



Tax Alert

Enhancement to the PAYE return: mandatory requirement for employees' Taxpayer Identification Number

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The Zambia Revenue Authority ("ZRA") has introduced a new requirement for all monthly PAYE returns to include Taxpayer Identification Numbers ("TPINS") for all employees. We provide further details below.

What you should know

- First PAYE return under the new requirement will be the October 2022 return which is due for filing by 10 November 2022
- Actions for employers to take, if not already taken:
 - Ensure all employees have valid TPIN;
 - Ensure these are included in the PAYE returns each month; and
 - Institute controls to validate the TPINS and have on record such information at the point of onboarding employees.

Background

From a Public Notice issued by ZRA, employers are expected to comply with the mandatory requirement to indicate their employees' TPINS when submitting Pay As You Earn ("PAYE") returns.

The ZRA has set 10 November 2022 as the deadline for the implementation of this new directive.

Therefore, the October 2022 PAYE return should include all the employees' TPINS failure to which employers may not be able to

submit the PAYE returns. This, in turn, may result in penalties for non-submission.

Non-compliance penalties

Assuming the ZRA's Tax Online system does not allow employers to submit the PAYE returns without the employee TPINs, then ZRA may levy penalties under Section 46 of the Income Tax Act 1966, as amended ("ITA").

Late filing of PAYE returns attracts a penalty of ZMW 600 for every month or part of the month that a return remains outstanding.

As such, it is important that all employers start considering the implications of this requirement at the earliest opportunity to ensure that they are compliant by 10 November 2022.

Our Assistance

The People and Organisations Business Unit of the Tax Line of Service at PwC Zambia would be more than happy to assist you with further details, to obtain TPINS for your employees as well as to assist you prepare and file your monthly PAYE returns.

For a further discussion please feel free to contact us.



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