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# 2022

## Budget Highlights

### Overview of Tax Changes



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### **INTRODUCTION**

This pamphlet presents an overview of the major changes in the tax legislation and other relevant information to our taxpayers and stakeholders as announced by the Minister of Finance and National Planning, Honourable Dr. Situmbeko Musokotwane, MP, in his National Budget Address to the National Assembly for the fiscal year 1st January, 2022 to 31st December, 2022.

The overview gives a guide on the measures announced in the Budget as reflected in the various Bills, Statutory Instruments, Regulations and Commissioner General's Rules that contain the enabling legislation. The details are contained in the published legislation. However, it should be noted that some of the measures in this pamphlet are subject to Parliamentary approval while others take effect as per the Honourable Minister's pronouncement.

Kindly visit the ZRA website ([www.zra.org.zm](http://www.zra.org.zm)) which includes all the information contained in this pamphlet and other useful tax details. You may also contact our Call Centre on +260 211 381111 or +260 971 281111 or 4111.



Dingani Banda  
Commissioner General.

## 1. DIRECT TAXES MEASURES

### 1.1 REVENUE CONCESSION MEASURES

#### 1.1.1 Increase the exempt threshold for Pay As You Earn (PAYE) to K4, 500 per month from K4, 000 and adjust the income bands accordingly.

This measure is aimed at providing relief to employees and self-employed individuals, especially those in the lower income brackets.

CURRENT PAYE REGIME		PROPOSED PAYE REGIME	
Income Band	Tax Rate I	Income Band	Tax Rate
0 – K4,000 per month	0 %	0 – K4,500 per month	0 %
K4,001 – K4,800 per month	25 %	K4,501 – K4,800 per month	25 %
K4,801 – K6, 900 per month	30 %	K4,801 – K6, 900 per month	30 %
Above K6,900	37.5 %	Above K6,900	37.5 %

#### 1.1.2 Make mineral royalty deductible for Corporate Income Tax assessment purposes.

Currently, mineral royalty paid is not a deductible expense for income tax purposes. The measure will enhance the mining sector's contribution to job creation, investment and economic development.

#### 1.1.3 Reduce the standard Corporate Income Tax rate to 30 percent from 35 percent but maintain the top marginal tax rate for telecommunication companies will be maintained at 40 percent.

The measure is aimed at providing relief to businesses in order to promote investment, job creation and economic growth following the adverse economic impact of the COVID-19 pandemic.

#### 1.1.4 Extend the 15 percent Corporate Income Tax rate on income earned by hotels and lodges on accommodation and food services to 31st December, 2022 from 31st December, 2021.

The measure is aimed at providing relief to businesses in the hospitality industry in order to safeguard employment and investment in the sector amidst the COVID-19 pandemic.

### **1.1.5 Extend the tax exemption relating to payments of interest arising on bank accounts held by individuals to all interest earning accounts held by individuals with institutions registered under the Banking and Financial Services Act.**

Currently, the rate of withholding tax from any payment of interest arising from savings or deposit accounts held with institutions registered under the Banking and Financial Services Act to an individual is zero percent. The measure seeks to extend this treatment to interest earned by individuals on all interest earning accounts held with institutions registered under the Banking and Financial Services Act.

### **1.1.6 Reform the rental income tax regime by charging Turnover Tax rate at 4 percent on rental income below K800,000 per annum and apply the Income Tax regime for individuals or corporates with rental income above K800,000 per annum.**

Currently, rental income is subject to Withholding Tax at the rate of 10 percent. This measure will align the treatment of rental income with that of other income sources.

### **1.1.7 Suspend Corporate Income Tax for persons carrying on the business of manufacturing ceramic products for the charge years 2022 and 2023.**

This measure seeks to promote the production of locally manufactured ceramic products and create jobs.

### **1.1.8 Increase the period for disallowed interest deduction carry forward to 10 years from 5 years.**

This measure intends to align with the current legislation on tax carry forward limit of losses.

## **1.2 COMPENSATING MEASURES**

### **1.2.1 Revise upwards the bands for presumptive taxes on taxis and buses as below.**

<b>Vehicle Sitting Capacity</b>	<b>Current Tax Per Annum (ZMW)</b>	<b>Proposed Tax per Annum (ZMW)</b>
64 seater and above	10,800	12,960
50 – 63 seater	9,000	10,800
36 - 49 seater	7,200	8,640
22 - 35 seater	5,400	6,480
18 - 21 seater	3,600	4,320
12 - 17 seater	1,800	2,160
Below 12 seater	900	1,080

The presumptive taxes on motor vehicles for the carriage of persons were last revised in 2018. The measure seeks to adjust the specific rates for inflation overtime.

### **1.2.2 Introduce Withholding Tax at the rate of 20 percent on reinsurance placed with reinsurers not licensed in Zambia.**

This measure is intended to encourage the uptake of reinsurance from local firms and further develop the industry.

## **1.3 HOUSEKEEPING MEASURES**

### **1.3.1 Make Public Benefit Organisation Approvals issued under the Income Tax Act renewable and align the renewal with the renewal process under the Customs and Excise Act.**

This measure is intended to require Public Benefit Organisations to renew their approvals for tax relief under the Income Tax Act in order align with the 3 year renewal period under the customs and Excise Act.

### **1.3.2 Introduce a mandatory requirement for tickets to display the withholding tax payable on potential winnings. Further, this will be a condition for holding a license whether operating online or through physical stores.**

This measure is intended to enhance tax compliance on betting, casino, lottery and gaming activities.

### **1.3.3 Remove reference to “an approved fund” in the Second Schedule Part IV Paragraphs 7 (a) and (q) of the Income Tax Act to align them with the provisions of the constitution.**

This measure intends to align the provisions in the Income Tax Act with the constitution.

### **1.3.4 Amend Paragraph 1 (1) (b) of the Charging Schedule to require persons with disability to be registered with the Zambia Agency for Persons with Disabilities.**

The measure is intended to facilitate claims for tax credit on account of disability, especially those made in respect of prior charge years. It will also harmonise the requirements for claims of disability tax credit with those for claiming a Customs rebate under the Customs and Excise Regulation 87A.

### **1.3.5 Amend the Tenth Schedule of the Income Tax Act, which provides the list of activities that can qualify an organisation as a Public Benefit organisation to:**

- i. Clarify the wording of part (1)(a) to read:  
“(a) The care or counselling of, or the provision of, education programmes relating to abandoned, abused, neglected, orphaned or homeless children.”
- ii. Clarify that the provision of higher education by a public university is a public benefit activity.

The measure seeks to clarify that public universities are not excluded from being approved as Public Benefit Organisations.

### **1.3.6 Amend Section 15 by deleting the word “Charities” and replacing it with the words “Approved Public Benefit Organisations”.**

The measure seeks to update the reference to charities as approved Public Benefit Organisations and bring Section 15 in line with the Second Schedule to which it refers.



**1.3.7 Introduce a definition for “winnings” in Section 2 of the Income Tax Act.**

This measure intends to introduce a definition of “winnings” in the Income Tax Act and thereby provide clarity on winnings that are subject to Withholding Tax.

**1.3.8 Amend the Ninth schedule to change the definition for “Gross Takings” in the Income Tax Act.**

This measure seeks to amend the definition of gross takings to clarify the pay-outs that are subject to tax. For example, pay-outs arising from playing chips that have been redeemed for cash will not be subject to tax.

**1.3.9 Amend Section 82A by deleting Sub-sections (2A) and (3) and amend sub- section (4) in order to align it with the changes that were made to Section 82A in the 2021 Budget.**

The measure seeks to amend Section 82A by deleting Sub-sections (2A) and (3) to remove repetition under sub-section 4 and the filing and payment requirements which are sufficiently provided for following automation. [Further, the measure intends to amend sub-section (4) to clarify that both a return and payment of tax should be submitted and made within 14 days from the end of the month in which a payment subject to withholding is made.

**2. PROPERTY TRANSFER TAX MEASURES****2.1 COMPENSATING MEASURES****2.1.1 Extend Property Transfer Tax on transfers of mineral processing and other mine related licenses at the applicable rate of 10 percent.**

Currently, the transfer of a mining right is subject to property transfer tax while the transfer of a mineral processing license is not. This measure aims to subject transfers of mineral processing licenses to property transfer tax as they have intrinsic value akin to a mining right.

### **2.2 HOUSEKEEPING MEASURES**

#### **2.2.1 Amend Section 3 (2) of the Property Transfer Tax Act by deleting the words “the Commissioner or to” to clarify that the Commissioner General can delegate to anyone in the Authority and not in a specific Division.**

The measure intends to provide clarity that the Commissioner General can delegate to anyone in the Authority.

#### **2.2.2 Amend Section 3 of the Property Transfer Tax Act to delete “Commissioner” and replace it with “Commissioner General” in the side note.**

The measure seeks to clarify that Section 3 refers to the functions and powers of the Commissioner General.

#### **2.2.3 Amend Section 4 (1B) of the Property Transfer Tax Act to include the word “consecutive” which will read as follows;**

“A transfer of shares referred under sub-section (1A), is not liable to tax if the total value of the transferred shares over a period of three consecutive years represents less than ten percent of the total value of shares in the company incorporated in the Republic.”

The measure aims to clarify that the three years are required to follow each other consecutively.

#### **2.2.4 Amend Section 6 (1) (d) of the Property Transfer Tax Act to include the word “approved” before public benefit organisation.**

The measure seeks to clarify that the only Public Benefit Organisations which are approved as provided for under the Income Tax Act, may be exempted from Property Transfer Tax.

#### **2.2.5 Insert Section 9 (1A) in the Property Transfer Tax Act to allow a proxy to file a return in situations where the taxpayer cannot be found.**

The proposed wording should read as follows;

“Notwithstanding Subsection 1, a person other than the transferor of the property shall be allowed to render a provisional return on behalf of the transferor where that person has been allowed to do so through a court order or has been appointed as a proxy for the registrar of court who has been authorised to render the provisional return.

Provided that the following conditions are met:

- i. the transferor is deceased;
- ii. the transferor is absent from the republic; or
- iii. the transferor cannot be located despite all reasonable efforts to do so.”

This measure intends to allow for the processing of Property Transfer Tax returns through an appointed proxy where the transferor is not available.

### **3. TRANSFER PRICING REGULATIONS**

#### **3.1 HOUSE KEEPING MEASURES**

##### **3.1.1 Amend Regulation 22A (5) part (iii) to replace the words “system failure” with “systemic failure”.**

The measure aims to correct the error in Regulation 22A (5) part (iii) that refers to “system failure” instead of “systemic failure”.

##### **3.1.2 Amend Regulation 22 (4) to introduce two new schedules to provide for submission of information required under international obligations for Country by Country (CbC) reporting provided in the annex.**

This measure is intended to update the Regulations in order to align with international guidance relating to CbC reporting which require Multinational Enterprises (MNEs) to include two new schedules. The new schedules require listing the constituent entities of the MNE’s group aggregated per tax jurisdiction and providing any additional information such as the nature of activities of a respective constituent entity.

##### **3.1.3 Amend Regulation 22A (4)(b) of the Transfer Pricing Regulations to**

## **GROWTH, JOB AND TAKING DEVELOPMENT CLOSER**

**clarify how the Country by Country (CbC) Report should be submitted to the Commissioner General.**

The measure intends to clarify the procedure of submitting the Country by Country (CbC) reports.

### **3.1.4 Amend the Regulation which provides for the threshold for which Multinational Enterprises are expected to report under Country by Country (CbC) reporting to only refer to the local currency threshold of 4.795 billion Kwacha.**

The measure is intended to provide for the use of a single threshold, denominated in Kwacha, for CbC reporting.

### **3.1.5 Amend Regulation 22A (7) (D) to clarify the conditions under which a local entity will not be required to file the Country by Country (CbC) Report.**

The proposed wording is as follows:

“The State of tax residence of the Surrogate Parent Entity has been notified in accordance with Sub-Regulation 7 by the Constituent Entity resident for tax purposes in its jurisdiction that it is the Surrogate Parent Entity; and”

This measure intends to clarify the conditions under which a local entity will not be required to file the Country by Country (CbC) Report by referring to sub-Regulation 7 rather than sub-Regulation 8.

### **3.1.6 Amend the Transfer Pricing Regulations to allow Regulation 11 refer to Section 97A (1) and 97A (2) of the Income Tax Act in order to align it with the changes made by amendment Act No. 20 of 2020.**

The measure aims to align Regulation 11 with the Income Tax Act following amendment to Sections 97A (1) and 97A (2).

### **3.1.7 Amend Section 6 of the Income Tax Act to correct the side note.**

The measure seeks to update the side note to appropriately reflect its content following amendment to the Section effected by amendment Act

No. 20 of 2020.

**3.1.8 Amend Section 18 of the Income Tax Act to clarify that sub-section (1) (j) is a continuation and that it is considered that it is an item of income which is deemed to be from the source within the Republic.**

The measure is aimed at introducing punctuation changes that will show a continuation of item (i) to (j).

**3.1.9 Amend the definition of commodity royalty (“CR”) so as to include payments made by a person resident in the republic to another person equally resident in Zambia. Further, amend the definition so as to remove or expand on the element of royalty financing.**

This measure seeks to expand the definition of commodity royalty to include payments made to a Zambian company and that such a payment maybe for royalty financing or may also be a general agreement to make a payment based on parameters such as profit and production, among others.

## **4. VALUE ADDED TAX MEASURES**

### **4.1 REVENUE CONCESSION MEASURES**

**4.1.1 Amend the Zero-rating Order to provide for zero-rating of the following agricultural equipment and accessories:**

- a) Manure Spreaders;
- b) Balers;
- c) Combine Harvesters;
- d) Commercial Sprinkler Irrigation Systems;
- e) Animal Feed Grinder-Mixer;
- f) Pelleting Machines;
- g) Sprayer;
- h) Trailers of a specific HS code; and
- i) Dryers for agricultural products of a specific HS code.

This measure is intended to promote production in the agricultural sector and enhance food security.

### **4.1.2 Amend the Zero-rating Order to include solar street lights and solar charge control units.**

The measure seeks to promote the use of alternative renewable energy sources of energy sources.

## **4.2 COMPENSATING MEASURES**

### **4.2.1 Standard rate the supply of property and non-life insurance, and abolish the current applicable insurance premium levy.**

Currently, the arrangement, provision, or transfer of insurance services is subject to Insurance Premium Levy at 3 percent. The measure intends to remove the Insurance Premium Levy on the arrangement, provision, or transfer of non-life insurance services and subject these to VAT.

### **4.2.2 Standard rate the supply of booklets and newspapers.**

This measure is intended to broaden the tax base.

## **4.3 HOUSEKEEPING MEASURES**

### **4.3.1 Amend Section 7A (1) to provide a clearer meaning of recording daily sales.**

The proposed wording is as follows:

7 A (1) 'A taxable supplier shall use an electronic fiscal device to record each sales transaction for any supply'.

This measure intends to provide clarity that a taxable supplier is required to use an electronic fiscal device to record each sales transaction for any supply. Therefore, taxpayers will not have the latitude to record their sales in intervals or as block figures.

### **4.3.2 Amend Paragraph 2 of the Zero-rating Order to remove the definition of “inclusive tour”.**

The measure is intended to remove a redundant definition relating to a repealed provision under Group 1(g).

**4.3.3 Amend Regulation 7 of the VAT (Electronic Fiscal Device) Regulations to allow a taxable supplier to only use accounting software integrated with the Tax Invoice Management System.**

The proposed wording is as follows:

The Commissioner-General may allow a taxable supplier to use accounting software to issue tax invoice if the accounting software is integrated with the tax invoice management system.

This measure is intended to provide for the requirement for taxable suppliers using accounting software to have their accounting software integrated with the Tax Invoice Management System.

**4.3.4 Amend Section 7 (5) of the VAT Act so as to include a graduated penalty regime similar to what is in section 7A (3) of the same VAT Act.**

The measure aims to align the penalty regime in Section 7 (5) with Section 7A (3).

**4.3.5 Amend Section 18 (3) (c) to clarify the documents in support of an import by replacing the word “or” with “and”.**

The proposed wording is as follows:

In the case of imported goods, import bills of entry “and” such documentary evidence of the payment of tax as the Commissioner-General may, by administrative rule, prescribe.

This measure seeks to clarify that the provision in the Commissioner General’s Rules pertaining to bills at entry is provided for in the Act.

**4.3.6 Update side notes on part 10b of the Value Added Tax (VAT) Exemption Order by replacing SI No. 6 of 2009 with SI No. 110 of 2020.**

## **GROWTH, JOB AND TAKING DEVELOPMENT CLOSER**

This measure aims to refer the side note on Part 10b of the VAT exemption schedule to Statutory Instrument No. 110 of 2020 which replaced Statutory Instrument No. 6 of 2009.

### **4.3.7 Change the tax collection point for value added tax on mobile phones from importation and point of sale to point of registration by the Zambia Information and Communications Technology Authority.**

This measure is intended to encourage compliance and enhance proper identification of mobile phones and security.

## **5. CUSTOMS AND EXCISE MEASURES**

### **5.1 REVENUE CONCESSION MEASURES**

#### **5.1.1 Reduce Customs Duty to zero percent from 15 percent and 25 percent on solar street lights and solar charge control units, respectively.**

The measure seeks to promote uptake of alternative energy sources and reduce dependency of the national grid.

#### **5.1.2 Harmonise customs duty rates at 15 percent from 40 percent or K5 per kilogram, whichever is greater, applicable on tyres for lorries and buses as well as construction and agriculture machinery.**

The measure is intended to reduce the input costs in these sectors.

#### **5.1.3 Extend the waiver of customs duty on safari game viewing vehicles, tourist buses and coaches to 31st December, 2023.**

This measure intends to extend relief to the tourism sector following the adverse impact of the Covid-19 pandemic. This will only apply to accommodation establishments, convention centres and tourism enterprises.

#### **5.1.4 Extend to 31st December 2022 suspension of customs duty on importation of refrigerated trucks for agro-processing, processors of milk and manufacturers of medicaments.**



This measure is intended to allow the sub-sectors to support the supply of perishable goods on the domestic and export markets.

**5.1.5 Increase the exemption value of goods on which duty is not paid to US \$500 from US \$50 inclusive of freight and insurance.**

This measure aims to provide relief on such petty consignments. This excludes goods consigned through parcel post or air freight.

**5.1.6 Remove 5 percent Customs Duty on filler masterbatch.**

This measure is intended to reduce costs in the plastic production industry and thereby create employment and domestic value addition.

**5.1.7 Remove 5 percent Customs Duty on cattle breeding stock.**

This measure seeks to support the livestock subsector.

**5.1.8 Suspend the 5 percent customs duty on grandparent and/or parent stock of day-old chicks when imported by a breeding company for one-year effective 1st November, 2021.**

This measure aims to increase domestic production of chickens and thereby increase the supply of chickens and chicken products on the domestic market.

**5.1.9 Remove 10 percent Export Duty on Maize effective 1st November, 2021.**

This measure aims to stimulate domestic production of maize and enhance the competitiveness of maize exports, thereby improving the incomes of farmers.

**5.1.10 Remove Selected Goods Surtax of 5 percent on bovine semen.**

This measure is intended to increase domestic production of cattle and thereby increase the supply of meat and meat products on the domestic market.

### **5.2 COMPENSATING MEASURES**

#### **5.2.1 Increase specific excise duty on cigarettes to K355 per mille from K302 per mille.**

The measure intends to adjust the specific duty rates for inflation.

#### **5.2.2 Increase specific excise duty on unmanufactured tobacco, tobacco refuse, smoking tobacco whether or not containing tobacco substitutes, water pipe tobacco and cutrag to K355 per kg from K240 per kg.**

The measure intends to adjust the specific duty rates for inflation.

#### **5.2.3 Increase the specific excise duty on opaque beer to 50 ngwee per litre (packaged) and to one Kwacha (unpackaged) from 15 ngwee.**

The measure intends to raise revenue to finance the provision of public goods and services.

#### **5.2.4 increase customs duty to 25 percent from 15 percent on floor and wall tiles imported from outside the COMESA and SADC regions.**

This measure is intended to increase domestic production of floor and wall tiles and create employment.

#### **5.2.5 Introduce Excise Duty on coal at the rate of 5 percent.**

This measure is intended to discourage the use of coal which is harmful to the environment.

#### **5.2.6 Increase customs duty to 25 percent from 5 percent and 15 percent on yarn made from acrylic fibre of HS codes 5511.10.00, 5509.31.00, 5509.32.00, 5509.11.00, 5509.12.00 and 5509.22.00 imported from outside the COMESA and SADC regions.**

This measure aims to promote the growth of the domestic textile industry and create employment.

#### **5.2.7 Introduce Selected Goods Surtax at the rate of 5 percent on knitted or**

**crocheted jerseys, pullovers, cardigans, waistcoats and similar articles.**

This measure intends to promote domestic value addition and job creation in the textile industry.

**5.2.8 Introduce Selected Goods Surtax at the rate of 10 percent on imported cement bags.**

This measure is intended to encourage the use of locally manufactured cement bags as there is sufficient domestic capacity.

**5.2.9 Increase Selected Goods Surtax to 20 percent from 5 percent on flexible intermediate bulk (FIB) bags.**

This measure is intended to encourage the use of locally manufactured FIB bags.

**5.2.10 Introduce Selected Goods Surtax at the rate of 20 percent on imported glass of HS code 7005.10.00, 7005.21.00, 7005.29.00 and 7005.30.00.**

This measure is intended to support local manufacturers of glass and glass products.

**5.2.11 Introduce Selected Goods Surtax at the rate of 5 percent on imported floor and wall tiles.**

The local production of wall tiles has increased over time. This measure aims to further promote the use of locally manufactured wall tiles.

**5.2.12 Introduce Selected Goods Surtax at the rate of 5 percent on selected fruits and vegetables.**

This measure is intended to promote the consumption of local supply of fruits and vegetables and support incomes of farmers.

**5.3 HOUSE KEEPING MEASURES**

**5.3.1 Introduce an application form for the beneficiaries of the duty waiver under Regulation 87A.**

The measure intends to strengthen administrative provisions for granting duty waiver on imported vehicles specially modified for differently abled persons.

### **5.3.2 Review the categories of goods under the Public Benefit Organisation (PBO) scheme for tax purposes.**

The measure aims to strengthen administrative provisions for granting duty exemptions on importations by Public Benefit Organisation's.

### **5.3.3 Introduce separate Harmonised System (HS) codes for Popcorn.**

This measure is intended to separate HS classification of popcorn from similar products.

### **5.3.4 Introduce a time limit of 30 days within which an objection to an assessment or any other objection can be lodged with the Commissioner-General.**

This measure aims to ensure timely resolution of disputes arising from objections.

### **5.3.5 Extend the time frame within which a taxpayer may appeal to the Tax Appeals Tribunal, after a notice has been served by the Commissioner General, to 30 days from the current 20 days.**

The measure is intended to provide an importer an additional 10 days in which to appeal to the Tax Appeals Tribunal against a decision by the Commissioner General.

### **5.3.6 Provide for the Commissioner General to waive ASYCUDA processing fees that arise as a result of administrative omissions and/or errors that are not in any way attributed to a taxpayer.**

This measure seeks to ensure that only amendments arising from errors or omissions by taxpayers are charged amendment or processing fees.

**5.3.7 Align the First Schedule to the Customs and Excise Act (HS Codes) to the 2022 version of the World Customs Organisation (WCO) Harmonised Coding and Description System.**

This measure intends to align Zambia's national tariff book with the updated Harmonised Coding and Description system which is revised every four to six years.

**5.3.8 Reduce the number of hours for goods that remain within customs premises after release from customs control without the payment of a storage fee, to eight (8) hours, from forty-eight (48) hours.**

This measure is intended to ensure that goods do not overstay in Customs premises.

**5.3.9 Increase Storage fees to K150 (500 fee units) from the current K30 (100 fee units) per day to be paid on goods that remain within customs premises after eight (8) hours of being released from customs control.**

This measure is intended to discourage goods overstaying at Customs premises.

**5.3.10 Provide a five (5) day limit, prior to the arrival of goods, for which an application for Advance Tariff Ruling may be submitted.**

This measure is intended to ensure timely evaluation of applications for an advance tariff ruling and, also provide a ruling in good time prior to the arrival of the goods.

**5.3.11 Provide a time limit of 30 days within which an objection pertaining to a manufacturer's license for goods subject to excise and all surtax can be lodged with the Tax Appeals Tribunal.**

This measure aims to encourage taxpayers to object in time.

**5.3.12 Amend the Sixth Schedule to the Customs and Excise Act to correct the numbering of Clause (1) paragraph (3).**

The measure is intended to correct the numbering of the clauses in the Schedule.

**5.3.13 Amend the Customs and Excise (Spirit) (Refunds, Rebates and Remissions) Regulation, 2004, Statutory Instrument No. 16 of 2004 to update and consider current trends and manufacturing of methylated spirit and its usage.**

The amendment is intended to update the legislation with new developments in the preparation and tax administration practices.

**5.3.14 Reduce the license fee for excisable manufacturers to K4,500 from K9,000.**

This measure intends to provide relief to manufacturers of excisable commodities, especially Small and Medium Enterprises (SMEs) and further cushion them against the negative impact of Covid-19.

**6. MEASURES TO REVAMP MULTI FACILITY ECONOMIC ZONES**

**6.1 Introduce zero percent tax for a period of 10 years from first year of commencement of works in a Multi Facility Economic Zone or Industrial Park, on dividends declared on profits made on exports by companies operating in these economic zones under the Zambia Development Agency Act No. 11 of 2006;**

**6.2 Introduce zero percent tax for a period of 10 years from first year of commencement of works in a Multi Facility Economic Zone or Industrial Park, on profits made on exports by companies operating in these economic zones under the Zambia Development Agency Act No. 11 of 2006. For years 11 to 13 only 50 percent of profits should be taxed and 75 percent of profits for years 14 and 15; and**

**6.3 Reduce the threshold to US \$50, 000 for a Zambian citizen to qualify for incentives provided under the Zambia Development Agency Act No. 11 of 2006**

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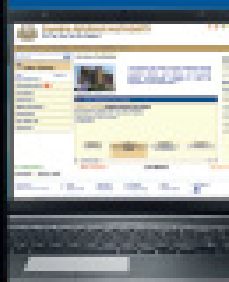
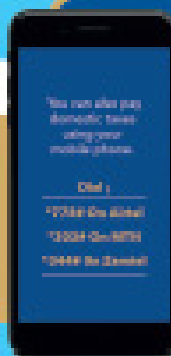
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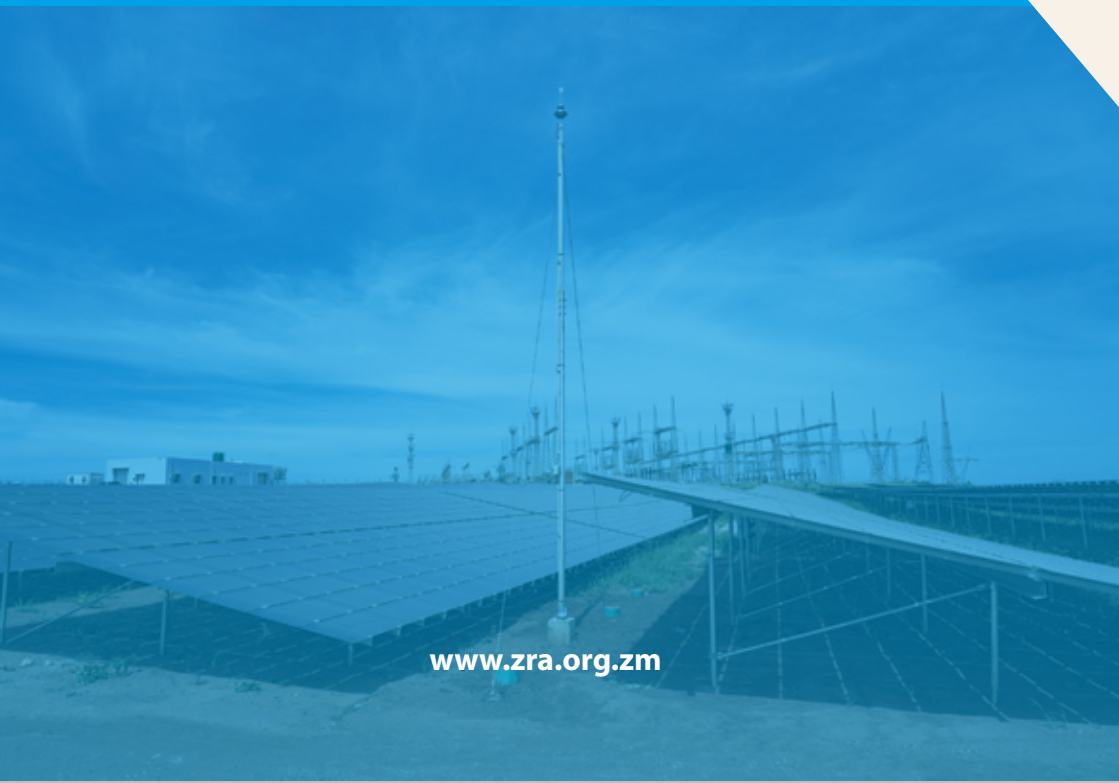
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