

DOMESTIC TAXES DIVISION

PRACTICE NOTE NO. 1/2013

- What's new in this edition?**
- VAT threshold increased
 - Turnover Tax threshold increased
 - Zero Rating of Wheat, Flour & Bread
 - Reduction of tax rate for agro processing
 - Medical levy abolished
 - Removal of WHT on interest



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*Working
To Serve You
Efficiently*



Our Vision

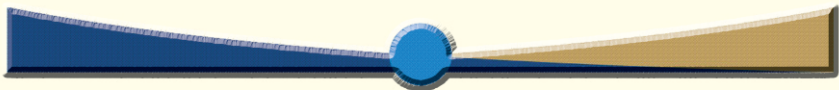
"To be a world class organisation recognized as a beacon of excellence in revenue administration"

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."

**ZAMBIA
REVENUE
AUTHORITY**

*To Serve You
Efficiently*



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1.0 FOREWORD

This **PRACTICE NOTE** describes the various changes introduced by the:

1. Income Tax (Amendment) Act No. 10 of 2012,
2. Statutory Instrument No. 90 of 2012 (Pay As You Earn Regulations),
3. The Value Added Tax (Amendment) Act No. 14 of 2012,
4. Statutory Instrument No. 92 of 2012 (VAT Exemption Order),
5. Statutory Instrument No. 93 of 2012 (Vat Zero Rating Order),
6. Statutory Instrument No. 86 of 2012 (Vat General Regulations),
7. Statutory Instrument No. 91 of 2012 (VAT Application for Registration Order),
8. Gazette Notice No. 92 of 2013
9. The Mines and Minerals Development (Amendment) Act No. 12 of 2012,
10. The Property Transfer Tax (Amendment) Act No. 13 of 2012,
11. The Medical Levy (Amendment) Act No. 11 of 2012.

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

Enquiries may be made through our National Call Centre, your nearest Client Service Centre or any Domestic Taxes Office.



Berlin Msiska

COMMISSIONER-GENERAL

PART I: SUMMARY OF AMENDMENTS

2.0 THE INCOME TAX ACT (ITA)

ITA Section

Subject

1	Title and commencement
2	(1) Introduces the following new definitions: (a) agro-processing (b) collective investment scheme (2) Amends the definition of the following terms: (a) Business (b) person with disability
37	Increases the allowable pension contribution to an approved pension scheme from K1,860 to K3,060 per annum
64A	Increases the Turnover Tax threshold to K 800,000 from K 200,000 per annum
65	Provides a time limit of six years in which Income Tax refund assessments can be made
74	Amends the Income Tax Act to provide for a legal basis to enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).
78	Clarifies the due date and penalties for payment of balance of tax
87	Restricts the time limit to six years within which PAYE refunds can be made.
97B	Subjects interest payments on loans or borrowings made by mining companies to transfer pricing rules where interest rates between related parties are not at arm's length.
Second Schedule Para 5(l)	Provides for the exemption from Income Tax on income of Collective Investment Schemes to the extent that income is distributed to the participants in the Collective Investment Scheme.

7(aa) Changes the effective date on which the five year income tax incentive (tax holiday) comes into force for dividends declared by a company approved under the Zambia Development Agency Act of 2006 from the date when dividends are first declared to the date of commencement of operations of the approved investment

Fifth Schedule
Para
4A

Restricts businesses eligible to claim improvement allowance only to those operating in a multi facility economic zone (MFEZ) or industrial park declared under the Zambia Development Agency Act of 2006

10(5)

Allows for the wear and tear allowance on implements, machinery or plant used exclusively and directly in agro processing to be calculated at the rate of fifty percent of the cost on a straight line basis.

22(2)

Reduces the capital expenditure deduction for persons carrying on mining operations to twenty five per cent from hundred per cent per charge year.

Increases the turnover threshold per annum to K800,000 from K200,000

Charging Schedule
Para

2(1)(c)

Increases the income band taxable at zero percent for individuals to K26,400 from K24,000 per annum.

2(1)(d)

Increases the income band taxable at twenty-five percent for individuals by K 2,400 per annum.

2(1)(e)

Increases the income band taxable at thirty percent for individuals by K 2,400 per annum

2(1)(f)

Increases the income band taxable at thirty five percent for individuals by K 2,400 per annum

5(b)

Provides for a preferential tax rate of ten percent per annum on income from agro-processing.

5(d)

Reduces the tax rate on income from organic manufacture of fertiliser to fifteen percent per annum

5(e)

Changes the effective date on which the five years income tax incentive (tax holiday) comes into force for a business enterprise operating in a priority sector, multi facility economic zone or industrial park from the date profits are first returned to the date of commencement of the operations of the approved investment.

- 5(f) Empowers the Commissioner General to withdraw incentives granted under the Zambia Development Agency Act of 2006 if a business enterprise fails or neglects to fulfil its pledge for employment of citizens of Zambia under the Zambia Development Agency Act of 2006.
- 5(g) Changes the effective date of the five year withholding tax exemption (tax holiday) on dividends paid by a business enterprise operating in priority sectors, declared under the Zambia Development Agency Act of 2006, from the date profits are first returned to the date of commencement of the approved investment.
- 7(i) Removes Withholding Tax on interest earned by individuals from savings or deposit accounts held with financial institutions such as banks or building societies
- 7(ii) Provides for a preferential tax rate of ten percent per annum on income from agro-processing. Reduces the capital expenditure deduction for persons carrying on mining operations to twenty five per cent from hundred per cent per charge year.
- 7(iv) Increases the Withholding Tax rate on payments to non-residents of management and consultancy fees to twenty percent from fifteen percent
- 7(v) Increases the Withholding Tax rate on payments to non-residents of royalties to twenty percent from fifteen percent

3.0

PAY AS YOU EARN REGULATIONS

**Statutory
Instrument
number 90
of 2012**

Subject

- (a) Introduces a definition for “monthly return”
- (b) Provides for enforcement action where a monthly return has not been submitted

4.0

THE VALUE ADDED TAX (VAT) ACT

VAT Act Section

Subject

- 1 Title and commencement
- 16(1A) Empowers the Commissioner General to determine documents to accompany the VAT return.
- 18(4) Reduces the validity period on which documents used for Value Added Tax claims can be used from twelve months to six months.

- 30 Provides taxpayers with the right to apply for review where they are dissatisfied with the decision of the Zambia Revenue Authority.
- 31 Provides for a review to be conducted in a prescribed manner
- 32 Provides taxpayers with the right to appeal to the Revenue Appeals Tribunal.
- 50(A) Amends the Value Added Tax Act to provide for a legal basis to enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).

5.0 THE FIRST SCHEDULE OF THE VALUE ADDED TAX ACT

**Statutory
Instrument
number 92 of
2012**

Subject

- (a) Corrects the typographical error in the Principal Exemption Order under Paragraph (b) of Group 6 (Conveyance, etc of Real Property)
- (b) Corrects the error which was made by Statutory Instrument No. 49 of 2011 to restrict the exemption to the importation of goods as provided for in the Customs and Excise General Regulations 74,76,78,80,82,83,84,85,85A,86,87,87A and 94 of the Customs and Excise General Regulations 2000.
- (c) Introduces exemption on manufacturing inputs subject to Customs and Excise Statutory Instrument No. 6 of 2009
- (d) Deletes sub paragraph (v) and (vi) from Group 16 (Food and Agriculture)

6.0 THE SECOND SCHEDULE OF THE VALUE ADDED TAX ACT

**Statutory
Instrument
number 93 of
2012**

Subject

- (a) Zero rates tourist guiding
- (b) Assigns the number 2 (2) to the proviso in (i) of Group 1 (Export of Goods)
- (c) Restricts the zero rating only to goods or services supplied to or imported by developers of multi facility economic zones which are for the purpose of developing infrastructure in a multi facility economic zone or industrial park.
- (d) Includes electronic learning materials in Group 6 (Educational materials)
- (e) Provides for the zero rating of wheat, flour produced from wheat, bread including bread rolls and buns.

7.0 THE VALUE ADDED TAX GENERAL REGULATIONS

**Statutory
Instrument number
86 of 2012**

Subject

- (a) Extends the supply of goods and services that do not constitute supplies for VAT purposes to supplies made to all persons.
- (b) Deletes the date 6th February 2004 in sub regulation 2 of regulation 3 and substitutes it with the date of 31st December 2012.

8.0 VAT APPLICATION FOR REGISTRATION ORDER

**Statutory
Instrument number
91 of 2012**

Subject

Increases the Value Added Tax (VAT) registration threshold to K800,000 from K200,000

THE VALUE ADDED TAX GENERAL RULES

9.0

TAX SCHEDULES

**Gazette Notice
number 93 of 2013**

Subject

Amends Rule 15 to require all suppliers to make electronic submissions of input and output schedules.

**Gazette Notice
number 27 of 2013**

PROOF OF EXPORT

Subject

Amends Rule 18 to include the requirement to provide documentary proof of payment

10.0 THE PROPERTY TRANSFER TAX ACT

PTT Act Section

Subject

1

Title and commencement

2(1)(a)

Introduces the definition of "Group of Companies," "Holding Company" and "Mining Right."

2(1)(b)

Amends definition of property to include a mining right issued under the Mines and Minerals Development Act, 2008, or an interest therein

- 4(2) Introduces Property Transfer Tax at ten (10) percent on the transfer or sale of a mining right granted under the Mines and Minerals Development Act
- 5(3)(a) Defines the realised value for a mining right or an interest in a mining right.
- 5(3)(b) Renumbers subsections 3, 4 and 5 as subsections 4, 5 and 6 respectively.
- 9(5)(a) Provides for the payment of Property Transfer Tax on the transfer of a mining right.
- 9(5)(b) Renumbers subsections 5 and 6 as subsections 6 and 7 respectively.
- 12(A) Amends the Property Transfer Tax Act to provide for a legal basis to enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).

11.0 THE MEDICAL LEVY ACT

Medical Levy Act Section

Subject

The Medical Levy Act, 2003, has been repealed

12.0 THE MINES AND MINERALS DEVELOPMENT (M&MD)ACT

M&MD Act Section

Subject

- 1 Title and commencement
- 104A Introduces a requirement for a Property Transfer Tax Clearance Certificate on transfer of a mining right.

PART II: COMMENTARY ON AMENDMENTS

13 THE INCOME TAX ACT

13.1 SECTION 1: TITLE AND COMMENCEMENT

The amendments to the Income Tax Act shall come into effect on 1st January 2013.

13.2 SECTION 2: INTERPRETATION

The definitions of the following terms have been introduced:

13.2.1 *“Agro-processing” is defined as subjecting any farming produce produced in Zambia to any process which materially changes the farming produce in substance, character or appearance thereby making it a food product, but does not include;*

- (a) *processing of that farming produce into alcoholic and non-alcoholic beverages, sugar crystals, flour or maize meal; or*
- (b) *further or additional processing of the farm produce by a third party.*

This amendment provides for the definition of agro processing. For a business to qualify as an agro entity, it must meet the following conditions:

- i) the farming produce must be produced in Zambia
- ii) the end product from the processing must be food other than alcoholic and non-alcoholic beverages, sugar crystals, flour and maize meal. The intention of the law is to exclude all beverages in whatever form, all kinds of flour and sugar crystals.
- iii) the business must process unprocessed agriculture produce into a final food product. Therefore, it means that partially processed food products do not qualify.

EXAMPLE 1: QUALIFYING BUSINESS

Company “A” buys whole (uncut and unpeeled) potatoes from a farmer based in the central province of Zambia; the company makes chips which it sells to the public.

“Company “A” will then qualify as an agro processing business.

EXAMPLE 2: NON-QUALIFYING BUSINESS

In the example above, if Company “A” bought peeled and cut (semi processed) potatoes from Company “B”, then Company A would not qualify as an agro processing business.

13.2.2 “Collective Investment Scheme” has the meaning assigned to it in the Securities Act.

This amendment provides for the definition of Collective Investment Schemes

The Securities Act defines 'Collective Investment Scheme' as:

any arrangements with respect to money or other property of any description, under which-

- (a) *provision is made for persons taking part in the arrangements to participate in or receive profits or income arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income;*
- (b) *property the subject of the arrangements-*
 - (i) *is owned or held in trust by; or*
 - (ii) *is managed by or on behalf of, a body corporate (in this Part referred to as the "operator" of the scheme); and*
- (c) *the interests of persons participating in the arrangements is represented by shares or other securities of the body corporate or, in the case of a unit trust, by units;*
- (d) *funds invested in accordance with the arrangements purporting to be invested with the aim of spreading investment risk.*

In order to qualify as an approved scheme, the Scheme must be registered with the Securities and Exchange Commission as a collective investment scheme.

13.2.3 The definitions of the following terms have been amended:

"Business" includes

- (a) any profession, vocation or trade;
- (b) any adventure or concern in the nature of trade whether singular or otherwise;
- (c) manufacturing;
- (d) farming;
- (e) agro-processing; and
- (f) hedging

This amendment includes agro-processing under the definition of business.

13.2.4 "Person with disability" has the meaning assigned to it in the *Persons with Disabilities Act, 2012*.

This amendment aligns the definition of person with disability to the definition in the *Persons with Disabilities Act, 2012*. The definition as per the said Act states that a person with disability:

“means a person with a permanent physical, mental, intellectual or sensory impairment which, in interaction with various barriers may hinder that person to fully and effectively participate in society on an equal basis with others”

13.3 SECTION 37: INCREASE IN THE ALLOWABLE PENSION CONTRIBUTION

Section thirty-seven of the principal Act is amended in sub section (3) by the deletion of the words one thousand eight hundred and sixty kwacha (K1, 860) and the substitution therefor of the words three thousand and Sixty kwacha (K3, 060)

This amendment increases the allowable employee pension contribution deduction to an approved pension fund.

13.4 SECTION 64(A): TURNOVER TAX THRESHOLD

Section sixty four of the principal Act is amended in subsection (2) by the deletion of the word two hundred thousand kwacha (K200, 000) and the substitution therefor of the words eight hundred thousand kwacha (K800, 000)

This amendment increases the Turnover Tax threshold.

All those businesses with a turnover of less than K800, 000 will start paying turnover tax at 3% of the gross turnover on a monthly basis.

The following businesses will continue to be excluded from the turnover tax system:

- i) carrying out mining operations
- ii) carrying out consultancy
- iii) partnerships
- iv) under voluntary VAT registration

13.5 SECTION 65: ASSESSMENT RULES

Section sixty five of the principal Act is amended in subsection (2) by the deletion of the words “*eighty seven*” to restrict the refund assessments to six years.

This means that taxpayers who will submit returns for refunds will not have their returns assessed if they are submitted six years or more after the end of the charge year to which the return relates.

13.6 SECTION 74: DOUBLE TAXATION AGREEMENTS AND MUTUAL ASSISTANCE IN TAX MATTERS

The principal Act is amended by the repeal of section seventy four and the substitution therefor of the following new section:

- (1) *The President may enter into an agreement, which may have retrospective effect, with the Government of any other country or territory-*
- (a) *to prevent, mitigate or discontinue the levying under the laws of the Republic and of such other country or territory, of taxes in respect of the same income, or*
 - (b) *for the exchange of information on tax matters or for mutual assistance in tax matters with the objective of rendering reciprocal assistance*
 - (i) *in the determination of credits and exemptions in respect of Zambian tax and foreign tax;*
 - (ii) *in the provision of data on fraud, civil and criminal tax offences;*
 - (iii) *in the administration and collection of taxes under the tax laws of the Republic and such other country or territory;*
 - (iv) *in the carrying out of tax examinations in Zambia or abroad and;*
 - (v) *in the carrying out of simultaneous or joint tax examinations.*
- (2) *Any information received by a country or territory under an agreement entered into under subsection (1) shall be treated as secret in the same manner as information obtained under the domestic laws of that country or territory and shall be disclosed only to persons or authorities involved in the assessment, collection, enforcement, prosecution or determination of appeals in relation to the taxes under this Act.*
- (3) *Subsection (2) shall not be construed so as to impose on a country or territory the obligation to*
- (a) *carry out administrative measures at variance with the laws and administrative practices of that country or territory*
 - (b) *supply information which is not obtainable under the laws of that country or territory or under the laws of Zambia; or*
 - (c) *supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.*
- (4) *The Minister shall lay a copy of the agreement referred to in subsection (1) before Cabinet for approval.*
- (5) *The President shall as soon as practicable after the conclusion and approval of any agreement under this section, notify the public of the terms of the agreement by statutory instrument, and the agreement shall from the date of commencement of the statutory instrument have effect as if enacted under this Act as long as the agreement has the effect of law in the other country or territory*

This amendment allows the Government of the Republic of Zambia not only to enter into Double Taxation Agreements but enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).

Following this amendment, Zambia will now be able to undertake, with other tax jurisdictions which have similar provisions, the following:

- i) exchange information which could be used not only for double taxation relief but for purposes of conducting criminal investigations and prosecutions.
- ii) carry out tax examinations abroad and;
- iii) carry out joint or simultaneous tax examinations on the tax affairs of the same person in different tax jurisdictions by the respective tax administrations.

13.7 SECTION 78: PENALTY FOR NON-PAYMENT OF TAX

Section seventy-eight of the principal Act is amended-

(a) by the deletion of subsection (1) and the substitution therefor of the following;

- (1) *A person who fails to pay tax in accordance with section seventy seven-*
 - (a) *on or before the date on which the tax is due*
 - (b) *within thirty days of the date of notice of assessment from which the tax assessed is due; or*
 - (c) *in the case of provisional tax, within fourteen days of the date on which that payment is due;*
 - (d) *is liable to the penalty specified in subsection (2);*
- (b) in subsection (2) by the insertion, immediately after the words "each month" of the words "or part thereof"

This amendment clarifies when penalties for late payment of taxes start to accumulate.

13.8 SECTION 87: REFUNDS IN GENERAL

Section eighty seven of the principal Act is amended by the insertion immediately after sub section (5) of the following new subsection

- (6) *Notwithstanding subsection (1) to (5), where a person pursuant to subsection (1) claims that the pay-as-you-earn tax for any charge year has been paid or is deemed to have been paid in excess by deduction or otherwise, that person shall make the claim in writing or by way of return to the Commissioner-General not later than six years after the end of the charge year to which the claim relates.*

This amendment restricts the time to six years within which claims can be made for Pay As You Earn refunds. This means that the claim should only be made within six years from the end of the charge year to which the claim relates.

NOTE: This amendment (restriction to six years) only affects refunds for the charge year 2013 and subsequent charge years and does not apply to 2012 and prior charge years.

13.9 SECTION 97B: NON APPLICATION OF SECTION 97A

Section ninety seven *B* of the principal Act is amended by the deletion of subsection (2) and the renumbering of subsection (3) as subsection (2).

This amendment subjects interest payments made by mining companies on loans or borrowings, to transfer pricing rules in addition to thin capitalization rules (under paragraph 22A of the Fifth Schedule) where interest rates between related parties are not at arm's length.

13.10 SECOND SCHEDULE: EXEMPTIONS

(a) PARAGRAPH 5(1): various organisations

The Second Schedule to the principal Act is amended to include income from Collective Investment Schemes under the schedule of exempt organisations as follows:

(l) collective investment schemes to the extent to which the income is distributed to participants in the collective investment scheme.

This means that income of the Collective Investment Scheme shall be exempt from tax on condition that the income generated by the Scheme is paid out to the investors.

The participating investors shall be liable to pay tax on the income received on distribution.

(b) PARAGRAPH 7(aa): various exemptions

The Second Schedule to the principal Act is amended by the deletion of the words “first declaration” and the substitution thereof of the words “commencement of operations of the approved investment” so as to change the effective date on which the exemption from Withholding Tax on dividends paid comes into force.

The amendment streamlines application of incentives granted under the Zambia Development Agency Act of 2006 and provides a definitive start and end date for the zero percent Withholding tax incentive (tax holiday). This provision will only affect Zambia Development Agency Licences issued effective 1st January, 2013.

13.11 FIFTH SCHEDULE: CAPITAL ALLOWANCES FOR BUILDINGS, IMPLEMENTS, MACHINERY AND PLANT AND PREMIUMS

(a) PARAGRAPH 4A: Deduction of improvement allowance

The Fifth Schedule to the principal Act is amended by the deletion of the word “approved” and the substitution thereof of the words “operating in a multifacility economic zone or industrial park declared”

This amendment restricts businesses eligible to claim improvement allowance to those operating in multi facility economic zones (MFEZs) or industrial parks declared under the Zambia Development Agency Act of 2006.

This means that all businesses approved under Zambia Development Agency Act 2006 will no longer be eligible to claim improvement allowance except operators in the MFEZ and Industrial Park.

- (b) PARAGRAPH 10(5): Wear and Tear allowance for implements, machinery and plant

The Fifth Schedule to the principal Act is amended by the insertion immediately after the word “farming” of a comma and the words “agro-processing”

This amendment allows for the wear and tear allowance on implements, machinery or plant used exclusively and directly in agro processing to be calculated at the rate of fifty percent of the cost on a straight line basis.

- (c) PARAGRAPH 22(2): Mining expenditure deductions

The Fifth Schedule to the principal Act is amended by the deletion of subparagraph (2) and the substitution therefor of the following;

(2) The deduction to be allowed for a charge year for a mine shall be twenty five percent of the original expenditure to the extent that equipment, plant, machinery or anything related to capital expenditure as defined in paragraph 19 of this part is brought into use in the carrying out of mining operations and the expenditure has not already been allowed as a deduction.

This amendment reduces the capital expenditure deduction for persons carrying out mining operations to twenty five percent from hundred percent per charge year and it restricts it to the time when the equipment, plant or machinery is actually brought into use.

13.12 NINTH SCHEDULE: PART II: TAX ON TURNOVER

The ninth schedule to the principal Act is amended by the deletion of the figure K200,000 and the substitution therefor of the figure K800,000 thereby increasing the Turnover Tax threshold.

NOTE: The rate of tax remains unchanged at 3%.

13.13 CHARGING SCHEDULE

RATES OF TAX –

- (a) PAY AS YOU EARN - Paragraph 2(1)(c),(d),(e) and (f)

The amendment increases the annual income band taxable at zero percent for individuals from K24, 000 to K 26,400.

This means that an individual who earns up to K 2,200 per month or up to K 26,400 per annum shall not pay Income Tax.

The income bands have equally been adjusted as shown in the table below:

Table 1: COMPARISON OF PERSONAL INCOME TAX BANDS

2013 CHARGE YEAR Income Bands (12 months)	2012 CHARGE YEAR Income Bands (9 months)	Rates
First K 26,400	First K18,000	@ 0%
Above K26,400 up to K36, 000	Above K18,000 up to K25,200	@ 25%
Above K36,000 up to K70,800	Above K25,200 up to K51,300	@ 30%
Above K70,800	Above K51,300	@ 35%

CALCULATION OF GRATUITY

The amendment increases the exempt amount for qualifying gratuity from K24, 000 to K26, 400 per annum.

(a) SPECIAL CASES - Paragraph 5(b)

Paragraph 5(b) is amended by the insertion in item (b), immediately after the word "farming" of the words "and agro-processing".

The amendment provides for taxation of income from agro-processing at the rate of ten percent.

(c) SPECIAL CASES - Paragraph 5(d)

Paragraph 5 is amended by the insertion in item (d) immediately after the word "from" of the words "the production of organic fertilizer and"

This amendment provides for taxation of income from the production of organic fertilizer to be at the rate of fifteen percent.

(d) SPECIAL CASES - Paragraph 5(e)

Paragraph 5 of the principal Act is amended by the deletion of item (e) and the substitution thereof of the following:

- (e) *on the income of a business enterprise operating in a priority sector, multi-facility economic zone or industrial park declared under the Zambia Development Agency Act, 2006, tax shall be charged at;*

- (i) *zero percent for a period of five years starting from the year of commencement of operations of the approved investment;*
- (ii) *fifty percent from the sixth to the eighth year after commencement of operations of the approved investment; and*
- (iii) *seventy-five percent from the ninth to the tenth year.*

The amendment changes the effective date on which the five years income tax incentive (tax holiday) comes into force for a business enterprise operating in a priority sector in multi facility economic zone or industrial park from the date profits are first returned to the date of commencement of operations of the approved investment.

(e) SPECIAL CASES - Paragraph 5(f)

Paragraph 5 of the principal Act is amended by the deletion of item (f) and the substitution therefor of the following;

- (f) *The Commissioner-General shall withdraw the incentives granted under item (e) if a business enterprise fails or neglects to fulfil its pledge for employment of citizens of Zambia under the Zambia Development Agency Act, 2006.*

The amendment empowers the Commissioner General to withdraw incentives granted under the Zambia Development Agency Act of 2006 in circumstances where a business enterprise fails or neglects to fulfil its pledge for employment of citizens of Zambia.

(f) SPECIAL CASES - Paragraph 5(g)

Paragraph 5 of the principal Act is amended by the deletion of item (g) and the substitution therefor of the following;

- (g) *tax to be deducted from any dividend declared by a company operating in a priority sector, multi-facility economic zone or industrial park declared under the Zambia Development Agency Act, 2006, shall for a period of five years from the date of commencement of operations of the approved investment, be at the rate of zero percent per annum.*

The amendment changes the effective date from the date profits are first returned to the date of commencement of the approved investment for the five year withholding tax exemption (tax holiday) on dividends paid by a business enterprise operating in priority sectors, declared under the Zambia Development Agency Act of 2006.

(g) WITHHOLDING TAX - Paragraph 7(i)

Paragraph 7 of the principal Act is amended by the deletion of item (i) and the substitution therefor of the following:

- (i) *tax required to be deducted from any payment of interest arising from savings or deposit accounts held with financial institutions to an individual under section eighty two A shall be deducted at the rate of zero percent per annum.*

The amendment removes the requirement to deduct withholding tax from interest earned by individuals from savings or deposit accounts held with financial institutions.

Interest earned on bank accounts held in the business name of a sole proprietor or a partnership shall also be exempt from withholding tax.

(h) WITHHOLDING TAX - Paragraph 7(ii)

Paragraph 7 of the principal Act is amended by the deletion of item (ii) and the substitution therefor of the following:

- (ii) *tax required to be deducted from any payment of interest other than interest arising from savings or deposit accounts held with financial institutions to an individual under section eighty two A shall be deducted at the rate of fifteen percent per annum and shall be the final tax.*

This amendment emphasizes that only interest from savings and deposit accounts held by individuals with financial institutions shall be taxed at a rate of tax of zero percent. Any interest earned on any other accounts held with financial institutions other than savings or deposit accounts, and from any other sources shall be taxed at the rate of 15% and shall be the final tax.

(i) WITHHOLDING TAX - Paragraph 7(iv)

Paragraph 7 of the principal Act is amended by the insertion of the following new proviso:

- (iv) *tax required to be deducted from the payment of a management or consultancy fee deemed under section eighteen to be from a source within the Republic shall be at the rate of twenty percent.*

The amendment increases the withholding tax rate on payments to non-residents of management and consultancy fees.

NOTE: Management and consultancy fees paid to residents are not subject to withholding tax.

(j) WITHHOLDING TAX - Paragraph 7(v)

Paragraph 7 of the principal Act is amended by the insertion of the following new proviso:

- (v) *tax required to be deducted from the payment of royalties to a non-resident deemed under section eighteen to be from a source within the Republic shall be at the rate of twenty percent*

This amendment increases the withholding tax rate on payments to non-residents of royalties to twenty percent.

However, deduction of withholding tax from payments of royalties to residents shall remain at the rate of fifteen percent.

14.0 STATUTORY INSTRUMENT NUMBER 90 OF 2012, THE INCOME TAX (PAY AS YOU EARN) (AMENDMENT) REGULATIONS

14.1 REGULATION 2: INTERPRETATION

Regulation 2 of the principal Regulations is amended by the insertion, in the appropriate place, of the following new definition:

“monthly return” means a return of payment of tax made under regulation 22”

This amendment introduces a definition of a monthly return for PAYE purposes.

14.2 Regulation 22: Payment of tax by employer

- (a) Regulation 22 of the principal Regulations is amended in sub-regulations (1), (2) and (4) by the deletion of the words ‘remittance card’ wherever they appear and the substitution thereof of the words “monthly return”

The amendment replaces the monthly remittance card with a monthly return. The due date for submission of the monthly return shall be within fourteen days from the end of an income tax month.

For example the return for January 2013, shall be due by the 14th of February 2013. In addition, payment for the month of January 2013 shall also be due on or before 14th February 2013.

All employers shall be required to use the prescribed format of the monthly return.

- (b) Regulation 22 of the principal Regulations is amended by the insertion, immediately after sub-regulation (5), of the following new sub-regulation:

(6) A monthly return shall be signed, where the employer is-

- (a) an individual, by the individual;*
- (b) a company, by a director or secretary of the company;*
- (c) a body of persons, by a principal officer of the body of persons; and*
- (d) a partnership, by a partner of the partnership*

The amendment specifies who should sign the monthly return.

- (c) Regulation 22 of the principal Regulations is amended by the insertion, of the following new sub-regulation:

(7) An employer who fails to submit a monthly return in accordance with this

regulation is liable to pay a penalty of-

- (a) one thousand penalty units for each calendar month or part thereof, where the employer is an individual; or*
- (b) two thousand penalty units for each calendar month or part thereof, where the employer is a partnership, body of persons or company*

The amendment stipulates the penalties chargeable for non-submission of the monthly return.

NOTE: Full penalties for the month shall be charged regardless of the number of days the return is late in that month (there is no apportionment of penalties on time basis).

- (d) Regulation 22 of the principal Regulations is amended by the insertion, of the following new sub-regulation:

(8) The Commissioner- General may remit the whole or part of the penalty specified under sub-regulation (7)

The amendment allows the Commissioner General to waive any penalties charged for non-submission of returns under sub regulation (7). However, the Commissioner General may in his discretion waive either in part, whole or not to waive at all.

- (e) Regulation 24 of the principal Regulations is amended in sub-regulation (1) by the insertion, immediately after the word “year” of the words “or month”

The amendment allows the Commissioner General to:

- (i) make an estimate of the amount of tax which the employer is required to remit
- (ii) issue a notice requiring the employer to pay an estimated amount of tax; or
- (iii) by notice, require the employer to submit a default return for the month.

15.0 THE VALUE ADDED TAX ACT

15.1 SECTION 1: TITLE AND COMMENCEMENT

All amendments to the Value Added Tax Act shall come into effect on 1st January 2013.

15.2 SECTION 16: ACCOUNTING FOR AND PAYMENT OF TAX

Section 16 of the Principal Act is amended by the insertion, immediately after subsection (1), of the following new subsection:

- (1A) A return shall be accompanied by such documents as the Commissioner-General may determine and shall be signed by persons lodging the return.*

The amendment empowers the Commissioner General to determine documents to accompany the VAT return.

15.3 SECTION 18(4): TAX DEDUCTIONS AND CREDIT

Section eighteen of the principal Act is amended to limit the validity period of documents in support of input tax claims by the repeal of subsection (4) and the substitution thereof of the following:

(4) Input tax shall not be deducted or credited after a period of six months from the date of the relevant tax invoice or other evidence referred to in subsection (3), except in such circumstances as the Commissioner-General may by rule specify

This amendment reduces the validity period of tax invoices, import bills of entry, credit notes etc used for Value Added Tax claims from twelve months to six months. This only applies to tax invoices and any other input tax documents issued on and after 1st January 2013.

For example, a taxpayer who has not previously claimed on an invoice dated 10th January 2013, such an invoice will be valid up to 9th July 2013. Therefore the invoice will remain valid for deduction or crediting up to the return period covering 9th July 2013.

15.4 PART VI: REVIEWS AND APPEALS

SECTION 30: RIGHT OF REVIEW

Section thirty of the principal Act is amended to provide for the right to apply for review by the repeal of section 30 and substitution thereof of the following new section 30:

30 A person who is aggrieved by a decision made or a direction given by the Authority under this Act may apply to the Commissioner-General for a review of that decision or direction in the prescribed manner and form.

The amendment provides taxpayers with the right to apply for review where they are dissatisfied with the initial decision of the Zambia Revenue Authority.

SECTION 31: CONDUCT OF REVIEW

Section thirty one of the principal Act is amended to provide a review to be conducted in a prescribed manner by the repeal of section 31 and substitution thereof of the following new section 31:

31. (1) *A review shall be conducted in the prescribed manner.*
- (2) *The person conducting the review shall give the applicant and the person who made the decision or gave the direction an opportunity to be heard and to make written submissions.*

The amendment allows the Commissioner-General to prescribe the procedures of conducting the review. Procedures will be as prescribed by the Commissioner-General.

SECTION 32: APPEALS

Section thirty two of the principal Act is amended to provide taxpayers with the right to appeal to the Revenue Appeals Tribunal by the repeal of section 32 and substitution therefor of the following new section 32:

- 32 A person aggrieved by a decision of the Commissioner-General under this Act may appeal against the decision to the Revenue Appeals Tribunal as provided under the Revenue Appeals Tribunal Act*

The amendment provides taxpayers with the right to appeal to the Revenue Appeals Tribunal where they are not satisfied with a decision of the Commissioner-General.

15.5 SECTION 50A: TAX INFORMATION EXCHANGE AGREEMENTS AND MUTUAL ASSISTANCE IN TAX MATTERS

The principal Act is amended by the insertion, immediately after section fifty, of the following new section;

- 50A (1) The President may enter into an agreement, which may have retrospective effect, with the government of any other country or territory for the exchange of information on tax matters or for mutual assistance in tax matters with the objective of rendering reciprocal assistance in the administration and collection of taxes under the tax laws of the Republic and such other country or territory*
- (2) Any information received by a country or territory under an agreement entered into under subsection (1) shall be treated as secret in the same manner as information obtained under the domestic laws of that country or territory and shall be disclosed only to persons or authorities involved in the assessment, collection, enforcement, prosecution or determination of appeals in relation to the taxes under this act.*
- (3) Subsection (2) shall not be construed so as to impose on a country or territory the obligation to*
- (a) Carry out administrative measures at variance with the laws and administrative practices of that country or territory*
 - (b) Supply information which is not obtainable under the laws of that country or territory or under the laws of Zambia; or*
 - (c) Supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.*

- (4) *The minister shall lay a copy of the agreement referred to in subsection (1) before Cabinet for approval.*
- (5) *The President shall as soon as practicable after the conclusion and approval of any agreement under this section, notify the public of the terms of the agreement by statutory instrument, and the agreement shall from the date of commencement of the statutory instrument have effect as if enacted under this Act as long as the agreement has the effect of law in the other country or territory*

This amendment allows the Government of the Republic of Zambia to enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).

Following this amendment, Zambia will now be able to undertake, with other tax jurisdictions which have similar provisions, the following:

- i) exchange information which could be used for purposes of conducting criminal investigations and prosecutions.
- ii) carry out tax examinations abroad and;
- iii) carry out joint or simultaneous tax examinations on the tax affairs of the same person in different tax jurisdictions by the respective tax administrations

16.0 STATUTORY INSTRUMENT No. 92 OF 2012 VALUE ADDED TAX (EXEMPTION) AMENDMENT ORDER

16.1 GROUP 6: CONVEYANCE ETC OF REAL PROPERTY

The First Schedule is amended in paragraph 2 to correct a typographical error by the deletion in paragraph (b) of group 6, immediately after the word "sale" of the word "of" and substitution therefor of the word "or"

The correct provision will now read as below:

"(b) the sale or lease of domestic buildings, other than development of dwelling houses for sale; and"

16.2 GROUP 10: RELIEF AT IMPORTATION

GROUP 10(a)

The First Schedule is amended in paragraph 2 by the deletion in group 10, of paragraphs (a) and substitution therefor of the following;

- (a) *goods in respect of which a rebate, refund or remission of duty is available under regulations 74, 76, 78, 80, 82, 83, 84, 85, 85A, 86, 87, 87A and 94 of the Customs and Excise (General) Regulations 2000, subject to the same limitations and conditions as pertain to the rebate, refund or remission and to such modification as may be specified therein;*

This amendment restricts the VAT exemption on the importation of goods to those provided for in the Customs and Excise General Regulations 74,76,78,80,82,83,84,85,85A,86,87,87A and 94 of the Customs and Excise General Regulations 2000.

GROUP 10(b)

The First Schedule is amended in paragraph 2 by the deletion in group 10, of paragraphs (b) and substitution therefor of the following;

(b) manufacturing inputs where duty is suspended under the Customs and Excise (Suspension) (Manufacturing Inputs) regulations, 2009, subject to the same limitations and conditions as pertain to the suspension of the duty and to such modification as may be specified therein; and

This amendment introduces exemption on manufacturing inputs where duty is suspended under the Customs and Excise Statutory Instrument No. 6 of 2009

GROUP 10(c)

The First Schedule is amended in paragraph 2 by the renumbering in group 10 of paragraph (b) as paragraph (c):

(c) imported goods in respect of which a rebate, refund or remission of duty is available under the Customs and Excise (Public Benefit Organisation) (Rebate, Refund or Remission) Regulations, 2009, subject to the same limitations and to such modification as may be specified therein;

16.3 GROUP 16: FOOD AND AGRICULTURE

The First Schedule is amended in paragraph 2 by the deletion in group 16, in paragraph (e), of sub-paragraphs (v) and (vi)

The amendment standard-rates empty jute and polypropylene bags, plastic granules, polymer granules and paste or liquid polymers used in the manufacture of polypropylene bags.

17.0 STATUTORY INSTRUMENT No. 93 OF 2012 VALUE ADDED TAX (ZERO-RATING) AMENDMENT ORDER

GROUP 1: EXPORT OF GOODS

The Second Schedule is amended in paragraph 2 by the deletion in group (1), of item (i) and the substitution therefor of the following;

(i) the supply by a tourism enterprise licensed under section sixteen of the Tourism and Hospitality Act, 2007, of the following services;

- (i) Game viewing;*
- (ii) Abseiling;*
- (iii) Bungee jumping;*

- (iv) Canoeing;
- (v) Hot air ballooning;
- (vi) Hang gliding;
- (vii) Para-sailing;
- (viii) River boarding;
- (ix) White water rafting;
- (x) Boat cruising;
- (xi) Micro lighting;
- (xii) Helicopter tours;
- (xiii) Walking safaris;
- (xiv) Clay pigeon shooting;
- (xv) Elephant back safari;
- (xvi) Fixed wing flights over the falls;
- (xvii) Gorge swinging or flying fox;
- (xviii) Paint ball shooting;
- (xix) Quad biking safari;
- (xx) Steam train excursion;
- (xxi) Walking with lions; and
- (xxii) Tourists guiding;

The amendment harmonises the treatment of tour guide services for VAT purposes with other zero-rated tourism products which are packaged together with tour guide services.

The proviso has been reclassified as a sub-paragraph. The new sub-paragraph has been renumbered as (2) and it reads:

- (2) The zero-rated goods and services listed in item (i) exclude accommodation, food and beverages, unless the accommodation, food and beverages have been pre-booked as a package tour or have been approved by the Commissioner-General;*

GROUP 2: SUPPLIES TO PRIVILEGED PERSONS

The Second Schedule is amended in paragraph 2 by the deletion in group 2, of item (f) and the substitution therefor of the following;

- (f) goods or services supplied to or imported by a developer for the purpose of developing infrastructure in a multi-facility economic zone or industrial park;*

This amendment restricts the zero rating only to goods or services supplied to or imported by developers of multi facility economic zones which are for the purpose of developing infrastructure in a multi facility economic zone or industrial park.

GROUP 6: EDUCATIONAL MATERIALS

The Second Schedule is amended in paragraph 2 by the deletion of Group 6 and the substitution therefor of the following;

Group 6 – Educational Materials

- (a) books including electronic learning material; and*
- (b) school exercise books*

This amendment includes electronic learning materials in group 6 (Educational materials). It further changes the title of the group to “Educational Materials” from “Books”.

GROUP 10: FOOD AND AGRICULTURE

The Second Schedule is amended in paragraph 2 by the insertion immediately after Group 9, of the following new group:

Group 10 – Food and Agriculture

- (a) wheat; and*
- (b) flour produced from wheat; and*
- (c) bread, including bread rolls and buns*

The amendment provides for the zero rating of wheat, flour produced from wheat, bread including bread rolls, naan bread and buns.

NOTE: Confectionaries (biscuits, fritters, cakes, doughnuts, scones etc) are standard rated.

18.0 STATUTORY INSTRUMENT No. 86 OF 2012 VALUE ADDED TAX (GENERAL) (AMENDMENT) REGULATIONS

REGULATION 3: GOODS NOT CONSTITUTING SUPPLY

Sub-regulation (1): Regulation 3 of the principal Regulation is amended in sub-regulation (1) by the deletion, in paragraph (b) of sub-regulation (1), of the word “individual” and the substitution therefor of the word “person”.

This amendment extends the supply of goods and services that do not constitute supplies for VAT purposes to supplies made to all persons. Prior to this amendment, the sub-regulation covered individuals only.

Sub-regulation (2): Regulation 3 of the principal Regulation is amended in sub-regulation (2) by the deletion, of the date “6th February, 2004” and the substitution therefor of the date “31st December, 2012”

The amendment excludes, from supplies for VAT purposes, stocks in trade, machinery and equipment bought before 31st December 2012 and on hand at the time of deregistration. Therefore, VAT should not be charged on these items at deregistration.

19.0 STATUTORY INSTRUMENT No. 91 OF 2012 VALUE ADDED TAX (APPLICATION FOR REGISTRATION) ORDER

Statutory Instrument No. 91 of 2012 revokes and replaces Statutory Instrument

19.1 REGULATION 2: INTERPRETATION

Regulation 2 has introduced the following definitions:

“relevant quarter” means any period of three consecutive months before the date of application.

“relevant year” means any period of twelve consecutive months.

This amendment introduces new definitions for the terms relevant quarter and relevant year for the purpose of determining VAT registration or deregistration.

19.2 REGULATION 3: TAXABLE TURNOVER

Sub-regulation (1): Regulation 3 of the principal Regulation provides for the calculation of the taxable turnover by reference to the relevant year or relevant quarter.

This amendment provides time periods for determining eligibility for registration.

Sub-regulation (2): Regulation 3 of the principal Regulation describes circumstances where businesses shall be deemed to exceed the VAT registration threshold.

For a business to qualify for registration, the taxable turnover should exceed K 800,000 for any period of twelve consecutive months or K 200,000 for any period of three consecutive months before the date of application.

19.3 REGULATION 4: APPLICATION FOR REGISTRATION

Sub-regulation (1): Regulation 4 of the principal Regulation requires a person carrying on a business that is deemed to exceed the prescribed turnover to make an application for registration for VAT.

This amendment means that businesses whose taxable turnover is above the prescribed turnover of K800,000 per relevant year or K200,000 per relevant quarter and are already registered shall not be required to make a fresh application for VAT registration and shall not be deregistered.

For businesses whose taxable turnover is below the prescribed turnover of K800,000 per relevant year or K200,000 per relevant quarter and are already registered will be deregistered.

For new businesses to be registered, they shall have to demonstrate that their taxable turnover either has exceeded K200,000 in the relevant quarter prior to the application for registration, or will exceed K800,000 in the relevant year.

Sub-regulations (2) and (3): Sub-regulations (2) and (3) provide guidance on the calculation of taxable turnover for VAT registration applications received between

1st January, 2013 and 31st March, 2013.

EXAMPLE 1:

Taxpayer A submits an application on 1st January, 2013. The taxable turnover to be considered will be for the period 1st October, 2012 to 31st December, 2012.

EXAMPLE 2:

Taxpayer B submits an application on 1st February, 2013. The taxable turnover to be considered will be for the period 1st November, 2012 to 31st January, 2013.

20.0 THE VAT GENERAL RULES

20.1 GAZETTE NOTICE No. 92 OF 2013

20.1.1 RULE 15: DOCUMENTS IN SUPPORT OF VAT RETURNS

(a) The principal Rules are amended by the deletion of sub-rules (4) and (5) and the substitution thereof of the following new sub-rule:

(4) All suppliers shall, in respect of each VAT return, electronically furnish to the Commissioner-General, a schedule of input tax claimed, listing the invoice date, VAT number, name of the supplier, invoice number, amount before VAT, VAT amount and the description of the goods or services supplied in the format prescribed in the Fourth Schedule to the Rules; and

(5) All suppliers shall, in respect of each VAT return, electronically furnish to the Commissioner-General, a schedule of output tax declared listing the invoice date, invoice number, name of customer, VAT amount, the nature of goods supplied (i.e. standard rated, zero rated or exempt) and the description of the goods or services supplied in the format prescribed in the Fourth Schedule to the Rules.

The amendment to rule 15 provides a requirement for all registered suppliers to submit electronic input and output schedules. The schedules should be submitted as soft copies in Microsoft Excel or Access. These should be submitted by taxable suppliers at the nearest ZRA office or authorised ZRA Agent or sent by email to inputschedules@zra.org.zm

20.2 GAZETTE NOTICE No 92 OF 2013

20.2.1 RULE 17: REQUIREMENTS FOR VAT REGISTRATION

The Principal Rules are amended by the deletion of Rule 17 and the substitution thereof of the following new Rule 17:

17(1) For the purpose of subsection (2) of section twenty-eight of the Value Added Tax Act, an application for registration shall be made by lodging a completed Tax Registration Form with the Commissioner General at any Domestic Taxes Office.

(2) The Tax Registration Form shall require the following particulars for its completion:

- (a) the business name and address of the principal place of business;
- (b) the business registration number and date of commencement of business;
- (c) a description of the supplier's business activities;
- (d) particulars of ownership of any other business in which the supplier is involved;
- (e) information as to the taxable and exempt turnover of any such business, and the value of imports and exports, if any, relating to such business, as are necessary, in the opinion of the Commissioner General, to ascertain the application of section twenty-eight of the Value Added Tax Act in respect of the supplier;
- (f) estimated value of the assets of the Supplier's business; and
- (g) such other particulars as the Commissioner General may require.

(3) Except as otherwise directed by the Commissioner General, a supplier whose annual taxable turnover falls below the turnover prescribed under the Value Added Tax (Application for Registration) Order, 2012 may apply for voluntary registration.

(4) A Supplier registering under sub-rule (3) shall be required to:

- (a) have a fixed place of business or abode;
- (b) provide a sketch map of the Supplier's business location with proof of ownership or tenancy of the premises;
- (c) have been registered for income tax for a minimum period of three months prior to lodging the application;
- (d) keep required accounting records in relation to the Supplier's business;
- (e) have a business bank account and to provide the latest bank statements covering a period of three months;
- (f) provide a business plan;
- (g) provide the latest financial statements and/or projected cash-flow;
- (h) provide a certificate of incorporation or registration of the business and a Tax Clearance Certificate;

(5) A Supplier registered under sub-rule 3 shall renew the registration every twelve months by notifying the Commissioner General in writing, thirty days before the expiry of the twelve month period of the supplier's intention to renew the registration and the supplier must be compliant in all tax types.

(6) A Supplier who fails to notify the Commissioner General of the supplier's intention to renew the registration as required under sub-rule (5) shall be de-registered and any liability due shall immediately become payable.

The amendment provides guidelines for businesses intending to register for VAT on a voluntary basis and those already registered voluntarily, who want to renew their registration after expiry of their initial registration. Additionally, it provides for the following:

- (i) replaces the words "Form VAT 1" with "Tax Registration Form"

(ii) replaces the words “VAT Office” with “Domestic Taxes Office”

20.3 GAZETTE NOTICE No. 27 OF 2013

20.3.1 RULE 18 – PROOF OF EXPORT

Rule 18 of the Principal Rules is hereby amended by the deletion of sub-rule (1) and the substitution therefor of the following;

(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 that country;*
- (c) tax invoices for the goods exported;*
- (d) proof of payment, made by the customer, for the goods;*
- (e) documentary evidence, proving that payment for the goods has been made by the customer into the exporters bank account in Zambia; and*
- (f) such other documentary evidence as the authorized officer may reasonably require.*

This amendment requires taxable suppliers dealing in exports to provide documentary proof to prove that payment from the importer has been received for the exports in a bank account in Zambia for the purposes of zero-rating.

21.0 THE PROPERTY TRANSFER TAX ACT

21.1 SECTION 1: TITLE AND COMMENCEMENT

The amendments to the Property Transfer Tax Act shall come into effect on 1st January 2013.

21.2 SECTION 2: INTERPRETATION

21.2.1 Section 2 of the principal Act is amended in subsection (1)

- (a) by the insertion in the appropriate places of the following new definitions;
“group of companies” means a holding company together with all its subsidiaries;

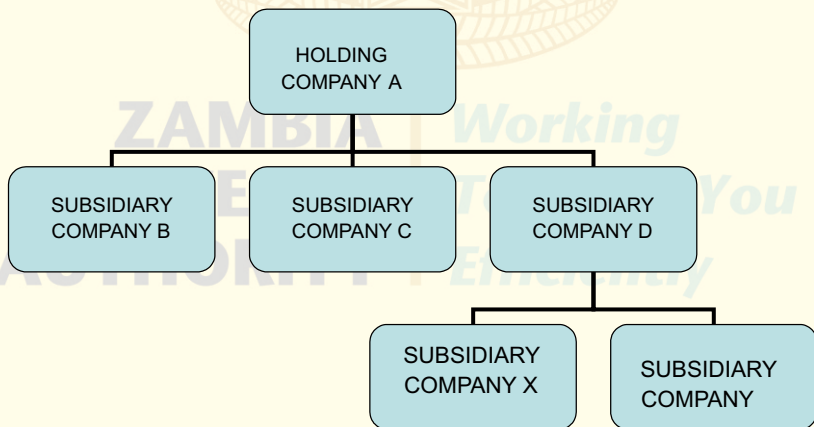
“holding company” means a company that

- (a) holds the majority of the voting rights in another company;*
- (b) is a member of another company and controls the majority of the voting rights on its own or pursuant to an agreement entered into with the other members; or*
- (c) is a member of another company and controls and has the right to appoint or remove a majority of the board of directors in that other company.*

This amendment introduces the definition of a group of companies and holding company in relation to internal group re-organization for the purposes of the Property Transfer Tax Act. It excludes situations where there is common ownership.

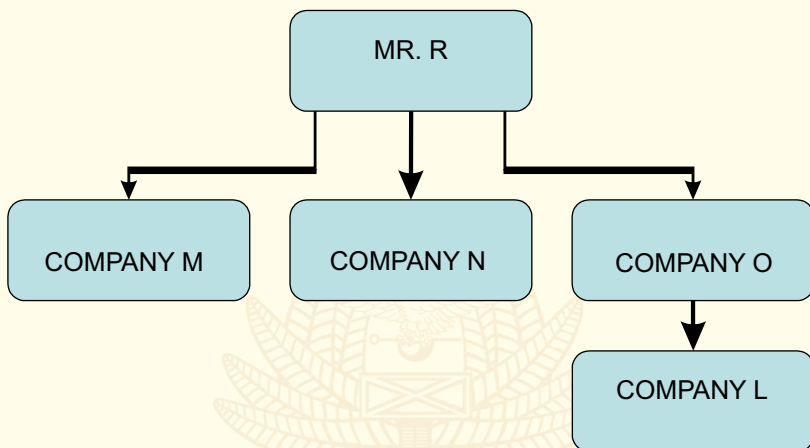
EXAMPLE 1: GROUP OF COMPANIES

Company A holds controlling shares in companies B, C and D and Company D holds controlling shares in Companies X and Y



EXAMPLE 2 – Does not constitute a group.

Mr. R holds shares in Company M, N and O



“mining right” has the meaning assigned to it in the Mines and Minerals Development Act, 2008.

The mining right includes:

- (i) a prospecting licence;
- (ii) a large scale mining licence;
- (iii) a large scale gemstone licence;
- (iv) a prospecting permit;
- (v) a small scale mining licence;
- (vi) a small scale gemstone licence; and
- (vii) an artisans mining right.

(b) by the deletion of the definition of “property” and the substitution therefor of the following;

“property” means

- (a) any land in the republic;
- (b) any shares issued by a company incorporated in the Republic; and
- (c) a mining right issued under the Mines and Minerals Development Act, 2008, or an interest there in.

The amendment includes under the definition of property, a mining right or an interest in a mining right, issued under the Mines and Minerals Development Act, 2008.

21.3 SECTION 4(2): RATE OF TAX

The principal act is amended in section 4(2) to prescribe a rate for Property Transfer Tax for a mining right or an interest in a mining right. The Act is amended by the deletion of subsection (2) and the substitution therefor of the following;

(2) The rate of tax shall be five percent of the realised value of the land or shares and in the case of a mining right, or an interest in the mining right, ten percent of the realised value of the mining right.

The amendment introduces Property Transfer Tax at the rate of ten percent on the transfer of a mining right or an interest in a mining right.

21.4 SECTION 5(3): REALISED VALUE

Section five of the principal Act is amended to provide a basis for determining the realised value of a mining right or an interest in a mining right by:

(a) insertion immediately after subsection (2) of the following new subsection:

(3) where the property to be valued is a mining right or an interest in a mining right, the realized value of the mining right or interest shall be the actual price of the mining right or interest at the time of the transfer of that mining right or interest, or as determined by the Commissioner-General, whichever is higher.

(b) the re-numbering of subsection (3), (4) and (5) as subsections (4), (5) and (6) respectively

This amendment provides for the determination of the realised value on which to charge the property transfer tax on the sale or transfer of a mining right or an interest in a mining right. The realised value shall be the actual price of the mining right or an interest in a mining right at the time of transfer or the value determined by the Commissioner-General, whichever is higher.

21.5 SECTION 9(5): PAYMENT OF TAX

The principal Act is amended to ensure that taxes are paid before the transfer of any property can be approved. The section is amended:

(a) by the insertion immediately after subsection (4) of the following new subsection;

5) Notwithstanding any other written law, the Minister responsible for mines, the Director of Mines or the Director of Geological Survey, as applicable, shall not approve the transfer, assignment, encumbrance or other dealing with a mining right or interest there in, if the transferor fails to pay the tax due in respect of the transfer, assignment, encumbrance or other dealing with a mining right or interest there in under this Act.

(b) by the re-numbering of subsections (5) and (6) as subsections (6) and (7) respectively.

This amendment provides for Property Transfer Tax to be paid before the transfer of a mining right or an interest in a mining right can be approved.

21.6 SECTION 12A: TAX INFORMATION EXCHANGE AGREEMENTS AND MUTUAL ASSISTANCE IN TAX MATTERS

The principal Act is amended by the insertion immediately after section 12 of the following new section;

12A (1) The President may enter into an agreement, which may have retrospective effect, with the government of any other country or territory for the exchange of information on tax matters or for mutual assistance in tax matters with the objective of rendering reciprocal assistance in the-

- (a) provision of data on fraud, civil and criminal tax offences;*
 - (b) administration and collection of taxes under the property transfer tax laws of the Republic and such other country or territory;*
 - (c) carrying out of tax examinations in Zambia or abroad; and*
 - (d) carrying out of simultaneous or joint tax examinations.*
- (2) Any information received by a country or territory under an agreement entered into under subsection (1) shall be treated as secret in the same manner as information obtained under the domestic laws of that country or territory and shall be disclosed only to persons or authorities involved in the assessment, collection, enforcement, prosecution or determination of appeals in relation to the taxes under this Act.*
- (3) Subsection (1) shall not be construed so as to impose on a country or territory the obligation to*
- (a) Carry out administrative measures at variance with the laws and administrative practices of that country or territory;*
 - (b) Supply information which is not obtainable under the laws of that country or territory or under the laws of Zambia; or*
 - (c) Supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.*
- (4) The minister shall lay a copy of the agreement referred to in subsection (1) before Cabinet for approval.*
- (5) The President shall as soon as practicable after the conclusion and approval of any agreement under this section, notify the public of the terms of the agreement by statutory instrument, and the agreement shall*

from the date of commencement of the statutory instrument have effect as if enacted under this Act as long as the agreement has the effect of law in the other country or territory.

This amendment allows the Government of the Republic of Zambia to enter into Tax Information Exchange Agreements (TIEAs) and Agreements on Mutual Assistance in Tax Matters (AMATMs).

Following this amendment, Zambia will now be able to undertake, with other tax jurisdictions which have similar provisions, the following:

- i) exchange information which could be used for purposes of conducting criminal investigations and prosecutions;
- ii) carry out tax examinations abroad; and
- iii) carry out joint or simultaneous tax examinations on the tax affairs of the same person in different tax jurisdictions by the respective tax administrations.

22.0 MEDICAL LEVY ACT

22.1 The Medical Levy Act, 2003, has been repealed.

This means that effective 1st January, 2013, banks and financial institutions shall not be required to deduct and account for Medical Levy.

23.0 THE MINES AND MINERALS DEVELOPMENT ACT

23.1 SECTION 1: TITLE AND COMMENCEMENT

The amendments to the Mines and Minerals Development Act shall come into effect on 1st January, 2013.

23.2 SECTION 104A: TAX CLEARANCE FOR TRANSFER OF MINING RIGHT

The principal Act is amended by the insertion, immediately after section 104, of the following new section:

104A: (1) A person who intends to transfer, assign, encumber or otherwise deal with a mining right conferred under sections twenty one, thirty two, forty three, fifty one, sixty one or seventy one shall apply to the Zambia Revenue Authority for a tax clearance certificate.

(2) Subject to the other provisions of this Act, the Minister, Director of Mines or the Director of Geological Survey as applicable, shall upon the production of a valid tax clearance certificate relating to the transfer, assignment, encumbrance or other dealing in a mining right by the mining right holder, approve the application for the transfer, assignment or encumbrance of, or other dealing in, the mining right.

This amendment introduces a requirement for a Property Transfer Tax clearance certificate to be produced before the transfer of a mining right. This therefore means that the Minister, Director of Mines or Director of Geological Survey shall only approve the application for the transfer, assignment, encumbrance or other dealings in a mining right or interest upon production of the Property Transfer Tax clearance certificate by the person transferring the mining right.

PART III: OTHER MATTERS

24 TAXATION OF BENEFITS

(i) Payment of Employees' Bills (benefits convertible into money's worth)

Where an employer discharges the liability of an employee by paying his or her private bills or expenses such as rent, electricity, telephones, water bills, school fees, or school association fees, club membership fees, similar payments, the employer is required to add such payments to the employee's emoluments and deduct tax under PAYE.

(ii) Benefits that cannot be converted into Cash

Benefits which cannot be converted into cash are not taxable on employees. However, no deduction in respect of the cost of providing the benefit may be claimed by the employer [section 44(L)].

(a) In the case of free residential accommodation provided by an employer in a house owned or leased by the employer, the cost to be disallowed in the employer's tax computation is 30% of the taxable income paid to the employee. Payments for utilities such as electricity, telephones, water bills, security and similar payments are not included in the meaning of free residential accommodation.

(b) In the case of the provision of motor vehicles to employees on a personal-to-holder basis, the benefit to be disallowed in the employer's tax computation is as follows:

(i) **Luxury Cars** (2800cc and above) K20, 000 per annum.

(ii) **Other Cars**

- 1800cc and below 2800cc - K15, 000 per annum.
- Below 1800 cc - K9, 000 per annum.

NB. A personal - to - holder vehicle means a vehicle provided to an employee for both business and personal use and usually involves payment by the employer of all the expenses associated with running and maintaining the vehicle.

(iii) Cash Benefits paid in the form of Allowances.

All cash benefits paid in the form of allowances are taxable on the employee under PAYE.

Examples of such cash benefits are:

- Education allowance;
- Housing allowance;

- Transport/fuel allowance;
- Domestic Utility allowances e.g. for electricity, telephone, and water;
- Commuted car allowance;
- Settling in allowance; and
- Allowances paid in recognition of an employee's professional qualifications.

24.1 EMOLUMENTS THAT ARE NOT SUBJECT TO PAYE

The following emoluments are exempt or otherwise not chargeable to income tax and, consequently, need not be included in the taxable emoluments.

(i) **Ex – Gratia Payments:**

A voluntary, non – contractual, non – obligatory payment made by an employer to the spouse, child or dependant of a deceased employee is exempt (Paragraph 7 (t) of the 2nd Schedule to Income Tax Act).

(ii) **Medical Expenses:**

Medical expenses paid or incurred by an employer on behalf of an employee or refunds of actual medical expenses incurred by an employee are exempt (Statutory Instrument No. 104 of 1996).

(iii) **Funeral Expenses:**

Funeral expenses paid or incurred by an employer on behalf of an employee are exempt (Statutory Instrument No. 104 of 1996).

(iv) **Sitting Allowances for Councillors:**

Payments by Local Authorities to Councillors as Sitting Allowances are exempt [Paragraph 7(s) of the 2nd Schedule to Income Tax Act].

24.2 TAX TREATMENT OF EXPENSES INCURRED ON ENTERTAINMENT, HOSPITALITY AND GIFTS

Expenses incurred on entertainment, hospitality and gifts are not allowable, subject to the following exceptions:

- a) *Where the business is one whose purpose is to provide entertainment or hospitality, e.g. hotels, restaurants, cinemas and theatres, the cost of providing these services is allowable;*
- b) *Where the entertainment is provided free with the purpose of obtaining publicity to the general public, e.g. free seats for critics at a cinema;*
- c) *Where an employer provides entertainment or hospitality for employees, e.g. meals, accommodation etc on business trips or a Christmas party for employees;*
- d) *Where a person gives gifts which bear an advertisement for the donor, e.g. calendars, pens, ashtrays, spirits, food, and other such like, as long as the cost of the gift(s) to any one person does not exceed K100 in a charge year. The cost*

of gifts in excess of K100 to the same person is disallowable.

- Note: a) Employees receiving entertainment allowances would be taxed under PAYE and the amount would be disallowable to the employer.
- b) Where an employer defrays entertainment expenses directly, the cost would be disallowable to the employer but there would be no charge on the employee unless the normal rules as to benefits apply.

24.3 TAX TREATMENT OF CANTEEN EXPENSES AND REFRESHMENTS.

Where the employer incurs expenditure on the provision of refreshments or canteen meals or any other meals (except on business trips) to employees, the benefit arises in the hands of the employees.

As the benefit cannot be converted into money's worth, it is not taxable on the employee.

Under the provisions of Section 44(L) of the Income Tax Act, the whole expenditure on refreshments, canteen meals, etc. is disallowable on the employer.

24.4 PAYMENTS ON CESSATION OF EMPLOYMENT

Payments on cessation of employment fall into the following categories;

- (a) Payments made on dismissal or resignation;
- (b) Payments made to an employee at the end of a contract;
- (c) Payments made to an employee on redundancy;
- (d) Payments made to an employee on retirement; and
- (e) Payments made on termination of employment due to death.

(a) DISMISSAL OR RESIGNATION OF AN EMPLOYEE

Where an employee has been dismissed or resigns, he may receive the following payments:

- i. Emoluments (i.e. salary, wage, overtime, leave pay, commission, bonus, fee and such like),
- ii. Cash in lieu of leave (leave days due but not taken),
- iii. Salary in lieu of notice,
- iv. Severance pay.

These payments are taxable by reference to the PAYE Tax Tables applicable for the month in which the payment accrued and do not qualify for the K35, 000 exemption under Section 21(5) of the Income Tax Act.

(b) EXPIRY OF EMPLOYMENT CONTRACT

Where employment ceases on the expiry of a contract, the following payments are usually made to the employee:

- (i) Final Salary;
- (ii) Gratuity;
- (iii) Leave pay;

- (iv) Repatriation pay.
- These payments are taxed as follows:
- Leave pay, repatriation pay and the salary are added and taxed under PAYE with respect to the tax table applicable for the month in which the payment accrues to the employee.
 - Qualifying gratuity paid is taxed as follows:

Table 5

Qualifying Gratuity Bands	Rates
First K26,400	@ 0%
Above K26,400	@ 25%

A qualifying gratuity is one that meets the following conditions:

- (i) Paid upon the termination of a written contract
 - (ii) Contract duration is not less than two years
 - (iii) Gratuity should not be more than 25% of the basic salary earned during the period of employment
- Non - qualifying gratuity is added to the salary for the month in which it is paid and taxed with reference to the appropriate P.A.Y.E tax table.

Non qualifying gratuity is gratuity that does not meet all of the conditions set out under qualifying gratuity.

(c) REDUNDANCY/RETRENCHMENT

The following payments may be made to an employee who has either been declared redundant or has been retrenched:

- (i) Salary;
- (ii) Leave pay;
- (iii) Repatriation pay;
- (iv) Refund of pension contributions (from an approved pension scheme);
- (v) Salary in lieu of notice;
- (vi) Severance pay;
- (vii) Accrued service bonuses;
- (viii) Compensation for loss of office.

The above payments are taxed as follows:

- Salary, Leave pay, Salary in lieu of Notice, Accrued service bonuses and Repatriation pay are taxed under PAYE in the month in which they accrued to the employee;
- Severance pay and Compensation for loss of office shall be taxed as follows:
The first K35, 000 is exempt from tax and the balance is taxed at 10%
- The refund of employee's pension contribution is taxed as a lump sum payment at the rate of 10% (Section 82).
- The refunded employer's pension contribution will be subjected to tax under the PAYE system.

(d) EARLY OR NORMAL RETIREMENT

Where an employee has been retired early or normally, the following payments

may be made:

- (i) Salary;
- (ii) Leave pay;
- (iii) Repatriation pay;
- (iv) Pension from an approved pension fund;
- (v) Accrued service bonuses;
- (vi) Severance pay.

The above payments are taxed as follows:

- Salary, Leave Pay, Repatriation pay and Accrued service bonuses are taxed under PAYE in the month in which payment accrued to the employee.
- Severance pay and Compensation for loss of office shall be taxed as follows:
 - The first K35, 000 is exempt from tax and the balance is taxed at 10%;
 - Pension is exempt from tax (Paragraph 7(q) of 2nd schedule to the Income Tax Act).

(e) TERMINATION OF EMPLOYMENT DUE TO DEATH

The following payments may be made upon the death of an employee:

- (i) Salary;
- (ii) Leave pay;
- (iii) Gratuity;
- (iv) Ex-Gratia payment;
- (v) Accrued service bonuses;
- (vi) Pension.

The above payments are taxed as follows:

- The salary up to date of death, leave pay and accrued service bonuses are taxed under PAYE in the month in which the payments accrued to the employee.
- Gratuity is taxed as in paragraph 24.4(b) above.
- Ex-Gratia payments are exempt from tax.
- The tax treatment of pension is the same as for early or normal retirement in 24.4(d) above.

24.5 TAX TREATMENT OF LEAVE PAY AND SALARY IN LIEU OF NOTICE

All employers should take note that Leave Pay and Salary in Lieu of Notice, received on resignation, dismissal, expiry of contract, redundancy or retrenchment, early retirement, or on termination of employment due to death, will not be classified as terminal benefits under Section 21(5) of the Income Tax Act. Payments made in such cases should be subjected to tax under PAYE scheme in the normal way.

24.6 LUMP SUM PAYMENTS MADE ON MEDICAL GROUNDS

Where the employer, on medical advice, determines that an employee is permanently incapable of discharging his/her duties through infirmity of mind or body, one may terminate the services of an employee.

With effect from 1st April 2001, a lump sum payment made to an employee on termination of employment on medical grounds is exempt from tax.

24.7 TAX TREATMENT OF SETTling IN ALLOWANCES

Settling in allowances, or whatever name called, paid to new employees and employees on transfer constitute emoluments and should be subjected to tax under the PAYE scheme.

24.8 SEVERANCE PAY

In most cases employers make payments of "severance pay" upon the dismissal or resignation of an employee. Payments made in such cases should not be classified as terminal benefits under Section 21(5) of the Income Tax Act.

However, where severance pay is paid as part of the package when an employee is retrenched, declared redundant, retires normally or opts for early retirement, the payment should be classified as terminal benefits. The tax treatment is covered under Section 21(5) of the Income Tax Act.

25.0 TAX RATES

- (a) **Personal Income Tax Rates:** Personal Income tax rates, with effect from 1st January 2013, are as follows:

Table 6

Income Bands	Rates
First K26,400	@ 0%
Above K26,400 up to K36,000	@ 25%
Above K36,000 up to K70,800	@ 30%
Above K70,800	@ 35%

(b) Other Income Tax Rates

Table 7

Category	Rate (%)
Any Person carrying on mining operations (variable profit tax)	$Y=30\% + [15\%-(ab/c)]$
Manufacturing & other companies	35
Public Benefit Organisation (on income from business)	15
Agro-processing	10
Farming	10
Non traditional exports	15
Chemical manufacture of fertilizer	15
Manufacture of Organic fertilizer	15
Trusts, deceased or bankrupt estates	35
Rural enterprises	Tax chargeable reduced by 1/7 for 5 years
Business enterprise operating in a priority sector declared under the Zambia Development Agency Act, 2006	0% for the 1 st 5 years
	Rate reduced by 50% from 6 years -8
	Rate reduced by 25% from 9 years -10
Electronic communication business:	
First K250, 000	35
Above K250, 000	40

(c) Withholding Tax Rates

Table 8

Category	Rate (%)
Dividends for individuals and companies (Final Tax)	15
Dividends for companies carrying on mining operations	0
Interest on GRZ bonds (Final Tax for Individuals & Exempt Organisations only)	15
Interest for individuals (earned from bank s or building societies savings and deposit accounts), (Final Tax)	0
Interest on Treasury Bills for Individuals (Final Tax)	15
Interest on Treasury Bills (Final Tax for Exempt Organisations)	15
Other Interest	15
Royalties (Residents)	15
Royalties to Non - Residents	20
Rents	15
Commissions	15
Commissions paid to Non-Resident persons (Final Tax)	15
Public Entertainment Fees for Non- Residents (Final Tax)	15
Management and Consultancy Fees to Non-Residents	20
Non-Resident Contractors (Final Tax)	15

Notes:

- When interest is awarded by Courts of Law it is still regarded as “Interest” and withholding tax is deductible in accordance with the appropriate rates as above.
- The term “Royalty” includes leasing and therefore leasing income is subject to withholding tax.

(d) VAT Rate

Category	Rate	Input Tax deduction/credit
Standard Rate	16%	Full input tax deduction/ credit
Zero-Rate	0%	Full input tax deduction/ credit
Exempt	Not taxable	Input tax not deductible

(e) Property Transfer Tax Rates

Category	Rate
Land(including buildings, structures or improvements there on)	5%
Shares	5%
Mining Right/ Interest in Mining Right	10%

(f) Mineral Royalty Rates – Rate at 6% for all Minerals

25.1 VAT DEREGISTRATION PROCEDURES

1. With effect from 1st January 2013, any business with a taxable turnover of K800,000 and below will not be required to register for VAT and they will be required to follow procedures below to expedite their deregistration process:
 - to confirm with Zambia Revenue Authority that their taxable turnover is indeed below the registration threshold by completing a ZRA prescribed form obtainable from the nearest ZRA Domestic Taxes Division Offices.
 - to stop charging VAT on sales with effect from 1st January 2013.
 - to submit the final return (VAT 99) by 21st January 2013.
 - to promptly settle their outstanding debts.
2. In cases where the affected businesses have already charged VAT on sales made after 1st January 2013, they will be required to account for that VAT on the final VAT return.

IMPORTANT ISSUES TO NOTE

- a. Businesses due for deregistration are required to surrender their original VAT certificates to ZRA;
- b. VAT **should not be charged** at the time of deregistration on stocks on hand at 1st January 2013;
- c. VAT **should also not be charged** at the time of deregistration on capital equipment and machinery acquired on or before 31st December 2012;
- d. All businesses who wish to register under voluntary VAT registration should submit an application after lodging their final return.

VAT DEREGISTRATION AUDIT

The ZRA may visit the taxpayer to conduct the deregistration audit.

The auditors will verify the compliance issues of taxpayer including:

- The tax computations on the final return and any other tax periods when the taxpayer was registered;
- Omissions;
- False claims;
- Verification of stocks and assets;
- Etc

In cases where the officers discover any errors on the taxpayer's declarations, necessary adjustments will be made and such adjustment will form part of the final liability due from the taxpayer.

The final liability and any outstanding liabilities should be settled in full before the deregistration process is finalised. Where the taxpayer is owed a refund by ZRA, the Authority will be required to refund the taxpayer before the taxpayer is deregistered.



**ZAMBIA
REVENUE
AUTHORITY**

*Working
To Serve You
Efficiently*

26 DOMESTIC TAXES CONTACT ADDRESSES:

If you have any problems 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>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>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>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>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>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>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>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>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>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>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>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> |
|--|---|

- 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
- 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
- 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
- 16 Provincial Manager
Small Taxpayer Office - Western
P.O. Box 910110
Mongu
Tel: 021 7 221662
Fax: 021 7 221662
- 17 Provincial Manager
Small Taxpayer Office - Eastern
P.O. Box 510632
Chipata
Tel: 021 6 221155
Fax: 021 6 221155
- 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
- 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
- 20 Provincial Manager
Small Taxpayer Office – North-Western
P.O. Box 110368
Solwezi
Tel: 021 8 821682
Fax: 021 8 821682
- 21 Provincial Manager
Kasama Tax Office
P.O. Box 410728
Kasama
Tel: 021 4 221810
Fax: 021 4 221810
- 22 National Call Centre
New Revenue Hall
Private Bag W136
Lusaka
Tel: Zamtel Network: (01) 381111
Airtel Network: 0971 281111
Or 5972

Website: <http://www.zra.org.zm>

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.

