



For more information contact:  
4111 / +260 211 381111/ 0971-281111/  
0962251111

Email us at: [advice@zra.org.zm](mailto:advice@zra.org.zm)  
Website: [www.zra.org.zm](http://www.zra.org.zm)

# Insurance Premium Levy

## What is Insurance Premium Levy?

The Insurance Premium Levy (IPL) is a levy imposed on all insurance premiums for all classes of insurance business excluding re-insurance and commissions earned on brokerage because commissions are not classified as insurance business.

Insurance premium levy is charged at the rate of 3%. The collection of the levy commenced on 1st January, 2016, pursuant to the IPL Act No. 21 of 2015.

## Who collects and remits Insurance Premium Levy?

It is the responsibility of the insurer, insurance agent or broker to collect and remit the levy to Zambia Revenue Authority (ZRA).

## When is the Insurance Premium Levy due?

The return filing and payment due date for the levy is the 18<sup>th</sup> day of the month following the month for which the return and payment is being made.

## What law shall apply in the recovery of Premium Insurance Levy?

The Value Added Tax (VAT) Act will apply in the enforcement and administration of the Premium Levy Act for the following:

- (a) Recovery of the levy;
- (b) Filing of returns;
- (c) Assessments;
- (d) Keeping of records;
- (e) Furnishing of information and production of documents;
- (f) Delegation of authority;
- (g) The appointment of authorised officers;
- (h) Penalties and sanctions;
- (i) Reviews and appeals; and
- (j) The priority of tax debts in bankruptcy.

For instance, the penalties applicable for the late submission of VAT returns of 1000 penalty units per day or 0.5% of the tax due, whichever is greater, will also apply to the late submission of the IPL return.

Note: Penalty Rates

No	Penalty Type	Penalty rate
1	Late registration	10,000 penalty units
2	Late submissions of return	1,000 penalty units per day or 0.5% of the tax due
3	Late payment	1,000 penalty units per day or 0.5% of the tax due
4	Interest on late payment	Bank of Zambia discount rate plus 2%

A penalty Unit is K0.30

