

TAX ADMINISTRATION FRAMEWORK - PROPOSED BILL
CSPR'S PROPOSED COMMENTS.

Subject Matter	Proposed Legislation	CSPR's Comment
Taxpayer Rights and Obligations	The Bill seeks to codify taxpayer rights and obligations by formally incorporating the Taxpayer Service Charter into law, including rights to privacy, confidentiality, access to information, fair treatment, and timely service, as well as obligations relating to accurate reporting, timely filing, payment of taxes, and cooperation with the Authority.	<ul style="list-style-type: none"> • CSPR notes that codifying the Taxpayer Service Charter into primary legislation will enhance legal certainty, administrative consistency, and taxpayer confidence in the tax system. Formal recognition of taxpayer rights and obligations is expected to strengthen voluntary compliance and align Zambia's tax administration framework with international good practice. This is particularly important given that Zambia's tax-to-GDP ratio stood at approximately 16.7 percent in 2023, underscoring the need to expand domestic revenue mobilisation through improved compliance rather than increased tax rates. Effective implementation will require clearly defined service standards, operational guidelines, and accessible redress mechanisms to ensure enforceability across all taxpayer segments
Taxpayer Rights, Obligations and Tax Representatives	This Part articulates the rights taxpayers should enjoy, including privacy, right to a refund, confidentiality, access to information, fair treatment, and timely service. It also clarifies taxpayer obligations such as accurate reporting, timely filing, payment of taxes, and cooperation during audits. In addition, it describes the roles, responsibilities,	<ul style="list-style-type: none"> • CSPR welcomes the proposal to codify taxpayer rights and obligations into primary legislation, as this will enhance legal certainty, transparency, and consistency in tax administration. Formalising these rights, which currently rely largely on an administrative charter, is expected to strengthen taxpayer confidence and voluntary compliance. However, effective implementation will require clear service standards, enforceable timelines, and accessible redress mechanisms to ensure that taxpayer rights are realised in

	and liabilities of individuals or entities appointed to act on behalf of taxpayers, and provides for the future regulation, registration, or licensing of tax practitioners.	practice. With respect to tax representatives, CSPR supports the establishment of a clear legal framework governing their appointment, responsibilities, and liabilities, as well as the regulation of tax practitioners to enhance professionalism and accountability. CSPR emphasises the need for clear delineation of responsibilities between taxpayers and their representatives to avoid unintended liability risks, and recommends that any licensing or accreditation framework be transparent, proportionate, and accessible, particularly for small businesses and individual taxpayers.
Tax Returns and Declarations	The Bill establishes a harmonised framework for filing tax returns, providing declarations, and submitting third-party information, including filing timelines, formats, amendment rules, and provisions for early submission.	<ul style="list-style-type: none"> • CSPR supports the consolidation of return and declaration provisions into a unified legislative framework, as this will reduce fragmentation across tax laws and improve administrative efficiency. Harmonised filing timelines, standardised formats, and digital integration are expected to strengthen compliance management. However, despite growth in the registered taxpayer base, only about 18.4 percent of registered taxpayers contributed revenue in 2023, highlighting significant compliance gaps. Discretionary powers to require early submission of returns should therefore be clearly defined, risk-based, and subject to procedural safeguards to avoid disproportionate compliance burdens, particularly for small and emerging taxpayers.
Assessments	The Bill provides for self-assessments, estimated assessments, amended	<ul style="list-style-type: none"> • CSPR acknowledges the importance of a harmonised assessment framework in enhancing predictability, transparency, and consistency in

	assessments, and statutory time limits, including extended periods for transfer pricing and fraud cases.	tax administration. While self-assessment remains appropriate, estimated assessments should be guided by transparent criteria and supported by timely communication explaining their basis. Although statutory time limits provide certainty, effective implementation will depend on strengthened data systems and internal controls, particularly in a context where return filing compliance is estimated at around 49 percent, with on-time payment compliance at approximately 70 percent, contributing to disputes and revenue leakage.
Objections and Appeals	The Bill establishes structured objection and appeal procedures, including appeals to the Tax Appeals Tribunal and the Supreme Court on points of law.	<ul style="list-style-type: none"> • CSPR welcomes the establishment of a clear and predictable dispute resolution framework as a safeguard for administrative fairness and accountability. Defined objection procedures, internal review mechanisms, and appeal timelines are expected to reduce uncertainty and prolonged disputes. However, given that the burden of proof rests with the taxpayer, CSPR emphasises the need for clear and reasoned communication of decisions, timely access to documentation, and strengthened alternative dispute resolution mechanisms to reduce compliance costs and litigation risks
Recovery of Tax	The Bill harmonises provisions recognising unpaid tax as a debt due to the State and outlines recovery mechanisms including payment arrangements, liens, garnishments, interest, penalties, and refund offsets	<ul style="list-style-type: none"> • CSPR supports the harmonisation of provisions recognising unpaid tax as a debt due to the State to ensure consistency across tax legislation. While effective recovery mechanisms are necessary to protect public revenue particularly in a context where domestic revenue collections increased from approximately K58.7 billion in 2020 to over K100 billion in recent years,

		<p>enforcement actions should be proportionate, transparent, and applied using a risk-based approach. Structured payment arrangements and time-to-pay agreements are critical to supporting compliance while safeguarding business continuity and economic activity. Garnishing should only be applicable where there is total failure for mutually agreed compliance measures and dispute resolution.</p>
<p>Record Keeping and Information Requests</p>	<p>The Bill provides a harmonised framework for record-keeping obligations, retention periods, information requests, translation of foreign documents, and confidentiality obligations</p>	<ul style="list-style-type: none"> • CSPR notes that consolidating record-keeping and information request obligations will enhance clarity, consistency, and compliance. Clearly defined retention periods, translation requirements, and confidentiality obligations will strengthen administrative certainty and support data-driven compliance management. This approach aligns with Government’s ongoing tax digitalisation agenda. However, effective implementation will require practical guidance and proportionate application, particularly for small-scale and emerging taxpayers, to avoid unintended compliance barriers.
<p>Collection Tools, Enforcement, Interest, Penalties, and Refunds</p>	<p>The Bill sets out enforcement tools including payment plans, charges on property, director and shareholder liability, early payment demands, penalties, interest, and refund offset</p>	<ul style="list-style-type: none"> • CSPR recognises the need for robust collection and enforcement tools to support domestic revenue mobilisation and fiscal sustainability. However, these measures should operate within a transparent governance framework that ensures proportionality, due process, and accountability. Interest and penalty regimes should be calibrated to incentivise compliance rather than impose punitive outcomes, especially given existing compliance gaps. Refund offset mechanisms must be administered transparently

		to maintain taxpayer confidence and system credibility
<p>Tax Audits and Investigations</p>	<p>The current rules for conducting audits and investigations are in a rudimentary form across various tax laws. The proposed bill will set out clear rules, scope, powers of officers, and notice requirements for audits and investigations.</p>	<ul style="list-style-type: none"> • While the bill aims to set out rules for audits and investigations in the current framework which is being described as rudimentary. From an advocacy standpoint, a weakness could be if the proposed rules do not sufficiently strengthen taxpayer protections during audits, such as clear rights to legal representation, limits on the scope of investigations, or robust mechanisms for challenging audit findings without undue burden. The bill mentions procedural safeguards and taxpayer rights during audits, but how do we ensure the level of detail and enforceability of these safeguards? • The proposal outlines various powers for ZRA, including the ability to freeze assets for up to 120 days during an investigation if fraud or non-payment is suspected. While necessary for enforcement, a weakness could be the potential for abuse or disproportionate impact on taxpayers if these powers lack sufficient checks and balances, independent oversight, or immediate recourse for affected individuals. How does the law ensure that taxpayers are protected against arbitrary application of such powers? ZRA has been granted too much power without outlining how taxpayers can protect themselves in this regard. • The bill allows for the publication of names of persons convicted of tax offences. While this promotes transparency and deterrence, a potential weakness could be if the criteria for

		<p>publication are not clearly defined, if there's no provision for appeal before publication, or if it disproportionately affects individuals or small businesses, potentially leading to reputational damage even for minor infractions. How does the bill ensure a balanced approach that protects privacy while ensuring accountability?</p>
Voluntary Disclosure	<p>A significant gap identified is the complete absence of a framework for voluntary disclosure in any existing Tax Act. The proposed bill introduces a mechanism for taxpayers to voluntarily disclose previously undeclared tax liabilities in exchange for relief from penalties or prosecution, with specified eligibility, conditions, timelines, and safeguards.</p>	<ul style="list-style-type: none"> • A potential weakness could be if the conditions for eligibility are too restrictive or if the definition of "already started an audit or investigation" is ambiguous, inadvertently discouraging disclosures from those who genuinely wish to rectify past non-compliance but fear existing penalties or find the process too complex. The proposed legislation should ensure a clear, accessible criteria that maximize participation and promote compliance. • While relief from penalties and interest is offered, the scope of relief is not clearly defined or if it doesn't adequately incentivize disclosure for all types of taxpayers. For instance, the bill states the Commissioner-General (CG) may grant relief, which implies discretion. It gives room to argue for clearer guidelines or a more automatic relief mechanism to ensure fairness and predictability.
Advance Rulings	<p>The current framework for advance rulings exists only in the Customs and Excise Act, necessitating harmonization across all tax laws. The bill aims to establish a process for taxpayers to request binding guidance from the Authority on the</p>	<ul style="list-style-type: none"> • A binding, transparent rulings framework is crucial to attract substantial investment and lower tax-related uncertainty. The proposal is thorough. To function well, it should include an efficient application process with defined response times and fair fees. Anonymized rulings should be published to build a public resource of guidance.

	tax implications of proposed transactions.	
Forms, Notices, and Practice Notes	The legal basis for forms, notices, and practice notes is fragmented across various tax laws. The proposed bill will define the issuance, amendment, and withdrawal of official forms, notices, and ensure predictability and uniformity.	<ul style="list-style-type: none"> • While the proposed legislation provides flexibility, a weakness could be if taxpayers are expected to adhere to interpretations outlined in practice notes without them having legal force, creating an imbalance in expectations and compliance requirements. Hence, there is a need for a clearer legal standing or more formal consultation processes for practice notes that significantly impact taxpayer obligations.
Tax Clearance Certificates	The requirements, processes, validity conditions, and criteria for Tax Clearance Certificates (TCCs) are fragmented in various tax laws. The new bill seeks to harmonize these provisions.	<ul style="list-style-type: none"> • TCCs are essential proof of compliance. However, they should not be required for routine business operations unrelated to tax delinquency (e.g., routine license renewals for compliant firms), as this creates unnecessary bureaucracy and rent-seeking opportunities. The process for obtaining a TCC must be swift and fully automated for compliant taxpayers
Offences and Penalties	Offences and penalties related to non-compliance are fragmented across various tax laws. The bill aims to harmonize these provisions and create a clear range of specific offences and their corresponding penalties.	<ul style="list-style-type: none"> • A potential weakness could be if the penalties are disproportionately harsh for minor infractions or if there is insufficient discretion for tax officers to consider individual circumstances, particularly for taxpayers facing genuine hardship. While CSPR appreciates how the bill lists a range of specific offences and penalties, there is need for the bill to also clearly ensure that penalties are fair, proportionate, and applied equitably, with clear guidelines to prevent arbitrary enforcement, especially concerning general non-compliance or minor administrative errors.

Miscellaneous Provisions	<ul style="list-style-type: none"> • Whistle-blower Protection: The bill protects the identity and provides rewards for individuals who report non-compliance. • Electronic Transactions and Presumption of Authorized Use: The bill includes provisions for electronic transactions and presumes that actions taken through a taxpayer's electronic tax account were authorized by the taxpayer. 	<ul style="list-style-type: none"> • No comment on whistle blowing • While promoting digitalization, a significant weakness from a citizen advocacy perspective could be the lack of explicit safeguards against fraud, identity theft, or unauthorized access to electronic accounts. How does the proposed amendment harmonize provisions in the Cybersecurity Act? The bill should ensure robust cybersecurity measures, clear protocols for reporting and resolving unauthorized transactions, and mechanisms to protect taxpayers from liability in such cases.
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In conclusion, while the proposed Tax Administration Bill addresses many existing gaps and represents a significant step towards modernising Zambia's tax framework, CSPR identifies areas where stronger citizen protections, clearer definitions, improved accessibility, and more balanced administrative powers are required. The Bill constitutes a critical structural reform aimed at establishing a more coherent, efficient, and predictable tax administration system. However, its success will depend on the clarity of subsidiary legislation, institutional capacity, effective risk management, and sustained taxpayer engagement. CSPR emphasises that implementation must ensure the legislation genuinely serves all citizens particularly vulnerable groups by promoting fairness, transparency, user-friendliness, and long-term voluntary compliance while supporting inclusive economic participation and sustainable domestic revenue mobilisation.