



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS**

**ON THE**

**ZAMBIA REVENUE AUTHORITY (AMENDMENT) BILL, N.A.B. NO. 15 OF 2021**

**FOR THE**

**FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

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# **REPORT OF THE COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS ON THE ZAMBIA REVENUE AUTHORITY (AMENDMENT) BILL, N.A.B. NO. 15 OF 2021 FOR THE FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Dr S Musokotwane, MP (Chairperson); Ms M Miti MP, (Vice-Chairperson); Mr G G Nkombo, MP; Mr E M Mwila, MP; Mr C Chali, MP; Mr D Chisopa, MP; Dr S C Kopulande, MP; Mr D Livune, MP; Mr E Kamondo, MP; and Mr M Mubika, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir

The Committee has the honour to present its Report on the consideration of the Zambia Revenue Authority (Amendment) Bill, N.A.B. No. 15 of 2021.

## **2.0 MEETINGS OF THE COMMITTEE**

The Committee held eight meetings to consider the Zambia Revenue Authority (Amendment) Bill, N.A.B. No. 15 of 2021.

## **3.0 PROCEDURE ADOPTED BY THE COMMITTEE**

The Committee requested written submissions from various stakeholders. The stakeholders were further requested to appear virtually before the Committee to orally brief it on the contents of their written memoranda, and to clarify issues that arose from the presentations. The witnesses who appeared before the Committee are listed at Appendix II of this Report.

## **4.0 BACKGROUND OF THE BILL**

This Bill sought to amend the *Zambia Revenue Authority Act, Chapter 321 of the Laws of Zambia* so as to revise the composition of the Board. It had been noted that the appointment of Permanent Secretaries on some Boards or Technical Committees compromised good governance principles as Permanent Secretaries who participated and made decisions at Board or Committee level also provided policy direction to the Board on behalf of Government. This posed a conflict of interest in the execution of the

Permanent Secretaries role. Therefore, there was need to amend the provision on the appointment of a Permanent Secretary on the Zambia Revenue Authority Board.

## **5.0 OBJECT OF THE BILL**

The object of this Bill is to amend the *Zambia Revenue Authority Act*, so as to revise the composition of the Governing Board.

## **6.0 SALIENT PROVISIONS OF THE BILL**

### **Clause 1 - Short title**

This clause provided for the short title of the Bill.

### **Clause 2 - Amendment of section 10**

This clause sought to amend section 10(1) of the principal Act so as to revise the composition of the Board by replacing the Secretary to the Treasury and the Permanent Secretary, Ministry of Justice with representatives of their respective Ministries.

## **7.0 CONCERNS BY STAKEHOLDERS**

All the stakeholders who appeared before the Committee supported the Bill. However, they raised some concerns as set out below.

### **Clause 2 - Repeal and Replacement of section 10**

- i. Some stakeholders expressed concern that the clause made reference to a representative of the ministry responsible for justice as opposed to the Attorney General, who was also the Chief Legal Advisor to the Government. The stakeholders were of the view that the Attorney General should be represented at Board level so that the Board could have the benefit of legal advice from the Attorney General's Chambers.
- ii. Other stakeholders noted with concern that whereas the delegated officer would represent the Secretary to the Treasury and the Permanent Secretary, this may imply that the delegated officer may need to consult the substantive office holder before making decisions. This had the potential to affect the efficiency of the Board. In this vein, it was submitted that the clause should be amended to clearly spell out that the delegated officer would have the power to make decisions.
- iii. With specific reference to the representative of the Secretary to the Treasury, a number of stakeholders were of the strong view that, given the importance of the office, it was desirable that the representative should be at the level of a Permanent Secretary in order to avoid any possible dilution of the Board.

## 8.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

Following the interaction with stakeholders, the Committee fully supports the Bill and makes observations and recommendations as outlined below.

### Clause 2 - Repeal and Replacement of section 10

- i. Whereas the clause makes reference to a representative of the Ministry responsible for justice to sit on the Board, the Committee is of the view that a representative of the Attorney General, who is also the Chief Legal Advisor to the Government, is more appropriate. In this vein, the Committee recommends that the clause be amended accordingly. Further, the Committee recommends that in order to enhance the efficiency of the Board, the clause should explicitly state that the delegated representative should have the power to make decisions and not consult the substantive office holder.
- ii. The Committee is of the strong view that in order to avoid the dilution of the ZRA Board, the clause should explicitly state that the representative of the Secretary to the Treasury should be at the level of Permanent Secretary so as to uphold the effectiveness of the Board.

## 9.0 CONCLUSION

The Zambia Revenue Authority (Amendment) Bill, No. 15 of 2021, once enacted, will revise the composition of the Governing Board. This is part of the reforms being undertaken by the Government to remove Permanent Secretaries from being members of governing bodies of government agencies in order to improve their efficiency and effectiveness, and adhere to the tenets of good corporate governance such as accountability. The Bill is, therefore, progressive.

The Committee expresses its gratitude to all stakeholders for their oral and written submissions on the Bill. The Committee further thanks the Office of the Speaker and the Clerk of the National Assembly for the guidance and services rendered to it during the consideration of the Bill.

Dr S Musokotwane, MP;  
**(Chairperson)**

Ms M Miti, MP;  
**(Vice - Chairperson)**

Mr G G Nkombo, MP;  
**(Member)**

Mr D Livune, MP;  
**(Member)**

Mr E M Mwila, MP;  
**(Member)**

Dr S C Kopulande, MP;  
**(Member)**

Mr C Chali, MP;  
**(Member)**

Mr E Kamondo, MP;  
**(Member)**

Mr D Chisopa, MP; and  
**(Member)**

Mr M Mubika, MP.  
**(Member)**

February, 2021  
**LUSAKA**

## **APPENDIX I - National Assembly Officials**

Ms C Musonda, Principal Clerk of Committees  
Mr H Mulenga, Deputy Principal Clerk of Committees (FC)  
Mr F Nabulyato, Deputy Principal Clerk of Committees (SC)  
Mrs C K Mumba, Senior Committee Clerk (FC)  
Mrs D C Mukwanka, Committee Clerk  
Mrs E K Zgambo, Committee Clerk  
Mr S C Samuwika, Committee Clerk  
Mrs V B Tembo, Typist  
Mr M Chikome, Committee Assistant  
Mr S Kantumoya, Parliamentary Messenger



## **Appendix II - The Witnesses**

The Minister of Finance

Ministry of Finance

Ministry of Justice

Bank of Zambia

Zambia Association of Manufacturers

Zambia Institute of Chartered Accountants

Zambia Revenue Authority