

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 18 OF 2024

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

**The Value Added Tax (Cross Border Electronic Services)
Regulations, 2024**

IN EXERCISE of powers contained in sections 8 and 51 of the Value Added Tax Act, the following Regulations are made:

1. These Regulations may be cited as the Value Added Tax (Cross Border Electronic Services) Regulations, 2024. Title
2. In these Regulations, unless the context otherwise requires— Interpretation
 - “cross border electronic services” has the meaning assigned to the words in the Act;
 - “electronic service” has the meaning assigned to the words in the Act;
 - “Prescribed accounting period” has the meaning assigned to the words in the Act;
 - “simplified invoice” means an invoice issued by a supplier of cross-border electronic services; and
 - “simplified registration” means a registration regime used to register a supplier of cross-border electronic services.

Taxable cross
border
electronic
services

3. (1) Tax shall be charged, levied, collected and paid on the following supply of cross border electronic services:

- (a) streaming services including films, television shows, music, games, sporting, political, cultural, artistic, scientific and entertainment events, video on demand and podcasts;
- (b) software services, including software drivers, website filters, firewalls, virtual private network services, banner blockers and the provision of after sale services at a consideration, software updates, software version upgrades and other software support services;
- (c) downloadable digital content including computer and mobile applications, electronic books, films, television shows, music, games, podcasts, images and text;
- (d) website related services, including website supply, web hosting, remote maintenance of programmes and equipment;
- (e) subscription based media including news services, magazines, weather or travel reports and virtual playgrounds;
- (f) search engines and automated help desk services, including customisable search engine services;
- (g) electronic data management services, including online warehousing, file sharing and cloud storage services;
- (h) online presence services, including advertising services and services providing or supporting a business or personal presence on an electronic network such as a website or a webpage;
- (i) ticketing services for events, theatres, restaurants and similar services;
- (j) online market services linking the supplier to the customer including the right to put goods or services up for sale on an online market; and
- (k) data monetisation including sales, licensing or any other form of monetising data generated from a user's activities.

(2) The following supplies are exempt from the provisions of this regulation:

- (a) broadcasting and telecommunication services;
- (b) physical media including read only memory compact disk, floppy disks and similar tangible media;
- (c) physical audio or video media including compact disks, audio cassettes, video cassettes and digital video disks;
- (d) physical game media such as games on a read only memory compact disk; and
- (e) professional services such as advice given by lawyers and financial consultants to clients by electronic mail.

4. (1) A supplier of cross border electronic services shall register under the simplified registration regime using an online form determined by the Commissioner General. Simplified registration

(2) The Commissioner General shall, on registration, issue the supplier with a taxpayer identification number.

(3) A supplier who does not have a registered office or permanent address of business in the Republic and is unable to register under subregulation (1), shall appoint a person resident in the Republic as a tax agent as specified under section 8 of the Act.

(4) A tax agent appointed under subregulation (3) shall not be regarded as a supplier of cross-border electronic services.

(5) The registration referred to under subregulation (1) does not create a permanent establishment for income tax purposes.

5. (1) A supplier of cross border electronic services registered under these Regulations shall issue a simplified invoice that contains features determined by the Commissioner-General. Issuing of simplified invoice

(2) The invoice issued under subregulation (1) shall be in Zambian Kwacha converted using the exchange rate provided by the Commissioner General as determined by the Bank of Zambia.

6. (1) A supplier of cross-border electronic services shall not claim or deduct input tax. Claiming of input tax

(2) The input tax incurred by a recipient of cross border electronic services shall be claimed or deducted in accordance with section 18 of the Act.

- (3) A recipient of cross border electronic services claiming or deducting input tax under subregulation (2) shall deduct or claim input tax in *Zambian Kwacha*.
- Tax returns 7. (1) A registered supplier under these Regulations shall submit a return electronically on, or before the twenty fifth day of the month following the end of the prescribed accounting period.
- (2) For the purposes of submitting the return referred to under subregulation(1), the value of the service and the tax charged shall be converted to *Zambian Kwacha* from the transactional currency using the exchange rate on the invoice.
- Payment of tax 8. (1) The tax due on each filed return under regulation 7 shall be remitted to the Commissioner General on or before the twenty fifth day of the month following the end of the prescribed accounting period.
- (2) Despite regulation 5, tax due under subregulation (1) shall be made in *Zambian Kwacha* or any other currency that the Commissioner-General may determine.
- Records and accounts 9. The records and accounts of a supplier of cross-border electronic services may be kept at a location outside the Republic and shall be made available to the Commissioner General on demand.

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