



This document has been provided by the International Center for Not-for-Profit Law (ICNL).

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at
<http://www.icnl.org/knowledge/library/index.php>
for further resources and research from countries all over the world.

Disclaimers

Content. The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

Translations. Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

Warranty and Limitation of Liability. Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

Malawi Tax Survey

A. Income Tax

1. What types of organizations or entities are partially or wholly exempt from the income tax? Section 13 of the Laws of Malawi, Cap. 41:01, Taxation, provides for exemptions from the income tax. Specific exemptions are provided in the First Schedule and include (iv) "clubs, societies and associations, not being clubs, societies or associations to which the provisions of section 61 apply (see below)" are exempt from tax. They must be formed and operated solely or principally for social welfare, civic improvement or other similar purposes. The income "may not be divided amongst or credited or enure to the benefit of any member or shareholder." Under section 61, the taxable income of "any club, society or association formed, organized or operated solely or principally for pleasure or recreation" is liable for tax even though the income "arises from transactions of" the organization. Section 61 states that the income of such organizations is deemed to be 6.5 percent of the receipts by it from "sales of goods, cinematograph performances, stage plays and gambling machines" and is at the regular corporate rate. Stage play is defined to mean any dramatic entertainment. The Commissioner is delegated rule-making responsibility under this section, but he does not appear to have exercised it.
2. What types of income are wholly or partially exempt? See above.
3. Must an organization receive an advance ruling from an agency of the government in order to enjoy tax benefits? No procedure is specified.
4. Is investment income subject to taxation? Apparently not.
5. May an organization engage in economic or business activities? It appears that a regular exempt organization may engage in business or economic activities to an insubstantial degree.
6. Are there minimum distribution rules? No.
7. Are tax benefits for charitable contributions allowed? No.

B. Customs Duties

1. Are certain items exempt from customs duty on import? Although the Controller may order a rebate, there does not appear to be any specific set of exemptions.