

**THE PROPERTY TRANSFER TAX
(AMENDMENT) BILL, 2020**

MEMORANDUM

The object of this bill is to amend the Property Transfer Tax Act so as to

- (a) apply property transfer tax, in the case of an indirect transfer of shares, to a transfer of shares that represents at least ten per cent of the value of shares in a company incorporated in the Republic;
- (b) redefine the criteria for the determination of realised value on indirect transfer of shares;
- (c) remove trusts from the list of exemption of property transfer tax; and
- (d) provide for matters connected with, or incidental to, the forgoing.

A.MWANSA,
Solicitor-General

N.A.B. 22, 2020
26th November, 2020

A BILL

ENTITLED

An Act to amend the Property Transfer Tax Act.

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 Commencement
Cap. 340

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

Amendment of section 2

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

10 “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

15 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

20 (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.