

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 50 OF 2011

The Value Added Tax Act
(Laws, Volume 19, Cap. 331)**The Value Added Tax (Zero-Rating) Order, 2011**

IN EXERCISE of the powers contained in section *fifteen* of the Value Added Tax Act, the following Order is hereby made:

1. This Order may be cited as the Value Added Tax (Zero-Rating) Order, 2011, and shall be deemed to have come into operation on 1st January, 2011.

Title and commencement

2. The Act is amended by the repeal of the Second Schedule and the substitution thereof of the Second Schedule set out in the Appendix.

Repeal and replacement of Second Schedule Cap. 331

3. The Value Added Tax (Zero-Rating) Order, 2010, is hereby revoked.

Revocation of S.I. No. 89 of 2010

APPENDIX
(Paragraph 2)SECOND SCHEDULE
(Section 15)

1. In this Schedule, unless the context otherwise requires—
- “designated official” means a person who is confirmed by the Ministry responsible for foreign affairs as being accorded rights and privileges under an international agreement;
- “diplomat” means the head of a mission or a member of the diplomatic staff of a mission of a country accredited to the Republic of Zambia, who is entitled to diplomatic rights and privileges under an international agreement or the Diplomatic Immunities and Privileges Act;

Interpretation

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- “ donor ” means an accredited diplomatic mission or aid agency approved by the Government of the Republic of Zambia;
- “ donor funding ” means funding provided by a donor but does not include funding provided in the form of a loan other than developmental credit to the Government of the Republic of Zambia;
- “ eligible goods or services ” means goods or services acquired by a diplomat or a designated official in the performance of their official duties for their personal use or enjoyment, subject to the following limitations:
- (a) in the case of a diplomat, to the extent that the foreign country grants reciprocal privileges to the Zambian diplomats accredited to that country from Zambia; and
 - (b) in the case of a designated official, to the extent allowed by the Ministry responsible for foreign affairs;
- “ inclusive tour ” means a published package of tourist services booked before a visitor arrives in Zambia, which includes—
- (a) accommodation and any provision of meals; and
 - (b) any tourist services not ancillary to accommodation and meals which account for a significant proportion of the package when sold or offered for sale at an inclusive price and when the service covers a period of more than twenty-four hours or includes overnight accommodation;
- “ medical supplies and drugs ” means any substance or mixture of substance prepared, sold or for use in—
- (a) the diagnosis, treatment, mitigation or prevention of a disease, disorder or an abnormal physical state, or symptoms thereof, in human beings or animals; or
 - (b) restoring, correcting or modifying organic functions in human beings or animals, but does not include preparations, whether or not possessing therapeutic or prophylactic properties, commonly used for toilet purposes or in connection with the care of the human body, whether for cleaning, deodorising, beautifying, preserving or restoring;
- “ technical aid programme or project ” means the provision of goods or services under a technical aid agreement or project with the Government of the Republic of Zambia; and

“tourist” means a person who travels to, and stays in, places outside that person’s usual residence for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited, but does not include a citizen or a person resident in Zambia.

2. The following goods and services are zero-rated:

Zero rated
goods and
services

Group 1—Export of Goods

- (a) export of goods from Zambia by, or on behalf of, a taxable supplier, where such evidence of exportation is produced as the Commissioner-General may require;
- (b) the supply of ancillary services, which are provided at the port of exportation of the goods under paragraph (a), including transport and packaging;
- (c) the supply of freight transport services from or to Zambia, including trans-shipment and ancillary services that are directly linked to the transit of goods through Zambia to destinations outside Zambia;
- (d) the supply of goods by a duty free shop approved under regulation 51 of the Customs and Excise (General) Regulations, 2000, for export by passengers on flights to destinations outside Zambia;
- (e) the supply of goods, including meals, beverages and duty free goods for use in aircraft stores on flights to destinations outside Zambia;
- (f) the supply of aviation fuel;
- (g) the supply of services which are physically rendered outside Zambia;
- (h) the supply by a tour operator or travel agent licensed as such under the Tourism and Hospitality Act, 2007, to a tourist of an inclusive tour, subject to such conditions as the Commissioner-General may require;
- (i) the supply by a licenced tour operator to tourists of the following services:
 - (i) game viewing;
 - (ii) abseiling;
 - (iii) bungee jumping;
 - (iv) canoeing;
 - (v) hot air ballooning;
 - (vi) hang gliding;
 - (vii) para-sailing;

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of 2000

- (viii) river boarding;
- (ix) white water rafting;
- (x) boat cruising;
- (xi) micro lighting;
- (xii) helicopter tours;
- (xiii) walking safaris;
- (xiv) clay pigeon shooting;
- (xv) elephant back safari;
- (xvi) fixed wing flights over the falls;
- (xvii) gorge swinging or flying fox;
- (xviii) paint ball shooting;
- (xix) quad biking safari;
- (xx) steam train excursion; and
- (xxi) walking with lions:

Provided that accommodation, food and beverages shall be excluded unless these have been prebooked as a package tour and are inclusive in the total price of the package tour, or have been approved by the Commissioner-General;

- (j) exportation of goods by a tourist, subject to such evidence and conditions as the Commissioner-General may require; and
- (k) international interconnection services.

Group 2—Supplies to Privileged Persons

- (a) goods imported by the President;
- (b) goods imported by diplomats or a diplomatic mission accredited to the Republic of Zambia for the official purposes of that mission, to the extent that the foreign country grants reciprocal privileges to diplomats and to the diplomatic mission of Zambia in that country;
- (c) the supply of goods or services to a donor in Zambia for the official purpose of that donor where evidence of purchase is produced by that donor or the Commissioner-General on behalf of the donor as the Commissioner-General may require;
- (d) goods or services supplied or imported under a technical aid programme or project, which are—
 - (i) paid through donor funding; and
 - (ii) provided by the donor, or a contractor of the donor, under a written agreement with the Government of the Republic of Zambia where evidence of purchase under that agreement is produced by the donor or the Commissioner-General as the Commissioner-General may require;

- (e) supplies or imports under a technical aid agreement providing for exemption from taxation under the laws of Zambia—
 - (i) dated on or before 30th June, 1996; or
 - (ii) approved by the Minister responsible for finance; and
- (f) goods or services supplied to or imported by—
 - (i) a developer for the purposes of developing infrastructure in a multi-facility economic zone or industrial park; or
 - (ii) a business enterprise for the purpose of carrying on business in a multi-facility economic zone or industrial park;

licenced as such by the Zambia Development Agency and approved by the Minister on the recommendation of the Director-General of the Zambia Development Agency, where evidence of purchase is produced by the developer or the Commissioner-General as the Commissioner-General may require.

Group 3—Building Supplies

The supply of cement, roofing sheets, bricks and blocks to public benefit organisations approved by the Minister under the Income Tax Act, where evidence is provided that such building supplies will be used for construction of buildings for non-profit, humanitarian or poverty alleviation activities.

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Group 4—Mosquito Nets

The following raw material used for manufacturing mosquito nets:

- (a) polyester textured yarn: HS Code 5402.33.00;
- (b) textile dyestuff: HS Code 3204.11.00; and
- (c) long-lasting insecticide treated curtains.

Group 5—Medical Supplies

- (a) medical supplies and drugs; and
- (b) the supply to, or importation by, a medical doctor, optician, dentist, hospital or clinic registered under the Health Professions Act, 2009, or to a patient, of equipment designed solely for medical or prosthetic use.

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2009

Group 6—Books

Books, including school exercise books.

Group 7—Energy Saving Appliances, Machinery and Equipment

- (a) discharge lamps, other than ultra violet lamps (energy efficient lighting lamps);