Zambia Other Tax Updates 2026

Key Legislative Changes

Tax Updates 2026

The latest Tax updates affecting Zambian Entities

Effective 1 January 2026

Parliament enacted a wide-ranging set of tax amendments in December 2025, reshaping income tax, VAT, customs, property transfers, digital transactions, and tax administration. The changes strengthen enforcement, expand turnover-based taxation, and materially affect cash-flow, compliance, and structuring decisions across multiple sectors.

What this Alert Covers

This Alert summarises the practical implications of the amendments for taxpayers, importers, financial service providers, and digital platform operators.

The 2026 tax changes reward scale discipline and early planning, and penalise complexity, delay, and weak compliance.

Context & commencement

Parliament enacted a series of tax and revenue administration amendments in December 2025, with most provisions taking effect from 1 January 2026. These changes affect VAT administration, property transfer, customs valuation and enforcement, ZRA governance and information exchange, and mobile money and betting transactions.

What's changing (at a glance)

- Expanded VAT remission powers for irrecoverable tax debts (VAT Act amendment).
- PTT relief clarified for group reorganisations involving share transfers, subject to strict holding period conditions.
- Major Customs & Excise enforcement reforms, including new appeal timelines, tax clearance certificate requirements, and mineral export valuation rules.
- ZRA governance and information-sharing powers expanded, including the use of separate legal entities.
- Mobile Money Transaction Levy schedule replaced and betting definitions aligned to Customs & Excise law.
- Introduction of a stand-alone Betting Levy Act, administered by ZRA, with monthly reporting and system integration requirements..

> *Changes to VAT, customs, property transfers and transaction levies now link together through enforcement and systems, so an issue in one area can quickly spill into another. Knowing how these taxes connect is what helps businesses stay in control of cash flow and avoid surprises.*

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There is now a clearer route to relief for legacy VAT issues and genuine group restructurings, but it comes with conditions. If the paperwork, history or sequencing doesn't stack up, the tax cost will follow.

Value Added Tax

Legislative Changes	*Implications / Practical Impact*
VAT remission powers expanded – amendment of s19(1A) The Minister may, on the recommendation of the Commissioner-General, remit the whole or part of VAT, penalties or interest that are not recoverable, subject to specified conditions.	• Provides a formal pathway to clean up legacy or dormant VAT balances. • Insolvency practitioners and estates can proactively engage ZRA on remission rather than carry unrecoverable VAT indefinitely. • Taxpayers should not assume automatic relief, remission remains discretionary and evidence-based. • VAT provisioning and contingent liability assessments should be revisited where qualifying conditions exist.
Documentary evidence requirement introduced – new s19(1B) The Commissioner-General may request documentary evidence to support a remission application.	• Remission requests will require structured support (insolvency records, estate documentation, account history). • Weak or incomplete records may delay or prevent relief. • Early preparation of evidence improves likelihood of successful remission outcomes

Property Transfer Tax

Legislative Changes	*Implications / Practical Impact*
Treatment for group reorganisations Where the Commissioner-General is satisfied that a transfer of shares is undertaken for the purposes of a group reorganisation, a nil value may be determined for that transfer. This relief applies only where both the transferring company and the receiving company have been part of the same group of companies for at least three years preceding the transfer	• This amendment replaces the previous reference to a "company incorporated in the Republic" and instead bases eligibility on the group relationship between the parties to the transaction. • Broadens the potential scope of the relief to include qualifying cross-border group reorganisations, provided the group relationship test is satisfied.
Share surrender and forfeiture exemption The surrender or forfeiture of shares for no consideration remains exempt from PTT where the Commissioner-General is satisfied that the transaction is not intended to avoid tax. However, any subsequent transfer of those shares to a different person becomes chargeable to PTT.	• Prevents abuse of forfeiture arrangements as a staging mechanism for tax-free transfers. • Requires careful sequencing of corporate actions following forfeiture events. • Subsequent transfers should be independently assessed for PTT exposure, even where the initial forfeiture was exempt.

Customs & Excise

Legislative Changes	Implications / Practical Impact
Formal appeal process introduced A person dissatisfied with a customs assessment may lodge an appeal to the Commissioner-General within 30 days, stating clear grounds. The Commissioner-General must determine the appeal within 60 days. An appeal does not suspend payment of the assessed amount.	• Provides procedural clarity and certainty for customs disputes. • Cash-flow exposure remains during dispute resolution, increasing the cost of contesting assessments. • Businesses should factor “pay now, argue later” into customs risk and liquidity planning.
Tax clearance certificate required for refunds and incentives A person shall not qualify for, or continue to benefit from, any suspension of duty, drawback, refund, rebate or remission unless a valid tax clearance certificate is produced.	• Customs benefits are now directly linked to overall tax compliance status. • Minor income tax or VAT non-compliance may block access to customs refunds and reliefs. • Ongoing tax housekeeping becomes critical for import-dependent businesses.
Suspension or withholding of refunds during investigations The Commissioner-General may suspend or withhold any tax refund where the taxpayer is under investigation, for up to nine months, with possible extension on reasonable grounds.	• Refund timing risk increases for taxpayers under audit or investigation. • Businesses reliant on regular refunds should plan for working-capital strain. • Dispute and investigation management becomes more commercially significant.

Legislative Changes	Implications / Practical Impact
Mineral export valuation revised Exported goods are valued on an FOB basis. For minerals, the FOB value must be the amount certified in a mineral analysis and valuation certificate issued by the Minerals Regulation Commission.	• Limits valuation disputes for mineral exports by anchoring values to regulatory certification. • Mining exporters must align customs declarations with Minerals Regulation Commission outputs. • Transfer pricing, royalty and customs valuation data will require tighter reconciliation
Expanded seizure and disposal powers Perishable, dangerous or unsuitable goods may be disposed of before appeal determination. Where an appeal succeeds, the taxpayer is entitled to a refund of the value of the goods.	• Reduces storage and safety risks for ZRA but shifts valuation risk to taxpayers. • Documentation of seized goods’ condition and value becomes critical for appeals.

Tariff, Excise and Surtax Schedule Amendments

Legislative Changes	Implications / Practical Impact
Beverages and alcohol • Excise duty on fruit juices and non-alcoholic beverages increased from K1.00 per litre to K2.00 per litre; • Excise duty on beer (excluding malt) reduced from 60% to 50%; • Excise duty on wines, spirits and ethanol products increased from 60% to 80%; **Tobacco products** • Excise duty on tobacco increased from K452 per kg to K750 per kg; **Surtax** • Vehicle importers must assess duties on a case-by-case basis due to classification-driven rate differences. **Vehicles and manufactured goods** • Customs duty and excise rates revised based on vehicle age, engine capacity and propulsion type, including separate treatment for hybrid and electric vehicles.	• Clear cost increases for beverages, alcohol and tobacco products will directly affect pricing and margins. • Importers of consumer goods subject to surtax should expect materially higher landed costs. • Vehicle importers must assess duties on a case-by-case basis due to classification-driven rate differences. • Budgeting and procurement models should be updated to reflect both percentage-based and specific-rate increases. • Classification accuracy is critical, as misapplication of revised rates carries heightened financial and enforcement risk.

Zambia Revenue Authority (ZRA) ACT

Legislative Changes	Implications / Practical Impact
Introduction of ZRA legal entities The Governing Board may, in consultation with the Minister, establish legal entities to support innovation, large-scale projects, or public-private partnerships.	• Signals increased operational flexibility and commercial engagement by ZRA. • Taxpayers may interact with ZRA through new platforms or project vehicles rather than traditional divisions.
Expanded internal and external information exchange Information may be exchanged between ZRA divisions, the Governing Board, and ZRA-established legal entities, notwithstanding other tax laws.	• Reduces information silos within ZRA. • Increases the likelihood of coordinated compliance reviews across taxes.
Governance timelines updated Governing Board meeting frequency clarified; statutory notice periods shortened from six months to four months	• Faster decision-making and implementation of ZRA initiatives. • Taxpayers should expect shorter response and transition periods

Mobile Money & Betting

Mobile Money Transaction Levy schedule replaced

The existing levy schedule is repealed and replaced with a new band-based fixed levy structure per transaction value.

New Chargeable rates are as follows:

Amount Range (ZMW)	*Levy (ZMW)*
From 0 to 150	0.32
Above 150 to 300	0.40
Above 300 to 500	0.80
Above 500 to 1,000	2.00
Above 1,000 to 3,000	4.00
Above 3,000 to 5,000	7.50
Above 5,000 to 10,000	8.00

Legislative Changes	*Implications / Practical Impact*
Extension of person to person definition "person to person transfer" means a transfer of electronic money from one person to another person or to that same person.	• The change closes the loophole that currently excludes self-transfers from the levy, ensuring all electronic money transfers are covered
Betting definition aligned to Customs & Excise law "Betting" now adopts the meaning assigned in the Customs and Excise Act.	• Harmonises treatment of betting across tax regimes. • Reduces interpretive gaps for digital and hybrid betting models.
Introduction of betting levy – new standalone regime A 5% levy is charged on all deposits and withdrawals to and from customer gaming accounts. Betting companies shall submit monthly returns and remit levy collected.	• Brick-and-mortar betting is exempt. • Creates a direct transactional tax cost for online betting operators. • Cash-flow and pricing models must reflect levy on both inflows and outflows. • System integration with ZRA becomes mandatory, increasing compliance and IT costs.

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