MALAWI TRADE FACILITATION PROJECT
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LOCATION OF MALAWI
MRA - CUSTOMS AND EXCISE MANDATE

- Revenue
- Trade Facilitation
- Trade Statistics
- Security

Malawi
STRIKING A BALANCE BETWEEN CONTROL & FACILITATION

Know your Mandate & Obligations

Facilitate Trade - Reduce Time & Costs
THE CONGESTED BORDER - DELAYS
MANAGING THE FROTIER CONGESTION

REVENUE
Control
Physical Checks

FACILITATE
Risk Profiling
Technology
Capacity
THE DRIVE TO EFFICIENCY

1. Stakeholders pressure to the World Customs Organization (WCO) to drive efficiency of their **Customs Administrations**
   - Technical body that drive Custom and Excise reforms and modernization
   - Develops various instruments for Member Administrations to use
   - Technical Training through Regional Offices for Capacity Building (ROCB)

2. International Chambers of Commerce and other stakeholders pressure on World Trade Organization (WTO) to drive the **Member States** to facilitate the trade.
   - WTO Trade Facilitation Agreement
   - Member States to sign and accede to the Agreement
WTO TRADE FACILITATION AGREEMENT

1. Malawi is a signatory to the WTO TFA
2. It is a binding agreement – Member States have to comply
3. Provision of various articles to guide implementation by the Member States
4. WTO TFA Implementation Compliance – considered the different levels of development and capacity of the Member States, made provisions as below:
   - **Category A** – What can be implemented immediately
   - **Category B** – Time to prepare then will implemented
   - **Category C** – Where there is need for support to be able to implement

Donor support falls in category C - Global Alliance/CIPE Trade Facilitation Project
PROJECT PROGRESS

- Training institution identified
- To fund 200 trainees
- Curriculum/modules developed
PROGRESS ON INCORPORATION OF NEW REQUIREMENTS IN THE REGULATIONS

• Regulations were amended to incorporate new requirements for accreditation of Clearing and Forwarding Agents (training, licensing, performance standards)
• Tax Administration Act (TAA) was passed by Parliament and signed by President
• TAA covers issues of licensing, advance rulings, appeals framework, refunds penalties/fines, transparency and predictability.
• Regulations being refined to be gazetted
• Awaiting setting up of Revenue Appeals Tribunal – appointment of Judge etc
• Awaiting gazeting of commencement date
• Training planned to commence May 2023 concurrently with operationalization of Appeal Tribunal Court.
GLOBAL ALLIANCE/CIPE – TRADE FACILITATION PROJECT AREAS TO RESOLVE

Capacity Building – Accreditation of Clearing and Forwarding Agents

- DELAYS
- HIGH COSTS OF DOING BUSINESS
- NOT ATTRACTIVE TO INVESTORS

WTO Trade Facilitation
Global Alliance/CIPE Trade Facilitation Project
DESIRED OUTCOME OF THE PROJECT

Trade Facilitated - Timely collection of revenue - Attract investors
Drive Economic Development
CONCLUSION

• The desired outcome will make a big difference
• Reduced error rate - compliance of accredited CFAs
• Reduced penalties which increase the cost of doing business
• The new Tax Administration ACT with amended regulation brings:
  ➢ Predictability
  ➢ Transparency – eg framework for penalties
  ➢ Accountability
  ➢ Efficiency because of specific time limits for service
  ➢ Covers advance rulings