

GOVERNMENT OF ZAMBIA

ACT

No. 27 of 2022

Date of Assent: 23rd December, 2022

An Act to amend the Property Transfer Tax Act.

[27th December, 2022

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2022, and shall be read as one with the Property Transfer Tax Act, in this Act referred to as the principal Act.

Short title
and com-
mencement
Cap. 340

(2) This Act shall come into operation on 1st January, 2023.

2. Section 2 of the principal Act is amended—

Amendment
of section 2

(a) by the deletion of the definitions of—

“property” and “share” and the substitution therefor of the following definitions in the appropriate places in alphabetical order:

“property” means—

(a) a land in the Republic;

(b) a share issued by a company incorporated in the Republic or by a company incorporated outside the Republic where the company directly or indirectly owns at least ten percent of the shares in a company incorporated in the Republic;

(c) a mining right issued under the Mines and Minerals Development Act, 2015;

Act No. 11 of
2015

(d) a mineral processing licence issued under the Mines and Minerals Development Act, 2015; and

Act No. 11
of 2015

(e) intellectual property; and

“share” includes a stock, certificate, warrant or equivalent rights, and an interest in a mining right or an interest in a mineral processing licence; and

(b) by the insertion of the following new definition in the appropriate place in alphabetical order:

“financial service provider” has the meaning assigned to the words in the Banking and Financial Services Act, 2017;

Act No. 7 of 2017

Amendment of section 4

3. Section 4 of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following:

(2) The rate of tax is —

(a) ten percent of the realised value in respect of a mining right for a mining licence;

(b) five percent of the realised value in respect of a mining right for an exploration licence;

(c) ten percent of the realised value in respect of a mineral processing licence;

(d) five percent of the realised value in respect of land;

(e) five percent of the realised value in respect of shares; and

(f) five percent of the realised value in respect of intellectual property.

Amendment of section 5

4. Section 5 of the principal Act is amended by—

(a) the deletion of subsection (2A) and the substitution therefor of the following:

(2A) Where the property to be valued is a share issued by a company incorporated outside the Republic that directly or indirectly owns at least ten percent of a company incorporated in the Republic, the realised value shall be, whichever is greater of the—

(a) proportion that the value of the company incorporated in the Republic bears to the value of the company whose shares are being transferred multiplied by the value of the transferred shares;

- (b) proportion that the value of the company incorporated in the Republic bears to the value of the company whose shares are being transferred multiplied by the consideration for the transferred shares; and
- (c) proportion that the value of the company incorporated in the Republic bears to the value of the company whose shares are being transferred multiplied by the nominal value of the transferred shares.;
- (b) the deletion of subsection (2B) and the substitution therefor of the following:
- (2B) Despite subsection (2A), where the Commissioner-General is satisfied that a transfer is made for the purpose of group reorganisation and that there is no change in the shareholding with respect to the company incorporated in the Republic, the Commissioner-General may determine a nil value for that transfer, except that this subsection shall only apply to a company that has been part of the group of companies for three years or more preceding the transfer.;
- (c) the deletion of subsection (2C);
- (d) the renumbering of subsections (2D) and (2E) as subsections (2C) and (2D), respectively;
- (e) the deletion of subsection (3) and the substitution therefor of the following:
- (3) Where the property to be valued is an intellectual property or a mining right, the realised value of the intellectual property or mining right shall be the actual price of the intellectual property or mining right or as determined by the Commissioner-General, whichever is higher.; and
- (f) the insertion of the following new subsection immediately after subsection (5):
- (5A) Where a financial service provider transfers a foreclosed property, the realised value of the property shall be the actual price, if any, received by the financial service provider.

Property Transfer Tax
(Amendment)

558 No. 27 of 2022]

Amendment
of section 6

5. Section 6 (1) of the principal Act is amended by the insertion of the following new paragraph immediately after paragraph (g):
(h) the surrender or forfeiture of shares for no consideration, except that a subsequent transfer to a different person shall be liable to tax.

Amendment
of section 9

6. Section 9 of the principal Act is amended—
(a) in subsection (2)(b), by the deletion of subparagraph (i) and the substitution therefor of the following:

(i) in the case of land, to the Commissioner-General together with the consent to transfer or assign issued under the Lands Act; and;

Cap. 184

(b) by the deletion of subsection (3); and

(c) by the renumbering of subsections (4), (5), (6) and (7) as subsections (3), (4), (5) and (6), respectively.
