

GOVERNMENT OF ZAMBIA

ACT

No. 3 of 1982

Date of Assent: 12th March, 1982

An Act to facilitate the amalgamation of Nchanga Consolidated Copper Mines Limited and Roan Consolidated Mines Limited, and to provide for matters connected therewith or incidental thereto.

[15th March, 1982

ENACTED by the Parliament of Zambia.

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| | Enactment |
| 1. This Act may be cited as the Income Tax (Special Provisions) Act, 1982. | Short Title |
| 2. This Act shall come into operation on the 17th March, 1982. | Commencement |
| 3. In this Act, unless the context otherwise requires—
“ Heads of Agreement ” means the Heads of Agreement scheduled to the Amalgamation of Mining Companies (Special Provisions) Act, 1982, made on the 22nd December, 1981 (as varied by Supplemental Heads of Agreement dated the 10th February, 1982), between the Government of the Republic of Zambia, Zambia Industrial and Mining Corporation Limited, Nchanga Consolidated Copper Mines Limited, Roan Consolidated Mines Limited, RST International Inc., Zambia Copper Investments Limited, and ZCI Holdings Limited. | Interpretation.
Act No. 2 of 1982 |
| 4. For the purpose of calculating capital allowances or the residue of capital expenditure unredeemed, in accordance with the provisions of paragraphs 15, 17 and 27 of the Fifth Schedule to the Income Tax Act, any transfer of assets from | Controlled sales and transfers
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Nchanga Consolidated Copper Mines Limited to Roan Consolidated Mines Limited pursuant to the scheme of arrangement referred to in the Heads of Agreement shall be deemed to be a transfer of assets between companies under common control, if the parties to the transfer so elect.

Tax losses

5. Any income tax or mineral tax losses incurred before or during the charge year ended 31st March, 1982, by Nchanga Consolidated Copper Mines Limited and which have not been deducted from that company's income shall be carried forward and added to the income tax or mineral tax losses or set off against the chargeable income, as the case may be, of Roan Consolidated Mines Limited and for the purposes of sections *thirty* and *thirty A* of the Income Tax Act such losses shall be regarded as arising from the same source.

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Exemption
from tax

6. There shall be exempt from tax income received by way of subsidy in respect of the Broken Hill Division as provided in clause 7 (3) of the Heads of Agreement.

Deduction
of costs.
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7. Notwithstanding the provisions of section *twenty-nine* of the Income Tax Act, all fees, costs and disbursements (including those of legal, accountancy and other advisers) incurred in connection with or incidental to the preparation of the Heads of Agreement, the implementation of the arrangements specified therein or otherwise relating to the amalgamation of Nchanga Consolidated Copper Mines Limited and Roan Consolidated Mines Limited, shall be allowed as a deduction in ascertaining the gains or profits of the persons bearing such costs.

Continuation
of approvals
of foreign
organisations

8. Where in connection with any loan agreement entered into with Nchanga Consolidated Copper Mines Limited or Roan Consolidated Mines Limited any foreign organisation has been approved by statutory instrument under section *fifteen* of the Income Tax Act and the income and emoluments of any such foreign organisation have in consequence of such approval been exempt from tax, such approval and such exemption shall continue in force according to their terms notwithstanding the novation or amendment of any such agreement in connection with the scheme of arrangement referred to in the Heads of Agreement.

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