

GOVERNMENT OF ZAMBIA

ACT

No. 11 of 2017

I hereby signify my assent to the Bill

Date of Assent: 19th December, 2017

An Act to amend the Property Transfer Tax Act.

[22nd December, 2017

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2017, 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, 2018.

2. Section 2(1) of the principal Act is amended—

Amendment
of section 2

(a) by the insertion of the following definitions in the appropriate places:

“intellectual property” includes a patent, trade mark, copyright or industrial design; and

“related company” includes—

(a) companies connected directly or indirectly through shareholding or equity;

(b) any joint venture owned or operated jointly with or an unrelated company;

(c) connected companies; or

(d) companies connected through management and control; and

(b) in the definition of “property” by the—

- (i) deletion of paragraph (b) and the substitution therefor of the following:
- (b) a share issued by a company incorporated in the Republic or a share issued by a company incorporated outside the Republic where the company directly or indirectly owns at least ten percent of the shares in a company incorporated in the Republic.; and
- (ii) insertion of the following paragraph immediately after paragraph (c):
- (d) intellectual property;
- Amendment of section 4 **3.** Section 4 of the principal Act is amended by the—
- (a) insertion of the following new subsection immediately after 4(1):
- (1A) in the case of the transfer of a share issued by a company incorporated outside the Republic where that company directly or indirectly owns at least ten percent of a company incorporated in Zambia, tax shall be charged and collected from the Zambian incorporated company.; and
- (b) insertion of the following new paragraph immediately after paragraph (c)—
- (d) five percent of the realised value in respect of intellectual property.
- Amendment of section 5 **4.** Section 5 of the principal Act is amended by the—
- (a) deletion of subsection (2) and the substitution therefor of the following:
- (2) Where the property to be valued is a share issued by a company incorporated in the Republic, the realised value shall be the price at which it could, at the time of its transfer, reasonably have been sold on the open market as determined by the Commissioner-General, or its nominal value, whichever is the greater.;
- (b) insertion of the following new subsections immediately after subsection (2):
- (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