



**CUSTOMS DEPARTMENT**

**NOTICE TO DECLARANTS/IMPORTERS**

**IMPLEMENTATION OF MEASURES IN BUDGET SPEECH 2017-2018**

FOLLOWING THE PRESENTATION OF THE 2017-2018 BUDGET BY THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT ON 8TH JUNE 2017, DECLARANTS AND IMPORTERS ARE HEREBY INFORMED OF THE FOLLOWING MEASURES:

**(A) THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT/ INTEGRATED TARIFF IS AMENDED AS PER ANNEX 1 BY:**

- (i) DELETING THE HS CODES SPECIFIED IN PART A; AND
- (ii) INSERTING, IN THE APPROPRIATE NUMERICAL ORDER, THE HS CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART B.

**(B) VAT AT ZERO-RATE**

SANITARY PADS AND TAMPONS WILL ATTRACT VAT AT ZERO-RATE.

**(C) EXEMPTION FROM VAT**

VAT EXEMPTION ON STERILE WATER USED FOR PRE-OPERATIVE, PER-OPERATIVE OR POST-OPERATIVE CLEANING OF WOUND.

TO IMPLEMENT MEASURES AT PARAGRAPHS (B) AND (C), THE INTEGRATED TARIFF IS AMENDED AS PER ANNEX 2 BY –

- (i) DELETING THE HS CODES SPECIFIED IN PART A; AND
- (ii) INSERTING, IN THE APPROPRIATE NUMERICAL ORDER, THE HS CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART B.

**(D) CUSTOMS DUTY EXEMPTION**

CUSTOMS DUTY EXEMPTION AT IMPORTATION SHALL BE GRANTED ON –

- (i) SCAFFOLDING, SHUTTERING, PROPPING OR PIT-PROPPING EQUIPMENT MADE OF WOOD OR PLASTICS IMPORTED BY A JOB CONTRACTOR REGISTERED WITH MRA CUSTOMS;
- (ii) A 15-SEATER MOTOR VEHICLE (ONCE EVERY 7 YEARS) PURCHASED BY A TRADE UNION CONFEDERATION.

TO IMPLEMENT THESE MEASURES, THE UNDER-MENTIONED NEW CUSTOMS PROCEDURE CODES (CPCS) HAVE BEEN CREATED:

<b>S/N</b>	<b>CPC</b>	<b>DESCRIPTION</b>
<b>1</b>	40ET2	DIRECT IMPORTATION OF SCAFFOLDING, SHUTTERING, PROPPING OR PIT-PROPPING EQUIPMENT – ICD EXEMPTED
<b>2</b>	47ET2	EX-WAREHOUSING OF SCAFFOLDING, SHUTTERING, PROPPING OR PIT-PROPPING EQUIPMENT – ICD EXEMPTED
<b>3</b>	49ET2	IMPORT OF SCAFFOLDING, SHUTTERING, PROPPING OR PIT-PROPPING EQUIPMENT FROM FREEPORT – ICD EXEMPTED

<b>4</b>	40ET3	IMPORT OF A 15-SEATER MOTORVEHICLE BY A TRADE UNION CONFEDERATION – ICD EXEMPTED
<b>5</b>	47ET3	EX-WAREHOUSING OF A 15-SEATER MOTORVEHICLE BY A TRADE UNION CONFEDERATION– ICD EXEMPTED
<b>6</b>	49ET3	IMPORT OF A 15-SEATER MOTORVEHICLE BY A TRADE UNION CONFEDERATION FROM FREEPORT – ICD EXEMPTED

**(E) IMPORTATION BY POST AND COURIER SERVICES - ITEM E11 OF THE PART II OF THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT - UNCLASSIFIED EXEMPTIONS FROM CUSTOMS DUTY AND ITEM 26 OF THE FIRST SCHEDULE TO THE VALUE-ADDED TAX ACT 1998**

ANY PERSON WHO IMPORTS AN ARTICLE BY POST OR COURIER SERVICES SHALL BE EXEMPTED FROM THE PAYMENT OF VAT AND CUSTOMS DUTY ON THE FIRST RS 3,000 OF THE VALUE FOR DUTY PURPOSES.

THE ABOVE MEASURES HAVE COME INTO OPERATION ON 9TH JUNE 2017.

YOU ARE ADVISED TO LIAISE WITH MNS FOR UPDATE OF YOUR FRONT END SYSTEM.

**MRA CUSTOMS**

**9 JUNE 2017**