

Tax Clearance Compliance Checks on Imports

What you need to know!

The Zambia Revenue Authority (ZRA) have issued a notice advising all taxpayers involved in importation of goods that the Tax Online System (“ZRA’s Domestic Taxes Management System”) and the Asycuda World System (“ZRA’s Customs Duty Management System”) have been synchronised for purposes of charging Advance Income Tax (AIT) on imports of non-compliant taxpayers.

As you may be aware, the Income Tax Act under section 81C provides that AIT at 15% shall be levied on imports made by a taxpayer who is not in possession of a valid Tax Clearance Certificate (“TCC”). A TCC is a document that attests that a taxpayer is compliant with all taxes they are duly registered for.

Any person or partnership who imports goods without a valid TCC is required under the law to remit 15% of the value of the imported goods to the ZRA in addition to the normal import duties.

TCC’s are usually issued at the beginning of the year and remain valid until the end of the year (i.e. 2018 TCC’s expire on 31 December 2018). Currently, provided a taxpayer has a TCC in place, AIT will not apply on imports made by the taxpayer throughout the year regardless of the compliance status. However, effective 1 July 2018, this will no longer be the case.

In a bid to enhance taxpayer compliance throughout the year, the ZRA have synchronised the Tax Online System and AsycudaWorld system to enable real time compliance monitoring.

Where an importer of goods is not fully compliant despite having a valid TCC in place, effective 1 July 2018, AIT at 15% will apply on the value of any imports made.

Going forward, it will be important that taxpayers ensure they remain fully compliant with all taxes they are duly registered for once they have obtained a TCC. We recommend that taxpayers undertake routine inspections of their tax accounts to ensure consistency in compliance.



How can BDO help?

BDO can assist your organisation effectively navigate the pitfalls in compliance with various taxes. Get in touch with us if you have any concerns around any of your tax compliance matters.

Lets talk!

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