

GOVERNMENT OF ZAMBIA

# ACT

No. 13 of 2019

Date of Assent: 27th December, 2019

## **An Act to amend the Property Transfer Tax Act.**

**[27th December, 2019**

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2019, and shall be read as one with the Property Transfer Tax Act, in this Act referred to as the principal Act.

Short title and commencement

Cap. 340

(2) This Act shall come into operation on 1st January, 2020.

2. Section 2 (1) of the principal Act is amended by the deletion of the definition of “share” and the substitution therefor of the following:

Amendment of Section 2

“share” includes any stock, any certificate, warrant or equivalent rights;

3. Section 5 of the principal Act is amended by the—

Amendment of section 5

(a) deletion of subsection (2A) and the substitution therefor of the following:

(2A) Where the property to be valued is a share issued by a company incorporated outside the Republic that directly or indirectly owns at least ten percent of a company incorporated in Zambia, the realised value shall be, whichever is greater of the—

(a) proportion that the value of the Zambian company bears to the value of the transferred shares;

(b) consideration for the share being transferred; or

(c) nominal value;

except that—

(i) where the Commissioner-General is satisfied that a transfer with the realised value is made for the purposes of group reorganisation and that there is no change in the effective shareholding with respect to the Zambian company, the Commissioner-General may determine a nil value for that transfer; and

(ii) this section shall not apply to a company that has not been part of the group of companies for at least three years.; and

(b) deletion of subsection (2C) and the substitution therefor of the following:

(2C) The Commissioner-General, in determining the realised value for shares, may make adjustments in accordance with the provisions of sections 97A and 97C of the Income Tax Act.

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