

GOVERNMENT OF ZAMBIA

ACT

No. 3 of 2007

Date of Assent: 12th April, 2007

An Act to amend the Value Added Tax Act.**[13th April, 2007**

ENACTED by the Parliament of Zambia

Enactment

1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2007, and shall be read as one with the Value Added Tax Act, in this Act referred to as the principal Act.

Short title
and
~~commencement~~
Cap. 331

(2) This Act shall be deemed to have come into operation on 10th February, 2007.

2. Section *two* of the principal Act is amended by the insertion in the appropriate place of the following new definition:

Amendment
of section 2

“disbursement” means expenditure incurred by a supplier in the course of providing goods or services to a customer.

3. The principal Act is amended by the repeal of section *three A* and the substitution therefor of the following section:

Repeal and
replacement
of section 3A

3A. (1) Where a person in business as a sole proprietor is a registered supplier, that person shall be taken to be the supplier of any goods or services supplied in the course of the business and is liable for any tax due under this Act.

Application
of Act to sole
proprietor
ships

(2) Any notice of assessment or other notice given under this Act to a person referred to in subsection (1) may be addressed to the person.

(3) Where a person referred to in subsection (1) operates several businesses, the aggregate turnover from the businesses shall be used to determine the eligibility of the person for tax

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registration.

(4) Notwithstanding subsection (3), a person referred to in subsection (1) who operates several businesses may register the businesses separately if each of the businesses reaches the turnover threshold as prescribed by the Minister, by statutory instrument.

(5) A person referred to in subsection (1) and operating several businesses shall furnish the Commissioner-General with details of the businesses.

Insertion of
new section
17A

Proof of
disbursements

4. The principal Act is amended by the insertion immediately after section *seventeen* of the following new section:

17A. (1) A taxable supplier who does not charge value added tax on any amount on an invoice to a client, on the ground that the amount was for disbursements shall prove, to the satisfaction of the Commissioner-General, that—

- (a) the supplier paid a third party while acting on behalf of that supplier's client;
- (b) the goods or services were actually provided by the third party;
- (c) the supplier's outlay is itemised separately from disbursements on the invoice to the client; and
- (d) the supplier has recovered the exact amount of disbursements paid to the third party.

(2) The provisions of section *thirty-seven* shall apply for purposes of the information required to be supplied by the taxable supplier to the Commissioner-General under subsection (1).
