

ZRA INTRODUCES PRE-FILLED VAT RETURNS

Pilot phase begins 1 September 2026

The Zambia Revenue Authority ("ZRA") has announced that the pilot phase of its enhanced Value Added Tax ("VAT") return filing process will commence on 1 September 2026.

Under the new process, VAT returns will automatically retrieve information from the Smart Invoice system and ASYCUDA to pre-fill VAT return schedules, including sales and import information. Following successful completion of the pilot phase, the initiative is expected to be extended to all VAT-registered taxpayers.

1 | What does this mean for taxpayers?

The pre-filled return is intended to improve alignment between VAT declarations and transactional information available to ZRA.

However, taxpayers will remain responsible for reviewing and verifying all pre-filled information before submitting their returns. Any differences between Smart Invoice records, accounting records and supporting documentation will therefore need to be identified and resolved manually by application to the ZRA.

2 | Our Observations

The new process places greater emphasis on the completeness and accuracy of information transmitted through Smart Invoice. Errors or omissions arising at the invoicing stage may flow directly into the VAT return and could result in incorrect declarations or subsequent ZRA queries. Credit notes should also be issued timeously.

VAT-registered businesses should therefore consider:

- Reconciling Smart Invoice data to sales ledgers, general ledger balances and import documentation;
- Ensuring that credit notes and other adjustments are processed correctly and timeously;
- Confirming the VAT treatment, tax period and taxpayer details recorded for each transaction;
- Documenting any adjustments made to pre-filled amounts;
- Allowing sufficient time to investigate discrepancies before the VAT filing deadline; and
- All imports should be accompanied by all relevant supporting documents including release orders, the CE20 and purchase invoices.

ZRA's initial notice does not identify the taxpayers participating in the pilot or provide detailed procedures for correcting pre-filled information. Businesses should continue monitoring further guidance from ZRA.

How BDO can assist

BDO Zambia can support businesses with VAT readiness reviews, Smart Invoice reconciliations, exception testing, control improvements and the resolution of discrepancies affecting VAT returns.

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