

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 68 OF 2014

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

The Value Added Tax (Exemption) Order, 2014

IN EXERCISE of the powers contained in sections *fifteen* and *fifty-one* of the Value Added Tax Act, the following Order is made:

- | | |
|---|--|
| 1. (1) This Order may be cited as the Value Added Tax (Exemption) Order, 2014. | Title and commencement |
| (2) This Order shall come into operation on 1st January, 2015. | |
| 2. In this Order, unless the context otherwise requires—
“animal feed” has the meaning assigned to it in the Animal Health Act, 2010;
“life policy” means a policy under which the insurer assumes a contingent obligation dependent on human life, or a life insurance contract, but does not include—
(a) a funeral policy; or
(b) a policy under which the contingent obligation dependent on human life forms a subordinate part of the insurance effected by the policy; and
“poultry” means chicken, ducks, geese and turkeys. | Interpretation

Act No. 27 of 2010 |
| 3. The services and supplies specified in the Schedule are exempt from tax. | Exempt services and supplies |
| 4. The First Schedule to the Act is repealed. | Repeal of First Schedule to Act |

SCHEDULE
(Paragraph 3)

EXEMPT SUPPLIES AND SERVICES

1. *Water Supply Services*

The supply of mains water and sewerage services, excluding sewerage pump out services.

2. *Health Services*

(a) the supply of health and medical services by a medical doctor, optician, dentist, hospital or clinic registered under the Health Professions Act, 2009; and

(b) the supply of articles designed for use by persons with disabilities.

3. *Educational Services*

(a) educational services provided to primary or secondary learners;

(b) educational services provided to post-secondary learners; and

(c) educational services provided to nursery or pre-school children.

4. *Booklets and Newspapers*

(a) booklets, maps and charts; and

(b) newspapers and journals.

5. *Transportation Services*

(a) transportation of persons by air;

(b) transportation of persons by rail;

(c) transportation of persons by road on a bus or coach licensed under the Road Traffic Act, 2002, with a seating capacity of fourteen or more persons;

(d) transportation of persons by boat; and

(e) aircrafts licensed to carry passengers.

6. *Conveyance, Sale or Lease of Real Property*

(a) the sale or lease of an interest in land, other than

(i) the sale, lease or rental of commercial property; and

(ii) the sale of a dwelling house by a person carrying on the business of constructing dwelling houses for sale; and

(b) any fee, royalty or similar right to exploit or remove any natural resource.

Act No. 24
of 2009

Act No. 11 of
2002

7. *Financial and Insurance Services*

- (a) the arrangement or provision of ownership of any life policy;
- (b) the arrangement or provision of re-insurance;
- (c) the arrangement, provision or transfer of ownership of any insurance contract of insurance underwritten before 1st January, 2011;
- (d) the provision of the following financial services:
 - (i) upcountry cheques;
 - (ii) returned cheques;
 - (iii) buying and selling of foreign currency;
 - (iv) commission on online and TT transactions;
 - (v) commission on local drafts and transfers;
 - (vi) commission on foreign drafts and transfers;
 - (vii) negotiable bills;
 - (viii) electronic transfers;
 - (ix) special clearance;
 - (x) traveller's cheques;
 - (xi) letters of credit;
 - (xii) interest on lending to banks;
 - (xiii) interest on lending to customers;
 - (xiv) any charge on savings account;
 - (xv) maintenance activity or ledger fees;
 - (xvi) account maintenance;
 - (xvii) closure of accounts;
 - (xviii) cheque books;
 - (xix) internet banking;
 - (xx) Bank of Zambia treasury bills handling charges;
 - (xxi) commission on postage;
 - (xxii) commitment fees; and
 - (xxiii) arrangement fees in provision of credit;
- (e) the provision of credit and the interest component of finance leases, excluding the
 - (i) principal and other finance charges on finance leases;
 - (ii) principal, interest and other finance charges charged on operating leases; and
 - (iii) principal, interest and other finance charges charged by institutions engaged in hire purchase;

- Cap. 388
- (f) the issue, allotment or transfer of ownership of shares in a company registered or incorporated under the Companies Act; and
- (g) uncirculated new currency of the Republic in notes and coins.
8. *Metals*
The supply to a bank of gold in bullion form.
9. *Funeral Services*
(a) caskets and coffins;
(b) tombstones;
(c) embalming of dead persons; and
(d) services provided at the burial of a person by a funeral home, including the hire of a hearse, provision of furniture, tents and other funeral accessories, but excluding meals, beverages and other hospitality services.
10. *Relief at Importation*
(a) goods in respect of which a rebate, refund or remission of duty is available under regulations 74, 75, 78, 79, 80, 82, 83, 84, 85A, 86, 87 87A, 94 and 95 of the Customs and Excise (General) Regulations, 2000, subject to the same limitations and conditions as pertain to the rebate, refund or remission and to such modification as may be specified therein;
(b) manufacturing inputs where duty is suspended under the Customs and Excise (Suspension)(Manufacturing Inputs) Regulations, 2009, subject to the same limitations and conditions as pertain to suspension of duty and to such modification as may be specified therein; and
(c) imported goods in respect of which a rebate, refund or remission of duty is available under the Customs and Excise (Public Benefit Organisation) (Rebate, Refund or Remission) Regulations, 2009, subject to the same limitations and to such modification as may be specified therein.
- S. I. No. 54 of 2000
- SI No. 6 of 2009
11. *Domestic Kerosene*
The supply of domestic kerosene (paraffin).
12. *Trade Union Subscriptions*
Trade union subscriptions.

13. *Treated and Untreated Mosquito Nets*

- (a) finished mosquito nets (treated and untreated);
- (b) insecticide kits used to treat mosquito nets; and
- (c) insecticides of public health used for the treatment of mosquito nets.

14. *Road Construction Agreements*

Road construction agreements entered into with the Government of the Republic of Zambia prior to 1st July, 1995.

15. *Statutory Fees*

Statutory fees which are prescribed and regulated by an Act of Parliament or statutory instrument, except when paid as a consideration for a supply or when payment is not for the execution of statutory responsibilities.

16. *Food and Agriculture*

- (a) agricultural products: fresh edible vegetables and fruits, maize, nuts, soya beans, millet, cassava, sorghum and other cereals, including flour produced from the cereals, nuts, beans and tubers except where any of the products is^o
 - (i) canned, frozen or freeze dried;
 - (ii) supplied by a restaurant, cafeteria, canteen or like establishment;
 - (iii) wheat, cotton seed, seed cotton, lint, baby corn, sweet corn, mangetout peas (snow peas), sugar snaps, fresh or chilled beans (not dried), carrots, courgettes, patty pans, gem squash, butternut, peppers, leeks, chillies, asparagus, okra, spring onion, peas, tenderstem broccoli, purple sprouting broccoli, mini-savoy cabbage, mixed and sliced vegetables or paprika; or
 - (iv) gooseberries, passion fruit and melons;
- (b) animal products: meat and offal of cattle, swine, sheep, goats, game ranch animals and poultry, including eggs, except^o
 - (i) any of these products where supplied by a restaurant, cafeteria, canteen or like establishment; and
 - (ii) cooked or smoked meat, meat processed beyond cutting, grinding or mincing, including sausage, pate and the fatty livers of geese or ducks or crocodile products;

- (c) milk, except powdered milk and any milk in cans or tins or when supplied by a restaurant, cafeteria, canteen or like establishment;
- (d) fish: uncooked, frozen or dried, except shellfish, ornamental fish or any fish supplied by a restaurant, cafeteria, canteen or like establishment;
- (e) agricultural supplies
 - (i) bulbs, seed and plants for producing agricultural products referred to in paragraph (a);
 - (ii) fertilisers, insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant products and plant growth regulators and similar products for agricultural use;
 - (iii) live cattle, swine, sheep, goats, game farm animals and poultry; and
 - (iv) animal feed for cattle, swine, sheep, goats, game, farm animals and poultry; and
- (f) infant cereals and infant formula when prepared and labelled as such.

LUSAKA
31st December, 2014
[MFB.64/9/4C]

A. B. CHIKWANDA,
Minister of Finance