

Statutory Instrument No. 4 of 1992

CUSTOMS AND EXCISE DUTY ACT
(Cap. 50:01)

AMENDMENT OF SCHEDULES (NO. 4) NOTICE, 1992
(Published on 10th January, 1992)

IN EXERCISE of the powers conferred on the Minister of Finance and Development Planning by section 81 of the Customs and Excise Duty Act, the Schedules to the Act are proposed to be amended to the extent set out in the Schedule below.

SCHEDULE

Part 2 A of Schedule No. 1 to the Act

TARIFF ITEM	TARIFF HEADING	ARTICLE DESCRIPTION	RATE OF DUTY	
			EXCISE	CUSTOMS
117.01		By the substitution for tariff item 117.01.10 of the following:		
"10	87.01	Road tractors for semi-trailers	40%	"
		By the substitution for tariff items 117.05, 117.21, 117.22, 117.24, 117.26, 117.27, 117.29 and 117.30 of the following:		
"117.05	87.03	MOTOR CARS (INCLUDING STATION WAGONS)	40%	-
117.21	87.02	PUBLIC-TRANSPORT TYPE PASSENGER MOTOR VEHICLES, OF A SEATING CAPACITY OF 10 SEATS OR MORE BUT NOT EXCEEDING 16 SEATS (INCLUDING THE DRIVER'S SEAT)	40%	-
117.22	87.02	PUBLIC-TRANSPORT TYPE PASSENGER MOTOR VEHICLES, MONO-BUILT, OF A SEATING CAPACITY OF 17 SEATS OR MORE (INCLUDING THE DRIVER'S SEAT)	40%	-
117.24	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS, MONO-BUILT, OF A VEHI- MASS NOT EXCEEDING 2 000 KG	40%	-
117.26	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS, MONO-BUILT, OF A VEHI- CLE MASS EXCEEDING 2 000 KG	40%	-
117.27	87.04	MOTOR VEHICLES FOR THE TRANSPORT OF GOODS (EXCLUDING MONO-BUILT), OF A VEHICLE MASS NOT EXCEEDING 2 000 KG WITH REAR BODY OR 1 900 KG WITHOUT REAR BODY	40%	-

TARIFF ITEM	TARIFF HEADING	ARTICLE DESCRIPTION	RATE OF DUTY EXCISE CUSTOMS
117.29	87.02 87.04	CHASSIS FITTED WITH ENGINES AND CABS, OF A VEHICLE MASS EXCEEDING 1 900 KG (EXCLUDING THOSE FOR VEHICLES OF SUBHEADING NO. 8704.10)	40%
117.30	87.06	CHASSIS FITTED WITH ENGINES, OF A VEHICLE MASS EXCEEDING 1 900 KG (EXCLUDING THOSE FOR VEHICLES OF SUBHEADING NO. 8704.10)	40%
NOTE:	The effect of this amendment is that the rate of excise duty on motor vehicles is increased from 37,5% to 40%.		

Part 2 B of Schedule No. 1 to the Act

ITEM	HEADING	SUB- HEADING	DESCRIPTION	RATE OF DUTY EXCISE CUSTOMS
126.05			By the deletion of item 126.05.	

NOTE: The ad valorem excise duty on motor vehicles is abolished.

Schedule No. 6 to the Act

REBATE ITEM	TARIFF ITEMS	C. CODE	D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				By the substitution for the Notes to rebate item 609.17 of the following: "NOTES: 1. In this item and the notes thereto - (a) "motor vehicles" means vehicles specified in tariff item 117.00 but excluding vehicles specified in tariff items 117.01.20 and 117.01.30 (b) "tooling" means : - dies for drawing or extruding metal, of subheading No. 8207.20;		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>- tools for pressing, stamping or punching, of subheading No. 8207.30;</p> <p>- work holders of sub-heading No. 8466.20;</p> <p>- assembly jigs of sub-headings Nos. 8477.80 and 8479.89; and</p> <p>- injection moulds, moulding patterns and moulds of heading No. 84.80,</p> <p>for use for the manufacture of motor vehicles and components therefor</p> <p>(c) "net foreign currency usage" in respect of goods manufactured in a customs and excise manufacturing warehouse means :</p>		
609.17				<p>(i) the value of imported goods (excluding consumables, petrol, distillate fuels, lubricating grease and prepared engine, gearbox, steering case and drive-axle lubricating oils) used in the manufacture of all motor vehicles removed and components exported or supplied to other manufacturing warehouses during a quarter for excise duty purposes, as certified by the Permanent Secretary, Ministry of Commerce and Industry</p> <p>Plus</p> <p>the value for customs duty purposes of -</p> <p>(ii) tooling imported</p> <p>(iii) foreign currency usage in</p>		

REBATE ITEM	TARIFF ITEMS	C. CODE	D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				respect of goods for use in the manufacture of motor vehicles and compo- nents therefor acquired from any person in the common customs area		
609.17				(iv) licence fees and royalti- es paid directly or indirectly to any person outside the common cus- toms area in respect of motor vehicles and com- ponents therefor		
				Less		
				(v) f.o.b. value of motor vehicles and components therefor, including re- placement parts and ac- cessories but excluding the foreign currency usage of such replacement parts and accessories, exported by such manu- facturing warehouse		
				(vi) f.o.b. value of locally manufactured or second- hand tooling exported by such manufacturing warehouse		
609.17				(vii) foreign currency earnings as defined in Note 1(e), ceded by local component manufacturers/suppliers or other exporters in the common customs area to such manufacturing warehouse in respect of motor vehicle components and replacement parts and accessories or tooling exported by such manufacturers/suppliers or exporters, but excluding the foreign currency usage in respect of such compo- nents and replacement parts and accessories or tooling		

REBATE ITEM	TARIFF ITEMS	C. CODE	D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>(viii) the amount representing specific foreign currency earnings ceded to such customs and excise manufacturing warehouse in terms of Note 5(vi)</p> <p>(ix) foreign currency usage in respect of components manufactured in such manufacturing warehouse and supplied to other customs and excise manufacturing warehouses</p> <p>(x) licence fees and royalties received in respect of motor vehicles and components therefor</p> <p>(xi) an amount equal to forty per cent of the selling price of specific compression ignition piston engines which was supplied as original equipment to a customs and excise manufacturing warehouse during a quarter for excise duty purposes, provided that such selling prices and engines are certified by the Permanent Secretary, Ministry of Commerce and Industry</p> <p>(xii) an amount equal to forty per cent of the selling price of specific gearboxes which was supplied as original equipment to a customs and excise manufacturing warehouse during a quarter for excise duty purposes, provided that such selling prices and gearboxes are certified by the Permanent Secretary, Ministry of Commerce and Industry</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>(xiii) an amount equal to forty per cent of the selling price of specific drive-axles which was supplied as original equipment to a customs and excise manufacturing warehouse during a quarter for excise duty purposes, provided such selling prices and drive-axles are certified by the Permanent Secretary, Ministry of Commerce and Industry</p> <p>(xiv) an amount equal to twenty-nine per cent of the ex-factory price of specific airconditioning units which incorporates E36 condensators which was supplied as original equipment to a customs and excise manufacturing warehouse during a quarter for excise duty purposes, provided such selling prices and airconditioning units are certified by the Permanent Secretary, Ministry of Commerce and Industry</p> <p>(d) "foreign currency usage" in respect of component manufacturers/suppliers means - the value for customs duty purposes of -</p> <ul style="list-style-type: none"> - such imported components and replacement parts and accessories, imported by such manufacturer/supplier or acquired from any person in the common customs area - any imported goods (excluding consumables, petrol, distillate fuels, lubricating grease and prepared engine, gearbox, steering case and drive-axle lubricating oils) imported by such manufacturer or acquired from any person in the common customs area for the manu- 		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>facture/assembly of such components and replacement parts and accessories</p> <p>- tooling imported</p> <p>Plus</p> <p>- licence fees and royalties paid directly or indirectly to any person outside the <i>common customs area</i> in respect of such components and replacement parts and accessories</p> <p>(e) "<i>foreign currency earnings</i>" in respect of component manufacturers/suppliers mean -</p> <p>- f.o.b. value of motor vehicle components and replacement parts and accessories <i>exported directly by such manufacturer/supplier</i></p> <p>- licence fees and royalties <i>earned in respect of motor vehicle components and replacement parts and accessories</i></p> <p>- f.o.b. value of locally manufactured or second-hand tooling exported</p> <p>(f) "consumables" mean those goods which are used in the manufacture of motor vehicles and components therefor, but do not form part of such motor vehicles or components</p> <p>(g) the expression "licence fees and royalties" shall include payments made in respect of technical drawings, design costs, specification and documentation, magnetic data tapes, planning/development charges, technical advisory costs, warranty costs and advertising expenses</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>2. Notwithstanding the provisions of Notes 1(c) and (d) the Permanent Secretary, Ministry of Commerce and Industry may in such circumstances and subject to such conditions as he may prescribe, determine and specify in a certificate the foreign currency usage in respect of goods imported and used in the manufacture of motor vehicles or components therefor</p> <p>3. "Local content value" means the value for excise duty purposes of all motor vehicles (excluding those entered under rebate of duty in terms of any other rebate item of this Schedule) removed from a customs and excise manufacturing warehouse during a quarter for excise duty purposes less the total net foreign currency usage in respect of such warehouse as calculated in terms of Note 6 (i) to (viii)</p> <p>4. (i) The licensee of a customs and excise manufacturing warehouse shall obtain certificates declaring the foreign currency usage in the form prescribed by regulation in respect of all goods including tooling, for use in the manufacture of motor vehicles and components therefor, acquired from any person in the common customs area. Such certificates shall be obtained at the times and manner as prescribed by the Director from time to time</p> <p>(ii) If such certificates are not obtained or duly completed, the foreign currency usage in respect of such goods, shall be deemed to be the price at which such goods were acquired by the licensee</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>(iii) The Permanent Secretary, Ministry of Commerce and Industry may prescribe the method and basis of calculation and verify the correctness of the foreign currency usage declared on such certificates and may determine the foreign currency usage of the goods concerned</p> <p>5.(i) The foreign currency earnings by local component manufacturers/suppliers or other exporters as defined in Note 1(e) may be ceded to a motor vehicle manufacturer for inclusion in the calculation of the net foreign currency usage by him, provided that a certificate is produced declaring the foreign currency usage in the form prescribed by regulation in respect of each type of motor vehicle component and replacement part and accessory or tooling exported</p> <p>5.(ii) The foreign currency earnings in respect of replacement parts and accessories exported by a motor vehicle manufacturer shall be accompanied by a certificate declaring the foreign currency usage in the form prescribed by regulation in respect of each type of replacement part and accessory</p> <p>(iii) If such certificates are not obtained or duly completed, the foreign currency usage in respect of such motor vehicle components, replacement parts and accessories and tooling shall be deemed to be the f.o.b. value at which such components, replacement parts and accessories and tooling were exported</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				(iv) The Permanent Secretary, Ministry of Commerce and Industry may prescribe the method and basis of calculation and verify the correctness of the foreign currency usage declared on such certificates and may determine the foreign currency usage of the goods concerned		
				(v) The Permanent Secretary, Ministry of Commerce and Industry shall certify that the foreign currency earnings as defined in Note 1(e) and the f.o.b. value as defined in Note 1(c)(v) in respect of components and replacement parts and accessories are of a class or kind fitted or to be fitted into motor vehicles as defined in Note 1(a) which are manufactured in the common customs area, provided that the foreign currency earnings and f.o.b. value in respect of such components and replacement parts and accessories which are not of a class or kind fitted or to be fitted into such motor vehicles manufactured in the common customs area, shall only be allowed on production of a permit issued by the Permanent Secretary, Ministry of Commerce and Industry		
				(vi)(a) A motor vehicle manufacturer to whom foreign currency earnings as defined in Note 1(e) were ceded by local component manufacturers/suppliers or other exporters, may cede any amount of such foreign currency earnings which represent specific foreign currency earnings, to other motor vehicle manufacturers, provided that such amount shall		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
				<p>be accounted for in the same quarter for excise duty purposes. A motor vehicle manufacturer accepting the amount of foreign currency earnings shall not cede such amount to another motor vehicle manufacturer</p> <p>(b) If the Director is of the opinion that any licensee has ceded any amount in terms of Note 5(vi)(a) contrary to the provisions of the Notes to this rebate item, the licensee who made such ceding shall be liable for any duty which was rebated as a result of such ceding and such duty shall be payable upon demand by the Director</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>6. For the purpose of calculating the net foreign currency usage in respect of a quarter for excise duty purposes -</p> <p>(i) the value of goods imported by the licensee of a customs and excise manufacturing warehouse and used in (a) the manufacture of motor vehicles removed (b) the manufacture of components exported or supplied to other manufacturing ware-houses, during a quarter for excise duty purposes as certified by the Permanent Secretary, Ministry of Commerce and Industry shall be included in the quarter to which the excise account relates;</p> <p>(ii) the f.o.b. value of goods exported, shall be included not later than the quarter for excise duty purposes following the quarter for excise duty purposes during which the goods were exported;</p>		

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				<p>(iii) the foreign currency usage in respect of goods for use in the manufacture of motor vehicles acquired from any person in the common customs area during a quarter for excise duty purposes, shall be accounted for in the excise account following the quarter for excise duty purposes during which the goods were received;</p> <p>(iv) licence fees and royalties shall be included according to the date when actual payment is made or received;</p> <p>(v) motor vehicle manufacturers shall be allowed to phase in the value for customs duty purposes of tooling over the period of use of such tooling by him;</p> <p>(vi) component manufacturers shall be allowed to phase in the value for customs duty purposes of tooling over a period of 4 years;</p> <p>(vii) the foreign currency earnings in respect of components which are exported in an incomplete or unfinished condition, shall only be allowed on production of a permit issued by the Permanent Secretary Ministry of Commerce and Industry</p> <p>(viii) the amount by which the foreign currency usage in terms of Note 1(c)(xi), (xii), (xiii) and (xiv) may be reduced, shall be included according to the date of receipt of such goods</p> <p>7. To qualify for any rebate in terms of this item —</p> <p>(a) the local content value (including motor vehicles entered under rebate of duty in terms of any other rebate item of this Schedule) shall not be less than 55 per cent of the value for excise duty purposes; and</p>		

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609.17

(b) the local content value (including motor vehicles entered under rebate of duty in terms of any other rebate item of this Schedule but excluding any other foreign currency earnings) shall not be less than 50 per cent of the value for excise duty purposes

8. The Permanent Secretary, Ministry of Commerce and Industry may prescribe the method of determining the value of goods imported by the licensee of a customs and excise manufacturing warehouse and used in the manufacture of motor vehicles and components therefor. The value of such imported goods used in the manufacture of all motor vehicles removed and components exported or supplied to other customs and excise manufacturing warehouses during a quarter for excise duty purposes shall be certified by the Permanent Secretary, Ministry of Commerce and Industry"

By the substitution for tariff item 117.01 of the following:

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
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117.01

01.00

56

Road tractors for semi-trailers

(In respect of each road tractor for a semi-trailer with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
					less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17				By the substitution for tariff items 117.05, 117.21, 117.22, 117.24, 117.26, 117.27, 117.29 and 117.30 of the following:		
	"117.05	01.00	55	Motor cars (including station wagons)	(In respect of each motor car with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 percent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.21	01.00	59	Public-transport type passenger motor vehicles, of a seating capacity of 10 seats or more but not exceeding 16 seats (including the driver's seat)	(In respect of each motor vehicle with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.22	01.00	56	Public-transport type passenger motor vehicles, mono-built, of a seating capacity of 17 seats or more (including the driver's seat)	(In respect of each motor vehicle with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
					rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.24	01.00	50	Motor vehicles for the transport of goods, mono- built, of a vehicle mass not exceeding 2 000 kg	(In respect of each motor vehi- cle with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.26	01.00	55	Motor vehicles for the transport of goods, mono- built, of a vehicle mass exceeding 2 000 kg	(In respect of each motor vehi- cle with an excise value of less than UA29 000, 0,0015 per cent per UA1	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
					excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.27	01.00	52	Motor vehicles for the transport of goods (excluding mono-built), of a vehicle mass not exceeding 2 000 kg with rear body or 1 900 kg without rear body	(In respect of each motor vehicle with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.29	01.00	57	Chassis fitted with engines and cabs, of a vehicle mass exceeding 1 900 kg (excluding those for vehicles of subheading No. 8704.10)	(In respect of each chassis with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
609.17	117.30	01.00	58	Chassis fitted with engines of a vehicle mass exceeding 1 900 kg (excluding those for vehicles of subheading No. 8704.10)	(In respect of each chassis with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
					exceeding 37,5 per cent of the total excise value of all motor vehicles removed	

REBATE ITEM	TARIFF ITEMS	CODE	C. D.	DESCRIPTION	EXTENT OF REBATE	EXTENT OF REFUND
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NOTE: The effect of this amendment is that —

- (a) the notes to rebate item 609.17 is amended to the extent indicated; and
- (b) the extent of rebate on motor vehicles is amended from 50% of the local content value to (in respect of each motor vehicle with an excise value of less than UA29 000, 0,0015 per cent per UA1 excise value in respect of each UA1 excise value of less than UA29 000) plus (50 per cent of the local content value), with a maximum rebate not exceeding 37,5 per cent of the total excise value of all motor vehicles removed.

MADE this 11th day of December, 1991

F. G. MOGAE
*Minister of Finance and Development
Planning.*