

ANNUAL TAX STATISTICS REPORT

2021 - 22

ABOUT THIS PUBLICATION

Eswatini's Tax System

The 2021/22 publication of the Tax Statistics edition provides an overview of tax revenue collections and tax return information for the 2016/17 to 2021/22 fiscal years. The purpose of this publication is to present comprehensive tax revenue data in an approach that will complement and help contextualize socio-economic data provided by both Domestic taxes and Customs taxes systems. The aim is to improve and expand on the data made available in the previous Tax Statistics.

- **Chapter 1: Revenue Collections** provides a summary of tax register aggregate and tax revenue collection trends from 2016/17 to 2021/22 4
- **Chapter 2: Personal Income Tax (PIT)** gives an overview of personal income tax revenues of registered individual taxpayers. It also provides information about taxable income by department and sector 12
- **Chapter 3: Company Income Tax (CIT)** gives an overview of company income tax revenues. Information about provisional tax, taxable income by sector and department 16
- **Chapter 4: Value-Added Tax (VAT)** provides a breakdown of VAT receipts and refunds, by sector and department, as well as an overview of data on VAT refunds to revenue ratio 20
- **Chapter 5: Fuel tax** provides information on fuel volumes and fuel revenue trends from 2013/14 to 2021/22 24
- **Chapter 6: Import related taxes** provides information about taxes such Customs duties, ATL, MVL VRA as well as Sekulula VAT 25
- **Chapter 7: Revenue foregone** provides information about taxes such Customs duties, ATL, MVL VRA as well as Sekulula VAT 27
- The **Acronyms** contain definitions of terms and abbreviations as well as a list of all tables and figures in the publication 28

NOTES

- All statistics are based on the income, expenses, deductions, and items as declared by taxpayers and traders in tax returns via eTax and the Customs Declaration Form (SAD 500) in ASYCUDA documents.
- Data has been checked for coherence and any identified outliers have been excluded from these statistics.
- Nominal figures are used throughout the publication.
- Disaggregated income tax data is based on declared PIT and CIT returns as extracted from ERS' systems at the end of March 2022.
- Given that there is no time-lag between the close of a tax year and the filing of returns for that tax year, no estimate is applied to determine the proportion of expected tax returns to be filed for a specific tax year.
- Declarations data for Import VAT and Customs Duties in this document, mainly discussed in Chapter 5, was extracted as at end of March 2022.
- Information about the sectors (industry) in which taxpayers operate is drawn from taxpayer list and is determined according to their main source of income. Trade classification data is based on the HS classification as declared by traders. Figures have been rounded; therefore, discrepancies may occur between the numbers of the component items and the totals in the tables.

Tax Statistics 2021/22

OVERVIEW



CIT

**Tax Register as at
March 2022**

**Payment
Refunds**

Collections

51,901

E1,804 BN

E1,837 BN

E-0.198 BN



VAT

4,953

E4,823 BN

E3,134 BN

E-1,689 BN



PIT

7,921

E3,804 BN

E3,796 BN

E-0.849 BN

E6.376 BN

SACU Receipts
2021/22

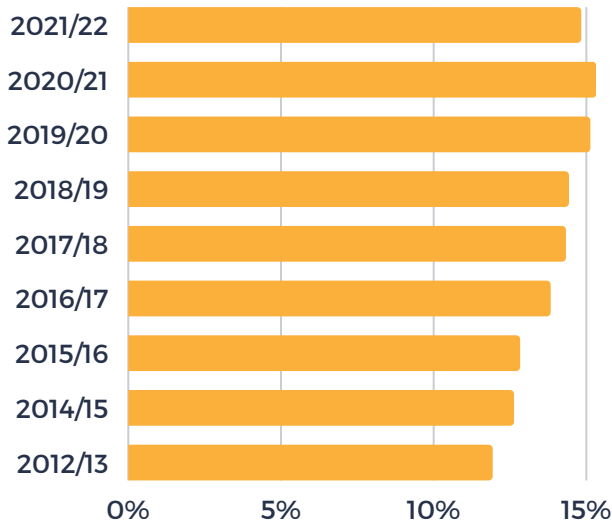
E10.786 BN

Domestic Tax Revenue
2021/22

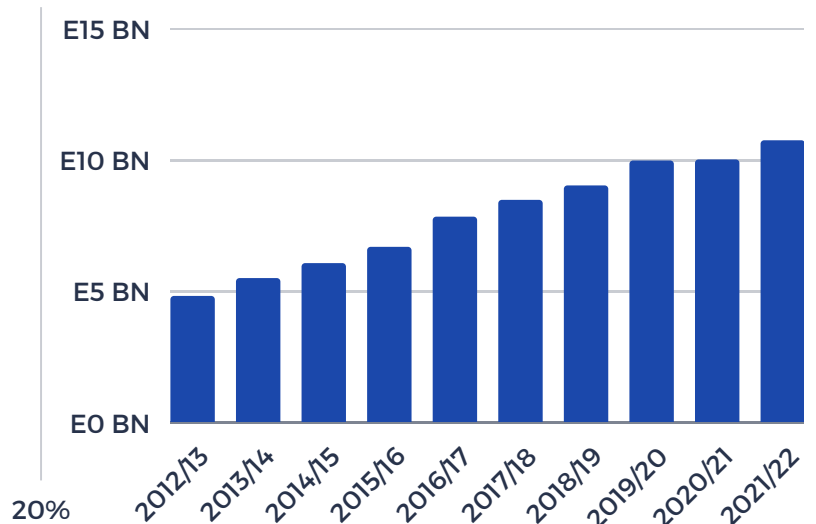
Tax Revenue Trends

2012/13 - 2021/22

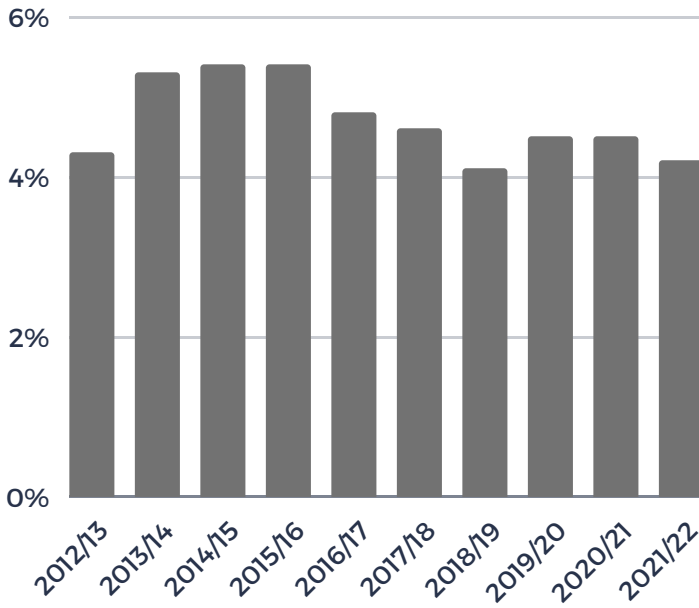
TAX REVENUE TO GDP



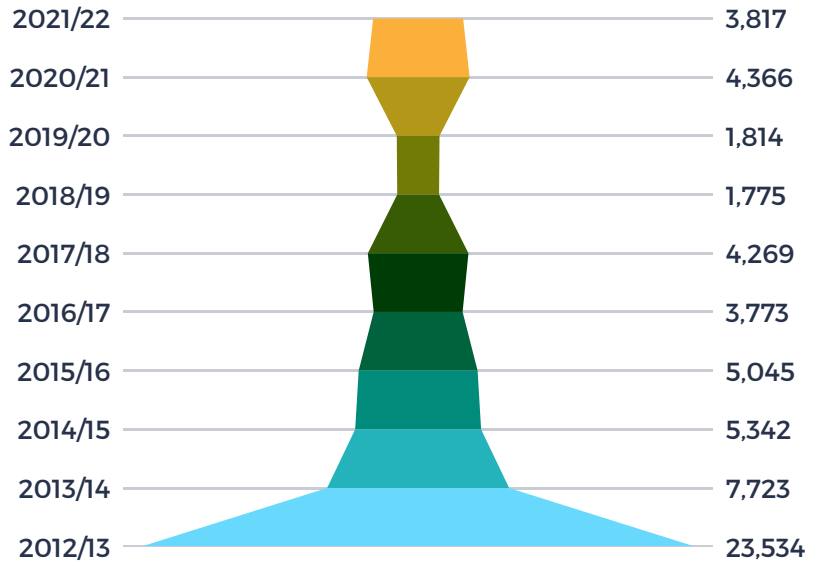
REVENUE COLLECTED



COST TO REVENUE RATIO

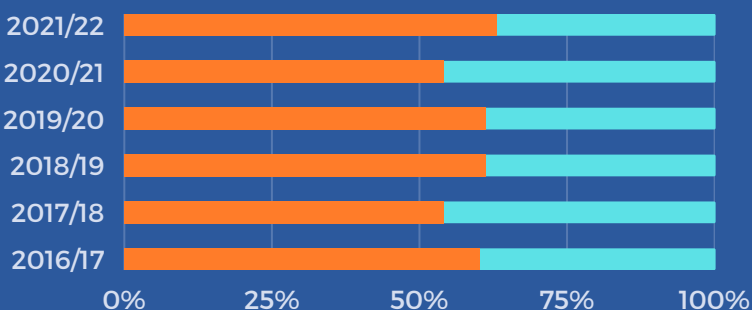


NEW TAXPAYER REGISTRATION



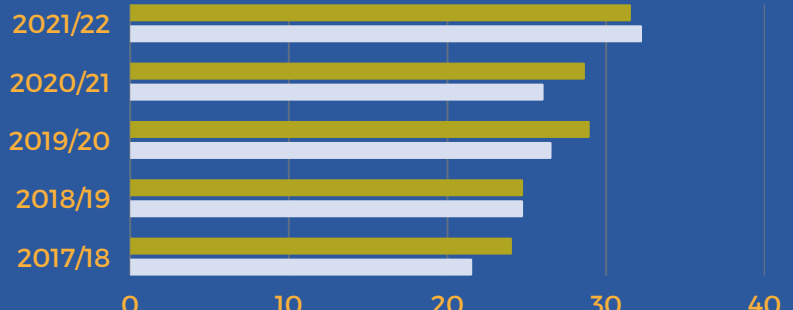
DOMESTIC REVENUE & SACU REVENUE SHARES

Domestic Revenue
SACU Revenue



VALUE IMPORTS & EXPORTS (BILLIONS)

Exports Imports





1. REVENUE COLLECTIONS

KEY FACTS

- Eswatini Revenue Service collected a total of E10.7867 billion domestic tax revenue against a target of E12.022 billion, which was 10% below the targeted revenue. Income revenue from taxes was approximately 45% of national budget.
- The three core components from domestic taxes were: Company tax (CIT), Pay As You Earn (PAYE) and Value Added Tax (VAT). These contributed over 40% of total domestic revenue.
- The tax-to-GDP ratio has been steadily increasing during the period 2012/13 to 2021/22 rising from 14.0% to 14.9%, this has been supported by increased contributions from Personal Income Tax (PIT), Company Income Tax (CIT), Value-Added Tax (VAT) and Fuel tax.
- The cost of revenue collections ratio was 4.2% in the period under review depicting a 0.3% decrease from the previous year.
- As at 31 March 2022, there were 51 901 registered taxpayers for income tax, 4953 registered VAT vendors and 7921 employers registered for PAYE.

Introduction

The Revenue Authority Act, 2008 mandates the Eswatini Revenue Service, to achieve its objectives not exhaustive to the following:

“To provide an effective and efficient revenue and customs administration, driven by high performance culture that promotes compliance through fair, transparent, and equitable application of law 6”

For the financial year ended 31 March 2022, Eswatini Revenue Service collected a net amount of E17.093 billion, of which E 10.79 billion was domestic taxes and SACU share was E6.376 billion. PIT in aggregate remains the largest sources of tax revenue.

REVENUE COLLECTIONS

...continuation

Eswatini's Tax System

Eswatini has a progressive Personal Income Tax system with rates ranging from 0% to 33%. Corporate Income Tax is levied at a flat rate of 27.5%. Fuel Tax is levied at E3.85 per litre. Customs and Excise duties are collected at country's border posts and transferred to the SACU Common Revenue Pool (CRP) then later shared by SACU Member states through an agreed SACU Revenue Sharing Formula, that utilizes GDP, Population, and intra-SACU imports. In 2012/13, with regards to taxes on goods and services, the government replaced Sales Tax with a Value-Added Tax (VAT) system and in 2018 the VAT increased to 15% from 14%. In August 2018, the Motor Vehicle Levy (MVL) was introduced on imported cars from outside SACU applied at 3% on vehicles 6-10 years old and 6% on vehicles older than 10 years.

Policy Change on Tax Revenue in 2021/22

The latest Tax policy measure implemented to increase revenue in 2021/22 was the review of rates for Import Motor Vehicle Levy (MVL). MVL rates were revised from the initial 3% on vehicles 6-10 years old for vehicles imported outside SACU to 15% for vehicles between 4 to 8 years old. For vehicles older than 10 years old, rates were revised from the initial 6% to 20%. The implementation of these policy changes increased revenue from MVL by E3.346 million during the period under review.

Tax Register

The ERS continues to broaden the tax base and increase the taxpayer register. Its ultimate strategic objective is to develop a tax and customs system of 100% voluntary compliance, and where appropriate, enforce correctly and resolutely. To increase levels of voluntary compliance, the ERS aims to make it easy for taxpayers to comply, provide certainty of taxpayers' obligations and ensure that there is always reliable detection of non-compliance.

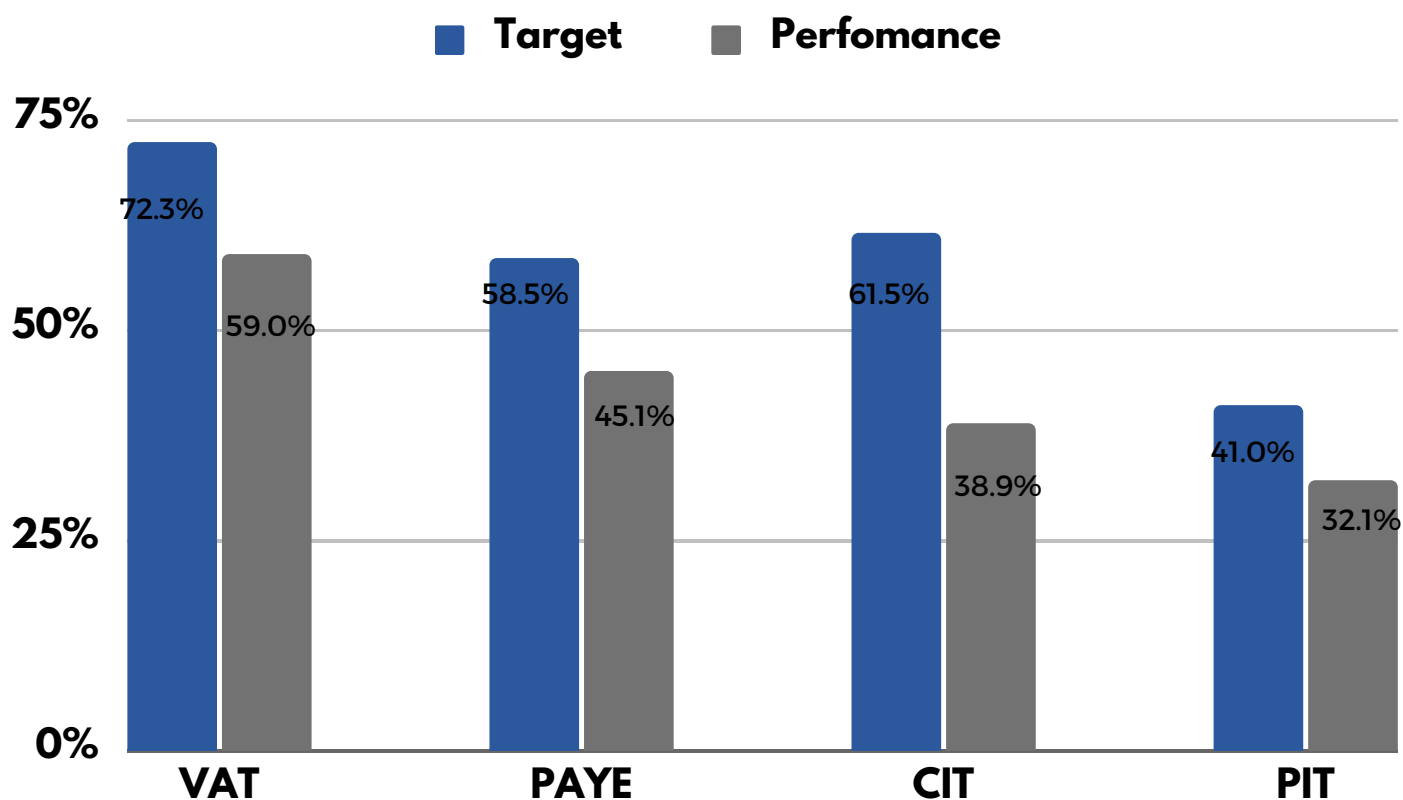
Tax Register: 1 April 2012/13 - 31 March 2021/22

Tax type/ Year	ATL	Casino Levy	Fuel Tax	CIT	PAYE	VAT	Total
2012/13	-		-	16423	4353	2758	23534
2013/14	-	1	5	6871	524	322	7723
2014/15		3	1	4420	471	384	5342
2015/16	-	-	1	4154	448	366	5045
2016/17		1		2856	655	257	3773
2017/18	-	1	1	3028	946	293	4269
2018/19	-	-	1	882	590	302	1775
2019/20	34	-	-	823	567	390	1814
2020/21	13		2	3036	861	452	4366
2021/22	12			2616	740	449	3817
Percentage year on year growth							
2013/14	-	-	-	-58%	-88%	-88%	-67%
2014/15		200%	-80%	-36%	-10%	19%	-31%
2015/16	-	-	-	-6%	-5%	-5%	-6%
2016/17	-	-	-	69%	146%	70%	75%
2017/18	-	-	-	6%	44%	14%	13%
2018/19	-	-	-	-71%	-38%	3%	-58%
2019/20	-	-	-100%	-7%	-4%	29%	2%
2020/21	-62%	0%	0%	269%	52%	16%	141%
2021/22	-8%	0%	-100%	-14%	-14%	-1%	-13%

Taxpayer Registration (count) as at 31 March 2022

TOTAL REGISTRATIONS	Total Registered Taxpayers b/f from 2020/21	New Registrations	Total Registered Taxpayers 2021/22	% Growth
Income tax - Individuals	36409	1343	37752	4%
Income tax - PAYE	8891	740	9631	8%
Fuel Tax	10	0	10	0%
VAT	4797	449	5246	9%
Alcohol and Tobacco Levy (ATL)	42	12	54	29%
Trust taxpayers	0	0	0	0%
2021/22	64532	3383	67915	5%

Filing Compliance Statistics in 2021/22



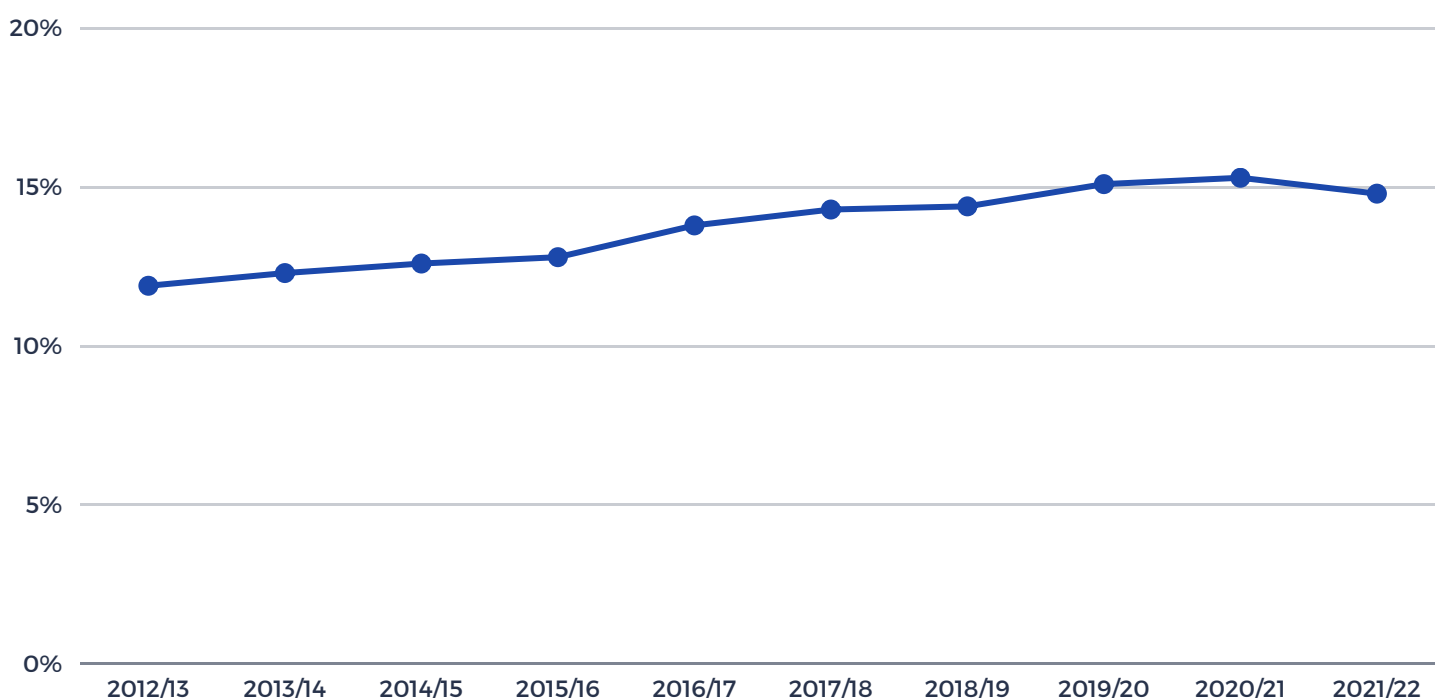
MAIN INDICATORS OF REVENUE PERFORMANCE

Domestic Tax-to-GDP ratio

The proportion of taxes collected by Government relative to all a country's output, or GDP, is an important indicator to reveal potential taxation relative to the economy. It is used internationally, by the International Monetary Fund (IMF), the World Bank, the Organisation for Economic Cooperation and Development (OECD) and the African Tax Administration Forum (ATAF), in the comparative analysis of the tax systems and tax collection performance of different countries.

Domestic Tax to GDP Ratio

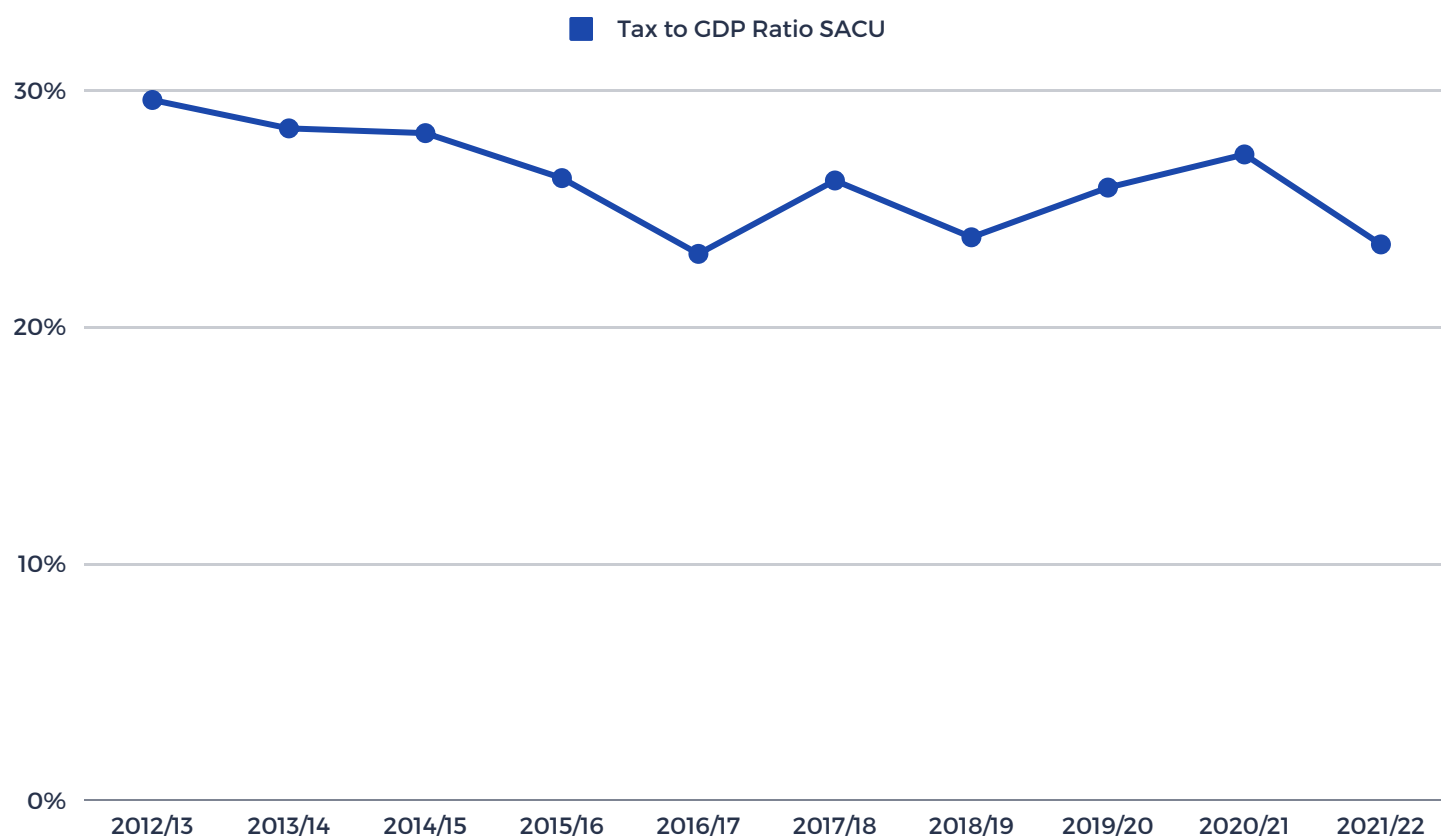
■ Domestic Tax to GDP Ratio 2012/13 - 2021/22



Tax to GDP SACU

The tax-to-GDP ratio is the ratio of the tax revenue of a country compared to the country's gross domestic product (GDP). This ratio is used as a measure of how well the government controls a country's economic resources. Tax-to-GDP SACU ratio is calculated by dividing the tax revenue (domestic tax plus SACU receipts) in a specific time period by the GDP.

Tax to GDP Ratio SACU 2012/13 - 2021/22

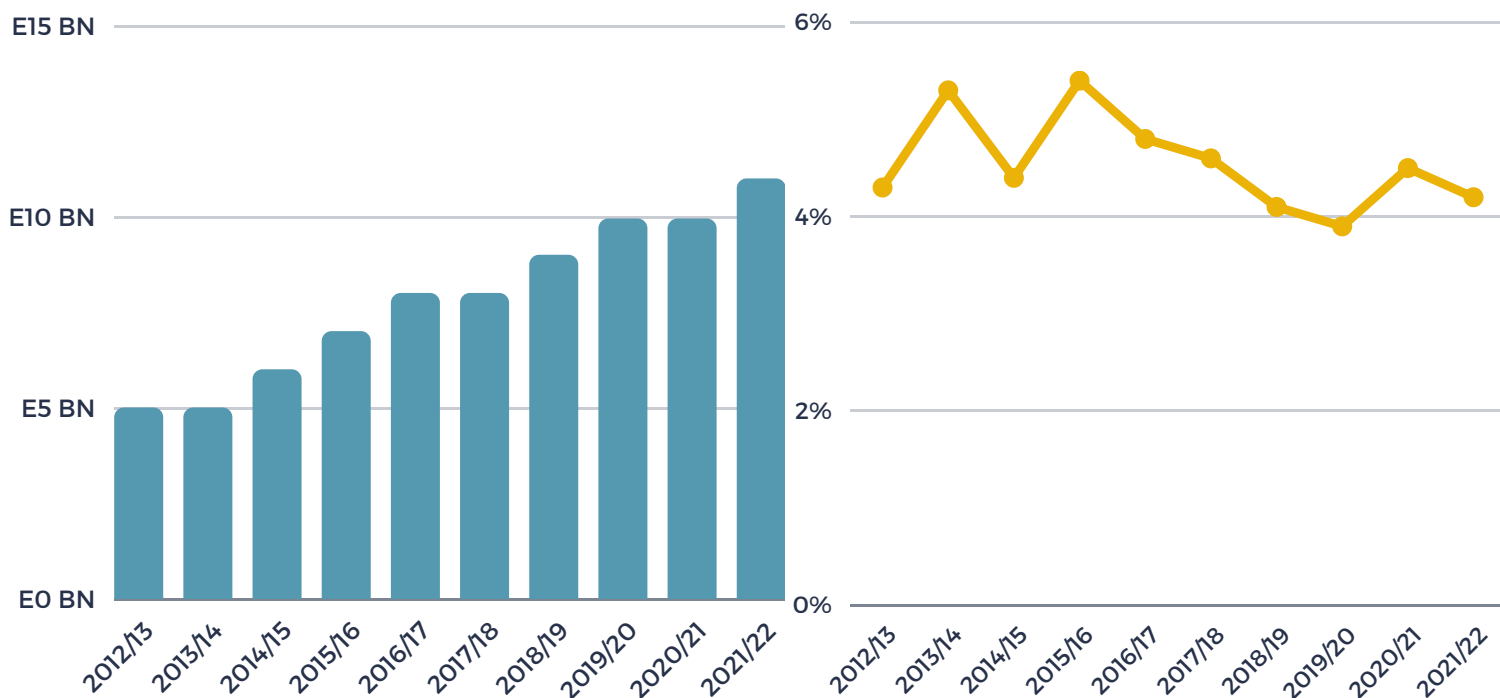


Cost of Revenue collection

The cost of tax revenue collection is an important indicator of the efficiency of revenue administrations and may be used for comparative analysis when benchmarking against administrations in other countries. This ratio is calculated by dividing the cost of the internal operations of a tax administration by total tax revenue collected. SACU receipts are excluded.

■ Revenue collections, 2012/13 - 2021/22

■ Cost to Revenue Ratio 2012/12 - 2021/22

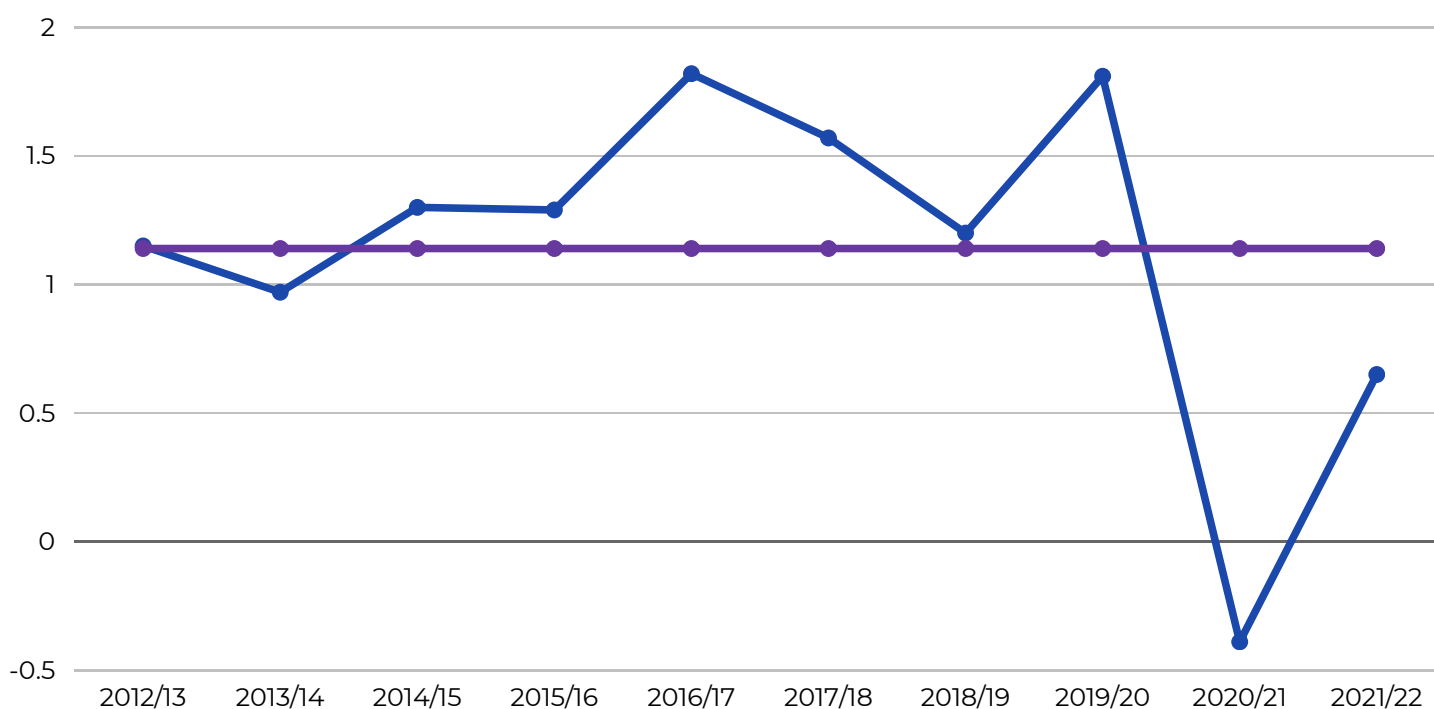


Tax Bouyancy

Tax Bouyancy 2012/13 - 2021/22

■ Revenue Bouyancy 2012/13 - 2021/22

■ Average Bouyancy 2012/13 - 2021/22

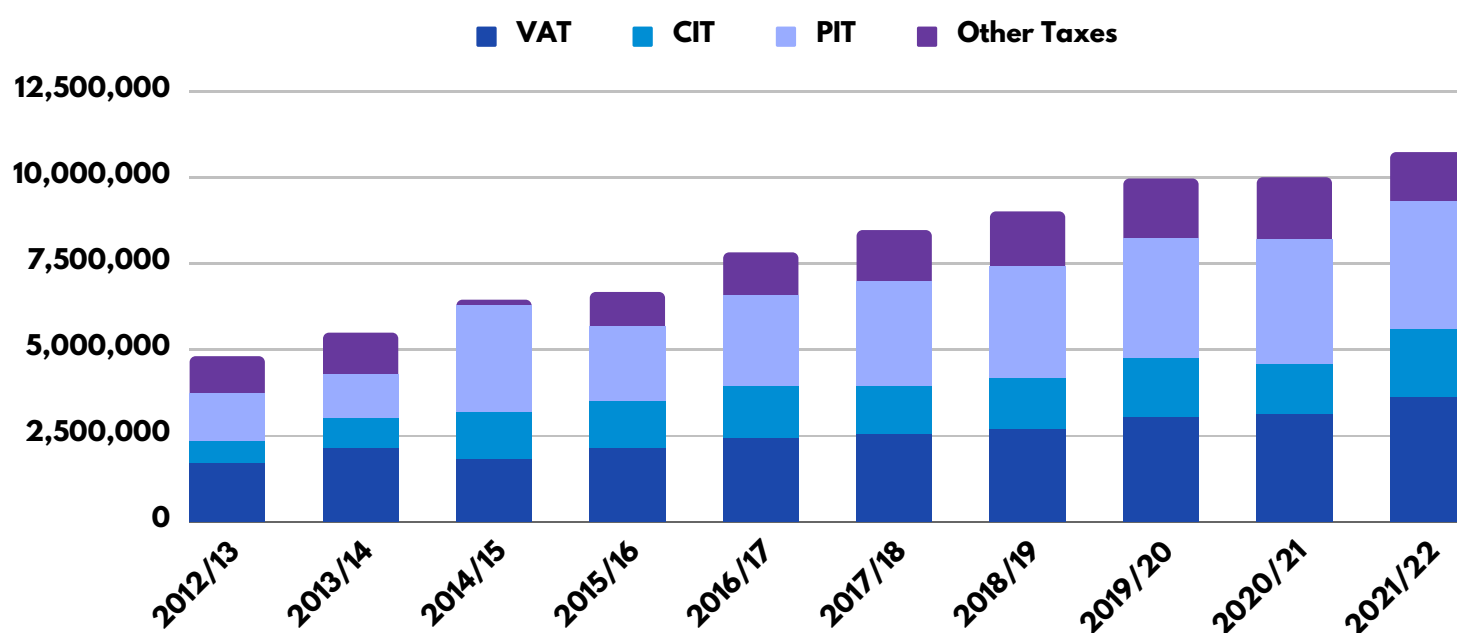


Eswatini's tax revenue collections have remained buoyant, except in the 2012/13, 2013/14, and 2020/21 financial year despite tough economic conditions. However, in 2021/22 growth in total tax revenue collections did not keep up with economic growth, resulting in a buoyancy ratio of, -0.39. The less than one buoyancy ratios are mainly due to lower-than-expected collections in taxes on income and profits which was mainly due to COVID-19 which affected economic activity with lockdowns. The average buoyancy ratio for the period 2012/13 to 2021/22 is 1.14.

Main sources of tax revenue (E'000)

PIT, CIT, and VAT account for most of the tax revenue in 2021/22. The fuel levy, and other receipts make up the remainder accounting for about 12%.

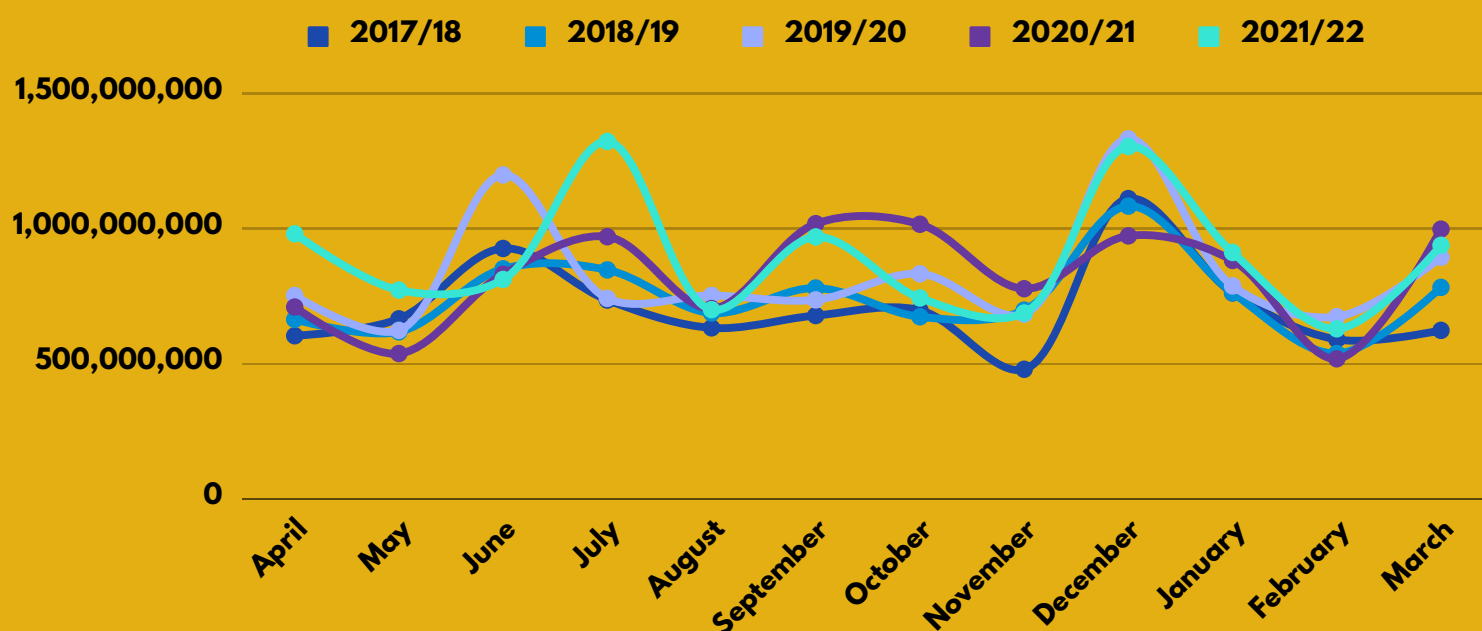
Relative composition of tax revenue, 2012/13 – 2021/22 (E'000)



PIT, VAT and CIT take a bigger slice of the pie. PIT collected inclined from E3.6 billion in the previous fiscal year to E3.7 billion in 2021/22. VAT has increased from E3.1 billion revenue collected previous fiscal year to E3.6 billion period under review. CIT increased as well from E1.4 billion to E1.9 billion compared to the previous period.

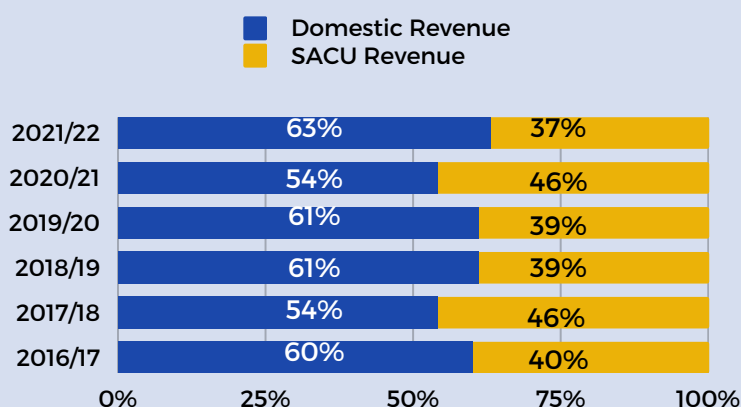
Monthly tax revenue collections, 2017/18 – 2021/22

Monthly tax revenue collections, 2017/18 – 2021/22 (E)



Comparing the monthly revenue collections for the past five financial years, evidence indicates that during the past four years the months of February, May, August, and November had lower collections. June and December are associated with highest collections as companies are paying provisional tax during these months. However, during the period 2021/22 there was a deviation from the trend witnessed in the past years as July and September were the months with highest collections due to the deadline in June being extended by a month to July. During 2021/22 in the months of April, May, and July, the ERS collected more revenue than what was previously collected during the same periods.

Domestic Revenue collections and SACU Revenue shares, 2016/17 – 2021/22



63%

2021/ 22 DOMESTIC
REVENUE

37%

2021/22 SACU REVENUE
SHARE

2. PERSONAL INCOME TAX



KEY FACTS

- The highest marginal tax rate for individuals in Eswatini is 33%
- Tax payable by a natural person will be reduced by a tax rebate amount not exceeding E8 200 per tax year
- Tax rebate in respect of individuals over the age of 60 years is E2 700 more than the normal rebate
- As at 31 March 2022, 7 921 Individuals were registered under PIT.
- Revenue collected from PIT was E3.795 billion in 2021/22 a 6.8% increase compared to 2020/21 and decreased by 2% Year on Year.
- Personal Income Tax (PIT) is Eswatini's largest source of tax revenue and contributed 22.4% of the total tax revenue collected in 2021/21.

Introduction

Personal Income Tax (PIT) is a tax levied on the taxable income (gross income less exemptions and allowable deductions) of individuals and trusts. It is Eswatini's largest source of tax revenue and contributed 35.8% of total tax revenue collections in the 2021/22 Financial Year which was a slight increase compared to 35% in 2020/21 excluding the SACU share.

Personal Income Tax rates

The highest marginal tax rate for individuals is 33%. The table below shows the current PIT tax rates as at July 2013 to the current. Minimum taxable income at the highest marginal rates has increased from E100, 000 to E200, 000. The primary rebate also increased from E7200 to E8200. In the case of retiring individuals, the minimum taxable income increased from E270, 000 to E300, 000.

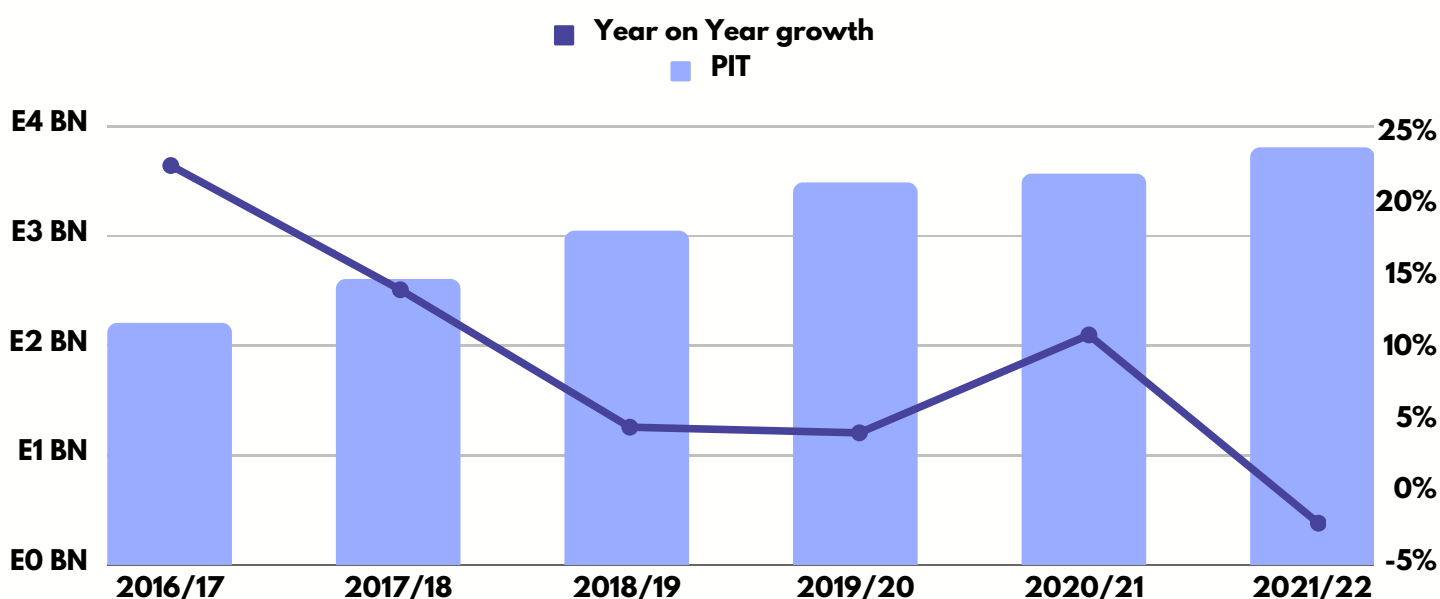
The highest marginal tax rate for individuals is 33%

Personal income tax brackets and thresholds

Taxable Income		Rate of Tax
Exceeds (E)	But does not exceed (E)	
0	100,000	0 + 20% of the excess over 0
100,000	150,000	20,000 + 25% of the excess over 100,000
150,000	200,000	32,500 + 30% of the excess over 150,000
200,000		47,500 + 33% of the excess over 200,000

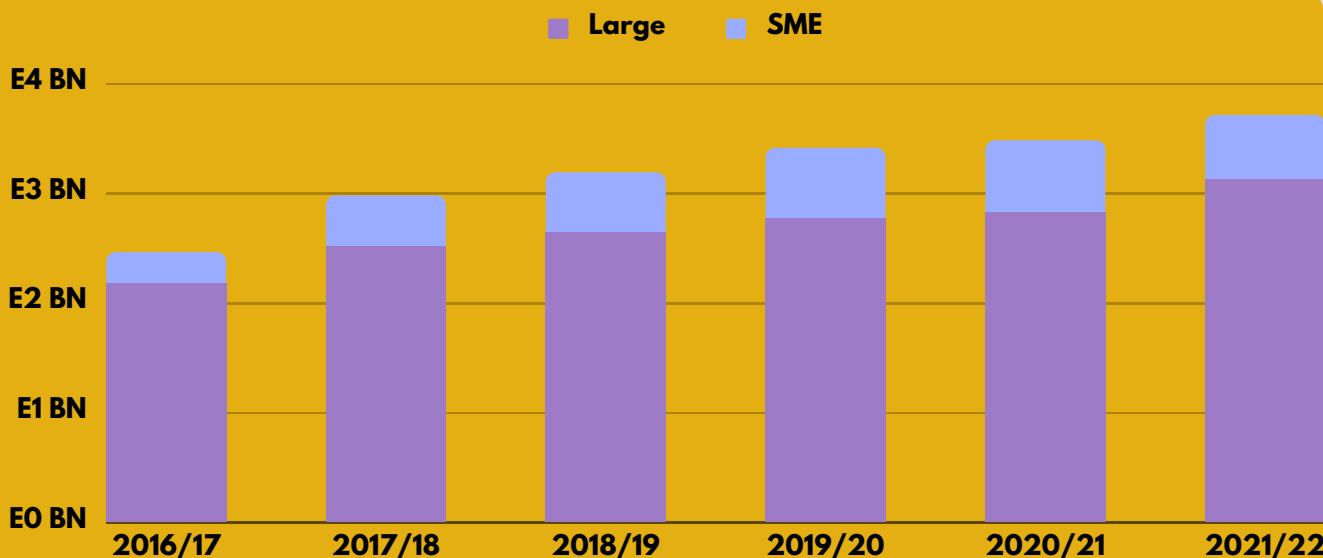
Personal income tax brackets and thresholds

Taxable Income		Rate of Tax
Exceeds (E)	But does not exceed (E)	
0	60,000	0 + 20% of the excess over 0
60,000	80,000	20,000 + 25% of the excess over 100,000
80,000	100,000	32,500 + 30% of the excess over 150,000
100,000		47,500 + 33% of the excess over 200,000



PIT revenue has been decreasing from 2016/17 to 2021/22. The increase seen in 2016/17 was due to government implementing a salary review and the subsequent decreases noted were due to government implementing a freeze in hiring

PIT Contribution by Segments (Payments)



Large Taxpayers have the highest payments compared to the SMEs and averagely 80% of the payments.

Sector	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.Agriculture, forestry, and fishing	2%	2%	2%	2%	2%	2%
2.Construction	3%	3%	4%	3%	3%	3%
3.Financial and insurance activities	11%	12%	12%	13%	13%	13%
4.Information and communication	3%	3%	3%	3%	3%	3%
5.Manufacturing, mining, and quarrying and other industrial activities	16%	17%	16%	16%	16%	17%
6.Other service activities	2%	2%	2%	2%	2%	2%
7.Professional, scientific, and technical activities	4%	3%	4%	4%	5%	5%
8. Public administration and defense, education, human health, and social work activities.	51%	50%	49%	48%	49%	47%
9.Real estate activities	0%	1%	1%	1%	1%	0%
10.Wholesale and retail trade, transportation and storage, accommodation, and food service activities	8%	8%	8%	8%	8%	8%

35%

Average Increase rate
between 2016/17 - 2021/22

80%

Large Taxpayer's
average contribution-
to payments

As at 31 March 2022, the Public Administration and Defense, Education, Human Health, and Social Work Activities sector had the highest amount of personal income taxes. This sector accounted for 49% of the PAYE in 2021/22 financial year. The sector with the lowest amount assessed in 2021/22 tax year was Real Estate activities, accounting for less than 1% of the PAYE.

PIT Contribution by Segments (Payments)

47%



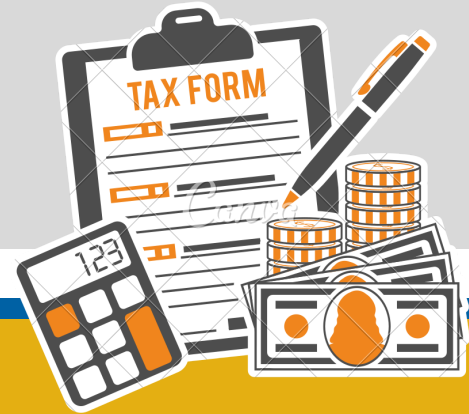
Public administration and defense,
education, human health, and
social work activities.

0%



Real estate activities

3. COMPANY INCOME TAX



KEY FACTS

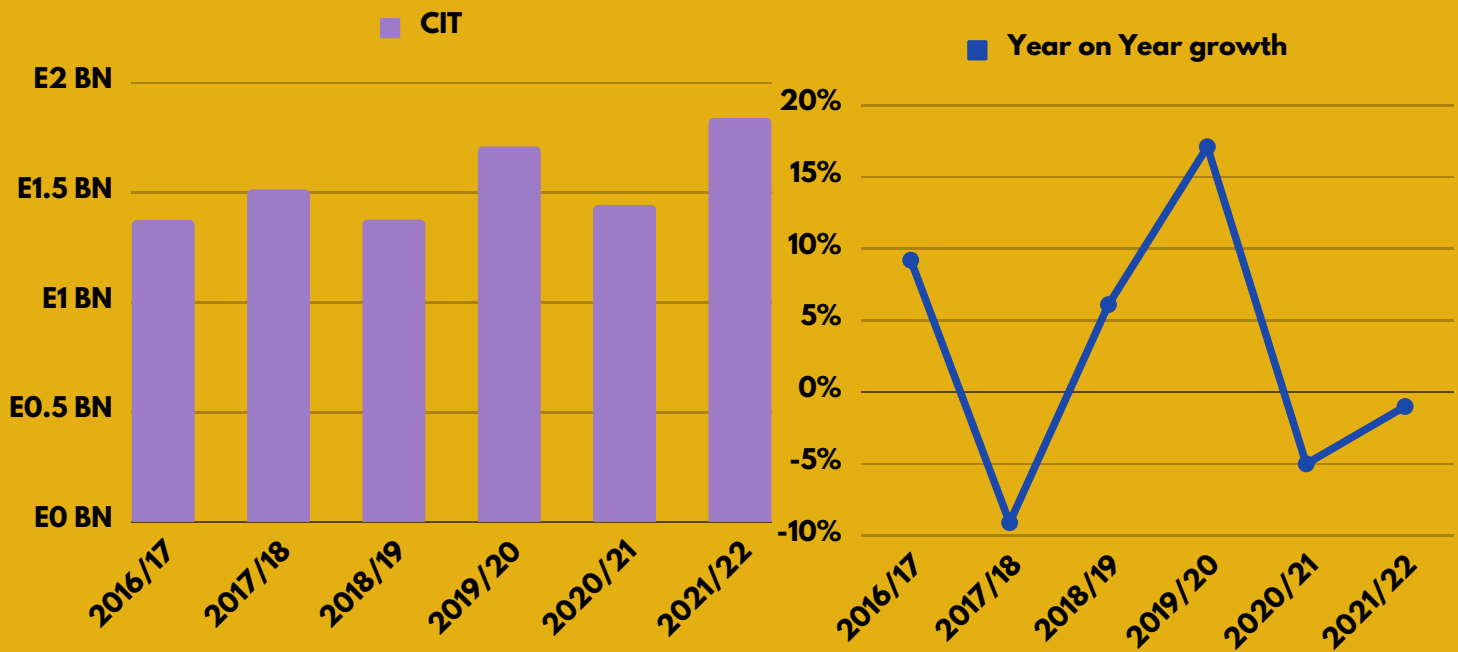
- **CIT has remained the third largest contributor to total tax revenue collected in 2021/22 and contributed 17% an increase of 2.5% from 2020/21 for domestic revenue and 9% for total revenue.**
- **The standard tax rate for non-individuals (Companies) in Eswatini is 27.5%.**
- **Revenue collected from CIT was E1.84 billion in 2021/22 an increase of 28% from E1.44 billion in 2020/21.**
- **Provisional tax is due in the month of June and December**

Introduction

Company Income Tax (CIT) is a tax levied on the taxable income (gross income less exemptions and allowable deductions) of companies and is currently levied at a rate of 27.5%. After PIT and VAT, CIT has remained the third largest contributor to total domestic tax revenue since 2012/13.

Companies are required to submit an annual Income tax return by no later than 31st October annually. Tax returns for Companies which have an approved variation from the year ending 30th June are due 120 days after the approved Financial Year end.

CIT actual, year on year growth and contribution to revenue

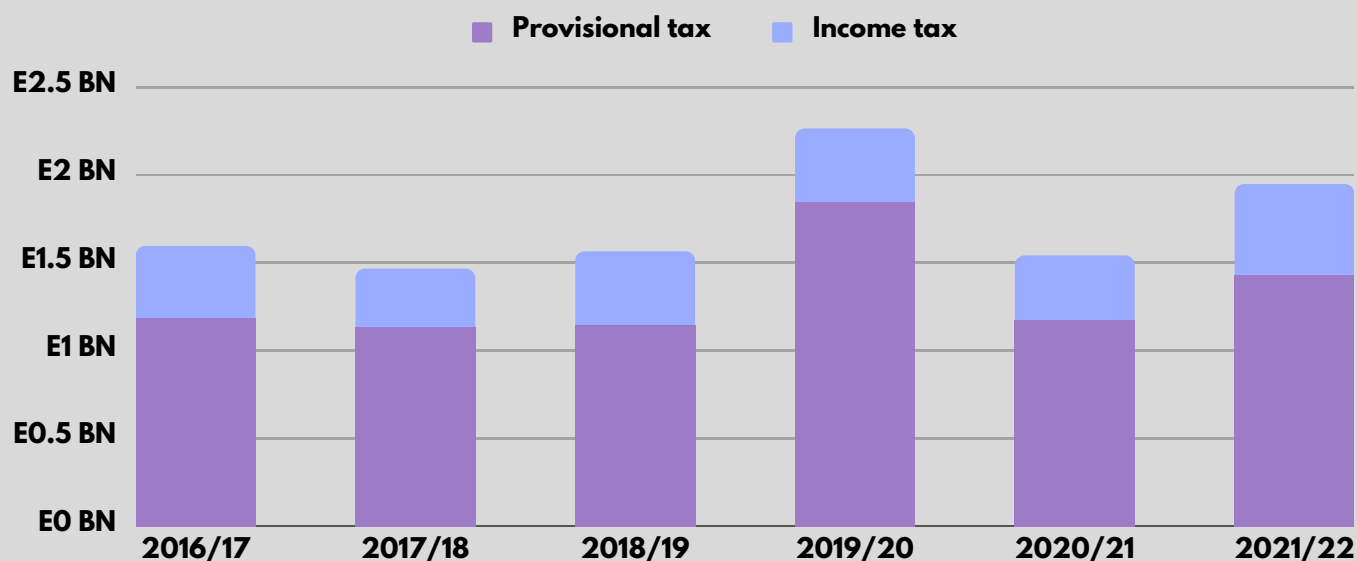


CIT revenue has been fluctuating year on year from 2016/17 to 2021/22. The prior year variance indicates that in 2020/21 CIT was less than the previous year and shot up by 28% during the period under review. The percentage share contributed by CIT to total revenue collected has been slightly decreasing from 2016/17 to 2018/19 and increased slightly in 2019/20 to 17.2% and decreased to 14.5% again in 2020/21. In the period under review, CIT increased to 17%.

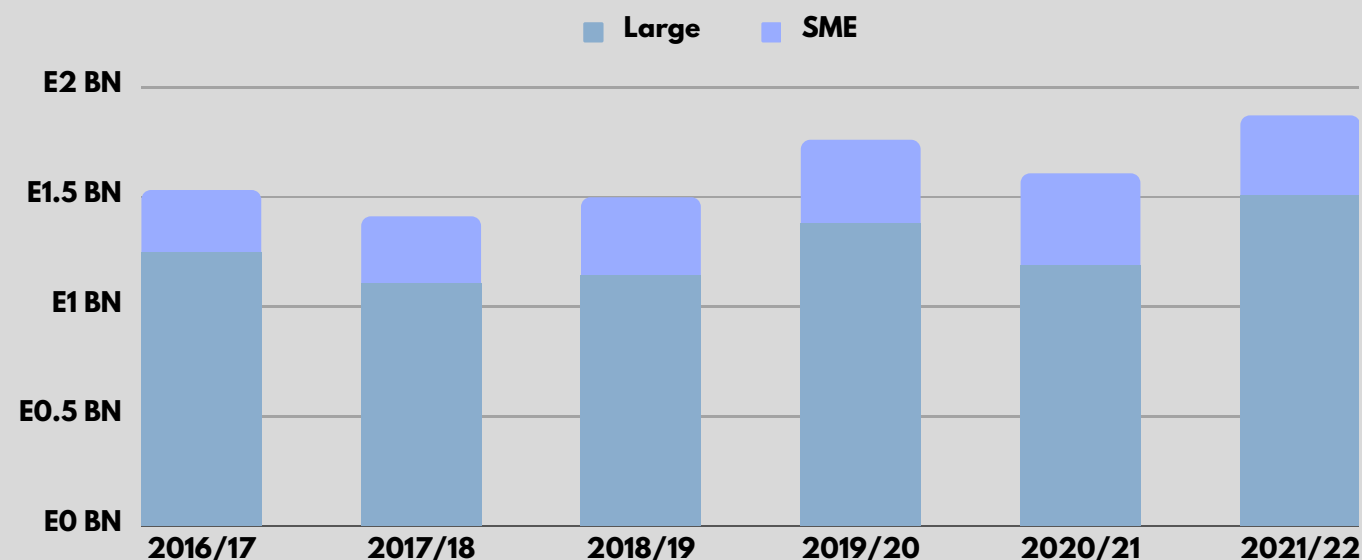
Provisional Tax Payments

All companies are classified as provisional taxpayers and must comply with the requirements of the provisional tax payments system. All businesses are required to make provisional tax payments twice annually; these advance payments are due on the 31st of December and 30th of June for each tax year.

Income and Provisional Tax Payments, 2016/17 – 2021/22



CIT Distribution by Department-(Payments)



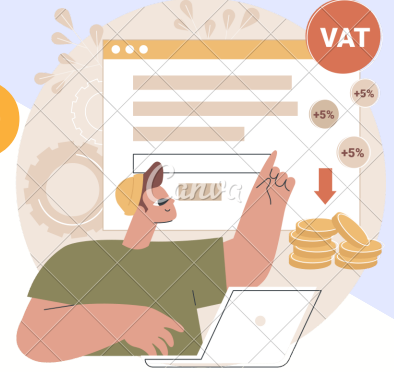
Large Taxpayers have the highest payments compared to the SMEs and large taxpayers takes above 75% of the payments compared to SMEs.

Sector	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1.Agriculture, forestry, and fishing	4%	5%	3%	3%	8%	3%
2.Construction	3%	2%	4%	3%	2%	3%
3.Financial and insurance activities	23%	22%	24%	23%	20%	20%
4.Information and communication	13%	12%	8%	7%	8%	10%
5.Manufacturing, mining, and quarrying and other industrial activities	24%	22%	26%	34%	29%	32%
6.Other service activities	1%	0%	1%	1%	0.5%	1%
7.Professional, scientific, and technical activities	3%	3%	3%	2%	3%	3%
8. Public administration and defense, education, human health, and social work activities.	1%	2%	1%	2%	2%	2%
9.Real estate activities	2%	2%	2%	2%	2%	3%
10.Wholesale and retail trade, transportation and storage, accommodation, and food service activities	21%	26%	24%	20%	21%	20%

As at 31st March 2022, the manufacturing, mining, and quarrying and other industrial activities sector had the highest amount paid during the period under review. This sector accounted for 32% of the

CIT payments in respect of 2021/22 financial year. The sector with the lowest amount paid in 2021/22 tax year was other service activities which accounted for 1% of all CIT payments.

4. VALUE ADDED TAX



KEY FACTS

- **Net VAT collections totaled E3.134 billion and increased by 7% compared to the previous year and 21% below target**
- **E1.68 billion was paid as VAT refunds in 2021/22, 4 953 vendors were registered as at March 2022 and all of them were expected to submit VAT returns.**
- **VAT is Eswatini's second largest source of total tax revenue. In 2021/22 it accounted for 29% and 16% domestic tax revenue and total tax revenue respectively.**
- **41% VAT payments are attributed to the Wholesale and Retail sector, and 26% from Manufacturing sector.**

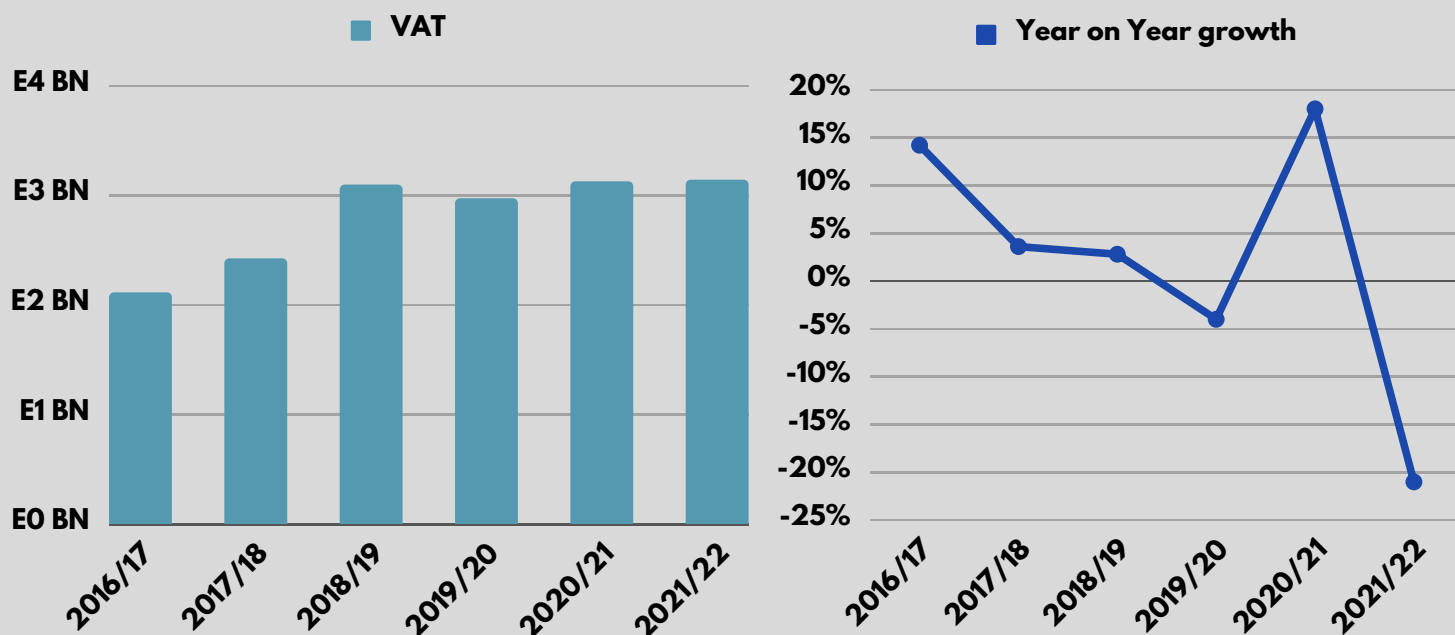
Introduction

The Eswatini VAT system is destination-based where only the domestic consumption of goods and services is subject to VAT. Value-Added Tax is therefore payable on the supply of goods and services within Eswatini as well as goods and services imported into the country.

VAT is a significant source of revenue for Government and contributes on average approximately 30% of tax revenue and is the second largest contributor to tax revenue. The Eswatini tax legislation requires qualifying businesses (Companies with a turnover of E500, 000 or more) to register, charge and collect VAT on the supply of goods and services. National, regional, or public institutions (parastatals and municipalities) which make taxable supplies are required to register for VAT even though they do not meet the above-mentioned threshold. Businesses supplying only exempt goods and services are not required to register. The mechanism for charging, collecting, and paying the VAT to Government is a self-assessment system that allows businesses to determine their VAT liability or refund.

The standard rate of VAT in Eswatini was increased to 15% effectively from August 2018 from 14% since its introduction in 2012. It is intended to tax all consumption of goods and services except those that are exempt or zero-rated.

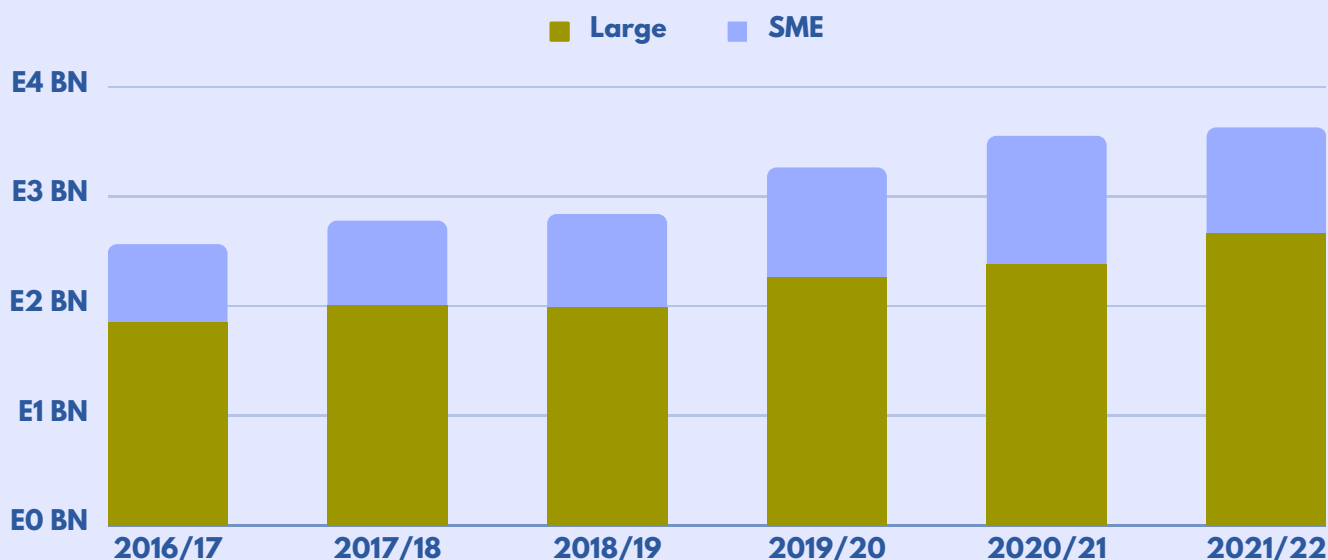
VAT actual, prior year % change and % contribution to revenue



VAT actual has been increasing year by year from 2016/17 to 2018/19 and slightly decreased in 2019/20 by 4%. The prior year variances depict that the increase has been decreasing year by year from 2016/17 to 2019/20 but increased in the period under

review from a negative (4%) to 18%. The percentage share contributed by VAT to total revenue collected has been slightly sluggish from 2016/17 and increased slightly in 2020/21 from 29.8% in 2019/20 to 31.4% and back to 29.2%.

VAT Payments by Department (Payments) (E)



Large taxpayers have the highest payments under VAT compared to the SMEs and on average 70% of the payments come from large taxpayers.

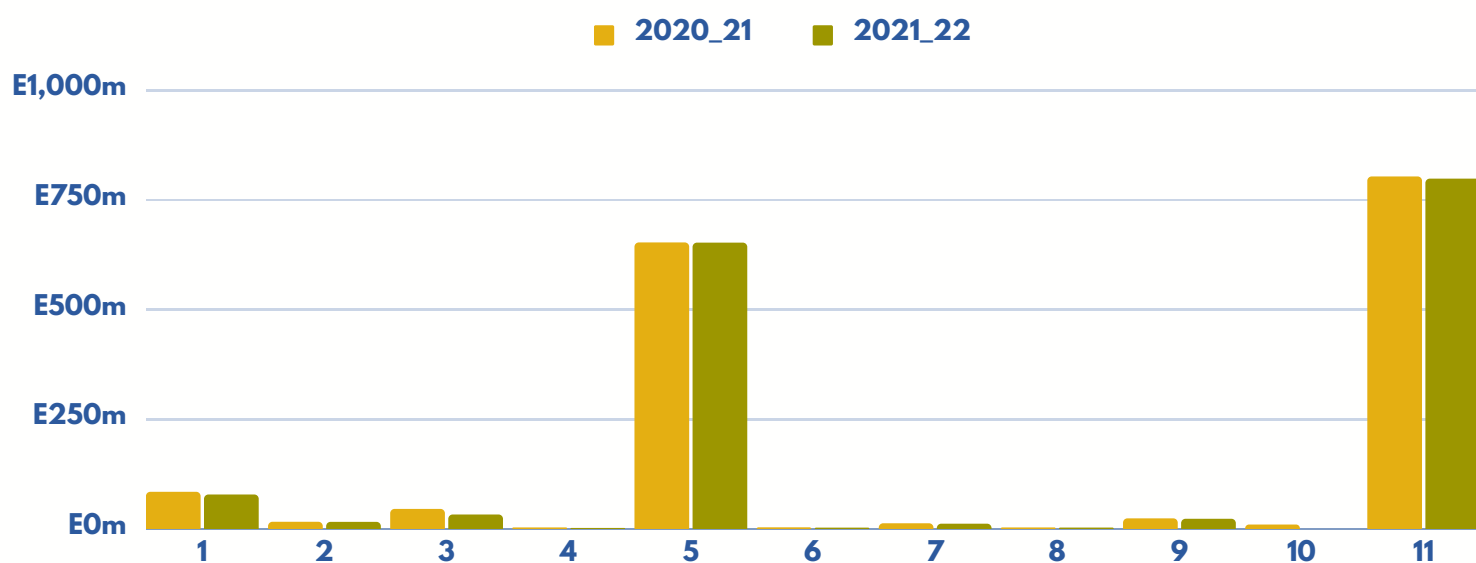
VAT Payments by Sector-ISICr4 (Payments)

Sector	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1. Agriculture, forestry, and fishing	5%	5%	5%	5%	5%	5%
2. Construction	7%	7%	7%	8%	13%	9%
3. Financial and insurance activities	4%	3%	3%	3%	3%	3%
4. Information and communication	6%	6%	7%	5%	6%	6%
5. Manufacturing, mining, and quarrying and other industrial activities	27%	29%	27%	27%	26%	26%
6. Other service activities	1%	1%	1%	1%	1%	1%
7. Professional, scientific, and technical activities	5%	5%	6%	6%	5%	5%
8. Public administration and defense, education, human health, and social work activities.	2%	1%	1%	1%	1%	1%
9. Real estate activities	2%	2%	2%	2%	2%	2%
10. Wholesale and retail trade, transportation and storage, accommodation, and food service activities	40%	41%	42%	43%	38%	41%

Net VAT Revenue by Sector

Sector	2017/18	2018/19	2019/20	2020/21	2021/22
1. Agriculture, forestry, and fishing	2%	2%	2%	4%	2%
2. Construction	3%	4%	5%	7%	6%
3. Financial and insurance activities	1%	1%	1%	2%	-2%
4. Information and communication	2%	2%	2%	4%	4%
5. Manufacturing, mining, and quarrying and other industrial activities	37%	38%	37%	69%	49%
6. Other service activities	1%	1%	1%	1%	1%
7. Professional, scientific, and technical activities	5%	5%	8%	12%	10%
8. Public administration and defense, education, human health, and social work activities.	1%	1%	1%	2%	2%
9. Real estate activities	0%	0%	0%	0%	-2%
10. Wholesale and retail trade, transportation and storage, accommodation, and food service activities	46%	46%	40%	-5%	27%

VAT Refunds by Sector- International Standard Industry Classification (ISICr4)



1. Agriculture, forestry and fishing

2. Construction

3. Financial and insurance activities

4. Information and communication

5. Manufacturing, mining and quarrying and other industrial activities

6. Other service activities

7. Professional, scientific, technical, administrative and support service activities

8. Public administration and defence, education, human health and social work activities

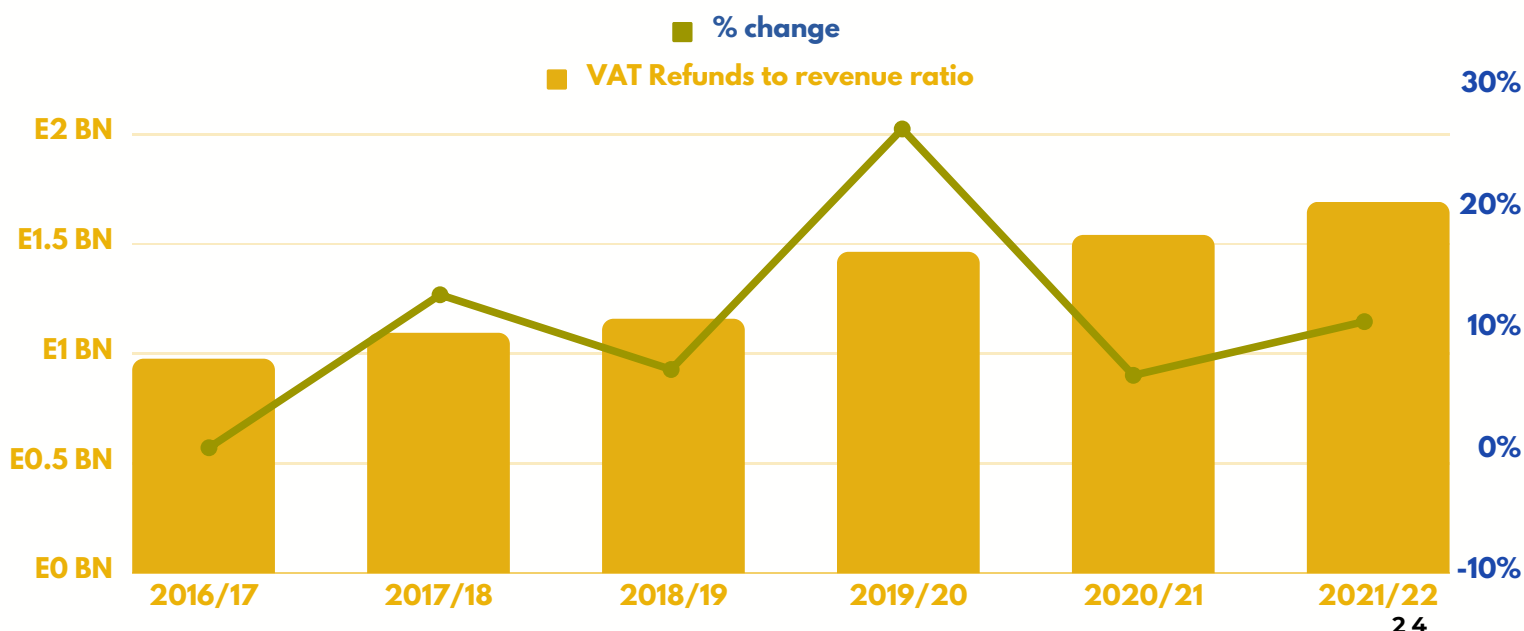
9. Real estate activities

10. Unclassified

11. Wholesale and retail trade, transportation and storage, accommodation and food service activities

The Wholesale and retail trade, transportation and storage, accommodation and food service activities received almost half of the total refunds, in 2021/22, followed by Manufacturing, mining, quarrying and other industrial activities with 49% and 40% respectively. The other sectors had to share the remaining 11%.

Refunds to revenue ratio in the period 2016/17 – 2021/22



5. FUEL TAX

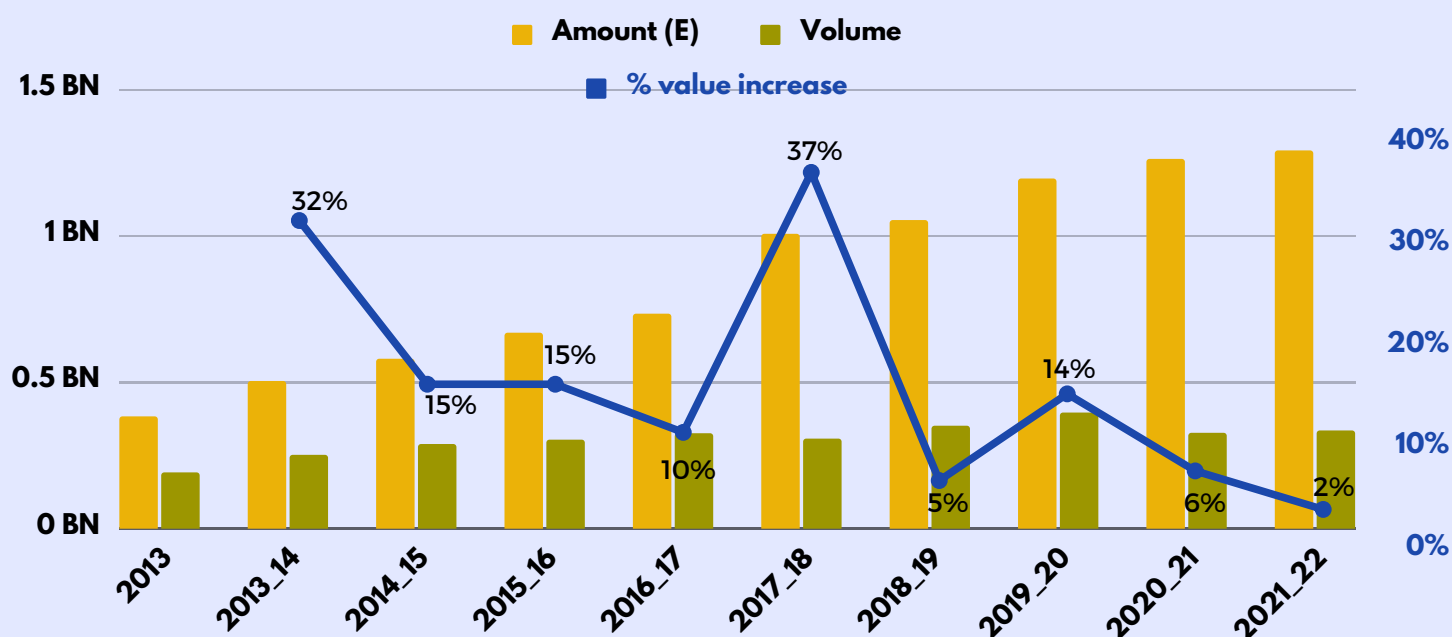


KEY FACTS

- Revenue collected from Fuel Tax amounted to E1.289 billion
- Compared to the previous year, the revenue collected increased by 2% and yet 17% below target
- Fuel volumes increased by 2% from 328 litres million in 2020/21 to 335 million litres in 2021/22.

Introduction

Fuel Volumes(litres) and Revenue(E)



Fuel volumes have been gradually increasing over the years with a decrease in 2017/18 of 18 million litres when compared to 2016/17. The fuel rate for 2012/13 to 2014/15 was E2.00, for 2015/16 to 2016/17 was E2.20 except for March 2016/17 where the fuel rate increased to E3.00. Then, from 2017/18 to 2018/19, the fuel rate remained at E3.00 until November 2019 where the rate increased to E3.85.

6. OTHER IMPORTS RELATED TAXES



KEY FACTS

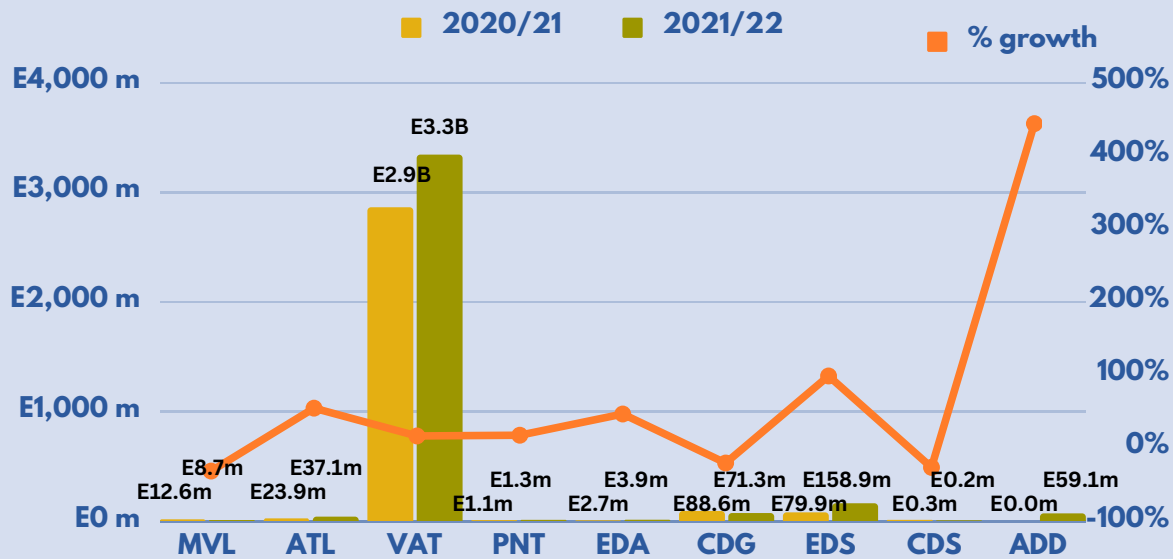
- Compared to the previous year revenue collected from other imports related taxes increased by 11% (E 0.318 billion) from E 2.878 billion.
- Alcohol and Tobacco Levy (ATL) was implemented in October 2019 to be levied on imported alcohol beverages of all kinds other than traditional beer and imported manufactured tobacco in the form of cigars, cheroots, cigarillos, cigarettes, pipe tobacco and snuff at 7%, and 2% on domestic production.

Introduction

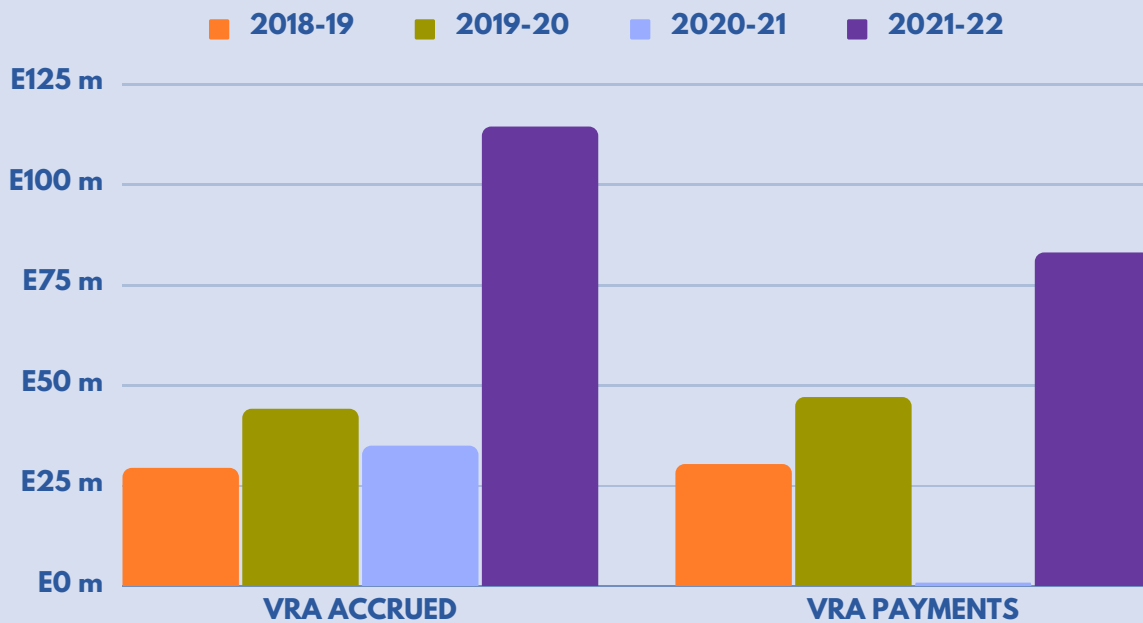
Generally, Customs Administration in a country is responsible for controlling the flow of products, including animals, transports, personal, and hazardous items, into and out of a country. The Customs and Excise Department in Eswatini performs key functions for the country's development including: collecting of the revenues, enforcement of controls to protect society, prohibitions, restrictions and regulatory (for example, narcotics, unlicensed medicines, arms and ammunitions, pornography etc.), identify and interdict illegitimate trade (for example Counterfeit or Substandard goods; Trade in Endangered species - CITES obligations), collection of trade statistics and trade facilitation.

Eswatini is a member of the oldest Customs Union in the World; Southern African Customs Union (SACU). Goods imported into Eswatini from outside (SACU) are liable to Customs duty and for some classes of goods also Excise duty. Value Added Tax is also payable on imports both from SACU and the Rest of the World. There also are (Rebate) allowances for bona fide personal importations. Excise duty is also payable on a small range of domestically produced goods (alcoholic drinks and cigarettes). In Eswatini, excise duties (ad valorem and specific rate) are paid on alcoholic drinks, tobacco products, road fuels, cars, TVs, and refrigerators. As is the case with other SACU Member States excise duties are collected both at import into a SACU country or at the place of domestic manufacturing of these items.

Customs Taxes Assessed

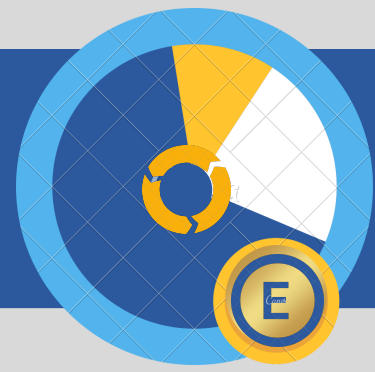


Sekulula VAT



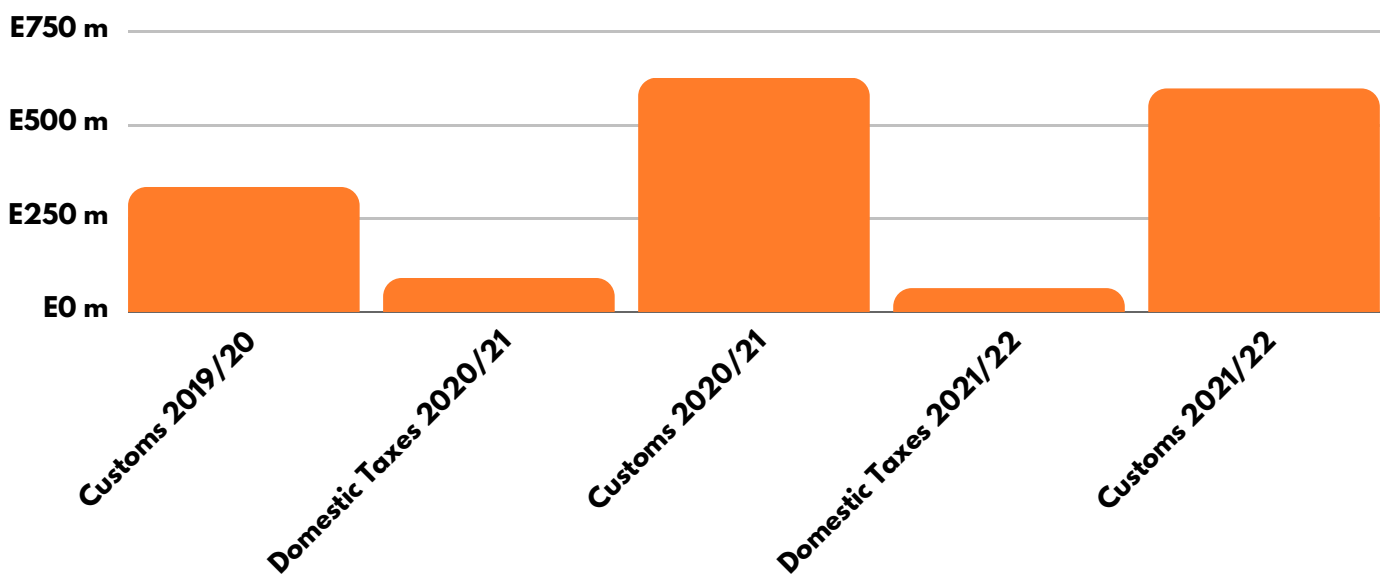
VAT Refund Agreement (VRA) accrued and payments increased by 55% respectively when compared to 2020/21. VRA accrued is the total of import VAT imported through purpose code 4300 and VRA payments is the transaction offsetting each import VAT which used the 4300.

7. REVENUE FORGONE



Revenue forgone

Total Revenue forgone



Tax Revenue Foregone increased significantly in 2021/22 mainly due to an increase in VAT exemptions which include an increase in the importation of health products used towards curbing the COVID-19 pandemic. Customs recorded the highest revenue foregone mostly from rebates when compared to exemptions from domestic taxes.

ACRONYMS

ADD	Anti - Dumping Duty
ASYCUDA	Automated System for Customs Data
ATL	Alcohol and Tobacco
CDG	Customs Duty General
CIF	Cost Insurance Freight
CIT	Company Income Tax
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora
DR	Domestic Revenue
EDR	Effective Date of Registration
ERS	Eswatini Revenue Service
GDP	Gross Domestic Product
HS	Harmonized System Nomenclature
MVL	Motor Vehicle Levy
PAYE	Pay as You Earn
TIN	Taxpayer Identification Number
VAT	Value Added Tax
VRA	VAT Refund Agreement
WHT	Withholding Tax

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