



REPUBLIC OF ZAMBIA

REPORT

OF THE

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

ON THE

BUILDING SOCIETIES (AMENDMENT) BILL, N.A.B. NO. 3 OF 2025

FOR THE

FOURTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

FOREWORD

Honourable Madam Speaker, the Committee on National Economy, Trade and Labour Matters has the honour to present its Report on the Building Societies (Amendment) Bill, N.A.B. No. 3 of 2025, for the Fourth Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 206 (j) and 207 of the National Assembly of Zambia Standing Orders, 2024. Specifically, Standing Order 207(j) provides that Portfolio Committees shall study and review Bills referred to them by the House.

The Committee held eight meetings to consider the Bill. In order to gain insight into the ramifications of the Bill, the Committee sought both written and oral submissions from various stakeholders. The list of the stakeholders is at Appendix II of the Report.

The Report is in three Parts. Part I contains the salient provisions of the Bill. Part II highlights concerns raised by stakeholders, while Part III contains the Committee's observations and recommendations.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It further wishes to thank you, Madam Speaker, for affording it an opportunity to consider the Building Societies (Amendment) Bill, N.A.B. No.3 of 2025. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Ms Sibeso K Sefulo, MP
CHAIRPERSON

July, 2025
LUSAKA

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Ms Sibeso K Sefulo, MP (Chairperson); Mr Joel Chibuye, MP (Vice-Chairperson); Mr Gary Nkombo, MP; Mr Kabwe T Chewe, MP; Mr Davison Mung'andu, MP; Mr Derricky Chilundika, MP; Dr Simon Mwale, MP; Mr Simon Banda, MP; Mr Walusa Mulaliki, MP; and Mr Wesley Kolala, MP.

2.0 BACKGROUND

The *Building Societies Act, Chapter 412 of the Laws of Zambia*, outlined the legal framework for the establishment, registration, and operation of building societies in Zambia. Building societies, with their focus on savings and home financing, played a crucial role in providing access to financial services, particularly for those seeking affordable housing. The Act aimed at ensuring that these institutions operated in a stable and sustainable manner, contributing to overall economic development.

It was noteworthy that a financial year provided a structured period for the Government to formulate and implement its budget, and aligned financial resources with national development goals. However, the Government had noted that the *Building Societies Act* was not aligned with the Government's financial year end of 31st December. This misalignment had resulted in late submission of financial reports, which were due on 31st March of each year.

In view of the foregoing, the Government introduced the Building Societies (Amendment) Bill, N.A.B, No.3 of 2025, in order to revise the end date of the financial year for a building society.

3.0 OBJECTIVES OF THE BILL

The object of the Bill was to amend the *Building Societies Act* so as to revise the date on which the financial year of a building society shall end.

PART I

4.0 SALIENT PROVISIONS OF THE BILL

The salient provisions of the Bill were set as out hereunder.

Clause 1: Short Title

This clause provided for the short title, which was the name of the Act.

Clause 2: Repeal and Replacement of Section 130

The clause amended section 130 of the principal Act by changing the financial year end for a building society from 31st March to 31st December. This adjustment aligned the financial year with that of the Government, facilitating better preparation of budgets and performance reports.

PART II

5.0 CONCERNS RAISED BY STAKEHOLDERS

Stakeholders who appeared before the Committee supported the Bill. However, in doing so, they raised concerns outlined below.

i. Year-End Congestion

Some stakeholders submitted that since most auditors, accountants, and regulators were busiest at the end of the year, this could delay financial reporting and increase costs due to higher demand for services.

ii. Operational Disruption

Some stakeholders submitted that December was also accompanied with holidays and seasonal closures for most companies. This would make it harder to close the books with full staff availability.

iii. Cash Flow Pressures

Other stakeholders submitted that large expenses often fell in December, as companies struggled to close their budgets. This could potentially distort year-end financials. For instance, management accounts for the last quarter of the year might show inflated expenses compared to the rest of the year.

PART III

6.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

In supporting the Bill, the Committee observes and recommends as outlined below.

Clarity Benefit

The Committee observes that ending the financial year on 31st December will provide clarity, global alignment, and regulatory ease. However, the Committee also agrees with stakeholders who observed that, in some cases, it could also strain resources during a busy period and misalign with business cycles. The Committee, therefore, recommends that the Government must put in place measures that will mitigate potential business disruptions during the transition period.

7.0 CONCLUSION

The enactment of the Building Societies (Amendment) Bill, N.A.B, No.3 of 2025, will align a building society's financial year with that of the Government. This will result in effective preparation of budgets and performance reports, as well as ensure timely submission of financial reports. The Bill is, therefore, progressive and the Committee supports the amendment.



Ms Sibeso K Sefulo, MP
CHAIRPERSON

July, 2025
LUSAKA

APPENDIX I

LIST OF NATIONAL ASSEMBLY OFFICIALS

Mr Stephen Chiwota, Director (Financial Committees)
Mrs Angela M Banda, Deputy Director (Financial Committees)
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)
Mr Moses Chuba, Committee Clerk
Mrs Racheal M Kanyumbu, Administrative Assistant
Mr Daniel Lupiya, Committee Assistant
Mr Muyembi Kantumoya, Parliamentary Messenger
Mr Mitchell Fwanyanga, Intern

APPENDIX II

LIST OF WITNESSES

Ministry of Finance and National Planning
Ministry of Justice
National Economic Advisory Council
Bank of Zambia
Zambia Institute for Policy Analysis and Research
Zambia Chamber of Commerce and Industry
Zambia Association of Manufacturers
Competition and Consumer Protection Commission
Zambia Institute of Valuation Surveyors
Zambia National Building Society
Ministry of Infrastructure, Housing and Urban Development