

5.2 Turnover Tax Registration

Turnover Tax (TOT) is a tax that is charged on gross sales/turnover (i.e. earnings, income, revenue, takings, yield and proceeds). Therefore, a person/corporation conducting any business with annual sales/turnover of K800,000.00 or less is supposed to register for turnover tax.

5.3 PAYE Registration

This will apply to individuals, companies, partnerships, etc. who have employees or any entity that intends to employ. Registration of PAYE does not take into consideration the emoluments employees receive.

Locally recruited staff (employees) of Foreign Missions and International Organisations which are exempt under the Diplomatic Immunities and Privileges Act are supposed to register for PAYE individually and the tax is collected directly from the employee. Such an arrangement is known as Direct Payment (DP).

5.4 Withholding Tax Registration

Any person whose business earnings are subject to withholding tax and it is not the final tax such as commissions, interest earned by companies, royalties earned by residents, etc. will be required to register for withholding tax.

5.5 Mineral Royalty Tax Registration

Mineral Royalty is a payment received as consideration for the extraction of minerals in the Republic of Zambia. Therefore, Holders of Large -scale mining license, Large -scale gemstone license, Small-scale mining license, Small-scale gemstone license, Artisan's mining right and Mineral trading permit are liable to mineral royalty on minerals produced under their respective licenses and have to register for Mineral Royalty.

5.6 VAT Registration

Businesses are required by law to register for Value Added Tax (VAT) if they deal in taxable goods and services and their taxable turnover exceeds the Statutory registration threshold of K800,000.00 per annum. However, a Supplier

whose standard rated goods and services is below the Statutory threshold for VAT registration may apply for Voluntary VAT registration. The following are the mandatory attachments for Statutory and Voluntary VAT registration:

- (a) Statutory VAT registration attach: -
- (i) Proof of fixed place of business or abode such as a utility bill;
 - (ii) Description of the Taxpayer's business activities
 - (iii) Particulars of ownership of any other business in which the supplier is involved;
- b) Voluntary VAT registration attach: -
- (i) Proof of fixed place of business or abode such as a utility bill
 - (ii) Sketch map of the Supplier's business location with proof of ownership or tenancy of the premises
 - (iii) Latest bank statements covering a period of three months
 - (iv) Business plan
 - (v) Latest financial statements and/or projected cash flow;
 - (vi) Certificate of Incorporation or Registration of the business

A supplier registered under Voluntary VAT registration shall renew the registration every twelve (12) months by notifying the Commissioner General in writing, thirty (30) days before the expiry of the twelve-month period of the intention to renew the registration. The supplier must be compliant in all tax types. A supplier who fails to notify the Commissioner General of his intention to renew the registration as required shall be de-registered and any liability shall immediately become payable.

A taxpayer that is already registered for a TPIN and a Tax type but requires registration of an additional tax type such as Tourism Levy or Insurance Premium Levy, should amend the original registration by adding a tax type online through the profile. Relevant supporting document must be attached.

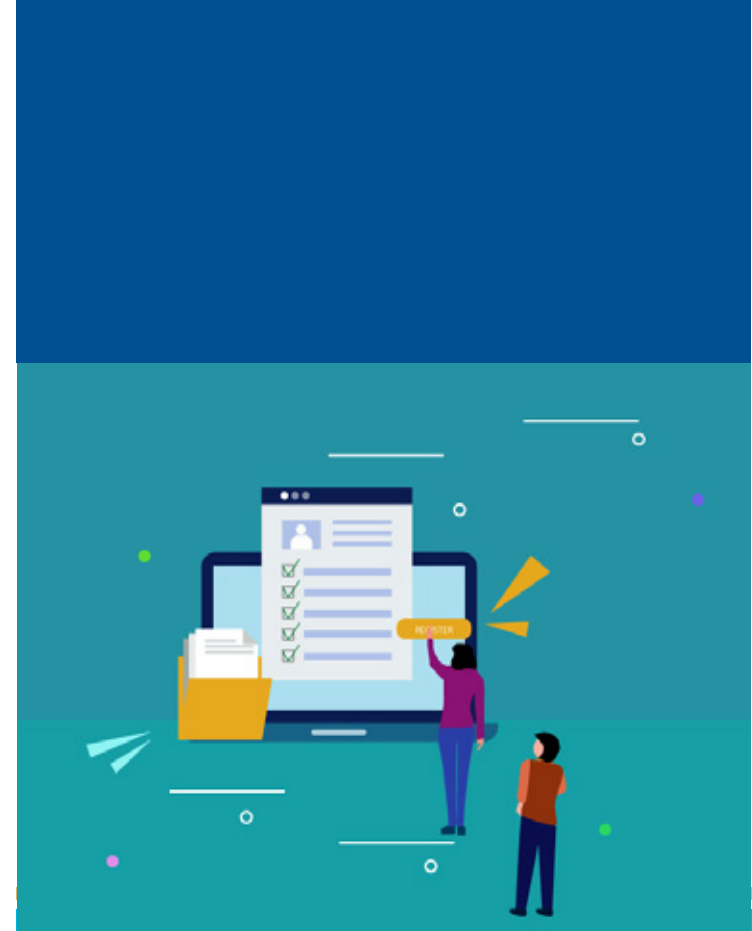
For all the above tax registrations, it is also possible for ZRA to enforce registration by conducting a ZRA initiated registration. This would occur in circumstances where the Taxpayer did not willingly initiate the registration.

Taxpayers must ensure to observe all post registration requirements indicated on the registration Notices/Certificates issued upon registration for a Tax type to avoid penalties.

Take advantage of the e-services available by registering for e-services.

For more information contact:

Call Centre: 4111
Email: advice@zra.org.zm
Website: www.zra.org.zm



REGISTRATION



1.0 INTRODUCTION

The Law requires every person carrying on business activities or an intending trader to register for taxes. This leaflet explains how to register for a Taxpayer Identification Number (TPIN) and for various taxes using online and manual processes.

2.0 TAXPAYER IDENTIFICATION NUMBER (TPIN)

A TPIN is a unique ten-digit computer generated number allocated to a taxpayer upon registration with the Zambia Revenue Authority (ZRA) or with the Patents and Companies Registration Agency (PACRA). It is a pre-requisite for any transaction with ZRA. The TPIN is equally a requirement for one to register for any tax type like Value Added Tax (VAT), Income Tax, Pay As You Earn (PAYE), Rental Tax or any other tax type.

Registration of a TPIN is also a mandatory requirement for one to transact with some organisations in Zambia, for instance, a TPIN is a pre-requisite for one to open a bank account, transact with ZESCO, transfer of property, etc.

3.0 WHO SHOULD REGISTER

Every individual and or entity (institution or organisation) in receipt of income/in business/operation in Zambia must register for TPIN and/or taxes. The institutions include but not limited to the following:

- a) Incorporated companies
- b) Trusts
- c) Societies
- d) local authorities and Statutory bodies
- e) registered trade unions
- f) Clubs, Societies, Unions, Co-operatives etc
- g) Partnerships

4.0 TPIN REGISTRATION

TPIN registration is automated for all companies and individuals who register with Patents and Companies Registrations Agency (PACRA) and do not have a TPIN at the time of registration. The generation of these TPINs is done through the interface between ZRA TaxOnline system and PACRA system.

The required documents to be attached to the registration

form are as follows:

4.1 Incorporated Companies

Incorporated companies shall have the following attachments: -

- Certificate of incorporation;
- Certificate of share capital; and
- Articles of Association.

4.2 Registered Foreign Companies

Registered foreign companies shall have the following attachment: -

- Certificate of registration.

4.3 Partnerships

Registered partnerships shall have the following attachments: -

- Certificate of Registration (including informal partnerships); and
- Partnership Deed/Contract.

4.4 Registered Sole Proprietors

Registered Sole Proprietors/Individuals under the Business Act shall have the following attachments: -

- National Registration Card; and
- Certificate of Registration, if any.

4.5 Individuals Resident (without registration certificate under any Act)

Individuals shall register using the ZRA web-portal, TaxOnApp, TaxOnPhone or any other registration facilities that may come on board. They are required to fill in all the required information in the fields provided. The following attachments may be made: -

- Sketch map of location of business; and
- National Registration Card copy.

The application shall then be submitted.

4.6 Entities registered under the Co-operative Societies Act

TPIN applications for Cooperative Societies shall be made online on the ZRA portal by filling in all the required information in the fields provided. The following mandatory attachments shall be made: -

- Certificate of Registration;
- Letter of recommendation from relevant authority;

- Cooperative by-laws;
 - Minutes of the meeting in which it was agreed to form a Cooperative;
 - List of members with their address, paid up shares, National Registration Cards (NRCs) (optional) and Signatures;
 - Members' NRCs (optional); and
 - Any instrument relating to the Co-operative.
- The application shall then be submitted online.

4.7 Public Benefit Organisation, Club, Association, Ministry body, etc.

TPIN applications for these organisations shall be made online on the ZRA portal by filling in all the required information in the fields provided. The following mandatory attachments shall be made: -

- Constitution;
- The names and address of its office bearers;
- The funds available to it and its source of funds;
- Certificate of Registration;
- Any instrument relating to the Co-operative; and
- Sketch map of physical address.

5.0 TAX TYPE REGISTRATION

5.1 Income Tax Registration

Taxpayers whose turnover is above K800, 000.00 will register for Income Tax and this is applicable to both individuals and Limited Companies.

Individuals and Limited Companies: Taxpayers whose turnover is below K800, 000.00 in a charge year, will register for Turnover Tax.

NOTE: Partnerships, mining operating entities and Consultancy businesses do not fall under Turnover Tax regardless of their turnover being below K800, 000.00

Partnerships will register for Income Tax to facilitate for the receipt of Partnership Annual Returns at the end of the charge year. Partners will register for Income Tax separately as they will be taxed according to their profit-sharing ratios.