



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

- First offence, a penalty not exceeding ZMW 30,000.00;
- Second offence, a penalty not exceeding ZMW 60,000.00; and
- Third or subsequent offence, a penalty not exceeding ZMW 90,000.00, or imprisonment for a term not exceeding three years, or both.

Furthermore, offences which include Non-use of an 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 K90,000.00 or imprisonment, or both.

Which activities constitute offences equivalent to failure to use an EFD?

The offences include, but not limited to entering false data on the EFD, tampering with or manipulating information transmitted on an EFD, issuing false invoices, malicious damage, and damage resulting from negligence.

Are taxpayers using EFDs allowed to exchange devices?

EFDs are non-transferable once registered for a specific taxpayer and taxpayers are not allowed to move EFDs from one registered business location to another without informing ZRA to amend physical addresses.

How long does an invoice issued from the FCR take to fade?

The invoices issued from the EFD can last for some time but Invoices can also be reprinted from the device and ZRA website.

Is it possible to reflect the mode of payment (Cash, Cheque or Card) using the EFDs?

Yes. The EFD offers a selection of mode of payment on invoices using the 'pay mode' button for a selection of payment type.

Is it possible to make corrections/adjustments to a transaction on the EFD while a sale is in the process?

Yes. One can cancel a transaction using the cancel button before an invoice is printed.

Is it possible to make corrections/adjustments to a transaction on the EFD after a sale has been completed?

No. Once a sale has been completed, adjustments are not possible on that particular transaction. The options available are to raise a credit note or a debit note as the case may be.

Can one reflect or make a credit sale on the EFDs?

Yes. One may make a credit sale using the payment mode button. Choose type of sale and select credit sale.

Is it possible to reflect the buyers' details on the EFD tax invoice?

Yes. The taxpayer may enter details such as the name, TPIN and address of the buyer in the Buyer Management Mode.

How can one access EFD User Manuals or tutorials?

User manuals and tutorials can be accessed from the ZRA website at www.zra.org.zm

For further queries contact:

efdhelp@zra.org.zm

advice@zra.org.zm

Phone numbers:

+260971282257, 260 211 381111, 5972 (all networks),

+260 971281111, +260 962251111; +260 971282174;

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EFD

Frequently Asked Questions

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 (1) 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 gadget (physical or virtual) that has fiscal memory, capacity to generate tax invoices and reports, and capable of virtual transmission of data to facilitate online audit and monitoring of transactions.

ZRA currently offers three types of EFDs; the Fiscal Cash register (FCR), Electronic Signature Device (ESD) and the Virtual Electronic Fiscal Device (V-EFD). FCRs have replaced the use of manual Tax Invoices and conventional Cash Registers for recording sales transactions in Zambia. ESD and V-EFD are applicable to taxpayers using Accounting Packages or Point-of-Sale (POS) systems approved for VAT purposes.

Are there any exemptions from the use of EFDs?

Section 7A (2) of the Value Added Tax Act gives powers to the Commissioner-General to approve the use of manual tax invoices, accounting software or device other than an Electronic Fiscal Device for certain categories of taxpayers.

Does the requirement to use EFDs also apply to taxpayers who issue few invoices per month?

All Taxpayers are required to invoice using the Electronic Fiscal Device for the sales made regardless of the number of invoices issued in a month.

What happens when there is no power supply and no network connection?

It is a requirement that the EFD is turned on and in use at all times. EFDs have internal rechargeable batteries which allow Taxpayers to use the devices for some time during power supply interruption. Taxpayers are advised to en-

sure the devices are fully charged at all times. However, the law permits use of manual invoicing for business continuity after notifying ZRA when usage of the device is disrupted due to causes including prolonged power supply failure. In an event that there is no network connectivity, the EFD provides for the issuance of invoices offline which can be uploaded to the Tax Invoice Management System once connectivity is restored.

How much time is given to taxpayers for transition after acquiring an EFD?

Taxpayers are expected to start using the device immediately it is initialised and allocated. Taxpayers are expected to contact the ZRA EFD Team for assistance on any challenges faced with the device. Contact details are provided at the back of this leaflet.

Does one need to wait until they have loaded stock to make sales?

No - A taxpayer can make sales where stock has not yet been loaded, using the Temporary or Fn-PLU buttons on the FCR.

What is the solution for adding stock to EFDs for taxpayers that have different items in stock and in large quantities?

Taxpayers can use the EFD Assistant application to enter stock details, buyer details and foreign currency settings which can be imported on the device through IP host or U disk (flash).

Does the EFD cater for taxpayers that sell the same goods to different customers at different prices?

EFDs provide for an option to give a percentage discount to qualifying customers under sales mode.

How possible is it to make an adjustment on the EFD stock mode in case of damaged or expired stocks?

It is possible to adjust quantities of stock on the EFD using the 'Stock-In and Stock-Out' options in the Stock Management mode.

Is there synchronization on stock i.e. in cases where a taxpayer has two or more devices in one store, can they add stock on one device and the stock will automatically show on the other devices? And, once a sale is made using one, will the other devices reflect that?

Where a taxpayer has more than one device, the devices operate

independent of each other. Stock can be added and removed manually from one device to another.

When entering prices of goods on the EFD, does the taxpayer enter the amount inclusive or exclusive of VAT?

All prices for standard-rated goods or services must be entered in the EFD as tax inclusive amounts unless the goods or services are either exempt or zero-rated by nature.

However, it is important to note that amounts for Insurance Premiums are entered on the EFDs exclusive of Insurance Premium Levy (IPL).

Are taxpayers that are using EFDs allowed to issue manual tax invoices to customers that request for hand-written invoices?

All invoices from taxpayers using EFDs must be issued from the fiscal devices. Manual invoices from taxpayers that acquired EFDs are not accepted. However, taxpayers using EFDs are allowed to use manual tax invoices for business continuity when the EFDs develop faults which disrupt usage of the devices on condition that they inform ZRA and vendors.

How can one access the EFD Assistant?

The EFD Assistant is a computer application that is tailored for entering stock details, buyer details and foreign currency settings for importation onto the device. It can be accessed from the EFD Team.

What records will taxpayers give the Auditors since only one copy of the fiscal invoice is printed?

Fiscal invoices can be reprinted from the device under Invoice Management menu or the ZRA website using the Invoice Authentication link under the Registrations menu. Taxpayers can also use periodic reports from the device.

Are there penalties for not using an EFD?

Once a taxpayer is registered and receives an EFD, it is a legal requirement to use the device at all times. Failure to issue tax invoices attracts penalties as follows: