**Chapter 23:02  
Customs and Excise  
(Inward Processing) (Rebate) Regulations, 1997**

[*S.I. 59 of 1997*](dps://1997_59s) *Amended by S.I’s 309/98, and 109/08 and 43/09.*

IT is hereby notified that the Minister of Finance and Economic Development has, in terms of section 235, as read with [section 120 of the Customs and Excise Act [*Chapter 23:02*]](dps://ZS@2302#120), made the following regulations:—

amended by the Editor in terms of the Revenue Authority Act.

ARRANGEMENT OF REGULATIONS

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*Title*

**1**.  These regulations may be cited as the Customs and Excise (Inward Processing) (Rebate) (Amendment) Regulations, 1998 (No. 1).

amended by S.I. 309 of 1998 w.e.f. 16th October, 1998

*Interpretation*

**2**.  In these regulations—

**“ compensating products ”** means the products obtained as a result of the processing or repair of goods temporarily imported for inward processing;

**“ form ”** means the appropriate form specified in the *First Schedule*;

**“ intermediate products ”** means goods which have not been processed to the stage of compensating products;

**“ processing ”** means the manufacture of goods and includes any one or more of the following operations—

(a)  fitting or assembling;

(b)  industrial packing or re-packaging;

(c)  use of agents such as catalysts, accelerators or retarders of chemical reactions which disappear entirely or partially in the course of production and are thereafter indistinguishable in the goods produced;

(d)  mixing and blending.

**“ registered person ”** means a person registered in terms of [section 4](NULL#4) for the purposes of these regulations.

*Grant of rebate*

**3**.  Subject to these regulations, a rebate of duty shall be granted in respect of goods imported or taken out of bond for inward processing.

*Registration*

**4**.  (1)  Any person wishing to import goods or remove goods from bond for inward processing may apply to the proper officer in Form I.P.R. 1 to be registered for the purpose of a grant of a rebate of duty in respect of such goods.

(2)  Any application referred to in [subsection (1)](NULL#4.1) shall be supported by such information or documents as the Commissioner may require.

(3)  An application for registration shall be made before the importation or removal from bond of any of the goods intended for inward processing.

(4)  On receipt of an application in terms of this section, the proper officer shall inspect the applicant’s premises and machinery, before referring the application and the report of his findings to the Commissioner for consideration.

(5)  If the Commissioner approves the application, he shall call on the applicant to—

(a)  erect on his premises the stores provided for in [section 5](NULL#5); and

(b)  enter into a bond in Form I.P.R. 2, with sufficient surety to secure **30%** of the duty and to ensure compliance with the requirements of these regulations; and

amended by S.I. 309/1998 w.e.f. 16th October, 1998

(c)  pay the fee referred to in subsection 7.

(6)  When the application has complied with the requirements of [subsection (5)](NULL#4.5) to the satisfaction of the Commissioner, the Commissioner shall register the applicant.

(7)  The fee referred to in [subsection (5)](NULL#4.5) shall be **US$ 20**:

increased by S.I. 192/06 w.e.f. 1/8/06,  
and amended by SI 43/09 from the 24th April, 2009.

Provided that where the registration of an applicant is approved after the 30th June in any year, the fee shall be **1/2** of the fee referred to in this subsection.

(8)  A fee of **US$ 20** for the renewal of the registration shall be payable annually on or before the 31st January.

increased by S.I. 192/06 w.e.f. 1/8/06,  
and amended by SI 43/09 from the 24th April, 2009.

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

(a)  it is not intended to export the compensating products;

(b)  adequate control of goods imported or taken out of bond for inward processing is not likely to be maintained; or

(c)  any provisions of these regulations will not be complied with.

*Storage of rebate materials and compensating products*

**5**.  (1)  The applicant shall provide on his premises, separate secure stores for the safe storage of goods on which duty has been rebated, and for compensating products, and shall, at his own expense, provide the necessary fastenings so that the stores may be secured with customs locks.

(2)  No goods on which duty has been rebated or compensating products may be stored elsewhere than in the stores provided for in [subsection (1)](NULL#5.1), and no such stores shall, without the prior written permission of the proper officer, be used for any other purpose.

*Clearance of goods*

**6**.  (1)  Goods to be entered under the rebate of duty provided for in these regulations shall be entered for consumption at the port of entry nearest to the premises of the registered person.

(2)  A registered person shall, when effecting entry on importation, or on removal from bond of goods intended for inward processing, submit with the relevant bill of entry a declaration signed by him, to the effect that the goods are to be used solely for the purpose specified in these regulations and the compensating products resulting therefrom will be exported.

(3)  The officer responsible for clearing the goods may take a sample of the goods described in the bill of entry for retention in the custom house together with a copy of the bill of entry.

*Transfer of goods imported or taken out of bond under rebate*

**7**.  (1)  Goods shall qualify for a rebate in terms of these regulations only if they are imported or taken out of bond by a registered person and y transfer of such goods to any person before exportation may be made only with the approval of the Commissioner, on such conditions as he may fix, on application being made to him by a registered person—

(a)  in form I.P.R.3 in the case of a transfer to any other person registered in terms of these regulations; or

(b)  in form I.P.R.4 in the case of a transfer to a subcontractor for further processing.

(2)  Where goods are transferred by a registered person to a subcontractor in terms of [paragraph (*b*) of subsection (1)](NULL#7.1.b), the registered person shall remain liable for any duty which may become due and payable in the event the goods are not accounted for to the satisfaction of the Commissioner.

*Period within which goods must be exported*

**8**.  (1)  A registered person shall export as compensating products goods entered under rebate in terms of these regulations within12 months of the date of the grant of such rebate or within such longer period as the Commissioner may allow.

(2)  Where a registered person fails to comply with [subsection (1)](NULL#8.1), duty shall immediately become due and payable.

*Disposal of goods entered under rebate*

**9**.  (1)  Subject to these regulations, no person shall sell, use, remove from the premises of the registered person or in any way dispose of any goods entered under rebate otherwise than in accordance with the provisions of these regulations unless he has obtained the authority of the Commissioner to otherwise dispose of the goods.

(2)  The proper officer my authorise the disposal by destruction or other means of any scrap or waste from any process referred to in these regulations without the payment of duty if, in his opinion, the goods cannot be economically used for the same purpose as similar goods, not being scrap or waste, are used.

(3)  The proper officer may authorise the disposal of goods other than those referred to in [subsection (2)](NULL#9.2) on payment of the rebated duty if, in his opinion, the goods cannot be used for the purpose for which they were imported or taken out of bond.

(4)  Where, in his opinion, there are sufficient reasons for doing so, the Commissioner may authorise, under such conditions as he may fix and on payment of the rebated duty, the clearance for consumption of any compensating or intermediate products or imported goods in the unaltered state.

*Remission of duty on destroyed goods*

**10**.  Where imported goods in the unaltered state or compensating or intermediate products are destroyed with the permission of the Commissioner, or have been, in the opinion of the Commissioner, destroyed accidentally and are deprived of all value, or are lost, the duty due on such goods may be remitted.

*Maintenance of records*

**11**.  (1)  A registered person shall maintain records in such form and manner as may be approved by the Commissioner showing full particulars of—

(a)  all the goods imported or taken out of bond and how they have been utilised or disposed of; and

(b)  all the compensating or intermediate products produced and how they have been disposed of; and

(2)  A registered person who fails to keep any records required by the Commissioner in relation to any goods shall be deemed to have used the goods on which duty has been rebated for a purpose other than that for which they were imported, or taken out of bond and, unless the Commissioner is satisfied to the contrary, the rebated duty shall immediately become due and payable.

(3)  Officers may at any time inspect the premises or records of a registered person to ensure that these regulations are being complied with.

(4)  A registered persons shall, when required to do so by the proper officer—

(a)  carry out under the supervision of the officer and at such times as the officer may consider appropriate any operation in which goods entered under rebate are used;

(b)  render a return on his operations in such form and manner as the Commissioner, may approve.

*Cancellation of registration*

**12**.  (1)  The Commissioner may cancel or suspend the registration of a person if the person—

(a)  ceases to import goods for inward processing; or

(b)  fails to comply with or contravenes any of the provisions of these regulations; or

(c)  fails to pay the fees for the renewal of registration in accordance with [subsection (8) of section 4](NULL#4.8); or

(d)  so requests.

(2)  If any registration is cancelled in terms of [subsection (1)](NULL#12.1), any duty rebated on any goods not already exported as compensating products shall immediately become due and payable.

*Repeals*

**13**.  The regulations specified in the second Schedule are repealed.

**First Schedule (**[***Section 2***](NULL#2)**)  
APPROPRIATE FORMS**

**Form Number**    **Titles**

I.P.R. 1    Application for registration

I.P.R. 2    Security Bond

I.P.R 3    Transfer of goods to a registered person

I.P.R. 4    Transfer of goods to subcontractor for processing

In terms of [section 5(2) of the Interpretation Act [*Chapter 1:01*]](dps://ZS@0101#5.2), these 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 ZIMRA in any district.

**Second Schedule (**[***Section 13***](NULL#13)**)  
REPEALED REGULATIONS**

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| *Title* | *Instrument* |
| Customs and Excise (Inward Processing) (Rebate) Regulations, 1992. | 235 of 1992 |
| Customs and Excise (Inward Processing) (Rebate) (Amendment) Regulations, 1995 (No. 1) | 168 of 1995 |