



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

## **PRACTICE NOTE NO. 1/2025**

**Introduces Advance Income Tax on remittances**

**Increases the annual turnover threshold to K5,000,000**

**Maintains the Value Added Tax threshold at K800,000**

**Restricts input tax claims to invoices issued from smart invoice**

**Allows production of electricity up to 100Kwh without licence and  
payment of excise duty**

### **Our Mission**

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

### **Our Vision**

A world class model of excellence in revenue administration and trade facilitation.

### **Tag Line**

My Tax, Your Tax, Our Destiny

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## 1.0 FOREWORD

This **Practice Note** describes the various changes introduced by the:

1. Income Tax (Amendment) Act No. 22 of 2024
2. Property Transfer Tax (Amendment) Act No. 27 of 2024
3. Value Added Tax (Amendment) Act No. 23 of 2024
4. Value Added Tax (General) (Amendment) Regulations, Statutory Instrument No. 95 of 2024
5. Value Added Tax (Electronic Invoicing System) (Amendment) Regulations, Statutory Instrument No. 94 of 2024
6. Value Added Tax (Exemption) (Amendment) Order Statutory Instrument No. 93 of 2024
7. The Income Tax (Advance Income Tax) Regulations Statutory Instrument No. 96 of 2024
8. The Customs and Excise (Suspension) (Internet Services) Regulations, Statutory Instrument No. 91 of 2024
9. Insurance Premium Levy (Amendment) Act No. 28 of 2024
10. Customs and Excise (Amendment) Act No. 24 of 2024
11. Mobile Money Transaction Levy (Amendment) Act No. 25 of 2024

The commentary in this Practice Note is for general guidance only and is not to be taken as a legal authority in any proceedings. The information provided is not exhaustive and does not affect any person's right of appeal on any point concerning a person's liability to tax, nor does it preclude any discretionary treatment which may be allowed under the law.

Note that regarding Excise Duty, only matters relating to domestic Excise Duty have been included in this Practice Note.

Any enquiries regarding the content of this document may be made through the Zambia Revenue Authority (ZRA) National Call Centre, your nearest Customer Experience Centre or any ZRA Office.



Dingani Banda

**COMMISSIONER-GENERAL**

**PART I: SUMMARY OF AMENDMENTS**

**2.0 THE INCOME TAX (AMENDMENT) ACT NO. 22 OF 2024**

<b>Section</b>	<b>Subject</b>
1	Title and commencement
2	(i) Deletes the definition of approved annuity contract; (ii) Deletes the definition of approved pension fund; (iii) Defines an approved fund with reference to the Pension Scheme Regulations Act; (iv) Extends the scope of pensionable terms to other approved funds; (v) Introduces the definitions of Private fund and Securities and Exchange Commission.
30	Limits the deductibility of losses to a maximum of 50% of the taxable income in a charge year for a person carrying on any business
37	Removes reference to the Fourth Schedule, which was repealed in 2023.
43E	Allows for the deduction of Skills Development Levy even where the levy due has not been paid to the Commissioner-General.
45B	Broadens the list of entities mandated to request for a Taxpayer Identification Number (TPIN).
46A (5)	Empowers the Commissioner-General to consider waiving of underestimation penalties.
64A (2)	Increases the maximum annual threshold for Turnover Tax to K5,000,000 from K800,000.
64A (2)	Increases the maximum annual threshold for Turnover Tax to K5,000,000 from K800,000 for a person conducting business through the gig economy.
81B	Makes a general tax clearance certificate mandatory when conducting certain transactions.
81C (1A)	Introduces an Advance Income Tax where a taxpayer does not have a valid tax clearance certificate for the following: (i) export of goods for commercial purposes; and

(ii) remittances outside the Republic for transactions above \$2000.

82A(1E)	Empowers the Commissioner-General to grant an exemption from withholding tax on royalties.
84 (6) & (7)	Introduces a due date for declared agents to remit the withheld tax and a penalty for failure to remit within the stipulated time.
84 (8)	Renumbers subsection (6) as subsection (8) following the insertion of the new subsection (6) and (7)
Second Schedule Para 5(l)	Extends the exemption from income tax to private funds.
Ninth Schedule (Part I)	Increases by 20% the presumptive tax on motor vehicles for the carriage of persons.
Ninth Schedule (Part II)	Increases the turnover tax rate to 5% from 4% on annual turnover of above K12,000 up to K5, 000 000.
Ninth Schedule (Part III)	Provides a substantive tax rate of 15% on betting (brick and mortar) and lottery winnings (brick and mortar).
Charging Schedule Para 5(c)	Increases the income tax rate to 20% from 15% on income from the export of non-traditional products.
Charging Schedule Para 5(e)	Increases the rental income tax rate to 16% from 12.5% on gross income exceeding K800, 000 per annum from the letting of property.
Charging Schedule Para 5(f)	Increases the income tax rate to 20% from 15% on income from the manufacture of products made out of copper cathodes.



Charging Schedule Para 5(1) Clarifies the counting of the five-year period of reduced rates for a Special Purpose Vehicle (SPV).

Charging Schedule Para 6(2) Prescribes an Advance Income Tax rate of 15% on remittances outside the Republic and exports of goods for commercial purposes.

Charging Schedule Para 7 Prescribes the withholding tax rate of 15% (from 20%) on winnings from gaming, lottery and betting.

### **3.0 PROPERTY TRANSFER TAX (AMENDMENT) ACT NO. 27 OF 2024**

<b>Section</b>	<b>Subject</b>
1	Title and Commencement
2	(i) Aligns the definition of intellectual property with the relevant Acts. (ii) Introduces the definitions of ‘building society’ and ‘money-lender’.
4	Increases the property transfer tax rate to 8% from 5% on the transfer of land, shares, intellectual property and on the transfer of a mining right for an exploration licence.
5	Extends the use of the actual price, to building societies and money-lenders, as realised value for foreclosed property.

### **4.0 THE VALUE ADDED TAX (AMENDMENT) ACT NO. 23 OF 2024**

<b>Section</b>	<b>Subject</b>
1	Title and commencement

- 7A (2) Empowers the Commissioner-General to allow a taxable supplier to use a document, device or equipment other than an electronic invoicing system upon meeting prescribed conditions.
- 8 (6) (c) Clarifies that imported services outside the prescribed scope of Cross Border Electronic Services are taxable under the reverse Value Added Tax mechanism or through an appointed agent.
- 18 (3) (a) (b) Deletes paragraph (a) and (b) which provided for manual invoices and invoices issued from an approved computer package as documentary evidence to support input tax claims.
- 18 (3) (c) Restricts the claim of input tax to invoices issued from electronic invoicing system (smart invoice) or those invoices issued by a taxable supplier exempted from the use of smart invoice.
- 18 (3) (a) (b) & (c) Renumbers subparagraphs (c), (d) and (e) as paragraphs (a), (b) and (c), respectively, following the deletion of subparagraphs (a) and (b).
- 38A (1) & (2) Replaces the job title of “Assistant Commissioner” with the title of “Assistant Director”.

**5.0 VALUE ADDED TAX (GENERAL) (AMENDMENT) REGULATIONS, STATUTORY INSTRUMENT NO. 95 OF 2024**

Regulation	Subject
1	Title and Commencement
3	Corrects the threshold amount for open market value of items supplied for promotional or publicity purposes.
15	Corrects the threshold amount for the turnover of a registered taxable supplier engaged in making zero-rated supplies.
19	Renumbers subregulation (3) as subregulation (2), following the deletion of subregulation (2).

**6.0 VALUE ADDED TAX (ELECTRONIC INVOICING SYSTEM) (AMENDMENT) REGULATIONS, STATUTORY INSTRUMENT NO. 94 OF 2024**

<b>Regulation</b>	<b>Subject</b>
1	Title and Commencement
5	Clarifies that all manually recorded transactions must be uploaded to the electronic invoicing system within 72-hours after restoration of the system.
6	Extends the provision for claiming input tax to a taxable supplier exempted from using the electronic invoicing system.
10	Provides for reasons other than the cessation of business for a taxable supplier to discontinue the use of an approved invoicing system.
11	Clarifies that a taxable supplier that has registered its approved invoicing system for its own use should not transfer that system to another taxable supplier.

**7.0 VALUE ADDED TAX (EXEMPTION) (AMENDMENT) ORDER STATUTORY INSTRUMENT NO. 93 OF 2024**

<b>Paragraph</b>	<b>Subject</b>
1	Title and Commencement
2	Removes the definition of “life Policy”

**8.0 THE INCOME TAX (ADVANCE INCOME TAX) REGULATIONS STATUTORY INSTRUMENT NO. 96 OF 2024**

<b>Regulation</b>	<b>Subject</b>
1	Title and Commencement
2	Interpretation

3 Deduction of advance income tax by bank on remittances under section 81C of Act

4 Submission of return and payment of tax

## **9.0 THE CUSTOMS AND EXCISE (SUSPENSION) (INTERNET SERVICES) REGULATIONS, STATUTORY INSTRUMENT NO. 91 OF 2024**

Regulation

**Subject**

1 Title and Commencement

2 Interpretation

3 Suspension of excise duty on internet services

4 Revocation of S.I. No. 68 of 2023

## **10.0 THE INSURANCE PREMIUM LEVY (AMENDMENT) ACT NO. 28 OF 2024**

Section

**Subject**

1 Title and commencement

2 (i) Deletes the definition of “electronic fiscal device”.  
(ii) Introduces the definition of “electronic invoicing system” with reference to the Value Added Tax Act.

4 Replaces the words “electronic fiscal device” with “electronic invoicing system”.

## **11.0 THE CUSTOMS AND EXCISE (AMENDMENT) ACT NO. 24 OF 2024**

Section

**Subject**

1	Title and commencement
2	Replaces “Revenue Appeal Tribunal” with “Tax Appeals Tribunal Act”
94 (1)	Exempts the production of electrical energy, of up to 100kWh, for personal or domestic use from licencing and payment of excise duty.
99	Replaces the words “Revenue Appeals Tribunal” with “Tax Appeals Tribunal”
108 (10)	Reduces the number of days to three from five, within which a licensed manufacturer is required to pay for estimated assessments and penalties for failure to file a return.
155 (3)	Clarifies the use of the excisable value in the charging of general penalties for a licensed manufacturer of excisable goods.
155 (4) & (5)	Renumbers subsections (4) and (5) as subsections (5) and (6) respectively.
Second Schedule-Heading 1	Increases the excise duty to K1.00 per litre from 60 Ngwee per litre for HS Heading 2009.
Second Schedule-Heading 2	Increases the excise duty to K1.00 per litre from 30 Ngwee per litre for HS Heading 2201.
Second Schedule-Heading 3	Increases the excise duty to K1.00 per litre from 30 Ngwee per litre for HS Heading 2202.
Second Schedule-Heading 7	<ul style="list-style-type: none"> <li>(i) Increases the excise duty rates on cigars, cheroots, cigarillos and cigarettes, of tobacco or tobacco substitutes to K452 per mille from K400 per mille</li> <li>(ii) increases the excise duty rates on water pipe tobacco, cutrag and other manufactured tobacco and manufactured tobacco substitutes, homogenised or reconstituted tobacco, tobacco extracts and essences to K452 per kilogram from K400 per kilogram.</li> </ul>

Second  
Schedule-  
Heading 9

Increases the specific excise duty on hydrocarbons.

Sixth  
Schedule-  
Para 1(4)

Reduces the excise duty payable on locally produced non-alcoholic beverages of HS Heading 2202 to one tenth from one sixth.

## **12.0 THE MOBILE MONEY TRANSACTION LEVY ACT NO. 25 OF 2024**

Section

**Subject**

- |   |  |
|---|--|
| 1 | Title and Commencement   |
| 2 | Defines words and expressions used in the Mobile Money Transaction Levy Act.   |
| 3 | Provides that the Mobile Money Transaction Levy Act shall be administered by the Zambia Revenue Authority.   |
| 4 | Empowers the Commissioner-General to administer the Mobile Money Transactions Act.   |
| 5 | <ul style="list-style-type: none"><li>(i) Imposes a levy on payment or transfer of electronic money from one person to another;</li><li>(ii) Provides the due date for the submission of returns and remittance of the levies collected; and</li><li>(iii) Provides for penalties for non-compliance</li></ul> |
| 6 | Empowers the Minister, through a statutory instrument, to exempt a person, from paying the mobile money transaction levy.  |
| 7 | Obligates mobile money service providers to keep records of their operations and provides for penalties for non-compliance.  |
| 8 | Empowers the Commissioner-General to access any premises without giving prior notice.  |
| 9 | Empowers the Commissioner-General to issue administrative rules to support the administration of this Act.   |

- 10 Empowers the Minister to issue Regulations to support the administration of this Act.
- 11 (1) Repeals the Mobile Money Transaction Levy Act, 2023.
- 11 (2) (i) Obligates the mobile money service provider to remit the total levies collected to the Zambia Revenue Authority.
- (ii) Obligates the Bank of Zambia to transmit records, returns or documents related to the transactions under the repealed Act to the Zambia Revenue Authority.
- Schedule Prescribes rates chargeable on mobile money transactions.

## **PART II: COMMENTARY ON AMENDMENTS**

### **13.0 THE INCOME TAX (AMENDMENT) ACT NO. 22 OF 2024**

#### **13.1 SECTION 1: TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January, 2025.

#### **13.2 SECTION 2: INTERPRETATION**

##### **13.2.1** Section 2 (1) of the principal Act is amended by the deletion of the definition of “*approved annuity contract*”.

This amendment deletes the definition of “approved annuity contract” because the approval of pension schemes is now under the Pension Scheme Regulation Act.

##### **13.2.2** Section 2 (1) of the principal Act is amended by the deletion of the definition of “*approved pension fund*”

The amendment deletes the definition of “approved pension fund” because the approval of pension funds is now under the Pension Scheme Regulation Act.

##### **13.2.3** Section 2 (1) of the principal Act is amended by the deletion of the definition of “*approved fund*” and the substitution therefor of the following:

*“approved fund” means a pension scheme registered under the Pension Scheme Regulation Act;*

This amendment replaces the definition of “approved fund” to make reference to the Pension Scheme Regulation Act, following the removal of the provisions relating to the approval of pension schemes from the Income Tax Act in 2023.

##### **13.2.4** Section 2 (1) of the principal Act is amended by the deletion of the definition of “*pensionable terms*” and the substitution therefor of the following:

*“pensionable terms” means terms and conditions of employment under which an employee belongs to an approved fund operated by an employer for the benefit of the employer’s employees;*

The amendment extends the scope of pensionable terms to other approved funds such as gratuity funds, savings funds, etc. Prior to this amendment, the definition of pensionable terms was limited to approved pension funds.



**13.2.5** Section 2 (1) of the principal Act is amended by the insertion of the following new definitions:

*“private fund” means a private and authorised by the Securities and Exchange Commission under the Securities Act, 2016;*

*“Securities and Exchange Commission” means the Securities and Exchange Commission established under the Securities Act, 2016.*

This amendment introduces definitions of ‘Private fund’ and ‘Securities and Exchange Commission’.

### **13.3 SECTION 30: LOSSES**

Section 30 of the principal Act is amended by the deletion of subsection (1) and (2) and the substitution therefor of the following:

*(1) A loss incurred by a person in a charge year from a source shall be deducted from fifty percent of the income of the person from the same source on which the loss was incurred.*

*(2) Where a loss referred to in subsection (1) exceeds fifty percent on income of a person from a charge year, the excess shall, as far as possible, be deducted from fifty percent of that person’s income from the same source on which the loss was incurred in the following charge year.*

The amendment limits the deductibility of losses to a maximum of 50% of the taxable income in a charge year for a person carrying on any business. Prior to this amendment, the 50% limitation on deductibility was only applicable to persons carrying on mining operations.

#### **Example 1:**

##### **Agricultural Business**

An agricultural company, Tilima Limited, made a loss of K800,000 in the charge year 2024. The taxable income and losses declared for the subsequent years are as follows:

- 2025: K150,000
- 2026: (K50,000)
- 2027: K500,000

Year	Taxable Income (K)	50% of Income Utilized Against Losses (K)	Loss Brought Forward (K)	Loss Carried Forward (K)	Taxable Amount (K)
2025	150,000	75,000	(800,000)	(725,000)	75,000
2026	(50,000)	0	(725,000)	(775,000)	0
2027	500,000	250,000	(775,000)	(525,000)	250,000

In 2025, K75,000, which is not offset against the loss, will be taxed. Similarly, in 2027, K250,000 will be taxed. Therefore, the tax payable will be as follows:

- 2025: CIT Rate (10%) X Taxable Amount (K75,000) = K7,500
- 2026: K0.00
- 2027: CIT Rate (10%) X Taxable Amount (K250,000) = K25,000

### Manufacturing Business

A manufacturing company, Tipanga Limited, made a loss of K2,000,000 in the charge year 2024. The taxable income and losses declared for the subsequent years are as follows:

- 2025: K300,000
- 2026: K100,000
- 2027: K800,000

Year	Taxable Income (K)	50% of Income Utilized Against Losses (K)	Loss Brought Forward (K)	Loss Carried Forward (K)	Taxable Amount (K)
2025	300,000	150,000	(2,000,000)	(1,850,000)	150,000
2026	100,000	50,000	(1,850,000)	(1,800,000)	50,000
2027	800,000	400,000	(1,800,000)	(1,400,000)	400,000

In 2025, K150,000 will be taxed, followed by K50,000 in 2026 and K400,000 in 2027. Therefore, the tax payable will be as follows:

- 2025: CIT Rate (30%) X Taxable Amount (K150,000) = K45,000
- 2026: CIT Rate (30%) X Taxable Amount (K50,000) = K15,000
- 2027: CIT Rate (30%) X Taxable Amount (K400,000) = K120,000

#### 13.4 SECTION 37: APPROVED FUND DEDUCTIONS

Section 37 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following:

*(1) A deduction shall be allowed in ascertaining the gains or profits of an employer for a charge year of any amount paid during the charge year by the employer by way of contribution to an approved fund.*

The amendment removes reference to the Fourth Schedule which was repealed in 2023.

#### 13.5 SECTION 43E: DEDUCTION FOR SKILLS DEVELOPMENT LEVY

The principal Act is amended by the repeal of section 43E and the substitution therefor of the following:

*43E. A deduction shall be allowed in ascertaining the gains or profits of a business of any levy payable or paid for a charge year in accordance with the provisions of the Skills Development Levy Act, 2016.*

This amendment allows for the deduction of skills development levy even where the levy due has not yet been paid to the Zambia Revenue Authority.

#### 13.6 SECTION 45B: TAXPAYER IDENTIFICATION NUMBER REQUIRED FOR CERTAIN TRANSACTIONS

Section 45B of the principal Act is amended by the insertion in columns 1 and 2 of the following:

<i>Column 1</i> <i>Institution</i>	<i>Column 2</i> <i>Type of Transaction</i>
<i>Water utility companies</i>	<i>Account opening and holding</i>
<i>Mobile money operators</i>	<i>Account opening and holding</i>
<i>Mobile network operators and internet service providers</i>	<i>Account opening and holding</i>
<i>National Health Insurance Management Authority</i>	<i>Account opening and holding</i>
<i>National Pensions Scheme Authority</i>	<i>Account opening and holding</i>

<i>Professional bodies subscription and renewal</i>	<i>Membership registration,</i>
<i>Local Authorities</i>	<i>Registration of title deed</i>

The amendment broadens the list of entities mandated to require a Taxpayer Identification Number (TPIN) for the purpose of account opening and maintenance, for membership registration and registration of land title deed.

Following this change, Water utility companies, Mobile money operators, Mobile network operators, Internet service providers, National Health Insurance Management Authority and National Pension Scheme Authority shall require a TPIN for account opening and maintenance. Further, professional bodies shall require a TPIN for membership registration, subscription and renewal whereas local authorities shall require a TPIN for the registration of land title deeds.

### **13.7 SECTION 46A: PROVISIONAL INCOME**

Section 46A of the principal Act is amended by the deletion of subsection (5) and the substitution therefor of the following:

*(5) The Commissioner-General shall, where the Commissioner-General receives a return of income under section 46 and the Commissioner-General reasonably believes that the income is understated such that the tax on the return is underpaid by at least one third, impose on a person a penalty at the rate of twenty-five per cent of the tax which is underpaid, except that the Commissioner-General may remit the whole or part of the penalty.*

This amendment empowers the Commissioner-General to consider waiving the whole or part of the penalty arising from the understatement of income in the provisional return, if satisfied with the reasons for understatement.

### **13.8 SECTION 64A: STANDARD ASSESSMENT**

**13.8.1** Section 64A of the principal Act is amended in subsection (2), by the deletion of the words “eight hundred thousand kwacha” and the substitution therefor of the words “five million kwacha”;

The new Section 64A (2) now reads as follows:

*The Commissioner General may make a standard assessment requiring any person carrying on any business, other than the business referred to in subsection(1), with an*

*annual turnover of five million kwacha or less, to pay tax on turnover at the rate set out in Part II of the Ninth Schedule:*

*Provided that the provisions of this subsection shall not apply to income earned from the provision of consultancy services or from mining operations or to income earned from a business that qualifies for voluntary registration under the Value Added Tax Act and is issued with a value added tax registration certificate.*

This amendment increases the maximum annual threshold for Turnover Tax to K5,000,000 from K800,000. This means that a person with an annual turnover of up to K5,000,000 is required to be registered for Turnover Tax.

As before, partnerships, income earned from consultancy services, mining operations and a business that is on voluntary Value Added Tax remain excluded from turnover tax.

**Note:**

- (i) Rental tax threshold remains unchanged at K800,000.
- (ii) The threshold for artisanal and small scale mining licence holders remains unchanged at K800,000.
- (iii) The statutory Value Added Tax (VAT) threshold remains unchanged at K800,000.00. Therefore, a taxpayer with an annual taxable turnover exceeding K800,000.00 but not exceeding K5,000,000.00 is required to register for turnover tax and VAT. The one with an annual taxable turnover exceeding K5,000,000.00 is required to register for income tax and VAT.

**13.8.2** Section 64A of the principal Act is amended in subsection (2A) (a), by the deletion of the words “eight hundred thousand kwacha” and the substitution therefor of the words “five million kwacha”.

The new section 64A(2A) (a) now reads as follows:

*(2A) Despite subsection (2), the Commissioner-General may make a standard assessment requiring—*

*(a) a person conducting business through the gig economy, with an annual turnover of five million kwacha or less, to pay tax on turnover at the rate set out in Part II of the Ninth Schedule;*

This amendment increases the maximum annual threshold for Turnover Tax to K5,000,000 from K800,000 for a person conducting business through the gig economy.

**13.9 SECTION 81B: TAX CLEARANCE CERTIFICATE**

The principal Act is amended by the repeal of section 81B and the substitution thereof of the following:

*81B. (1) A person, institution or authority empowered by any written law to register—*

*(a) a transfer of property, shall register the transfer of property if the person or partnership transferring the property produces a tax clearance certificate; or*

*(b) the ownership of a motor vehicle, shall register the motor vehicle if the person applying for ownership of a motor vehicle produces a tax clearance certificate.*

*(2) A person, institution or authority empowered to issue—*

*(a) a trading licence under any written law shall issue the trading licence to an applicant if the applicant produces a tax clearance certificate; or*

*(b) an exploration licence, mining licence, mineral processing licence, gold panning certificate, mineral trading permit, mineral import permit or mineral export permit under the Mines and Minerals Development Act, 2015, shall issue the licence, certificate or permit to the applicant if the applicant produces a tax clearance certificate.*

*(3) A Government ministry, department or agency shall issue a permit or licence to a person or partnership if that person or partnership produces a tax clearance certificate.*

*(4) A person, partnership, institution, organisation or association shall transact with a supplier of goods or services if the supplier of goods or services produces a tax clearance certificate.*

*(5) Despite subsection (4), the Minister may prescribe a threshold for goods or services that may be supplied by a supplier of goods or services without a tax clearance certificate.*

*(6) A person, institution or authority empowered under any written law to regulate that person, institution or authority's members shall register or renew membership or issue a licence, practising certificate, permit or similar document if the applicant produces a tax clearance certificate.*

*(7) Despite subsection (6), a person, institution or authority shall not require a tax clearance certificate from an applicant who is—*

*(a) a student; or*

*(b) not carrying on business relating to that person, institution or authority.*

*(8) Despite subsection (6), the Minister may, by statutory instrument, exempt a member regulated by a person, institution or authority referred to under subsection (6) from the requirement to produce a tax clearance certificate.*

*(9) The Commissioner-General may by notice, in writing, cancel a tax clearance certificate and the cancellation shall have effect from the date of service of the notice on the holder of the tax clearance certificate.*

*(10) The holder of a tax clearance certificate shall, within thirty days after the date of service of the notice of cancellation of the tax clearance certificate, return the tax clearance certificate to the Commissioner-General.*

*(11) In this section unless the context otherwise requires—*

*“property” has the meaning assigned to the word in the Property Transfer Tax Act; and*

*“tax clearance certificate” means a certificate issued by the Commissioner-General, valid for such period as may be specified in the certificate, stating that the person or partnership to whom or to which the certificate is issued fulfilled all obligations imposed on that person or partnership by this Act and by any other Act for which the Commissioner-General is responsible or has made arrangements satisfactory to the Commissioner-General for issuing the certificate.*

This amendment clarifies that in addition to specific clearance certificate for transfer of property and motor vehicle change of ownership, a valid general tax clearance certificate is mandatory. Further, the amendment provides for the requirement of a valid general tax clearance certificate in the issuance of permits or licences by government ministries, departments or agencies.

**Note:**

The requirement for a tax clearance certificate does not apply to a student registering with a regulatory institution or an applicant who is not carrying on business relating to that person, institution or authority. Additionally, a tax clearance certificate will not be required for goods and services that are below ZMW200 per transaction and agricultural produce with a value not exceeding ZMW10,000 per transaction.

## 13.10 SECTION 81C: ADVANCE TAX ON INCOME IN RESPECT OF IMPORTED GOODS

Section 81C of the principal Act is amended by the insertion of the following new subsection immediately after subsection (1):

*(1A) Subject to subsection (3), a person or partnership shall pay advance income tax, at the rate specified in the Charging Schedule, where that person or partnership, without a tax clearance certificate, is—*

*(a) exporting goods for commercial purposes at the port of entry; or*

*(b) remitting a transaction above two thousand United States dollars or kwacha equivalent through a commercial bank.*

The amendment introduces an Advance Income Tax (AIT) on remittances outside the Republic for transactions above \$2,000 or kwacha equivalent and on exports of goods for commercial purposes where a taxpayer does not have a valid tax clearance certificate.

Where any other currency is remitted, reference will be made to \$2,000 or equivalent. The AIT on remittances will be accounted for through an AIT return determined by the Commissioner-General.

The payment of the deducted AIT on exports will be similar to the existing AIT on imports and shall be accounted for under the Customs Services Division.

Remittance refers to the transfer of funds from the Republic or an account held in the Republic to an account, person or partnership outside the Republic.

Commercial purposes refers to the shipment of goods from the Republic to another country with the primary intent of generating revenue, trade, or business income.

### **Note:**

As is the case for AIT on imports, AIT on exports and remittances is not a final tax. This AIT sits as a credit on the account of the taxpayer that has been charged. It can be utilised to off-set other liabilities or can be refunded in full where there are no liabilities to offset. In a case where part of it is used to offset a liability, the balance is what can be refunded as an actual payment to the taxpayer.

Taxpayers on income tax and those on turnover tax are expected to lodge the AIT claims through the respective returns.



### **13.11 SECTION 82A: DEDUCTION OF TAX FROM CERTAIN PAYMENTS**

Section 82A of the principal Act is amended by the deletion of subsection (1E) and the substitution therefor of the following:

*(1E) The Commissioner-General may exempt a person or partnership from the provisions of subsection (1) (a), (b), (c), or (d) and shall, in writing, notify the person or partnership of the exemption for the period specified in the notice, except that subsection (1) (b), shall only apply to interest arising from a property linked unit of a property loan stock company, and royalties.*

This amendment empowers the Commissioner-General to grant an exemption from withholding tax on royalties upon meeting certain requirements. Prior to this amendment, the Act provided for exemptions on interest, commission, management and consultancy fees but did not include royalties.

### **13.12 SECTION 84: AGENT FOR PAYMENT OF TAX**

**13.12.1** Section 84 of the principal Act is amended by the insertion of the following new subsections immediately after subsection (5):

*(6) A person or partnership declared to be an agent under subsection (1) shall, where that person or partnership withholds tax, remit the tax not later than two days before the due date specified for the respective category of tax under this Act.*

*(7) A person or partnership declared to be an agent who does not remit the tax in the period specified under subsection (7) shall be liable to pay a penalty of one percent of the amount, in respect of each month or part of the month for which the contravention continues during which that amount or any part is due.*

This amendment introduces a due date by which declared agents are required to remit the tax to the Commissioner-General and the applicable penalty for failure to remit. The declared agents are required to remit the tax not later than two days before the due date of the specific tax type. The penalty is 1% of the tax amount for each month or part of the month that the appointed agent does not remit the tax.

**13.12.2** Section 84 of the principal Act is amended by the renumbering of subsection (6) as subsection (8).

The amendment renumbers subsection (6) as subsection (8) following the insertion of the new subsections (6) and (7).

### 13.12.3 SECOND SCHEDULE: EXEMPTIONS

Paragraph 5(l) of the Second Schedule to the principal Act is amended by the deletion of item (l) and the substitution therefor of the following:

*(l) approved collective investment scheme and private fund to the extent to which the income is distributed to participants in the collective investment scheme and private fund, respectively;*

The amendment extends the exemption from income tax to private funds such as private equity funds, hedge funds, venture capital funds and real estate funds. Prior to this amendment, the exemption was only applicable to approved collective investment schemes.

### 13.13 NINTH SCHEDULE: PRESUMPTIVE TAX

13.13.1 The Ninth Schedule to the principal Act is amended by the deletion of Part I and the substitution therefor of the following:

*PART I  
TAX ON MOTOR VEHICLES FOR THE CARRIAGE OF PERSONS*

<i>Type of vehicle (sitting capacity)</i>	<i>Amount of tax per motor vehicle (per annum)</i>
<i>64 seater and above</i>	<i>K15,552.00</i>
<i>50-63 seater</i>	<i>K12,960.00</i>
<i>36-49 seater</i>	<i>K10,368.00</i>
<i>22-35 seater</i>	<i>K 7,776.00</i>
<i>18-21 seater</i>	<i>K 5,184.00</i>
<i>12-17 seater</i>	<i>K 2,592.00</i>
<i>Below 12 seater (including taxis)</i>	<i>K 1,296.00</i>

This amendment increases the presumptive tax payable by individuals or partnerships (excluding corporate bodies) on motor vehicles used for the carriage of persons as tabulated below:

**Table 1: Presumptive tax rate on motor vehicles used for the carriage of persons**

Type of Vehicle (Sitting Capacity)	Amount of Tax Per Motor Vehicle/Annum 2024	Amount of Tax Per Motor Vehicle/Annum 2025
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<i>64 seater and above</i>	K12,960	K15,552.00
<i>50-63 seater</i>	K10,800	K12,960.00
<i>36-49 seater</i>	K8,640	K10,368.00
<i>22-35 seater</i>	K6,480	K 7,776.00
<i>18-21 seater</i>	K4,320	K 5,184.00
<i>12-17 seater</i>	K2,160	K 2,592.00
<i>Below 12 Seater ( Including taxis)</i>	K1,080	K1,296.00

**13.13.2** The Ninth Schedule to the principal Act is amended by the deletion of Part II and the substitution therefor of the following:

*PART II  
TAX ON TURNOVER  
Turnover per annum Tax Rate*

<i>K12, 000 or less</i>	<i>0 percent</i>
<i>Above K12, 000 up to K5, 000 000</i>	<i>5 percent</i>

This amendment increases the turnover tax rate to 5% from 4% on annual turnover above K12,000 up to K5, 000 000.

**13.13.3** The Ninth Schedule to the principal Act is amended by the deletion of Part III and the substitution therefor of the following:

*PART III  
TAX ON BETTING AND GAMING*

<i>Type of Game</i>	<i>Monthly Tax Rate or Monthly Tax Amount</i>
<i>1. Online Casino Live Games</i>	<i>20 percent of gross takings</i>
<i>2. Online Casino Machine Games</i>	<i>35 percent of gross takings</i>
<i>3. Casino Games (Brick and Mortar)</i>	<i>K5,000 per table</i>
<i>4. Online Lottery Winnings</i>	<i>35 percent of net proceeds</i>
<i>5. Lottery Winnings (Brick and Mortar)</i>	<i>15 percent of net proceeds</i>
<i>6. Online Betting</i>	<i>25 percent of gross takings</i>
<i>7. Betting</i>	<i>15 percent of gross takings</i>
<i>8. Gaming Machines</i>	<i>K500 per machine</i>

*NOTES:*

1. *“Net proceeds” means the gross proceeds less sums paid out for the prizes.*
2. *“Gross takings” means the total amount staked by players less the winnings payable and redemptions.*

The amendment provides a substantive tax rate of 15% on betting (brick and mortar) and lottery winnings (brick and mortar). Prior to this amendment, the 15% presumptive tax rate on betting (brick and mortar) and lottery winnings (brick and mortar) was only applicable to the 2023 and 2024 charge years.

### **13.14 CHARGING SCHEDULE:**

**13.14.1** The Charging Schedule to the principal Act is amended in paragraph 5 by the deletion of item (c) and the substitution therefor of the following:

*(c) the maximum rate of tax on income the Commissioner-General determines as originating from the export of non-traditional products is twenty percent, except that where the Commissioner-General determines income as originating from the export of non-traditional products from farming or agro-processing, the maximum rate of tax on that income is ten percent;*

This amendment increases the income tax rate to 20% from 15% on income originating from the export of non-traditional products. However, this amendment does not include export of non-traditional products from farming or agro-processing.

**13.14.2** The Charging Schedule to the principal Act is amended in paragraph 5 by the deletion of item (e) and the substitution therefor of the following:

*(e) the maximum rate of tax for the turnover received by a person or partnership from the letting of property shall be—*

- (i) zero percent per annum on turnover as does not exceed twelve thousand kwacha;*
- (ii) four percent per annum on turnover between twelve thousand and eight hundred thousand kwacha;*
- (iii) sixteen percent per annum on turnover as exceeds eight hundred thousand kwacha;*

This amendment increases rental income tax rate to 16% from 12.5% on the gross rental income exceeding K800,000 per annum. However, a 0% tax rate will apply on turnover of

up to K12, 000 and 4% will still apply on the rental income above K12,000 but not exceeding K800,000 per annum.

**13.14.3** The Charging Schedule to the principal Act is amended in paragraph 5 by the deletion of item (f) and the substitution therefor of the following:

*(f) the maximum rate of tax on income received by a company, from the manufacture of products made out of copper cathodes, is twenty percent per annum;*

This amendment increases the income tax rate to 20% from 15%, on income generated from the manufacture of products made out of copper cathodes.

**13.14.4** The Charging Schedule to the principal Act is amended in paragraph 5 by the deletion of item (I) and the substitution therefor of the following:

*(I) the maximum rate of tax charged on the income received by a special purpose vehicle undertaking a public-private partnership project under the Public-Private Partnership Act, 2023 shall be fifteen percent from the first year that a public-private partnership project makes profit for a period of five years;*

This amendment clarifies that the five-year period of reduced rates applies in the year the Special Purpose Vehicle (SPV) first declares a profit and the four consecutive years.

**Note:**

The four consecutive years will be considered whether or not the SPV makes a profit.

**13.14.5** The Charging Schedule to the principal Act is amended in paragraph 6 by the deletion of sub-paragraph (2) and the substitution therefor of the following:

*(2) The tax required to be paid under section 81C shall be at the rate of fifteen percent of the value for any—*

- (a) import or export for duty purposes of the goods; and*
- (b) remittance*

The amendment introduces an Advance Income Tax rate of 15% on remittances outside the Republic on an account held in the Republic to an account, person or partnership outside the Republic and exports of goods for commercial purposes where a taxpayer does not have a valid tax clearance certificate.

**13.14.6** The Charging Schedule to the principal Act is amended in paragraph 7 by the deletion of item (viii) and the substitution therefor of the following:

*(viii) tax required to be deducted from the payment of winnings from gaming, lotteries and betting shall be at the rate of fifteen percent;.*

The amendment reduces the withholding tax rate to 15% from 20% on winnings from gaming, lottery and betting. Prior to this amendment the withholding tax rate was 20% (excluding the 2023 and 2024 charge years which had a reduced rate of 15%).

## **14.0 PROPERTY TRANSFER TAX (AMENDMENT) ACT NO. 27 OF 2024**

### **14.1 SECTION 1: TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January, 2025.

### **14.2 SECTION 2: INTERPRETATION**

**14.2.1** Section 2 of the principal Act is amended by the deletion of the definition of “intellectual property” and the substitution therefor of the following definition:

*intellectual property” includes a—*

- (a) patent granted for an invention under the Patents Act, 2016;*
- (b) design registered under the Industrial Designs Act, 2016;*
- (c) trade mark registered under the Trade Marks Act, 2023; and*
- (d) copyright in a work registered under the Copy Right and Performance Rights Act;*

This amendment aligns the definition of intellectual property with Acts dealing with patents, designs, trademarks and copyrights.

**14.2.2** Section 2 of the principal Act is amended by the insertion of the following new definitions in the appropriate places in alphabetical order:

*“building society” has the meaning assigned to the words in the Building Societies Act;*

*“money-lender” has the meaning assigned to the words in the Money-Lenders Act;*

This amendment introduces the definitions of ‘building society’ and ‘money-lender’ as defined in their respective Acts.

The Building Societies Act defines “building society” as follows:

*"building society" means a society formed for the purpose of raising a stock or fund from which to make advances upon security either by way of mortgage of freehold or leasehold estate or in such manner as is permitted by this Act;*

The Money-Lenders Act defines "money-lender" as follows:

*"money-lender" includes every person whose business is that of money-lending or who advertises or announces himself or holds himself out in any way as carrying on that business, but shall not include-*

- (a) any pawnbroker in respect of business carried on by him in accordance with the provisions of any law for the time being in force in relation to pawnbrokers; or
- (b) any body corporate in so far as it is empowered to lend money by any Act or by any British Act; or
- (c) any person bona fide carrying on the business of banking or insurance or bona fide carrying on any business not having for its primary object the lending of money, in the course of which and for the purposes whereof he lends money; or
- (d) any building society registered under the Building Societies Act; or Cap. 412
- (e) any body corporate for the time being exempted under section two A;

### 14.3 SECTION 4:PROPERTY TRANSFER TAX

Section 4 of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following:

(2) *The rate of tax is—*

- (a) *ten percent of the realised value in respect of a mining right for a mining licence;*
- (b) *eight percent of the realised value in respect of a mining right for an exploration licence;*
- (c) *ten percent of the realised value in respect of a mineral processing licence;*
- (d) *eight percent of the realised value in respect of land;*
- (e) *eight percent of the realised value in respect of shares; and*
- (f) *eight percent of the realised value in respect of intellectual property.*

This amendment increases the property transfer tax rate to 8% from 5% on the transfer of land, shares, intellectual property and on the transfer of a mining right for an exploration licence.

### 14.4 SECTION 5: REALISED VALUE

Section 5 of the principal Act is amended by the deletion of subsection (5A) and the substitution therefor of the following:

*(5A) Where a financial service provider, building society or money-lender transfers a foreclosed property, the realised value of the foreclosed property shall be the actual price, if any, received by the financial service provider, building society or money-lender.*

This amendment extends the use of the actual price to building societies and money-lenders, as the realised value, where the owner of the property fails to pay an obligation owed to the building societies or money-lenders. Prior to this amendment, the provision was only applicable to financial service providers.



## **15.0 THE VALUE ADDED TAX (AMENDMENT) ACT NO. 23 OF 2024**

### **15.1 SECTION 1: TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January 2025.

### **15.2 SECTION 7A: RECORD OF SALES**

Section 7A of the principal Act is amended by the deletion of subsection (2) and substitution therefor of the following:

*(2) Despite subsection (1), the Commissioner General may, on prescribed conditions, approve the use of a document, device or equipment, other than an electronic invoicing system, by a taxable supplier.*

The amendment empowers the Commissioner-General to allow a taxable supplier to use a document, device or equipment other than the electronic invoicing system upon prescribed conditions specified in the Commissioner-General's Rules.

### **15.3 SECTION 8: IMPOSITION AND SCOPE OF TAX**

Section 8(6) of the principal Act is amended by the deletion of paragraph (c) and substitution therefor of the following:

*(c) services supplied are not under the prescribed scope of cross border electronic services.*

The amendment clarifies that imported services outside the prescribed scope of Cross Border Electronic Services are taxable under the reverse Value Added Tax mechanism through an appointed agent.

**Note:**

The scope of cross border electronic services is provided for in the Value Added Tax (Cross Border Electronic Services) Regulations, Statutory Instrument No. 58 of 2023.

### **15.4 SECTION 18: TAX DEDUCTIONS AND CREDIT**

**15.4.1** Section 18 (3) of the principal Act is amended by the deletion of paragraphs (a) and (b)

The amendment deletes paragraphs (a) and (b) which provided for manual invoices and invoices issued from an authorised computer package as documentary evidence to support input tax claims.

**15.4.2** Section 18 (3) of the principal Act is amended by the deletion of paragraph (c) and the substitution therefor of the following:

*(c) an invoice issued from the electronic invoicing system or an invoice issued, as prescribed, by a taxable supplier who is exempt from the use of the electronic invoicing system under section 7A(2);*

The amendment restricts the claim of input tax to invoices meeting specific requirements. Only invoices issued from the Electronic Invoicing System (Smart Invoice) or those issued by taxable suppliers exempted from using Smart Invoice, are allowed as documentary evidence to support input tax claims.

**Note:**

Effective 1<sup>st</sup> January 2025, input tax claims are restricted to invoices issued from the Smart Invoice system or those issued by taxable suppliers exempted from using Smart Invoice. However, tax invoices issued outside the Smart Invoice system upto 31<sup>st</sup> December 2024, are valid for input tax deduction in 2025, if they meet the ninety day validity period and other mandatory features of a tax invoice.

**15.4.3** Section 18 (3) of the principal Act is amended by the renumbering of paragraphs (c), (d) and (e) as paragraphs (a), (b) and (c), respectively.

The amendment renumbers paragraphs (c), (d) and (e) as paragraphs (a), (b) and (c), respectively, following the deletion of paragraphs (a) and (b).

## **15.5 SECTION 38A: REMOVAL AND IMPOUNDING OF GOODS**

Section 38A of the principal Act is amended in subsection (1) and subsection (2) by the deletion of the words “Assistant Commissioner” and the substitution therefor of the words “Assistant Director”.

This amendment replaces the job title of “Assistant Commissioner” with the title of “Assistant Director”.

## **16.0 THE VALUE ADDED TAX (GENERAL) (AMENDMENT) REGULATIONS, STATUTORY INSTRUMENT NO. 95 OF 2024**

### **16.1 TITLE AND COMMENCEMENT**

These Regulations shall come into operation on 1<sup>st</sup> January, 2025.

### **16.2 REGULATION 3: GOODS NOT CONSTITUTING SUPPLY**

Regulation 3 (1) of the principal Regulations is amended in paragraph (b) by the deletion of the word "thousand".

The new paragraph (b) under Regulation 3(1) now reads as follows:

*3.(1) The supply of goods by any person in the course of a business conducted by that person shall not constitute a supply of goods for the purposes of the Act, if the goods are supplied as samples or for promotional or publicity purposes and fulfil the following conditions:*

*(b) the open market value of items supplied to any person does not exceed one hundred kwacha in any accounting year;*

This amendment corrects the threshold for the open market value of items supplied for promotional or publicity purposes to any person in any accounting year. This follows the rebasing of the Zambian currency in 2013. Prior to rebasing, the value of goods not constituting a supply was ZMK100,000. The rebased value is ZMW100.

#### **Note:**

The rebasing of the Zambian currency was done by dividing the values that existed by 1,000.

### **16.3 REGULATION 15: TAX RETURN**

Regulation 15 of the principal Regulations is amended by the deletion of the word "million" and the substitution therefor of the word "thousand".

The new Regulation 15 now reads as follows:

*A registered supplier engaged in making zero-rated supplies and whose turnover does not exceed two hundred thousand kwacha per annum shall submit a tax return every six months.*

This amendment corrects the threshold for the turnover of a registered taxable supplier engaged in making zero-rated supplies, following the rebasing of the Zambian currency in 2013. Prior to rebasing, the threshold for the turnover of a registered taxable supplier engaged in making zero-rated supplies was ZMK200,000,000. The rebased value is ZMW200,000.

**Note:**

The rebasing of the Zambian currency was done by dividing the values that existed by 1,000.

#### **16.4 REGULATION 19: PENALTIES FOR CONTRAVENTION OF RULES**

##### **16.4.1** Regulation 19 of the principal Regulations is amended by the deletion of subregulation (2).

This amendment deletes the provision that specifies penalties for failure to use a cash register. Therefore, the penalty regime for first, second, and subsequent offences, which included fines of up to thirty thousand, sixty thousand and ninety thousand penalty units, is no longer applicable.

##### **16.4.2** Regulation 19 of the principal Regulations is amended by the renumbering of subregulation (3) as subregulation (2).

The amendment renumbers subregulation (3) as subregulation (2), following the deletion of subregulation (2).

## **17.0 VALUE ADDED TAX (ELECTRONIC INVOICING SYSTEM) (AMENDMENT) REGULATIONS, STATUTORY INSTRUMENT NO. 94 OF 2024**

### **17.1 TITLE AND COMMENCEMENT**

These Regulations shall come into operation on 1<sup>st</sup> January, 2025.

### **17.2 REGULATION 5: USE OF MANUAL OR ALTERNATIVE INVOICING SYSTEM**

Regulation 5 of the principal Regulations is amended by the deletion of subregulation (3) and the substitution therefor of the following:

*(3) A taxable supplier shall ensure that all transactions recorded manually are uploaded to the electronic invoice system within seventy-two hours of the system being restored.*

This amendment clarifies that all manually recorded transactions, whether recorded using the systems offline mode or completely off the system, must be uploaded to the electronic invoicing system (Smart Invoice) within 72 hours after restoration of the system.

### **17.3 REGULATION 6: CLAIM OR DEDUCTION OF INPUT TAX**

Regulation 6 of the principal Regulations is amended by the deletion of paragraph (b) and the substitution therefor of the following:

*(b) manually or using a computer generated invoice where a taxable supplier is exempted from using an electronic invoicing system by the Commissioner-General.*

The amendment extends the provision for claiming a deduction or credit to include an invoice issued manually or a computer-generated invoice, where a taxable supplier is exempted from using the electronic invoicing system (Smart Invoice) by the Commissioner-General.

### **17.4 REGULATION 10: DEACTIVATION OF APPROVED INVOICING SYSTEM**

The principal Regulations are amended by the revocation of regulation 10 and the substitution therefor of the following:

*(1) A taxable supplier shall, where a taxable supplier discontinues the use of an approved invoicing system as a result of cessation of business or any other reason, submit a written request to the Commissioner General to deactivate the approved invoicing system, within thirty days of discontinuing the use of an approved invoicing system.*

- (2) *The taxable supplier shall keep and maintain records and accounts generated from the approved invoicing system that has been deactivated under subregulation (1) for the period that the taxable supplier is required to keep and maintain the records and accounts under the Act.*
- (3) *A taxable supplier that does not comply with sub-regulation (1) commits an offence and is liable, on conviction, to a penalty not exceeding thirty thousand penalty units.*

This amendment provides for reasons other than the cessation of business, for a taxable supplier to discontinue the use of an approved invoicing system.

#### **17.5 REGULATION 11: PROHIBITION OF TRANSFER OF APPROVED INVOICING SYSTEM**

The principal Regulations are amended by the revocation of regulation 11 and the substitution therefor of the following:

*11. A taxable supplier shall not transfer an approved invoicing system which is registered on the electronic invoicing system for use by the taxable supplier.*

This amendment clarifies that a taxable supplier that has registered an approved invoicing system for own use should not transfer that system to another party.

**18.0 THE VALUE ADDED TAX (EXEMPTION) (AMENDMENT) ORDER  
STATUTORY INSTRUMENT NO. 93 OF 2024**

**18.1 TITLE AND COMMENCEMENT**

This Order shall come into operation on 1<sup>st</sup> January 2025.

**18.2 Paragraph 2 of the principal Order is amended by the deletion of the definition of "life policy"**

This amendment removes the definition of "life policy" because the definition has become redundant following the deletion of the provisions relating to life policy in the Value Added Tax (Exemption) Order.

## **19.0 THE INCOME TAX (ADVANCE INCOME TAX) REGULATIONS STATUTORY INSTRUMENT NO. 96 OF 2024**

### **19.1 REGULATION 1: TITLE AND COMMENCEMENT**

These Regulations come into operation on 1<sup>st</sup> January 2025.

### **19.2 REGULATION 2: INTERPRETATION**

*In these Regulations, unless the context otherwise requires –*

*“bank” has the meaning assigned to the word in the Banking and Financial Services Act, 2017; and*

*“Commissioner General” means the Commissioner-General appointed under the Zambia Revenue Authority Act.*

### **19.3 REGULATION 3: DEDUCTION OF ADVANCE INCOME TAX BY BANK ON REMITTANCES UNDER SECTION 81C OF ACT**

*A bank shall, where that bank is transmitting funds outside the Republic of a transaction made by a person or partnership without a tax clearance certificate and of a threshold specified under section 81C(1A)(b) of the Act, deduct advance income tax on that transaction.*

This regulation mandates a commercial bank to deduct advance income tax when a person or partnership without a valid tax clearance certificate is transmitting funds, outside the Republic, of a value above \$2,000 or its equivalent.

### **19.4 REGULATION 4: SUBMISSION OF RETURN AND PAYMENT OF TAX**

*(1) A bank referred to under regulation 3 shall, within fourteen days after the end of the month in which the transaction was made, submit to the Commissioner General a return with respect to the deduction of the advance income tax as the Commissioner-General may determine.*

*(2) The tax on the return referred to under subregulation (1) shall be payable within fourteen days after the end of the month in which the transaction was made.*

This regulation mandates a commercial bank to submit a return and pay the advance income tax on remittances within fourteen days after the end of the month in which the transaction was made.



## **20.0 THE CUSTOMS AND EXCISE (SUSPENSION) (INTERNET SERVICES) REGULATIONS, STATUTORY INSTRUMENT NO. 91 OF 2024**

### **20.1 REGULATION 1: TITLE AND COMMENCEMENT**

These Regulations come into operation on 1<sup>st</sup> January 2025.

### **20.2 REGULATION 2: INTERPRETATION**

*In these Regulations, unless the context otherwise requires—*

*“Examinations Council of Zambia” means the Examination Council of Zambia continued under the Examination Council of Zambia Act, 2023;*

*“National Health Research Authority” means the National Health Research Authority established under the National Health Research Act, 2013;*

*“public institution” means the Examination Council of Zambia, National Health Research Authority, Technical Education, Vocational and Entrepreneurship Training Authority and the Zambia Institute of Chartered Accountants;*

*“public educational institution” has the meaning assigned to the words in the Education Act, 2011;*

*“public higher education institution” has the meaning assigned to the words in the Higher Education Act, 2013;*

*“public research institution” means a public institution undertaking research for the benefit of the public;*

*“public secondary school” means a public educational institution offering secondary education;*

*“secondary education” has the meaning assigned to the words in the Education Act, 2011;*

*“Technical Education, Vocational and Entrepreneurship Training Authority” means the Technical Education, Vocational and Entrepreneurship Training Authority established under the Technical Education and Vocational Training Act, 1998;*

*“Zambia Institute of Chartered Accountants” means the Zambia Institute of Chartered Accountants established under the Accountants Act, 2008; and*

*“Zambia Research and Education Network” means a company incorporated under the Companies Act, 2017 for the purposes of providing internet services and information and*

*communication technology solutions for higher education institutions and public research institutions.*

### **20.3 REGULATION 3: SUSPENSION OF EXCISE DUTY ON INTERNET SERVICES**

*The excise duty on internet services of HS Code 0000.13.00 is suspended to zero when supplied to a public institution, public research institution, public secondary school or a public higher education institution by the Zambia Research and Education Network.*

This regulation suspends excise duty to 0.00% on internet services supplied by Zambia Research and Education Network to a public institution, public research institution, public secondary school or a public higher education institution.

### **20.4 REGULATION 4: REVOCATION OF S.I. NO. 68 OF 2023**

*The Customs and Excise (Suspension) (Internet Services) Regulations, 2023 are revoked.*

This regulation revokes the Customs and Excise (Suspension) (Internet Services) Regulations, Statutory Instrument No. 68 Of 2023

## **21.0 THE INSURANCE PREMIUM LEVY (AMENDMENT) ACT NO. 28 OF 2024**

### **21.1 TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January, 2025.

### **21.2 SECTION 2: INTERPRETATION**

#### **21.2.1** Section 2 of the principal Act is amended by the deletion of the definition of “electronic fiscal device”.

This amendment deletes the definition of “electronic fiscal device” because the definition is no longer required following the introduction of the electronic invoicing system (Smart Invoice).

#### **21.2.2** Section 2 of the principal Act is amended by the insertion of the following new definition in the appropriate place in alphabetical order:

*“electronic invoicing system” has the meaning assigned to the words in the Value Added Tax Act.*

This amendment introduces the definition of electronic invoicing system in the Insurance Premium Levy Act as provided in the Value Added Tax Act.

The Value Added Tax Act defines “electronic invoicing system” as follows:

*“electronic invoicing system” means the core system and any other system which has a fiscal memory capable of generating and storing fiscal information and transmitting production, invoicing and stock data in real time to the Authority, and has the capacity to generate and record data and other reports and includes software applications and web based applications.*

### **21.3 SECTION 4: CHARGE OF LEVY**

Section 4 of the principal Act is amended by the deletion of subsection (3) and the substitution therefor of the following:

*(3) An insurer, an insurance agent or a broker shall use an electronic invoicing system to record a payment of the levy and issue a tax invoice generated by the electronic invoicing system to a person that pays the levy.*

The amendment replaces the words “electronic fiscal device” with “electronic invoicing system” (Smart Invoice), following the implementation of smart invoice which replaced the electronic fiscal devices.

## **22.0 THE CUSTOMS AND EXCISE (AMENDMENT) ACT NO. 24 OF 2024**

### **22.1 SECTION 1: TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January, 2025.

### **22.2 SECTION 2: INTERPRETATION**

Section 2 of the principal Act is amended by the deletion of the definition of “Tribunal” and the substitution therefor of the following:

*“Tribunal” means the Tax Appeals Tribunal established under the Tax Appeals Tribunal Act, 2015.*

This amendment replaces the words “Revenue Appeals Tribunal” with “Tax Appeals Tribunal” following the repeal and replacement of the Revenue Appeals Tribunal Act, 1998 with the Tax Appeals Tribunal Act, 2015.

### **22.3 SECTION 94: GOODS WHICH MAYBE MANUFACTURED WITHOUT LICENCE AND WITHOUT PAYMENT OF DUTY**

Section 94 (1) of the principal Act is amended by the insertion of the following new paragraph immediately after paragraph (b):

*(c) electrical energy of up to 100kWh.*

This amendment allows for the production of electrical energy of up to 100kWh without a licence and payment of excise duty, provided the electrical energy is for personal or domestic use.

### **22.4 SECTION 99: APPEALS**

Section 99 of the principal Act is amended by the deletion of the words “Revenue Appeals Tribunal” and the substitution therefor of the words “Tax Appeals Tribunal”.

This amendment replaces the words “Revenue Appeals Tribunal” with “Tax Appeals Tribunal” following the repeal and replacement of the Revenue Appeals Tribunal Act, 1998 with the Tax Appeals Tribunal Act, 2015.

### **22.5 SECTION 108: DUTIES OF LICENSED MANUFACTURER**

Section 108 (10) of the principal Act is amended by the deletion of the word “five” and the substitution therefor of the word “three”.

The new Section 108 (10) now reads as follows:

*(10) Duty assessed by the Commissioner-General pursuant to subsection (6) or (7) shall be due and payable on or within three days following the issue of the notice thereof.*

The amendment reduces the number of days to three from five, within which a licensed manufacturer is required to pay for penalties and estimated assessments for failure to file a return.

## **22.6 SECTION 155: GENERAL PENALTIES**

**22.6.1** Section 155 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (3):

*(4) A licensed manufacturer of excisable goods who is guilty of an offence under this Act for which no special penalty is provided shall be liable in respect of each offence—*

*(a) to a fine not exceeding treble the excisable value plus the duty payable for the goods which may be the subject matter of the offence;*

*(b) if treble the excisable value plus the duty payable for such goods is less than twenty thousand penalty units, or if there are no goods involved in the offence, to a fine not exceeding twenty thousand penalty units;*

*(c) to imprisonment for a period not exceeding five years;*

*(d) or to both imprisonment and other fine as is provided in paragraph (a) or (b).*

This amendment provides clarity on charging general penalties for a licensed manufacturer of excisable goods who is guilty of an offence under the Act.

**22.6.2** Section 155 of the principal Act is amended by renumbering of subsections (4) and (5) as subsections (5) and (6), respectively.

This amendment renumbers subsections (4) and (5) as subsections (5) and (6) respectively, following the insertion of a new subsection (4).

## **22.7 SECOND SCHEDULE: EXCISE TARIFF**

**22.7.1** The Second Schedule to the principal Act is amended in heading 1, in the Duty Rate column opposite subheadings 2009.11.00, 2009.12.00, 2009.19.00, 2009.21.00, 2009.29.00, 2009.31.00, 2009.39.00, 2009.41.00, 2009.49.00, 2009.50.00, 2009.61.00, 2009.69.00, 2009.71.00, 2009.79.00, 2009.81.00, 2009.89.00 and 2009.90.00 by the deletion of the figure “K0.60” and the substitution therefor of the figure “K1.00”

This amendment increases the excise duty on specified non-alcoholic beverages to K1.00 per litre from 60 Ngwee per litre. However, the tax payable for locally produced non-alcoholic beverages with the listed HS codes remains nil.

- 22.7.2** The Second Schedule to the principal Act is amended in heading 2, in the Duty Rate column opposite subheadings 2201.10.11 and 2201.10.20 by the deletion of the figure K0.30 and the substitution therefor of the figure “K1.00”.

This amendment increases the excise duty on specified packed mineral waters not aerated and aerated waters to K1.00 per litre from 30 Ngwee per litre. However, the tax payable for locally produced non-alcoholic beverages with the listed HS codes remains nil.

- 22.7.3** The Second Schedule to the principal Act is amended in heading 3, in the Duty Rate column opposite subheadings 2202.10.20, 2202.91.00 and 2202.99.00 by the deletion of the figure “K0.30” and the substitution therefor of the figure “K1.00”.

This amendment increases the excise duty on specified non-alcoholic beverages to K1.00 per litre from 30 Ngwee per litre. However, the tax payable for locally produced non-alcoholic beverages with the listed HS codes is one tenth of the specific duty rate applicable to non-alcoholic beverages.

- 22.7.4** The Second Schedule to the principal Act is amended in heading 7, in the Duty Rate column opposite headings 24.01 and 24.02, by the deletion of the figure “K400” and the substitution therefor of the figure “K452”.

This amendment increases the specific excise duty rates on cigars, cheroots, cigarillos and cigarettes, of tobacco or tobacco substitutes to K452 per mille from K400 per mille.

- 22.7.5** The Second Schedule to the principal Act is amended in heading 7, in the Duty Rate column opposite subheadings 2403.11.00, 2403.19.10, 2403.19.90, 2403.91.00 and 2403.99.00, by the deletion of the figure “K400” and the substitution therefor of the figure “K452”.

This amendment increases the specific excise duty rates on water pipe tobacco, cutrag and other manufactured tobacco and manufactured tobacco substitutes, homogenised or reconstituted tobacco, tobacco extracts and essences to K452 per kilogram from K400 per kilogram.

- 22.7.6** The Second Schedule to the principal Act is amended in heading 9, by the deletion of subheading (3) and the substitution therefor of the following:

*(3) Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils:*

<i>Petroleum spirit (Motor spirit)</i>	2710.12.10	<i>Decalitre</i>	<i>K2.34/ltr</i>
<i>White spirit</i>	2710.12.40	<i>Decalitre</i>	<i>15%</i>
<i>Kerosene type</i>	2710.12.51	<i>Decalitre</i>	<i>K0.54</i>
<i>Other light oils</i>	2710.12.90	<i>Decalitre</i>	<i>15%</i>
<i>Automotive gas - Oils diesel</i>	2710.19.10	<i>Decalitre</i>	<i>K0.75</i>
<i>Other fuel oils</i>	2710.19.20	<i>Decalitre</i>	<i>K1.05</i>
<i>Petroleum gases and other gaseous hydro-carbons</i>	<i>Ex.2711</i>	<i>kg</i>	<i>K0.54</i>

The amendment increases the specific excise duty on the listed products as tabulated below:

**Table 2: Specific excise duty on the listed products**

<b>Fuel Type</b>	<b>2024</b>	<b>2025</b>
Petrol	K2.07 per litre	K2.34 per litre
Kerosene type jet fuel	K0.48 per litre	K0.54 per litre
Diesel	K0.66 per litre	K0.75 per litre
Other Fuel Oils	K0.93 per litre	K1.05 per litre
Petroleum Gases and Other Gaseous Hydro-Carbon	K0.48 per kilogram	K0.54 per kilogram

## 22.8 SIXTH SCHEDULE:

The Sixth Schedule to the principal Act is amended in paragraph 1(4) by the deletion of the word “sixth” and substitution therefor of the word “tenth”.

The amendment reduces the tax payable on locally produced non-alcoholic beverages, other than those of heading 20.09 and 22.01, to one tenth from one sixth, of the specific duty rate set out in the second schedule.

## **23.0 THE MOBILE MONEY TRANSACTION LEVY ACT NO. 25 OF 2024**

### **23.1 SECTION 1: TITLE AND COMMENCEMENT**

This Act shall come into operation on 1<sup>st</sup> January, 2025.

### **23.2 SECTION 2: INTERPRETATION**

*In this Act, unless the context otherwise requires—*

*“Bank of Zambia” means the Bank of Zambia established under the Constitution;*

*“betting” has the meaning assigned to the word in the Casino Act;*

*The Casino Act defines betting as: "betting" means wagering or staking any money or valuable thing by or on behalf of any person, or expressly or impliedly undertaking, promising or agreeing to wager or stake by or on behalf of any person, any money or valuable thing on any horse race, or other race, fight, game, sport, lottery or exercise or any other event or contingency; and "bet" and "to bet" shall be construed accordingly.*

*“Commissioner-General” has the meaning assigned to the words in the Zambia Revenue Authority Act;*

*“electronic money” means the store of monetary value electronically represented by a claim on the mobile money service provider that is—*

- (a) issued on receipt of funds in an amount not less in value than the value of the electronic money issued;*
- (b) stored on an electronic device;*
- (c) accepted as a means of payment by persons; and*
- (d) redeemable on demand;*

*“levy” means a mobile money transaction levy charged under section 5;*

*“merchant” means a person or entity that accepts electronic money as a means of payment for goods and services and is registered with the Zambia Revenue Authority for tax purposes, but does not include a person engaged in betting;*

*“mobile money service provider” means an entity that is authorised by the Bank of Zambia to issue electronic money against receipt of funds in accordance with the National Payment Systems Act, 2007;*



*“person-to-person transfer” means a transfer of electronic money from one person to another person;*

*“repealed Act” means the Mobile Money Transaction Levy Act, 2023; and*

*“Zambia Revenue Authority” means the Zambia Revenue Authority established under the Zambia Revenue Authority Act.*

This section provides definitions of words and expressions used in the Mobile Money Transaction Levy Act.

### **23.3 SECTION 3: ADMINISTRATION OF ACT**

*This Act shall be administered by the Zambia Revenue Authority.*

This section provides that the Mobile Money Transaction Levy Act shall be administered by the Zambia Revenue Authority.

### **23.4 SECTION 4: POWERS OF COMMISSIONER-GENERAL**

*The Commissioner-General shall, for the purposes of enforcing the provisions of this Act, have all the powers conferred on the Commissioner-General by the Zambia Revenue Authority Act and the Income Tax Act.*

This section empowers the Commissioner-General to administer the Mobile Money Transaction Levy Act.

### **23.5 SECTION 5: IMPOSITION OF LEVY**

- (1) Subject to the provisions of this Act, a mobile money service provider shall collect a levy set out in the Schedule on a person to person transfer.*
- (2) The levy referred to under subsection (1) shall be paid by the sender of the electronic money.*
- (3) A mobile money service provider shall, within ten days after the end of each month, submit a return of the levy collected to the Commissioner General in the manner determined by the Commissioner General.*
- (4) A mobile money service provider shall, within ten days after the end of each month, remit the total levies collected for that month to the Commissioner General.*
- (5) A mobile money service provider that contravenes subsections (3) or (4) is liable to pay to the Commissioner-General a penalty of one hundred thousand penalty units for each month or part thereof during which that contravention continues.*

*(6) The Commissioner General may waive the whole, or part, of the penalty due under subsection (5) of this section.*

This section introduces a levy on payments or transfers from one person to another. The levy is payable by the sender of the electronic money and will be collected by the mobile money service provider.

Additionally, the service provider is required to submit a return and pay the collected levies to the Commissioner-General within 10 days after the end of each month. Non-compliance with these requirements will result in penalties. However, the Commissioner-General has the discretion to waive the penalties in whole or in part.

### **23.6 SECTION 6: EXEMPTIONS FROM PAYMENT OF LEVY**

*(1) The Minister may, by statutory instrument, exempt a person from payment of a levy.*

This section empowers the Minister, through a statutory instrument, to exempt a person, from paying the mobile money transaction levy.

The Minister has not issued any Statutory Instrument to exempt any person from payment of the levy. This means that, in addition to a person-to-person transfer, the levy applies to the following:

- (i) A payment or transfer from a person to the Government;
- (ii) A payment or transfer from the Government to a person;
- (iii) Payment of utility bills;
- (iv) Payment to a merchant; and
- (v) A transfer from a bank account to a mobile money account (bank to wallet).

### **23.7 SECTION 7: RECORD OF MOBILE MONEY OPERATIONS**

*(1) A mobile money service provider shall keep and maintain a record of the mobile money service provider's operations for a period of six years.*

*(2) Despite subsection (1), the Commissioner-General may, before the expiry of the period referred to under subsection (1), by notice in writing, extend the period of keeping and maintaining a record of operations by a mobile money service provider.*

*(3) A mobile money service provider that contravenes subsection (1) is liable to pay the Commissioner-General a penalty of two hundred thousand penalty units.*

*(4) The Commissioner-General may waive the whole, or part, of the penalty due under subsection (3).*

This section obligates mobile money service providers to keep records of their operations for six years. The Commissioner-General may extend this period by giving written notice before the six years expire. Non-compliance with the provisions of this section will result in penalties. However, the Commissioner-General has the discretion to waive the penalties in whole or in part.

### **23.8 SECTION 8: INSPECTION OF MOBILE MONEY OPERATIONS**

*(1) The Commissioner General may, for the purposes of enforcing the provisions of this Act, at any reasonable time, without prior notice, enter any premises that the Commissioner-General has reasonable grounds to believe is used contrary to the provisions of this Act, and—*

- (a) inspect any records, article or document of mobile money service provider that has a bearing on an inspection;*
- (b) verify the returns submitted in accordance with section 5(3); or*
- (c) require the mobile money service provider to submit any other information that the Commissioner General may consider necessary.*

This section provides that the Commissioner-General has the authority to access any premises without giving prior notice if it is reasonably believed that the premises are being used in violation of the Mobile Money Transaction Levy Act. In this regard, the Commissioner-General can inspect records, documents or items related to the mobile money service provider, verify submitted returns and request for any additional information needed to ensure compliance with the provisions of this Act.

### **23.9 SECTION 9: ADMINISTRATIVE RULES**

*The Commissioner-General may issue administrative Rules relating to—*

- (a) the keeping of books of accounts for mobile money operations;*
- (b) the making of returns; and*
- (c) any other matter necessary for the administration of this Act by the Commissioner-General.*

This section authorises the Commissioner-General to issue administrative rules to support the administration of this Act.

### **23.10 SECTION 10: REGULATIONS**

*The Minister may, by statutory instrument, make Regulations for the better carrying out of the provisions of this Act.*

This section authorises the Minister to issue Regulations to support the administration of this Act.

### 23.11 SECTION 11: REPEAL OF ACT NO.16 OF 2023 AND SAVINGS AND TRANSITIONAL PROVISIONS

- 1) *The Mobile Money Transaction Levy Act, 2023 is repealed.*
- 2) *On commencement of this Act,—*
  - (a) *a mobile money service provider shall remit the total levies collected for each month to the Zambia Revenue Authority; and*
  - (b) *the Bank of Zambia shall transmit to the Zambia Revenue Authority any records, returns or documents relating to a levy remitted by a mobile money service provider under the repealed Act.*

This section repeals the Mobile Money Transaction Levy Act, 2023. With effect from 1<sup>st</sup> January 2025, mobile money service providers are required to pay their monthly levy collections to the Zambia Revenue Authority (ZRA) under the Mobile Money Transaction Levy Act, 2024. The Bank of Zambia will be required to send to ZRA any records or documents related to levies collected under the previous law.

### 23.12 SCHEDULE

*(Section 5(1))*

#### CHARGEABLE RATES

<i>Amount range (ZMW)</i>	<i>Levy (ZMW)</i>
<i>From 0 to 150</i>	<i>0.16</i>
<i>Above 150 to 300</i>	<i>0.20</i>
<i>Above 300 to 500</i>	<i>0.40</i>
<i>Above 500 to 1000</i>	<i>1.00</i>
<i>Above 1000 to 3000</i>	<i>1.60</i>
<i>Above 3000 to 5000</i>	<i>2.00</i>
<i>Above 5000 to 10000</i>	<i>3.00</i>
<i>Above 10,000</i>	<i>3.60</i>

## **PART III: OTHER MATTERS**

### **24.0 TAX TREATMENT OF EMPLOYMENT BENEFITS**

Any payments made by the employer for the benefit of employees that cannot be converted into money or money's worth is non-deductible in the hands of the employer in accordance with section 44 (1). The tax treatment of employment benefit will depend on whether it is convertible into money or money's worth. If it is capable of being converted into money or money's worth it is subject to tax under PAYE whereas, if it is not convertible (not translated into actual money) then it will be non-deductible on the employer subject to section 44(1).

“Money or money's worth” is any expenditure that is of direct monetary value to a person and may relate to money, security, tangible property, intangible property, or services that can be reduced to money's value. Therefore, the monetary value may be applied whether or not it is convertible into money or money's worth.

Factors to consider for benefits that cannot be converted into money or money's worth are dealt with under (iii).

#### **(i) Payment of employees' bills (benefits convertible into money's worth)**

Where an employer discharges the liability of an employee by paying his or her private bills or expenses such as electricity, phone or water bills, rent, school fees, school association fees, club membership fees and similar payments, the employer is required to add such payments to the employee's emoluments and deduct tax under Pay As You Earn (PAYE). Such expenses will be an allowable deduction in the hands of the employer.

#### **Rental of Accommodation Owned by the Employer**

Where an employer pays a housing allowance to an employee and the employee in turn rents accommodation owned by that employer, the employee's allowance shall be subjected to PAYE while the payment of rent shall be liable to tax.

#### **NOTE:**

It is expected that the rent charged reflects the economic value of accommodation based on the type of structure and the location.

#### **(ii) Benefits that cannot be converted into money or money's worth**

Benefits which cannot be converted into money or money's worth are not taxable on employees. However, no deduction in respect of the cost of providing the benefit may be claimed by the employer [section 44(1) of the Income Tax Act].

Non-money fringe benefits are those benefits or advantages that cannot be converted into money or money's worth where any three or more of the following factors apply:

- Not capable of being converted into actual money by the employee
- Not capable of being converted into a pecuniary benefit by the employee
- Not capable of disposal or transfer by the employee
- Not owned by the employee
- Received with restrictive terms and conditions
- One can use it or forfeit.

**Examples:**

**Free Housing:**

Where an employer provides free housing to an employee, an employee can only live in the house and is not allowed to lease out. The employee cannot therefore convert the free housing benefit into cash or any other pecuniary benefit nor can they transfer or dispose of the benefit or advantage of free housing.

**Airtime:**

Where an employer buys airtime for an employee with a condition that the airtime so credited to the employee, is for the sole use of the employee, the benefit or advantage is not convertible into money or money's worth as the employee cannot convert the airtime into cash, or any other pecuniary benefit nor can the employee transfer or dispose of the airtime.

**Free Fuel:**

Where an employer provides fuel to an employee which may be bought through credit in a fuel card and the condition is that the amount can only be used on a specific fuel type and in some cases also on a specific car, the benefit or advantage in this case is not convertible into money or money's worth because the employee cannot exchange the fuel for anything nor can the fuel be transferred or disposed of.

- (a) In the case of residential accommodation provided to an employee by the employer in a house owned by that employer, 37% of the taxable income paid to the employee shall be disallowed in the employer's tax computation, provided that where an independent and objective valuation is made for such accommodation, the cost to be disallowed shall be the value of that accommodation. For the purpose of verifying the rental value, the Commissioner-General may use assessments done by the Government Valuation Department or other registered valuation surveyors.

Payments for utilities such as electricity, phone or water bills, security and similar payments are not included in the meaning of free housing.

**NOTE:**

Where the employee pays a below-market rate (peppercorn rent) to the employer, the cost to be disallowed in the employer's tax computation is 37% of the total taxable emoluments paid to the employee.

(b) In the case of housing leased by the employer and provided to an employee:

- (i) Where housing is occupied by a single employee, the amount of rentals will be added to the employee's emoluments and taxed under PAYE.
- (ii) Where housing is occupied by more than one employee, the total amount of the rentals will be disallowed in the employer's tax computation.

(c) Taxation of Fringe Benefits

**1) Provision of Services below market price.**

Where the employer provides services to their employees below the open market value, the benefit or advantage that the employee enjoys shall be treated as below:

- The difference between the open market value and the value at which the services are provided to the employee will be disallowed in the hands of the employer

**2) Provision of Goods below market price**

Where the employer provides goods to their employees below the open market value, the benefit is convertible to money or money's worth and shall be treated as below:

- The difference between the open market value and the value at which the goods are provided to the employee will be taxable under PAYE. The employer may thus gross up and account for the tax accordingly.

(d) In the case of the provision of motor vehicles to employees on a personal-to-holder basis, the benefit to be disallowed in the employer's tax computation is as follows:

**Engine capacity of motor vehicle**

- 2800cc and above - K57,600.00 per annum
- 1800cc and below 2800cc - K43,200.00 per annum
- Below 1800cc – K25,200.00 per annum

A personal-to-holder vehicle means a vehicle provided to an employee for both business and personal use and usually involves payment by the employer of all the expenses associated with the running and maintenance of the vehicle.

**(iii) Cash benefits paid in the form of allowances.**

All cash benefits paid in the form of allowances are taxable on the employee under PAYE.

Examples of such cash benefits are:

- Education allowance;
- Housing allowance;
- Transport/fuel allowance;
- Domestic utility allowances e.g. for electricity, phone and water;
- Commuted car allowance;
- Settling in allowance;
- Allowances paid in recognition of an employee's professional qualifications etc.

## **24.1 PAYMENTS THAT ARE NOT SUBJECT TO PAY AS YOU EARN (PAYE)**

The following payments are exempt (not chargeable to income tax) and need not be included in the taxable emoluments.

**(i) Ex-Gratia Payments:**

A voluntary, non-contractual, non-obligatory payment made by an employer to the spouse, child or dependant of a deceased employee is exempt (Paragraph 7(t) of the Second Schedule to the Income Tax Act).

**(ii) Medical Expenses:**

Medical expenses paid or incurred by an employer on behalf of an employee or refunds of actual medical expenses incurred by an employee are exempt (Statutory Instrument No. 104 of 1996).

**(iii) Funeral Expenses:**

Funeral expenses paid or incurred by an employer on behalf of an employee are exempt (Statutory Instrument No. 104 of 1996).

**(iv) Sitting Allowances for Councillors:**

Payments by Local Authorities to Councillors as Sitting Allowances are exempt (Paragraph 7(s) of the Second Schedule to the Income Tax Act).

**(v) Labour Day Awards:**



Labour Day awards paid to employees either in cash or in kind are non-taxable.

**(vi) Per Diem or Travel Allowances:**

Per diem or subsistence allowances, including lunch allowances paid while working out of the office are not subject to PAYE as these are not emoluments. Emoluments are earned as a consequence of rendering a service to an employer or for holding office while per diem is paid for working away from home.

## **25.0 TAX TREATMENT OF CERTAIN EXPENSES**

### **25.1 TAX TREATMENT OF EXPENSES INCURRED ON ENTERTAINMENT, HOSPITALITY AND GIFTS**

Expenses incurred on entertainment, hospitality and gifts are not allowable, subject to the following exceptions:

- a) where the business is one whose purpose is to provide entertainment or hospitality e.g. hotels, restaurants, cinemas and theatres, the cost of providing those services is allowable;
- b) where entertainment is provided free of charge with the purpose of obtaining publicity from the general public e.g. free seats for critics at a cinema;
- c) where an employer provides entertainment such as Christmas Party for employees or hospitality for employees in form of meals, accommodation etc. on business trips;
- d) where a person gives gifts which bear an advertisement for the donor, e.g. calendars, pens, key holders, diaries and other such like items, as long as the cost of the gift(s) to any one person does not exceed K100 in a charge year. The cost of gifts in excess of K100 to the same person is disallowable.

**NOTE:**

- (i) Employees receiving entertainment allowances will be taxed under PAYE and the amount would be disallowable to the employer.
- (ii) Where an employer defrays entertainment expenses directly, the cost will be disallowable to the employer but there will be no charge on the employee unless the normal rules regarding benefits apply.

## **25.2 TAX TREATMENT OF CANTEEN EXPENSES, REFRESHMENTS AND FOOD RATIONS**

Where the employer incurs expenditure on the provision of refreshments, canteen meals, food rations or any other meals (except on business trips) to employees, the benefit arises in the hands of the employees. As the benefit cannot be converted into money's worth, it is not taxable on the employee.

Under the provisions of Section 44(1) of the Income Tax Act, the whole expenditure on refreshments, canteen meals etc. is disallowable on the employer.

However, where an employer is obliged to provide meals to employees either under any other law or circumstances peculiar to the employer, the cost may be deductible.

Where the provision of such food is a legal obligation, the full cost of providing the food ration may be an allowable deduction.

## **26.0 PAYMENTS ON CESSATION OF EMPLOYMENT**

The following payments may be made on cessation of employment by way of dismissal, resignation, end of contract term, redundancy/retrenchment, retirement or death:

- (a) Pension
- (b) Refund of employee's pension contributions
- (c) Withdrawal of employer's pension contributions
- (d) Gratuity
- (e) Redundancy pay
- (f) Severance pay or compensation for loss of office
- (g) Salary in lieu of notice
- (h) Repatriation allowance
- (i) Service bonuses eligible for payment only at the end of employment
- (j) Monthly salary
- (k) Commutation of accrued leave days
- (l) Accrued service bonuses

Following the amendment to the Constitution, with effect from 5<sup>th</sup> January 2016, the payments below are exempt from tax as they fall within the definition of pension benefit:

- (a) Pension;
- (b) Refund of employee's pension contributions;
- (c) Withdrawal of employer's pension contributions;
- (d) Gratuity;
- (e) Redundancy pay;
- (f) Severance pay or compensation for loss of office;
- (g) Salary in lieu of notice;

- (h) Repatriation allowance; and
- (i) Service bonuses eligible for payment only at the end of employment.

On the other hand, the following payments are taxable under the applicable PAYE bands:

- (j) Monthly salary;
- (k) Commutation of accrued leave days; and
- (l) Accrued service bonuses.

The monthly salary, commutation of accrued leave days and accrued service bonuses are taxable because they are emoluments that have been earned during the course of one's employment. Note that accrued service bonus is one which is linked to performance and is taxable in the period in which it accrues.

#### **26.1 TAX TREATMENT OF PAYMENTS MADE ON MEDICAL DISCHARGE**

Where the employer, on advice from a registered medical practitioner or medical institution, determines that an employee is permanently incapable of discharging his/her duties through infirmity of mind or body, the employer may terminate the services of such an employee.

A payment made to an employee on termination of employment on medical grounds is exempt from tax.

#### **27.0 TAX TREATMENT OF ADVANCE AGAINST GRATUITY, PENSIONS AND EMPLOYEE PENSION WITHDRAWALS BY AN INDIVIDUAL CONTINUING IN EMPLOYMENT**

Payments in the form of advances against gratuity, pensions and employee pension withdrawals are exempt from tax because they constitute pension benefits.

#### **28.0 TAX TREATMENT OF SETTLING IN ALLOWANCES**

Settling in allowances, by whatever name called, paid to new employees and employees on transfer constitute an individual's income and should be subjected to tax under the PAYE Scheme.

#### **29.0 TAX INCENTIVES FOR A RURAL ENTERPRISE**

An enterprise operating in a location classified as a rural area is entitled to tax incentives.

Paragraph 5(a) of the charging schedule provides that an enterprise operating in an area classified as a rural area is entitled to claim a reduction by one fifth of the tax which would

be chargeable on its income for each of the first five charge years for which that business is carried on.

Section 2 of the Income Tax Act defines a “rural enterprise” as –

*“rural enterprise” means an enterprise located in a rural area except an enterprise carrying on business of mining operations or mineral processing;*

Furthermore, the Income Tax Act defines rural area as;

*“any area which is not an area declared or deemed to have been declared an area of any city or municipality under the Local Government Act (Cap 281) but excluding the area declared to be the area of the Kafue township under the said Act”;*

### **Example 2: Tax Payable by a Rural Enterprise**

ABC Lodge commenced operations in 2025 and is located in a rural area. It has taxable income of K10,000 for the 2025 charge year.

In the first year, the calculation will be as follows:

Tax payable:  $30\% \times 10,000 = 3,000$

Rural enterprise incentive:  $1/5 \times 3,000 = 600$

Final tax payable:  $3,000 - 600 = 2,400$

Therefore, ABC Lodge shall pay K2,400 which is less by 1/5 of the tax payable.

## **30.0 TREATMENT OF FORFEITURE AND SURRENDER OF SHARES**

When a shareholder forfeits or surrenders a share to the company it will not attract Property Transfer Tax (PTT) since the forfeiture or surrender does not amount to a transfer.

If the share is subsequently transferred to another person by the company, PTT is payable and assessment of the tax is dependent on the value at which the share could have been sold on the market at the time of the transfer.

Furthermore, the shareholder whose shares have been forfeited or who has surrendered shares, will not be required to submit a provisional return. On the other hand, a company

selling previously surrendered or forfeited shares, is required to furnish a provisional return of tax and account for the PTT applicable.

#### **NOTE**

In order for a transaction to qualify as a surrender or forfeiture, the following conditions must be fulfilled:

- (i) No consideration;
- (ii) Shares were not paid up for; and
- (iii) There has been a call on the shares that have not been paid for

### **31.0 REFUND OF OVERPAID PAY AS YOU EARN**

Tax paid as PAYE is non-refundable except where it has been overcharged in a charge year as in the following circumstances:

1. Errors  
The errors may include:
  - Payroll errors;
  - Use of wrong tax bands and rates;
  - Arithmetical errors in calculating tax; and
  - Taxation of exempt income e.g Taxation of pension benefits.
2. Unemployment  
A tax refund may arise upon cessation of employment, and the person remains unemployed until the end of the charge year.
3. Eligible deductions such as professional subscriptions and donations to approved Public Benefit Organisations.

#### **How overpaid Pay As You Earn is calculated**

PAYE is paid in graduating bands with the lowest band taxed at 0% for the year e.g the lowest annual band for the 2025 charge year is K61,200. The tax bands are simplified into monthly bands because of the frequency of payments that employees receive with the first K5,100 taxed at 0%. At the end of the year, the tax calculated from monthly bands should be equal to the tax calculated using annual bands.

In a case where an employee did not work or receive an income for all the months in that charge year, the cumulative tax from the monthly calculations will not equal to the tax calculation from annual bands. In such an instance, one may apply to ZRA for an assessment of the tax payable based on the annual bands; at the end of the charge year, using the ZRA prescribed forms. Any resulting difference between the tax payable and the tax paid is either refundable to the employee or payable to ZRA.

### Example 3: Calculation of Pay As You Earn Refund

An employee has been in employment and receives a monthly pay of K14,000 starting from January 2025. To assess the amount refundable to the employee, if he stops work in August and remains unemployed for the rest of the year, the tax refund shall be calculated as follows:

**Table 3: Taxable amount in month 1 (January) K14,000**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax Due (K)</b>
First band	5,100	0%	-
Next band	2,000	20%	400
Next band	2,100	30%	630
	4,800	37%	1,776
<b>Total</b>	<b>14,000</b>		<b>2,806</b>

If the salary remains constant, the tax payable for each of the months the employee remains in employment will remain the same at K2,806.

**Table 4: Total cumulative taxable amount in month 8 (August) for a monthly income of K14,000: K112,000**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax due</b>
First band	40,800	0%	-
Next band	16,000	20%	3,200
Next band	16,800	30%	5,040
	38,400	37%	14,208

	<b>112,000</b>		<b>22,448 (tax due)</b>
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**Table 5: Total cumulative taxable amount in month 12 (December): K112,000**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax Due (K)</b>
First band	61,200	0%	-
Next band	24,000	20%	4,800
Next band	25,200	30%	7,560
Balance	1,600	37%	592
	<b>112,000</b>		<b>12,952 (tax due)</b>
<b>Tax paid (for 8 months)</b>			<b>22,448</b>
<b>Tax claimable (refund)</b>			<b>(9,496)</b>

Since the employee left employment in month 8, the income earned as at month 8 will be taxed as though it was income earned up to month 12.

Subjecting the K112,000 to tax using month 12 tax tables results in tax due which is less than the cumulative tax due as at month 8. This is because as at month 12 the income taxed at 0% is K61,200 (K5,100 X 12) while as at month 8 the income taxed at 0% is K40,800 (K5,100 X 8). Therefore, this has pushed more of the employee's income into the first band since the tax-free band is applicable for the whole year regardless of whether an employee works for the whole year or not.

In addition, the income taxed at 37% in month 12 (K1,702) is far less than the income taxed in month 8 (K13,616) at that rate.

### **Tax component of donations to an approved public benefit organisation**

At the end of a charge year, an individual can make claims for tax relief on the component of their income from employment which is given as contributions made to an approved public benefit organisation.

However, the allowable deduction on the contribution should not be more than 15% of the taxable income for the given charge year.

### **Example 4: Calculation of Tax Refund when a donation is made**

An employee receives a gross pay of K150,000 for the 2025 charge year and makes a donation to an approved public benefit organisation of K25,000. Calculation of their tax refund will be as follows:

**Table 6: Month 12 (December) tax computation before the donation**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax Due (K)</b>
First band	61,200	0%	-
Next band	24,000	20%	4,800
Next band	25,200	30%	7,560
Balance	39,600	37%	14,652
	<b>150,000</b>		<b>27,012</b>

Gross Amount for YTD:	K150,000
Deduction from gross emoluments (15% Gross pay):	(K22,500)
Taxable Amount:	K127,500

Although the amount donated in the year is K25,000, the allowable deduction should not exceed 15% of the taxable income.

The amount due for tax refund will be computed as shown in the table 11:

**Table 7: Month 12 (December) tax computation**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax Due (K)</b>
First band	61,200	0%	-
Next band	24,000	20%	4,800
Next band	25,200	30%	7,560
Balance	17,100	37%	6,327
	<b>127,500</b>		<b>18,687</b>
<b>Tax paid</b>			<b>27,012</b>
<b>Tax claimable</b>			<b>(8,325)</b>



## 32.0 ADMINISTRATION OF THE DISABILITY CREDIT AND DEDUCTION FOR EMPLOYING PERSON WITH A DISABILITY

### (i) Disability Credit

Any employee who is registered with the Zambia Agency for Persons with Disabilities is entitled to a credit. The credit is supposed to be granted by the employer as they compute the tax payable for the employee with a disability. Therefore, the employer when computing the tax to be paid by person with a disability should reduce the tax amount by the tax credit which is currently at K7,200 per annum (K600 per month).

#### Example 5: Computation of Tax credit for persons with disabilities

XY Limited has employed a person who has a disability and is registered with the Zambia Agency for Persons with Disabilities. The said employee gets a monthly salary of K12,000. The tax credit to be granted to the employee will be as follows:

**Table 8: Tax credit computation by the employer in the month of January**

	<b>Chargeable Income (K)</b>	<b>Rate of Tax</b>	<b>Tax Due (K)</b>
First band	5,100	0%	-
Next band	2000	20%	400
Next band	2,100	30%	630
	2,800	37%	1,036
<b>Total</b>	<b>12,000</b>		<b>2,066</b>
<b>Tax credit</b>			<b>600</b>
<b>Tax payable</b>			<b>1,466</b>

As shown in table 12, the employer will deduct and remit tax of K1,466 instead of K2,066.

#### NOTE:

Where an employee has not enjoyed the tax credit during the year, at the end of the charge year, such an employee shall only get a refund to the extent of the tax paid. For example, if the employee paid tax of K2,400 in a charge year, the difference between K7,200 (tax credit) and K2,400 (tax paid), which is a K4,800, is not what

the employee will be refunded at the end of the year. Instead the K2400 is the tax which will be refunded.

**(ii) Deduction for Employing a Person with a Disability**

An employer is entitled to a deduction of K2,000 per annum in ascertaining the gains or profits of the business in respect of each person with a disability who has been employed on a full-time basis.

The person with a disability in respect of whom a deduction is claimed should be registered with the Zambia Agency for Persons with Disabilities.

**Example 6: Allowable deduction for employers with employees with disabilities**

Assuming XY Limited in the example above has business profits of K300, 000 in the charge year 2025 and has 3 employees with disabilities. XY Limited has also incurred expenses amounting to K30,000, that are wholly and exclusively for the purpose of the business.

The taxable income will be calculated as follows:

**Table 9:**

Income	K300,000
Business expenses	(K30,000)
Deduction for employing a person with disability (3 X K2,000)	(K6,000)
<b>Taxable Income</b>	<b>K264,000</b>

**33.0 TAXATION OF PAYMENTS TO NON-RESIDENT CONTRACTORS FOR HAULAGE OPERATIONS**

The tax treatment of payments made to non-resident contractors (foreign hauliers or importers) will depend on the facts of the case. Some of the common scenarios and tax treatment will be as follows:

Where a Zambian Taxpayer hires non-resident transporter to-

- (i) Load goods from Zambia to Country A - the income is deemed to have its source in Zambia in accordance with Section 18 of the Income Tax Act and therefore the

income due to the non-resident is liable to income tax computed in accordance with Section 28. However, withholding tax is still applicable on the respective payments to non-resident contractors in accordance with Section 81A of the Income Tax Act. The WHT in this case is not a final tax.

- (ii) Transports goods from Country A to Country B – the source or deemed source in this case is not Zambia. Therefore, no withholding Tax is deductible by the Zambian payer and no income tax is payable in Zambia by the transporter.
- (iii) Transports goods from Country C to Zambia - the source is not in Zambia and thus no withholding tax is deductible by the Zambian payer and no income tax is payable by the transporter.
- (iv) Transports goods from Kitwe to Lusaka (within Zambia) – the source in this case is Zambia and withholding tax is deductible by the Zambian payer. No income tax is payable by the transporter. However, where the activities of the non-resident transporter create a Permanent Establishment (PE), the profits attributed to the PE become taxable in Zambia at 30% of taxable profits.

#### **34.0 TAX TREATMENT OF EMPLOYMENT INCOME EARNED IN ZAMBIA FROM NON-RESIDENT EMPLOYERS**

Zambia primarily taxes at source in line with section 14 of the Income Tax Act. Therefore, where the source of the employment income is Zambia, it is consequently subject to tax in Zambia at the applicable tax rates, irrespective of the period spent in Zambia. Furthermore, Section 18(1)(b) of the Income Tax Act deems income to be from a source within the Republic if the income is remuneration from employment or office held in Zambia or by virtue of any service rendered, or work, or labour done by a person in Zambia.

Therefore, an employee who is based in Zambia whether a Zambian resident or not will be liable to Pay As You Earn (PAYE) on the income earned from exercising employment in Zambia. This is irrespective of whether payment is made outside the Republic or by a non-resident.

#### **35.0 MIGRATION FROM TURNOVER TAX TO INCOME TAX**

A person who is on Turnover Tax (TOT) and exceeds the TOT threshold (i.e turnover above K5,000,000) during the course of the charge year is required to notify the Commissioner General immediately. However, the taxpayer will continue to pay TOT until the end of the charge year. At the beginning of the following charge year, they will be deregistered from Turnover Tax and migrated to Income Tax. The taxpayer will be required to file an annual Income Tax Return by 21<sup>st</sup> June, for the preceding charge year in which they were falling under TOT. ZRA will assess the migrated taxpayer under income tax and grant the tax credits in respect of the TOT that was already paid.

## **NOTE:**

Regulation 6 of the TOT Regulations, SI No.47 of 2009 (Change from Income Tax to Turnover Tax or Vice Versa) allows the change to take place at the beginning of the year or at a date that may be determined Commissioner-General through a notice. However, Zambia Revenue Authority will only effect the change in the system at the beginning of the next charge year.

### **36.0 TAX TREATMENT OF CERTAIN WINNINGS UNDER GAMING AND BETTING**

#### **(i) How to compute Net Proceeds where winnings are non-monetary e.g. A car given as a prize for a lottery.**

Where prizes are awarded in the form of property or a benefit that is non-monetary, the net proceeds in this case will be calculated based on the value as determined by the Commissioner-General. The applicable presumptive Tax rate will be applied on the Net Proceeds in accordance with Section 64 and the Ninth Schedule to the Income Tax Act.

The Net proceeds” means the gross proceeds less sums paid out for the prizes.

#### **(ii) Whether one-time organisers of lotteries should also register and account for Presumptive Tax (PRT) considering that registrations for PRT and ITX are mutually exclusive.**

Where a taxpayer whose business is not a lottery but organises a lottery for the purpose of promoting their business, they shall not be required to account for Presumptive Tax if the lottery entry requirement is such that one is supposed to purchase products of the business. However, where the taxpayer sells lottery tickets they shall be required to register for Presumptive Tax and account for it accordingly.

#### **(iii) Who should account for PRT and WHT regarding slot route operations, the gaming machine owners or location owners.**

A slot route operator is a business that owns and operates gaming machines in several locations. These locations are usually retail businesses run by other persons. For such gaming operations the absolute owner of the machines is required to account for the Presumptive Tax and Withholding Tax arising from operation of the machines.

### **37.0 HOW TO ACCESS TAX TREATY RELIEF**

Double taxation relief is granted by applying a lower tax rate than what is provided in the charging schedule to the Income Tax Act. This is in accordance with Section 82 A(1) of the Income Tax Act which states as follows:

*Subject to the provisions of this section, a person or partnership making the following payments, irrespective of whether the payment is made outside the Republic, shall, before making any other deduction, deduct tax from the following payments at the rates specified in the Charging Schedule or **as the Commissioner-General may direct to give effect to the provisions of any agreement made under section 74 or the provisions of the Second Schedule:**...*

In light of the above, the Commissioner-General issues a Limited Deduction Direction (LDD) to give effect to the rates agreed in the treaty in order to ensure that the conditions set out in the treaty are met.

### **How to apply for a Limited Deduction Direction (LDD)**

An application should be made to the Assistant Director- International Tax Policy and Relations Unit, Domestic Taxes Division and accompanied with the following documents:

- (a) A copy of any of the following applicable documents:
  - (i) the contract in respect of management and consultancy, royalties, haulage, construction, Director's fees, etc between the Zambian company and the foreign company; or
  - (ii) A loan agreement in respect of interest between the Zambian company and the foreign company; or
  - (iii) For dividends, a signed board resolution declaring the dividends;
- (b) A duly completed Double Taxation Relief Claim Form (Form WHT 3) which can be accessed on our website using the following link:  
[Form-WHT-3-1.pdf \(zra.org.zm\)](#); and
- (c) A copy of a Tax Residence Certificate (TRC) of the foreign company from the revenue authority where the foreign company is resident or Part 11 (eleven) of the Form WHT 3 can be certified by the foreign tax authority as proof of tax residence.

## **38.0 VALUE ADDED TAX TREATMENT OF VARIOUS SERVICES**

### **38.1 HIRE OF EQUIPMENT FOR LOADING AND OFFLOADING OF PASSENGERS FROM AIRCRAFT**

The service is not exempt from VAT and is not zero-rated as such should be subject to VAT at standard rate. It should be noted that this service is distinct from transportation of persons by air which is exempt.

### **38.2 LOADING OF CARGO FOR EXPORT FROM ZAMBIA**

The service of loading cargo for export, including exports out of bond, is standard rated.

### **38.3 OFFLOADING OF CARGO FROM OUTSIDE ZAMBIA**

The service of offloading imports into Zambia is standard rated.

### **38.4 ANCILLARY SERVICES RELATING TO GOODS TRANSITING THROUGH ZAMBIA**

The law relating to freight transport services is provided in Group 1(b) of the Value Added Tax Zero-Rating Order and states as follows:

#### ***Group 1 - Export of Goods***

*(b) the supply of freight transport services-*

*(i) from or to the Republic; and*

*(ii) from outside the Republic to other places outside the Republic transiting through the Republic including transshipment.*

Effective 1<sup>st</sup> January 2020, ancillary services provided in relation to transit of goods through Zambia from outside the Republic to destinations outside the Republic are standard rated with the exception of transshipment.

Therefore, services such as escort security services, clearing services and storage services are standard rated.

#### **NOTE:**

Transshipment is the moving of cargo that is in transit from one vessel of transportation to another under customs control.

In light of the definition above, it means that the services that are zero-rated under transshipment are charges for cranes, folk lifts and other services utilised in moving cargo from one vessel of transportation to another under customs control.

### **38.5 COLD CHAIN SERVICES**

Services that are rendered to facilitate the exportation of perishables from Zambia to destinations outside Zambia are standard rated.

### **38.6 CLEARING AND FORWARDING SERVICES**

Clearing and forwarding services are standard rated.

**Table 10: Summary of Value Added Tax treatment of ramp services**

<b>TYPE OF SERVICE</b>	<b>TREATMENT PRIOR TO JANUARY 2014</b>	<b>CURRENT VAT TREATMENT</b>
EQUIPMENT HIRE FOR EMBARKING AND DISEMBARKING PASSENGERS	STANDARD RATED	STANDARD RATED
LOADING OF CARGO FOR EXPORT	ZERO RATED	STANDARD RATED
OFFLOADING OF CARGO INTO ZAMBIA - IMPORTS	STANDARD RATED	STANDARD RATED
ANCILLIARY SERVICES RELATING TO GOODS TRANSITING THROUGH ZAMBIA (EXCEPT TRANSSHIPMENT)	ZERO RATED	STANDARD RATED

**NOTE:**

Transshipment is the process of moving cargo that is in transit from one vessel of transportation to another.

### **39.0 PARTIAL APPORTIONMENT FOR LEASING**

A Finance Lease comprises the following:

- (i) the principal (capital) which is standard rated; and
- (ii) the interest that is exempt.

In accordance with Section 18 and Rule 10, a taxable supplier carrying on the business of finance leasing is required to apportion the input tax using methods provided in Second Schedule to the VAT Administrative Rules. Therefore, input tax on the asset and other expenses incurred for the purpose of rendering finance leasing should be apportioned.

#### **40.0 VAT TREATMENT OF IMPORTED SERVICES (REVERSE VAT)**

Where a person imports a service from a foreign supplier, the following tax treatment will apply.

1. An importation of an exempt service by a taxable supplier is not liable to reverse VAT;
2. An importation by a person not eligible to register based on nature of supplies (exempt supplies) or nature of person (privileged person) is outside the scope of reverse VAT; and
3. A supplier dealing in taxable supplies but not registered due to not meeting the registration conditions under Section 28 (taxable turnover below threshold), is outside the scope of reverse VAT administration.

#### **NOTE:**

One of the conditions that must be fulfilled in order for reverse VAT not to be chargeable on the recipient of a service is that the foreign provider of the service should have paid the tax in the country of exportation. The evidence required is payment receipt issued by the tax authority of the country of exportation.

#### **41.0 RECOVERY OF VAT CHARGED ON EXEMPT SUPPLIES OR VAT CHARGED BY A NON-REGISTERED SUPPLIER**

Where a registered supplier charges VAT on exempt supply of goods or services, and such tax is shown on an invoice as tax chargeable on such supplies, the tax charged is recoverable by the Government. In the same vein, where a non-registered supplier issues an invoice with an amount shown as tax chargeable on the supply of goods or services, such amount is recoverable as tax due.

#### **42.0 INVOICES TO SUPPORT INPUT CLAIM**

A registered supplier is required to have a valid tax invoice to support input claim at the point of filing a return. A valid tax invoice is the one that has mandatory features as prescribed in the Commissioner-General's Rules.

#### **43.0 VAT ZERO-RATING LOCAL PURCHASE ORDERS**

A registered supplier is required to charge VAT on goods and services that are standard rated. However, a privileged person can purchase standard rated supplies with tax charged at the rate of zero per cent (0%) using VAT zero-rating Local Purchase Orders (VAT LPOs). In an event that a person who qualifies to obtain and issue an LPO does not avail an LPO to the supplier at the time of purchase, the supplier is mandated to charge VAT at the standard rate. Such VAT, as correctly charged in the absence of a VAT LPO, will not be refunded in a case where such a person subsequently avails an LPO to prompt the refund.



**NOTE:**

Supplies to privileged persons not supported with VAT LPOs will be regarded as standard rated supplies and will be assessed as such.

**44.0 COMMISSION EARNED BY INSURANCE BROKERS**

Where an insurance broker earns commission from insurance companies in the course of arranging insurance services (brokerage services), the commission earned is not subject to Insurance Premium Levy (IPL). This is because IPL is charged on insurance premiums and commission earned does not qualify to be considered an insurance premium.

**45.0 CLEARING OF GOODS USING GOVERNMENT VOUCHERS**

The Government in some cases provides relief wherein the Government pays for the applicable duties and taxes using Government vouchers. This type of relief is most commonly applied when clearing motor vehicles from bonded warehouses. Although the motor vehicles are physically in the country they have not yet been cleared for local consumption. Therefore, the clearance process is similar to the process for clearing goods which are being brought across the borders.

**NOTE:**

For goods supplied out of bond, VAT zero-rating Local Purchase Orders (VAT LPOs) are not applicable since the goods have not been final cleared.

**46.0 PENALTY FOR UNDERDECLARING TOURISM LEVY**

**Example 7: Calculation of Penalty for Under declaration of Tourism Levy**

**SELF-ASSESSMENT BY TAXPAYER**

A taxpayer declares tourism levy in their return as follows:

	K
(i) Accommodation for 2 nights at K750.00	1,500.00
(iii) Conference room	<u>1,000.00</u>
Total	<b>2,500.00</b>
<b>Tourism levy at 1.5%</b>	<b>37.50</b>

**RECOMPUTED TOURISM LEVY**

After an audit, it is discovered that the taxpayer had understated the amounts and the return should have been as follows:

	K
(i) Accommodation for 5 nights at K750.00	3,750.00
(ii) Conference room	<u>1,500.00</u>
Total	5,250.00

Tourism Levy due (1.5%)	78.75
Tourism Levy already declared	<u>(37.50)</u>
Tourism Levy underdeclared	<b>41.25</b>

#### **COMPUTATION OF PENALTY**

	K
(i) Accommodation amount omitted (3750 – 1500)	2,250.00
(ii) Conference room amount omitted (1500 – 1000)	<u>500.00</u>
Total amount omitted	2,750.00

Penalty (5% of K2,750)	137.50
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#### **TOTAL PAYABLE**

Penalty due	137.50
Under declared	<u>41.25</u>
<b>TOTAL</b>	<b>96.25</b>

## 47.0 TAX RATES

### (a) Personal Income Tax Rates:

Personal Income tax rates are as follows:

**Table 11:**

<b>Income Bands</b>	<b>Rates</b>
First K61,200	@ 0%
Above K61,200 up to K85,200	@ 20%
Above K85,200 up to K110,400	@ 30%
Above K110,400	@ 37%

### (b) Turnover Tax Rates:

**Table 12: Turnover Tax**

<b>Turnover per annum</b>	<b>Tax rate</b>
K12,000 or less	0%
K12,000 up to K5,000,000	5%

**Table 13: Rental income**

<b>Turnover per annum</b>	<b>Tax rate</b>
K12,000 or less	0%
Above K12,000 up to K800,000	4%
Above K800,000	16%

### (c) Presumptive Tax:

Tax on motor vehicles for the carriage of persons is as follows:

**Table 14: Presumptive Tax on motor vehicles for the carriage of persons**

<b>Type of vehicle (sitting capacity)</b>	<b>Amount of tax per vehicle vehicle (per annum)</b>
64 seater and above	K15,552.00
50-63 seater	K12,960.00
36-49 seater	K10,368.00
22-35 seater	K7,776.00
18-21 seater	K5,184.00
12-17 seater	K2,592.00
Below 12 seater (including taxis)	K1,296.00

**(d) Presumptive Tax: Artisanal mining or Small-scale mining**

**Table 15: Presumptive Tax rate on Artisanal mining or Small-scale mining**

Tax rate	Tax base
4%	On gross turnover less mineral royalty paid

**(e) Base Tax:**

**Table 16: Base Tax per annum**

Base Tax per annum
K 365

**(f) Other Income Tax Rates**

**Table 17: Other Income Tax Rates**

Category	Rate (%)
Mineral processing	30
Mining	30
Manufacturing of products using copper cathodes	20
Electronic Communication business	35
Lapidary and Jewellery facilities (Value addition to gemstones)	25
Manufacturing & other companies	30
Approved Public Benefit Organisation (on income from business)	15
Agro-processing	10
Farming	10
Non-traditional exports – Agro-processing and Farming	10
Non-traditional exports – Others	20
Chemical manufacture of fertilizer	15
Organic manufacture of fertilizer	15
Trusts, deceased or bankrupt estates	30
Rural enterprises	Tax chargeable reduced by 1/5 for 5 years
Cotton seed production or Cotton Ginning	0% the first 5 years the business is carried on

Cotton Spinning and Weaving of Thread	0% for the first 10 years the business is carried on
Income received by a person providing accommodation and food services (for the charge years 2021 and 2022)	15
Income received by a person carrying on the business of manufacturing ceramic products (for the charge years 2022 and 2023)	0
Income earned from exports of a business enterprise approved by the Zambia Development Agency and carrying on manufacturing activities in a multi-facility economic zone or an industrial park (For ZDA licences obtained after 1 <sup>st</sup> January 2022)	0% on income earned in the first 10 years from commencement of works  Rate reduced by 50% of the applicable rate from year 11 up to year 13  Rate reduced by 25% of the applicable rate in the 14 <sup>th</sup> and 15 <sup>th</sup> years
Business enterprise operating in a priority sector declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained prior to 1 <sup>st</sup> January 2013)	0% for the first 5 years, starting from the first year profits are returned
	Rate reduced by 50% from 6-8 years, after profits are returned
	Rate reduced by 25% from 9-10 years, after profits are returned
	No reduced rate after 10 <sup>th</sup> year profits are returned.
Small and Micro Enterprises operating in an urban area under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained prior to 11 <sup>th</sup> October 2013)	0% for the first 3 years

Small and Micro Enterprises operating in a rural area under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained prior to 11 <sup>th</sup> October 2013)	0% for the first 5 years
Business enterprise operating in a priority sector, multi facility economic zone and industrial park declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained between 1 <sup>st</sup> January 2013 and 10 <sup>th</sup> October 2013)	0% for the first 5 years, starting from the year of commencement of operations of the approved investment
	Rate reduced by 50% from 6-8 years starting from the year of commencement of operations of the approved investment
	Rate reduced by 25% from 9-10 years starting from the year of commencement of operations of the approved investment
	No reduced rate after the 10 <sup>th</sup> year starting from the year of commencement of operations of the approved investment
Rural Business, Business enterprise operating in a Multi Facility Economic Zone or Industrial Park declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained between 11 <sup>th</sup> October 2013 to 31 <sup>st</sup> December 2014)	0% for the first 5 years from commencement of operations of the approved investment
Business enterprise carrying on manufacturing activities in a rural area, Multi Facility Economic Zone or Industrial Park (For ZDA licence holders obtained between 1 <sup>st</sup> January 2015 and 31 <sup>st</sup> December 2016)	0% for the first 5 years from commencement of operations of the approved investment
Business enterprise carrying on manufacturing or electricity generation located in a rural area, Multi Facility Economic Zone or Industrial Park (For ZDA licence holders obtained between 1 <sup>st</sup> January 2017 and 31 <sup>st</sup> December 2017)	0 % for the first 5 years from commencement of operations of the approved investment.
Business Enterprises operating in a priority sector declared under the Zambia Development Agency Act,	Claim on a straight-line basis, wear and tear at

2006 (For ZDA licence holders obtained on or after 1 <sup>st</sup> January 2018)	an accelerated rate, not exceeding 100% in respect of any new implement, plant or machinery acquired and used by the business for the purposes of that business.
Agro-processing business carrying on manufacturing and processing of corn starch Businesses in a Multi-Facility Economic Zone or Industrial Park.	0% of the standard income tax rate from 2023 to 2032 charge years
	50% of the standard income tax rate from 2033 to 2035 charge years
	75% of the standard income tax rate from 2036 to 2037 charge years
Special purpose vehicle under a Public Private Partnership Project	15% on the first 5 years that a special purpose vehicle makes a profit from a project
Developers in a special economic zone.	Claim on a straight-line basis, wear and tear at an accelerated rate, not exceeding 100% in respect of any new implement, plant or machinery acquired and used by the business for the purposes of that business.

**(g) Withholding Tax Rates**

**Table 18: Withholding Tax Rates**

Category	Rate (%)
Distributed income of an income real estate investment trust (REIT)	15
Dividends (Resident)	15

Dividends (Non-Resident)	20
Dividends paid by a company carrying on mining operations	0
Dividends paid to an individual by a company listed on the Lusaka Securities Exchange (LUSE)	0
Dividends paid by a company engaged in the assembly of motor vehicles, motor cycles and bicycles	0 (First 5 years)
Dividends declared from farming income	0 (First 5 years)
Dividends paid by a company operating in a multi-facility economic zone or industrial park under the Zambia Development Agency Act, 2006, on profits made on exports (for licences obtained after 1 <sup>st</sup> January 2022)	0 (First 10 years from commencement of works)
Dividends paid by a business enterprise operating in a priority sector declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained prior to 1 <sup>st</sup> January 2013)	0% for the first 5 years from the year profits are declared
Dividends paid by a business enterprise operating in a priority sector, multi facility economic zone and industrial park declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained between 1 <sup>st</sup> January 2013 and 10 <sup>th</sup> October 2013)	0 % for the first 5 years from commencement of operations
Dividends paid by a rural business, business enterprise operating in a Multi Facility Economic Zone or Industrial Park declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained between 11 <sup>th</sup> October 2013 to 31 <sup>st</sup> December 2014)	0% for the first 5 years from commencement of operations of the approved investment
Dividends paid by a business enterprise carrying on manufacturing activities in a rural area, Multi Facility Economic Zone or Industrial Park (For ZDA licence holders obtained between 1 <sup>st</sup> January 2015 and 31 <sup>st</sup> December 2016)	0% for the first 5 years from commencement of operations of the approved investment
Dividends paid by a business enterprise carrying on manufacturing or electricity generation located in a rural area, Multi Facility Economic Zone or Industrial Park (For ZDA licence holders obtained between 1 <sup>st</sup> January 2017 and 31 <sup>st</sup> December 2017)	0 % for the first 5 years from commencement of operations of the approved investment
Dividends paid by Agro-processing business carrying on manufacturing and processing of corn starch Businesses in a Multi-Facility Economic Zone or Industrial Park	0% from 2023 to 2032 charge years



Interest on Treasury Bills, GRZ bonds and Corporate Bonds– Residents (Final Tax for Individuals and Exempt Organisations Only)	15
Interest on GRZ bonds and Treasury Bills – Non-Residents	15
Interest from green bonds listed on a securities exchange in Zambia with maturity of at least 3 years.	0
Interest for individuals (interest earned on all interest-earning accounts held by individuals with institutions registered under the Banking and Financial Services Act, 2017)	0
Interest (Residents)	15
Interest (Non-Residents)	20
Interest earned from a Life Insurance policy	0
Interest earned by individuals from loans advanced to members under the savings groups such as co-operatives and village banking	0
Royalties (Residents)	15
Royalties (Non-Residents)	20
Commissions (Residents)	15
Commissions paid to Non-Resident persons (Final Tax)	20
Public Entertainment Fees for Residents	Not applicable
Public Entertainment Fees for Non-Residents (Final Tax)	20
Management and Consultancy Fees to Residents	15
Management and Consultancy Fees to Non-Residents	20
Management or consultancy fees and interest paid to a non-resident contractor by a business enterprise operating in a priority sector declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained prior to 1 <sup>st</sup> January 2013)	0% for the first 5 years from the first date that the payment was due.
Management or consultancy fees and interest paid to a non-resident contractor by a business enterprise operating in a priority sector, multi facility economic zone and industrial park declared under the Zambia Development Agency Act, 2006 (For ZDA licence holders obtained between 1 <sup>st</sup> January 2013 and 10 <sup>th</sup> October 2013)	0% for the first 5 years from commencement of operations of the approved investment
Payments to Non-Resident Contractors (Final Tax)	20
Payment for Distribution of Branch Profits	20
Payment of Winnings from Gaming, Lotteries and Betting	20
Commodity Royalty	15

**NOTE:**

- (i) Interest includes that awarded by the Courts of Law.
- (ii) The term “Royalty” includes income from leasing and therefore leasing income is subject to withholding tax. This determination is derived from the definition

of royalty which recognises a payment for the use of or right to use commercial, industrial, or scientific equipment as a royalty. Payments for hiring of commercial, industrial, or scientific equipment attract royalties. Note that the application of withholding tax excludes a finance lease.

(iii) Only winnings from gaming, lotteries or betting other than winnings from a brick and mortar casino are subject to withholding tax.

#### (h) VAT Rates

**Table 19: VAT Rates**

Category	Rate (%)
Standard Rate	16%
Zero-Rate	0%
Exempt	Not taxable

#### (i) Local Excise

**Table 20: Local Excise Tariff**

Excisable Product	Statistical Unit of Quantity	Rate
Tobacco Refuse	Kg	K452 per Kg or 145% whichever is higher
Cigars, cheroots, cigarillos and Cigarettes, of tobacco or tobacco substitutes	Mille	K452 per mille
Pipe Tobacco	Kg	K452 per Kg or 145% whichever is higher
Cutrag & Other tobacco products	Kg	K452 per Kg or 145% whichever is higher
Products containing tobacco, reconstituted tobacco, nicotine or nicotine products.	Kg	145%
Clear Beer Made from Malt.	Litre	60% (Suspended to 40% by SI 81 of 2015)  20% if manufactured by small and medium manufacturers or by a brewer in excess quantities (SI 66 of 2023)
Clear Beer Made from Cassava	Litre	10%

		5% if manufactured by small and medium manufacturers or by a brewer in excess quantities (SI 66 of 2023)
Clear Beer Made from Sorghum	Litre	20%
Opaque Beer	Litre	K0.25
Coal, coke and semi coke of coal, of Lignite or peat, whether or not agglomerated; retort carbon	Tonne	5%
Diesel (Gas Oil)	Dekalitre	Fuel Levy K0.75 per litre
Petrol (Motor spirits)	Dekalitre	Excise K2.34 per litre
Heavy Fuel Oil	Kilogram	Excise K9.30 per 10Kg
Hydrocarbon Gases	Litre	Excise K0.54 per litre
Aviation Spirit	Dekalitre	K4.80 per dekalitre
Jet Fuel	Dekalitre	K4.80 per dekalitre
White Spirit	Dekalitre	15%
Kerosene	Dekalitre	K0.54 ltr
Other Light Oils	Dekalitre	15%
Other Fuel Oils	Dekalitre	K1.05 per litre
Ethyl Alcohol	Litre	60%
Methylated Spirits and Other Ethyl alcohol and other spirits, denatured,	Litre	60%
Wines	Litre	60%
Undenatured Ethyl Alcohol of an alcoholic strength by volume less than 80%	Litre	60%
Ciders	Litre	60% (Suspended to 40% by SI 2 of 2019)
Other Fermented Beverages	Litre	60%
Airtime	Minute for voice calls, Megabyte for data, Count for SMS and Count for Others.	17.5%
Cosmetics	Kg	20%

Plastic Carrier Bags for Shopping	Kg	30%
Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter	Kg	15%
Office or school supplies	Kg	15%
Articles and clothing accessories, not elsewhere specified, for use in the textile industry	Kg	15%
Fittings for furniture, coachwork of the like	Kg	15%
Statuettes and other ornamental	Kg	15%
Electric Energy	100kWh	3%
Cement	Tonne	K40 per tonne
Fruit Juices, Unflavoured and Unsweetened Waters, Flavoured or Sweetened Waters	Litre	K1 per litre
Packed mineral waters not aerated, and Aerated waters	Litre	K1 per litre
Mineral waters not aerated, Non-alcoholic beer, and Other non-alcoholic beverages	Litre	K1 per litre
Reconstituted or recombined milk of a fat content, by weight, of less than 1% up to a maximum of 10%.	Litre	K1.50/ltr
Electronic cigarettes and similar personal	Kg	145%

Electric vaporising devices		
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**(j) Property Transfer Tax Rates**

**Table 21: Property Transfer Tax Rates**

Category	Rate (%)
Land (including buildings, structures or improvements there on)	8%
Shares	8%
Intellectual Property (including trademarks, patents, copyright or industrial design)	8%
Mining Right for a mining licence	10%
Mining Right for an exploration licence	8%
Mineral Processing Licence	10%

**(k) Mineral Royalty**

**Table 22: Copper**

Norm Price Range	Mineral Royalty Rate
Less than US\$4,000	4.0%
US\$4,000 but less than US\$5,000	6.5%
US\$5,000 but less than US\$7,000	8.5%
US\$7,000 and above	10%

**Table 23: Other Minerals**

Description	Mineral Royalty Rate
Base Metals (Other than Copper, Cobalt and Vanadium)	5% of norm value
Energy and Industrial Minerals	5% of gross value
Gemstones	6% of gross value
Precious Metals	6% of norm value
Cobalt and Vanadium	8% of norm value

**(l) Tax on Betting and Gaming**

**Table 24: Tax on Betting and Gaming**

Type of Game	Monthly Tax Rate or Monthly Tax Amount
1. Online Casino Live games	20 percent of gross takings

2. Online Casino Machine Games	35 percent of gross takings
3. Casino Games (Brick and Mortar)	K5,000 per table
4. Online Lottery Winnings	35 percent of net proceeds
5. Lottery Winnings (Brick And Mortar)	15 percent of net proceeds
6. Online Betting	25 percent of gross takings
7. Betting	15 percent of gross takings
8. Gaming Machines	K500 per machine

**(m) Other Rates – Insurance Premium Levy, Skills Development Levy, Tourism Levy**

**Table 25: Other Rates**

Type of Levy	Rate (%)
Insurance Premium Levy	5
Skills Development Levy	0.5
Tourism Levy	1.5

**(n) Penalty Units**

A penalty unit is K0.40.

**48.0 SCHEDULE**

*(Regulation 2 of the Income Tax (Local Content Allowance Regulations)*

**AGRICULTURAL PRODUCTS ALLOWED FOR LOCAL CONTENT ALLOWANCE**

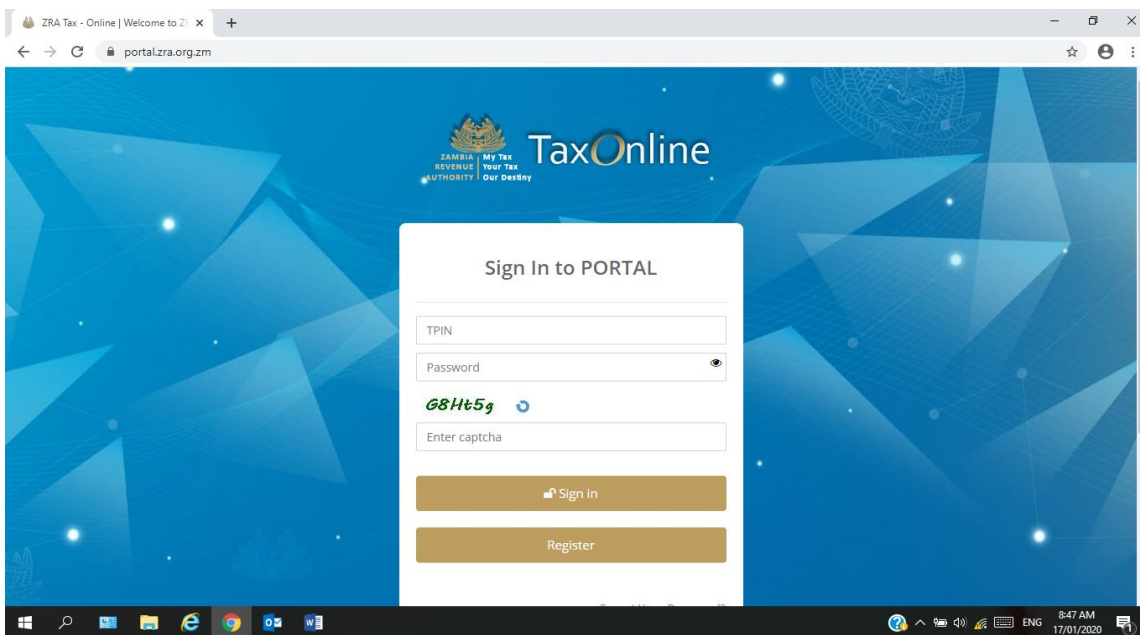
1. Cassava
2. Pineapple
3. Mango
4. Tomato
5. Sorghum
6. Millet

## 49.0 MISCELLANEOUS MATTERS

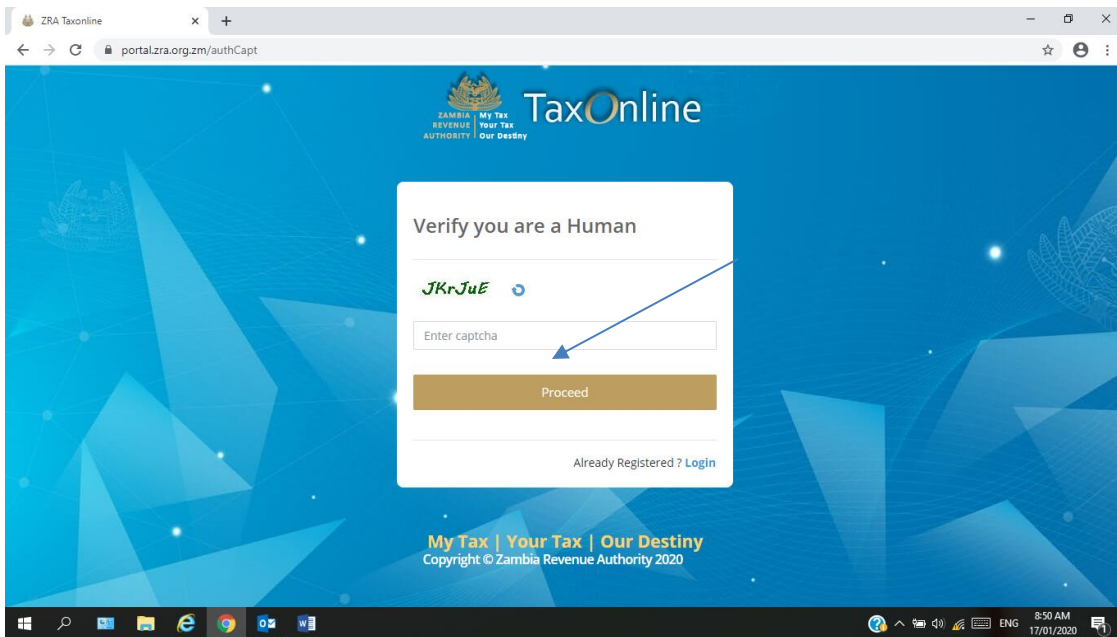
### 49.1 Application for Taxpayer Identification Number (TPIN)

To apply for a TPIN on the web portal go to the ZRA Home page [www.zra.org.zm](http://www.zra.org.zm), ensure that you use **Chrome, Edge or Firefox** as your browser.

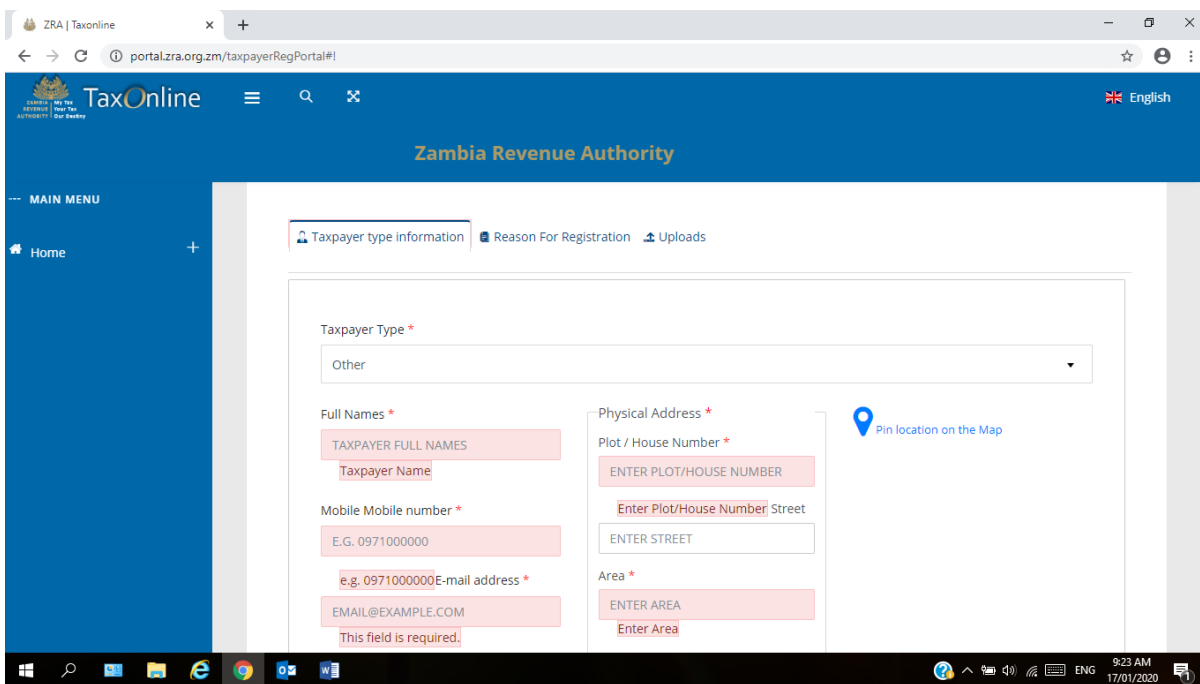
**Step 1:** Click on TaxOnline at the bottom left of the page, this will redirect you to the screen below:



**Step 2:** Select **Register** to start your registration, and enter the **CAPTCHA** this is just to verify that you are not a system bug.



**Step 3:** Select type of taxpayer on the home page and begin your registration. There are a number of options on the dropdown screen. Tax type selection have been automated depending on the Business activity you have selected from PACRA.



**Step 4:** Complete the taxpayer type information then click next to select the **reason for registration**.



**Step 5:** Upload documents. This will depend on the type of taxpayer, for example;

**(a) Individual resident**

1. Copy of NRC
2. Sketch
3. map of physical address

**(b) Individual other**

1. Passport
2. map of physical address

**(c) Company resident**

1. Certificate of incorporation
2. Certificate of share capital
3. PACRA form 3
4. Map of physical address **etc.**

➤ The system has a provision for you to pin your location when uploading documents.

**NOTE:**

- TPINs and Login credentials for Business Names and Limited Companies will be sent to emails and mobile because there is an interface between Zambia Revenue Authority and PACRA.
- When you receive your default password, proceed to our website to complete your Tax type registration.
- Approvals for TPINs have been automated and are approved with immediate effect, and a copy will be sent to your email and a notification to your mobile phone.
- Log in Credentials must be created once the TPIN has been generated in order for you to have access to the online portal.
- All Notices and Certificates generated on the new system are now secured with QR code number and Watermark.

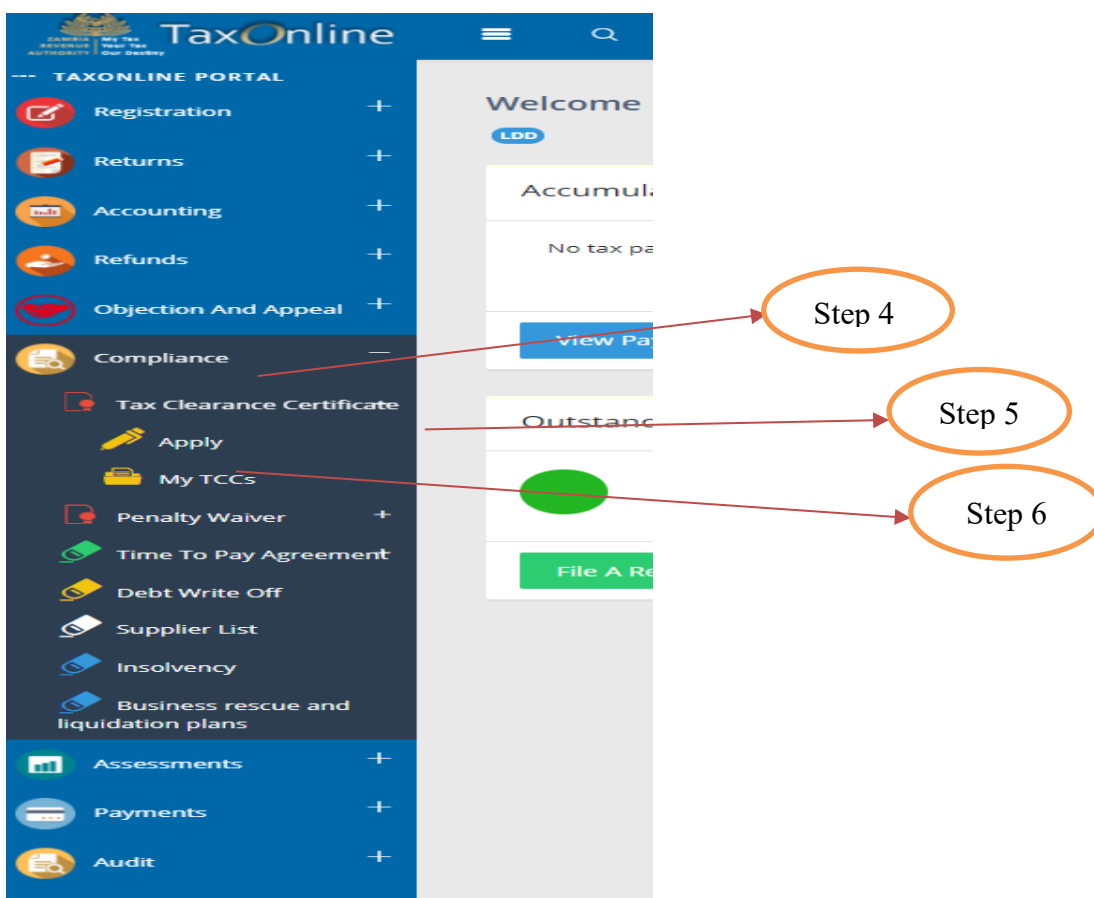
**49.2 Platforms for TPIN Registration:**

- **All handsets:** Use the USSD Code \*858# on Zamtel or Airtel networks, using any handset, click on TPIN Registration and follow the prompts.  
**Smart phones only:** Download “TaxOnApp” from Play Store or from App Store. Once you have clicked on the installed App, click on TPIN Registration and follow the prompts.  
**Online application:** Go to the ZRA website <https://www.zra.org.zm/> and click on the link “INDIVIDUAL” for an individual TPIN or “BUSINESS” for a business TPIN. Under the group Registration, click Get a TPIN and follow the prompts.

### 49.3 Application for Tax Clearance Certificates (TCC)

To apply for a Tax Clearance Certificates (TCC) Kindly follow the steps below.

- Step 1: Go to the ZRA Home page [www.zra.org.zm](http://www.zra.org.zm), ensure that your use Chrome, Edge or Firefox as your browser.
- Step 2 : Select Login
- Step 3 : Log in to your account using your TPIN and password
- Step 4 : Go to Compliance
- Step 5 : Select Tax Clearance Certificate
- Step 6 : Click on Apply



- The TCC will then be generated and can be printed or saved.

### 49.4 Smart Invoice information:

Contact email address through which to seek Electronic Fiscal Device or “EFD” assistance or information send an email to [smartinvoice@zra.org.zm](mailto:smartinvoice@zra.org.zm).

#### **49.5 Reporting TaxOnline System Challenges:**

Contact email address through which to seek TaxOnline information or assistance– send an email to [advice@zra.org.zm](mailto:advice@zra.org.zm).

#### **49.6 Leaflets and other tax information:**

To view leaflets and other tax documents, go to the ZRA website <https://www.zra.org.zm/> and click on ‘General Tax Information’

#### **49.7 Tax Video Tutorials:**

To access video tutorials on various online tax processes, go to the ZRA website <https://www.zra.org.zm/> and click on ‘Tutorials’

#### **49.8 Reporting complaints of unethical nature:**

- Write to: Chairperson – ZRA Integrity Committee, P.O Bos 35710, Lusaka OR
- Email: [zraic@zra.org.zm](mailto:zraic@zra.org.zm) or
- Phone: +260978701701 or;
- Drop your complaints in the Suggestion box at any of the ZRA stations

## 50.0 ZAMBIA REVENUE AUTHORITY CONTACT ADDRESSES:

If you have any queries concerning your taxes, please contact the Customer Experience Centres or your nearest Domestic Taxes Division on the following addresses:

- 1** National Call Centre  
New Revenue Hall  
P.O. Box 35710  
**Lusaka**  
Tel: Zamtel Network: (0211) 381111  
MTN Network: 0960 091111  
Airtel Network: 0971 281111  
Short code: 5972  
Website: <http://www.zra.org.zm>
- 2** Taxpayer Services Centre  
Nchanga House  
P.O. Box 20855  
**Kitwe**  
Tel: Zamtel Network: (0211) 384529  
MTN Network: 0960 094529  
Airtel Network: 0971 284529  
Website: <http://www.zra.org.zm>
- 3** Assistant Director  
Direct Taxes LSTO – Returns, Payments  
& Taxpayer Services  
P.O. Box 35710  
**Lusaka**  
Tel: Zamtel Network: (0211) 382649  
MTN Network: 0960 092649  
Airtel Network: 0971 282649
- 4** Assistant Director  
Domestic Tax Policy  
P.O. Box 35710  
**Lusaka**  
Tel: Zamtel Network: (0211) 382520  
MTN Network: 0960 092520  
Airtel Network: 0971 282520
- 5** Assistant Director  
International Tax Policy  
P.O. Box 35710  
**Lusaka**  
Tel: Zamtel Network: (0211) 382544  
MTN Network: 0960 092544  
Airtel Network: 0971 282544





