

## FAQs for Customs Duty

Here's a list of 100 frequently asked questions (FAQs) and their answers about Customs Duty under Tanzanian tax laws as administered by the Tanzania Revenue Authority (TRA):

### General Information

1. **What is Customs Duty?** Customs Duty is a tax imposed on goods imported into or exported out of a country.
2. **Which organization administers Customs Duty in Tanzania?** The Tanzania Revenue Authority (TRA) administers Customs Duty.
3. **What is the purpose of Customs Duty?** The purpose of Customs Duty is to regulate and control the import and export of goods, protect local industries, and generate revenue for the government.
4. **How does Tanzania's membership in the East African Community (EAC) affect Customs Duty?** As an EAC member, Tanzania applies the common external tariff (CET) and benefits from the elimination of internal tariffs among EAC member states.
5. **What is the East African Customs Union Protocol?** The East African Customs Union Protocol established a common external tariff, eliminated internal tariffs among member states, and set rules for customs procedures within the EAC.

### Duty Rates

6. **What are the duty rates for raw materials?** The duty rate for raw materials is 0%.
7. **What duty rate applies to semi-finished goods?** Semi-finished goods are subject to a 10% duty rate.
8. **How much duty is charged on finished consumer goods?** Finished consumer goods are subject to a 25% duty rate.
9. **What is the duty rate for specified products?** Specified products are charged a 35% duty rate.
10. **Is there a special rate for machinery and spare parts used in mining?** Yes, machinery and spare parts imported by licensed mining companies for mining activities are subject to a 0% duty rate.
11. **What is the duty rate for machinery and inputs used in oil, gas, or geothermal exploration?** Machinery and inputs for these activities are also subject to a 0% duty rate upon approval.

### Preferential Duty Rates

12. **What are preferential duty rates?** Preferential duty rates are reduced or zero rates applied to goods from specific countries or regions, such as SADC or EAC member states.
13. **How can I qualify for preferential duty rates?** Goods must meet the Rules of Origin Criteria to qualify for preferential duty rates.
14. **What are the Rules of Origin Criteria?** The Rules of Origin Criteria determine the origin of goods to ensure they qualify for preferential treatment under trade agreements.
15. **Are there any exemptions from Customs Duty?** Yes, there are exemptions for certain goods like raw materials, capital goods, and medicines.

## Additional Charges

16. **What is the Railways Development Levy?** The Railways Development Levy is a 1.5% charge on the CIF value of most imports, with some exceptions.
17. **Which goods are exempt from the Railways Development Levy?** Exemptions include goods exempt from import duty, pharmaceutical goods, fertilizers, and certain fuels.
18. **What is the Destination Inspection Fee?** The Destination Inspection Fee is 0.6% of the FOB value of imports.
19. **Are there any goods that are exempt from the Destination Inspection Fee?** The fee applies to most imports, but there may be specific exemptions.

## Import Procedures

20. **What documents are required for Customs clearance?** Required documents typically include the bill of lading, invoice, packing list, and certificate of origin.
21. **How do I calculate Customs Duty?** Customs Duty is calculated based on the tariff classification and the CIF value of the goods.
22. **What is the CIF value?** The CIF value includes the cost of goods, insurance, and freight.
23. **Where can I find the Harmonized System (HS) Codes for my goods?** HS Codes can be found in the Customs Tariff Book or through TRA's official website.
24. **How do I submit a Customs declaration?** Customs declarations can be submitted electronically through the TRA's Simba system or manually at a customs office.
25. **What is the Simba system?** The Simba system is TRA's electronic platform for processing Customs declarations and managing trade information.
26. **What is the role of a Customs Broker?** A Customs Broker assists with the preparation and submission of import and export documentation.
27. **Can I import goods directly or do I need a broker?** You can import goods directly, but using a broker can simplify the process and ensure compliance.
28. **How long does it take for Customs clearance?** Clearance time varies depending on the complexity of the declaration and the completeness of documents.
29. **What happens if I do not declare goods correctly?** Incorrect declarations may lead to fines, delays, or seizure of goods.
30. **How can I appeal a Customs decision?** Appeals can be made through the TRA's dispute resolution mechanism or legal channels.

## Export Procedures

31. **What is the procedure for exporting goods from Tanzania?** Export procedures include obtaining an export license, completing export documentation, and complying with export regulations.
32. **Are there any duties on exported goods?** Generally, there are no export duties, but some regulations may apply depending on the type of goods.
33. **What documents are required for exporting goods?** Required documents include the export invoice, packing list, and certificate of origin.
34. **How do I claim a refund on Customs Duty for re-exported goods?** Refund claims can be made by submitting a request to TRA with supporting documents.

## Customs Valuation

- 35. **How is the value of imported goods determined for Customs purposes?** The value is determined based on the transaction value, which includes the cost of goods, insurance, and freight.
- 36. **Can I challenge the Customs valuation?** Yes, you can challenge the valuation through TRA's dispute resolution process.
- 37. **What happens if the declared value is higher or lower than the assessed value?** If the value is higher, you may be liable for additional duty; if lower, you may face penalties for under-declaration.

## Customs Duties on Specific Goods

- 38. **What is the Customs Duty rate on pharmaceuticals?** Pharmaceuticals are often exempt from Customs Duty, but specific conditions may apply.
- 39. **Are there any special duty rates for agricultural inputs?** Agricultural inputs typically benefit from a 0% duty rate.
- 40. **What is the Customs Duty rate for luxury goods?** Luxury goods are usually subject to higher duty rates, such as 25% or 35%.
- 41. **Are there any special considerations for importing machinery?** Machinery for certain uses, such as mining or oil exploration, may be eligible for a 0% duty rate.

## Compliance and Enforcement

- 42. **What are the penalties for evading Customs Duty?** Penalties can include fines, seizure of goods, or legal action.
- 43. **How does TRA enforce Customs Duty regulations?** TRA enforces regulations through inspections, audits, and compliance checks.
- 44. **What are the common reasons for Customs Duty audits?** Audits may be triggered by discrepancies in declarations, random checks, or suspicion of non-compliance.
- 45. **Can I get assistance with Customs Duty compliance?** Yes, TRA provides guidance and support for compliance, and Customs Brokers can assist with the process.
- 46. **What should I do if my goods are detained by Customs?** Contact TRA for clarification and provide any requested documentation to resolve the issue.

## Import and Export Restrictions

- 47. **Are there restrictions on importing certain goods?** Yes, there are restrictions on goods that may affect health, safety, or national security.
- 48. **Can I import used goods?** Importing used goods is subject to specific regulations and may require additional approvals.
- 49. **What are the restrictions on exporting certain goods?** Export restrictions may apply to goods related to national security or those requiring export permits.
- 50. **How can I find out if my goods are subject to import or export restrictions?** Consult TRA's guidelines or contact the relevant authorities for information.

## Exemptions and Special Programs

51. **What are the criteria for obtaining a Customs Duty exemption?** Exemptions are typically granted based on the type of goods, purpose of import, and eligibility criteria set by TRA.
52. **How can I apply for a Customs Duty exemption?** Submit an application to TRA with supporting documentation and justification for the exemption.
53. **What is the role of special economic zones (SEZ) in Customs Duty?** Goods imported into SEZs may benefit from exemptions or reduced duty rates.
54. **Are there incentives for exporting goods?** Export incentives may include duty drawbacks or exemptions for certain goods.

## **Special Cases and Procedures**

55. **What is the procedure for temporary importation?** Temporary importation allows goods to be imported for a specific period without paying full duty, provided they are re-exported.
56. **How do I handle Customs Duty for goods in transit?** Goods in transit are generally not subject to local Customs Duty if they remain in transit through Tanzania.
57. **What is the procedure for importing goods for personal use?** Personal imports are subject to the same Customs Duty rates as commercial imports but may have different allowances or exemptions.
58. **Are there any special rules for importing goods for charitable purposes?** Charitable goods may be eligible for duty exemptions or reductions under specific conditions.
59. **What is the procedure for importing goods under trade agreements?** Goods imported under trade agreements must meet the agreement's rules of origin and other conditions to benefit from preferential rates.
60. **How do I handle Customs Duty for cross-border trade with neighboring countries?** Cross-border trade often involves simplified procedures and may benefit from regional agreements.

## **Tariff Classification and Valuation**

61. **How do I classify my goods for Customs purposes?** Classification is based on the Harmonized System (HS) codes, which describe the nature and function of the goods.
62. **Where can I find the tariff classification for my goods?** The tariff classification can be found in the Customs Tariff Book or on TRA's website.
63. **Can I get a ruling on the tariff classification of my goods?** Yes, you can request a tariff classification ruling from TRA for clarification.
64. **What are the methods used for Customs valuation?** The primary method is the transaction value, which includes the cost of goods, insurance, and freight.

## **Customs Duty Refunds and Adjustments**

65. **How can I apply for a Customs Duty refund?** Submit a refund application to TRA with supporting documentation and justification for the refund.
66. **What is the process for adjusting a Customs Duty payment?** Adjustments can be made by submitting a revised declaration or application to TRA.
67. **What should I do if I overpaid Customs Duty?** Apply for a refund through TRA with proof of overpayment.

## **Record-Keeping and Documentation**

- 68. **How long should I keep Customs records?** Customs records should be kept for at least 5 years from the date of import or export.
- 69. **What records do I need to keep for Customs compliance?** Maintain records including invoices, bills of lading, packing lists, and Customs declarations.
- 70. **Can I store Customs records electronically?** Yes, electronic records are acceptable as long as they are accessible and properly maintained.

## **Training and Resources**

- 71. **Where can I get training on Customs procedures?** TRA offers training programs and workshops on Customs procedures and regulations.
- 72. **Are there any online resources available for Customs Duty information?** Yes, TRA's website provides detailed information on Customs Duty, procedures, and regulations.
- 73. **How can I contact TRA for more information on Customs Duty?** Contact TRA through their official website, customer service, or local offices for inquiries.

## **Customs Duty on Specific Imports**

- 74. **What is the duty rate on electronics?** Electronics typically fall under a specific tariff category, so the duty rate can vary.
- 75. **How is Customs Duty applied to vehicles?** Vehicles are subject to specific duty rates and may also incur additional taxes.
- 76. **Are there any special rules for importing textiles?** Textiles may have different duty rates based on classification and origin.
- 77. **What is the Customs Duty on building materials?** Building materials are generally subject to standard duty rates, but specific rates may apply.
- 78. **Are there any considerations for importing food products?** Food products are subject to duty and may require compliance with health and safety regulations.

## **Customs Duty and Trade Policy**

- 79. **How do trade policies affect Customs Duty rates?** Trade policies and agreements can influence duty rates, exemptions, and incentives.
- 80. **What impact does the Common External Tariff (CET) have on imports?** The CET standardizes duty rates for imports from outside the EAC.
- 81. **How can trade agreements with other countries impact Customs Duty?** Trade agreements can lead to reduced or zero duty rates for certain goods from partner countries.

## **Miscellaneous**

- 82. **Can Customs Duty be negotiated?** Customs Duty rates are generally fixed by law and are not subject to negotiation.
- 83. **How does Customs Duty affect the cost of imported goods?** Customs Duty increases the total cost of imported goods, impacting pricing and profitability.

84. **What role do Customs Authorities play in international trade?** Customs Authorities ensure compliance with trade regulations and facilitate trade while protecting national interests.
85. **How can I stay updated on changes in Customs Duty regulations?** Regularly check TRA's website, subscribe to updates, or consult with a Customs Broker.
86. **Are there any resources for understanding Customs Duty calculations?** TRA provides guidelines and resources for understanding and calculating Customs Duty.
87. **What is the role of international trade organizations in Customs Duty?** Trade organizations may influence Customs policies and provide frameworks for trade agreements.
88. **How does Customs Duty impact small businesses?** Customs Duty can affect the cost and competitiveness of small businesses engaged in international trade.
89. **Are there any initiatives to simplify Customs Duty processes?** TRA periodically updates procedures to streamline Customs processes and enhance efficiency.
90. **Can I appeal if my Customs Duty refund is denied?** Yes, you can appeal the decision through TRA's dispute resolution process.
91. **What is the process for dealing with Customs Duty disputes?** Disputes can be addressed through TRA's dispute resolution mechanisms or legal channels.
92. **Are there any special considerations for importing goods for manufacturing?** Manufacturing goods may qualify for exemptions or reduced rates under specific conditions.
93. **What impact does Customs Duty have on the local economy?** Customs Duty affects trade balance, local industries, and government revenue.
94. **How are Customs Duty rates set and updated?** Rates are set by government policy and updated periodically based on economic and trade considerations.
95. **What should I do if I am unsure about my Customs Duty obligations?** Seek guidance from TRA, consult a Customs Broker, or review relevant regulations.
96. **How can I ensure compliance with Customs Duty regulations?** Stay informed about regulations, maintain accurate records, and seek professional advice if needed.
97. **Are there any specific duties for importing medical equipment?** Medical equipment may have specific duty rates and compliance requirements.
98. **What are the considerations for importing goods with a high Customs Duty rate?** Consider the impact on costs, pricing strategies, and potential alternatives.
99. **How does Customs Duty affect export pricing?** Customs Duty on imports can impact the cost structure and pricing of exported goods.
100. **Can I get a Customs Duty estimate before importing goods?** Yes, TRA or a Customs Broker can provide an estimate based on the classification and value of the goods.

Feel free to ask if you need more details or have any specific questions about Customs Duty!

Here is a list of 50 frequently asked questions (FAQs) and their answers regarding various calculations related to Customs Duty under Tanzanian tax laws as administered by the Tanzania Revenue Authority (TRA):

## **General Calculation Principles**

1. **How is Customs Duty calculated?** Customs Duty is calculated based on the tariff classification and the CIF (Cost, Insurance, and Freight) value of the goods.

2. **What does CIF value include?** CIF value includes the cost of goods, insurance, and freight charges.
3. **How do I determine the CIF value of my goods?** The CIF value is determined by adding the cost of the goods, insurance premiums, and freight charges to the destination port.
4. **What is the difference between CIF and FOB value?** CIF value includes insurance and freight, while FOB (Free on Board) value includes only the cost of the goods and excludes insurance and freight.
5. **How do I calculate Customs Duty using the CIF value?** Multiply the CIF value by the applicable Customs Duty rate to determine the amount of duty payable.

## Specific Duty Rate Calculations

6. **How do I calculate Customs Duty for raw materials?** For raw materials with a 0% duty rate, no Customs Duty is payable.
7. **What is the formula for calculating Customs Duty on semi-finished goods?**  

$$\text{Customs Duty} = \text{CIF Value} \times \text{Duty Rate}$$

$$\text{Customs Duty} = \text{CIF Value} \times \text{Duty Rate}$$
 For semi-finished goods with a 10% duty rate, the formula becomes:  $\text{Customs Duty} = \text{CIF Value} \times 0.10$   

$$\text{Customs Duty} = \text{CIF Value} \times 0.10$$
8. **How do I calculate Customs Duty on finished consumer goods?** For finished consumer goods with a 25% duty rate, use the formula:  

$$\text{Customs Duty} = \text{CIF Value} \times 0.25$$

$$\text{Customs Duty} = \text{CIF Value} \times 0.25$$
9. **What is the calculation for Customs Duty on specified products?** For specified products with a 35% duty rate:  $\text{Customs Duty} = \text{CIF Value} \times 0.35$   

$$\text{Customs Duty} = \text{CIF Value} \times 0.35$$
10. **How do I calculate Customs Duty for machinery used in mining?** Machinery used in mining is subject to a 0% duty rate, so no Customs Duty is payable.

## Additional Charges

11. **How is the Railways Development Levy calculated?** Railways Development Levy is 1.5% of the CIF value, calculated as:  

$$\text{Railways Development Levy} = \text{CIF Value} \times 0.015$$

$$\text{Railways Development Levy} = \text{CIF Value} \times 0.015$$
12. **What is the formula for the Destination Inspection Fee?** The Destination Inspection Fee is 0.6% of the FOB value:  

$$\text{Destination Inspection Fee} = \text{FOB Value} \times 0.006$$

$$\text{Destination Inspection Fee} = \text{FOB Value} \times 0.006$$
13. **How do I include the Railways Development Levy in the total cost?** Add the Railways Development Levy to the Customs Duty to get the total amount payable.
14. **What if my goods are exempt from the Railways Development Levy?** If exempt, you do not need to calculate or pay the Railways Development Levy.
15. **How do I calculate the total cost including Customs Duty, Railways Development Levy, and Destination Inspection Fee?** Total Cost = CIF Value + Customs Duty + Railways Development Levy + Destination Inspection Fee

## Valuation Issues

16. **How do I calculate Customs Duty if the CIF value includes discounts?** Apply Customs Duty to the CIF value after deducting any discounts:  

$$\text{Customs Duty} = (\text{CIF Value} - \text{Discount}) \times \text{Duty Rate}$$

$$\text{Customs Duty} = (\text{CIF Value} - \text{Discount}) \times \text{Duty Rate}$$
17. **How do I handle Customs Duty calculations for partially completed shipments?** Calculate Customs Duty based on the CIF value of the portion of the shipment being cleared.
18. **What if the CIF value includes both local and foreign costs?** Ensure that only the foreign costs are included in the CIF value for Customs Duty calculations.
19. **How do I calculate Customs Duty for goods with a variable CIF value?** Use the final CIF value at the time of importation for accurate Customs Duty calculations.
20. **How is Customs Duty calculated for goods with special valuation agreements?** Follow the terms of the special valuation agreements and apply the agreed-upon value for Customs Duty calculations.

## Duty Calculation for Special Cases

21. **How do I calculate Customs Duty for goods in transit?** Goods in transit are not subject to local Customs Duty, but ensure compliance with any transit regulations.
22. **What is the Customs Duty calculation for temporary imports?** For temporary imports, Customs Duty is based on the CIF value, but you may need to provide a bond or guarantee for re-exportation.
23. **How do I calculate Customs Duty for imported goods under a trade agreement?** Apply the preferential duty rate as specified in the trade agreement to the CIF value of the goods.
24. **How is Customs Duty calculated for imported used goods?** Used goods are subject to the same duty rates as new goods based on their CIF value, but may require additional assessments.
25. **What is the calculation for Customs Duty on goods imported for charitable purposes?** Apply the applicable duty rate based on the CIF value, unless exempted under specific charitable provisions.

## Duty Calculations for Different Import Types

26. **How do I calculate Customs Duty for bulk shipments?** Calculate Customs Duty based on the total CIF value of the entire bulk shipment.
27. **What is the formula for calculating Customs Duty on mixed goods?** Determine the CIF value and duty rate for each category of goods and sum the individual Customs Duties.
28. **How do I calculate Customs Duty for goods with multiple tariff classifications?** Calculate Customs Duty for each classification separately and then add the amounts.
29. **How is Customs Duty calculated for imported goods with varying duty rates?** Apply the appropriate duty rate to each portion of the shipment based on its classification.
30. **What is the calculation method for Customs Duty on imported machinery?** Machinery not exempt is subject to the relevant duty rate based on its CIF value.

## Refunds and Adjustments



31. **How do I calculate the refund amount for overpaid Customs Duty?** Calculate the refund based on the difference between the amount paid and the correct amount due.
32. **What is the formula for adjusting Customs Duty after an error is discovered?** Adjust the duty amount by calculating the difference between the incorrect and correct amounts and applying it to the total duty.
33. **How do I handle Customs Duty refunds for re-exported goods?** Apply for a refund based on the CIF value and duty paid, subject to TRA's approval.
34. **What is the procedure for correcting a Customs Duty calculation error?** Submit a correction request to TRA with supporting documents and details of the error.
35. **How is Customs Duty adjusted for goods with incorrect valuation?** Correct the valuation, recalculate the duty based on the correct CIF value, and adjust accordingly.

## **Customs Duty on Specific Categories**

36. **How do I calculate Customs Duty on imported electronics?** Apply the duty rate specific to electronics as per the tariff classification to the CIF value.
37. **What is the calculation for Customs Duty on imported vehicles?** Vehicles have specific duty rates based on their classification; use these rates to calculate Customs Duty on the CIF value.
38. **How do I determine the Customs Duty on imported textiles?** Textiles are classified under specific tariff headings; apply the relevant duty rate to the CIF value.
39. **What is the formula for Customs Duty on imported building materials?** Apply the applicable duty rate for building materials to their CIF value.
40. **How is Customs Duty calculated for imported food products?** Food products are subject to specific duty rates; calculate based on the CIF value and the applicable rate.

## **Miscellaneous**

41. **How do I calculate Customs Duty when multiple currencies are involved?** Convert all values to Tanzanian Shillings (TZS) before calculating Customs Duty.
42. **What if the CIF value is not provided in the documentation?** Estimate the CIF value based on available information and apply the duty rate accordingly.
43. **How do I handle Customs Duty calculations for partial shipments?** Calculate Customs Duty for each partial shipment based on its CIF value and applicable duty rate.
44. **What is the calculation for Customs Duty on goods received under a lease agreement?** Apply the duty rate to the CIF value of the goods, regardless of the lease arrangement.
45. **How do I calculate Customs Duty on goods received as samples?** Samples are subject to Customs Duty based on their CIF value, unless exempt under specific conditions.

## **Practical Scenarios**

46. **How do I calculate Customs Duty for goods with varying quality levels?** Determine the CIF value and apply the relevant duty rate based on the classification of each quality level.
47. **What if the CIF value includes a subsidy or grant?** Calculate Customs Duty based on the CIF value after adjusting for any subsidies or grants.

**48. How do I calculate Customs Duty for goods subject to anti-dumping duties?**

Apply the anti-dumping duty rate in addition to the regular Customs Duty rate based on the CIF value.

**49. What is the method for calculating Customs Duty on goods with seasonal variations in price?**

Use the CIF value at the time of importation to calculate Customs Duty, regardless of seasonal price variations.

**50. How do I handle Customs Duty calculations for goods subject to special import permits?**

Apply the duty rate specified in the special import permit to the CIF value of the goods.

Feel free to ask if you need more detailed information or further clarification on any of these questions!