

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 14 OF 2005

The Value Added Tax Act
(Laws, Volume 19, Cap. 331)

The Value Added Tax (General) (Amendment)
Regulations, 2005

IN EXERCISE of the powers contained in sections *two, eighteen* and *fifty-one* of the Value Added Tax Act, the following Regulations are hereby made:

1. (1) These Regulations may be cited as the Value Added Tax (General) (Amendment) Regulations, 2005 and shall be read as one with the Value Added Tax (General) Regulations, 1995, in these Regulations referred to as the principal Regulations.

Title and
commence-
ment
S.I. No. 78
of 1995

(2) These Regulations shall come into effect on 29th January, 2005.

The Principal Regulations are amended by the insertion immediately after regulation 8B of the following new regulation:

Insertion of
new
regulation
8C

8C (1) Where goods in respect of which input tax has been claimed, deducted or credited are subsequently lost in the course of furtherance of business, the input tax so claimed, deducted or credited shall be refunded to the Commissioner General—

Refund of
input tax

(a) by including the input tax amount as an adjustment in the next tax return; and

(b) with interest for each subsequent month during which the adjustment is delayed where the adjustment is not made in the next return.

(2) Where the Commissioner-General discovers that goods in respect of which input tax has been claimed, deducted or credited have been subsequently lost in the circumstances referred to in subregulation (1) and the requirements therein are not complied with, the input tax claimed, deducted or credited in respect of those goods shall be recovered by the Commissioner-General as an assessment in accordance with section *twenty-one* of the Act dating back to the time when the input tax was claimed, deducted or credited.

(3) In this regulation, goods are lost in the furtherance of business if the goods—

(a) expire or are stolen, damaged or otherwise destroyed beyond use; or

(b) are dealt with in a manner that makes them not taxable supplies for the purposes of the Act:

Provided that there is evidence satisfactory to the Commissioner-General.

(4) Where services, in respect of which input tax has been claimed, deducted or credited, are dealt with in a manner that makes them not taxable supplies for the purposes of this Act, the input tax so claimed, deducted or credited shall be refunded to the Commissioner-General—

(a) by including the input tax amount as an adjustment in the next tax return; and

(b) with interest for each subsequent month during which the adjustment is delayed where such adjustment is not made in the next return.

(5) Where the Commissioner-General discovers that services in respect of which input tax has been claimed, deducted or credited have been dealt with in a manner that makes them not to be taxable supplies for the purposes of the Act and the requirements of subregulation (4) have not been complied with, the input tax claimed, deducted or credited in respect of those services shall be recovered by the Commissioner-General as an assessment in accordance with section *twenty-one* of the Act dating back to the time when the input tax was claimed, deducted or credited.

Amendment
of
regulation 17

3. Regulation 17 of the principal Regulations is amended—

(a) in subregulation (1)—

(i) by the insertion of the word “ or ” at the end of paragraph (a);

(ii) by the deletion of the word “ or ” at the end of paragraph (b); and

(iii) by the deletion of paragraph (c); and

(b) by the insertion immediately after subregulation (1) of the following new subregulation:

(2) A person who, being a registered supplier, fails to use a cash register as required under sub-rule (2) of rule *eight* of the Rules made pursuant to section *fifty-two* of the Act, commits an offence and shall be liable—

- (a) in the case of a first offence to a penalty not exceeding thirty thousand penalty units;
 - (b) in the case of a second offence to a penalty not exceeding sixty thousand penalty units; or
 - (c) in the case of a third or subsequent offence to a penalty not exceeding ninety thousand penalty units.; and
- (c) by the re-numbering of subregulation (2) as (3).

LUSAKA
27th January, 2005
[MFB.103/53/1]

N. P. MAGANDE,
*Minister of Finance and
National Planning*

