

## Zambia withdraws Sales Tax Bill

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Zambia's transition from the Value Added Tax to the Sales Tax was initially scheduled for implementation on 1 April 2019 (for background on the Sales Tax, see EY Global Tax Alert, [Zambia postpones implementation of Sales Tax Bill name](#), dated 2 July 2019). The transition was later postponed to 1 July 2019 with the draft Sales Tax Bill (the Bill) as well as a proposed Exemption List being published for comments and review. In June 2019, Zambia's Minister of Finance announced that the Sales Tax implementation date had been further postponed to 1 September 2019. The Minister indicated that the deferral was to facilitate required parliamentary procedures. These include: Second Reading, Committee Stage and Third Reading with subsequent Presidential Assent.

The Bill has since been withdrawn from Parliament and will be reintroduced during the Budget Sessions of Parliament.

In his statement to Parliament, the newly appointed Minister of Finance indicated that the Bill will be introduced during the Budget Sessions commencing in September 2019, in readiness for its implementation in January 2020. The move has been motivated by the need to allow adequate time to address concerns raised by various stakeholders over the Bill during several comprehensive consultations. It also allows time for businesses to adapt to the new regulations. It has been determined that this process cannot be completed before 1 September 2019.

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