



Tax Alert

Tax Clearance Certificate

January 2026

Background

Obtaining and maintaining a valid Tax Clearance Certificate (TCC) has become a standing compliance requirement in Zambia, forming a cornerstone of tax compliance and regulatory transparency. Compliance with all aspects of a taxpayer's obligations is essential, as non-compliance may result in denial or revocation of a TCC, which can significantly affect business operations.

This alert provides:

- An overview of a TCC and who is obliged to have one
- Broadened scope for requirement of TCCs
- Penalties of non-compliance
- Measures that taxpayers should take to ensure compliance

Overview of a TCC

A TCC from the Zambia Revenue Authority (ZRA) confirms that you or your business has met all tax obligations for a specific charge year. This certificate is essential for continuing your business operations, as it demonstrates your compliance with tax requirements and helps you avoid unnecessary disruptions.

All persons whether individuals, partnerships, institutions, organisations, or associations are required to possess a valid TCC unless expressly exempted under applicable law.

Broadened scope for requirement of TCCs

Effective 1 January 2025, enhanced compliance requirements were implemented, with greater focus placed on obtaining a valid TCC. Key considerations include:

- **Advance Income Tax (AIT) on Certain Transactions:** A 15% AIT is imposed on remittances or exports exceeding USD 2,000 (or the equivalent in other currencies) where the taxpayer does not hold a valid TCC.
- **Mandatory TCC Requirement for Key Transactions:** Taxpayers are now required to present a valid TCC for the following activities:
 - i. Transferring property;
 - i. Obtaining any license issued by a government ministry, department, or agency; and
 - i. Securing finance from institutions regulated under the Banking and Financial Services Act.

Penalties for Non Compliance

- **Denial, suspension, or cancellation of TCC:** ZRA may refuse to issue, suspend, or cancel a TCC for late filing, non-payment, incorrect declarations, or failure to register for the correct tax types. Cancellation or suspension takes effect from the date the notice is served.
- **Ineligibility for certain transactions:** Without a valid TCC, taxpayers may be unable to transfer property, obtain government licences, register vehicles, renew membership with regulated professional bodies, or access finance from institutions regulated under the Banking and Financial Services Act.
- **Potential interest and administrative penalties:** Late filing of returns and late payments can attract interest and administrative penalties under ZRA's enforcement framework and may trigger audits or compliance reviews.

Measures that taxpayers should take to ensure compliance

Compliance requires submitting all tax returns and paying any tax liabilities on time. Taxpayers should ensure that they meet these obligations promptly to maintain good standing with the ZRA and avoid penalties or disruptions to their business activities.

To ensure that one automatically receives a copy TCC when applied for on the ZRA online platform;

- A taxpayer should conduct a review of the ZRA statement of accounts and reconcile the tax accounts; and
- Taxpayers should ensure timely submission of returns and timely payment of tax liabilities as and when they fall due.

Taxpayers are required to maintain full compliance with Zambian tax laws, with particular attention to the stricter requirements for TCC issuance. Accurate record keeping and timely payments remain essential for meeting ongoing obligations and ensuring continued eligibility for tax clearance.

How PwC can assist

Our team of tax experts will be happy to provide guidance and assistance regarding the following:

- Comprehensive tax compliance review (e.g. review of the Statement of Account, reconciliations, tax health checks etc.);
- Quantification of the principal tax and interest/ penalties resulting from non-compliance;
- Preparation and submission of any outstanding tax returns;
- Where need be, assistance with voluntary disclosure application and liaising with the ZRA; and
- Application for a TPA, if required.





For more information, please contact your usual PwC contact or any of our experts listed herein should you wish to discuss this further.

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