

**GOVERNMENT NOTICE NO. ....**

**EXPORT PROCESSING ACT, 1995.**

**EXPORT PROCESSING ZONES REGULATIONS.**

**(under Section 21)**

IN EXERCISE of the powers conferred by Section 21 of the Export Processing Zones Act, 1995, I, PETER KALILOMBE, Minister of Commerce and Industry, make the following Regulations -

- (1) These Regulations may be cited as the Export Processing Zones Regulations, 1995.
- (2) In these regulations -  
"Act" means the Export Processing Zones Act No. 4 of 1995.
- (3)
  - (1) An application for a Certificate under Section 10 with information required in support thereof shall be in the form prescribed in First Schedule and shall be accompanied by a fee of K1,000.
  - (2) Three copies of each application under this rule shall be submitted to the Secretary for Commerce and Industry.
- (4) Upon receiving an application under the Section 10, the Minister may grant a certificate of reject the application based on the considerations presented in section (7) (2) of the Act and other requirements that an applicant may be called upon to fulfill.
- (5) The Minister may require before consideration of an application that the Controller does the following:
  - (a) inspect -

- i) the site where there is a building or other structure is proposed to be erected;
    - ii) the place or premises in respect of which a tenancy is proposed;
    - iii) the place or premises where the activities are to be carried out.
  - (b) require the applicant to submit a site or building plan.
  - (c) require the applicant to make alteration to any plan of any building or structure submitted with the application in order to comply with the requirements relating to buildings or other structures in the export processing zone.
- (6) No alterations shall be made to building or structures without the written permission of the Minister.
- (7) The declaration of export processing zones under Section 8 of the Act shall be carried out through an appropriate notice in the Government Gazette and shall specify the following:
- (a) the location of the area including district, region.
  - (b) the size of the area in square metres.
  - (c) ownership of area.
- (8) The declaration of export products under section 9 of the Act shall be carried out through an appropriate Notice in the Government Gazette and shall specify the following:
- (a) the full name of the product or service
  - (b) the International Standard Industry classification Code (ISIC) Code.

(9) The certificates issued under Section 10 of the Act shall be in the form set out at Second Schedule to these regulations.

(10) (1) Applications for the transfer or relocation of industries to an area not previously designed as an Export Processing Zone shall be treated as new applications and shall be processed in accordance with the provisions for new applications under the Act and under these Regulations.

(2) Applications for the transfer of a certificate to another location within a designated Export Processing Zone may be in any form, but shall contain the following:-

- (a) Name of Certificate Holder;
- (b) Number of Certificate to be transferred;
- (c) Current location of the enterprise;
- (d) Products/Services;
- (e) Reasons for the transfer; and
- (f) Any other information that the applicant deems relevant to the application.

(11) A fee of K5,000 shall be paid to the Government upon the first issue of a certificate under Section 10, which shall be valid for a period of five years. Upon subsequent renewals for successive two year periods under Section 10 (5), a renewal fee of K3,000 shall be paid.

(12) A Registrar of Export Enterprises under the Section 13 of the Act shall be maintained and shall contain the following:

- (a) Name of Company
- (b) Nationality of shareholders
- (c) Products/Services
- (d) Location (Plot No., District/City)
- (e) Production capacity

(13) (1) Every Export Service Enterprise shall keep day to day record of all goods for re-export received, kept and issued on the bonded premises of the enterprise. The record shall contain details of:

- i) all goods received at the place or premises where the activities are carried out;
- ii) all goods taken into any part of the principal customs area from the export processing zone;
- iii) all goods released for consumption, sale or manufacture within the export processing zone, or for export;
- iv) waste stocks and its manner of disposal;
- v) losses through spillage, evaporation and other causes; and
- vi) the balance of all goods stocked at the place or premises where the activities are carried out

(2) Certified copies of such records for each particular month shall be forwarded to the Controller of Customs and Excise and the Principal Secretary for Commerce and Industry so as to reach them not later than tenth day of the month next following.

(14) The record can only be destroyed with the approval of the Minister on recommendation from the Controller.

(15) No record can only be destroyed with the approval of the Minister on recommendation from the Controller.

(16) Goods manufactured in an export processing zone:

- (a) shall not be taken out of such zones except for
  - i) export; or
  - ii) with the approval of the Minister taken into the principal customs area.

(b) shall not be used or consumed in such zone without the written permission of the Controller.

(17) The following types of goods shall be permitted into the export processing zone without payment of any customs duty, exercise duty, or surtax.

- i) goods of any description which would be directly used for the manufacture of other goods and approved by the Minister; or
- ii) goods manufactured in any part of the principal customs area which are meant for export.

(18) The following goods shall not be eligible for duty/tax exemption

- i) fuel oil
- ii) materials for machinery and factory cleaning purposes
- iii) wearing apparel for factory workers
- iv) forklift
- v) construction/building equipment
- vi) office equipment
- vii) Furniture
- viii) Fire fighting and pollution control equipment
- ix) Foodstuff and drinks
- x) Building materials.

(19) The movement of goods with shall be governed by the provisions in the Third Schedule to these regulations.

(20) Whenever an export service enterprise imports or purchases any dutiable goods, it shall certify on the Bill of Entry or request note relating to equipment and goods for reexport that such dutiable goods will be used solely for the establishment, maintenance or operations of the bonded premises of the enterprise.

(21) It shall be lawful for the Controller of Customs and Excise to require an export enterprise to furnish particulars of all equipment and goods for re-export on its bonded premises.

(22) The Controller may at any time direct that an export enterprise be carried out under the supervision of an enforcement officer.

(23) (1) Whenever an export enterprise intends to remove any equipment or goods for re-export from the bonded premises of the export or transfer to other bonded premises, it shall give notice thereof to the Controller not less than 2 days before such removal takes place.

(2) No export enterprise shall remove any equipment or goods for re-export from bonded premises for any purpose unless the prior written authorization of the Controller has been applied for in writing and obtained.

(24) An enforcement officer may at all reasonable times and, if so required, on showing proof of his identity, inspect all records, books and documents kept by an export enterprise or used in connection with its operations.

(25) For the purpose of

(a) demarcating an export processing zone from a principal customs area;

(b) protection of revenue,

the export enterprise, shall except where the Controller directs otherwise, erect and maintain a fence along the boundary of the export processing zone with provisions for exit and entry points of persons, conveyances, vessels and goods, and of goods, as the case may be, entering or leaving the export processing zone.

(26) Manufacturing waste and scrap:

(a) can be destroyed with the prior approval of the Controller;

(b) can be sold in the principal customs area subject to payment of duty and surtax and its taxable value will be based on the provisions in the Customs and Excise Act.

### **THIRD SCHEDULE**

#### **MOVEMENT OF GOODS**

<b><u>No.</u></b>	<b><u>Type of Movement</u></b>	<b><u>Prescribed Form Documents/Appropriate</u></b>	<b><u>Action</u></b>	
1.	Goods entering the Export Processing Zone from Malawi.	.....	i) import manifest ii) import licence (if applicable)	Outside
2.	Goods leaving the Export	.....	i) outward manifest	

- Processing Zone. ii) export licences  
(if applicable)
3. Goods on transshipment at .....  
an Export Processing Zone.
  4. Goods entering Principal ..... i) Treated as import Customs area from  
the ..... ii) Customs duty and  
Export Processing Zone. surtax payable
  5. Goods entering the Export ..... i) treated as an Processing Zone from  
the ..... export  
Principal Customs Area.
  6. Import of Goods into ..... i) treated as an Principal Customs Area  
import  
through an Export Processing  
Zone.
  7. Export of goods from the ..... i) treated as an e Principal Customs  
Area ..... export  
through an Export Processing  
Zone without any intention  
of depositing such goods in  
the zone.
  8. Goods exported from an ..... i) Transported in Export  
Processing Zone ..... approved vehicles through Principal  
Customs  
area ii) Bank guarantee  
iii) Export licence  
(if applicable)
  9. Removal of goods from ..... i) Movement in  
licences warehouse, transit  
licenced manufacturing  
warehouse through the ..... ii) Transported in  
approved vehicles

principal customs area

iii) Bank guarantee

10. Movement of goods from ..... I) Movement in an Export Processing  
Zone transit Zone  
to another Export Processing  
ii) Transported in Zone  
approved vehicles  
iii) Bank guarantee

11. Goods originating from ..... i) Movement in abroad taken to the  
Export transit  
Processing Zone through the  
Customs Area. approved vehicles  
ii) Transported in Principal  
iii) Bank guarantee

**SECOND SCHEDULE  
FORMS**

**FORM EPZ 1**

**EXPORT PROCESSING ZONES ACT, 1995**

**(NO. 11 OF 1995)**

**APPLICATION FOR AN EXPORT ENTERPRISE CERTIFICATE**

**(under section 10)**

Note: *This application is intended to collect sufficient information for the purpose of enabling the Minister to consider the insurance of an export enterprise certificate. All information collected shall be treated in the strictest confidence. This application should be submitted in duplicate to the following address-*

The Secretary for Trade and Private Sector Development  
P O Box 30366  
Lilongwe 3  
Malawi

**PROFILE INVESTOR**

1. Name of Company .....
2. Company Domicile .....
- Postal Address: .....
- .....
- Plot No. .... Street/Road .....
- Telephone..... Fax..... Telex .....
- District ..... Region .....
3. Date of Incorporation (attach copy of certificate of incorporation).....

4. Details of Directors and Shareholders

<i>Full Name</i>	<i>Nationality</i>	<i>Contact Address</i>
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....



8. Estimated production capacity and sales

Product/ Services		Year 1		Year 2		Year 3		Year 4		Year 5	
Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value

9. Indicate prospects of export markets for the above stated products (*attached documentary where available*)

.....  
 .....

10. Inputs Sources and Quantities

Description of inputs, raw materials and components	HS Code	Source Country	Year 1	Year 2	Year 3	Year 4	Year 5

Electricity .....

Water .....

Fuel .....

11. Labour requirements and costs

Category Level	Year 1		Year 2		Year 3		Year 4		Year 5	
	Nos.	Cost	Nos.	Cost	Nos.	Cost	Nos.	Cost	Nos.	Cost
Managerial Local Foreign										
Skilled Local Foreign										
Unskilled Local Foreign										

12. Proposed Training of Malawians

<i>Category</i>	<i>Number of staff to be trained</i>	<i>Duration of training (months per person)</i>
Technical supervision	.....	.....
	.....	.....
Skilled production	.....	.....
	.....	.....
Semi-skilled production	.....	.....
	.....	.....
Managerial	.....	.....
	.....	.....

13. Fixed Capital Investment

Item	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Land preparation						
Building						
Machinery						
Other equipment						
Tools equipment						
Tools, fixtures						
Furniture						
Other (specify)						

14. Finance Requirements

Particulars of the capital structure

(a) Issued and paid up capital-

Amount

Resident .....

Non-Resident .....

(b) Loans-

*Amount*

*Country of Lender*

(i) ..... .....

(ii) ..... .....

(iii) ..... .....

(iv) ..... .....

(v) ..... .....

15. List of Technological and Management Agreements

Please give a brief statement on each

- (i) .....
- (ii) .....
- (iii) .....
- (iv) .....
- (v) .....
- (vi) .....

16. Expected date of commencement

.....  
.....

17. Additional Information

.....  
.....  
.....  
.....  
.....

***Declaration***

I, ..... declare that the information given above is correct to the best of my knowledge and belief, I further declare that I have not previously submitted any application in respect of the same project.

Date:.....

*(Signature of Applicant)*

.....  
*(Title of Signatory)*

**FORM EPZ II**

**EXPORT PROCESSING ZONES ACT, 1995**

**(No. 11 of 1995)**

**CERTIFICATE**

**(UNDER SECTION 10)**

Certificate No. .... issued at ..... under section 10 of the Export Processing Zones Act, 1995.

This is to certify that ..... has been granted authority to operate an export enterprise for a period of ..... years at the location specified hereunder-

Name of Company.....

Business Enterprise .....

Products .....

Location Plot No. .... District .....

This certificate is granted subject to the following conditions-

- (a) that the Company shall engage solely in the export activity listed above;
- (b) that the scheduled materials and equipment listed on the reverse side of the certificate shall not be changed save with express written approval of the Minister.

Dated this ..... day of ....., 19 .....

*(Official Stamp)*

*Minister of Commerce  
and Industry*

Scheduled materials:

Scheduled equipment:

Made this 4th day of December, 1995.

*Industry*

P. KALILOMBE

*Minister of Commerce and*

(FILE NO. KD 20.101)

