

GOVERNMENT OF ZAMBIA

ACT

No. 14 of 2019

Date of Assent: 27th December, 2019

An Act to amend the Value Added Tax Act.

[27th December, 2019

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2019, and shall be read as one with the Value Added Tax Act, in this Act referred to as the principal Act.

Title and
commencement

Cap. 331

(2) This Act shall come into operation on 1st January, 2020.

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

Amendment
of section 2

“electronic commerce” means the buying, selling, advertising or marketing of goods and services using the internet, mobile telecommunication networks and other electronic commerce infrastructure;

“electronic service” means a service capable of delivery of data across multiple electronic commerce platforms; and

“electronic payment machine” means a payment terminal used by a taxable supplier to receive a payment.

3. Section 7 of the principal Act is amended by the deletion of subsections (3) and (4) and the substitution therefor of the following:

(3) A taxable supplier shall issue a tax invoice for the supply of goods and services using an electronic fiscal device.

(4) Despite subsection (3), the Commissioner-General may approve the issuance of a tax invoice using an approved computer application or pre-printed tax invoice by a taxable supplier.

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P.O. Box 30136, 10101 Lusaka, Price K8.00 each.*

- (5) A taxable supplier who fails to issue a tax invoice commits an offence and is liable, on conviction, to a penalty not exceeding three hundred thousand penalty units or to imprisonment for a term not exceeding three years, or to both.

Insertion of
section 7A

4. The principal Act is amended by the insertion of the following new section immediately after section 7:

Record
of daily sales

- 7A. (1) A taxable supplier shall use an electronic fiscal device to record daily sales.
- (2) Despite subsection (1), the Commissioner-General may approve the use of a document, device or equipment, other than an electronic fiscal device, for a certain category of taxable suppliers.
- (3) A taxable supplier that contravenes this section commits an offence and is liable, on conviction, in the case of -
- (a) a first offence, to a penalty not exceeding thirty thousand penalty units;
- (b) a second offence, to a penalty not exceeding sixty thousand penalty units; and
- (c) a third offence or subsequent offence, to a penalty not exceeding ninety thousand penalty units.

Amendment of
section 8

5. Section 8 of the principal Act is amended by the—
- (a) deletion of sub-sections (5), (5A), (6), (7), (8), (8A) and (9) and the substitution therefor of the following:
- (5) A recipient of an imported service shall pay tax on the importation of a service, where a service is performed, undertaken, or utilised in the Republic or the benefit of the supply is for a recipient in the Republic.
- (6) The tax under subsection (5) shall be paid if—
- (a) the recipient of the imported service has not paid tax due in the country of exportation; or
- (b) the supplier who is resident outside the Republic has not appointed a tax agent.
- (7) The input tax corresponding to the tax paid under subsection (5) shall be excluded from any claim, deduction or credit under section eighteen.