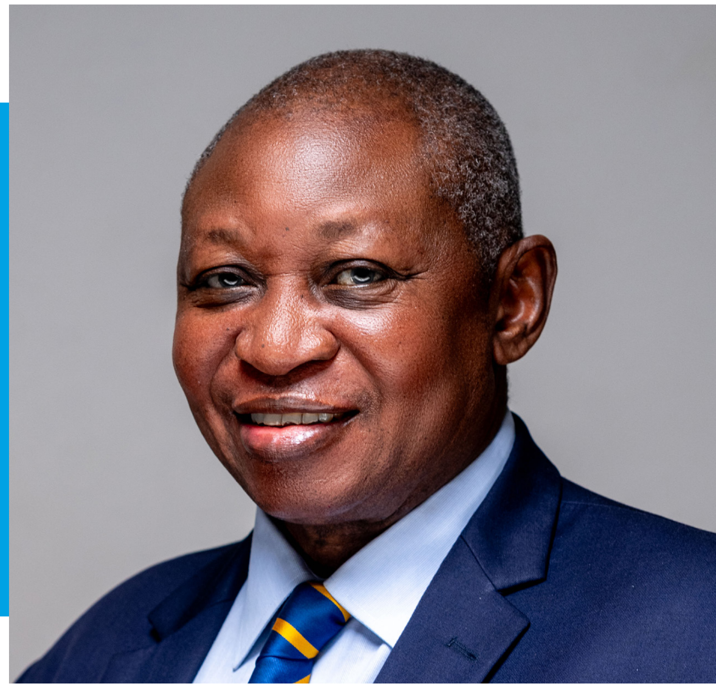
ZAMBIA REVENUE AUTHORITY

My Tax Your Tax Our Destiny

ANNUAL REPORT 2024

CHAIRPERSON'S STATEMENT



In 2024, the Zambia Revenue Authority (ZRA) remained steadfast in fulfilling its mandate of mobilising revenue for the Government despite the significant headwinds occasioned by the drought experienced in the 2023/2024 rainy season. The drought largely disrupted agriculture production and electricity supply, leading to constrained growth during the first half of the year. Real GDP growth declined to 2.2 percent in the first quarter and 1.9 percent in the second quarter of 2024, compared to 3.8 percent and 4.6 percent for the first and second quarters of 2023, respectively. This prompted a downward revision of Zambia's 2024 growth forecast to 2.3 percent in June 2024. In the context of the International Monetary Fund (IMF) supported Programme (Extended Credit Facility), Zambia's annual projected GDP growth was adjusted further downward to 1.2 percent, on account of the persistent impact of the drought and rising inflationary pressures. However, the economy slowly rebounded in the second half of the year. Growth rose to 3.0 percent in the third quarter and surged to 8.6 percent in the fourth quarter, mainly driven by strong performance in the *information and communication technology*, *mining* and *manufacturing sectors*. As a result of the favourable growth registered in the last two quarters, preliminary estimates show that the Zambian economy grew by 4.0 percent[1] in 2024.

Notwithstanding the economic challenges in the year, I am happy to report that the Authority recorded gross revenue collection amounting to K148,558.7 million and paid refunds amounting to K17,600.0 million. This translated into a net tax outturn of K130,958.7 million, surpassing the annual target of K125,340.8 million by K5,617.9 million or 4.5 percent. The revenue outturn was positively influenced by strong performance of Import VAT, Withholding Tax, Mineral Royalty and PAYE as well as implementation of proactive compliance improvement strategies.

As part of its oversight function, the Governing Board continued to monitor the implementation and performance of the Corporate Strategic Plan (2022-2024) leading to the attainment of 80 percent of the key performance indicators. Further, the Board approved a two-year extension of the ZRA Corporate Strategic Plan which was scheduled to end in 2024. With this extension, the Plan will now cover the period 2022-2026 to align with the provisions of the National Planning and Budgeting Act, No. 1 of 2020. The Act requires public institutions to formulate five-year strategic plans.

During the year, the Governing Board continued to monitor the implementation of the New Operating Model (NOM) which is aimed at shifting the Authority's orientation from a tax type to a taxpayer focused model. This resulted in the merger of Direct and Indirect Taxes and Excise Divisions to form the Domestic Taxes Division. Further, the Board approved the establishment of 2 new Divisions, namely, Business Facilitation and Corporate Services to streamline support services to taxpayers and staff. The Board also approved the increase of the ZRA staff establishment to 2,783 from 2,581 to increase the number of staff in operations in line with the New Operating Model. By the end of 2024, the staff complement under the new structure stood at 83 percent. The Authority also conducted a job evaluation for selected positions and implemented change management activities, including appointments of change agents across all the divisions and departments to support the transition. Furthermore, a *"One ZRA Concept"* was introduced to enhance taxpayer focus and ensure that both domestic services and customs services are accessible at all the ZRA Stations.

To promote gender equality, inclusivity and a diversified work

[1] This estimate is based on the preliminary annual Gross Domestic Product published by the Zambia Statistics Agency in March 2025. The final GDP estimate for the year 2024 will be published in September 2025.

environment, the Governing Board approved the Gender and Diversity Policy. The Policy aims to provide equal opportunities for all employees by mainstreaming gender and diversity considerations in areas such as recruitment, leadership, and information reporting, whilst ensuring a committed, competent and high performing workforce.

To improve compliance and enhance revenue collection, the Authority successfully rolled-out the electronic invoicing system called *Smart Invoice*. The implementation of this system is expected to ease taxpayer compliance and reduce revenue leakages by deterring fraudulent VAT refund claims, among others.

The Authority continued on the path of innovation and digitalisation of its processes to enhance service delivery, improve customer experience and enhance compliance. In this regard, enhancements were made on Tax*O*nline and ASYCUDAWorld to streamline business processes, including integration of payment systems to provide more convenient payment options for taxpayers.

To enhance third-party data integration, the Authority continued to implement interfaces with local institutions and other revenue administrations' systems. As at the end of 2024, the development of Tax*O*nline and Integrated Financial Management Information System (IFMIS) interface had been completed and was awaiting deployment pending the conclusion of change management activities. Further, significant progress was made in establishing automated data sharing, for land and property transfer, between Tax*O*nline and Zambia Integrated Land Administration System (ZILAS) at the Ministry of Lands and Natural Resources through a new system interface. The online data exchange was implemented, while the outstanding key data validation rules have been earmarked for completion in 2025. Notable interfaces under development were with Electronic Zambia Transport Information System (e-ZAMTIS), ZESCO Limited, and Zambia Public Procurement Authority, among others. On the other hand, electronic interface for the exchange of customs data was implemented with Zimbabwe.

To appreciate the state of operational and housing infrastructure for members of staff, the Board undertook visits to selected stations and borders in the eastern and southern regions of the country. These visits, amongst other efforts, were aimed at ensuring that the Authority provides a conducive work environment that enhances productivity and staff welfare.

On behalf of the ZRA Governing Board, I now have the honour to present the 30th Annual Report of the Zambia Revenue Authority for the financial year 1st January, 2024 to 31st December, 2024 which highlights our strategic focus, achievements and challenges during the year.

Dr. Caleb Fundanga
Chairperson of the Governing Board

COMMISSIONER GENERAL'S REPORT

In 2024, the Zambia Revenue Authority demonstrated remarkable resilience in revenue mobilisation, successfully navigating the challenging economic conditions. The Authority collected gross revenue of K148,558.7 million compared to K116,962.8 million in 2023, representing a 27.0 percent increase in collections. The refund payments also increased by 7.7 percent to K17,600.0 million from K16,338.0 million in 2023. As a result, net revenue collection was K130,958.7 million, exceeding the target of K125,340.8 million by 4.5 percent. This outturn was 30.1 percent above the K100,623.8 million collected in 2023. The proportion of tax revenue to GDP also recorded an increase to 19.0 percent[2] from 18.1 percent in 2023.

The commendable revenue performance in 2024 was primarily attributed to strong performance in Import VAT, Withholding Tax, Mineral Royalty and PAYE. The performance of Import VAT was driven by an increase in the volume and value of taxable goods, predominantly petrol and diesel. Further, the performance of Mineral Royalty was boosted by higher copper production and prices, coupled with the depreciation of the Kwacha. These factors were augmented by implementation of debt recovery initiatives and other compliance enhancing efforts.

To address the backlog of VAT refunds, the monthly allocation towards refunds was increased to K1,700 million in September 2024 from K1,350 million, and it will be increased further in 2025. In addition, the Authority continued to implement the "First-In, First-Out" (FIFO) approach to enhance transparency and fairness in the processing of refund claims. As at end year, the cumulative outstanding VAT refunds for the period 2013 to 2024 stood at K60,730.8 million.

On the other hand, the amount of debt owed by taxpayers remained high at K62,431.7 million compared to K68,548.6 million in 2023. This reduction of K6,116.9 million or 8.9 percent was achieved through the implementation of a number of initiatives such as debt swaps, and improved enforcement measures.

During the year, the Authority extended its three-year Corporate Strategic Plan, which was scheduled to end in 2024 by 2 years, to run for 5 years from 2022 to 2026. This was to conform to the National Planning and Budgeting Act, No. 1 of 2020. Following the extension, the Authority has incorporated more initiatives to support the attainment of its strategic goals.

The Authority continues to cultivate an environment that promotes voluntary tax compliance as espoused in *Key Result Area One (KRA1)* of the Corporate Strategic Plan. In 2024, the Authority rolled out the *Smart Invoice* System which is an electronic invoicing system designed to modernise tax administration and improve revenue collection in domestic taxes. The System enhances tax compliance and revenue collection by reducing tax errors, increasing audit efficiency, and mitigating fraud in the refund process as it manages invoices and stock data in real-time. The Authority also implemented the taxation of Cross-Border Electronic Services (CBES) to ensure that non-resident suppliers in the digital economy impose and collect VAT on their supplies in Zambia. Further, to combat cross-border tax evasion and enhance global tax cooperation, Zambia joined the Global Forum on Transparency and Exchange of Information for Tax Purposes, becoming the 171st member.

In its quest to become a data driven institution, the Authority launched Phase II of the Bulk Intelligence Data Analytics (BIDA), a transformative project aimed at enhancing the Authority's data analytics capabilities to better inform tax compliance and revenue

[2] This estimate is based on the preliminary annual Gross Domestic Product published by the Zambia Statistics Agency in March 2025. The final GDP estimate for the year 2024 will be published in September 2025.

mobilisation strategies. The project will deliver a Compliance Risk Management Module with a robust 360 degree taxpayer dashboard providing comprehensive insight into taxpayers' declarations and overall compliance. In this regard, the Authority began the implementation of Compliance Risk Management (CRM) initiatives, adopting a risk-based approach using data analytics.

In line with *Key Result Area Two (KRA2)* of the Corporate Strategic Plan, which aims at ensuring satisfied and knowledgeable taxpayers, the Authority launched a number of taxpayer education initiatives. These initiatives were undertaken through radio programmes, workshops, social media interaction, and stakeholder engagements. As part of educational outreach, the Authority made its online training platform *Atingi*, accessible to the public, and by year-end, 1,056 participants had successfully completed the *Tax Appreciation Course*. Further, the *Know Your Tax Quiz* competition among higher learning institutions was launched to promote tax awareness at both institutional and national levels. The Authority also reintroduced the "Taxpayer Appreciation Day", which was last held in 2010, as an annual event to recognise compliant taxpayers. To ensure accessibility of ZRA services to all taxpayers, the Authority continued to promote the utilisation of Tax*O*nline, Tax*O*nPhone, and Tax*O*nApp platforms and to leverage artificial intelligence with the deployment of the chatbot *"Zax"*.

To improve service delivery and enhance customer satisfaction, in line with *Key Result Area Three (KRA3)* of the Corporate Strategic Plan, the Authority continued to prioritise the establishment of simplified, efficient and reliable business systems. In 2024, the Authority continued to develop electronic interfaces with local institutions and other revenue authorities to facilitate the exchange of data. This initiative resulted in the successful integration of Tax*O*nline with the Zambia Electronic Single Window. Interfaces with the Road Transport and Safety Agency (RTSA) and the Ministry of Mines and Minerals Development were enhanced to include change of ownership for motor vehicles and reporting on gemstone production on the *Export Permit Module*, respectively.

In addition, the Authority launched the interface with the ZILAS and completed development works on the interface with IFMIS, which will be deployed upon completion of training and change management activities. As at end year, interfaces with e-ZAMTIS, ZESCO Limited, and Zambia Public Procurement Authority, among others, were under development. Furthermore, the Authority established electronic interfaces with Zimbabwe for the exchange of customs data.

In line with *Key Result Area Four (KRA4)* of the Corporate Strategic Plan, the Authority recognises the importance of cultivating a dedicated, skilled, and high-performing workforce. In 2024, the Authority, continued to implement its New Operating Model (NOM) which shifted its focus from tax type to a taxpayer focused model. The new model merged the Direct and Indirect Taxes and Excise Divisions to create the Domestic Taxes Division. Further, in order to improve service delivery to taxpayers and optimise revenue collection, 2 new divisions were established, namely; Business Facilitation and Corporate Services. The new structure, therefore, has 4 Commissioner led Divisions: Customs Services, Domestic Taxes, Business Facilitation, and Corporate Services. In addition, the ZRA staff establishment was increased to 2,783 from 2,581. The increase provided additional staff dedicated to operations and taxpayer services in order to increase the ZRA footprint across the country and provide end to end taxpayer services. In addition, job evaluations were conducted for selected positions, reinforcing its commitment to enhanced governance, efficiency and service delivery. A comprehensive change management plan was also developed and implemented, championed by change agents appointed across all the divisions and departments to support the transition. By year-end, 83 percent of positions under the new structure were filled. Further, the Authority began the roll out of a *"One ZRA Concept"*, which aims to foster integration and service delivery across all the ZRA Stations. To this end, identified staff received taxpayer services and basic domestic taxes training, equipping them to provide both customs and domestic tax services to clients.

As part of its strategy to retain a highly skilled and competent workforce, in 2024, the Authority reintroduced the Management Trainee Programme which was last implemented in 2015. This Programme aims to identify, develop, and fast-track graduates into future leadership roles in tax administration and trade facilitation. Through this initiative, 60 graduates were recruited and commenced their training in December 2024. In addition, the Authority approved a programme to sponsor top performing employees to top ranking universities, in order to enhance their skillsets and exposure.

The Authority is committed to promoting integrity among staff to build public trust in support of its mandate. To this end, the Zambia Revenue Authority Integrity Committee (ZRAIC) in collaboration with other institutions conducted integrity awareness and training programmes.

I would like to thank our cooperating partners and other stakeholders who supported our transformation agenda in pursuit of our mandate. I am also profoundly thankful to the many stakeholders and dedicated compliant taxpayers for remaining resolute throughout the year. Your trust and engagement truly exemplify our robust partnership.

Finally, I would like to take this opportunity to express my sincere gratitude to the Minister of Finance and National Planning, as well as the Governing Board, for the invaluable support and guidance received during the year. Together with the relentless efforts of the Management and staff, we remain dedicated, resilient and committed to a prosperous Zambia.

Dingani Banda
Commissioner General

TABLE OF CONTENTS

About this Report

This report has been prepared pursuant to the requirements of the Constitution of Zambia (Amendment) Act, No. 2 of 2016, the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia, and the Public Finance Management Act, No. 1 of 2018. The Report provides information on revenue performance, operations, governance and the financial statements of the Authority for the 2024 fiscal year. The presentation of this report is in line with the Authority's 2022-2026 Corporate Strategic Plan and the 2024 Annual Divisional/Departmental Output Plans (ADOPs).

The Annual Financial Statements for the year ended 31st December, 2024 were prepared in accordance with the International Public Sector Accounting Standards. The Annual Financial Statements were audited by Messrs Deloitte & Touche who have expressed an opinion.

Statement of Responsibility and the Accuracy of the Annual Report

To the best of our knowledge, all the information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by Messrs Deloitte & Touche. The Annual Report is complete, accurate and free from any omissions. The Annual Financial Statements included in this Annual Report were prepared in accordance with the applicable accounting standards.

The ZRA Governing Board is responsible for preparing the Annual Report and the Annual Financial Statements. The Governing Board is also responsible for establishing a system of internal controls designed to provide assurance on the integrity and reliability of the performance information as well as the Annual Financial Statements. Messrs Deloitte & Touche was engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the state of affairs of the Authority for the year-ended 31st December, 2024.

Dr. Caleb Fundanga
Chairperson of the Governing Board

PART 1

GENERAL INFORMATION

ZAMBIA REVENUE AUTHORITY

ABOUT US

The Zambia Revenue Authority was established on 1st April, 1994 as a corporate body under the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia

Our Mandate

- Properly assess and collect taxes, duties, levies and fees at the right time
- Ensure that all monies collected are properly accounted for and banked
- Properly enforce all relevant legislation and administrative provisions
- Provide revenue and trade statistics to the Government
- Give advice on tax policy to Government
- Facilitate international trade

Our Vision

"A model of excellence in revenue administration and trade facilitation"

Our Mission Statement

"To optimise and sustain revenue collection and administration for a prosperous Zambia"

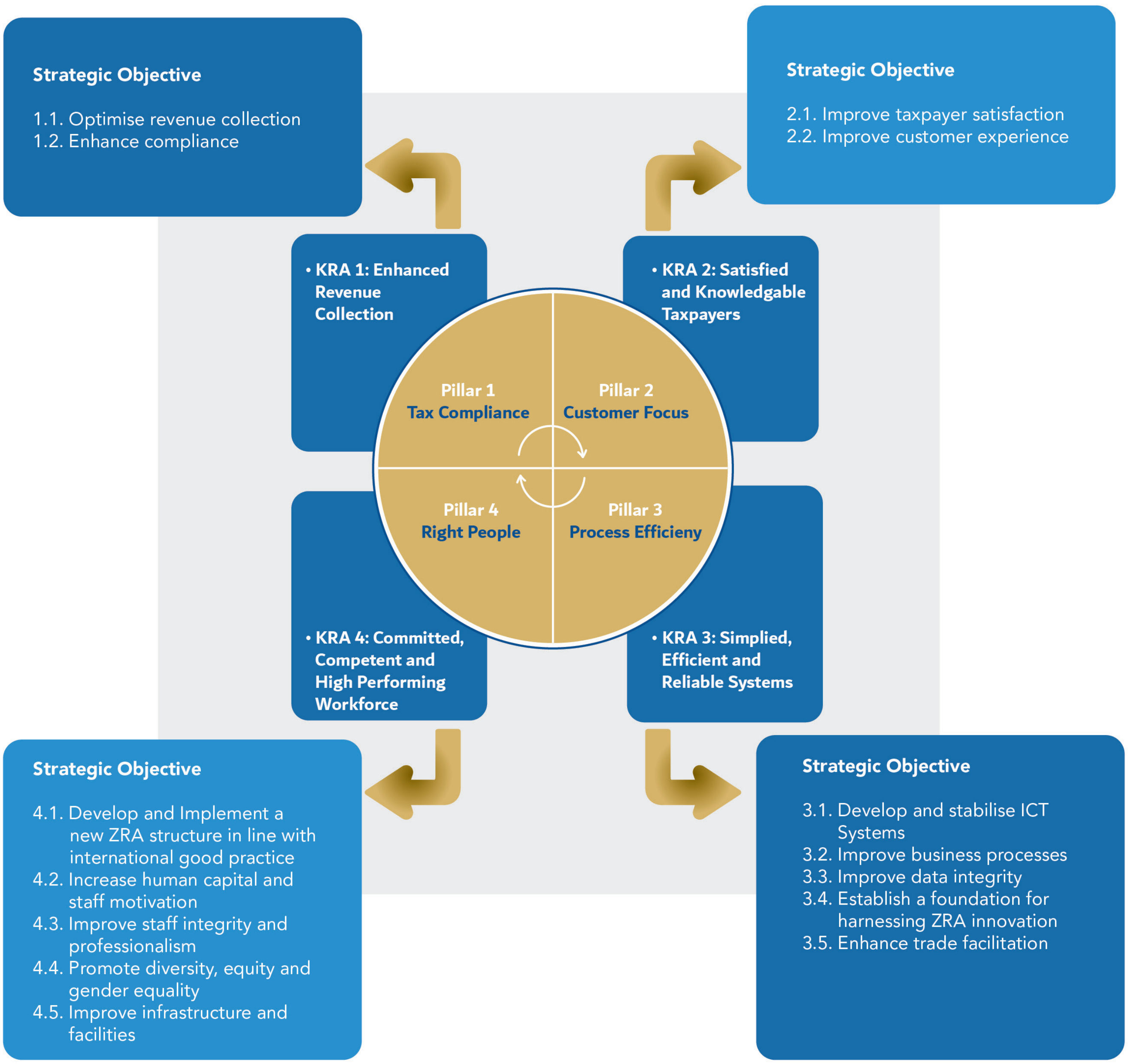
Our Values

T	I	P	I	N
Taxpayer Focus	Integrity	Professionalism	Innovation	Networking

Taxes and Tax Legislation

TAXES	TAX TYPES	PRINCIPAL LAW	SELECTED SUBSIDIARY LAW
DIRECT TAXES	Income Tax Property Transfer Tax Mineral Royalty Skills Development Levy	Income Tax Act, Chapter 323 Property Transfer-Tax Act, Chapter 340 Mines and Minerals Development Act, No. 11 of 2015 Skills Development Levy Act, No. 46 of 2016	The Income Tax (Pay As You Earn) Regulations, 2014, Statutory Instrument No. 50 of 2014
INDIRECT TAXES	Value Added Tax Tourism Levy Insurance Premium Levy Local Excise Duty Mobile Money Transaction Levy	Value Added Tax Act, Chapter 331 Insurance Premium Levy Act, No. 21 of 2015 Customs and Excise Act, Chapter 322 of the Laws of Zambia	The Value Added Tax (Application for Registration) Order, 2012,Statutory Instrument No 91 of 2012 The Value Added Tax (General), 2010, Regulations, Statutory Instrument No. 88 of 2010 The Value Added Tax (Exemption) Order, 2014, Statutory Instrument No. 68 of 2014 The Value Added Tax (Zero-Rating) Order, 2014, Statutory Instrument No. 69 of 2014 The Value Added Tax (General Amendments) Rules, 2020 Gazette Notice No 318 of 2020 The Tourism and Hospitality (Tourism Levy) (Amendment) Regulations, 2017, Statutory Instrument No.35 of 2017
CUSTOMS DUTIES	Export Duties Import Duties Excise Duties Import Levies Carbon Emission Surtax Motor Vehicle Fees	Customs and Excise Act, Chapter 322 of the Laws of Zambia	Customs and Excise Regulations, 2000, Statutory Instrument No. 54 of 2000

OVERVIEW OF THE ZRA CORPORATE STRATEGIC PLAN



OUR ORGANISATION

Organisation of the ZRA Governing Board

Members of the ZRA Governing Board
as at 31st December 2024

Dr. Caleb Fundanga

Chairperson

Ms. Venus Hampinda

Chairperson of the Audit and Risk Committee

Ms. Nana M. Mudenda

Vice Chairperson and Chairperson of the Legal, Staff and Disciplinary Committee

Ms. Valerie Nambeye

Chairperson of the Finance Committee

Mr. Kayula Chimfwembe

Member

Mr. Allan Nyirenda

Chairperson of the Innovation and Project Management Committee

Dr. Denny H. Kalyalya

Member

Ms. Faides TembaTemba

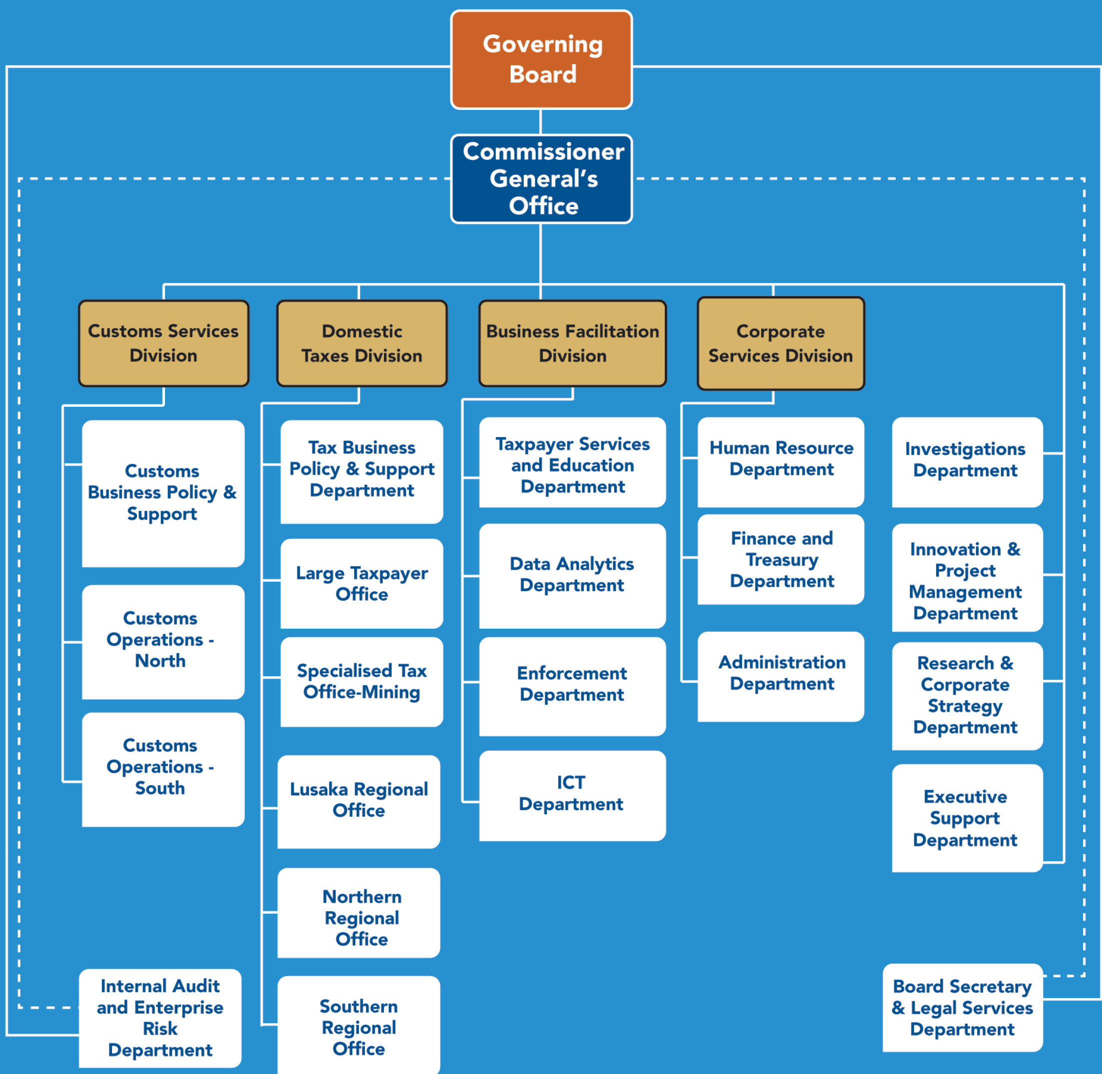
Member

Mrs. Mutinta M. Pensulo

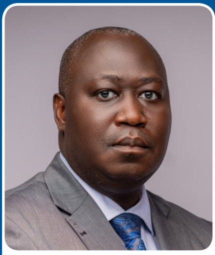
Member

ZAMBIA REVENUE AUTHORITY

ZRA ORGANISATIONAL STRUCTURE AS AT 31ST DECEMBER, 2024



MEMBERS OF THE ZRA SENIOR MANAGEMENT AS AT DECEMBER 2024



Mr. Richard Kapasa

Commissioner Business Facilitation

Mr. Timothy Milambo

Commissioner Corporate Services

Mr. Dingani Banda

Commissioner General

Mr. Joseph Nonde

Commissioner Domestic Taxes

Mr. Ernest Sigande

Commissioner Customs Services

Mrs. Susan Zimba Banda

Board Secretary and Legal Counsel

Ms. Deborah Bwembya

Director Large Taxpayer Office

Mr. Ronald Chalwe

Director Lusaka Region

Mr. Harrison Chapu

Director Innovation and Project Management

Mrs. Alice Phiri Haamukale

Director Southern Region

Mrs. Beatrice Lukama Kachinda

Deputy Commissioner Customs Business Policy and Support

Mr. Shadreck Kachusha

Director Tax Business Policy and Support

Mr. Daniel Kalunga

Director Information and Communication Technology

Mr. John Loongo

Director Administration

Mrs. Patricia Besa Lungu

Deputy Commissioner Operations North

Mr. Clive Mulendema

Director Northern Region

Mr. Moonga Mumba

Director Internal Audit and Risk

Mr. Ignatius Mvula

Director Large and Specialised Tax Office-Mining

Mr. Stephen Mwansa

Director Enforcement

Mrs. Yvonne Marion Mwanza

Director Data Analytics

Mr. Ezekiel Phiri

Director Research and Corporate Strategy

Mrs. Mirriam Sabi

Director Taxpayer Service and Education

Mrs. Patience Mwiilu Siame

Director Investigations

Mr. Kelvin Shamizhinga

Director Human Resources

Ms. Chikumbi Chama

Acting Deputy Commissioner Operations South

Mr. Charles Chilebe

Acting Director Finance and Treasury

Mr. Laban Simbeye

Acting Director Executive Support

Highlights of the CSP Performance in 2024

CSP

FINANCIAL

- **SO1.1: Optimise Revenue Collection**
  - *Above target by 4.5%;*
  - *70.0% of Tax-types met Targets*
  - *Funding 2.0% of collections*
  - *Revenue to GDP Ratio 19.0%*
- **SO1.2: Enhance compliance**
  - *41.0% of Tax types met filing set targets*
  - *72.0% of Tax types met payment targets*

CUSTOMER

- **SO2.1 Improve taxpayer satisfaction**
  - *62.0% of Charter standards met*
- **SO2.2 Improve customer experience**
  - *75.0% of satisfied Taxpayers*

HUMAN CAPITAL

S0 4.1: Develop and implement a new ZRA structure in line with international good practice.

- *50.0% of New ZRA structure implemented*

SO 4.2: Increase Human capital and staff motivation

- *99.7% of staff met their objectives*

S0 4.3: Improve Infrastructure and facilities

- *67 Staff houses constructed at stations*
- *Rented office space reduced to 6.0%*

PROCESS

SO3.1 Develop and Stabilise ICT Systems

- *61.2% satisfied with ZRA systems*
- *Uptime of core systems 99.5%*

SO3.2 Improve Business Processes

- *66.9% of KAIZEN projects completed out of all due for completion in the year*
- *75.0% Disaster recovery successful switchovers*
- *100.0% of Projects yielding expected benefit*

REVENUE COLLECTION (K' Million)

	Gross Revenue Collected	Refunds Paid	Net Revenue Collected
2024	K148,558.7	K17,600.0	K130,958.7
2023	K116,955.9	K16,339.0	K100,616.9
Change	27.0% growth	7.7% growth	30.1% growth

Gross Revenue Collected − Refunds Paid = Net Revenue Collected

TAXPAYER POPULATION

	Registered for TPIN only	Registered TPIN with Tax Accounts	TPIN Population
2024	5,635,548	379,985	6,015,533
2023	4,575,688	404,682	4,980,370
Change	23.2% Up	-6.1% Down	20.8% Up

Registered for TPIN only + Registered TPIN with Tax Accounts = TPIN Population

	Company Income Tax	Turnover Tax	Pay As You Earn	Value Added Tax	Other Tax Types
2024	34,644	167,324	47,985	19,536	205,008
2023	69,061	192,771	56,298	21,179	196,426
Change	-49.8% Down	-13.2% Down	-14.8% Down	-7.8% Down	4.4% Up

ZAMBIA REVENUE AUTHORITY

Business Volumes Processed

Domestic Tax Volumes	2024	2023	Variance	% Variance
TPIN registrations	1,112,342	1,231,276	-118,934	-9.6%
Tax type registrations	77,179	86,151	-8,972	-10.4%
Taxpayers serviced in branches	370,681	381,488	-10,807	-2.8%
Returns submitted	1,617,868	1,561,057	56,811	3.6%
E-Payments processed	2,736,401	1,782,425	953,976	53.5%
Complaints received through ZRA Integrity Committee	20	14	6	42.9%
Audits and Verifications conducted	15,037	19,877	-4,840	-24.3%
Appeals finalised	89	124	-35	-28.2%
Inbound calls answered	77,657	101,459	-23,802	-23.5%
Customs Volumes	**2024**	**2023**	**Variance**	**% Variance**
Number of importers	34,329	43,044	-8,715	-20.2%
Number of exporters	2,602	2,759	-157	-5.7%
Total licenced Clearing Agents	1,423	1,376	47	3.4%
New licenced Clearing Agents	505	391	114	29.2%
Companies on Customs Accredited Clients Programme	49	54	-5	-9.3%
New Customs Accredited Clients Programme	0	3	-3	-100.0%
Companies on Authorised Economic Operators	8	4	4	100.0%
New Authorised Economic Operators	4	4	0	0.0%
Import declarations	424,569	403,333	21,236	5.3%
Export declarations	261,427	256,869	4,558	1.8%
Customs inspections	2,251	1,874	377	20.1%
Customs seizures	35	61	-26	-42.6%
Post Clearance Audits	56	22	34	154.5%

PART 2

PERFORMANCE INFORMATION

The ZRA Corporate Strategic Plan, 2022 - 2026

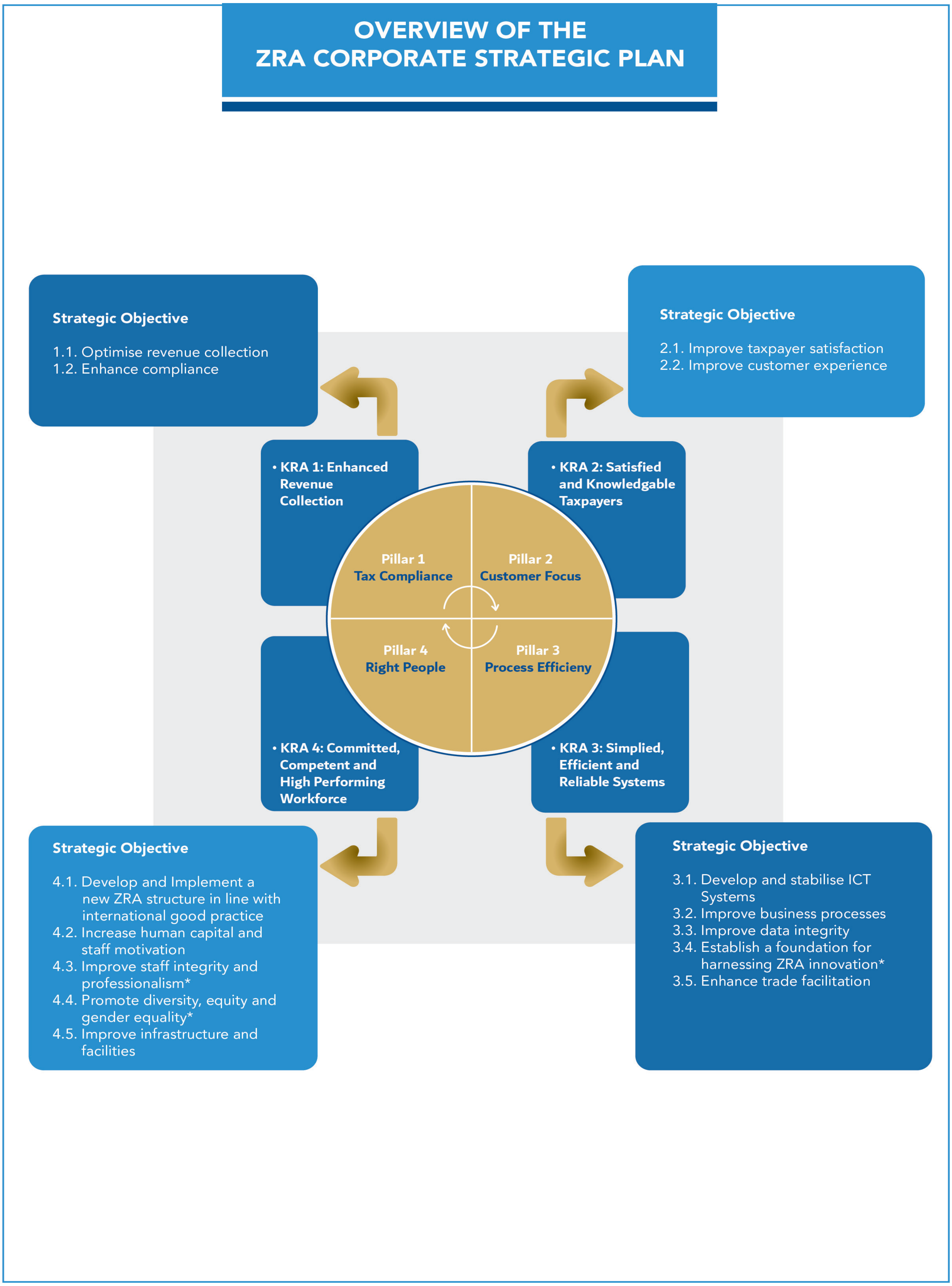
In 2024, ZRA was implementing the Corporate Strategic Plan (2022-2024) which was extended by 2 years to cover the period 2022 - 2026, to align it to the provisions of the National Planning and Budgeting Act No. 1 of 2020. The Act, requires public institutions to formulate five-year strategic plans within 4 months of the coming into operation of the National Development Plan. To adapt to the evolving operational environment, the Plan is revised biannually.

The Authority uses the Balanced Score Card (BSC) framework for planning and monitoring its organisational performance. The model is based on performance indicators that measure outcomes of an organisation's objectives. The 4 uniquely interconnected perspectives that make up the BSC model are Financial, Customer, Process, and Learning and Growth. The Authority has adapted these perspectives into 4 strategic pillars as follows:

- **i.** ***Tax Compliance*** - enhancing tax compliance and expansion of the tax base by building a culture of voluntary compliance;
- **ii.** ***Customer Focus and Collaboration*** – improving customer experience by enhancing service accessibility through service centres and technology platforms;
- **iii.** ***Process Efficiency*** - simplifying all business processes to promote compliance and enhance service delivery by leveraging on technology and data; and
- **iv.** ***Right People*** - having a committed, competent and high performing workforce by upskilling staff and providing a conducive work environment.

The summary of the objectives based on the strategic pillars is highlighted in Figure 1.

Figure 1: ZRA's Strategic Objectives, CSP 2022-2026



** Denotes the new strategic objectives arising from the extension of the CSP which will be implemented in 2025 and 2026.*

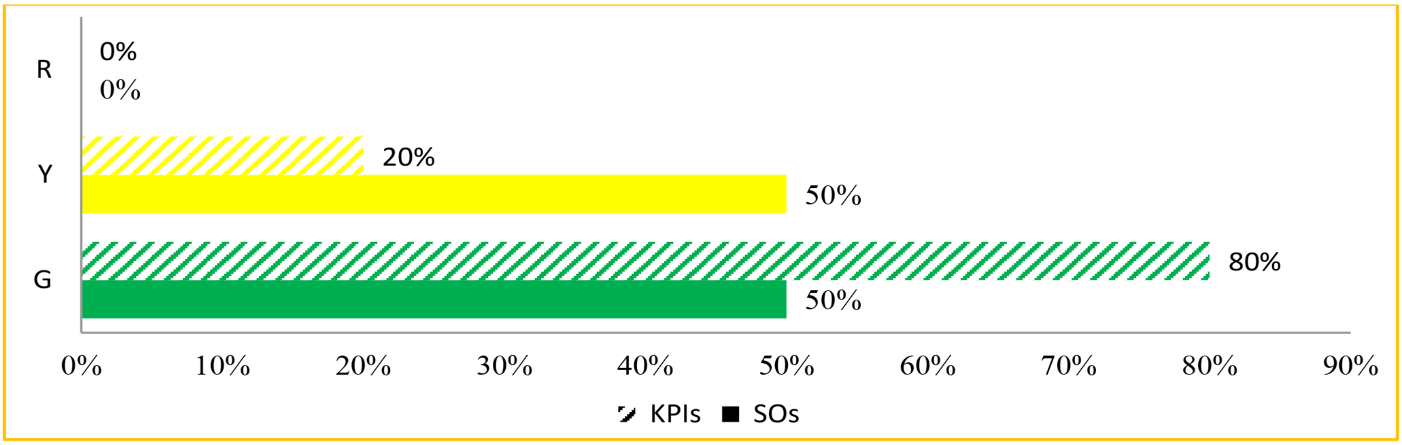
Performance of the Corporate Strategic Plan in 2024

The performance of the CSP is assessed by tracking the achievement of strategic objectives using Key Performance Indicators (KPIs). A strategic objective is attained when all the KPIs associated with it are met. The status of a KPI is rated as fully achieved, partially achieved, and not achieved, using colour codes; green, yellow and red, respectively.

During the year, the Authority monitored the performance of 10 high level KPIs linked to 6 strategic objectives used to gauge the achievement of the CSP. A total of 8 out of the 10 KPIs met their respective targets which resulted in the achievement of 3 or 50 percent of Strategic Objectives.

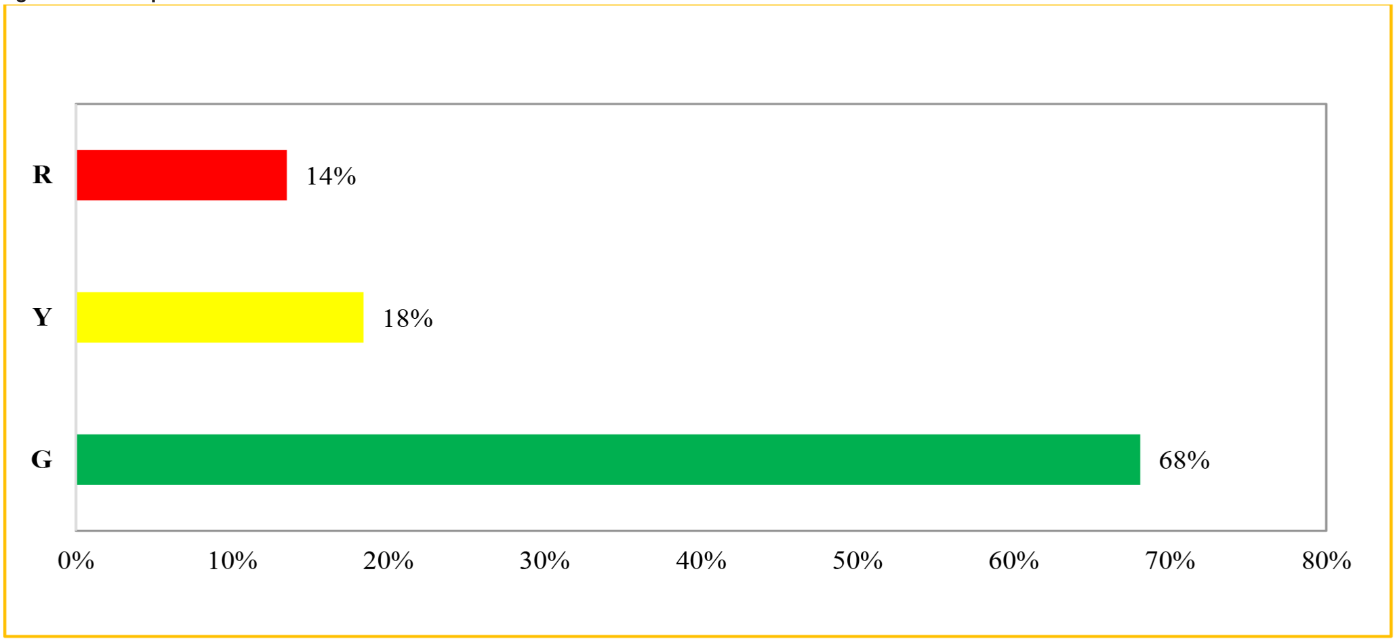
Figure 2 shows the performance of High Level KPIs.

Figure 2: Performance of High level KPIs in 2024



The CSP implementation status based on Annual Divisional/Departmental Output Plans (ADOPs) indicated that 68 percent of the KPIs were fully achieved, 18 percent partially achieved and 14 percent not achieved as at end of 2024 (see Figure 3).

Figure 3: CSP Implementation Status in 2024



The performance of each high-level KPI under its respective strategic objective is highlighted in Table 1:

Table 1: Performance of Strategic Objective

1. Optimise revenue collection	100% Parliament approved annual revenue target met*	104.5% achieved
	75% of tax types to meet set targets**	70.0% of the target achieved
	Cost of collection (Government funding to revenue ratio) maintained between 2% and 3% of revenue collected**	2.0% of revenue collection
	19% Tax Revenue to GDP ratio**	19.0% Tax Revenue to GDP ratio[3]
2. Enhance compliance	70% of tax types to meet set filing compliance**	41.0% of the target achieved
	75% of tax types to meet set payment compliance**	72.0% of the target achieved
3. Improve taxpayer satisfaction	75% of service charter standards to be met**	62.0% of the target achieved
4. Improve customer experience	90% of taxpayers to be satisfied**	75.0% of taxpayers satisfied
5. Improve ICT Solutions	90% of in-house End-Users of ZRA Business Systems to be satisfied**	61.2% of the target achieved
6. Increase human capital and staff motivation	95% of staff to meet their performance objectives**	99.7% of staff met their performance objectives
	76% of employees engaged**	67.4% of employees rated as engaged

**Indicates a revenue target which is measured on a scale: 100% and above-Green; 95% to 100% Yellow; and below 95%-Red*

***Indicates a non-revenue target which is measured on a scale: 75% and above-Green; 40% to 75% Yellow; and below 40%-Red*

[3] This KPI considers total revenue collected by ZRA

STRATEGIC FOCUS IN 2024

In 2024, the strategic focus of the Authority was to enhance tax compliance, modernise revenue collection and broaden the tax base through digital transformation and strategic partnerships. To this end, the Authority implemented a number of initiatives to improve performance in strategic areas.

Leveraging on innovative solutions, *Smart Invoice* was rolled out in December 2023 to modernise tax administration and improve revenue collection. The system enables real-time management of invoices and stock data, ensuring authenticity through a fiscal signature. The *Smart Invoice* System is expected to enhance tax compliance and revenue collection through; reduction of tax errors, enhancement of audit efficiency and mitigation of refund fraud. As at end 2024, a total of 26,329 taxpayers had been onboarded on the platform, out of which 13,698 were VAT-registered. The value of output VAT transmitted through *Smart Invoice* was K28,338.3 million out of the total output VAT of K84,261.8 million.

Further, to broaden the tax base, the Authority implemented the taxation of Cross-Border Electronic Services (CBES) by ensuring non-resident suppliers in the digital economy impose and collect VAT on their supplies in Zambia. In 2024, the Authority registered 55 taxpayers under CBES and collected K183.6 million in VAT.

To improve international taxation and combat cross border tax evasion, Zambia joined the Global Forum on Transparency and Exchange of Information (EOI) for Tax Purposes, becoming the 171st member and 39th African Country. This Forum will support the Authority's data-driven approach in tax administration as it facilitates the exchange of tax information among jurisdictions, ensuring transparency and combating illicit financial flows. As at end 2024, the Authority had developed Exchange of Information (EOI) on Request Manuals, conducted EOI Auditor awareness training programmes, set up the EOI Steering Committee and sent 2 EOI requests in respect of which one response was received, resulting in an assessment of K230.3 million in Withholding Taxes.

To enhance trade facilitation, the Authority implemented strategic reforms to streamline cross border trade. The *Electronic Rules of Origin* interconnectivity was extended to Namibia and Botswana, to facilitate electronic certification of exports under the Southern Africa Development Community (SADC). In addition, Coordinated Border Management (CBM) was implemented to improve processing efficiency following the limiting of the number of Government agencies at the border from as high as 18 to 6. The initiative also included the extension of a single point of payment for the collection of fees payable to Government border agencies, bringing the total to 13 in 2024 from 7 in 2023. Further, the Authority rolled out the *Electronic Passenger Clearance* System at the Kazungula, Katima Mulilo, Chirundu, Victoria Falls and Kariba Borders. The System provides for advance lodgment and payment of taxes by travellers prior to arrival at a border, to reduce border dwell time.

To improve tax compliance through third party data, the Authority prioritised integration of its systems with local institutions and with other revenue administrations. The interface with the Zambia Integrated Land Administration System (ZILAS) was rolled out, while development works on the interface with the Integrated Financial Management Information Systems (IFMIS) were completed pending training and change management after which deployment will be done. Interfaces with the Electronic Zambia Transport Information Systems (e-ZAMTIS), ZESCO Limited, and Zambia Public Procurement Authority, among others, remained under development during the year. Further, an interface for the exchange of customs data was implemented with the Zimbabwe Revenue Authority (ZIMRA).

The Authority continued to implement the New Operating Model (NOM), a remodelling of the Authority's structure, to improve service delivery and strengthen tax administration. In this regard, a total of 227 vacancies were filled, out of which 121 were internal recruitments and 106 were external. Further, to retain a skilled and professional workforce, the Authority recruited 60 graduates under the Management Trainee Programme, which is designed to identify, develop and fast-track graduates into future leadership roles in tax administration and trade facilitation. The last recruitment under this programme was in 2015.

Furthermore, a *"One ZRA Concept"* was implemented to enhance taxpayer focus and ensure that both domestic tax and customs services are accessible at all the ZRA Stations.

During the year, the Authority extended its 3-year Corporate Strategic Plan for the period 2022 to 2024 by 2 years to cover the period 2022 to 2026. This was to align it to the provisions of the National Planning and Budgeting Act, No. 1 of 2020.

KEY RESULT AREA NO.1: ENHANCED REVENUE COLLECTION

Enhanced revenue collection is an important undertaking for sustaining government operations and economic growth. The Authority pursues this goal through two key strategic objectives; optimise revenue collection, and enhance tax compliance. The Authority employs targeted initiatives to improve efficiency, and strengthen compliance with tax regulations.

Strategic Objective 1.1: Optimise Revenue Collection

Optimising revenue collection involves improving efficiency in tax administration and minimising revenue leakages. To achieve this, the Authority has to streamline business processes, reduce administrative costs, and ensure compliance with tax laws. The performance indicators for this objective are measured by revenue performance, tax-to-GDP ratio, and the cost of collection.

Table 2 presents the performance under this objective in 2024.

Table 2: Performance of Strategic Objective 1.1

Strategic Objectives	Target	Performance Outturn
Optimise Revenue Collection	100% Parliament approved annual revenue target met*	104.5% achieved
	75% of tax types to meet set targets**	70.0% of the target achieved
	Cost of collection (Government funding to revenue ratio) maintained between 2% and 3% of revenue collected**	2.0% of revenue collection
	19% Tax Revenue to GDP ratio**	19.0% Tax Revenue to GDP ratio

**Indicates a revenue target which is measured on a scale: 100% and above-Green; 95% to 100% Yellow; and below 95%-Red*

***Indicates a non-revenue target which is measured on a scale: 75% and above-Green; 40% to 75% Yellow; and below 40%-Red*

Internal and External Economic Environment in 2024

This section discusses the performance of various macroeconomic indicators that influenced revenue performance during the year.

Global Economic Environment

In 2024, the global economy grew by 3.2 percent compared to 3.1 percent in 2023. The growth was largely driven by an improvement in trade volumes, increased real incomes, and more accommodative monetary policies experienced in many economies.[4]

On the other hand, the annual global inflation rate continued on its downtrend, averaging 5.8 percent in 2024, from 6.8 percent in 2023. The decline in inflation largely resulted from tight monetary policy implemented in most countries during the first half of the year to restore price stability[5].

The average price of crude oil on the global market marginally declined to $80.5 per barrel in 2024 compared to $80.7 per barrel in 2023[6]. The decline was attributed to reduced fuel demand in China and increased crude oil supply. These factors offset the potential upward pressure from geopolitical tensions in the middle east and shipping disruptions in the Red Sea[7].

In 2024, the average price of copper on the London Metal Exchange (LME) increased to US$9,142.9 per metric tonne from US$8,482.1 per metric tonne in 2023, representing a 7.8 percent increase[8].This was attributed to increased global demand for copper resulting from rising demand in data centres and electric vehicle manufacturing, amidst production cuts by major Chinese copper smelters[9].

The Domestic Economy

In the 2024 National Budget Address presented in September 2023, Zambia's economic growth was initially projected at 4.8 percent, underpinned by the expectation of macroeconomic stability and anticipated improvements in key sectors such as *agriculture, mining*

[4] OECD Economic Outlook, Volume 2024 Issue 2.
[5] IMF, World Economic Outlook, 2024.
[6] Bank of Zambia, Fortnightly Time Series, 2024.
[7] U.S. Energy Information Administration, Short-Term Energy Outlook 2025.
[8] London Metal Exchange, 2024
[9] Fastmarkets Global Limited: Copper prices in 2024 and 2025: a global overview and analysis

and energy. However, these prospects were significantly undermined by a severe drought during the 2023/2024 rainy season, which adversely affected agriculture production and electricity supply. As a result, real GDP growth slowed to 2.2 percent and 1.9 percent in the first and second quarters of 2024, respectively, compared to 3.8 percent for the first quarter and 4.6 percent for the second quarter of 2023[10]. This underperformance prompted a downward revision of the annual growth forecast to 2.3 percent in June 2024. In the context of the fourth review of the IMF supported Programme, Zambia's annual growth projection was downgraded further to 1.2 percent. This adjustment was on account of the prolonged impact of the drought, through continued electricity supply constraints and rising inflationary pressures.

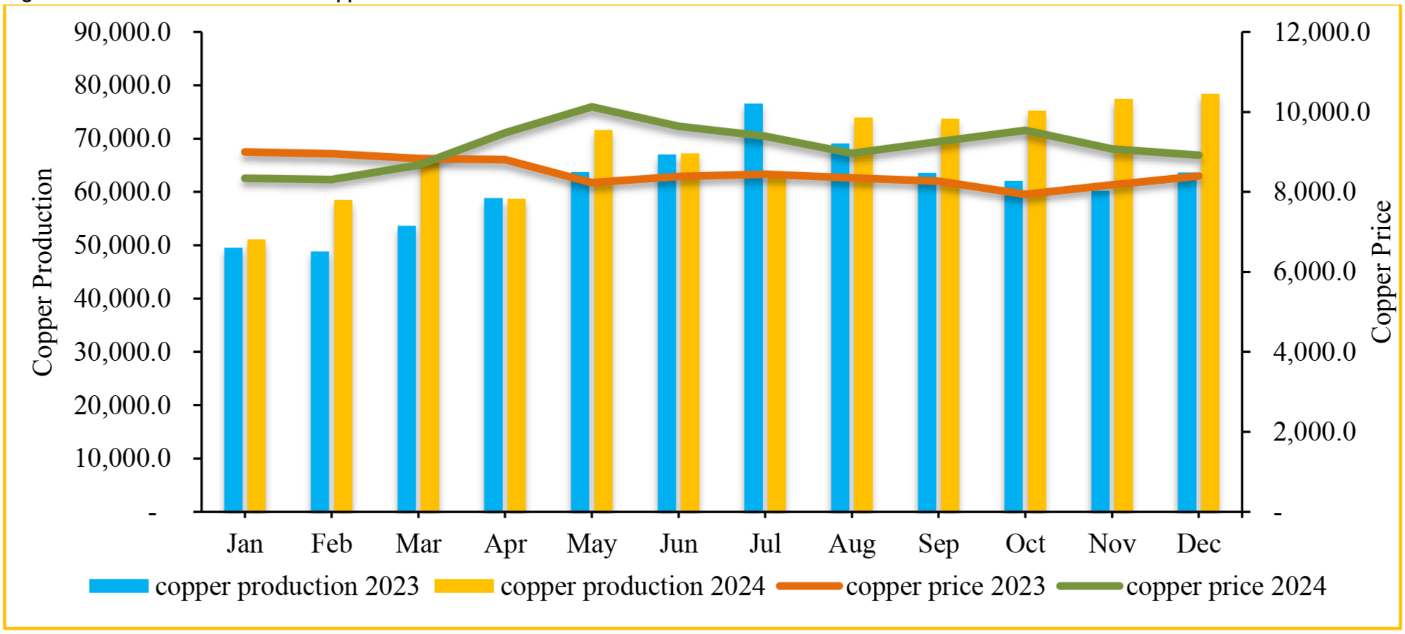
However, the economy recorded higher growth in the second half of the year. Real GDP growth improved to 3.0 percent in the third quarter and surged to 8.6 percent in the fourth quarter, driven by strong performance in sectors such as *information and communication technology, mining, and manufacturing*[10]. The rebound was underpinned by targeted policy responses by Government aimed at mitigating the effects of the drought.

Buoyed by the growth recorded in the second half of the year, preliminary estimates indicated that the Zambian economy grew by 4.0 percent[11] in 2024. The largest contribution to this growth was from the *information and communication technology sector*, which added 1.8 percentage points, followed by mining and quarrying with 0.7 percentage points. *Financial and insurance activities*, along with the *construction sector*, each contributed 0.6 percentage points to overall growth. In contrast, the *electricity supply and agriculture sectors* posted negative contributions of 0.5 and 0.4 percentage points, respectively, reflecting the persistent effects of the drought on these critical sectors.

Copper production increased to 820,676 metric tonnes[12] from 736,746.9 metric tonnes[13] in 2023. The increase in production was largely attributed to the resumption of mining operations at some major mines following the coming on board of new shareholders. Similarly, the average price of copper increased to US$9,142.9 per metric tonne, from US$8,482.1 per metric tonne in 2023. The increase in the price, coupled with higher production played a significant role in driving revenue collections during the year.

Figure 4 shows domestic production and price of copper in 2024 and 2023.

Figure 4: Production and Price of Copper in 2024 and 2023



Source: Ministry of Mines and Minerals Development and London Metal Exchange, 2024.

In 2024, the inflation rate grew to 15.0 percent from 10.9 percent in 2023, driven by higher prices for both food and non-food items. Similarly, the Kwacha exchange rate against the US Dollar depreciated, averaging K25.9 per US Dollar compared to K20.2 per US Dollar in 2023. The depreciation was mainly attributed to the adverse effects of the drought, which weakened economic activity.

10 Ministry of Mines and Minerals Development, 2024. This includes production of 43,611 tonnes produced by artisanal and small-scale miners.

11 This figure was revised upward from 698, 566.1 metric tonnes reported in the 2023 ZRA Annual Report.

12 Ministry of Mines and Minerals Development, 2024. This includes production of 43,611 tonnes produced by artisanal and small-scale miners.

13 This figure was revised upward from 698, 566.1 metric tonnes reported in the 2023 ZRA Annual Report.

Table 3 presents a summary of the key 2024 Budget assumptions and the outturn

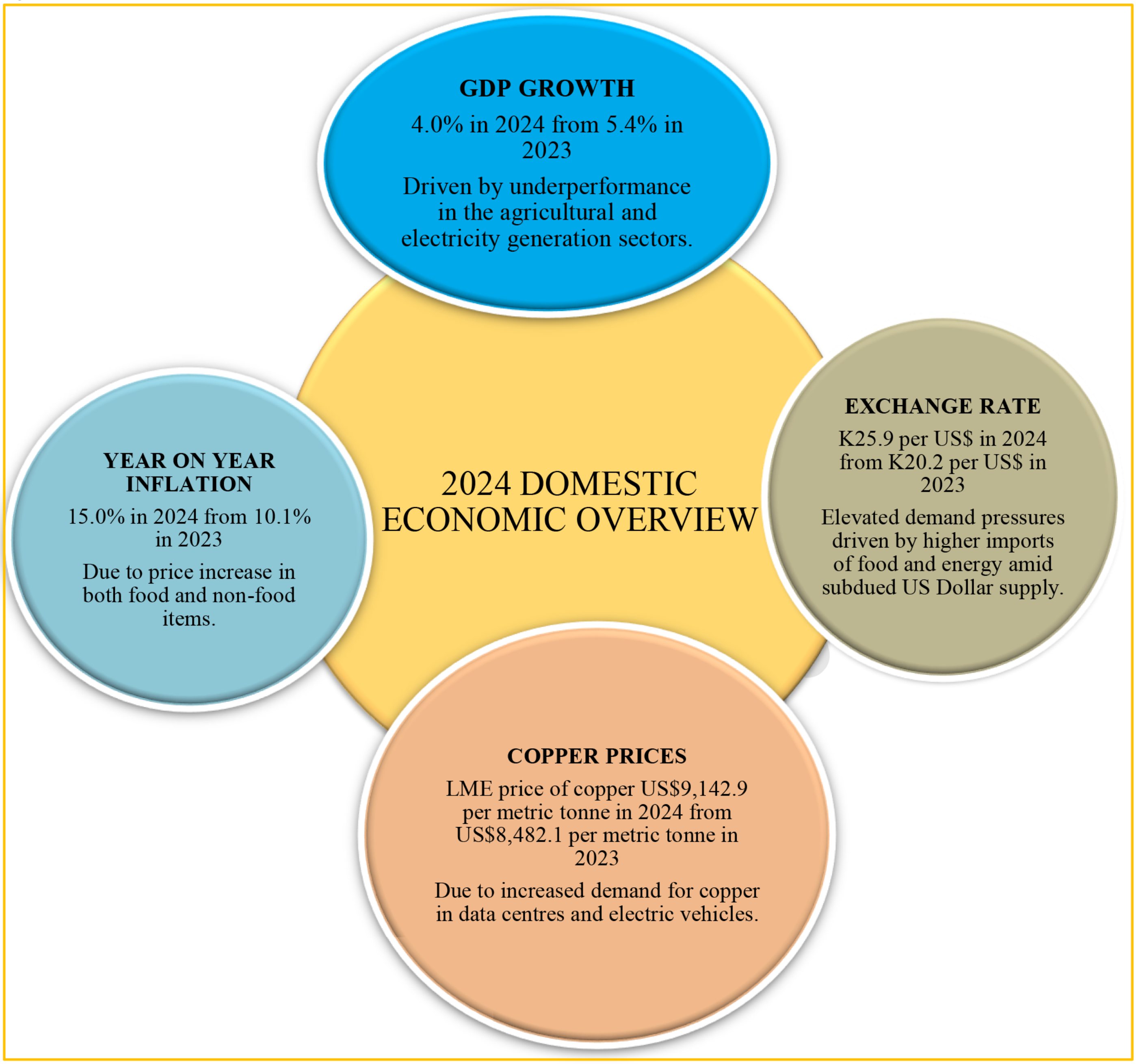
Table 3: Macroeconomic Assumptions for the 2024 Budget Versus End-Year Outturn

No.	Variable	Projection	Outturn
1	CPI inflation (annual average)	6-8%	15.0%
2	Average K/US $ exchange rate	18.6	25.9
3	Real GDP growth	4.8%	4.0%
4	Nominal GDP, K' Millions	636,972.0	688,851.0
5	Average Copper prices (in U.S. $ per MT)	8,300.0	9,142.9
6	Copper production (MT)	796,994.4	820,676.0

Source: Ministry of Finance and National Planning, Bank of Zambia, and ZamStats, 2024

Figure 5 shows a summary of the performance of selected macroeconomic variables in the domestic environment.

Figure 5: Performance of Selected Macroeconomic Variables



Source: Ministry of Finance and National Planning, ZamStats, Bank of Zambia, Ministry of Mines and Minerals Development, and London Metal Exchange.

Revenue Performance

Revenue Outturn in 2024

In 2024, the Authority recorded gross revenue collection amounting to K148,558.7 million and paid refunds amounting to K17,600.0 million. This translated into a net outturn of K130,958.7 million, surpassing the annual target of K125,340.8 million by K5,617.9 million or 4.5 percent (see Table 4).

Table 4: Revenue Collection against Target in 2024 (K' Million)

	Gross	Refunds	Actual	Target	Variance	% Variance	Net Revenue to GDP Ratio
Total Revenue; o/w	**148,558.7**	**17,600.0**	**130,958.7**	**125,340.8**	**5,617.9**	**4.5%**	**19.0%[14]**
Tax Revenue	**147,976.9**	**17,600.0**	**130,376.9**	**124,836.4**	**5,540.5**	**4.4%**	**18.9%**
Non-Tax Revenue	**581.8**	**0.0**	**581.8**	**504.4**	**77.4**	**15.3%**	**0.1%**
1. Domestic Taxes	**103,734.1**	**17,543.8**	**86,190.3**	**89,325.0**	**-3,134.7**	**-3.5%**	**12.5%**
A. Direct Taxes	**71,418.0**	**90.2**	**71,327.9**	**71,594.4**	**-266.6**	**-0.4%**	**10.4%**
1. Company Income Tax; o/w	20,025.9	41.9	19,984.0	25,680.5	-5,696.5	-22.2%	*2.9%*
Mining Company Income Tax	*7,444.3*	*0.0*	*7,444.3*	*13,785.7*	*-6,341.4*	*-46.0%*	*1.1%*
Non-Mining Company Income Tax	*12,581.6*	*41.9*	*12,539.7*	*11,894.8*	*644.9*	*5.4%*	1.8%
2. PAYE	24,897.9	45.9	24,852.0	23,714.8	1,137.2	4.8%	3.6%
3. Withholding Tax & others	13,875.0	1.7	13,873.3	11,388.8	2,484.4	21.8%	2.0%
4. Rental Income Tax	729.9	0.0	729.9	537.9	192.0	35.7%	0.1%
5. Mineral Royalty	11,538.8	0.6	11,538.2	10,004.2	1,534.1	15.3%	1.7%
6. Skills Development Levy	350.4	0.0	350.4	268.2	82.2	30.6%	0.1%
B. Indirect Taxes	**32,316.1**	**17,453.6**	**14,862.4**	**17,730.5**	**-2,868.1**	**-16.2%**	**2.2%**
1. Local Excise Duties	4,112.6	5.0	4,107.6	3,411.8	695.8	20.4%	0.6%
2. Local Excise-Cement	62.4	0.0	62.4	60.3	2.1	3.5%	0.0%
3. Rural Electrification Levy	415.5	0.0	415.5	409.4	6.2	1.5%	0.1%
4. Local Fuel Levy	2.2	0.0	2.2	48.3	-46.1	-95.3%	0.0%
5. Insurance Premium	405.9	0.0	405.9	253.3	152.6	60.3%	0.1%
6. Tourism Levy	64.5	0.0	64.5	26.6	37.9	142.4%	0.0%
7. VAT on domestic goods	27,252.9	17,448.6	9,804.3	13,520.9	-3,716.6	-27.5%	1.4%
2. Customs Services	**44,824.6**	**56.2**	**44,768.4**	**36,015.8**	**8,752.5**	**24.3%**	**6.5%**
1. VAT on imports	31,311.7	0.0	31,311.7	22,841.0	8,470.8	37.1%	4.5%
2. Customs duty	8,452.4	56.2	8,396.2	8,481.4	-85.3	-1.0%	1.2%
3. Export duties; o/w	165.1	0.0	165.1	120.8	44.3	36.6%	0.0%
Export Duty on Maize	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	0.0%
Export Duty on Timber	*64.9*	*0.0*	*64.9*	*79.3*	*-14.4*	*-18.2%*	0.0%
Export Duty on Concentrates	*100.2*	*0.0*	*100.2*	*41.6*	*58.7*	*141.1%*	0.0%
4. Import Excise Duties	2,949.2	0.0	2,949.2	2,680.7	268.5	10.0%	0.4%
5. Import Fuel Levy	1,729.0	0.0	1,729.0	1,415.3	313.7	22.2%	0.3%
6. Carbon Tax	50.3	0.0	50.3	267.1	-216.9	-81.2%	0.0%
7.Motor Vehicle Fees	166.9	0.0	166.9	209.5	-42.6	-20.4%	0.0%

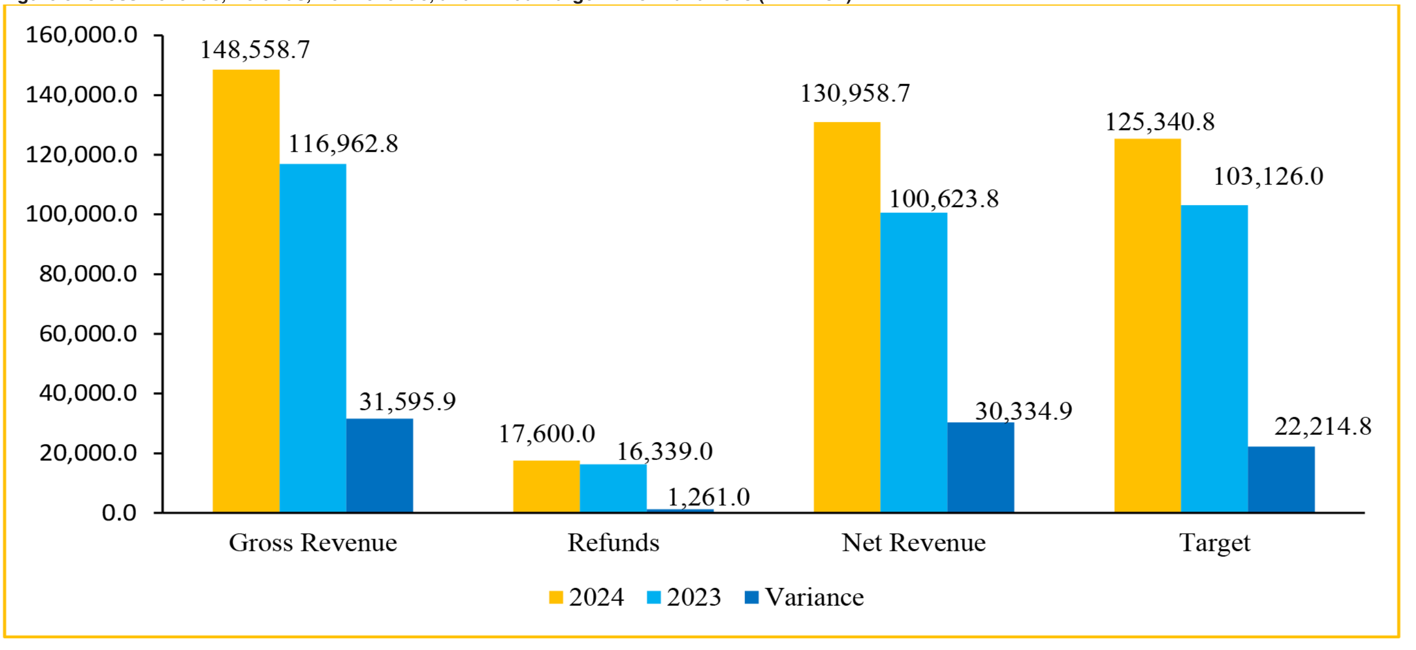
[14] This estimate is based on the preliminary 2024 annual Gross Domestic Product figure of K688,851 million

The revenue outturn was positively influenced by strong performance of import VAT, Withholding Tax, Mineral Royalty, and PAYE, which had a combined surplus of K13,626.5 million. However, mining Company Income Tax, domestic VAT, Carbon Tax, and Customs were below their respective targets by K6,341.4 million or 46.0 percent, K3,716.6 million or 27.5 percent, K216.9 million or 81.2 percent, and K85.3 million or 1.0 percent.

Comparative Analysis of Revenue Performance in 2024 and 2023

In 2024, gross revenue collections increased by 27.0 percent to K148,558.7 million compared to K116,962.8 million in 2023. Refund payments increased by 7.3 percent to K17,600.0 million from K16,339.0 million in 2023, while net revenue increased by 30.1 percent to K130,958.7 million from K100,623.8 million in 2023 (see Figure 6).

Figure 6: Gross Revenue, Refunds, Net Revenue, and Annual Target in 2024 and 2023 (K' Million)



With regard to performance by division, the Domestic Tax revenue increased to K86,190.3 million in 2024 from K67,058.2 million in 2023. Direct taxes increased to K71,327.9 million from K53,222.8 million in 2023, while indirect tax collections grew to K14,862.4 million from K13,835.4 million in 2023. Similarly, Customs revenue increased to K44,768.4 million from K33,565.6 million in 2023 (see Table 5).

Table 5: Revenue Performance by Division in 2024 and 2023 (K' million)

Division	2024	2023	Variance	% Variance
Domestic Taxes o/w:	86,190.3	67,058.2	19,132.1	28.5%
Direct Taxes	*71,327.9*	*53,222.8*	*18,105.1*	*34.0%*
Indirect Taxes and Excise	*14,862.4*	*13,835.4*	*1,027.0*	*7.4%*
Customs Services	44,768.4	33,565.6	11,202.8	33.4%
Total	**130,923.2**	**100,623.8**	**30,299.4**	**30.1%**

Tax Refunds

In 2024, the Authority paid K17,600.0 million in refunds, an increase of K1,261.0 million or 7.7 percent from K16,339.0 million paid in 2023. Of the total refund payments, VAT accounted for K17,448.6 million or 99.1 percent, while K90.2 million was paid to direct taxes and K61.2 million to customs and excise duties (see Table 6).

Table 6: Tax Refunds in 2024 and 2023 (K' Million)

	2024	2023	Variance	% Variance
Customs and Excise	61.2	31.2	30.0	96.8%
Value Added Tax	17,448.6	16,131.1	1,317.5	8.17%
Direct Taxes	90.2	176.7	-86.5	-50.0%
Total	**17,600.0**	**16,339.0**	**1,261.0**	**7.7%**

VAT Refunds

In 2024, the number of VAT refund claims declined by 3.6 percent to 14,552 from 15,103 in 2023. The value of claims also declined by 10.1 percent to K18,001.7 million from K20,018.5 million in 2023. However, there was a notable increase in the amount of VAT refund payments by 8.2 percent, to K17,448.6 million from K16,131.1 million in 2023. The growth in VAT refund payments was due to an increase in the monthly allocation to K1,700.0 million from K1,350.0 million, with effect from September 2024 (see Table 7).

Table 7: Number and Value of VAT Refunds in 2024 and 2023

	2024	2023	Variance	% Variance
Number of Refund Claims	14,552	15,103	-551	-3.6%
Value of Refund Claims (K' million)	18,001.7	20,018.5	-2,016.8	-10.1%
Number of Refund Claims Processed	5,214	11,835	-6,621	-55.9%
Value of Refunds Paid (K' million)	17,448.6	16,131.1	1,318	8.2%

From the total of K17,448.6 million paid out in VAT refunds during the year, the mining and quarrying sector accounted for 87.0 percent of the refund payments while the remaining sectors accounted for 13.0 percent (see Table 8).

Table 8: 2024 VAT Refund Payments by Sector

Sector	Amount (K 'million)	Percentage
Mining and Quarrying	15,187.3	87.0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	583.2	3.3%
Manufacturing	532.6	3.1%
Construction	265.6	1.5%
Transportation and storage	255.4	1.5%
Electricity, gas, steam and air conditioning supply	202.7	1.2%
Professional, scientific and technical activities	126.5	0.7%
Administrative and support service activities	89.8	0.5%
Financial and insurance activities	55.9	0.3%
Agriculture, forestry and fishing	43.2	0.2%
Other service activities	31.8	0.2%
Unclassified	29.6	0.2%
Accommodation and food service activities	13.6	0.1%
Real estate activities	11.7	0.1%
Information and communication	11.5	0.1%
Arts, entertainment and recreation	4.2	0.0%
Education	2.6	0.0%
Water supply; sewerage, waste management and remediation	1.3	0.0%
Human health and social work activities	0.1	0.0%
Total	**17,448.6**	**100.0%**

As at end 2024, the total stock of unpaid VAT refunds amounted to K60,730.8 million. Of this amount, 74.3 percent was accumulated from claims relating to tax periods between 2020 and 2024, while claims from 2019 and 2018 accounted for 4.0 and 3.4 percent, respectively. Claims from 2017 represent 6.7 percent, while VAT Rule 18 claims were 6.6 percent of total VAT refund arrears (see Table 9). The higher accumulation of refund claims during period 2020 to 2024 is due to the implementation of the "First In, First Out" principle which prioritised payment of older claims.

Table 9: Outstanding Vat Refund Claims (Audited and Unaudited)

Period	Amount (K' Million)	Percentage
Rule 18*	4,013.6	6.6%
Pre-2015 (Approved)	21.2	0.0%
2015	1,699.3	2.8%
2016	1,303.4	2.1%
2017	4,055.1	6.7%
2018	2,089.6	3.4%
2019	2,445.1	4.0%
2020	4,038.1	6.6%
2021	3,190.0	5.3%
2022	7,262.1	12.0%
2023	9,342.3	15.4%
2024	21,271.0	35.0%
Total	**60,730.8**	**100.0%**

*Rule 18 claims cover the period prior to 2015

Of the total unpaid VAT refunds, a total of K17,667.3 million was audited and pending payment by year end. The mining and quarrying sector accounted for 86.6 percent of the outstanding approved and audited VAT refunds, while the remaining sectors represented 13.4 percent (see Table 10).

Table 10: Approved (Audited) Refunds pending payment by Sector

Broad Sector	Approved Amount (K' Million)	Percentage
Mining and Quarrying	15,302.58	86.6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	838.65	4.7%
Manufacturing	572.89	3.2%
Transportation and storage	217.78	1.2%
Professional, scientific and technical activities	178.72	1.0%
Electricity, gas, steam and air conditioning supply	159.06	0.9%
Construction	135.58	0.8%
Agriculture, forestry and fishing	86.70	0.5%
Financial and insurance activities	45.83	0.3%
Administrative and support service activities	34.10	0.2%
Other service activities	30.49	0.2%
Unclassified	25.81	0.1%
Real estate activities	16.77	0.1%
Information and communication	11.21	0.1%
Accommodation and food service activities	10.35	0.1%
Education	0.80	0.0%
Water supply; sewerage, waste management and remediation	0.01	0.0%
Arts, entertainment and recreation	0.01	0.0%
Public administration and defence; compulsory social security	0.00	0.0%
Total	**17,667.33**	**100.0%**

The Authority continued to face delays in the processing of VAT refunds primarily due to: inadequate funding to pay refund claims; inadequate human resource to process the VAT claims; and missing information from VAT claimants such as bank details.

To mitigate the challenge of inadequate funding for VAT refunds, the Authority increased the monthly allocation towards refunds to K1,700 million in September 2024 from K1,350 million, albeit this still remained below the optimal level. In 2025, the monthly allocation towards refunds will be increased further to as high as K2,500.0 million. To improve the processing of VAT refund claims, the Authority automated the refund process, conducted risk-based VAT refund audits and adopted the "First-In, First-Out" approach to facilitate timely VAT refunds. Further, the Authority implemented *Smart Invoice* in December 2023 to manage the issuance of invoices in real time and curb refund fraud. The Authority also continued to proactively engage taxpayers on the documentation required in support of refund claims to address challenges pertaining to applications with missing information. These interventions will be scaled up in 2025.

Customs Refunds

The Authority administers a duty drawback scheme that enables local manufacturers to recover import duties paid on inputs used in producing goods for export to enhance their competitiveness. The Authority also processes customs refund claims arising from other import and export activities.

In 2024, the number of duty drawback claims increased by 98.3 percent to 119 from 60 in 2023. However, the total value of claims declined by 47.6 percent to K10.8 million compared to K20.6 million in 2023. The reduction in the value of claims was due to the downward revision of duty drawback coefficients following the completion of reviews for several companies during the year. The value of processed duty drawback claims in 2024 was K37.9 million compared to K6.5 million in 2023. The increase was due to the backlog of claims from 2023 that were only processed in 2024 upon review of duty drawback coefficients. Similarly, the total value of duty drawback payments increased to K13.3 million from K6.5 million in 2023.

The value of general refund claims also increased to K44.3 million from K18.4 million in 2023. The increase was largely from claims arising from a case that was under appeal and resolved in 2024 (see Table 11).

Table 11: Number and Value of Duty Drawback Applications and General Refunds in 2024 and 2023

	2024	2023	% Variance
Duty Drawback Refunds			
Number of duty drawback applications	119	60	98.3%
Value of duty drawback applications (K' million)	10.8	20.6	-47.6%
Value of processed duty drawback applications (K' million)	37.9	6.5	483.1%
Value of duty drawback payments (K' million)	13.3	6.5	104.6%
General Refunds	**2024**	**2023**	**% Variance**
Number of General refunds claims	647	150	331.3%
Value of General refund claims (K' million)	44.3	18.4	140.8%
Value of processed General refund claims (K' million)	44.3	18.2	143.4%
Value of General refund payments (K' million)	42.9	18.2	135.7%

[15] A duty drawback coefficient is a predetermined ratio used to calculate the amount of import duty refundable to an exporter when imported inputs or raw materials are used in the production of goods that are subsequently exported. The coefficient is periodically revised to reflect changes in production processes, tax policy and economic conditions.

Factors Underlying Revenue Performance in 2024

The factors underlying revenue performance in 2024 are outlined in this section.

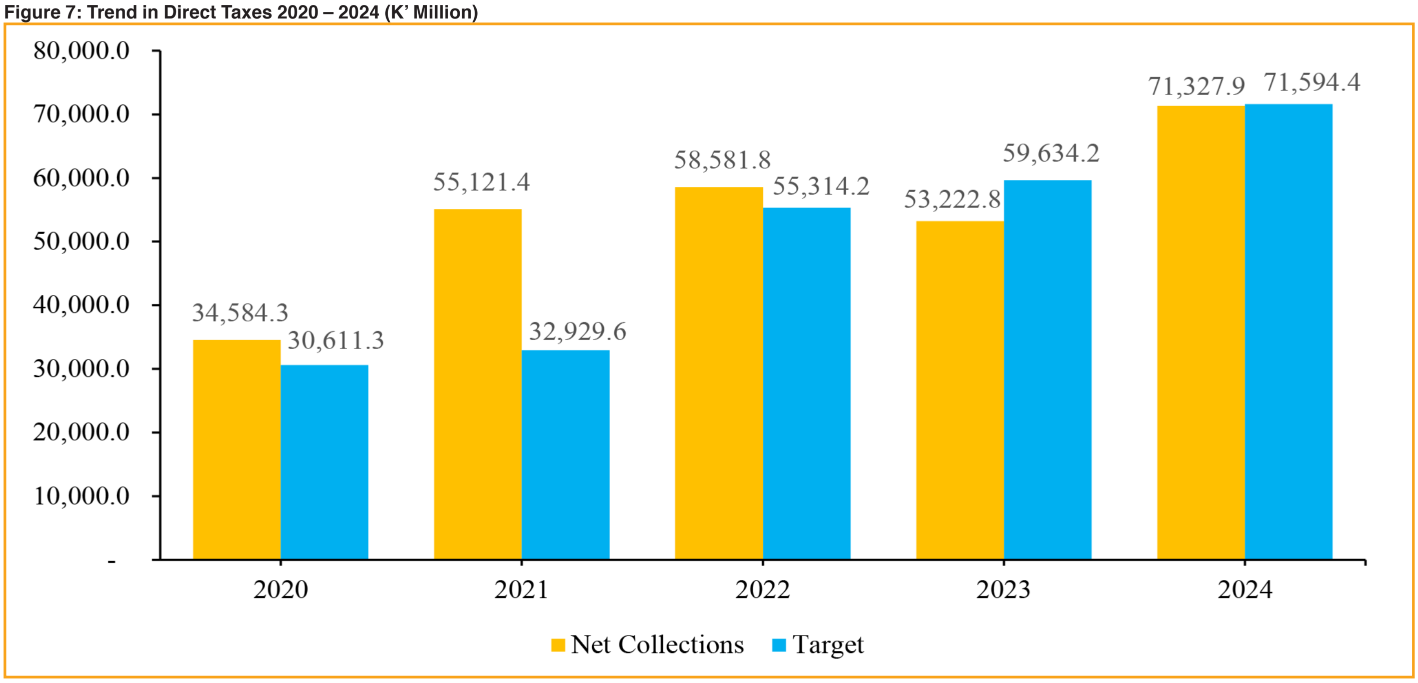
Direct Taxes

In 2024, direct taxes posted net revenue of K71,327.9 million, which was K266.6 million or 0.4 percent below its target of K71,594.4 million. The overall underperformance was mainly on account of mining Company Income Tax, whose deficit of K6,341.4 million or 46.0 percent outweighed surpluses from the other direct taxes. The deficit was due to increased capital allowance deductions as a result of expansion in the mining sector as well as high electricity and fuel costs, which the mines reported to have negatively affected their profitability.

In contrast, Withholding Tax, Mineral Royalty, PAYE, non-mining Company Income Tax, Rental Income, and Skills Development Levy exceeded their respective targets. The notable surplus recorded under Mineral Royalty was due to higher than projected levels of copper production and prices coupled with the depreciation of the Kwacha. The favourable outturns in the other direct taxes was attributed to heightened enforcement activities implemented in the year.

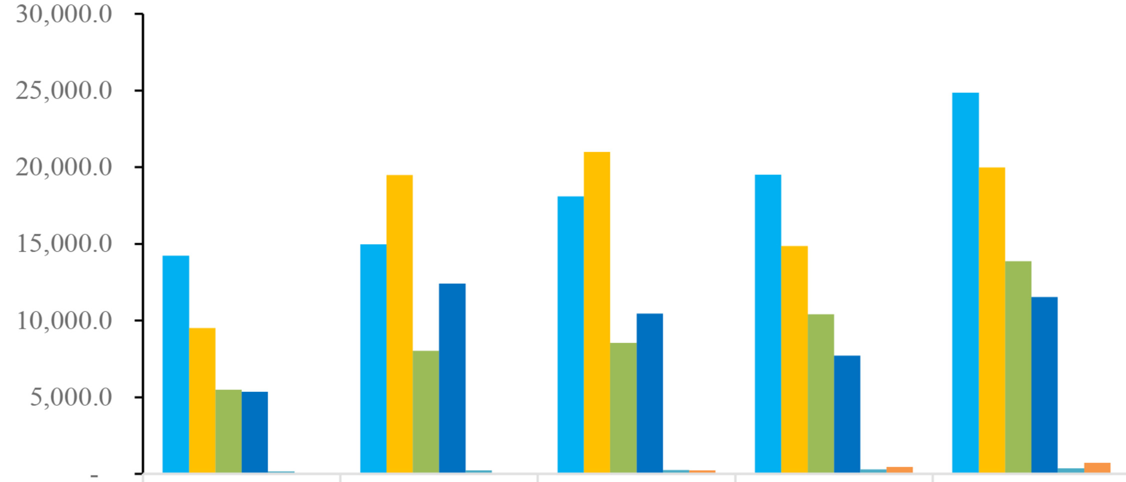
Figure 7 illustrates the trend in direct taxes collections for the period 2020 to 2024.

Figure 7: Trend in Direct Taxes 2020 – 2024 (K' Million)



The performance of tax types making up direct taxes is depicted in Figure 8

Figure 8: Net Collections from Direct Taxes by Tax Type, 2020 to 2024 (K' Million)



	2020	2021	2022	2023	2024
PAYE	14,229.2	14,971.7	18,101.5	19,518.0	24,852.0
Company Income Tax	9,512.6	19,491.4	21,002.4	14,857.4	19,984.0
Withholding Taxes	5,494.3	8,020.1	8,552.0	10,399.4	13,873.3
Mineral Royalty	5,348.2	12,417.3	10,445.3	7,709.0	11,538.2
Skills Development Levy	168.8	220.9	254.3	288.2	350.4
Rental Income Tax	-	-	226.3	450.9	729.9

Indirect and Customs Taxes

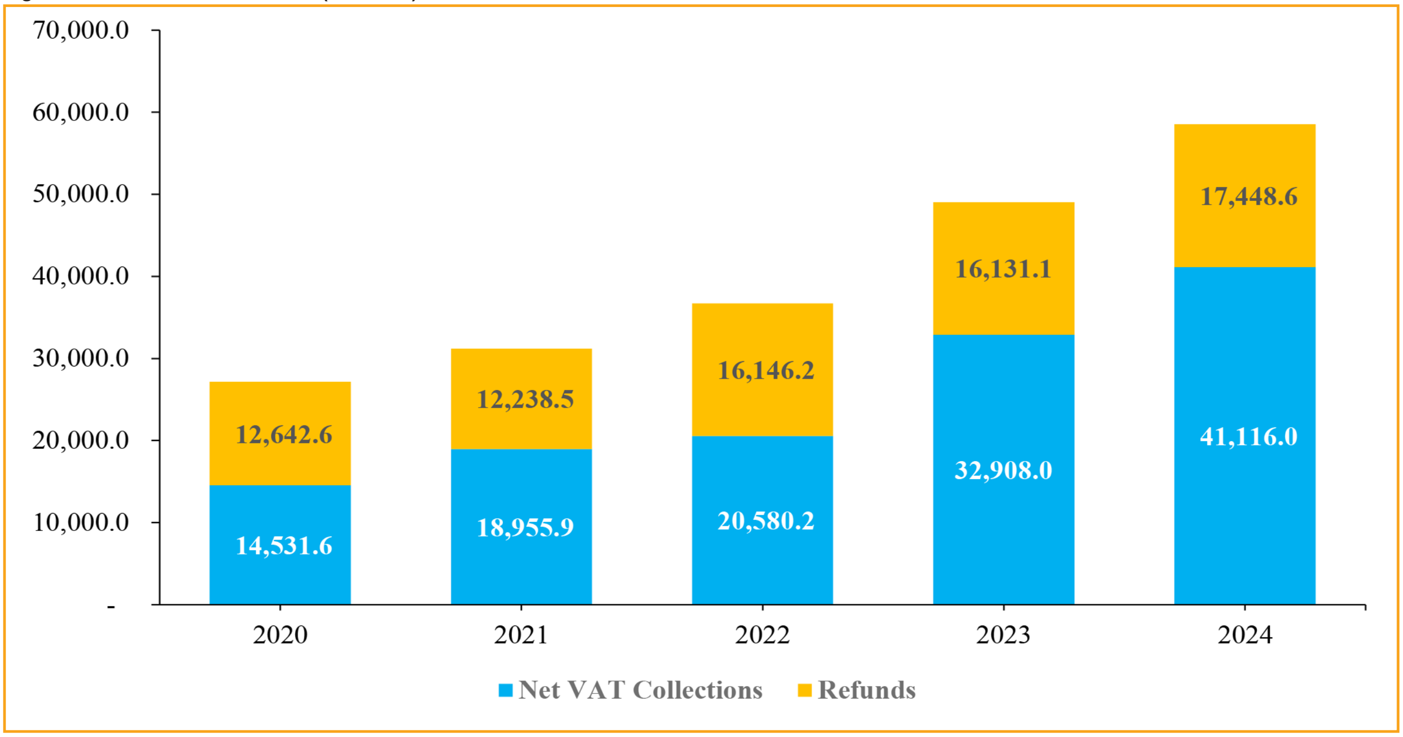
Value Added Tax

Gross collections from Domestic and Import VAT in 2024 was K58,564.7 million, of which K17,448.6 million was refunded. This resulted in a net collection of K41,116.0 million, which was K4,754.2 million or 13.1 percent above target. Specifically, Import VAT posted a surplus of K8,470.8 million, while Domestic VAT recorded a deficit of K3,716.6 million.

The positive outturn of Import VAT was due to increased importation of petrol, diesel, and other goods as well as the depreciation of the Kwacha. However, the deficit in Domestic VAT was partly due to low payment compliance and increased refund claims arising from increased imports as a result of expansion in the mining sector, increased importation of copper concentrates, high electricity and fuel costs, as well as the depreciation of the Kwacha.

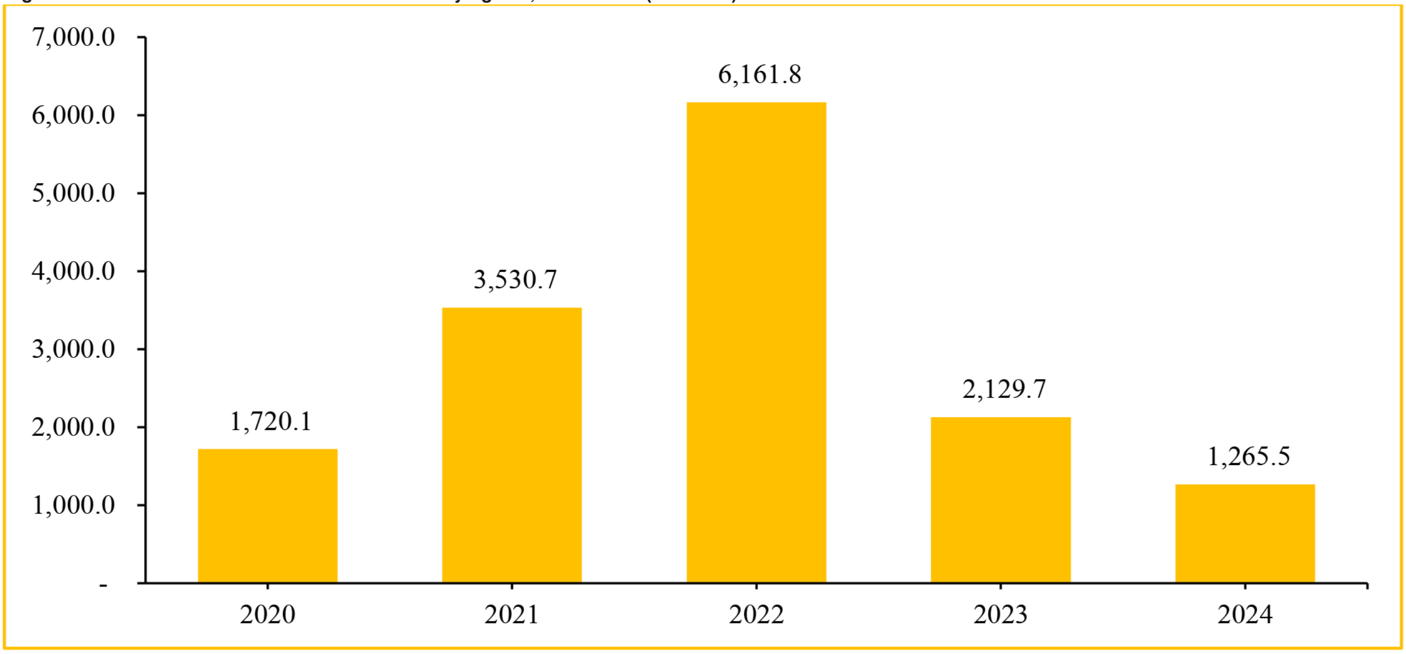
The trend in VAT collections from 2020 to 2024 is depicted in Figure 9.

Figure 9: Trend in VAT 2020 – 2024 (K' Million)



In 2024, the withheld but unremitted VAT stood at K1,265.5 million from K2,129.7[16] million in 2023. The decrease primarily stemmed from the reduction in the amount that was withheld from large taxpayers following implementation of reforms in 2023 to exempt withholding of VAT among large taxpayers. As at end 2024, the stock of withholding VAT arrears stood at K12,659.4 million compared to K10,386.2 million in 2023, with the rise caused by unremitted VAT by the mining sector (see Figure 10).

Figure 10: Trend of VAT Withheld but not Remitted by Agents, 2020 – 2024 (K' Million)

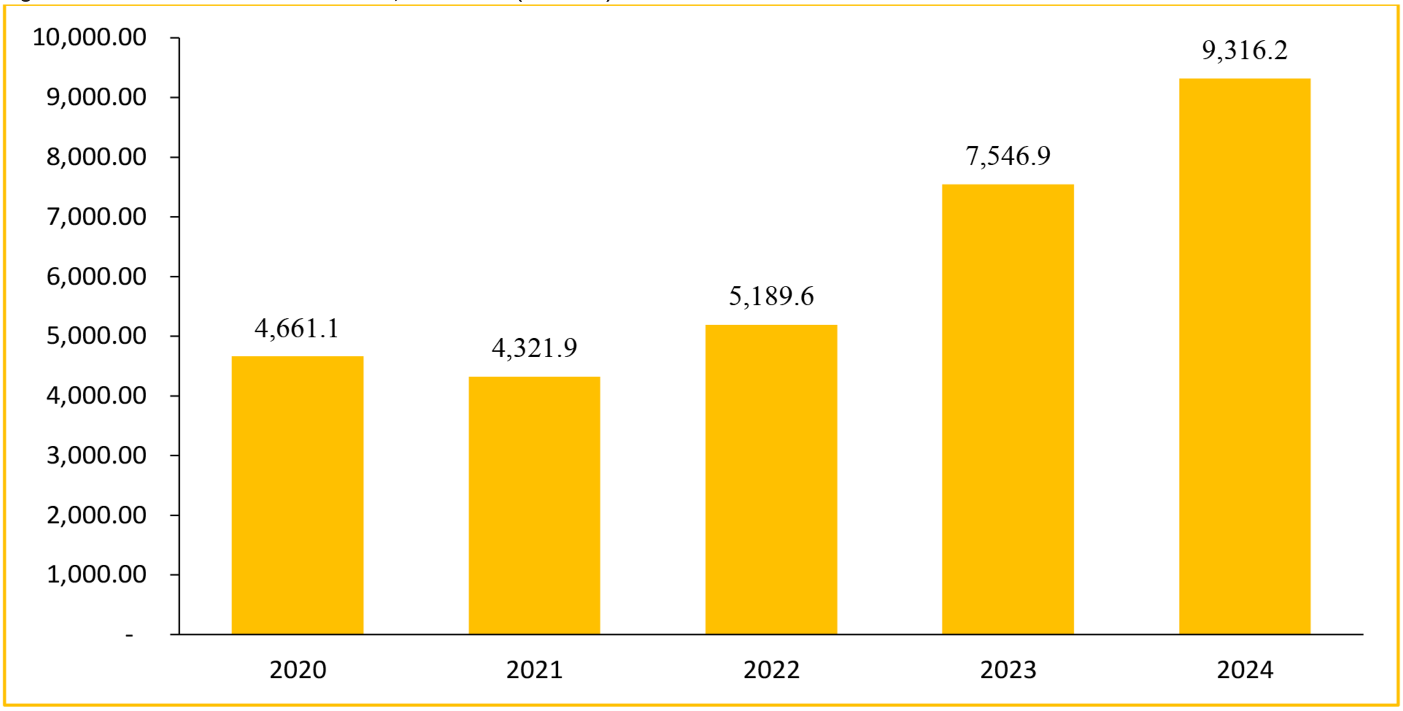


Excise Duties

In 2024, net collections from Excise Duties amounted to K9,316.2 million against the target of K8,292.8 million, resulting in a surplus of K1,023.4 million or 12.3 percent. This outturn was 23.4 percent above the 2023 collection of K7,546.9 million. The increased collections were due to increased importations of petrol, diesel, alcoholic beverages, and execution of debt swaps with Government (see Figure 11).

[16]The amount was revised from the K715.9 million reported in 2023 following a reconciliation.

Figure 11: Trend in Excise Taxes Collection, 2020 – 2024 (K' Million)



Customs and Export Duties

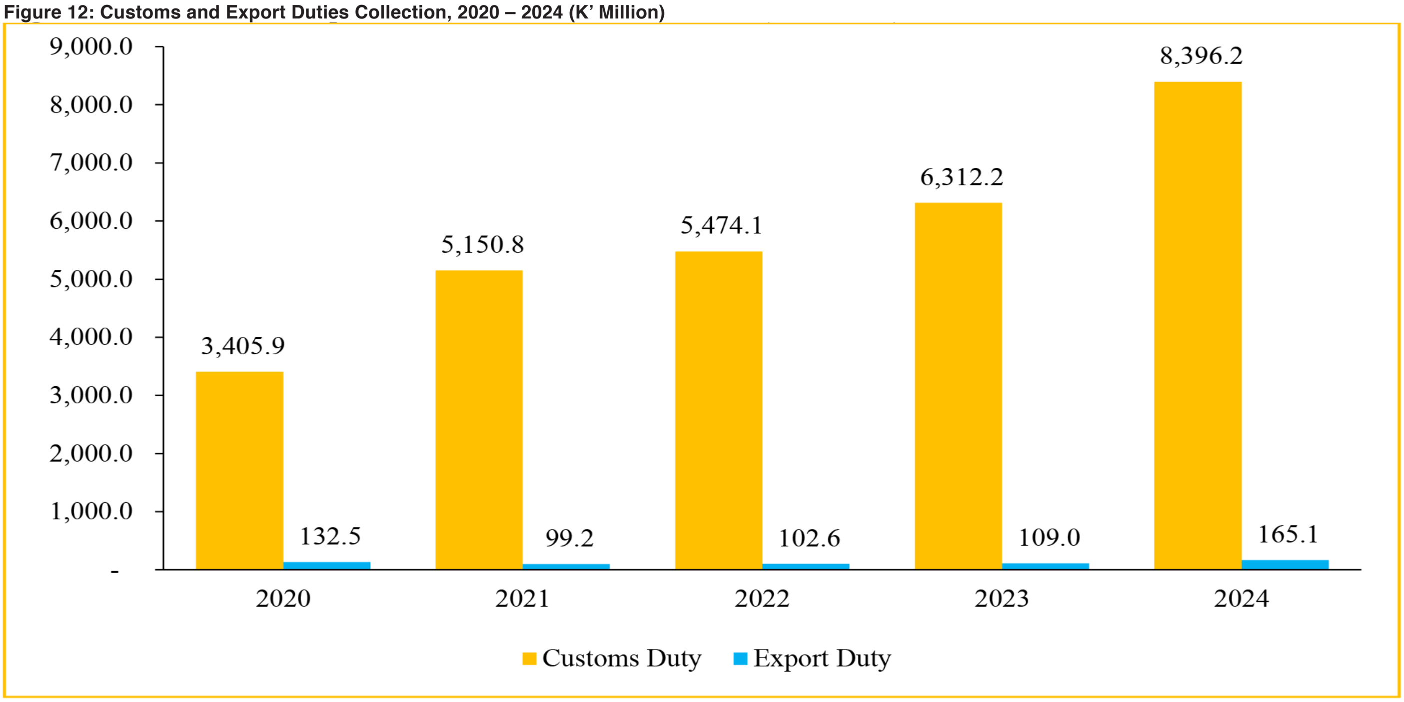
In 2024, the Authority collected K8,396.2 million in Customs Duty and K165.1 million in Export Duties. Export Duty collections exceeded the target by K44.3 million or 36.6 percent, while Customs Duty underperformed by K85.3 million or 1.0 percent. The underperformance was due to a decline in imports of worn clothing and frozen chicken by K124.9 million or 29 percent and K26.8 million or 19 percent, respectively, relative to 2023. On the other hand, Export Duty collections were boosted by a significant increase in exports of timber and, copper ores and concentrates.

During the year, revenue forgone due to concessions increased by K7,757.4 million to K21,571.9 million from K13,814.5 million in 2023. This was largely due to increased importations of goods under the SADC Protocol and increased importations by mining companies under the Customs and Excise (General) (Amendment) Regulations, 2022, Statutory Instrument No. 50 of 2022.

In 2024, collections from Customs and Export Duties increased by K2,083.9 million or 33.0 percent and K56.1 million or 51.5 percent, respectively, in comparison to 2023.

Figure 12 shows the Customs and Export Duties collections from 2020 to 2024.

Figure 12: Customs and Export Duties Collection, 2020 – 2024 (K' Million)



Revenue Collection by Sector

The *mining and quarrying sector* has maintained its position as the major contributor to gross revenue collections, accounting for K41,753.7 million of the K148,558.7 million collected in 2024. This was followed by the *wholesale and retail sector*, and the *manufacturing sector*, which accounted for K28,812.6 million and K15,422.5 million of gross collections in 2024, respectively.

Table 12: Gross Collection by Sector for 2024 and 2023, K 'Million

Rank	Sector	Domestic Tax Gross Collections			Customs Tax Gross Collections			Total Gross Tax Collections		
		2024	2023	Var	2024	2023	Var	2024	2023	Var
1	Mining and Quarrying	34,111.9	30,921.2	10.3%	7,641.8	5,007.70	52.6%	41,753.7	35,928.9	16.2%
2	Wholesale and retail trade; repair of motor vehicles and motorcycles	8,913.6	7,209.1	23.6%	19,899.0	15,482.90	28.5%	28,812.6	22,692.0	27.0%
3	Manufacturing	8,485.4	6,701.0	26.6%	6,937.1	5,066.10	36.9%	15,422.5	11,767.1	31.1%
4	Financial and insurance activities	9,652.2	7,156.9	34.9%	135.5	123.6	9.7%	9,787.8	7,280.5	34.4%
5	Public administration and defence; compulsory social security	7,181.2	6,299.3	14.0%	8.8	5.8	51.8%	7,190.0	6,305.1	14.0%
6	Information and communication	5,646.1	2,998.7	88.3%	409.9	1,367.10	-70.0%	6,056.1	4,365.7	38.7%
7	Other service activities	4,119.8	3,757.3	9.6%	1,543.5	634.5	143.3%	5,663.3	4,391.8	29.0%
8	Administrative and support service activities	4,182.9	3,795.6	10.2%	971.4	310.9	212.5%	5,154.4	4,106.6	25.5%
9	Professional, scientific and technical activities	3,854.4	2,442.9	57.8%	900.5	554.8	62.3%	4,754.9	2,997.8	58.6%
10	Construction	3,073.2	1,651.4	86.1%	1,074.8	882.3	21.8%	4,148.0	2,533.7	63.7%
11	Education	3,669.7	2,333.0	57.3%	118.7	14	748.1%	3,788.5	2,347.0	61.4%
12	Electricity, gas, steam and air conditioning supply	2,394.2	2,578.1	-7.1%	1,003.5	802.7	25.0%	3,397.7	3,380.9	0.5%
13	Unclassified/Individuals	1,072.0	233.8	358.5%	2,199.8	1,546.60	42.2%	3,271.8	1,780.5	83.8%
14	Transportation and storage	2,123.8	1,402.1	51.5%	1,061.0	1,073.40	-1.2%	3,184.8	2,475.5	28.7%
15	Agriculture, forestry and fishing	2,102.2	1,485.0	41.6%	661.2	476.4	38.8%	2,763.4	1,961.4	40.9%
16	Accommodation and food service activities	977.8	657.9	48.6%	77.2	73.8	4.6%	1,055.0	731.8	44.2%
17	Arts, entertainment and recreation	770.5	568.4	35.5%	38.7	16.5	134.6%	809.2	584.9	38.3%
18	Human health and social work activities	660.4	529.3	24.8%	44.3	20.1	120.5%	704.7	549.4	28.3%
19	Real estate activities	593.1	494.6	19.9%	45.4	44.2	2.7%	638.5	538.8	18.5%
20	Activities of extraterritorial organizations and bodies	77.3	68.7	12.5%	33.2	43.8	-24.2%	110.5	112.5	-1.8%
21	Water supply; sewerage, waste management and remediation	71.3	81.4	-12.4%	17.4	43.9	-60.4%	88.7	125.3	-29.2%
22	Activities of households as employers; undifferentiated goods and services- producing activities of households for own use	1.0	0.2	400.1%	1.5	5.6	-73.2%	2.5	5.8	-56.9%
	Total	**103,734.1**	**83,366.0**	**24.4%**	**44,824.6**	**33,596.8**	**33.4%**	**148,558.7**	**116,962.8**	**27.0%**

In terms of percentage contribution to gross revenues, the *mining and quarrying sector* contributed 28.1 percent to gross revenue collections in 2024, while the *wholesale and retail sector*, and the *manufacturing sector* contributed 19.4 percent and 10.4 percent, respectively. Collectively, these 3 sectors accounted for 57.6 percent of gross collections in 2024, a decrease from 60.2 percent in 2023.

Table 13: Percentage Contribution to Gross Collection by Sector 2024 and 2023, K 'Million

Rank	Sector	Domestic Tax Gross Collections			Customs Tax Gross Collections			Total Gross Tax Collections		
		2024	2023	% Var	2024	2023	Var	2024	2023	% Var
1	Mining and Quarrying	32.9%	37.1%	-4.2%	17.0%	14.9%	2.1%	28.1%	30.7%	-2.6%
2	Wholesale and retail trade; repair of motor vehicles and motorcycles	8.6%	8.6%	-0.1%	44.4%	46.1%	-1.7%	19.4%	19.4%	0.0%
3	Manufacturing	8.2%	8.0%	0.1%	15.5%	15.1%	0.4%	10.4%	10.1%	0.3%
4	Financial and insurance activities	9.3%	8.6%	0.7%	0.3%	0.4%	-0.1%	6.6%	6.2%	0.4%
5	Public administration and defence; compulsory social security	6.9%	7.6%	-0.6%	0.0%	0.0%	0.0%	4.8%	5.4%	-0.6%
6	Information and communication	5.4%	3.6%	1.8%	0.9%	4.1%	-3.2%	4.1%	3.7%	0.3%
7	Other service activities	4.0%	4.5%	-0.5%	3.4%	1.9%	1.6%	3.8%	3.8%	0.1%
8	Administrative and support service activities	4.0%	4.6%	-0.5%	2.2%	0.9%	1.2%	3.5%	3.5%	0.0%
9	Professional, scientific and technical activities	3.7%	2.9%	0.8%	2.0%	1.7%	0.4%	3.2%	2.6%	0.6%
10	Construction	3.0%	2.0%	1.0%	2.4%	2.6%	-0.2%	2.8%	2.2%	0.6%
11	Education	3.5%	2.8%	0.7%	0.3%	0.0%	0.2%	2.6%	2.0%	0.5%
12	Electricity, gas, steam and air conditioning supply	2.3%	3.1%	-0.8%	2.2%	2.4%	-0.2%	2.3%	2.9%	-0.6%
13	Unclassified/Individuals	1.0%	0.3%	0.8%	4.9%	4.6%	0.3%	2.2%	1.5%	0.7%
14	Transportation and storage	2.0%	1.7%	0.4%	2.4%	3.2%	-0.8%	2.1%	2.1%	0.0%
15	Agriculture, forestry and fishing	2.0%	1.8%	0.2%	1.5%	1.4%	0.1%	1.9%	1.7%	0.2%
16	Accommodation and food service activities	0.9%	0.8%	0.2%	0.2%	0.2%	0.0%	0.7%	0.6%	0.1%
17	Arts, entertainment and recreation	0.7%	0.7%	0.1%	0.1%	0.0%	0.0%	0.5%	0.5%	0.0%
18	Human health and social work activities	0.6%	0.6%	0.0%	0.1%	0.1%	0.0%	0.5%	0.5%	0.0%
19	Real estate activities	0.6%	0.6%	0.0%	0.1%	0.1%	0.0%	0.4%	0.5%	0.0%
20	Activities of extraterritorial organizations and bodies	0.1%	0.1%	0.0%	0.1%	0.1%	-0.1%	0.1%	0.1%	0.0%
21	Water supply; sewerage, waste management and remediation	0.1%	0.1%	0.0%	0.0%	0.1%	-0.1%	0.1%	0.1%	0.0%
22	Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%

Regarding net revenue collections, the *wholesale and retail sector* accounted for the largest share at K28,278.0 million or 21.5 percent of total net revenue collections in 2024, representing 4.1 percent of GDP. This was followed by the *mining and quarrying sector*, which accounted for K26,238.5 million or 20.0 percent of total collections and 3.8 percent of GDP. This was attributed to the amount of refund payments associated with the *mining and quarrying sector*, which stood at K15,515.2 million in 2024. The *manufacturing sector* contributed K15,079.9 million or 11.5 percent to total net revenue collections, with a tax to GDP ratio of 2.2 percent. Collectively, these 3 sectors contributed K69,525.9 million or 53.1 percent to total net revenue collections, with a combined tax-to-GDP ratio of 10.1 percent.

Table 14: Gross and Net Collection by Sector in 2024

Sector	Domestic Tax Gross Collections	Customs Tax Gross Collections	Total Gross Tax Collections	Refunds	Net Collections	% of Total Net Collections	Net Collections as a Percentage of GDP
Wholesale and retail trade; repair of motor vehicles and motorcycles	8,913.6	19,899.0	28,812.6	605.2	28,207.4	21.5%	4.1%
Mining and Quarrying	34,111.9	7,641.8	41,753.7	15,515.2	26,238.5	20.0%	3.8%
Manufacturing	8,485.4	6,937.1	15,422.5	342.6	15,079.9	11.5%	2.2%
Financial and insurance activities	9,652.2	135.5	9,787.8	64.4	9,723.4	7.4%	1.4%
Public administration and defence; compulsory social security	7,181.2	8.8	7,190.0	-	7,190.0	5.5%	1.0%
Information and communication	5,646.1	409.9	6,056.1	11.6	6,044.6	4.6%	0.9%
Other service activities	4,119.8	1,543.5	5,663.3	32.1	5,631.2	4.3%	0.8%
Administrative and support service activities	4,182.9	971.4	5,154.4	91.1	5,063.3	3.9%	0.7%
Professional, scientific and technical activities	3,854.4	900.5	4,754.9	128.0	4,626.9	3.5%	0.7%
Construction	3,073.2	1,074.8	4,148.0	247.3	3,900.7	3.0%	0.6%
Education	3,669.7	118.7	3,788.5	2.6	3,785.9	2.9%	0.5%
Unclassified/Individuals	1,072.0	2,199.8	3,271.8	20.4	3,251.4	2.5%	0.5%
Electricity, gas, steam and air conditioning supply	2,394.2	1,003.5	3,397.7	209.0	3,188.7	2.4%	0.5%
Transportation and storage	2,123.8	1,061.0	3,184.8	253.1	2,931.7	2.2%	0.4%
Agriculture, forestry and fishing	2,102.2	661.2	2,763.4	43.5	2,719.9	2.1%	0.4%
Accommodation and food service activities	977.8	77.2	1,055.0	13.6	1,041.4	0.8%	0.2%
Arts, entertainment and recreation	770.5	38.7	809.2	6.4	802.8	0.6%	0.1%
Human health and social work activities	660.4	44.3	704.7	0.1	704.6	0.5%	0.1%
Real estate activities	593.1	45.4	638.5	12.7	625.8	0.5%	0.1%
Activities of extraterritorial organizations and bodies	77.3	33.2	110.5	-	110.5	0.1%	0.0%
Water supply; sewerage, waste management and remediation	71.3	17.4	88.7	1.3	87.4	0.1%	0.0%
Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use	1.0	1.5	2.5	-	2.5	0.0%	0.0%
Total	**103,734.1**	**44,824.6**	**148,558.7**	**17,600.0**	**130,958.7**	**100.0%**	**19.0%**

Sector Contribution to GDP and Net Tax Revenue

The *wholesale and retail sector*, along with the *mining and quarrying* were the top contributors to nominal GDP and net tax collection in 2024, highlighting their significant role in both economic activity and revenue generation. These 2 sectors accounted for 36.2 percent and 41.5 percent of nominal GDP and net revenue in 2024, respectively. However, despite the notable contribution of the *construction* and the *transportation and storage sectors* to GDP, their contribution to net tax revenue were relatively low. This could be attributable to tax incentives which erode the tax base including the suspension of Customs Duty on construction materials under a Public-Private Partnership (PPP) agreement and the cash accounting scheme for taxpayers in the *construction sector*.

Incentives which erode the tax base in the *transport and storage sector* include VAT zero-rating on the supply of freight transport services from or to Zambia, and input tax claims on spare parts and other inputs such as diesel, which affect both Income Tax and Value Added Tax declarations. The ranking of the net revenue contribution of the remaining major sectors largely corresponds to their ranking in contribution to nominal GDP.

Table 15 depicts the contribution of sectors to tax revenue and GDP.

Table 15: Sector Contribution to GDP and Net Tax Revenues

Rank Analysis Based on Nominal GDP				Rank Analysis Based on Net Collections			
Rank	**Sector**	**2024 Nominal GDP (K' Million)**	**% Share of 2024 Nominal GDP**	**Rank**	**Sector**	**Net Collection (K' Million)**	**% of Total Net Collection**
1	Wholesale and retail trade; repair of motor vehicles and motorcycles	129,807.0	18.8%	1	Wholesale and retail trade; repair of motor vehicles and motorcycles	28,207.4	21.5%
2	Mining and Quarrying	119,987.0	17.4%	2	Mining and Quarrying	26,238.5	20.0%
3	Transportation and storage	85,420.0	12.4%	3	Manufacturing	15,079.9	11.5%
4	Construction	65,955.0	9.6%	4	Financial and insurance activities	9,723.4	7.4%
5	Manufacturing	63,953.0	9.3%	5	Other service activities	8,995.6	6.9%
6	Financial and insurance activities	40,639.0	5.9%	6	Public administration and defence; compulsory social security	7,190.0	5.5%
7	Public administration and defence; compulsory social security	29,063.0	4.2%	7	Information and communication	6,044.6	4.6%
8	Education	23,756.0	3.4%	8	Administrative and support service activities	5,063.3	3.9%
9	Information and communication	18,165.0	2.6%	9	Professional, scientific and technical activities	4,626.9	3.5%
10	Human health and social work activities	15,933.0	2.3%	10	Construction	3,900.7	3.0%
11	Real estate activities	13,881.0	2.0%	11	Education	3,785.9	2.9%
12	Agriculture, forestry and fishing	12,396.0	1.8%	12	Electricity, gas, steam and air conditioning supply	3,188.7	2.4%
13	Professional, scientific and technical activities	7,415.0	1.1%	13	Transportation and storage	2,931.7	2.2%
14	Electricity, gas, steam and air conditioning supply	6,526.0	0.9%	14	Agriculture, forestry and fishing	2,719.9	2.1%
15	Accommodation and food service activities	6,021.0	0.9%	15	Accommodation and food service activities	1,041.4	0.8%
16	Administrative and support service activities	5,329.0	0.8%	16	Arts, entertainment and recreation	802.8	0.6%
17	Other service activities	2,658.0	0.4%	17	Human health and social work activities	704.6	0.5%
18	Arts, entertainment and recreation	1,764.0	0.3%	18	Real estate activities	625.8	0.5%
19	Water supply; sewerage, waste management and remediation	1,712.0	0.2%	19	Water supply; sewerage, waste management and remediation	87.4	0.1%
	Add: Taxes less subsidies	38,471.0	5.6%		Add: Taxes less subsidies		
	Total	**688,851.0**	**100.0%**		**Total**	**130,958.7**	**100.0%**

Employment by Sector as Declared in PAYE Returns

In 2024, the number of employees across sectors as declared in the PAYE returns by compliant taxpayers[17] was 640,857 compared to 628,569 in 2023. The 5 sectors with the largest workforce in 2024 were: *wholesale and retail*; *manufacturing; agriculture, forestry and fishing; mining and quarrying*; and *administrative and support service activities*. It is worth noting that the employment numbers reported exclude employees in Central and Local Government.

Table 16 presents a trend in sectoral employment based on employer-submitted returns from 2020 to 2024.

Table 16: Number of Employees Per Sector based on returns submitted

SECTOR	2020	2021	2022	2023	2024
Wholesale and retail trade; repair of motor vehicles and motorcycles	102,826	107,514	110,736	114,808	117,276
Manufacturing	54,579	65,443	69,646	76,440	78,614
Agriculture, forestry and fishing	143,347	84,419	73,705	69,520	67,751
Mining and Quarrying	62,890	60,346	76,964	69,577	61,964
Administrative and support service activities	38,677	41,434	43,696	46,354	49,319
Other service activities	38,021	42,154	38,149	42,108	41,928
Transportation and storage	25,183	25,256	30,680	32,446	33,003
Construction	28,329	26,750	22,642	25,253	25,322
Professional, scientific and technical activities	21,594	23,056	22,439	22,761	24,210
Education	20,027	20,737	23,972	26,773	24,098
Financial and insurance activities	16,005	16,399	19,925	18,339	18,831
Public administration and defence; compulsory social security	34,999	36,307	16,066	18,668	18,135
Accommodation and food service activities	13,471	14,317	14,633	16,743	16,021
Unclassified/Individuals	3,432	3,788	4,329	7,436	19,458
Human health and social work activities	6,778	11,093	9,223	10,342	11,131
Electricity, gas, steam and air conditioning supply	7,811	7,755	8,160	8,617	10,717
Information and communication	6,452	6,387	5,651	5,987	6,106
Arts, entertainment and recreation	3,660	3,930	5,146	5,346	5,587
Real estate activities	3,219	3,300	3,760	4,214	4,511
Water supply; sewerage, waste management and remediation	4,631	4,016	4,339	3,929	3,668
Activities of extraterritorial organizations and bodies	2,366	2,126	2,381	2,894	3,193
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	17	14	24	14	14
Total	**638,314**	**606,541**	**606,266**	**628,569**	**640,857**

[17] The PAYE return filing compliance rate was 55 percent in 2024

Export Duty Collection by Product from 2020 To 2024

In Zambia, the Export Duty on precious stones and metals has undergone several policy changes in recent years. In 2019, the Government introduced Export Duty on precious metals including gold, precious stones and gemstones at the rate of 15 percent. This was later suspended in January 2020 through the Customs and Excise (Precious Metals) (Export Duty) (Suspension) Order, Statutory Instrument No. 40 of 2020. The suspension aimed to spur growth in the sector and enhance the competitiveness of local producers in the global market.

Following the introduction of Export Duty on precious minerals in January 2019, revenue collections from Export Duty on minerals and concentrates increased to K323.8 million from K8.6 million in 2018. Of the K323.8 million collected, K199.3 million was attributed to Export Duty on precious minerals. However, the suspension of Export Duty on precious minerals in 2020, resulted in no collections in the period 2020 to 2024. The measure was reintroduced in the 2025 National Budget subject to discussion with stakeholders before implementation on 1st January 2025.

The performance of Export Duty on minerals and concentrates during the period 2020 to 2024 has been on a downward trend on average peaking at K132.5 million in 2020. However, there was a significant increase to K100.2 million in 2024 from K63.5 million in 2023. This was mainly attributed to limited smelting capacity in view of increased copper production and the depreciation of the Kwacha during the year. Similarly, collections from Export Duty on Timber increased to K64.9 million in 2024 from K44.6 million in 2023. It is worth noting that timber exports are restricted to holders of a valid export permit that is issued in accordance with the Forests (Export of Timber) Regulations, 2015. In 2024, the species of timber exported included *Afzelia Quanzensis (Mupapa), Colophospermum Mopane (Mopane), Combretum Imberbe (Muzwili), Pterocarpus Angolensis (Mukwa), Baikiaea Plurijuga (Teak), Brachystegia Spiciformis (Msasa) and Genus Pinus (Pine)* often in their processed forms such as sawn and decking timber. There were no exports of *Pterocarpus Chrysothrix (Mukula)* recorded in the year.

Overall, total Export Duty collections increased to K165.1 million in 2024 from K109.0 million in 2023. However, its contribution to total revenue remained low at 0.1 percent. This is because Government policy is generally not to tax exports except where the objective is to promote local value addition.

Table 17: Export Duty Collections by Product, 2020 to 2024 (K' Million)

	2020			2021			2022			2023			2024		
	Outturn	Target	Variance	Outturn	Target	Variance	Outturn	Target	Variance	Outturn	Target	Variance	Outturn	Target	Variance
Export duties; o/w	**132.5**	**186.4**	**-53.9**	**99.2**	**177.6**	**-44.1**	**102.6**	**133.6**	**-31.0**	**109.0**	**109.5**	**-0.5**	**165.1**	**120.8**	**44.3**
Export Duty on Maize	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export Duty on Timber	0.0	0.0	0.0	0.0	0.0	0.0	46.7	0.0	46.7	44.6	71.8	-27.2	64.9	79.3	-14.4
Export Duty on Minerals and Concentrates	132.5	186.4	-53.9	99.2	177.6	-44.1	55.9	133.6	-77.7	63.5	37.7	25.8	100.2	41.6	58.7

Performance of Mining Sector Taxes

In 2024, gross revenue collections from the *mining and quarrying sector* under domestic taxes amounted to K34,111.9 million. Of which, K15,515.2 was paid out in refunds, resulting in a net outturn of K18,596.7 million. Mineral Royalty was the major contributor, accounting for K11,538.8 million of total net collections. This followed by mining Company Income Tax and PAYE, with contributions K7,444.3 million and K4,646.5 million, respectively (see Table 18)

Table 18: Domestic Taxes Collections from the Mining and Quarrying Sector in 2024, (K' Million)

Tax Type	Gross Collections	Refunds	Net Collections
Mineral Royalty	11,538.8	0.0	11,538.8
Mining Company Income Tax	7,444.3	0.0	7,444.3
Pay-As-You-Earn	4,646.5	0.0	4,646.5
Withholding Tax	2,021.9	0.0	2,021.9
Local Excise	273.3	0.0	273.3
Property Transfer Tax	165.5	0.0	165.5
Rental Tax	8.7	0.0	8.7
Presumptive Tax on Artisanal Small-Scale Mining	1.4	0.0	1.4
Turnover Tax	1.3	0.0	1.3
Tourism Levy	0.2	0.0	0.2
Value Added Tax	8,010.1	15,515.2[18]	-7,505.0
Total	**34,111.9**	**15,515.2**	**18,596.7**

In comparison to 2023, gross revenue collections from the *mining and quarrying sector* increased by K3,190.7 million or 10.3 percent in 2024, while net revenues also increased by K710.0 million or 4.0 percent (see Table 19).

Table 19: Domestic Tax Collections from the Mining and Quarrying Sector in 2024 and 2023, (K' Million)

Tax Type	Gross Collections			Net Collections		
	2024	2023	Var	2024	2023	Var
Mineral Royalty tax	11,538.8	7,709.0	3,829.8	11,538.8	7,709.0	3,829.8
Mining Company Income Tax	7,444.3	5,352.5	2,091.8	7,444.3	5,352.5	2,091.8
Pay As You Earn	4,646.5	3,615.8	1,030.6	4,646.5	3,615.8	1,030.6
Value Added Tax	8,010.1	11,352.4	-3,342.3	-7,505.0	-1,682.0	-5,823.0
Withholding Tax	2,021.9	2,632.3	-610.4	2,021.9	2,632.3	-610.4
Local Excise	273.3	198.4	74.9	273.3	198.4	74.9
Property Transfer Tax	165.5	0.0	165.5	165.5	0.0	165.5
Rental Income Tax	8.7	6.0	2.7	8.7	6.0	2.7
Presumptive Tax on Artisanal Small-Scale Mining	1.4	0.0	1.4	1.4	0.0	1.4
Turnover Tax	1.3	0.0	1.3	1.3	0.0	1.3
Tourism Levy	0.2	0.1	0.0	0.2	0.1	0.0
Skills Development Levy	0.0	54.5	-54.5	0.0	54.5	-54.5
Total	**34,111.9**	**30,921.2**	**3,190.7**	**18,596.7**	**17,886.7**	**710.0**

In terms of customs taxes, gross collections from the *mining and quarrying sector* amounted to K7,641.8 million and K8.6 million was paid out as refunds, translating into a net outturn of K7,633.2 million. Import VAT was the major contributor to customs revenues, accounting for K5,799.0 million or 75.9 percent of total net collections. This was followed by Customs Duty, which contributed K1,680.9 million or 22.1 percent. The least contribution was under Motor Vehicle Fees at K0.6 million (see Table 20).

Table 20: Customs Collection from the Mining and Quarrying Sector in 2024, (K' Million)

Tax Type	Gross Collections	Refunds	Net Collections
Import VAT	5,799.0	0.0	5,799.0
Customs Duty	1,689.5	8.6	1,680.9
Export Duty on Minerals and Concentrates	100.1	0.0	100.1
Import Excise Duties	52.0	0.0	52.0
Carbon Tax	0.6	0.0	0.6
Motor Vehicle Fees	0.6	0.0	0.6
Total	**7,641.8**	**8.6**	**7,633.2**

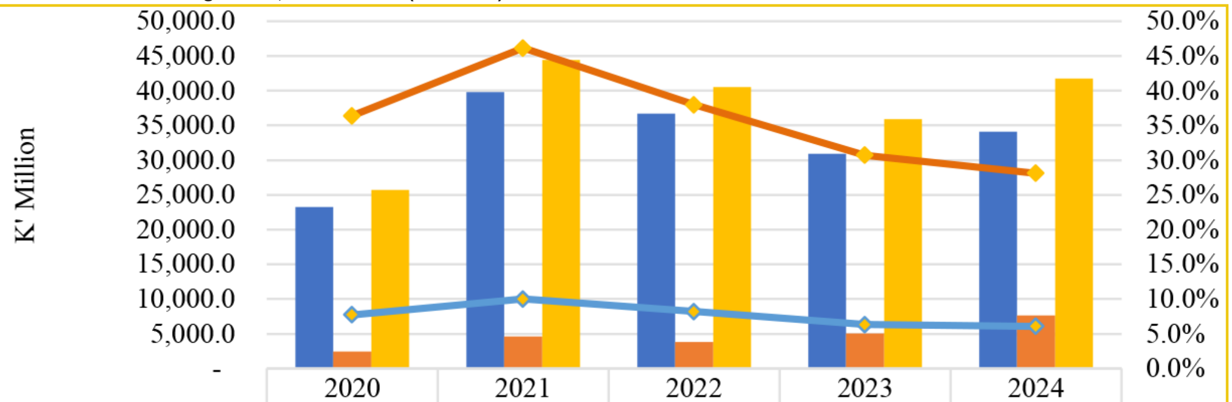
In 2024, collections for customs taxes from the *mining and quarrying sector* increased by K2,634.1 million from K5,007.7 million in 2023. Similarly, net revenue collections from this sector increased by K2,628.9 million from K5,004.3 million (see Table 21).

Table 21: Customs Collection from the Mining and Quarrying Sector (K' Million)

Tax Type	Gross Collections			Net Collections		
	2024	2023	Var	2024	2023	Var
Import VAT	5,799.0	3,757.1	2,041.9	5,799.0	3,757.1	2,041.9
Customs Duty	1,689.5	1,139.7	549.8	1,680.9	1,136.3	544.6
Export Duty on Minerals and Concentrates	100.1	63.5	36.7	100.1	63.5	36.7
Import Excise Duties	52.0	43.5	8.5	52.0	43.5	8.5
Carbon Tax	0.6	2.1	-1.5	0.6	2.1	-1.5
Motor Vehicle Fees	0.6	1.8	-1.2	0.6	1.8	-1.2
Total	**7,641.8**	**5,007.7**	**2,634.1**	**7,633.2**	**5,004.3**	**2,628.9**

In total, gross revenue collections from the *mining and quarrying sector* in 2024 amounted to K41,753.7 million, representing 28.1 percent of total gross revenue collections and 6.1 percent of GDP. Of this amount, domestic taxes accounted for K34,111.9 million or 81.7 percent and customs taxes accounted for K7,641.8 million or 18.3 percent. In comparison to 2023, the contribution of this sector to total gross revenue collections declined by 2.6 percentage points from 30.7 percent, while the tax-to-GDP ratio also declined from 6.3 percent. This was despite the nominal collections increasing by K5,825.5 million in 2024 (see Figure 13).

Figure 13: Gross Revenue from the Mining Sector, 2020 to 2024 (K' Million)

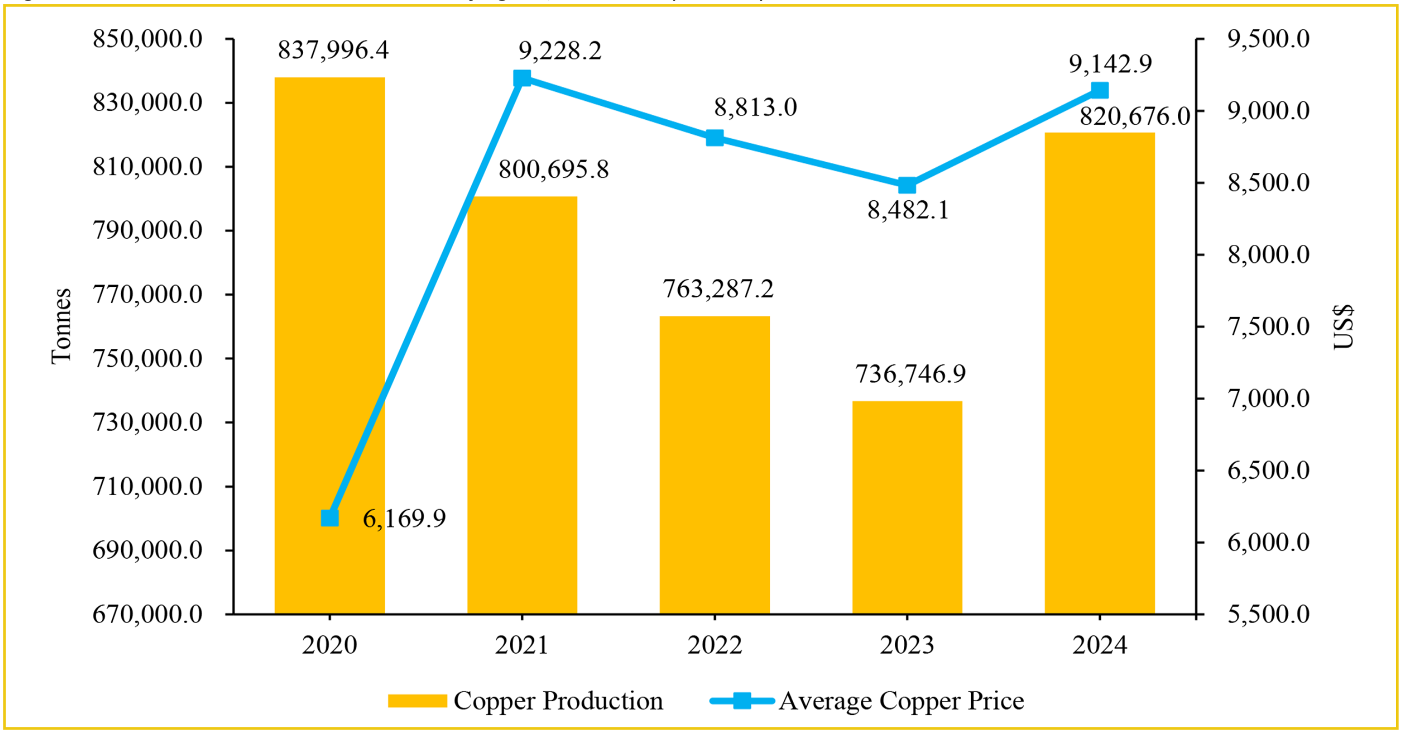


	2020	2021	2022	2023	2024
Domestic Taxes	23,227.2	39,828.2	36,675.1	30,921.2	34,111.9
Customs Taxes	2,444.2	4,609.4	3,814.7	5,007.7	7,641.8
Total	25,671.4	44,437.6	40,489.8	35,928.9	41,753.7
Mining Rev as % of Gross Revenue	36.4%	46.2%	38.0%	30.7%	28.1%
Mining Rev as % of GDP	7.7%	10.0%	8.2%	6.3%	6.1%

18 Refunds from collections under Domestic and Import VAT are paid from Domestic VAT.

Between 2020 and 2024, copper production was highest in 2020 and lowest in 2023. In terms of price, the average price of copper on the London Metal Exchange was highest in 2021 and lowest in 2020 (see Figure 14).

Figure 14: Trend of VAT withheld but not remitted by Agents, 2020 – 2024 (K' Million)



Source: Ministry of Mines and Minerals Development and London Metal Exchange

In the period 2020 to 2024, copper production averaged 791,880.5 metric tonnes per annum, while annual sales averaged 728,465.6 metric tonnes. During the same period, the amounts declared in Mineral Royalty returns averaged K9,777.2 million (see Table 22).

Table 22: Trend in Copper Production and Mineral Royalty Declarations, 2020 to 2024

Year	Production (tonnes)	Sold (tonnes)	Filed Return Amounts (K' Million)
2020	837,996.4	797,482.0	6,746.1
2021	800,695.8	758,073.6	13,703.8
2022	763,287.2	731,583.5	10,237.1
2023	736,746.9	684,690.5	7,468.0
2024	820,676.0	670,498.6	10,833.9

Source: Ministry of Mines and Minerals Development and ZRA

Table 23 shows the trend in mineral return declarations for the period 2020 to 2024.

Table 23: Trend in Mineral Return Analysis for various Minerals, 2020 to 2024 (K' million)

No	Mineral	2020	2021	2022	2023	2024
1	Copper	6,757.2	13,703.5	10,289.0	7,452.3	10,833.9
2	Nickel	22.8	53.6	64.7	121.6	495.5
3	Gold	268.7	313.1	274.3	207.4	429.1
4	Gemstones	114.2	187.7	242.6	278.3	304.2
5	Energy Mineral	58.1	63.0	60.7	83.0	104.5
6	Industrial Minerals	31.4	35.2	31.6	55.9	51.1
7	Silver	3.7	6.0	4.4	4.2	47.6
8	Manganese Ore	12.2	17.0	14.9	13.3	12.9
9	Cobalt	4.7	7.3	11.2	44.5	7.1
10	Palladium	0.0	0.8	3.8	4.5	3.8
11	Zinc	0.3	4.4	4.7	6.6	3.3
12	Platinum	0.0	0.3	0.6	1.4	1.3
13	Iron	0.0	0.2	0.7	1.6	0.9
14	Tin	0.0	0.0	0.4	0.0	0.6
15	Tungsten	0.0	0.0	0.0	0.0	0.1
16	Magnesium	0.0	0.0	0.0	0.1	0.1
Total		**7,273.2**	**14,392.3**	**11,003.5**	**8,274.6**	**12,295.8**

**Only 1 mine (Artisanal and small-scale) reported sales of Sugilite in 2024. The declared Mineral Royalty amount was K0.02 million*
*** There was no official mining of Lithium reported during the period under review.*

To enhance compliance in the sector, the Authority carried out a number of audits. These included issue-based audits and comprehensive audits covering VAT, Withholding Tax, Mineral Royalty, PAYE, Company Income Tax, Property Transfer Tax and Skills Development Levy. Value Added Tax credibility audits were also conducted.

The issue-based and comprehensive audits yielded K159.9 million of which K96.5 million was from VAT assessments. In addition, the VAT credibility assessments yielded K29.4 million.

Regarding other notable compliance improvement iniatives undertaken in the sector, the Authority:

a) collaborated with accredited laboratories to conduct mineral sampling and testing activities for mineral quality verifications;
b) increased taxpayer engagements and sensitisation to curb low compliance in reporting on MOSES in collaboration with the Ministry of Mines and Minerals Development;
c) participated in the inter-ministerial project team set up to oversee the establishment of the Minerals Regulation Commission; and
d) commenced works to incorporate industrial and energy minerals on MOSES.

Rank Analysis of Tax Type Contribution to Total Revenue

In 2024, Import VAT accounted for 23.9 percent of total revenue. This was followed by PAYE at 19.0 percent, Withholding Taxes at 10.6 percent and non-mining Company Income Tax at 9.6 percent. Mineral Royalty and Domestic VAT ranked fifth and sixth at 8.8 percent and 7.5 percent, respectively.

The ranking of all tax types is shown in Table 24.

Table 24: Ranking of Tax Types by Performance in 2024 and 2023, (K' Million)

Rank	Tax Type	Actual Collections		% Total Revenue		Percentage Point Variance
		2024	2023	2024	2023	
1	Import VAT	31,311.7	23,042.3	23.9%	22.9%	1.0%
2	PAYE	24,852.0	19,518.0	19.0%	19.4%	-0.4%
3	Withholding Taxes & others	13,873.3	10,399.4	10.6%	10.3%	0.3%
4	Non-Mining Company Income Tax	12,539.7	9,504.8	9.6%	9.4%	0.1%
5	Mineral Royalty	11,538.2	7,709.0	8.8%	7.7%	1.1%
6	Domestic VAT	9,804.3	9,865.6	7.5%	9.8%	-2.3%
7	Customs Duty	8,396.2	6,312.2	6.4%	6.3%	0.1%
8	Mining Company Income Tax	7,444.3	5,352.5	5.7%	5.3%	0.4%
9	Local Excise Duties	4,107.6	3,100.3	3.1%	3.1%	0.1%
10	Import Excise Duties	2,949.2	2,395.9	2.3%	2.4%	-0.1%
11	Import Fuel Levy	1,729.0	1,401.2	1.3%	1.4%	-0.1%
12	Rental Income Tax	729.9	450.9	0.6%	0.4%	0.1%
13	Rural Electrification Levy	415.5	421.7	0.3%	0.4%	-0.1%
14	Insurance Premium	405.9	301.5	0.3%	0.3%	0.0%
15	Skills Development Levy	350.4	288.2	0.3%	0.3%	0.0%
16	Motor Vehicle Fees	166.9	187.1	0.1%	0.2%	-0.1%
17	Export Duty	165.1	109.0	0.1%	0.1%	0.0%
18	Tourism Levy	64.5	44.0	0.0%	0.0%	0.0%
19	Local Excise-Cement	62.4	62.5	0.0%	0.1%	0.0%
20	Carbon Tax	50.3	117.9	0.0%	0.1%	-0.1%
21	Local Fuel Levy	2.2	39.9	0.0%	0.0%	0.0%
	Total Revenue	**130,958.7**	**100,623.8**	**100.0%**	**100.0%**	**0.0%**

Comparative Analysis of Tax Type Performance Against Target in 2024

In terms of the performance of tax types against their respective targets in 2024, the highest performing tax type was Tourism Levy at 142.4 percent above target. Insurance Premium Levy and Import VAT followed at 60.3 percent and 37.1 percent, respectively. Local Fuel and Carbon Tax were the lowest performers, with below target performances of 95.3 percent and 81.2 percent, respectively (see Table 25).

Table 25: Performance of Tax Types against Target in 2024 (K' Million)

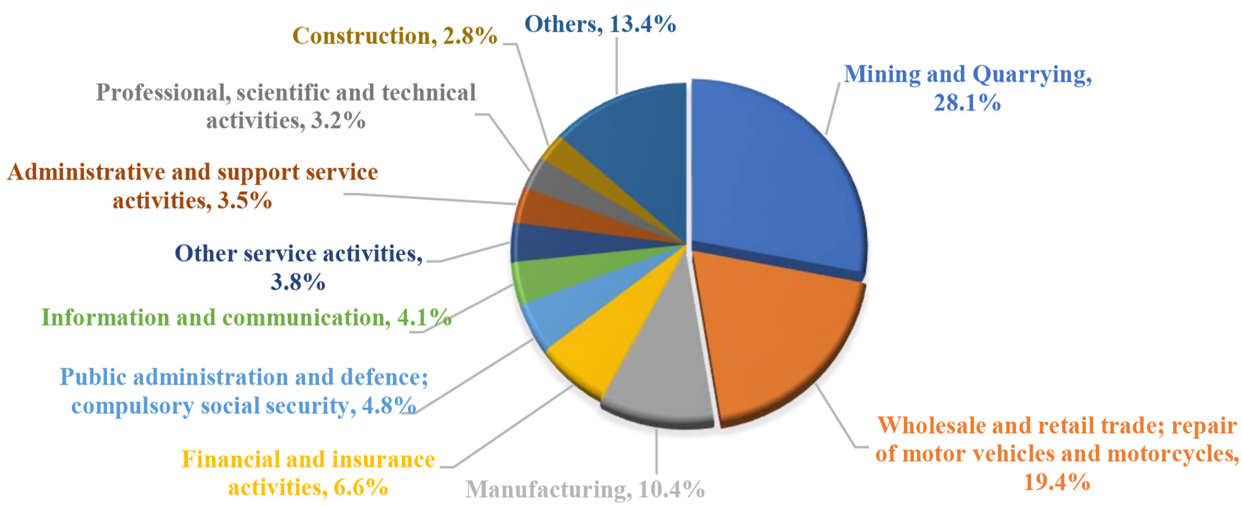
Rank	Tax Type	Actual	Target	% Variance
1	Tourism Levy	64.5	26.6	142.4%
2	Insurance Premium Levy	405.9	253.3	60.3%
3	Import VAT	31,311.7	22,841.0	37.1%
4	Export Duty	165.1	120.8	36.6%
5	Rental Income Tax	729.9	537.9	35.7%
6	Skills Development Levy	350.4	268.2	30.6%
7	Import Fuel Levy	1,729.0	1,415.3	22.2%
8	Withholding Taxes & others	13,873.3	11,388.8	21.8%
9	Local Excise Duties	4,107.6	3,411.8	20.4%
10	Mineral Royalty	11,538.2	10,004.2	15.3%
11	Import Excise Duties	2,949.2	2,680.7	10.0%
12	Non-Mining Company Income Tax	12,539.7	11,894.8	5.4%
13	PAYE	24,852.0	23,714.8	4.8%
14	Local Excise-Cement	62.4	60.3	3.5%
15	Rural Electrification Levy	415.5	409.4	1.5%
16	Customs Duty	8,396.2	8,481.4	-1.0%
17	Motor Vehicle Fees	166.9	209.5	-20.4%
18	Domestic VAT	9,804.3	13,520.9	-27.5%
19	Mining Company Income Tax	7,444.3	13,785.7	-46.0%
20	Carbon Tax	50.3	267.1	-81.2%
21	Local Fuel Levy	2.2	48.3	-95.3%

Revenue Contribution by Sector

Total gross revenue collections in 2024 amounted to K148,558.7 million, representing an increase of 27.0 percent from the K116,962.8 million collected in 2023. The *mining and quarrying sector* remained the highest contributor to gross revenue, accounting for 28.1 percent despite its share declining from 30.7 percent in 2023. The *wholesale and retail sector* maintained second position with a share of 19.4 percent, consistent with 2023. The *manufacturing sector* contributed 10.4 percent to total gross revenue compared to 10.1 percent in 2023.

The 10 highest-ranking sectors in 2024 accounted for 86.7 percent of gross revenue collections (see Figure 15).

Figure 15: Percentage Distribution of Gross Revenue Contribution by Top 10 Sectors



Taxpayers Accounting for 80 percent of Gross Revenue

In 2024, the number of active taxpayers stood at 337,987 while the number of tax accounts was 474,497. Of the active taxpayers, 112,795 made a payment, of which 983 or 0.9 percent contributed 80 percent to gross revenue collections, representing a 10.3 percent increase compared to 891 in 2023.

Of the 983 taxpayers, 7 were from the *mining and quarrying sector*, and *public administration and defence*, respectively, 17 from *Financial and Insurance activities*, 65 from *manufacturing*, 211 from the *wholesale and retail trade sector*, while 676 were from other sectors.

The *wholesale and retail sector* recorded the largest decline in the number of top contributors by 9, while the *manufacturing sector* declined by 6, relative to 2023. The decline in the *wholesale and retail trade sector* was aligned with a 0.9 percent[19] contraction of the sector. However, despite the decline in the *manufacturing sector,* the overall sector's performance grew by 2.3 percent in 2024.

The trend of top contributors by sector from 2020 to 2024 is shown in Table 26.

Table 26: Number of Taxpayers Contributing 80 percent of Gross Revenue by Sector

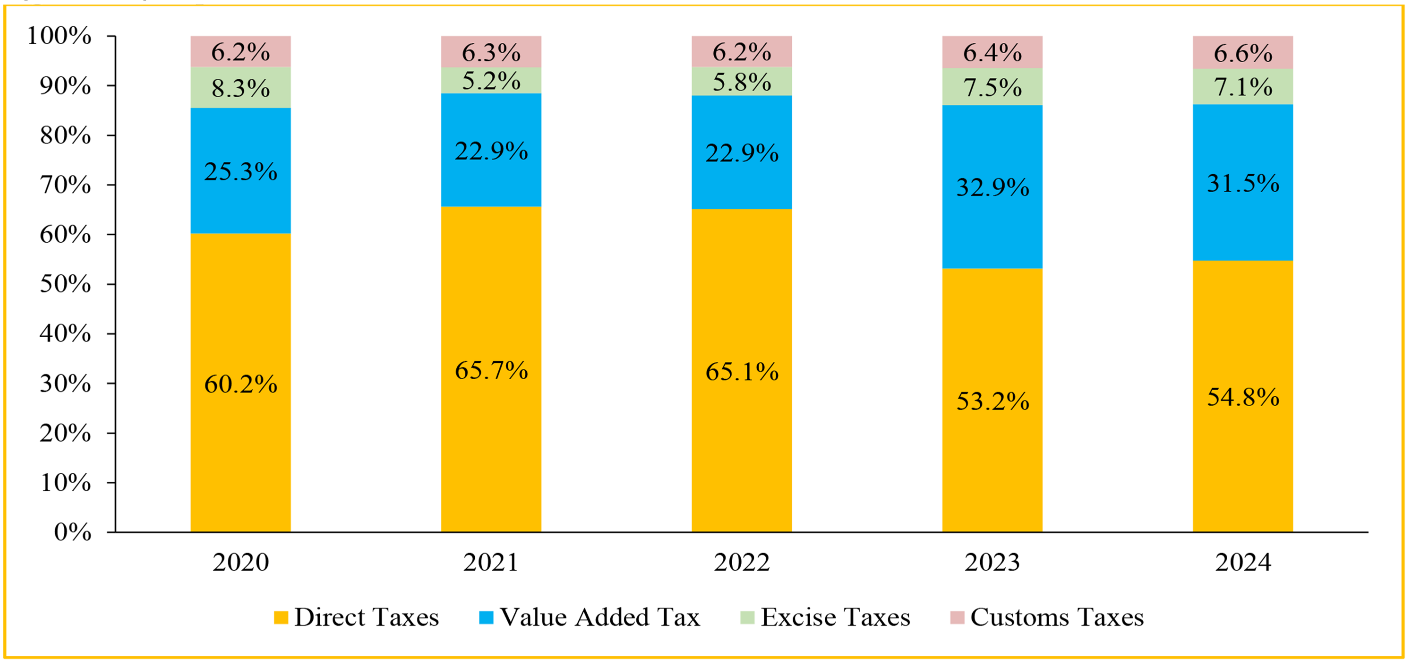
Sector	2020	2021	2022	2023	2024
Mining and Quarrying	6	5	10	7	7
Wholesale and Retail Trade	179	303	350	220	211
Manufacturing	55	55	104	71	65
Financial and Insurance Activities	16	16	18	17	17
Public Administration and Defence	9	5	6	7	7
Others	568	567	575	569	676
Total	**833**	**951**	**1,063**	**891**	**983**

Composition of Revenue in 2024

Income taxes[20] remained the major contributors to tax revenue with a share of 54.8 percent, up from 53.2 percent in 2023. The increase in the contribution of income taxes was due to higher copper production and price in 2024 relative to 2023, which led to higher collections under Mineral Royalty. The performance of income taxes was further boosted by payment of tax liabilities by some major mines following the coming on board of new shareholders, and the execution of debt swaps with Government. The contribution of Customs Duty marginally increased to 6.6 percent from 6.4 percent in 2023. This was on account of increased importation of crude soya beans oil, alcoholic beverages, and parts of machinery used in the construction and mining sectors.

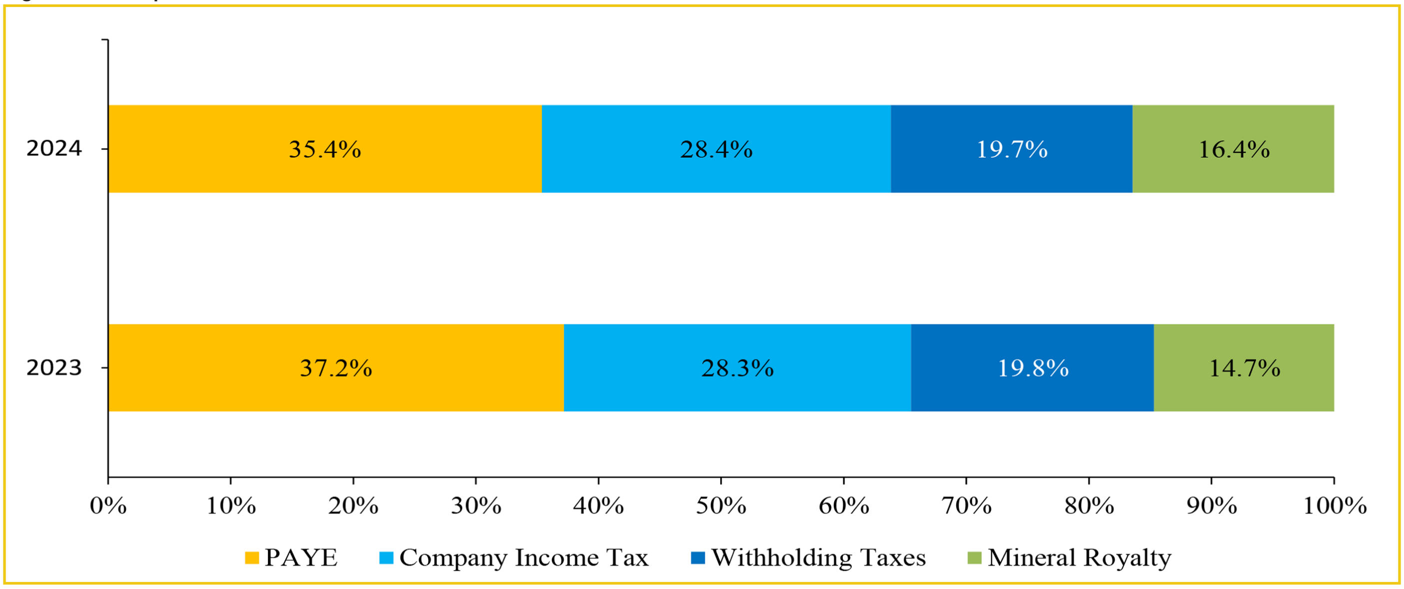
On the contrary, the contribution of VAT to total revenue declined to 31.5 percent in 2024 from 32.9 percent in 2023 while that of Excise Duties marginally declined to 7.1 percent from 7.5 percent in 2023. Despite the reduction, nominal collections from VAT and Excise Duties were higher in 2024 relative to 2023 (see Figure 16).

Figure 16: Composition of Tax Revenue 2020 – 2024



In the income taxes category, PAYE was the major contributor, accounting for 35.4 percent. This was attributable to increased payments of past and current tax liabilities by some major mines, and the execution of debt swaps with Government. Company Income Tax contributed 28.4 percent, a marginal increase from 28.3 percent in 2023. Mineral Royalty contribution to income taxes increased to 16.4 percent in 2024 from 14.7 percent in 2023, on account of higher copper production and price. On the other hand, the share of Withholding Taxes marginally reduced to 19.7 percent in 2024 from 19.8 percent in 2023 (see Figure 17a).

Figure 17a: Composition of Income Taxes in 2024 and 2023

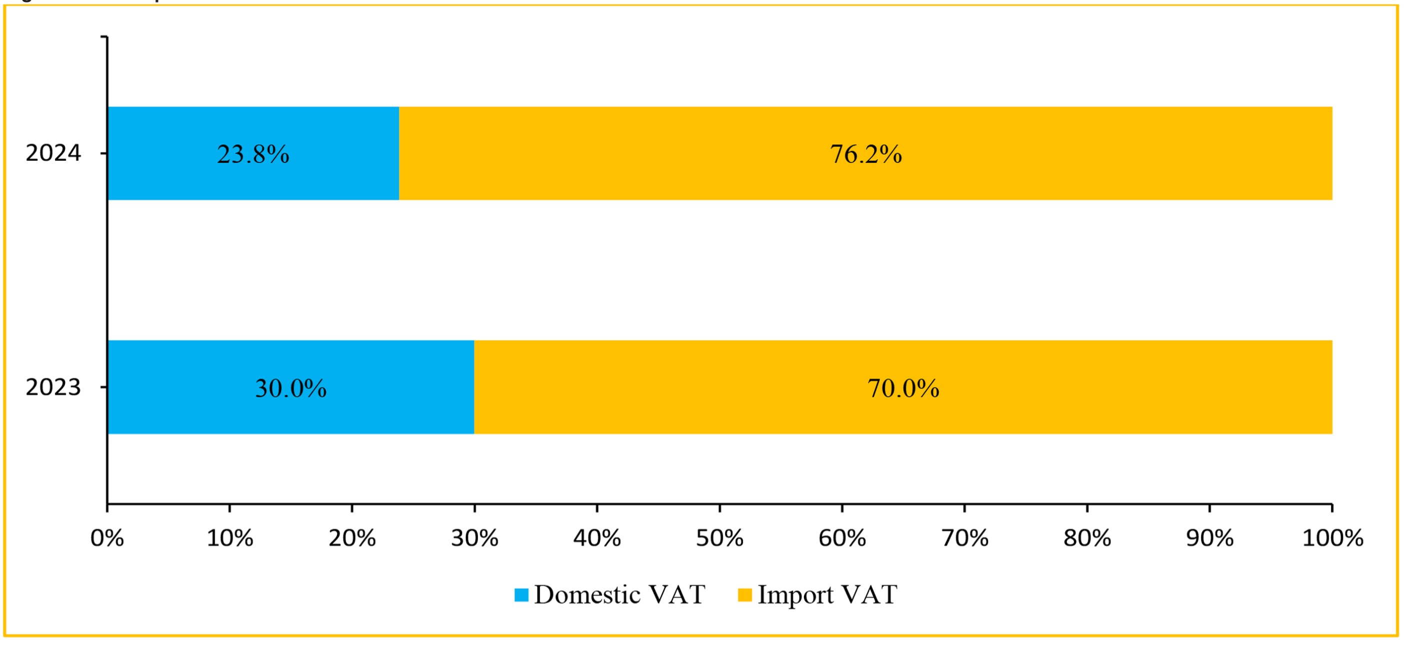


19 This estimate is based on the preliminary 2024 GDP figure of K688,851 million (ZamStats, 2025)

20 Includes Mineral Royalty

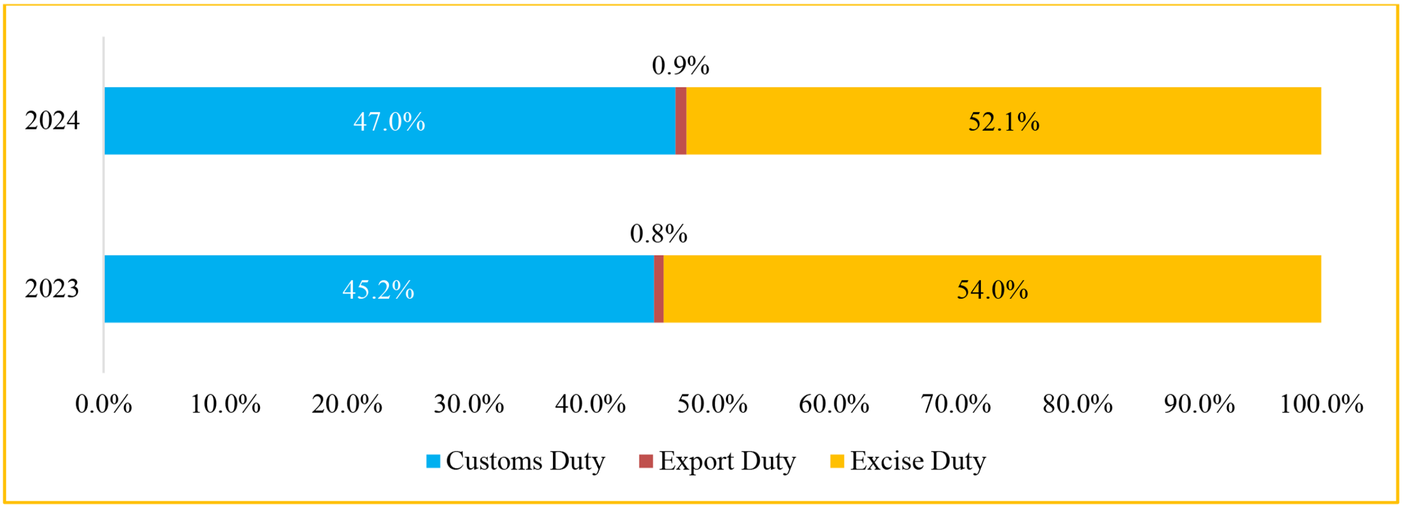
In 2024, the contribution of Import VAT to total VAT increased to 76.2 percent from 70.0 percent in 2023. This was propelled by increased imports of petrol, diesel, electrical energy, and mining equipment, compounded by the depreciation of the Kwacha. Conversely, the share of Domestic VAT declined to 23.8 percent from 30.0 percent in 2023, largely due to low payment compliance and increased refund claims arising from increased imports, as a result of expansion in the *mining sector*, high electricity and fuel costs, as well as the depreciation of the Kwacha (see Figure 17b).

Figure 17b: Composition of Value Added Tax in 2024 and 2023



With regard to customs and excise duties, Excise Duties[21] remained the main contributor accounting for 52.1 percent, compared to 54.0 percent in 2023. The performance was driven by increased importations of motor vehicles, alcoholic beverages, and petrol, and the execution of debt swaps with Government. The share of Customs Duty and Export Duty increased to 47.0 percent from 45.2 percent, and 0.9 percent from 0.8 percent in 2023, respectively (see Figure 17c).

Figure 17c: Composition of Customs and Excise Duties in 2024 and 2023



Contribution of Tax Types to GDP

In 2024, net tax revenue collections amounted to K130,958.7 million, representing a 30.1 percent increase from K100,623.8 million collected in 2023 while the Tax-to-GDP ratio increased by 1.0 percentage points to 19.0 percent from 18.1 percent in 2023. The improvement in the ratio was driven by strong performances in Import VAT, Withholding Tax, Mineral Royalty, and PAYE.

In the period under review, the ratio of direct taxes to GDP was 10.4 percent, an increase from 9.5 percent in 2023. The improvement was mainly due to favourable performances in all direct taxes except mining Company Income Tax. On the other hand, the share of indirect taxes to GDP declined to 2.2 percent from 2.5 percent in 2023 due to the underperformance of Domestic VAT.

[21] Includes Local and Import Excise

The contribution of the other indirect taxes to GDP remained unchanged from 2023.

The contribution of trade-based revenues to GDP increased to 6.5 percent from 6.0 percent in 2023. The growth was primarily driven by the strong performance in Import VAT (see Table 27).

Table 27: Tax Revenue as a Percentage of GDP 2024 and 2023

Rank	Tax Type	2024	2023	Variance (pp)
1	Import VAT	4.5%	4.1%	0.4%
2	Pay As You Earn (PAYE)	3.6%	3.5%	0.1%
3	Company Income Tax	2.9%	2.7%	0.2%
4	Withholding Tax	2.0%	1.9%	0.1%
5	Mineral Royalty	1.7%	1.4%	0.3%
6	Domestic Value-Added Tax (VAT)	1.4%	1.8%	-0.3%
7	Import Duty	1.2%	1.1%	0.1%
8	Local Excise Duty	0.6%	0.6%	0.0%
9	Import Excise Duty	0.4%	0.4%	0.0%
10	Import Fuel Levy	0.3%	0.3%	0.0%
11	Rental Income Tax	0.1%	0.1%	0.0%
12	Rural Electrification Levy	0.1%	0.1%	0.0%
13	Insurance Premium Levy	0.1%	0.1%	0.0%
14	Skills Development Levy	0.1%	0.1%	0.0%
15	Motor Vehicle Fees	0.0%	0.0%	0.0%
16	Export Duty	0.0%	0.0%	0.0%
17	Tourism Levy	0.0%	0.0%	0.0%
18	Local Excise-Cement	0.0%	0.0%	0.0%
19	Carbon Tax	0.0%	0.0%	0.0%
20	Local Fuel Levy	0.0%	0.0%	0.0%
	Tax Revenue as % of GDP	**19.0%**	**18.1%**	**1.0%**
	Nominal GDP (K' million)	**688,851.0**	**557,406.0**	

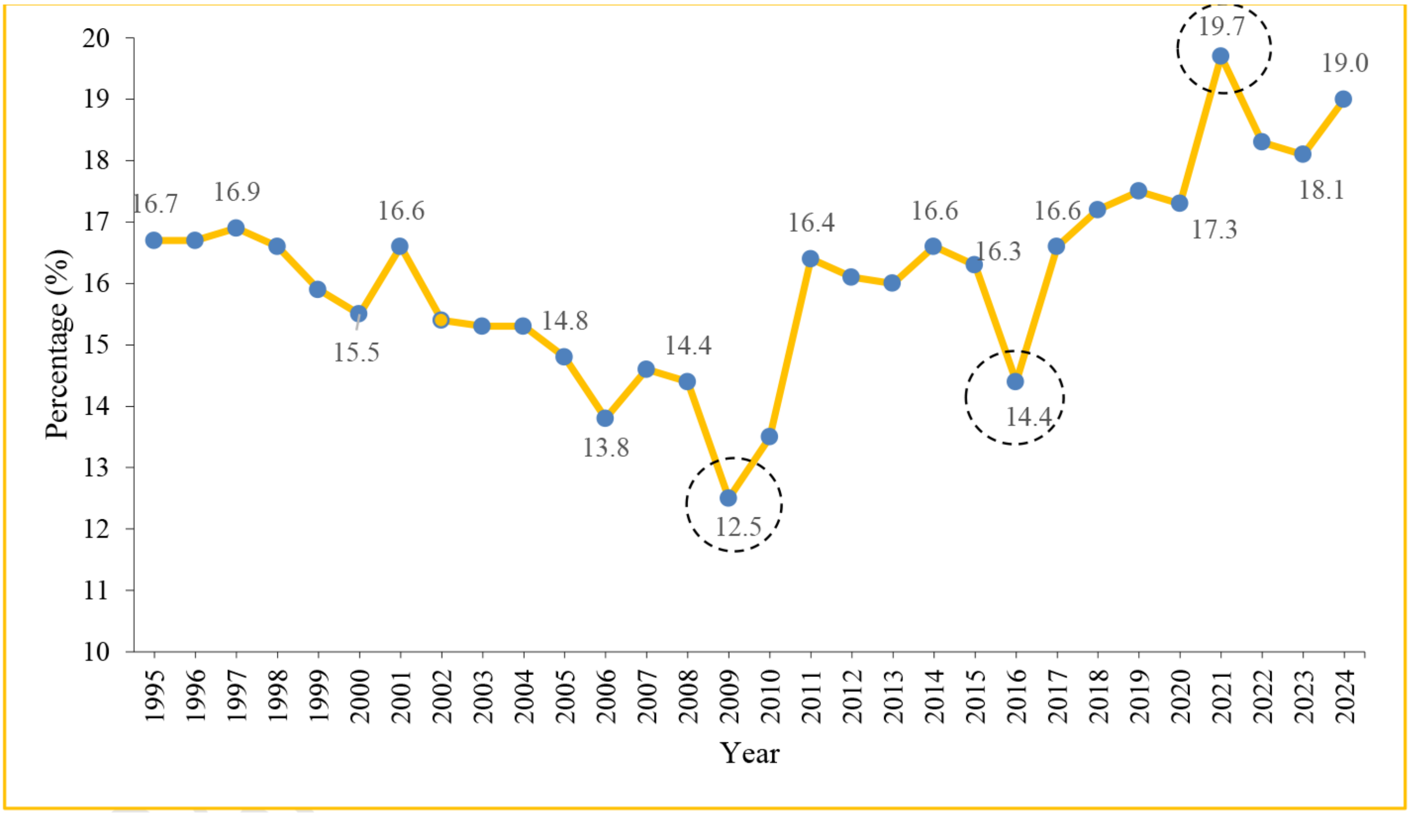
The trend in the tax-to-GDP ratio is depicted in Figure 18. With regard to notable outliers, the reduction in the tax-to-GDP ratio recorded in 2009 to 12.5 percent from 14.4 percent in 2008 was primarily due to the effects of the global financial crisis, which led to a reduction in the price of copper on the international market and reduced revenue contribution from the *mining sector*. The crisis also led to a 25 percent drop in imports following the depreciation of the Kwacha against the major currencies, which adversely affected collections from trade taxes as notable deficits were recorded under Import VAT, Customs Duty and Export Duty.

The decline in the tax-to-GDP ratio observed in 2016 to 14.4 percent from 16.3 percent in 2015 was largely explained by slowed domestic economic activity as a result of reduced supply of electricity, reduced copper prices on the international market, a depreciating exchange rate[22], high interest rates and rising inflation. These factors had a disproportionate negative impact on revenue collection in the year and particularly affected consumption taxes as significant deficits were recorded under domestic VAT and trade taxes.

On the other hand, the sharp increase in the tax-to-GDP ratio to 19.7 percent in 2021 from 17.3 percent in 2020 was primarily driven by a surge in mining revenues and exchange rate effects. Copper prices on the international market rose significantly from an average of US$6,174 per metric tonne in 2020 to US$9,228.2 in 2021, an increase of nearly 50 percent. Although copper production slightly declined to 803,746.8 per metric tonne in 2021 from 837,996.2 per metric tonne in 2020, the high price levels more than offset the reduced output, resulting in significantly higher Mineral Royalty and Company Income Tax collections. In addition, the depreciation of the Kwacha against major convertible currencies enhanced the local currency value of foreign denominated revenues, further elevating tax collections and contributing to the notable spike in the tax-to-GDP ratio.

[22] This was associated with a decline in the number of import entries lodged by 19.9 percent in 2021 compared to 2020.

Figure 18: Trend in Tax Revenue to GDP ratio 1995-2024



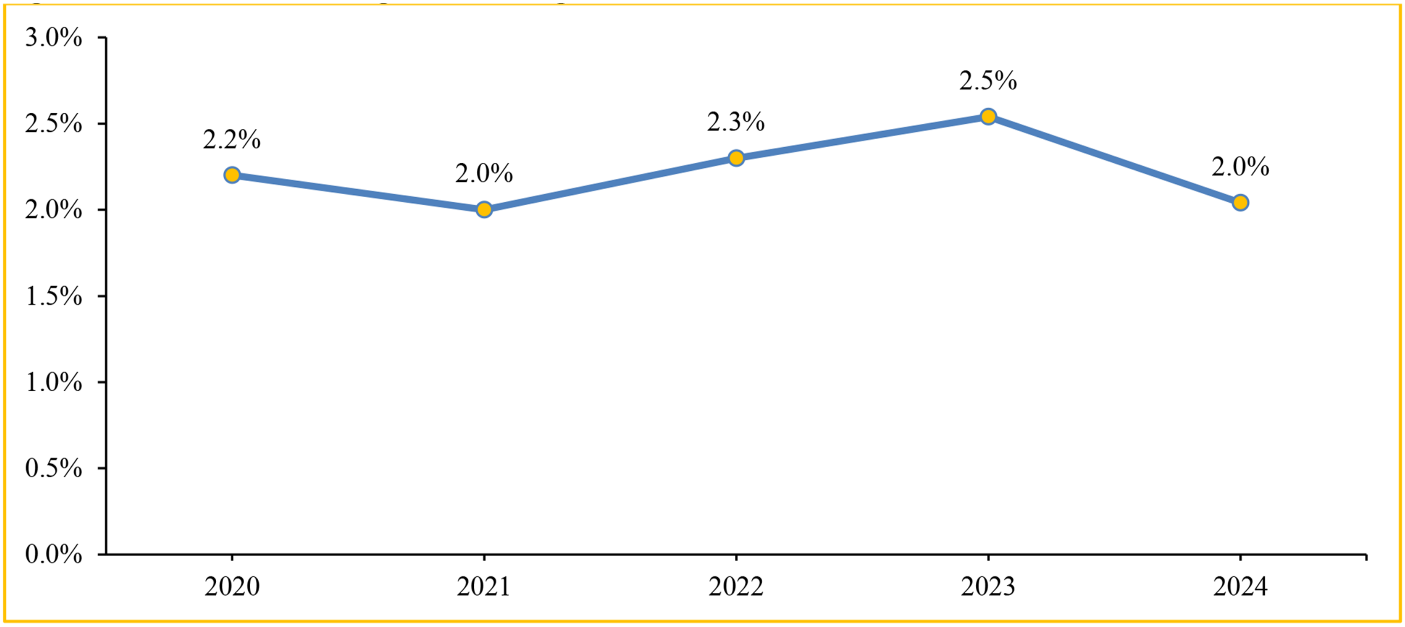
Over the 2025 – 2027 medium term, the Government targets to raise domestic revenue generation to at least 21.2 percent of GDP by 2027. Note that domestic revenue includes revenue collected by other Government Ministries, Provinces and Agencies.

Cost of Collection

The cost of collection is a metric used to gauge the efficiency of a tax administration in mobilising domestic resources relative to the amount of money spent in the process. This is computed by dividing the funding a tax administration receives from the Government by the total revenue collected. A lower ratio denotes efficiency in revenue collection.

Between 2020 and 2024, the Authority's average cost of collection stood at 2.2 percent and exhibited an upward trend from 2021 to 2023, and declined in 2024. The highest cost of collection was recorded in 2023 at 2.5 percent, while the lowest was recorded at 2.0 percent in 2021 and 2024. The decrease in the cost of collection in 2024 was driven by higher revenue collections amounting to K130,958.7 million amidst a modest increase in funding to K2,673.0 million in 2024 from K2,555.2 million in 2023 (see Figure 19).

Figure 19: Government Funding as a Percentage of Collected Tax Revenue, 2020 – 2024



Strategic Objective 1.2: Enhance Compliance

Tax compliance is anchored on 4 pillars namely; registration, timely filing of returns, accurate reporting and timely payments. To enhance voluntary compliance, the Authority implements various initiatives which include; taxpayer education, tax audits, block management, appointment of revenue collection agents, investigations, debt management, and continuous improvements in taxpayer services. In addition, other enforcement activities are also employed to deter non-compliance.

The performance of this strategic objective as measured by return filing and payment compliance is presented in Table 28.

Table 28: Performance of Strategic Objective 1.2

Strategic Objectives	Target	Performance Outturn
Enhance compliance	70% of tax types to meet set filing compliance	41.0% of the target achieved
	75% of tax types to meet set payment compliance	72.0% of the target achieved

Taxpayer Register

A comprehensive and up-to-date taxpayer register is fundamental to effective tax administration, ensuring accurate taxpayer identification, compliance monitoring, and revenue mobilisation. In this regard, the Authority continued to enhance the integrity of the taxpayer register through targeted registration initiatives, system validations, and Tax*O*nline pop-up solution for taxpayer demographic updates. The Authority also employed data analytics tools to identify inactive and duplicate taxpayer accounts, and enhanced third-party integration.

This section provides an overview of the taxpayer register, including trends in TPIN and tax registrations.

Taxpayer Population

In 2024, the total number of TPINs stood at 6,015,533 from 4,980,370 in 2023, representing an increase of 20.8 percent. Of these, 5,635,548 were TPINs only and 379,985 had tax accounts. With regard to tax accounts, there were 474,497 active tax accounts at the end of the year, a reduction of 61,238 or 11.4 percent from 535,735 in 2023. The reduction was due to the deregistration of duplicate and inactive tax accounts, with significant declines recorded in Income Tax, Turnover Tax, PAYE, Mineral Royalty and Value Added Tax. A total of 117,912 tax accounts were deregistered in 2024, of which, 110,314 were centrally deregistered as part of the taxpayer register clean-up exercise, while 7,598 were normal de-registrations. On the other hand, tax types such as Presumptive Tax on Passenger Transport, Withholding Tax, Rental Income Tax, and Property Transfer Tax recorded significant increases in the population. In addition, there were 55 tax account registrations for VAT on Cross Border Electronic Service (CBES), which was introduced in 2024.

The distribution of the active taxpayer population by tax types is presented in Table 29.

Table 29: Active Taxpayer Population by Tax Type in 2024 and 2023

Tax Type	2024	2023	Variance	% Variance
Turnover Tax	167,324	192,771	-25,447	-13.2%
Property Transfer Tax	75,925	71,889	4,036	5.6%
Withholding Tax	53,037	50,305	2,732	5.4%
Pay as You Earn	47,985	56,298	-8,313	-14.8%
Company Income Tax	34,644	69,061	-34,417	-49.8%
Presumptive Tax on Passenger Transport	31,200	29,519	1,681	5.7%
Value Added Tax	19,481	21,179	-1,698	-8.0%
Rental Income Tax	18,014	16,721	1,293	7.7%
Base Tax	15,809	15,569	240	1.5%
Presumptive Tax on artisanal and small-scale mining	4,326	4,184	142	3.4%
Mineral Royalty	3,331	5,427	-2,096	-38.6%
Tourism Levy	2,391	1,997	394	19.7%
Local Excise	634	556	78	14.0%
Presumptive Tax on Gaming and Betting	182	133	49	36.8%
Insurance Premium Levy	159	126	33	26.2%
Value Added Tax on Cross Border Electronic Services	55	n/a	n/a	n/a
Total	**474,497**	**535,735**	**-61,238**	**-11.4%**

TPIN Registration

In 2024, there were 1,112,342 TPIN registrations compared to 1,231,276 in 2023. While this represents a decline, registrations remained relatively high due to enhanced taxpayer education and the mandatory requirement for TPINs in various transactions. These include opening of a bank account, submission of PAYE returns, and cross-border transactions.

Figure 20 shows the trend in TPIN registrations from 2014 to 2024.

Figure 20: TPIN Registrations, 2014 – 2024

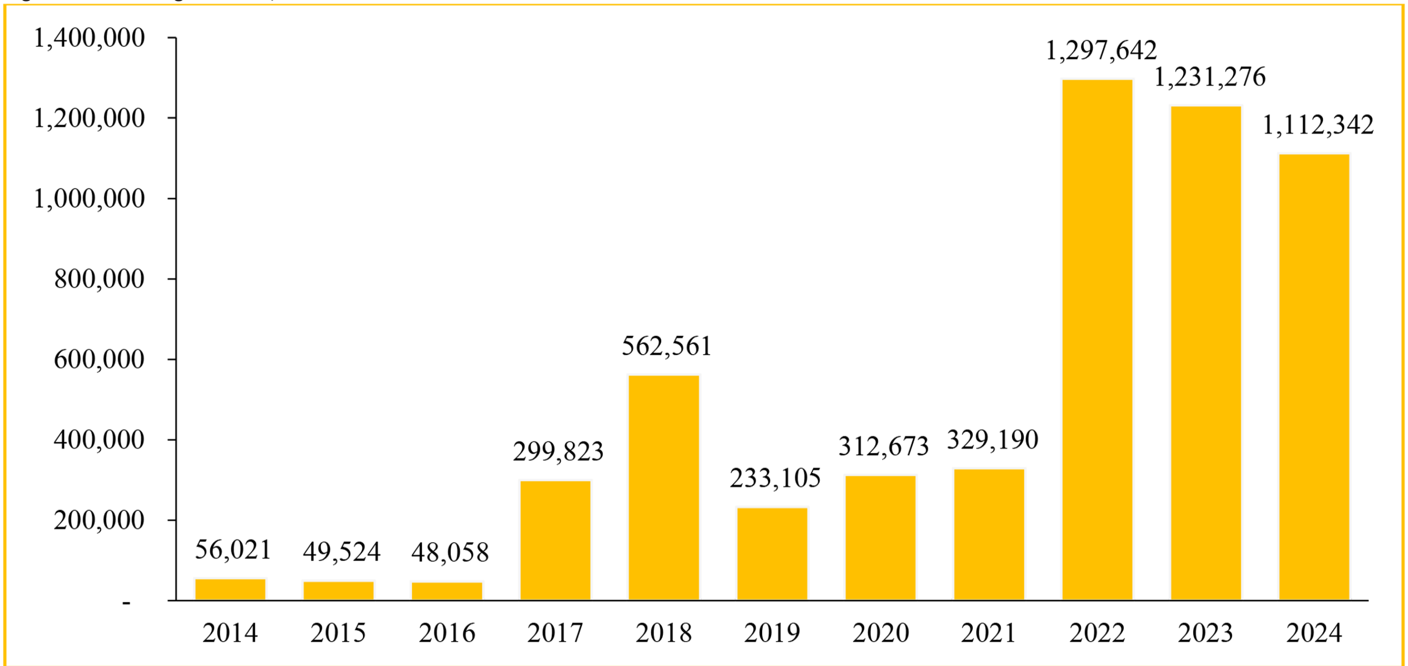


Table 30 shows TPIN registration through the various registration channels.

Table 30: TPIN Registration Channels, 2024

Channel	No of Registration	% of Total
Tax*On*App	554,411	49.8%
Interface with commercial banks	337,673	30.4%
Tax*On*line	163,714	14.7%
ZRA initiated	26,271	2.4%
Interface with PACRA	25,507	2.3%
Back office	4,706	0.4%
Interface with ZILAS	60	0.0%
Total	**1,112,342**	100.0%

Tax Registration

The Authority in 2024 recorded a 10.4 percent decrease in tax registrations to 77,179 from 86,151 in 2023. This decline was primarily driven by lower registrations in Rental Income Tax and Presumptive Tax on Artisanal and Small-scale mining relative to 2023. Rental Income Tax registrations were 5,028 in 2024 compared to 17,452 in 2023, while Presumptive Tax on Artisanal and Small-scale Mining recorded 228 registrations in 2024 compared to 4,299 in 2023. However, Turnover Tax, Property Transfer Tax, and Withholding Tax recorded notable increases in registrations.

Initiatives to increase the taxpayer population included taxpayer education, block management, data matching with third-parties, and the appointment of withholding agents for selected tax types. Table 31 shows registrations by tax type in 2024 and 2023.

Table 31: Registrations by Tax Type in 2024 and 2023

Tax Type	2024	2023	Variance	% Variance
Turnover Tax	46,495	32,795	13,700	41.8%
Pay as You Earn	6,398	9,311	-2,913	-31.3%
Income Tax	5,389	7,320	-1,931	-26.4%
Rental Tax	5,028	17,452	-12,424	-71.2%
Property Transfer Tax	4,573	3,591	982	27.3%
Withholding Tax	2,720	2,040	680	33.3%
Value Added Tax	2,708	3,109	-401	-12.9%
Presumptive Tax on Passenger Transport	2,112	2,956	-844	-28.6%
Tourism Levy	599	242	357	147.5%
Mineral Royalty	523	2,808	-2,285	-81.4%
Presumptive Tax on artisanal and small-scale mining	228	4,299	-4,071	-94.7%
Base Tax[23]	194	95	99	104.2%
Local Excise	82	71	11	15.5%
Value Added Tax on Cross Border Electronic Service Suppliers	55	n/a	n/a	n/a
Insurance Premium Levy	43	25	18	72.0%
Presumptive Tax on Gaming and Betting	32	37	-5	-13.5%
Total	**77,179**	**86,151**	**-8,972**	**-10.4%**

De-registration

In 2024, a total of 117,912 tax accounts were de-registered, representing a significant increase of 107,247 compared to 10,665 in 2023. Of these, 110,314 were centrally deregistered as part of the taxpayer register clean up exercise while 7,598 were normal de-registrations.

Table 32 shows a summary of tax accounts deregistered in 2024 and 2023.

Table 32: Tax Type De-registration 2024 and 2023

Tax Types	ZRA /Taxpayer initiated tax account deregistration 2024	Central Deregistration done in 2024	Total Deregistration in 2024	ZRA/Taxpayer initiated tax account deregistration 2023	Variance
Turnover Tax	3,089	58,811	61,900	6,122	55,778
Pay As You Earn	1,977	11,683	13,660	1,733	11,927
Income Tax	1,337	31,405	32,742	1,006	31,736
Presumptive Tax	448	0	448	475	-27
Value Added Tax	268	1,748	2,016	646	1,370
Withholding Tax	245	0	245	296	-51
Rental Income Tax	92	3,917	4,009	177	3,832
Property Transfer Tax	72	0	72	18	54
Tourism Levy	23	155	178	156	22
Base Tax	14	0	14	3	11
Mineral Royalty	9	2,564	2,573	8	2,565
Insurance Premium Levy	8	0	8	9	-1
Local Excise	6	20	26	13	13
Gaming and Betting Tax	5	11	16	2	14
Presumptive Tax on Artisanal and Small-Scale Mining	4	0	4	1	3
Value Added Tax on Cross Border Electronic Services	1	0	1	0	1
Total	**7,598**	**110,314**	**117,912**	**10,665**	**107,247**

[23] Registrations were done, but no tax revenue was collected due to a change in the law in 2023, which set a 0 percent tax rate on annual income below K12,000.

Revenue Contribution of Newly Registered Tax Accounts

During the year, out of the 77,179 new tax accounts, 18,802 contributed K1,441.6 million or 1.4 percent to total domestic tax revenue. The percentage contribution per tax type of these accounts is shown in Table 33.

Table 33: Revenue Contribution of Newly Registered Tax Accounts in 2024

Tax Type	Number of newly registered tax accounts that registered a payment	Revenue from newly registered tax accounts (K' Mn)	Total Domestic Taxes (K' Mn)	% Contribution of new tax accounts to Total Domestic Taxes
Withholding Taxes and others	12,526	525.9	13,875.0	3.8%
Domestic VAT *o/w:*	988	372.1	27,252.9	1.4%
VAT on CBES	*55*	*183.6*	*183.6*	*n/a*
PAYE[24]	2,065	137.9	25,248.3	0.5%
Income Tax	803	136.7	20,025.9	0.7%
Mineral Royalty	128	45.3	11,538.8	0.4%
Rental Income Tax	2,037	25.9	729.9	3.5%
Local Excise	24	8.7	4,592.7	0.2%
Tourism and Insurance Premium Levies	176	2.6	470.4	0.6%
Total	**18,802**	**1,441.6**	**103,734.1**	**1.4%**

Filing of Returns

In 2024, the overall tax return filing compliance rate stood at 42 percent, a decline from 67 percent in 2023. The decline was mainly attributed to the significant drop in the filing rates for Turnover Tax, PAYE and Gaming and Betting. Specifically, the Turnover Tax filing rate declined to 36 percent from 68 percent in 2023, while PAYE declined to 55 percent from 74 percent. Similarly, the filing compliance rate for Gaming and Betting declined to 66 percent from 82 percent. Filing compliance rates for other tax types remained relatively stable.

The return filing compliance rate by tax type is shown in Table 34.

Table 34: Return Filing Rate for Selected Tax Types in 2024 and 2023

Tax Type	2024			2023		
	Expected Returns	Submitted Returns	Filing rate	Expected Returns	Submitted Returns	Filing rate
Company Income Tax	68,688	22,869	33%	63,484	20,229	32%
Local Excise	4,344	3,507	81%	4,067	3,279	81%
Gaming and Betting	1,704	1,122	66%	1,359	1,117	82%
Insurance Premium Levy	1,640	1,399	85%	1,288	1,098	85%
Mineral Royalty	64,123	24,207	38%	51,725	20,735	40%
Pay as You Earn	692,363	377,432	55%	488,531	361,417	74%
Rental Income Tax	224,706	121,391	54%	129,752	77,188	59%
Tourism Levy	25,213	17,881	71%	23,118	14,618	63%
Turnover Tax	2,469,314	882,175	36%	1,338,181	911,776	68%
Value Added Tax	258,257	165,885	64%	225,255	149,600	66%
Overall	**3,810,352**	**1,617,868**	**42%**	**2,326,760**	**1,561,057**	**67%**

A trend analysis of overall compliance rate shows that the rate was highest in 2023 at 67 percent, and lowest in 2024 at 42 percent.

The decline in the filing compliance rates under PAYE, Turnover Tax and Presumptive Tax on Gaming and Betting can be attributed to the reactivation of dormant accounts, which were suspended in 2023 and eventually deregistered by end 2024. In 2024, a total 117,912 tax accounts were deregistered, while 88,837 dormant accounts were suspended in 2023. The improved overall filing compliance rate in 2023 was mainly attributed to enhanced taxpayer compliance and the Tax Amnesty Programme conducted from October 2022 to October 2023.

[24] Includes Skills Development Levy

The trend in overall filing compliance rate is depicted in Figure 21.

Figure 21: Trend in Overall Filing Compliance Rate, 2020 – 2024

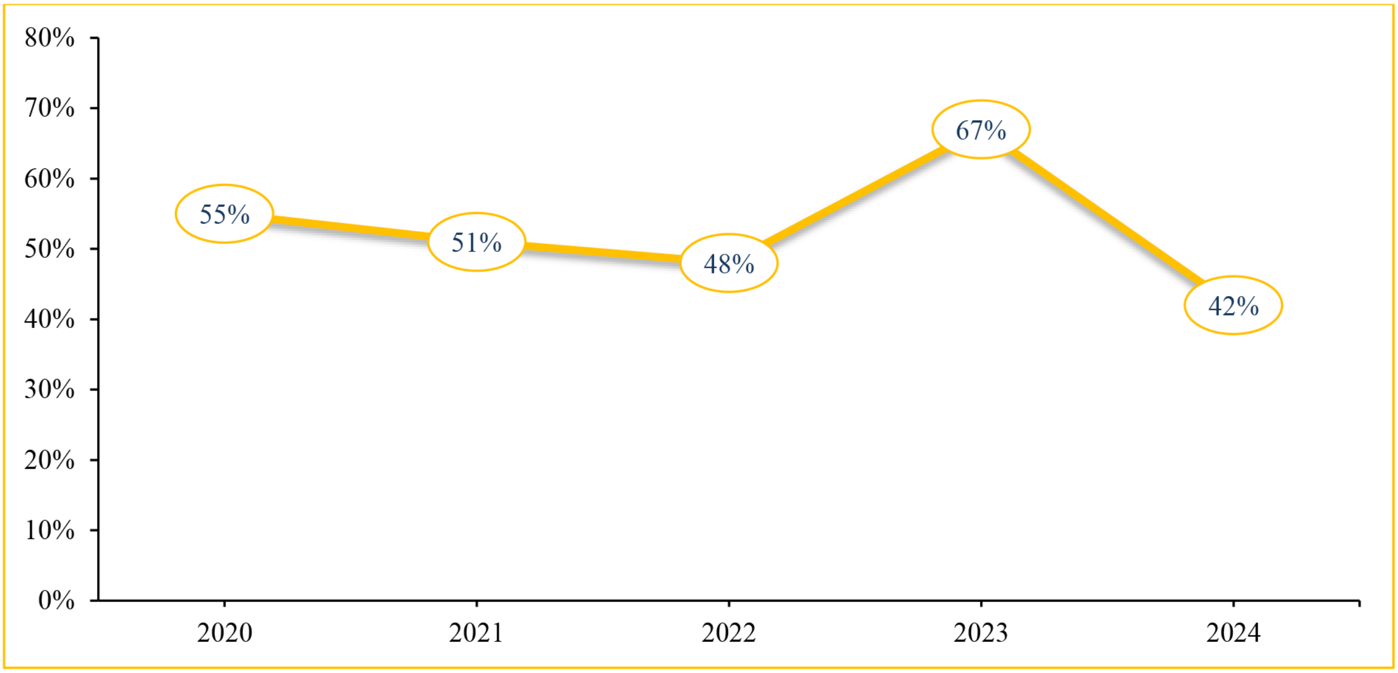


Table 35 shows compliance trends across tax types from 2020 to 2024, highlighting significant fluctuations in compliance levels over the years.

Table 35: Return Filing Compliance Rates by Tax Type, 2020 to 2024

Tax Type	2020	2021	2022	2023	2024
Insurance Premium Levy	64%	72%	88%	85%	85%
Gaming and Betting	56%	98%	87%	82%	66%
Local Excise	81%	94%	87%	81%	81%
PAYE	77%	69%	58%	74%	55%
Turnover Tax	46%	43%	43%	68%	36%
Value Added Tax	73%	69%	67%	66%	64%
Tourism Levy	n/a	63%	63%	63%	71%
Rental Income Tax	n/a	n/a	n/a	59%	54%
Mineral Royalty	69%	65%	44%	40%	38%
Company Income Tax	30%	28%	23%	32%	33%
Overall	**55%**	**51%**	**48%**	**67%**	**42%**

Filing by Type of Return

In 2024, a total of 1,617,868 tax returns were filed, an increase of 3.6 percent from 1,561,057 in 2023, with Turnover Tax returns accounting for 54.5 percent. Of the total returns filed, 66.2 percent were nil returns, 32.8 percent were payment returns, and 1.0 percent were refund returns. Regarding nil returns, Turnover Tax accounted for the largest share at 63.8 percent, while VAT constituted the majority of refund returns at 85.9 percent.

Table 36 presents a summary of the number of returns filed by return type in 2024 and 2023.

Table 36: Number of Returns Filed by Return Type in 2024 and 2023

Tax Type	2024				2023				
	Nil	Payment	Refund	Total	Nil	Payment	Refund	Total	% Var of Total
Company Income Tax	16,963	5,661	245	22,869	14,393	5,466	370	20,229	13.1%
Gaming and Betting	260	858	4	1,122	153	951	13	1,117	0.4%
Mineral Royalty	22,604	1,602	1	24,207	19,343	1,389	3	20,735	16.7%
PAYE	228,380	148,543	509	377,432	213,388	147,511	518	361,417	4.4%
Rental Income Tax	31,689	88,922	780	121,391	16,603	60,585	0	77,188	57.3%
Turnover Tax	682,628	198,706	841	882,175	709,086	202,660	30	911,776	-3.2%
Value Added Tax	82,450	68,883	14,552	165,885	65,474	69,023	15,103	149,600	10.9%
Insurance Premium Levy	339	1,060	0	1,399	97	1,001	0	1,098	27.4%
Tourism Levy	4,142	13,739	0	17,881	2,156	12,462	0	14,618	22.3%
Local Excise	1,004	2,489	14	3,507	962	2,266	51	3,279	7.0%
Grand Total	**1,070,459**	**530,463**	**16,946**	**1,617,868**	**1,041,656**	**503,313**	**16,088**	**1,561,057**	**3.6%**
% of Total	**66.2%**	**32.8%**	**1.0%**	**100.0%**	**67.0%**	**32.0%**	**1.0%**	**100.0%**	

Payment Compliance

In 2024, the payment compliance rate for selected tax types fell to 74.5 percent from 85.6 percent in 2023. The decline was notable in Company Income Tax, which affected the overall compliance rate. This decline can be attributed to several factors, including failure by some taxpayers to make timely provisional payments due to outstanding requests for VAT refund offsets. In addition, some taxpayers cited cashflow challenges arising from reduced business activities, which were exacerbated by increased hours of electricity load shedding and a depreciating exchange rate.

Table 37 depicts the payment compliance for selected tax types.

Table 37: Payment Compliance for Selected Tax Types in 2024 and 2023 (K' Million)

Tax Type	2024			2023		
	Expected Amount	Amount Paid	Payment Rate	Expected Amount	Amount Paid	Payment Rate
Local Excise	4,204.1	3,625.8	86.2%	3,708.6	3,315.3	89.4%
Gaming and Betting	717.3	714.2	99.6%	496.3	495.2	99.8%
Company Income Tax	14,395.4	7,728.9	53.7%	11,596.9	10,435.7	90.0%
Insurance Premium Levy	416.9	393.0	94.3%	309.9	295.2	95.3%
Mineral Royalty	12,717.7	10,230.0	80.4%	7,621.0	6,739.5	88.4%
Pay as You Earn	20,649.1	17,317.8	83.9%	15,952.6	14,226.3	89.2%
Rental Income Tax	604.2	562.3	93.1%	393.8	369.3	93.8%
Tourism Levy	60.7	57.4	94.6%	42.8	41.2	96.3%
Turnover Tax	237.1	183.8	77.5%	205.1	170.1	82.9%
Value Added Tax	23,220.0	16,426.2	70.7%	17,338.3	12,673.9	73.1%
Withholding Tax	12,038.4	9,216.8	76.6%	9,315.9	8,553.7	91.8%
Overall	**89,260.8**	**66,456.3**	**74.5%**	**66,981.3**	**57,315.4**	**85.6%**

Customs Declarations

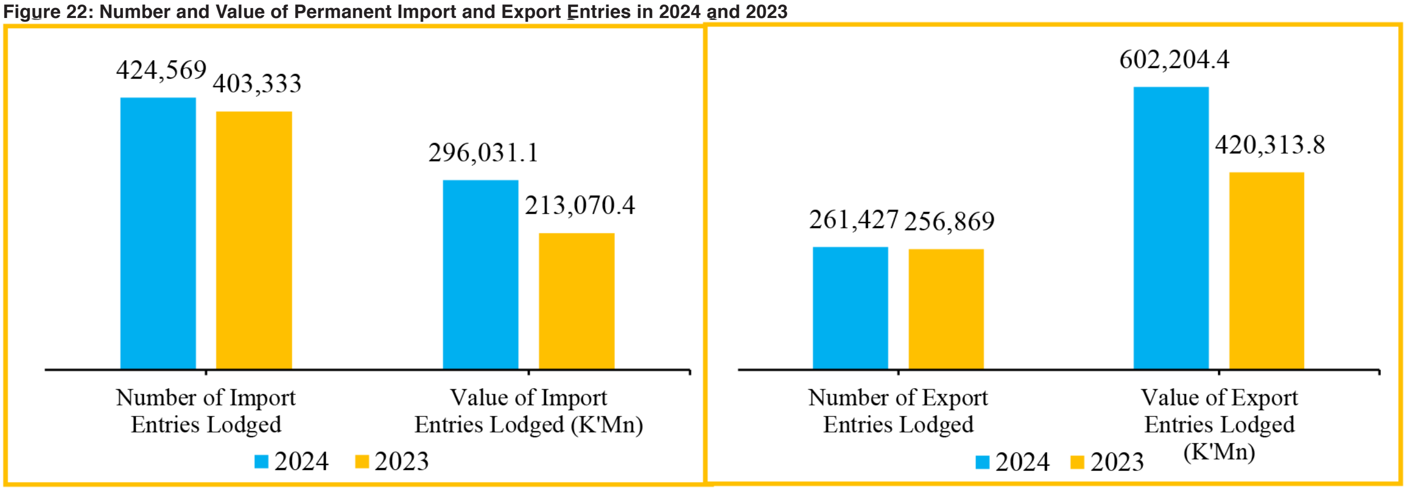
In 2024, the number of customs declarations increased to 1,234,267 from 1,154,222 in 2023. Of these, 1,191,958 were paid, reflecting a registration-to-payment conversion rate of 96.6 percent, a marginal reduction from 96.8 percent recorded in 2023 (see Table 38).

Table 38: Registration-to-Payment Conversion Ratio for all Transactions in 2024 and 2023

Period	Registered	Paid	Unpaid	% Paid	% Unpaid
2024	1,234,267	1,191,958	42,309	96.6%	3.4%
2023	1,154,222	1,117,019	37,203	96.8%	3.2%

In 2024, the number of permanent import transactions increased to 424,569 from 403,333 in 2023. The value of these transactions also increased to K296,031.1 million from K213,070.4 million in 2023. With regard to exports, the number of permanent export transactions also increased to 261,427 from 256,869 in 2023. Similarly, the value of export transactions increased to K602,204.4 million from K420,313.8 million in 2023. The increase in the value of import and export transactions can largely be attributed to the depreciation of the Kwacha and the increased number of declarations in the period (see Figure 22).

Figure 22: Number and Value of Permanent Import and Export Entries in 2024 and 2023



In 2024, the declared Value for Duty Purposes (VDP), excluding transit and bonded warehousing transactions, amounted to K220,387.1 million, a 45.5 percent increase from K151,423.4 million declared in 2023. Of the declared VDP, 77.3 percent was non-taxable, while 22.7 percent was taxable compared to 72.7 percent and 27.3 percent in 2023, respectively.

The increase in the non-taxable value was partly attributed to increased importations with concessions under various trade protocols (see Table 39).

Table 39: VDP and Tax Yield from Taxable and Non-Taxable Transactions in 2024 and 2023 (K' Million)

VDP Type	Value for Duty Purposes			Tax Amount (Gross)		
	2024	2023	% Variance	2024	2023	% Variance
Non-Taxable	170,432.4	110,154.4	54.7%	0.0	0.00	-
Taxable	49,954.7	41,269.0	21.0%	44,045.5	32,339.8	36.2%
Total	**220,387.1**	**151,423.4**	**45.5%**	**119,508.3**	**104,818.0**	**14.0%**

Processing Efficiency for Customs Transactions

In 2024, potential revenue for transactions registered and processed was K43,911.9 million of which K43,824.4 million was collected, representing a processing efficiency rate of 99.8 percent, as in 2023. The favourable processing efficiency rate was sustained partly due to successful utilisation of dashboards in monitoring processing efficiency, as well as the channelling of companies contributing 80 percent to total VDP to the blue lane (for imports with no Customs intervention but selected for post-clearance audits), and strengthened debt recovery action (see Table 40).

Table 40: Processing Efficiency in Tax Yield from all Taxable Transactions in 2024 and 2023

	2024		2023	
	K' Million	% of Total	K' Million	% of Total
Un-assessed taxes	0.0	0.0%	0.2	0.0%
Registered, Assessed, Not paid	87.5	0.2%	48.4	0.2%
Registered, Assessed, and paid (Receipted)	43,824.4	99.8%	29,943.3	99.8%
Total collectable amount	**43,911.9**	**100.0%**	**29,991.9**	**100.0%**

In terms of revenue contribution, Table 41 shows the contribution to gross revenue by station based on ASYCUDAWorld data for 2024 and 2023.

Table 41: Revenue Collection by Station, 2024 vs 2023 (K' Million)

No.	Station	2024	2023	Variance	% Variance
1	Kazungula	10,782.1	7,319.3	3,462.8	47.3%
2	Nakonde	9,558.1	8,352.6	1,205.5	14.4%
3	Chirundu	7,301.1	6,018.8	1,282.3	21.3%
4	Ndola	3,914.4	2,543.3	1,371.1	53.9%
5	Chanida	2,999.1	1,699.8	1,299.3	76.4%
6	Katima Mulilo	2,130.6	1,246.1	884.5	71.0%
7	Kenneth Kaunda International Airport	1,893.0	1,339.2	553.8	41.4%
8	Lusaka	1,651.1	1,069.8	581.3	54.3%
9	Kasumbalesa	1,017.7	1,077.5	-59.8	-5.5%
10	Kitwe	864.5	538.3	326.2	60.6%
11	Victoria Falls	420.8	452.5	-31.7	-7.0%
12	Mokambo	259.4	24.2	235.2	971.9%
13	Mwami	116.8	129.2	-12.4	-9.6%
14	Simon Mwansa Kapwepwe International Airport	61.9	27.8	34.1	122.7%
15	Kapiri Mposhi	31.3	90.2	-58.9	-65.3%
16	Chingola	16.2	58.7	-42.5	-72.4%
17	Sakania	7.3	2.9	4.4	151.7%
18	Kipushi	4.7	3.3	1.4	42.4%
19	Lusuntha	3.9	4.7	-0.8	-17.0%
20	Solwezi	2.3	1.7	0.6	35.3%
21	Mpulungu	2.2	2.5	-0.3	-12.0%
22	Kariba	0.9	0.7	0.2	28.6%
23	Zombe	0.3	0.1	0.2	200.0%
24	Lufuwa	0.3	0.0	0.0	n/a
25	Kashiba	0.3	0.8	-0.5	-62.5%
26	Nchelenge	0.2	0.3	-0.1	-33.3%
27	Chembe	0.1	0.4	-0.3	-75.0%
28	Chavuma	0.1	0.1	0.0	0.0%
29	Kasama	0.0	1.8	-1.8	-100.0%
30	Luangwa	0.0	0.5	0.0	0.0%
31	Mongu	0.0	0.3	0.0	0.0%
	Total	**43,040.7**	**32,007.4**	**11,033.3**	**34.5%**

The total revenue collected by stations increased by 32.4 percent in 2024 compared to 2023. The significant increase in revenue collection recorded at Mokambo Border Post was mainly due to imports of copper concentrates from the Democratic Republic of Congo by one major mine, which were previously imported through Kasumbalesa Border Post.

Trade Facilitation Reforms

To facilitate trade, the following reforms were implemented in 2024:

1. Customs to Customs Electronic Data Exchange with Zimbabwe:
This is aimed at sharing customs data electronically with the Zimbabwe Revenue Authority to facilitate auto-population of data on declarations. The pilot which commenced in 2023 was fully rolled out in 2024. Similar initiatives have also been implemented with Malawi and Botswana.

2. Mandatory Pre-clearance:
This is aimed at facilitating faster clearance of goods by allowing completion of customs procedures before arrival of goods at entry and exit ports and was implemented on 1st May 2024.

3. Authorised Economic Operator Programme:

This is aimed at fast-tracking the clearance of goods for compliant importers and exporters registered on the Programme. In 2024, a total of 4 companies were added on the Programme, bringing the total number to 8.

4. Coordinated Border Management:

The key focus of the Coordinated Border Management initiative is to enhance trade facilitation through a strategic reduction of border agencies physically operating at border posts to 6. This initiative was implemented at Chirundu and Kazungula border posts and the Authority was appointed as the lead agency for border coordination

Domestic Taxes Division

Tax Audits

The Authority conducts risk-based audits to ensure that taxpayers adhere to their tax obligations of submitting complete and accurate tax returns. The selection of audit cases is based on a number of factors that include risk profiling, refund claims, intelligence information, and data matching with internal and external data sources.

In 2024, the number of audits declined by 24.3 percent to 15,037 from 19,877 in 2023. Similarly, the value of audit assessments declined by 29.4 percent to K2,535.8 million from K3,590.7 million in 2023. To improve audit capacity, the Authority has increased the number of auditors under the new structure and will continue to leverage on technology to aid tax audits.

Of the total assessment value of K2,535.8 million in 2024, principal tax was K1,957.3 million or 77.2 percent, while penalties, interest and fines amounted to K580.3 million or 22.8 percent.

In terms of distribution across tax types, Domestic VAT and Company Income Tax constituted 90 percent of the value of total assessments (see Table 42).

Table 42: Tax Audit Assessments in 2024 and 2023 (K' Million)

Tax Type	Principal Tax			Penalties, Interest, and Fines			Total Audit Assessment		
	2024	2023	% Variance	2024	2023	% Variance	2024	2023	% Variance
Domestic VAT	735.3	1,647.6	-55.4%	148.5	257.6	-42.4%	883.7	1,905.2	-53.6%
Company Income Tax	1012.6	559.3	81.0%	377.2	340.9	10.6%	1,389.8	900.2	54.4%
Mineral Royalty	103.0	236.8	-56.5%	17.8	29.8	-40.3%	120.8	266.6	-54.7%
PAYE	55.6	146.7	-62.1%	28.8	66.6	-56.8%	84.4	213.4	-60.4%
Withholding Taxes	28.8	168.0	-82.9%	1.0	18.4	-94.6%	29.8	186.4	-84.0%
Turnover Tax	17.5	68.9	-74.6%	6.5	21.1	-69.2%	24.0	90.0	-73.3%
Local Excise Duties	0	19.2	-100%	0.0	2.0	-100.0%	0.0	21.2	-100.0%
Tourism Levy	2.0	2.2	-9.1%	0.3	2.9	-89.7%	0.5	5.1	-90.2%
Skills Development Levy	0.4	0.9	-55.6%	0.3	0.8	-62.5%	0.7	1.7	-58.8%
Rental Income Tax	2	0.2	900.0%	0.0	0.7	-100.0%	2.0	0.8	150.0%
Gaming and Betting	0.0	0.0	n/a	0.0	0.0	n/a	0.0	0.1	-100.0%
Insurance Premium Levy	0.0	0.0	n/a	0.0	0.0	n/a	0.0	0.0	n/a
Total	**1,957.3**	**2,849.8**	**-31.3%**	**580.3**	**740.8**	**-21.7%**	**2,535.8**	**3,590.7**	**-29.4%**

Block Management System

The Authority uses the Block Management System (BMS) as a tool to enhance compliance among small and medium taxpayers in designated blocks. This is done through various compliance and enforcement activities. In 2024, the Authority registered 12,413 TPINs compared to 567 in 2023 under the BMS, while the number of new tax type registrations was 3,488 compared to 4,324 in 2023. This brought the number of tax accounts monitored under the BMS to 22,242, and the revenue collected under this initiative increased to K623.8 million from K284.5 million in 2023 (see Table 43).

Table 43: Block Management Activities in 2024 and 2023 by Tax Office

Tax Office	No. of Blocks	No. of Tax accounts Monitored in the Blocks 2024	No. of Tax accounts Monitored in the Blocks 2023	New Tax account Registration in the Blocks			Amount of Taxes Collected in the Blocks (K'Mn)		
				2024	2023	% Variance	2024	2023	% Variance
Lusaka	57	7,242	4,751	26	29	-10.3%	226.5	108.6	108.6%
Kitwe	11	2,871	2,249	1,035	845	22.5%	81.0	56.8	42.6%
Choma	22	2,551	1,123	275	752	-63.4%	65.1	50.3	29.5%
Ndola	6	2,018	1,631	400	402	-0.5%	113.8	39.7	186.8%
Chinsali	16	1,952	1,438	514	606	-15.2%	7.1	0.7	979.4%
Mongu	4	1,470	1,470	0	5	-100.0%	1.3	1.3	2.8%
Kasama	11	864	775	89	101	-11.9%	6.0	3.2	84.9%
Chipata	13	813	1,182	498	828	-39.9%	86.7	0.7	11,897.6%
Solwezi	6	719	635	425	321	32.4%	0.6	0.3	98.1%
Chingola	9	639	298	226	133	69.9%	5.6	4.6	20.0%
Livingstone	4	481	867	0	90	-100.0%	16.1	3.2	405.3%
Kabwe	6	393	1,187	0	50	-100.0%	3.0	14.1	-78.5%
Mansa	5	229	323	0	162	-100.0%	10.9	0.9	1,078.4%
Total	**170**	**22,242**	**17,929**	**3,488**	**4,324**	**-19.3%**	**623.8**	**284.5**	**119.3%**

Table 44 shows registration by TPIN and tax type for taxpayers under the Block Management System.

Table 44: TPIN and Tax Registration under the Block Management System in 2024 and 2023

Description	2024	2023
TPIN Registration	**12,413**	**567**
Tax Type Registration: o/w	**3,488**	**3,757**
Turnover Tax	1270	2451
Rental Income Tax	739	450
Company Income Tax	505	219
Value Added Tax	415	0
PAYE	303	434
Tourism Levy	103	0
Insurance Premium Levy	81	0
Withholding Tax	72	138
Presumptive Tax	0	65

Agency Activities

To promote compliance and increase revenue collection in the informal sector, the Authority continued to engage the Local Authorities and other agents for the collection of taxes. In 2024, the Authority continued its collaboration with 33 Local Authorities to facilitate the collection of Rental Income Tax, Turnover Tax, Base Tax, and Presumptive Tax on passenger transport.

As part of capacity building, workshops were conducted to equip staff in Local Authorities with tax knowledge. Joint enforcement visits were also undertaken and the total revenue collected under this partnership was K15.7 million.

Further, the Authority had 2 withholding agents for Rental Income Tax and 28 for Turnover Tax. The total revenue collected through these agents was K11.2 million, of which K9.9 million was Turnover Tax and K1.3 million was Rental Income Tax.

During the year, the Authority appointed 5 additional withholding agents for Mineral Royalty, bringing the total number to 25. This initiative led to the collection of K57.8 million, a 30 percent increase from the K44.4 million collected in 2023.

The total revenue collected through Agency activities are summarised in Table 45.

Table 45: Revenue Collected through Agents in 2024

Tax Type	Number of Agents	Amount Collected (K' Million)
Mineral Royalty	25	57.8
Rental Income Tax[25]	35	17.0
Turnover Tax	28	9.9
Total	**88**	**84.7**

To ease compliance and foster customer experience, the Authority has been promoting the utilisation of simplified tax platforms such as Tax*O*nApp and Tax*O*nPhone. These platforms are used for TPIN registration, return filing and tax payments.

i. TaxOnApp

In 2024, TPIN registration on Tax*O*nApp increased by 96.4 percent to 554,411 from 282,333 in 2023. Further, utilisation of this platform for return filing increased by 72.3 percent to 122,667 from 71,193 in 2023. Of these, nil returns accounted for 83.2 percent compared to 88.2 percent in 2023, representing a reduction of 5.0 percentage points.

There was a general increase in the usage of Tax*O*nApp due to increased uptake of the application over time, as taxpayers find it more convenient for tax registration and return filing as opposed to logging in the Tax*O*nline portal.

The utilisation of Tax*O*nApp is shown in Table 46.

Table 46: Utilisation of Tax*O*nApp in 2024 and 2023

	2024	2023	% Variance
Number of TPIN registrations	554,411	282,333	96.4%
Number of returns submitted: o/w	122,667	71,193	72.3%
Nil Returns	102,116	62,810	62.6%
Payment/Refund returns	20,551	8,383	145.2%

ii. TaxOnPhone

In 2024, there were no TPIN registrations recorded on the Tax*O*nPhone platform. Similarly, its utilisation for return filing declined by 99.0 percent to 232 from 23,870 in 2023. This was on account of the platform being non-functional for most parts of the year (see To address this, the application is undergoing enhancements to include validation features (see Table 47).

The TaxOnPhone platform was not functional because it was disabled, owing to the fact that most TPINs registered through this channel did not have correct details and in some cases, records were incomplete. To address this, the application is undergoing enhancements to include validation features.

Table 47: Number of Returns Filed on Tax*O*nPhone in 2024 and 2023

Tax Type	2024	2023	Variance %
Number of TPIN registrations	0	165,419	-100.0%
Number of returns submitted: o/w	232	23,870	-99.0%
Nil Returns	14	21,666	-99.9%
Payment/Refund Returns: o/w	218	2,204	-90.1%
Turnover Tax	203	2,174	-90.7%
Value Added Tax	15	30	-50.0%

iii. Smart Invoice

Smart Invoice was rolled out in December 2023 and officially launched by the Minister of Finance and National Planning in March 2024 to enhance revenue collection. *Smart Invoice* offers numerous benefits to both taxpayers and the Authority. The benefits to taxpayers include cost saving through reduced manual data entry and paperwork, integration with other accounting systems, improved accuracy in tax computations, and the reduced need for tax adjustments. Future plans include introducing pre-filling of returns, which will greatly reduce return completion time and errors. The benefits to the Authority include reduced VAT refund

[25] Consists of activities of 33 Local Authorities and 2 withholding Agents

fraud, less intrusive audits, and improved data analytics for compliance and enforcement.

Following the launch, mandatory registration for VAT-registered suppliers commenced in July 2024. Other tax types on-boarded in the year were Turnover Tax, Company Income Tax[26], Rental Income Tax, Tourism Levy, Insurance Premium Levy, and Excise Duty on electricity.

As at the end of 2024, the total number of taxpayers onboarded on *Smart Invoice* was 26,329, out of which 13,698 were VAT registered. A total of 13,293,415 invoices valued at K233,498.9 million were transmitted through the System, out of which K28,338.3 million was output VAT (see Table 48).

Table 48: Status of Tax Types Registered under Smart Invoice System as at 31st December 2024

Tax type	Number of Registered Taxpayers	Number of Invoices Transmitted	Value of Invoices Transmitted (K' Million)	Value of Tax Transmitted (K' Million)
Value Added Tax	13,698	13,081,730	231,488.6	28,338.3
Turnover Tax	10,261	164,606	558.2	0
Company Income Tax	1,927	45,374	1,430.2	0
Rental Income Tax	443	1,705	21.9	0
Total	**26,329**	**13,293,415**	**233,498.9**	**28,338,3**

Smart Invoice operates operates on different solutions that include Websites, mobile applications, desktops/laptops computers and tablets, and through integration with various accounting packages. During the year, 29,990 tax accounts were registered on the System for different solutions as shown in Table 49.

Table 49: Number of Registered Solutions per Tax Type

Tax Type	Registered Invoicing Solutions					
	Desktop	Online	Mobile App	Tablet	System Integration	Total
Value Added Tax	10,087	5,200	0	181	1,215	16,683
Turnover Tax	4,032	4,495	1,928	257	72	10,784
Company Income Tax	750	1,248	0	20	61	2,079
Rental Income Tax	19	376	47	1	1	444
Total	**14,888**	**11,319**	**1,975**	**459**	**1,349**	**29,990**

[26] For taxpayers not registered for VAT

iv. Scanner Operations

To improve the customs operational efficiency and turnaround times, the Authority has continued to utilise scanners to detect concealed goods, enhance border security and ensure compliance among traders. As of end-year 2024, the Authority had 9 scanners of which 7 were fixed at different stations, one fixed railway scanner, and a mobile scanner.

In 2024, a total of 93,713 trucks were scanned, of which 610 were found with discrepancies, resulting in the collection of K28.8 million in additional revenue. The number of trucks scanned during the year, was lower than in 2023, partly due to technical faults experienced by scanners at Chanida and Kasumbalesa, and intermittent electricity supply which caused interruptions to scanner operations.

Scanner activities are presented in Tables 50a and 50b.

Table 50a: Scanner Activity in 2024

Port	Trucks with Discrepancies			Additional Revenue Collected (K)		
	2024	2023	Variance	2024	2023	Variance
Chanida	0	0	0	0	0	0
Chirundu	105	65	40	12,231,402.0	7,033,003.2	5,198,398.8
Kapiri Mposhi - EC[27]	0	0	0	0	0	0
Kasumbalesa	0	0	0	0	0	0
Katima Mulilo	6	20	-14	195,828.4	891,373.6	-695,545.2
Kazungula	427	208	219	10,158,567.0	708,646.4	9,449,920.6
Mwami	0	0	0	0	0	0
Nakonde	72	67	5	6,264,372.5	4,095,512.1	2,168,860.4
Total	**610**	**360**	**250**	**28,850,169.8**	**12,728,535.3**	**16,121,634.5**

[27] The scanner was not functional

Table 50b: Scanner Activity in 2024 and 2023

Lane	2024				2023			
	Value for Duty Purpose (K'million)	Percentage	Revenue Collected (K'million)	Percentage	Value for Duty Purpose (K'million)	Percentage	Revenue Collected (K'million)	Percentage
Red	122,604	7.0%	5,357	12.0%	102,052	6.3%	6,457	20.0%
Yellow	530,582	30.1%	8,556	19.2%	925,465	57.0%	9,343	28.9%
Blue	320,321	18.2%	26,115	58.5%	187,834	11.6%	15,345	47.5%
Green	791,367	44.8%	4,600	10.3%	409,522	25.2%	1,148	3.6%
Total	**1,764,877**	**100%**	**44,630**	**100%**	**1,624,873**	**100.0%**	**32,293**	**100.0%**

Enforcement Activities

Mobile Enforcement

To deter non-compliance, the Authority continued to undertake enforcement activities through inspections, roadblocks, patrols, and follow-ups on third-party intelligence. During the year, 3,177 interceptions and 2,251 inspections were recorded, which resulted in 11,602 assessments valued at K109.2 million. The value of consignments seized was K24.7 million, compared to K103.5 million in 2023. In addition, 45 Receipts of Items Held were issued, valued at K28.3 million, compared to 125 in 2023 valued at K2,657.1 million. The collected revenue from these mobile enforcement activities was K102.7 million in 2024.

Inland and Border Enforcement

In 2024, the VDP of detained and seized goods under inland and border enforcement decreased by 53.0 percent to K471.7 million from K1,004.2 million in 2023. This can partly be attributed to improved compliance (see Table 51).

Table 51: Detentions and Seizures in 2024 and 2023 (K' Million)

Type	2024	2023	Variance	% Variance
Value of Detained Goods	331.6	863.7	-532.1	-61.6%
Value of Seized Goods	140.1	140.5	-0.4	-0.3%
Total	**471.7**	**1,004.2**	**-532.5**	**-53.0%**

The revenue collected from detained and seized goods was K28.3 million in 2024, an increase of 38.4 percent from K20.5 million collected in 2023.

The revenue yield per station is presented in Table 52.

Table 52: Revenue Collected from Detentions and Seizures in 2024 and 2023 (Amounts in Kwacha)

Station	2024	2023	% Variance
Kapiri Mposhi	9,831,371.1	8,707,671.3	12.9%
Livingstone Enforcement Unit	8,691,997.0	2,757,787.1	215.2%
Nakonde	4,639,944.7	6,451,951.6	-28.1%
Kasama Enforcement Centre	2,351,359.2	380,253.8	518.4%
Chipata Enforcement Unit	1,507,885.2	1,084,329.4	39.1%
Chirundu	900,000.0	0	n/a
Solwezi	194,103.6	240,598.3	-19.3%
Kitwe	182,373.4	0	n/a
Kariba	28,800.0	0	n/a
Mongu Enforcement Unit	11,364.2	0	n/a
Chinsali Enforcement Unit	2,800.0	75,000.0	-96.3%
Chingola	0	76,655.6	-100.0%
Kasumbalesa	0	708,471.2	-100.0%
Total	**28,341,998.3**	**20,482,718.3**	**38.4%**

Risk Profiling Analysis

In 2024, the Authority continued to utilise risk management techniques to classify customs declarations based on their risk profile. Using the risk profiling on ASYCUDAWorld, entries are categorised into 4 lanes: Red, Yellow, Blue, and Green. The *Red lane* is designated for high-risk entries, which require physical inspection. The *Yellow lane* is for documentary checks, the *Blue lane* for post-clearance audits, and the *Green lane* for low-risk entries which are exempt from scrutiny. To improve the overall processing efficiency, the existing selectivity criteria was reviewed and updated on ASYCUDAWorld.

In line with this risk-based classification, 10.8 percent of entries were categorised as high risk and assigned to the *Red lane*, down from 14.5 percent in 2023. Further, 31.5 percent of entries were directed to the *Yellow lane*, a decrease from 49.6 percent in 2023. Conversely, the proportion of entries assigned to the *Blue* and *Green lanes* increased to 19.6 percent from 14.8 percent, and 38.1 percent from 21.1 percent in 2023, respectively (see Table 53a).

Table 53a: Lane Analysis by Business Volume in 2024 and 2023

Lane	2024		2023	
	Number of Entries	Percentage	Number of Entries	Percentage
Red	129,497	10.8%	166,894	14.5%
Yellow	376,857	31.5%	570,035	49.6%
Blue	233,912	19.6%	170,009	14.8%
Green	455,855	38.1%	242,552	21.1%
Total	**1,196,121**	**100.0%**	**1,149,490**	**100.0%**

The increase in the percentage of *Blue lane* entries in 2024 was due to the addition of 30 non- Customs Accredited Clients Programme (CACP) companies on the non-CACP *Blue lane* criterion. This initiative is meant to facilitate trade by subjecting more declarations by Large Taxpayers to Post Clearance Audits, while complying with existing trade regulations.

The increase in the *Green lane* entries to 38.1 percent in 2024 from 21.1 percent in 2023, was due to a relaxation in the selection criteria to improve processing efficiency. This increased the number of entries not subjected to customs intervention at the border thereby reducing the clearance time at the border. There was a notable reduction in the overall interventions by Customs in the *Red* and *Yellow* lanes due to improved risk profiling and compliance. This reduced the number of interventions on less risky goods, thereby facilitating trade and allowing effective utilisation of the Authority's limited resources.

An analysis of the lanes shows that the *Blue lane* generated the most revenue, accounting for 58.5 percent of the total revenue collected under customs in 2024, while the *Green lane* generated the least revenue, accounting for 10.3 percent (see Table 53b).

Table 53b: Lane Analysis by Value for Duty Purposes and Revenue Collected in 2024 and 2023

Lane	2024				2023			
	Value for Duty Purpose (K'million)	Percentage	Revenue Collected (K'million)	Percentage	Value for Duty Purpose (K'million)	Percentage	Revenue Collected (K'million)	Percentage
Red	122,604	7.0%	5,357	12.0%	102,052	6.3%	6,457	20.0%
Yellow	530,582	30.1%	8,556	19.2%	925,465	57.0%	9,343	28.9%
Blue	320,321	18.2%	26,115	58.5%	187,834	11.6%	15,345	47.5%
Green	791,367	44.8%	4,600	10.3%	409,522	25.2%	1,148	3.6%
Total	**1,764,877**	**100%**	**44,630**	**100%**	**1,624,873**	**100.0%**	**32,293**	**100.0%**

Post Clearance Audits

Post Clearance Audits are aimed at facilitating trade by moving some controls from the border. These activities ensure that there is speedy clearance of goods inland while ensuring adherence to relevant legislative requirements. In 2024, the Authority recorded an increase in the number of comprehensive and focused audits to 56 from 22 in 2023. The increase in audits was attributed to the allocation of more resources to audits.

Table 54 shows the number of post clearance audits in 2024 and 2023.

Table 54: Number of Audits in 2024 and 2023

Audit Type	2024	2023	% Variance
Comprehensive	27	12	125%
Focused	29	10	190%
Total	**56**	**22**	**155%**

The total audit assessments increased by 41.6 percent to K424.2 million in 2024 from K299.5 million in 2023. Of this amount, the principal tax was K383.3 million, while penalties were K40.9 million (see Table 55).

Table 55: Post Clearance Audit Assessments in 2024 and 2023 (K' million)

Liability Type	2024	2023	% Variance
Principal	383.3	130.2	194.3%
Penalties	40.9	169.3	-75.8%
Total	**424.2**	**299.5**	**41.6%**

The revenue yield from these assessments was K106.6 million in 2024 compared to K33.2 million in 2023, representing audit yields of 25 percent and 11 percent, respectively.

Authorised Economic Operators/Customs Accredited Clients Programme

The Authorised Economic Operators (AEO) is a trade facilitation measure aimed at expediting customs clearance for compliant taxpayers. In 2024, the Authority added 4 companies to the AEO programme, bringing the total number to 8. Under the Customs Accredited Clients Programme (CACP), which is another trade facilitation initiative, there were 49 companies as at end 2024. The Authority further extended the CACP preferential treatment to 117 non-CACP companies to expedite customs clearance for identified compliant taxpayers.

Investigations

During the year, 1,437 cases were under investigation compared to 839 in 2023. Of these, 612 were brought forward from 2023, while 825 were new. The Authority concluded 495 cases, out of which 85 were terminated due to insufficient evidence, 12 were referred to the operating divisions, 381 were settled through assessments in lieu of prosecution, and 17 were recommended for prosecution. By year end, 942 cases were outstanding and carried forward to 2025 (see Table 56).

Table 56: Distribution of Cases Investigated in 2024 and 2023

	2024			2023			% Var of Total
	Customs	Domestic Taxes	Total	Customs	Domestic Taxes	Total	
Brought Forward	189	423	612	251	351	602	1.7%
New Cases Received	63	762	825	49	188	237	248.1%
Total	**252**	**1,185**	**1,437**	**300**	**539**	**839**	**71.3%**
Terminated/ Other	64	21	85	0	42	42	102.4%
Referred to Operating Division	7	5	12	90	1	91	-86.8%
Civil Settlement	12	369	381	17	69	86	343.0%
Referred for Prosecution	12	5	17	4	4	8	112.0%
Carried Forward	**157**	**785**	**942**	**189**	**423**	**612**	**53.9%**

During the year, 10 cases were prosecuted for fraud. Of those, 9 resulted in convictions, out of which, 3 were VAT Cases, 5 were Customs Cases, and 1 was a criminal case prosecuted under the Penal Code. As at year end, 181 companies were under investigation for VAT fraud.

In terms of classification by tax category, 252 cases or 18 percent were Customs related, while 1,185 or 82 percent related to Domestic taxes. Of the cases under Domestic taxes, 891 related to direct taxes, while 294 related to indirect taxes.

Investigation activities resulted in assessments worth K32,245.3 million, of which K28,550.8 million related to cases disseminated by the Financial Intelligence Centre, K3,559.1 million to Customs, and K135.5 million to VAT fraud. The total revenue recovered from these assessments was K204.0 million.

Financial Intelligence Centre Cases

The number of cases received from the Financial Intelligence Centre (FIC) increased to 609 in 2024 from 95 in 2023, while the number of cases concluded increased to 322 from 20 in 2023.

Tax assessments recorded a sharp increase to K28,550.8 million in 2024 from K106.1 million in 2023. However, collections marginally reduced to K27.3 million from K28.0 million in 2023, indicating challenges in enforcement, due to a high proportion of assessments involving *shell companies* registered solely for the purpose of externalising funds (see Table 57).

Table 57: FIC cases 2024

No.	Description	2024	2023
1	Number of cases received	609	95
2	Number of cases concluded	322	20
3	Assessments raised (K' million)	28,550.8	106.1
4	Collections (K' million)	27.3	28.0

Further, the Authority processed 217 or 88 percent of the 248 information requests received from Law Enforcement Agencies in 2024.

Digital Forensics Activities

In 2024, the Authority conducted digital forensic investigations and processed 60 cases compared to 53 in 2023. The processed cases involved 271 digital gadgets compared to 223 in the previous year. The gadgets examined included desktop computers, laptops, mobile phones, hard disks, and flash disks.

Debt Management

Domestic Taxes Debt

In 2024, Domestic Taxes debt stock stood at K60,861.2 million compared to K66,992.8 million in 2023, a reduction of K6,131.6 million or 9.2 percent. Assessments on non-adherence to VAT Rule 18 on Proof of Exports and disputed Company Income Tax assessments amounted to K7,361.8 million, or 12.1 percent of the Domestic Taxes debt. Excluding these assessments, the total Domestic Taxes debt stock stood at K53,499.4 million. The reduction in debt was mainly as a result of active enforcement of debt recovery instruments.

Table 58 shows the composition of the debt stock in terms of principal, penalties and interest.

Table 58: Composition of Domestic Debt, 2020 - 2024 (K' Million)

Year	Principal	Penalties	Interest	Total
2020	32,248.3	23,957.3	3,453.8	**59,659.4**
2021	64,074.0	18,347.9	3,359.5	**85,781.3**
2022	61,670.3	24,782.0	11,408.6	**97,860.9**
2023	49,444.4	13,851.9	3,696.4	**66,992.8**
2024	29,146.2	27,481.8	4,233.2	**60,861.2**

In 2024, Domestic VAT continued to dominate the composition of the total domestic debt stock, accounting for K30,446.5 million of the Domestic Taxes' debt stock. Company Income Tax amounted to K23,356.3 million, Withholding VAT amounted to K10,700.9 million and Mineral Royalty stood at K7,840.1 million. The contribution of other tax types to Domestic Taxes debt was relatively small (see Table 59).

Table 59: Trend in Domestic Taxes Debt Stock, 2020 - 2024 (K' Million)

Tax Type	2020	2021	2022	2023	2024
Domestic VAT	29,733.8	37,029.0	37,747.1	26,412.5	30,446.5
Company Income Tax	11,605.9	27,737.2	26,229.2	7,878.4	23,356.3
Withholding VAT	2,126.7	6,202.3	13,035.5	11,049.1	10,700.9
Mineral Royalty	1,786.8	3,637.5	6,178.3	6,435.2	7,840.1
PAYE	7,491.3	4,977.2	10,818.1	9,544.4	3,810.5
Turnover Tax	2,575.4	2,539.1	2,499.5	2,385.6	3,146.5
Local Excise	989.4	0.0	731.1	468.3	736.3
Property Transfer Tax	173.3	288.4	434.7	604.8	594.4
Insurance Premium Levy	83.0	69.0	69.2	66.9	101.9
Gaming and Betting Tax	0.0	22.3	63.9	47.8	72.1
Tourism Levy	0.5	16.4	18.5	20.0	49.7
Presumptive Tax	11.4	17.1	35.8	41.3	45.0
Base Tax	0.0	0.0	0.0	0.0	0.0
Presumptive Tax on Artisanal and Small-Scale Mining	0.0	0.0	0.0	-1.0	-2.2
Rental Income Tax	0.0	0.0	0.0	-8.9	-20.6
Withholding Tax	3,081.9	3,245.7	0.0	2,048.5	-20,016.3[28]
Total	**59,659.4**	**85,781.2**	**97,860.9**	**66,992.8**	**60,861.2**

Customs Taxes Debt

As at end 2024, Customs Taxes debt stock increased by K14.7 million or 2.5 percent to K1,570.5 million from K1,555.8 million in 2023. Of this, Import VAT, Customs Duty and Advance Income Tax accounted for the largest share at 43.2 percent, 26.5 percent and 18.8 percent, respectively. These tax types collectively represented 88.5 percent of the total Customs Taxes debt compared to 90.1 percent in 2023. The marginal increase in debt was mainly attributed to liabilities pending receipting of offsets against VAT refunds (see Table 60).

Table 60: Trend in Customs Taxes Debt, 2020 - 2024 (K' Million)

Tax Type	2020	2021	2022	2023	2024
Import VAT	978.2	1,121.5	1,154.4	677.1	678.2
Customs Duty	277.6	308.2	454.8	422.0	416.9
Advance Income Tax	151.1	171.2	197.1	303.2	295.0
Import Excise Duty	59.8	66.0	65.7	59.5	61.1
Fuel Levy	10.4	9.6	6.6	9.0	7.9
Export Duty	25.1	29.4	6.8	5.7	6.4
Motor Vehicle Fee	1.5	1.5	1.7	1.5	1.7
Carbon Emission Surtax	0.0	0.9	0.9	0.9	0.9
Other	31.0	52.5	195.1	77.0	102.4
Total Debt	**1,534.7**	**1,760.8**	**2,083.1**	**1,555.8**	**1,570.5**

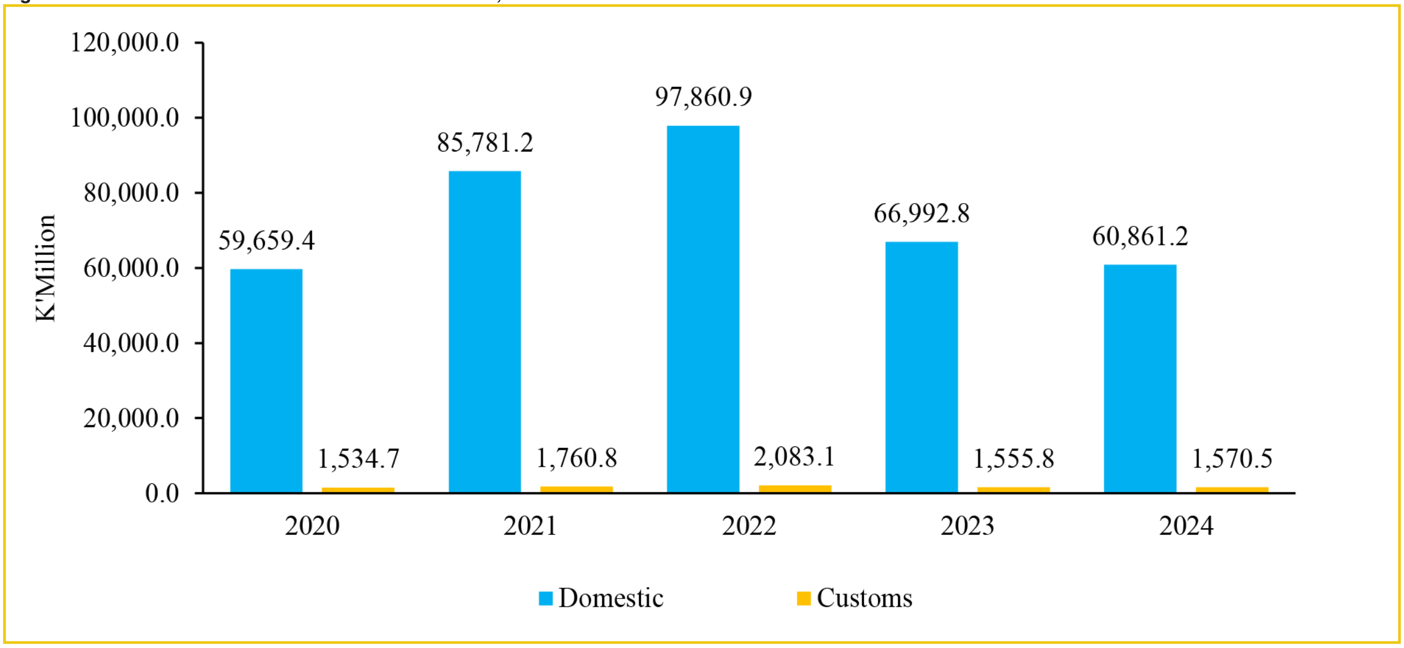
The Authority continued implementing debt recovery measures such as automatic suspension of TPIN accounts for taxpayers with outstanding liabilities, application of a “no special delivery” policy and improved management of importations under Government vouchers.

Total Debt Stock

As at end 2024, the total debt stock reduced to K62,431.7 million from K68,548.6 million in 2023, due to increased enforcement actions and implementation of other debt reduction initiatives such as debt swaps. Of this stock, Domestic Taxes debt accounted for 97.5 percent at K60,861.2 million, while that of Customs stood at K1,570.5 million or 2.5 percent (see Figure 23).

[28] The negative balance indicates payments which are not accompanied by returns.

Figure 23: Trend of Domestic and Customs Taxes Debt, 2020 – 2024



Debt was further categorised in accordance with the Tax Administration Diagnostic Assessment Tool (TADAT) guidelines as either collectible or non-collectible, where collectible tax debt refers to the total overdue Domestic Tax, including interest and penalties, that is not hindered by any collection barriers. These arrears typically exclude:

a. amounts under formal dispute by the taxpayer where collection actions are suspended pending resolution;
b. amounts that are legally irrecoverable, such as debts discharged through bankruptcy; and
c. arrears deemed uncollectible due to the debtor's lack of funds or assets.

Thus, at 2024 end year, the adjusted collectible debt amounted to K50,987.8 million of the total core debt[29] of K58,349.6 million.

Further, to achieve the collection of tax arrears effectively and efficiently in 2024, the Authority implemented several strategies which included demand notices, Time-To-Pay Agreements (TPAs), debt swaps, garnishee orders, third-party collections, and warrants of distress, among others. These instruments resulted in the collection of K6,117.0 million in debt compared to K9,661.8 million in 2023.

Compliance Risk Management

During the year under review, the Authority commenced the implementation of the Compliance Risk Management (CRM) initiatives, marking a significant milestone in an effort to enhance tax compliance and revenue collection. This initiative is a risk-based approach to compliance management, leveraging data analytics to identify and mitigate potential risks.

BIDA Project

The Authority embarked on a transformative journey to enhance its tax administration capabilities with the implementation of Phase II of the BIDA project. This strategic initiative aims to address the evolving challenges in the modern tax landscape, where effective management and analysis of data is critical. Furthermore, the project will introduce automated compliance risk management through a robust risk engine. The key deliverables for the BIDA Phase II project are:

a) development of a Compliance Risk Management Module;
b) integration of internal and external data sources;
c) enhanced data quality and reporting; and
d) development of a 360-degree taxpayer dashboard.

Other Compliance Initiatives that Supported Revenue Collection

In 2024, the Authority implemented other revenue enhancing initiatives as follows:

a) introduced the mandatory appointment of clearing agents to curb TPIN abuse on the *Clearing Agents Management Module*;
b) improved the reconciliation process for outstanding transactions by enhancing the *Warehouse Module* on ASYCUDAWorld;
c) suspension of procedures with guarantors;

[29] Core debt includes VAT, Company Income Tax, PAYE and Local Excise Duty

d) enhanced monitoring of processing efficiency through dashboards;
e) operationalised the Cross-Border Electronic Services (CBES) taxation on digital services supplied in Zambia by non-resident \ contractors;
f) enhanced data analytics using third party information;
g) enhanced the electronic Tax Clearance Certificate to improve filing and payment compliance across all tax types;
h) enhanced systems interfaces with internal and external data sources;
i) operationalised the Exports Proceeds Tracking Framework (EPTF) for efficient tracking of export proceeds, tax compliance management and combatting Illicit Financial Flows (IFFs);
j) facilitated Zambia's joining of the Global Forum on Transparency and Exchange of Information (EOI) for Tax Purposes; and
k) implemented the Cooperative Compliance Scheme under the Large Taxpayer office.

Summary of Compliance Revenue

Compliance revenue arises from targeted compliance and enforcement efforts designed to enhance the overall compliance culture. Figure 24 illustrates revenue collection from various compliance and enforcement activities.

Figure 24: Compliance Revenue in 2024

KEY RESULT AREA NO. 2:
SATISFIED AND KNOWLEDGEABLE TAXPAYERS

The Authority recognises that satisfied and well-informed taxpayers are more likely to meet their tax obligations voluntarily. Therefore, the Authority is committed to improving the overall experience and bridging the knowledge gap through targeted initiatives that promote voluntary compliance. The strategic objectives under this Key Result Area are: “improve taxpayer satisfaction”; and “improve customer experience”.

Strategic Objective 2.1: Improve Taxpayer Satisfaction

Improving taxpayer satisfaction helps to build public trust with stakeholders. In pursuit of this, the Authority has in place a Taxpayer Service Charter that contains service standards that serve as metrics for monitoring performance. This is aimed at promoting transparency, efficiency, and accountability in its operations and engagements with stakeholders.

The performance against this objective in 2024 is depicted in Table 61.

Table 61: Performance of Strategic Objective 2.1

Strategic Objectives	Target	Performance Outturn
Improve Taxpayer Satisfaction	75% of service charter standards to be met	62% of the target achieved

The Taxpayer Service Charter outlines the rights, obligations, and service standards that govern the relationship between the Authority and taxpayers. It sets clear benchmarks to ensure efficient delivery of quality services. To achieve this, the Authority monitors its performance through administrative data and surveys conducted on a quarterly basis.

In 2024, some of the areas of dissatisfaction from taxpayers included: delayed refund payments; delays in tax registrations; waiting time; and perceptions on privacy and confidentiality, and fairness.

The highlights of the Authority’s performance against the service standards in 2024 are shown in Figure 25.

Figure 25: Highlights of Performance Against Service Standards in 2024

Performance Against the Charter Service Standards

REFUNDS PROCESSING

VAT - Payment within 30 days from the date of lodgement of a VAT refund claim

Outcome: Average of 812.3 days

Income Tax - Payment within 60 days of submission of lodgement of an Income Tax return

Outcome: Average of 182.3 days

Custom Duties - We undertake to pay the refund within 30 days from the date of lodgement

Outcome: Average of 84.9 days

PAYE Refunds - We undertake to pay the refund within 60 days of submission of lodgement of a refund claim

Outcome: Average of 193 days

REGISTRATION/DEREGISTRATION

Tax Registration - to complete the process within 3 days
Outcome: Average of 10.2 days

Account Deregistration - to deregister a business account within 30 days from the date of application

Outcome: Average of 5.8 days

OTHER SERVICES

Tax Clearance Certificate - to issue a tax clearance within 3 days (48 hours) upon receipt of an application

Outcome: Within 1 day

Customs Declarations - to process a clean customs declaration within 1.5 days

Outcome: Within 1 day

Service Efficiency - to attend to clients within 20 minutes of their arrival at the customer service Centre

Outcome: Average of 32.1 minutes

PUBLIC PERCEPTION

Fairness - to allow our clients their right to appeal; inform them of their rights and obligations and treat them equitably, and in accordance with the law

Outcome: 66.8% of clients reported being treated with fairness

Information - undertake to provide clear information on tax matters

Outcome: 80.8% of clients were provided with clear information

Acknowledge comments and complaints - to acknowledge comments, complaints and queries within 5 working days of their receipt

Outcome-Average of 1 day

Privacy - shall treat tax matters with privacy and confidentiality

Outcome: 77.3% of clients said they were treated with privacy and confidentiality

The Charter's service standards are grouped into three categories: taxpayer rights, service delivery timelines, and procedural efficiency. These categories provide a structured framework to monitor the Authority's service delivery and enhance the overall taxpayer experience in the following areas:

a) processing efficiency;
b) service standards; and
c) taxpayer advisory services.

Processing Efficiency

Processing efficiency refers to the turnaround time for completing a business process. To provide insight into the timeliness and effectiveness of identified processes in 2024, the Authority monitored processing efficiency of refunds and taxpayer registration.

i. VAT Refunds

The average processing time for VAT refund payments in 2024 reduced to 812.3 days from 845.3 days in 2023, against the Charter standard of 30 days[30]. The observed decrease in average processing time was attributed to the increased monthly refund allocation to K1,700 million in September 2024 from K1,350 million, albeit this still remained below the optimal level. Despite the marginal improvement in processing time, VAT refund payments continued to fall outside the Charter standard of 30 days. This was attributed to: inadequate funding to pay refund claims; inadequate human resource to process the VAT claims; and missing information from VAT claimants such as bank details. The adoption of the "First-In, First-Out" (FIFO) approach in the processing of refund claims has also partially contributed to the increased processing time as older claims are prioritised for settlement. The FIFO approach was introduced to enhance transparency and fairness in the processing of refund claims.

ii. Income Tax Refunds

In 2024, the average processing time for income tax refunds increased to 182.3 days compared to 82.8 days in 2023. This was higher than the Charter standard of 45 days. The increase in the processing time was attributed to reduced allocation of funds to Income Tax refund claims.

iii. Customs Refunds

In 2024, the average processing time for customs refunds improved to 84.9 days, a significant reduction from 162.9 days in 2023. Despite this improvement, the performance remained below the Charter standard of 30 days partly due to the submission of incomplete documentation by taxpayers, which hindered timely processing.

iv. Tax Registration

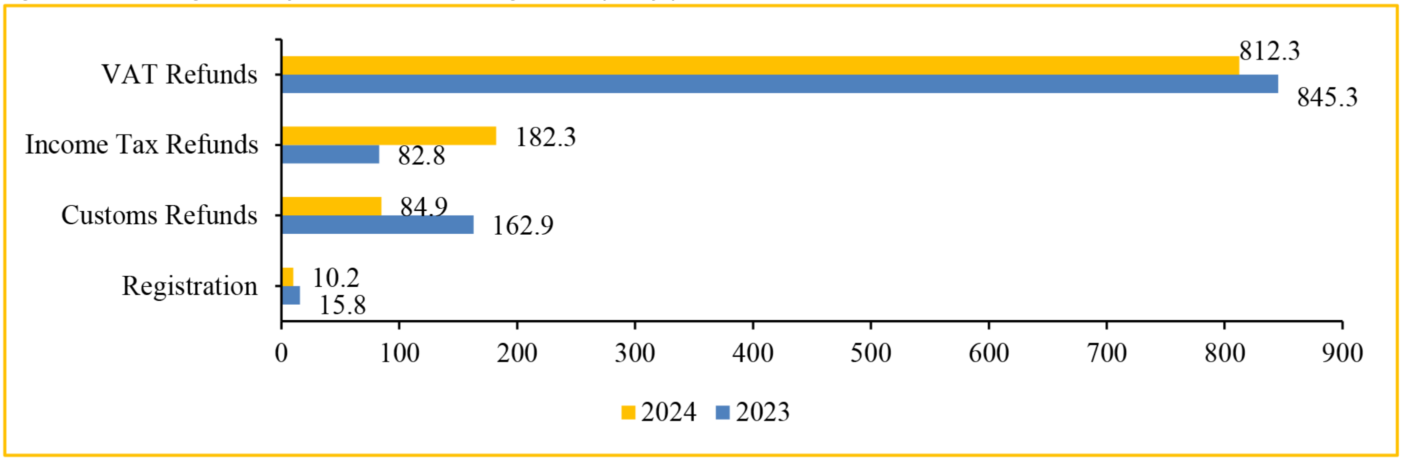
In 2024, the average processing time for tax registration decreased to 10.2 days from 15.8 days in 2023. Despite this improvement, the processing time still exceeded the Charter standard of 3 days. The delay in meeting the standard was primarily attributed to system disruptions which affected registration services on Tax*O*nPhone, Tax*O*nApp, and TaxOnline as well as connectivity challenges on the ZRA-PACRA interface.

v. Tax Account De-registration

In 2024, the average processing time for tax account deregistration was 5.8 days, which was within the Charter standard of 30 days.

Figure 26 summarises the processing efficiencies of tax refunds (VAT, Income Tax and Customs) and tax registration.

Figure 26: Processing Efficiency of Refunds and Tax Registration (in days) in 2024 and 2023



[30]Debt burden reflects a sustained accumulation of outstanding VAT payments since 2013

Service Standards

In 2024, the Authority monitored the performance of the following standards:

a) privacy and confidentiality of taxpayer information;
b) service efficiency;
c) clarity of ZRA information resources;
d) response to comments and complaints from taxpayers; and
e) customs declarations.

Regarding *privacy and confidentiality*, 77.3 percent of the taxpayers surveyed indicated that they were satisfied with the Authority's performance against this standard, compared to 87.5 percent in 2023.

In terms of *service efficiency*, 40 percent of taxpayers reported being served within the Charter standard of 20 minutes upon arrival, compared to 90.3 percent in 2023. The poor performance against this standard was attributed to increased waiting times due to the following factors:

i.) the increased demand for TPINs due to the mandatory TPIN requirement by institutions such as Zesco, banks, and employers;
ii.) increased applications for exemptions from withholding tax on commissions; and
iii.) delayed processing of TPIN registrations occasioned by duplicated NRC numbers.

On *fairness*, 66.8 percent of respondents indicated that they were treated fairly compared to 72.5 percent in 2023.

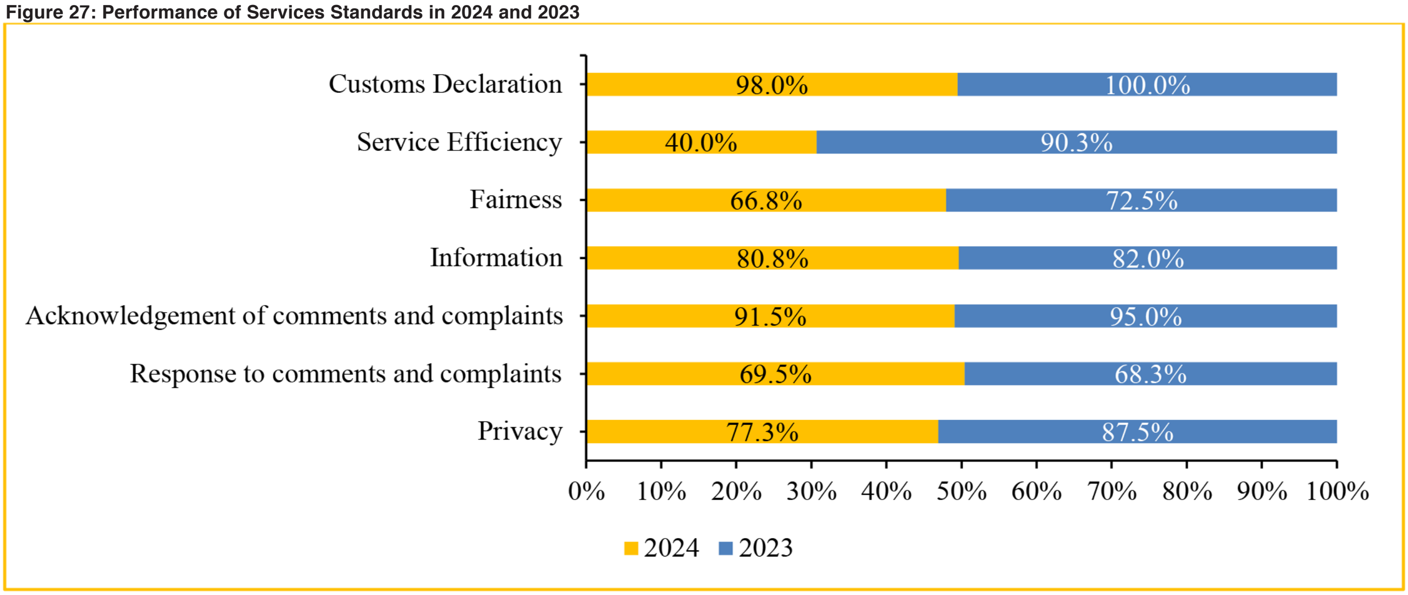
With regard to *clarity of information* provided to taxpayers, 80.2 percent of the respondents indicated that they were given clear information on tax matters compared to 82.0 percent in 2023.

Further, of the *comments and complaints* received, 91.5 percent were acknowledged compared to 95.0 percent in 2023. Of the *comments and complaints* acknowledged, 69.5 percent were responded to within the Charter standard of 14 working days compared to 68.3 percent in 2023.

During the year, 98.0 percent of customs declarations were processed within the Charter standard of 1.5 days upon registration. The positive performance can be attributed to the rollout of the self-clearance modules and the stabilisation of the pre-clearance module on ASYCUDAWorld.

The summary of the Authority's performance against the service standards is presented in Figure 27.

Figure 27: Performance of Services Standards in 2024 and 2023



Strategic Objective 2.2: Improve Customer Experience

The Authority recognises that good customer experience is critical in promoting voluntary compliance. This has been demonstrated by the creation of a dedicated Taxpayer Services and Education directorate, focused on developing and implementing initiatives to enhance taxpayer experience. During the year, various initiatives were implemented to improve customer experience. Table 62 illustrates the performance of this objective in 2024.

Table 62: Performance of Strategic Objective 2.2

Strategic Objectives	Target	Performance Outturn
Improve Customer Experience	90% of taxpayers to be satisfied	75.0% of taxpayers satisfied

In 2024, the Authority leveraged multiple channels to educate and disseminate tax information to the public. These included workshops, school chats, social media interaction, stakeholder engagement, YouTube, television, radio programmes, and the Artificial Intelligence Chatbot (Zax), among others. The engagement focused on tax policy and administrative changes, taxpayer rights and obligations, compliance requirements and the promotion of ZRA e-service platforms.

To improve service delivery, the Authority installed outdoor Wi-Fi at Chirundu, Nakonde, Kazungula, Mwami, Kasumbalesa and Chanida Border stations in collaboration with Smart Zambia. This has provided internet access to the public and taxpayers, to ease accessibility to the ZRA Systems. The Authority also integrated QR Codes on MOSES and TaxOnline to enable real-time validation of mineral export and tax clearance certificates, respectively. Furthermore, a Customer Relationship Management System was launched to enable staff have a comprehensive view of taxpayers, allowing them to provide more accurate and informed tax advice.

Uptake of e-Services

Electronic services are crucial in enhancing voluntary compliance as they enable taxpayers to meet their tax obligations conveniently and with minimal disruption to their operations. During the year, the Authority remained committed to reducing cash office touchpoints and promoted electronic tax payments to enhance taxpayer experience. The Authority migrated all taxpayers for inland taxes to electronic payment options by the end of 2024, resulting in the closure of 18 cash offices across the country. A total of 31 officers working in these cash offices were retrained and re-assigned to other functions. With the closure of the cash offices, the Authority made cost savings in relation to staff costs, security, insurance, and office equipment.

The Authority implemented the Integrated Payment System (IPS) to align payments on ASYCUDAWorld with Tax*O*nline. Through this initiative, the Authority migrated all miscellaneous customs payments to electronic platforms enabling taxpayers to make tax payments 24/7 without visiting the border. The implementation of IPS also enabled the Authority to take over the responsibility of collecting border fees for agencies such as the Road Transport and Safety Agency, Road Development Agency, Radiation Protection Authority and the various local Authorities as part of the Coordinated Border Management programme.

The Authority continued to facilitate tax registrations, return filing and payments through various platforms, including the USSD-based Tax*O*nPhone, the mobile application Tax*O*nApp, and the web-based Tax*O*nline.

In 2024, the proportion of electronic registrations increased to 97.6 percent from 96.4 percent in 2023, while all returns were filed electronically. This was driven by heightened taxpayer awareness engagements on the availability and use of e-services.

The share of electronic payments to total payments marginally increased to 99.8 percent from 99.6 percent in 2023, while cash payments reduced by 34.9 percent to K359.3 million from K552.0 million in 2023 (see Table 63).

Table 63: Uptake of e-Services in 2024 and 2023

Service	Platform	2024	2023	Variance	% Variance
Registration	Tax*O*nPhone	0	167,925	-167,925	-100.0%
	Tax*O*nApp	554,411	195,209	359,202	184.0%
	Tax*O*nline	531,660	924,002	-392,342	-42.5%
	Manual/ZRA Initiated	26,271	48,070	-21,799	-45.3%
	Percentage of electronic registrations	97.6%	96.4%	0.0	1.2%
Return Filing	Tax*O*nPhone	275	23,925	-23,650	-98.9%
	Tax*O*nApp	122,750	71,409	51,341	71.9%
	Tax*O*nline	2,322,542	2,189,578	132,964	6.1%
	Manual/ZRA Initiated	0	0	0	0
	Percentage of electronic returns filed	100.0%	100.0%	0.0	0.0%
Payments	Electronic[31] (K' millions)	148,199.4	116,410.8	31,788.6	27.3%
	Cash (K' millions)	359.3	552.0	-192.7	-34.9%
	Percentage value of electronic payments	99.8%	99.6%	0.2%	0.2%

E-Payment Platforms

The number of commercial banks connected to Tax*O*nline and ASYCUDAWorld in 2024 stood at 16. Of these, 9 extended their e-payment platforms to non-account holders (see Table 64).

Table 64: Commercial Banks connected with ZRA e-Payment Platforms in 2024

List of banks with e-payment platforms extended to both account and non-account holders	List of banks with e-payment platforms available only to account holders
Access Bank	Bank of China
Atlas Mara Bank	Citi Bank
Absa Bank	First Alliance Bank
EcoBank	First Capital Bank
Indo-Zambia Bank	First National Bank
Natsave	Standard Chartered Bank
Stanbic Bank	Zambia Industrial Commercial Bank
United Bank for Africa	
Zanaco	

During the year, the Authority continued to provide taxpayers with various payment platforms in partnership with service providers. The payment platforms included Unstructured Supplementary Service Data (USSD) mobile tax payments, online banking, point-of-sale machines, and other digital payment solutions.

[31] Includes payments via the Real Time Gross Settlement (RTGS) system of K49,923.8 million in 2024 and K31,609.3 million in 2023

A summary of revenue collections by financial service provider is shown in Table 65.

Table 65: Revenue Collections by Financial Service Providers, 2024 and 2023

2024 Rank	Financial Service Provider	2024	2023	Variance
1	Stanbic Bank	38.8%	37.0%	1.8%
2	Zanaco Plc	9.3%	11.0%	-1.7%
3	Citi Bank	9.3%	10.0%	-0.7%
4	Standard Chartered Bank Zambia Plc	9.2%	8.0%	1.2%
5	Absa Bank Zambia Plc	7.1%	8.0%	-0.9%
6	First National Bank	6.3%	6.0%	0.3%
7	Access Bank	6.0%	5.0%	1.0%
8	Indo Zambia Bank	3.5%	4.0%	-0.5%
9	Atlas Mara Bank	3.2%	4.0%	-0.8%
10	First Capital Bank	2.5%	2.0%	0.5%
11	United Bank for Africa	2.0%	1.0%	1.0%
12	Eco Bank	0.6%	1.0%	-0.4%
13	National Savings and Credit Bank	0.5%	0.0%	0.5%
14	First Alliance Bank	0.4%	0.0%	0.4%
15	Investrust Bank Plc	0.4%	0.0%	0.4%
16	Airtel Money	0.3%	0.0%	0.3%
17	Konse Konse/ C-Grate	0.2%	0.0%	0.2%
18	Bank of China	0.2%	0.0%	0.2%
19	Zambia Industrial Commercial Bank	0.1%	0.0%	0.1%
20	MTN Mobile Money	0.0%	0.0%	0.0%
21	Zamtel Money	0.0%	0.0%	0.0%

The mobile money operators that ZRA has partnered with for mobile tax payment platforms are shown in Figure 28, while the mobile and online platforms provided during the year are presented in Figure 29.

Figure 28: Mobile Money Payment Platforms

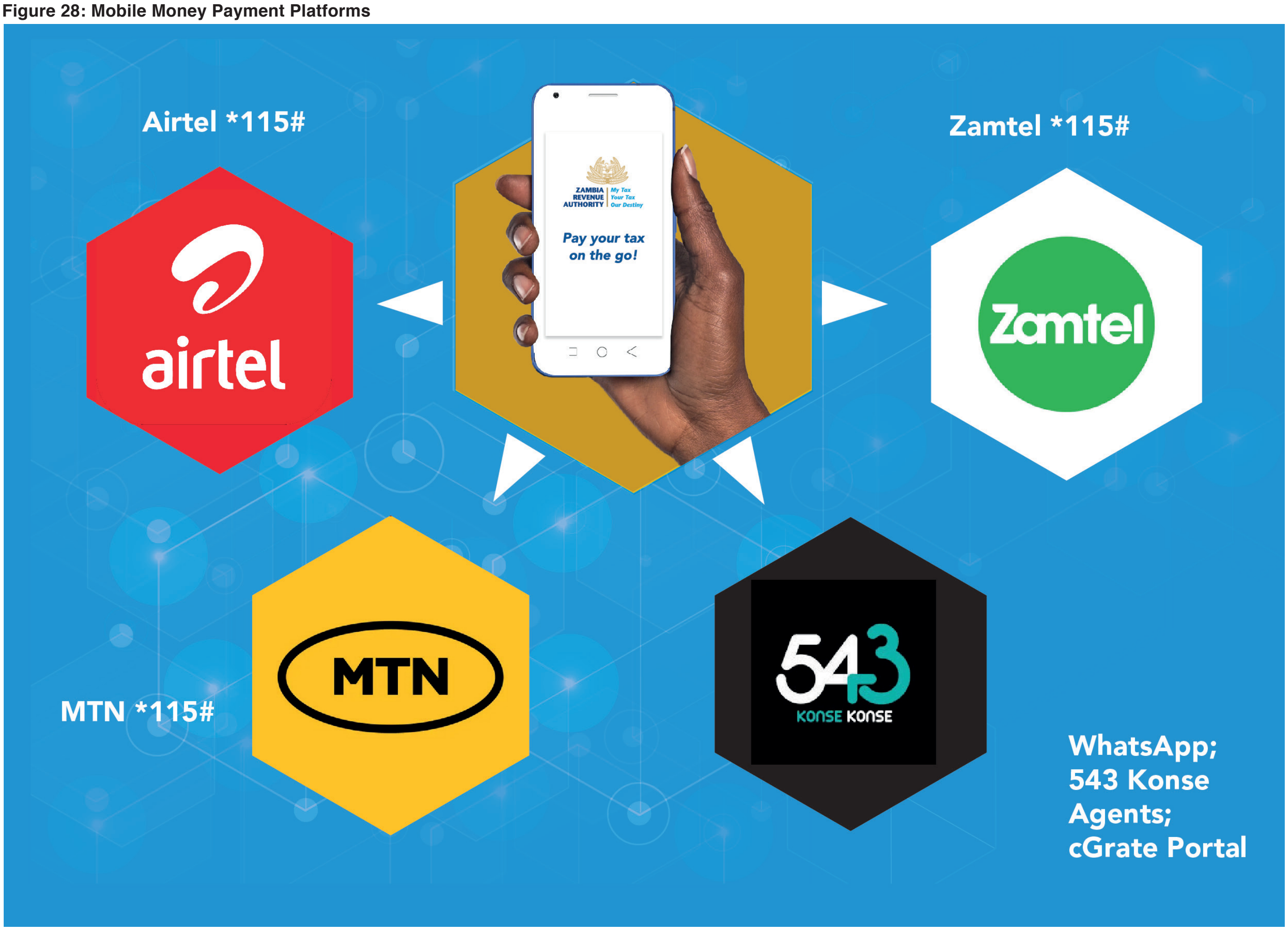
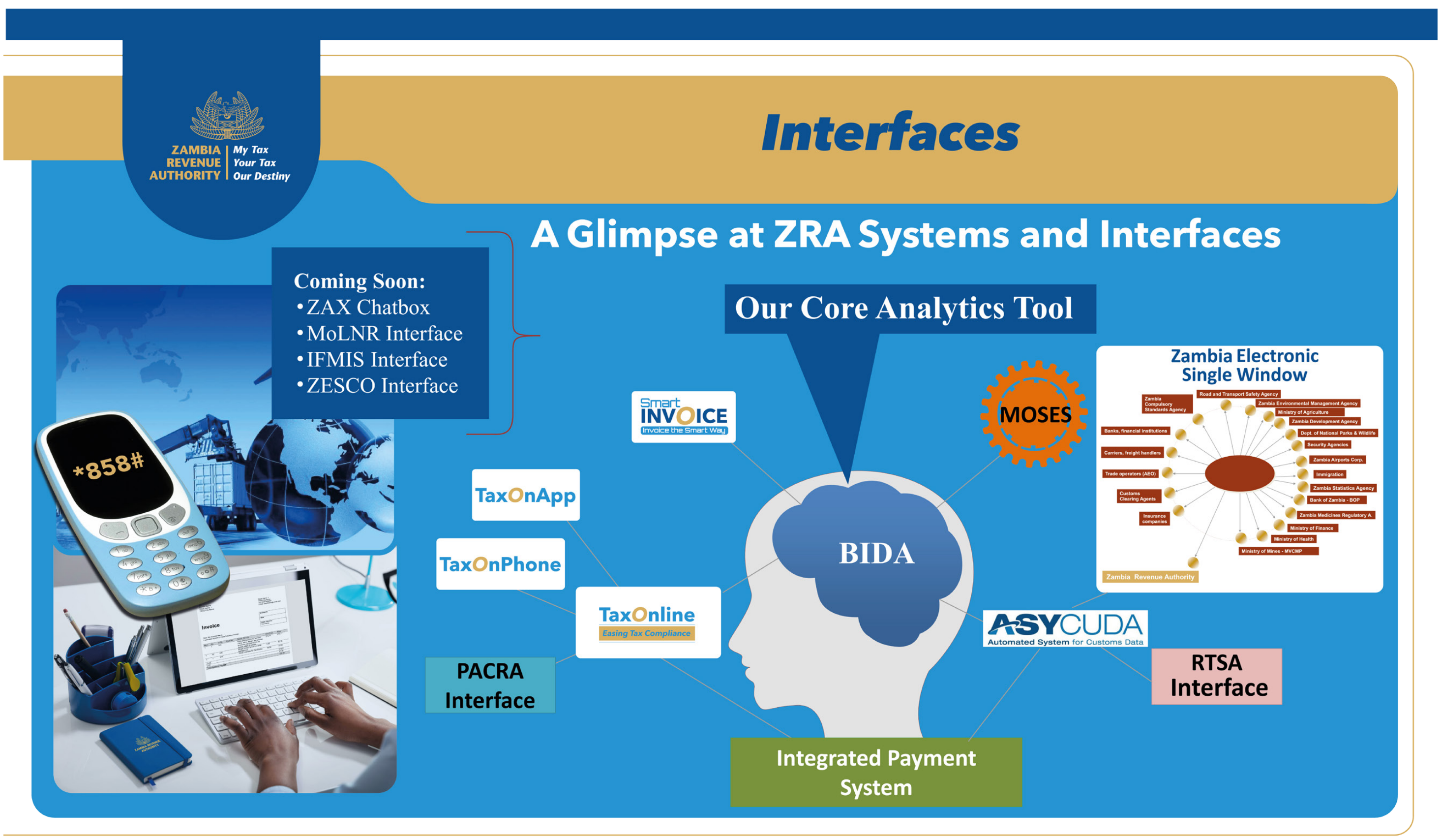


Figure 29: Mobile and Online Tax Platforms



Taxpayer Education and Advisory Services

During the year, the Authority continued to focus on taxpayer education as a key initiative to improve taxpayer experience and promote voluntary compliance. Through digital platforms, outreach programmes, targeted workshops, and educational resources, the Authority provided taxpayer education to bridge the knowledge gap and enable seamless interaction with the tax system.

Digital Engagements and Platforms

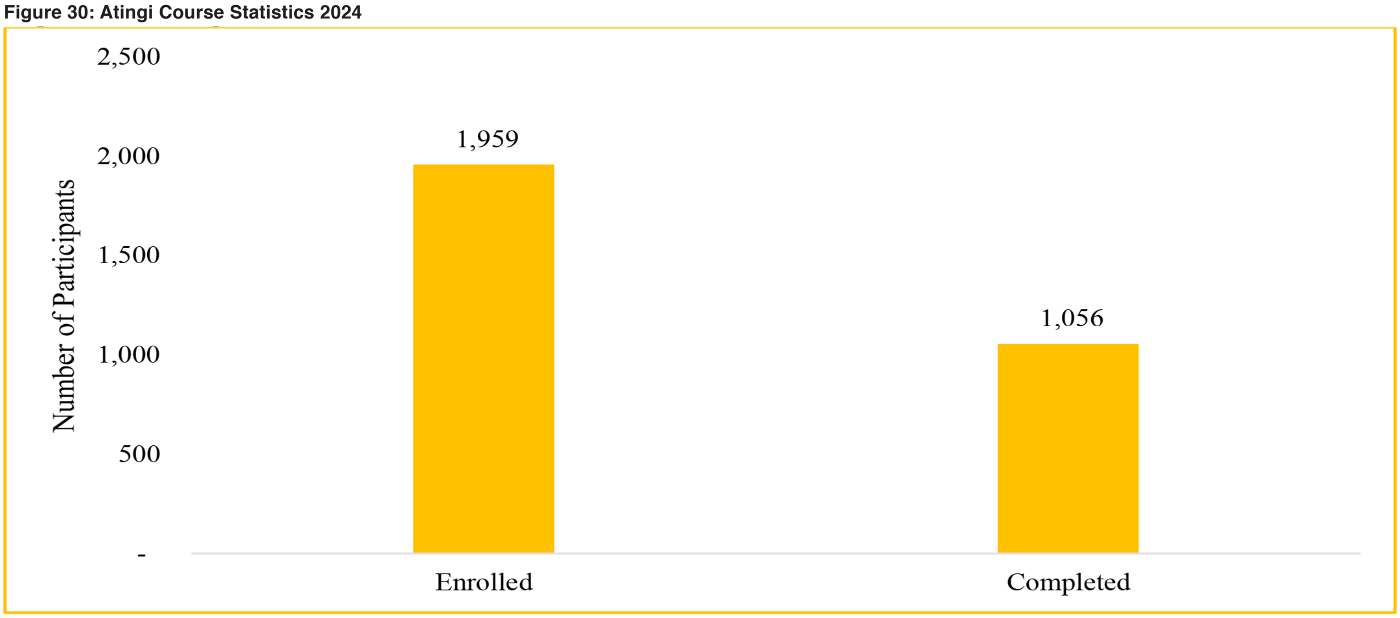
Social Media, Website, and Radio Programmes

Digital platforms play a vital role in disseminating tax information. The Authority continued to utilise different digital platforms in educating taxpayers on compliance and the role of taxes in national development. During the year, 13,580 responses related to customs clearance procedures were recorded through the ZRA interactive Facebook page. In addition, 449 radio programmes were aired nationwide, while taxpayers also accessed tax services and resources via the ZRA website and Tax*O*nApp. The Authority's artificial intelligence chatbot, *Zax*, recorded 21,426 interactions.

Atingi Online Training

As part of its effort to educate taxpayers, the Authority extended access of its online training platform called *Atingi* to the public, thereby providing them with structured tax education. In 2024, the number of participants in the *Tax Appreciation Course* on the platform was 1,959, out of which 1,056 successfully completed (see Figure 30).

Figure 30: Atingi Course Statistics 2024



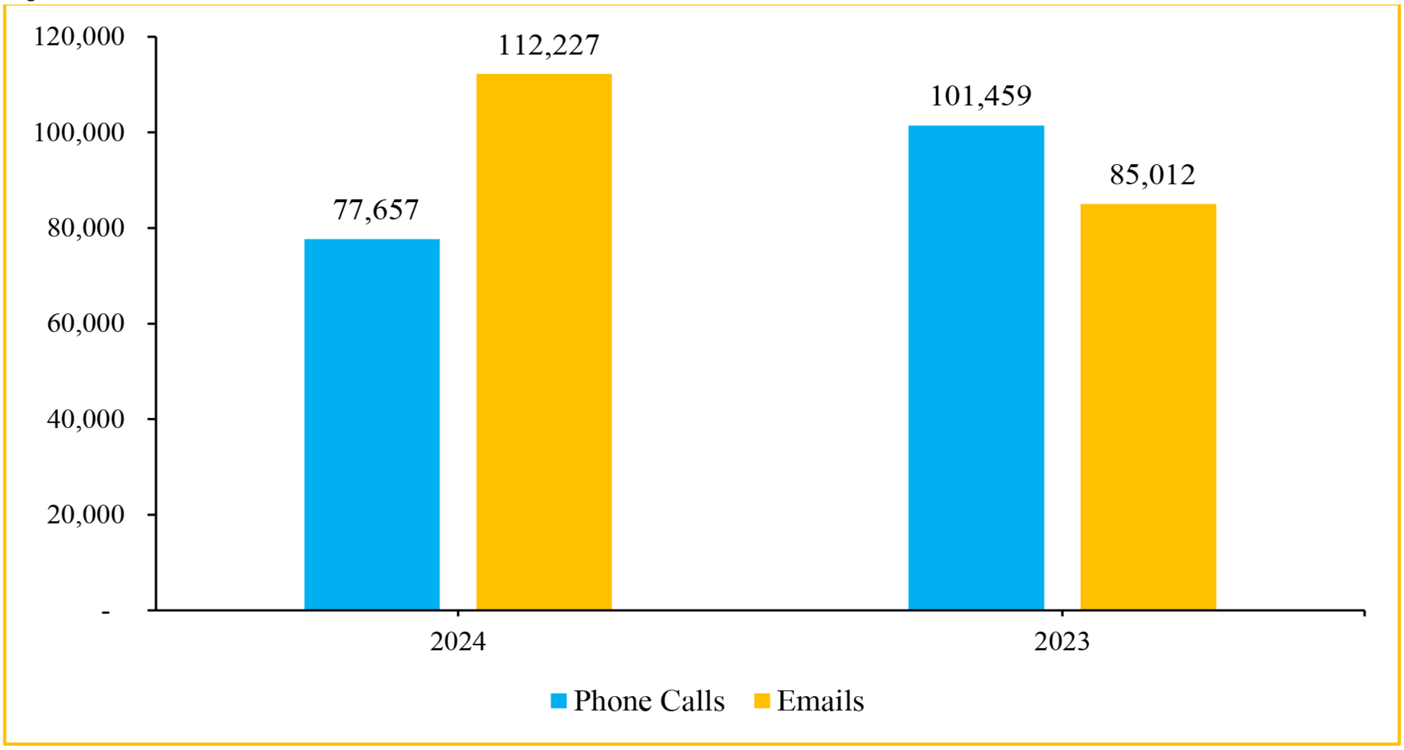
Call Centre and Digital Support

In 2024, the National Call Centre received 77,657 calls out of which 72,218 were attended to, representing a 93 percent response rate. In addition, 112,227 emails were received, of which 99,931 were resolved. The remaining 12,296 emails were not resolved due to teething challenges experienced on the Customer Relationship Management System (see Figure 31).

Figure 31: National Call Centre Interactions in 2024

In 2024, the number of phone calls received declined to 77,657 from 101,459 in 2023. In contrast, emails received increased to 112,227 from 85,012 in 2023, suggesting email as the preferred mode of communication (see Figure 32).

Figure 32: Modes of Communication in 2024 and 2023

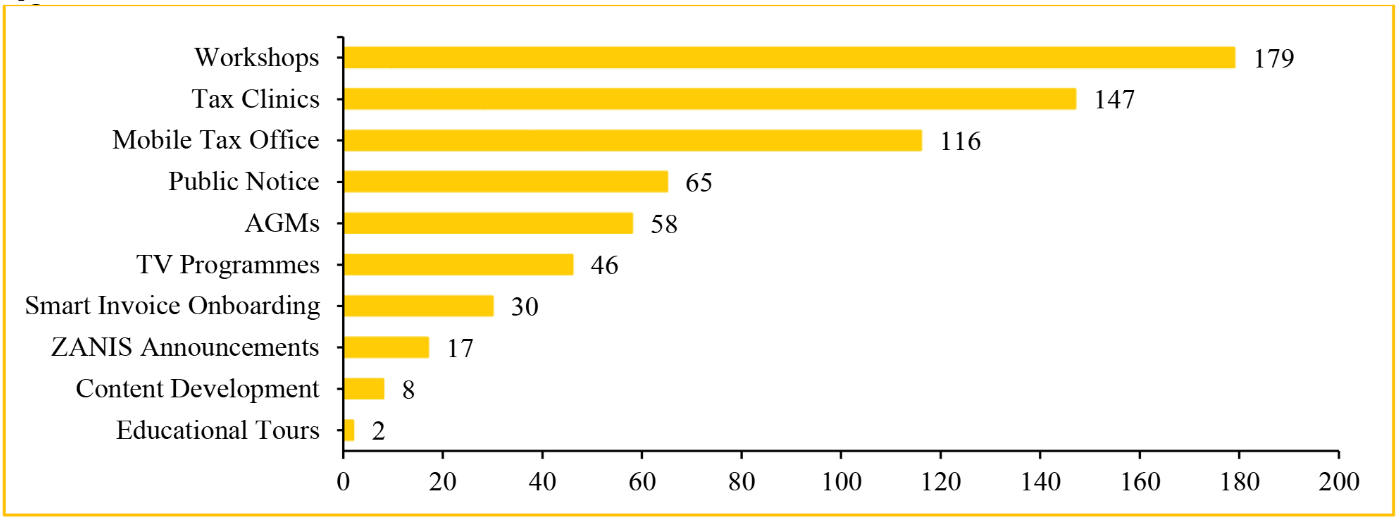


Outreach Programmes

In 2024, ZRA conducted 668 outreach activities through engagements with Local Authorities, district chambers of commerce, the Parole Board secretariat, school associations, SMEs, professional bodies, and the general public.

Workshops were the most conducted outreach activity with 179 sessions, followed by Tax Clinics at 147 and Mobile Tax Office operations at 116. The distribution of outreach activities highlights the Authority's strategy of ensuring that all taxpayers are conveniently engaged to enhance public awareness (see Figure 33).

Figure 33: Breakdown of Outreach Activities in 2024



Mobile Tax Offices

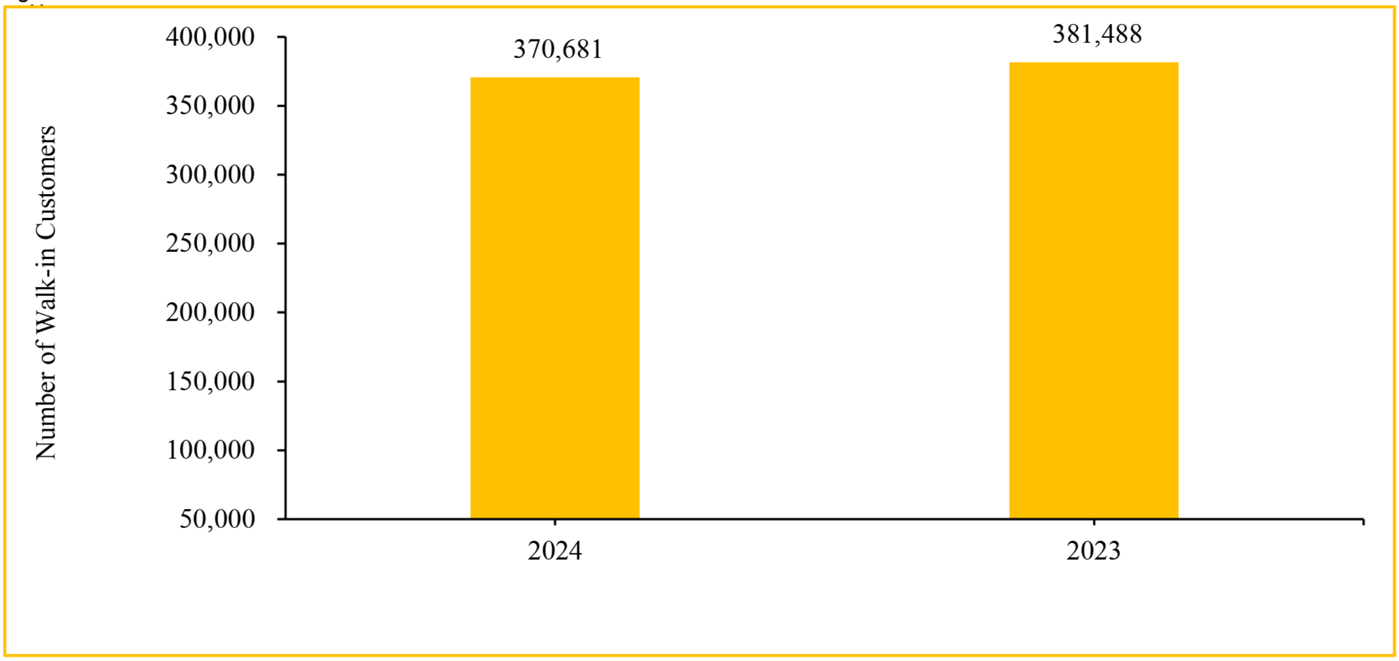
The Authority utilises Mobile Tax Offices to provide taxpayer services in areas with no ZRA presence. To enhance compliance, the Mobile Tax Office undertook 116 outreach activities nation-wide. The taxpayer services provided included taxpayer education, TPIN and tax registration, and return filing. Furthermore, taxpayers received support with demographic amendments, issuance of tax clearance certificates, facilitation of resolution of National Registration Card number duplicates, and printing of TPIN certificates.

Taxpayer Contact

Service Centres

In 2024, the number of walk-in customers decreased by 2.8 percent to 370,681 from 381,488 in 2023. The reduction could be attributed to increased uptake of e-services (see Figure 34).

Figure 34: Walk-In Customers at Customer Service Centres in 2024 and 2023



Educational Resources and Literature

During the year, the Authority reinforced its commitment to improving taxpayer education, fostering compliance, and enhancing the overall experience of taxpayers by supporting them in accessing ZRA services. The Authority distributed a range of updated tax literature in both hard copy and electronic format through its service centres, website and on Tax*O*nApp. The resources distributed included Practice Notes, the Budget Speech, Budget Highlights, VAT Liability and PAYE Guides, Tax Statistics Bulletin, brochures on Frequently Asked Questions, Annual Reports, short videos, and other educational materials.

Traditional Ceremonies

Traditional ceremonies serve as a valuable platform for the Authority to engage with the public and interact on tax matters. During the year, the Authority supported and participated in several traditional ceremonies, raising awareness and educating the public on various tax related issues.

Engagements with Business and Professional Associations

In 2024, the Authority continued engaging with business associations, professional bodies and other stakeholders on tax matters. The engagement was aimed at bridging information gaps, gathering feedback on service delivery and strengthening collaboration. During the year, the Authority engaged with several stakeholders which included Zambia Association of Chambers of Commerce and Industry, Zambia Institute of Chartered Accountants, Zambia Association of Manufacturers, the Law Association of Zambia, the Economics Association of Zambia, Cross Border Traders Association, Emerald and Small Scale Miners in Zambia, Mine Suppliers and Contractors Association of Zambia and the Chinese Chamber of Commerce.

Other stakeholders engaged included the District Chambers of Commerce and Industry, Lusaka Business Association, Private Schools Association, Real Estate Investments Zambia, Zambia Institute of Marketing, the Zambia Institute of Human Resource Management, the Zambia Institute of Public Relations and Communication, the Engineering Institute of Zambia, the Zambia Institute of Surveyors, the Information and Communications Technology Association of Zambia, and the Institute of Internal Auditors.

Other engagements were with the Members of Parliament, Ministry of Health, Ministry of Small and Medium Enterprises, Ministry of Local Government and Rural Development, Government Accountants on the Copperbelt and Public Benefit Organisations.

KEY RESULT AREA NO.3:
SIMPLIFIED, EFFICIENT AND RELIABLE BUSINESS SYSTEMS

To enhance taxpayer compliance and service delivery, the Authority endeavours to put in place simplified, efficient, and reliable business systems. Under this key result area, the Authority focused on four strategic objectives: developing and stabilising ICT systems, improving business processes, enhancing data integrity, and establishing a foundation for harnessing ZRA innovations. To this effect, the Authority made significant progress towards achieving these objectives, as outlined in the following sections.

Strategic Objective 3.1: Develop and Stabilise ICT Systems

The Authority acknowledges the importance of embracing technology in tax administration. In this regard, the Authority prioritised the development and stabilisation of ICT Systems as a critical component in minimising compliance costs, and improving taxpayer experience.

The overall performance under this objective is presented in Table 66.

Table 66: Performance of Strategic Objective 3.1

Strategic Objectives	Target	Performance Outturn
Improve ICT Solutions	90% of End-Users of ZRA Business Systems to be Satisfied	61.0% of the target achieved

Key areas of dissatisfaction among internal staff included: time taken to resolve reported ICT Incidents; lack of user training and documentation; lack of enhanced user experience; failure to acquire laptops and UPS on time; and lack of clearly defined service charter with internal stakeholders detailing service expectations, response times, and ICT issue resolution procedures. The reported areas of concern were escalated to Management for resolution.

During the year, the Authority developed, upgraded, and enhanced ICT Systems as presented in Table 67.

Table 67: Performance of Strategic Objective 3.1

Intervention	Platform	Initiatives
System Enhancement	ICT Solutions Developed	The following ICT Solutions were developed in 2024 • Developed and implemented the Smart Invoice system to enhance revenue monitoring. • Upgraded and integrated Customs and Domestic taxes payment systems. • Implemented card payment (online) and Point of Sale as an additional option for payment of taxes. • Automated the *gate pass* process for monitoring vehicles entering and exiting the customs control zone.
	Artificial intelligent chatbot	• Enhanced the ZRA chatbot (*Zax*) to provide better service to the public.
	ASYCUDAWorld	• Configured a Single Payment Point for importers, exporters and travellers on fees payable to border government agencies under the Coordinated Border Management (CBM) to speed-up the clearance of consignments. • Delegated the printing of release orders on bills of entry to Clearing Agents to quicken the clearance process at the border.

	Tax*O*nline	• Enhanced Central Transaction Verification (CTV) which will assist in determining potential under-declaration in output VAT. • Implemented Cross Border Electronic Services (CBES) taxation on Tax*O*nline for the taxation and administration of cross boarder electronic services. • Operationalised the Refunds Module to ensure that refunds are processed on the system. • Operationalised the Compliance Module to ensure end-to end compliance on the system. • Enhanced the system to align with the New Operation Model (NOM). • Added the commodity code for Tungsten ores and Concentrates on the Mineral Royalty return. • Introduced a marker for special income tax rates, to allow for configuration of taxpayers with incentives and provide for auto application and tracking of special rates.
System Upgrades	Teammate Upgrade	• Upgraded the audit application to ensure access to the latest features by end users.
	QMATIC Queue Management System.	• Upgraded the Queue Management System to ease management and administration.
	ZRA Website	• Added new features and functionality to enhance customer experience
System Development	Tax*O*nline and ASYCUDAWorld	• Interfaced ASYCUDAWorld with Tax*O*nline for tax compliance checks. • Electronic Rules of Origin was implemented with Namibia, Botswana and COMESA. • Unique Consignment Reference was implemented (UCR) with Botswana, Malawi and Zimbabwe. This facilitates auto-population, and risk management of declarations. • ZILAS interface was implemented with the Ministry of Lands. • IFIMS interface was developed and being tested in the User Acceptance Testing (UAT)
		• 13 Financial Service Providers connected to Integrated Payment System (IPS) that processes payments for both DOMT (Tax*O*nline II) and Customs (ASYCUDAWorld) in 2024. One of the commercial banks added a card payment channel.
	Customer Relationship Management (CRM) System	• Interfaced Tax*O*nline and ASYCUDAWorld with the CRM System to provide a unified platform for efficient service delivery to taxpayers.
	ASYCUDAWorld	• Implemented electronic data exchange between ZRA and Zimbabwe Revenue Authority to facilitate legitimate international trade and modernise trade logistics. • Automated the passenger clearance of goods which enables advance lodgement of clearance documents and payment by travellers before arrival at the border. • Automated the Custom Temporary Export Permit (CTEP) for the clearance of Zambian registered motor vehicles for persons travelling out of Zambia. • Automated the submission of air cargo manifests by airlines and couriers under the e-Manifest Facility to enhance controls in the clearance of goods.

		• To enhance security across our premises, Close Circuit Television (CCTV) systems have been installed at several locations, including Head Office, Kitwe, Ndola, Chirundu, Katima Mulilo, Livingstone, Makeni Enforcement Centre, Mwami, Kazungula, Kabwe, Nakonde, Lusaka Port Office, Kashiba, Ministry of Lands Service Centre, Chanida, and Mongu.
		• Outdoor Wi-Fi has been installed at 4 selected border stations, providing internet access to the public and taxpayers, allowing them to access ZRA Systems.
		• Implemented QR Codes within the Mineral Output Statistical Evaluation System (MOSES) for mineral export permits to enable real-time verification and validation of authorised export certificates.
		• The ICT infrastructure hosting all tax administration systems, including Tax*O*nline, ASYCUDAWorld, and supporting systems such as Smart Invoice, has been upgraded to enhance computing and storage capacity, ensuring improved revenue collection and better service delivery to taxpayers.
		• Launched a Customer Relationship Management System (CRMS) to effectively manage its interactions with both current and potential taxpayers.
		• The Authority has established a connection to the Lusaka Internet Exchange Point (Lusaka IXP) to enhance access to its public-facing systems for taxpayers using local Network Service Providers that are also connected to the IXP.

As at end 2024, the development of Tax*O*nline and IFMIS interface was completed and was awaiting deployment pending the conclusion of change management activities. Further, significant progress was made in establishing automated data sharing for Land and Property Transfer between Tax*O*nline and ZILAS at Ministry of Lands and Natural Resources through a new system interface. The online data exchange was implemented, while the outstanding key data validation rules are earmarked for completion in 2025.

Strategic Objective 3.2: Improve Business Processes

The Authority remains committed to enhancing efficiency in service delivery and productivity through improved business processes to support revenue collection. In 2024, the Authority focused on optimising procedures and business processes by continuously streamlining its operational processes and systems. The key initiatives implemented included KAIZEN and projects under the Project Governance Framework.

The performance under this objective is presented in Table 68.

Table 68: Performance of Strategic Objective 3.2

Strategic Objectives	Target	Performance Outturn
Improve Business Processes	100% of disaster recovery switch overs successful	75.0% of target achieved
	100% of KAIZEN projects completed out of all due for completion in the year	66.9% of target achieved
	100% of projects completed out of approved project portfolio for the year	16.7% of target achieved
	100% of completed projects yielding expected benefits	100.0% of target achieved

In 2024, out of 48 projects scheduled for closure, 8 were successfully closed representing a 16.7 percent completion rate. To remedy this, the Authority will review and revise the project delivery timelines which will form the basis for monitoring, going forward.

KAIZEN Implementation

The Authority continued to improve its business processes using KAIZEN. During the year, 17 processes were under improvement in various divisions and departments out of which 2 were successfully completed. One process focused on streamlining the customs bill of entry processing to reduce turnaround time, enhance accuracy, and improve overall service delivery at border points. The other process aimed to improve adherence to timely submission of the Monthly Revenue Report, thereby strengthening strategic decision making.

In addition, the Authority implemented *5S* which is a framework used for improving workplace organisation and staff productivity by ensuring that work environments remain clutter-free and conducive for high performance. In this regard, Senior Management spearheaded a clean-up exercise at head office in line with the *"Clean Zambia @ 60 and Beyond"* campaign.

Project Implementation

During the year, 65 projects were under implementation. Notable among these were; *Smart Invoice*, Interfaces, Integrated Payment System, Data Migration, Artificial Intelligence and TaxOnline II.

Strategic Objective 3.3: Improve Data Integrity

The Authority places emphasis on maintaining data integrity to ensure accurate tax assessments, facilitate effective compliance monitoring, provide reliable data, and sustain public confidence in the tax system. To enhance data accuracy, the Authority has established a data governance framework and reconciles legacy transactions.

Data Governance Framework

The Authority has in place a Data Governance Framework which provides guidelines on the management of the data assets, including ownership and accountability with the aim of strengthening measures that ensure the ethical use of data. In 2024, the Data Governance unit was established to manage the data assets.

Reconciliation of Legacy Data

During the year, 38,000 demographic updates were recorded, down from 47,050 in 2023. TaxOnline remained the leading platform, while the PACRA interface saw a significant rise in updates, reflecting stronger integration with business registration. Meanwhile, updates through TaxOnApp, ZRA-initiated processes, and other third-party interfaces declined, indicating a shift towards taxpayer-led compliance and automation. The reduced reliance on back-office and external systems suggests improved efficiencies in data management. A detailed breakdown is provided in Table 69.

Table 69: Demographic Updates by Channels in 2024 and 2023

Channels	2024		2023	
	Number	% of Updates	Number	% of Updates
Tax*O*nline	17,017	44.8%	18,739	39.8%
Tax*O*nApp	5,949	15.7%	9,114	19.4%
ZRA Initiated	3,379	8.9%	8,781	18.7%
PACRA	10,512	27.7%	4,296	9.1%
Other Interfaces (ZAMET, ZILAS, ZWS, ZANACO)	575	1.5%	4,920	10.5%
Demographics update through Back office	568	1.5%	1,200	2.6%
Total demographic updates	**38,000**	**100.0%**	**47,050**	**100.0%**

Strategic Objective 3.4: Establish a Foundation for Harnessing ZRA Innovations

The Authority continued to undertake various innovations to support Domestic Resource Mobilisation and trade facilitation. In 2024, the Authority hosted tax officials from Ethiopia, the Gambia, Malawi, Nigeria, Tanzania and Seychelles for study tours on the modernisation reforms and innovations that ZRA has implemented. In addition, ZRA showcased these innovations at international platforms such as the 2024 ATAF Annual Meetings, the Master Class for Heads of Tax Administration, the Africa Tax Research Network, and the TADAT Tenth Year Anniversary. The Governing Board identified a need for a detailed study on the various possible models through which ZRA could commercialise its innovations. Following the study, the Governing Board approved the establishment of a technology-based foundation which will be the vehicle for delivery of ZRA innovations, among other core activities.

KEY RESULT AREA NO.4:
COMMITTED, COMPETENT AND HIGH PERFORMING WORKFORCE

In its commitment to develop a competent and high performing workforce, the Authority implemented various strategies aimed at improving staff motivation and productivity, and operational efficiency. This was achieved through infrastructure development as well as the implementation of the new ZRA structure. The strategic objectives aligned to this key result area are as follows:

Strategic Objective 4.1: Develop and implement a new ZRA structure in line with international good practice

The performance under this objective is presented in Table 70.

Table 70: Performance of Strategic Objective 4.1

Strategic Objectives	Target	Performance Outturn
Develop and implement a new ZRA structure in line with international good practice	100% Implementation of the new ZRA structure	50.0% of the target achieved

In 2024, the Authority continued to implement its new operating model, whose primary objective is to enhance taxpayer-focused service delivery. In this regard, the Authority conducted job evaluations for selected positions, reinforcing its commitment to enhanced governance, efficiency, and service delivery. A comprehensive Change Management Plan was also developed and implemented, championed by change agents appointed across all divisions and departments to support the transition. During the year, Tax*O*nline II was also configured to align with the New Operating Model.

Further, the Authority began the roll out of a *One ZRA Concept*, which aims to foster integration and standard service delivery across all ZRA stations. To this end, identified staff received taxpayer services and basic domestic taxes training equipping them to serve both customs services and domestic tax services to clients.

Staff recruitment under the New Operating Model was slowed down by a number of factors such as: the backlog of vacancies brought forward from 2023 due to the recruitment freeze in the first quarter of the year; the limiting of recruitment to internal staff which created vacancies at lower levels; and the suspension of the Promotion Policy. This was further compounded by the approval of additional positions under the new structure in June 2024. To mitigate this, the Authority accelerated the recruitment process in the second half of the year.

As at year end, some of the outstanding activities included: conclusion on the senior management committee structure; establishment of some specialised units such as the High Income and Prominent Individuals under the Large Tax Office; complete review of operational boundaries; culture change onboarding for all staff, including communication; full roll out of a *One ZRA Concept*; job evaluations for lower grades and staff recruitment; training for some Domestic Taxes officers; systematic monitoring and evaluation; and development of the benefits realisation plan.

Strategic Objective 4.2: Increase Human Capital and Staff Motivation

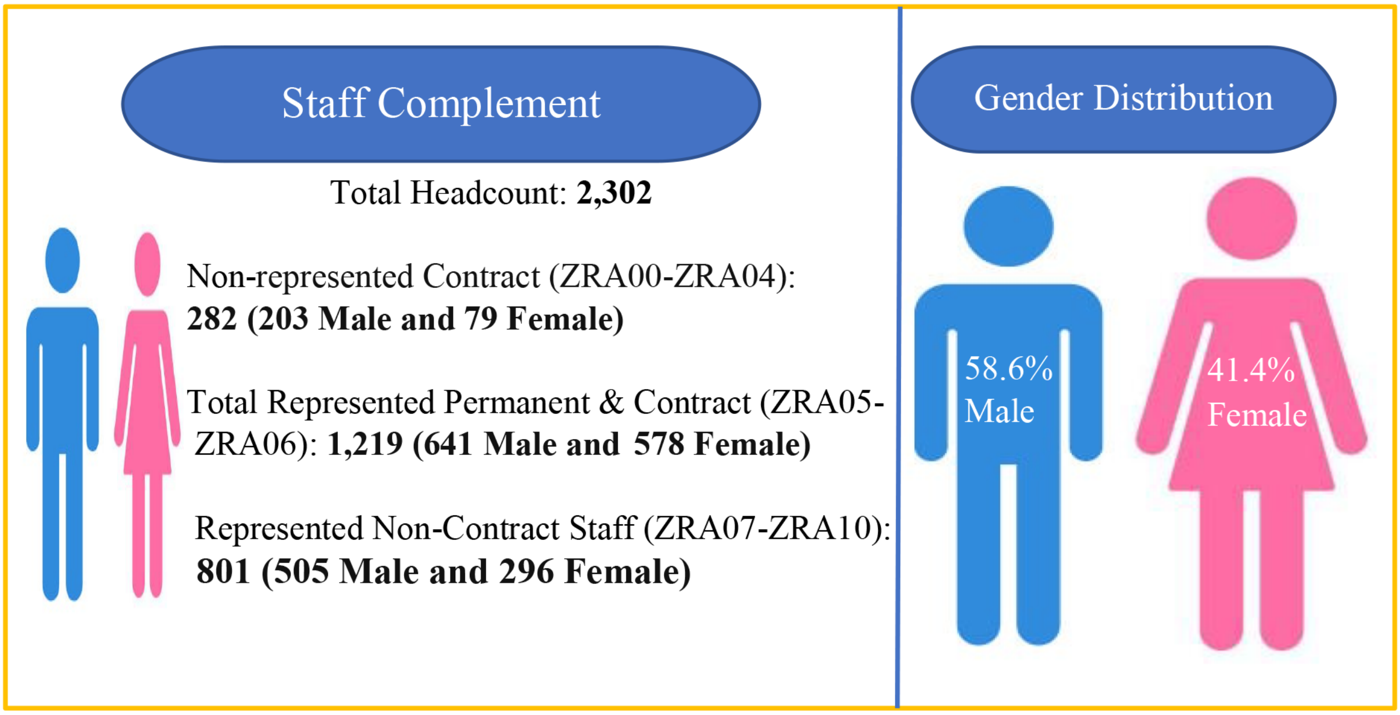
The Authority recognises that a committed, competent, and motivated staff is key to the delivery of its mandate. To achieve this, the Authority continues to train staff, improve the Performance Management and Development System and staff welfare.

The performance of the Authority under this objective is presented in Table 71.

Table 71: Performance of Strategic Objective 4.2

Strategic Objectives	Target	Performance Outturn
Increase Human Capital and Staff Motivation	95% of staff to meet their performance objectives	99.7% of the target achieved
	76% of employees engaged	52.1% of the employees engaged

Managing People



Staff Complement

As at end 2024, the Authority's staff complement stood at 2,302 members against the approved establishment of 2,783 members. The staff complement as a percentage of the approved establishment declined to 82.7 percent compared to 88.7 percent of the approved establishment of 2,581 in 2023. While the total number of employees increased by 0.5 percent in 2024, there were 481 vacancies as at year end (see Table 72).

Table 72: ZRA Staff Complement by Division/Department/Unit as at end 2024 and 2023

Division / Unit	2024				2023			
	Actual	Approved	Var	% Var	Actual	Approved	Var	% Var
Executive Support & CG's Office	36	45	-9	-20.0%	31	42	-11	-26.2%
Domestic Taxes	705	996	-291	-29.2%	703	817	-114	-14.0%
Customs Services	682	738	-56	-7.6%	673	746	-73	-9.8%
Board Secretary & Legal	18	34	-16	-47.1%	20	22	-2	-9.1%
Human Resource	37	56	-19	-33.9%	36	44	-8	-18.2%
Finance	114	71	43	60.6%	125	144	-19	-13.2%
Administration Department	295	300	-5	-1.7%	294	318	-24	-7.5%
Commissioner Corporate Services Office	2	2	0	0.0%	n/a	n/a	n/a	n/a
Research & Corporate Strategy	29	29	0	0.0%	21	33	-12	-36.4%
Innovation & Projects Management	52	82	-30	-36.6%	41	48	-7	-14.6%
Internal Audit & Enterprise Risk	31	32	-1	-3.1%	28	28	0	0.0%
Investigations	33	52	-19	-36.5%	34	37	-3	-8.1%
Information & Comm Technology	60	90	-30	-33.3%	75	93	-18	-19.4%
Enforcement Department	89	104	-15	-14.4%	94	94	0	0.0%
Data Analytics	14	34	-20	-58.8%	54	54	0	0.0%
Taxpayer Services	103	116	-13	-11.2%	61	61	0	0.0%
Commissioner Business Facilitation Office	2	2	0	0.0%	n/a	n/a	n/a	n/a
Total	**2,302**	**2,783**	**-481**	**-17.3%**	**2,290**	**2,581**	**-291**	**-11.3%**

The Authority's staff complement comprised 953 female employees or 41.4 percent and 1,349 male employees or 58.6 percent.

In terms of staff category, the share of non-represented contract staff remained at 12.3 percent, as in 2023. The share of represented contract/permanent staff category (ZRA05 – ZRA06) increased to 52.9 percent in 2024 from 51.5 percent in 2023, while that of personnel in the represented permanent staff category (ZRA07 – ZRA10) decreased to 34.8 percent from 36.2 percent in 2023 (see Table 73).

Table 73: ZRA Staff Complement by Category and Gender in 2024 and 2023

Staff Category	2024				2023			
	Male	Female	Total	% of Total	Male	Female	Total	% of Total
Non-represented Contract Staff (ZRA00 – ZRA04)	203	79	282	12.3	203	78	281	12.3
Total Represented Contract & permanent Staff (ZRA05 – ZRA06)	641	578	1,219	52.9	635	544	1,179	51.5
Represented Contract Staff (ZRA05 – ZRA06)	2	8	10	0.4	3	9	12	0.52
Represented Permanent Staff (ZRA05 – ZRA06)	639	570	1,209	52.5	632	535	1,167	50.9
Represented Non-Contract Staff (ZRA07 – ZRA10)	505	296	801	34.8	521	309	830	36.2
Total	**1,349**	**953**	**2,302**	**100**	**1,359**	**878**	**2,290**	**100**

As at end 2024, the staff complement in operating divisions and departments stood at 1,509 employees, representing 65.6 percent compared to 1,460 employees or 63.8 percent in 2023. The staff complement in operating divisions and departments increased by 3.4 percent while the number of staff in support services decreased by 4.5 percent compared to 2023.

The distribution of staff by function is shown in Table 74.

Table 74: ZRA Staff Distribution in 2024 and 2023

Divisions/Departments	2024	2023	Percentage Change
Operations o/w:	**1,509**	**1,504**	0.3%
Domestic Taxes Division	705	703	0.3%
Customs Services Division	682	673	1.3%
Investigations Department	33	34	-2.9%
Enforcement Unit	89	94	-5.3%
Support Services o/w:	**793**	**786**	0.9%
Executive Support (CG's Office)	36	31	16.1%
Commissioner Corporate Services	2	0	n/a
Commissioner Business Facilitation	2	0	n/a
Research and Corporate Strategy	29	21	38.1%
Administration Department	295	294	0.3%
Board Secretary and Legal Services	18	20	-10.0%
Human Resources Department	37	36	2.8%
Finance Division	114	125	-8.8%
Internal Audit Department	31	28	10.7%
Information and Communications Technology	60	75	-20.0%
Innovation and Projects Management	52	41	26.8%
Data Analytics	14	54	-74.1%
Taxpayer Service and Education	103	61	68.9%
Total	**2,302**	**2,290**	**0.5%**

Gender Equality and Social Inclusion

To promote gender equality, inclusivity, and a diversified work environment, the Governing Board approved the Gender and Diversity Policy aimed at promoting equal opportunities for all employees. The Policy will mainstream gender and diversity considerations in areas such as recruitment, mentorship, leadership, and information reporting, whilst ensuring a committed, competent and high performing workforce. The implementation of these policies resulted in the increased share of female members in senior management to 35 percent in 2024 compared to 34.6 percent in 2023 and 2022, and 19.2 percent in 2021.

Women Leadership Development Forum

The Women Leadership Development Forum (WLDF) in ZRA continued to champion women's empowerment through leadership training, mentorship, and professional development. In 2024, the WLDF organised various impactful programmes aimed at enhancing leadership capabilities for women by equipping them with tools for career growth. Programmes implemented during the year included:

a) sponsorship of 5 female staff at the Zambia Institute of Human Resource Management (ZIHRM) Leadership Conference for Women;
b) facilitation of a workshop under the theme *Assertive Woman* which was attended by 41 female staff;
c) participation in a mentorship programme and training workshops facilitated by *When Females Lead*;
d) sponsorship of 2 WLDF Committee members to the 9th African Tax Research Network Congress in Botswana; and
e) conducting of leadership development training for 120 female staff based in Southern, Lusaka and Copperbelt regions.

With regard to social inclusion, the Authority employed 2 differently-abled individuals in 2024 compared to 4 employed in 2023. As at end 2024, there were 5 differently-abled employees.

Resourcing and Selection

In 2024, the Authority remained committed to resourcing and retaining a skilled and professional workforce through internal and external recruitments. During the year, 227 vacancies were filled, of which 121 were internal recruitments and 106 were external.

Recruitment of Management Trainees

The Authority has in place a Management Trainee Programme designed to identify, develop, and fast-track graduates into future leadership roles in tax administration and trade facilitation. As part of this initiative, 60 graduates were recruited and commenced their training in December 2024, marking a resumption of the programme from the last recruitment in 2015.

The Management Trainees will undergo a comprehensive technical training for 24 months across all operating divisions and conclude with a Leadership Development Programme to further enhance their leadership capabilities.

To further support their development, each trainee has been assigned a mentor and supervisor to provide guidance, track their progress, and ensure they are well-prepared for placement upon completing the programme.

Staff Development and Training

During the year, the Authority upscaled the provision of various training programmes which led to an increase in the number of participants to 12,440 compared to 8,838 in 2023. The increase was attributed to the introduction of more online courses on the *Atingi* e-learning platform. The platform provided 8 soft-skills courses, 5 taxpayer education programmes and 7 technical courses, bringing the total number of programmes offered to 20.

Further, the Authority approved a programme to sponsor top performing employees to top ranking universities, in order to enhance their skillset and exposure.

Performance Management and Development Process

The Performance Management Development Contract (PMDC) provides a framework through which staff performance is monitored. During the year, the Authority enhanced performance monitoring by implementing a continuous assessment scheme in an effort to improve staff productivity. This involved averaging of the mid-year and end of year performance ratings to reflect the employee's effort for the year. The percentage of employees who met their performance objectives was 99.7 compared to 98.0 percent in 2023.

Staff Pension Scheme

The Authority has in place a pension scheme for unionised staff. As at the end of 2024, the fund value stood at K804.4 million with a membership of 1,959 staff compared to the fund value of K549.2 million and 1,878 members in 2023. The scheme has 2 fund managers, namely African Life Financial Services (Z) Limited, and Prudential Pensions Management Zambia Limited while ZSIC Life Limited is the Scheme Administrator. The Board of Trustees for the Scheme comprises 10 trustees, 5 of whom are elected by the members of the Scheme while the other 5 are members of Senior Management appointed to represent the employer. The Board of Trustees held an Annual General Meeting with the members for the year 2024, as required by law.

Staff Separations

During the year, 88 members of staff separated from the Authority compared to 105 in 2023. The separations were on account of resignations, early retirement, normal retirement, expiry of fixed term contracts, dismissals and deaths (see Table 75).

Table 75: Separations Recorded in 2024 and 2023

Mode of Separation	2024	2023
Dismissal	22	13
Termination of Contract/Employment	0	6
Contract Expiry	10	10
Resignation	16	23
Retirements by Service and Age	35	41
Medical/Employment Discharge	0	4
Death	5	8
Total	**88**	**105**

Staff Welfare and Employee Relations

Employee Wellness

To promote lifestyle changes and healthy living, the Authority implements a compulsory Wellness Scheme for its employees. In 2024, the Authority supported staff in various wellness programmes such as sporting activities both locally and internationally, including participation in the Southern Africa Inter-Revenue Games that were held in Lesotho. In addition, the scheme supported 59 members in accessing Anti-Retroviral Therapy.

Employee Relations

During the year, the Zambia Revenue Authority Workers Union continued to engage Management on matters that affected staff to foster industrial harmony.

Integrity Promotion

Integrity is key in shaping public confidence in the Authority as it discharges its mandate. To raise integrity awareness among staff, the Zambia Revenue Authority Integrity Committee (ZRAIC) conducted 37 integrity sessions for 1,055 members of staff. In addition, a training workshop was conducted for 25 managers to bolster support for integrity programmes in selected stations. Furthermore, 353 members of staff attended an integrity course on the *Atingi* platform.

The Authority also collaborated with 17 local and international organisations in promoting integrity in the organisation. The activities included participation in the World Customs Organisation Symposium, facilitating training for members of the Integrity Committee, hosting benchmarking visits, conducting stakeholder workshops and participating in joint activities.

The Authority conducted a benchmarking visit on integrity management at the Mauritius Revenue Authority.

In recognition of outstanding performance in integrity management, ZRA was conferred the *Third Prize* at the annual *Integrity Committee Institutions Chief Executive Officers' Forum.*

Handling Comments and Complaints

In 2024, ZRAIC received 476 comments and complaints compared to 260 in 2023 as outlined in Table 76.

Table 76: Number of Complaints and Comments Received by ZRAIC in 2024 and 2023

Year	Complaints	Comments	Total
2024	20	456	476
2023	14	246	260

The majority of the comments received related to TPIN registration and retrievals, and requests for information. The Integrity Committee referred the matters received to the appropriate offices for action while it resolved those that were within its mandate.

The nature of complaints and comments received by ZRAIC are summarised in Table 77

Table 77: Types of Comments and Complaints Received in 2024 and 2023

Taxpayer Feedback	2024	2023
Information	129	62
TPIN Registration/Retrieval	181	106
Process/System queries	51	31
Employment applications	79	42
Complaints	20	14
Stakeholder relations	15	5
Staff policy matters	1	0
Total	**476**	**260**

Strategic Objective 4.3: Improve Infrastructure and Facilities

Physical infrastructure and facilities are essential for enhancing operational efficiency, improving staff welfare and boosting productivity. To improve staff welfare and enhance overall employee satisfaction and retention, the Authority commenced the construction and maintenance of various infrastructure projects across the country to address the need for adequate accommodation for staff.

The target is to construct 242 houses in 2 phases by the end of 2026, with Phase I involving construction of 158 houses and 84 houses in Phase II. In 2024, the Authority targeted to construct 142 houses, out of which 67 were completed.

Several factors hindered the timely implementation of these infrastructure projects such as delays in obtaining necessary approvals leading to setbacks in the commencement of certain projects and poor performance by contractors.

Table 78 illustrates the performance of this strategic objective in comparison to the specified target.

Table 78: Performance of Strategic Objective 4.3

Strategic Objective	Target	Performance Outturn
Improve Infrastructure and Facilities	142 Staff houses developed	67 developed

During the year, the following projects were implemented:

i. Office Furniture and Equipment

The Authority procured office furniture and non-ICT equipment valued at K1.35 million for Kazungula One-Stop-Border-Post and for *Smart Invoice* training offices in Chingola, Solwezi, Chipata, Kitwe and Chinsali.

ii. Fleet Management

To improve operational efficiency, the Authority purchased 29 motor vehicles valued at K36.6 million comprising 23 double cabs, 2 single cabs, 2 minibuses, and 2 (29-seater busses), and were delivered during the year, bringing the total fleet size to 295 vehicles as at year end.

iii. Enhanced Security at ZRA Stations

To enhance security at Revenue House, the Authority installed an electronic access control system which requires use of electronically configured identity cards or biometric identification to enable entry. A walk-through metal detector was also installed.

iv. Acquisition of Title Deeds for ZRA Properties

The Authority has an estate portfolio that includes both commercial and residential properties. However, most of these properties have not yet been titled. Since 2022, the Authority has prioritised the acquisition of title deeds through a joint initiative with the Ministry of Lands and Natural Resources. During the year, 15 title deeds were acquired, bringing the number of properties on title to 37 from 22 in 2023.

The acquisition of title deeds for the Authority's properties has faced significant challenges, some of which date back to 1995, when the Authority first began its operations. Key issues include external dependencies such as delays in obtaining approvals from Local Councils and Traditional Leaders, land encroachments that lead to lengthy verification processes, and bureaucracies at the Ministry of Lands and Natural Resources.

The slow progress in acquiring title deeds remains a major concern for the Authority. In this regard, the Authority has engaged the Surveyor General's Office to expedite the production of survey diagrams for properties that have already been surveyed and numbered. Further, the Authority made a budget provision to outsource the title deed acquisition process in 2025.

v. Physical Infrastructure Development

During the year, the Authority embarked on infrastructure development throughout the country. This encompassed multiple facets of infrastructure construction and improvement as follows:

a) refurbishment of existing infrastructure;
b) construction of 67 staff houses at various stations across the country;
c) paving of 3 truck parking yards;
d) remodelling of customer service centres at Revenue House and Mpendwa House;
e) construction of a new regional office in Solwezi; and
f) construction of a new pavilion in the Trade Fair Grounds, in Ndola.

The construction and refurbishment projects carried out in the year were valued at K240.3 million and were at various stages of completion by year end (see Table 79).

Table 79: Major Construction Projects in 2024

No.	Project Description	Contract Value (K)	Status
1	Construction of 12 Single Quarter, 2x2 Bedroom and a 1x3 Bedroom Staff Housing Units in Chanida	7,448,147.2	100% Complete and handed over
2	Construction of 8 Single Quarter Staff Housing Units in Nchelenge and Chipungu	3,944,439.6	98% Complete and practical completion attained.
3	Construction of 8 Single Quarter Staff Housing Units in Mokambo and Sakania	3,807,690.7	95% Complete, ongoing
4	Construction of 12 Single Quarter Staff Housing Units in Mwami	5,896,101.0	98% Complete, practical completion attained
5	Construction of 8 Single Quarter and 1 Three-Bedroom Staff Housing Units in Katima Mulilo	4,470,742.2	100% Complete and handed over
6	Construction of 10x2 Bedroom and 1x3 Bedroom Staff Housing Units in Kazungula – Lot 2	6,865,623.4	75% Complete, ongoing
7	Construction of 8 Single Quarter, 2x2 Bedroom and 1x3 Bedroom Staff Housing Units in Chinsali and Nakonde	5,671,556.7	100% Complete and handed over
8	Construction of 4 Single Quarter Staff Housing Units in Zombe	2,132,393.2	98% Complete, practical completion attained
9	Construction of 4 Single Quarter Staff Housing Units in Sikongo	2,188,315.0	90% Complete, ongoing
10	Construction of 20 Single Quarter Staff Housing Units in Kazungula – Lot 1A	7,919,856.6	90% Complete, ongoing
11	Construction of 20 Single Quarter Staff Housing Units in Kazungula – Lot 1B	7,917,065.4	90% Complete, ongoing
12	Construction of 24 Single Quarter Staff Housing Units in Kazungula – Lot 1C	7,979,405.7	70% Complete, ongoing
13	Construction of 4 Single Quarter Staff Housing Units in Luangwa	2,035,111.5	75% Complete, contract ongoing
14	Construction of 4 Single Quarter Staff Housing Units in Jimbe	2,243,882.0	100% Complete and handed over
15	Construction of 4 Single Quarter Staff Housing Units in Chavuma	1,854,137.0	35% Complete, recommended for termination due to unsatisfactory performance
16	Construction of 20 Single Quarter Staff Housing Units in Kasumbalesa – Phase 2	11,625,731.3	60% Complete, halted due to litigation
17	Construction of 8 Single Quarter Staff Housing Units in Choma – Phase 2	5,890,119.4	45% Complete, ongoing
18	Construction of 24 Single Quarter Staff Housing Units in Chirundu– Phase 2	13,476,504.0	Yet to commence
19	Construction of 24 Single Quarter Staff Housing Units in Nakonde – Phase 2	15,003,615.2	50% Complete, ongoing
20	Construction of 8 Single Quarter Staff Housing Units in Mwami – Phase 2	4,444,268.6	30% Complete recommended for termination due to unsatisfactory performance
21	Construction of Truck Parking Yard at Chanida	14,811,726.3	87% Complete, ongoing
22	Construction of Truck Parking Yard at Kasumbalesa Phase 1	77,767,734.4	90% Complete, ongoing
23	Construction of the New Solwezi Regional Office	19,554,502.2	15% Complete, ongoing
24	Construction of the New Pavilion Trade Fair Stand	6,407,010.6	Site mobilisation completed; foundation underway
25	Remodelling of Ground Floor Revenue House (Phase 1)	2,471,580.8	100% Complete and handed over for Phase 2
26	Remodelling of Ground Floor Revenue House (Phase 2)	3,226,115.9	90% Complete, ongoing
27	Remodelling of the Customer Service Centre at the Revenue House Advice Centre	3,064,690.0	90% Complete, ongoing
28	Remodelling of the Customer Service Centre at Mpendwa House	1,421,040.0	85% Complete, ongoing
29	Remodelling of ZNBS Building (ZRA occupied wing) in Longacres, Lot 1	3,816,318.2	60% Complete, ongoing
	Total	**240,351,809**	

Construction of the
New Solwezi Regional Office

Construction of the New Pavilion
Trade Fair Stand

PART 3

GOVERNANCE

GOVERNANCE

Corporate Governance

The Zambia Revenue Authority Act Chapter 321 of the Laws of Zambia provides for the establishment of the Governing Board to provide strategic oversight on the operations of the Authority. The Board reviews and approves the Authority's financial statements, policies, strategies, systems, risk management and internal compliance controls, and ensures legal compliance, amongst others. In fulfilling its functions, the Board adheres to its statutory mandate as outlined in the Act as well as the guiding principles in the ZRA Corporate Governance Code and the Board Charter.

The Governing Board

The Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia as amended, stipulates the composition of the Governing Board as follows:

- a representative of the Secretary to the Treasury
- a representative of the Attorney General
- the Governor of the Bank of Zambia
- a representative of the Law Association of Zambia
- a representative of the Zambia Association of Chambers of Commerce and Industry
- a representative of the Zambia Institute of Chartered Accountants
- a representative of the Bankers' Association of Zambia
- two other members appointed by the Minister responsible for finance.

The Minister responsible for finance appoints the members of the Board to serve for a term of 3 years and a member may be re-appointed for one additional term. The members elect the Chairperson and Vice-Chairperson from amongst themselves.

To enhance efficiency and effectiveness in the delivery of its mandate, the Governing Board functions through specialised Committees. The Commissioner General, who is the Chief Executive Officer of the Authority, is a member of all the Committees. The specific responsibilities of the Committees of the Board are outlined in their respective terms of reference. A summary of the functions of each Committee is depicted in Figure 35.

Figure 35: Committees of the ZRA Governing Board

Board Activities in 2024

In 2024, the Governing Board and its 4 Committees held quarterly meetings and convened special meetings to deliberate on various strategic matters.

In its effort to appreciate the state of infrastructure, operating environment and staff welfare in various ZRA stations, the Board undertook site visits to Mwami OSBP, Chipata Domestic Taxes Office, and Chanida Border. In the Southern region, the Board inspected staff housing projects at the Kazungula OSBP, and visited the Domestic and Customs offices in Livingstone.

To support the Authority's trade facilitation mandate, the Board visited the Kasumbalesa OSBP to assess the state of congestion following the decision to decongest the border by redirecting some trucks to Sakania and Mokambo borders.

The Board continued to support the implementation of the new ZRA structure by completing the recruitment of 2 senior management positions that were vacant. Further, the Board attended the 7th Zambia Revenue Authority Workers Union Quadrennial Conference to appreciate matters affecting unionised staff.

To keep abreast with trends in corporate governance, the Board attended the 39th African Corporate Governance Conference in South Africa, the 14th Country Correspondents Conference organised by ATAF in Livingstone, and the Corporate Governance training conducted by the Zambia Institute of Directors. The Board also held a meeting with officials from Ethiopia's Ministry of Revenue to discuss strategic issues in tax administration.

Board Meetings in 2024

To provide strategic guidance on the Authority's operations, the ZRA Governing Board and its 4 Committees held quarterly meetings, and special meetings when required.

The attendance of meetings for the Governing Board members in 2024 is shown in Table 80.

Table 80: Attendance of Governing Board Meetings

Member Names	Total Attendance	1st Special Meeting	2nd Special Meeting	Q1	Q2	Q3	Q4
Dr. C. Fundanga (Chairperson)	6	✓	✓	✓	✓	✓	✓
Ms. N.M. Mudenda (Vice Chairperson)	6	✓	✓	✓	✓	✓	✓
Dr. D.H. Kalyalya	6	✓	✓ *	✓ *	✓	✓	✓ *
Mr. A. Nyirenda	6	✓	✓	✓	✓	✓	✓
Mr. K. Chimfwembe	6	✓	✓	✓	✓	✓	✓
Ms. V. Hampinda	5	✓	✓	✓	✓	#	✓
Ms. V. Nambeye	6	✓	✓	✓	✓	✓	✓
Ms. M.M. Pensulo	6	✓	✓	✓	✓	✓	✓
Mr. D. Banda (Commissioner General)	6	✓	✓	✓	✓	✓	✓

**Attended by Proxy*

 # Apology

Finance Committee

This Committee is composed of 3 members of the Governing Board and the Commissioner General. The Committee oversees the Authority's financial matters with the specific function of reviewing and approving financial policies and guidelines relating to accountability pertaining to revenue and operational funding, safeguarding of the Authority's assets and banking arrangements, amongst others.

The attendance of the Committee members in the 2024 meetings is shown in Table 81.

Table 81: Attendance of Finance Committee Meetings

Member Names	Total Attendance	Q1	Special Meeting	Q2	Q3	Q4
Ms. V. Nambeye (Chairperson)	5	✓	✓	✓	✓	✓
Dr. D.H. Kalyalya	5	✓	✓*	✓*	✓	✓*
Mr. K. Chimfwembe	5	✓	✓	✓	✓	✓
Mr. D. Banda (Commissioner General)	5	✓	✓*	✓*	✓	✓

**Attended via proxy*

Innovation and Project Management Committee

This Committee consists of 3 members of the Governing Board and the Commissioner General. The Committee provides oversight on project implementation, innovation and information systems. Specific functions of the Committee include: overseeing ICT Systems and processes; ensuring implementation of the project governance framework and appropriate risk management processes; cybersecurity and data protection; and monitoring adherence to change management and quality management strategies. This Committee consists of three members of the Governing Board and the Commissioner General. The Committee provides oversight on project implementation, innovations and information systems. Specific functions of the Committee include: overseeing ICT Systems and processes, ensuring implementation of the project governance framework and appropriate risk management processes, and monitoring adherence to change management and quality management strategies.

The attendance of the Committee members in the 2024 meetings is shown in Table 82.

Table 82: Attendance of Innovation and Project Management Committee Meetings

Member Names	Total Attendance	Special Meeting	Q1	Q2	Q3	Q4
Mr. A. Nyirenda (Chairperson)	5	✓	✓	✓	✓	✓
Mr. K. Chimfwembe	5	✓	✓	✓	✓	✓*
Ms. V. Hampinda	5	✓	✓	✓	✓	✓
Mr. D. Banda (Commissioner General)	5	✓	✓	✓	✓	✓

**Attended via proxy*

Audit and Risk Committee

This Committee consists of 3 members of the Governing Board and the Commissioner General. The Committee provides oversight on financial reporting processes, internal controls, audit processes, and the organisation's process for monitoring compliance with laws and regulations, among others.

The attendance of the Committee members at the 2024 meetings is shown in Table 83.

Table 83: Attendance of Audit and Risk Committee Meetings

Member Names	Total Attendance	Q1	Special Meeting	Q2	Q3	Q4
Ms. V. Hampinda (Chairperson)	5	✓	✓	✓	✓	✓
Ms. N.M. Mudenda	5	✓	✓	✓	✓	✓
Ms. V. Nambeye	5	✓	✓	✓	✓	✓
Mr. D. Banda (Commissioner General)	5	✓	✓	✓	✓	✓

Legal, Staff and Disciplinary Committee

This Committee consists of 3 of the Governing Board members and the Commissioner General. The Committee provides oversight on legal, staff-related and disciplinary matters. In addition, the Committee approves the engagement of external counsel and the recruitment of staff at ZRA Grade 01, among others.

The attendance of the Committee members at the 2024 meetings is shown in Table 84.

Table 84: Attendance of Legal, Staff and Disciplinary Committee Meetings

Member Names	Total Attendance	Q1	Special Meeting	Q2	Special Meeting	Q3	Q4
Ms. N.M. Mudenda (Chairperson)	6	✓	✓	✓	✓	✓	✓
Mr. A. Nyirenda	6	✓	✓	✓	✓	✓	✓
Ms. M.M. Pensulo	6	✓	✓	✓	✓	✓	✓
Mr. D. Banda (Commissioner General)	6	✓	✓	✓	✓ *	✓	✓*

* *Attended via proxy*

Board Remuneration

Board Members are paid Directors' Fees in accordance with the Zambia Revenue Authority Act. In 2024, Directors' gross fees amounted to K1,328,762 compared to K1,248,264 in 2023.

The higher amount in 2024 included a component for corporate governance training.

Divisions and Departments

The Authority's organisational structure consists of 2 operating divisions, namely Customs Services and Domestic Taxes, and 2 support divisions; Business Facilitation, and Corporate Services Divisions. The 4 divisions are headed by Commissioners who report to the Commissioner General. The Authority also has 6 support departments headed by Directors who report to the Commissioner General.

Customs Services Division

The Division is responsible for facilitating legitimate international trade, enforcing customs laws and collecting revenue on imported and exported goods. Its mandate includes ensuring compliance with customs regulations, combating smuggling and preventing illicit trade. The Division administers trade taxes, and collects fees and charges in accordance with the Customs and Excise Act, Chapter 322 of the Laws of Zambia and other applicable Laws. In addition, the Division collaborates with regional and international customs bodies to facilitate cross-border trade.

Domestic Taxes Division

The Division is responsible for administering direct taxes, indirect taxes, and levies in accordance with the Income Tax Act, Chapter 323 and the Income Tax Act, Chapter 323 and the Value Added Tax Act, Chapter 331 of the Laws of Zambia, among others. In addition, the Division collects Minerals Development Act No.11 of 20115, and Local Excise Duty pursuant to the Customs and Excise Act, Chapter 322 of the Laws of Zambia.

Business Facilitation Division

The Division is responsible for enhancing tax compliance, service delivery and operational efficiency to support tax administration. The Division is responsible for taxpayer services and education, enforcement, data analytics, and provision of ICT support services.

Corporate Services Division

The Division is responsible for financial, administrative and human resource functions. These include treasury and accounting, provision of transport, procurement, physical infrastructure, and Occupational Health and Safety as well as human resource management and development.

Investigations Department

The Department is responsible for detecting, preventing and prosecuting tax fraud, smuggling and other tax crimes. It is also responsible for coordinating tax fraud investigations with other law enforcement agencies.

Innovation and Project Management Department

The Department drives technological advancements by coordinating systems development and integration of artificial intelligence in the Authority. It ensures digital transformation, and fosters continuous improvement through innovative solutions. The department also oversees project implementation in line with the ZRA Project Governance Framework.

Research and Corporate Strategy Department

The Department is responsible for coordinating the development, monitoring and implementation of the Corporate Strategic Plan. Further, the Department conducts research, tax policy coordination, provision of tax statistics, monitoring of the Taxpayer Service Charter, and supports implementation of business process improvement, among others.

Executive Support Department

The Department provides administrative, operational and strategic support to the Office of the Commissioner General. The Department is also responsible for corporate intelligence, corporate communications and internal affairs.

Board Secretary and Legal Services Department

The Department is responsible for providing secretarial services to the Governing Board. The Department also represents the Authority in all legal related matters and reviews tax appeals, contracts and agreements.

Internal Audit and Enterprise Risk Department

The Department is responsible for providing independent and objective assurance on the effectiveness of the Authority's risk management, governance and internal control processes.

Research and Corporate Strategy Department

The Department is responsible for coordinating the development, monitoring and implementation of the Corporate Strategic Plan. Further, the department conducts research, tax policy coordination, provision of tax statistics, monitoring of the taxpayer service charter, and supports implementation of business process improvement, among others.

Executive Support Department

The Department provides administrative, operational and strategic support to the Office of the Commissioner General. The department is also responsible for corporate intelligence, corporate communications, and internal affairs.

Board Secretary and Legal Services Department

The Department is responsible for providing secretarial services to the Governing Board. The Department also represents the Authority in all legal related matters and reviews tax appeals, contracts and agreements.

Internal Audit and Enterprise Risk Department

The Department is responsible for providing independent and objective assurance on the effectiveness of the Authority's risk management, governance and internal control processes.

ENTERPRISE RISK MANAGEMENT

The Authority's Enterprise Risk Management (ERM) is implemented through a comprehensive risk management framework that includes risk identification, assessment, mitigation, monitoring and reporting. The Authority adopts a proactive strategy for risk management at both the strategic and operational levels.

In 2024, a total of 12 key risks were identified and escalated to the Board for review. These risks encompassed low tax compliance, instability of internal ICT systems (Tax*O*nline II and ASYCUDAWorld), intermittent telecommunications connectivity, increased electricity loadshedding, poor integrity of the taxpayer database, unexploited tax base, escalating tax debt stock, a cash-based economy, insufficient regulatory capacity in the mining sector, cybercrime, economic crimes and illicit financial flows, as well as ethical breaches among staff. Various interventions were initiated to address or mitigate the consequences of these risks, with some efforts still in progress at the end of the year.

In addition to monitoring and mitigating operational risks, the Authority conducted business continuity tests for its ICT systems to enhance operational resilience and ensure uninterrupted service delivery.

INTERNAL AND EXTERNAL SCRUTINY

The Authority continued to provide independent and objective assurance on the effectiveness of risk management, governance and internal control processes to achieve strategic goals.

Internal Audit

In 2024, the Authority conducted 37 internal audits of which 24 were concluded and submitted to the Governing Board for consideration. In addition, three audits were resolved by Management while 10 remained at various stages of resolution as at year-end (see Table 85).

Table 85: Audits Undertaken in 2024

Status	Assurance	Information Systems	Total
Projects and audits in progress	5	0	5
Reports with audit clients for comments	1	4	5
Reports with Commissioner General for comments	0	0	0
Reports resolved by Management	3	0	3
Reports to Audit and Risk Committee	9	15	24
Grand Total	**18**	**19**	**37**

Implementation Status of Internal Audit Issues

The Authority has in place a tracking mechanism to monitor the implementation status of Audit recommendations from issues raised. During the year, 220 issues were monitored, of which 144 were closed and 76 were outstanding at the end of the year.

Internal Affairs

In 2024, the Authority recorded 81 cases of allegations of fraud, malpractice and misconduct amongst ZRA staff, compared to 53 in 2023. The increase in the number of cases can partly be attributed to enhanced collaboration with stakeholders and improved intelligence-gathering techniques (see Table 86).

Table 86: Cases of Fraud, Malpractice and Misconduct by Employees in 2024 and 2023

Offence	2024	2023	Variance
Fraud	6	2	4
Dishonest Conduct	44	35	9
Theft	2	1	1
Gross Negligence	15	7	8
Bribery/Corruption	2	0	2
Abetting smuggling/Collusion	5	1	4
Other	7	7	0
Total cases investigated	**81**	**53**	**28**

During the year, the Authority recommended disciplinary action against 40 officers for violations of the Disciplinary, Capability, and Grievance Policy and Procedures. Of these, 22 were dismissed, nine were warned, while 10 were cleared of their cases. Some cases were referred to the Customs Services and Domestic Taxes Divisions for recovery of tax.

5 cases involving 9 officers were referred to the Investigations Department and the Anti-Corruption Commission (ACC) for further investigation and possible criminal prosecution. As at year-end, 10 cases were under investigation.

To strengthen investigative and supervisory capabilities, the Authority provided specialised training to its officers in *Modern Techniques of Tax Investigation and Intelligence Gathering, Building Fiscal Institutions to Fight Corruption in Africa, and Financial Investigations for Public Corruption.*

EXTERNAL SCRUTINY

Parliamentary Committees

These Committees provide scrutiny and oversight by examining input from various stakeholders to protect public interest. In 2024, the Authority submitted 27 written memoranda to various Committees.

The submissions covered a wide range of topics including National security at borders and ports of entry, the signing and ratification of the Beira Development Corridor Agreement, the Central Corridor Transit Transportation Agency and the Nacala Development Corridor. The Authority further contributed to discussions on international agreements such as the African Continental Free Trade Area (AfCFTA) and the Southern African Development Community (SADC) Protocol.

Underscoring the Authority's significant role in shaping national policies and facilitating economic and governance reforms, ZRA engaged with the following Committees: the Committee on National Security and Foreign Affairs; the Committee on Cabinet Affairs; the Committee on Legal Affairs, Human Rights, and Governance; the Committee on Agriculture, Lands, and Natural Resources; the Committee on National Economy Trade and Labour Matters; the Committee on Transport, Works and Supply; the Committee on Legislation and International Agreements; the Planning and Budgeting Committee; and the Public Accounts Committee.

The Office of the Auditor General

The Office of the Auditor General audits the Authority to ensure adherence to policies and procedures, transparency and prudence in the management of public resources. In 2024, the Office of the Auditor General conducted 2 audits focusing on revenue collection and the performance of the Legislative, Regulatory, and Institutional Framework for tax revenue mobilisation in the mining sector. These audits resulted in 66 queries related to tax revenue collection of which 28 were resolved while 38 remained outstanding as at the end of the year.

Litigation and Dispute Resolution

Civil Litigation

In 2024, the Authority handled 47 civil cases. Of these, one case was before the Supreme Court while 29 were before the High Court, out of which 8 cases were in the Industrial Relations Division of the High Court. Furthermore, 15 cases were before the Tax Appeals Tribunal, 2 were before the Subordinate Court and one was referred to arbitration (see Table 87).

Table 87: Cases under Litigation in 2024 and 2023

Type of Court	2024	2023	Variance
Supreme Court	1	3	-2
Court of Appeal	0	4	-4
High Court	21	22	-1
Tax Appeals Tribunal	15	17	-2
Industrial Relations Court	8	11	-3
Magistrates Court	2	4	-2
Total Cases	**47**	**61**	-14

Of the 47 cases litigated, 14 were customs related, 12 domestic taxes related, 12 labour-related and nine were general litigation. 1 contract related matter was referred to arbitration.

During the year, five cases were resolved, with three ruled in favour of the Authority. One case was settled ex curia (out of court), and another was discontinued by the plaintiff. Seven cases were concluded and awaited judgment. By year-end, 55 cases remained active across various courts and the Tax Appeals Tribunal.

Criminal Litigation (Prosecution)

In 2024, the Authority prosecuted 18 cases of which 11 related to customs, five to domestic taxes and two related to offences under the Penal Code. The Authority secured nine convictions, while two resulted in acquittals and two were withdrawn. As at end 2024, five cases remained active (see Table 88).

Table 88: Prosecuted Cases by Tax Type in 2024 and 2023

Cases		Customs		Inland Taxes		Penal Code – Chapter 87 of the Laws of Zambia.		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Brought Forward		2	2	5	10	1	3	8	15
New Cases		9	2	0	5	1	0	10	7
Total		**11**	**4**	**5**	**15**	**2**	**3**	**18**	**22**
Concluded; o/w	*Conviction*	*5*	*2*	*3*	*10*	*1*	*2*	*9*	*14*
	Acquittal	*1*	*0*	*0*	*0*	*1*	*0*	*2*	*0*
	Withdrawn	*2*	*0*	*0*	*0*	*0*	*0*	*2*	*0*
	Referred	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Carried Forward		3	2	2	5	0	1	5	8

Tax Appeals

In 2024, the Authority handled 137 tax appeal cases compared to 179 in 2023. Of these, 77 related to customs, 40 related to domestic taxes, eight involved investigations while 12 related to enforcement. Furthermore, 125 of the cases related to assessments, while 12 related to other determinations such as seizures and forfeitures. Out of the cases handled during the year, 89 or 65 percent were resolved compared to 124 or 69 percent in 2023 (see Table 89).

Table 89: Tax Appeal Cases in 2024 and 2023

Year	Appeal Type	Customs	Inland Taxes	Investigations	Finance-Debt Recovery	Enforcement Unit	Totals
2024	Assessments	69	39	7	0	10	125
	Other Determinations	8	1	1	0	2	12
	Total Received	77	40	8	0	12	137
	Total Resolved	**50**	**28**	**3**	**0**	**8**	**89**
	% Resolved	**65%**	**70%**	**38%**	**n/a**	**67%**	**65%**
2023	Assessments	62	42	8	0	13	125
	Other Determinations	30	7	13	2	2	54
	Total Received	92	49	21	2	15	179
	Total Resolved	**73**	**24**	**13**	**2**	**12**	**124**
	% Resolved	**79%**	**49%**	**62%**	**100%**	**80%**	**69%**

Corporate Social Responsibility

As part of its corporate social responsibility, the Authority supported the government's response to the cholera outbreak in the first quarter of 2024. The support rendered under this initiative included donation of gumboots, surgical gloves, fuel and other materials, valued at K650,000.

In addition, the Authority reaffirmed its commitment to preserving Zambia's cultural heritage by supporting various traditional ceremonies across the country.

PART 4

TAX POLICY SUPPORT

Tax Policy Review Committee

The Tax Policy Review Committee is a multi-sectoral committee constituted by the Ministry of Finance and National Planning to review and analyse proposals for inclusion in the National Budget. As a member of this Committee, the Authority in 2024 provided input to aid the analysis of tax and non-tax proposals. This was achieved through the provision of technical expertise to the sub-committees tasked to scrutinise the proposals in areas such as tax policy, tariff classification and tax administration.

To enhance tax compliance and strengthen tax administration, the submitted tax policy and administrative proposals for consideration by the Committee. Further, to support the budgetary process, the Authority generated revenue impacts of the proposed tax measures to inform decision making. Other budgetary support activities included participation in the drafting of the 2025 National Budget Speech, and preparation of layman's drafts of legislative amendments.

Provision of Revenue Statistics and Information

As a primary producer of tax revenue and trade statistics, the Authority is mandated to provide statistics to Government and other stakeholders to inform decision-making. To ensure data quality and integrity, the Authority has strengthened the management of data through third- party data validation and the establishment of a dedicated data analytics team that monitors and reports data quality issues.

As a public body, the Authority is mandated by law to produce annual performance reports. In line with this requirement, the Authority produced its 2023 Annual Report highlighting operational and financial performance. In addition, the 2023 Tax Statistics Bulletin was published with detailed analysis of tax statistics, trends and other data sets. These reports are uploaded on the ZRA Website[32] to ease access by the public.

As part of its ongoing commitment to providing revenue statistics and information, the Authority supplied data to various stakeholders including Government Ministries and Agencies, the Bank of Zambia, the Zambia Statistics Agency, the IMF, IGC, GIZ, ATAF, USAID, UNU-WIDER, local universities, and students.

The Authority, with support from the United Nations University World Institute for Development Economics Research (UNU-WIDER), is reinforcing its commitment to evidence- based decision-making and continuous improvement in tax administration. A key initiative in this effort is the creation of a data lab. By year end, preparations to establish the lab had reached an advanced stage following commencement of the procurement of computers and recruitment of data lab assistants. Once operational, the lab is designed to offer a secure environment for researchers to analyse anonymised micro tax data to generate valuable insights for policy formulation and operational enhancements.

Budget Legislation

In September 2024, the Minister of Finance and National Planning presented the 2025 National Budget to the National Assembly for consideration. Following a request from the Planning and Budgeting Committee of the House, the Authority submitted a memorandum and made an oral submission on the ramifications of the tax measures pronounced in the Budget.

In line with our strategic objective of having knowledgeable taxpayers, the Authority participated in the 2025 National Budget Symposium and other post-Budget engagements held across the country. These engagements provided clarity on the matters related to tax administration. Further, the Authority produced and distributed the 2025 Budget Highlights to stakeholders at all physical engagements and also published them on the ZRA Website. The National Call Centre and customer service centres provided information to phone-in and walk- in clients, respectively. In addition, a Practice Note was issued to describe and provide general guidance on the various tax changes introduced in the Budget.

Further, the Authority made submissions on the proposed Income Tax (Amendment) Bill, N.A.B No. 22 of 2024; the Value Added Tax (Amendment) Bill, N.A.B No. 23 of 2024; the Customs and Excise (Amendment) Bill, N.A.B No. 24 of 2023; the Zambia Revenue Authority (Amendment) Bill, N.A.B No. 26 of 2024; the Mobile Money Transaction Bill, N.A.B No. 27 of 2024; the Property Transfer Tax (Amendment) Bill, N.A.B No. 27 of 2024; and the Insurance Premium Levy (Amendment) Bill, N.A.B No. 28 of 2024.

Ministerial and Parliamentary Services

In 2024, the Authority continued to interact with Government Ministries and agencies through information and data exchanges. Prominent among these were the provision of revenue performance and other reports on tax matters to the Ministry of Finance and National Planning, as well as tax compliance reports to the Competition and Consumer Protection Commission to facilitate mergers and acquisitions. Data was also provided to the Zambia Statistics Agency and the Bank of Zambia to aid the production of National

[32] Accessible on https://www.zra.org.zm/tax-information/tax-information-details/

Accounts and support the electronic balance of payment (e-BoP) project, respectively.

The Authority further interacted with the National Assembly on a number of matters and submitted 27 memoranda to 8 Committees of the House. The Authority also made 16 appearances before the different Committees of the House to make oral submissions on a number of issues. Notable among these were: the Planning and Budgeting Committee; the Committee on National Economy, Trade and Labour Matters; the Public Accounts Committee; the Committee on Agriculture, Lands and Natural Resources; the Committee on National Security and Foreign Affairs; the Committee on Transport, Works and Supply; and the Committee on Cabinet Affairs.

PART 5

COOPERATING PARTNERS

COOPERATING PARTNERS

In 2024, the Authority collaborated with local and international stakeholders to implement initiatives aimed at the attainment of its strategic goals. The stakeholders collaborated with included the following:

International Partners

African Development Bank (AfDB)

AFRICAN DEVELOPMENT BANK GROUP

The AfDB supported the Lobito Corridor initiative aimed at facilitating international trade by linking Zambia, the Democratic Republic of Congo, and Angola to the global market. Other support included the procurement of ASYCUDAWorld hardware and licenses as well as training ZRA staff and the business community on processes on ASYCUDAWorld.

African Tax Administration Forum (ATAF)

ATAF supported the Authority through the provision of various capacity building programmes including the Masterclass for Heads of Tax Administration, tax research methodology, and data analytics. ATAF also sponsored the 14th Country Correspondents Conference in Livingstone and sponsored some ZRA members of staff to the 9th African Tax Research Network, which provided a platform for knowledge sharing among member countries. ATAF also supported the development of cross border electronic regulation.

Common Market for Eastern and Southern Africa (COMESA)

COMESA supported ZRA in capacity building and ICT infrastructure. Key areas of support included the procurement of servers for ASYCUDAWorld, computers, printers and projectors for Chirundu, Mwami and Nakonde OSBPs, and furniture for Mwami OSBP. In addition, COMESA provided funds for the UNCTAD-ZRA support and maintenance contract. Furthermore, COMESA provided training and sensitisation to border officials and the private sector on Electronic Rules of Origin, OSBP operations and the Zambia Electronic Single Window.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

The GIZ continued to partner with ZRA under its Good Financial Governance Programme. Projects supported under this Programme included: the Bulk Intelligence Data Analysis (BIDA); Taxation of Large Enterprises; Mobile Tax Office; TaxOnphone; TaxOnApp; Customs-to-Customs Electronic Data Exchange; the development of the Tax Administration Act; and the Customer Experience Strategy.

Japan International Cooperation Agency (JICA)

JICA provided support and capacity building to the Authority in the area of trade facilitation through Time Release Studies. The Agency also supported the review of the One-Stop-Border-Post (OSBP) procedures as well as the training of border agencies' staff in Chirundu and Kazungula.

His Majesty's Revenue and Customs of the United Kingdom of Great Britain and Northern Ireland (HM Revenue & Customs)

In December 2024, the Authority and HMRC signed a 2-year MoU outlining collaborations in capacity building and technical assistance to help the Authority achieve its objectives in tax reforms. The areas of cooperation include Exchange of Information, transfer pricing, training in direct and indirect taxes, and management of legacy data and systems.

Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF)

The IGF provided capacity building and technical assistance to auditors in the Mining Unit.

International Monetary Fund (IMF)

The IMF continued to provide capacity building and support to diagnostic studies. The Fund also offered technical assistance and support to the Smart Invoice and VAT Control Model Projects.

Southern African Development Community (SADC) and European Union (EU)

During the year, SADC and the EU provided technical assistance in the development of Electronic Rules of Origin and capacity building to enhance efficiency in customs processes.

TradeMark East Africa

TradeMark East Africa provided support in the development of infrastructure at the Nakonde OSBP, which includes construction of offices, inspection sheds and a parking yard. TradeMark East Africa also supported the installation of ICT facilities at the new buildings.

United States Agency for International Development (USAID)

The USAID continued to provide support through the Revenue 4 Growth (R4G) Programme to projects in the Authority which included Audit Process Optimisation, Debt Management, Tax Gap Studies, and the New Operating Model.

World Customs Organisation (WCO)

The WCO supported the Authority in capacity building and provided technical assistance on the Customs-to-Customs Electronic Data Exchange and the Air-cargo Courier Manifest Projects.

World Bank Group (WBG)

The World Bank Group provided support to the Authority in building technical capacity and conducting diagnostic studies. In addition, the Bank collaborated with the Authority in trade facilitation reforms and upgrading the Nakonde OSBP.

Local Partners

In 2024, the Authority collaborated with various local partners in the areas of data exchange, compliance management, enforcement and service delivery. The institutions interacted with included: the Anti-Corruption Commission; the Bank of Zambia; the Department of Immigration; the Drug Enforcement Commission; the National Pension Scheme Authority; the Patents and Companies Registration Agency; the Road Transport and Safety Agency; the Zambia Development Agency; the Zambia Institute for Policy Analysis and Research; the Zambia Police; the Zambia Public Procurement Authority; and the Zambia Statistics Agency, among others.

PART 6

MANAGING RESOURCES

MANAGING RESOURCES

In 2024, the Authority's total revenue received for its operations increased to K3,434.9 million from K3,164.6 million in 2023, an increase of 8.5 percent. The increase in revenue was largely driven by higher revenue from both non-exchange and exchange transactions. There were also notable increases in revenue from Government grants, ASYCUDA Processing Fees, Finance Income, and other income.

The main source of income was the Government grant, which increased to K2,673.0 million in 2024 from K2,555.2 million in 2023 while Deferred Income increased to K6.6 million from K4.6 million in 2023. ASYCUDA Processing Fees increased by 25.6 percent, reaching K724.8 million in 2024 from K577.1 million in 2023 following the increase in the ASYCUDA Processing Fees to K666.8 per transaction from K500.10 in May 2024. Revenue from Other Income, Finance Income and Kariba Dam Agency Fees also increased by K0.4 million or 4.1 percent, K1.9 million or 10.5 percent, and K0.01 million or 21.1 percent, respectively.

Furthermore, in 2024, the Authority signed a memorandum of understanding with Emerged Railway Properties for the collection of toll fees on the Victoria Falls Bridge. The income of K0.6 million represents the 5 percent commission on the fees collected in the period. Total expenses during the year increased to K2,978.8 million compared to K2,599.1 million in 2023, reflecting a 14.6 percent increase. The increase in expenses was primarily due to higher Personnel, Administrative and Other Operating Expenses. As a result, the Authority recorded reduced surplus of K456.1 million in 2024 compared to K565.4 million in 2023, representing a decline of 19.3 percent. The reduction in the surplus can be attributed to the significant increase in expenses, which outpaced the growth in revenue.

Table 90 provides a summary of the Authority's financial performance for the 2024 and 2023 financial years.

Table 90: Summary of Financial Performance, 2024 and 2023 (Amounts in Kwacha)

	2024	2023	Var	% Var
Revenue from non-exchange transactions				
Government grants	2 ,673, 012 ,127	2,555,205,201	117,806,926	4.6%
Deferred income	6,611,633	4,640,116	1,971,517	42.5%
Sub total	***2 679 623 760***	***2,559,845,317***	***119,778,443***	***4.7%***
Revenue from exchange transactions				
ASYCUDA Processing Fees	724 801 860	577,128,575	147,673,285	25.6%
Other income	10 122 221	9,725,700	396,521	4.1%
Finance income	19,733,406	17,862,422	1,870,984	10.5%
Kariba Dam Agency Fees	52,154	43,072	9,082	21.1%
Victoria Falls Toll fees	555,951	-	555,951	-
Sub total	***755,265,592***	***604,759,767***	***150,505,825***	***24.9%***
Total Revenue	**3,434,889,352**	**3,164,605,084**	270,284,268	8.5%
Expenditure				
Personnel expenses	(2,159,872,101)	(1,819,556,822)	-340,315,279	18.7%
Administrative expenses	(320,813,823)	(192,306,118)	-128,507,705	66.8%
Other operating expenses	(387,256,277)	(396,264,041)	9,007,764	-2.3%
Gain/(Loss) on foreign exchange transactions	3,171,481	(55,607,481)	58,778,962	-105.7%
Depreciation and amortisation expenses	(114,054,011)	(135,479,897)	21,425,886	-15.8%
Total expenses	**(2,978,824,731)**	**(2,599,124,359)**	***-379,700,372***	***14.6%***
Surplus/(Deficit) for the year	**456,064,621**	**565,390,725**	**-109,326,104**	**-19.3%**

Recurrent Expenditure

During the year, the Authority's recurrent expenditure increased by 14.6 percent to K2,978.8 million from K2,599.1 million in 2023. The increase was primarily driven by personnel expenses, which increased by 18.7 percent to K2,159.9 million from K1,819.6 million in 2023. Administrative expenses also recorded a significant rise of 66.8 percent, reaching K320.8 million from K192.3 million in 2023. Other operating expenses recorded a slight decrease of 2.3 percent, amounting to K387.3 million compared to K396.3 million in 2023.

On the other hand, the Authority recorded a K3.2 million gain on foreign exchange transactions in 2024, attributable to a smaller depreciation of the local currency, despite the increase in the exchange rate. This gain represents a 105.7 percent increase from the K55.6 million loss incurred in 2023. Depreciation and amortisation expenses declined by 15.8 percent to K114.1 million in 2024 from K135.5 million in 2023.

Capital Expenditure

In 2024, the Authority spent K148.0 million on acquiring property and equipment, a reduction from K182.4 million spent in 2023. This investment included work in progress, and intangible assets.

The detailed financial performance based on International Public Sector Accounting Standards (IPSAS) are presented in the Financial Statements.

Victoria Falls Border Post

FINANCIAL STATEMENTS

ZAMBIA REVENUE AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2024

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Table of contents

ZAMBIA REVENUE AUTHORITY

GOVERNING BOARD'S REPORT

The Governing Board submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of the Authority.

PRINCIPAL ACTIVITIES

The principal activities of the Authority are to assess, charge, levy and collect revenue due to the Government of the Republic of Zambia ("the Government") under such laws as the Minister of Finance may, by enacted legislation or statutory instrument, specify; and to ensure that revenue collected is, as soon as reasonably practicable, credited to the Government Treasury. The Authority is a grant aided institution.

RESULTS	2024	2,023
	K	K
Revenue	**3,434,889,352**	3,164,605,084
Surplus for the year	**456,064,621**	565,390,725

The surplus for the year of **K456.065 million** (2023: Surplus K565.391 million) has been adjusted in the capital fund.

GOVERNING BOARD

The members who held office during the year were:

Dr. Caleb Fundanga - Chairperson
Ms. Nana M. Mudenda - Vice Chairperson
Mr. Kayula Chimfwembe
Dr. Denny Kalyalya
Mrs. Mutinta M. Pensulo
Ms. Valerie A. Nambeye
Ms. Venus Hampinda
Mr. Allan Nyirenda
Ms. Faides Temba Temba

Ms. Faides Temba Temba was appointed to the Board on 30th October 2024 to replace Ms. Grace N. Likando who resigned from the Board in May 2023.

EMPLOYEES

The total remuneration of employees during the year amounted to **K2,159.9 million** (2023: K1,819.6 million). The average number of employees for each month of the year was as follows:

Month	Number	Month	Number
January	2,389	July	2,673
February	2,395	August	2,654
March	2,507	September	2,669
April	2,687	October	2,678
May	2,720	November	2,693
June	2,677	December	2,757

The Authority has policies and procedures to safeguard the occupational health, safety and welfare of its employees.

PROPERTY AND EQUIPMENT

The Authority purchased property and equipment amounting to **K146.7 million** (2023: K177 million) during the year. In the opinion of the Directors, the carrying value of property and equipment is not more than their recoverable value.

GIFTS AND DONATIONS

Donations to charitable organisations and events during the year amounted to **K1,230,850** (2023: K896,899).

AUDITOR

Messrs Deloitte & Touche, were appointed as auditors for a term of three years following a competitive bidding process. Their current term of office is the audit of financial years 31 December 2024, 2025 and 2026.

DIRECTOR

Date: 16/04/2025

ZAMBIA REVENUE AUTHORITY

STATEMENT OF GOVERNING BOARD'S RESPONSIBILITIES

The Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia (the "Act") requires the Governing Board

- assess, charge, levy and collect all revenue due to the Government of the Republic of Zambia under such laws as the Minister of Finance and National Planning may, by enacted legislation or statutory instrument, specify;
- ensure that all revenue collected is, as soon as reasonably practicable, credited to the Government Treasury;
- keep proper books of account and other records which disclose with reasonable accuracy at any time the financial position of the Authority;
- safeguard the assets of the Authority and hence take reasonable steps for the prevention and detection of fraud and other irregularities; and
- prepare financial statements for each financial year which comply with International Public Sector Accounting Standards (IPSAS).

The Governing Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The independent external auditors, Messrs Deloitte & Touche, have audited the annual statements and their report, is shown on pages 104, 105 and 106.

The Governing Board is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties.

Nothing has come to the attention of the Governing Board to indicate that any material breakdown in the functioning of these control, procedures and systems has occurred during the year under review.

In the opinion of the Governing Board, the Authority has complied with the requirements of the Act.

Signed on behalf of the Board by:

DIRECTOR

DIRECTOR

Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Government of Zambia through the Minister of Finance

Report on the financial statements

Opinion

We have audited the accompanying financial statements of the Zambia Revenue Authority (the "Authority") as set out on pages 107 to 132, and which comprise the statement of financial position as at 31 December 2024, the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA" Code), together with ethical requirements that are relevant to our audit of the financial statements in Zambia. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Actuarial valuation of pension obligations	
The Authority operates an unfunded lump sum gratuity arrangement. As the arrangement is unfunded, gratuity benefits are paid out of the Authority's general revenues. Upon retirement of unionised and contract employees, the Authority settles a liability based on final salary principles. The Authority bears no legal or constructive obligations to provide additional contributions should the fund lack adequate assets to cover all employee benefits related to service in the current and preceding periods. International Public Sector Accounting Standard No. 39 Employee Benefits states that "An entity shall determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period."	In considering the actuarial valuation of pension obligation, we performed the following procedures: Obtained the actuarial report based on 31 December 2024 numbers. Ensured the Independent Actuaries who carried out the valuation were appropriately qualified and competent. Ensured that the valuation met IPSAS 39 requirements. Reviewed key inputs used within the report as well as challenged key assumptions made. Performed a retrospective review to assess the obligations for reasonableness.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matters	How our audit addressed the key audit matter
Actuarial valuation of pension obligations (Continued)	
We focused on this audit area because of the significant assumptions and judgements which are included to arrive at pension obligations. Key assumptions that are involved in the calculation of the defined benefit obligation as per note 22 to the financial statements are the: discount rate; expected rate of salary increment; and average longevity at retirement age for current employees.	With the support of our internal actuarial specialists, we assessed the reasonableness of the discount rates and other inputs used in the valuation. Had discussions with the Authority's Actuary to understand the source of input data and compared those to the independent sources. We found the assumptions used in determining the valuation of the pension obligation to be reasonable and appropriate.

Other matter

The financial statements of the Authority for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 23 April 2024.

Other information

The Governing Board is responsible for the other information. The other information comprises the Chairman's statement and Governing Board's Report, as required by the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia and which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Governing Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia, and for such internal control as the Governing Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or

In preparing the financial statements, the Governing Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless the Governing Board either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governing Board.
- conclude on the appropriateness of the Governing Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Governing Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with the Board all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Governing Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

In our opinion, the Zambia Revenue Authority has maintained proper accounting records and other records as required by the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia.

Deloitte & Touche

DELOITTE & TOUCHE

ALICE JERE TEMBO
PARTNER
AUD/F000433

DATE: 29 April 2025

PO Box 30030
Lusaka
Zambia

Deloitte & Touche
Deloitte Square
Plot No. 2374/B
Thabo Mbeki Road
Lusaka, Zambia

Tel: +260 211 228 677
Fax: +260 211 228 744
www.deloitte.com

ZAMBIA REVENUE AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 December 2024

	Note	2024 K	2023 K
Revenue from non-exchange transactions			
Government grants	6	2,673,012,127	2,555,205,201
Deferred income	10	6,611,633	4,640,116
		2,679,623,760	2,559,845,317
Revenue from exchange transactions			
ASYCUDA Processing Fees	7	724,801,860	577,128,575
Other income	8	10,122,221	9,725,700
Finance income	9	19,733,406	17,862,422
Kariba Dam Agency Fees	11	52,154	43,070
Victoria Falls Toll Fees	11	555,951	-
		755,265,592	604,759,767
Total Revenue		3,434,889,352	3,164,605,084
Expenditure			
Personnel expenses	12	(2,159,872,101)	(1,819,556,822)
Administrative expenses	13	(320,813,823)	(192,306,118)
Other operating expenses	14	(387,256,277)	(396,264,041)
Gain/(loss) on foreign exchange transactions	15	3,171,481	(55,607,481)
Depreciation and amortisation expenses	16, 17	(114,054,011)	(135,479,897)
Total Expenses		(2,978,824,731)	(2,599,214,359)
Surplus for the year		456,064,621	565,390,725

ZAMBIA REVENUE AUTHORITY

STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Note	2024 K	2023 K
ASSETS			
Current assets			
Inventories	18	8,216,867	6,893,311
Employee loans and advances (exchange transactions)	19	135,809,159	127,981,953
Other assets	20	113,770,242	144,368,612
Cash and cash equivalents	21	1,631,617,416	1,250,130,931
Customs deposit bank accounts	25	1,979,321	6,443,989
Tax refund bank accounts	26	177,556,668	296,187,665
		2,068,949,673	1,832,006,461
Non-current assets			
Property and equipment	16	1,384,593,705	1,363,966,015
Intangible assets	17	24,602,778	29,532,466
Employee loans and advances (exchange transactions)	19	45,269,719	42,660,651
		1,454,466,202	1,436,159,132
TOTAL ASSETS		3,523,415,875	3,268,165,593
Liabilities			
Current liabilities			
Deferred income	10	4,609,293	4,609,293
Post employment benefits	22	61,465,046	81,833,246
Payables	23	377,183,933	443,785,270
Borrowings	24	67,734,737	129,651,637
Customs deposit bank accounts	25	1,979,321	6,443,989
Tax refund bank accounts	26	177,556,668	296,187,665
Total current liabilities		690,528,998	962,511,100
Non-current liabilities			
Deferred income	10	13,841,911	10,715,415
Post employment benefits	22	348,301,928	463,721,728
Borrowings	24	-	64,345,628
Total non-current liabilities		362,143,839	538,782,771
TOTAL LIABILITIES		1,052,672,837	1,501,293,871
NET ASSETS		2,470,743,038	1,766,871,722
Capital surplus		1,817,065,397	1,099,015,831
Revaluation reserve		653,677,641	667,855,891
NET ASSETS/EQUITY		2,470,743,038	1,766,871,722

ZAMBIA REVENUE AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 December 2024

	Capital surplus K	Revaluation reserve K	Total K
At 1 January 2023	563,634,148	364,177,264	927,811,412
Total comprehensive income for the year	535,381,683	303,678,627	839,060,310
Surplus for the year	565,390,723	-	565,390,723
Other comprehensive income:			
Loss on employee retirement benefit plan	(37,722,000)	-	(37,722,000)
Revaluation surplus	-	311,391,587	311,391,587
Amortisation of revaluation surplus	7,712,960	(7,712,960)	-
At 31 December 2023	**1,099,015,831**	**667,855,891**	**1,766,871,722**
At 1 January 2024	**1,099,015,831**	**667,855,891**	**1,766,871,722**
Total comprehensive income for the year	718,049,566	(14,178,250)	703,871,316
Surplus for the year	456,064,621	-	456,064,621
Other comprehensive income:			
Gain on employee retirement benefit plan	248,049,000	-	248,049,000
Revaluation surplus	-	(242,305)	(242,305)
Amortisation of revaluation surplus	13,935,945	(13,935,945)	-
At 31 December 2024	**1,817,065,397**	**653,677,641**	**2,470,743,038**

ZAMBIA REVENUE AUTHORITY

ZAMBIA REVENUE AUTHORITY

STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	Note	2024 K	2023 K
Cash flows from operating activities			
Surplus for the year		456,064,621	565,390,725
Adjustments for:			
Amortisation of capital grant	10	(6,611,633)	(4,640,116)
Depreciation and amortisation	16, 17	114,054,011	135,479,897
Impairment loss on employee loans and advances	19	298,660	174,918
Impairment of property and equipment	16	25,649,690	-
Loss on disposal of equipment		214,631	135,213
Net exchange (gains)/losses on borrowings	24	(3,177,073)	68,307,409
Unrealised exchange losses		605,010	62,566,928
Interest paid on borrowings	24	(1,490,204)	(2,369,938)
Finance income	9	(19,733,406)	(17,862,422)
Defined benefit obligation expense	22	302,684,000	212,561,000
Operating cash flows before movements in working operating funds		868,558,307	1,019,743,614
Changes in operating funds:			
(Increase) decrease in inventories		(1,323,556)	3,527,027
(Decrease) increase in employee loans and advances		(10,734,934)	30,784,252
Decrease (increase) in other assets		30,598,370	(37,050,649)
(Decrease) increase in payables		(66,601,337)	35,547,277
		820,496,850	1,052,551,521
Employee benefits paid from plan	22	(190,423,000)	(246,253,000)
Net cash generated from operating activities		630,073,850	806,298,521
Cash flows from investing activities			
Interest received	9	19,733,406	17,862,422
Acquisition of property and equipment and intangible assets	16, 17	(148,000,264)	(182,356,580)
Proceeds from disposal of equipment		1,015,754	61,820
Capital grant received	10	-	8,689,416
Net cash used in investing activities		(127,251,104)	(155,742,922)
Cash flows from financing activities			
Capital grant received	10	864,000	-
Repayment of borrowings	24	(121,595,251)	(104,868,750)
Net cash used in financing activities		(120,731,251)	(104,868,750)
Net increase in cash and cash equivalents		382,091,495	545,686,849
Cash and cash equivalents at beginning of the year		1,250,130,931	767,011,010
Effect of foreign exchange rate changes		(605,010)	(62,566,928)
Cash and cash equivalents at end of the year	21	1,631,617,416	1,250,130,931

ZAMBIA REVENUE AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 31 December 2024

	Note	Approved Budget	Revised Budget	Actual Amounts	Performance difference
		K	K	K	K
Revenue					
Government grants	30.1.1	2,837,226,028	2,837,226,028	2,673,012,127	(164,213,901)
ASYCUDA Processing Fees	30.1.2	615,225,053	635,225,053	724,801,860	89,576,807
Other income	30.1.3	6,410,959	6,410,958	10,122,221	3,711,263
Finance income	30.1.4	5,917,808	5,917,808	19,733,406	13,815,598
Deferred income	30.1.5	-	-	6,611,633	6,611,633
Kariba Dam Agency Fees	30.1.6	-	-	52,154	52,154
Victoria Falls Agency Fees	30.1.7	-	-	555,951	555,951
		3,464,779,848	**3,484,779,847**	**3,434,889,352**	**(49,890,495)**
Expenditure					
Personnel expenses	30.2.1	2,392,536,409	2,317,523,044	2,159,872,101	(157,650,943)
Administrative expenses	30.2.2	317,745,998	362,064,875	320,813,823	(41,251,052)
Other operating expenses	30.2.3	614,062,770	649,757,258	387,256,277	(262,500,981)
Depreciation and amortisation expenses	30.2.4	-	-	114,054,011	114,054,011
Net exchange gain	30.2.5	-	-	(3,171,481)	(3,171,481)
Total expenditure		**3,324,345,177**	**3,329,345,177**	**2,978,824,731**	**(350,520,446)**
Surplus for the year		**140,434,671**	**155,434,670**	**456,064,621**	**300,629,951**

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. GENERAL INFORMATION

The Zambia Revenue Authority ("the Authority") was established following the enactment of the Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia (the "Act"), to carry out the affairs of the former Customs and Excise Department and the Department of Income Taxes. The Act, which came into effect on 1 April 1994, also transferred the assets and liabilities of those former Departments to the Authority. The address of its registered office is:

Revenue House
Kabwe Roundabout
P. O. Box 35710
Lusaka

2. ADOPTION OF NEW AND REVISED STANDARDS

The Authority has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

New and amended IPSAS that are effective for the current year

Amendments to IPSAS: Specific IFRIC Interpretations

These amendments did not introduce entirely newly numbered IPSAS. Instead, they incorporated guidance from specific IFRIC (IFRS Interpretations Committee) and SIC (Standing Interpretations Committee) Interpretations into existing IPSAS standards. The goal was to clarify the application of existing IPSAS principles to specific transactions and scenarios where there might have been uncertainty or ambiguity. This promotes consistency in the application of IPSAS across different public sector entities and jurisdictions. In reviewing these IFRIC and SIC Interpretations, the International Public Sector Accounting Standards Board (IPSASB) aimed to maintain alignment with International Financial Reporting Standards (IFRS) where appropriate and relevant to the public sector context.

The IPSASB incorporated guidance from the following four interpretations into existing IPSAS:

IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This guidance was incorporated into IPSAS 39, Employee Benefits. It provides guidance on how to determine the limit on the amount of a defined benefit asset recognised under IAS 19 (and consequently IPSAS 39). It also addresses the interaction between this limit and minimum funding requirements. The amendments clarify when and how the economic benefit available in the form of refunds or reductions in future contributions should be

New and amended standards not yet effective and not early adopted by the Authority

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Authority. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable

New Standard	Effective Date
IPSAS 43, Leases (Issued January 2022)	*On or After 1 January 2025*
IPSAS 45, Property, Plant and Equipment (Issued May 2023)	*On or After 1 January 2025*
IPSAS 46, Measurement (Issued May 2023)	*On or After 1 January 2025*
IPSAS 47, Revenue (Issued May 2023)	*On or After 1 January 2026*
IPSAS 48, Transfer Expenses (Issued May 2023)	*On or After 1 January 2026*
IPSAS 49 Retirement Benefit Plans (Issued November 2023)	*On or After 1 January 2026*

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Authority in future periods, except if indicated below.

IPSAS 43 Leases

The standard replaces IPSAS 13, Leases. It introduces a right-of-use model for lessees, requiring them to recognise a right-of-use asset and a lease liability for most leases. For lessors, the classification of leases remains substantially similar to IPSAS 13. This aligns with IFRS 16, Leases.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

IPSAS 45 Property, Plant and Equipment

The standard replaces IPSAS 17, Property, Plant and Equipment. It provides updated guidance on the recognition and measurement of PPE, including infrastructure and heritage assets. It also introduces "current operational value" as a measurement basis within the updated current value model, reflecting the service delivery characteristic of many public sector assets.

IPSAS 46 Measurement

The new standard provides comprehensive guidance on how commonly used measurement bases should be applied in practice. It includes generic guidance on fair value for the first time in IPSAS and introduces current operational value, a public sector-specific current value measurement basis.

IPSAS 47 Revenue

The standard establishes principles for reporting revenue from exchange and non-exchange transactions. It supersedes IPSAS 9, Revenue from Exchange Transactions, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).

IPSAS 48 Transfer Expenses

The standard addresses accounting for transfer expenses, which are outflows of resources to other entities when no goods or services are directly received in return.

IPSAS 49 Retirement Benefit Plans

The new standard provides specific guidance on accounting and reporting for retirement benefit plans in the public sector.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Statement of Compliance

The financial statements of the Authority have been prepared in accordance with and comply with International Public Sector Accounting Standards ("IPSAS"). The financial statements are presented in Zambian Kwacha (K), which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of IPSAS 13 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IPSAS 21 Impairment of non-cash generating assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

The Authority had a capital surplus of K1,817,065,397 (2023: K1,099,015,831) as at the reporting date. The Governing Board is of the opinion that the preparation of these financial statements on the going concern basis is appropriate.

(c) Foreign currency translation

In preparing the financial statements of the Authority, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income and expenditure in the year in which they arise.

(d) Revenue recognition

Revenue from non-exchange transactions

Government revenue grants

Income represents the revenue grants receivable from the Government and other co-operating partners during the year and is accounted for on an accruals basis. Government grants are recognised when there is reasonable assurance that they will be received and the Authority will comply with the conditions associated with the grant.

Grants that compensate the Authority for expenses incurred are recognised in income and expenditure as other income on a systematic basis in the periods in which the expenses are recognised.

Capital grants

Capital grants are recognised initially as deferred income at fair value where there is reasonable assurance that they will be received and the Authority will comply with the conditions associated with the grant, and are then recognised in the income and expenditure as other income on a systematic basis over the useful life of the asset. Specifically, government grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

Revenue from exchange transactions

Other income

Other income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Rental income

Rental income from properties is recognised in income and expenditure on a straight line basis over the term of the relevant lease agreement.

Sale of cigarette stamps

Revenue from the sale of cigarette stamps is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Authority expects to receive in exchange for those goods or services. Revenue is measured net of returns, trade discounts and volume rebates.

Interest income

Interest income is recognised using the effective interest rate method.

(e) Property and equipment

Leasehold land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Property and equipment (continued)

All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve, all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Leasehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold buildings	2%
Office equipment, furniture, fixtures and fittings	20%
Furniture, fixtures and fittings	20%
Motor vehicles	25%
Equipment	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in income and expenditure. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(g) Inventories

Inventories are stated in the statement of financial position at the lower of cost and net realisable value. Cost comprises direct material costs. Cost includes all costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value takes into account all directly related costs to be incurred in marketing, selling and distribution. Provision is made where necessary, for defective, slow moving and obsolete inventories.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of intangible assets

At each reporting date, the Authority reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is leasehold land or buildings, other than investment property, carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, for which it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument.

(i) *Financial assets*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as loans and receivables or held-to-maturity investments, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Authority commits to purchase or sell the asset. The Authority's financial assets include: cash and short-term deposits, employee loans and advances and other receivables.

(a) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(b) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost less any impairment.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(c) Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Authority's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of one year, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(d) *De-recognition of financial assets*

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income.

(ii) Financial liabilities

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The Authority’s financial liabilities include payables, other payables and borrowings.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Deferred income

Income intended to compensate costs over a period of time is deferred and released to the statement of financial performance over the periods necessary to match it with the costs for which it is intended to compensate.

(l) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of financial performance in the year in which they are incurred.

(n) Employee benefits

Retirement benefit obligations

The Authority operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

(i) Pension obligations

A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Authority pays contributions to publicly administered pension insurance plans on a mandatory basis. The Authority has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

The Authority and all its employees also contribute to the National Pension Scheme Authority (NAPSA), which is a defined contribution scheme.

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Authority before the normal retirement date, or whenever an employee accepts voluntary separation in exchange for those benefits. The Authority recognises termination benefits at the earlier of the following dates: (a) when the Authority can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IPSAS 39 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary separation, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Retirement benefit

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Authority considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Authority does not hedge any of its risk exposures.

Financial risk management is carried out by the Finance Department under policies approved by the Governing Board. The Governing Board provides written principles for overall risk management, as well as written policies covering specific areas such as credit risk and investment of excess liquidity.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables. The Authority does not have significant concentrations of credit risk. The Authority's credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Governing Board. The utilisation of credit limits is regularly monitored.

For cash and cash equivalent balances, the Authority's exposure and credit ratings of counterparties are regularly monitored and the aggregate value of transactions spread amongst approved financial institutions. The Authority actively seeks to limit the amount of credit exposure to any one financial institution and credit exposure is controlled by counterparty limits that are reviewed and approved by the Finance Department. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' for International and regional banks with a local presence are accepted.

No credit limits were exceeded during the reporting period, and the Governing Board does not expect any losses from non-performance by counterparties.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as approved by the Board of Directors.

The Authority is exposed to foreign exchange risk which arises primarily with respect to bank and cash balances which are denominated in US Dollars. Foreign exchange risk also arises from a loan from the Ministry of Finance and National Planning (a subsidiary loan which the Government of the Republic of Zambia secured from the Government of the People's Republic of China denominated in Chinese Yuan) and supplier payments denominated in US Dollars.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Below is the Kwacha equivalent of the financing assets and liabilities that are denominated in foreign currencies.

	2024 K	2023 K
Assets		
US dollar denominated	**65,382,357**	23,801,657
Liabilities		
Chinese Yuan denominated	**67,734,737**	193,997,265
Euro denominated	**6,435,506**	-
US Dollar denominated	**5,403,440**	258,390
	79,573,683	194,255,655

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Finance and Treasury Department maintains flexibility in funding by maintaining availability under committed credit lines.

Management performs cash flow forecasting and monitors rolling forecasts of the Authority's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 24) at all times so that the Authority does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Authority's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation.

Analysed below are the Authority's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year K	Between 1 and 5 years K	Over 5 years K
At 31 December 2024:			
- borrowings	**67,734,737**	**-**	**-**
- payables	**377,183,933**	**-**	**-**
- employee benefits	**61,465,046**	**219,430,215**	**128,871,713**
	506,383,716	**219,430,215**	**128,871,713**

	Less than 1 year K	Between 1 and 5 years K	Over 5 years K
At 31 December 2023:			
- borrowings	129,651,637	64,345,628	-
- payables	443,785,270	-	-
- employee benefits	81,833,246	292,144,688	171,577,040
	655,270,153	356,490,316	171,577,040

Capital management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern. Adequacy of the capital of the Authority is maintained by the Authority on a regular basis. As and when required the Authority will request supplementary funding from the Ministry of Finance and National Planning.

Fair value measurements

This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations, where possible.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value of the Authority's financial assets and financial liabilities that are measured at fair value on a recurring basis.

There were no financial assets and liabilities measured at fair value on a recurring basis during the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Carrying value 2024	Fair value 2024	Carrying value 2023	Fair value 2023
Financial assets	K	K	K	K
Employee loans and advances	181,078,878	181,078,878	170,642,604	170,642,604
Other assets	113,770,242	113,770,242	144,368,612	144,368,612
Customs deposit bank account	1,979,321	1,979,321	6,443,989	6,443,989
Tax refund bank accounts	177,556,668	177,556,668	296,187,665	296,187,665
Cash and cash equivalents	1,631,617,416	1,631,617,416	1,250,130,931	1,250,130,931
Financial liabilities				
Borrowings	67,734,737	67,734,737	193,997,265	193,997,265
Payables	377,183,933	377,183,933	443,785,270	443,785,270
Customs deposit bank accounts	1,979,321	1,979,321	6,443,989	6,443,989
Tax refund bank accounts	177,556,668	177,556,668	296,187,665	296,187,665

Fair value hierarchy as at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets	K	K	K	K
Employee loans and advances	-	-	181,078,878	181,078,878
Other assets	-	-	113,770,242	113,770,242
Customs deposit bank account	-	-	1,979,321	1,979,321
Tax refund bank accounts	-	-	177,556,668	177,556,668
Cash and cash equivalents	-	-	1,631,617,416	1,631,617,416
Financial liabilities				
Borrowings	-	-	67,734,737	67,734,737
Payables	-	-	377,183,933	377,183,933
Customs deposit bank accounts	-	-	1,979,321	1,979,321
Tax refund bank accounts	-	-	177,556,668	177,556,668

Fair value hierarchy as at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets	K	K	K	K
Employee loans and advances	-	-	170,642,604	170,642,604
Other assets	-	-	144,368,612	144,368,612
Customs deposit bank account	-	-	6,443,989	6,443,989
Tax refund bank accounts	-	-	296,187,665	296,187,665
Cash and cash equivalents	-	-	1,250,130,931	1,250,130,931
Financial liabilities				
Borrowings	-	-	193,997,265	193,997,265
Payables	-	-	443,785,270	443,785,270
Customs deposit bank accounts	-	-	6,443,989	6,443,989
Tax refund bank accounts	-	-	296,187,665	296,187,665

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

	2024	2023
6. GOVERNMENT GRANTS	K	K
Annual budgetary allocation	**2,673,012,127**	2,555,205,201

The funding received in the period includes an operational grant of **K2,509.1 million** (2023: K2,258 million) and modernisation funding of **K163.9 million** (2023: K297.2 million).

7. ASYCUDA PROCESSING FEES

	2024	2023
Asycuda Processing Fees are derived from the charge of K666.8 per transaction for the processing of imported goods at the borders. This income is partly used to maintain the scanners that process imported goods.	**724,801,860**	577,128,575

8. OTHER INCOME

	2024	2023
Sundry income	**5,263,682**	4,848,742
Rental income	**2,619,405**	2,672,168
Cigarette stamp sale proceeds	**2,453,765**	2,340,003
Loss on disposal of property and equipment	**(214,631)**	(135,213)
	10,122,221	9,725,700

Rental income arises from the excess office space that is let to third parties.

9. FINANCE INCOME

	2024	2023
Relates to interest income on bank deposits and staff loans	**19,733,406**	17,862,422

10. DEFERRED INCOME

	2024	2023
At beginning of the year	**15,324,708**	11,275,408
Receipts during the year	**9,738,129**	8,689,416
Recognised in statement of financial performance	**(6,611,633)**	(4,640,116)
At end of the year	**18,451,204**	15,324,708
Amounts falling due within one year	**4,609,293**	4,609,293
Amounts falling due after one year	**13,841,911**	10,715,415
	18,451,204	15,324,708

In February 2024, the Authority received cash amounting to K864,000 and assets valued at K8.9 million from the Ministry of Commerce, Trade and Industry in the form of walk through metal detectors valued at K3,226,956 and Baggage Scanners valued at K5,647,173 respectively. These have been treated as deferred income in accordance with IPSAS 23, Revenue from Non-exchange Transactions. The grant assets are being depreciated over their respective estimated useful lives of 10 years, with the associated deferred income being amortised accordingly.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

10. DEFERRED INCOME (CONTINUED)

In the 2023 financial year, the Authority received assets valued at K7 million from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the World Customs Organization and the World Bank. These consisted of motor vehicles, computers (including related accessories) and office furniture.

In the 2022 financial year, the Authority received assets valued at K11.2 million from the GIZ, the World Customs Organization and the Ministry of Commerce, Trade and Industry. These consisted of computers (including related accessories) and office furniture.

In the 2021 financial year, the Authority received assets valued at K6.0 million from the German Agency for International Cooperation, GIZ. These consisted of computers and related accessories. The Authority also received donations of furniture and equipment from United Nations Conference on Trade and Development (UNCTAD) and the Ministry of Transport and Logistics valued at K400,000.

In the year 2020, the Authority received K2.3 million worth of seals from the World Bank for use in the management of transit cargo vehicles for customs purposes, laptops worth K0.4 million from the German Development Agency, GIZ, and laptops worth K0.14 million from the Ministry of Commerce Trade and Industry.

11. AGENCY FEES

(a) Kariba Dam Agency Fees

In January 2013, the Authority signed a memorandum of understanding with Zambezi River Authority for collection of toll fees on the Kariba dam on its behalf. The income of K52,154 (2023: K43,070) reported in the statement of financial performance represents 10% agency fees on the toll fees collected on behalf of Zambezi River Authority during the year.

(b) Victoria Falls Toll Fees

In June 2024 the Authority signed a memorandum of understanding with Emerged Railway Properties for the collection of toll fees on the Victoria Falls Bridge. The income of K555,951 reported in the statement of comprehensive income represents 5% commission on the fees collected on behalf of Emerged Railway Properties in the period.

12. PERSONNEL EXPENSES

	2024	2023
	K	K
Basic pay	855,323,124	736,851,059
Retirement benefit expense	326,206,109	264,727,776
Housing allowance	258,771,311	201,578,479
Leave pay	208,473,321	187,616,986
Other allowances	110,047,815	98,635,875
Bonus	91,530,774	84,235,629
Overtime	81,099,397	65,467,369
Pension Scheme contributions	77,302,705	68,856,166
Medical expenses	50,400,163	36,862,946
NAPSA contributions	41,616,606	34,810,806
Staff welfare and professional subscriptions	20,155,493	18,034,019
Training	17,059,927	11,402,952
Insurance	12,179,949	9,283,585
ART/Employee wellness contribution	9,705,407	1,193,175
	2,159,872,101	1,819,556,822

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

13. ADMINISTRATIVE EXPENSES

	2024	2023
	K	K
Travel expenses	68,211,404	36,015,356
Bad debts	35,764,701	16,140,850
Repairs and maintenance - buildings	34,538,683	30,856,587
Conferences and seminars	25,485,757	14,556,854
Advertising and public relations	25,467,137	11,227,084
Fuel	17,751,224	9,799,440
Office rentals	17,609,588	9,499,997
Staff uniforms	14,692,950	8,007,535
Motor vehicle repairs	13,202,018	10,457,770
Electricity, water and rates	13,032,142	8,433,159
Printing and stationery	12,448,577	9,402,319
Postage and telephones	11,242,084	7,886,297
Subscriptions and publications	10,139,178	7,065,277
Board expenses	7,215,242	3,339,394
Motor vehicle insurance and licence	5,520,867	4,628,234
Bank charges	3,315,017	284,883
Insurance	2,518,473	2,039,283
Audit expenses	1,427,931	1,768,900
Corporate Social Responsibility	1,230,850	896,899
	320,813,823	192,306,118

14. OTHER OPERATING EXPENSES

Repairs and maintenance - IT	156,784,747	183,277,045
Travel/relocation	96,457,148	84,123,772
Security	48,982,311	38,464,870
Advertising/promotional material and conferences	38,375,936	27,635,536
Field work - fuel	22,551,301	12,370,123
Scanner operations	11,608,314	37,169,493
Tender expenses	4,270,376	2,580,754
Cigarette stamps	2,692,496	3,414,727
Other professional fees	2,482,131	4,271,593
Printing and stationery	2,413,757	2,678,097
Legal and professional expenses	637,760	278,031
	387,256,277	396,264,041

15. GAIN/(LOSS) ON FOREIGN EXCHANGE TRANSACTIONS

Net exchange gains/(losses)	3,171,481	(55,607,481)

The movements in the US Dollar exchange rates during the year were as follows:

Mid market exchange rate at 1 January	25.8	18.1
Mid market exchange rate at 31 December	27.9	25.7
Average depreciation	8%	42%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

16. PROPERTY AND EQUIPMENT

	Leasehold land	Leasehold buildings	Plant and machinery	Office equipment	Motor vehicles	Furniture fixtures and fittings	Capital work in progress	Total
	K	K	K	K	K	K	K	K
At 1 January 2023	39,570,402	770,238,458	440,036,726	241,155,280	83,659,316	44,097,641	39,388,267	1,658,146,090
Additions	-	-	848,482	60,888,483	58,274,733	7,901,739	49,080,793	176,994,230
Disposals	-	-	-	(71,381)	-	(186,100)	-	(257,481)
Revaluation adjustment	150,646,473	160,745,112	-	-	-	-	-	311,391,585
Transfers	-	8,375,429	-	480,779	-	-	(8,856,208)	-
At 1 January 2024	190,216,875	939,358,999	440,885,208	302,453,161	141,934,049	51,813,280	79,612,852	2,146,274,424
Additions***	-	-	8,892,029	28,891,498	48,260,618	15,966,968	44,668,845	146,679,958
Disposals	-	(846,894)	-	(72,753)	(685,850)	-		(1,605,497)
Transfers	-	15,346,685	-	1,657,963	-	-	(17,004,648)	-
Revaluation adjustment*	-	(242,305)	-	-	-	-	-	(242,305)
Impairment loss**	-	-	-	-	-	-	(25,649,690)	(25,649,690)
At 31st December 2024	**190,216,875**	**953,616,485**	**449,777,237**	**332,929,869**	**189,508,817**	**67,780,248**	**81,627,359**	**2,265,456,890**
Depreciation and impairment losses								
At 1 January 2023	-	60,312,003	365,709,190	152,276,493	65,976,534	29,703,635	-	673,977,854
Depreciation charge	-	11,295,474	38,285,114	38,080,850	14,372,893	6,356,672	-	108,391,003
Eliminated on disposal	-	-	-	(52,530)	-	(7,918)	-	(60,448)
At 1 January 2024	-	71,607,477	403,994,304	190,304,813	80,349,427	36,052,389	-	782,308,409
Depreciation charge	-	14,827,317	12,966,465	38,769,543	24,486,424	7,880,139	-	98,929,888
Eliminated on disposal	-	(109,858)	-	(50,926)	(214,328)	-	-	(375,112)
At 31 December 2024	-	**86,324,936**	**416,960,769**	**229,023,430**	**104,621,523**	**43,932,528**	-	**880,863,185**
Carrying amounts								
At 31 December 2023	190,216,875	867,751,522	36,890,904	112,148,348	61,584,622	15,760,891	79,612,852	1,363,966,015
At 31 December 2024	**190,216,875**	**867,291,549**	**32,816,468**	**103,906,439**	**84,887,294**	**23,847,720**	**81,627,359**	**1,384,593,705**

***** The revaluation adjustment relates to a correction of the revalued amounts pertaining to some assets following the revaluation of land and buildings carried out in 2023.

****** The impairment loss relates to payments made to the Copperbelt University under a contract for the development of the Customs Management System (CMS) capitalised in 2022. The contract has been suspended and may not proceed to completion.

*** Additions include grant assets amounting to K8.9 million received during the year as disclosed in note 10.

16. PROPERTY AND EQUIPMENT (CONTINUED)

Fair values of buildings

An independent valuation of the Authority's buildings was performed by valuers, UPmarket Property Consultants Limited to determine the fair value of the land and buildings. This revaluation was performed at the end of 2023. The revaluation surplus is credited to other comprehensive income and is shown in revaluation reserves' in capital fund and reserves. The Authority carries out valuation every five years to ensure that the carrying amount of the buildings does not significantly differ from the fair value.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

The buildings are all classified as Level 2 and are recurring fair value measurements with significant observable inputs. There were no transfers between different levels during the year.

Valuation techniques to derive Level 2 fair values

Level 2 fair values were derived using comparable value of similar buildings adjusted for differences in key attributes such as property size and condition. The most significant input into this valuation is the price per square metre.

If buildings were stated on the historical cost basis, the amounts would be as follows:

	2024	2023
	K	K
Cost	465,223,564	450,966,078
Accumulated depreciation	(107,613,105)	(98,308,634)
Carrying amount	357,610,459	352,657,444

The Authority holds title to Revenue House and other institutional properties. However, the Government still holds title to some of the properties that were transferred to the Authority in 1994. The Authority has since formed a team to spearhead the acquisition of title deeds for all properties that belong to the Authority.

17. INTANGIBLE ASSETS

	Software	Capital work in progress	Total
COST	K	K	K
At 1 January 2023	177,810,647	-	177,810,647
Additions	-	5,362,348	5,362,348
At 31 December 2023	177,810,647	5,362,348	183,172,995
At 1 January 2024	177,810,647	5,362,348	183,172,995
Additions	-	10,194,435	10,194,435
At 31 December 2024	**177,810,647**	**15,556,783**	**193,367,430**
Amortisation			
At 1 January 2023	126,551,635	-	126,551,635
Amortisation charge for the year	27,088,894	-	27,088,894
At 31 December 2023	153,640,529	-	153,640,529
At 1 January 2024	153,640,529	-	153,640,529
Amortisation charge for the year	15,124,123	-	15,124,123
At 31 December 2024	**168,764,652**	**-**	**168,764,652**
CARRYING AMOUNT			
At 31 December 2024	**9,045,995**	**15,556,783**	**24,602,778**
At 31 December 2023	24,170,118	5,362,348	29,532,466

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

18. INVENTORIES

	2024 K	2023 K
Stationery	4,169,012	3,880,262
Uniforms	1,802,025	1,349,729
Other consumables	1,454,515	501,176
Cigarette stamps	791,315	1,162,144
	8,216,867	6,893,311

No allowance has been made for obsolescence and slow moving inventory (2023: nil).

19. EMPLOYEE LOANS AND ADVANCES

	2024 K	2023 K
Advances against gratuity	91,188,305	87,402,042
Personal loans	55,984,098	44,130,625
Other loans	28,465,377	30,095,986
Vehicle ownership loans	6,260,331	9,534,524
	181,898,111	171,163,177
Impairment allowance	(819,233)	(520,573)
	181,078,878	170,642,604
Amounts falling due within one year	135,809,159	127,981,953
Amounts falling due after one year	45,269,719	42,660,651
Total employee loans and advances	181,078,878	170,642,604

Interest is charged at 5% per annum for all employee loans except for senior management car loans which are charged at 18%.

House and car loans are enhanced by collateral property. In the case of car loans, the vehicle certificate is endorsed with the Authority as the absolute owner.

The prevailing interest rates on staff loans were as follows:	%	%
Personal loan	5	5
Personal development loan	5	5
House loan	5	5
Car loan	5	5
Car loan-senior management	18	18

Movement in the impairment allowance

	2024 K	2023 K
At beginning of year	520,573	345,655
Impairment during the year	298,660	174,918
Balance at end of the year	819,233	520,573

20. OTHER ASSETS

	2024 K	2023 K
Prepayments	80,919,233	66,324,762
Other receivables	32,851,009	78,043,850
	113,770,242	144,368,612

The carrying amounts of the other receivables approximate to their fair values. None of the above assets are past due or impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

21. CASH AND CASH EQUIVALENTS

	2024	2023
	K	K
Cash at bank and in hand	1,631,617,416	1,250,130,931
Held as follows:		
Zambia National Commercial Bank Plc	847,649,616	1,186,544,062
Bank of Zambia (Asycuda Fees)	675,221,903	12,062,218
Absa Bank Zambia Plc	65,382,357	23,801,658
Access Bank Zambia Limited	31,830,449	19,032,806
Cash on hand	4,750,173	3,910,407
Citi Bank Limited	3,900,407	3,564,567
Investrust Bank PLC	2,024,041	355,796
Indo Zambia Bank Limited	802,937	789,151
First National Bank Limited	22,333	24,333
First Alliance Bank Limited	10,000	10,000
First Capital Bank Limited	9,945	9,945
Standard Chartered Bank Plc	7,702	8,202
Stanbic Bank Limited	5,553	5,390
Cavmont Bank Limited	-	12,396
Total cash and cash equivalents	1,631,617,416	1,250,130,931

22. EMPLOYEE BENEFITS

	2024	2023
End of contract gratuity and retirement benefits	409,766,974	545,554,974
Amounts falling due within one year	61,465,046	81,833,246
Amounts falling due after one year	348,301,928	463,721,728
	409,766,974	545,554,974
Movement in the present value of the defined benefit obligations:		
Defined benefit obligations at 1 January	545,554,974	541,524,974
Benefits paid by the plan	(190,423,000)	(246,253,000)
Service costs	182,415,000	111,276,000
Interest cost	120,269,000	101,285,000
Actuarial (gains) loss	(248,049,000)	37,722,000
Defined benefit obligation at end of year	409,766,974	545,554,974
Expense recognised in deficit or surplus		
Service costs	182,415,000	111,276,000
Interest costs	120,269,000	101,285,000
	302,684,000	212,561,000

The significant actuarial assumptions were as follows:

	31 December 2024		31 December 2023	
	Retirement benefits	End of contract gratuities	Retirement benefits	End of contract gratuities
Discount rate	23.5%	20.0%	22.2%	22.2%
Inflation	10.0%	10.0%	10.8%	10.8%
Future salary increases	5.0%	5.0%	12.3%	12.3%

Assumptions regarding future experience are set on actual advice from actuaries.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

22. EMPLOYEE BENEFITS (CONTINUED)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation K
Discount rate	1.00%	(14,038,593)
Discount rate	-1.00%	15,335,821

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the pension liability recognised within the statement of financial position.

23. PAYABLES

	2024 K	2023 K
Accrued leave pay	**133,174,444**	115,445,657
Trade payables	**125,914,182**	146,074,257
Accrued expenses	**118,095,307**	182,265,356
	377,183,933	443,785,270

The carrying amounts of the above payables and accrued expenses approximate to their fair values.

24. BORROWINGS

	2024	2023
Loan from Ministry of Finance and National Planning	**67,734,737**	193,997,265
Amounts falling due within one year	**67,734,737**	129,651,637
Amounts falling due after one year	**-**	64,345,628
	67,734,737	193,997,265
At beginning of year	**193,997,265**	232,928,544
Loan repayments during the year	**(121,595,251)**	(104,868,750)
Loan interest paid during the year	**(1,490,204)**	(2,369,938)
Net exchange (gains)/ losses during the year	**(3,177,073)**	68,307,409
	67,734,737	193,997,265
	CNY	CNY
At beginning of year	**53,025,000**	88,812,500
Loan repayments during the year	**(35,000,000)**	(35,000,000)
Loan interest paid during the year	**(437,500)**	(787,500)
Balance at the end of the year	**17,587,500**	53,025,000

In 2012, the Authority assumed a subsidiary loan which the Government of the Republic of Zambia secured from the Government of the People's Republic of China for the procurement, installation and operation of eight (8) non-intrusive scanning equipment from Exim Bank.

The loan is for a duration of 13 years at a fixed interest rate of 1% per annum (revised). Under the terms of this loan, the Authority is to pay annual interest amounts in two instalments March and September starting in 2013, while principal repayments commenced in 2015.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

25. CUSTOMS DEPOSITS BANK ACCOUNTS	2024	2023
	K	K
The Customs deposits bank accounts relate to monies held on behalf of importers pending assessments. The Customs and Excise Act, Chapter 322 of the Laws of Zambia requires that after 30 days any monies not refunded to importers must be returned to the Government. The corresponding liability to refund importers is included as a payable.	**1,979,321**	6,443,989

26. TAX REFUNDS BANK ACCOUNTS		
Value Added Tax (VAT) refund	**153,541,207**	270,457,731
Customs refund	**14,853,858**	11,531,943
Income tax refund	**9,161,603**	14,197,991
	177,556,668	296,187,665

The tax refunds bank accounts relate to monies from the Government being amounts payable to tax payers on their claims for tax paid. The corresponding liability to refund tax payers is shown as a payable.

27. CONTINGENT LIABILITIES

There were legal proceedings outstanding against the Authority, which were awaiting ruling/judgment by the courts of law as at 31 December 2024. In the opinion of the Governing Board, these claims and lawsuits in aggregate will not have a significant adverse effect on the financial statements. All tax related litigation claims will be funded by the Government if they materialise.

28. COMMITMENTS	2024	2023
	K	K
Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements is as follows:		
Property and equipment	**102,931,977**	347,658,514

Operating lease commitments

The Authority leases various properties under non-cancellable operating lease. The lease terms are between 1 and 5 years, and the majority of the lease agreements are renewable at the end of the lease period at market rates. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Year 1	**11,443,583**	9,100,660
Year 2	**1,090,980**	3,114,059
Year 3	**1,090,980**	995,280
Year 4	**363,660**	995,280
Year 5	**-**	1,990,560
	13,989,203	16,195,839

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

29. RELATED PARTY TRANSACTIONS	2024 K	2023 K
Transactions with Government		
Funding received from Government	**2,673,012,127**	2,555,205,201
Scanner loan repayments to Government	**123,085,455**	107,238,688

Key management personnel compensation

Key management includes the Governing Board and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2024 K	2023 K
Salaries and other short-term employment benefits	**68,176,522**	46,074,126
Post-employment benefits	**24,171,669**	18,757,231
Directors fees	**1,328,762**	1,248,264
	93,676,953	66,079,621
Loans to Commissioners		
Loans and advances	**27,121,553**	20,157,502

The Authority has been providing short term loans to key management personnel at rates below average commercial rates of interest. The loans are unsecured although car loans are secured by way of the Authority being registered as the absolute owner.

30. BUDGET INFORMATION

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

30.1 REVENUE

30.1.1 Government grants

The operational grant was fully funded according to its profile, but the modernization grant only received half of its allocated funds. No supplementary funding was budgeted or obtained in the period.

30.1.2 ASYCUDA Processing Fees

The ASYCUDA Processing Fee per transaction was increased from K500.10 to K666.8 with effect from May 2024 . The actual transaction volumes were less than budgeted for the year. The favourable variance of K89,576,807 is due to the revision in the transaction fee.

30.1.3 Other income

Other income comprises income from the sale of cigarette stamps, disposal of obsolete and disused property, rentals from let out properties and funds raised from the sale of tender documents. The income recorded for the year was within budget.

30.1.4 Finance income

A total of K19.7 million was earned in interest income on bank deposits and staff loans. This was against a budget of K5.9 million.

30.1.5 Deferred income

This comprises of amortisation of various assets donated to the Authority (including office equipment and motor vehicles) by Public Expenditure Management and Financial Accountability (PEMFA), Public Financial Management Reform Programme (PFMRP), World Bank, German Development Agency (GIZ) and World Customs Organisation (WCO). These figures are not included in the budget due to the uncertainty of the grant income from donors.

ZAMBIA REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2024

30. BUDGET INFORMATION (CONTINUED)

30.1 REVENUE (CONTINUED)

30.1.6 Kariba Dam Agency Fees

This relates to 10% agency fee on Kariba Dam Toll Fees collected on behalf of Zambezi River Authority.

30.1.7 Victoria Falls Agency Fees

In June 2024 the Authority signed a memorandum of understanding with Emerged Railway Properties for the collection of toll fees on the Victoria Falls Bridge on its behalf. The income reported in the statement of financial performance represents 5% commission on the fees collected on behalf of Emerged Railway Properties in the period.

30.2 EXPENDITURE

30.2.1 Personnel expenses

The performance against budget shows a positive overall variance owing to delayed recruitments during the year.

30.2.2 Administrative expenses

The actual expenditure remained within budget for the year despite an increase in some operating costs.

30.2.3 Other operating expenses

The expenditure was well within budget. Most activities were carried out within the allocated budget amounts. A number of capital projects were not undertaken in the period due to a back log in the procurement process. These will be carried out in the 2025 financial year

30.2.4 Depreciation and amortisation expenses

The actual depreciation and amortisation of both tangible and intangible assets for the year is not included in the annual budget but is shown in the final audited financial statements of the Authority. This is due to the uncertainty of the number of assets and class which the Authority will have at the end of any reporting period.

30.2.5 Net exchange losses

The Authority had assumed a subsidiary loan on non-intrusive scanning equipment from Exim Bank through the Government. As this is denominated in Chinese Yuan (CYN), the outstanding balance is translated into Zambian Kwacha at year end. Net exchange gains were recorded in the year due to movements in the exchange rate between the CYN and the Kwacha. The Scanner loan balance at the reporting date was CNY 17,587,500 (2023: CNY 53,025,000).

31. EVENTS AFTER THE REPORTING DATE

There have been no material facts or circumstances that have occurred between the reporting date and the date of these financial statements that require disclosure in, or adjustment to, the financial statements.

ANNEX

Selected institutions that the Zambia Revenue Authority collaborated with in 2024.

1. African Development Bank (ADB)
2. African Tax Administration Forum (ATAF)
3. Anti-Corruption Commission (ACC)
4. Bank of Zambia (BoZ)
5. Botswana Unified Revenue Services (BURS)
6. Common Market for Eastern and Southern Africa (COMESA)
7. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
8. Drug Enforcement Commission (DEC)
9. European Union (EU)
10. Financial Intelligence Centre (FIC)
11. The Gambia Revenue Authority (GRA)
12. International Growth Centre (IGC)
13. Intergovernmental Forum on Mining
14. International Monetary Fund (IMF)
15. International Police (INTERPOL)
16. Japan International Co-operation Agency (JICA)
17. Law Association of Zambia (LAZ)
18. Malawi Revenue Authority (MRA)
19. Ministry of Agriculture
20. Ministry of Finance and National Planning (MoFNP)
21. Ministry of Fisheries and Livestock
22. Ministry of Local Government and Rural Development
23. Ministry of Mines and Minerals Development
24. Namibia Revenue Agency (NamRA)
25. National Assembly of Zambia
26. National Pension Scheme Authority (NAPSA)
27. National Road Fund Agency (NRFA)
28. Network of Tax Organisations
29. Organization for Economic Co-operation and Development (OECD)
30. Road Transport and Safety Agency (RTSA)
31. Rwanda Revenue Authority (RRA)
32. Smart Zambia Institute
33. Southern African Development Community (SADC)
34. Tanzania Revenue Authority (TRA)
35. United Nations University World Institute for Development Economics Research (UNU-WIDER)
36. United States Agency for International Development (USAID)
37. United Nations Conference on Trade and Development (UNCTAD)
38. World Bank Group
39. World Customs Organisation (WCO)
40. Zambia Institute for Policy Analysis and Research (ZIPAR)
41. Zambia Institute of Chartered Accountants (ZICA)
42. Zambia National Broadcasting Corporation (ZNBC)
43. Zambia Police Service (ZP)
44. Zambia Public Procurement Agency (ZPPA)
45. Zambia Statistics Agency (ZamStats)
46. Zimbabwe Revenue Authority (ZIMRA)

ABBREVIATIONS

ADOP	Annual Divisional/Departmental Output Plan
AfDB	African Development Bank
AfCFTA	African Continental Free Trade Area
ASYCUDAWorld	Automated System for Customs Data
ATAF	African Tax Administration Forum
BIDA	Bulk Intelligence and Data Analytics
BMS	Block Management System
BoZ	Bank of Zambia
CACP	Customs Accredited Clients Programme
COMESA	Common Market for Eastern and Southern Africa
CSP	Corporate Strategic Plan
EU	European Union
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
KRA	Key Result Area
LME	London Metal Exchange
MOSES	Mineral Output Statistical Evaluation System
OECD	Organisation for Economic Co-operation and Development
OSBP	One Stop Border Post
PAYE	Pay-As-You-Earn
PMDC	Performance Management and Development Contract
RTSA	Road Transport and Safety Agency
SADC	Southern African Development Community
SO	Strategic Objective
TADAT	Tax Administration Diagnostic Assessment Tool
TPIN	Taxpayer Identification Number
UNU-WIDER	United Nations University World Institute for Development Economics Research
USAID	United States Agency for International Development
USSD	Unstructured Supplementary Service Data
VAT	Value Added Tax
VDP	Value for Duty Purposes
ZamStats	Zambia Statistics Agency
ZESW	Zambia Electronic Single Window
ZICA	Zambia Institute of Chartered Accountants
ZILAS	Zambia Integrated Land Administration System
ZRA	Zambia Revenue Authority
ZRAIC	Zambia Revenue Authority Integrity Committee

GLOSSARY

ASYCUDAWorld	Automated System for Customs Data (Information management system for Customs)
TaxOnApp	Mobile application for accessing selected ZRA services
TaxOnline	Domestic taxes information management system
TaxOnphone	USSD application for accessing selected ZRA services

APPENDIX

Table 91:Trend in Mineral Return Analysis for Various Minerals, 2020 to 2024 (K)

Mineral	2020	2021	2022	2023	2024
Copper	6,757,202,121.1	13,703,507,263.1	10,288,996,355.9	7,452,272,171.6	10,833,891,256.8
Nickel	22,762,081.9	53,568,721.0	64,717,926.7	121,569,822.0	495,481,403.6
Gold	268,657,332.1	313,138,765.6	274,263,623.7	207,376,609.3	429,051,955.0
Gemstones	114,182,236.0	187,703,544.7	242,556,553.8	278,267,682.0	304,194,847.9
Energy Mineral	58,074,649.0	63,043,041.6	60,689,877.5	83,011,007.5	104,508,417.0
Industrial Minerals	31,438,517.8	35,158,064.9	31,603,369.9	55,899,735.9	51,067,970.9
Silver	3,724,817.2	6,027,059.8	4,399,102.3	4,226,098.2	47,594,153.8
Manganese Ore	12,161,918.5	17,014,771.5	14,880,989.6	13,285,088.3	12,933,640.6
Cobalt	4,698,427.6	7,313,418.0	11,163,711.8	44,543,007.6	7,059,857.0
Palladium	10,657.0	828,496.1	3,753,317.6	4,527,878.1	3,835,377.1
Zinc	282,171.9	4,445,068.8	4,674,840.6	6,607,426.6	3,261,470.6
Platinum	1,877.9	336,379.9	623,553.5	1,372,372.9	1,251,239.8
Iron	0.0	182,426.9	725,544.2	1,554,316.5	912,364.8
Tin	0.0	24,557.4	385,923.5	39,188.2	572,554.2
Tungsten	0.0	0.0	0.0	0.0	111,960.7
Magnesium	0.0	0.0	18,107.3	90,630.0	105,771.0
Aluminium	0.0	0.0	46,867.5	24,003.1	1,975.7
Manganese (65%)	11,313.8	0.0	155,152.7	1,185,764.0	0.0
Ferro-Manganese	0.0	14,521.6	0.0	333,403.1	0.0
Lead	0.0	4,933.7	18,113.6	6,991.2	0.0
Uranium	300.0	0.0	0.0	0.0	0.0
Selenium	0.0	67.7	1,577.5	0.9	0.0
Manganese (99%)	0.0	0.0	47,534.1	0.0	0.0
Scandium	2,307.0	0.0	0.0	0.0	0.0
Sugilite	0.0	0.0	0.0	0.0	0.0
Lithium	0.0	0.0	0.0	0.0	0.0
Total	**7,273,210,728.8**	**14,392,311,102.3**	**11,003,722,043.3**	**8,276,193,197.0**	**12,295,836,216.5**

NOTES

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