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GAZETTE NOTICE No. 663 OF 2018

[3194710

The Value Added Tax (Laws, Volume 19, Cap. 331)

General (Amendment) Rules, 2018

IN EXERCISE of the powers contained in sections *ten, eleven, twelve, thirteen, eighteen, twenty-seven, twenty-eight, fifty-two and fifty-three* of the Value Added Tax Act, Chapter 331 of Laws of Zambia (hereinafter referred to as "the Act") the following Rules are hereby made:

PART I PRELIMINARY

Title and commencement

1. These Rules may be cited as the Value Added Tax General (Amendment) Rules, 2018

Interpretation

2. In these Rules—

Gazette Notice No. 86 of 1997

'accounting year' means a period of twelve months ending on 31st December or such period as the Commissioner-General may prescribe;

'proper attribution' means the proportion, determined by calculation in accordance with rule ten, of input tax that can be attributed, for the purposes of section eighteen of the Act, to taxable supplies made by a supplier to whom that rule applies.

PART II TAX INVOICES AND CREDIT NOTES

Tax Invoice

Gazette Notice No. 46 of 2014

3. (1) A tax invoice is to be issued for all supplies of goods and services and shall include the following features:

- (i) the words 'tax invoice' displayed in a prominent place;
- (ii) the registered supplier's name and address;
- (iii) taxpayer identification number;
- (iv) the date of issue of the invoice;
- (v) the number of the invoice taken from a consecutive series;
- (vi) the customer's name;
- (vii) a description sufficient to identify the goods or services supplied which includes the quantity of the goods or the extent of the service supplied, the tax exclusive amount charged for each description of goods and services supplied and the rate or rates of tax; and indicate:—
 - the total amount charged on the invoice, exclusive of tax;
 - the rate and amount of discount given, if any;
 - the total tax charged; and
 - the total amount charged on the invoice, inclusive of tax

Provided that:

- (a) invoices from Electronic Fiscal Devices shall include the terminal identity number, fiscal code and quick response code; and
- (b) for banks registered under the Banking and Financial Services Act, a bank statement shall qualify as a tax invoice.

Issue of Tax Invoices

Gazette Notice No. 46 of 2014

4. (1) A registered supplier shall issue a tax invoice from an invoice book printed by a printer or from a computer package approved by the Commissioner General.

(2) For a person to be approved as a printer of tax invoices, that person shall:

- (i) apply using a form provided by the Commissioner General; and
 - (ii) hold a tax clearance certificate at the time of application.
- (3) (i) In the case of accounting packages, the Commissioner General shall approve specific computer packages and the list of approved computer packages shall be posted in Zambia Revenue Authority website: www.zra.org.zm; and
- (ii) Taxable suppliers using any of the approved computer packages need not apply to the Commissioner General.

Gazette Notice No. 46 of 2014

(4) An approved computer accounting package should have the following features:

- (i) print invoices or credit notes bearing all the mandatory features;
- (ii) generate automatic and consecutive documents numbering with in-built safeguard against reallocation or resetting of the numbers in any circumstances;
- (iii) transform transactions upon posting and printing of a tax invoice into read-only to all users or, where editing is possible a read-only audit trail showing original details is in-built;
- (iv) periodic transaction reports showing invoice number, invoice date, customer's name, description of goods or services supplied, value before VAT and VAT amount;

Provided, in the case of related businesses, that the computer package does not share the allocation of consecutive invoice numbers with transactions in respect of which the goods or services are supplied in another country and do not fall within the scope of Chapter 331 of the Laws of Zambia.

(5) Tax invoices not meeting the requirements of Rules (3) and (4) shall not be accepted as evidence for input tax claims.

*Foreign Currency Denominated Invoices**Gazette Notice No. 498 of 2014*

4A Where a taxable supplier issues a tax invoice in foreign currency, the tax due on such invoice shall be due and payable to the Authority at the rate of conversion to Kwacha or the Kwacha equivalent of the total supply, on the invoice, using the appropriate rate of exchange which is current at the time of supply and that supplier shall indicate the exchange rate on the invoice.

*Tax credit notes**Gazette Notice No. 46 of 2014*

5. (1) A registered supplier who has issued a tax invoice shall, unless the Commissioner-General otherwise allows, issue a Tax Credit Note whenever the supply is cancelled, or the goods are returned to the taxable supplier, or the value of the supply is reduced.

- (2) The Tax Credit Note shall contain the following features:
- (i) the words 'credit note' displayed in a prominent place;
 - (ii) the registered supplier's name and address;
 - (iii) taxpayer identification number;
 - (iv) the date of issue of the credit note;
 - (v) the credit note serial number;
 - (vi) the customer's name and address;
 - (vii) a description sufficient to identify the goods or services supplied which includes the quantity of the goods or the extent of the service supplied, the tax exclusive amount charged for each description of goods or services supplied and the rate or rates of tax;
 - (viii) number of the invoice being adjusted;
 - (ix) statement of the reason for the credit; and
 - (x) amount of the credit.

(3) Credit notes not meeting the requirements of these Rules shall not be accepted as evidence for tax claims or other tax adjustment purposes.

PART III
TAX ACCOUNTING

*Non-Standard Tax Periods**Gazette Notice 935 of 2016*

6. Except as otherwise allowed or directed by the Commissioner-General, a taxable supplier:

- (a) whose annual taxable turnover does not exceed the statutory VAT registration threshold; or
- (b) who is involved in farming of seasonal crops;

may apply for quarterly tax accounting periods. The quarterly tax accounting periods shall be January to March; April to June; July to September and October to December.

*Accounting for VAT by Oil Marketing Companies**Gazette Notice No. 935 of 2016*

6A (1) Except as otherwise allowed or directed by the Commissioner-General, a taxable supplier, being an Oil Marketing Company, shall withhold output tax on hydrocarbon oils and oil products supplied by TAZAMA Pipelines Limited and remit the output tax to the Commissioner-General within ten days following the end of the accounting period in which the output tax is withheld.

(2) A schedule shall be lodged for output tax withheld under sub-rule (1) for each accounting period, within five days following the end of the accounting period, or within such period as approved by the Commissioner-General in writing to the taxable supplier. In these Rules, a schedule of uplifts constitutes a return for purposes of output tax on hydrocarbon oils and oil products supplied by TAZAMA Pipelines Limited.

(3) Except as otherwise allowed or directed by the Commissioner-General, the accounting periods referred to in sub-rule (2) shall be as follows:

- (a) first to the tenth day of each calendar month for the first return of the month;
- (b) eleventh to the twentieth day of each calendar month for the second return of the month; and
- (c) the remaining days of the calendar month for the third return of the month.

*Accounting for VAT withheld by Appointed Agents**Gazette Notice No. 935 of 2016*

6B (1) Except as otherwise allowed or directed by the Commissioner-General, an agent appointed in accordance with subsection 8A of Section 8 of the Value Added Tax Act shall withhold output tax on all the supplies of goods and services received in a particular month and remit the output tax to the Commissioner-General within sixteen days following the end of the month in which the output tax is withheld.

(2) A schedule shall be lodged for output tax withheld under sub-rule (1) for each month, within sixteen days following the end of the month, or within such period as approved by the Commissioner-General in writing to the taxable supplier.

(3) A schedule as prescribed by the Commissioner-General shall be made available for use manually or online (electronically) to declare output tax on supplies of goods and services received by the appointed agent in a month.

(4) An agent who discovers that errors were made on previous schedules may adjust the subsequent schedule and provide a statement in writing to the Commissioner-General explaining the circumstances under which the errors were made. The Commissioner-General shall take into account the reasons for errors made in determining the amount of any interest or penalty to be charged.

(5) An agent referred to under these Rules shall be issued with certificate of appointment and such certificate shall be displayed in a prominent place of business. The Commissioner-General may revoke an appointment at any time he may deem necessary to do so and the agent shall be notified in writing.

(6) Notwithstanding the provisions in sub-rule (1), the Commissioner-General may prescribe goods to be exempted from the provisions of this Rule.

Payment in Instalments

6D. The Commissioner-General may, where a supplier has given satisfactory reasons Regarding overdue tax liabilities, allow the supplier to pay the tax due in installments determined by the Commissioner-General.

*Cash basis of accounting for tax**Gazette Notice No. 925 of 2016*

7. (1) Except as otherwise allowed or directed by the Commissioner General, rather than account for tax in accordance with Rule six (6), the taxable supplier who is—

- (a) a member of the Association of Building and Civil Engineering Contractors may account for tax on supplies effected and deduct input tax on the basis of payments received and made for supplies; or
- (b) registered in anticipation of commencing business activities, referred to in the principal Regulations as an 'intending trader' may account for tax on supplies effected and deduct input tax on the basis of payments received and made for supplies provided that:

- (i) this Rule shall apply only to the supplies for which payment is made wholly by a monetary consideration; and
- (ii) in case of a taxable supplier referred to in (a) above, an application shall be made to the Commissioner-General in writing, who, subject to other conditions as he may require, approve the application.

8. *Rule 8 Repealed under Gazette Notice No. 46 of 2014.*

9. *Rule 9 Repealed under Gazette Notice No. 46 of 2014*

PART IV

INPUT TAX

Apportionment of input tax

10. (1) Where the supplies effected by a registered supplier comprise both taxable and exempt supplies, one of the partial exemption methods described in the Second Schedule to these Rules may be used to determine the proper attribution.

Gazette Notice No. 86 of 1997

(2) The supplier may choose to use any of the methods described in the Second Schedule, but once a method has been chosen in any lodged return, the same method shall be used thereafter in any return lodged in the same accounting year.

Periodic or other adjustment of apportioned input tax

11. (1) At the end of each accounting year, a registered supplier, using the partial exemption method last chosen, shall determine the attribution in respect of supplies effected during that accounting year, and shall on the next tax return adjust any difference in input tax previously attributed to taxable supplies during that year.

(2) Where a supplier's registration is cancelled, the supplier using the method chosen to use, shall determine the attribution in respect of the period commencing at the beginning of the current year and ending on the date of cancellation of registration, and shall, within thirty days after that date, lodge with the Commissioner-General a statement adjusting any difference in input tax previously attributed to taxable supplies during that period.

PART V

ACCOUNTS AND RECORDS

Transaction records to be retained

12. Subject to any different requirement made in a particular case by the Commissioner-General under section 42 of the Act, a taxable supplier shall keep and preserve the transaction records for the purposes of compliance with this rule in respect of—

- (i) every taxable or exempt supply of goods and services supplied or received by such taxable supplier, including imported goods, including a recording of the nature, quantity and value of each such supply;
- (ii) all payments made or received by such taxable supplier in respect of supplies of goods and services;

Gazette Notice No. 46 of 2014

- (iii) the tax for each prescribed accounting period in respect of all supplies effected by the supplier, the input tax deducted or claimed and the net figure included in the return as payable to or claimed from the Authority; and

- (iv) the following records shall be required to be maintained:

- (1) sales day book, invoice books, till rolls and daily gross takings;
- (2) purchase day book and purchases invoices;
- (3) cash book;

- (4) asset register;
- (5) annual accounts;
- (6) bank statements and deposit books;
- (7) stock records, stock counts and reconciliation and production records;
- (8) log books and gate passes; and
- (9) any other records used for the purposes of the business.

Retention of tax invoices and credit notes

13. (1) A taxable supplier who issues a tax invoice or credit note must retain a book copy for manual invoices or a second copy for computer generated invoices for six years.

(2) A registered supplier to whom a tax invoice or credit note has been issued shall retain it for six years.

(3) All tax invoices, credit notes and copies of them shall be produced to an authorized officer on request.

Correction of errors

Gazette Notice No. 86 of 1997

14. (1) A taxable supplier shall include on their next tax return all under-declarations and over-declaration of tax they discover to have been made on previous returns.

Gazette Notice No. 46 of 2014

(2) In the exercise of any discretion, the Commissioner General shall take into account the circumstances in which the taxable supplier disclosed any under-declaration in accordance with this Rule.

(3) Where the Commissioner General rejects a return, the supplier shall correct the return and re-submit it within ten working days from the date of rejection.

(4) Where the return is not submitted within the period stipulated under sub-rule (3), the return shall attract late lodgement penalties under subsection (1) of section seventeen of the Act.

PART VI

MISCELLANEOUS

Documents in support of a VAT return

Gazette Notice No. 320 of 2001

15. (1) For the purposes of subsection (3) of section eighteen of the Act, the prescribed documentary evidence for imported goods is a copy of the ASYCUDA generated Customs and Excise Entry and Declaration (CE20), which shall carry a TPIN and Assessment Notice Number at all times, and accompanied by the ASYCUDA generated receipt, evidencing the tax levied and paid on the goods at importation.

Gazette No. 46 of 2014

(2) For non-computerised Ports, the manual Form CE20 and the Zambia Revenue Authority manual receipt, packing list, and purchase invoice shall evidence the tax charged and paid at importation. These documents shall be stamped and signed by authorized Customs officers.

(3) All suppliers, in respect of each tax period, shall file a VAT return electronically in the manner prescribed by the Commissioner-General containing such information as required and the return shall be accompanied by such documents as the Commissioner-General shall from time to time determine.

(4) For the purposes of subsection (7) of section 10 of the Act, a registered supplier of goods eligible for Minimum Taxable Value Scheme as specified in the Third Schedule to the Act shall submit to the Commissioner-General a schedule of Recommended Retail Prices by product category—

- (a) once for each calendar year by 18th January of that year; or
- (b) within one month after being registered in the first year of that registration taking effect; or
- (c) whenever changes occur in the selling prices;
- (d) any other time as the Commissioner-General may determine in particular circumstances.

Gazette Notice No. 498 of 2014

(5) Every Return furnished under section sixteen of the Act shall be in English and all amounts shall be denominated in Zambian currency.

(6) All payments of tax under this Act including penalties and interest shall be made in Zambian currency or where a payment is made through a bank in another currency, the amount of the payment for purposes of that liability, shall be converted into Kwacha at the appropriate rate published by the Bank of Zambia as at the end of the day on which the payment is due irrespective of when the payment is actually made.

Notification of business changes

16. A registered supplier shall, within one month after the occurrence of any of the following events, notify the Commissioner General in writing of the event concerned:-

- (a) the registered supplier ceasing to make taxable supplies or the taxable turnover falling below the turnover for the period prescribed and in force under subsection (1) of section twenty-eight of the Act;
- (b) there is any ownership change of the business (including, in the case of a business owned by a partnership, any change in the constitution of, or the terms governing the partnership);
- (c) there is a change in the name or trading name of the business or the address of the owner, or any of the owners of the business;
- (d) there is a change of address of the business;
- (e) new premises are acquired for use in the business, or premises previously so used are relinquished;
- (f) there is any major change in the nature or conduct of the business; or
- (g) change of any other information submitted at registration.

Forms of application for registration

17. (1) For the purpose of subsection (2) of section twenty-eight of the Act, an application for registration shall be made by lodging a completed Tax Registration Form with the Commissioner General or through the web portal.

(2) The Tax Registration Form shall require the following particulars for its completion:

- (i) the business name and address of the principal place of business;
- (ii) the business registration number and date of commencement of business;
- (iii) a description of the supplier's business activities;
- (iv) particulars of ownership of any other business in which the supplier is involved;
- (v) information as to the taxable and exempt turnover of any such business, and the value of imports and exports, if any, relating to such business, as are necessary, in the opinion of the Commissioner-General, to ascertain the application of section twenty-eight of the Act in respect of the supplier; and
- (vi) estimated value of the assets of the supplier's business;

(3) Except as otherwise directed by the Commissioner General, a supplier whose annual taxable turnover falls below the turnover prescribed under the Value Added Tax (Application for Registration) Order may apply for voluntary registration.

(4) A supplier registering under sub-rule (3) shall be required to:

- (a) have a fixed place of business or abode;

Gazette Notice No. of 2007

- (b) provide a sketch map of the supplier's business location with proof of ownership or tenancy of the premises;

Gazette Notice No. 80 of 2007

- (c) have been registered for income tax for a minimum period of three months prior to lodging the application;
- (d) keep required accounting records in relation to the supplier's business;
- (e) have a business bank account and to provide the latest bank statements covering a period of three months;
- (f) provide a business plan;
- (g) provide the latest financial statements and/or projected cash-flow; and
- (h) provide a certificate of incorporation or registration of the business and a Tax Clearance Certificate.

(5) A supplier registered under sub-rule (3) shall—

- (a) renew the registration every twelve months; and

Gazette Notice No. 80 of 2007

- (b) notify the Commissioner-General in writing, thirty days before the expiry of the twelve month period, of the supplier's intention to renew the registration and the supplier must be compliant in all tax types.

Gazette Notice No. 80 of 2007

(6) A supplier who fails to notify the Commissioner-General of the supplier's intention to renew the registration as required under sub-rule (5) shall be de-registered and any liability due shall immediately become payable.

Proof of Export

Gazette Notice No. 414 of 2017

18. (1) Unless the Commissioner-General shall otherwise allow, a taxable supplier claiming that a supply is zero-rated in accordance with the Value Added Tax Zero-Rating Order, on the grounds that the supply is an exportation of goods, shall produce to an authorized officer—

- (a) copies of export documents for the goods, bearing a certificate of shipment provided by the Authority;
- (b) copies of import documents for the goods, bearing a certificate of importation into the country of destination provided by the customs authority of the country of destination or copies of transit documents for goods bearing a certificate of transit provided by the customs authority of the country of transit or copy of the airway bill or road manifest or goods train manifest or bill of lading;

Provided that the Commissioner General may exempt an exporter from the requirements of this paragraph (b) if it is shown, to the satisfaction of the Commissioner-General, that failure by the exporter to obtain the import documents or transit documents is wholly attributable to onerous procedures in the country of destination or country of transit;

- (c) tax invoice for the goods exported;

- (d) documentary evidence proving that payment for the goods has been made in the exporter's bank account in Zambia; and
- (e) such other documentary evidence as the authorized officer may reasonably require including a written order showing the name and address of exporter, name and address of the customer, the description, quantity and value of goods, the delivery address and the date of expected delivery.

Gazette Notice No. 419 of 2018

(2) A taxable supplier shall, within six months from the date of export, produce the documents referred to in sub-rule (1), to an authorized officer.

Gazette Notice No. 419 of 2018

(2A) Where a taxable supplier fails to produce the documents within the period specified in sub-rule (2), the supply of goods shall be deemed to be standard rated.

(3) A Tourist who, being neither a resident of Zambia nor a holder of a Zambian passport, has paid VAT in Zambia, may claim a refund of the tax, in whole or in part, under section nineteen of the Act provided that he produces—

- (a) to an authorized officer, an export tax invoice:
 - (i) completed fully by a retailer who is approved under the VAT Foreign Tourist Scheme;
 - (ii) completed and signed by the tourist who has purchased the goods; and
 - (iii) showing that the goods have been presented to and certified by the Authority or their agents, at departure point from Zambia.
- (b) evidence of purchase of taxable goods from approved participants where the VAT paid is equal to or exceeds a *deminimis* value of Kwacha equivalent of US\$100 on the VAT Export Tax Invoice.

(4) A commercial exporter, who has paid VAT in Zambia, may claim refund of tax, in whole or in part, under section nineteen of the Act provided that he produces—

- (a) to an authorized officer a commercial export tax invoice and, in the case of the first export by the exporter, an additional commercial export authorization form—
 - (i) completed fully by a local supplier who is approved under the VAT Commercial Export Refund Scheme;
 - (ii) completed and signed by the commercial exporter who has purchased the goods; and
 - (iii) showing that the goods have been presented to and certified by the Authority or their agents, at departure point from Zambia.
- (b) evidence of purchase of goods from approved supplier where the VAT paid is equal to or exceeds a *deminimis* value of Kwacha equivalent US\$1000 on the Commercial Export Tax Invoice.

(5) Unless the Commissioner-General shall otherwise allow, a taxable supplier claiming that freight transport services are zero-rated on grounds that the services are directly linked to the exportation of goods from Zambia, importation of goods into Zambia or goods transiting through Zambia shall, within a period of twelve months from the date of exportation, importation or transiting - produce to an authorized officer—

- (a) copies of export documents for goods, bearing a certificate of shipment approved by the Authority; and
- (b) consignment notes; as a mandatory requirement, and shall in addition provide any two of the following:
 - (i) tax invoices indicating the starting point and destination of the trip undertaken;
 - (ii) transport waybills;
 - (iii) proof of payment by the customer for the services rendered into the supplier's bank account in Zambia; or
 - (iv) contracts or agreements in respect of the transportation of goods.

(6) Proof of zero-rating for services physically rendered outside the Republic:

- (a) contract of service;
- (b) tax invoice;
- (c) payment by the customer for the service into the supplier's bank account in Zambia; and
- (d) evidence of travel to the country where the services are rendered.

Supply by a Tour Operator of an Inclusive Tour booked prior to 1st January, 2014

Gazette Notice No. 46 2014

19. A tour operator registered with the Zambia National Tourist Board claiming that an inclusive tour booked prior to 1st January 2014 is zero-rated under the Second Schedule to the Act must satisfy the Commissioner-General that—

- (a) the full value of the tour revenues (less commissions or similar fees paid) has been reflected fully in the accounts of the tour operator or travel agent in Zambia;
- (b) proof of booking;
- (c) the tour package is marketed at a VAT free price;
- (d) the tour package must include tourist services other than accommodation or meals accounting for at least twenty-five percent of the total price charged at their open market value.
- (e) a tax invoice is issued in respect of the tour package; and
- (f) the tourist services subcontracted to another licensed tour operator or travel agent shall be disclosed on a Zero Rated inclusive Tour Package Form.

VAT Refunds for eligible Goods or Services Supplied to Diplomats or Designated officials

Gazette Notice No. 132 of 2002

20. (1) A diplomat who has paid value added tax in Zambia on eligible goods and services, may claim a refund of the tax, in whole or in part, under section nineteen of the Act provided that the diplomat produces—

- (a) a duly completed diplomatic refund Scheme Form with original tax invoices attached;
- (b) a schedule or tally roll of tax invoices on which a refund is being claimed;
- (c) a separate Form used to support claims of tax paid on purchases of alcohol or tobacco to which original tax invoices shall be attached; and
- (d) the Diplomatic Refund Scheme Return Form indicating in the space provided for the purpose to total purchase price and tax paid on the purchase of alcohol and tobacco after the amounts have been computed on the Form.

(2) A refund shall not be made in respect of any claim with a value of less than two hundred Kwacha.

Import VAT deferment scheme

21. (1) A registered supplier may, subject to such conditions as the Commissioner-General may require and in such circumstances as may be allowed, be permitted to account for tax by deferring the payment of tax on approved goods listed under the Third Schedule hereto, at importation provided that the supplier:

- (a) is registered for Value Added Tax and all relevant tax types;
- (b) uses the goods solely for making taxable supplies and not for re-sale;
- (c) is tax compliant; and
- (d) forgoes the equivalent tax deduction or credit under section eighteen of the Act.

(2) Where a supplier has deferred import VAT and does not use the imported item as per provision under sub-rule 1(b), that supplier shall be assessed the portion of such deferred import VAT and charged interest accordingly.

(3) Where a partially-exempt supplier has deferred import VAT, such supplier will be assessed the portion of such deferred import VAT as relating to exempt supplies and charged the interest accordingly.

(4) All VAT deferment applications approved in the course of a given accounting year shall expire by the end of that accounting year.

22. *Rule 22 – Receipt of VAT Returns by facsimile Transmission Deleted under Gazette Notice No. 46 of 2014*

Sale or Return Consignment

23. The time of supply on the supply of goods on a sale or return basis shall be the earliest of the following times—

- (a) the time when the goods are adopted;
- (b) the time when the payment for the supply is received; or
- (c) the time when the tax invoice is issued.

Place of Supply

24. (1) Where services are supplied wholly or partly in Zambia, but on or near the border between Zambia and another country and whether or not the services are paid for in Zambia, the Commissioner-General may, by notice under this rule, determine that they shall be regarded for taxation purposes as supplied in Zambia where—

- (a) the business supplying the services is registered in Zambia; or
- (b) the business operates on a de facto basis in Zambia.

(2) Where services are performed or undertaken or utilised, wholly or partly, in Zambia but where the supplier of the services—

Gazette Notice No. 132 of 2002

- (a) does not have a place of business in Zambia; or
- (b) has a place of business in Zambia and elsewhere but the place of business most closely concerned with the supply of the services in question is not in Zambia;

the place of supply shall be regarded as the place where the services are performed or undertaken or utilised.

(3) The place of supply of radio, television, telephone or other communication services, where the signal or service originates outside Zambia, shall be treated as being supplied at the place where the recipient receives the signal or service provided that a consideration is payable for receiving the signal or service.

Revocation of Value Added Tax General Rules, Gazette Notices No. 86 of 1997, No. 998 of 2017 and No. 419 of 2018.

25. The Value Added Tax Act (General) Rules, 1997 (in Gazette Notice No. 86 of 1997), the Value Added Tax Act (General) (Amendment) Rules, 2018 (in Gazette Notice No. 998 of 2017) and the Value Added Tax Act (General) (Amendment) Rules, 2018 (in Gazette Notice No. 419 of 2018) are hereby revoked.

K. CHANDA,
Commissioner-General

LUSAKA
June 2018

FIRST SCHEDULE

METHODS OF CALCULATING OUTPUT TAX BY RETAILERS

Deleted under Gazette Notice No. 46 of 2014 – (All retailers are required to use a cash register)

SECOND SCHEDULE

(Rule 10)

PARTIAL EXEMPTION METHODS OF APPORTIONMENT OF INPUT TAX

First Method

Step 1

Calculate the value of taxable supplies made in the prescribed accounting period.

Step 2

Calculate the value of all supplies made in that period

Step 3

Calculate the amount of tax payable on supplies made to the supplier in that period.

Step 4

Divide the amount obtained in Step 1 by the amount obtained in Step 2.

The amount of input tax that can be claimed as a deduction or credit in the prescribed accounting period is the product obtained by multiplying the amount obtained in Step 3 by the amount obtained in Step 4.

Second Method

Step 1—Divide input tax for the prescribed account period into categories, viz a viz:—

- Category A—Input tax that is directly attributable to taxable supplies;
- Category B—Input tax that is directly attributable to exempt supplies; and
- Category C—Input tax that is paid for the purposes of the business but is not directly attributable either to taxable or exempt supplies.

Step 2—Calculate the value of taxable supplies made in the prescribed accounting period.

Step 3—Calculate the value of all supplies made in that period

Step 4—Divide the amount obtained in Step 2 by the amount obtained in Step 3. A proportion of input tax in Category C above equal to the proportion mentioned in Step 4, shall be deemed to be attributable to taxable supplies, and may accordingly be claimed as a deduction or credit for the prescribed accounting period, together with the amount of category A.

Third Method

Step 1—Calculate the value of taxable supplies made in the prescribed accounting periods in the accounting year.

Step 2 - Calculate the value of all supplies made in all prescribed accounting periods in the accounting year.

Step 3 - Calculate the amount of tax payable on supplies made to the supplier in that period.

Step 4 - Divide the amount obtained in Step 1 by the amount obtained in Step 2.

The amount of input tax that can be claimed as a deduction or credit in the prescribed accounting period is the product obtained by multiplying the amount obtained in Step 3 by the amount obtained in Step 4, less the amount already reclaimed in earlier prescribed accounting periods in that accounting year.

Fourth Method

Step 1 - Divide input tax for all the prescribed accounting periods in the accounting year into categories, viz:—

- Category A – Input tax that is directly attributable to taxable supplies;
- Category B – Input tax is that is directly attributable to exempt supplies; and
- Category C – Input tax that is paid for the purposes of the business that is not directly attributable either to taxable or exempt supplies.

Step 2 - Calculate the value of taxable supplies made in all prescribed accounting periods in the accounting year.

Step 3 - Calculate the value of all supplies made in that year.

Step 4 - Divide the amount obtained in Step 2 by the amount obtained in Step 3.

A proportion of input tax in Category C above, equal to the proportion mentioned in Step 4, shall be deemed to be attributable to taxable supplies, and may accordingly together with the amount of tax in Category A, be claimed as a deduction or credit for the prescribed accounting year, to the extent that it exceeds any amounts already deducted or credited in earlier prescribed accounting periods in that accounting year.

THIRD SCHEDULE

(Rule 21)

GOODS APPROVED FOR IMPORT VAT DEFERMENT

Hs

Code

Description

28220010	cobalt oxides and hydroxides; commercialcobalt oxides
28220010	cobalt oxides and hydroxides; commercialcobalt oxides in bulk
38160000	refractory cements, mortars, concretes and similar compositions, nes
69021000	refractory bricks, blocks, tiles..., >50% mgo, cao, cr2o3
69022000	refractory bricks, blocks..., >50% silica(sio3) or alumina (al2o3)
69029000	refractory bricks, blocks, tiles, etc, nes
73082000	towers and lattice masts of iron or steel
	equipment for

73084000

73089020

73089020

73090000

82051000

84021100

84021200

84021900

84022000

84031000

84041000

84042000

84068100

84134000

84171000

84172000

84178000

84186910

84186910

84192000

84193100

84193200

84194000

84195000

84196000

84198100

84198900

84201000

84212100

84222000

84223000

scaffolding,shuttering,propping or pitpropping of iron/steel structures and parts of structures, nes, of iron or steel structures and parts of structures, nes, of iron or steel - minlead frames & super strs reservoirs, tanks... (excl. for gas) of iron or steel, >=300 l drilling, threading or tapping hand tools watertube boilers with a steam production>45t/hour watertube boilers with a steam production=<45t/hour other vapour generating boilers, nes (incl.hybrid boilers) super-heated water boilers boilers for central heating auxiliary plant for use with boilers of 84.02 or 84.03 condensers for steam or other vapour powerunits steam/other vapour turbines (excl.for marinepropulsion)with output > 40mw concrete pumps furnaces and ovens for roasting, melting...of ores/pyrites/metals bakery ovens (incl. biscuit ovens) industrial or laboratory furnaces (incl.incinerators) refrigerating or freezing equipment for coldrooms refrigerating or freezing equipment, nes;heat pumps medical, surgical or laboratory sterilizers dryers for agricultural products dryers for wood, paper pulp, paper or paperboard distilling or rectifying plant heat exchange units machinery for liquefying air or other gases non-domestic equipment, for cooking or heating food non-domestic heating/cooling equipment, nes calendering or other rolling machines (excl.for metal/glass) machinery and apparatus for filtering/purifying water machinery for cleaning or drying bottles or other containers machinery for filling,closing...etc.bottles,cans etc, & aerating drinks packing or wrapping

	machinery, (incl.heat-shrink wrapping machinery)nes		coal or rock cutters and tunnelling machinery (excl.
84224000	weighing machinery, nes, of weighing capacity >5000kg	84303900	self-propelled)
84238900	mechanical appliances for projecting/dispersing/spraying liquids/powd	84304100	self-propelled boring or sinking machinery
84248900	machinery for projecting... liquids/powders for agriculture...	84304900	boring or sinking machinery (excl.self-propelled)
84248900	winchs, capstans, powered by electric motor	84306100	tamping or compacting machinery, notself-propelled
84253100	winchs, capstans, nes	84322100	disc harrows
84253900	overhead travelling cranes on fixed support	84322900	harrows (excl. disc harrows), scarifiers,cultivators, weeders and hoes
84261100	mobile lifting frames on tyres and straddle carriers	84323000	seeders, planters and transplanters
84261200	transporter cranes, gantry cranes/bridge cranes, over hd travelling cranes nes	84324000	manure spreaders and fertiliser distributors
84261900	tower cranes	84328000	soil preparation/cultivation machinery, nes; lawn/sports-ground rollers
84262000	portal or pedestal jib cranes	84332000	mowers (incl. cutter bars for tractor mounting), nes
84263000	derricks, cranes, etc, nes, self-propelled, on tyres	84333000	haymaking machinery
84264100	derricks, cranes, etc, nes, self-propelled (excl. on tyres)	84334000	straw or fodder balers (incl. pick-up balers)
84264900	derricks, cranes, etc, nes, designed for mounting on road vehicles	84335100	combine harvester-threshers
84269100	ships derricks, cranes, etc, nes	84335200	threshing machinery for agricultural produce, nes
84269900	pneumatic elevators and conveyors	84335300	root or tuber harvesting machines
84282000	continuous-action elevators and conveyors, for underground use	84335900	harvesting machinery, nes
84283100	continuous-action elevators and conveyors, bucket type, nes	84336000	machines for cleaning, sorting or grading eggs, fruit or other produce
84283200	continuous-action elevators and conveyors, belt type, nes	84341000	milking machines
84283300	continuous-action elevators and conveyors, nes	84342000	dairy machinery
84283900	escalators and moving walkways	84351000	presses, crushers, etc, for making wine,cider, fruit juices, etc
84284000	lifting, handling, loading or unloading machinery, nes	84361000	machinery for preparing animal feeding stuffs
84289000	self-propelled bulldozers and angle dozers,(excl. track laying)	84362100	poultry incubators and brooders
84291900	self-propelled graders and levellers	84362900	poultry-keeping machinery, nes
84292000	self-propelled tamping machines and road-rollers	84371000	machines for cleaning/sorting/grading seed, grain or dried vegetables
84294000	self-propelled front-end shovel loaders	84378000	machinery for milling or working cereals or dried vegetables
84295100	self-propelled bulldozers... with a 360° revolving superstructure	84381000	bakery machinery and machinery for making macaroni, spaghetti, etc
84295200	self-propelled bulldozers, excavators...., nes	84382000	machinery for the manufacture of confectionery, cocoa or chocolate
84295900	self-propelled graders and levellers	84383000	machinery for sugar manufacture
84295900	self-propelled coal or rock cutters and tunnelling machinery	84384000	brewery machinery
84303100		84385000	machinery for the preparation of meat or poultry
		84386000	machinery for the preparation of fruits, nuts or vegetables
			machinery for the preparation

84388000	or manufacture of food or drink, nes	73089090*	- Smoke stacks
84391000	machinery for making pulp of fibrouscellulosic material		Structures and parts of structures, nes, of iron or steel
84392000	machinery for making paper or paperboard	74091100*	- Other
84393000	machinery for finishing paper or paperboard		Plates, sheets and strip, of refined copper, in coils, >0.15mm thick
84401000	book-binding machinery (incl. book-sewing machines)	84159000*	Parts of air conditioning machines
84411000	cutting machines	84241000*	Fire extinguishers
84412000	machines for making bags, sacks or envelopes of paper or paperboard	85022000*	Generating sets with spark-ignition internal combustion piston engines
84413000	machines for making cartons, boxes, etc, of paper or paperboard	85043400*	Transformers, nes, power handling capacity >500kva
84414000	machines for moulding articles in paperpulp, paper or paperboard	85044000*	Static converters
84418000	machinery for making up paper pulp, paper or paperboard, nes	85049000*	Parts of transformers, inductors and static converters
84425000	plates, cylinders & other printing components; plates, cylinders & lithographic printing type, blocks, plates, cylinders...other printing components	85073000*	Nickel-cadmium accumulators
84425050	offset printing machinery, reel fed	85176200*	Machines for the reception, conversion & transmission or regeneration of voice, images..
84431100	parts and accessories	85256000*	Transmission apparatus incorporating reception apparatus
84439100	parts and accessories of printing machinery used for printing by means of plates,	85258090*	Digital and video camera recorders
84439100	carding machines	85319000*	Parts of apparatus of 85.31 power looms for weaving fabrics, >30cm wide, shuttle type
84451100	combing machines	84462100	weaving machines for weaving fabrics, >30cmwide, shuttle type, nes
84451300	drawing or roving machines	84462900	weaving machines for weaving fabrics, >30cmwide, shuttleless type
84451900	machines for preparing textile fibres, nes	84463000	circular knitting machines, with cylinderdiameter = <165mm
84452000	textile spinning machines	84471100	circular knitting machines, with cylinder diameter >165mm
84453000	textile doubling or twisting machines	84471200	flat knitting machines; stitch-bonding machines
84454000	textile winding (incl. weft-winding) or reeling machines	84472000	machines for making gimped yarn, tulle, lace, embroidery, trimmings, etc
84461000	weaving machines for weaving fabrics, =<30cmwide	84479000	washing, bleaching or dyeing machines, nes
39172190*	rigid, of polymers of ethylene Other-Tubes, pipes and hoses, rigid, of polymers of ethylene	84514000	automatic sewing machines
39172390*	Other-Tubes, pipes and hoses, rigid, of polymers of vinyl chloride	84522100	sewing machines of industrial type (excl.automatic units)
39239000*	Articles for the packing of goods, of plastics, nes	84522900	furniture, bases and covers for sewing machines and parts thereof
40169100*	Floor coverings and mats of vulcanized rubber, non-cellular	84524000	furniture, bases and covers, and parts thereof; other parts, of sewing machines
68101100*	Building blocks and bricks, of cement or artificial stone or concrete	84529000	parts of sewing machines, nes
73042900*	Other...Seamless Iron/Steel Casing...(Excl drill pipe) Kind used in Oil/Gas Drilling	84529000	machinery for preparing, tanning or working hides,
73089040*	Structures and parts of structures, nes, of iron or steel		

84531000	skins or leather	84623100	presses), numerically controlled
84532000	machinery for making or repairing footwear		punching or notching machines (incl.presses), numerically controlled
84541000	converters of a kind used in metallurgy or in metal foundries	84624100	punching or notching machines (incl.presses), nes
84542000	ingot moulds, ladles used in metallurgy or in metal foundries	84624900	hydraulic presses for working metals or metal carbides
84543000	casting machines used in metallurgy or in metal foundries	84629100	presses (excl. hydraulic) for working metals or metal carbides
84543000	tube mills	84629900	machines which can change operation without changing tools
84551000	hot or combination hot and cold metal-rolling mills	84651000	sawing machines for working wood, cork, bone, hard rubber, etc
84552100	cold metal-rolling mills		planing, milling or moulding machines for working wood, cork, bone, etc
84552200	rolls for rolling mills	84659100	grinding, sanding or polishing machines for working wood, cork, etc
84553000	other	84659200	bending or assembling machines for working wood, cork, bone, etc
845569000	lathes for removing metal, nes (excl.numerically controlled)	84659300	drilling or morticing machines for working wood, cork, bone, etc
84589900	way-type unit head machines for drilling, boring... by removing metal	84659400	splitting, slicing or paring machines for working wood, cork, bone, etc
84591000	drilling machines for removing metal, numerically controlled, nes	84659500	machine-tools, nes, for working wood, cork, bone, hard rubber, etc
84592100	drilling machines for removing metal, nes	84659600	pneumatic tools, rotary type, for working in the hand
84592900	boring machines for metal, nes		drills of all kinds with self contained electric motor
84594000	milling machines, knee-type, for metal, numerically controlled	84671100	other tools with self contained electric motor
84595100	milling machines, knee-type, for metal (excl. numerically controlled)	84672100	other tools with self contained electric motor
84595900	milling machines for metal, numerically controlled (excl. knee-type)	84672900	parts of pneumatic tools
84596100	milling machines for metal, nes	84679200	machinery and apparatus for soldering, brazing or welding, nes
84596900	threading or tapping machines for metal, worked by removing metal, nes	84688000	units of automatic data processing machines nes
84597000	honing or lapping machines, for working metal	84718000	automatic data processing machine storage units
84604000	machines for deburring, grinding, polishing, etc, metal, nes	84719000	magnetic/optical readers; machines for transcribing data onto datamedia nes
84609000	shaping or slotting machines for working metal or cermets		sorting, screening, separating or washing machines for earth, stone...
84612000	sawing or cutting-off machines for working metal or cermets	84741000	crushing or grinding machines for earth, stone, ores, etc
84615000	machine tools working by removing metal	84742000	concrete or mortar mixers
84619000	orcermets, nes	84743100	mixing or kneading machines for earth, stone, ores, etc
84621000	forging or die-stamping machines (incl.presses) and hammers	84743900	
	bending, folding, straightening or flattening machines (incl. presses)		
84622900	shearing machines (incl.		

84748000	other machinery for earth, stone, ores, etc, nes	85021300	ignition engines, >375 kva
	machines for assembling electric lamps, tubes... in glass envelopes	85023900	generating sets, (excl. wind-powered) nes
84751000	machines for making optical fibres and preforms thereof	85042200	liquid dielectric transformers, powerhandling capacity 650-10000kva
84752100	machines for manufacturing/hot working glass/glassware(exc. optical fibres)	85042200	liquid dielectric transformers, powerhandling capacity >10000kva
84752900	injection-moulding machines for working rubber or plastics, etc	85042300	inductors, nes
	extruders for working rubber or plastics and making products thereof	85045000	parts of transformers, inductors and static converters
84771000	blow moulding machines for working rubber or plastics, etc	85049000	resistance heated furnaces and ovens
84772000	vacuum moulding machines and other thermo forming machines for rubber...	85141000	resistance heated industrial or laboratory furnaces and ovens
84773000	machinery for moulding or retreading pneumatic tyres...	85141000	induction or dielectric furnaces and ovens
84774000	machinery for working rubber/plastics or making products thereof, nes	85142000	industrial or laboratory furnaces and ovens, nes
84775100	machinery for preparing or making up tobacco, nes	85143000	machines and apparatus for resistance welding of metal, not automatic
84778000	machinery for the extraction/preparation of animal/vegetable fats or oil	85152900	base stations
84779000	machinery for treating wood or cork, having individual functions	85176100	electrical apparatus for line telephony or line telegraphy, nes
84793000	rope or cable-making machines	85176100	other apparatus for transmission or reception of voice, images or other data, i
84794000	machines for mixing, kneading, crushing, grinding, having individual functions	85176100	apparatus for carrier-current line systems or for digital line systems, nes
84798200	machines, having individual functions, nes	85176900	facsimile machines
84798900	moulding boxes for metal foundry	85176900	other
84801000	moulds for mineral materials	85176900	other apparatus for transmission or reception of voice, images or other data, i
84806000	injection or compression type moulds for rubber or plastics	85433000	machines/apparatus for electroplating, electrolysis or electrophoresis
84807100	moulds for rubber or plastics (excl. injection of compression)	86011010	especially constructed for use underground in mines
84807900	sets or assortments of gaskets and similar joints	86012010	rail locomotives powered by electric accumulators
84849000	generating sets with compression-ignition engines, =<75 kva	86012010	especially constructed for use underground in mines
85021100	generating sets with compression-ignition engines, >75 kva- <=375 kva	87012000	road tractors for semi-trailers
85021200	generating sets with compression-	87019010	tractors (excl. tractors of 87.09), nes
85021300	generating sets with compression-	87019010	tractors (excl. tractors of 87.09), nes -for use in agriculture or horticulture
		87041000	dumpers for off-highway use
			mobile drilling derricks
			special purpose motor vehicles, nes (e.g. breakdown

87052000	lorries, etc)
87059000	self-loading/unloading
87162000	trailers and semi-trailers for
	agriculture
87163100	tanker trailers and tanker
	semi-trailers
90181300	magnetic resonance
	imaging apparatus
	instruments and apparatus
	for measuring or detecting
90301000	ionising radiations
94060010	pre-fabricated buildings
	pre-fabricated buildings -
	green houses
94060010	Fixed capacitors for 50/60 hz
85321000*	circuits having power
	capacity >=0.5kvar
85369000*	Apparatus for switching... electrical
	circuits,
	nes, =<1000 V
85371000*	Boards...equipped with two/more
	apparatus of
	85.35/85.36, voltage =<1000v
85372000*	Boards...equipped with two/more
	apparatus of
	85.35/85.36, voltage > 1000v
85381000*	Boards... desks, cabinets and other bases
	for goods of
	85.37, not equipped
85389000*	Parts of apparatus of 85.35 to 85.37, nes
85414000*	Photosensitive semiconductor devices;
	light-emitting
	diodes
85437000*	Other machines and apparatus
85441100*	Winding wire of copper
85444200*	Other electric conductors, for a voltage
	<= 1,000 V...Fitted
	with connectors
85444900*	Electric conductors, nes, for a voltage
	<=80 V, not fitted
	with connectors
85446000*	Electric conductors, nes, for a voltage
	>1000 V
85469000*	Electrical insulators (excl. of glass or
	ceramics)
90011000*	Optical fibres, optical fibre bundles and
	cables
	(excl. those of 84.55)
90158000*	Instruments and appliances for
	meteorological... purposes,
	nes
90328900*	Automatic regulating or controlling
	instruments and
	apparatus, nes
94051000*	Chandeliers and other electric ceiling or
	wall lighting
	fittings
94054000*	Other electric lamps and lighting fittings,
	nes
94059900*	Parts (excl. of glass or plastics) of lamps
	and lighting
	fittings, etc.

* Valid from 1st January 2018 to 30th September 2018 for an earmarked project as approved by the Commissioner-General under Gazette Notice No. 925 of 2017.

FOURTH SCHEDULE

OUTPUT SCHEDULES AND INPUT SCHEDULES

Deleted under Gazette Notice No. 46 of 2014 (Schedules are part of the VAT Return under TaxOnLine)

GAZETTE NOTICE No. 664 OF 2018

[8195014]

The Marriage Act

(Volume V, Cap. 50 of the Laws of Zambia)

Appointment of a Person to Solemnise Marriages

IT IS HEREBY NOTIFIED for public information that in exercise of powers conferred upon the Town Clerk /Council Secretary Lusaka District by section 5(2) of the Marriage Act, Cap. 50 of the Laws of Zambia the person named in this Schedule set out hereto is appointed to solemnise Marriages in the Republic of Zambia.

P.O. Box 30077
LUSAKA

A. MWANSA,
Town Clerk,
Lusaka City Council

SCHEDULE

Name	Place
Rev. Sevatt Kabaghe	Church of Central Africa Presbytarin P.O. Box 30143 Lusaka

GAZETTE NOTICE No. 665 OF 2018

[8195043]

The Marriage Act

(Volume V, Cap. 50 of the Laws of Zambia)

Appointment of a Person to Solemnise Marriages

IT IS HEREBY NOTIFIED for public information that in exercise of powers conferred upon the Town Clerk /Council Secretary Lusaka District by section 5(2) of the Marriage Act, Cap. 50 of the Laws of Zambia the person named in this Schedule set out hereto is appointed to solemnise Marriages in the Republic of Zambia.

P.O. Box 30077
LUSAKA

A. MWANSA,
Town Clerk,
Lusaka City Council

SCHEDULE

Name	Place
Rev. Getrude Nyirenda	Church of Central Africa Presbytarin P.O. Box 30143 Lusaka

GAZETTE NOTICE No. 666 OF 2018

[8195040]

The Marriage Act

(Volume V, Cap. 50 of the Laws of Zambia)

Appointment of a Person to Solemnise Marriages

IT IS HEREBY NOTIFIED for public information that in exercise of powers conferred upon the Town Clerk /Council Secretary Lusaka District by section 5(2) of the Marriage Act, Cap. 50 of the Laws of Zambia the person named in this Schedule set out hereto is appointed to solemnise Marriages in the Republic of Zambia.

P.O. Box 30077
LUSAKA

A. MWANSA,
Town Clerk,
Lusaka City Council

SCHEDULE

Name	Place
Rev. Tommy Banda	Church of Central Africa Presbytarin P.O. Box 30143 Lusaka