

Statutory Instrument 20 of 2023.

[CAP. 23:02

Customs and Excise (Suspension) (Amendment) Regulations, 2023
(No. 265).

IT is hereby notified that the Minister of Finance and Economic Development has, in terms of section 235 of the Customs and Excise Act [*Chapter 23:02*], made the following regulations:—

1. These regulations may be cited as the Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 265).

2. The Customs and Excise (Suspension) Regulations, 2003, published in Statutory Instrument 257 of 2003 (hereinafter called “the principal regulations”), are amended by the repeal of section 9V and substitution with the following—

“Suspension of duty on Semi-Knocked Down (SKD) single and double cab motor vehicle kits imported by approved assemblers

9V. (1) In this section—

“assembler” means any person who is registered as an assembler of single and double cab motor vehicles in terms of subsection (6) for the purposes of this section;

“form” means the appropriate form referred to in the Schedule to this section;

“Semi-Knocked Down (SKD) single and double cab motor vehicle kits” means assembly kits for motor vehicles described under tariff code 8704.21.20, 8704.21.30, 8704.21.40, 8704.31.20, 8704.31.30 and 8704.31.40 being imported by an approved assembler entirely for completion of the process of assembling single and double cab motor vehicles.

(2) Customs duty is suspended for a period of three years with effect from date of publication on SKD single and double cab motor vehicle kits imported by approved assemblers in terms of this section.

(3) All forms required in terms of this section and copies thereof shall be completed indelibly in a legible manner.

(4) An officer may refuse to accept any form if he or she considers that any part of it is illegible or that it has not been properly completed.

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(5) A suspension of duty shall be granted on SKD single and double cab motor vehicle kits imported or taken out of bond by an assembler for use in the assembly of single and double cab motor vehicles.

(6) No suspension of duty shall be granted on built-up single and double cab motor vehicle bodies.

(7) The approved assembler shall import the SKD single and double cab motor vehicle kits at a rate of duty of ten *per centum* (10%) *ad valorem*.

(8) Any person who wishes to claim a suspension of duty in terms of this section shall apply to the proper officer in Form MVAS 1 for registration as an assembler.

(9) An application referred to in subsection (8) shall be supported by such additional information or documents as the Commissioner may require and shall be made before the importation or removal from bond of any SKD single and double cab kits intended for single and double cab motor vehicle assembly.

(10) On receipt of an application in terms of subsection (8) the proper officer shall, before referring the application by the Commissioner, inspect the premises and machinery of the person making the application and report his or her findings to the Commissioner.

(11) If the Commissioner approves the application, he or she shall call on the person making the application to—

- (a) erect on his or her premises the stores provided for in subsection (23);
- (b) enter into a bond in Form No. 150, with sufficient surety in an amount determined by the Commissioner, for the securing of the suspended duty and compliance with the requirements of this section.

(12) When the application has complied with the requirements of subsection (11) to the satisfaction of the Commissioner, the Commissioner shall register the person as an assembler.

(13) The Commissioner may reject an application for registration if he or she is of the opinion that—

- (a) adequate control of SKD single and double cab motor vehicle kits imported or taken out of bond under suspension of duty is not likely to be maintained; or
- (b) any provisions of this section will not be complied with.

(14) The Commissioner shall approve assemblers for the purpose of this section.

(15) The Commissioner may not grant a suspension of duty to an approved assembler on the basis of non-compliance with section 34C of the Revenue Authority Act [*Chapter 23:11*].

(16) SKD single and double cab motor vehicle kits shall be admitted under suspension only if—

- (a) the assembler has furnished the Commissioner with—
 - (i) a complete specification of each model of any single or double motor vehicle which he/she proposes to assemble; and
 - (ii) a comprehensive description of the SKD single and double cab motor vehicle kits which are to be used in the assembly of each model of single or double cab motor vehicle;

and

- (b) the process of assembly of each model has been approved by the Commissioner using either—
 - (i) the process of assembly from the supplier; or
 - (ii) a summarised process of assembly followed by a complete process of assembly once a number of units have been assembled.

(17) An assembler shall not, without the prior approval of the Commissioner, substantially alter the process of assembly approved in terms of subsection (16) (b).

(18) Subject to subsection (19), SKD single and double cab motor vehicle kits shall not be admitted under suspension unless each consignment of such kits are, on importation into Zimbabwe,

packed so as to contain the exact quantities to complete the models whose specifications have been furnished to the Commissioner in terms of subsection (16) and which are referred to in the invoice relating to that consignment.

(19) SKD single and double cab motor vehicle kits which are wrongly supplied or which have been damaged may be admitted under suspension if the Commissioner is satisfied that they were so wrongly supplied or damaged.

(20) SKD single and double cab motor vehicle kits imported otherwise than in accordance with subsection (18) may be admitted under suspension if the Commissioner is satisfied that there has been substantial compliance with that paragraph in any particular case.

(21) SKD single and double cab motor vehicle kits to be entered under the suspension of duty provided for in this section shall be entered for consumption at the port of entry.

(22) An assembler shall, when effecting entry on importation, or on removal from bond of SKD single and double cab motor vehicle kits intended for assembly under this suspension, submit with the relevant bill of entry a declaration signed by him or her to the effect that the said SKD single and double cab motor vehicle kits are to be used solely in the assembly of single or double cab motor vehicles.

(23) The assembler shall provide on his or her premises secure stores for the safe storage of SKD single and double cab motor vehicle kits on which duty has been suspended and shall, at his or her own expense, provide the necessary fastenings so that the stores may be secured with customs locks.

(24) No SKD single and double cab motor vehicle kits with duty suspension may be stored elsewhere than in the stores provided for in subsection (23), and no such store shall, without the prior written permission of the Commissioner, be used for any other purpose other than for the storage of SKD single or double cab motor vehicles kits.

(25) An assembler shall keep a stock-book in a form approved by the Commissioner, showing full particulars of all

receipts and disposals of SKD single and double cab motor vehicle kits entered for the assembly of single or double cab motor vehicles in such a manner that the suspended SKD single and double cab motor vehicle kits can readily be accounted for to the satisfaction of the Commissioner.

(26) If an assembler fails to keep a stock book in the manner approved in terms of subsection (25), any suspended SKD single and double cab motor vehicle kits received by the assembler during the period when the stock-book was not so kept shall be deemed to have been used for a purpose other than that for which the suspension was granted unless the assembler satisfies the Commissioner that the suspended SKD single and double cab motor vehicle kits were used for the purpose for which the suspension was granted.

(27) The stock-book and premises of an assembler shall be open for inspection by an officer at any time.

(28) Subject to subsection (29) and (30) an assembler shall not, except with the written authority of the Commissioner, and on payment of the duty suspended, dispose of any SKD single and double cab motor vehicle kits otherwise than in accordance with this section.

(29) The Commissioner may authorise the disposal of suspended SKD single and double cab motor vehicle kits on payment of such duty, not exceeding the amount of duty suspended as he or she thinks fit, if, in the opinion of the Commissioner, the SKD single and double cab motor vehicle kits cannot be economically used for the purpose for which they were entered under suspension.

(30) An assembler shall, when required by the Commissioner to do so, carry out under the supervision of an officer, at such time as the Commissioner may consider necessary, any assembly operation in which SKD single and double cab motor vehicle kits entered under suspension are used.

(31) Duty on suspended SKD single and double cab motor vehicle kits which are accidentally destroyed before being used in the assembly of single or double cab motor vehicles may be remitted if the Commissioner is satisfied that every reasonable effort was made and precaution taken to prevent their destruction.

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(32) The Commissioner may cancel or suspend the registration of an assembler if such assembler—

- (a) ceases to assemble single or double cab motor vehicles; or
- (b) fails to comply with or contravenes any of the provisions of these regulations; or
- (c) so requests.

(33) If any registration is cancelled in terms of paragraph (a), any duty suspended shall immediately become due and payable.

SCHEDULE (*Section 9V*)

<i>Form No.</i>	<i>Title</i>
MVAS 1	Application for registration
150	Single and Double Cab Motor Vehicle Assembler's Bond.

In terms of section 5(2) of the Interpretation Act [*Chapter 1:01*], the stated forms are not published in these regulations. They may be inspected free of charge at the offices of the Zimbabwe Revenue Authority, Harare, or at any of the offices of the Zimbabwe Revenue Authority in any region.”.

3. The Customs and Excise (Suspension) (Amendment) Regulations, 2020 (No. 228), published in Statutory Instrument 45 of 2020, are hereby repealed.