

**THE VALUE ADDED TAX (AMENDMENT)
BILL, 2018**

MEMORANDUM

The object of this Bill is to amend the Value Added Tax so as to—

- (a) Provide for the use of an electronic fiscal device in recording daily sales;
- (b) broaden the scope of taxable; and
- (b) provide for matters connected with, or incidental to, the foregoing.

L. KALALUKAA,
Attorney-General

N.A.B. 13, 2018
20th November, 2018

A BILL

ENTITLED

An Act to amend the Value Added Tax Act.

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2018, and shall be read as one with the Value Added Tax Act, 2015, in this Act referred to as the principal Act.

Short title and Commencement

5 (2) This Act shall come into operation on 1st January, 2019.

Cap. 331

2. Section 2 of the principal Act is amended by the—

Amendment of section 2

(a) deletion of the definition of “fiscal cash register”; and

(b) insertion of the following definitions in the appropriate places:

10 “electronic fiscal device” means an electronic device, approved by the Commissioner-General, which has a fiscal memory capable of generating and storing fiscal information and has the capacity to generate or record tax invoices and other reports and is capable of transmitting invoice management system of the Authority, and includes a fiscalised electronic register, an electronic fiscal printer and an electronic signature device;

20 “electronic fiscal printer” means an electronic device, approved by the Commissioner-General, which is capable of being connected to a point of sale of device to enable it to capture information for tax purposes and printing invoices or other fiscal information and allow the transmission of the transaction data to the Authority;

25

N.A.B. 13, 2018

“electronic signature device” means an electronic device, approved by the Commissioner-General, which assigns a unique electronic signature and invoice number to a transaction issued by a point of sale or related system and is capable of transmitting the transactions to the Authority in real time; 5

“fiscal memory” means a programmable read-only memory permanently built into a fiscalised electronic register or device to store tax information at the time of sale and is only accessed by the Authority or an authorised person; and 10

“fiscalised electronic register” means an electronic device, approved by the Commissioner-General, which has a fiscal memory to record and calculate transactions for purposes of tax at a point of sale and secures the transactions against unauthorised manipulation and deletion and is capable of transmitting the transactions in real time or, where transaction cannot be transmitted in real time, in batches to the invoice management system of the Authority; 15 20

Amendment of section 10 3. Section 10 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (7): 25

(8) For the purpose of this Act, the taxable value—

(a) where a cash discount is granted, means the value of the tax ascertainable based on the undiscounted cash value; and

(b) where a trade discount is granted, means the value of the tax ascertainable based on the discounted price. 30

Insertion of new section 46A 4. The Principal Act is amended by the insertion of the following new section immediately after section 46:

Offences by principal officers, partners or shareholders of bodies corporate or bodies unincorporate

46A. Where an offence under this Act is committed by a body corporate or a body unincorporate, with the knowledge, consent or connivance of the director, manager, partner or shareholder of that body corporate or unincorporate body, that director, manager, partner or shareholder commits an offence and is liable, on conviction, to the penalty or term of imprisonment specified for that offence. 35 40

5. The principal Act is amended by the deletion of the words “fiscal cash register” wherever they appear and the substitution therefor of the words “electronic fiscal device”. General amendment
