

**THE ZAMBIA DEVELOPMENT AGENCY
(AMENDMENT) BILL, 2012**

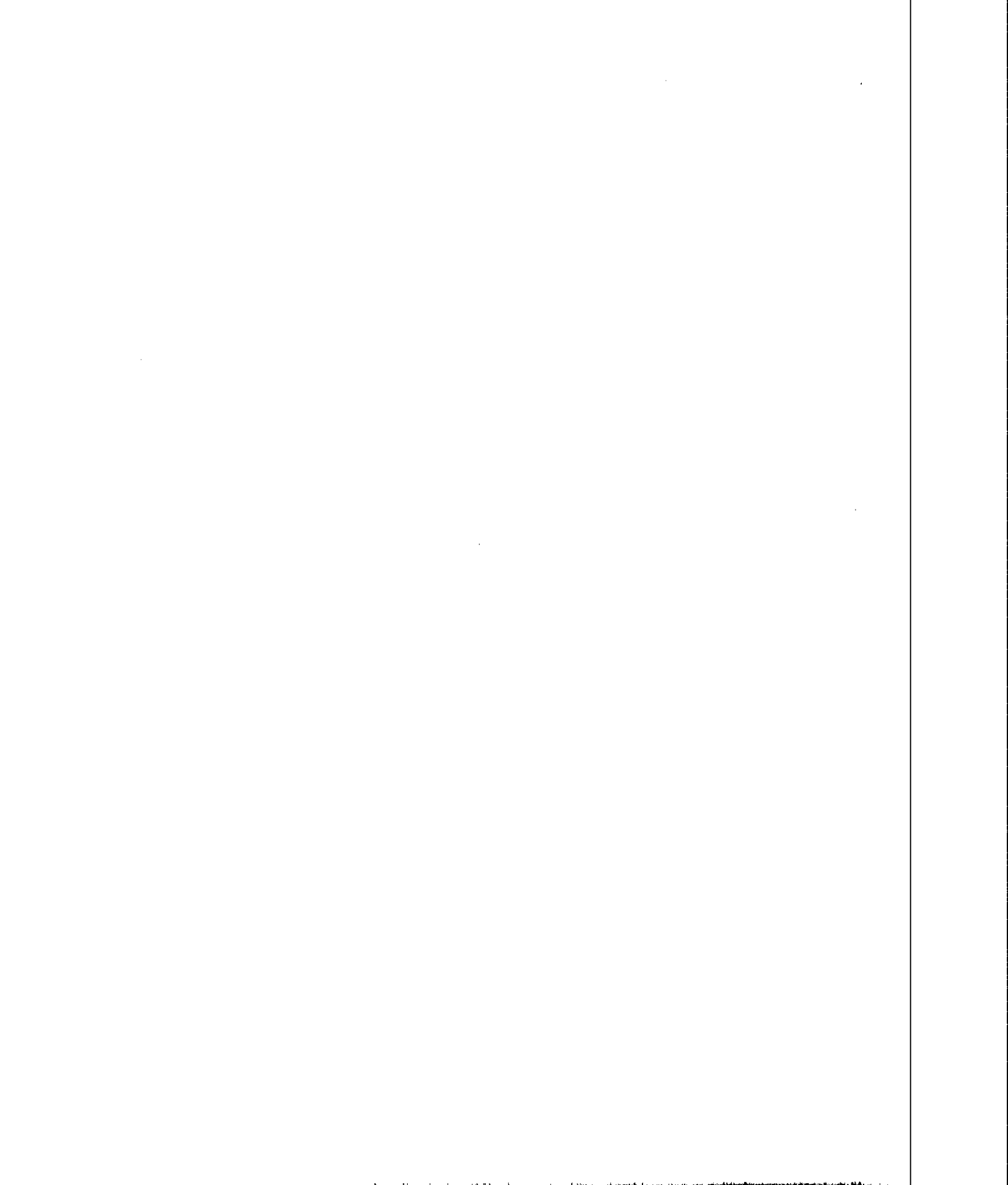
MEMORANDUM

The object of this Bill is to amend the Zambia Development Agency Act, 2006, so as to provide for—

- (a)* the withdrawal of tax incentives to an investor who fails or neglects to fulfil a pledge for employment creation and training for citizens of Zambia; and
- (b)* matters connected with, or incidental to, the foregoing.

M. MALLA,
Attorney-General

N.A.B. 15, 2012
7th November, 2012



A BILL

ENTITLED

An Act to amend the Zambia Development Agency Act,
2006.

I

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Zambia Development Agency
(Amendment) Act, 2012, and shall be read as one with the Zambia
Development Agency Act, 2006, in this Act referred to as the
5 principal Act.

Short title
Act No. 11
of 2006

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

Amendment
of section 17

(a) the insertion of the figure “(1)” between the number “17”
and the word “The”; and

10 (b) the insertion, immediately after subsection (1), of the
following new subsections:

(2) The Board may enter into an investment
protection and promotion agreement with an investor
in which the Board and the investor shall agree on
development and investment matters provided for
15 under this Act.

(3) The provisions of an investment protection
and promotion agreement shall include a detailed
schedule in relation to—

20 (a) employment creation, local business
development and an undertaking to
complete the necessary environmental
impact assessment required by the Zambia
Environmental Management Agency,
where applicable;

25 (b) the financial progression of a proposed
project; and

(c) any other relevant information on investment
as may be prescribed.

N.A.B. 15, 2012

Repeal and
replacement
of section 69

3. The principal Act is amended by the repeal of section *sixty-nine* and the substitution therefor of the following:

Consideration
of
application
for licence,
permit or
certificate of
registration

69. (1) The Board shall, in considering an application for a licence, permit or certificate of registration under section *sixty-eight* and for purposes of determining entitlement to an incentive under section *fifty-nine*, have regard to—

- (a) the need to promote economic development and growth in Zambia;
- (b) the extent to which the proposed investment will lead to the creation of employment opportunities and the development of human resources;
- (c) the applicant's pledge for employment creation and training of citizens of Zambia;
- (d) the degree to which the project is export-oriented;
- (e) the impact the proposed investment is likely to have on the environment and, where necessary, the measures proposed to deal with an adverse environmental impact in accordance with the Environmental Management Act, 2011;
- (f) the possibility of the transfer of technology; and
- (g) any other considerations that the Board considers appropriate.

Act No. 12
of
2011

(2) Where the Board, in considering an investor's entitlement to an incentive, determines from the investor's pledge of employment creation and training for citizens of Zambia made under subsection (1) that the investor shall create employment for citizens of Zambia as may be prescribed, the Board shall recommend to the Commissioner-General that tax incentives be granted to the investor under the Income Tax Act or the Customs and Excise Act.

Cap. 323
Cap. 322

(3) Where an investor fails or neglects to create the employment and training for citizens of Zambia in a particular year according to the pledge submitted under subsection (1), the Commissioner-General shall suspend or withdraw the tax incentives granted to the investor under the Income Tax Act or Customs and Excise Act for that year on such terms and conditions as the Commissioner-General may specify.

Cap. 322
Cap. 323