



Investment Guide



Introduction

In an effort to attract and retain sustainable domestic and foreign direct investment, the Government of Malawi has revised the investment law to facilitate the attraction and growth of new sectors as provided in the new investment law (Official Investment and Promotion Act 2024). The new law comes with a new package of incentives that are critical towards driving the growth of key priority sectors such as Agriculture, Agro-processing, Manufacturing, Energy, Mining, Tourism, ICT, Financial services, Transport and Logistics, and Innovation. The country has put in place a supportive legal and policy environment, including streamlined procedures and a competitive package of investment incentives.

All investment-related services are coordinated through the **One Stop Service Centre (OSSC)** at MITC, which offers investors fast-tracked support in project facilitation, licensing, permits, and regulatory compliance.

Eligibility

To apply for an Investment Certificate in Malawi, the proposed project must meet the following basic conditions:

- A minimum capital investment which varies within sectors. **Kindly check the link..... Proposing to create a link for the minimum threshold**
 - Be a new or expanding project
 - Be legally registered in Malawi (local or foreign investors are eligible).
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Investment Project Evaluation Criteria

1. Non trading activity
2. Creation of quality jobs
3. Transfer of Skills and knowledge
4. Use of local raw materials
5. Potential for export

6. Potential to create backward and forward linkages
7. Innovation and creativity
8. Adhere to environmental and sustainability standards

How to apply for an incentives

The Malawi Investment and Trade Centre has developed an online registration system to make the process more efficient and cheaper. The process involves submitting an application for investment certificate online. For more details, please visit www.mitc.mw

Steps:

1. Application for investment registration;
2. Notice of acceptance or refusal and Issuance of investment registration certificate

The application for investment registration involves the following:

1. Completed Investment Application Form
2. Business Plan or Feasibility Study

Your investment business plan or feasibility study should clearly indicate following:

- Name of the project and detailed information on the project in which the investment will be made
- Action Plan
- The date of commencement of operations
- Detailed information on any raw materials sourced in the country or in locality where the investment is operation
- Detailed information on any financing and assets to be sources from outside of Malawi, including the timeframe in which these finance and assets will be invested
- A market survey
- Details of the projected technology and knowledge transfer

- A table indicating 3-year income projections for the investment project
 - Project number of employees and categories of employment
 - Loan amortization schedule for the bank loan (if any);
 - Project implementation plan/ schedule)
 - Notes on assumption made in the business plan
3. Certificate of Incorporation
 4. Memorandum and Articles of Association
 5. Shareholder passports (or incorporation documents if shareholders are entities)
 6. Application Fee: **US\$200 for foreign investors and US\$100 for domestic investors**
 7. Issuance Fee (upon approval): **US\$800 for foreign investors and US\$400 for domestic investors**

Processing Time:

- Investment Certificate: **Within 5–10 working days**
 - Company Registration: **5 working days**
 - Immigration Permits: **5 working days**
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Non-Fiscal incentives

Upon successful certification, MITC facilitates:

- Immigration permits and visas
- Land acquisition (for industrial, agricultural or commercial use)
- Access to utilities (water, electricity, telecom)
- Support in obtaining construction permits
- Access to tax and non-tax incentives
- Notary services
- Business linkages with local suppliers and service providers

- Ongoing investor aftercare through assigned Key Account Managers
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Fiscal incentives

1. Preferential Corporate Income Tax Rate of 0% or 15%

Malawi offers a preferential corporate income tax rate of either 0% for up to 10 years or 15%, for companies granted Priority Industry Status under the Taxation (Priority Industries) Regulations. This applies to businesses in:

Agro-processing:

- Minimum capital: USD 500,000 (local shareholding)
- USD 5 million (foreign shareholding)
- Must achieve 35% value addition

Electricity generation, transmission & distribution:

- Minimum capital investment: USD 30 million

To qualify, companies must:

- Be incorporated in Malawi
- Hold an Investment Certificate from MITC
- Submit a detailed business plan to MRA
- Be assessed based on factors such as employment of locals, export orientation, environmental compliance, and corporate social responsibility

2. Corporate Income Tax Holiday of up to 10 Years

Companies designated under Priority Industry Status may enjoy:

- 0% corporate income tax for a period not exceeding 10 years, or
 - A 15% reduced rate
- (Note: Foreign companies add 5% to either rate)

Sectors eligible include:

- Manufacturing
- Agro-processing
- ICT (limited to tech production and services, not retail)
- Renewable energy
- Export-oriented businesses

3. Export Incentives

Registered exporters of non-traditional products enjoy the following:

- 25% Export Allowance: Deductible from taxable income
- 25% International Transport Allowance: Deductible from transport costs
- Zero-rated VAT: Exporters can claim input VAT refunds

Note: Mining products and traditional exports like tobacco, tea, and sugar are excluded.

4. Exemption of Customs Duty and VAT in Export Processing and Priority Sectors

Approved businesses benefit from:

- Duty-free importation of machinery, equipment, and raw materials
- VAT exemption on qualifying capital goods
- Eligibility under the Industrial Rebate Scheme, depending on value addition thresholds (ranging from 5% to 35%)

5. Capital Allowances

There are 3 different forms of capital allowances, as follows: - Initial Allowances, Investment Allowances, and Annual Allowances.

- Initial Allowance is given to the tax payer in the first year after the tax payer has claimed the allowance at the end of the year upon submission of financial statements.
- Annual Allowance is given to the tax payer every year from the first year for the lifespan of the capital asset.
- Investment Allowance is given to the tax payer in the first year only.

Special sectors like agriculture, education, and health have additional claimable allowances for staff housing and infrastructure.

6. Allowable Pre-Business Expenses

Manufacturers can claim expenses incurred up to 18 months before operations commence. These are deductible against future taxable income.

7. Social Contribution Deductions

Taxpayers may deduct 50% of contributions made directly toward:

- Building public schools or hospitals
- Sponsoring youth sports initiatives

8. VAT Claims

- Standard VAT rate: 16.5%
- Exports: Zero-rated
- Voluntary VAT Registration - business entities with annual turnover of less than MK25 million and want to claim VAT register for VAT voluntarily
- Exporters claim from MRA input VAT on standard rated supplies and zero-rated supplies.

Repatriation of Capital and Proceeds

While Malawi maintains a liberalized current account, its capital account is partially liberalized. Foreign investors are required to register their FDI and external loans with the Reserve Bank of Malawi through their commercial banks. This ensures smooth repatriation of dividends, profits, loan repayments, and capital upon exit.

For more details about time line and costs of other services [click here](#)

