

Zambia's new mining fiscal regime boosts revenue

Zambia's new mining fiscal regime, which came into effect on April 1 this year, is said to have bolstered the country's revenue.

 By [Gregory Gondwe](#) 15 Aug 2008

Zambia Revenue Authority (ZRA) commissioner general, Chriticles Mwansa told the Zambian media at the ZRA second quarter media briefing in Lusaka yesterday that it has been able to collect K255,6bn in mining taxes in July under the new mining fiscal regime.

"Since the new mining fiscal regime came into effect on April 1, the first returns for mineral royalty were due in May," he said.

Mwansa said of the total amount collected, K109,5bn accounted for windfall tax, K105,1bn for company income tax and K41,0bn from mineral royalty tax.

"All the mining companies complied with the new tax regime and paid mineral royalty at 3.0%," said the commissioner who added that the total amount paid under the mineral royalty tax in the second quarter stood at K70,54bn.

Of the total mineral royalty tax, K6,39bn in April, while K29,67bn and K34,48bn was collected in May and June respectively.

"Mineral royalty paid so far in the last two months under the new mining fiscal regime averaged K25,75 bn per month, compared to K5,2bn per month that the mines used to contribute to the treasury previously," said Mwansa. He added that ZRA also collected K3,179,9bn in gross taxes while refunds stood at K777,9bn representing 24,5% of gross taxes.

"After refunds totaling K777,9bn, the net tax take stood at K2,402bn against a target of K2,153,1bn, registering a surplus of K248,8bn or 11,6% above target," he said.

He said the surplus is attributed to higher tax revenue collection recorded largely under company tax, Pay As You Earn (PAYE), withholding tax, mineral royalty, excise duty and trade taxes.

ZRA had embarked on targeted anti-smuggling operations in Eastern Province to curb smuggling of unfortified sugar into Chipata and other districts in the province. He said the operations involved day and night patrols along the border, warehouse searches and mounting of roadblocks on the Great East Road to check on any smuggled goods.

ABOUT GREGORY GONDWE

Gregory Gondwe is a Malawian journalist who started writing in 1993. He is also a media consultant assisting several international journalists pursuing assignments in Malawi. He holds Diploma and an Intermediate Certificate in Journalism among other media-related certificates. He can be contacted on gregorygondwe@gmail.com. Follow him on Twitter at [@Kalipochi](#). View my profile and articles...