ZAMBIA’S INVESTOR GUIDE

April 2012 Edition

Zambia Development Agency
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CHAPTER ONE – ZAMBIA PROFILE

1.1. FACTS ABOUT ZAMBIA

Location: Located in the Southern African Sub-region, Zambia is a landlocked country bordered by the Democratic Republic of Congo, Tanzania, Angola, Namibia, Malawi, Mozambique, Zimbabwe and Botswana.

Coordinates: The mean altitude rises about 1200 meters above sea level and the country is situated between latitude 8 and 18 degrees East and longitude 22 and 34 degrees South.

Capital City: Lusaka

Land Surface: 752,614 Km2

Climate: Zambia’s geographical position and high altitude provides the country with sub-tropical vegetation and climatic conditions.

Population: 13.0 million, 39% living in urban areas. The annual population growth rate is 2.8%, with a population density of 17.3 persons per square kilometer.

Independence: 24 October 1964 (from the United Kingdom)

Political and Legal System: A multi-party democratic system of government with a distinct separation of powers between the legislative (parliament), executive (cabinet) and judiciary (courts of law) organs of Government govern Zambia.

Both the president (who must belong to a registered political party) and members of parliament are elected by the people and the president appoints, from within elected and nominated members of parliament, the cabinet ministers.

The parliament, headed by the Speaker of the National Assembly, comprises 150 elected members and up to 8 members nominated by the president. The Supreme Court is the highest court of appeal and is headed by the Chief Justice.

Adult Literacy Rate: 82 percent

Spoken Languages: English (official language), other main local languages are Bemba, Lozi, Nyanja and Tonga. There are about 70 other indigenous languages and dialects throughout Zambia

Religion: Christianity comprises the largest faith group. Minority faith groups are Muslims and Hindus. The republican constitution recognises Zambia as a Christian Nation

Natural Resources: Copper, cobalt, coal, emeralds, gold, water, wildlife, forestry and hydropower

Time Zone: The time Zone in Zambia is Greenwich Mean Time (GMT) +2 hours

Business Hours: Business hours for government and private sector offices are from 08:00 – 13:00 hours and 14:00-17:00 hours between Monday and Friday.
1.2. **ECONOMIC REVIEW**

Zambia’s economic performance in recent years has been positive with real Gross Domestic Product (GDP) growth rising to 6.8 percent in 2011 from 5.3 percent in 2005. This marked the sixth year in a row in which the economy grew above 5 percent.

Zambia continued to record strong growth in 2011 mainly due to increased output in mining and quarrying, construction and agriculture. The economy continued to grow in 2011 mainly due to rising copper output and prices, and the good performance of other sectors such as agriculture (following the bumper harvest recorded in the 2010/11 agricultural season), construction and tourism.

The Government’s macroeconomic objectives in 2011 were to continue with the diversification programme, while increasing productive employment and maintaining a stable macroeconomic environment through attaining real GDP growth of above 6 percent; reducing end-year inflation to 7 percent; and maintaining international reserves of at least 4 months of import cover.

To this end, the overall inflation rate target for 2011 was at 7 percent. The annual end of year inflation rate in December 2011 stood at 7.2 percent, lower than the 7.9 percent recorded at end-December 2010. The reduction in the rate was mostly as a result of declines in the prices of some food items, as well as non-food items such as communication, education services and medical care.

The Government put in place measures to diversify the economy from the traditional (copper and cobalt production) to non-traditional production and exports (products and exports other than copper and cobalt). The non-traditional products began to exhibit a positive and favorable performance in value terms in the country’s balance of payments. The export of these products more than trebled, their value increasing from US$ 210 million in 2000 to US$ 1,245 million in December 2011.

Zambia’s trends in economic performance is illustrated in the tables and figures below. Figure 1.2.b shows Zambia’s GDP growth in the last 10 years in comparison with the average growth rate of the entire African region, COMESA and SADC.

<table>
<thead>
<tr>
<th>Key Economic Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exchange Rates:</strong></td>
</tr>
<tr>
<td>US Dollar: 5,200</td>
</tr>
<tr>
<td>(as at April 2011)</td>
</tr>
<tr>
<td>British Pound: 8,400</td>
</tr>
<tr>
<td>Euro Dollar: 6,800</td>
</tr>
<tr>
<td>South African Rand: 680</td>
</tr>
<tr>
<td><strong>Inflation:</strong></td>
</tr>
<tr>
<td>7.2 percent (end of 2011)</td>
</tr>
<tr>
<td><strong>Real GDP Growth:</strong></td>
</tr>
<tr>
<td>6.8 percent (2011)</td>
</tr>
<tr>
<td><strong>GDP at current prices:</strong></td>
</tr>
<tr>
<td>US$ 19.6 billion (2011)</td>
</tr>
<tr>
<td><strong>GDP per capital:</strong></td>
</tr>
<tr>
<td>US$ 1,463 (2011)</td>
</tr>
<tr>
<td><strong>Human Development Rank:</strong></td>
</tr>
<tr>
<td>164 out of 182 countries</td>
</tr>
<tr>
<td><strong>Trade Blocks:</strong></td>
</tr>
<tr>
<td>The Southern African Development Conference (SADC) with a population of 527 million and GDP of US$ 624 billion per annum</td>
</tr>
<tr>
<td>The Common Market for Eastern and Southern Africa (COMESA) with a population of 406 million and GDP of 448 billion per annum</td>
</tr>
</tbody>
</table>

**Table: 1.1 Selected Macroeconomic Performance Indicators, 2005-2010**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth (end-year %)</td>
<td>5.3</td>
<td>6.2</td>
<td>6.2</td>
<td>5.7</td>
<td>6.4</td>
<td>7.6</td>
<td>6.8</td>
</tr>
<tr>
<td>GDP per capita (end-year US $)</td>
<td>650</td>
<td>908</td>
<td>949</td>
<td>1,170</td>
<td>1,050</td>
<td>1,200</td>
<td>1,463</td>
</tr>
<tr>
<td>Annual Inflation end-period (%)</td>
<td>15.9</td>
<td>8.2</td>
<td>8.9</td>
<td>16.6</td>
<td>9.9</td>
<td>7.9</td>
<td>7.2</td>
</tr>
</tbody>
</table>

**Figure: 1.1.a Trends in Zambia’s Per Capita GDP**

Zambia’s Real GDP Per Capita (2000-2011)

**Figure: 1.1.b. Zambia’s GDP growth in comparison to Africa, COMESA and SADC**

**Average Annual Real GDP Growth 2011**

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMESA</td>
<td>5.1%</td>
</tr>
<tr>
<td>SADC</td>
<td>4.7%</td>
</tr>
<tr>
<td>Africa</td>
<td>3.7%</td>
</tr>
<tr>
<td>Zambia</td>
<td>5.7%</td>
</tr>
</tbody>
</table>
Government’s fiscal policy is focused on achieving a domestic budget surplus, through the continued adherence to a cash budget, improved revenue collection and strict control of expenditures. Other fiscal policy objectives are focused at reducing public debt so as to increase liquidity available to the private sector for investment and increasing social sector expenditures in order to alleviate poverty.

1.3. SECTOR PROFILES

The economic profile of Zambia comprises various sectors as follows;

Mining:

Zambia is the world’s fourth largest producer of copper and holds six percent of the world’s known reserves thereof. Copper and cobalt, as the country’s traditional exports account for well over 70 percent of export earnings. These include gold and gemstones (e.g. emeralds, aquamarine, topaz, opal, agate and amethysts). Zambia produces over 20% of the world’s emeralds.

Agriculture:

Although the agricultural sector employs more than half of the total labour force, only 15 percent of the arable land is under cultivation. It is because of this potential that the government encourages investment in commercial farming and has established farm blocks to facilitate investments in agriculture.

Manufacturing:

The main manufacturing activities in Zambia are the Food, Beverages and Tobacco sub-sector. However the growth potential in other industries as well is vast. Support measures designed to aid manufacturing enterprises in non-traditional sectors are being implemented.

Tourism:

The tourism industry has grown over the recent past years, with the establishment of hotels in the major tourist town of Livingstone and the city of Lusaka. The vast potential in the tourism sector in Zambia, with its natural beauty (including the Victoria Falls, which is one of the most renowned beautiful transcendental Seven Natural Wonders of the World) and the wealth of wildlife have yet to be fully exploited. Zambia has 19 national parks and 34 game management areas with a total of 65,000 km² set aside for wildlife conservation.

Infrastructure:

Rail network remains the dominant mode of transportation (83.4%) for goods on the local and international routes. Major rail line links Zambia with Tanzania, is jointly owned by the Zambian and Tanzanian governments and is run by Tanzania-Zambia Railway Authority (TAZARA). The Chipata-Mchinji Railway is under construction and will link Zambia with Malawi and Mozambique. Furthermore there are more than 130 airfields, one third of which are Government-owned while the rest are privately owned. The Lusaka and Livingstone International Airports are Zambia’s main airports connecting the country with the region and the rest of the world. The smaller airports include Ndola, on the Copperbelt province and Mfuwe, in the Luangwa National Park.
Energy:

With its vast water resources and coal reserves, Zambia offers abundant investment opportunities for hydroelectric power generation, supply and distribution. The country has well over 1,890 MW of hydroelectric generating capacity. Proven coal reserves exceed 30 million tonnes and satisfy 9% of energy demand. Hydro-electricity is mainly supplied and distributed by the Zambia Electricity Supply Corporation (ZESCO).

Telecommunications:

Zambia has access to the west coast Sat-3 cable to Europe via a fibre link with Namibia, which in turn links with the South African fibre network, reaching Cape Town. Currently three companies, the Zambia Electricity Supply Corporation (ZESCO), the Copperbelt Energy Corporation (CEC) and the Zambia Telecommunications Company (ZAMTEL) are licensed to operate optic fibre networks, and there are mobile telephone services namely Airtel Zambia, MTN and Cell-Z (a mobile segment of ZAMTEL).

Health:

Government and private hospitals and clinics provide health care. The private hospitals have earned a reputation as providers of good quality health care. Major surgery cases are usually referred to the Republic of South Africa. Investment opportunities for establishing specialized hospitals to treat such referral cases are, therefore, unexploited. Flying doctor services cover remote areas and provide immediate care and transport for urgent cases.

Education:

There currently only 3 public universities, namely the University of Zambia, the Copperbelt University and the Mulungushi University, and 4 private universities namely; Cavendish University, the Zambia Open University, the University of Lusaka, the Catholic University and the Northrise University. There also over 40 technical colleges, thus the massive investment opportunities for provision of university level and other tertiary education.
CHAPTER TWO – INVESTMENT CLIMATE

2.1. OVERVIEW OF ZAMBIA’S INVESTMENT CLIMATE

Zambia is a multi-party democracy and provides a market-oriented liberalized economic environment in a strife-free, multicultural society. The Zambian Government welcomes investors across sectors and the laws relating to investment have provided for incentives aimed specifically at increased levels of investment and international trade, as well as increased domestic economic growth.

The country’s central location in the region, as well as a combination of the following key strengths makes it an ideal investment location:

- Abundance of natural resources and manpower, which are highly under-utilized.
- Political Stability since attaining independence in 1964
- Abolition of Controls on: prices, interest rates, foreign exchange rates, free repatriation of debt repayments
- 100% repatriation of net profits
- Guarantees and Security to investors with legislated rights to full and market value compensation
- Duty Free Access to Regional, wider African and the USA markets under SADC, COMESA/FTA and AGOA (African Growth and Opportunity Act) respectively
- Banking, Financial, Legal and Insurance services of international standard as well as a Stock Exchange
- Double Taxation Agreements with a number of European, North American, African and Asian countries
- Good place to work and live – sub-tropical climate and vegetation with plenty of water. Friendly people, mostly English speaking, with high literacy rate. Educational establishments to University level. Strong religious values. Open-air lifestyle with nature reserves, game parks, rivers, lakes and waterfalls.
- Thriving Private Sector – Government has successfully privatized most of the previously state owned enterprises, thus encouraging an entrepreneurial culture.


<table>
<thead>
<tr>
<th>Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>SSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Ranking</td>
<td>116</td>
<td>99</td>
<td>90</td>
<td>76</td>
<td>7</td>
</tr>
<tr>
<td>Starting a Business</td>
<td>82</td>
<td>72</td>
<td>93</td>
<td>57</td>
<td>3</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>148</td>
<td>146</td>
<td>159</td>
<td>158</td>
<td>35</td>
</tr>
<tr>
<td>Registering Property</td>
<td>125</td>
<td>94</td>
<td>94</td>
<td>83</td>
<td>11</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>97</td>
<td>68</td>
<td>14</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>64</td>
<td>70</td>
<td>73</td>
<td>74</td>
<td>12</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>30</td>
<td>39</td>
<td>36</td>
<td>37</td>
<td>5</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>160</td>
<td>157</td>
<td>157</td>
<td>150</td>
<td>27</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>86</td>
<td>88</td>
<td>87</td>
<td>86</td>
<td>15</td>
</tr>
</tbody>
</table>

2.2. INVESTMENT INCENTIVES

The Zambia Development Agency (ZDA) Act of 2006 offers a wide range of incentives in the form of allowances, exemptions & concessions for companies. The Act provides for investment thresholds that investors have to meet to qualify for fiscal and non-fiscal incentives. There are five categories of investors who can be considered under the ZDA Act.

a. Investments of US$ 10 million and above

The first is that of investors who invest not less than US$ 10 million in an identified sector or product. This category of investors is entitled to negotiation with Government for additional incentives other than what they might already qualify for under the ZDA Act.

b. Investments of US$ 500,000 and above in Priority Sectors/Products* and Multi Facility Economic Zones (MFEZ)

The second category is that of investors who invest not less than US$ 500,000 in the Multi Facility Economic Zones (MFEZ) and/or in a sector or product provided for as a priority sector or product under the ZDA Act. This category, in addition to being entitled to the general incentives, is entitled to the following incentives:
- Zero percent tax rate on dividends for 5 years from year of first declaration of dividends.
- Zero percent tax on profits for 5 years from the first year profits are made. For year 6 to 8 only 50 percent of profits are taxable and in years 9 and 10 only 75 percent of profits are taxable.
- Zero percent import duty rate on raw materials, capital goods, machinery including trucks and specialized motor vehicles for five years.
- Deferment of VAT on machinery and equipment including trucks and specialized motor vehicles.

c. Investments by Micro and Small Enterprises

The third category of investors relates to investors who are designated as micro or small enterprises under the ZDA Act. Like the second category, this category is also, in addition to the applicable general incentives, entitled to the following incentives:

- For an enterprise in an urban area the income shall be exempt from tax for the first three (3) years.
- For an enterprise in a rural area the income shall be exempt from tax for the first five (5) years.

d. Investments of Less than US$ 500,000 in Priority Sectors / Products*

The fourth category is that of investors who invest less than US$ 500,000 in a sector or product provided for as a priority sector or product under the ZDA Act. This category is only entitled to general incentives.

*Note: The Priority Sectors and Products are;

(a) Floriculture fresh flowers and dried flowers
(b) Horticulture fresh and dried vegetables
(c) Processed foods wheat flour other processed foods
(d) Beverages and stimulants
   ● Tea and tea products
   ● Coffee and coffee products
(e) Production and the processing of the following products in the textile sector
   ● Cotton
   ● Cotton yarn
   ● Fabric
   ● Garments
(f) Manufacturing of the following engineering products
   ● Copper products
   ● Iron ore and steel
   ● Cobalt
   ● Other engineering products
(g) Beneficiation of phosphates and any other related material into fertilizer
(h) Beneficiation of rock materials into cement
(i) Production and processing of raw timber into wood products
(j) Production and processing of the following products in the leather sector:
   ● Cattle hides
   ● Crust leather
   ● Leather products
(k) Building of mini-hydro power stations
(i) Education and skills training
### MFEZ Priority Sectors are:

- **b) Information and Communication Technology (ICT)**
  - Development of computer software
  - Assembly/manufacture of ICT equipment

- **c) Health**
  - Manufacture of pharmaceutical products;
  - Repair and maintenance of medical equipment;
  - Provision of laundry services to medical institutions;
  - Ambulance services;
  - Medical laboratory services;
  - Diagnostic services; and
  - Other medical services.

- **d) Education and skills training**

- **e) Manufacture of:**
  - Machinery & machinery components
  - Iron & steel products
  - Electrical and electronic products & components & parts thereof;
  - Chemicals & petrochemicals
  - Pharmaceutical & related products
  - Wood & wood products
  - Palm oil & their derivatives
  - Pulp, paper & paper board
  - Textile & textile products
  - Transport equipment, component & accessories
  - Clay-based, sand-based & other non-metallic mineral products;
  - Plastic products
  - Professional medical, scientific, & measuring devices/parts
  - Rubber products
  - Leather & leather products
  - Packaging & printing materials
  - Fertilizer
  - Cement

- **f) Tourism**

- **g) Processing of:**
  - agricultural products
  - forest products
  - non-ferrous metals & their products
  - gemstones

### e. General Incentives

The fifth and last category is that of investors who invest any amount in a sector or product not provided for as a priority sector or product under the Act. This category of investors is also only entitled to general incentives provided under the various pieces of legislation.

General Incentives are incentives available to investors investing in various sectors of the economy. These incentives are provided for under the pieces of legislation falling under the Zambia Revenue Authority, namely: the Customs and Excise Act, Income Tax Act and Value Added Tax Act.
2.3. TAX INCENTIVES

The main general tax incentives include the following:

2.3.1. Income Tax:
   The Income Tax incentives are;
   - Income earned by companies in the first year of listing on the Lusaka stock exchange qualifies for a 2% discount on the applicable company tax rate in the particular sector, however companies with more than 1/3 of their shareholding in the hands of Zambians qualify for a 7% discount;
   - Implements, machinery and plant used for farming, manufacturing or tourism qualify for wear and tear allowance of 50% of the cost per year in the first two years;
   - Building used for manufacturing, mining or hotel qualify for wear and tear allowance of 10% of cost in first year and 5% of cost per year in subsequent years;
   - Duty free importation of most capital equipment for the mining and agriculture sectors;
   - Corporation tax at 15% on income from:
     - farming;
     - fertilizer production;
     - non-traditional exports (all exports other than copper and cobalt);
   - Farm works allowance of 100% of expenditure on stumping, clearing, prevention of soil erosion, bore holes, aerial and geophysical surveys and water conservation; and
   - Development allowance of 10% of the cost of capital expenditure on growing of coffee, banana plants, citrus fruits or similar plants
   - Farm improvement allowance - capital expenditure incurred on farm improvement is allowable in the year of incurring the expenditure.
   - Dividends paid out of farming profits are exempt for the first five years the distributing company commences business.
   - Initial allowance of 10% on capital expenditure incurred on the construction or improvement of an industrial building is deductible;
   - Foreign exchange losses of a capital nature incurred on borrowings used for the building and construction of an industrial or commercial building are tax deductible
   - Dividends declared by companies assembling motor vehicles, motor cycles and bicycles are exempt for the first five years of initial declaration of dividends;
   - Carry Forward of Losses

<table>
<thead>
<tr>
<th>CARRY FORWARD LOSSES</th>
<th>YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper and Cobalt mining</td>
<td>10</td>
</tr>
<tr>
<td>Other mining</td>
<td>5</td>
</tr>
<tr>
<td>Non-mining</td>
<td>5</td>
</tr>
<tr>
<td>Farming and non-traditional exports</td>
<td>5</td>
</tr>
</tbody>
</table>

2.3.2. Value Added Tax:
   The VAT incentives are;
   - Relief for VAT registered enterprises on imports of eligible capital goods. (VAT deferment);
   - Zero rate on export of taxable products;
   - Relief of VAT on transfer of business as a going concern;
   - Equal treatment of services for vat-reverse VAT;
   - Cash accounting for specialized associations e.g. association of building and civil engineering contractors;
   - VAT relief on input tax paid for purchases made by registered suppliers.
   - Input tax claim for three months prior to vat registration for businesses that have already commenced trading;
   - Reduction of VAT rate for investors in tax free zones.

The sector specific VAT incentives are as follows;

**Agriculture**
- Input tax claim for three months prior to vat registration for businesses that have already commenced trading;
- Reduction of VAT rate for investors in tax free zones.

**Manufacturing**
- Refund of Zambian VAT on purchase and export of Zambian products by non-resident businesses under the commercial exporters scheme;
- Input tax claim for three months prior to registration for businesses that have already commenced trading.
- Input tax claim for two years prior to commencement of production.
Mining
- Input tax claim for five years on pre-production expenditure for exploration companies in the mining sector;
- Zero rate on mining products for export.

Tourism
- Zero rate - tour packages;
- Zero rate-other tourist services;
- Refund to non-resident tourists and visitors;
- No import vat on all goods temporarily imported into the country by foreign tourists.

2.3.3. Customs Duty Incentives
Most capital equipment attracts duty rates of 0 to 5%.
Further, relief is granted under the Duty Draw Back scheme. To qualify for the scheme, the following conditions must be met:
- the company or individual must be in the manufacturing business
- the company or individual must be an exporter or intends to start exporting
- The company must be in any sector other than the mining sector.

2.4. NON FISCAL INCENTIVES
Other than the generous tax incentives, the ZDA Act also provide for non-fiscal incentives. Investors, who invest at least US $ 250,000, are entitled to a self employment permit and employment permits for up to five (5) expatriates.

2.5. FACILITATION SERVICES
Besides providing the fiscal and non-fiscal incentives the ZDA provides facilitation services to its clients. In this regard, the ZDA facilitates registered investors to:
- Acquire land;
- Obtain water, electric power, transport, and communication services and facilities required for their investments;
- Regularize their immigration status;
- Acquire other licenses required to operate a business in any particular sector; and
- Access any other after care assistance that may be required.

In addition to the tax incentives and services that the ZDA provides to investors, there are other benefits that investors enjoy when they invest in Zambia. Investors who invest in Zambia enjoy the following guarantees:
- Free repatriation of profits & dividends
- Business cannot be compulsorily acquired by government, except by Act of Parliament in extreme circumstances
- Protection against non-commercial risks, as Zambia is a signatory of multilateral investment guarantee agency (MIGA) and Africa trade Insurance Agency.
- Impartial forum for resolving disputes
- Special bilateral Investor Protection Agreements exist while new ones can be entered into.

2.6. LEGAL FRAMEWORK FOR INVESTMENT PROTECTION
The Zambia Development Act assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament has passed an Act relating to the compulsory acquisition of that property. Also, in case of expropriation full compensation shall be made at market value and shall be convertible at the current exchange rate.

Zambia is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and other international agreements. This guarantees foreign investment protection in cases of war, strife, disasters, and other disturbances or in cases of expropriation. Zambia has signed bilateral reciprocal promotional and protection of investment protocols with number of countries.
CHAPTER THREE – DOING BUSINESS IN ZAMBIA

3.1. REGISTRATION, LICENCES AND PERMITS

There are a number of registration requirements and permit licences required to do business in Zambia;

3.1.1. COMPANY FORMATION AND REGISTRATION

The Company's Act Cap 388 governs the registration of companies in Zambia. Registration is done at the Patents and Companies Registration Office. Any two or more persons can incorporate a company under the Company's Act. The persons will be required to submit the following documents:

- Application for name clearance, in order to avoid use of an existing or similar name
- Application for incorporation by subscribing the names of directors and secretaries of the company
- Articles of the company
- Statutory declaration as to compliance with the Company's Act
- Signed consent to act as director or secretary by each person named in the company's application
- Declaration of guarantee, if a company is limited by guarantee.

The minimum share capital of a company is K 5,000,000 (about US$ 1,000). The law requires that half the directors of the company be resident in Zambia. All companies are required to submit annual returns with the Registrar of Companies within three months after the end of the financial year or one month after the Annual General Meeting if it is held within three months after the financial year.

The Company's Act allows foreign companies to register with the Registrar of Companies within 28 days of setting up or acquiring an established place of business. The documentation requirement may be obtained from the Office of the Registrar of Companies.

3.1.2. THE INVESTMENT LICENCE

The Zambia Development Act No. 11 of 2006 provides for investment incentives and investment guarantees. Applications for an Investment License should be submitted to the Zambia Development Agency, a statutory body mandated by government to foster economic development through a whole-Zambia strategic view that will increase investment and trade levels across the whole country.

The major documents required to support an application for an Investment Certificate include the following documents:

- Copy of Certificate of Incorporation, issued by the Registrar of Companies
- Certificate of Share capital
- Official list of shareholders / directors
- Proof of finance (certificate of deposit at bank or latest bank statement)
- Detailed Business Plan
- Proof of having secured a place / land to operate from (Lease Agreements or Title Deed or Letter of Offer)

Applications for an Investment Licence in some sectors of the Economy require proof that application for subsidiary permits from relevant institutions or ministries have been lodged.

3.1.3. EMPLOYMENT LICENCES / PERMITS

The following employment licences and permits are required in all sectors of the economy;

a) Self-employment permit

Immigration Headquarters are responsible for issuance of Self-Employment Permits to deserving foreign investors. An application for the permit should be supported by the following documents:

- Two passport-sized photos
- Bank statement
- Valid copy of the company's certificate of incorporation
- Copy of the Investment Certificate issued by the Zambia Development Agency

b) Employment permit

Immigration Headquarters, upon submission of the following documents, may issue employment permits:

- Certified copy of the applicant's highest education status and any other additional qualifications and certificate of employment from previous employers
- Letterhead from the prospective employer explaining steps taken to employ Zambian citizens to fill the vacancy
3.1.4. TOURISM SECTOR LICENCES

The following licences and permits are required in the Tourism sector;

a. Zambia Wildlife Authority Permit

Investment projects that have to be located in a Game Management Area will require a permit issued by the Zambia Wildlife Authority (ZAWA). Applications for the permit should be supported by the following documents:
- Project proposal
- List of Shareholders
- Information on promoters' business experience
- Recommendation letter from the District council

The District Council may issue a recommendation letter to ZAWA, upon submission of:
- Letter of intent
- Letter of Consent from the chief (Game Management Areas fall under traditional land which is under the jurisdiction of the local chief)
- Project proposal
- Building Drawings

b. Tourist Enterprise License

The Zambia National Tourist Board authorizes the establishment and licenses all tourist enterprise in Zambia under the Tourism Act, Cap 155 of the Laws of Zambia. A Tourist Enterprise includes the construction of an hotel or commercial accommodation establishment, a tour operating business, a travel agency, a camp site, restaurant or café, a discotheque or night club, a campsites, an air charter, a convention centre, and such other enterprise catering for tourists as the Minister may, by Statutory Instrument, declare.

The license may be issued upon submission of the following documents:
- Five year business plan
- Cashflow statement or proof of capital requirement
- Building and or architectural plans
- Letter from promoters’ commercial bank
- Financial and personal information about the shareholders
- Curriculum vitae in respect of the shareholders
- Copy of the company’s certificate of incorporation
- Memorandum and Articles of Association (for limited companies)
- Title deed or lease agreement
- Most recent audited accounts (for existing businesses)
- Environmental Impact Assessment or Project Brief (for small companies)
- No objection letter from ZAWA (for project locating in Game Management Areas or National Parks)
- Investment License issued by the Zambia Development Agency

c. Hotel Licence

The Ministry of Tourism through the Hotels Board may issue a hotel licence to the applicant upon submission of the following documents:
- Tourist Enterprise Licence
- Health permit and fire safety certificate from the local council
- Liquor licence from the local council

The furniture and equipment must be in place and the premises must pass final inspection from the Hotels Board

3.1.5. MINING SECTOR

The Ministry of Mines and Mineral Resources is responsible for the issuance of permits and licences relating to investment in the mining sector. The licences and permits issued include large scale mining, small scale mining, prospecting licence, prospecting permit, retention licence, gemstone licence, gemstone sales certificate, artisan’s mining rights and the reconnaissance permit.
Applications for the above permits and licences must be supported by the following documents:

- Topographical maps of the area
- Certificate of incorporation and articles of association
- Photocopies of passports of directors and shareholders
- Bank statements and reference letters from applicants’ bank
- Programme of operations and estimated costs
- Statement of mineral deposit in the mining area

3.1.6. THE FINANCIAL SECTOR

The Bank of Zambia, as the Central Bank and an agency for executing government’s monetary policy, is responsible for issuance of banking licences.

The applicants for a banking licence should meet the following requirements:

- Minimum capital of K12.5 billion for banks and K250 million for non-bank financial institutions
- Complete questionnaire for principal managers and directors
- Disclose any criminal record for all principal managers and directors
- Provide details about principal managers’ experience in banking

The applicants will further be required to submit the following documents:

- Biographical data form
- Business plan with three year financial projections (Profit & Loss Account, Cashflow and Balance Sheet statements)
- Curriculum Vitae for all principal managers and shareholders
- Copy of the company’s Certificate of Incorporation
- Copy of the company’s Articles of Association
- Approval by the home country supervisors (usually another Central Bank), if the applicants are foreign registered financial institution.

3.1.7. THE TRANSPORT SECTOR

The following permits and licences are required in the Transport sector;

a) Air Transport

The Department of Civil Aviation, which falls under the Ministry of Transport and Communications, is responsible for issuance of the Aircraft Licence. The following document will be required to support an application for the licence:

- Copy of type of certificate
- Certificate of technical data sheet
- Copy of current certificate of airworthiness
- Copy of the flight manual or equivalent
- Complete set of manufacturer’s maintenance, overhaul and repair manual and an illustrated parts catalogue
- Complete set of manufacturer’s service bulletin or equivalent documents relating to the airplane
- Copy of the crew operations manual
- Copy of the mass and balance manual
- Flight test reports for the avionics systems and the aircraft
- Electrical load analysis covering all services
- Complete set of wiring diagrams covering all radio and electrical installations
- Copy of the Master Minimum Equipment list

b) Road Transport

The Road Traffic Department may issue the road service licence upon submission of the motor-book, the company certificate of incorporation, the motor vehicle examiner’s report and bank statement.

3.1.8. THE ENERGY SECTOR

The Energy Regulations Board is responsible for issuance of licences in the energy sector. Applications for energy licences should be supported by the following documents:

- Five year business plan
- Current and latest audited financial statements
- Details of any expected subsequent substantial capital outflows including major decommissioning costs
- Estimates of net annual cash-flows
3.1.9. HEALTH SECTOR

Investors in the health sector are required to obtain a certificate from the Medical Council of Zambia (MCZ). Applications for the certificate should be supported by the following documents:

- Certificate of incorporation
- List of Directors
- Qualifications of paramedical and logistical staff that should be registered and having practicing licence with MCZ.

The MCZ would inspect the premises, equipment and protective wear prior to issuance of the certificate.

3.1.10. EDUCATION SECTOR

Potential investors in the education sector are required to obtain a certificate from the Ministry of Education. The supporting documents for the certificate include the certificate of incorporation and qualifications of the teaching staff. The Ministry of education officials would inspect the building premises and the teaching facilities prior to issuance of the certificate.

3.1.11. TELECOMMUNICATIONS SECTOR

The Communications Authority of Zambia, which falls under the Ministry of Transport and Communications, is responsible for issuance of Radio or Telecommunication licences. Applications for the licences should be supported by the following documents:

- Certificate of Incorporation
- Business Plan
- Detailed description of the nature of the service, if not indicated in the business plan
- Audited Accounts
- Return on allotment shares
- Bank reference letter

3.1.12. OTHER SECTOR PERMITS AND LICENCES

There are also a number of other general permits and licences as follows;

a)  **The Project Brief and Environmental Impact Statement**

Most projects in all sectors other than the service sector require authorization from the Environmental Council of Zambia (ECZ). It is a requirement under the Environmental Protection and Pollution Control Act (EPPCA) Cap 204 of the Laws of Zambia that before a project is undertaken, an Environmental Project Brief (EPB) or an Environmental Impact Statement (EIS) is submitted to ECZ to ascertain its impacts on the environment. A Decision Letter will be issued by the ECZ when they are satisfied that the project will have no negative environmental impact.

b)  **Title Deed**

Lands Department is responsible for issuance of Title Deeds upon submission of the following documents:

- Certificate of Incorporation
- Land sketch
- Letter of consent from the chief
- Recommendation letter from the local council

c)  **Whole Sale, Manufacturer's and Agents' Licence**

Upon submission of the Certificate of Incorporation, the local council would issue the above licences.

d)  **Forest Concession Licence**

The following documents are required to support an application for the above licence:

- Letter of consent from the local chief and letter of consent from the local council
- Letter of recommendation from the respective Principal Extension Officer
- Company's Certificate of Incorporation
- Map of the area of operation
- Plan of operation
- Bank statement to prove that the applicants have more than K 10 million

The applicants must be able to pay for a minimum of 200 to 600 trees and have adequate machines and equipment.
3.2. TAXATION

The Ministry of Finance and National Planning is responsible for the formulation of tax policy, in Zambia and the implementing agency is the Zambia Revenue Authority (ZRA). The legislative framework relating to the regulation and administration of the taxation is provided for in the Income Tax Act 1966, as amended. The source of income and residence are the basis for liability to tax under the Zambian tax regime. The Income Tax Act requires every person (embracing every business entity, enterprise or individual) receiving income liable to tax under the Act to notify the ZRA, in writing, accordingly within thirty (30) days from the date of first receiving such income and the Act also provides for penalties for failure to give the necessary notice. The tax year (charge year) runs from 1st January to 31st December of the following year. The principal taxes include Direct Taxes (notably Corporate Tax, Pay-As-You-Earn and Other Personal Income taxes), Customs and Excise duties, Value Added Tax (VAT), Property transfer tax and Mineral royalty (Mines and Minerals Act 1995).

3.2.1. Corporate Tax

The Corporate Tax applicable to the different categorizes of business are as follows;

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Operations</td>
<td>30%</td>
</tr>
<tr>
<td>Manufacturing and other companies</td>
<td>15%</td>
</tr>
<tr>
<td>Charitable organizations</td>
<td>15%</td>
</tr>
<tr>
<td>Farming</td>
<td>15%</td>
</tr>
<tr>
<td>Non Traditional exports</td>
<td>15%</td>
</tr>
<tr>
<td>Chemical manufacture of fertilizer</td>
<td>15%</td>
</tr>
<tr>
<td>Trust, deceased or bankrupt estates</td>
<td>35%</td>
</tr>
<tr>
<td>Rural Enterprises</td>
<td>Tax chargeable reduced by 1/7 for first 5 years</td>
</tr>
<tr>
<td>Business enterprises operating in a priority sector under the Zambia Development Agency Act, 2006</td>
<td>0% for the first 5 years</td>
</tr>
<tr>
<td>Banks and Mobile Phone Companies: First K250,000,000</td>
<td>Rate reduced by 50% from years 6 to 8 years</td>
</tr>
<tr>
<td>Above K 250,000,000</td>
<td>Rate reduced by 25% from 9 to 10 years</td>
</tr>
</tbody>
</table>

3.2.2. Personal Income Tax

Personal income tax is levied in the range of 25-35 % . The maximum rate applicable to farmers is 15 %. Employers are required to register and operate a Pay-As-you-Earn (PAYE) scheme under which they are required to deduct the appropriate tax from the emoluments of liable employees and remit the tax to the Zambia Revenue Authority. Employers are obliged to deduct such tax and remit it to ZRA.

Emoluments paid or payable to an expatriate employee for work performed, carried out or for services rendered in respect of his employment in Zambia are liable to tax and should be subjected to deduction of PAYE, notwithstanding the fact that such emoluments are paid or payable outside Zambia or are paid or payable by a person who is resident outside Zambia. Employers are further required to submit annual PAYE tax returns, at the end of every charge year, on a prescribed ZRA form.

3.2.3. Value Added Tax (VAT)

VAT is levied at 16%. Some specified goods and services are zero-rated or exempt. Registration for VAT purposes is mandatory for every dealer in or supplier of standard rated and zero-rated goods and services, as defined in the VAT Act No. 4 of 1995 (which replaced sales tax), whose taxable turnover exceeds K200 million per annum. Voluntary registration is acceptable for dealers whose turnover falls below the stipulated minimum turnover.

The Value Added Tax (VAT) of 16 percent applies to both goods and services, of domestic production and those that are imported. VAT is levied on the c.i.f. value plus customs tariff. Exemptions from VAT include social services such as health, education, and funeral services. Registered suppliers or dealers are required to submit VAT returns monthly within 21 days of the prescribed accounting period unless they have been allowed the option for extended tax period. Late or failure to submit returns, including nil returns, attracts penalties. Input VAT can be claimed within a period of three years from the date of the tax invoice or other documentary evidence. The period in which input VAT, incurred prior to the date of VAT registration, can be claimed is 3 months.

Double Taxation Agreements

Some eligible taxpayers find themselves liable to tax in more than one country or territory in respect of the same income. The predicament of international Double Taxation may adversely affect the international flow and mobility of human, financial and investment resources, thus the international community has devised a mechanism to prevent, eliminate or mitigate the incidence of Double Taxation.

The countries that Zambia has signed Double Taxation Agreements with include Canada, Denmark, Finland, France, Germany, Holland, India, Ireland, Italy, Japan, Kenya, Mauritius, Norway, Romania, South Africa, Sweden, Tanzania, Uganda, United Kingdom, Yugoslavia and Zimbabwe. In principle, double taxation agreements enable offsetting tax paid in one of 2 countries against the tax payable in the other, in this way preventing double taxation.
3.2.4. Customs Duty

There are three categories for import duties: 25% mainly for finished products, 15% for intermediate goods and 0 to 5% for raw materials and capital goods.

3.2.5. Withholding Tax

The applicable withholding tax rates are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends for individuals and companies (Final Tax)</td>
<td>15%</td>
</tr>
<tr>
<td>Dividends for companies carrying on mining operations</td>
<td>0%</td>
</tr>
<tr>
<td>Interest on GRZ bonds (Final Tax for Individuals and Exempt Organizations)</td>
<td>15%</td>
</tr>
<tr>
<td>Interest for individuals (earned from bank or building societies savings and deposit accounts), (Final Tax)</td>
<td>15%</td>
</tr>
<tr>
<td>Interest on Treasury Bills for Individuals (Final Tax)</td>
<td>15%</td>
</tr>
<tr>
<td>Interest on Treasury Bills (Final Tax for Exempt Organizations)</td>
<td>15%</td>
</tr>
<tr>
<td>Other Interest</td>
<td>15%</td>
</tr>
<tr>
<td>Royalties, Management and Consultancy Fees</td>
<td>15%</td>
</tr>
<tr>
<td>Rents</td>
<td>15%</td>
</tr>
<tr>
<td>Commissions</td>
<td>15%</td>
</tr>
<tr>
<td>Public Entertainment Fees for Non Residents (Final Tax)</td>
<td>15%</td>
</tr>
<tr>
<td>Non Resident Contractors</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note: When interest is awarded by the Courts of Law it is still regarded as “Interest” and withholding tax is deductible in accordance with the appropriate rates as above. The term “Royalty” includes leasing and therefore leasing income is subject to withholding tax.

3.2.6. Royalty Tax

The applicable withholding tax rates are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining of Base Metals</td>
<td>5% of nominal value</td>
</tr>
<tr>
<td>Other Mining</td>
<td>Gemstones, 5% of nominal value</td>
</tr>
<tr>
<td>Non Mining</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

3.2.7. Other Levies and Charges

Zambia levies excise duties on certain products at rates ranging from 3 percent to 145 percent. The excise duty is collected on mineral water, cane and beet sugar and some derivatives, beverages, tobacco and some derivatives and substitutes, electricity and petroleum.

3.3. IMPORT AND EXPORT CONSIDERATIONS

Business enterprises have to be aware of the import and export procedures and other international trade considerations in the country.

a) Customs Clearance and Valuation

In order to clear goods through Customs, an importer must present the usual commercial documents such as bill of lading, airway bill and commercial invoice. The Import Declaration Form is used for statistical purposes, and no fee is required. For goods to be cleared at the border, the importer uses the Zambia Revenue Authority (ZRA) form CE 20, the standard form for entry and exit. Zambia is using the Automated System for Customs Data and Management (ASYCUDA). Customs clearance can be accomplished within hours. However, incomplete forms and other difficulties, e.g. lack of supporting documents, can result in substantial delays.

b) Tariff Structure

Zambia applies tariffs on the c.i.f. (cost, insurance and freight) basis. Customs tariffs are calculated on the basis of the dutiable value, based on the WTO Agreement on Customs Valuation. Most tariffs are ad valorem, but a few specific tariffs remain. Zambia uses the international harmonized system. Zambia’s tariff schedule is structured around four tiers: 0%, 5%, 15% and 25% rates of duty. Virtually all raw materials and most industrial or productive machinery fall within the 0 and 5 percent tariff categories, while most imported intermediate goods are subject to 15 percent, and imported final products are rated at 25 percent. Zambia’s simple average import tariff is about 14 percent.
c) Import Restrictions

Import prohibitions are maintained for environmental, health and security reasons. Import licensing is required for most agricultural products. Zambia does not currently apply trade sanctions.

d) Sanitary and Phytosanitary Regulations

Sanitary and phytosanitary regulations are applied to imports of live animals, plants and seeds. A sanitary certificate from the exporting country is required as a prerequisite to the issuance of the veterinary permit. Food imports must satisfy the provisions of the Food and Drugs Act of September 1978 which requires packaging and labeling requirement for food, and standards for maize samp, rice and bread exist.

e) Export Procedures

Exporters must complete an export declaration form (standard customs authority form ZRA CE 20, mainly for statistical purposes. An original commercial invoice and a packaging list for shipment should accompany the form CE20. An airway bill or bill of lading for transportation of exports should be obtained either from the freight forwarder or the transporter being used. Zambia has no export taxes, charges and levies. There is 10 percent export duty on all unprocessed or semi-processed mineral ores.

If there are preferences that are being claimed in the exporting market (e.g., reduced tariffs), then an appropriate stamped certificate of origin, from the ZRA is required. COMESA, SADC, EU and AGOA textiles have different certificates of origin.

If the good is a commodity covered by the Veterinary Department, a sanitary/phytosanitary certificate is needed. A phytosanitary certificate is obtained from the Mount Makulu Research Station for seeds, stems, and fruits.

A very limited number of goods require a special export permit. Gemstone exports require a permit from the Ministry of Mines; timber requires a timber verification certificate from the Forestry Department.

f) Regional Agreements

- The Common Market for East and Southern Africa
  The Common Market for East and Southern Africa ¹ (COMESA) has been operating, in one form or another, since 1981. Economic integration is envisaged to progress from the Free Trade Area (FTA) to an economic monetary union. The FTA became operational on 1st November 2000 with nine participating countries. The COMESA FTA is an agreement among members not to apply customs duties or charges on goods traded amongst themselves. The eligible goods for duty-free treatment must meet the agreed upon Rules of Origin. Members also agree to eliminate all non-tariff barriers to trade between them. The nine member countries that are implementing zero tariffs are Egypt, Sudan, Kenya, Djibouti, Malawi, Madagascar, Mauritius, Zambia and Zimbabwe.

A COMESA Certificate of Origin is required for each consignment of goods and is obtained from the Revenue Authority in respective member countries.

- The Southern Africa Development Community
  Members of the Southern African Development Community (SADC), comprising 14 countries ², signed a Trade Protocol, which calls for the implementation of a Free Trade Area. Each country has negotiated two reduced tariff schedules. One schedule is applicable only for South Africa and another schedule for all other SADC members. Zambia’s implementation of her offer, which came into effect on 30th April 2001, is provided to those countries that provide Zambia with the SADC reduced tariff schedule.

The tariff schedule applicable to SADC members, with the exception of South Africa, has three categories. Categories A are those products which go to zero-duty immediately upon implementation. The tariff for Category B products gradually goes down to zero-duty over a period of eight years, and the tariff of Category C products reaches zero-duty twelve years after implementation. Category C products are known as sensitive products, and include for Zambia meat and dairy products, tea, some flours, raw sugar, cement, textiles and clothing, and motor vehicles. A SADC Certificate of Origin is required for each consignment of goods and is obtained from the Zambia Revenue Authority.

¹ COMESA is composed of 19 members: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Swaziland, Uganda, Zambia and Zimbabwe.

² SADC member countries are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.
3.3. LABOUR CONSIDERATIONS

Zambia has abundant reserves of unemployed labour force comprising both skilled and unskilled personnel. Unemployment levels are higher in urban than rural areas. The high level of graduate turnout from the country’s high schools, colleges and universities has not matched employment generation opportunities from private and public sector investment. The availability of both skilled and unskilled labour thus exceeds available employment opportunities.

a) Work Permits For Expatriate Labour

Employers seeking to employ expatriate staff are required to apply for work permits from Immigration Headquarters. Such permits are usually issued for an initial period of one year with provision for subsequent extensions or renewals. Companies that hold an Investment Licence and invest a minimum of US$ 250,000 and employs a minimum of 200 employees shall be entitled to self-employment permit for up to five expatriate employees. The fees relating to work permits are indicated below:

<table>
<thead>
<tr>
<th>Employment/Work Permit</th>
<th>Self Employment Permit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance</td>
<td>Issuance</td>
</tr>
<tr>
<td>K2,000,000 (US$ 400)</td>
<td>K1,500,000 (US$ 300)</td>
</tr>
<tr>
<td>Renewal</td>
<td>Renewal</td>
</tr>
<tr>
<td>K2,500,000 (US$ 500)</td>
<td>K2,000,000 (US$ 400)</td>
</tr>
<tr>
<td>Replacement</td>
<td>Variation</td>
</tr>
<tr>
<td>K2,000,000 (US$ 400)</td>
<td>K2,000,000 (US$ 400)</td>
</tr>
<tr>
<td>Addition of name to permit</td>
<td>Replacement</td>
</tr>
<tr>
<td>K 500,000 (US$ 100)</td>
<td>K2,000,000 (US$ 400)</td>
</tr>
<tr>
<td>Occupation Change</td>
<td></td>
</tr>
<tr>
<td>K1,000,000 (US$ 200)</td>
<td></td>
</tr>
</tbody>
</table>

Payments for the above fees must be made by bank certified cheques and made payable to the Chief Immigration Officer. Cash payments are not acceptable.

b) Labour Relations And Regulations

The Department of Labour, which falls under the Ministry of Labour and Social Security, is responsible for formulation of labour policy. The department administers the statutes governing employer/employee relations. The major pieces of legislation relating to the labour market in Zambia include:

- The Employment Act Cap 268 - is the basic employment law and provides basic employment contractual terms such as: minimum contractual age, establishment of employment contracts, settlement of disputes arising from such contracts of employment, the appointment of Labour Officers and other staff for the administration of the Act, certain conditions of employment such as ordinary leave, sick leave, maternity, redundancy and welfare of employees.

- The Industrial and Labour Relations Act Cap 269 - The Act provides for: the conduct of industrial relations, the establishment of workers/employers organisations, their registration and administration, collective bargaining, Settlement of dispute through conciliation and arbitration by the Industrial Relations Court, established under the Act, Consultative Machinery.

The Zambia Federation of Employers (ZFE), an umbrella organisation for employers, articulates the interest of employers. ZFE is represented at the Tripartite Labour Consultative Council, a body comprising the representatives from Ministry of Labour and Social Security and the unions (through an umbrella body, the Zambia Congress of Trade Unions - ZCTU).

- The Minimum Wages and Conditions of Employment Act Cap 276 - The Act enables the Minister to determine minimum conditions of employment for categories of employees not effectively covered through collective bargaining. Such employees include general workers, drivers and clerks.

- Employment of Young Persons and Children Act Cap 274 - The Act provides protection for young persons and children in the employment relationship. It is the major law against child labour and abuse.

- Employment (Special Provisions) Act Cap 270 - This is an enabling Act and may be activated only when a state of emergency is in place. Under this Act various regulations may be promulgated with regard to labour and employment.
c) Working Conditions

There are normally two categories of employees namely the unionised and non-unionised (management) staff. Conditions of service for non-unionised employees are normally fixed by top management, while those for unionised employees are negotiated through collective bargain / agreement. The Minimum Wage and Conditions of Work Act provides for machinery for determining statutory minimum wages and other conditions of employment in industries or companies where conditions of employment are not regulated by a free collective bargaining system.

d) Basic Salaries, Wages and Allowances

Allowances, which are commonly added to the basic salary, include:

- Housing
- Transport
- Children’s medical and education
- Water, electricity, holiday travel (usually for senior management staff)

All allowances are taxable at the same rate as the basic salary.

Other common non-cash benefits may include: transport to and from work, subsidized meals in staff canteen and sporting and recreation facilities.

e) Pensions and Life Insurance

Membership of a pension scheme may be a condition of employment and most employers maintain a pension scheme for their employees with the National Pensions Scheme Authority (NAPSA). Employers may establish or join other pension schemes under the Pension Scheme Regulation Act. Insurance companies that offer pension schemes include:

- The Zambia State Insurance Corporation
- Madison Insurance
- Professional Insurance

Life insurance is normally the responsibility of individual persons.

f) Medical Coverage and Maternity Benefits

Employers are obliged, by the Minimum Wages and Conditions of Employment Act, to grant an employee full pay should illness make the employee unable to work, subject to production of a certificate from a registered physician. The maximum period for which such benefit may give is three months at full pay, followed by three months at half pay. Some employers provide health and medical coverage through membership to private clinics to which the employee and employer contribute equally. The Act also requires that maternity leave, for female employees, be paid up to 90 days provided such female employees have worked for a minimum of twenty four months with their employers.

g) Housing

The Employment Act requires employers to provide to employees one of the following:

- Housing or housing allowance in lieu thereof
- House loan or advance towards the purchase or construction of a house
- Guarantee facility for a mortgage

h) Working Hours

The normal working hours is 40 hours per week for office workers and 45 hours per week for factory workers. Office hours are normally from 08:00 hours to 17:00 hours Mondays through Fridays and 08:00 hours to 13:00 hours on Saturdays (for most companies outside the retail sector). The normal weekly hours should not exceed 48 hours under the Minimum Wages and Conditions of Employment Act.

Overtime work should be paid at the following formula:

- Saturdays, Lunch hours and after 17 hours - Basic Pay multiplied by 1.5 divided by 160
- Sundays and All Public Holidays - Basic Pay multiplied by 2.0 divided by 160
i) **Paid Holidays**

Employers are obliged, under the Minimum Wages and Employment Act, to grant paid leave of absence of not less than 24 days annually. It is, however, a normal practice for employers to provide employees with more leave days than that prescribed in the Act depending on the rank and nature of the employee's job.

j) **Special Leave**

Employers are obliged, under the Minimum Wages and Conditions of Employment Act, to grant an employee 7 days' paid leave on the death of an employee's spouse, child, mother or father. The Act also obliges the employer to provide for a funeral grant for a standard coffin, cash and mealie meal in the event of death of an employee, spouse registered child or dependant of the employee.

k) **Termination of Employment**

A contract of employment may be terminated under the Zambian law through:

- Resignation of Dismissal
- Normal retirement or medical discharge
- Expiry of contract
- Redundancy
- Frustration, such as death

An employer is obliged, under Section 26A of Statutory Instrument No. 15 of 1997, to afford an employee the opportunity to be heard prior to termination of the contract of employment if the termination is on grounds related to the employee's conduct or performance. This obligation on the part of the employer is in conformity with the International Labour Organisation Convention. The Zambian law, further, provides for the minimum benefits payable to the affected employee, and requires payment of full wages for an employee declared redundant until the redundant benefits are paid.

l) **Redundancy Benefits**

The employer is obliged to pay at least one month's notice and redundancy benefits of not less than two months' basic salary for each completed year of service.

m) **Equal Opportunities**

The Zambian law and practice prohibits discrimination on the basis of race, tribe, political opinion, colour, creed or sex.

3.4. **LAND CONSIDERATIONS**

There are two categories of Land in Zambia: These are:

- **State Land** - comprising only 6% of land in Zambia. The land is zoned into residential, commercial or industrial use by the District Councils according to their jurisdictions
- **Customary Land** - Approximately 94% of all land in Zambia is held under this system of tenure. Such land falls under the jurisdiction of the traditional Chiefs.

3.4.1. **Systems of Tenure**

There are only two types of tenure in Zambia. These are leasehold and customary tenure. Zambia has no freehold system of tenure. The leasehold tenure runs for 99 years and is renewable for further 99 years. Further renewal possible if there is no breach of the conditions in the existing agreement. Land in the customary area can be converted to leasehold – thus allowing it to be used as collateral. Under the 1995 Act, land now has a value and can be sold even without improvement on the land.

3.4.2. **Land Acquisition and Transfer**

The following are the ways in which land can be acquired and transferred in Zambia

a) **Acquisition of State Land by Non Zambians**

A non-Zambian can acquire land under following conditions;

- He / She is a permanent resident in Zambia
- He / She is an investor within the meaning of the ZDA Act or any other law permitting investment in Zambia
- In exceptional cases by Presidential consent in writing
A person registers a company under the Companies Act, with no less than 75% Zambian shareholding.

Title Deed will be issued in the name of the registered company.

Under a short term tenancy of not more than 5 years

If the person is granted concession or right – under the National Parks and Wildlife Act.

Before a land can be bought or sold ‘State Consent’ must be obtained. The consent is issued by the Commissioner of Lands on application. If consent is not granted within 45 days of filing the application, the application is deemed to be granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days.

Acquisition of land in an area designated as State Land will require consent of relevant District Council. Land, which does not fall within the jurisdiction of any council, can be alienated upon direct application to the Commissioner of Lands. He will then make a formal offer to the applicant, which will contain similar conditions to those obtaining in the offer made for an application of land situate in the Customary Area.

b) Acquisition of Customary Land

In order to acquire land in customary area one will require;

- The written consent of the area Chief
- Approval of District Council in the area
- Additional approval from the Director of National Parks and Wildlife, if the land is in a Game Management Area

These approvals once obtained should be submitted to the relevant District Council, which in turn will submit the documents to the Commissioner of Lands. The Commissioner will then make formal offer to the applicant. The letter of offer will stipulate among other conditions:

**The Consideration Fee** - This is not a fixed amount and is dependent upon locality, services provided by the state or council and other related factors;

**Survey Requirements** - This can be carried out by private or governmental Surveyor. Submission of a legal diagram or plan attached to the lease agreement is a mandatory requirement prior to issuance of Certificate of Title

**Preparation Fee** - The office of Commissioner of Lands charges fees for preparation of lease. These fees are fixed by statutory instrument, but are subject to change

**Registration Fee** - charged by the Lands and Deeds Registry before lease is registered and certificate issued

**Property Transfer Tax** – currently 2.5% of the value of land is paid to the Zambia Revenue Authority by the vendor. No tax is payable where land is acquired from the State.

Upon acceptance of the offer and payment of these charges, a 99 year lease, to transfer the title will be prepared and if the land is already surveyed the title deeds will be issued within 60 days, if not surveyed than, the process can take up to 3 months or more.

c) Purchase of Private Land

Land in private ownership can be bought and sold and title deeds issued by the Commissioner of Lands. In all instances ‘State Consent’ will have to be obtained by the vendor before title deeds can pass to the purchaser. Before a land can be bought or sold ‘State Consent’ must be obtained. The consent is issued by the Commissioner of Lands on application. If consent is not granted within 45 days of filing the application, the application is deemed to be granted. If consent is refused, the reasons for refusal must be furnished to the applicant within 30 days.

3.4.3. Lands Tribunal

The Land Act of 1995 also provides for establishment of a Lands Tribunal to speed up the resolution of land disputes. The Tribunal is headed by a person who is qualified to be a judge of the High Court. Decision of the Tribunal is subject to appeal to the Supreme Court within 30 days of the decision.

3.4.4. Lands Available for Investment

ZDA is in the process of setting up land banks for easy access to land available for investment in the priority sectors. The land banks comprise of already demarcated plots and the process of acquiring these plots is fast tracked from application for the land on behalf of the licenced investor, to approvals from the local authorities, up to the Commissioner of Lands. The following land categories are available for investment in Zambia.
a) Agricultural Land

The Government has embarked on a land development programme which involves opening up new farming blocks for commercial development and expansion of the agriculture sector. As at December 2010 the following farm blocks were identified for potential investors:

<table>
<thead>
<tr>
<th>Farm Block</th>
<th>Province</th>
<th>District</th>
<th>Size (Ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nasanga</td>
<td>Central</td>
<td>Serenje</td>
<td>155,000</td>
</tr>
<tr>
<td>Kalumwange</td>
<td>Western</td>
<td>Kaoma</td>
<td>100,000</td>
</tr>
<tr>
<td>Luena</td>
<td>Luapula</td>
<td>Kawambwa</td>
<td>100,000</td>
</tr>
<tr>
<td>Manshya</td>
<td>Northern</td>
<td>Mpika</td>
<td>147,000</td>
</tr>
<tr>
<td>Mikelenge/Luma</td>
<td>North-Western</td>
<td>Solwezi</td>
<td>100,000</td>
</tr>
<tr>
<td>Musakashi (SADA)</td>
<td>Copper-belt</td>
<td>Mfulira</td>
<td>100,000</td>
</tr>
<tr>
<td>Muku</td>
<td>Lusaka</td>
<td>Kafue</td>
<td>100,000</td>
</tr>
<tr>
<td>Simango</td>
<td>Southern</td>
<td>Livingstone</td>
<td>100,000</td>
</tr>
<tr>
<td>Mwase-Phangwe</td>
<td>Eastern</td>
<td>Lundazi</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Each farming block is designed to have at least one core large-scale farm (core venture) of 10,000 hectares, several commercial farms of 1,000 to 5,000 hectares and small farm holdings of between 30 to 3000 hectares preferably under grower arrangements. Farm blocks provide both local and international investors ready access to already surveyed land for agro productions purposes. Currently, the government has identified three priority Farms Blocks - the Nasanga, Kalumwange and Luena blocks. For these three, the government is providing and installing basic infrastructure and facilities such as trunk roads, bridges, electricity, dams, schools and health centres. Other farm blocks above will be developed in stages.

b) Industrial Land

Industrial land in the capital city Lusaka is located on the western part of the city. Every city in Zambia is zoned an industrial area where all manufacturing activities can take place. It is also where an investor wishing to set up an industry can do so. In order to expand the country’s manufacturing base and enhance national competitiveness, the Government is establishing industrial parks and will extend tax incentives under the ZDA Act to developers of, and investors in Multi-Facility Economic Zones. Two types of MFEZ are being promoted: Production MFEZs for manufacturing related businesses and Export Trade MFEZ for commercial trading, warehousing etc. to exploit export markets. In addition, developers of industrial parks will qualify for the above incentives if:

- The layout of the development plan is approved by the relevant planning authority;
- The park to be developed is at least 15 acres in size;
- The park will have paved roads; and
- Water and electricity supply within the park is provided.
CHAPTER FOUR – LIVING IN ZAMBIA

4.1. FIRST VISIT CONSIDERATIONS

The following should be taking into consideration when visiting Zambia.

a) Visa Applications

Obtaining a visa is generally straight forward, provided that all the required documentation is available. Nationals of Common Market for Eastern and Southern Africa (COMESA) and Commonwealth member countries generally do not require visa to visit Zambia. However, nationals of following Commonwealth countries do require visas: The Gambia, Ghana, India, Pakistan, Papua New Guinea, Sri Lanka and United Kingdom.

The visas may be obtained from any Zambian High Commission and Embassy overseas. It is also possible to obtain a Visa at Zambia entry points for some specified foreign country nationals (e.g. UK and the USA).

Furthermore potential investors can obtain a visa at the point of entry by requesting ZDA to make application on their behalf and must send a scanned copy of their passport showing picture and details of passport holder. It should be noted that a work permit is required before any foreign national can take up employment in Zambia.

All resident expatriates must obtain Re-Entry Permit prior to going out of Zambia. The said permit can be obtained from the immigration office on Cairo Road and will be valid for 90 days.

b) Vaccinations

- Cholera: required if passengers are coming from an infected zone.
- Yellow Fever: required only if passengers have been in an infected zone a week prior to their arrival in Zambia.
- Anti-Malarial Precaution: highly recommended that visitors take anti-malarial medication before coming to Zambia. Please contact competent medical authority in your country for appropriate advice.

4.2. BANKING

a) Banking Services

Zambia is served by a number of domestic and international banks which are playing a very positive role in economic development. A list of these banks is provided in appendix 1. The currency is the Zambian Kwacha. The highest denomination bank note is K50,000. The commercial banks operating in Zambia have a well distributed branch network, and automated teller machines (ATMs) across the country.

All major credit cards are accepted in urban areas. ATM facilities are provided by commercial banks. Visitors with VISA and VISA Electron cards draw cash from VISA ATM’s in Zambia. Traveler’s cheques (TC) and hard currency bank notes can be cashed at banks, large hotels or bureau de change. (Note: proof of purchase of TCs is prerequisite to cashing at these outlets).

b) Monetary System

Currency: Zambian Kwacha (ZMK), 100 Ngwee = 1 ZMK

Denominations: Notes: K50, K100, K500, K5000, K10000, K20000, K50000, Coins: (None in circulation)

There are no restrictions on importation of foreign currency into Zambia. The only requirement is that all cash and travellers cheques should be declared on Customs Form T2 available from customs officers at the port of entry.

The Zambian Kwacha floats freely against the major world currencies including the US Dollar, British Pound, Euro and South African Rand. There are no restrictions on foreign currency dealings (proof of travellers cheque purchase is needed) and can be changed over the counter in any bank and at the numerous Bureau de Change. ATM machines are located outside the banks as well as at the Shopping Malls.

4.3. HOUSING

Zambia is safe and friendly nation where foreigners can feel at home and go about their lives in comfort and security. Availability of suitable expatriate accommodation is good in most urban areas. Quality accommodation include a 3-bedroomed, mostly unfurnished detached house standing in its own plot, often with a swimming pool and full security provisions. Full range of furniture is available from local suppliers and it is also possible to have it made to order from quality Zambian wood at reasonable cost.
Furnished properties can be found including opportunity to rent a flat. New arrivals are recommended to contact reputable estate agents/realtors, who are listed in yellow pages as well as in a monthly publication called the Lowdown or in the daily newspapers. Typical rentals are:

- One bedroom house/apartment – USD 500 and above
- Two bedroom house/apartment – USD 1,500 and above
- Three bedroom house/apartment – USD 2,000 and above
- One house within a housing complex with security – USD 3,000 and above

4.4. HEALTH

Zambia is on a high plateau (1,280 above sea level) is a fairly healthy place to live. Tap water in homes and hotels is treated but as precautionary measure should be boiled or chlorinated before drinking. There are many good privately run clinics and hospitals in Lusaka including good dental clinics for normal health problems. Super specialist medical centres are being developed and encouraged.

4.5. EDUCATION

The education system in Zambia is comprised of Primary and Secondary Schools, and University education.

a) Primary and Secondary School

The state educational system is Zambian oriented and therefore, expatriate parents must look for private schooling for their children. There are satisfactory private infant, primary and secondary schooling available in Lusaka and other parts of Zambia.

The schools commonly used at present by the international community are:

- The International School of Lusaka (ISL)
- Baobab College
- The American International School
- The Lusaka International Community School (LICS)
- The French School

Other schools include Chengelo Secondary School in Mkushi, Simba International School in Ndola, and Muskitili Primary School in Mazabuka, which all have provisions for day scholars and boarders. Furthermore there are many nursery schools for children between 2 and a half to 6 years, which are mostly privately run and have a good reputation.

b) Universities

There are three state-run universities in Zambia, one in Lusaka, one in Kabwe (Central Province) and another in the Copperbelt town of Kitwe. In addition, there are various other tertiary level institutions including the Zambia Institute of Chartered Accountancy Studies (ZICAS) in Lusaka as well as a number of private universities.

4.6. CLOTHING

For business/office formal attire is the norm—ties and/or jackets or suits. For the rest European summer clothing is ideal. It can get very cold in the evenings around June and July, so bring warm clothing. Tracksuits are very useful when temperatures fall in the evening with shorts and tee shirts worn during the day. Temperatures can vary considerably during the rainy season. At formal functions dress tends to be casual although Evening Dress and Lounge Suit are often the norm. Women should be cautioned against wearing very short shorts. There are good tailors available who can make clothes for ladies at very reasonable cost.

Lusaka and the main urban centres are well provided with shops selling clothing, shoes of all standards and quality though it might be advisable to bring plenty of everything especially baby clothing and sports clothes and good walking shoes for trips in the bush. During rainy season raincoats and umbrellas are quite useful.

4.7. SHOPPING

The cost of living in Zambia is lower than most developed countries and though some imported goods, such as electrical or spare parts can be more expensive but are readily available in urban areas. There are a good variety of foodstuffs available from well-stocked supermarkets and mini-markets. Meat, chicken and eggs are of excellent quality, plentiful and reasonably priced. A wide variety of both local and imported fresh fruits as well as fresh vegetables are plentiful. Beers, wines and spirits are easily available. Chemists, stationers and bookshops are well stocked. There are excellent bakeries and patisseries.
4.8. LEISURE ACTIVITIES

Activities such as keep-fit, aerobic, weight training, golf, tennis, swimming training, bowls, squash, rugby, horse riding and polo are available in Zambia. It might be necessary to bring your gear. There is an Ornithological Society (bring your own binoculars), a Wildlife Society and a Music Society (need to bring your own instrument). Social life tends to revolve around the various clubs and private entertaining. Lusaka has a very good selection of restaurants. Zambia has ample opportunity for camping and the scenery is beautiful. Also there are great opportunities for fishing. Weekend breaks are possible at safari lodges outside Lusaka or Kafue National Park or Lake Kariba. The world famous Victoria Falls and the connecting gorges provide best white-water rafting in the world as well as access to highest commercial bungi-jump in the world, and also has a unique distinction to provide walking safaris.

4.9. TRAVEL AND ACCOMMODATION

Airlines - There are direct international flights into Lusaka from London, Johannesburg, Nairobi, Dar-Es-Salaam and Lilongwe as well as from the Copper-belt town of Ndola to Johannesburg. Direct international flights are also available from Johannesburg into the tourist town of Livingstone. For the businessperson who cannot fit his/her busy schedule into designated daily flights, it is possible to charter a plane from reputable companies. An Airport departure fee of US$20 for international travel and US$8 for domestic travel has to be paid prior to checking in for the flight. In most cases the fee is included in the air-ticket fare.

Car Rentals - There are a number of car rental companies, which provide luxury cars, including Four Wheel Drive vehicles, both in town and at the Airports.

Driving - Driving is on Left hand side of the road. The legal driving age is 18 years old. All foreign drivers must have an International Driving Permit.

Hotels - Zambia has hotels of international standard, which provide first class business and conference facilities. Zambia has a number of good business five and four star hotels in Lusaka, Copperbelt, Livingstone and Chipata, ranging from US$ 120 to US$300 per night. Another option is to use guest houses of lodges for short, medium or long staying guests, with or without living room and cooking facilities (ranging from US$ 70 to US$150 per night depending on the facilities).

4.10. BUSINESS HOURS

Zambians use 24-hour clock, in conversation as well as in writing (instead of the “a.m,” or “p.m.”). Normal working hours in government and private sector offices are from 8.00 – 13.00 hours and 14.00 – 17.00 hours between Monday and Friday. Banks operate from 8.15 – 14.30 hours between Monday and Friday. Most banks are closed for business at weekends except the first and last Saturdays of each month when they open from 8.15 – 11.00 hours. Supermarkets are open every day until 21.00 hours except until noon on Sunday.

Public Holidays

- 1st January New Year’s Day
- 12th March Youth Day
- Easter Good Friday
- Easter Monday
- 1st May Labour Day
- 25th May Africa Freedom Day
- First Monday in July Heroes Day
- First Tuesday in July Unity Day
- First Monday in August Farmers Day
- 24th October Independence Day
- 25th December Christmas*

*Many organizations close shortly before Christmas for “industry break” and reopen after first week in January.

4.11. GENERAL

The main electricity supply in Zambia is 220 to 240 volts AC 50 cycles. There are voltage fluctuations and occasional power cuts. Power surge or spike protectors are recommended to prevent damage. Most properties are fitted with square pin 13 amp sockets. The country uses the metric system for weights and measures. Zambia TV runs on PAL B/G on channels 10 and 20 VHF; there are four channels. However, multi-channel satellite TV is available on monthly subscription basis. There are video rental outlets and the British Council provides a video film rental service. Nearly all cater for VHS video machines. It is worthwhile to bring a good short-wave radio.

The country is 2 hours ahead of GMT. International telephone calls to and from Zambia are reliable with direct dialing (on request with special deposit) available. The international code for Zambia is +260 and the major city codes include: Lusaka +211; Ndola and Kitwe +212; Livingstone +213.
APPENDIX 1 – REQUIREMENTS FOR OBTAINING AN INVESTMENT LICENCE

Application for an Investment Licence

Anyone wishing to apply for an investment licence must submit the following documents

- Completed formal application form from the Zambia Development Agency;
- Certified copy of certificate of Incorporation/Registration;
- Certified copy of certificate of share capital;
- Certified copy of a certificate of minimum share capital;
- Certified copy of an official list of shareholders and/or directors;
- Business plan and/or feasibility study;
- Verifiable evidence of project finance;
- Brief resumes/CVs for shareholders and/or directors;
- Non-refundable application processing fee of K1,280,000;
- Licence fee of K7,670,000 (payable only upon collection of licence).

Any promoter seeking approval to establish an enterprise, under the Zambia Development Agency (ZDA) Act No. 11 of 2006, should include in their proposal, a clear and concise statement on how the enterprise, if approved is likely to contribute to the country’s economic growth and development.

The Investment Licence is valid for ten (10) years from the date of issue.

The investor may apply for renewal of the investment licence before the date of its expiry.

Investment Thresholds:

There is no limit on the amount of investment made but the Act provides for the following limits for special purposes.

- US$ 250,000 for the purpose of a Self Employment Permit (SEP) and ; or
- US$ 500,000 for the purpose of special tax incentives in a priority sector or product.
APPENDIX 2 – PROCEDURES AND REQUIREMENTS FOR OBTAINING AN MFEZ LICENCE / PERMIT

**How does a company qualify to develop an MFEZ**

- Company identifies land for the development of the MFEZ and seeks approval in principle from ZDA that area is suitable

Once approval of suitability is obtained, Company prepares a masterplan of the MFEZ

Company submits application for an **MFEZ Developer Permit** to ZDA, upon payment of K100,000 (US$ 20) Processing Fee. Application must demonstrate that the project meets the following condition:

- Investment of not less than US $ 500,000

ZDA scrutinizes the application with a multi sectoral team of local experts, in consultation with the applicant company.

The application is then submitted to the ZDA Board for approval

Once application is approved, ZDA recommends to the Ministry of Commerce to issue a Statutory Instrument for declaration of the MFEZ

**The projects that will qualify for incentives if located in the MFEZ include production of the following products in priority sectors:**

- Manufacturing
- Floricultural and Horticultural Products,
- Processed Foods,
- Beverages and Stimulants - Tea and Coffee,
- Textiles - Cotton, Cotton Yarn, Fabrics and Garments,
- Engineering Products - Copper Products, Iron Ore, Steel and Cobalt,
- Leather Products,
- ICT Products,
- Health Services,
- Education Services


**How does a company qualify to operate in an MFEZ**

Company submits application for an **MFEZ Operator Licence** to ZDA upon payment of K100,000 (US$ 20) Processing Fee, and accompanied by the following documents:

- Certified copy of Company Registration / incorporation
- Certified copy of certificate of share capital
- Certified copy of a certificate of share capital
- Certified copy of list of shareholders and/or directors
- Business plan and/or feasibility study
- Verifiable evidence of project finance
- Brief resumes / CVs for shareholders and/or directors
- Letter from MFEZ Developer welcoming the Project to be located in the MFEZ
- Clear statement on how the project, if approved will contribute to the country’s economic growth and development

The application is then submitted to the ZDA Board for approval

Company qualifies for incentives if its

- Investment is to the value of US $ 500,000 or more
- Investment is in a priority sector

Once application is approved, the ZDA Board issues applicant company with an MFEZ Licence
APPENDIX 3 – BANKS IN ZAMBIA

A. International Banks

1. Access Bank Zambia (Nigeria). Head Office contact number: 211 260 227941. Email: infor@accesszambia.com. Website: www.accesszambia.com

2. African Banking Corporation (Zimbabwe). Head Office contact numbers: 211 260 257970-78, Email: abz@africanbankingcorp.com. Website: www.africanbankingcorp.com

3. Africa Development Bank (Inter-Governmental Bank). Head Office contact number: 211 257868/9, Email: afdb@afdb.org. Website: www.afdb.org


5. Barclays Bank Zambia Limited (United Kingdom). Head Office contact numbers: 211 260 228858, 220713, 220724. Email: infor@barclays.co.zm. Website: www.barclaysbankzambia.co.zm

6. Cavmont Bank (Cameroon), Head Office contact numbers: 211 260 229508/12. Email: infor@cavmont.com.zm. Website: www.cavmont.com.zm

7. Citibank Zambia Limited (United States). Head Office contact numbers: 211 260 229025-8, Email: infor@citi.com. Website: www.citibankzambia.com

8. Eco Bank from (Togo), Head Office contact number: 211 260 367315. Email: infor@ecobank.com. Website: www.ecobank.com

9. First National Bank (South Africa). Head Office contact numbers: 211 260 366800. Email: fnb@fnbzambia.co.zm. Website: www.fnbzambia.co.zm

10. International Commercial Bank (Malaysia). Head Office numbers: 211 260 386700-2 Email: infor@icb-zambia.com

11. Intermarket Banking Corporation. Phone: 211 227519 intermakert@intermarketbank.co.zm, Website: www.intermarket.co.zm

12. Stanbic Bank Limited (South Africa), Head Office contact numbers: 211 260 227438/40 Email: stanbic@stanbic.co.zm, Website: www.stanbiczambia.co.zm

13. Standard Chartered Bank Zambia (United Kingdom). Head Office Tel: 211 260 229242, customer.first@standardchartered.comWebsite: www.standardchartered.co.zm

14. United Bank of Africa (Ghana), Head Office contact numbers: 211 260 967 889779, Email: infor@ubagroup.com. Website: www.ubagroup.com

B. Joint Ventures with Foreign Banks

1. Finance Bank - Credit Suisse of Switzerland acquired majority shares in Finance Bank previously wholly Zambian owned. Head Office contact numbers: 211 260 229733, 220176, Email: fbz@financebank.co.zm, Website: www.financebank.co.zm

2. Indo-Zambia Bank Limited a bank which is jointly owned by the Zambian Government and three banks from India (Bank of Baroda, Bank of India and Central Bank of India). Head Office contact numbers: 211 260 224653/225080 Email: izb@izb.co.zm, Website: www.izb.co.zm

3. Zambia National Commercial - Bank Rabobank of the Netherlands acquired majority shares in Zambia National Commercial Bank Plc (ZANACO) formerly was state owned. Head Office contact numbers: 11 260 221358, 221360, Email: zanaco@zanaco.co.zm. Website: www.zanaco.co.zm

C. Indigenous Banks

1. Development Bank of Zambia. Head Office numbers: 211 260 228576, 228581, Email: dbzmail@dbz.co.zm, Website: www.dbz.co.zm

2. Investrust Bank. Telephone: 211 260 294682 / 294685 Email: investtrust@investbank.co.zm, Website: www.investtrust.co.zm
APPENDIX 4 – ZAMBIAN EMBASSIES AND MISSIONS ABROAD

1. **Angola**
   Embassy of the Republic of Zambia
   Rua Rei Katayala No.106/108, MACULUSSO, P.O. BOX 1406, LUANDA
   Tel 00244-222-447491, fax: 00244-444-441-763
   Email:zabiaembassy@snet.co.ao
   and
   Consulate General of the Republic of Zambia, 41 Rua Command ante Ernesto Velhina, LUENA
   Tel:00244-284-260090, fax: 00244-284-260087, Email: zamcgluena@hotmail.com,zambiaconsulate@znet.co.ao

2. **Belgium**
   Embassy of the Republic of Zambia.
   469 Avenue Moliere, 1,050 BRUSSELS,
   Tel: 003223435649, Fax: 00323474333
   Email:zambia_brussels@bruteele.be

3. **Botswana**
   High Commission of the Republic of Zambia, Plot 1120, Queen’s Rd, the Main Mall, P.O Box 362, GABORONE.
   Tel: 002673951951, Fax0026739539552
   Email:zahico@work.co.bw

4. **Brazil**
   Embassy of the Republic of Zambia HIS QL 10 CONJ 06 CASA 10, LOGO SUL-BRASILIA-DF
   CEP; 71630065, Tel: 0055-3248-3277 Tel/fax: 00-55-61-3248-3494
   Email:zambiansbrasil@embaixadzambiaorg.br

5. **Canada**
   High Commission of the Republic of Zambia, 151 Slater Street, Suite 205, Ottawa, ONTARIO K1P 5H3,
   Tel: 001-613, 2324400 Fax: 16132324410, Email: zhc.ottawa@bellnet.ca
   WWW.zambiarighcommission.ca

6. **China**
   Embassy of the Republic of Zambia
   5 Dong si jie san lit un, BELUIN, 100600
   Tel: 008610-65321554/65321778, fax: 008610-65321981,
   Email:diplomat@zambiaembassy.cn

7. **DR Congo**
   Embassy of the Republic of Zambia,
   54-58, Avenue de L'Ecole, BP1144, Gombe
   KINSHASA, Tel: 00243-819999437, Fax: 00243-813016644, Email:zamkins@ic.cd
   and
   Consulate General of the Republic of Zambia.
   Corner Ruwe/Lufira, Commune Lubumbashi
   BP 596, LUBUMBASHI, Tel/fax: 002432342264
   Email zamcongen@lub.jobantech,cd
   PO Box 10958,
   CHINGOLA, ZAMBIA.

8. **Egypt**
   Embassy of the Republic of Zambia.
   17, Iran Street Dokki,
   CAIRO
   Tel: 0020237610281/2/3 fax: 37610833
   Email:zamcai@tedata.net.eg

9. **Ethiopia**
   Embassy of the Republic of Zambia
   Higher 23, Kebele 12, Old Airport
   P.O. BOX 1909, ADDIS ABABA
   Tel: 00-251-113711302, Fax: 00-251-113-711566.

10. **Nigeria**
    High Commission of the Republic of Zambia, Plot 351 Mission Road, Central District area, Garki
    ABUJA, Tel: 0023492347060 fax: 4618602/4618604
    Email:info@zambiansabija.com

11. **France**
    Embassy of the Republic of Zambia
    18, Avenue de Tourville, 75007 PARIS
    Tel: 0033156881270, fax: 00331568880350
    Email:zambiansparis@wanadoo.fr

12. **Germany**
    Embassy of the Republic of Zambia.
    Axel-Springer Strasse 54A, 10117, BERLIN
    Tel: 0049302062940, fax: 00493020629419
    Email: info@zambiaembassy.de
    WWW.sambiabotschaft.de

13. **Ghana**
    High Commission of the Republic of Zambia, 4 Cedar Court,Augustino Neto Road, Airport Residential ACCRA
    Tel:00233-21-764705
    Zamaccra@4u.com.gh

14. **India**
    High Commission of the Republic of Zambia, D5/4, Vasant Vihar, NEW DEHLI 110057,
    Tel: 009111-26145883/26145764 fax: 26145764,
    Email:zambiant@sinf.com

15. **Italy**
    Embassy of the Republic of Zambia
    Via Ennio Quirino, Visconti 8,00193, ROME
    Tel: 0039-0696006903/ 0636002590/0636088824
    Telefax: 0039-06-97613035
    Email:info@zambiaembassy.it

16. **Japan**
    Embassy of the Republic of Zambia
    1-1-02, Ebara, Shinagawa-Ku
    TOKYO 142-0063
    Tel: 0081334910121/2 fax: 813349101123
    Email:emb@zambia.or.jp
    Web: www.zambia.or.jp
17. **Kenya**
High Commission of the Republic of Zambia, Nyerere Road (Opposite Uhuru Park)
P.O. BOX 48741
NAIROBI
Tel: 0025420-2724796/99/2724850
Fax: 00254-202710664/2718494
Email:zambiacom@swiftkenya.com

18. **Libya**
Embassy of the Republic of Zambia
El Madina El Siyahiya, Gergaresh
P.O. BOX 91860, Dhat El Emad
TRIPOLI
Tel: 002184842757 fax: 00218214839950
zemtripoli@gmail.com zet_libya@lttnet.net

19. **Malawi**
High Commission of the Republic of Zambia, Area 40/2, P.O. BOX 30138
LILONGWE 3, Tel: 0026501773590/635 fax: 0026501773880
Email:zambiahighcom@sdnp.org.mw

20. **Malaysia**
High Commission of the Republic of Zambia, Suit 5 C, Menara mb7, Level 5, Jalan Sultan Ismail, KUALA LUMPUR-50250
Tel: 0060321453616, fax: 0060321453619
Email:edwardmuteto@hotmail.com

21. **Mozambique**
High Commission of the Republic of Zambia, Avenida Kenneth Kaunda 1286, PoBox 4655, MAPUTO
Tel: 00258012492452, fax: 00258021491893
Email:zhcmmap@tv cabo.co.mz

22. **Namibia**- High Commission of the Republic of Zambia, 22 Sam Nujoma Drive
Corner of Mandume Ndumufayo Road
P.O. BOX 22882
WINDHOEK
Tel: 00264613276/1 Fax: 0026461228162
Email:zahico@way.na

23. **Russia**
Embassy of the Republic of Zambia
Prospect Mira 52A
MOSCOW
Tel: 0074956885001/6885092
6810752/6885083
Email: zambiansmoscow@yahoo.com

24. **South Africa**
High Commission of the Republic of Zambia
570 Ziervogel Street (off Hamilton Street)
Arcadia P.O. BOX 12234
PRETORIA
Tel: 0027123261847/3261854 Fax: 3262140
Email:hc@zambia pretoria.net

25. **Switzerland**
Embassy of the Republic of Zambia
Gardsvagen 18 3rd Floor
P.O. BOX 3056 SE-16903
SOLNA
Tel: 004686799040, Fax: 6796850
Email:kate@zambiaembassy.se, www.zambiaembassy.se

26. **Tanzania**
High Commission of the Republic of Zambia
Plots 5 & 8 OHIO/SOKOINE Drive, P.O Box 2525, DAR- ES-SALAAM, Tel: 255222112377, Tel/Fax: 00255222125529, Cell: 002557544
Email:info@zhcdar.or.tz

27. **United Kingdom**
High Commission of the Republic of Zambia
Zambia House, 2 Palace Gate, LONDON W8 5NG
Tel: 00442075896655, 0044207 5812142, Fax: 00442075811353,
immzhcl@btconnect.com, zhcl@connect.zm, www.zhcl.org.uk

28. **United States of America**
Permanent Mission of the Republic of Zambia to the United Nations
237 East 52nd street, NEW YORK NY 10022
Tel: 001212888-5213, Fax: 212888-5213
Email: zambia@aoi.com

29. **Zimbabwe**
Embassy of the Republic of Zambia
48 Kwame Nkrumah Road
Zambia House
HARARE

30. **Zimbabwe**
Embassy of the Republic of Zambia
48 Kwame Nkrumah Road
Zambia House
HARARE
## APPENDIX 5 – FOREIGN EMBASSIES AND MISSIONS IN ZAMBIA

1. **Angola Embassy**  
   Plot No. 6660, Mumana Road,  
P.O Box 31595  
**LUSAKA**  
Tel: +260-211-266422/291142

2. **Botswana High Commission**  
   Plot No. 5201, Pandit Nehru Road  
P.O Box 31910  
**LUSAKA**  
Tel: +260-211-250555/250019

3. **British High Commission**  
   Plot No. 6408, Diplomatic Triangle,  
P.O Box 50050  
**LUSAKA**  
Tel: +260-211-251133/251923/423200

4. **Canadian High Commission**  
   Plot No. 5199, United Nations Avenue  
P.O Box 31313  
**LUSAKA**  
Tel: +260-211-250833

5. **Chinese Embassy**  
   United Nations Avenue  
P.O Box 31313  
**LUSAKA**  
Tel: +260-211-253687

6. **Consulate General of Senegal**  
   Anglo-American Building, 2nd floor,  
P.O Box 50521, Ridgeway  
**LUSAKA**  
Tel: +260-211-257066

7. **Danish Embassy**  
   Plot No. 5219, Independence Avenue  
P.O Box 50299  
**LUSAKA**  
Tel: +260-211-254277

8. **Embassy of Brazil**  
   Manenekele Road, Woodlands  
P.O Box 33737  
**LUSAKA**  
Tel: +260-211-252171

9. **Embassy of Cuba**  
   Plot No. 5574, Magoye Road, Kalundu  
P.O Box 33132,  
**LUSAKA**  
Tel: +260-211-291308

10. **Embassy of the D.R Congo**  
    Plot No. 1124, Parirennyatwa Road, Fairview  
P.O Box 31287  
**LUSAKA**  
Tel: +260-211-2356790407/8

11. **Embassy of Finland**  
    Haile Selassie Avenue  
    House, P.O Box 50819  
    **LUSAKA**  
    Tel:+260-211-251988

12. **Embassy of France**  
    Plot No. 74, (Anglo American Building) Independence Avenue, P.O Box 30062,  
    **LUSAKA**  
    Tel:+260-211-251322

13. **Embassy of Japan**  
    Plot No. 5218 Haile Selassie Avenue,  
P.O Box 34190, **LUSAKA**  
    Tel:+260-211-251555

14. **Embassy of Ireland**  
    Plot No. 6663, Katima Mulilo Road, Olympia Extension, P.O Box 34923  
    **LUSAKA**  
    Tel:+260-211-291298/291234

15. **Embassy of Italy**  
    Embassy Park, Diplomatic Triangle,  
P.O Box 50497  
    **LUSAKA**  
    Tel: +260-211-250755/250781

16. **Embassy of the Republic of Somalia**  
    Plot No. 377A Kabulonga Road,  
P.O Box 34051  
    **LUSAKA**. Tel:+260-211-263944/263944

17. **Embassy of Russia**  
    Plot No. 6407, Diplomatic Triangle,  
P.O Box 32355,  
    **LUSAKA**.  
    Tel:+260-211-252120/252183

18. **Egyptian Embassy**  
    UN Avenue, Corner of UN and Pandit Nehru Road,  
P.O Box 32428,  
    **LUSAKA**.  
    Tel: +260-211-253177

19. **European Union**  
    Plot No. 4899, Los Angeles Boulevard  
P.O Box 34871,  
    **LUSAKA**.  
    Tel:+260-211-250711/251140/25

20. **Germany Embassy**  
    Plot No. 5209, UN Avenue,  
P.O Box 50120,  
    **LUSAKA**.  
    Tel:+260-211-250644

21. **Ghana High Commission**  
    Plot No. 28 Bwinjimfumu Road Rhodespark, P/B RW 50515, **LUSAKA**  
    Tel:+260-211-238127/238128
22. India High Commission
   Plot No. 1, Pandit Nehru Road
   P.O Box 32111
   LUSAKA
   Tel: +260-211-253159/60

23. Libyan Embassy
   Plot No. 4900, Los Angeles Boulevard
   P.O Box 35319, Longacres
   LUSAKA.
   Tel: +260-211-253055/255388

24. Malawi High Commission
   Plot No. 32, Bishops Road, Kabulonga
   P.O Box 50425,
   LUSAKA.
   Tel: +260-211-265768

25. Mozambique High Commission
   Plot No. 9592, Tacho Road, Northmead,
   P.O Box 34877
   LUSAKA
   Tel: +260-211-220339/220333

26. Namibia High Commission
   Plot No. 30B, Mutilende Road, Woodlands
   P.O Box 30377
   LUSAKA
   Tel: +260-211-260407/8

27. Nigerian High Commission
   Plot No. 5203 Haile Selassie Avenue,
   P.O Box 32598, Long acres,
   LUSAKA.
   Tel: +260-211-253177

28. Royal Netherlands Embassy
   Plot No. 5208, UN Avenue,
   P.O Box 31905,
   LUSAKA.
   Tel: +260-211-253819/253994

29. Royal Norwegian Embassy
   Plot No. 245/61, Corner of Birdcage walk, Haile
   Selassie Avenue, P.O Box 34570,
   LUSAKA.
   Tel: +260-211-252188/252625

30. Swedish Embassy
    Haile Selassie Avenue
    P.O. Box 50264,
    LUSAKA.
    Tel: +260-211-251249

31. Sudan Embassy
    Plot No. 31, Longacres, Corner of Speakers lane and
    Ngumbo road, off Nyerere Road,
    P/B 179x, Ridgeway,
    LUSAKA. Tel: +260-211-252116

32. South African High Commission
    Plot No. 26D Chika Road, Kabulonga,
    P/B W369,
    LUSAKA.
    Tel: +260-211-260999

33. South Korean Consulate
    4th Floor, Mukuba Pension House,
    Dedan Kimathi, Opposite Intercity Bus Terminus, P.O
    Box 3134,
    LUSAKA, Tel: +260-211-236520

34. Tanzanian High Commission
    Plot No. 5200, UN Avenue
    P.O Box 31219
    LUSAKA.
    Tel: +260-211-253323

35. Vatican Embassy
    Plot No. 283, Los Angeles Boulevard,
    P.O Box 31445,
    LUSAKA.
    Tel: +260-1-250786

36. United States Embassy
    Independence Avenue (corner of UN Ave)
    P.O Box 31617
    LUSAKA
    Tel: +260-211-250955

37. Zimbabwean Embassy
    Plot No. 11058, Longacres, Haile Selassie Avenue,
    P.O Box 33491
    LUSAKA
    Tel: +260-211-254018
**APPENDIX 6 – KEY GOVERNMENT AGENCIES AND BUSINESS ASSOCIATIONS**

### Government Agencies

1. **Bank of Zambia**
   - P.O. Box 30008, Lusaka
   - Phone: +260 211 228888/228903-20
   - Fax No: +260-211-221767
   - Email: pr@boz.zm

2. **Environmental Council of Zambia**
   - P.O. Box 35131, Lusaka
   - Tel: +260 211 254130/1
   - Fax: +260 211 254164
   - Email: ecz@necz.org.zm
   - Website: www.necz.org.zm

3. **Immigration Office**
   - P.O. Box 50300, Lusaka
   - Tel: +260 211 252650
   - Fax: +260 211 252008/254393

4. **Lusaka Stock Exchange**
   - P.O. Box 34523 Lusaka
   - Tel: +260 211 228537/228391
   - Fax: +260 211 225969
   - Email: luse@zamnet.zm

5. **Ministry of Commerce, Trade and Industry**
   - P.O. Box 31968, Lusaka
   - Phone: +260 211 228301-9
   - Fax: +260 211 226984
   - Email: mcti@gov.co.zm
   - Website: www.mcti.gov.co.zm

6. **Patents and Companies Registration Agency**
   - P.O. Box 32020, Lusaka
   - Tel: +260 211 2255127/255127
   - Fax: +260 211 255426
   - Email: pacro@zamnet.zm
   - Website: http://www.pacro.org.zm

7. **Zambia Development Agency**
   - P.O. Box 30819 Lusaka
   - Tel: +260 211 2220177/223859
   - Fax: +260 211 225270
   - Email: zda@zda.org.zm
   - Website: www.zda.org.zm

8. **Zambia National Tourist Board**
   - P.O. Box 30017 Lusaka
   - Tel: +260 211 222714, Fax: +260 211 225174
   - Email: znntb@zamnet.zm
   - Website: www.zambiatourism.com

9. **Zambia Revenue Authority**
   - P.O. Box 35710, Lusaka
   - Tel: +260 211 228888/228903-20
   - Fax No: +260 211 221767
   - Email: advice@zra.org.zm
   - Website: www.zra.org.zm

### Business associations

1. **Zambia Association of Chambers of Commerce & Industry**
   - P.O. Box 30844, Lusaka
   - Tel: +260 211 2252369, Fax: +260 211 252483
   - E-mail: zacci@zamnet.zm

2. **Zambia Association of Manufacturers**
   - P.O. Box 31992, Lusaka
   - Tel: +260 211 229364/222709
   - Fax: +260 211 229371
   - E-mail: shyams@zamnet.zm

3. **Zambia Business Forum**
   - Plot 4 United Nations Ave. Long Acres, P.O. Box 37202, Fax: +260 211 257167
   - Lusaka

4. **Zambia Export Growers Association**
   - P.O. Box 31705, Lusaka
   - Tel: +260 211 221895, Fax: +260 211 221895
   - E-mail: zega@zamnet.zm

5. **Zambia Federation of Employers**
   - P.O. Box 31941, Lusaka
   - Phone: +260 211 295541/82
   - Fax: +260 211 295582
   - Email: zfe@zamnet.zm

6. **Zambia National Farmers Union**
   - P.O. Box 30395 Lusaka
   - Tel: +260 211 223222, Fax: +260 211 222736
   - E-mail: znfu@zamnet.zm