
GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 89 OF 2010

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

The Value Added Tax (Zero-Rating) Order, 2010

IN EXERCISE of the powers contained in section *fifteen* of the Value Added Tax Act, the following Order is hereby made:

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| 1. This Order may be cited as the Value Added Tax (Zero-Rating) Order, 2010, and shall come into operation on 1st January, 2011. | Title and commencement |
| 2. The Act is amended by the repeal of the Second Schedule and the substitution therefor of the Second Schedule set out in the Appendix. | Repeal and replacement of Second Schedule Cap. 331 |
| 3. The Value Added Tax (Zero-Rating) Order, 1996, is hereby revoked. | Revocation of SI No. 109 of 1996 |

APPENDIX
(Paragraph 2)

SECOND SCHEDULE
(Section 15)

1. *Export of Goods*

- (a) Export of goods from Zambia by, or on behalf of, a taxable supplier, where such evidence of exportation is produced as the Commissioner-General may, by rule, require.
- (b) The supply of ancillary services, which are provided at the port of exportation of the goods under paragraph (a) and includes transport and packaging.
- (c) 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.
- (d) 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.
- (e) The supply of goods, including meals, beverages and duty free goods, for use as aircraft stores on flights to destinations outside Zambia.
- (f) The supply of aviation fuel.
- (g) The supply of services, which are rendered outside Zambia.
- (h) The supply, by a tour operator or travel agent, licensed as such under the Tourism and Hospitality Act, 2007, to a tourist of an inclusive tour, subject to such conditions as the Commissioner-General may require.
- (i) The supply by a licenced tour operator to tourists of the following services:
 - (i) game viewing;
 - (ii) abseiling;
 - (iii) bungee jumping;
 - (iv) canoeing;
 - (v) hot air ballooning;
 - (vi) hang gliding;
 - (vii) para-sailing;
 - (viii) river boarding;
 - (ix) white water rafting;
 - (x) boat cruising;
 - (xi) micro lighting;
 - (xii) helicopter tours;
 - (xiii) walking safaris;
 - (xiv) clay pigeon shooting;
 - (xv) elephant back safari;
 - (xvi) fixed wing flights over any Falls in Zambia;
 - (xvii) gorge swinging or flying fox;
 - (xviii) paint ball shooting;
 - (xix) quad biking safari;
 - (xx) steam train excursion; and
 - (xxi) walking with lions;

Provided that accommodation, food and beverages shall be excluded unless the accommodation, food and beverages have been pre-booked as a package tour and are inclusive in the total price of the package tour.

- (j) Exportation of goods by a tourist, subject to such evidence and conditions as the Commissioner-General may require.
- (k) International interconnection services.

2. *Supplies to Privileged Persons*

- (a) Goods imported by the President.
- (b) Goods imported by diplomats or a diplomatic mission that is accredited to the Republic of Zambia for the official purposes of that mission, but only, in the case of any diplomatic mission of a foreign country, 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 or services supplied or imported under a technical aid programme or project which are—
 - (i) paid through donor funding; and
 - (ii) provided by the donor, or by a contractor of the donor, under a written agreement with the Republic of Zambia where evidence of purchase under that agreement is produced by the donor or the Commissioner-General, 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, which is either—
 - (i) dated on, or before, 30th June, 1996; or
 - (ii) approved by the Minister of Finance.
- (f) goods or services supplied to, or imported by, a developer of a multi facility economic zone or industrial park, licensed as such by the Zambia Development Agency where evidence of purchase is produced by the developer or the Commissioner-General, as the CommissionerGeneral may require:

Provided that paragraphs (d) and (e) shall not apply to consumables as defined under the Customs and Excise (General) Regulations, 2000.

3. *Building Supplies*

The supply of cement, roofing sheets, bricks and blocks to public benefit organisations, approved by the Minister under section *forty-one* of the Income Tax Act, Cap. 323, where evidence is provided that such building supplies will be used for the construction of buildings for non-profit humanitarian or poverty alleviation activities.

4. *Mosquito Nets*

The following raw material used for manufacturing mosquito nets—

- (i) polyester textured yarn of HS Code 5402.33.00;
- (ii) textile dyestuff of HS Code 3204.11.00; and
- (iii) long lasting insecticide treated curtains.

5. *Medical Supplies*

- (a) Medical supplies and drugs.
- (b) The supply to, or importations 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. *Books*

Books and school exercise books.

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) Storage water heater, non electric (solar geysers).

(d) Solar panels.

(e) Solar batteries—

(i) lead acid, of the kind 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).

(g) Electric generating sets—

(i) generators with compression ignition, internal combustion piston engine (diesel or semi-diesel generators); and

(ii) generators with spark ignition internal combustion piston engines (petrol generators).

8. *Agricultural Equipment and Spares*

(a) Windmills.

(b) Hammer mills of HS Code 8436.10.00.

(c) Maize dehullers.

(d) Two wheel tractor 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.

(g) Knapsack sprayers (agricultural sprayers).

9. *Ethanol Based BioFuel*

Green gel.

LUSAKA

7th October, 2010

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