

**THE VALUE ADDED TAX (AMENDMENT)  
BILL, 2021**

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**MEMORANDUM**

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

- (a) provide clarity on the use of an electronic fiscal device to record each sale or transaction;
- (b) revise the penalty for a taxable supplier for failure to issue a tax invoice;
- (c) provide for an upward adjustment of the penalty for a taxable supplier for failure to use an electronic fiscal device;
- (d) provide clarity on documents to be submitted by a supplier in support of imported goods; and
- (e) provide for matters connected with, or incidental to, the foregoing.

M. D. KABESHA,  
*Attorney-General*



# 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, 2021, 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

5 (2) This Act shall come into operation on 1st January 2022.

2. Section 7 of the principal Act is amended by the deletion of subsection (5) and the substitution therefor of the following:

Amendment of section 7

10 (5) A taxable supplier who fails to issue a tax invoice commits an offence and is liable, on conviction, in the case of a —

(a) first offence, to a penalty not exceeding one hundred thousand penalty units;

(b) second offence, to a penalty not exceeding two hundred thousand penalty units; and

15 (c) third or subsequent offence, to a penalty not exceeding three hundred thousand penalty units, or to imprisonment for a term not exceeding three years, or to both.

3. Section 7A of the principal Act is amended —

Amendment of section 7A

20 (a) in subsection (1), by the deletion of the words “daily sales” and the substitution therefor of the words “each sale or transaction”; and

(b) by the deletion of subsection (3) and the substitution therefor of the following:

**N.A.B. 42, 2021**

- (3) A taxable supplier that contravenes this section commits an offence and is liable, on conviction, in the case of a—
- (a) first offence, to a penalty not exceeding one hundred thousand penalty units; 5
  - (b) second offence, to a penalty not exceeding two hundred thousand penalty units; and
  - (c) third or subsequent offence, to a penalty not exceeding three hundred thousand penalty units, or to imprisonment for a term not exceeding 10 three years, or to both.

Amendment of  
section 18

4. Section 18 (3)(c) of the principal Act is amended by the deletion of the word “or” and the substitution therefor of the word “and”.

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