



SUMMARY OF THE BUDGET CHANGES FOR 2025

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 will come into effect on **1st January 2025**.

1. INTRODUCE 5 PERCENT SELECTED GOODS SURTAX ON IMPORTED PRINTED PAPER PRODUCTS AND PACKAGING MATERIALS OF HS CODE 4819.20.00.

This measure seeks to support local manufacturers of paper products and packaging materials such as folding carton, boxes and cases of non-corrugated paper or paper boards.

2. INTRODUCE 20 PERCENT SELECTED GOODS SURTAX ON IMPORTED GARDEN HOSE PIPES OF TARIFF CODES 3917.21.20; 3917.21.90; 3917.22.20; 3917.22.90; AND 3917.23.90.

This measure seeks to support local manufacturers of garden hose pipes and encourage further investments in the sub-sector

3. INTRODUCE 30 PERCENT SELECTED GOODS SURTAX ON IMPORTED STEEL U – SECTIONS OF TARIFF CODE 7216.31.00.

This measure seeks to support local manufacturers of steel U – Sections and encourage further investments in the sub-sector.

4. INCREASE SELECTED GOODS SURTAX FROM 5 PERCENT TO 30 PERCENT ON IMPORTED STEEL PRODUCTS OF TARIFF CODES 7211.14.00, 7214.20.90, 7216.40.00 and 7216.99.0.

This measure seeks to support local manufacturers of steel products of tariff codes 7211.14.00, 7214.20.90, 7216.40.00 and 7216.99.00 and encourage further investments in the sub-sector.

5. INCREASE SELECTED GOODS SURTAX FROM 5 PERCENT TO 20 PERCENT ON IMPORTED GARDEN HOSE PIPES OF TARIFF CODE 3917.23.20.

This measure seeks to support local manufacturers of garden hose pipes and encourage further investments in the sub-sector.

6. INCREASE EXCISE DUTY ON FRUIT OR NUT JUICES (INCLUDING GRAPE MUST AND COCONUT WATER) AND VEGETABLE JUICES OF TARIFF CODE 2009 TO K1 PER LITRE FROM THE CURRENT 60 NGWEE.

Currently, fruit or nut juices (including grape must and coconut water) and vegetable juices of 2009 attract Excise Duty at K0.60/litre. The measure is intended to increase to K1/litre for these products to adjust for inflation.

7. INCREASE EXCISE DUTY ON WATERS, INCLUDING NATURAL OR ARTIFICIAL MINERAL WATERS AND AERATED WATERS, NOT CONTAINING ADDED

SUGAR OR OTHER SWEETENING MATTER NOT FLAVOURED OF TARIFF CODE 2201 TO K1 PER LITRE FROM THE CURRENT 60 NGWEE.

Currently, waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter not flavoured OF 2201 attract Excise Duty at K0.30/litre. The measure is intended to increase to K1/litre for these products to adjust for inflation.

- 8. INCREASE EXCISE DUTY ON WATERS, INCLUDING MINERAL WATERS AND AERATED WATERS, CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR FLAVOURED, AND OTHER NON- ALCOHOLIC BEVERAGES OF TARIFF CODE 2202 TO K1 PER LITRE FROM THE CURRENT 30 NGWEE.**

Currently, the products of tariff heading 2202 attract Excise Duty at K0.30/litre. The measure is intended to increase the Excise duty to K1/litre for these products to adjust for inflation.

- 9. INTRODUCE AN AUTOMATIC ANNUAL ADJUSTMENT INDEXATION OF THE RESPECTIVE SPECIFIC EXCISE DUTY- RATES ON TOBACCO AND TOBACCO PRODUCTS, FUEL AND USED MOTOR VEHICLES BASED ON THE AVERAGE INFLATION RATE FOR THE PRECEDING YEAR, WHICH SHALL BE CAPPED AT 20 PERCENT.**

This measure is intended to preserve the value of the respective specific excise duty on tobacco and tobacco products, fuel and used motor vehicles.

- 10. PROVIDE FOR THE PRE-CLEARANCE OF GOODS AT ANY TIME PRIOR TO THE ARRIVAL OF GOODS IN ZAMBIA (SECTION 32 B 1 (D) OF THE PRINCIPAL ACT).**

The amendment is intended to permit preclearance to be done any time prior to the arrival of goods in Zambia, thereby improving Trade facilitation.

- 11. AMEND SECTION 162 OF THE PRINCIPAL ACT TO PROVIDE FOR AN APPEAL TO BE MADE ON SEIZED GOODS, ADDITIONAL METHODS OF SERVING A SEIZURE NOTICE AND THE PERIOD FOR WHICH A DETERMINATION ON THE SEIZURE CAN BE MADE BY THE COMMISSIONER GENERAL.**

This measure is intended to introduce a provision for an appeal on seized goods, the period within which a determination on the seizure can be made by the Commissioner General and introduce other contemporary methods of serving a seizure notice such as email.

- 12. EMPOWER THE COMMISSIONER GENERAL TO SUSPEND USER ACCOUNTS FOR CUSTOMS CLEARING AGENTS AND THEIR PRINCIPALS, WITH OUTSTANDING OBLIGATIONS UNDER SECTION 171A OF THE PRINCIPAL ACT.**

This measure seeks to enhance compliance amongst Customs clearing agents and their principals by empowering the Commissioner General to suspend user accounts (TPIN) in instances where they have outstanding obligations under Section 171A.

13. REDUCE THE NUMBER OF DAYS FROM FIFTEEN (15) TO TEN (10) WITHIN WHICH WAREHOUSED GOODS CAN BE ENTERED FOR CONSUMPTION, RE-WAREHOUSING OR EXPORT AFTER THE EXPIRY OF THE ONE YEAR UNDER SECTION 62 OF THE PRINCIPAL ACT.

The measure seeks to reduce this period to 10 days in order to ensure that goods are promptly accounted for.

14. ALIGN THE PERIOD WITHIN WHICH A PERSON CAN APPEAL TO THE TAX APPEALS TRIBUNAL ON VALUATION ASSESSMENTS UNDER SECTION 86 (4) OF THE PRINCIPAL ACT TO THAT PROVIDED FOR IN CLAUSE 5 OF THE TAX APPEALS TRIBUNAL RULES.

This measure aims to amend the Customs and Excise Act to align with the Tax Appeals Tribunal Rules, which allow 30 days to appeal matters determined by the Commissioner General.

15. INTRODUCE SIMPLIFIED TRADE REGIME WITH A VALUE THRESHOLD OF EXPORTED GOODS ALIGNED TO THAT OF IMPORTED GOODS (US \$2,000) FOR WHICH AN ENTRY CAN BE DISPENSED WITH AS THE COMMISSIONER GENERAL MAY PRESCRIBE.

To introduce a Simplified Trade Regime for exports and a value threshold for exported goods a threshold of **USD2,000** equivalent or less for which an entry can be dispensed with.

16. PROVIDE A PERIOD OF FIFTEEN DAYS FOR WHICH GOODS ENTERED FOR IN-BOND CARRIAGE BY RAIL TO A CUSTOMS AREA OR ANOTHER CUSTOMS OFFICE INLAND, SHALL BE ENTERED FOR CONSUMPTION OR WAREHOUSING.

The measure aims to extend the timeframe for moving goods in bond by rail to a customs area or another customs office to an inland station for clearance or warehousing. The measure considers longer transit times that rail cargo typically requires on account of various challenges that are currently associated with railway transportation in Zambia.

17. PROVIDE FOR A GENERAL PENALTY FOR OFFENSES COMMITTED BY LICENSED MANUFACTURER OF EXCISABLE GOODS UNDER SECTION 155 OF THE CUSTOMS AND EXCISE ACT.

Section 155 (2) provides for a general penalty but refers to the customs value which is determined in accordance with the Fifth Schedule while the value for excise purposes is determined in accordance with the Sixth Schedule. This measure will also align the penalty for excisable services as provided in subsection (3) with that of excisable goods.

18. SUBDIVIDE THE FOLLOWING SUBHEADINGS IN ACCORDANCE WITH THE RECOMMENDATIONS FROM THE CUSTOMS CO-OPERATION COUNCIL:

(a) **2903.89.00** (Other halogenated derivatives of cycanic, cyclenic or cycloterptic Hydrocarbons).

(b) **2909.30.10** (Other Aromatic ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives not in bulk) and **2903.30.20** (Other Aromatic ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives not in bulk).

(c) **2915.90.00** (Other Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives)

(d) **2930.90.10** (Other organo-sulphur compounds - In bulk) and 23930.90.20 (Other organo-sulphur compounds - Not in bulk) in accordance with the recommendations made by the Customs Co-operation Council.

The measure seeks to implement recommendations of the Customs Co-operation Council, to which Zambia is a member. The Council urged member administrations to take appropriate action by inserting additional national subdivisions in their statistical nomenclatures to facilitate the collection and comparison of data on the international movement of the above listed substances that are controlled under the Rotterdam convention.

19. SEPARATE HARMONIZED SYSTEM (HS) CODES FOR SOYA BEAN CAKE AND SOYA HUSKS.

Currently, Soya Bean Cake and Soya Husks both incur a 5% customs duty and a 5% surtax and are classified under the same HS Code 2304.00.00, despite being distinct products.

As the two products have different values and uses, the measure seeks to ensure that any policy changes affecting one in relation to international trade does not also impact the other due to their shared HS Code classification.

20. INCLUDE ELECTRICAL ENERGY (OF NOT MORE THAN 100KW) AS ONE OF THE GOODS THAT CAN BE PRODUCED FOR PERSONAL AND DOMESTIC USE WITHOUT A LICENCE AND WITHOUT PAYMENT OF DUTY.

This measure aims to provide a legal basis for exempting domestic manufacturers of electrical energy, which will promote the uptake of off-grid power solutions by households. Currently there is no provision exempting anyone producing electrical energy in any quantity and for any purpose.

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