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.

1. This Act may be cited as the Income Tax (Special Provisions) Act, 1982.

2. This Act shall come into operation on the 17th March, 1982.

3. In this Act, unless the context otherwise requires—

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

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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.

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.

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.

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.

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.