GOVERNMENT OF ZAMBIA

No. 23 of 2020

Date of Assent: 18th December, 2020

An Act to amend the Value Added Tax Act.

[18th December, 2020

ENACTED by the Parliament of Zambia.

Enactment

- 1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2020, 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
- (2) This Act shall come into operation on 1st January 2021.
- Amendment of section 11
- 2. Section 11 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following:
 - (1) Goods shall be regarded, for taxation purposes, as being supplies in Zambia if—
 - (a) the goods are exported from Zambia;
 - (b) the goods are supplied within Zambia;
 - (c) the supply of the goods involve entry into Zambia;
 - (d) the supply involves installation or assembly of the goods at a place in Zambia.
 - 3. Section 19 of the principal Act is amended by the—

Amendment of section 19

- (a) deletion of subsection (1A); and
 - (b) renumbering of subsection (1B) as subsection (1A).
- **4.** Section 21 of the principal Act is amended by the deletion of subsection (6) and substitution therefor of the following:

Amendment of section 21

(6) Despite the other provisions of this section, an assessment based on an incorrect or inadequate return is void if it is made two years after the Commissioner-General concludes an audit which revealed that incorrect or inadequate return.

Amendment of section 34

Section 34 of the principal Act is amended by the deletion of subsection (2).

Insertion of section 42C

The principal Act is amended by the insertion of the following new section immediately after section 42B:

Use of electronic payment machine

- 42C. (1) A taxable supplier shall provide an electronic payment machine at a point of sale for use as a mode of payment for the customer.
- (2) A taxable supplier who contravenes subsection (1), commits an offence and is liable, on conviction, to a fine not exceeding ninety thousand penalty units.

Repeal and replacement of section 43

> False returns and statements

- The principal Act is amended by the repeal of section 43 and the substitution therefor of the following:
 - 43. Any person who, in relation to a particular tax period makes a return or other declaration, furnishes any document or information or makes any statement, whether in writing or otherwise, that is false in any material particular commits an offence and is liable, on conviction in respect of that tax period, in the case of—
 - (a) first offence, to a fine not exceeding sixty thousand penalty units;
 - (b) second offence, to a fine not exceeding one hundred and twenty thousand penalty units;
 - (c) third offence, to a fine not exceeding two hundred and forty thousand penalty units; and
 - (d) for any subsequent offence, to a fine not exceeding three hundred thousand penalty units or to imprisonment for a term not exceeding three years, or to both.

Amendment of section 44

8. Section 44(2) of the principal Act is amended by deletion of the word "thirty" and substitution therefor of the words "three hundred".