

GOVERNMENT OF ZAMBIA

ACT

No. 3 of 2008

Date of Assent: 28th March, 2008

An Act to amend the Value Added Tax Act

[28th March, 2008]

ENACTED by the Parliament of Zambia

Enactment

1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2008, 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 26th January, 2008.

2. Section two of the principal Act is amended in subsection (1) by the insertion in the appropriate places of the following new definitions:

Amendment of section 2

“finance lease” means a lease of implements, machinery or plant where—

- (a) the term of the lease, including any period under an option to renew, is equal to or exceeds seventy-five per centum of the effective life of the leased implements, plant or machinery;
- (b) the lessee has an option to purchase the implements, plant or machinery at the expiration of the lease for a fixed or determinable price;
- (c) the estimated residual value of the implements, plant or machinery at the expiration of the lease term is less than twenty five per centum of its fair market value at the commencement of the lease; or
- (d) the lessor does not retain the risks and rewards of ownership; and

“operating lease” means any lease of implements, plant or machinery, other than a finance lease.

Amendment
of section 19

3. Section *nineteen* of the principal Act is amended—

(a) by the insertion after subsection (1) of the following new subsection:

(1A) The Minister may, on the recommendation of the Commissioner-General, by statutory instrument, remit the whole or part of any tax due and is not recoverable under subsection (1), if the tax liabilities meet the following conditions:

(a) the taxable supplier has —

(i) been declared bankrupt by the High Court under the Bankruptcy Act; or

(ii) in the case of a company, has been wound-up by the High Court under the Companies Act ;

(b) the debt has been outstanding for a minimum period of five years;

(c) in the case of a privatised company, the debt was incurred before the date of privatisation, unless the contract of sale stipulates that the company’s liabilities are to be carried over by the new owners;

(d) there is provided a certificate of deregistration or notice of value added tax registration cancellation issued by the Authority; and

(e) such other documentary evidence as the Commissioner-General may require.;

(b) in subsection (3) by the deletion of the words “or commercial exporter” after the word “tourist” and the substitution therefor of a comma and the words “commercial exporter, diplomat or designated official”; and

Cap. 86

Cap. 388

- (c) in subsection (4) by the deletion of the words “or commercial exporter” after the word “tourist” and the substitution therefor of a comma and the words “commercial exporter, diplomat or designated official”.
-

