconciliation statement for issued stamps by the **20th** of the month following the month in which it became due.
- The distributors or importers, shall submit a reconciliation statement for issued cigarette stamps by the **10th** day of the month following the month of importation
- Damaged stamps as confirmed by the taxpayer shall be submitted together with the reconciliation statement or within **15 days from** date of submission of the reconciliation statement.
- Where a reconciliation statement is not received, an assessment shall be made of the duties due and will constitute debt to government and shall be subject to recovery as prescribed in the Law.

9.0 REBATES, REFUNDS AND REMISSIONS OF DUTY

Definitions

- **“Remission”** means granting an exemption of tax that would otherwise be payable.
- **“Refund”** means a reimbursement of duty (tax) that has previously been paid.
- **“Rebate”** means a partial remission of duty (tax) payable or a partial refund of duty paid. An application for refund of duty overpaid should be made in writing to the Commissioner-General.

Eligible taxpayers qualify for relief such as refunds as highlighted in 9.1.

9.1 Refunds and Remissions

A refund or remission of Excise Duty paid or payable may be granted on goods manufactured in Zambia which are found to be defective as a result of faulty manufacture or production. This claim for a refund or remission is done through a return for the respective tax type. To qualify for the refund or remission:

- An application shall be made online or in writing by the manufacturer
- The goods should have been returned unused
- The goods should have been returned within six months of the date of removal from licensed premises
- The purpose for which they were returned should be stated
- Also, to be stated are the full details as to the nature, quantity, weight or volume of goods

- The date on which they were produced or manufactured and the date on which they were removed from the licensed premises.
- The nature and cause of defect in the goods.
- With regards to destroyed wet goods, the goods should not have been removed from the vessel in which they were placed by the manufacturer or brewer for the purpose of bottling, canning or any other package.
- No substance, other than finning for the purpose of clarification, should have been added to wet goods subsequent to their removal from the licensed premises.

Note:

- No refund is made unless the goods are destroyed under the supervision of an officer according to terms and conditions set by the Commissioner-General.
- No refund of duty paid in excess or in error shall be granted unless the application thereof is made as provided for under section 92 of The Customs and Excise (General) Regulations, 2000 (Cap 322 of the laws Of Zambia)
- The costs of any destruction of goods including the costs and expenses of any officer required to supervise such destruction shall be met by the applicant and may be deducted from the sum of any refund due before payment thereof is made.

9.2 Diplomatic Personnel

The Law provides for a refund of Excise Duty in respect of fuel purchased for official purposes from open stocks within Zambia by persons with diplomatic privileges provided that the fuel was purchased from filling stations designated by the Commissioner-General.

The applicant for refund of duty in respect of motor fuel purchased from open stocks within Zambia shall furnish the Authority with a statement from the supplier from which the fuel was purchased, showing: -

- (a) The quantity purchased;
- (b) A declaration signed by the applicant that the fuel was purchased for official or private use and that it has not been, and will not be sold or otherwise used or disposed of without the prior consent of the Commissioner-General and the payment of duty thereon.

A remission in respect of other excisable goods shall be granted only in respect of goods which have been supplied from a bonded warehouse or purchased direct from the manufacturer by the claimant.

A refund or remission of Excise Duty shall be granted in respect of airtime purchased from a service provider if such airtime is for the exclusive use of persons with diplomatic privileges in Zambia.

9.3 Diplomatic Mission

The Law provides for a refund or remission of Excise Duty in respect of fuel purchased for official purposes from open stocks within Zambia. A refund of duty hereunder shall be granted only to an Oil Marketing Company approved by the Energy Regulation Board.

A remission of duty in respect of goods produced within Zambia and liable to Excise Duty shall be granted only in respect of goods which have been supplied from a bonded warehouse or purchased directly from the manufacturer.

Any Oil Marketing Company applying for a refund or remission of duty in respect of fuel sold to a diplomatic mission shall furnish in a return the details of the Local Purchase Order issued by the mission to which the fuel was supplied stating: -

- (a) the quantity of fuel supplied; and
- (b) a declaration signed by an authorized person stating that the fuel was supplied for official use and that it has not been, and will not be, sold or otherwise disposed of without the prior consent of the Commissioner-General and payment of duty thereon at the rate leviable on the date of the sale or disposal.

A refund or remission of Excise Duty shall be granted in respect of airtime purchased from a service provider if such airtime is for the exclusive use of the government of any foreign country or an international organisation with a diplomatic mission in Zambia.

9.4 Zambia Defence Forces

Section 89 of the Customs and Excise Act read together with Regulation 97 of the Customs and Excise (General) Regulations grants a remission of Local Excise Duty to the Zambia Defence Forces on specified goods when bought from specified suppliers. For the remission to be valid, the goods should be purchased in bond through the means of an official Local Purchase Order and the goods purchased are for exclusive use and consumption by the Zambia Defence Forces personnel. Refer to appendix V.

The defence forces referred to being the Zambia Air Force, Zambia Army and the Zambia National Service.

The Local Purchase Order can be applied for online.

10.0 APPEALS AND REQUESTS FOR REVIEW

A taxpayer who is not satisfied with a decision or determination made by ZRA in relation to Excise Duty may request for a review through the Review Committee and if still not satisfied with the decision of the Review Committee, the taxpayer may appeal to the Commissioner - General before lodging a dispute with the Tax Appeals Tribunal.

10.1 The Review and Appeal Processes

The review and appeal processes are as follows:

(a) ZRA Internal Review

- (i) The Indirect Taxes & Excise Division has an established internal review mechanism wherein taxpayers can request the Commissioner - Indirect Taxes & Excise to review any decisions, or tax amounts assessed by officers, before lodging an appeal with the Commissioner - General and the Tax Appeals Tribunal.
- (ii) If a taxpayer is not satisfied with any decision made by the Excise Directorate with respect to Excise Duty assessment, grant or revocation of an excise manufacturing license, advance or security Excise Duty payment, the taxpayer has the right to appeal to Commissioner-General's office to review the decision of the Excise Directorate.

(b) External review mechanism – Tax Appeals Tribunal

A taxpayer who is dissatisfied or aggrieved with the decision of the Commissioner-General relating to assessments, directions or determinations, has a right to appeal against the decision to the Tax Appeals Tribunal within Thirty (30) days of notice of determination by ZRA and must comply with the provisions of the Tax Appeals Tribunal Act, as amended.

10.2 Appealable Matters

A taxpayer may make an appeal on decisions or determinations made by ZRA in relation to:

- Registration or cancellation of registration or refusal to be registered as a supplier or manufacturer;
- The tax assessed on any manufactured goods or services or the importation of any goods;
- Any notice requiring early payment of tax or security.

11.0 APPENDIX

I

SECOND SCHEDULE (Section 76) EXCISE TARIFF

<i>Heading</i>	<i>Description of Goods</i>	<i>Harmonised Commodity Description and Coding System</i>	<i>Stat. Unit of Qty</i>	<i>Duty Rate</i>	<i>Remarks</i>
1.	(1) Frozen orange juice	2009.11.00	Litre	K0.30/ltr	
	(2) Unfrozen orange juice	2009.12.00	Litre	K0.30/ltr	
	(3) Other orange juice	2009.19.00	Litre	K0.30/ltr	
	(4) Grapefruit (including pomelo) juice: of a Brix value not exceeding 20	2009.21.00	Litre	K0.30/ltr	
	(5) Grapefruit (including pomelo) juice	2009.29.00	Litre	K0.30/ltr	
	(6) Juice of any other single citrus fruit: of a Brix value not exceeding 20	2009.31.00	Litre	K0.30/ltr	
	(7) Other juice of any other single citrus juice	2009.39.00	Litre	K0.30/ltr	
	(8) Pineapple Juice: of a Brix value not exceeding 20	2009.41.00	Litre	K0.30/ltr	
	(9) Other pineapple Juice:	2009.49.00	Litre	K0.30/ltr	
	(10) Tomato Juice	2009.50.00	Litre	K0.30/ltr	
	(11) Grape Must (including grape must: of a Brix value not exceeding 20	2009.61.00	Litre	K0.30/ltr	
	(12) Other grape juice	2009.69.00	Litre	K0.30/ltr	
	(13) Apple juice: of a Brix value not exceeding 20	2009.71.00	Litre	K0.30/ltr	
	(14) Other apple Juice	2009.79.00	Litre	K0.30/ltr	
	(15) Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccos) juice; lingonberry (Vaccinium vitis-idaea) juice	2009.81.00	Litre	K0.30/ltr	
	(16) Other juice of any other single fruit or vegetable	2009.89.00	Litre	K0.30/ltr	
	(17) Mixtures of juices	2009.90.00	litre	K0.30/ltr	
2.	(1) Packed mineral waters not aerated	2201.10.11	Litre	K0.30/ltr	
	(2) Aerated waters	2201.10.20	litre	K0.30/ltr	
3.	(1) Mineral waters, not aerated	2202.10.20	Litre	K0.30/ltr	
	(2) Aerated waters	2202.10.20	Litre	K0.30/ltr	
	(3) Non-alcoholic beer	2202.91.00	Litre	K0.30/ltr	
	(4) Other	2202.99.00	Litre	K0.30/ltr	
4.	Beer made from malt:				
	(a) Opaque beer	2203.00.10	litre	K 0.25/ltr	
	(b) Other, including ale, lager and stout	2203.00.90	litre	60%	
5.	(1) Wine of fresh grapes, including fortified wines, grape must other than that of Heading 20.09	22.04	litre	60%	
	(2) Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances	22.05	litre	60%	
	Other fermented beverages				

	(3) Ciders	2206.00.10	litre	60%	
	(4) Other	2206.00.90	Litre	60%	
6.	(1) Undenatured ethyl alcohol of an alcoholic strength by volume of 80% or higher.	2207.10.00	litre	60%	
	(2) Methylated spirits (that is, spirits, which have been rendered unpoitable in a manner approved by the Commissioner)	2207.20.10	litre	60%	Act 25 of 2022
	(3) Other Ethyl alcohol and other spirits, denatured, of any strength: Other	2207.20.90	litre	125%	
	(4) Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages	Ex. 22.08	litre	60%	
7.	(1) Unmanufactured tobacco; tobacco refuse	2401	Kg	145% or K361 per Kg	Act 25 of 2022
	(2) Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	24.02	Mille	K361 per mille	
	(3) a) Water pipe tobacco specified in subheading Note 1 to this chapter.	2403.11.00	kg	145% or K361 per kg	
	b) Cutrag	2403.19.10	Kg	145% or K361 per kg	
	c) Other	2403.19.90	Kg	145% or K361 per kg	
	d) Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco extracts and essences	2403.91.00	Kg	145% or K361 per kg	
	e) Other	2403.99.00	Kg	145% or K361 per kg	
	4) Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body.	24.04	Kg	145%	
8.	(1) Portland cement	25.23	Tonne	K40/tonne	
9.	(1) Coal; briquettes, ovoids and similar solid fuels manufactured from coal.				
	(a) Anthracite	2701.11.00	Tonne	5%	
	(b) Bituminous coal	2701.12.00	Tonne	5%	
	(c) Other coal	2701.19.00	Tonne	5%	
	(d) Briquettes, ovoids and similar solid fuels manufactured from coal	2701.20.00	Tonne	5%	

(2) Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils:					
(a) Petroleum spirit (motor spirit)	2710.12.10	Dekali tre	K2.07/ltr		
(b) White spirit	2710.12.40	Dekali tre	15%		
(c) Kerosene Type	2710.12.51	Dekali tre	K0.48/ltr		
(c) Other light oils	2710.12.90	Dekali tre	15%		
(d) Automotive gas-oils (diesel)	2710.19.10	Dekali tre	K0.66/ltr		
(e) Other fuel oils	2710.19.20	Dekali tre	K0.93/ltr		
(3) Petroleum gases and other gaseous hydro-carbons	Ex. 27.11	Kg	K0.48/ltr		
10. Electrical energy	2716.00.00	100/K WH	3%		
11. (1) Beauty or make-up preparations and preparations for the care of the skin (Other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations:					
(a) Lip make up preparations	3304.10.00	kg	20%		
(b) Eye make up preparations	3304.20.00	kg	20%		
(c) Manicure and Pedicure preparations	3304.30.00	kg	20%		
(d) Powder, whether or not compressed	3304.91.00	kg	20%		
(e) Other	3304.99.00	kg	20%		
(2) Preparations for use on the hair	33.05	kg	20%		
(3) Pre-shave, shaving or after-shave preparations, depilatories and other perfumery, cosmetic or toilet preparations, not else where specified or included; prepared room deodorants, whether not perfumed or having disinfectant properties.	33.07	Kg	20%		
12. 1) Floor covering of plastics, wether or not self-adhesive, in roll or in th form of tiles; wall or ceiling covering of plastics, as defined in Note 9 to this Chapter	39.18	Kg	15%		Act 25 of 2022
2) Carrier bags for shopping with or without handles	3923.21.91	Kg	30%		
3) Carrier bags for shopping with or without handles	3923.29.91	Kg	30%		
4) Office or school supplies	3926.10.00	Kg	15%		
5) Articles and clothing accessories, not elsewhere specified, for use in the textile industrial.	3926.20.10	Kg	15%		
6) Other	3926.20.90	Kg	15%		
7) Fittings for furniture, coachwork or the like	3926.30.00	Kg	15%		

	8) Statuettes and other ornamental articles	3926.40.00	Kg	15%	
	9) Other	3926.90.99	Kg	15%	
13.	Electronic cigarettes and similar personal electric vaporising devices	8543.40.00	Kg	145%	Act 25 of 2022
14.	(1) Motor vehicles for the transport of ten but not more than fourteen persons including the driver	Ex.87.02	No.	25%	Act 25 of 2022
	(2) Motor Cars and other motor vehicles principally designed for the transport of persons (Other than those of heading 87.02) including station wagon and racing cars.	8703.10.00	No.	20%	
		8703.21.90		20%	
		8703.22.90		20%	
		8703.23.90		30%	
		8703.24.90		30%	
		8703.31.90		20%	
		8703.32.90		30%	
		8703.33.90		30%	
		8703.40.90		30%	
		8703.50.90		30%	
		8703.60.90		30%	
		8703.70.90		30%	
		8703.90.90		30%	
	(3) Motor Vehicles for Transport of goods	8704.21.00	No.	10%	
		8704.22.00		10%	
		8704.31.00		10%	
		8704.32.00		10%	
		8704.41.00		10%	
		8704.42.00		10%	
		8704.51.00		10%	
		8704.52.00		10%	
		8704.90.10		10%	
		8704.90.90		10%	
15.	(1) Reconstituted or recombined milk of a fat content, by weight, not exceeding 1%	0401.10.12	Litre	K1.50/ltr	Act 25 of 2022
	(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	

NOTE:

The current duty rate for ciders is at 40% as suspended by the Customs and Excise (Excise Duty) (Suspension)(Amendment) Regulations, 2019 (Statutory Instrument 2 of 2019) while the rate for other fermented beverages remains at 60% as earlier provided under the Customs and Excise (Amendment) Act, 2018. (Act No. 19 of 2018).

II.

**EIGHTH SCHEDULE
(Section 76B)**

SERVICE EXCISE TARIFF

<i>Heading No.</i>	<i>Description of Goods</i>	<i>Harmonised Commodity Description and Coding System Heading No.</i>	<i>Statistical Unity of Quantity</i>	<i>Duty Rate</i>	<i>Remarks</i>
1	Air time				<i>Act No. 47 of 2016</i>
	(1) Voice Call	0000.11.00	Seconds	17.5%	
	(2) SMS and MMS	0000.12.00	Count	17.5%	
	(3) Data	0000.13.00	Megabytes	17.5%	
	(4) Other	0000.19.00	Count	17.5%	

III.

S/N	Category	Excisable Product	Tax Point
1	Clear Beer	1) Clear Beer	Sales/Disposal
		2) Clear Beer - Made from Sorghum	Sales/Disposal
		3) Clear Beer - Made from Cassava	Sales/Disposal
2	Opaque Beer	Opaque Beer	Production
3	Hydrocarbons	1) Petrol	Sales/Disposal
		2) White Spirit	Sales/Disposal
		3) Other Light Oils and preparations	Sales/Disposal
		4) Diesel (Gas Oil)	Sales/Disposal
		5) Fuel Oils - HFO	Sales/Disposal

S/N	Category	Excisable Product	Tax Point
		6) Liquefied Petroleum Gas (LPG)	Sales/Disposal
4	Spirits & Other Fermented Beverages	1) Spirits	Sales/Disposal
		2) Spirits from distilled grape wine or marc	Sales/Disposal
		3) Whiskeys	Sales/Disposal
		4) Rum & Taffia	Sales/Disposal
		5) Gin & Geneva	Sales/Disposal
		6) Vodka	Sales/Disposal
		7) Liqueurs & Cordials	Sales/Disposal
		8) Ciders	Sales/Disposal
		9) Other Fermented Beverages	Sales/Disposal
5	Wines	1) Wines	Sales/Disposal
		2) Champagne & Sparkling wine	Sales/Disposal
		3) Wine (Not sparkling)	Sales/Disposal
		4) Wine (Not sparkling)	Sales/Disposal
		5) Other grape must nes	Sales/Disposal
		6) Vermouth & other wine of fresh grapes; Flavoured	Sales/Disposal
		7) Vermouth & other wine of fresh grapes; Flavoured	Sales/Disposal
6	Air Time	Air Time – Voice	Consumption
		Air Time – SMS	Consumption
		Air Time – Data	Consumption
		Air Time – Others	Consumption
7	Cosmetics	1) Perfumes and toilet waters	Sales/Disposal
		2) Lip makeup preparations	Sales/Disposal
		3) Eye makeup preparations	Sales/Disposal
		4) Manicure or pedicure preparations	Sales/Disposal
		5) Powders whether or not compressed	Sales/Disposal
		6) Other	Sales/Disposal
		7) Shampoos	Sales/Disposal
		8) Preparations for permanent hair waving or straightening	Sales/Disposal
		9) Hair Lacquers	Sales/Disposal
		10) Preparations for use in the hair	Sales/Disposal
		11) Dental	Sales/Disposal
		12) Deodorants	Sales/Disposal
8	Electrical Energy	Electrical Energy	Sales/Disposal
9	Plastic bags	Plastic carrier bags	Sales/Disposal
10	Tobacco Products	1) Cigarettes	Sales/Disposal
		2) Cigars, Cheroots & Cigarillos	Sales/Disposal
		3) Cigars, Cigarillos etc.	Sales/Disposal
11	Cement	All forms of Cement products	Sales/Disposal
12	Reconstituted or recombined milk	1) Reconstituted or recombined milk of a fat content, by weight, not exceeding 1%	Sales/Disposal
		2) Reconstituted or recombined milk of a fat content, by weight, exceeding 1% but not exceeding 6%.	Sales/Disposal
		3) Reconstituted or recombined milk of a fat content, by weight, exceeding 6% but not exceeding 10%.	Sales/Disposal
		4) Reconstituted or recombined milk of a fat content, by weight, exceeding 10%.	Sales/Disposal
13	Non-Alcoholic Beverages	1) Frozen orange juice	Sales/Disposal

S/N	Category	Excisable Product	Tax Point
		2) Unfrozen orange juice	Sales/Disposal
		3) Other orange juice	Sales/Disposal
		4) Grapefruit (including pomelo) juice: of a Brix value not exceeding 20	Sales/Disposal
		5) Grapefruit (including pomelo) juice	Sales/Disposal
		6) Juice of any other single citrus fruit: of a Brix value not exceeding 20	Sales/Disposal
		7) Other juice of any other single citrus juice	Sales/Disposal
		8) Pineapple Juice: of a Brix value not exceeding 20	Sales/Disposal
		9) Other pineapple Juice:	Sales/Disposal
		10) Tomato Juice	Sales/Disposal
		11) Grape Must (including grape must: of a Brix value not exceeding 20	Sales/Disposal
		12) Other grape juice	Sales/Disposal
		13) Apple juice: of a Brix value not exceeding 20	Sales/Disposal
		14) Other apple Juice	Sales/Disposal
		15) Cranberries (vaccinium macro Capron, Vaccinium oxycoccos, Vaccinium vitis-idaea)	Sales/Disposal
		16) Other juice of any other single fruit or vegetable	Sales/Disposal
		17) Mixtures of juices	Sales/Disposal
		1) Packed mineral waters not aerated	Sales/Disposal
		2) Aerated waters	Sales/Disposal
		1) Mineral waters, not aerated	Sales/Disposal
		2) Aerated waters	Sales/Disposal
		3) Non-alcoholic beer	Sales/Disposal
		4) Other	Sales/Disposal

IV.

The Customs and Excise Act
(Laws of Zambia, Volume 18. Cap 322)
Customs and Excise (Cigarette Tax Stamp) Rules, 2006.

IN EXERCISE of the powers contained in section *two hundred* of the Customs and Excise Act, the Commissioner-General hereby makes the following rules for the purpose of prescribing the form and manner in which applications for –

- registration as an importer or distributor of cigarettes; and
- Cigarette Tax Stamps,

as specified in section *one hundred and eight(A)* of the Act and *one hundred and six B* of the Customs and Excise (General) Regulations must be made, the particulars to be provided and the declaration to be made on those forms.

RULES

1. Title and Commencement

(a) These Rules may be cited as the Customs and Excise (Cigarette Tax Stamps) Rules, 2006

(b) These rules shall come into force on 1st September 2006.

2. Interpretation

In these Rules, unless the context otherwise requires-

- (a) The term “The Act” means the Customs and Excise Act (Cap. 322).
- (b) The term “The Regulations” means the Customs and Excise (General) Regulations, 2000.
- (c) The term “cigarette tax stamp” has the meaning given to it under section 108A (3) of The Act
- (d) Any terms used in these rules which are defined in section *two* of the Act shall have the meaning given to them in that section.
- (e) Any terms used in these rules, which are defined in Regulation 2 of the Regulations, shall have the meaning given to them in that regulation.
- (f) “Prescribed form” or “form” means a form prescribed by the Commissioner- General and set out in Schedule to these rules and a reference to a numbered form is a reference to the form so prescribed and numbered.

3. Requirement for Registration of Manufacturers, importers and Distributors of Cigarettes prior to lodgement of an application for Cigarette Tax Stamps

- (1) Every application required pursuant to section 108A of The Act and Regulation 106B of the Customs and Excise (General), Regulations, shall not be processed unless the application is –
 - (a) licensed as a manufacturer under section ninety-seven of The Act; and
 - (b) in the case of an importer or distributor, duly registered with the ZRA for that purpose.
- (2) Every application made under these Rules shall be lodged at the nearest ZRA Custom House.

4. Form and Manner of Application for Registration as an Importer or Distributor of Cigarettes in Zambia

- (1) Every application required in terms of Regulation 106B (1)(b) of the Customs and Excise (General) Regulations and Rule 3 (1)(b) above, shall be made in Form CE 28C as set out in Schedule 1 hereto.
- (2) Every application made in the form specified in paragraph 4(1) of these rules shall be completed in accordance with the requirements set out in that form, and in accordance with Schedule 2 to these rules.
- (3) Every person required to make an application in the form specified in Rule 4(1) above shall, in completing the application, provide the answers required in relation to the particulars specified in or by that form, and where the form requires a declaration to be made, make such a declaration.
- (4) Applications required pursuant to Rule 3 (1)(a) shall be made in accordance with the provisions of the Customs and Excise (Excise Manufacturers’) Rules, 2004
- (5) Where any prescribed form contains any explanatory notes or other notes, such notes do not form part of the prescription but are intended for the guidance of the person in the completion of the application.

5. Documentation to Accompany an Application for Registration

- (1) The application for registration as an importer or distributor of cigarettes in Zambia must be accompanied by valid certified copies of -
 - (i) Certificate of incorporation (issued pursuant to the Companies Act (Cap. 388 of the Laws of Zambia);

(ii) Tax Payer Identification Number (TPIN) Certificate (issued by the ZRA);

(iii) Tax Clearance letters from the Customs and Excise, Direct Taxes and Value Added Tax Divisions of the ZRA.

(2) Every application for renewal of registration as an importer or distributor of cigarettes must be accompanied by a Tax Clearance Letters from the three operational Divisions of the ZRA listed in Rule (1)(iii) above.

(3) All applicants are obliged to provide the most current information and other relevant details of their company at the time of making a new application, renewal or whenever there are changes to the company name and/or profile.

6. Validity Period of the Cigarette Importer/Distributor's License

The Cigarette Importer/Distributors' License issued in terms of Section 108A of the Act, Regulation 106B (1)(b) of the Customs and Excise (General) Regulations and Rule 3 (1)(b) of these rules shall expire on 31st December of the third year from the year in which it was issued.

7. Time for Lodgement of Applications for Registration

(1) The presentation of applications shall be in accordance with Rules 4 and 5 of these Rules and shall be submitted:

(a) In the case of new applications, at any given time of the year; and

(b) In the case of applications for renewal, such applications shall be lodged by every 31st October in the year in which the license expires.

Provided that where the date falls on a holiday or weekend, then the deadline for such submission shall be the next weekday after such a holiday.

8. Appeals

(1) Section 190 of the Customs & Excise Act, provides an appeal process that may be applied if any applicant is aggrieved by a decision of the Commissioner-General not to grant or renew its license.

(2) Such appeal may be made to the Minister of Finance and National Planning within 7 days after being informed of the Commissioner-General's decision.

Provided that where the applicant is unsuccessful on first application he may re-submit his application for a review by the Commissioner-General. Such application will not be prejudicial to the right of the applicant to appeal to the Revenue Appeals Tribunal.

(3) The option for re-submission will not be exercised where an appeal has already been lodged with the Minister or Revenue Appeals Tribunal.

9. Procedure for Obtaining Cigarette Tax Stamps

(1) Any person, legal or natural, duly registered as prescribed under Regulation 106B of the Customs and Excise and Rule 4 above, may apply to the Commissioner General for Cigarette Tax Stamps for purposes of: –

(a) affixing on packets of locally manufactured cigarettes; or

(b) affixing on packets of imported cigarettes prior to importation,

(2) The Cigarette tax stamps shall be issued upon application in form CTS 1 being the Requisition for Cigarette Tax Stamps for Locally Manufactured or Imported Cigarettes set out in schedule 3 to these rules, and subject to payment of the prescribed cigarette tax stamp fee

- (3) Only properly completed applications shall be accepted by the Commissioner-General. Any application with inaccurate or incorrect information shall not be accepted and shall be returned to the applicant.
- (4) Upon approval of the quantities ordered and receipt of payment for the stamps from the importer or manufacturer, the Commissioner General will inform the appointed printer to print and deliver stamps to the local or foreign manufacturer of cigarettes intended for consumption in Zambia. The printer shall not to print any stamps except on Commissioner General's request.
- (5) The printer will be required to consign the stamps directly to the notified manufacturer anywhere in the world within the agreed time frame and notify the Commissioner General of the number of stamps supplied to manufacturer within 2 days of delivery.
- (6) The manufacture, importer or distributor shall ensure that **All** cigarette packets are affixed with stamps prior to importation, distribution or sale in Zambia.

10. Accounting for the Purchased Cigarette Tax Stamps

- (1) Every cigarette tax stamp duly issued in terms of section 108A of the Act shall constitute revenue due to the government. Therefore, purchaser is required to submit -
 - (a) In the case of the Manufacturer - a monthly reconciliation statement done by the 20th of the Month succeeding the month in which it became due showing-
 - Stamps in stock on the last day of the previous month and carried forward to the following month;
 - Summary of usage of cigarette tax stamps during the month including brought forward from previous month;
 - Spoiled stamps or damaged and certified by an officer from the Customs and Excise Division of the ZRA.
 - (b) In the case of an importer or distributor – a reconciliation statement done by the 15th working day from the date of importation showing-
 - Summary of usage of cigarette tax stamps for the current importation including brought forward from previous importation;
 - Stamps in stock as confirmed by manufacturer;
 - Spoiled stamps or damaged as confirmed by manufacturer. Such stamps must be submitted together with the reconciliation statement or mailed to the ZRA, Customs & Excise Division within 15 days from the date of receipt of the statement;
- (2) Where a reconciliation statement is not received as guided under Rule 10 (1) above, the Commissioner-General shall make an assessment of the duties due. Such assessed duties shall constitute a debt to the government and shall be subject to recovery as prescribed under the Customs and Excise Act.

11. Record Keeping

- (1) It shall be the duty of every licensed manufacturer, importer or distributor of cigarettes to keep and preserve such adequate and complete records for a period of 5 years of all sales and purchases and such other books of accounts as may be necessary to determine compliance with the law.
- (2) Such records and other books of accounts shall include but not be limited to all invoices, origin certificates, pertinent records whether stored electronically or otherwise, papers and memoranda reflecting sales and purchases, operating and proprietary ledgers, and any other document of information that may be required by the Commissioner General, and all such books and records shall be open to examination on demand by the Commissioner General.

5.3.6 Amend the Customs and Excise Act to provide for the use of Electronic Fiscal Device in administering Local Excise Duty.

The measure seeks to extend the use of Electronic Fiscal Devices to Local Excise Duty with the aim of enabling fiscalisation and enhancing management of Excise Duty.

DATEDAT LUSAKA

**D. BANDA
COMMISSIONER-GENERAL**

V

(Section 89: Regulation 97)

**REMISSION OF EXCISE DUTY ON GOODS PURCHASED IN BOND
BY
ZAMBIA DEFENCE FORCES**

Specified Goods	Specified Suppliers
Clear Beer Opaque Beer Non-Alcoholic related Beverages Cigarettes Manufactured Tobacco Potable Spirits	Zambia Breweries Limited National Breweries Limited Duncan Gilbey and Matheson (Z) Limited INVESCO (Z) Limited

CONTACT DETAILS

For more information contact:

Call Centre: 4111
Email: advice@zra.org.zm
Website: www.zra.org.zm