

GOVERNMENT OF ZAMBIA

ACT

No. 32 of 1990

Date of Assent: 23rd January, 1991

An Act to amend the Stamp Duty Act

[1st February, 1991

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Stamp Duty (Amendment) Act, 1990, and shall be read as one with the Stamp Duty Act, in this Act referred to as the principal Act.

Short title and commencement
Cap. 664

(2) This Act shall come into operation on the 1st January, 1991.

2. The First Schedule to the principal Act is repealed and the First Schedule set out in the Appendix hereto is substituted therefor.

Repeal and replacement of First Schedule

APPENDIX
(Section 2)

FIRST SCHEDULE
(Section 11)

DUTIES APPLICABLE TO PARTICULAR INSTRUMENTS
Head 1. Articles of Partnership

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Articles of partnership	30.00
<i>Head 2. Bills of Exchange and Promissory Notes</i>	
(1) Bill of exchange payable on demand or at sight or on presentation or within three days after date or sight including cheques, travellers' cheques, and orders for the payment of any sum of money at stated periods	0.10
(2) Bill of exchange of any other kind whatsoever and promissory note of any kind whatsoever—	
where the amount or value of the money for which the instruments is executed—	
does not exceed K100	0.16
exceeds K100, for every K200 or part thereof	0.30

NOTE—An instrument shall not be regarded as exempt from duty under this head by reason only of the fact that it contains words indicating that bank charges are required to be paid in addition to the sum stated in the instrument but

without specifying the amount of such charges; or words incorporating a condition as to funds being available.

Exemptions:

- (a) Stop-orders on salaries or wages.
- (b) Bills, drafts, cheques and orders by any banker on another banker not available for payment or credit to any third person and used solely for settling or clearing accounts between such bankers.
- (c) Coupons and warrants for interest or dividend attached to or issued with any marketable security.
- (d) Letters of credit.
- (e) Stop-orders that are required to be registered under any written law relating to the registration of stop-orders issued by farmers.
- (f) Pension vouchers issued by the Government of the Republic of South Africa and paid in Zambia.
- (g) Cheques drawn by a foreign Government or of a Commonwealth country or Colonial territory on official banking accounts maintained by such Governments in Zambia.
- (h) Cheques drawn by a foreign Government or the Government of a Commonwealth country or Colonial territory on official banking accounts maintained elsewhere but negotiated in Zambia.

(1) *Head 3. Conveyances or Transfers whether on Sale or otherwise*

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Conveyance or transfer on sale on the consideration or the price paid or to be paid—	
on the first K2,000 thereof for every K200 or part of K200	2.20
on the next K10,000 thereof for every K200 or part of K200	4.30
on the balance thereof for every K200 or part of K200	2.20

NOTES:

- (i) If the land sold is subject to a mortgage or charge and the purchaser becomes liable to repay or redeem the same, the amount outstanding for principal and interest thereon at the time of sale shall be added to the consideration or the price for the purposes of assessing the duty chargeable.
- (ii) Where the consideration, or any part of the consideration, consists of money payable periodically for a definite period not exceeding twenty years or in perpetuity, or for any indefinite period not terminable with life, the conveyance or transfer is to be charged, in respect of that consideration, with *ad valorem* duty on such total amount.
- (iii) Where the consideration, or any part of the consideration, consists of money payable periodically for a definite period exceeding twenty years or in perpetuity, or for any indefinite period not terminable with life, the conveyance or transfer is to be charged, in respect of that consideration, with *ad valorem* duty on the total amount which will or may, according to the terms of the sale, be payable during the period of twenty years next after the day of the date of the conveyance or transfer.
- (iv) Where the consideration, or any part of the consideration, consists of money payable periodically during any life or lives, the conveyance or transfer is

to be charged in respect of the consideration with *ad valorem* duty on the amount which will or may according to the terms of the sale, be payable during the period of twelve years next after the day of the date of the conveyance or transfer.

- (v) No conveyance or transfer on sale chargeable with *ad valorem* duty in respect of any periodical payments, and containing also provision for securing the payments, is to be charged with any duty in respect of such provision, and no separate instrument made in that case for securing the payments is to be charged with any higher duty than two kwacha.
 - (vi) See also section five of the Act which relates to voluntary dispositions *inter vivos*.
 - (vii) Where a decree or order for or having the effect of an order for foreclosure states the value of the property to which the decree or order relates, that statement shall be conclusive for the purposes of determining the amount of duty.
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|---|-------|--|
| (2) Surrender of any lease whatsoever | 30.00 | |
| (3) Assent of conveyance by way of assent to a devise or conveyance by a personal representative to any beneficiary under an intestacy | 20.00 | |
| (4) Conveyance or transfer made for effecting the discharge of a trustee or the appointment of a new trustee or by a trustee to a beneficiary under the trust | 20.00 | |
| (5) Instrument effecting an exchange partition or division of land when the consideration paid or given or to be paid or given exceeds K200 | | the same duty as a conveyance on sale for same consideration |

Exemptions:

- (a) conveyances and transfers of a cemetery plot.
- (b) Probates and Letters of Administration.
- (c) Transfers chargeable under item (1) of Head 13.

Head 4. Declarations of Trust K

Declaration of any trust of or concerning any property by any writing not being a will or any instrument otherwise chargeable with *ad valorem* duty 20.00

Head 5. Deeds

Deed of any kind whatsoever not described in this Schedule .. 20.00

Head 6. Hire-Purchase Agreements

Agreement for or relating to the supply of goods on hire whereby the goods in consideration of periodical payments will or may become the property of the person to whom they are supplied—

if under seal	20.00
if not under seal	1.00

Head 7. Leases or Agreements for Leases (For Surrenders of Leases see Head 3 (2))

- (1) Lease, agreement for lease, tenancy agreement in respect of any land, or interest in land, building, dwelling-house or part interest of a building or dwelling-house—

where the annual rent reserved does not exceed K40 ..	1.40
where the annual rent reserved exceeds K40—	
for every K100 or part thereof of the annual rent reserved	5.00

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and in addition, where the consideration or any part of the consideration moving either to the lessor, or to any other person, consists of any money, or other valuable consideration in respect of such consideration	the same duty as a conveyance on sale for the same consideration
where the rent reserved is the whole or a proportion of the annual value of the crop or crops produced on the land comprised in the instrument	40.00
NOTE —Where the rent reserved is variable, duty shall be chargeable on the annual average rent.	
(2) Lease made subsequently and in conformity with a duly stamped agreement for lease	20.00
(3) Lease, agreement for lease, tenancy agreement of any kind whatsoever not hereinbefore described	20.00
Exemption:	
Leases, agreements for leases and tenancy agreements—	
(a) for a definite period of not more than one year which did not grant a right of renewal; or	
(b) for an indefinite period when the letting is terminable by one month's notice or less.	
Head 8. Mortgages, Charges, Debentures, Covenants and Bills of Sale	
(1) Mortgage, charge, debenture or covenant being the only or principal or primary security (other than an equitable mortgage) for the payment of money— for every K200 or part of K200 of the amount secured	1.60
(2) Mortgage, charge, debenture or covenant being a collateral or auxiliary, or additional or substituted security (other than an equitable mortgage) or by way of further assurance for the payment of money where the instrument of principal or primary security is duly stamped— for every K200 or part of K200 of the amount secured	0.30
(3) Equitable mortgage and debenture not chargeable under item (1) or (2)— for every K200 or part of K200 of the amount secured	1.00
(4) Bill of sale to secure the payment of money— for every K200 or part of K200 of the amount secured	1.60
(5) Transfer of any such security as is mentioned in items (1), (2), (3) and (4) hereof— where the transfer is made for affectuating the discharge of a trustee or the appointment of a new trustee or by a trustee to a beneficiary under the trust	20.00
	or ad valorem duty whichever is the less
in any other case for every K200 or part of K200 of the amount transferred, exclusive of interest not in arrear	0.30
(6) Re-conveyance, realisation, discharge, surrender or renunciation of any such security as is mentioned in items	

<p>(1), (2), (3) and (4) hereof or of the benefit thereof or of the money thereby secured however effected or evidenced whether by receipt endorsed on the original instrument or mortgage or charge or memorandum of deposit or otherwise howsoever— for every K200 or part of K200 of the total amount or value of the principal money at any time secured ..</p>	<p>K 0.30</p>
<i>Head 9. Pledges to Banking Companies</i>	
<p>Pledge to a banking company of goods, merchandise, stock, shares, bills, notes and other marketable securities (including power of attorney)</p>	<p>1.00</p>
<i>Head 10. Policies of Insurance</i>	
<p>(See note (i) regarding composite policies and note (ii) regarding policies for short periods)</p>	
<p>(1) Policy of life insurance— for every K200 or part thereof of the sum insured for every additional benefit excepting an annuity benefit secured by a contract incorporated in a policy of life insurance, where such contract is customarily regarded as a life insurance contract</p>	<p>0.60 1.20</p>
<p>(2) Policy of annuity, whether incorporated in a policy of life insurance or not</p>	<p>1.20</p>
<p>(3) Policy of insurance or renewal thereof against accident to a person or persons or in respect of injury, incapacity, sickness or the like; except when the insurance is included in a policy chargeable under item (4)</p>	<p>1.00</p>
<p>(4) Policy of insurance or renewal thereof in respect of any motor vehicle, including incidental insurance against accidents to persons, damage done to or suffered by such vehicle or injuries suffered by third parties and any other risk ordinarily covered by such policies— in respect of each vehicle the subject of such policy or renewal</p>	<p>1.20</p>
<p>(5) Policy or certificate of insurance or renewal thereof in the form of a guarantee fidelity, security, or surety bond issued by an insurance company or by any person transacting business on behalf of brokers or underwriters at Lloyds— for every K240 or part thereof of the security given .. minimum maximum</p>	<p>0.10 0.30 40.00</p>
<p>(6) Policy of insurance under which a sum is payable to cover any compensation or damage due under a law relating to workmen's compensation or employer's liability or the common law, in respect of the death or illness of, or injury to, an employee, or any third party insurance, other than insurance included in a policy chargeable under item (4)— for every policy or renewal thereof</p>	<p>1.00</p>
<p>(7) Policy or certificate of insurance or renewal thereof of any kind whatsoever not specified in the preceding items of this head, including marine insurance, plate glass insurance, insurance against burglary, fire or any other risk, loss or damage— where the sum insured is a specific sum for every K240 or part thereof of the sum insured minimum maximum where the sum insured is not a specific sum</p>	<p>0.10 0.30 40.00 1.20</p>
<p>(8) Interim policy of insurance the currency of which does not exceed four calendar months (see note (iii))</p>	<p>1.00</p>

(9) Endorsement on a policy of insurance made after the issue of the policy—	K
where the effect of the endorsement is to change the person insured or to make a substantial change in the thing insured	the same duty as a new policy of insurance
where the effect of the endorsement is to increase the amount of the insurance	the same duty as a new policy of insurance for the amount of such increase
where the effect of the endorsement does not extend to any of the matters beforementioned but nevertheless effects a material change in the conditions of insurance (see note (iii))	1.00

NOTES:

- (i) A policy which is chargeable under several of the items in this head shall be severally chargeable with duty under each of the items under which it is chargeable.
- (ii) Where any policy of insurance or renewal of a policy of insurance to which item (3), (4), (5), (6) or (7) relates is for a period of less than one year, such policy or renewal shall be chargeable with one-quarter of the duty chargeable under the appropriate item or items for each period of three months or part of three months of the currency of such policy or renewal subject to a minimum duty of 0.15 Any fraction of an ngwee is to be treated as one ngwee.
- (iii) Where the fixed duty in respect of any instrument to which item (8) or (9) relates exceeds the duty that would be chargeable on a policy of insurance identical with the policy to which the instrument relates, such instrument shall be chargeable with the duty on such a policy.

Exemptions:

- (a) Interim policies of insurance which cover any risk under a contract of insurance pending the issue of a final policy to be issued in Zambia.
- (b) Policies and other instruments solely for the purpose of effecting re-insurance by one insurance company or association in another insurance company or association to cover general risks.
- (c) Railway journey insurance tickets issued by or through the agency of the Zambia Railways

Head 11. Powers of Attorney

Power or letter of attorney and commission, mandate or other instrument in the nature thereof—

for the receipt of one payment	1.00
for the receipt of several payments or the continuous receipt of dividends or interest	3.00
of any other kind whatsoever	20.00

Exemptions:

- (a) Instruments appointing a proxy.
- (b) Powers of attorney chargeable under Head 9.

<i>Head 12. Receipts</i>	K n
<p>(1) Receipt given for or in respect of any fixed deposit made with any bank, building society, company or association, corporate or unincorporate— for every K240 or part thereof and for every period of one month or part thereof for which the deposit is made, renewed or continued</p>	0.10
<p>(2) Receipt of any other kind whatsoever for a sum in excess of K2</p>	0.10
Exemptions:	
(a) Receipts for money paid into the general revenues of the Republic.	
(b) Receipts passing between any legally established benefit society, provident society, building society or savings bank society and any member thereof in respect of deposits and withdrawals, but excluding receipts in respect of a fixed deposit made with a building society.	
(c) Receipts for money deposited, otherwise than on fixed deposit, in a bank and for money withdrawn from a savings bank account with a bank.	
(d) Receipts or acknowledgements on postal orders or money orders or Post Office Savings Bank forms or savings certificate forms.	
(e) Receipts given by any person or his representative for or on account of any salary, pay or wages or for or on account of any other like payment made to or for the account or benefit of any person who is the holder of an office or an employee, or for or on account of money paid in respect of any old-age pension allowance, compassionate allowance or other like allowance.	
(f) Receipts endorsed or otherwise written upon or contained in any instrument liable to stamp duty and duly stamped, acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal money, interest or annuity thereby secured or therein mentioned.	
(g) Accounts delivered at any time after the date of payment of any money which shall contain any entry of payment therein as a credit item in such account.	
<i>Head 13. Transfer of Stock, Share or Share Certificate and Share Warrant to Bearer</i>	
<p>(1) Transfer of any stock, share or share certificate or other document of the same effect— for every K200 or fraction thereof of the amount or value of the consideration or, where no consideration is given, of the value of the security transferred ..</p>	0.30
<p>(2) Share warrant to bearer issued under the provisions of the Companies Act (Cap. 686)</p>	<p>a duty equal to three times the amount of the <i>ad valorem</i> stamp duty which would be chargeable on a transfer of the share or shares or stock specified in the warrant</p>

(3) Transfer of any stock, share or share certificate or other document of the same effect made for effectuating the discharge of a trustee or the appointment of a new trustee or by a trustee to a beneficiary under the trust ..

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12.00

or *ad valorem*
duty whichever is
the less

Exemption:

A transfer of a share registered in a branch register of a company.