

**THE CUSTOMS AND EXCISE (AMENDMENT) BILL, 2018**

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MEMORANDUM

The object of this Bill is to amend the Customs and Excise Act so as to—

- (a) introduce customs duty on motor cycles;
- (b) introduce excise duty on non-alcoholic beverages and aviation fuel;
- (c) introduce export duty on raw hides, raw skins, pearls, precious stones and precious metals;
- (d) increase the export duty on manganese ores and manganese concentrates;
- (e) revise the duty rates payable on certain goods;
- (f) provide for penalties for offences connected to excisable services;
- (g) increase the specific excise duty rates on fuels;
- (h) revise the list of goods that are subject to surtax at importation; and
- (i) provide for matters connected with, or incidental to, the foregoing.

L. KALALUKA,  
*Attorney-General*

# A BILL

ENTITLED

**An Act to amend the Customs and Excise Act.**

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Customs and Excise (Amendment) Act, 2018, and shall be read as one with the Customs and Excise Act, in this Act referred to as the principal Act.

Short title and commencement  
Cap. 322

5 (2) This Act shall come into operation on 1st January, 2019.

2. Section 2 of the principal Act is amended by insertion of the following definition in the appropriate place:

Amendment of Section 22.

10 “used motor cycle” means a motor cycle that is at least two years old and which has previously been registered before importation;

3. Section 34 (2) of the principal Act is amended by the—

Amendment of Section 34

(a) insertion of the following new paragraph immediately after paragraph (a):

15 (b) personal motor vehicles are transiting through Zambia;; and

(b) renumbering of paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e) respectively.

20 4. Section 72 of the principal Act is amended by the insertion of the words “and used motor cycles” immediately after the word “vehicles”

Amendment of section 72

Amendment of section 76A	<b>5.</b>	Section 76A of the principal Act is amended by the insertion of the words “and used motor cycles” immediately after the word “vehicles”.	5
Amendment of section 77	<b>6.</b>	Section 77 of the principal Act is amended by the— <i>(a)</i> deletion of the words “subsection (2)” in subsection (1) and the substitution therefor of the words “subsections (2) and (3)”; <i>(b)</i> insertion of the following new subsection immediately after subsection (1): <b>(2)</b> Despite subsection (1), the specific surtax rate on carbon emissions in respect of a motor vehicle referred to in subsection (5) (a), (c) and (d) is one half of the specific rate set out in Part II (A) of the Fourth Schedule.; and <i>(c)</i> renumbering of subsections (2), (3), (4), (5), (6), (7) and (8) as subsections (3), (4), (5), (6), (7), (8) and (9) respectively.	10 15 20
Amendment of Section 85	<b>7.</b>	Section 85(3) of the principal Act is amended by the insertion of the words “or a used motor cycle” immediately after the word “vehicle”.	20
Insertion of new sections 154A8.	<b>8.</b>	The principal Act is amended by the insertion of the following new section immediately after section 154:	
Offences by principal officer shareholder or partner of body corporate or unincorporate body		154A. Where an offence under this Act is committed by a body corporate or unincorporate body, with the knowledge, consent or connivance of the director, manager, shareholder or partner of the body corporate or unincorporate body, that director, manager, shareholder or partner of the body corporate or unincorporate body commits an offence and is liable on conviction to the penalty specified for that offence.	25
Amendment of section 155	<b>9.</b>	Section 155 of the principal Act is amended by the— <i>(a)</i> insertion of the following new subsection immediately after subsection (2): <b>(3)</b> A provider of an excisable service convicted of an offence under this Act is liable, in respect of each offence— <i>(a)</i> to a fine not exceeding treble the value of the excisable service plus the excise duty payable for the service which may be the subject of the offence; or	30 35

- (b) if treble the value of the excisable service plus the excise duty payable for such service is less than twenty thousand penalty units, or the offence does not involve a service, to a fine not exceeding twenty thousand penalty units.; and
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- (b) renumbering of subsections (3) and (4) as subsections (4) and (5) respectively.
- 10    **10.** The principal Act is amended by the repeal of section 155A.      Repeal of section 155A
- 10    **11.** Section 191(a) of the principal Act is amended by the deletion of the words “customs duty and surtax” and the substitution therefor of the word “duty”      Amendment of section 191
- 15    **12.** The First Schedule to the principal Act is amended as set out in Appendix I.      Amendment of First Schedule
- 15    **13.** The principal Act is amended by the repeal of the Second Schedule and the substitution therefor of the Second Schedule set out in Appendix II. Repeal and replacement of Third Schedule      Repeal and replacement of Second Schedule
- 20    **14.** The principal Act is amended by the repeal of the Third Schedule and the substitution therefor of the Third Schedule set out in Appendix III.      Repeal and replacement of Third Schedule
- 25    **15.** The Fourth Schedule to the principal Act is amended—
- (a) by the deletion of table (A) of Part II and the substitution therefor of the table set out in Part I of Appendix IV; and
- (b) in Part III, by the—
- (i) deletion of the goods set out in part II of Appendix IV; and
- (ii) insertion of the goods set out in part III of Appendix IV in the appropriate places.
- 30    **16.** The Sixth Schedule is amended by the deletion of—      Amendment of Sixth Schedule
- (a) paragraph 1(3) and the substitution therefor of the following:
- (3) Despite anything contained in this Schedule—
- (a) the value of cigarette tobacco, pipe tobacco, chewing tobacco, cigars and snuff tobacco, is a quarter of the price at which the tobacco concerned is sold;
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(b) the specific duty rate for non-alcoholic beverages is one-sixth of the specific rate set out in the Second Schedule; and

(c) the tax rates for fruit juices and bottled water are at zero percent of the specific duty rates set out in the Second Schedule.; and

(b) the words “paragraph (3)” and the substitution therefor of the words “subparagraph (3)(a)”. 10

Amendment  
of Ninth  
Schedule

17. The Ninth Schedule to the principal Act is amended by the —

(a) deletion of the figure “10%” in the Export Duty Rate column opposite subheading 2602.00.00 and the substitution therefor of the figure “15%”; and 15

(b) insertion of the headings and subheadings set out in Appendix V in the appropriate places.