



MALAWI TAX INCENTIVES



June 2026

Foreword

by the Commissioner General



Felix Kingstone Tambulasi

The Malawi Revenue Authority (MRA) believes that the country has a lot of natural resources that can inspire local and foreign investors to tap on. The challenge has been that many of these investors lack a lot of information on the Malawi's tax regime when they open their businesses in the country. Such being the case, many investors both small and big, local and foreign, tend to shy away from investing in the country. It is for this reason that MRA and the Malawi Investment Trade Centre (MITC), decided to work together to produce this Malawi Tax Incentives Handbook.

The Handbook provides insights on the available tax incentives covering many sectors of Malawi's economy. These include agriculture and agro-processing, tourism, mining, manufacturing, energy, transport, education, health and construction, among others. The booklet also envisages a number of tax allowances, holidays and reliefs on various business ventures that an

investor can enjoy within a specified period of time on application. Furthermore, a number of investors are not aware of the specific conditions or requirements attached to certain incentives, such as minimum investment thresholds and sector eligibility, just to mention a few.

It is against this background, that MRA and MITC came up with this booklet to provide you with a broad spectrum of clear and accurate information to enable you understand Malawi's tax regime. This will allow you to make informed decision before making the country as your next investment destination. We have also provided you with applicable rates in the tax regime. It is our hope that you will make use of this information and invest in Malawi and nowhere else.

Felix Kingstone Tambulasi
COMMISSIONER GENERAL

Foreword

by the Ag. Director General



Bisa Namarika

On behalf of the Malawi Investment and Trade Centre (MITC), it is my distinct pleasure to present the Malawi Tax Incentives Handbook, an in-depth guide, developed jointly with the Malawi Revenue Authority (MRA) to provide investors, businesses, and exporters with a clear, accessible, and comprehensive reference to Malawi's tax incentive framework.

Malawi is open for business. The Government of Malawi, through the Malawi 2063 and its first 10-year implementation plan (MIP-1), has made the promotion of transformative investment a national priority. Central to this agenda is the creation of a competitive and transparent investment climate where fiscal incentives play a critical role. Tax incentives are among the most powerful tools for stimulating investments in specific areas, yet their effectiveness depends entirely on how well they are understood and utilized by those they are designed to benefit.

This Handbook represents government's commitment to addressing a longstanding need for greater clarity and accessibility of Malawi's tax incentive regime to both domestic and international investors and exporters.

It consolidates, in plain and practical language, the full range of sector-specific and cross-cutting incentives available under Malawi's tax laws, covering areas including agriculture, tourism, mining, manufacturing, and export-oriented enterprises, among others. Whether you are a prospective investor exploring investment opportunities in Malawi for the first time, or an established business seeking to optimize your fiscal position, this Handbook is designed to serve as your definitive guide.

MITC remains committed to ensuring that every investor and exporter regardless of scale sector, or country of origin, has the information and institutional support they need to invest and trade with confidence in Malawi. I am proud of the partnership between MITC and MRA that has made this publication possible, and I commend its use to all who seek to be part of Malawi's exciting growth journey.

Bisa Namarika
Ag. DIRECTOR GENERAL

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1.0 INTRODUCTION



The Malawi Revenue Authority Head Quarters, Blantyre

Malawi offers a wide range of tax incentives with the aim of encouraging development, enhancing output and expanding employment opportunities. These tax incentives are aimed at enabling business establishments to grow and expand their operations thereby contributing to the overall social-economic development of Malawi. The incentives fall under two main categories of taxes and these are; Customs & Excise and Domestic Taxes.

2.0 CUSTOMS & EXCISE TAX INCENTIVES

Customs & Excise tax incentives come in two forms; general and specific incentives. General incentives are applicable to any Malawian taxpayer upon importation of a product. On the other hand, specific Customs & Excise incentives apply to those approved to operate in a specific sector under agreed conditions.

2.1 GENERAL INCENTIVES

Malawi's general Customs & Excise incentives are in the form of duty exemptions on machinery targeting different sectors of the economy. These exemptions are offered in five exemption approaches as follows: -

1. Import duty and import Value Added Tax (VAT) exemption on importation of most machinery
2. Import duty exemption while VAT remains payable at 17.5% on importation of specific type of machinery
3. Import duty and import VAT exemption on importation of special purpose motor vehicles other than those principally designed for transport of persons or goods.

Examples of special purpose vehicles are concrete mixer lorry and mobile drilling vehicles etc

4. Solar products are import duty free while VAT remains payable at 17.5%. Examples of such solar products include solar batteries and solar energy lamps
5. Duty and VAT free importation of Crane Lorries, Concrete Mixer Lorries, Mobile Drilling Derricks and Track Laying Tractors (Construction sector)

2.2 SPECIFIC OBJECTIVES

Specific Customs & Excise tax incentives in Malawi cover ten sectors and these are; the Construction Sector, Energy Sector, Tourism Sector, Agriculture Sector, Transport Sector, Mining Sector, Education Sector, Health Sector, Manufacturing Sector and Export Processing Sector. Table 1: Specific Customs & Excise Tax Incentives

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
401	Manufacturing under industrial rebate scheme	Manufacturing sector	Exemption of raw materials from import duty and import excise while VAT is payable at 17.5%	A duly registered manufacturer with a proven operational history of at least three years and supported by a fully functional factory as stipulated in the 8th schedule of the Customs & Excise (Tariffs) Order
402	Manufacturing under industrial rebate scheme	Manufacturing sector- essential industries	Exemption of raw materials from import duty, excise duty and VAT	Registered manufacturers under fertilizer, medicaments and pharmaceutical, medical apparatus, printing publishing and book binding industry

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
405	Imported goods for use in hospitals, nursing homes, clinics, surgery and dispensary	Health sector	Exempt from all duties on instruments, apparatus, appliances and requisites including parts thereof and specialized furniture, solar panels, accumulators, surgical gloves, diagnostic and laboratory reagents, computers and building materials	Approved by the Principal Secretary responsible for health
406	Imported school stationery, instruments, apparatus, appliances and other tuitional requisites including specialized furniture for use in the classroom, workshop or laboratory, athletic and sports goods, solar panels and accumulators for tuitional purposes by educational institutions or pre-school playgroups, photocopying machines, building materials, pianos, organs, keyboards and computers	Education sector	Exempted from all duties	Approved by the Principal Secretary responsible for education and the Commissioner General
410	Astronomical and scientific instruments imported by educational institutions under such conditions as the Commissioner General may prescribe; specimen illustrative of natural history and exhibits for public museums, public art galleries and the like or for scientific purposes	Education sector	Exempted from all duties	Approved by the Commissioner General

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
411	Equipment and materials of a kind for use in flight for catering, hygiene or for similar purposes aboard aircrafts owned by a person operating scheduled international services	Transport sector	Exempted from all duties	Approved by the Commissioner General
442	Goods for hotels, lodges, inns and conference centre as per the list in Section XXII of the Customs & Excise (Tariffs) Order	Tourism sector	Exempted from all duties	Licensed under the Tourism and Hotels Act as provided for under Section XXII of the Customs & Excise (Tariffs) Order
443	Goods for hotels, lodges, inns and conference centres imported in accordance with Note (b) (ii) of the CPC 442	Agro-processing and Electricity generation	Exempted from all duties.	As prescribed in the Taxation (Priority Industry) Regulations 2013
445	Capital goods and building materials for any Priority Industry as may be prescribed under the Taxation Regulations 2013	Agro-processing and electricity generation	Exempted from all duties	Spare parts, stationery, office furniture, protective wear and tools are excluded as prescribed in the Taxation (Priority Industry) Regulations 2013
446	Specific goods for direct use in irrigation like PVC pipes, asbestos pipes/rubber seals, galvanised pipes, elbow, sprinklers/ raiders, control valves, solvent cement, pump engines, pressure gauges and nozzles imported by a farming entity recognised by Secretary for Agriculture	Agriculture sector	Exempted from all duties	As approved by the Minister responsible

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
448	Specific goods for direct use in the production of horticultural produce for export. Goods like seeds, cuttings, seed netting, green house structure, climate control equipment, one generator set, water pump or borehole, flower power light, pump, electrical engines, diesel engine for irrigation with tubing, PVC piping, valves, sprinkler system, irrigation filter/ nozzles, pressure regulators, new refrigerated trucks per five years, cold room, strapping materials and clips, metal wire, strings elastic bands, processing, binding equipment, grading/milling equipment, soil preparation equipment, bag strikers, laboratory equipment, chemical and reagents, soil testing kits, moisture testers, graders, chemicals rose cutter, spray equipment, sealing equipment and fumigation equipment	Agriculture sector	Exempted from all duties	As approved by the Minister responsible by Notice published in the gazette
450	(A) Two passenger carrying motor vehicles of Tariff Heading 87.02 not exceeding 5 years from the date of manufacture in every 5 years for hotels, lodges and inns with at least 20 ensuite rooms for Malawian investors and at least 50 ensuite rooms for foreign investors. (B) Vehicles not exceeding 5 years from the date of manufacture in every 5 years for conference centres with a seating capacity of at least 500 people	Tourism sector	Exempted from all duties	As approved by the responsible Minister

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
451	Specialized vehicles for Safaris, hotels, lodges and inns	Tourism sector	Exempted from all duties	The vehicle should be labelled on both sides before issuance of Customs Clearance Certificate (CCC) licensed under the Tourism and Hotels Act
453	Specialized television and radio broadcasting equipment being transmitters, studio equipment, studio and transmitter link equipment and accessories	Information, Education and Communication sector (IEC)	Exempted from all duties	Approved by the Ministry responsible
475	Capital machinery and raw materials for use in direct production of goods under Export Processing Zones (EPZ)	Manufacturing sector	Exempted from all duties	Approved by the Minister responsible
477	Specialized goods for use in aquaculture including machinery, plant, laboratory equipment, separators, specialised tanks and diffusers, boat engines and trawlers for deep sea fishing	Agriculture sector	Exempted from all duties	Approved by the Minister responsible
481	Specialized goods for use in mining such as machinery, plant and exploration equipment	Exploration and Mining sector	Exempted from all duties	As approved by the responsible Minister
488	Goods for use in water supply being water meters and water treatment chemicals imported by waterboards	Water sector	Exempted from all duties	As approved by the Minister responsible for water management
489	Goods for electricity generation and distribution being fuses, transformers, ring main unit, insulators, gale chain equipment, conductors, surge arrestors, column duplex, AAC/PVC electricity supply meters and spare parts for machinery for electricity generation and distribution imported by any company involved in the generation and supply of commercial electricity	Energy sector	Exempted from all duties but VAT is payable at 17.5%	As approved by Minister responsible

CUSTOMS PROCEDURE CODE (CPC)	DESCRIPTION	SECTOR	INCENTIVES	ELIGIBILITY
498	Goods for the construction of electric motor vehicle charging station	Transport sector	Exempted from all duties	Approved by the responsible Minister (A). The application is accompanied by Certified Building Plans, Bill of Quantities (BOQs) and material schedules. (B). The importation is made directly by the applicant or acquired ex-bonded warehouse and made through a third party
499	Building materials for construction of and farm machinery and equipment including irrigation materials for use on a mega farm or agro-industrial park farm	Agriculture sector	Exempted from all duties	As licensed by the Ministry of Agriculture
515	Building materials, furniture and fittings for the construction of student's hostels affiliated to an accredited public tertiary institution	Education sector	Exempted from all duties but VAT is payable at 17.5%	Approved by the Minister responsible
516	Goods for the construction of amusement parks	Tourism sector	Exempted from all duties but VAT is payable at 17.5%	Approved by the Ministry of Tourism

Note 1 : The sale of exempt goods to any ineligible person shall attract the payment of applicable duties across all the above Customs Procedure Codes (CPCs), as determined by the Commissioner General.

Note 2: An importer must consult the One Stop Service Centre's Customs and Tax Specialist to determine the applicable exemptions for specific types of machinery.

2.2.1 AGRICULTURE SECTOR

i. Animal Breeding



- Import duty and VAT free on importation of livestock meant for breeding such as live bovine animals, live swine, sheep and goats.

Note: This incentive will be accessed after prior recognition from Principal Secretary of the Ministry of Agriculture, Irrigation and Water Development.

ii. Poultry Farming



- Duty free and VAT free importation of machines for cleaning, sorting or grading eggs.

-
- Duty free and VAT free importation of machinery for preparing animal feeding stuffs and poultry incubators.

Other Agricultural Goods

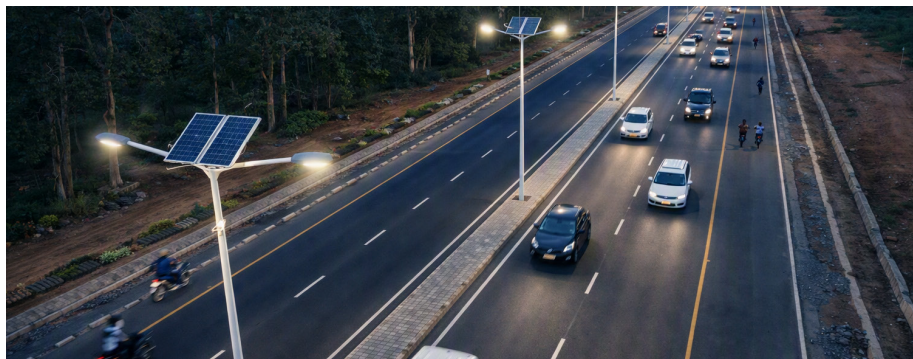
In addition to the incentives for the sub-sectors above, the following are some of the goods and equipment which are essential for farming:

- Duty Free and VAT free importation of agricultural goods: fertilizers, pesticides and herbicides.
- Duty Free and VAT free importation of agricultural equipment: ploughs harrows, scarifiers, cultivators, weeders, manure spreaders and fertilizer distributors and milking machinery.

2.2.2 TRANSPORT SECTOR



i. Road Transport



-
- **For Trucks** : Import duty and VAT free on new trucks and trucks used for a period not exceeding fifteen years of 15 tonnage or more capacity but attracts 5 % import excise. The same trucks used for a period exceeding fifteen years attracts 20 % import excise.

ii. Rail Transport



- Import duty free and VAT free on importation of Railway materials.

iii. Air Transport



-
- Duty free and VAT free on importation of aero planes and other aircrafts of unladen weight exceeding 2000 kg.

EXPORT PROCESSING ZONE SCHEME

Exemption of all duties (Import, Excise and VAT on capital machinery, equipment, and raw materials directly used in the production of goods for export. 20 % of the produced goods is allowed to be sold locally after seeking approval from Ministry of Trade and Industry

Note: In order to access this incentive, the Investor should be issued with an Export Enterprise Certificate from the Ministry of Industry and Trade.

3.0 DOMESTIC TAX INCENTIVES



Domestic Tax Incentives are in two forms, i.e., General Incentives, and Specific Incentives. General incentives are incentives which are accessible by every registered person operating as an 'individual' or 'entity' in the country. On the other hand, Specific Domestic Tax Incentives are sector specific and are accessible by a registered person operating as an 'individual' or 'entity' in that particular sector.

3.1. GENERAL TAX INCENTIVES

There are 3 major Tax Incentives in Malawi and these are as follows:

i. Business Losses

Losses incurred by the business are carried forward for a maximum period of six years from the year in which they were incurred. This results in an overall reduction of the tax liability at the time the business starts making profits, hence working capital is not adversely affected.

ii. Capital Allowances

Capital Allowances allow the loss of value of a business's capital items to be treated as a current expenditure and thereby using it in the assessment of a business's taxable income. There are three different forms of capital allowances as follows:

- Investment Allowance is given to the taxpayer when they opt. No Investment Allowance can be claimed when initial allowance has been claimed. This entails that a business entity can only claim either initial allowance or Investment Allowance
- Initial Allowance is given to the taxpayer in the first year after the taxpayer has claimed the allowance at the end of the year. Initial or investment allowances are only claimed once in the first year of use of the capital asset
- Annual Allowance is given to the taxpayer every year from the first year for the lifespan of the capital asset. Annual Allowance is claimed at the end of each year for the lifespan of the capital asset

Please refer to table 4 and table 5 in section 3.3 for specific rates and corresponding capital items

iii. Social Contributions

A claim of 50% allowance of social contributions paid directly into the building of a public hospital or school, or the sponsoring of youth sporting development activities. Where a taxpayer wants to fund corporate social activities, they can claim 50% of the expenditure. Taxable expenses are reduced by 50% of the donation as long as the taxpayer has a record of the donation and indicates on the tax return a claim of the tax allowance

Note: In order to benefit from these incentives, the business entity is supposed to submit a return of income at the end of the financial year

3.2. SPECIFIC TAX INCENTIVES

In addition to the above stated general incentives, there are specific tax incentives. The specific tax incentives are subdivided into two categories; specific sector and other specific incentives.

3.2.1. Specific Sector Incentives

These incentives cover four sectors, the Agriculture Sector, Tourism Sector, Mining Sector and Manufacturing Sector.

Agricultural Sector



- i. In this incentive the full cost of 'water control works' which includes the construction of any canal, channel, dyke, furrow and any flood control structure is an allowable deduction.
- ii. Land preparation activities are also admissible as capital expenses. These land preparation activities may include:
 - The stumping, levelling and clearing of lands;
 - Works for the prevention of soil erosion;
 - Boreholes;
 - Wells;
 - Aerial and geophysical surveys.

-
- iii. Growers of tea, coffee, tobacco, sugar, cocoa or such other crop as the Minister may approve, at a plantation level can claim Capital allowances on staff housing.

Tourism Sector



The Commissioner General may grant a VAT free status when purchasing building materials for construction as prescribed in the Customs & Excise Act.

Mining Sector



- The capital expenditure on plant and machinery is claimable in the first year of operation through Capital Allowances.

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- Losses incurred by the business are carried forward for a maximum period of ten years from the year in which they were incurred.
 - There is a provision for advance pricing agreements to avoid uncertainty.

Manufacturing Sector



Pre-business expenses

- These are expenses incurred prior to commencement of trade as a person or business entity is preparing to launch their business.
- All expenses incurred 18 months prior to the commencement of production or trading are allowable expenses.

3.2.2. OTHER SPECIFIC INCENTIVES

Exports

The following are the Exports incentives provided for under the Taxation Act:

i. Transport Allowance

There is an allowable deduction of an additional 25% on international transport costs incurred by a taxpayer on exports. For example, where the cost of transport is 100, under normal circumstances, the 100 will be claimed as an expense but for exporters an additional 25% is claimable as an expense meaning the taxpayer will be allowed to claim 125.

ii. Export Allowance

There is a further allowable deductible amount as follows:

- 30% of taxable income for processed non-traditional goods
- 10% of taxable income for unprocessed non-traditional goods

Note: Non-traditional goods are products other than Tobacco, sugar, tea and coffee

iii. VAT on Exports

- VAT on all exports is zero rated.

Claiming refund on input VAT related to export sales on monthly basis where the exports exceed 70% of the total supplies is allowable.

iv. Priority Industry Status

The Malawi Government has, through the Taxation (Priority Industries) Regulations 2013, designated industries as Priority Sectors, namely; Agro-processing Sector and Electricity Generation, Transmission and Distribution Sector. The incentives are as follows:

• Tax Holidays

The companies that are accorded the Priority Industry status are given 0% Corporate Income Tax rates for a period not exceeding 10 years. Only companies that commence trading or obtain an Investment Certificate after 1st July, 2013 can access these incentives.

• Duty Free Status



The companies are additionally given an exemption of Duty on importation of capital goods and building materials. The list of approved capital goods and building materials were published in Government Notice no. 19, Customs & Excise (Tariffs) (Amendment) Order, 2017.

Requirements for Qualification

In order to qualify for the incentives under the Priority Industries Status, there are conditions to be met according to sectors:

Agro-Processing Industries

- Minimum investment capital of USD 500,000 or its kwacha equivalent for 100 percent local shareholding.
- Minimum investment capital of USD 5 million or its kwacha equivalent for foreign shareholding.
- 35 percent value addition.

Electricity Generation, Transmission and Distribution Industries

- Minimum investment capital of USD 30 million for any type of shareholding

Procedures

In order to benefit from the Priority Industries Status incentive, the procedure is as follows:-

- i. The business entity should submit an application to the Commissioner General of MRA requesting to be considered for the Priority Industry Status. The application should include the following:-
 - Application Letter
 - Business Plan (the recommended Business Plan outline is obtainable from Malawi Investment and Trade Centre)
 - Malawi Investment and Trade Centre Investment Certificate
 - Certificate of Incorporation in Malawi
 - Memorandum and Articles of Association
- ii. Upon receipt of the application, a Priority Industries Committee assesses

the application and makes recommendations to the Commissioner General accordingly.

Note 1: Submission of application for Priority Industry Status does not entail automatic access to the Priority Industry Status Incentives

Note 2: Priority Industry incentives are not given to an entity that has already accessed other incentives similar in nature to the incentives prescribed by the Regulations

Note 3: Exemption of Duty is made by applying CPC 445 under the Customs & Excise (Tariffs) Order and is subject to approval by the Commissioner General

3.3 Summary of Tax Incentives

This section presents a summary of the domestic tax incentives that have been detailed in sections 3.1 and 3.2. Table 2 presents a summary of Income Tax Incentives and Table 3 presents a summary of exemptions from income taxes.

Table 2: Summary of Tax Incentives

Item	Description	Claimable Rate	Reference
Pre-business expenses for manufacturers	In the course of establishing the business expenses up to 18 months before commencement of the business		Section 41 of the Taxation Act
Export allowance	Allowance on taxable income on non-traditional exports	i. 30% of taxable income for processed non-traditional goods ii. 10% of taxable income for unprocessed non-traditional goods	Section 36A of the Taxation Act and Section 14 of Export Incentives Act
International Transport Allowance	There is an allowable deduction of an additional 25% on international transport costs incurred by a taxpayer on exports	Additional 25% of international cost	Section 41B of the Taxation Act
Tax holiday	Companies operating in priority industry so designated by the Minister of Finance	0% not exceeding 10-year period	Eleventh schedule of the Taxation Act

Item	Description	Claimable Rate	Reference
Capital allowances	Capital expenditures	See the table 4 below on Capital allowance	Second schedule of the Taxation Act
Other tax incentives	- Duty free importation of qualifying capital goods with reference to the Customs & Excise Tariff - Input VAT on exports is refundable - Industrial rebate scheme: qualifying industries can import raw materials duty free		

Table 3: Exemptions from Income Tax

Item	Description
Capital Gains and Capital Losses	- Transfer of capital assets between spouses or between former spouses - Transfer of capital assets from an individual to a trust - On disposal of a principal residence - On disposal of personal and domestic assets realised by an individual not used in connection with any trade.
Other	Severance pay of up to K50,000 (only applicable when it is due to redundancy or retrenchment)

Table 4: Summary of Capital Allowance Rates

Item	Initial Allowance	Annual allowances	Investment Allowances
Farm Improvements, Railway lines	10%	5%	-
Industrial Building	10%	5%	40% on used buildings 100% on new and unused buildings
Plant or Machinery	20%	10% normal shifts 17.5% for 2 shifts 25% for 24hrs/ day	40% on used plant and machinery 100% on new and unused plant and machinery

Item	Initial Allowance	Annual allowances	Investment Allowances
Farm Fencing	33.3%	10%	
Staff Housing for manufacturers and large tobacco, tea, sugar & cocoa farmers	10%	5%	
Commercial Building costing K100 million and above		2.5%	-
Article, Implements	20%	Various as determined by Commissioner General	Refer to table 5.

Note: Those who qualify for both initial and investment allowances are required to choose either of the two but not both. Investment allowance is given to a taxpayer who is also a manufacturer.

Annual Allowances Fixed by the Commissioner General

Complementary to table 4, the following rates are fixed by the Commissioner General, except where stated, and are to be used on the diminishing balance of the original cost

Table 5: Summary of Annual Allowances for Various Articles and Implements

	Goods And Services	Rates
1.	Air conditioner plant	10%
2.	Aircraft	20%
3.	Angle Dozers	25%
4.	Anvils	20%
5.	Bakers' Ovens (metal parts only)	10%
6.	Bicycles	25%
7.	Billiard Tables	10%
8.	Blinds, Venetian	10%

	Goods And Services	Rates
9.	Book-Keeping and calculating machines	10%
10.	Bulldozers	25%
11.	Caravans	20%
12.	Carpets (over 100 pound)	25%
13.	Clarinets	10%
14.	Combined Harvesters (self-propelled)	20%
15.	Computer (on straight line basis)	40%
16.	Concrete Mixers	20%
17.	Cranes (Mobile)	15%
18.	Diesel Alternation sets, compressors and motors	10%
19.	Dozers – Angle bull and Tree	25%
20.	Electric cooking stoves	10%
21.	Electric fires and fans (renewals basis)	100%
22.	Electric Organ (portable)	20%
23.	Flues: Brick and tile maker	100% once or 10% annually
24.	Forges	20%
25.	Furniture: hotel, Boarding house and office	10%
26.	Craders	25%
27.	Helicopters	20%
28.	Hot water systems (Flats): equipment	10%

The basic principle of allowing capital allowances in the tax incentive regime is based on the understanding that capital items depreciate at the end of each year and the loss in value of capital items needs to be considered as business expenditure. Under normal circumstances, depreciation is not considered as an expenditure in business operations. However, with capital allowances, the loss of value of a capital asset is allowed as a current expenditure.

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Produced by Malawi Revenue Authority

Malawi Revenue Authority
Msonkho House
Independence Drive
Private Bag 247
Blantyre

Tel: +265 - 1 822 588
Fax: +265 - 1 822 302
E-mail: mrahq@mra.mw
Web: www.mra.mw

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