

ZAMBIA REVENUE AUTHORITY

Extends the list of documents that can be accepted as proof of export

Empowers the Commissioner-General, subject to certain conditions, to waive the requirement for certain documents as proof of export;

Provides examples of other documentation that may be requested by an authorised officer as proof of export

PRACTICE NOTE

No.2 /2017

VAT RULE 18: PROOF OF EXPORT



**ZAMBIA
REVENUE
AUTHORITY**

*Working
To Serve You
Efficiently*

Our Mission

“To optimise and sustain revenue collection through integrated, efficient, cost effective and transparent systems, professionally managed to meet the expectations of all stakeholders.”

Our Vision

“To be a world class organisation recognized as a beacon of excellence in revenue administration”

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1.0 FOREWORD

This **Practice Note** describes the various changes introduced by the Value Added Tax (General)(Amendment) Rules Gazette Notice No. 414 of 2017.

The commentary is for general guidance only and is not to be taken as an authority in any particular case. The information provided is not exhaustive and does not affect any person's right of appeal on any point concerning a person's liability to tax, nor does it preclude any discretionary treatment which may be allowed under the law.

Any enquiries regarding the content of this document may be made through the ZRA National Call Centre, your nearest Taxpayer Service Centre or any Domestic Taxes Office.



Kingsley Chanda
COMMISSIONER-GENERAL

PART I: SUMMARY OF AMENDMENTS

2.0 THE VALUE ADDED TAX (GENERAL)(AMENDMENT) RULES, GAZETTE NOTICE NO. 414 OF 2017

The Rules –

- (a) Extend the list of documents that can be accepted as proof of export;
- (b) Empower the Commissioner-General, subject to certain conditions, to waive the requirement for certain documents as proof of export; and
- (c) Provide examples of other documentation that may be requested by an authorised officer as proof of export.

PART II: COMMENTARY ON AMENDMENTS

3.0 THE VALUE ADDED TAX (GENERAL)(AMENDMENT) RULES GAZETTE NOTICE NO. 414 OF 2017

3.1 TITLE AND COMMENCEMENT

These rules come into effect on 1st July 2017.

2.0 RULE 18: PROOF OF EXPORT

Rule 18 of the principal Rules is amended by the deletion of sub-rule (1) and the substitution therefor of the following new sub-rule (1):

(1) Unless the Commissioner-General shall otherwise allow, a taxable supplier claiming that a supply is zero-rated under the Second Schedule to the Act on the grounds that the supply is an exportation of goods, shall produce to an authorized officer-

- (a) copies of export documents for the goods, bearing a certificate of shipment provided by the Authority;*
- (b) copies of import documents for the goods, bearing a certificate of importation into the country of destination provided by the customs authority of the country of destination or copies of transit documents for goods bearing a certificate of transit provided by the customs authority of the country of transit or copy of the airway bill or road manifest or goods train manifest or bill of lading –*

PROVIDED that the Commissioner-General may exempt an exporter from the requirements of this paragraph (b) if it is shown, to the satisfaction of the Commissioner General, that failure by the exporter to obtain the import documents or transit documents is wholly attributable to onerous procedures in the country of destination or country of transit;

- (c) tax invoice for the goods exported;*

- (d) *documentary evidence proving that payment for the goods has been made in the exporter's bank account in Zambia; and*
- (e) *such other documentary evidence as the authorized officer may reasonably require including a written order showing the name and address of the exporter, the name and address of the customer, the description, quantity and value of goods, the delivery address and the date of expected delivery.*

This amendment:

- (i) Extends the list of documents that can be accepted as proof of export to include airway bill, road manifest, goods train manifest and bill of lading;
- (ii) Empowers the Commissioner-General, subject to certain conditions, to waive the requirement for certain documents as proof of export; and
- (iii) Provides examples of other documentation that is not mandatory but that may be requested by an authorised officer.

NOTE:

The Gazette Notice No. 414 of 2017 is effective 1st July 2017 and has no retrospective effect on claims relating to the period before the effective date.

4.1 DOCUMENTS IN SUPPORT OF AN EXPORT

In order for the export of taxable goods to be zero rated for VAT, there are certain conditions that registered suppliers are required to fulfil. Firstly, registered VAT suppliers are required to provide prescribed documents as proof of export. Furthermore, the goods must be supplied (i.e. sold) directly to a business abroad by or on behalf of the supplier.

4.1.1 COPIES OF EXPORT DOCUMENTS

For the purposes of this Rule, copies of export documents for the goods, bearing a certificate of shipment provided by the Zambia Revenue Authority may be accepted. In such a case the exporter will be required to provide the following documents that ZRA will have to authenticate by way of stamping or other endorsement:

- (i) Export Schedule;
- (ii) Packing List / Dispatch Note; and
- (iii) Commercial/Tax Invoice

ZRA on the other hand shall generate the following documents in support of the export:

- (i) Customs & Excise Declaration Form CE 20; and
- (ii) Release Order

NOTE:

The above requirements will be for each vessel transporting the goods being exported.

Further, export goods processed on ASYCUDAWorld at a port in Zambia, other than the port of exit may be subjected to physical inspection at the exit port on a risk basis. This is to verify that the goods that have been registered are the actual ones being ferried by the respective vessel.

4.1.2 COPIES OF IMPORT DOCUMENTS

Paragraph (b) of sub-rule 1 has been amended to extend the list of documents that can be accepted as proof that the goods have left the country of export and onto the country of importation. Following this amendment, the additional documents listed below may be acceptable as proof of export:

- (i) Airway Bill;
- (ii) Road Manifest;
- (iii) Goods Train Manifest; and
- (iv) Bill of Lading.

However, import documents for the goods, bearing a certificate of importation issued by the customs authority of the country of destination; or copies of transit documents for goods issued by the customs authority of the country of transit still remain the primary documents of proof.

4.1.3 EXEMPTIONS

A further amendment to paragraph (b) has been made to empower the Commissioner-General to waive the requirement for certain documents as proof of export. This means that an exemption to provide certain documents may be granted by the Commissioner-General.

The Commissioner-General may, on a case by case basis exempt an exporter from the requirements under paragraph (b) of sub rule 1 as cited in 4.1.2 above. For an exporter to qualify for this exemption the following will have to hold:

- (i) The exporter must make an application in writing to the Commissioner-General;
- (ii) To support their application, the exporter must demonstrate the steps taken to obtain the documents and challenges being faced in obtaining the specified documents; and
- (iii) The exporter must specify the country of transit or destination whose procedures are leading to the challenges.

The Commissioner-General will consider the application and may approve or reject the application. An approval for exemption or rejection shall be communicated to the exporter in writing.

In accordance with paragraph (e) of sub-rule 1, the Commissioner-General may still request for other documentation from an exporter that has been granted an exemption under this part as he sees fit.

4.1.4 TAX INVOICE

Tax invoices for the goods exported will still be required to be provided by every exporter. These have to be commercial invoices for all exports listed on the schedules and must be from the invoice books or system used by the supplier in Zambia.

4.1.5 EVIDENCE OF RECEIPT OF PAYMENT

Documentary evidence of payment for the goods into the exporter's bank account in Zambia will have to be shown such as a bank statement for the exporter's bank account in Zambia indicating funds transferred into the account by the customer or consignee.

NOTE:

For VAT audit purposes of exports into Congo DR, Zambia Revenue Authority may accept cash deposits of United States Dollars (US\$) into the exporter's bank account at Kasumbalesa.

4.1.6 OTHER DOCUMENTARY EVIDENCE


Paragraph (e) of sub- rule 1 has been amended to specify that a written order may be required as evidence to support an export. The order should include the following details:

- (i) name and address of the exporter;
- (ii) name and address of the customer;
- (iii) description, quantity and value of goods;
- (iv) delivery address; and
- (v) date of expected delivery;

Additionally, the Commissioner-General may accept the following documents as evidence of export:

- (i) Road or goods train manifest indicating the name of the transporter collecting the goods, registration number of the vessel, the name of operator or person in charge of the vessel and copy of their passport; and
- (ii) a transshipment report issued by the Customs authority of Zambia where the goods are a subject of transshipment.

Exporters that have been granted an exemption as provided for under paragraph (b) will be required to submit as a minimum requirement, a written order. They may however, still be required to submit additional documents providing details such as the name of the transporter collecting the goods,



registration number of the vessel, the name of operator or person in charge of the vessel and copy of their passport.

5.0 DOMESTIC TAXES CONTACT ADDRESSES:

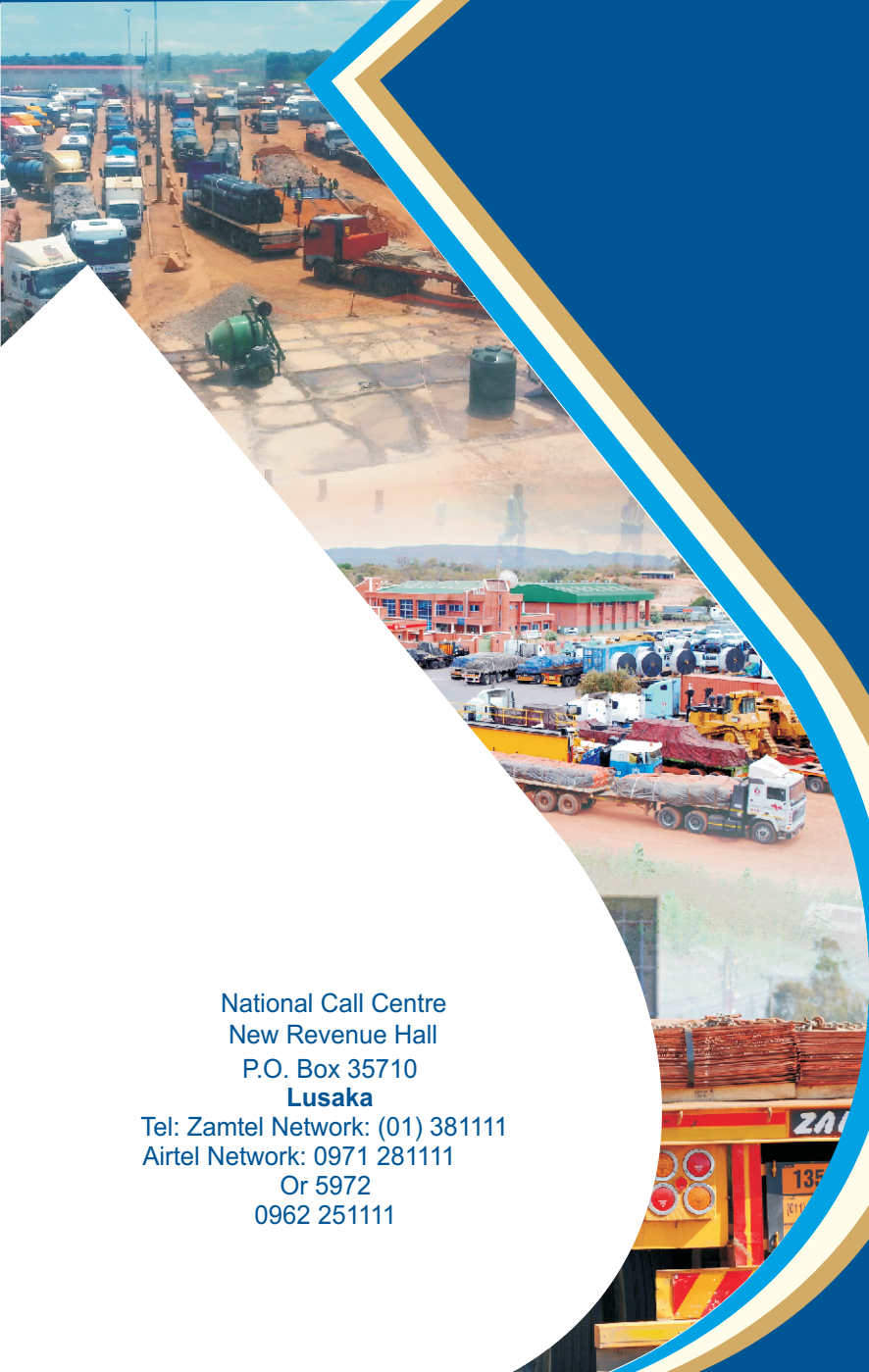
If you have any queries concerning your taxes, please contact the Client Services Centres or your nearest Domestic Tax Office at the following addresses:

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1 Client Services Centre
New Revenue Hall
Private Bag W136
Lusaka
Tel: Zamtel Network: (01) 383201
Airtel Network: 0971 283201
Fax: 021 1 226227</p> | <p>2 Client Services Centre
Nchanga House
P.O. Box 20454
Kitwe
Tel: Zamtel Network: (01) 38 4420
Airtel Network: 0971 28 4420
Fax: 021 2 222942</p> | <p>19 Provincial Manager
Small Taxpayer Office - Luapula
P.O. Box 710112
Mansa
Tel: Zamtel Network: (01) 38 1700
Airtel Network: 0971 28 1700
Fax: 021 2 821147</p> |
| <p>3 Client Services Manager – Large Taxpayer Office
6th Floor, Revenue House
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2626
Airtel Network: 0971 28 2626
Fax: 021 1 220283</p> | <p>4 Assistant Director
Design & Monitoring - Taxpayer Services
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 382505
Airtel Network: 0971 28 2505
Fax: 021 1 221075</p> | <p>20 Provincial Manager
Small Taxpayer Office – North-Western
P.O. Box 110368
Solwezi
Tel: 021 8 821682
Fax: 021 8 821682</p> |
| <p>5 Assistant Director
Design & Monitoring – Policy & Legislation
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2504
Airtel Network: 0971 28 2504
Fax: 021 1 221075</p> | <p>6 Assistant Director
Design & Monitoring – Processing and Enforcement
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2502
Airtel Network: 0971 28 2502
Fax: 021 1 221075</p> | <p>21 Provincial Manager
Kasama Tax Office
P.O. Box 410728
Kasama
Tel: 021 4 221810
Fax: 021 4 221810</p> |
| <p>7 Assistant Director
Design & Monitoring – Audit
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2506
Airtel Network: 0971 28 2506
Fax: 021 1 221075</p> | <p>8 Assistant Director
Large Taxpayer Office – Non-mining Audit Unit
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2602
Airtel Network: 0971 28 2602
Fax: 021 1 220283</p> | <p>22 National Call Centre
New Revenue Hall
Private Bag W136
Lusaka
Tel: Zamtel Network: (01) 381111
Airtel Network: 0971 281111
Ør 597</p> |
| <p>9 Assistant Director
Large Taxpayer Office – Processing and enforcement
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2604
Airtel Network: 0971 28 2604
Fax: 021 1220283</p> | <p>10 Assistant Director
Large Taxpayer Office – Mining Audit Unit
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 2605
Airtel Network: 0971 28 2605
Fax: 021 1 220283</p> | <p>Website: http://www.zra.org.zm</p> |
| <p>11 Assistant Director
Small Taxpayer Office - Lusaka
P.O. Box 35710
Lusaka
Tel: Zamtel Network: (01) 38 3237
Airtel Network: 0971 28 3237
Fax: 021 1 229744</p> | <p>12 Assistant Director
Small Taxpayer Office - Copperbelt
P.O. Box 70181
Ndola
Tel: Zamtel Network: (01) 38 4101
Airtel Network: 0971 28 4101
Fax: 021 2 614096</p> | |
| <p>13 Assistant Director
Medium Tax Office – South
P.O. Box 35710
LUSAKA
Tel: Zamtel Network: (01) 38 2100
Airtel Network: 0971 28 2100
Fax: 021 1 229744</p> | <p>14 Assistant Director
Medium Tax Office – North
P.O. Box 20855
Kitwe
Tel: Zamtel Network: (01) 38 4500
Airtel Network: 0971 28 4500
Fax: 021 2 229942</p> | |
| <p>15 Provincial Manager
Small Taxpayer Office - Central
P.O. Box 80909
Kabwe
Tel: Zamtel Network: (01) 38 1005
Airtel Network: 0971 28 1005
Fax: 021 5 223642</p> | <p>16 Provincial Manager
Small Taxpayer Office - Western
P.O. Box 910110
Mongu
Tel: 021 7 221662
Fax: 021 7 221662</p> | |
| <p>17 Provincial Manager
Small Taxpayer Office - Eastern
P.O. Box 510632
Chipata
Tel: 021 6 221155
Fax: 021 6 221155</p> | <p>18 Provincial Manager
Small Taxpayer Office - Southern
P.O. Box 60597
Livingstone
Tel: Zamtel Network: (01) 38 3803
Airtel Network: 0971 28 3803
Fax: 021 3 320772</p> | |

Our Values

Our commitment to serving Government, taxpayers, employees and other stakeholders is reflected in our Corporate Values:

- Integrity*** : exhibiting the highest standards of personal probity and behaviour;
- Professionalism*** : performing official duties with skill, care and diligence; and providing the public with service and advice in a professional manner;
- Fairness*** : performing official duties in an impartial manner free of political, personal or other biases;
- Equity*** : treating all taxpayers, colleagues and members of the public equitably in accordance with the provisions of legislation and procedures in force;
- Courtesy*** : treating all taxpayers, colleagues and members of the public with courtesy and being sensitive to their rights, duties and aspirations;
- Teamwork*** : working as a team, not only to reinforce each other's divisional functions, but also at collegiate level in order to strengthen mutual confidence, respect and trust
- Value for Money*** : avoiding wastage and extravagant use of resources;
- Confidentiality*** : upholding the highest level of secrecy in respect of information that comes to one's knowledge in the course of duty;
- Goal orientation*** : focusing on the development and achievement of personal and organisational goals in the course of duty;
- Innovation*** : consistently improving on quality, quantity, timeliness and cost.



National Call Centre
New Revenue Hall
P.O. Box 35710
Lusaka

Tel: Zamtel Network: (01) 381111
Airtel Network: 0971 281111
Or 5972
0962 251111