

EFD, entering false data on the EFD, tampering or manipulating information transmitted on an EFD, issuing false invoices and malicious damage or opening of an EFD attract a fine, upon conviction, of up to K27,000.00 or imprisonment, or both imprisonment and a fine.

Finally, it is important to note that EFDs are non-transferable, and should consequently not be moved from the registered premises or exchanged among Taxpayers.



For more information contact:

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# ELECTRONIC FISCAL DEVICES

## INTRODUCTION

Pursuant to the enactment of the Value Added Tax (Electronic Fiscal Devices) Regulations, 2020, and the amendment of the Value Added Tax Act, it is mandatory for taxpayers registered for Value Added Tax (VAT) and Insurance Premium Levy (IPL) to procure, install and use Electronic Fiscal Devices (EFDs) to record all sales transactions. The legal provision for this requirement is Section 7A of the Value Added Tax Act CAP 331 of the Laws of Zambia.

## WHAT IS AN ELECTRONIC FISCAL DEVICE?

An Electronic Fiscal Device is a device that has fiscal memory, capacity to generate or produce tax invoices and other reports, capable of virtual transfer of data and allows online audit and monitoring of transactions.

## TYPES OF ELECTRONIC FISCAL DEVICES INTRODUCED IN ZAMBIA.

ZRA currently offers three types of EFDs: the Fiscal Cash register (FCR), Electronic Signature Device (ESD) and the Virtual Electronic Fiscal Device (V-EFD). The FCRs have replaced the use of manual Tax Invoices and conventional Cash Registers for capturing sales transactions in Zambia.



Businesses using Accounting or Point-of-Sale systems will differ from businesses using manual Tax Invoices as they will not have to use the FCRs. The solution for these taxpayers requires interface development to get their Accounting systems integrated with the Tax Invoice Management System at ZRA via the ESD or V-EFD.



## BENEFITS OF THE ELECTRONIC FISCAL DEVICES

- Standardized Invoices- All invoices issued by suppliers will be generated by the ZRA system.
- Invoice Authentication- Taxpayers will be able to verify whether invoices are valid or not.
- Fewer mismatches between returns submitted and invoices.
- Real time transmission of sales transactions from the taxpayer to a central server at ZRA. This means that tax is safeguarded and reaches its intended place, which is ZRA.
- Easier compilation of VAT returns for taxpayers.
- Easier monitoring of stocks by taxpayers and thus reduced pilferage in the case of FCRs.
- Improved service delivery to the taxpayer.

- Online audit of transactions.

## LEARNING HOW TO USE AN EFD

ZRA provides training on the use of the FCRs. Additionally, user manuals and tutorial videos can be accessed from the ZRA website at [www.zra.org.zm](http://www.zra.org.zm).

## DOWNLOADING SALES INFORMATION FROM THE ZRA WEBSITE

All sales transactions recorded using EFDs are transmitted in real-time to the Tax Invoice Management System managed by ZRA. In order to facilitate access to the EFD invoice data transmitted to TIMS, a link is provided on the website under Registration menu at [www.zra.org.zm](http://www.zra.org.zm). Taxpayers are required to provide a Terminal ID and corresponding Registration Code for their EFD to successfully download the invoice data.

The invoice data downloaded from the website only includes uploaded transactions. Therefore, taxpayers using EFDs are advised to ensure that all invoices are uploaded before making an attempt to download their sales from the website.

## BUSINESS CONTINUITY PLAN

Taxpayers who acquired and installed EFDs are required to invariably issue invoices from the EFDs. However, taxpayers using EFDs are allowed to use manual Tax Invoices for business continuity, on condition that they inform ZRA and vendors, when the EFDs develop faults which disrupt usage of the devices.

## OFFENCES AND PENALTIES

Failure to issue tax invoices attracts a fine, upon conviction, of up to K90, 000.00 or imprisonment, or both imprisonment and a fine.

Furthermore, offences which include non-use of an