

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 11 OF 2004

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

The Value Added Tax (General) (Amendment)
Regulations, 2004

IN EXERCISE of the powers contained in section *two, eighteen* and *fifty-one* of the Value Added Tax Act, the following Regulations are hereby made:

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| <p>1. (1) These Regulations may be cited as the Value Added Tax (General) (Amendment) Regulations, 2004, and shall be read as one with the Value Added Tax (General) Regulations, 1995, in these Regulations referred to as the principal Regulations.</p> | <p>Title and commencement Cap. 331</p> |
| <p>(2) These Regulations shall come into effect on 7th February, 2004.</p> | |
| <p>2. The principal Regulations are amended by the revocation of regulation 8A and the substitution therefor of the following regulation:</p> | <p>Revocation and replacement of regulation 8A</p> |
| <p>8A (1) Tax charged on the supply of telephone and internet services to a taxable supplier shall be excluded from any claim, deduction or credit under section <i>eighteen</i> of the Act.</p> | <p>Input tax not allowed on telephone and internet services</p> |
| <p>(2) In this regulation, “ telephone and internet services ” do not include—</p> | |
| <p>(a) interconnection fees and other services supplied to a service provider by another; or</p> | |
| <p>(b) telephone or internet services supplied to a hotel, lodge or similar establishment, which relate to telephone calls or internet services made by a customer of such establishment where output tax on the supply of that service to that customer has been accounted for by such establishment.</p> | |
| <p>3. The principal Regulations are amended by the revocation of regulation 10 and the substitution therefor of the following regulation:</p> | <p>Revocation and replacement of regulation 10</p> |

De-
registration
of supplier

10. (1) A registered supplier who ceases to make taxable supplies, or whose taxable turnover falls below the turnover figure for the time being in force under subsection (1) of section *twenty-eight* of the Act or, as the case may be, under subsection (3) of section *fifty-three* of the Act, ceases to be liable to be registered.

(2) A registered supplier who ceases to make taxable supplies shall, within thirty days of ceasing to be liable to be registered, notify the Commissioner-General in writing of that fact, and provide such information as the Commissioner-General may require.

(3) Upon receipt of notification of the supplier's ceasing to be liable to be registered in terms of subregulation (2), the Commissioner-General shall cancel the supplier's registration.

(4) A registered supplier who fails to notify the Commissioner-General as required by this regulation—

(a) commits an offence and shall be liable on conviction to a fine not exceeding ten thousand penalty units; and

(b) shall have their registration cancelled.

(5) A registered supplier whose taxable turnover falls below the turnover figure for the time being in force under subsection (1) of section *twenty-eight* of the Act or, as the case may be, under subsection (3) of section *fifty-three* of the Act shall have their registration cancelled.

(6) Notwithstanding the other provisions of this regulation, where the Commissioner-General is aware that a registered supplier has ceased to make taxable supplies, the Commissioner-General may cancel the supplier's registration.

(7) A registered supplier whose registration is cancelled shall be served with a notice of cancellation.

Revocation
of regulation
15

4. The principal Regulations are amended by the revocation of regulation 15.

Amendment
of
Regulation
17

5. Regulation 17 of the principal Regulations is amended in subregulation (1)—

(a) by the deletion of paragraph (c); and

(b) by the re-numbering of paragraph (d) as paragraph (c).

LUSAKA
5th February, 2004
[MFB.103/53/1]

N. P. MAGANDE,
Minister of Finance and
National Planning