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**Tax Clearance
Certificate**

1. What is a Tax Clearance Certificate (TCC)?

This is a certificate issued by the Commissioner General, valid for such period as may be specified. The person or partnership to whom or to which it is issued should have fulfilled all obligations imposed upon him /her or on it by the Act and by any other Act for which the Commissioner General is responsible.

2. Who should apply for a tax clearance certificate?

- Any person or partnership trading as a supplier of goods or services.
- Any person applying for change of ownership of a motor vehicle.
- Any person seeking to register a motor vehicle
- Any person applying for Advance Income Tax (AIT) waiver on importation of goods.
- Any person changing ownership for shares, land & building and mining rights.

3. How does one apply for a tax clearance certificate?

A taxpayer can apply for a tax clearance online through the ZRA web portal. However, the taxpayer needs to be registered with ZRA for a TPIN and or appropriate tax types.

Note:

For tax accounts that have no liabilities on them, a TCC is issued once applied for automatically. If for some reason the tax account has liabilities, a TCC will not be issued although the taxpayer can then engage with the appropriate ZRA officer at the local ZRA office for any appropriate agreements to settle outstanding liabilities.

For TCCs issued on change of ownership, the process is slightly different as the taxpayer will be required to complete other prescribed forms and attach the necessary required documents.

4. Are institutions or business houses required to demand for a valid TCC?

Yes, institutions are required to demand for a TCC before change of ownership is granted while other organisations or business houses demand for TCC where invoice values meet the required threshold to demand for a TCC as indicated in no 6. See below for certain provisions in the Income Tax Act concerning issuance of a TCC.

5. Cases where the requirement for a TCC is mandatory:

Where any person, institution or authority is empowered,

- a) By any written law or otherwise, to register the transfer of any property, that person, institution or authority shall not register the transfer unless the party transferring the property produces a valid tax clearance certificate.
- b) To issue a trading license under the Trades License Act or any other written law shall not issue the trading license to any applicant unless the applicant produces a valid tax clearance certificate.



c) To register the ownership of motor vehicle under any written law shall not register the motor vehicle unless the applicant produces a valid tax clearance certificate.

d) To issue a permit or mining license under the Mines and Minerals Act, they shall not issue the permit or license to any applicant unless the applicant produces a valid tax clearance certificate.

6. Validity of Tax Clearance Certificate:

a) A Tax Clearance Certificate is valid for a period of one year. However, should a taxpayer become non-compliant during the course of the year by failure to submit returns and make payments on time, the tax clearance certificate will be cancelled.

7. Are there any exemptions from the requirement of a Tax Clearance Certificate?

Yes.

a) Where goods or services of a value not exceeding K200.00 per transaction are supplied by a person or partnership, no tax clearance certificate shall be required.

b) Where agricultural products of a value not exceeding **K10, 000.00 per transaction** are supplied by a person or partnership, no tax clearance certificate shall be required. (Agricultural products include cereal, livestock, fruits, vegetables, fish, etc.)

8. Should a person making a personal importation apply for a TCC even when they are not in business?

Yes. This is for purposes of obtaining relief on Advance Income Tax.