

Simplified Trade Regime

Zambia - Zimbabwe - Malawi



STR EXPLAINED

Introduction

This document explains how and when to use the Simplified Trade Regime. It looks at:

The rules of origin

The steps a trader should take before setting out, and at the border. It advises of help that can be provided by the Cross Border Trader Trade Information Desk.

COMESA, EAC and SADC encourage “free” trade between countries. They do this by abolishing duty on nearly all goods produced locally and sold in members of these regional groupings. Goods “originating” from Member States should therefore pass duty free.

The STR overcomes problems in **proving** goods originate in a country and therefore are not subject to duty. It is designed for small consignments, currently defined as \$1000 or less.

Proof of Origin

The normal proof required at a Border Post is a **Certificate of Origin**. The Saw states requires that an exporter should obtain a certificate of origin to accompany his consignment in order to be exempted from the normal Customs that might apply to those goods.

This certificate of origin is usually issued in the capital cities and must be stamped by the Customs Authorities. At the border the trader must present the stamped certificate of origin, invoice and customs document declaring the goods to the customs officer in the importing country

Under the STR, governments have agreed a **list of products** that do not require such a certificate for small consignments. This list is displayed at the border posts and is available at the offices of the CBTA and Customs both at the border and in the main towns. A **Simplified Certificate of Origin** can be obtained at the border post and is signed by the Customs Office.

The STR is about proving the origin for the goods in a simple way

Rules of Origin: some goods such as agriculture products obviously originate in one country. Other items, especially manufactures, may be made up of parts from other countries outside COMESA. There are special rules that determine whether a good can be considered to be of 'local' origin, depending on what proportion of the material is imported, or what percentage of the value added is local.

No change to other border requirements: Please note that the STR does not relieve the trader of other requirements and obligations at the border. These include:

a. For Immigration: the necessary travel documents

b. Licenses and Certificates.

For agricultural produce, it is usually required to obtain this from the offices of the Ministry of Agriculture:

1. A permit to export
2. A phyto-sanitary certificate stating the product is free of disease. Check to see if there is an office at the border post where the certificate can be issued.

STR STEPS

BEFORE YOU TRAVEL

Step 1: Are you qualified to use the COMESA SIR?

Do you fulfil the following?

1. Goods are worth \$500 or less.
2. You will be selling in the neighbouring country.

If you fulfil the first two conditions you may use the Simplified Customs Document. You do not require an agent to fill this form in (as you would with the Standard Customs Document).

3. Goods appear on the **STR List of Products** for the two countries.

If you also fulfil the third condition, then you can fill in the Simplified Certificate of Origin, which can be obtained at the Border post.

If the goods do not appear on the STR List of products but are subject to duty free treatment under the Free Trade Agreement, you should obtain a Certificate of Origin for them before travelling to the border.

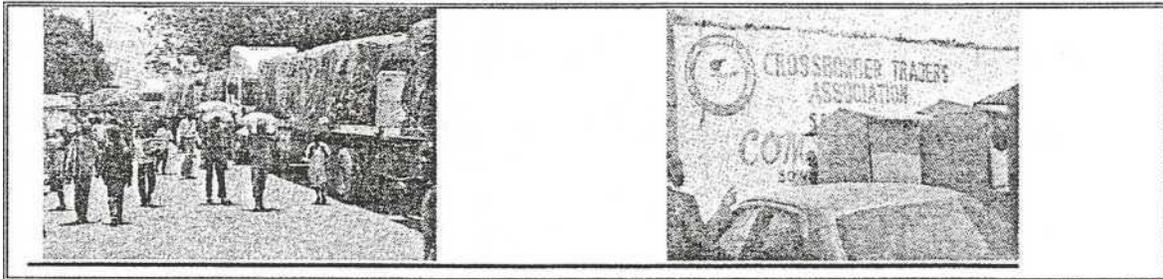
Step 2: Other Formalities:

- **Do you have correct travel documents?**
- **Are you aware of the rules on foreign currency?**



At the main borders, the Cross Border Traders Associations are establishing desks to assist small traders in filling in the STR documents and dealing with border formalities. They will also record complaints and try and solve problems that traders encounter.

TID may levy a small fee for services. Members of CBTA though will pay a smaller amount.



TRAVEL TO THE BORDER

If there is a **CBTA Trade Information Desk** at the border post, they will help you fill in this form. They may levy a small fee but will help you fill in the form, otherwise the Customs will assist, but there may be delays.

If goods are of local origin but not on the list, check with your CBTA office or Trade Information Desk. You may require a proper Certificate of origin.

TID complaint: Be sure to complain to the TID that it should be included on the list. This will be noted and brought up in future govt to govt discussions.

Step 3: Have Simplified Certificate of Origin signed as you exit the country.

ENTER COUNTRY

Step 4: clear immigration formalities

Step 5: If you are carrying agricultural produce, livestock or food

Go to the Agricultural Offices with your documents to get clearance from their phyto-sanitary inspectors.

Step 8: Get simplified certificate stamped by Customs Officer in importing country [why?]

Step 7: Fill in your Simplified Customs Document for all goods - dutiable and non-dutiable.

Be sure that value of the goods on the STR List are \$1000 or below.

Step 8: Declaration and payment of duty and taxes

Duty and tax are assessed by the Customs officer as a percentage of the invoice value. Even if there is no duty payable there may be other taxes.

Excise duty is charged on items such as petrol, alcohol, soft drinks, cigarettes and some other commodities.

Value Added Tax (VAT) is levied on most goods, although many countries exempt basic foodstuffs and medicines from VAT. Processed foods are often liable to VAT.

Taxation is made on the 'cumulated¹ value. This means excise duty is paid on sum of invoice value + customs duty (if applicable) + excised duty (if applicable).

Tax Reclaim: Exports from a country are usually made with zero tax. This means that if goods are purchased for export, the trader should be entitled to reclaim all taxes levied on the goods. At the Beitbridge border with South Africa, South African Customs provide a facility to reclaim VAT. This facility does not yet exist in COMESA. Traders that purchase goods with VAT for export should make arrangements with the company they purchase from to provide the necessary proof of export - export documents, so that the exporting company can reclaim the VAT and eventually can reimburse the trader.

Other taxes and levies: You may be asked to pay other taxes and levies at the border. Check with T1D for information on what is correct and what is not.

STR List of eligible products

ZAMBIA-ZIMBABWE

Product	HS Code	Product
Live animals	0101 to 0106	
Potatoes, fresh or chilled	0701	
Tomatoes, fresh or chilled	0702	
Onions, shallots, garlic, leeks	0703	
Cabbages, cauliflowers, etc.	0704	
Lettuce	0705	
Carrots, turnips, salad beetroot, and other edible roots	0706	
Cucumbers and gherkins	0707	
Peas, beans and other legumes, fresh or chilled	0708	
Other vegetables (asparagus, eggplant, celery, mushrooms, other)	0709	
Dried vegetables (incl. mushrooms, wood ears, jelly fungi)	0712	
Dried beans, chickpeas, lentils, including seeds for sowing	0713	
Seeds	0713	
Bananas	0803	
Da, figs, pineapples, avocados, guavas, mangos	0804	
Oranges, mandarins, grapefruit, lemons	0805	
Grapes, fresh or dried	0806	
Paw paws	0807	
Coffee (roasted/not roasted, decaffeinated/ not decaffeinated)	0901	

Tea, green and black	0902	
Soya bean oil	1507	
Groundnut oil	1508	
Sunflower seed, safflower or cottonseed oil	1512	
Other fixed vegetable fats and oils	1515	
Margarine	1517	
Cane or beet sugar	1701	
Sugar confectionary including white chocolate and chewing gum, not containing cocoa	1704	
Chocolate and other food preparations containing sugar	1808	
Preparations for infant use, put up for retail sale EXCEPT FOR INFANT FORMULA (i.e. Lactogen)	190110	
Tomatoes prepared or preserved otherwise than by vinegar or acetic acid	2002	
Jams, fruit jellies, marmalades	2007	
Peanut butter	200811	
Fruit juices	2009	
Yeasts	2102	
Soups and broths	2104	
Waters, including mineral waters and aerated waters, containing added sugar or sweetener	2202	
Wine	2204	
Whisky, rum, gin, vodka, liqueurs, etc.	2208	

Vinegar	2209	
Cement	2523	
Cotton wool	3005	
Paints and varnishes - Brands: Astra, Chroma, Promac, Splash, Dulux and Prochem	3208-3210	
Printing ink, writing or drawing ink and other inks	3215	
Perfumes and toilet waters	3303	
Beauty or make-up preparations and preparations for the care of the skin	3304	
Preparations for use on the hair	3305	
Soap	3401	
Organic surface active agents (ie. cleaning products)	3402	
Polishes and creams for footwear	3405	
Plastic irrigation pipes and plastic tubing	3917	
Plastic sheeting	392100	
Plastic sacks and bags	392321 392329	
Tableware, kitchenware, and other household articles and toilet articles of plastic, including plastic plant pots, plastic cups and plastic plates	3924	
Plastic water tanks	392510	
Surgical gloves	401511	
Rubber raincoats	401590	
Bags of leather handbags, etc.	4202	
Leather accessories	4203	

Particle board	441011	
Wood windows, doors, shingles, posts and beams, assembled floor panels, etc.	4418	
Basketwork	4602	
Waste paper	4707	
Notebooks, letter pads, exercise books, binders, folders and file covers, etc.	4820	
Paper	4821	
Printed books, brochures, leaflets and similar printed matter	4901	
Hand-woven tapestries - needlework	5805	
Embroidery in the piece in strips of in motifs	5810	
Quilted textile products	5811	
Pile and terry fabrics knitted or crocheted	6001	
Crocheted fabrics	6002	
Clothing; NEW CLOTHING ONLY	Chapters 61 and 62	
Blankets and travelling rugs	6301	
Bed linen, table linen, toilet linen and kitchen linen	6302	
Waterproof footwear	6401	
Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	8404	
Parts of footwear	6405	
Hair extensions	6703	

Copper wire and cables	7408	
Freezit machines	833880	
Candle making machines	841989	
Ploughs and plough parts	843210 and 843290	
Peanut butter making machines	843780	
Car batteries: Chloride, Victor onion, Exide	850710	
Automatic circuit breakers (Produced by companies such as Imperial, Mukonitonics)	853521- 853529, 853620	
Switches	853530 and 853630 853650	
Pens, markers, etc.	9608	
Original sculptures and statuary in any materials	9703	
Crisps	2005	
STA-Soft	3402	
Bisto Gravy	2104	
Nina pads	5601	
Mathematical sets	9017	

**STR List of eligible products
ZAMBIA-MALAWI**

Product	HS Code	Product
Live goats	010420	
Live sheep	010410	
Live rabbits	010690	
Fresh fish (Live fish are NOT eligible)	030269	
Dried, salted or smoked fish	030569	
Fresh milk, yoghurt and cream	040110-040130	
Potatoes (Irish and sweet)	070110-070190	
Soya beans	120100	
Ground-nuts	120210- 120220	
Rice	100610-100640	
Onion	070310	
Bananas	080300	
Mushrooms (with proper labelling indicating where products has been cultivated)	070951	
Tomatoes	070200	
Sunflower seeds not for planting	120600	
Dried beans not for planting	071310-071390	

Dried chick peas (channa)	071320	
Tea leaves	090230	
Coffee	090111 - 090190	
Sugar	170111	
Wood curios	442010-442090	
Cane Chairs	940190	
Animal feed	230800, 230910	
Fruit juices	200912-200990	
Maheu/Supa drink	290690	
Biscuits	190531	
Soya pieces	21061090 23040000	
Cement	252329 - 252390	
Lime for whitewash	252210	



For Further Information Contact:

Trade Information Desk

Trade information Desks were newly established in June 2010 and will become fully operational in July 2010.

They are located at Mwami/Mchinji, Chirundu and Livingstone. A desk will be established in Kariba soon.

Working hours are 0800-1700 Monday to Saturday.

Cross Border Trader Association

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Malawi CBTA

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COMESA

Cross Border Trade COMESA

COMESA Cross Border Trade Desk

Tel: +260-2119-52 ext 330 or 466

Email: cbtdesk@comesa.int

Website: www.comesa.int (Follow Link)

Customs Service, Revenue Authority

Zimbabwe Revenue Authority

<http://www.zimra.co.zw>

Zambia Revenue Authority

<http://www.zra.org.zm>

Malawi Revenue Authority

<http://www.mra.mw>