

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 48 OF 2020

The Employment Code Act, 2019
(Act No. 3 of 2019)

**The Employment Code (Exemption)
Regulations, 2020**

IN EXERCISE of the powers contained in section 2 of the Employment Code Act, after consultation with the Tripartite Consultative Labour Council, the following Regulations are made:

1. These Regulations may be cited as the Employment Code (Exemption) Regulations, 2020. Title
2. In these Regulations, unless the context otherwise requires—
“management” has the meaning assigned to the words in the Industrial and Labour Relations Act. Interpretation
Cap 269
3. A person, class of persons, trade, industry or undertaking listed in the Schedule is exempted from the provisions specified in the Schedule. Exemptions
No. 3 of
2019

SCHEDULE
(Regulation 3)

PERSON, CLASS OF PERSONS, TRADE, INDUSTRY OR UNDERTAKING TO
WHICH SECTION IS NOT APPLICABLE*

| <i>Section</i> | <i>Exemption</i> |
|-------------------|--|
| 36 | Employee |
| 37 | Employee |
| 48 | Employer assessed by an authorised officer to be in financial distress based on the guiding principles set out in the Schedule. |
| 54(1) (b) and (c) | (i) Expatriate employee; (ii) Employee in management. |
| 55(2) | Employer assessed by an authorised officer to be in financial distress based on the guiding principles set out in the Schedule, or under circumstances warranting immediate termination of contract of employment. |
| 73 | (i) Expatriate employee; (ii) Employee in management with a written contract providing for gratuity; (iii) Employee in the agricultural sector; (iv) Employee in the domestic sector. |
| 75 | (i) Expatriate employee; (ii) Employee in management. |

NOTE

The guiding principals for the application of the exemption pursuant to sections 48 and 55 (2) are as follows:

- (i) Review current quarterly tax returns and check extent of reduction in turnover in comparison with last return, and consider amended tax returns taking into consideration reduction in projected turnover;
- (ii) Assess documents showing suspension or reduction of business and impact on turnover;
- (iii) Assess cash flow projections and verify cash stress or financial constraints on employer;
- (iv) Review past audited financial statements to check profitability and extent of reserves from previous years; and
- (v) Review staff payroll and compare staff costs with projected income.

LUSAKA
8th May, 2020
[MLSS.64/9/9]

J. N. SIMUKOKO,
*Minister of Labour and
Social Security*