

**THE PROPERTY TRANSFER TAX (AMENDMENT) BILL, 2021**

**MEMORANDUM**

The object of this Bill is to amend the Property Transfer Tax Act so as to—

- (a) provide for a ten percent property transfer tax rate on the transfer of a mineral processing licence;
- (b) provide clarity on the period for the exemption of property transfer tax on an indirect transfer of shares;
- (c) permit the filing of a return by proxy where the transferor may be dead, absent from the Republic or cannot be located; and
- (d) provide for matters connected with, or incidental to, the foregoing.

M. D. KABESHA,  
*Attorney-General*

# A BILL

## ENTITLED

### **An Act to amend the Property Transfer Tax Act.**

ENACTED by the Parliament of Zambia

Enactment

1. (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2021, and shall be read as one with the Property Transfer Tax Act, in this Act referred to as the principal Act.

Short title and commencement

Cap. 340

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

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

Amendment of section 2

(a) deletion of the definition of “property” and the substitution therefor of the following:

10 “property” means—

(a) a land in the Republic;

(b) a share issued by a company incorporated in the Republic or a share issued 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;

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

Act No. 11 of 2015

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

Act No. 11 of 2015

(e) intellectual property; and

	(b) insertion of the following new definition in the appropriate place:	
	“mineral processing licence” has the meaning assigned to the words in the Mines and Minerals Development Act, 2015;.	5
Act No. 11 of 2015		
Repeal and replacement of section 3	<b>3.</b> The principal Act is amended by the repeal of section 3 and the substitution therefor of the following:	
Functions and powers of Commissioner-General	3. (1) The Commissioner General shall, subject to the direction of the Minister, be responsible for giving effect to the provisions of this Act and shall in exercising those functions have all the powers conferred on the Commissioner-General by the Income Tax Act.	10
Cap.323		
	(2) The Commissioner-General may, in writing and subject to conditions that the Commissioner-General may specify, delegate to an officer in the Authority any power conferred, or any duty imposed, on the Commissioner-General by this section.	15
Amendment of section 4	<b>4.</b> Section 4 of the principal Act is amended—	
	(a) in subsection (1B), by the insertion of the word “consecutive” immediately after the word “three” and	
	(b) in subsection (2), by the—	20
	(i) insertion of the following new paragraph immediately after paragraph (a):	
	(b) ten per cent of the realised value in respect of a mineral processing licence;; and	
	(ii) renumbering of paragraphs (b), (c) and (d) as paragraphs (c), (d) and (e), respectively.	25
Amendment of section 6	<b>5.</b> Section 6 (1) of the principal Act is amended by the deletion of paragraph (d) and the substitution therefor of the following:	
Cap. 323	(d) an exempt public benefit organisation in accordance with the Income Tax Act;.	30
Amendment of section 9	<b>6.</b> Section 9 of the principal Act is amended by the insertion of the following new subsections immediately after subsection (1):	
	(1A) Despite subsection (1), a person, other than the transferor of the property, shall be permitted to render a provisional return on behalf of the transferor where that person is—	35
	(a) permitted to do so through a court order; or	

(b) appointed as a proxy for the Registrar of the High Court, where the Registrar of the High Court is appointed by the court to render a provisional return on behalf of the transferor.

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(1B) A person referred to in subsection

(1A) shall be permitted to render a provisional return on behalf of the transferor if the transferor—

(a) is deceased;

(b) is absent from the Republic; or

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(c) cannot be located despite reasonable efforts to do so.

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