2026 Tax Updates

Five Key Changes Every Taxpayer Needs to know

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1 | MAT Exemptions Updated

MAT rules refined, relief for some, exposure for others:

- MAT does **not** apply to presumptive or turnover taxpayers.
- Railway PPP SPVs exempt from MAT for the first 12 years of operation.
- All other taxpayers remain fully exposed, including low-margin and loss-making businesses.

Call to action:

Review whether your business qualifies for MAT exemption, and model MAT exposure if it does not.

2 | Late Payment Penalty Reduced

Late tax is cheaper, but still costly

- Late payment penalty reduced from 5% to 0.5% per month or part thereof.
- Applies to any unpaid turnover tax after the due date or assessment period.
- Delays still accumulate and penalties add up over time.

Call to action:

Strengthen payment controls and reassess cash-flow planning for tax obligations.

3 | Mineral Processing USD Reporting

USD accounting permitted, but only when conditions are met

- Books may be kept in USD where ≥75% of gross income is earned in foreign exchange from outside Zambia.
- Applies to mining operations and mineral processing, subject to Commissioner-General approval.
- Aims to reduce foreign exchange mismatches for export-oriented operations.

Call to action:

Assess whether your operation meets the 75% FX threshold and prepare evidence to support approval.

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4 | Voluntary Disclosure Relief

Come forward early, avoid penalties

- No penalty where errors or omissions are voluntarily disclosed.
- Disclosure must be made before ZRA detects the issue through audit or otherwise.
- Encourages proactive compliance and early correction.

Call to action:

Conduct a tax health check now to identify issues suitable for voluntary disclosure.

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5 | Investment Vehicle Exemptions Refined

Exemptions clarified distributions now matter

- Collective investment schemes: exemption applies only to income distributed to participants.
- Private funds added as a separate exempt category.
- Undistributed income in collective investment schemes may now be taxable.

Call to action:

Review fund structures and distribution policies to preserve exemption status and manage investor outcomes.

CONTACT US:

BDO Zambia Limited
The Gallery Office Park
Frost Building
Lagos Road, Rhodes Park
Lusaka, Zambia

Tel:+260 211 250222
Email: BDOTP@bdo.co.zm

www.bdo.co.zm

www.bdo.co.zm