

THE VALUE ADDED TAX (AMENDMENT) (No. 2) BILL, 2009

MEMORANDUM

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

- (a) provide for the definition of calendar month;
- (b) provide for the requirement for valid tax invoices for the purposes of claiming input tax;
- (c) impose tax on suppliers of goods or services by unregistered suppliers whose turnover exceed the registration threshold; and
- (d) provide for matters connected with, or incidental to, the foregoing.

M. MALILA,
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, 2009, 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, 2010.

2. Section *two* of the principal Act is amended by the insertion in the appropriate place of the following new definition:

Amendment
of
section 2

“calendar month” means the first day to the last day of a month under the Gregorian calendar;

10 3. Section *eight* of the principal Act is amended in sub-section (1) by the deletion of paragraph (a) and the substitution thereof of the following new paragraph:

Amendment
of section 8

(a) every taxable supply of goods or services, other than a zero rated supply, made in Zambia in the course of, or in furtherance of, a business by a registered supplier or by a supplier eligible for registration under section *twenty-eight*; and

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4. Section *eighteen* of the principal Act is amended by—

Amendment
of section 18

(a) the deletion of sub-section (3) and the substitution thereof of the following new sub-section:

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(3) A supplier shall not deduct, credit or claim input tax, unless the supplier at the time of lodging the return in which the deduction, credit or claim is made, is in possession of—

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(a) a tax invoice issued from a serially numbered invoice book printed by a printer authorised for that purpose by the Commissioner-General;

N.A.B. 31, 2009

(b) a tax invoice printed from a computer package authorised by the Commissioner-General for the purpose of invoicing taxable supplies; or

(c) in the case of imported goods, import bills of entry or such documentary evidence of the payment of tax as the Commissioner-General may, by administrative rule, prescribe.; and

(b) the insertion immediately after sub-section (3) of the following new sub-section: 10

(3A) A supplier who contravenes sub-section (3) commits an offence and shall be deemed to have taken steps for the fraudulent recovery of tax in contravention of section *forty-four*. 15

Amendment
of
section 29

5. Section *twenty-nine* of the principal Act is amended—

(a) by the renumbering of the paragraph of that section as subsection (1); and

(b) by the insertion immediately after sub-section (1) of the following new sub-sections: 20

(2) Where a supplier who is eligible for registration under section *twenty-eight* fails to register under that section, the Commissioner-General shall assess the tax due on the supplies made, in accordance with the provisions of this Act, from the time the supplier was due for registration to the date of the assessment, and the interest payable thereon. 25

(3) Where the supplier referred to in sub-section (2) receives any consideration for the supply of goods or services, the consideration shall be deemed to be inclusive of tax for the purpose of determining the taxable value under section *ten*. 30