

EXTENDED VOLUNTARY DISCLOSURE SCHEME

Key Developments & Immediate Actions

The Zambia Revenue Authority (ZRA) has launched the **Extended Voluntary Disclosure Scheme (EVDS)**, providing a limited opportunity for taxpayers to disclose undeclared or under-declared taxes and regularise outstanding tax obligations. The scheme runs from **17 September** to **31 December 2026** and applies to qualifying tax periods up to **31 August 2026**. Eligible taxpayers can benefit from a **100%** waiver of qualifying penalties and interest upon settlement of the principal tax due. Taxpayers should use this window to review historical tax positions, identify compliance gaps and prepare supported disclosures before the scheme closes.

Here is what you need to know:

1 | Coverage and Relief – What taxes are covered and what relief is available?

The EVDS covers all domestic taxes and customs matters, subject to the scheme's eligibility requirements and exclusions.

Domestic taxes qualifying criteria is as follows:	Customs matters qualifying criteria is as follows:
Penalties and interest arising from incorrect declarations or non-declaration of tax.	Penalties arising from incorrect declarations or non-declaration.
Penalties for late filing of tax returns.	Late filing penalties.
Penalties and interest for late payment of principal tax.	Late payment penalties and interest.
Audit-related penalties.	Audit-related penalties and interest
Underestimation penalties for the 2025 charge year	
Implication <i>The scheme provides an opportunity to address historical compliance gaps across domestic taxes and customs. The principal tax remains payable, and taxpayers must establish which penalties and interest qualify for relief.</i>	

2 | Exclusions – What does the Scheme not cover?

The scheme does not cover every outstanding liability or disputed tax position. Exclusions applying to domestic taxes and customs include:

Exclusions for domestic taxes and customs include:	Additional exclusions include:
Fines and disclosures that would result in a tax refund.	Domestic taxes: Underestimation penalties incurred before the 2025 charge year.
Cases under investigation for fraud, wilful default or other tax-related offences.	Customs: Certain customs forfeitures.
Penalties and interest already paid.	
Matters under objection or appeal, unless the objection or appeal is withdrawn.	
Penalties and interest accrued after 31 August 2026	
Risk Area <i>Taxpayers should assess eligibility before submitting a disclosure. Any decision to withdraw an objection or appeal requires careful consideration of the underlying dispute and the relief available</i>	

3 | Tax Health Checks — Identify Gaps Before Disclosure

A Tax Health Check can help taxpayers identify areas of non-compliance, quantify potential liabilities and determine which matters may qualify for the **EVDS**.

The review should focus on:

- Missing, late or incorrectly completed returns and customs declarations
- Undeclared or under-declared tax liabilities.
- Differences between accounting records, tax returns and ZRA account balances.
- Outstanding principal tax, penalties and interest.
- Audit assessments, objections, appeals and investigations affecting eligibility.
- Supporting records needed to substantiate the disclosure.

Implication | *A well-supported disclosure begins with a clear understanding of the taxpayer's historical position. Reviewing records early allows time to resolve discrepancies and prepare accurate submissions.*

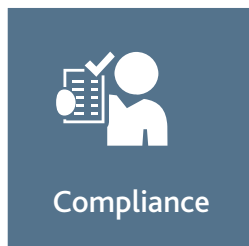
4 | 31 December 2026 Deadline – Act Within the Window

EVDS will apply from 17th September 2026 to 31st December 2026 and applies to tax periods up to 31st August 2026.

The scheme is time-limited. Taxpayers should allow sufficient time to review records, confirm eligibility, prepare disclosures and arrange settlement of the principal tax due.

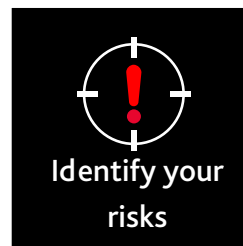
Immediate Priority | *Begin the review now and work towards completing the disclosure and qualifying payment requirements before the scheme closes on 31 December 2026..*

WHAT SHOULD YOU DO?



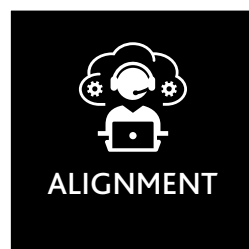
Assess your tax position

Review historical returns, customs declarations and ZRA account balances to identify omissions, errors and outstanding liabilities.



Confirm eligibility

Separate qualifying liabilities from excluded matters, paying particular attention to investigations, disputes and the applicable cut-off dates.



Prepare a supported disclosure

Reconcile accounting records with tax filings and compile the evidence supporting the disclosure and principal tax calculations



Settle and sustain compliance

Plan payment of the principal tax, complete the required process within the scheme window and strengthen controls to prevent recurring non-compliance.

NEED HELP?

BDO Zambia is here assist with Tax Health Checks, eligibility assessments, tax account reconciliations and the preparation of voluntary disclosures.

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