



**ZAMBIA
REVENUE
AUTHORITY** | *My Tax
Your Tax
Our Destiny*

Cash

Accounting

For more information contact:

4111 / +260 211 381111/ 0971-281111/
0962251111

Email us at: advice@zra.org.zm
Website: www.zra.org.zm

What is Cash Accounting?

Cash Accounting is a cash flow incentive available to VAT registered suppliers who are tax compliant. It is a facility where the taxpayer only accounts for the output tax on supplies for which he has been paid and claims input tax only on purchases he has paid for.

This incentive shall only apply to supplies for which payment is made wholly by a monetary consideration.

Who qualifies for Cash Accounting Scheme?

The incentive is available to members of the Association of Building and Civil Engineering Contractors (ABCEC) and to VAT registered suppliers who are in the electricity generation subsector.

Who does not qualify for Cash Accounting Scheme?

Suppliers of goods and services whose consideration is paid in kind or partly in cash are excluded from the cash accounting scheme.

How do I access the Cash Accounting Scheme?

Members of the Association of Building and Civil Engineering Contractors (ABCEC) as well as VAT registered suppliers who are in the electricity

generation subsector, are required to apply in writing, to the Commissioner-General, who subject to other conditions as he may require, shall approve the application.

What are the requirements for approval to the scheme?

The taxpayer is required to be:

1. Registered for VAT and all other relevant tax types for which they qualify for registration;

2. A member of the Association of Building and Civil Engineering Contractors (ABCEC) or a VAT registered supplier in the electricity generation subsector; and

3. Compliant for all tax types with respect to return submission and payment of taxes.

What do I need to attach to the application letter?

Contractors are required to attach a copy of ABCEC membership certificate or proof of approval from the Energy Regulation Board (ERB) as applicable to their application.

