

## GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 69 OF 2014

**The Value Added Tax Act**  
(Laws, Volume 19, Cap. 331)**The Value Added Tax ( Zero-Rating) Order, 2014**

IN EXERCISE of the powers contained in sections *fifteen* and *fifty-one* of the Value Added Tax Act, the following Order is made:

1. This Order may be cited as the Value Added Tax (Zero Rating) Order, 2014. Title and commencement
- (2) This Order shall come into operation on 1st January, 2015.
2. In this Order, unless the context otherwise requires— Interpretation
  - “ designated official ” means a person who is confirmed by the Ministry responsible for foreign affairs as being accorded rights and privileges under an international agreement;
  - “ diplomat ” means the head of a mission or a member of the diplomatic staff of a mission of a country accredited to the Republic of Zambia, who is entitled to diplomatic rights and privileges under an international agreement or the Diplomatic Immunities and Privileges Act;
  - “ donor ” means an accredited diplomatic mission or aid agency approved by the Government of the Republic of Zambia;
  - “ donor funding ” means funding provided by a donor but does not include funding provided in the form of a loan other than developmental credit to the Government of the Republic of Zambia;
  - “ eligible goods or services ” means goods or services acquired by a diplomat or a designated official in the performance of their official duties for their personal use or enjoyment, subject to the following limitations:
    - (a) in the case of a diplomat, to the extent that the foreign country grants reciprocal privileges to the Zambian diplomats accredited to that country from Zambia;

(b) in the case of a designated official, to the extent allowed by the Ministry responsible for foreign affairs;

“inclusive tour” means a published package of tourist services booked before a visitor arrives in Zambia, which includes—

- (a) accommodation and any provision of meals; and
- (b) any tourist services not ancillary to accommodation and meals which account for a significant proportion of the package when sold or offered for sale at an inclusive price and when the service covers a period of more than twenty-four hours or includes overnight accommodation;

“medical supplies and drugs” means any substance or mixture of substance prepared, sold or for use in—

- (a) the diagnosis, treatment, mitigation or prevention of a disease, disorder or an abnormal physical state, or symptoms thereof, in human beings or animals; or

- (b) restoring, correcting or modifying organic functions in human beings or animals, but does not include preparations, whether or not possessing therapeutic or prophylactic properties, commonly used for toilet purposes or in connection with the care of the human body, whether for cleaning, deodorising, beautifying, preserving or restoring;

“technical aid programme or project” means the provision of goods or services under a technical aid agreement or project with the Government of the Republic of Zambia, which are supplied solely for the purpose of the programme or project, but excludes the provision of goods or services to a sub-contractor or third party; and

“tourist” means a person who travels to, and stays in, places outside that person’s usual residence for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited, but does not include a citizen or a person resident in Zambia.

Zero-rated goods and services

3. The goods and services specified in the Schedule are zero-rated.

Repeal of Second Schedule to Act

4. The Second Schedule to the Act is repealed.

SCHEDULE  
(Paragraph 3)

ZERO RATED GOODS AND SERVICES

1. *Group 1-Export of Goods*

- (a) export of goods from Zambia by, or on behalf of, a taxable supplier, where evidence of exportation is produced as the Commissioner-General may require;
- (b) the supply of freight transport services from or to Zambia, including trans-shipment and ancillary services that are directly linked to the transit of goods through Zambia to destinations outside Zambia;
- (c) the supply of goods by a duty free shop approved under regulation 51 of the Customs and Excise (General) Regulations, 2000, for export by passengers on flights to destinations outside Zambia;
- (d) the supply of goods, including meals, beverages and duty free goods for use in aircraft stores on flights to destinations outside Zambia;
- (e) the supply of aviation fuel;
- (f) the supply of services which are physically rendered outside Zambia;
- (g) the supply of an inclusive tour to a tourist by a tour operator or travel agent licensed as such under the Tourism and Hospitality Act, 2007, if the contract was entered into before 1st January, 2014, subject to such conditions as the Commissioner-General may require;
- (h) exportation of goods by a tourist, subject to such evidence and conditions as the Commissioner-General may require; and
- (i) international interconnection services.

S.I No. 54 of  
2000

Act No. 23  
2007

2. *Group 2-Supplies to Privileged Persons*

- (a) goods imported by the President;
- (b) goods imported by diplomats or a diplomatic mission accredited to the Republic of Zambia for the official purposes of that mission, to the extent that the foreign country grants reciprocal privileges to diplomats and to the diplomatic mission of Zambia in that country;
- (c) the supply of goods or services to a donor in Zambia for the official purpose of that donor where evidence of purchase is produced by that donor or the Commissioner-General on behalf of the donor as the Commissioner-General may require;

- (d) goods and services supplied to, or imported under, a technical aid programme or project executed by a written agreement between the Government of the Republic of Zambia and the donor, which are paid for through donor funding or funding from the Government where the programme or project is co-financed by the donor and the Government and the donor or contractor of the donor provides evidence of purchase of the goods and services pursuant to the agreement, as the Commissioner-General may require;
- (e) supplies or imports under a technical aid agreement providing for exemption from taxation under the laws of Zambia—
  - (i) dated on or before 30th June, 1996; or
  - (ii) approved by the Minister responsible for finance; and
- (f) goods or services supplied to or imported by a developer for the purposes of developing infrastructure in a multi-facility economic zone or industrial park.

### 3. *Group 3-Building Supplies*

Cap. 323

The supply of cement, roofing sheets, bricks and blocks to public benefit organisations approved by the Minister under the Income Tax Act, where evidence is provided that the building supplies are for construction of buildings for non-profit, humanitarian or poverty alleviation activities.

### 4. *Group 4-Mosquito Nets*

The following raw material used for manufacturing mosquito nets:

- (a) polyester textured yarn: HS Code 5402.33.00;
- (b) textile dyestuff: HS Code 3204.11.00; and
- (c) long-lasting insecticide treated curtains.

### 5. *Group 5-Medical Supplies*

Act No. 24  
of 2009

- (a) medical supplies and drugs; and
- (b) the supply to, or importation by, a medical doctor, optician, dentist, hospital or clinic registered under the Health Professions Act, 2009, or to a patient, of equipment designed solely for medical or prosthetic use.

### 6. *Group 6-Educational Materials*

- (a) books, including electronic learning material; and
- (b) school exercise books.

7. *Group 7- Energy Saving Appliances, Machinery and Equipment*
- (a) discharge lamps, other than ultra violet lamps (energy efficient lighting lamps);
  - (b) florescent lamps (tubes and bulbs);
  - (c) non-electric storage water heaters (solar geysers);
  - (d) solar panels;
  - (e) solar batteries—
    - (i) lead acid used for starting piston engines;
    - (ii) other lead acid accumulators;
    - (iii) nickel cadmium;
    - (iv) nickel iron; and
    - (v) other accumulators;
  - (f) static converters (inverters for solar power); and
  - (g) electric generating sets—
    - (i) generators with compression ignition internal combustion piston engines (diesel or semi-diesel generators); and
    - (ii) generators with spark ignition internal combustion piston engines (petrol generators).
8. *Group 8—Agricultural Equipment and Accessories*
- (a) windmills;
  - (b) hammer mills: HS Code 8436.10.00;
  - (c) maize dehullers;
  - (d) two wheel tractors, including ploughs, harrows, disc harrows, planters, seeders, rippers or subsoilers, and cultivators of such tractors;
  - (e) tractors up to 90HP, including ploughs, harrows, disc harrows, planters, seeders, rippers or subsoilers, and cultivators of such tractors;
  - (f) pump sets; and
  - (g) knapsack sprayers (agricultural sprayers).
9. *Group—Food and Agriculture*
- (a) wheat;
  - (b) flour produced from wheat; and
  - (c) bread, including bread rolls and buns.

LUSAKA

31st December, 2014

[MFB.64/9/2C]

A. B. CHIKWANDA,  
*Minister of Finance*

