

**THE VALUE ADDED TAX (AMENDMENT) BILL, 2016**

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MEMORANDUM

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

- (a) the appointment of taxpayers as agents to withhold value added tax on payments for the supply of goods and services;
- (b) the abolition of the Value Added Tax Group Registration Scheme;
- (c) the change of the validity period of an input tax claim to three months;
- (d) the change of the due date for filing of returns and payment of tax; and
- (e) matters connected with, or incidental, to the foregoing.

L. KALALUKA,  
*Attorney-General*

GOVERNMENT OF ZAMBIA

**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, 2016, 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 1<sup>st</sup> January, 2017.

2. The principal Act is amended by the repeal of section 5.

Repeal of section 5

3. Section 6 of the principal Act is amended by the deletion of subsection (3).

Amendment of section 6

4. Section 8 of the principal Act is amended by the insertion,  
10 immediately after subsection (8), of the following:

Amendment of section 8

(8A) The Commissioner-General may appoint a taxpayer as an agent to withhold tax on payments made to taxable suppliers of goods and services.

5. Section 16 (2A) of the principal Act is amended by the  
15 deletion of the word "twenty-one" and the substitution therefor of the word "sixteen".

Amendment of section 16

6. Section 18 (4) of the principal Act is amended by the deletion of the words "six months" and substitution therefor of the words "three months".

Amendment of section 18

Amendment  
of  
section 27

7. Section 27 of the principal Act is amended by the deletion 5  
of subsection (4).

Insertion of  
section 42B

8. The principal Act is amended by the insertion, immediately  
after section 42A, of the following:

Electronic  
monitoring  
of tax  
compliance

**42B.** The Commissioner-General may through the Zambia 10  
Information and Communications Technology Authority  
collect and record, in real time, transactional data from a  
tax payer through applicable technical means for the  
purpose of ensuring compliance with this Act.