

Tax Alert

Have you filed your Country-by-Country Report (CbCR) Notification?

On 1 January 2021 the Income Tax (Transfer Pricing) (Amendment) Regulations, 2020 (“the CbCR Regulations”), amended the Transfer Pricing Regulations to provide for the implementation of Country-by-Country (“CbC”) Reporting in Zambia.

Who is in scope

The CbCR Regulations apply to large multinational enterprise groups (“MNE Groups”) with business entities in two or more states, with an annual consolidated revenue exceeding €750 million or ZMW 4,795 million¹ operating in Zambia (“In Scope MNE Groups”).

The notification requirement

The CbCR Regulations provide that Zambian entities which are part of In Scope MNEs must file a notification to the ZRA². The deadline for filing the CbCR notification is the last day of the reporting accounting year of the MNE Group. This requirement applies to Zambian entities which are part of an MNE Group. The requirement relates to charge years ending on 31 December 2021 and each subsequent charge year. Therefore if an MNE Group has a group reporting year end of 31 December 2021, the deadline for filing the notification is 31 December 2021. Failure to comply with this requirement may result in penalties³.

How we can help

Our specialised Transfer Pricing team can advise on whether you are required to comply with the CbCR Notification requirement and assist you in filing the notification with the Zambia Revenue Authority. For any other advice on CbC reporting and Transfer Pricing, please do not hesitate to get in touch with our Transfer Pricing Team.

¹ The €750 million threshold requirement was removed with effect from the charge year ending 31 December 2022

² For more information on the reporting requirements please see our alert: <https://www.pwc.com/zm/en/assets/pdf/tax-alert-country-by-country-reporting-in-zambia.pdf>

³ The current penalty for non-compliance with Zambia's Transfer Pricing regulations is significant: up to 80,000,000 penalty units (which in Kwacha is ZMW 24,000,000)



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