

GOVERNMENT OF ZAMBIA

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**ACT**

**No. 22 of 2020**

Date of Assent: 18th December, 2020

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

[18th December, 2020]

ENACTED by the Parliament of Zambia.

Enactment

**1.** (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2020, and shall be read as one with the Property Transfer Tax Act, in this Act referred to as the principal Act.

Title and  
Commence-  
ment  
Cap. 340

(2) This Act shall come into operation on 1st January, 2021.

**2.** Section 2 of the principal Act is amended by the insertion of the following new definition in the appropriate place in alphabetical order:

Amendment  
of section 2

“Authority” means the Zambia Revenue Authority established under the Zambia Revenue Authority Act,.

Cap. 321

**3.** Section 3(2) of the principal Act is amended by the deletion of the words “Domestic Taxes Division” and the substitution therefor of the word “Authority”.

Amendment  
of section 3

**4.** Section 4 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (1A):

Amendment  
of section 4

(1B) A transfer of shares referred under subsection (1A), is not liable to tax if the total value of the transferred shares over a period of three years represents less than ten percent of the total value of shares in the company incorporated in the Republic.

Amendment  
of section 5**5.** Section 5 of the principal Act is amended by the—

(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 the Republic, the realised value shall be whichever is greater of the—

(a) effective shareholding multiplied by the value of the transferred shares;

(b) effective shareholding multiplied by the consideration for the transferred shares; and

(c) effective shareholding multiplied by the nominal value of the transferred shares.;

(b) insertion of the following new subsections immediately after subsection (2A):

(2B) Despite subsection (2A), where the Commissioner-General is satisfied that a transfer is made for the purpose of group reorganisation and that there is no change in the effective shareholding with respect to the company incorporated in the Republic, the Commissioner-General may determine a nil value for that transfer except that this subsection shall not apply to a company that has not been part of the group of companies for at least three years preceding the transfer.

(2C) For the purposes of this section, effective shareholding means the extent of control or ownership in the company incorporated in the Republic by the company incorporated outside the Republic expressed as a percentage.; and

(c) renumbering of subsections (2B) and (2C) as (2D) and (2E), respectively.

Amendment  
of section 6**6.** Section 6(1)(d) of the principal Act is amended by the deletion of the words “or trust”.Amendment  
of section 9**7.** Section 9 of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following: