

GOVERNMENT OF ZAMBIA

ACT

No. 10 of 1998

Date of Assent: 21st April, 1998

An Act to amend the Investment Act

[24th April, 1998

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Investment (Amendment) Act, 1998, and shall be read as one with the Investment Act, in this Act referred to as the principal Act.

Short title
and com-
mencement
Cap. 385

(2) This Act shall come into operation on the 1st April, 1998.

2. Section *two* of the principal Act is amended—

Amendment
of section 2

(a) by the deletion of the definition of “ Commissioner of Taxes ” and the substitution therefor of the following new definition:

“ Commissioner-General ” means the person appointed
Commissioner-General under the Zambia
Revenue Authority Act;

Cap. 321

(b) by the deletion of the definition of “ non-traditional products ” and the substitution therefor of the following:

“ non-traditional products ” means anything, other
than minerals or electricity, produced or
manufactured in the Republic; and

(c) by the deletion of the definition of “ rural area ” and the substitution therefor of the following:

“ rural area ” means any area which is not an area
declared or deemed to have been declared as a

Cap. 281

city or municipality under the Local Government Act except for the area declared to be Kafue Township under that Act.

Amendment
of section 22

3. Section *twenty-two* of the principal Act is amended by the deletion of subsection (1) and substitution therefor of the following:

(1) An investor shall be entitled to capital allowances which shall be deducted in ascertaining gains or profits at the following special rates:

(a) buildings used for manufacturing or hotels qualify for a wear and tear allowance of 5 per cent per year of the cost of the buildings or hotels, an initial allowance of 10 per cent of such cost and an investment allowance of 10 per cent of such cost in the year in which the building or hotel is first used;

(b) implements, machinery and plant used exclusively for farming, manufacturing or tourism qualify for a wear and tear allowance of fifty per centum per year of the costs of such implements, machinery and plant in each of the first two years; and

(c) capital expenditure on farm improvements qualify for farm improvement allowance of 100 per cent of such expenditure.

Amendment
of section 23

4. Section *twenty-three* of the principal Act is amended by the deletion of paragraph (a) and the substitution therefor of the following:

(a) any loss incurred by an investor, other than an investment in mining, in any charge year shall be deducted only from the income of the investor from the same source as that in which the loss was incurred:

Provided that—

(i) the loss shall not be carried forward beyond five subsequent years after the charge year in which the loss is incurred; and

(ii) loss brought forward as at 31st March, 1997 shall be deemed to have been incurred in the charge year ended 31st March, 1997.

5. The principal Act is amended by the insertion immediately after section *twenty-five* of the following new section:

Insertion of
new section
26

26. Any investment in mining shall attract income tax deductions provided for under the Mines and Minerals Act.

Income tax
deduction in
mining
Cap. 213
