

## Zambia postpones implementation of Sales Tax Bill

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On 28 June 2019, Zambia's Minister of Finance (the Minister), in her statement to Parliament, announced that the country's new Sales Tax would be implemented on **1 September 2019** (postponed from the scheduled 1 July 2019 date).

This delay follows the Minister's announcement in the 2019 Budget address that the *Value Added Tax (VAT) Act* would be repealed and replaced with the Sales Tax on 1 April 2019 (on 2 April the Minister announced that implementation date was deferred to 1 July 2019).

The Minister has indicated that the deferral is to facilitate Parliamentary procedures which the Sales Tax Bill (the Bill) is yet to undergo. These include: Second Reading, Committee Stage and Third Reading with subsequent Presidential Assent.

With these matters still remaining, the implementation date for the Sales Tax has further extended to 1 September 2019.

Furthermore, the Minister also indicated that the Government will continue to receive submissions regarding the Bill.

### **Implications**

Taxpayers should confirm that tax accounts are reconciled particularly in view of the Zambia Revenue Authority's data matching program in relation to domestic tax transactions. Additionally, taxpayers should also confirm that their ERP's, supply chain, legal commitments and operations, among others, are ready for the implementation date.

For additional information with respect to this Alert, please contact the following:

**EY Advisory Services Limited, Lusaka**

- ▶ Patrick Mawire                      patrick.mawire@zm.ey.com

**Ernst & Young Advisory Services (Pty) Ltd., Africa ITS Leader, Johannesburg**

- ▶ Marius Leivestad                      marius.leivestad@za.ey.com

**Ernst & Young LLP (United Kingdom), Pan African Tax Desk, London**

- ▶ Rendani Neluvhalani                      rendani.mabel.neluvhalani@uk.ey.com
- ▶ Byron Thomas                      bthomas4@uk.ey.com

**Ernst & Young LLP (United States), Pan African Tax Desk, New York**

- ▶ Brigitte Keirby-Smith                      brigitte.f.keirby-smith1@ey.com
- ▶ Dele A. Olaogun                      dele.olaogun@ey.com

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